

Sustainability Report 2020



Haglöfs

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A message from our CEO

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2020, a year that reminded us what is important

As I write this, we mark the passing of a year since we sent our staff to work from home. At the time no one could have anticipated that 12 months later the world would still be grappling with the effects of the COVID-19 pandemic.

It is perhaps an understatement to say that it has been a challenging year as business uncertainty, new working environments, furlough and reduced working hour schemes all contributed to additional personal and professional pressure. However, I have been humbled to witness the resilience, ingenuity and fighting spirit amongst our teams making it clearer than ever that it is our people that make this historic brand, and it will be them who ensure it stays around for the next generation.

I look forward to the day when we can all be together again to celebrate our achievements in person.

During the year it became clearer than ever before how interconnected we are and the importance of partnership and cooperation in confronting uncertainty. As our retail partners fought to save their businesses, we sought ways to support them. At the same time, as orders collapsed across the industry, we were reminded not only of the importance of our business to the tens of thousands of workers who help bring our products to life every day but also the vulnerability of those workers without the luxury of a social safety net. While we had to reduce and delay orders, we paid for orders already made or in

progress and worked closely with our suppliers to take their individual circumstances into account. Through our partnership with Fair Wear and together with our peers in the outdoor industry we must keep acting as responsible global citizens and push to reduce the vulnerability of workers in the clothing industry supply chain.

But more than anything 2020 was a year that has asked us all to pause, reflect and reassess what is important.

While in the initial rounds of global lockdown, the world stood still, and the environment got a temporary break. CO₂ emissions dropped, air and water quality improved, noise pollution was reduced, and wildlife began to appear

in places it hadn't been seen in years. With our own eyes we could see how nature was trying to heal in the respite of human activity. The positive environmental effects of the COVID-19 were however short-lived, and we are in danger of returning to business as usual.

It is clear to me that more than ever businesses need to step up, take responsibility and accelerate action to ensure we have a positive impact on society. That's why despite the challenges during the year we continued to work on integrating sustainability into our business strategy and I'm proud to share our updated climate commitments.

To help avoid the worst impacts of climate change, we know that drastic reductions in carbon emissions are

needed and so Haglöfs has committed to reduce our emissions across our operations and those of our supply chain by 50% and reach net zero by 2030. And because we know these reductions will take time, we have also committed to taking full responsibility for the remaining emissions by going climate neutral already in 2021.

This will be no simple task; we will need governments to set out policies and regulations to support accelerated change and we will have to cooperate with our consumers, suppliers and industry peers in ways we have probably never considered before. But we owe it to ourselves and future generations to try.

In Haglöfs' Sustainability Report 2020 we have attempted



to share a transparent picture of our sustainability work as we lay the foundations for the work to come, and we look forward to welcoming people back to the great outdoors as we all move together to put COVID-19 behind us.

A handwritten signature in black ink, which appears to read 'Fredrik Ohlsson'. The signature is stylized and fluid.

Stay safe. Let's focus on what really matters.

Fredrik Ohlsson | CEO | April 22nd, 2021

About this report

In this annual sustainability report we present updated information on the work that Haglöfs AB and its subsidiaries (collectively referred to as Haglöfs) have undertaken during the 2020 calendar year. Here you can read about our recent efforts to promote responsible consumption and production, contribute to decent working conditions and take climate action, as well as the challenges we've faced.

The sustainability report compliments Haglöfs Financial Statement 2020, and unless otherwise stated, the information reported includes Haglöfs AB, Nordic Outdoor Group Aktiebolag – NOGAB, Haglöfs Deutschland GmbH, Haglöfs Oy, Haglöfs AS, Haglöfs Danmark A/S and Haglöfs UK Ltd.

Any questions relating to this report or the sustainability work carried out by Haglöfs can be directed to: sustainability@haglofs.se

About Haglöfs

We come from Sweden, a country of extreme weather and extensive landscape. Where rolling lowlands and running rivers give way to thick forests and snow-capped mountains. A place where the outdoors isn't just a far-off place, it's in the fabric of our culture and community. We explore with curiosity and a commitment to creating gear that will support anyone, anywhere in their own outdoor adventure — from walking through the forest to reaching the peak of a mountain.

An attitude of innovation is at the core of our history. We were founded in 1914 by Wiktor Haglöf, a visionary with a dream and a toolbox. A carpenter by trade, Wiktor was determined to create a backpack that would

withstand the necessary journeys through the country, no matter the conditions. From humble beginnings, our story evolved, and so did our offering. Seeking constant progress, we've ventured into new territory, creating technical designs that set a new standard in craftsmanship and committing to do all we can to ensure that the outdoors will still be there for future generations to explore. We've pioneered a new standard for perfection, but, like Wiktor, we never stop innovating.

At Haglöfs, we are Outsiders by Nature. We draw outside the lines, think outside the box, and live outside our comfort zones. We encourage exploration both physically and mentally through embracing the outdoors.

We believe that everyone can experience the outdoors — whatever the weather.



Our vision

#1 responsible outdoor performance brand

Our mission

We inspire people to get out there

Our values

Haglöfs brand values are the foundation of everything we do and how we act. They are a reflection of our past, relevant today and a guidance for tomorrow:

Curious

We have curious minds. We are always curious to learn more, finding new and better ways of doing things. Our curiosity drives innovation and ensures we stay relevant in an ever-changing world.

We push boundaries.

Reliable

We are always reliable. Our products can be relied upon to last and perform even in the toughest conditions. We are reliable colleagues and business partners who speak the truth and honour our commitments.

We earn trust.

Proud

We come from Dalarna, Sweden. We are proud people. Proud of who we are and where we come from. Proud of our products and the people who use them. Proud of how we treat and respect the world and everyone in it.

We are passionate.

Our business

Haglöfs is a fully owned subsidiary of ASICS Corporation since 2010. ASICS Corporation's headquarters are located in Kobe, Japan and it is listed on the Tokyo Stock Exchange.

Haglöfs operates through subsidiaries in Sweden, Norway, Finland, Denmark, Germany, UK while ASICS Corporation manages Haglöfs' operations in Japan.

We design, develop and market outdoor clothing, footwear and hardware from our headquarters in Järfälla, Sweden. Haglöfs does not own any factories, instead we work with a network of over 80 trusted materials suppliers and clothing, footwear and hardware manufacturers

across 17 different countries. The majority of our products are shipped to our warehouse in Sweden from where they are distributed to our various sales channels.

Sold in 21 markets via:

- Wholesale
 - Direct accounts as well as through distributors.
- E-commerce in 12 countries
- 12 Haglöfs stores
 - Opened 1 new store in Chamonix in 2020.

234
employees

724.45
MSEK in sales

1.37 million
products sold

Sweden
Finland
Germany
top 3 markets



We partnered with **The Renewal Workshop** to launch a pilot of **Haglöfs Restored** - second hand gear for first hand adventures

We secured over 20,000 tonnes of carbon credits to compensate for our 2020 carbon footprint becoming **Climate Neutral**

We achieved Fair Wear Leader status

We repurposed our spring marketing campaign using the space to urge our community to stay-up-to-date and follow the latest advice of health professionals and the local governments instead of advertising our products

85% of the fabrics used were bluesign® approved

100% of the cotton used was organic

Haglöfs donated funds to STF to help save their important and historic business from the worst effects of the pandemic

Guaranteed, by Nature: We upgraded our warranty program to offer free repairs on defects over the lifetime of Haglöfs products

100% of the down used was certified to the Responsible Down Standard

One third of our fall/winter collection is made from recycled or renewable main fabrics

In continuous opposition to Black Friday, Haglöfs celebrated Green Friday for the 5th consecutive year

100% of the leather used was produced in Leather Working Group certified tanneries

Haglöfs committed to an ambitious climate strategy with the aim to reach net zero by 2030

Craftmanship for the next generation

We come from the Nordics where landscapes are changing before our eyes; changes, which if left unchecked, will have profound implications for future generations. It is fundamental that we consider the next generation in all our business decisions and everything we create. Our commitment focuses on three areas:

A life well lived

We will offer products that are designed and made to last, supported by a service ecosystem that enables it to stay in circulation for generations.

- **Quality**
- **Repair**
- **Re-purpose**

One planet production

We will fight climate change by reducing our carbon footprint even as our business grows.

- **Materials**
- **Factories**
- **Operations**

Our people

We will have a positive impact on the communities we connect with.

- **Employees**
- **Workers**
- **Consumers**



The basics



Responsibilities and structure

Our Head of Sustainability is responsible for the development and implementation of our sustainability strategy together with the management team.

The management team ensures integration of sustainability into the business strategy and objectives and reports on progress to the board of directors.

Sustainability however is not an area that can be managed by one team alone and key to achieving our ambitions is ensuring it is integrated into roles across the business.



Elaine Gardiner, Head of Sustainability



Policies and guidelines

Haglöfs success is built on trust and a reputation gained through honesty, fairness, respect and hard work. We are committed to operating ethically, wherever we are in the world. We are proud of the way we do business.

Our [Code of Conduct](#) explains what it means to uphold our values while ensuring that acting with integrity, following legal requirements, and showing respect towards each other, our customers and our business partners continues to be the cornerstone of everything we do. It applies to everyone employed by, or who conducts business on behalf of, Haglöfs AB and its affiliates regardless of seniority or location. We are all responsible for reading, understanding, and applying the Code of Conduct. We also expect our business partners to follow comparable principles, and we aim to work only with those who meet our standards.

Our Policy of Engagement sets out those standards covering areas such as corruption, human rights, labor

standards, privacy protection, occupational health and safety, and environmental practices for our manufacturing partners and forms a key part of their Terms of Agreement.

An assessment of the key sustainability risks in our operations and value chain¹ identifies human rights and labor issues, environmental risks and the risk of corruption. These risks are addressed within our internal policies as well as in agreements with business partners. Within our value chain, workers in our supply chain are most at risk from human rights and labor rights violations, with the risks increasing further down the supply chain. Our supply chain assessment and monitoring activities provide a foundation for our human and labor rights due diligence work (see Workers section). The risk of corruption, including bribery,

¹With reference to the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

is highest where transactions take place and particularly where intermediaries are involved. Ensuring corruption is addressed in any terms of agreement and the appropriate staff are trained in our policies is key to managing this risk. Environmental risks such as hazardous chemicals, water consumption and pollution, and greenhouse gas emissions are mostly concentrated within the parts of our supply chain producing our materials and here our work on better materials and production facilities seeks to continually reduce our impact in these areas (see Materials and Factories sections). In every case improving the visibility within our supply chain is key to identifying risks and addressing issues. We work directly with most of our manufacturers and materials suppliers and aim to improve transparency at lower tiers of our supply chain (see Factories section).

Our Code of Conduct and related policies are available to all employees on our internal People Portal and are introduced during new hire onboarding. More in-depth training is conducted for key groups such as management, sales or sourcing where risks in specific areas are higher.

If anyone has reason to believe we are falling short somewhere they are encouraged to alert their managers, however in the case that this is not possible we provide an online confidential reporting service. This is complemented by an anonymous worker helpline in all the clothing, footwear and hardware factories we work with, allowing us to detect issues and carry out corrective measures promptly.

2020 update:

- The new role CSR Manager was added to manage our supply chain assessment and monitoring activities helping to increase the rigour and the reach of our social compliance programme.
- All employees read and confirmed their commitment to our updated Code of Conduct.

Details of our key policies can be found [here](#).

Our policies

Haglöfs	Our suppliers and other business partners	Our materials and products
<p>Code of Conduct</p> <p>Privacy Policy</p> <p>Protected Disclosure (Whistleblowing) Policy</p> <p>Anti-Trust and Competition Policy</p> <p>Anti-Bribery and Anti-Corruption Policy</p> <p>Environment Policy</p> <p>Work Environment Policy</p>	<p>Code of Conduct</p> <p>Policy of Engagement</p> <p>Code of Labour Practices</p> <p>Sustainability Standards for External brands</p> <p>Supplier approval, onboarding and monitoring process</p>	<p>Restricted Substances List</p> <p>Animal Welfare Policy</p> <p>Sustainable Materials Guidelines</p> <p>Sustainable Packaging Guidelines</p> <p>Product and Material Quality Manuals</p>

Where to focus

With so many environmental and social challenges ahead of us, it can be difficult to know where to start.

One way to define priorities is to identify issues which are both important to our stakeholders and of strategic importance to our business. Our materiality matrix highlights where the two meet. A value chain analysis of the priority issues helps to clarify where the impacts, both positive and negative, occur allowing us to focus our efforts where they will have the greatest impact. Most of the topics highlighted are highly interdependent which means they often must be tackled as a whole rather than issue by issue. As is common with companies which sell consumer goods, most of the issues fall outside of our direct operations in our supply chain.

Along with our employees and owners, our consumers, retailers and suppliers are our most important

stakeholders. There are, however, other groups who have an impact on, or are impacted by, our decisions. We want to ensure that their voices are heard, and that we are aware of the aspects of our business that are most relevant to them. This includes NGOs, government agencies or regulators and industry associations. The priorities and concerns of these stakeholder groups together inform our strategy. Since the priorities develop and change over time it is important to maintain an ongoing dialogue. We communicate with our stakeholders on an on-going basis in different ways throughout the year. This way we can keep our stakeholders informed about our progress as well as get feedback from them on the way we do business (see Our stakeholders).

2020 update:

- The challenges of 2020 served to highlight the importance of the priority topics in our materiality matrix. In particular Fair and Decent Jobs in our supply chain was a key focus area for many stakeholders
- There were no major changes in our materiality matrix which was approved by the management team



Our materiality matrix



● Highest priority ● Lower priority topic

■ Most significant impact ■ Significant impact

Our stakeholders

Stakeholders	Description	How we engage	Key issues
Employees	Our people make our company and without them we could not bring our products to the market. We strive to be a responsible employer that empowers its employees and listens to their input.	<ul style="list-style-type: none"> - Employee surveys - Company, departmental and individual meetings - Training - Internal communications - Unions/workplace representatives 	<ul style="list-style-type: none"> - Job security, pay and development opportunities - Diversity and inclusion - Environmental impact of products - Workers conditions in supply chain
Consumers	We aim to provide products and services that add value for our consumers. Inspire them to get outdoors while engaging them in solving some of the most pressing sustainability issues together.	<ul style="list-style-type: none"> - Market research and consumer surveys - In-store interactions - Customer service channel - Website - Sustainability report - Social media - Media, PR and marketing 	<ul style="list-style-type: none"> - Product performance, quality, and price - Chemical use in products - Environmental impact of products - Pay and conditions for workers - Where products are made - Animal welfare
Owners	We aim to create value for our owners by managing our business in a responsible manner.	<ul style="list-style-type: none"> - Board meetings - Joint sustainability team meetings - Annual reports 	<ul style="list-style-type: none"> - Economic performance - Risk management - Responsible business practice
Suppliers (and other business partners)	We work with customers, suppliers, and other business partners in our value chain. Sustainability improvements depend on collaboration and commitment from all. We engage our business partners to share and solve social and environmental issues together.	<ul style="list-style-type: none"> - Meetings and site visits - Surveys - Supplier assessments and performance reviews - Anonymous worker helpline - Worker interviews as part of monitoring program - Unions/workplace representatives 	<ul style="list-style-type: none"> - Order quantities and pricing - Long term relationships - Meeting requirements of Haglöfs standards - Worker pay, overtime, dialogue - Training

Our stakeholders

Stakeholders	Description	How we engage	Key issues
<p>Collaborative partners</p>	<p>We collaborate with other brands and experts through, industry groups and research institutions. Collaboration and engagement with others result in better solutions to common challenges in our industry and value chain.</p>	<ul style="list-style-type: none"> - Meetings - Reports - Workshops - Ongoing dialogues - Multi-stakeholder initiatives 	<ul style="list-style-type: none"> - Depending on the focus of the group, generally industry wide social and environmental issues - Legal and regulatory requirements
<p>Thought leaders</p>	<p>Maintaining an open dialogue with NGOs, journalists, the academic community, our ambassadors and social media community amongst others ensures we remain aware of the rapidly changing sustainability landscape while presenting opportunities for collaboration to solve pressing issues.</p>	<ul style="list-style-type: none"> - Social media - Surveys/ requests for information - Research and reports - Website 	<ul style="list-style-type: none"> - Climate change - Worker rights and conditions in the supply chain. - Supply chain transparency - Consumption and the circular economy - Microfibres - Chemicals
<p>Regulators</p>	<p>We strive to be good corporate citizens complying with relevant laws and regulations while keeping informed to stay ahead of upcoming changes. We support governments and policy makers in implementing regulations, standards and economic incentives which will have positive social and environmental outcomes.</p>	<ul style="list-style-type: none"> - Multi-stakeholder initiatives - Sustainability report - Surveys/requests for information 	<p>Regulatory and legal compliance including:</p> <ul style="list-style-type: none"> - Local labor and environmental standards - Safety, chemical and quality standards - Labelling, sustainability claims and reporting - Human rights due diligence

[Learn more](#)

Goals to transform our world: the UN Sustainable Development Goals

The Sustainable Development Goals are a call for action by all countries – rich and poor – to promote prosperity while protecting the planet. The goals, set by the United Nations General Assembly in 2015 for the year 2030, recognize that ending poverty must go together with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while protecting the environment. Businesses such as Haglöfs have a key role to play in achieving these goals through ensuring they are promoting decent working conditions as well as responsible production and consumption practices.

In particular, our activities support Goals 3, 6, 8, 12 and 13 (see Appendix 3 for more details).



Our climate commitment



Our climate commitment

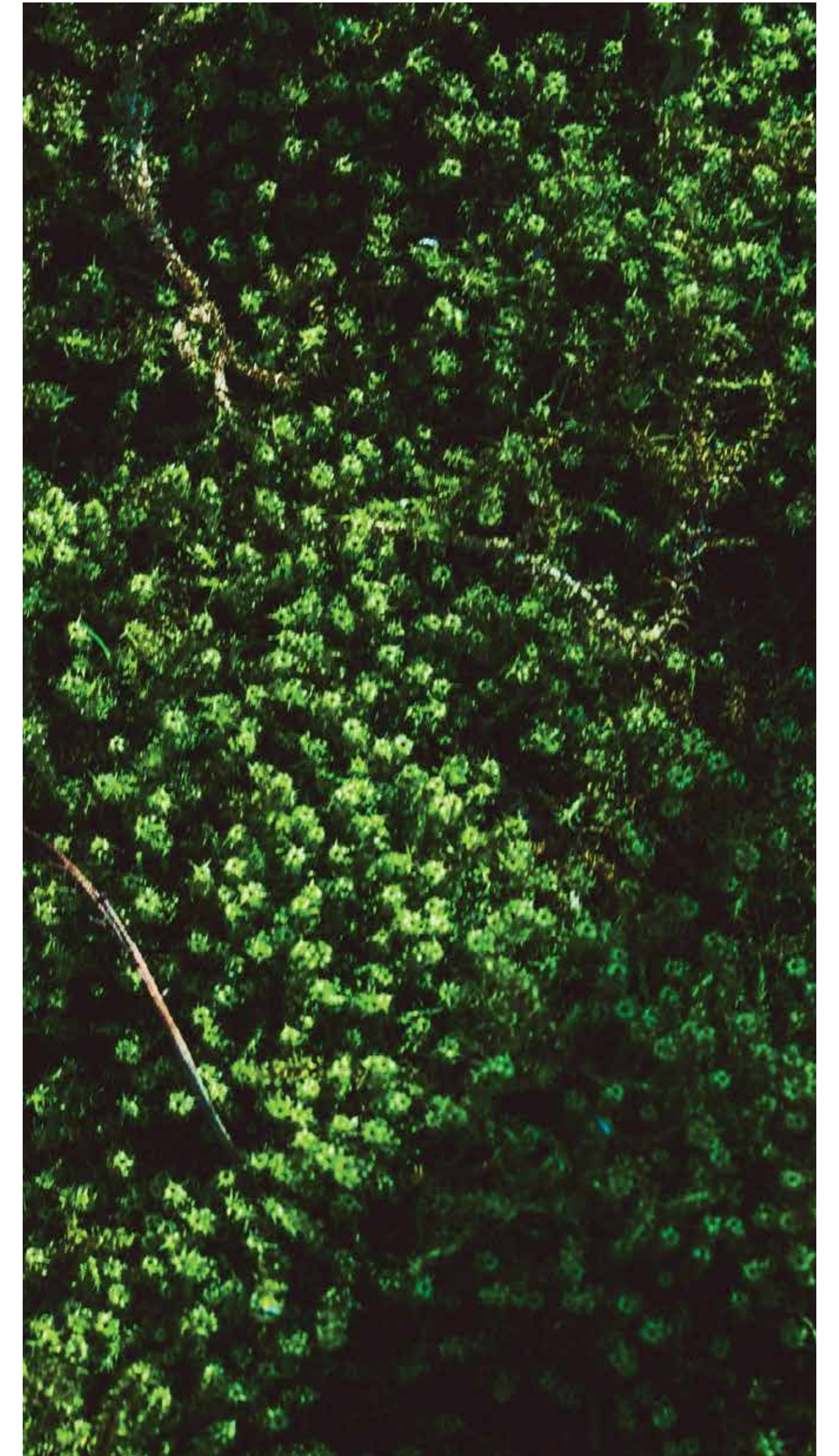
The science clearly tells us that to avoid the worst impacts of climate change drastic reductions in carbon emissions are needed.

