

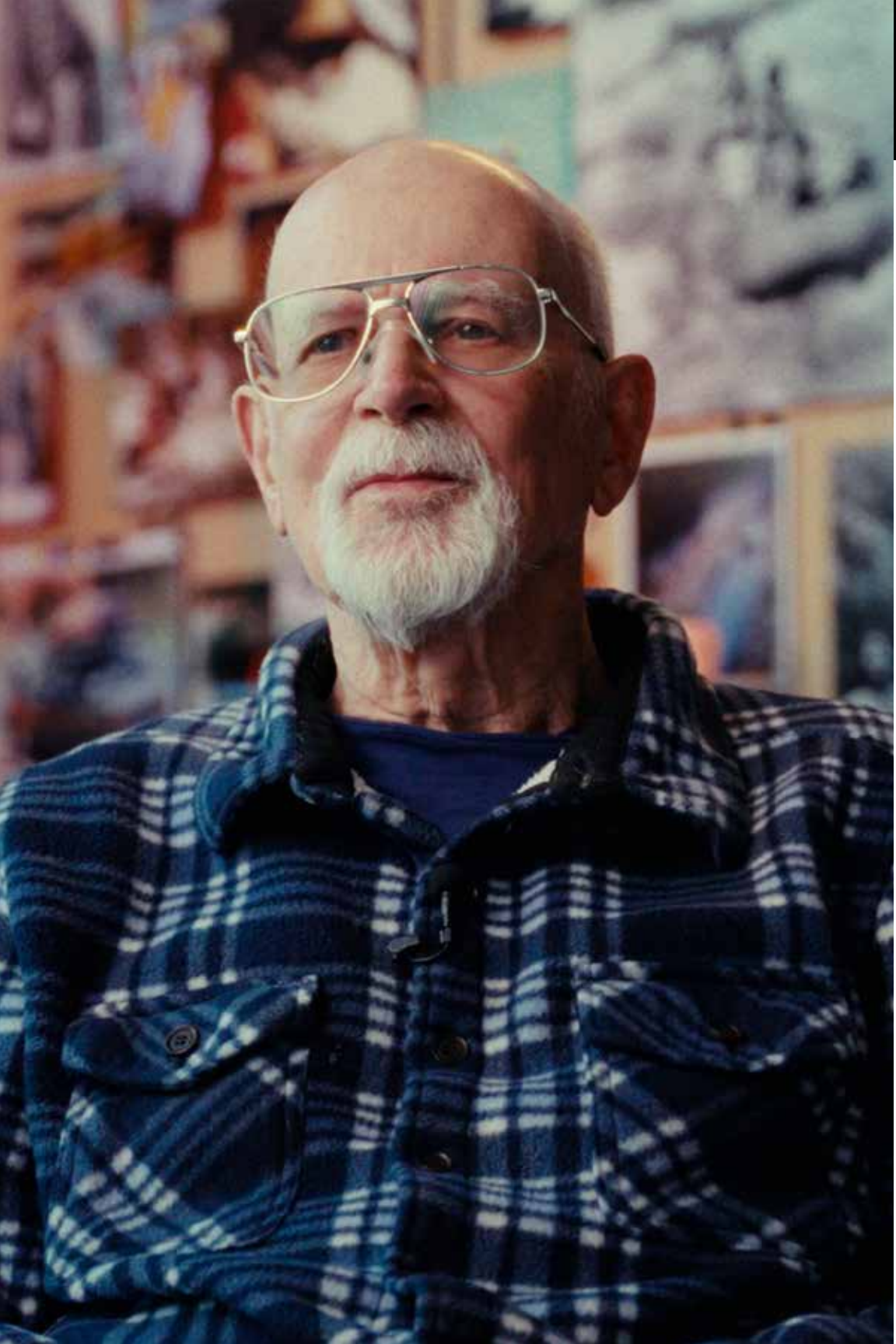


NRS

100% Employee Owned

2022

IMPACT REPORT



INTRODUCTION

"Sometimes you guys tell me that I'm important to the company, and I pretend to believe it. But it's about the people at NRS now." — Bill Parks, NRS founder

In 1972, Bill Parks founded Northwest River Supplies with the belief that a business could aspire to have a positive impact on the lives of its customers and employees—that it could be a force for good in the world. NRS began as an experiment to explore whether a company based on these ideals could be successful. Each day our team of employee-owners strives to live up to his vision, to be the kind of company we want to work for and the kind of company we would want to buy from.

