



**Norwex S-211 Annual Report**



## *Introduction*

Norwex is committed to upholding and respecting human rights and we recognize the important role we play in ensuring these rights are embedded and reinforced throughout our organization and value chain. We will continuously work to ensure that child labor and forced labor are prevented and eradicated from our supply chain. This document has been prepared by Norwex Canada Ltd and its foreign parent, Norwex Holding AS, for the financial year ended December 31<sup>st</sup>, 2023 to meet the requirements outlined in section 11 of the Fighting Against Forced Labor and Child Labor in Supply Chains Act and sets out our global practices, policies and processes to help identify and remediate risks relative to child labor and forced labor within our operations and supply chain.

While Norwex did not introduce any new policies, practices, or procedures specifically related to child and forced labor during our financial year 2023, we did complete audits of suppliers that covered a range of ESG topics, including human rights and child and forced labor. These audits were undertaken as part of our adoption process of the SEDEX platform for managing suppliers, in anticipation of future reporting requirements under the CSRD directive in Europe.

In addition, as the following disclosures covering the seven requirements outlined in subsection 11(3) will describe, we have previously made commitments and taken previous steps, and plan to take further steps in the future to enhance our level of diligence regarding child and forced labor in our activities and supply chains.

## *Corporate structure, activities, and supply chains.*

Collectively, the Norwex group of companies, which include our holding company in Norway and our subsidiary in Canada, is focused on the manufacturing, distribution, and sale of cleaning products for home cleaning and, personal, in several markets across the globe. Specifically, our subsidiary in Canada imports and sells our products for our customers in Canada.

At year end 2023, the total headcount for Norwex Canada was 132 employees, of which 52% are female, 30% are male, and 18% declined to answer. Included in the headcount is one executive position, currently filled by a male. There are 2 employees in our holding company in Norway.

Norwex business activities are focused on providing product solutions designed to reduce our exposure to harmful chemicals. The core product categories are home care, personal care and family care. Our products undergo a highly rigorous ingredient review and testing process to ensure no harmful chemicals are included. Our products are sold in Canada through a highly trained workforce of independent contractors.

Our products are grounded in our mission of reducing harmful chemicals in our everyday lives and sharing a cleaner, safer way of living.

As part of that mission, sustainability has been foundational since our inception. **Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.**

The previous statement was coined by Gro Harlem Brundtland in 1987, a prime minister of Norway and Director of the World Health Organization (WHO). This statement is the guiding principle for how Norwex shall work with sustainability. We aim to ensure future generations do not live on a planet with fewer opportunities or restrictions on how they can lead their lives.

Our goal is always transparency in our work with sustainability and we actively engage with our stakeholders. We believe that our values of Integrity, Trust, Respect and Kindness should be reflected in the work we do, always. By being transparent and engaging with stakeholders we build **Trust**. By being honest and transparent in our reporting we show **Integrity**. By taking actions to remediate adverse impacts, we **Respect** and show **Kindness** to the environment, people and communities that are affected.

### UN Sustainability Development Goals



Through sustainable conduct in our day-to-day operations, we **Respect** future generations by not compromising the ability for them to meet their own needs.

By grounding our approach to Responsible Business Conduct and Sustainability in our core values, we ensure that we conduct ourselves, not only as individuals, but as a company group, in a way that represents the culture in Norwex and the Norwegian Way.

Norwex is committed to adhering to and implementing the following standards when conducting our day-to-day operations:

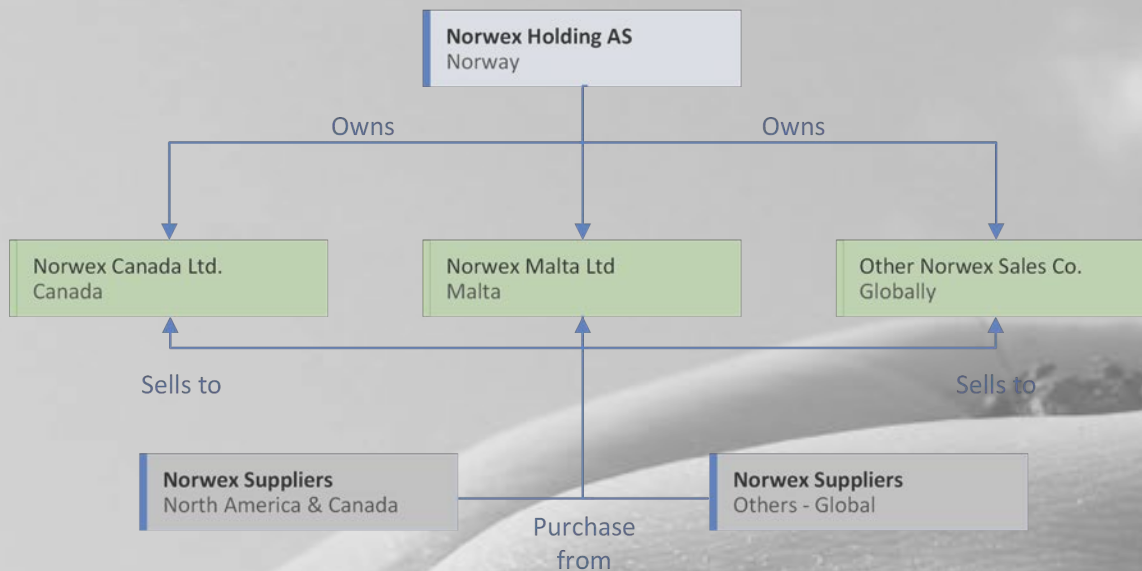
- Complying with the United Nations Global Compact to live its principles and ensure to the extent possible that our value chain and stakeholders do the same.
- To honor and promote the Universal Declaration of Human Rights (UDHR).
- To honor and promote the ILO Declaration of Fundamental Principles and Rights at Work.
- Actively to support and make efforts to contribute towards the UN Sustainability Development Goals (SDGs).

- Understand, communicate, and implement OECD Guidelines for Multinational Enterprises for Responsible Business Conduct.
- To follow and report according to EU ´s CSRD directive, a legal obligation from 2025
- To implement EU ´s Pillars of Social Rights.
- To honor and promote the Convention on the Rights of the Child (CRC)
- To honor and promote the International Convention on the Elimination of All Forms of Racial Discrimination (CERD)



## The Norwex supply chain

Norwex Holding AS owns all Norwex companies, including Norwex Canada and Norwex Malta. Norwex Malta is the corporate head office and is responsible for purchasing goods from suppliers and selling said goods to all Norwex sales offices around the world. Norwex Canada imports goods from Norwex Malta which Norwex Malta has purchased from suppliers globally. Norwex Canada itself does not produce any goods and is purely a sales and marketing company with supporting functions such as logistics and warehouse, finance, and HR.



Below is a breakdown of categories of goods and import value to Norwex Canada from Norwex Malta. Household items as liquids and solids including mattress cleaners, toilette cleaners etc., personal care items, different creams and lotions are purchased mostly from North America. Textiles, hard goods and some personal care items are purchased via Norwex Malta from global suppliers. Other items are miscellaneous items such as catalogues and order forms.

	<i>Household</i>	<i>Hard Goods</i>	<i>Personal Care</i>	<i>Textile</i>	<i>Other</i>
<i>Canada</i>	27%	0%	10%	0%	96%
<i>Globally</i>	16%	96%	10%	100%	3%
<i>USA</i>	57%	4%	79%	0%	1%

Figure 1 Import by product category

### *Policies and due diligence processes*

Due diligence is a process to identify and respond to the real and potential adverse impacts of activities throughout the supply chain. Norwex Holding is reporting in 2026 for the fiscal year 2025, in line with the EU Corporate Sustainability Reporting Directive (CSRD) and is committed to be compliant with the [OECD Due Diligence Guidance for Responsible Business Conduct](#) that provides the due diligence process and its supporting measures.


Embedding responsible business conduct (RBC) into policies and management systems is being rolled out in 2024 by including Due Diligence processes in supplier onboarding, supplier contracts, and in our due diligence processes. We are using SEDEX

([www.SEDEX.com](http://www.SEDEX.com)) as a first step to assess risk in our value chain. SEDEX is a company that allows Norwex to store, analyze, share, and report on sustainability practices with the world’s largest data platform for supply chain assessment. As our trusted partner, they help Norwex in creating a more socially and environmentally sustainable supply chain.

In the event we identify adverse impacts to social sustainability issues, it is Norwex’s policy to engage with the supplier to remediate the impact and to reverse the consequences. The outcome of our engagement with our suppliers is one of three options:



Figure 2. Outcome of remediation efforts



## Social sustainability violations

Norwex takes issues regarding the wellbeing of both our own and our supplier, workforce seriously. We consider any of the below situations an adverse impact to our social sustainability responsibility. If any of these events are suspected among our own staff, Norwex will aim to investigate the situation to determine if the suspicion is valid or not. Should we determine that our own staff is responsible for any of the below, it will lead to an evaluation of the staff 's employment.