Meeting the goals set out in the Paris Agreement will require an unprecedented global effort to halve greenhouse gas (GHG) emissions this decade and achieve net zero² emissions by 2050 at the latest. Unfortunately, the world is not yet on track to achieve this therefore those of us who can move faster should do so.

That is why we have made an ambitious new climate commitment to reduce our emissions by 50%³ over the next 10 years and reach net zero by 2030. And because making these reductions take time, we will take responsibility for the remaining emissions along the way by going climate neutral in 2021.

² The IPCC defines net zero as: when anthropogenic (i.e., human-caused) emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. www.ipcc.ch/sr15/chapter/glossary

³ Absolute emissions across scope 1 & 2 and selected scope 3 (production and distribution of goods sold, fuel and energy related activities and business travel)



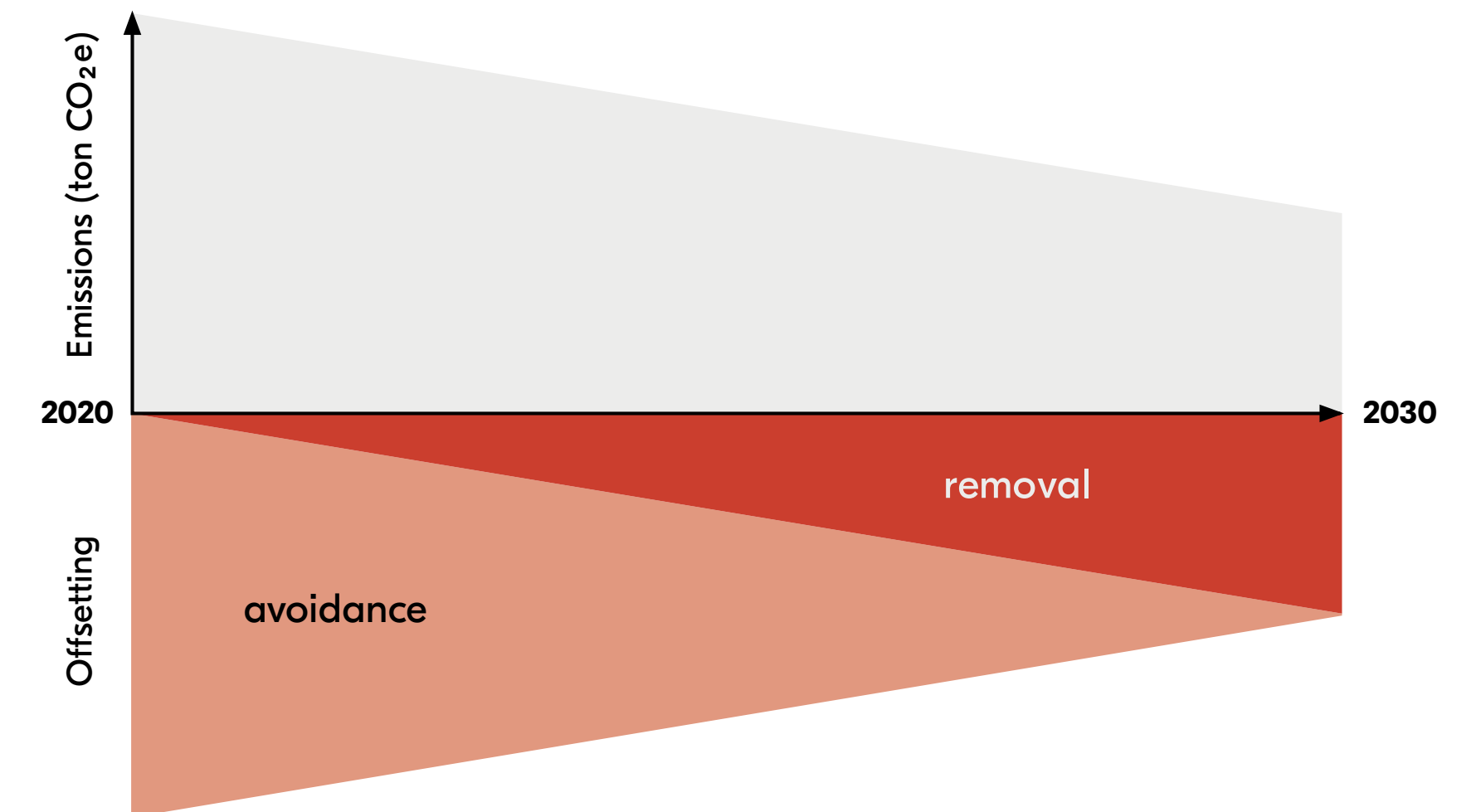
Climate neutral to net zero

At Haglöfs, our climate commitment covers not only the emissions from our own operations (referred to as scope 1 & 2) but importantly we have also included the emissions generated from the production and distribution of all the products we make - from the extraction of raw materials to the delivery to consumers (referred to as scope 3).

This is important because the production of our outdoor gear is where our biggest impact lies.

To become climate neutral our emissions have been offset by high quality certified carbon credits.

Most offsets available today support projects which reduce or avoid potential future emissions such as renewable energy installation or forest protection. While these projects are important and beneficial in themselves, they will not be enough to bring emissions to net zero. It is vital therefore that there is also investment in removing emissions from the atmosphere. Here we commit to increase our support of removal projects until we completely remove the same amount of emissions as we emit.



How we will get there

Our plan to halve our GHG emissions and reach net zero focuses on four main areas.

Measure impact and disclose

In 2020 we reached our goal of measuring, for the first time, the carbon footprint of scope 3, the manufacturing of the gear we sell, and expanding our measurement of scope 1 & 2 emissions to include our subsidiaries.

The results (see Our carbon footprint charts) confirm that scope 3 is where most of our emissions lie and that the manufacturing of the materials which go into our products is the step that has the biggest impact. This information can be used to ensure we focus on the areas which have the largest opportunity for improvement.

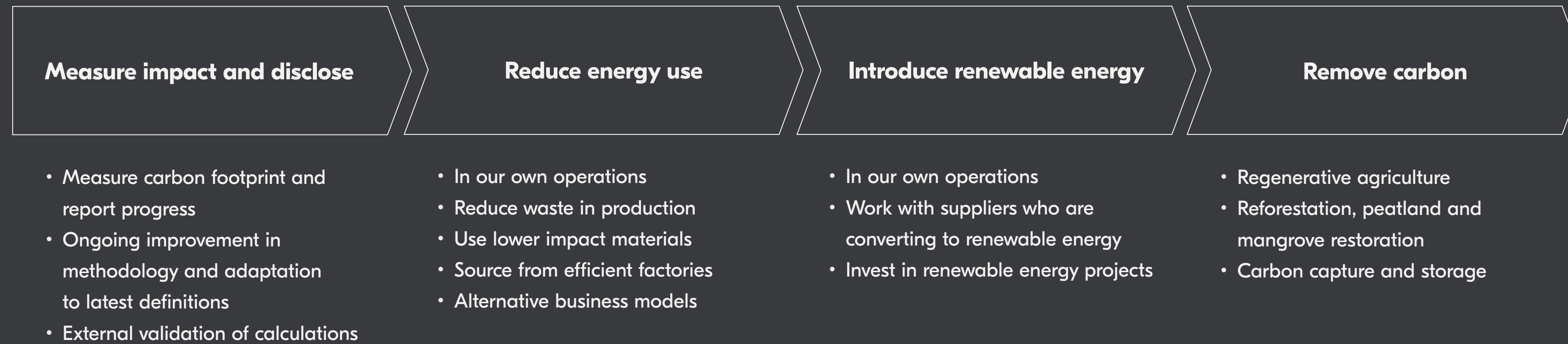
It should be noted that there is considerable uncertainty in the data within the scope 3 emissions. These emissions

refer to those from other organisations and in most cases use generic industry data and assumptions and therefore should be treated with caution. Our aim is to continually improve the quality and precision of the data for example by obtaining more supplier specific information through verified submissions of the Higg Facilities Environmental Module (FEM) and be transparent on how the approach is adapted as methods improve.

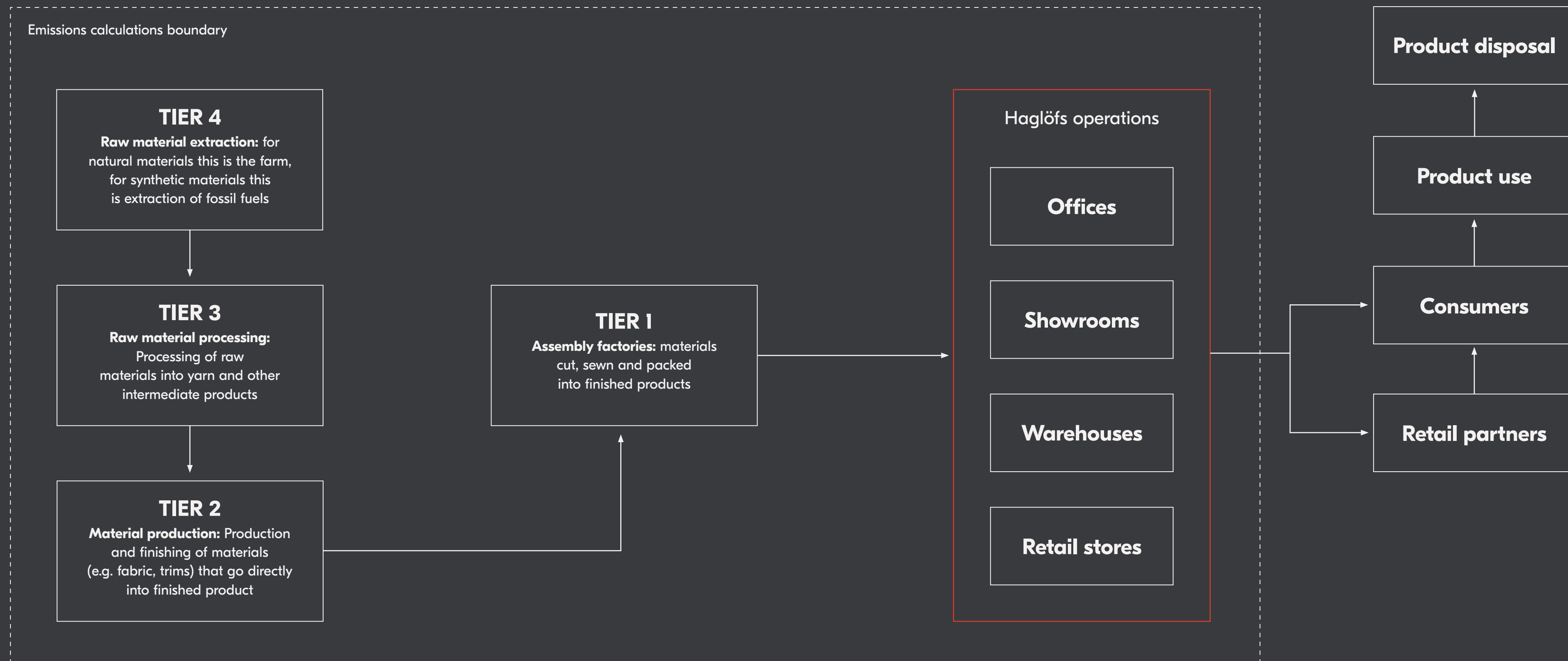
In recognition of the challenges in reporting scope 3 data we purchased a buffer of an extra 10% of carbon offsets to help compensate for any variability.

An independent assurance statement related to our footprint data is provided in Appendix 3.

Roadmap to net zero



Our value chain



Reduce energy use

The priority must first be to reduce our energy use, both in our own operations but also across our supply chain. Production of materials used in the manufacturing of Haglöfs products is the largest source of emissions. Focusing on this area will have the biggest impact, through selection of materials with lower carbon footprints produced in factories with energy efficient practices. Throughout this report you will find information on what we are already doing today to work towards a low carbon future:

- use of lower impact materials and dyeing processes
- working with suppliers verified to be managing their energy in an efficient way

- identifying good practice and energy use opportunities across the supply chain through collection of supplier data via the Higg FEM
- ensuring products last for longer
- investigating alternative business models which allow our business to grow without always having to produce more product

Introduce renewable energy

Even with better materials choices and more efficient factories energy will always be needed to produce and transport our products therefore large-scale transition to the use of renewable energy will be needed to meet our goals. Work is already underway within our own operations (see Operations section) and we aim to support suppliers to do the same. We also encourage

government action to drive the transition to renewable energy.

Remove carbon

Once our emissions have been reduced by 50% the remainder need to be removed from the atmosphere to be able to reach net zero. Here we will not wait until 2030 but rather take responsibility for our emissions along the way. We commit to supporting projects which compensate for our emissions and transition any offsets which rely only on reducing or avoiding emissions to ones which remove carbon from the atmosphere until we completely remove the same amount of emissions as we emit.

It is important to ensure that the offsets which we choose are of the highest quality which is why we choose to

support only those projects certified to the leading standards in the voluntary carbon market - [Gold Standard](#) and Verra's [Verified Carbon Standard \(VCS\)](#) in combination with the Climate, Community & Biodiversity Standards (CCB). This means the projects have been evaluated against strict criteria and in addition provide benefits beyond just climate mitigation, such as provision of jobs in the local community or biodiversity protection.

For our 2020 carbon footprint we have:

- Purchased sufficient carbon credits to offset our 2020 carbon footprint (including a buffer to allow for variability in the data), enabling us to become climate neutral across our own operations and the manufacture of all our products

- The projects include renewable energy projects in our main sourcing countries as well as nature-based solutions such as forest protection and reforestation

The methods for assessing and accounting for different types of carbon removal projects remain under discussion with key criteria such as the durability or permanence of the removal being an area of debate so the market for carbon removals is still relatively undeveloped. We expect to learn and adapt to changes in the standards and market as we go along.

One of the best ways to learn is to get involved which. This is why, on top of the regular carbon offsets we have purchased, we are working with [Puro.earth](#) to invest in a smaller way in more novel approaches to carbon removal, supporting the growth of carbon removal

approaches or technologies which aim to lock in carbon for longer such as:

Biochar

- A very stable, solid form of carbon produced through the pyrolysis (burning in the absence of oxygen) of biomass that can be used for example to improve soil quality. It endures in soil for hundreds of years, locking in carbon removal on a near permanent basis

Wooden building elements

- Planting of trees is one method for removing carbon emissions, however carbon can be released again for example during forest fires. One way to ensure the carbon remains removed can be to use the wood in buildings designed to last

Read more about our climate commitment [here](#).

[Learn more](#)

Climate neutral, net zero and other definitions

Scopes

The [Greenhouse Gas Protocol](#) organises emissions into 3 different scopes

- Scope 1: Direct GHG emissions which occur from sources that are operated by Haglöfs e.g. company cars or gas use for cooking
- Scope 2: GHG emissions from the generation of energy purchased by Haglöfs e.g. electricity and heating for offices, stores and warehouses.
- Scope 3: Indirect GHG emissions that occur in our value chain e.g. emissions from the transportation, production, use and disposal of goods

Climate neutral

- When GHG emissions produced are compensated for by paying for projects to avoid, reduce or remove an equivalent quantity of emissions
- Best practice dictates that a climate neutral claim should always come hand in hand with a commitment and action plan to reduce the actual emissions⁴
- It is important to clarify which part of the carbon footprint is covered by the offsets. While many choose to become carbon neutral in their own operations, it is becoming more common to extend the commitment to cover emissions in the value chain which are often much larger

Offsetting

- A carbon credit is a certificate generated when it has been verified that a project has taken action to avoid, reduce or remove a metric ton of greenhouse gas emissions. Companies, organizations, or individuals can then buy these credits to compensate for their own emissions, and this is referred to as offsetting
- Money generated through the sale of carbon credits is used to fund carbon reduction efforts
- Offsetting projects can generally be categorized into two different types:

⁴ [PAS 2060 Carbon Neutrality](#)

- projects which **avoid or reduce** emissions e.g. construction of a renewable energy project in place of fossil fuel
- projects which **remove** emissions from the atmosphere e.g. reforestation or direct carbon capture and storage

Net zero

- At a global level, the IPCC⁶ defines net zero as when anthropogenic (i.e. human-caused) emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period

- There is still some ambiguity as to what this means for businesses in terms of the scope of emissions which should be covered, what type of action qualifies as a removal and how it is accounted for. There is work going on to define this more clearly to avoid confusion and inconsistent claims⁷. At Haglöfs we are committed to ensuring that our approach to net zero aligns with best practice, and develops as the debate matures
- In the meantime, we work with the definition that net zero means making reductions in the carbon footprint of our operations and supply chain in line the ambitions to keep global warming within 1.5°C while

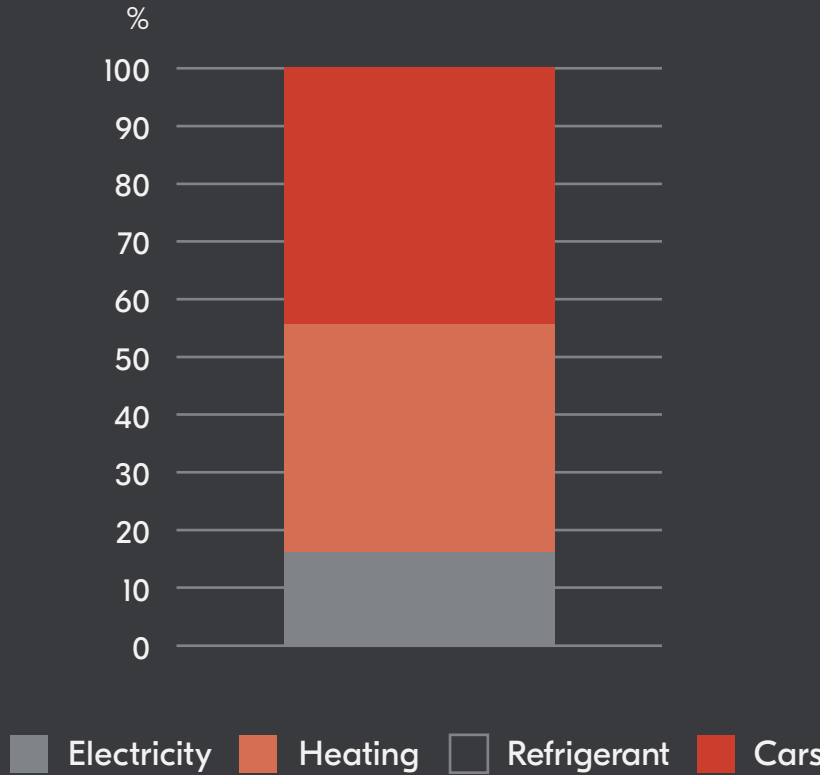
removing from the atmosphere a quantity of carbon equivalent to that of any residual emissions

