



# Haglöfs Social Report

Reporting period January 2022 – December 2022



Haglöfs

This report describes the activities and observations by issue and country against our Code of Labor Practices in compliance to Fair Wear social reporting requirements.

This serves as an appendix to 2022 Haglöfs Sustainability Report.

For the full report please refer to Haglöfs 2022 sustainability report.

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*Refer to 2022 Haglöfs Sustainability Report*

# COHERENT SYSTEM FOR MONITORING AND REMEDIATION

Clothing, footwear and hardware factories form the backbone of Haglöfs supply chain and are key to delivering on Haglöfs product strategy. Before entering into a relationship with any new factory it is assessed against sourcing, quality, social and environmental standards to ensure that it can support the strategy.

Once a factory is approved, Haglöfs invests in an ongoing monitoring and improvement program with the factory until such times as the relationship with the factory is terminated. Factories which cannot meet the standards on an ongoing basis pose a risk to workers rights, the environment and Haglöfs reputation as a responsible brand in addition to requiring additional resources to manage.

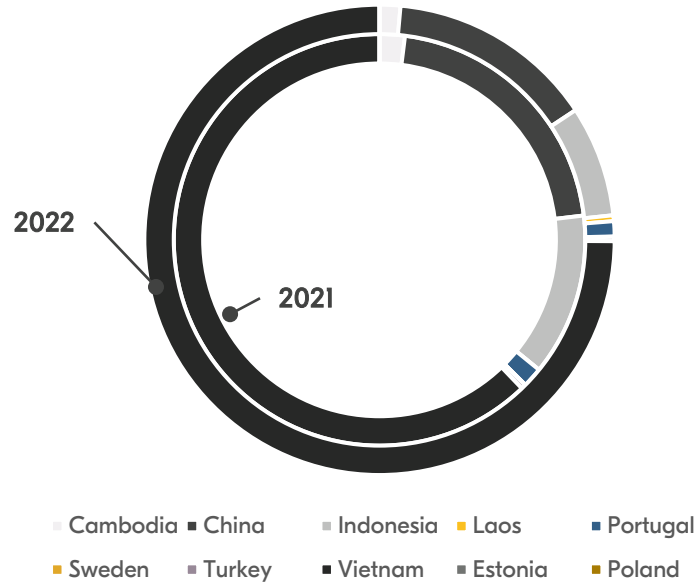
Once approved, the factory is put on an auditing cycle of three years with the exception for factories with higher risk. In the year of 2022, 19 factories were audited either by Fair Wear or Better Work.

Please refer to Haglöfs 2022 Sustainability Report for more information on our monitoring program.