If we suspect any of the below to be happening at a supplier of Norwex, we will initiate the due diligence process to try to remediate any adverse impact and to put an end to the inappropriate behavior. Should a supplier not respond appropriately, it will lead to the supplier being offboarded.

## List of violations that is considered material:

- Harassment and or unwanted attention of any kind.
- Sexual harassment of any kind, however small.
- Violent or any other behavioral conduct meant to scare or intimidate, however small.
- Any act of bullying.
- Any other actions not representing our values or considered unbecoming in any way.
- Discrimination of any kind.
- Any violation of any basic human right.
- Any violation of any basic worker's right according to ILO 's Fundamental Rights and Principles at Work
- Any sign of theft or vandalism.
- Any sign of child or forced labor.

### **Forced labor and child labor risks**

Norwex Canada imports goods via Norwex Malta, and we have identified via SEDEX potential industry segment risks in our supply chain worldwide. And a more detailed analysis was conducted to help identify any potential risks related to child and forced labor as identified by SEDEX worldwide.

We did not identify any risks in our global supply chain due to child labor or forced labor.

In the event SEDEX, or any other NGOs, has identified an elevated risk to any social sustainability aspects, including child and forced labor, Norwex will reach out to the stakeholder to find ways to remediate, mitigate and/or reverse the possible, or ongoing, adverse impact.

Norwex has conducted 85 on-site audits during 2023, see Figure 3 Supplier audits, and not identified any occurrences of any form of child or forced labor in our supply chain.





In 2023, there has been limited due diligence activities in place in Norwex relative to child or forced labor. This is changing as Norwex is in the process of implementing EU's CSRD requirements. We have conducted a broad sweep of our suppliers by means of an Environment, Social and Governance (ESG) survey and by analyzing risks in our supply chain using SEDEX. This is as part of the rollout of a complete ESG Policy in compliance with EU's CSRD reporting requirements for 2026.

Additionally, in 2023 we have engaged with our suppliers through supplier visits and Norwex staff has conducted a total of 85 supplier audits.

During supplier audits, and our suppliers' self-assessment, we have not uncovered any sign of child or forced labor in our supply chain.

#### Remediation measures

While no cases of child or forced labor have been found in our global supply chain, the remediation processes and policies are being implemented in 2024. According to the updated policies, when an adverse impact has been identified or there is a risk of an adverse impact, we start engaging with our value chain. Based on our findings after we have had dialogues with the stakeholders and those affected by the adverse social impact (child or forced labor), we identify a target and the gap that we need to close to remediate and reverse the adverse impact.



Figure 3 Supplier audits

If Norwex uncovers any use of child or forced labor, we will initiate our due diligence process immediately to try to remediate, and reverse, the impact and use of child or forced labor. If it is not successful, we will offboard said supplier immediately. **Norwex does not under any circumstance approve of child or forced labor.** We believe in trying to make improvements before we off board a supplier because in doing so, we can help to reverse the adverse impact of child and forced labor and improve the living conditions for all workers involved.

**Norwex will offboard a supplier should we not be able to remediate the adverse impact caused by child or forced labor, or if the supplier refuses to cooperate.**