⁶ www.ipcc.ch/sr15/chapter/glossary

⁷ <https://transformtonetzero.org/resources/transform-to-net-zero-position-paper-and-action-plan>
<https://sciencebasedtargets.org/net-zero>

Our carbon footprint

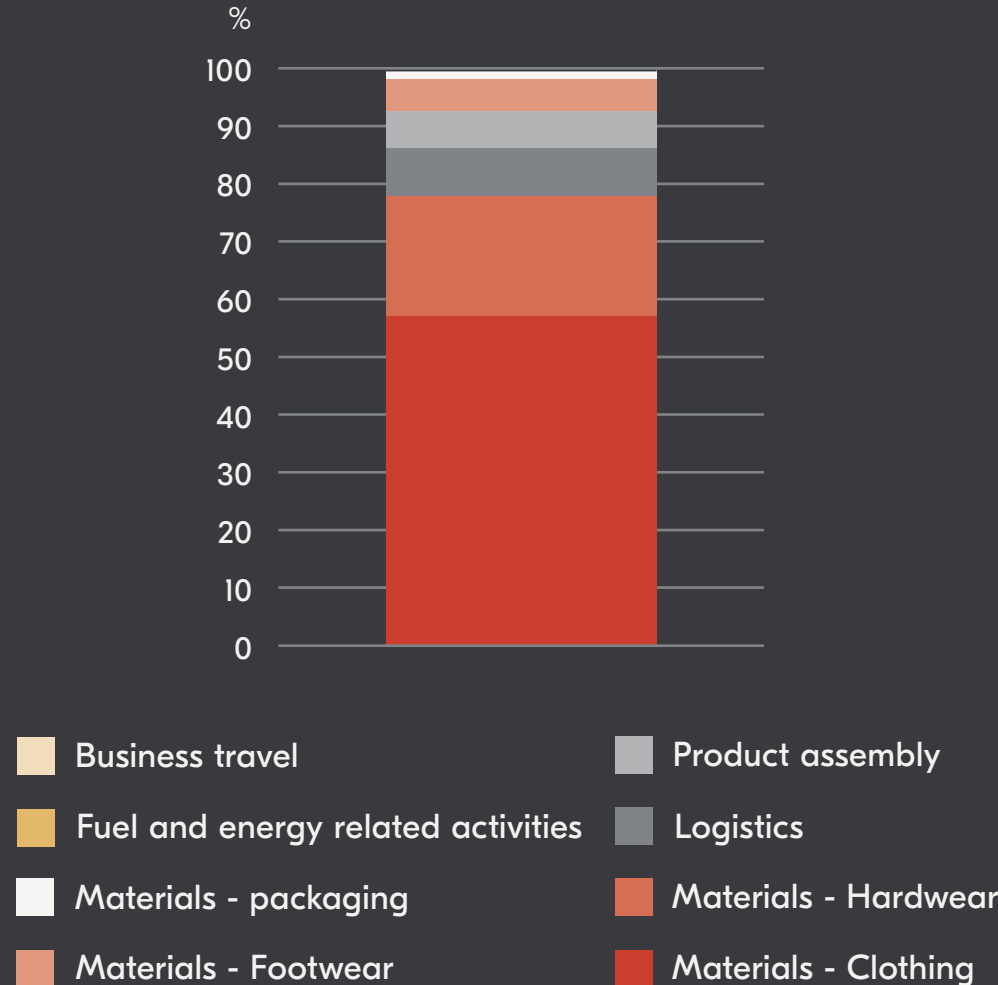
Scope 1 & 2 emissions
323 ton CO₂e⁸



Haglöfs carbon footprint
18,761 ton CO₂e⁹



Scope 3 emissions
18,438 ton CO₂e⁹



⁸ Scope 1 & 2 data applies to Haglöfs AB and subsidiaries owned and leased locations including offices, retail stores and warehouses. Company/leased car impacts are also included. Data is stated as market based. Location based emissions = 147 ton CO₂e. Where data is not available for a site, estimations are made based on the area of the site

⁹ Scope 3 includes the following GHG protocol categories: 1-purchased goods and services, 3-fuel and energy related activities, 4-upstream transportation and distribution and 6-business travel. Data reported as location based emissions

Calculations in accordance with GHG Protocol, external verification of the data is provided by South Pole (see Appendix 3)

A life well lived



Quality

The most effective way to reduce the overall environmental footprint of a product is to keep it in use for as long as possible.

So, we offer products that are designed and made to last. This is a process which starts with design choices and goes through materials selection, product construction and quality control.

One of the core elements of our design philosophy is 'Lasts Lifetimes' where design choices are made taking into consideration the durability, repairability and end of life of the product.

Material test standards, product make standards and chemical management guidelines control the quality and safety standards for all products. To ensure products meet these standards both laboratory and field testing are completed at multiple stages throughout the development process while third party quality control checks confirm the final product is ready to go to the consumer. On top

of this, feedback from the consumer as well as our returns program is fed back into the product development process ensuring a process of continuous improvement.

2020 update:

- Quality returns rate 0.44%
- One product recall was made against voluntary standards

Guaranteed, by Nature

We take pride in making high-quality, high-performance products that keep up with our consumers' adventures. During the year we introduced a lifetime warranty through which we guarantee to the original owner of any Haglöfs product that we'll repair or replace any product that fails due to a manufacturing or material defect.

Our design philosophy



Responsible

Embrace zero
Last lifetimes

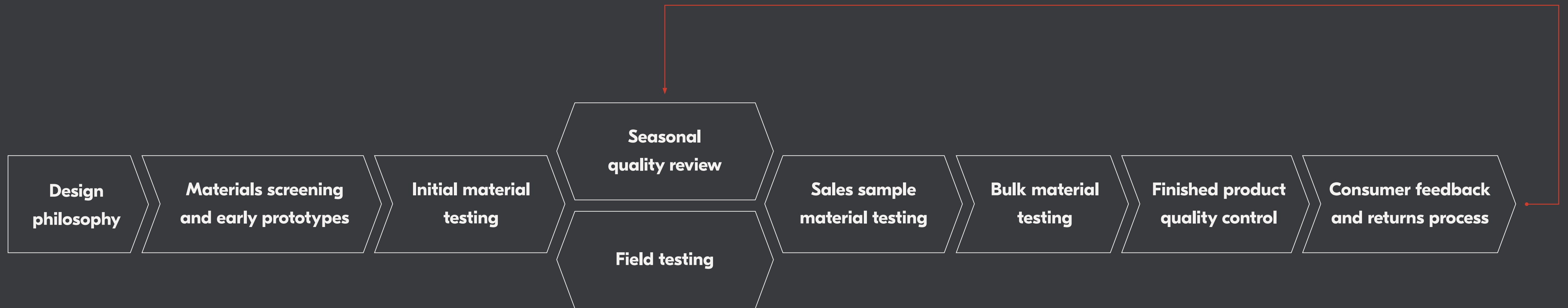
Performance

Look directional
Feel better
Protective
Literal functionality
Push harder
Nordic

Neo Hantverk

Embrace zero
Last lifetimes
Look directional
Feel better
Protective
Literal functionality
Push harder
Nordic

Our quality control process



Repair

Accidents happen and stuff breaks, but this shouldn't mean products are condemned to the landfill.

When products do not meet our consumers expectation we will replace or refund them. However this can create unnecessary waste and besides, many of our consumers have already grown attached to their gear. This is why where possible we repair these claims and return the original product back to the consumers.

We are also reconditioning new clothes with minor manufacturing defects, into perfect shape and offering them under the label Repairwear.

A little bit of care and attention goes a long way to keeping products in shape for the next adventure, and as a bonus you prolong the life of your favourite gear.

This is why we offer detailed care instructions for our different products on our website, and of course our customer service and retail teams are always available to help with spare parts and advice.

2020 update:

- Our product guarantee was extended to offer repairs for defects over the lifetime of the product
- 811 repairs were made and returned to the consumer¹⁰
- 117 Repairwear pieces were sold through our Stockholm and Åre brand stores (numbers are down vs 2019 due to reduced activity through retail stores in general as a result of COVID-19).

¹⁰ Excludes minor repairs and provision of spare parts which are not tracked

Repurpose

Leftover

Our Leftover initiative allows our product team to get creative with the leftover fabrics they find, diverting excess fabric from the waste stream. During 2020 we sold tote bags made from leftover materials in many of our stores.

Haglöfs Restored

Haglöfs Restored is a new collection of second hand products for first hand adventures. Products which still have life in them but would otherwise go to waste are cleaned, repaired, reproofed, and restored to our standards, before being added to the Haglöfs Restored

collection. For this project, we have partnered up with Amsterdam-based [The Renewal Workshop](#), a leading provider of circular solutions for apparel and textile brands.

Haglöfs Restored was piloted as a limited collection through Instagram and our Stockholm store in November 2020 and will launch officially in the fall of 2021.

Consumers can of course drop off their old gear which they no longer use at any Haglöfs store, safe in the knowledge that it won't go to waste.



One planet production



Materials

Our choice of materials determines a large part of the overall environmental impact of our products.

We know from life cycle assessments of products, from cotton t-shirts to waterproof jackets, that the largest part of a product's environmental footprint, including carbon emissions and water use, comes from the production of materials. By focusing our efforts on this stage of the lifecycle we can have the biggest impact.

We work with a Preferred Materials List to guide our product team in their choices as we push to reduce the overall impact of our products. We will continue to update it as available information and material options evolve.

We aim to maximize our use of materials from this list while ensuring that product durability and performance are not compromised.

Preferred materials list

Recycled materials

- Synthetics
- Natural
- Leftovers

Natural materials

- Tencel
- RWS certified wool
- Organic cotton
- Hemp

Low impact dyeing techniques

- No dye
- Solution dyeing
- CO₂ dyeing



100% recycled or renewable materials by 2025¹¹

¹¹ Refers to main fabrics and insulation in clothing and hardware. Renewable materials must meet the criteria on the Preferred Material List, recycled content must be at least 50% to qualify



Animal-based materials

All animal-based materials used in our products must meet the requirements in our Animal Welfare Policy.

For our down products we use the **Responsible Down Standard** (RDS) to help ensure that no live-plucking or force-feeding of the fowl has occurred in our supply chain. Certified products are third-party audited along every step of the chain from farm to warehouse as well as fully traceable via the [Track my Down](#) system.

All our wool is currently certified mulesing-free however we aim to transition our wool to the **Responsible Wool Standard** (RWS). The RWS not only ensures animal

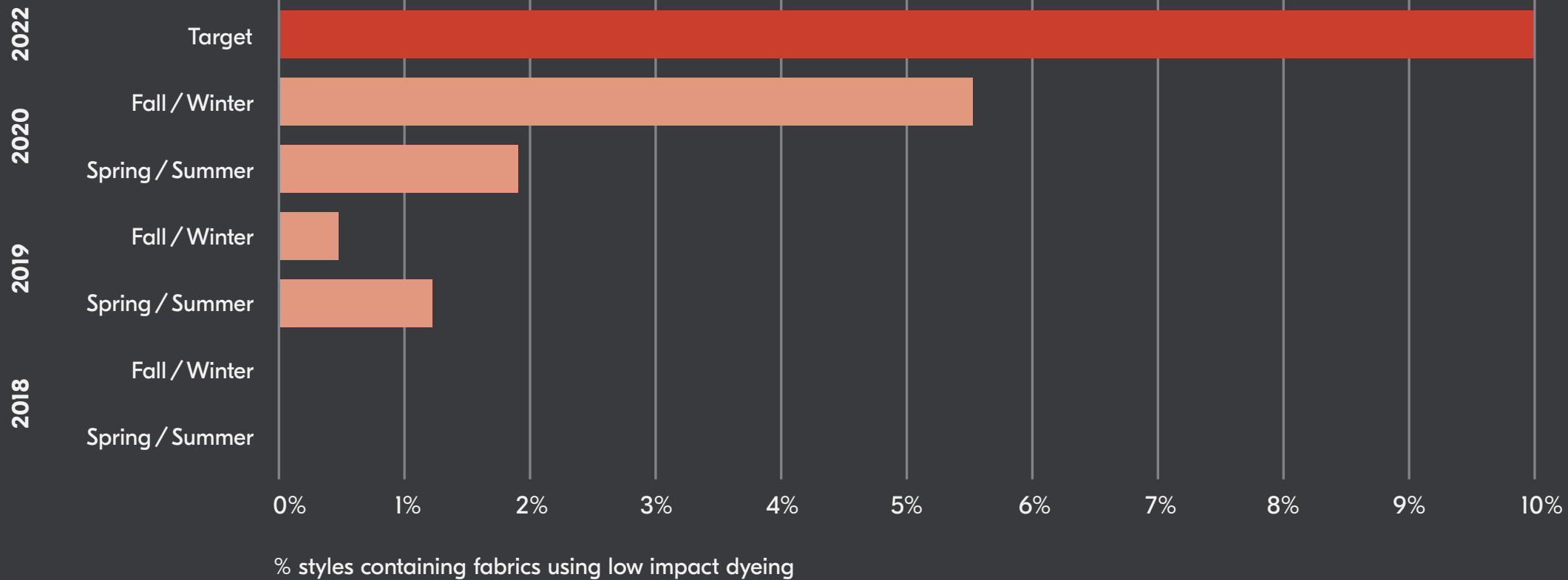
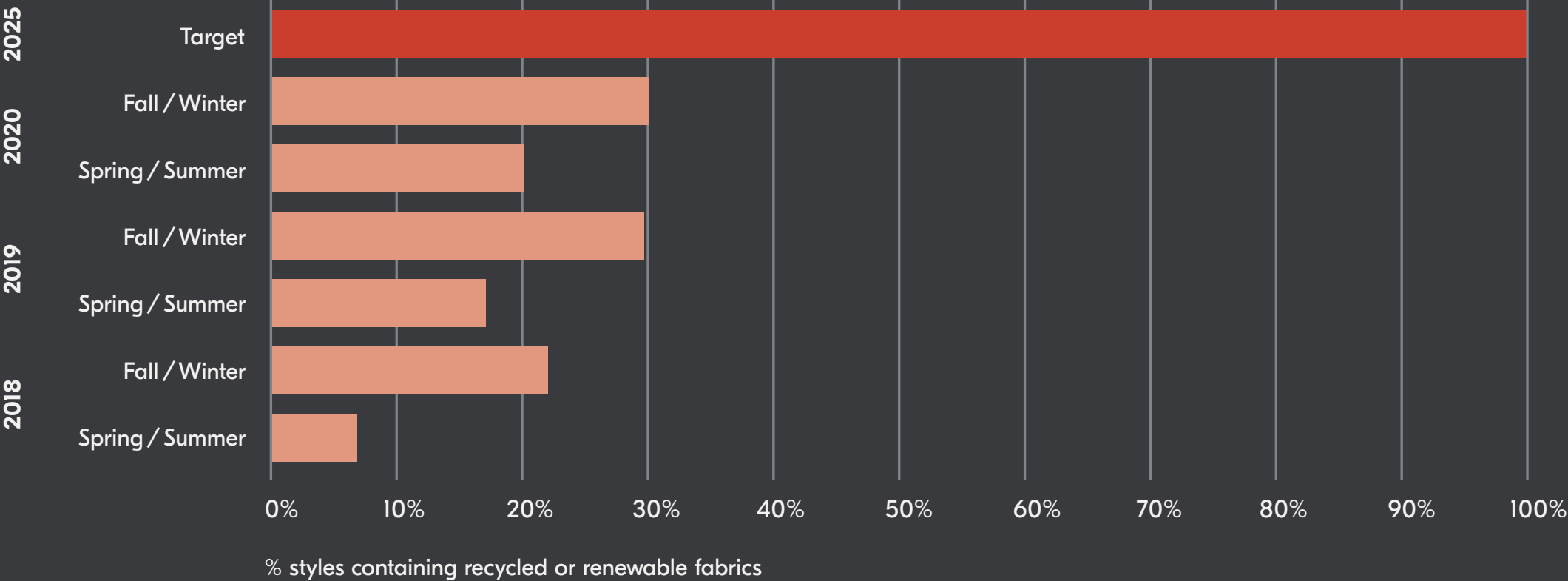
welfare standards are upheld but also verifies responsible management of the land the sheep are grazed on.

Top 10 materials by weight¹²

Material	Weight, ton (% recycled)
Polyester	338 (31%)
Polyamide	140 (6%)
Paper/cardboard	130
Polyurethane	23
LDPE	21
ePTFE	14
POM	11
Elastane	10
Polyethylene foam	10
EVA	10

¹² Covers >95% of materials by weight including packaging. Clothing and hardware only.

Our materials¹³



¹³ Refers to main fabrics in clothing and hardware



Packaging

Packaging helps ensure that our products arrive to the consumer in the best condition possible. We aim to only use packaging which is reusable, recyclable or compostable and have guidelines which help steer us on material selection and packaging reduction. We have limited our product packaging to shoe boxes with 90% recycled cardboard for our footwear, Forest Stewardship Council (FSC) certified cardboard boxes for some of our base layers, and in our retail stores we only use paper bags which are also FSC certified.

However, we do use plastic bags to protect all our products on their journey from factory to consumer. Here we are working on reducing the quantity used, increasing

recycled content, and are addressing the question of recyclability through the European Outdoor Group's Single Use Plastic project (SUP).

As a founding member of SUP, we have been working with brands and retailers from the outdoor industry with the aim of collectively reducing the impact of our single use packaging. The idea of simply replacing plastic with another material to reduce the environmental impact is over simplistic and risks creating unintended consequences. A review of the data shows that during production, transportation and use phases, plastic outperforms most other materials. It is after the consumer is finished with it that the problems begin. The aim of the project therefore is to reduce the quantity of plastic that

ends up with the consumer, ensuring that it stays within a closed system to prevent it from ending up in landfills, incinerators, or the natural environment.

2020 update:

- After participating in successful trials of recycling processes for plastic bags in 2019, the plan for the SUP in 2020 was to scale up these trials. Progress has been slower than anticipated due to the impact of COVID-19 however discussions have been moving forward on potential partnerships with plastic recyclers in Germany and the UK

Our packaging

		Reusable, recyclable or compostable
Retail store bags	FSC certified paper	✓
Shoebboxes	90% recycled content	✓
Base layer boxes	FSC certified cardboard	✓
Plastic bags (for product transportation)	PET and LDPE	X
E-commerce delivery bags	LDPE (40-80% recycled content)	X ¹⁴
E-commerce delivery boxes	Cardboard	✓

¹⁴ Reusable one time only for product returns

[Learn more](#)

Microfibres

Over the last couple of years, the scale of the problem of microfibres has started to become clear. There are reports of these tiny particles found in lakes, rivers and seas around the world and studies have also indicated that they have started entering the food chain through plankton and other aquatic animals. The global textile industry is a contributor of microfibres and it is our responsibility as an industry to be part of the solution.

Since 2017, we've stocked the **Guppyfriend Washing Bag** by STOP! Micro Waste in our online and brand stores. This bag helps collect microfibres from garments during

the laundry process. Even if this is not a long-term solution, it reduces the release of microfibres immediately, while research continues.

Haglöfs is also a member of the [Microfibre Consortium](#) which aims to facilitate the development of practical solutions to minimize microfibre release to the environment from textile manufacturing and product life cycle. During 2020 the project has made significant progress playing an important role in the development and release of an international testing method which will enable a standardized approach to evaluating fabrics.



Factories

It is essential to combine better material choices with good factories. After all, recycled fabric dyed in a factory which discharges its untreated wastewater to a local river cannot be classified as a sustainable solution.

Responsible **chemical**, **water** and **energy** management is our focus in the factories we work with to ensure we can continue to reduce our overall environmental impacts.

Chemicals are the building blocks of our products, but they must be handled carefully to ensure our products are safe for consumers, that workers are well protected and that any environmental impact is minimized.

The textile industry consumes a large quantity of **water** from growing natural materials to the production of fabrics while poorly managed manufacturing facilities can contribute to water pollution. Most of this water use occurs in wet processing facilities such as textile mills, dye houses or tanneries where the final colouring and

finishing steps for the fabrics or leathers take place. We aim to work with only those suppliers which agree to our standards and have been assessed by third parties, confirming responsible management of water in the factory in terms of the quantity used and how the wastewater is treated and disposed of.