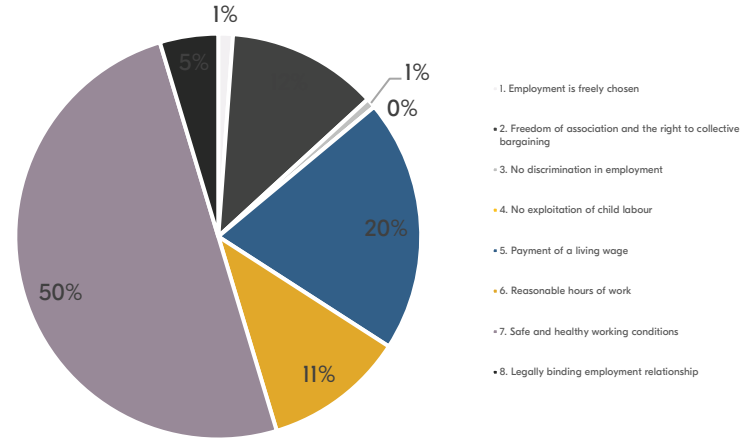


# Sourcing Country Split

## Country split by FOB

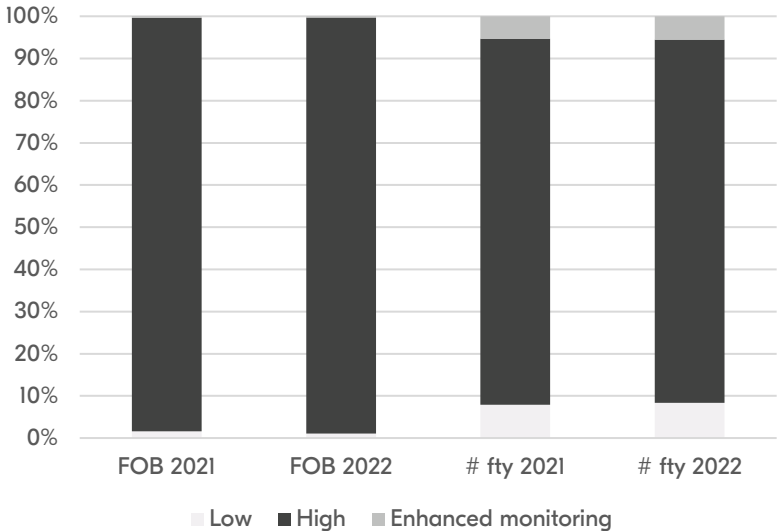


## Issues found in audits 2022



# LOW RISK COUNTRIES

## Production in low risk



## Comments

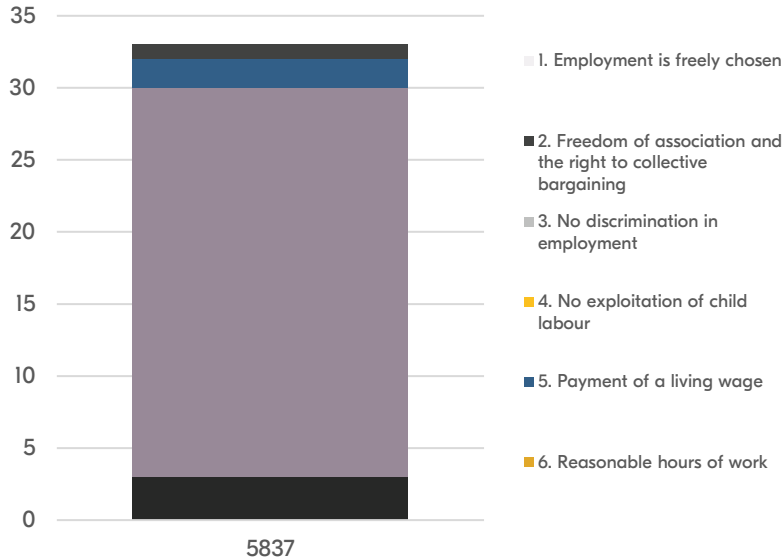
Haglöfs has production in Portugal and Sweden, which are considered low risk under Haglöfs country risk profile.

Production that takes place in low risk countries are monitored through visits, instead of requiring a social audit.

Production workers in low risk countries also have access to Fairwear hotline.

# CAMBODIA

## 2022 audit results



## Comments

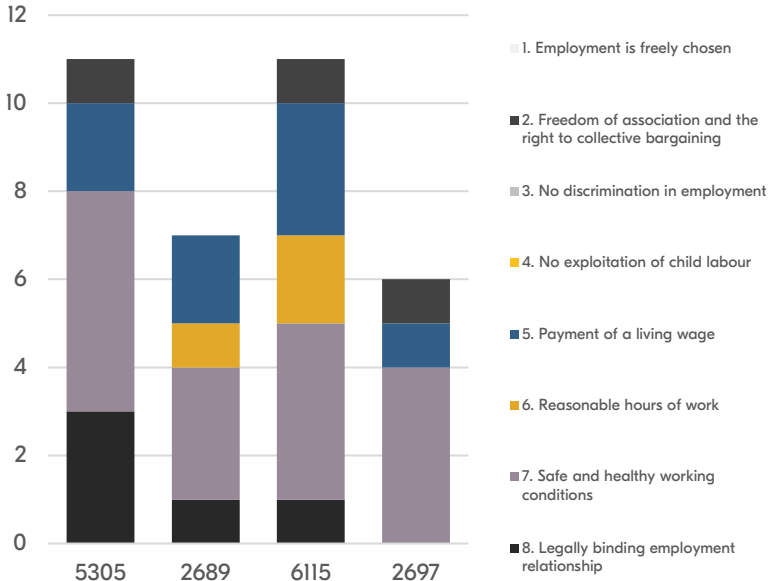
Cambodia is considered a high-risk production location in our country risk profile. The highest risk areas especially around voice and accountability, as well as payment of living wages.

This factory is part of Better Work since 2016. Majority of the issues identified through the social audit in 2022 was on safe and healthy working conditions. Main findings other than health and safety were related to records around compensation, due to the auditor not being provided with documents to check. This was due to the person in charge being new. We have scheduled an additional modular audit with two other Fairwear member brand in 2022 to mitigate this risk.

We will continue to monitor their progress through their 6<sup>th</sup> cycle in Better Work in the upcoming year.

# CHINA

## 2022 audit results



## Comments

China is considered a high-risk production location in our country risk profile. The highest risk areas especially around voice and accountability, transparency as well as excessive overtime.