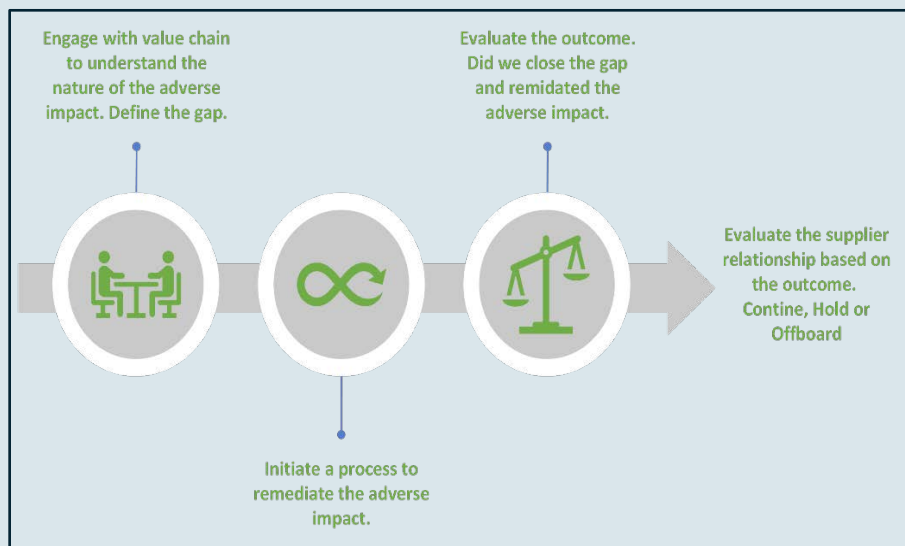


Figure 4 Remediation process

As part of our commitment to social sustainability and responsible business conduct, Norwex is committed to the United Nations Guiding Principles on Business and Human

Rights, UN Global Compact, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and from 2026 will be reporting on EU's Corporate Sustainability Reporting Directive.

### *Remediation of loss of income*

If we discover child or forced labor in our value chain, Norwex will engage with our suppliers and other stakeholders to ensure proper compensation is given to anyone forced to work or any child labor. The form of compensation may include back pay as a one-time compensation, increased wages to a livable wage, above the minimum required by law. If Norwex has benefitted from lower purchase prices due to forced or child labor, Norwex will provide a part of that compensation together with the supplier.

Norwex will offboard a supplier should the supplier refuse to reverse the impact by refusing to provide compensation, refusing to stop using child and forced labor or refusing to increase wages above minimum wage.

### *Training*

No training has been conducted in 2023. As part of the company group implementation of EU's CSRD, training in Environmental, Social and Governance sustainability will become mandatory in Norwex. Training is a part of Norwex's ESG policy and will begin implementation in the fall of 2024. The first phase of training will be focused on the issues of child and forced labor. Training our value chain's workforce is part of our ESG policy and we will include training, information and material to our value chain on key ESG sustainability topics.

Training of our own workforce and to the value chain's workforce will take the form of presentation, e-learning and dialogue. All levels of employees will be required to take the training, with

special consideration to managers and executives to lead the way. What training is provided to each group of employees will be dependent on their exposure to our value chain workers and what decisions each employee must make that can adversely impact social sustainability at Norwex and in our value chain.

The e-learning will be delivered by SEDEX, while presentations and written material will be developed based on our ESG Policy handbook ready in 2024.

To prevent the potential use of child or forced labor, Norwex has plans to initiate an education and training program for our own workforce to understand the impacts these issues have on the individual and local community when children are deprived of their education and a normal upbringing. Forced labor is not accepted and the impact can be far reaching, not limited to the impacted individuals, but to families and communities. Norwex will initiate this training program for our value chain to understand and recognize impacts related to child and forced labor and how to remediate any occurrences during the fall of 2024 as part of our ESG Policy implementation.

### *Assessing effectiveness*

Norwex is in the process of implementing a formalized governance process to monitor our efforts and progress on the topic of child and forced labor, as mentioned above, Norwex is in the process of rolling out a new supply chain diligence process as we adopt the use of the SEDEX platform, which will provide the foundation for enhanced governance going forward. We will start to review our policies, practices, and processes on an annual basis, at a minimum, as we shift into a future of annual ESG reporting obligations due to CSRD and other emerging regulations across the globe.

A part of our reporting, we will seek to continue or to start tracking specific metrics to measure our effectiveness and performance, such as number of supplier audits conducted and number of people trained on child and forced labor across our group companies, to name a couple of examples. As already stated above, we are fully committed to upholding human rights and the principles set forth in the UN Global Compact, which will require continuous monitoring to ensure compliance.

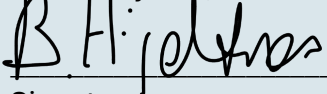
In accordance with the requirements of the Act, and in particular section 11 thereof, we attest that we have reviewed the information contained in the report for the Entities listed above, and that it has been approved by the governing body of the Entities. Based on our knowledge, and having exercised reasonable diligence, we attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

For Norwex Holding AS

Full name: Beate Hjeltnes

Title: CEO/Director

Date: May 28<sup>th</sup>, 2024



Signature

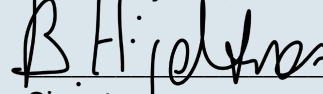
I have the authority to bind Norwex Holding AS.

For Norwex Canada Ltd.

Full name: Beate Hjeltnes

Title: CEO/Director

Date: May 28<sup>th</sup>, 2024



Signature

I have the authority to bind Norwex Canada Ltd.



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