The **energy** used in producing materials and manufacturing our products is responsible for most of our greenhouse gas emissions. To achieve our ambitions to significantly reduce our carbon footprint we need to focus on this part of our value chain.

Our chemical, water and energy management framework



Life cycle analysis of our product categories identifies the production of materials as one of the areas with the largest, water, chemical and GHG impacts. In particular, facilities which carry out wet processes, such as dyeing and tanning, carry elevated risks.

It is difficult to identify and improve areas of highest impact if they are not visible. Therefore we continue to work on improving the transparency within our supply chain.

Our Code of Conduct, Policy of Engagement and Restricted Substances List all form part of the Terms of Agreement which manufacturers must sign, and include requirements such as the responsible management of water, waste, energy and chemicals.

We use third parties to verify compliance with our standards and identify best practice for the highest risk categories of production facility. Third parties including bluesign® and the Leather Working Group assess a factory's performance in chemical, water and energy management. In addition, risk based testing helps verify our products are meeting our RSL.

To allow us to better measure and reduce our water and GHG emissions impacts, we are working with the Higg Index Facilities Environment Module (FEM) to collect data from suppliers. This data then allows us to target the areas with the largest potential for improvements.

Transparency

In order to continue to measure, monitor and make improvements in our supply chain we need to increase our visibility of the manufacturing facilities involved. At Tier 1 (clothing, footwear and hardware manufacturers) we have full visibility of the factories involved and our factory list is available on our website. At Tier 2 (materials suppliers) we have direct relationships with suppliers covering >90% of our materials since we have close control over the materials we use in our products.

At this level are working to improve our understanding of the factories involved in the various stages of material production, such as dyeing, lamination, weaving, knitting

and yarn production, our goal to have finished the mapping during 2020 was delayed due to the additional demands of COVID-19, we will continue to work on this during 2021.

Beyond these top tiers we are also interested in the origin of our natural materials as animal welfare, human rights and environmental risks can all be found in these supply chains. Here we can currently track our down to the farm level using the [Track My Down](#) system, while our cotton and wool we can trace to Turkey and Australia respectively. Our leather supply chain however has less transparency beyond the tanneries, and we look to improve this by 2022.

Standards

To ensure that our products are safe for consumers and meet the regulations in the markets in which we operate, we require all our suppliers to sign our [Restricted Substances List](#) (RSL) which outlines the chemicals that must be controlled in the final finished product. In many cases, goes beyond the minimum legal requirements, promoting the phase out of hazardous materials where alternative technologies are available. The list is updated regularly as regulations, knowledge and best practices evolve. Our RSL also requires suppliers to use best practice input management by screening their formulations against the bluesign® FINDER database or the ZDHC Manufacturing Restricted Substances List.

Phase out of hazardous chemicals

Over several seasons now we have been transitioning to fluorocarbon-free durable water repellent (DWR) treatments. Fluorocarbons typically used in older DWRs are effective at repelling water and dirt, and so were used to increase the lifespan and functionality of a wide range of outdoors products. However, these treatments contain persistent chemicals which might cause damage to the environment, and bio-accumulate in human tissue. We set ambitious targets to transition all our DWRs to fluorocarbon free by 2020 at a time when a clear path to achieve these targets was still unclear. This stretching goal has driven the transition and we learned a lot along the way - mostly that it is not as easy as it sounds.

We have converted over 95% of our range to either fluorocarbon free DWR or no DWR at all. The remaining styles are those styles containing Gore-Tex fabrics which demand the highest standards in performance and durability, and where alternative options evaluated have yet to meet the performance criteria. Gore Fabrics have set a timeline for phasing out fluorocarbons in their DWRs which has been aligned with Greenpeace. More details of the status of their phase-out plan can be found [here](#).

Verification

[bluesign®](#) and the [Leather Work Group](#) audit factories to ensure they are managing chemicals, water, and energy in a responsible manner.

2020 update:

- 75% of our fabric suppliers who supply us with over 95% of our fabric volume are bluesign® system partners
- 100% of all leather suppliers are Leather Working Group certified

By carrying out regular risk based chemical testing on materials and finished products, we can identify and follow up on potential issues before they reach the market.

2020 update:

- 6% of test results required follow up
- No products were withdrawn from the market due to chemical failures

Measure and improve

To achieve our ambitions to significantly reduce our carbon footprint we need to first understand the quantity and type of energy used in our factories as well as identify those suppliers that are managing energy use in an efficient way. To collect this data we use the Higg Index Facilities Environmental Module (FEM). The FEM will allow us to track and report on the performance of our suppliers in managing and reducing their emissions. The FEM similarly allows us to better understand our water footprint and identify areas for improvement. The aim is to ensure >80% of suppliers complete the FEM by 2022 to improve the quality and extent of data available.

2020 update:

- For the first time we measured the carbon emissions associated with manufacturing our products (see results in Our carbon footprint)
- Product manufacturers representing 36% of our product volume and materials suppliers representing 65% of our fabric volume posted a Facilities Environmental Module in the 2019 cycle¹⁵
- Plans to engage suppliers in use of the FEM were delayed due to the added pressures in the supply chain related to COVID-19

¹⁵ Due to the timings of the Higg Index cycle the 2020 data is not available at time of writing and will be reported on in subsequent reports

Learn more

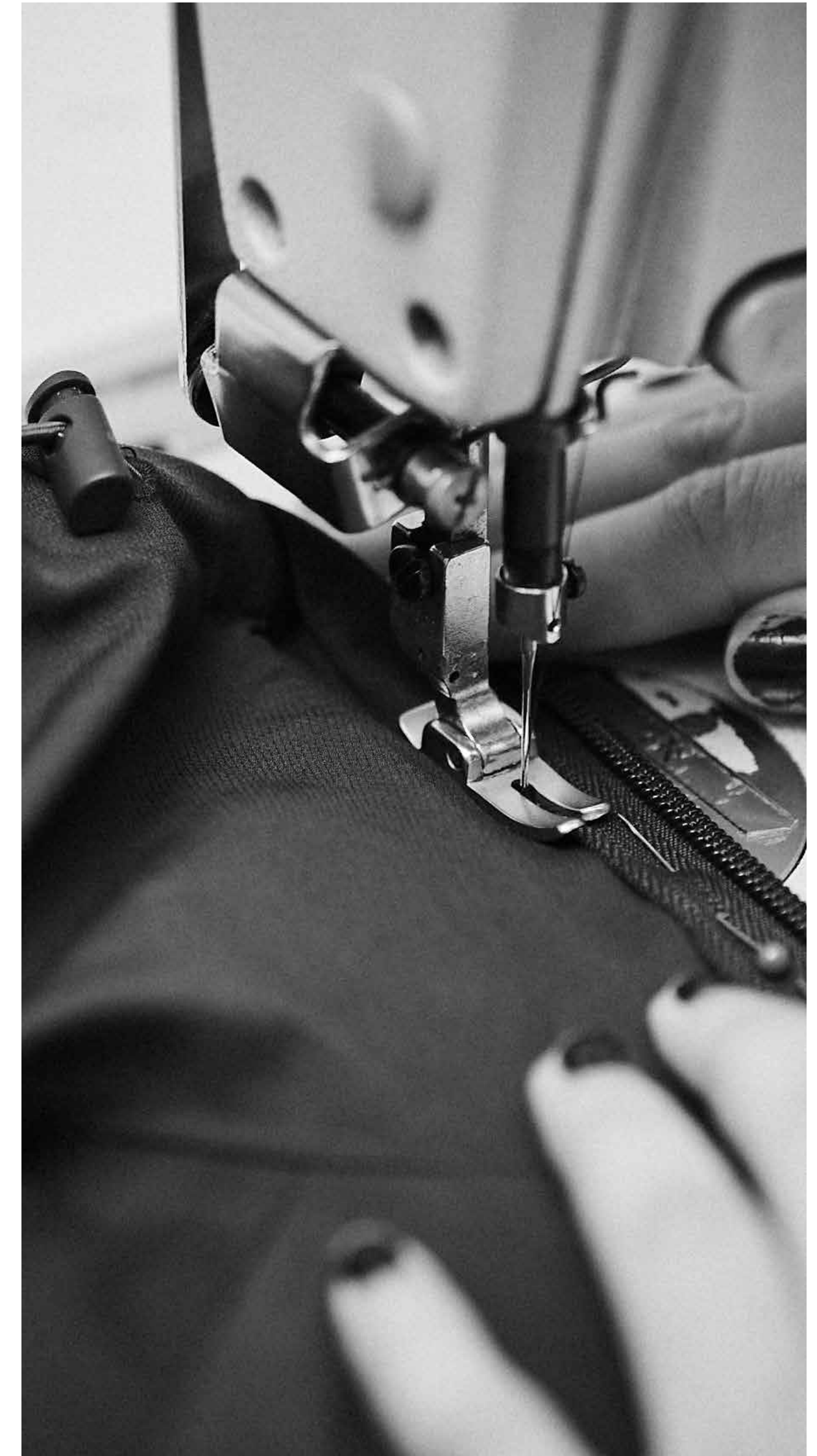


Higg Index

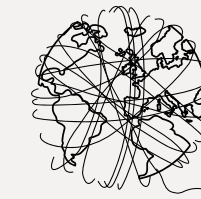
The [Sustainable Apparel Coalition](#) (SAC) is an industry-wide group of more than 400 leading brands, retailers, suppliers and not-for-profit organizations, all collaborating to increase transparency within our industry and reduce the total environmental and social impacts of its products around the world.

The focus of the SAC has been the development of the Higg Index – a suite of tools which can help a brand assess the sustainability of a product throughout its entire life cycle - from raw materials and design solutions to production and end of use.

We currently make use of the Material Sustainability Index (MSI), to understand the impact of our materials while the Facilities Environment Module (FEM) is helping us to collect data on how factories are managing areas like chemicals, water and energy use.



Learn more



The Swedish Textile Initiative
for Climate Action

The Swedish Textiles Initiative for Climate Action (STICA)

In 2019 Haglöfs joined STICA. The purpose of STICA is to support the apparel industry in the Nordic region to reduce greenhouse gases in line with the Paris Agreement. Ultimately STICA's aim is to ensure the Nordic based industry does more than its share by becoming the first climate positive apparel and textiles industry in the world well before 2050.

STICA achieves this by:

- Supporting companies operating in both the Nordic and international markets to set science-based targets and reduce their greenhouse gases in line with 1.5°C warming pathway.

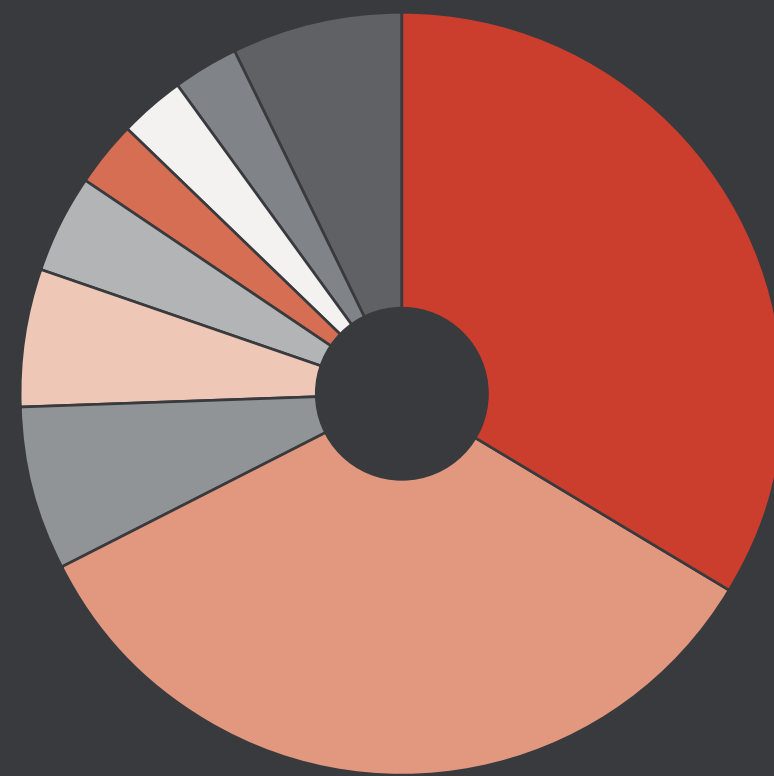
- Providing a neutral, non-competitive platform for companies and organizations to learn best practices and develop joint projects as well as to track and publicly report on their progress on a regular basis.
- Working with industry stakeholders to develop a roadmap and implement an action plan to become climate positive, while also becoming a global leader in developing climate positive solutions for the global apparel and textiles industry.

Find out more about STICA's work [here](#).



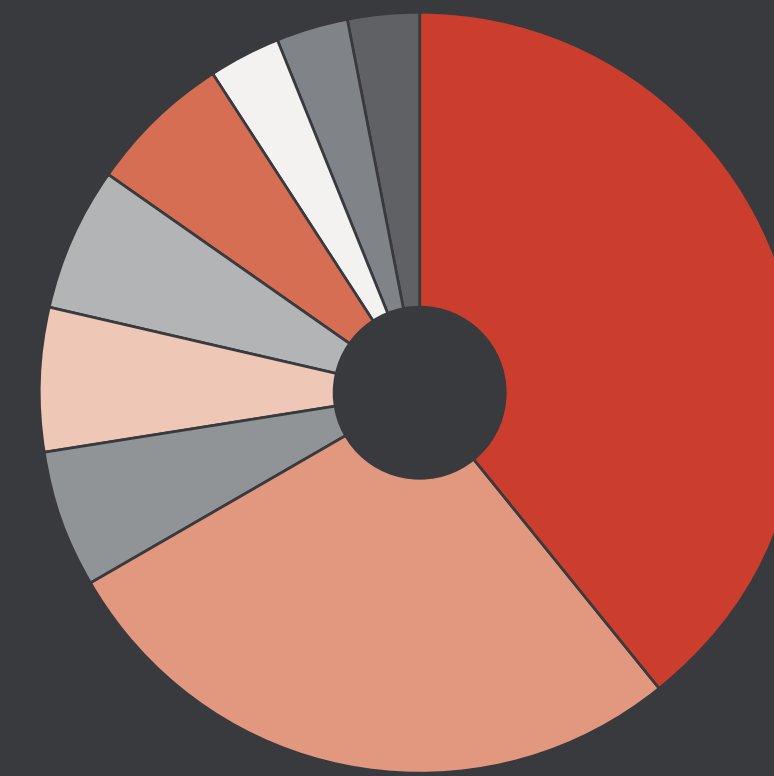
Our supply chain

54 materials suppliers¹⁶



China Taiwan Japan Italy USA Vietnam Korea Sweden Other (Portugal, Turkey, UK, Hong Kong)

33 garment, footwear and hardware factories



Vietnam China Portugal Sweden Turkey Indonesia Estonia Cambodia Poland

¹⁶ Includes nominated material suppliers representing >90% of all materials (fabrics, trims, insulation). Where supplier has multiple locations these are counted separately for the country count.

Operations

From careful logistics planning to renewable energy contracts, we are always looking for ways to reduce the environmental impact of our own operations.

Energy

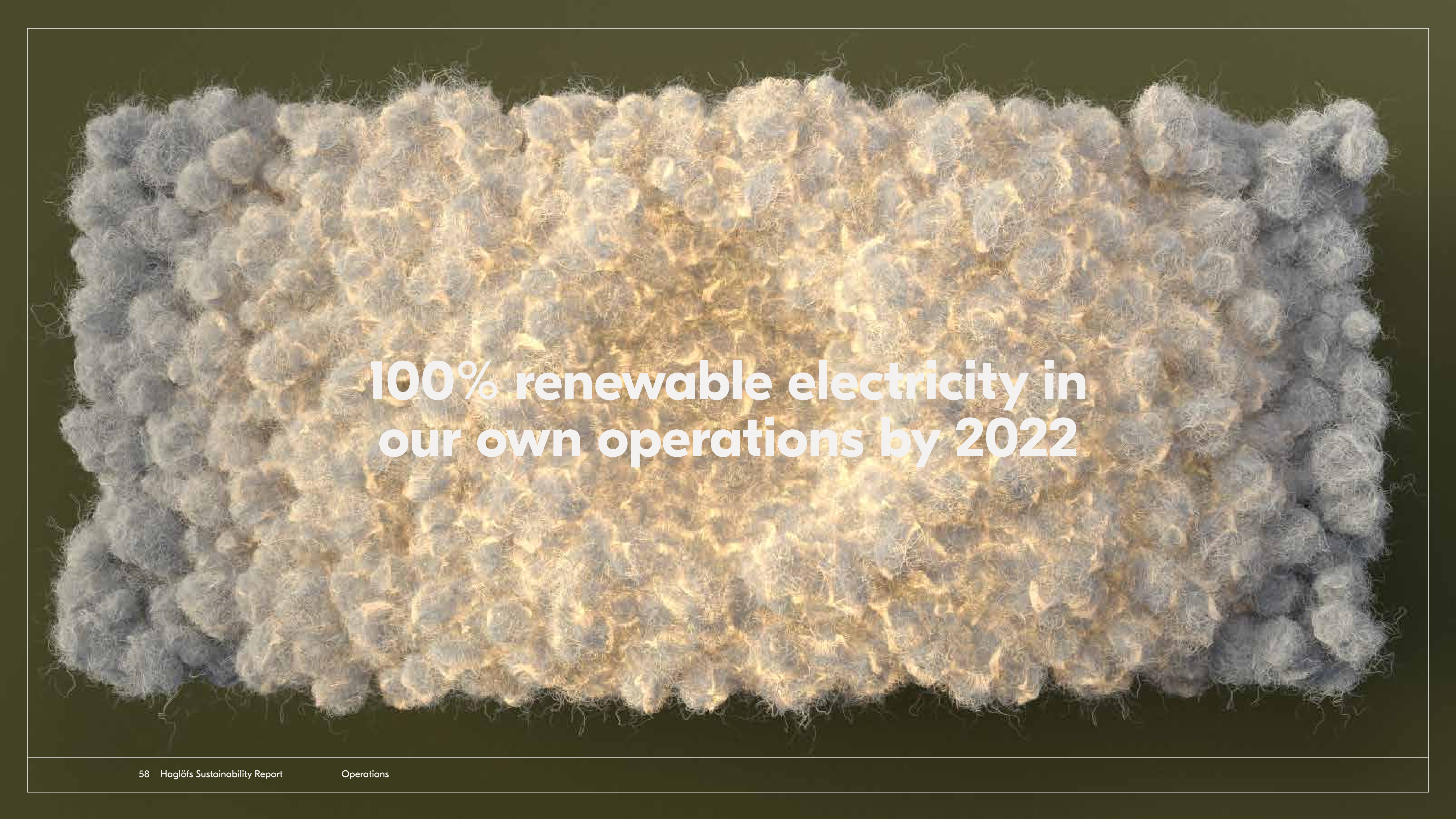
Electricity and heating used in our offices, stores and warehouses contribute to our carbon footprint, so our goal is to transition to the use of renewable energy in our sites.

2020 update:

- 94% of the electricity purchased where Haglöfs controls the bill was from renewable energy (82% total)
- We expanded our carbon footprint calculations for energy use in our operations to include offices in our subsidiaries

Logistics

Logistics accounts for most of the greenhouse gas emissions from our own operations. These are the emissions associated with the transportation of our products from the factories to our warehouses and beyond to retailers and consumers. Air freight has a disproportionately large contribution so there is a focus on reducing this with most product coming from Asia by sea and moving within Europe by truck. Improved production planning has helped to avoid last minute air shipments to meet delivery targets. In addition, a combination of air and sea shipment which reduces the total distance of the flight segment while still helping to reduce delivery times has also contributed to reductions in emissions from air freight.