As Bill likes to say, it's about the people at NRS now. It's up to us to carry on the good and hard work of making NRS the best it can be. That's why we invest in our people, why we work hand-in-hand with activists and organizations to protect resources and promote inclusion, and why we're deepening our commitment to social and environmental responsibility—continually evolving our products and practices to improve our impact on people and the planet.

From the people at NRS to the people we serve, we promise to put our values in action and collaborate with our community of stakeholders to create the company and community we want to see in the world.

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WORKING TOGETHER

Partnerships and Community

Whether breaking down barriers to outdoor participation, introducing the next generation to paddlesports, or protecting free-flowing rivers and the health of our common waters, we're proud to support a growing network of activists and organizations to make change and promote progress. Our approach is not to just write a check and check a box, but to roll up our sleeves and work meaningfully with our partners to succeed together.



2022 NONPROFIT PARTNER IMPACT

65,000+

new participants welcomed



2,000+

river miles protected



380+

grants and scholarships awarded



1,500+

volunteers recruited



160,000+

acres of protected adjacent land



\$2.5+ million

raised for conservation



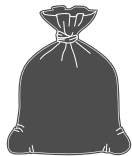
335,000+

comments sent to lawmakers



800+

lbs. of trash removed



16,000+

people engaged at events



Together, we are building a more welcoming, equitable and accessible community for all of us.

PROTECTING THE PLACES WE PLAY

At NRS, you'll find passionate rafters, whitewater kayakers, sea kayakers, stand up paddlers, kayak anglers and fly fishers whose lives and livelihoods are intimately connected with water. Our future depends on healthy waters where our customers and we can recreate, recharge and reconnect with nature. With that being said, we realize that access to paddling is a privilege and that too many people around the globe either do not have that same access or do not feel welcome to recreate on our public lands and waters. Beyond fighting to keep our important places wild and free, we've also committed to breaking down the barriers to the outdoors, in hopes that our important places will be enjoyed by all. This is a long-term, sustained effort aimed at building strong, durable relationships with those out there doing the hard work to make lasting change. We're proud to work with a growing group of people and organizations, to continue to hold ourselves accountable and keep integrating these stories into the fabric of our company and community.



LEADIng THE WAY

Beginning in 2021, NRS shifted the focus of our athlete ambassador program to prioritize community engagement and activism. We introduced a new group of influential changemakers in the paddling community, the NRS LEAD ambassadors. LEAD stands for Leaders in Environment, Access and Diversity. Through this program, we’ve redirected a portion of resources to support the work of community builders and activists in outdoor participation and conservation. Our aim is to help our ambassadors make the world a better place, and for them to help make NRS a better company.



"This river has taken care of us for tens and hundreds of thousands of years. We have this opportunity to renew the relationship with the river and the entire world's going to see it."

— Paul Robert Wolf Wilson is the chief storyteller for Rios to Rivers and the co-founder of Paddle Tribal Waters, an initiative organizing 16 Klamath youth to paddle the first descent down a newly freed Klamath River in 2024.



"This place is all the things I want for my kids, and all the things I want for the young people of my Tribe."

— Dr. Sammy, Jr. and Jessica Matsaw are the co-founders of River Newe (pronounced new-uh, meaning "peoples" in Shoshone), which increases representation and creates spaces of equity through learning experiences on homelands with Shoshone-Bannocks, Indigenous and minoritized communities on and off the river.



"We focus on strengths, opportunity, community and support."

— Andrea Knepper is the founder and executive director of Chicago Adventure Therapy (CAT). Using outdoor adventure sports, CAT works with Chicago youth to have a lasting positive impact on their communities, helping them become healthy adults and leaders with a sense of possibility, empowerment and personal responsibility.



"Out There Adventures' mission at its core is to shatter the notion that being Queer is 'unnatural.'"

— Elyse Rylander, founder of Out There Adventures, is cultivating leadership, building community and empowering queer young people through their connection with the natural world.



"Veterans inform me that this program undoubtedly saved their life."

— Russell Davies founded Professional Transformation Sports Development (PTSD) in 2017 with the help of his friends. PTSD provides veterans with easily accessible opportunities to connect through outdoor action sports in order to benefit their emotional and physical wellbeing.