Similar to other countries with post pandemic impacts, excessive overtime was one of the highest number of issues. In regular times, where a brand can influence is preventing late changes and increasing orders out of peak season. In the case of post pandemic impacts, we responded by asking the suppliers what in their perspective the root cause to this is, and gave support on a case by case basis if needed by being lenient with deliveries.

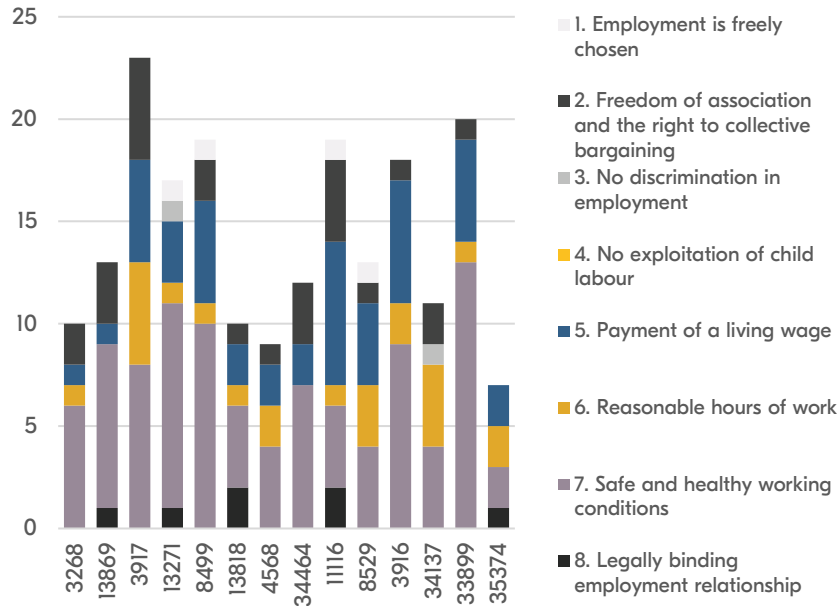
Another issue was insufficient grievance mechanism. Though all factories have access to external grievance mechanisms, some factories had insufficiently functioning grievance mechanism. We have requested update in grievance policies.

A factory wage analysis is available for where factory wage data is available. Please refer to the Haglöfs 2022 sustainability report for more information.



# VIETNAM

## 2022 audit results



## Comments

- Vietnam is considered a high risk country under Haglöfs country risk profile. The highest risk areas are
  - Formation of union is restricted by state, and that significant company influence over union activities
  - Lowest noncompliance rate within minimum wage amongst other Asian garment exporter countries and other common issues around incorrect premium, severance allowance and payment of wage to terminate workers.
  - Excessive overtime.
  - Failure to pay compulsory social insurance contribution on time.
- Most important findings per labor standard is mentioned in Haglöfs 2022 sustainability report.
- A factory wage analysis is available for where factory wage data is available. Please refer to the Haglöfs 2022 sustainability report for more information.

# EXTERNAL PRODUCER



**Smartwool socks are sold in Haglöfs store in Stockholm and Oslo.**

- Smart wool produces only in USA (part of their USP)
- Part of VF group which has a well-established social compliance programme which is reported via sustainability reports. VF publishes their factory list <https://www.vfc.com/sustainability-and-responsibility/factory-list>
- As is normal practice for large brands they do not sign individual codes of conduct of all the thousands of retailers which stock them. Rather they provide their own standards for retailers to confirm if this meets their requirements or not.
  - VF Global Compliance Principles equivalent to Fair Wear CoLP
- Smartwool chosen due to high sustainability standards including full traceability of materials to farm level

Please refer to **Haglöfs Sustainability Standard for External Brands** for process for evaluation of all external brands.

|                 | Cost       | Total Sales (excl VAT) | QTY  |
|-----------------|------------|------------------------|------|
| Oslo (NOK)      | 22,010.5   | 60,981                 | 169  |
| Stockholm (SEK) | 580,143.28 | 1,309,300              | 4670 |

# TRAINING AND CAPACITY BUILDING

## ACTIVITIES TO INFORM STAFF MEMBERS

Staffs are informed and trained about human rights and Haglöfs social responsibility, as well as Fair Wear membership through

- ✓ Monthly Townhall Meetings
- ✓ Social Responsibility Meetings
- ✓ Sourcing meetings
- ✓ Yearly sustainability reports
- ✓ Sales Meeting presentations
- ✓ Seasonal workbooks
- ✓ Website
- ✓ New joiners introduction meetings

More information can be found in Haglöfs 2022 Sustainability Report.