**100% renewable electricity in
our own operations by 2022**

Update 2020

- COVID-19 had an unprecedented impact on logistics during the year with uncertainty and large changes in order volumes as well as disruptions in shipping routes that continue to this day
- We expanded the scope of our carbon footprint to include not only the inbound shipments from our factories to our main warehouse in Sweden but to also include the shipments out to retail partners and consumers, an area of increasing importance particularly as e-commerce grows

Travel

The Haglöfs head office in Kallhäll, outside Stockholm, is situated by Lake Mälaren. It is conveniently accessible by public transport, so we always recommend this to our visitors. The commuter train is a common way for our staff to get to our office – and, of course, some employees travel by bike during the summer months.

Our travel and company car policies promote low carbon modes of transport and low emission vehicles.

Update 2020

- Travel was severely restricted due to COVID-19 and this is reflected in a 95% reduction in emissions from business travel vs 2019. We expect to see this increase again as restrictions ease during 2021

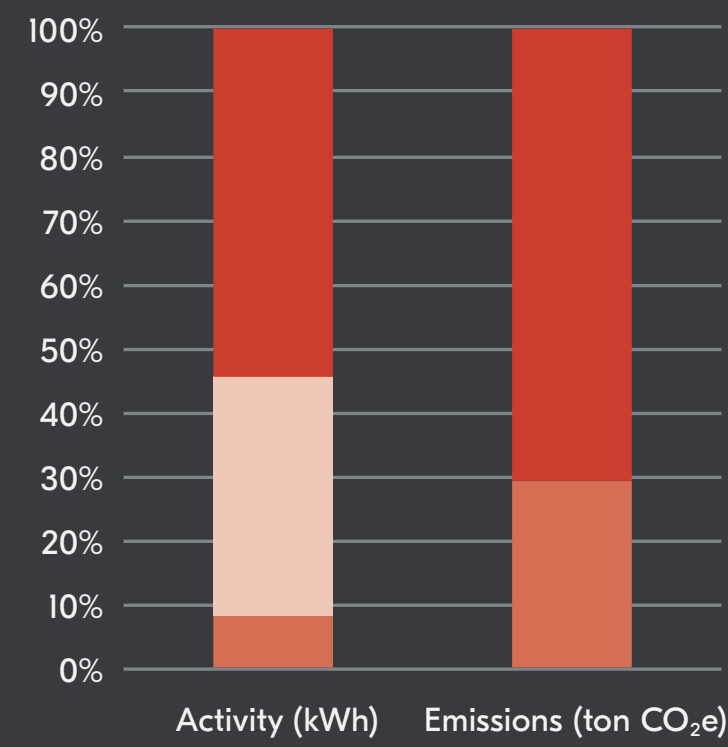
- We expanded our carbon footprint calculations to include company cars from subsidiary companies outside of Sweden
- Our company car policy was updated to include the use of hybrid cars to help reduce the carbon footprint of our company car fleet

Waste

All our paper, cardboard and plastic waste from our headquarters and warehouse are recycled or sent to waste-to-energy facilities. Since office use was curtailed during 2020 as people started working from home so too was our tracking of waste. We aim to restart tracking our waste as we return to our offices.

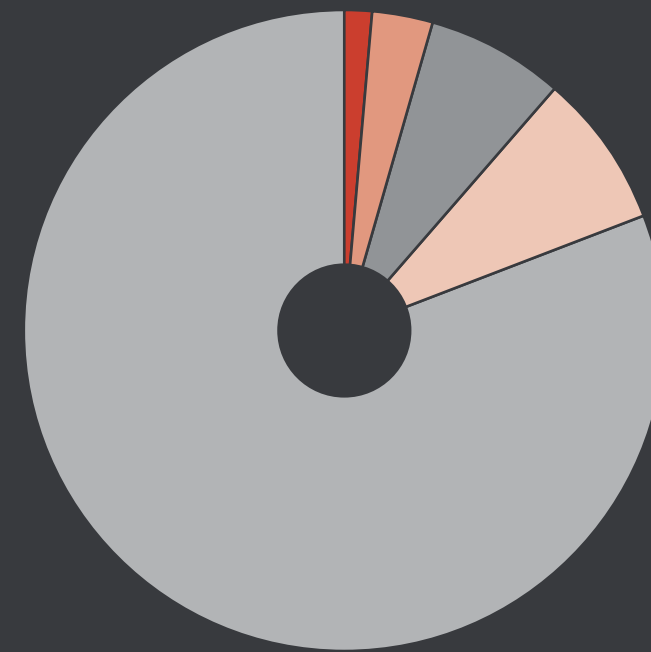
Our operations¹⁷

Energy Use
Total 179 ton CO₂e



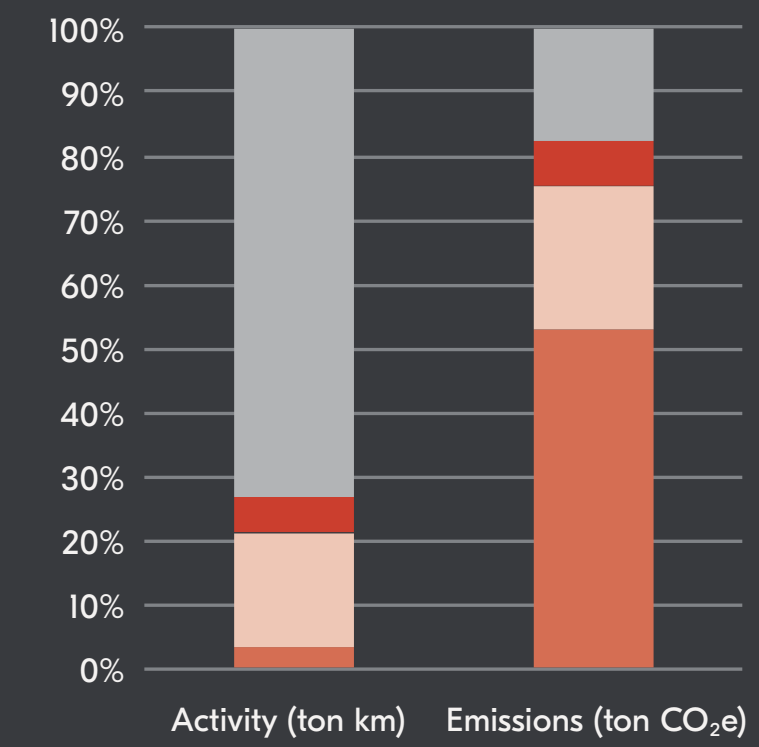
Electricity Electricity (renewable) Heating

Split of emissions in
our operations



Business Travel Electricity Heating Company cars Logistics

Logistics
Total 1,474 ton CO₂e



Air Mixed / Unknown Rail Road Sea

¹⁷ Energy and car use data collection has been expanded vs 2019 to include subsidiaries. Logistics data has been expanded vs 2019 to include outbound distribution to retailers and consumers

Our people



Employees

More than ever our people have proven to be the driving force that has enabled Haglöfs to navigate the highs and lows for over 100 years.

2020 has been a challenging year for all and like most companies around the world we have had to change how we work. Without a doubt this has impacted our employees as business uncertainty, new working environments, furlough and reduced working hour schemes all contributed to additional personal and professional pressure.

We are proud of the way our people pulled together and overwhelmed by the fighting spirit shown. We saw people adapt with resourcefulness and agility to the new ways of working and embrace different ways of collaborating and communicating. By the end of the year our business had stabilized and we were able to give all employees a

Christmas bonus in recognition of the extra effort put in by everyone to ensure that this 100-year-old brand was able to live another day.

Culture & values

Throughout the year we were guided by our values and our Code of Conduct and adapted policies and procedures where needed to reflect the changing circumstances. Our Code of Conduct helps us understand how our values can be applied in daily activities; it covers areas including gender and equality, the right to a healthy work environment, and a zero tolerance on discrimination and harassment. The code is complimented by more detailed policies on specific topics which are available on our



internal People Portal (see [here](#) for more details). All new hires receive an onboarding training and are required to agree to the Code of Conduct.

Health and safety

Haglöfs' employees are the backbone of the company. No matter if they work at a Haglöfs office, warehouse or store, everyone is entitled to a safe and healthy workplace. Our Work Environment Policy covers areas of health and safety as well as the prevention and management of stress and other work-related illness. Our occupational health and safety system includes yearly assessments of occupational work hazards as well as emergency evacuation drills, fire safety and first aid training. Staff in locations such as our

warehouse or stores, face different risks to staff based in offices due to the nature of the work e.g. operating forklifts. Here our risk assessments are more regular, and employees receive training on the hazards associated with their roles.

Health and safety procedures took on a whole different meaning this year as the top priority became ensuring the health and safety of our employees in face of the COVID-19 pandemic.

Update 2020

- The latest advice from local authorities was closely monitored and all staff emailed on a weekly basis with a roundup of the most up to date information in each

country as the rules and recommendations changed

- The advice was followed ensuring all local requirements were taken into consideration. Policies and procedures were updated where necessary covering travel, working from home, retail store opening hours and capacity restrictions and infection control precautions in workplaces. Joint risk analyses were held with union representatives.

Communication

With work from home policies in place, normal means of communication were disrupted reducing the visibility of work happening across different teams and with little opportunity for the social contact and interaction between

colleagues that makes Haglöfs a great place to work. Here we transitioned our monthly companywide townhall meetings to a fully online format to keep everyone up to date on what was happening across the business and our CEO send out weekly updates to all employees. We instigated manager forums to provide support to those managing teams in the difficult circumstances and we also launched the Cluster app for people to share more personal and fun updates.

Health and wellbeing

We understand the value of the outdoors to the mental and physical wellbeing of our staff, so we offer employees different levels of support to help them get out there.

In Sweden employees receive an annual health and wellness allowance and all employees enjoy a weekly “Outdoor Hour” during which they have the opportunity during working hours to get outdoors together with their colleagues. At our HQ we offer subsidized weekly outdoor group training on the shore of Lake Mälaren together with a personal trainer.

Once the COVID-19 restrictions came into place in March and we shifted to working from home some of this was no longer possible so in an effort to encourage employees to engage in exercise free weekly online training sessions with a trainer were offered.

Employee relations

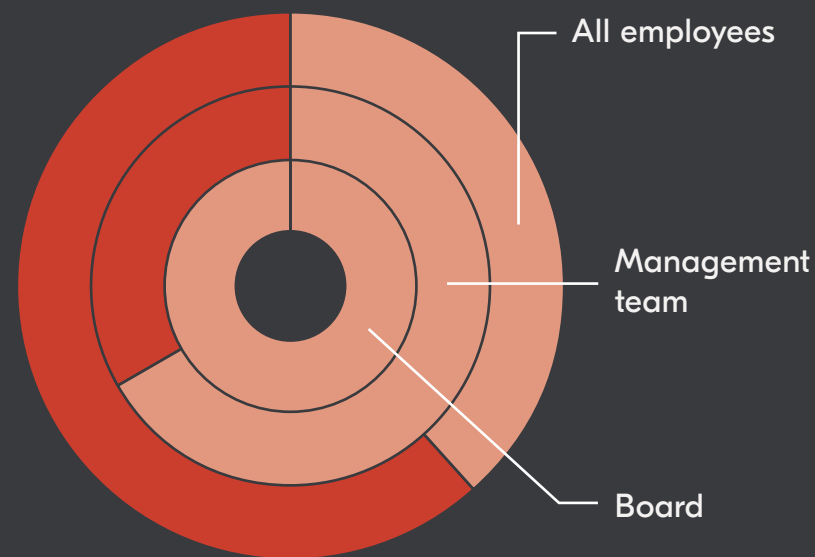
Part of building a great place to work is ensuring that there is always the opportunity for constructive dialogue based on trust and respect. Employees are encouraged to have open conversations with their managers about any concerns and they also have the support of the HR team. In addition, we provide an anonymous helpline that can be used if these channels are not sufficient.

Update 2020

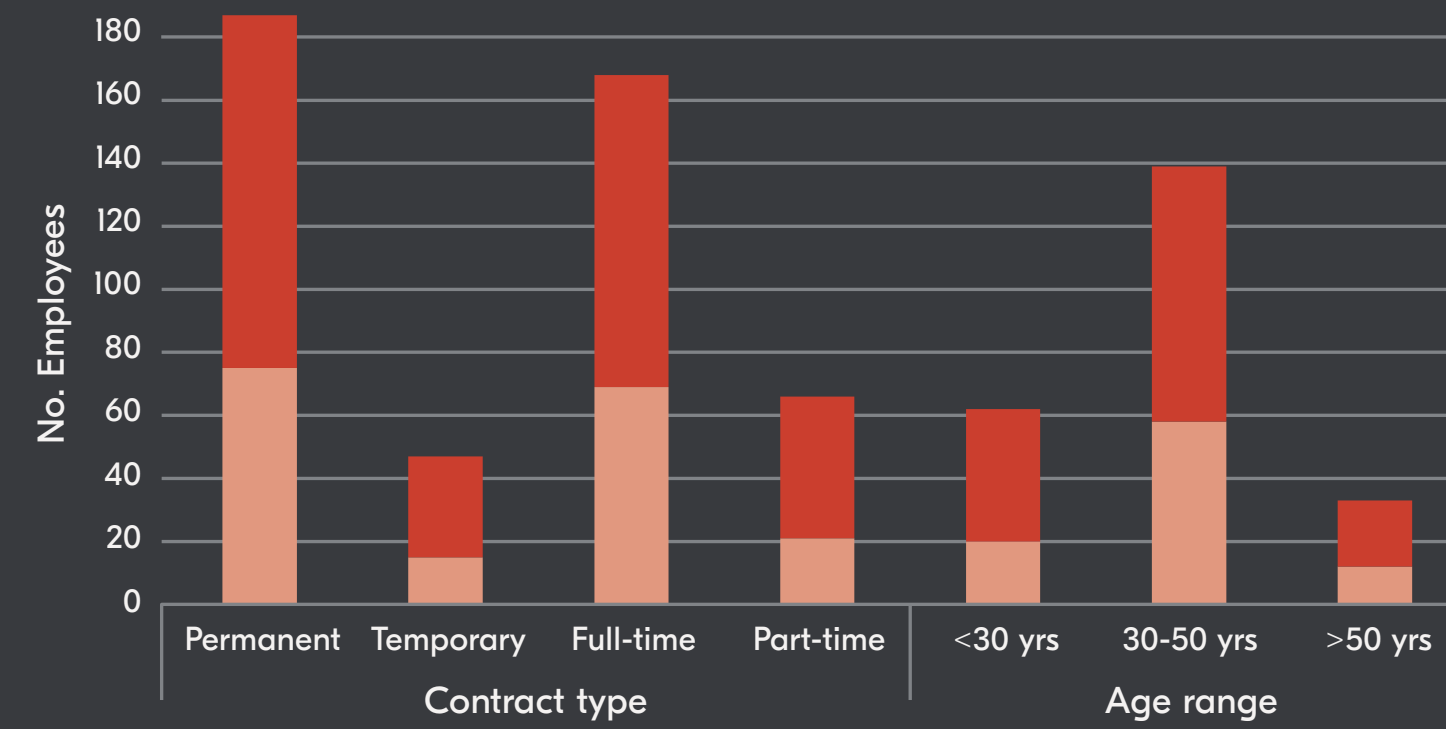
- No calls were received to the helpline

The majority of Haglöfs employees are located in Sweden where all our employees are covered by

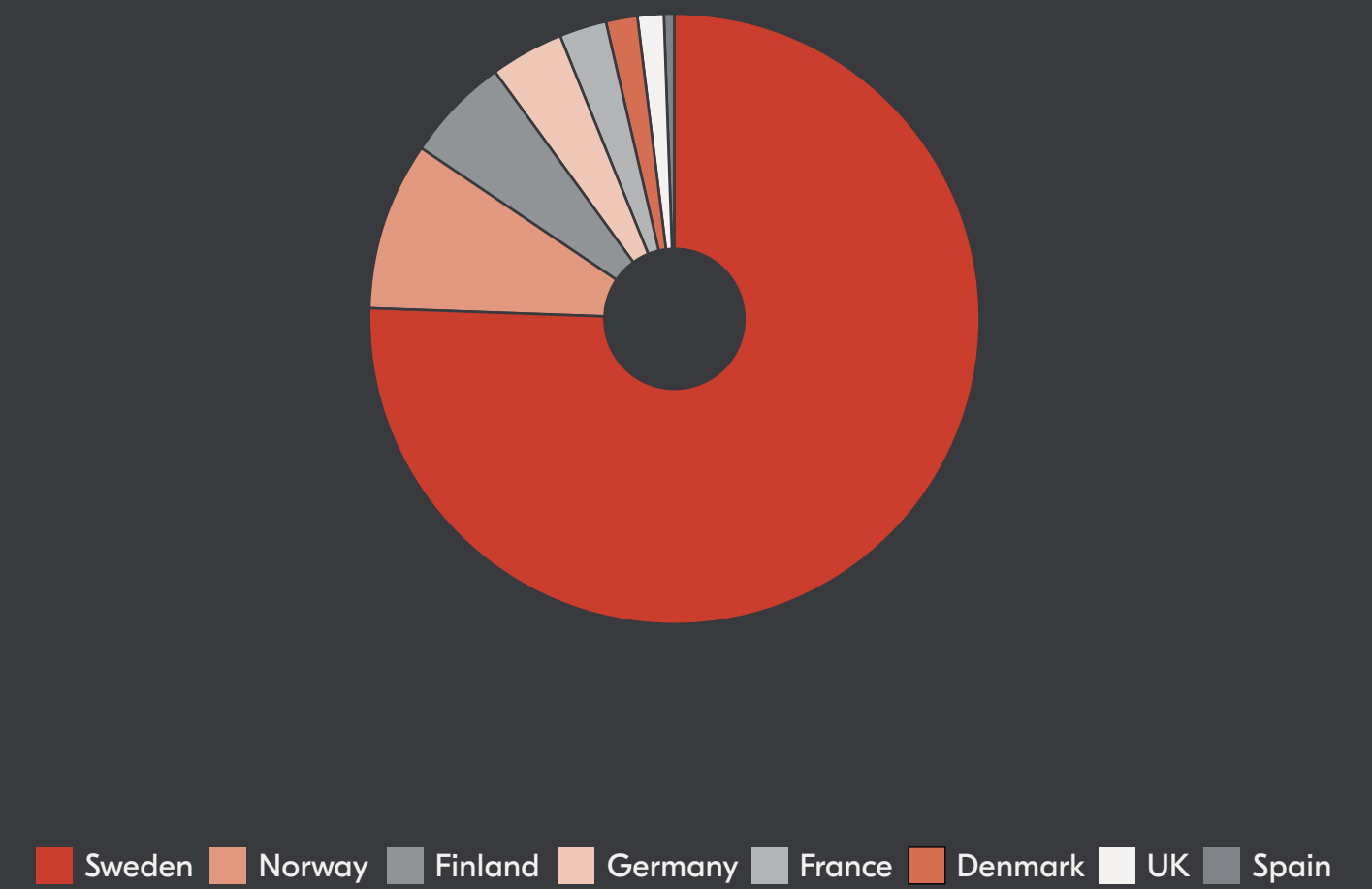
Our employees¹⁸



Male Female



Male Female



Sweden Norway Finland Germany France Denmark UK Spain

¹⁸ Data correct as of 31st December 2020

collective bargaining agreements. We work in continuous collaboration with the local union branches, ensuring that their members are informed about important developments in the business especially where it will impact on employees. As we worked through the challenges of COVID-19, unions were closely involved in completing health and safety risks assessments as well as in the implementation of the temporary reduced working hour scheme.

Learning and Development

Haglöfs Academy

This year we launched Haglöfs Academy to provide more structured and targeted capacity building opportunities. It kicked off by hosting the first two programmes - My

Haglöfs and Haglöfs Team Leadership – focused on developing leadership skills. The programmes, aimed at different levels in the organisation, were attended by a total of 28 employees where participants were introduced to a number of tools and insights to better understand themselves and their leadership styles within the context of everyday life at Haglöfs.

“We have designed a customized, values-based leadership academy. The programs are intended to give employees the space to work on their own development as leaders, expand their network and learn tools to increase effectiveness in a practical Haglöfs context.”

Malin Löfstedt, Head of HR

During 2021 the aim is to expand the range of opportunities available through the Academy to continue to support employees in developing the skills and knowledge to develop both personally and professionally.