"As members of the outdoor community, we are called to create a safe open space."

— Naomi Elyard is the founder of Columbia Gorge Junior Kayak Club, which is working to make kayaking accessible and inviting to all local youth in the Columbia River Gorge.

CREATING ADVOCATES

We believe that the more people who get to know our rivers, lakes and oceans, and fall in love with them, the more people there will be to speak up for those places and our access to them. Supporting conservation begins with supporting the organizations creating the next generation of advocates for our waters and lands, whether developing new participants, training new instructors, or building a healthy community of professional guides.



Redside Foundation

The Redside Foundation offers free, confidential mental and physical health services to river guides in Idaho, Montana and Wyoming. In doing so, it aims to de-stigmatize mental health challenges while recognizing the many hats that river guides wear as hosts, mentors, first responders and more. They experience the full gamut of the human experience, and Redside helps encourage them to tend to their own physical and mental wellbeing in order to be healthy individuals and happy river guides. In 2022, Redside provided 24 guides with free physical healthcare in the form of: blood work, immunizations, oral cancer checks and chiropractic care; supported 80 guides with mental health counseling through its Guide Helpline; awarded five \$1,000 academic scholarships and ten professional development grants; and offered a Community Resilience Model training for guides in the spring of 2022.

Outdoor Afro Paddle Camp

"It's so fulfilling to help guide our volunteer leaders in activities that continue to strengthen our community connections to water," said Chaya Harris, Outdoor Afro's National Program Director. With the support of NRS, camp engagement increased from 10 Outdoor Afro volunteer leaders in 2021 to now 20 volunteers wanting to learn boating skills that will help them better navigate and explore local waters. The seven-day summer session included 10 canoers and 10 kayakers taking in-class and lakeside courses outside of Burlington, Vermont. Including 2021 volunteer participation, Outdoor Afro boasts 26 leaders who are now certified canoe or kayak instructors.



Chicas al Agua

In 2020, Nancy Moore and her friends helped to start a girl's kayaking school in Futaleufú, Chile called Chicas al Agua. The six-week program is offered free of charge to girls between the ages of 12 and 18 and has three objectives: to teach kayaking skills, personal development and leadership skills, as well as environmental education related to rivers. Nancy, a volunteer with Fundación Futaleufú Riverkeeper, also teaches women essential skills for paddling in the "machista" culture in Latin America, where gender continues to be a barrier for women's participation in watersports. In the past three years, Chicas Al Agua has taught kayaking to 16 adolescent girls in Futaleufú, worked with 10 volunteer female kayaking teachers, increased the number of available spots in the course by two students each year and seen 100% of students in the qualifying age range return an additional year to participate.



2022 IMPACT PARTNERS

US National

- American Rivers
- American Whitewater
- Backcountry Hunters & Anglers
- The Conservation Alliance
- Diversify Whitewater
- Outdoor Afro
- Trout Unlimited

International

- Balkan River Defence // Slovenia; Europe
- Chicas al Agua // Chile
- Free Rivers Fund // Austria; Europe
- Ganga Kayak Festival // India
- Kayak Kaki // Malaysia
- Nepal Kayak Club // Nepal
- Project Canoe // Ontario, Canada
- The River Collective // Netherlands; Europe
- Rios to Rivers // USA; Chile
- Save Our Rivers // United Kingdom; Europe

Western US

- CFI Native Teens Guide-In-Training // Utah
- Challenge Aspen // Colorado
- Columbia Gorge Junior Kayak Club // Washington
- DARE to Kayak // Idaho

- Grand Salmon Project // Idaho; Montana
- Idaho Rivers United // Idaho
- LEAP // Oregon
- OARS Guide School Scholarship // CA, AZ, UT, ID
- Out There Adventures // Washington
- PTSD Adventure Athletes // Idaho
- Redside Foundation // Idaho; Montana
- River Neue // Idaho
- White Salmon Boat Library // Washington

Central US

- Austen's Autistic Adventures // Texas
- Chicago Adventure Therapy // Illinois
- Save the Boundary Waters // Minnesota

Eastern US

- First Waves // Pennsylvania
- Hargrove Adventures, Team River Runner // Georgia
- Mind Body Adventure // North Carolina
- NOC Founder's Scholarship // North Carolina
- Northern Forest Canoe Trail // Vermont

Moscow, Idaho

- Palouse Land Trust
- Palouse Clearwater Environmental Institute
- Enabling Explorers with Disability

BUILDING BETTER

Product Sustainability

We have a long way to go toward reaching our sustainability goals, but we are making progress each day and every year. In recent years, we’ve made some of our biggest strides by moving to more sustainable materials and processes, reducing plastic used in packaging, and by making our operations more resource efficient. This has not only helped lower our environmental impact but has also led to new innovations in our products and business practices.