# TRAINING AND CAPACITY BUILDING *continued*

## ACTIVITIES TO INFORM AGENTS

Agents are informed and trained about human rights and Haglöfs social responsibility, as well as Fair Wear membership through regular meetings with

## ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

Haglöfs will provide access to training both to workers and management where the need is identified. On a yearly basis training plan is developed in collaboration with the factories taking into consideration:

- ✓ Factory risk
- ✓ Factory request
- ✓ Time since last training
- ✓ Other training held at the factory
- ✓ Influence in factory

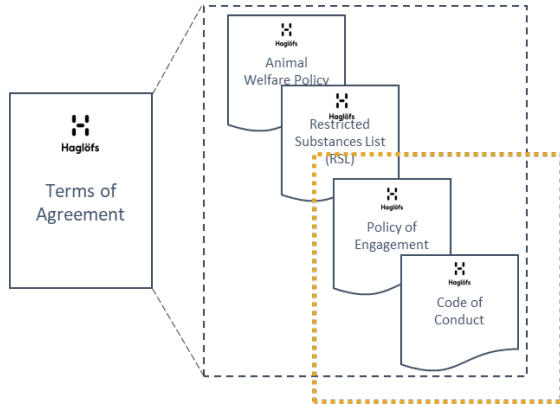
Six factories were able to hold training sessions focusing on workers' rights, reaching 145 workers and 104 factory managers 26. More information can be found in Haglöfs 2022 Sustainability Report.



# INFORMATION MANAGEMENT

All suppliers are required to sign ToA which includes Code of Conduct. There they are required to disclose all production locations.

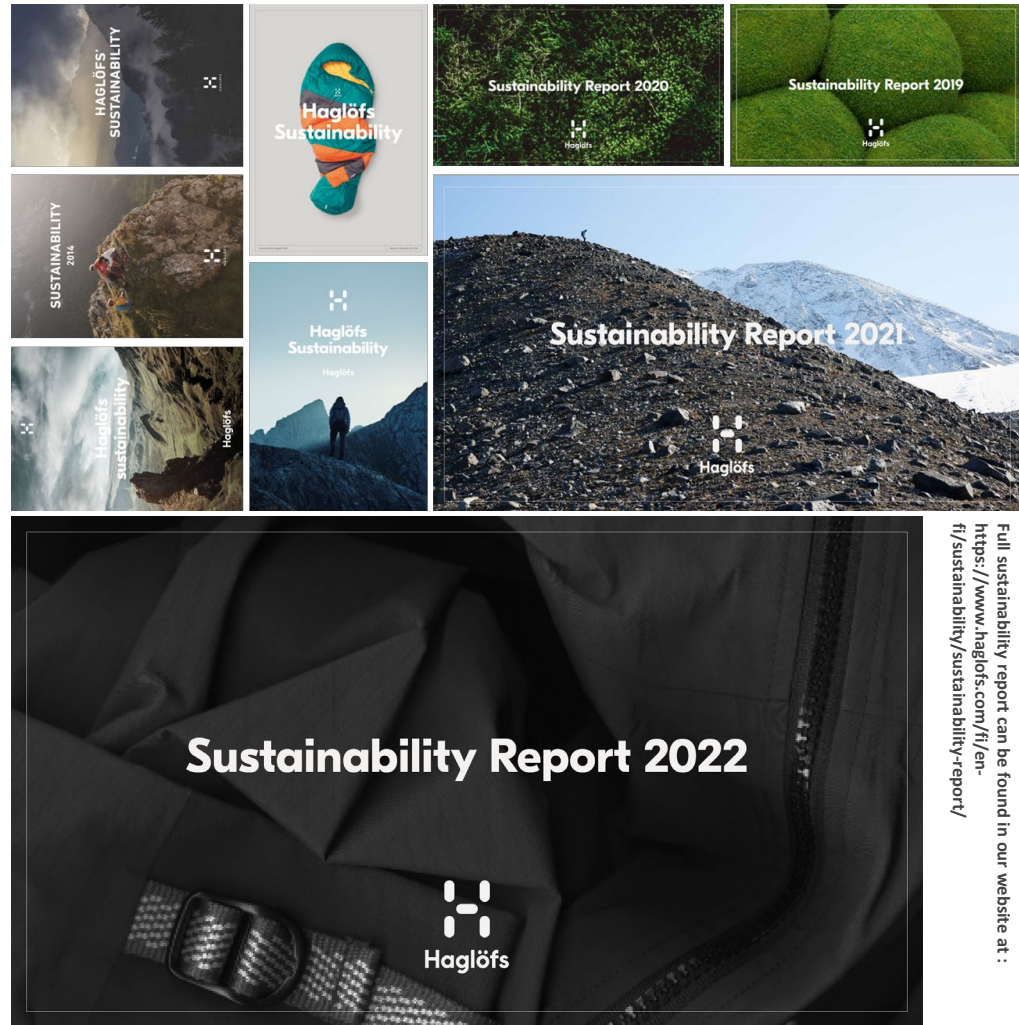
Haglöfs has an internal approval process to ensure all production locations are disclosed before approval.