Sustainable Fashion Academy

The Sustainable Fashion Academy (SFA) is a non-profit association aiming to increase awareness of sustainability issues in our industry. Designers, product developers, buyers, materials managers, sales representatives, marketing, and senior management team members have all participated in the SFA's trainings in the past. In 2020, 5 more Haglöfs employees completed the 3-month long Sustainability Fundamentals course:

“Basic knowledge about the sustainability issues that our industry deals with is fundamental in my role within marketing. I meet a lot of customers and as sustainability is an important topic for them, I need to be able to explain the work we do in this area. To better understand the complexity of sustainability gives me a better understanding of the choices we make at Haglöfs.”

Linn Ekebring, Nordic Marketing Manager

“As a designer, the greatest insight for me was that up to 80% of the choices we make during the design process decide the environmental footprint of the final product. Designing in new and different ways, like for example designing the product with its second life in mind already

from the start adds a whole new dimension to the design process, which is extremely exciting.”

Annsofie Jacobsson, Head of Design

For more information on SFA, see [here](#).

Performance Management

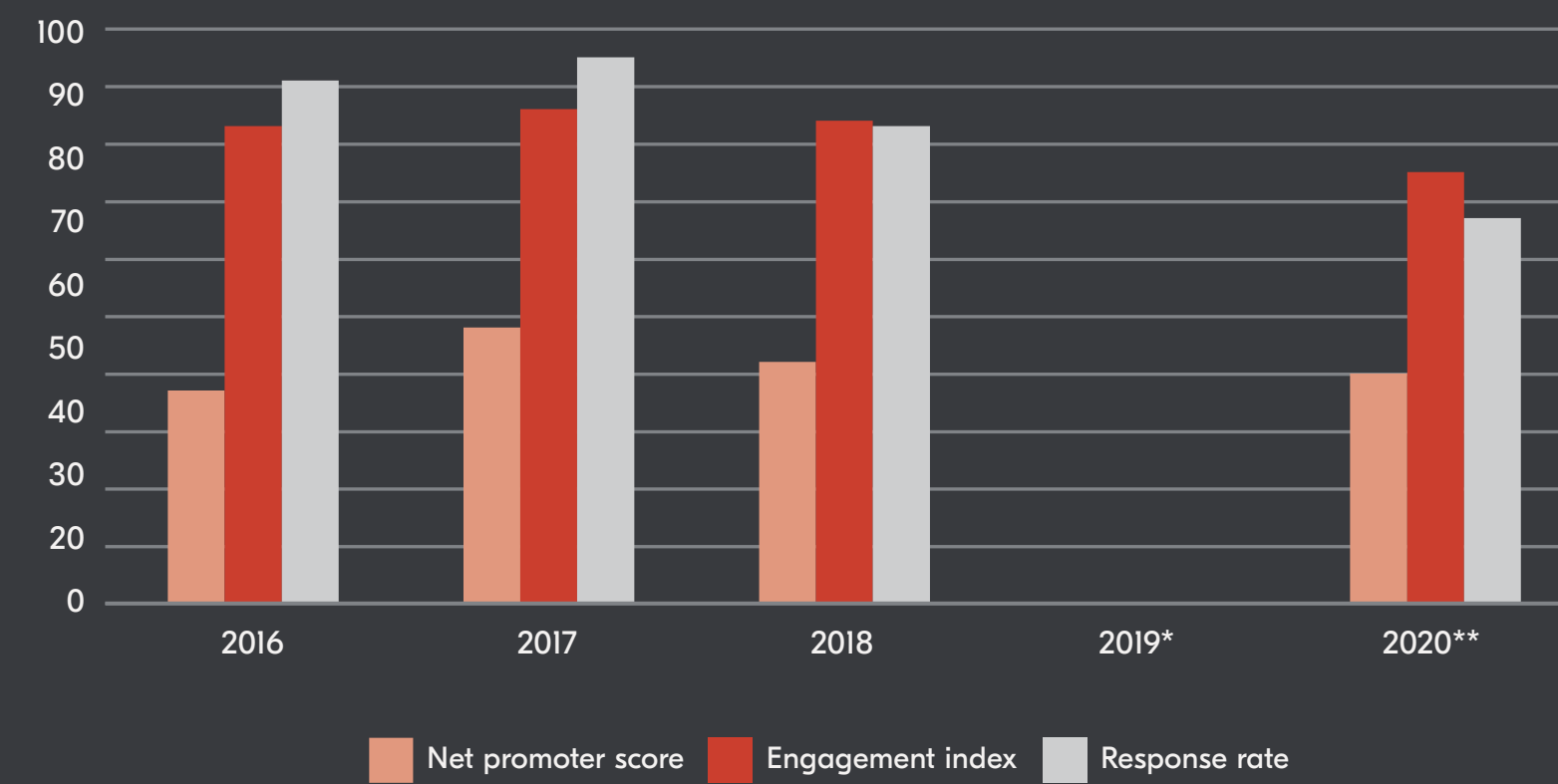
To support employees in their development we conduct annual performance reviews and goal setting exercises to provide opportunities for two-way feedback, identify opportunities for development, and ensure workplans are aligned with company strategy. We also run an employee survey to get further feedback on our performance as employers.

Haglöfs Pulse

This year we launched a new employee engagement survey. In a change from previous years Haglöfs Pulse allows us to do smaller, more regular check-ins via an app to help understand how our organization is doing in the moment, and measure and act on feedback from employees in real time. Since it was launched towards the end of the year, we have so far completed one of these surveys and the plan is to complete one a quarter during 2021.

Although comparisons of scores with previous years are not perfect due to a change in tool and survey type, we saw that the Net Promoter Score (NPS) stayed broadly in line while engagement was down and below our target of 85%. Given the challenges of the year we did expect a

Employee survey results

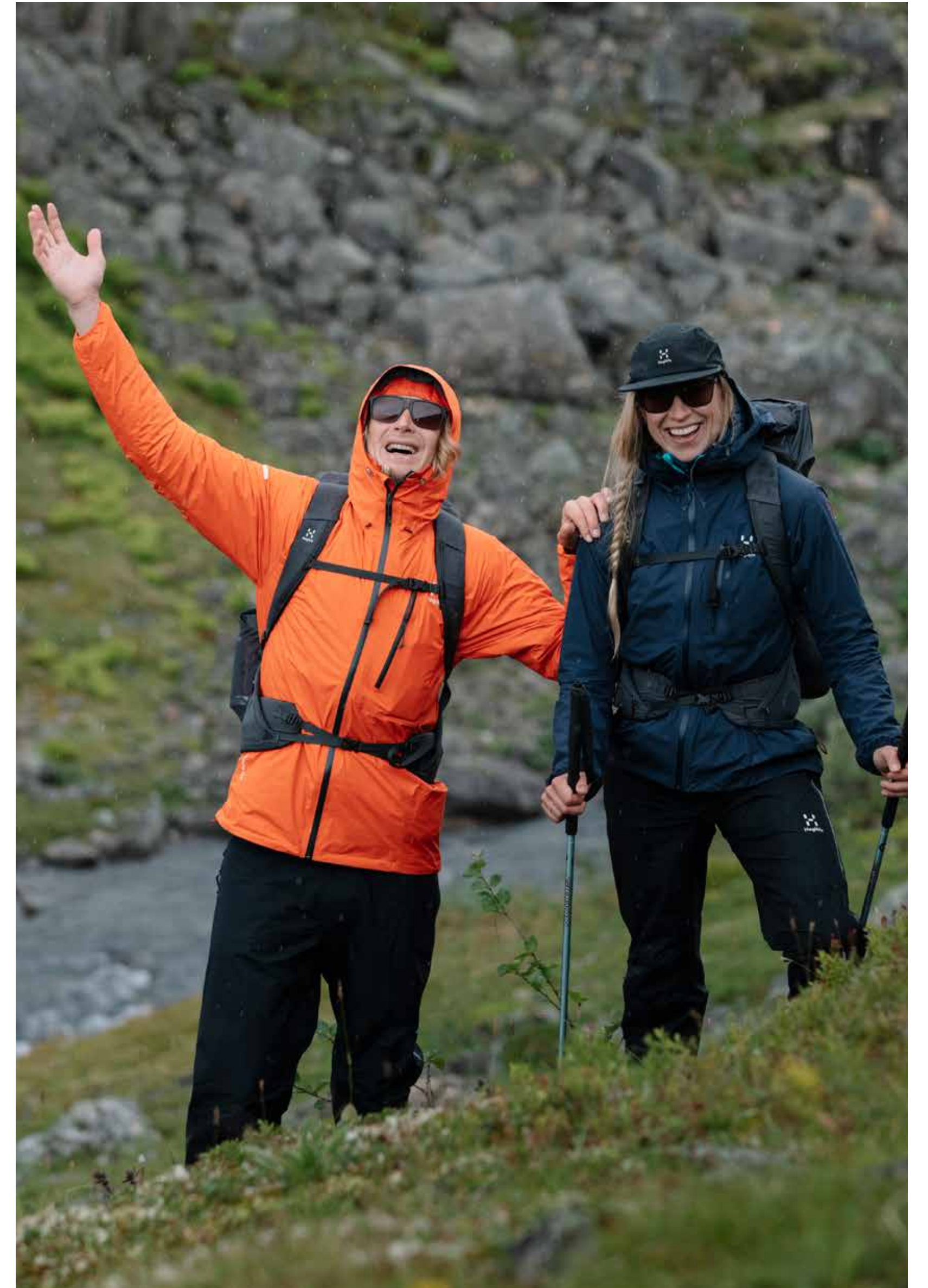


*No survey, transition to new tool
**New tool and survey

lower NPS score and have been encouraged to see how teams have been able to adapt and support each other and are grateful that managers were able to step up to the challenge of leading their teams through difficult times. We will work to ensure that all teams know about and understand how to use the new tool to increase the engagement rate so that future results reflect feedback from across the whole business. We were happy to see that employees felt we were performing strongly in terms of our company direction, values and leadership, that they are proud to work at Haglöfs and that team spirit and collaboration has been high. The main area for improvement was Wellbeing which is perhaps unsurpris-

ing given the challenges of the year however it is an area we need to pay more attention to during 2021.

Are you an Outsider by Nature and would like to join our team? Have a look at the job opportunities currently available [here](#).



Our shared responsibilities

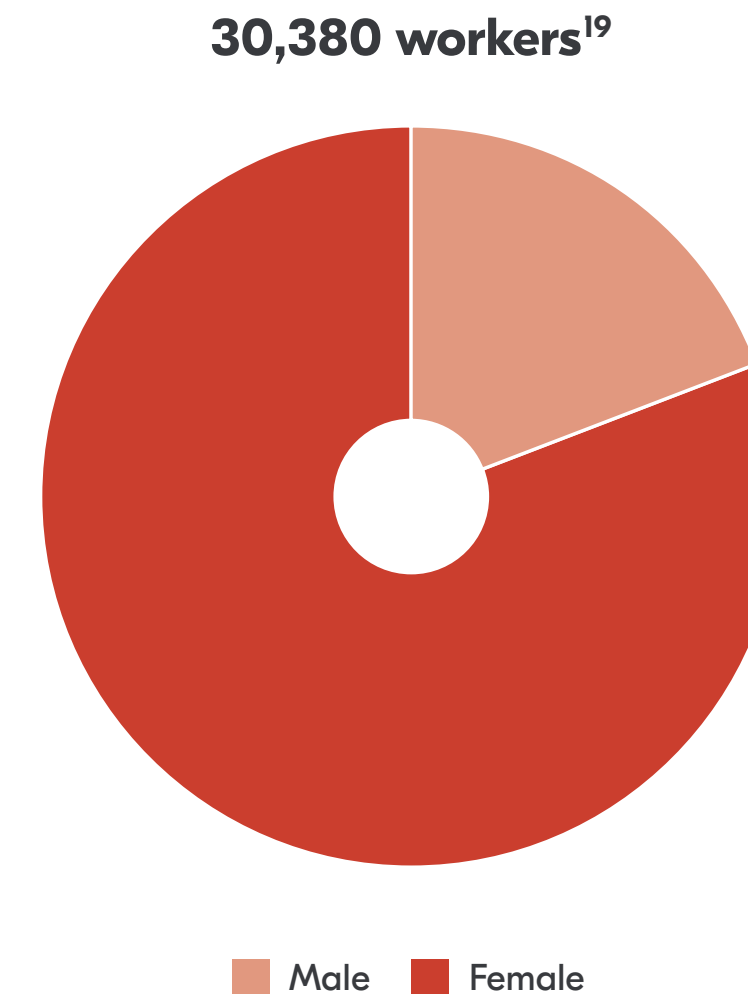
		🔍				✂️			🏔️			👥		
		Foundation	Quality	Repair	Repurpose	Operations	Materials	Factories	Employees	Consumers	Workers			
Materials	The largest part of a product's environmental impact comes from the production of materials	■	■		■		■	■	■	■				
Design	Decisions made at the design stage determine a large part of the environmental impact of a product over its lifetime	■	■	■	■			■	■	■				
Innovation	A pipeline of innovative materials, product and business model propositions is needed to accelerate the decoupling of emissions from growth	■			■		■		■	■				
Sourcing	Our choice of sourcing partners dictates our social and environmental impact	■					■	■	■			■		
Quality	Making high quality products which last is vital to reducing the overall environmental impact of each product.	■	■				■		■	■				
Operations	Controlling the impact of our own operations supports our environmental goals and the way we interact with our supply chain influences conditions for workers	■		■		■		■	■			■		
Development	Decisions made as product is developed impact the product quality and resources used in production, while the way we interact with our factories influences conditions for workers	■	■				■		■			■		
Sales	Working together with our retail partners and consumers we can provide the information and services needed to reduce our environmental footprint	■		■	■			■	■			■		
Marketing	Inspiring people to get outdoors and engaging them in reducing their environmental footprint goes to the heart of what we do	■						■	■			■		
Finance and legal	The cost of carbon needs to be visible to our business and we must have good control of our processes and decision making	■						■						
IT	Support for the management of growing data requirements to ensure well informed decision making and accurate external reporting is vital	■						■						
HR	The opportunity to contribute to a sustainability vision is a key driver for employee attraction and satisfaction	■						■						

Workers

At Haglöfs, dedicated people work every day, all around the world, to make products that inspire people to get out there. It is fundamental that all the people involved are treated fairly in the process including those in our supply chain.

The textile industry provides employment and development opportunities to millions of workers around the world, however labor and human rights are not universally applied, and issues are found throughout the textile supply chain.

In order to mitigate this risk and ensure fair labor practices and safe working conditions in the factories, we assess the situation before committing to starting a business relationship, require factories to commit to upholding our standards, and monitor their ability to uphold these standards on an ongoing basis.



¹⁹ Workers in clothing, footwear and hardware manufacturing sites based on last available audit data or supplier declaration

Update 2020

The COVID-19 pandemic has had a dramatic impact on the textile supply chain. Restrictions in China due to the initial outbreak caused disruption in supplies of materials, this was then quickly followed by an unprecedented collapse in orders as retail stores were closed around the world resulting in waves of job losses and factory closures.

As with most other clothing brands Haglöfs orders dropped dramatically during the initial rounds of lock downs in Europe. Our retail partners requested our support as they fought to survive and a lack of visibility of when the lock downs would ease meant that action had to be taken in our production plans to address the cash flow problems

that were threatening the financial viability of the company. Limitations in travel also meant that our regular factory monitoring and approval processes were disrupted.

With the aim of upholding principles of responsible business conduct we worked closely on a case-by-case basis with each supplier taking their individual circumstances into account and took the following actions:

- accepted and paid full price for goods in transit or in production
- reduced or delayed orders not yet started
- took responsibility for materials costs
- requested extended payment terms where possible

We did not end our relationship with any supplier due to COVID-19 and no suppliers went bankrupt. We are aware however that due to overall reduction in demand several factories did have to let workers go. In the case of one factory, we were made aware through our worker helpline that workers did not receive the legal severance payments, here we were able to work with Fair Wear and the factory to resolve the complaint and all workers have now received the payments due.

Learn more



Fair Wear

Fair Wear is a non-profit organisation that works with brands, factories, trade unions, NGOs and governments to improve working conditions for garment workers. Our membership of Fair Wear underpins our social responsibility initiatives in our clothing, footwear and hardware factories. Fair Wear supports brands with audits, training, a worker helpline and local expertise in labour and human rights issues as well as providing a forum for member brands to collaborate within shared factories to accelerate improvements. In addition, Fair Wear provides an external verification of a brands performance evaluating their process and systems the results of which are publicly available on their website. The work we carried out in 2019 resulted in Haglöfs achieving Fair Wear Leader status.

For more information and to see the results of Haglöfs most recent Brand Performance Check, see [here](#).



Assessment

Prior to entering any new sourcing country, we carry out a country risk assessment including analysis of human rights, labor conditions, political stability, sector and corruption risks. Our country risk assessments are updated as and when new information becomes available.

2020 update:

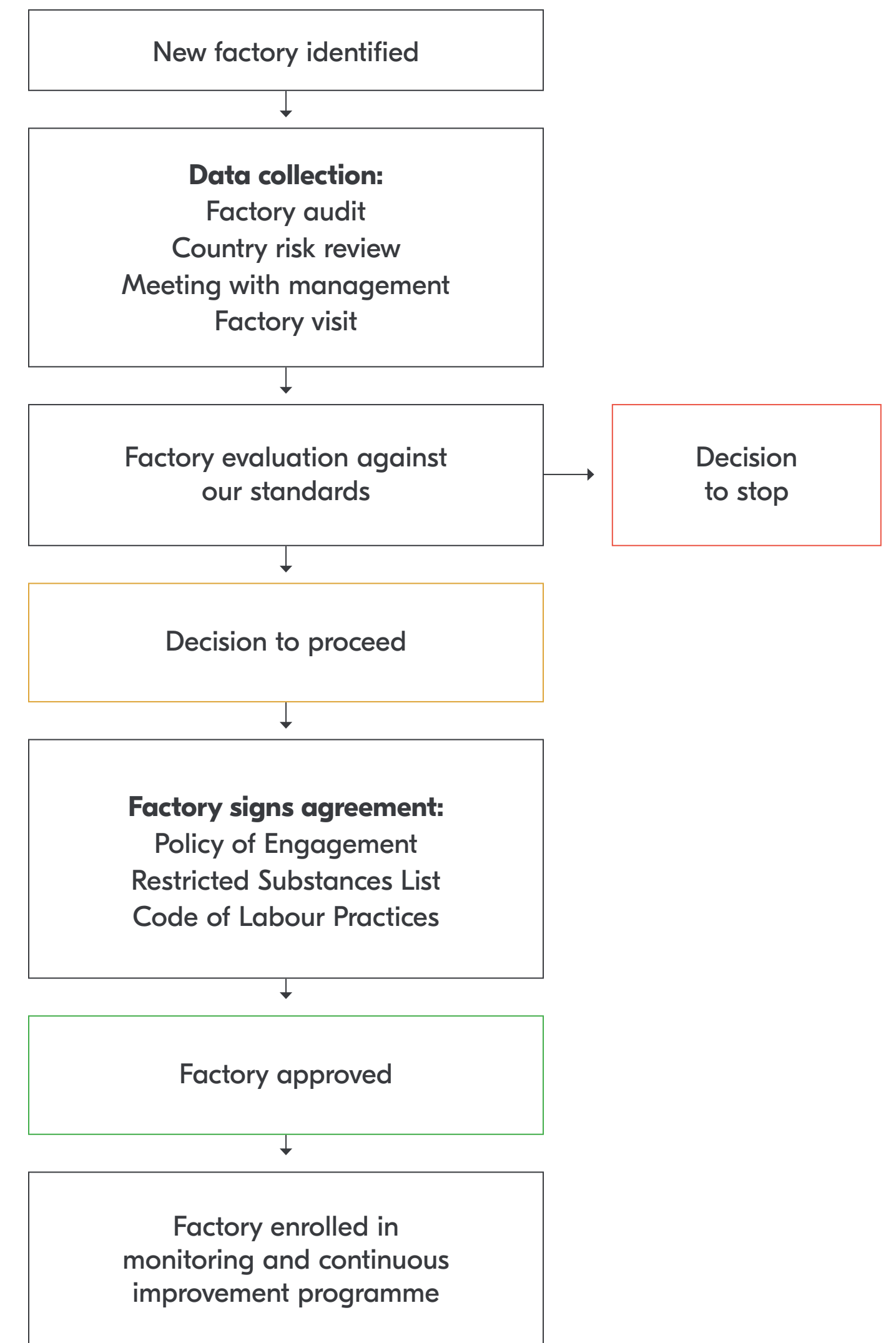
- No new sourcing countries were entered in 2020
- During 2020 the risk of potential forced labour in production associated with the Xinjiang region of China was raised²⁰. A review of our supply chain confirmed that no production takes place in the region and that the cotton we use for our cotton tees comes from

Turkey. We updated our materials and sourcing policies to reflect this risk and we continue to monitor the situation for any new developments

When we select a new supplier, we assess their performance against our social and environmental standards alongside their technical capability before taking the decision to proceed. The decision to approve a new factory is taken jointly between the sourcing and sustainability teams.