INTENTIONAL DESIGN

We approach every new and revised NRS product around three design pillars: performance, longevity and sustainability. Each of these three qualities drives—and depends on—the others, creating a virtuous cycle of innovation.

NRS TERRAPRENE™

Greener neoprene for a cleaner planet.

Neoprene has historically been one of the least eco-friendly paddlesports product categories. NRS has been working for years to change this. All NRS neoprene products are now built with greener petroleum-free Terraprene.



PETROLEUM-FREE

Natural limestone replaces petrochemicals used in the production of conventional neoprene.



45

plastic bottles recycled per wetsuit

RECYCLED FACE FABRICS

Face fabrics are knitted with polyester yarn made from recycled water bottles, reducing plastic waste and lowering material consumption.

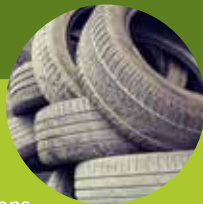


60%

reduced water and energy consumption

DOPE-DYED YARNS

Dope dying yarns used in face fabrics infuses dye pigments into the material, saving large amounts of water while greatly lowering water pollution and energy consumption.



72%

less CO₂ emissions per wetsuit

RECYCLED RUBBER

Using recycled rubber significantly reduces energy consumption and greenhouse gas emissions.

600g

of VOCs eliminated per wetsuit

WATER-BASED ADHESIVES

Water-solvent laminating adhesives eliminate the harmful volatile organic compounds (VOCs) emitted by conventional glues.

7,003,014

kg less CO₂ emissions per year

SOLAR-POWERED MANUFACTURING

NRS neoprene products are manufactured in a state-of-the-art solar-equipped facility.

6,038,486 kilowatt hours of clean energy generated per year

RECYCLED NEOPRENE

NRS Ignitor Series neoprene is made with 100% recycled interior and exterior face fabrics



RECYCLED GORE-TEX®

NRS GORE-TEX technical outerwear features 100% recycled face fabrics.

RECYCLED SUN PROTECTION

All NRS Silkweight and Rashguard sun protective apparel is made with 100% recycled material.

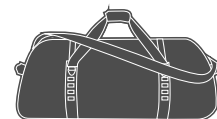


PVC-FREE PFDs

All NRS PFDs are 100% PVC free.

PVC-FREE DRY DUFFELS

Beginning in 2024, NRS dry duffels will be built with 100% PVC-free polyurethane-coated nylon.





PACKAGING IMPROVEMENTS

NRS is working systematically to reduce packaging volume and eliminate single-use plastics. With each new or revised product, we examine the packaging and look for ways to improve.

2021

- Eliminated poly bags from all non-commercial footwear packaging
- Re-designed strap packaging using zero single-use plastics



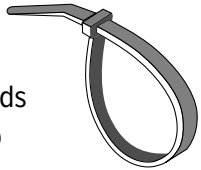
485,000+
annual poly-bag savings

2022

- All NRS dry wear packaged in recyclable, biodegradable cartons
- 100% recycled hang tags on Guide Wear with vegetable-based inks and cotton thread
- Guide Wear and H2Core™ rolled and tied to reduce carton size and eliminate individual poly bags
- Wetsuit hang tags attached without plastic security loops
- Removed individual poly bags from life jacket shipments
- Removed poly bags from glove packaging

750,000+

plastic zip ties and header cards saved per year with NRS strap packaging.



100%
recycled hang tags. Recyclable and biodegradable cartons.

2023

- SUP and IK boxes redesigned to greatly reduce ink usage and improve biodegradability
- HydroSkin® and wetsuits changed to 100% recycled hang tags with vegetable-based inks and cotton thread

COMING ADVANCEMENTS

- Individual polybags will be eliminated for splash wear and neoprene
- Plastic film will be eliminated from SUP and inflatable kayak packaging

THINKING GLOBALLY

Responsible Practices

If there’s one thing that five decades in business has taught us, it’s that progress is not about reaching a destination, it’s about continually improving and pursuing larger goals. Being a leader comes with great responsibility, and we aim to put our values into action at every level of our organization, and at every stage of our supply chain. We have a long way to go toward meeting our goals, but we’re committed to improving each day.



CLIMATE COMMITMENT

As a company rooted in the outdoors, we have witnessed firsthand how increasingly erratic and severe weather patterns affect our communities, our sport and our environment. While solving the climate crisis will require large-scale systemic change, we believe that businesses have a responsibility to help initiate that change. Beginning in 2023, NRS will embark on a mission to quantify our climate impact and create a roadmap toward becoming carbon neutral.

2023 Climate Plan

- Create an initial Greenhouse Gas (GHG) emissions inventory
- Conduct Lifecycle Analysis (LCA) for key NRS product categories
- Create a long-term GHG measurement and reduction plan
- Set targets and timelines for reduction and offsetting

MEASURE	SET TARGETS	REDUCE	OFFSET	REPORT
Co2e (q4 '22) Waste (q1 '23) Chem (q1 '23)	Utilizing: SBTi Net Zero 2030 Alignment with: UN SDGs	LCA to build: 1. Roadmap for sustainable materials 2. Expanded RSL 3. Supplier Collaboration	TBD: Targeted investment in supplier energy markets	Annual reporting to industry partners, investors and consumers Fall '23

CHEMICAL COMPLIANCE

NRS maintains and enforces a Restricted Substances List (RSL) governing which harmful substances are banned or restricted in finished NRS products. NRS uses the American Apparel and Footwear Association’s RSL. This is the industry standard for chemical compliance and meets or exceeds all applicable regulatory requirements.

FACTORY CONDITIONS

All NRS manufacturing partners adhere to the NRS Manufacturer’s Code of Conduct to ensure safe and respectful employment conditions.

Our Code of Conduct covers:

- Transparency
- Non-Discrimination
- Harassment and Abuse
- Recruitment and Hiring
- Freedom of Association and Collective Bargaining
- Hours of Work
- Compensation
- Health and Safety
- Environment
- Community

We enforce our Manufacturer’s Code of Conduct through a combination of NRS-directed inspection through third-party testing as well as independent audit reports from partner factories.

MINDFUL MANUFACTURING

Over the course of more than four decades, NRS has built a network of trusted manufacturing partners to complement our own factories. We choose partners who share our values and work together with them to implement those values in factory operations.

EFFICIENT DISTRIBUTION

Centers in Canada, Netherlands and U.S.A. reduce door-to-door shipping distances.