Our Policy of Engagement sets out the minimum requirements regarding human rights, labor standards, corruption, occupational health and safety and environmental practices and forms a key element of the

²⁰ www.aspi.org.au/report/uyghurs-sale



Terms of Agreement which all new suppliers must sign before any production takes place.

2020 update:

Our aim in 2020 was to update our approval process for materials suppliers in line with that of our product manufacturers however due to the changing circumstances as a result of the COVID-19 pandemic this was delayed and will be taken up again in 2021.

Monitoring and continuous improvement

When Haglöfs partners with a new supplier, its manufacturing facilities are enrolled in a cycle of monitoring and continuous improvement to ensure ongoing compliance against the Code of Labor Practices.

Audits and visits

Haglöfs works with factories to fix issues found during the audit process via a timebound corrective action plan. Across all countries, health and safety issues represented the largest number of issues found during audits carried out in 2020. With issues related to wages, excessive overtime and freedom of association also significant in our main sourcing countries of China and Vietnam.

The seasonal nature of our products means that we have two main production seasons a year contributing to production peaks which are the main cause of excessive overtime seen at some factories. We aim to increase the quantity of product which we can produce out of peak season to relieve some of this pressure.

Haglöfs Code of Labour Practices

- Employment is freely chosen
- No discrimination in employment
- No exploitation of child labour
- Freedom of association and the right to collective bargaining
- Payment of a living wage
- No excessive working hours
- Safe and healthy working conditions
- Legally binding employment relationship

Our monitoring and improvement process

Audits

What: Audits assess the factory's performance against the Code of Labour Practices.

Why: To ensure social and ethical compliance in our factories and to mitigate human rights risks.

When: Factories are placed on an audit cycle the length of which depends on their rating.

Who: Third party auditors (e.g. Fair Wear, Better Work).

Factory training

What: Training sessions at the factories help improve both worker and management understanding of worker rights.

Why: It is important that workers understand what their rights are and that management understand how to cooperate with workers to protect those rights.

When: Frequency of training depends on the factory rating.

Who: Fair Wear and Better Work.

Visits

What: Visit to the factory site

Why: To ensure a better visibility of conditions on the ground, to follow up with issues found in the audits and reinforce our standards. To build strong and transparent relationships, improved communication and monitor product quality.

When: All year round.

Who: Haglöfs management, sourcing, buying, development and sustainability teams.

Worker helpline

What: A number or email address which workers can use to anonymously contact a local team to raise concerns.

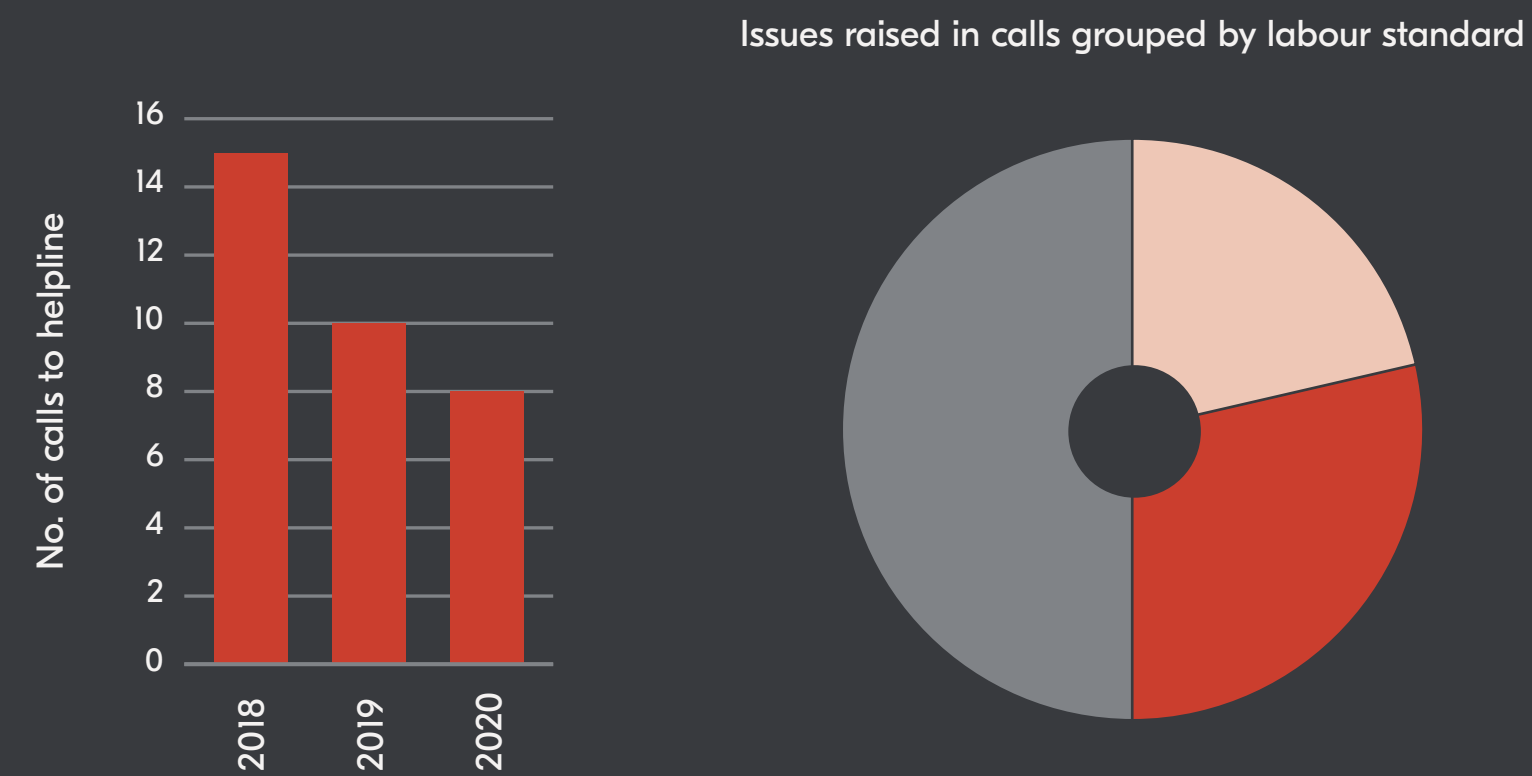
Why: Not all workers feel safe raising issues to factory management.

When: Available 365 days a year.

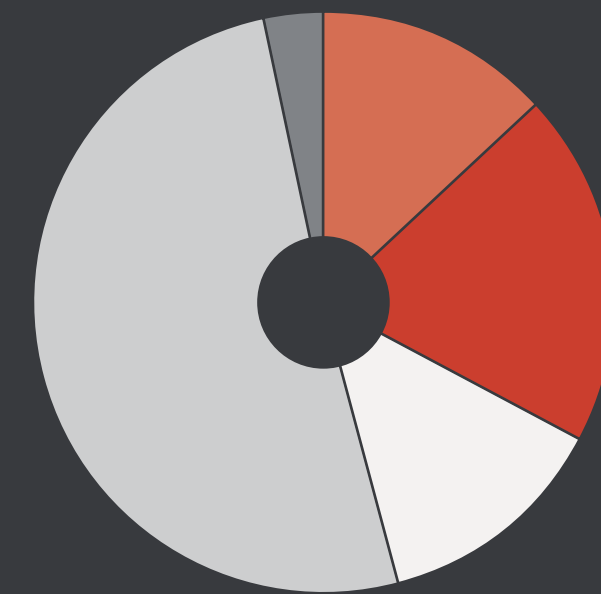
Who: All workers in our product manufacturing facilities have access to the helpline hosted by Fair Wear.

Our monitoring data

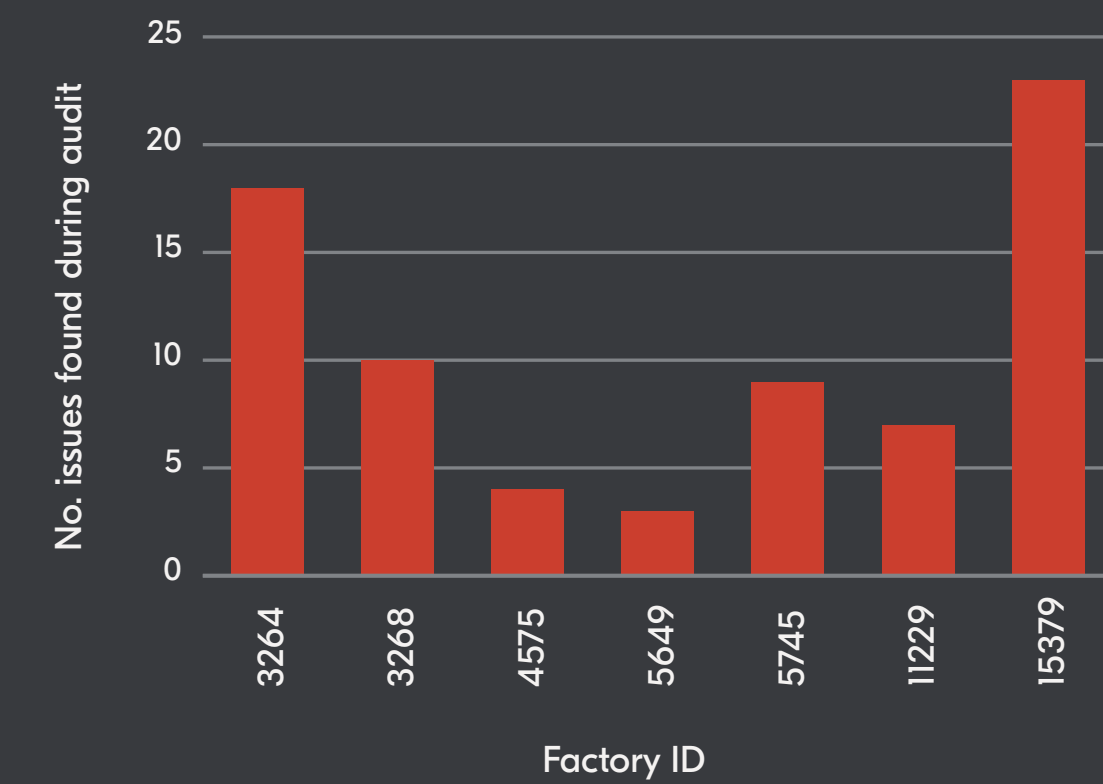
Worker helpline



Issues found grouped by labour standard



Audits



- 1. Employment is freely chosen
- 2. Freedom of association and the right to collective bargaining
- 3. No discrimination in employment
- 4. No exploitation of child labour
- 5. Payment of a living wage
- 6. Reasonable hours of work
- 7. Safe and healthy working conditions
- 8. Legally binding employment relationship

2020 update:

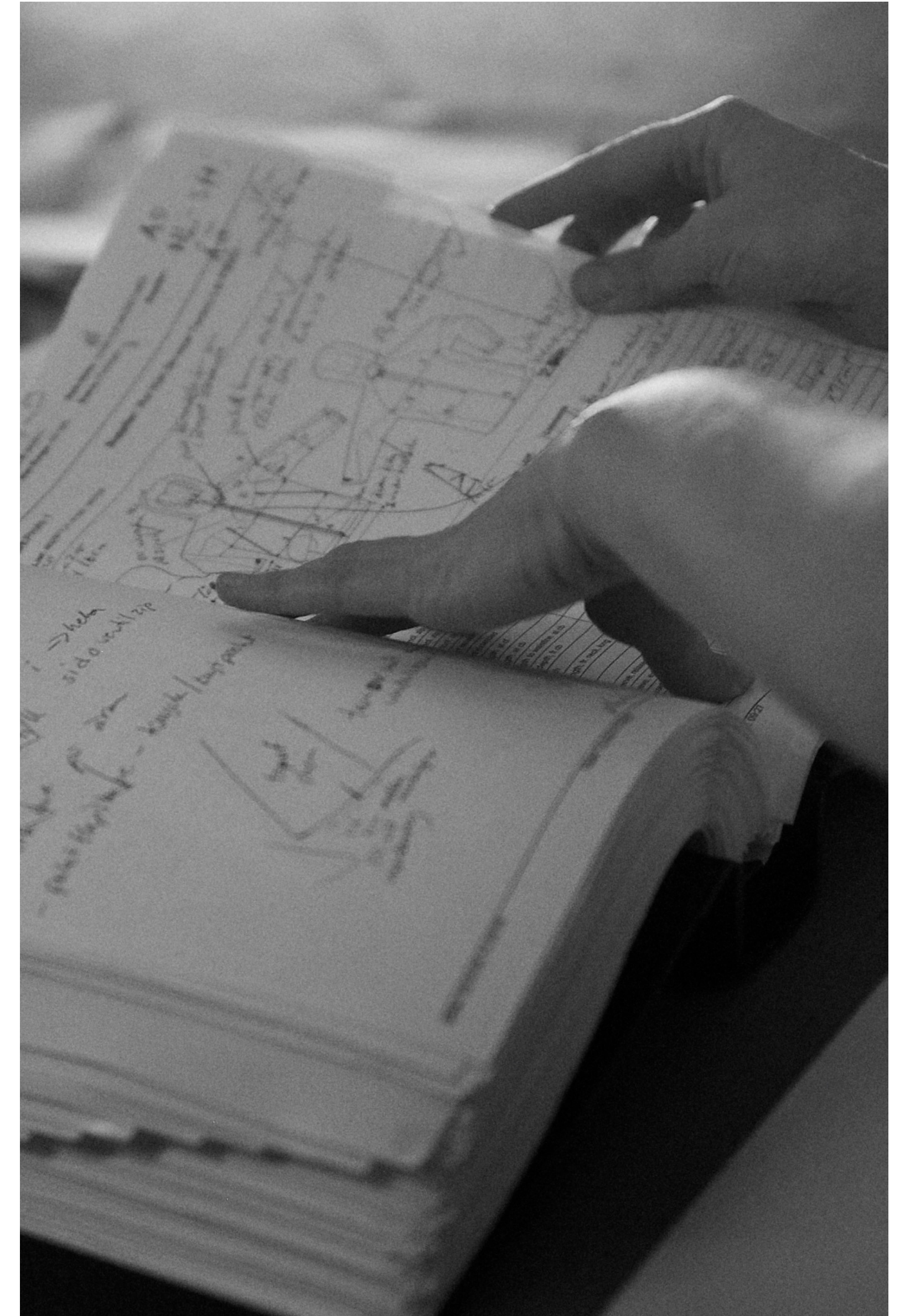
- Due to travel restrictions, we were unable to carry out audits on our planned schedule however as restrictions eased local auditing teams were able to reach factories and conduct audits towards the end of the year
- 7 product manufacturing factories were audited by Fair Wear or an equivalent standard, either as part of their ongoing audit and verification cycle or because they were new suppliers
- Factory visits by our staff were also severely restricted and we were only able to visit one factory. In lieu of this we worked with our agent in Vietnam to help support us on better visibility where they were able to within the local restrictions and increased our communication with

suppliers to help us better understand the situation on the ground

- 25% of our orders were placed outside of peak season

Worker helpline and training

At all the product manufacturing factories we work with, information sheets are posted in local languages describing the eight labor standards, while also providing contact details for workers to access a confidential helpline. The helpline is hosted by Fair Wear in the local language and can be used to raise complaints if workers feel an element of the code of labor practice has been breached and they have been unable to resolve the issue directly with the factory.



Full reports on the complaints received from workers in factories which Haglöfs works, can be found on the Fair Wear [website](#).

2020 update:

- 8 complaints were received through the helpline
- 3 calls related to one factory were directly related to the impact of COVID-19 where workers did not receive the severance payments due to them when they were made redundant. We worked with the factory to address the complaints and all workers have since been paid

In addition, training sessions at the factories help workers understand their rights while ensuring they are aware of the options available to them if they feel their rights are

being violated. The primary goal is for the factories to have their own functioning systems that allow workers to safely raise concerns with factory management, without retribution. This may include access to unions or worker representatives.

2020 update:

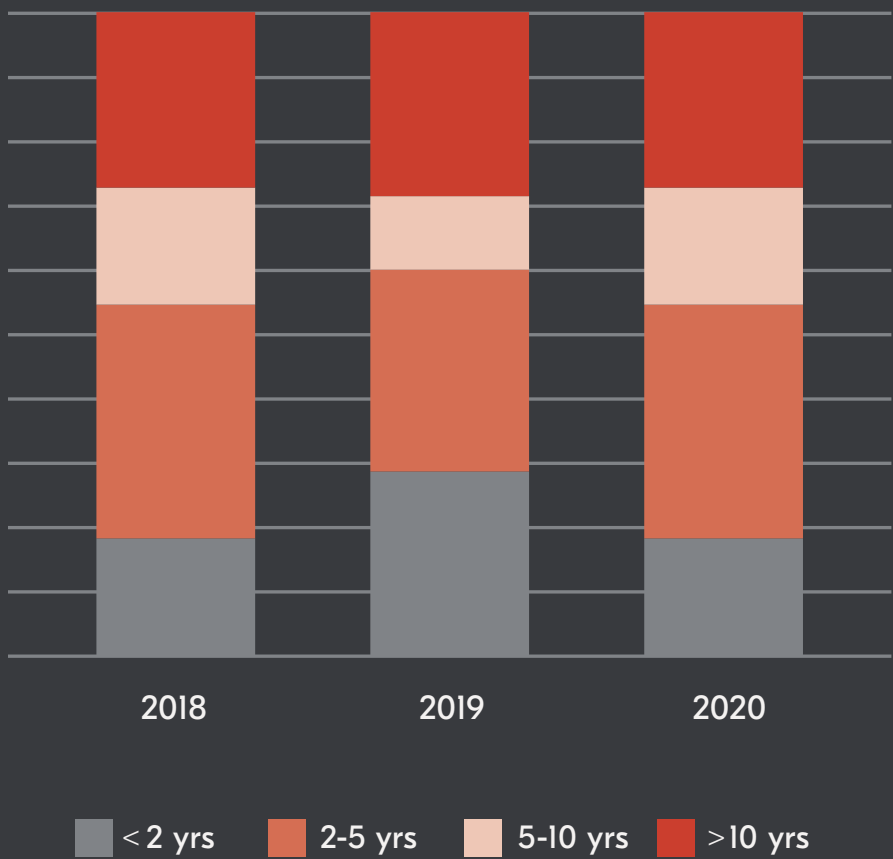
- As with our audit plans training schedules were also disrupted during the year due to travel restrictions. Once these restrictions eased, we were able to hold training sessions focusing on workers' rights at 6 factories, reaching 211 workers and 113 factory managers
- This included kicking off a yearlong advanced training program specifically focused on social dialogue between workers and managers for some of our strategic partners

Long term relationships

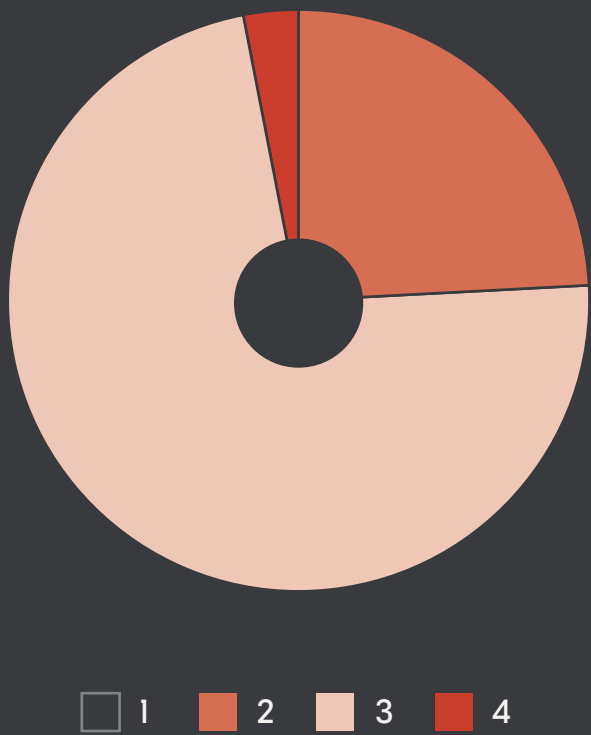
A stable factory base, focusing on long-term relationships, allows trust to be built and improvements to be made over time. We have been working with over 45% of our suppliers for over five years. However, there are times when moving factories is the right thing to do as product mix, capacity and technical capabilities change, or when a factory is unable to meet our standards on an ongoing basis. We are aware of the potential impacts this may have on workers and have developed internal guidelines on managing factory exits in a responsible manner, ensuring that factories are given sufficient warning to allow them to replace our orders.