NRS MOSCOW



NRS TECATE

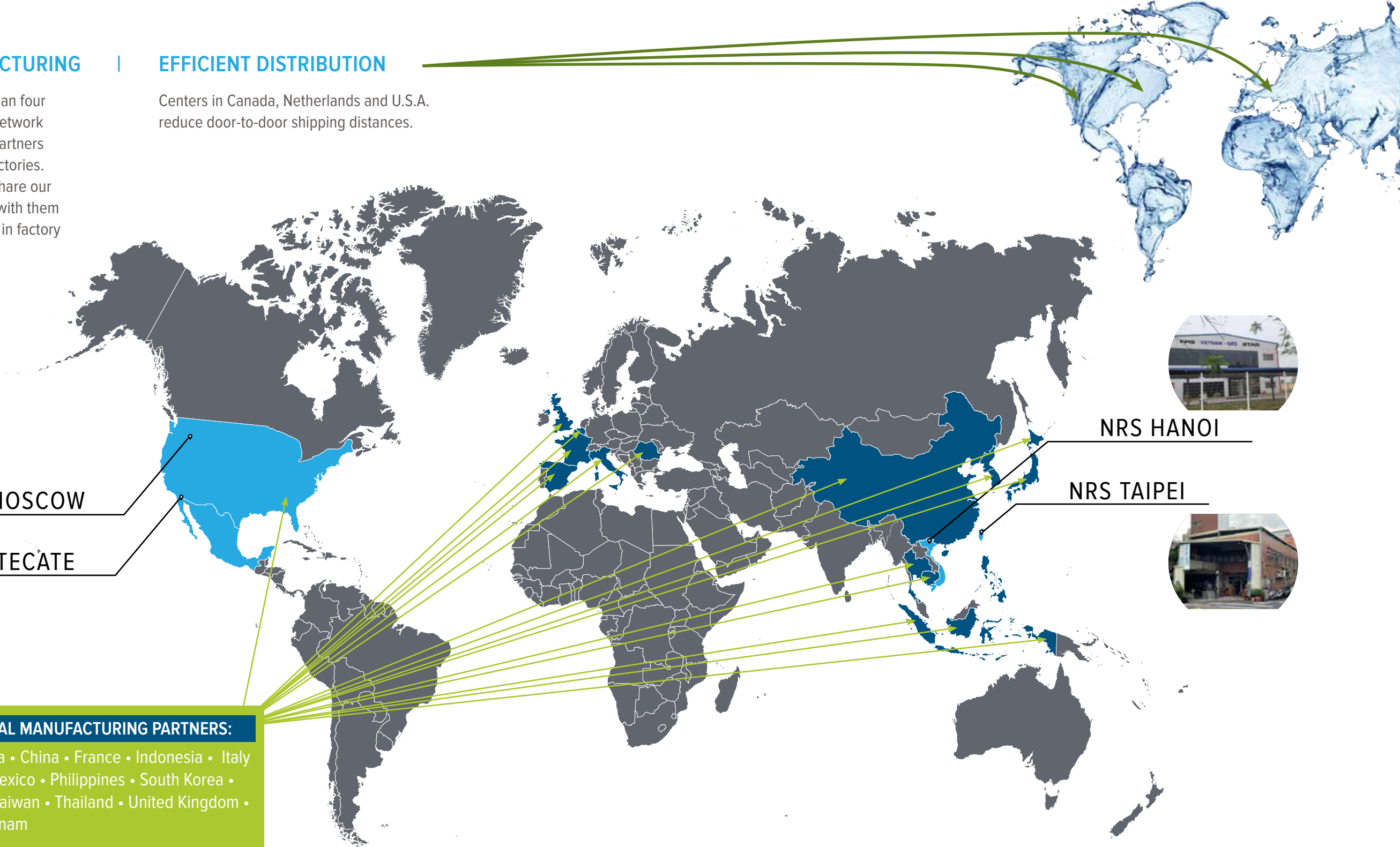


NRS HANOI



NRS TAIPEI

- ADDITIONAL GLOBAL MANUFACTURING PARTNERS:**
- Belgium • Cambodia • China • France • Indonesia • Italy • Japan • Korea • Mexico • Philippines • South Korea • Romania • Spain • Taiwan • Thailand • United Kingdom • United States • Vietnam



IMPROVING OPERATIONS

Internal Initiatives

As a 100% employee-owned business, we challenge each member of our team to consider the bigger picture in their day-to-day activities. Throughout the company, we constantly examine systems, processes and products to improve our performance. Advancements large and small add up over time to move NRS closer to our goals for sustainability, efficiency, and the customer experience. Making progress makes work fun, and we strive to move forward every day.



SHIPPING ADVANCEMENTS

Local and Recycled

In 2022, NRS collaborated with a local supplier on a pilot program to develop 100% post-consumer recycled packing dunnage for NRS shipments. Our partner, Revolve Print and Pack, is an offshoot of our regional family-owned newspaper. Working together, we leveraged their expertise in sourcing and printing to help support independent journalism and our local economy while reducing our environmental impact. We will now help Revolve expand distribution to other companies in the outdoor industry.

- 100% post-consumer recycled content
- Non-toxic vegetable-based inks
- Chemical-free processing
- Locally sourced

Resource Efficient

In our constant effort to improve processes and reduce waste, our shipping staff identified a pain point (literally)—securing pallets for shipping with shrink wrap. Wrapping pallets was not only a bottleneck in preparing shipments but also a back-breaking task for our staff. The solution? To invest in our first NRS robot. The new technology improved our efficiency, relieved employees, and dramatically reduced our plastic usage by stretching shrink wrap rolls more than ten times further.

- Reduced physical stress for staff
- Faster and more efficient
- Tighter, more secure freight shipments
- 90% reduction in plastic usage

REPAIR, REUSE, RECYCLE

Repair, Not Replace

In 2019, NRS constructed a state-of-the art repair facility at our headquarters in Moscow, Idaho. Since then, we have expanded our capabilities, adding zero-waste water testing technology for dry wear. In 2022, we purchased a larger facility adjacent to our headquarters where, beginning in 2023, we will add the capability to repair inflatable watercraft.

- Zero-waste water testing detects 100% of leaks in dry wear
- In-house taping machines allow permanent repairs to holes, tears and failed seams
- New gasket replacement technology eliminates chemicals and VOCs
- Inflatable repair center will keep boats and boards on the water longer

500+ dry suits repaired each year

Restore and Reuse

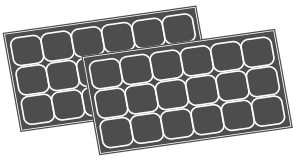
To complement our repairs program, NRS launched a new program in 2020 to offer serviceable used goods to our customers online. This program allows us to repair and refurbish many warranty items and provide them at a discount to our community. Over time NRS Used will allow us to keep many thousands of gear items on the water and out of the landfill.

2,500+ used items resold

Recycle2Win

Beginning in 2021, NRS implemented an internal program to recycle plastic bags and film to be converted into building materials. Plastic from shipments and operations, as well as employees' households, is collected, weighed, and donated to the Recycle2Win program, benefitting schools. With help from NRS, our local partner, Moscow Charter School, currently ranks third amongst schools in the nation for plastic recycling.

6,000+ lbs. of plastic bags and film recycled



6,038,486

kilowatt hours of clean energy generated per year in solar-powered manufacturing facilities.



\$\$

Pay incentives for human-powered commutes.



Ugly Box

Re-using cartons for shipping products greatly reduces reliance on virgin cardboard.





TAKING OWNERSHIP

Workplace Culture

As a 100% employee-owned business, we cultivate an ownership culture that informs how we approach our work each day. Thinking like owners means pulling together toward common goals. The central theme uniting those goals is the bedrock of our company: **service**. NRS exists to serve its customers and community, people and the planet. Our commitment to service starts at home with how we treat one another, how we conduct ourselves in our daily activities, and how we interact with our local community.

EMPLOYEE OWNERSHIP

Our 100% employee-owned business model helps address one of the most pressing issues of our time: wealth inequality. Employee ownership provides a way for eligible employees to share in the success of the company. We're one of only about 8,000 such businesses, and it's key to our commitment to service. Having a stake in the outcome empowers our team to think like owners—to go above and beyond to help solve problems, improve processes and delight our customers.

\$1.34 million in NRS stock contributed to employees in 2021.



Like a raft team running rapids, we cooperate to overcome challenges and reach our destination, with every team member doing their part. We are crew, not passengers.





COMMUNITY CARE

As one of the largest employers in our region, NRS supports approximately 140 households in North-Central Idaho. How we treat our workforce impacts the local economy and the health and wellbeing of hundreds of people. As NRS has expanded its workforce throughout the United States and beyond, we have maintained the same workplace principles that began in our hometown of Moscow, Idaho.

Employee Benefits

- Employee stock ownership plan (esop)
- 401(K) retirement plan with employer match
- Profit sharing
- Medical, dental, and life insurance
- Long-term disability plan
- Paid personal leave
- Paid parental leave
- Paid holidays

Employee Wellness

- Employee use recreational equipment
 - Rafts and catarafts
 - SUPs
 - Kayaks
 - Oars and paddles
 - Coolers and dry boxes
 - Camping equipment
 - Life jackets and safety
 - Dry suits and wetsuits
 - Pumps and accessories

1,800+ equipment checkouts in 2022.

- Sustainable commute incentives
 - Employees earn extra when commuting by walking, cycling, or riding e-bikes and scooters
- Indoor bike parking, locker rooms, and showers
- Health club discounts
- Free access to professional counseling

2,600+ sustainable commutes in 2022 and 6,000+ miles.

LOOKING FORWARD

After celebrating our 50th anniversary 2022, we now begin to write the next chapter in NRS history. Whatever the future may hold, we will respond by staying committed to our foundational values. Serving customers and community, people and the planet, will always be our north star. While there is no fixed destination, we will continue moving forward with dedication to continual improvement. We are grateful for your trust and glad to share this journey with you.