Our supply chain cont'd²¹

Length of supplier relationship



Factory split by performance rating



²¹ Data based on clothing, footwear and hardware manufacturers

Keeping everyone on the same page

Regular meetings between the sustainability, sourcing, development and buying teams help ensure policies are understood, processes are aligned, and there is visibility across all teams of the status of our factories and our production plans.

Factories are rated according to social, environmental, and chemical management standards and given a score which is integrated into the sourcing scorecard for factories.

A score of 1 represents industry leading practice while 4 is reserved for factories where serious or recurring issues are found. The use of supplier ratings supports:

- The integration of supplier performance in areas of social compliance and environmental responsibility into sourcing decisions
- Supplier understanding of their relative performance vs other suppliers: and
- Internal communication

These scores dictate the level of monitoring required and training offered and are taken into consideration when allocating orders and when changes in the supplier base are to be made.

Living wage

The topic of living wages in supply chains is a complicated one with issues such a lack of direct brand control over

worker salaries, factories producing for multiple brands, limited consensus on what constitutes a living wage in different regions and a lack of proven methods for reliability getting the money to those that need it in a sustained manner.

The first step towards progress is understanding the current situation of wages in factories. Audits conducted by FairWear in our factories include a detailed wage analysis which allows us to firstly confirm that workers are being paid at least the legal minimum wage.

The wage analysis also allows us to get a bigger picture of what the wages are compared to some different living wage benchmarks. From these analyses we have found

that the vast majority of our factories pay beyond the minimum wage, and in some cases meet one of the living wage benchmarks.

The most effective way for living wages to be paid in a consistent and sustained manner across an industry is for minimum wages to be raised and to ensure healthy worker representation and negotiating ability to realize, for example, collective bargaining agreements which meet workers' needs. The audits, worker helpline and visits to our factories help us identify opportunities for improvements in worker representation and, during 2020 we have started supporting some of our strategic suppliers with advanced training in social dialogue.

2020 update:

- No instances of workers being paid below the legal minimum wage were reported
- For the first time we have published an analysis of wage levels across the supply chain

Health and Safety

Beyond human rights and labor issues, workers further down the supply chain, particularly in factories such as textile mills or tanneries, are exposed to additional health and safety risks. We require these higher risk factories to have systems in place to protect workers, including in the area of chemical management, and work with industry leading third parties to validate conditions in these factories (see Factories section).



Supply chain wage analysis²²



²² Data covers factories producing over 70% of the 2020 volume. Data is gathered from the most recent Fair Wear audit report, it includes basic salary and benefits, overtime wages are not included. The data is summarised as the weighted average of the mode data per position worked in a factory. The legal minimum wage benchmark is the most recently updated regional legal minimum wage (2020). The living wage benchmark is based on regionally specific living wage estimates published by expert organisations including Asian Floor Wage Alliance, Global Living Wage Coalition, Wage Indicator Foundation

[Learn more](#)

Better Work

Cooperation between Fair Wear and Better Work helps reduce duplications of audits, avoiding audit fatigue caused by repetitive audits without any tangible benefit for the workers. Better Work is a collaboration between the United Nation's International Labour Organization (ILO) and the International Finance Corporation (IFC), and is a comprehensive programme bringing together all levels of the garment industry to improve working conditions and respect of labor rights for workers. It promotes factory ownership of improvements and supports the factories with expertise and onsite training.

Four of the factories that Haglöfs work with are members of Better Work. Learn more about their approach [here](#).



Consumers

Our mission is to inspire people to explore the outdoors and every day we create products that enable people to get out there in comfort and safety no matter the weather.

We believe in the power of the outdoors to improve physical and mental health and wellbeing, and that spending times in our wild places builds an appreciation for nature and the importance of protecting it.

Stay safe. Focus on what really matters

However, with everyday life dramatically changing as COVID-19 started to spread across the globe in early 2020, we all needed to take the extra precautions necessary to safeguard our health and that of others. Even if this meant staying inside. To help support the important message of the local authorities, we took the decision to change our planned spring marketing campaign using the advertising space to urge our

community to stay-up-to-date and follow the latest advice of health professionals and the local governments.

Our Natural Habitat

The COVID-19 outbreak also resulted in people not being able to move around as freely as before, due to travel restrictions both on a local and a global level. Nevertheless, the need for people to experience the physical and mental benefits of the outdoors was even greater than ever. We launched our inspirational information hub Our Natural Habitat helping people rethink their options for accessing the outdoors during the restrictions by showcasing local outdoor experiences, because sometimes best adventure might be found just outside your front door.



Sustainable **CHOICE**

Our Natural Habitat is a long-term project which will continue to be built on for many seasons and will serve as a go-to place for engaging educational content about the outdoors.

Our consumers are key to helping us deliver our sustainability strategy and we aim to support them in making the best decisions for both their adventure and the environment.

Sustainable Choice

To encourage consumers to take into consideration environmental impact when buying products, we highlight products which have been made with some of our lower

impact materials both on hang tags and online. We also make it easier to search for lower impact products online through predefined search filters. For more details on our Sustainable Choice label have a look [here](#).

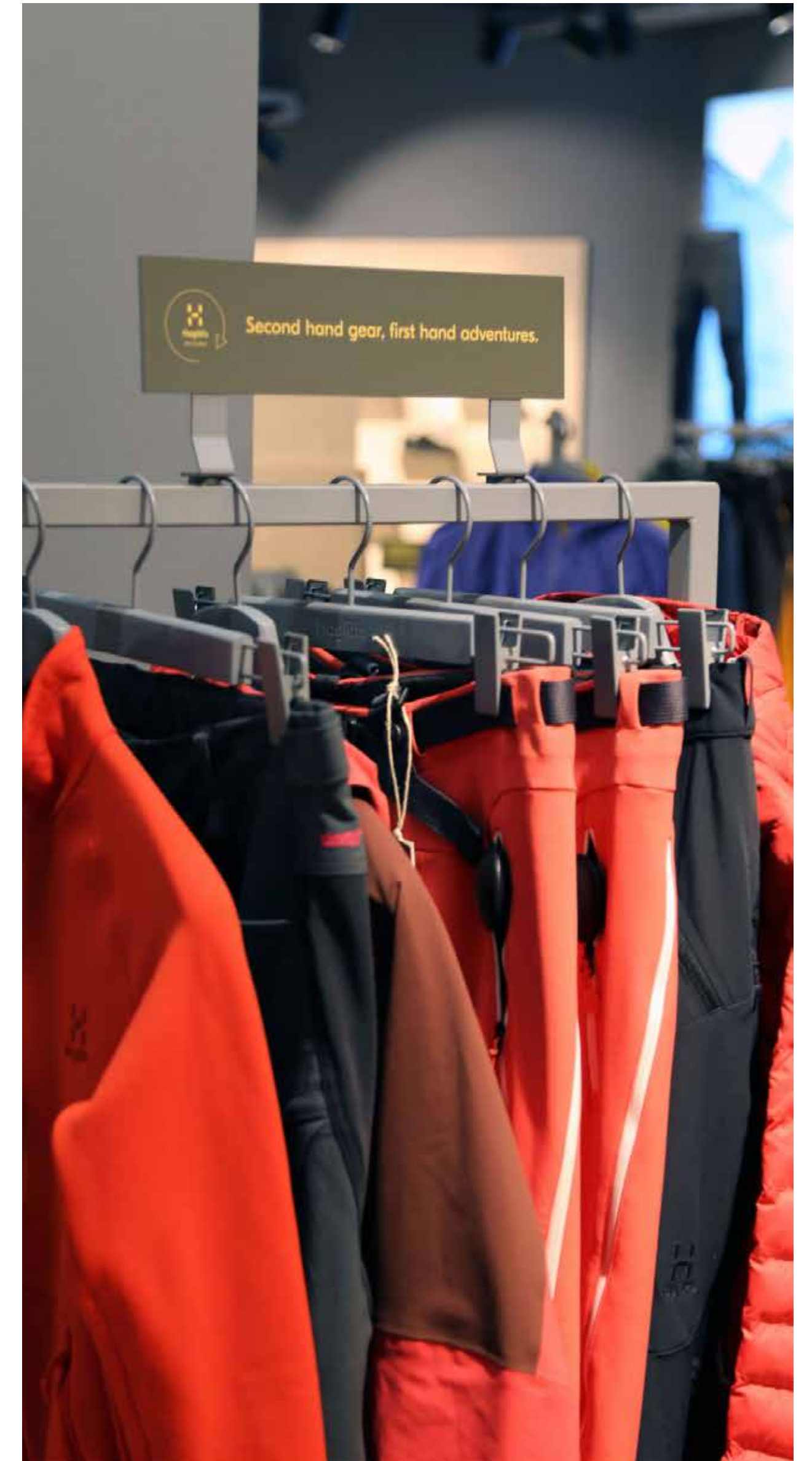
[Learn more](#)

Green Friday

On Friday November 27th, 2020, we once again pushed back against the excessive consumption driven by exaggerated discounting of Black Friday with our Green Friday initiative. This year, we used the day to promote for a more responsible way of shopping through the pre-launch our new second hand concept – Haglöfs Restored – in the Stockholm Brand Store as well as on Instagram. The sale of new products was restricted by closing down all of the other Haglöfs brand stores as well as the global webstore. The message was simple: if you have to buy something on the most aggressively sales-focused day of the year, take a stand and buy second-hand.

“By acting against Black Friday, we open up a conversation on the problem of large-scale discounting to drive sales on days such as Black Friday. We asked the industry as well as consumers to think about who is really paying for a bargain when products start to cost less than the cost of production and to consider how we can work together to get out of this destructive cycle”

- Elaine Gardiner, Head of Sustainability



[Learn more](#)

Our Natural Habitat

Launched in June 2020, [Our Natural Habitat](#) serves as a go-to place for engaging educational content about the outdoors.

The information hub is today made up of three elements.

1. An interactive map where consumers can find the best places for accessible outdoor adventures close to home. The map shows the hidden gems of our own staff and ambassadors. These can be tips on specific hikes, climbs, trails and stops that most people will never find on their own, but that we think more people should be able to enjoy.

2. A Tips & Tricks section where we share our best advice on how to make the outdoor experience more enjoyable (read how to avoid mosquitoes when camping or how to best pack the backpack so that you can fit that extra little luxury item in too).

3. A section on how to Care & Repair for products to extend their useful life as much as possible.



Appendix

Appendix 1: GRI Index

This report has been prepared in accordance with the GRI Standards: Core option.

GRI content Index	Disclosure No.	Description	Page	Notes
General Disclosures				
Organizational profile	102-1	Name of the organization	5	
	102-2	Activities, brands, products, and services	9	
	102-3	Location of headquarters	9	
	102-4	Location of operations	9	
	102-5	Ownership and legal form	5, 9	
	102-6	Markets served	9	
	102-7	Scale of the organization	9	
	102-8	Information on employees and other workers	66	
	102-9	Supply chain	29, 56	
	102-10	Significant changes to the organization and its supply chain	9, 75	One new store opened in France No significant changes in supply chain
	102-11	Precautionary Principle or approach	17	Our policies, processes and strategies described throughout use a precautionary approach aimed at going beyond minimum regulatory requirements where they relate to environmental impacts
	102-12	External initiatives	See notes	Fair wear, SAC, Microfibre Consortium, STICA, bluesign, EOG Single Use Plastics project, EOG Climate Action programme, Signatories to AAFA/FLA Commitment to Responsible Recruitment
	102-13	Membership of associations	See notes	RISE Kemikaliegruppen, Scandinavian Outdoor Group (SOG), European Outdoor Group (EOG), Teko
Strategy	102-14	Statement from senior decision-maker.	3	
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	8, 15-17	
Governance	102-18	Governance structure	13-14	

Appendix 1: GRI Index

GRI content Index	Disclosure No.	Description	Page	Notes
General Disclosures				
Stakeholder engagement	102-40	List of stakeholder groups	21-22	
	102-41	Collective bargaining agreements	68	
	102-42	Identifying and selecting stakeholders	18, 21-22	
	102-43	Approach to stakeholder engagement	18, 21-22	
	102-44	Key topics and concerns raised	18-22	
Reporting practice	102-45	Entities included in the consolidated financial statements	5	
	102-46	Defining report content and topic boundaries	18-22, 95, 96	
	102-47	List of material topics	20, 95-96	Appendix 2
	102-48	Restatements of information	-	
	102-49	Changes in reporting	See notes	No significant changes
	102-50	Reporting period	5	1 January 2020 - 31 December 2020
	102-51	Date of most recent previous report	See notes	1 January 2019 - 31 December 2019
	102-52	Reporting cycle	5	Annual
	102-53	Contact point for questions regarding the report	5	
	102-54	Claims of reporting in accordance with the GRI Standards	-	This report has been prepared in accordance with the GRI Standards Core option
	102-55	GRI content index	92-94	Appendix 1
	102-56	External assurance	97	Appendix 3
Economic Standards				
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	15-17	
	205-3	Confirmed incidents of corruption and actions taken	15-17	No reports or confirmed cases of corruption
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	15-17	No legal action brought

Appendix 1: GRI Index

GRI content Index	Disclosure No.	Description	Page	Notes
Environmental Standards				
Materials	301-1	Materials used by weight or volume	44	
	301-2	Recycled input materials used	44, 45, 47	
Energy	302-1	Energy consumption within the organization	60	1858 MWh
Water and Effluents	303-1	Interactions with water as a shared resource	49-53	
Emissions	305-1	Direct (Scope 1) GHG emissions	34	See Appendix 3 for external assurance of the 2020 emissions data
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity	-	Covers S1,2 & selected S3 Emissions/product sold: 13.7 kg CO ₂ e/product sold Emissions/turnover: 26 ton CO ₂ e/MSEK
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	49-53, 75	
Social Standards				
Occupational Health and Safety	403-8	Workers covered by an occupational health and safety management system	63, 64	
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	68-70	
	404-3	Percentage of employees receiving regular performance and career development reviews	68-70	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	66	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	15, 16, 62-70	None reported

Appendix 1: GRI Index

GRI content Index	Disclosure No.	Description	Page	Notes
Social Standards				
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	15-16, 72-85	
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	15-16, 72-85	Child and forced labour remain a risk throughout the textile supply chain, including in our key sourcing countries. Our Terms of Agreement with suppliers include a prohibition on child and forced labour, and we monitor our Tier 1 factories for potential signs of child and forced labour and provide worker grievance mechanisms
Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	75	All Tier 1 suppliers are screened during selection and approval process
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	75	All Tier 1 suppliers are screened during selection and approval process
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	36	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	17	No substantiated complaints were received concerning breaches of customer privacy and no data breaches reported

Appendix 2: Our material topics

Material Topics	Description	DG and relevant target	Strategies and policies to address the topic
Product Quality, Performance and Safety	It is important to Haglöfs that our products do not pose a risk to our consumers and that they deliver the desired performance for the expected lifetime of the product. Producing high quality product which lasts is key to minimising our overall environmental impact	12 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Performance and quality standards Lifetime warranty Chemical management programme Design philosophy and innovation strategy Supplier Terms of Agreement
Fair and decent jobs	At Haglöfs we rely on people around the world from Sweden to Vietnam to bring our products to the market. It is important that all workers have access to fair and decent jobs which do not compromise their human rights including access to healthy and safe places of work.	8 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Code of Conduct Work Environment Policy Supplier Terms of Agreement Social compliance programme
Climate Change	Emissions of GHGs as a result of our operations and production processes are contributing to climate change. Climate change poses both increasing transitional risk to our business e.g. increased regulation/cost of carbon as well as physical risks e.g. the exposure of our supply chain to extreme weather events. Climate change is also affecting the outdoor places we love to explore and disrupting the seasons to which our products are so closely linked	13 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate commitment and targets Sustainable Materials Guidelines Efficient factories Controlled logistics
Participation in outdoor activities	At Haglöfs our mission is to inspire people to get outdoors. Our business is built on equipping people to get out in the mountains, while getting outdoors improves health and wellbeing outcomes	3 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing	Products which enable people to get outdoors Consumer engagement which inspires and educates Outdoor Hour for our own employees
Resource depletion and waste	The textile industry uses large quantities of virgin resources while also generating large quantities of waste. This linear model represents an unsustainable business model in	8, 12 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Haglöfs Restored Packaging guidelines Sustainable materials guidelines Quality management

Appendix 2: Our material topics

Material Topics	Description	DG and relevant target	Strategies and policies to address the topic
Water consumption and pollution	The textile industry is a major consumer of water and contributes to large scale industrial pollution. Reducing water consumption and pollution is better for the environment and improves the quality of life of the communities near where our products are made.	6 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Chemical Management programme Leather Working Group/bluesign Low impact dyeing solutions Microfibre Research
Chemistry	Chemicals are the buliding blocks of Haglöfs products. It is important that chemicals are managed responsibly at every stage of a products' lifecycle to protect workers, consumers and the environment	12 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Chemical Management Programme
Corporate Governance and Transparency	At Haglöfs it is important that we are a good corporate citizen. Strong governance and transparency help avoid the risk of corruption and other illegal or unethical practices. the long term	12 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	Code of Conduct and related policies Sustainability reporting Training Supplier Terms of agreement

Appendix 3: Auditor statements



Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Haglöfs AB, corporate identity number 556054-8694

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Ernst & Young AB

Oskar Wall
Authorized Public Accountant

South Pole has performed an independent assurance of Haglöfs' reporting of its GHG emissions for the calendar year 2020, based on the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The intended users of this assurance statement are, among others, Haglöfs' management, and stakeholders.

This assurance is based on the AA1000AS v3 with Type 2 moderate-level assurance. Based on the work conducted, nothing came to our attention to demonstrate that Haglöfs did not adhere to the Accountability Principles, and no issues or circumstances emerged that gave us any reason to deem that Haglöfs 2020 GHG reporting did not meet the current standard's requirements and criteria.

Haglöfs has sole responsibility for the content of its GHG inventory. South Pole's responsibility was to provide an independent assessment of the GHG inventory based on the AA1000AS v3 assurance process. The assessment covered but was not limited to reviewing the definition of system boundaries and the completeness of climate impact accounting, the relevance of input data and the accuracy of emission factors.

Haglöfs and South Pole do not exchange any type of services that could affect their independence or cause conflict of interest for this work. South Pole was neither engaged in the data collection process nor the calculations for the GHG emissions.

South Pole

Stockholm, 6 April 2021

Marie Gustafsson, Principal Consultant

Sandeep Kanda, Senior Sustainability Strategist

AA1000 Full Statement unique number 000-198/V3-HJMM6



The full assurance statement can be found [here](#)