# TRANSPARENCY AND COMMUNICATION

Haglöfs participates in annual sustainability reporting which includes social reporting, aligned with GRI and the Swedish government's reporting requirements.

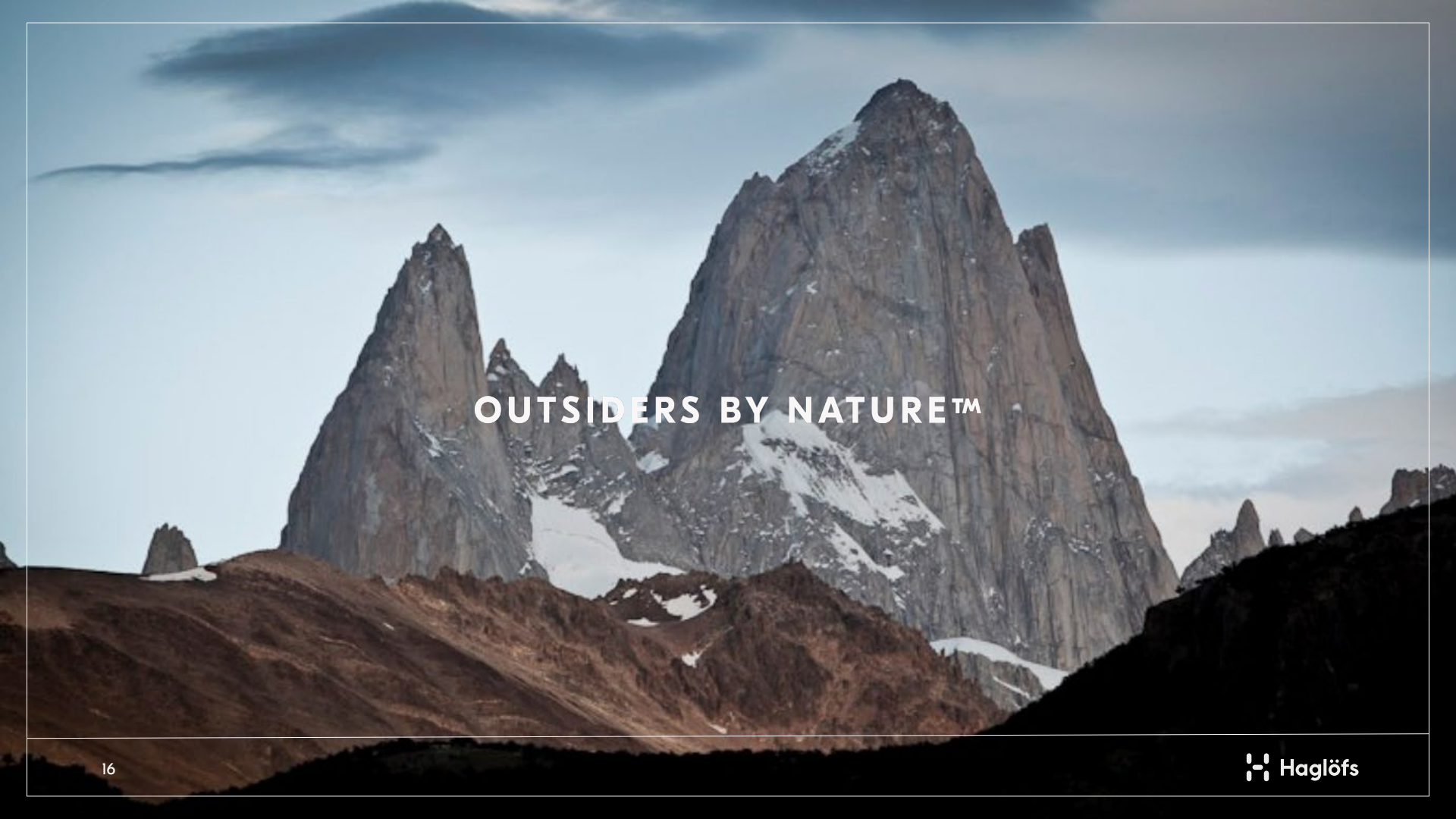
- Yearly publication of sustainability reports on [website](#)
- Full list of Haglöfs suppliers is available on its [website](#) and in its sustainability reports
- Haglöfs most recent Brand Performance Check is available via a link on [website](#) and referenced in sustainability report



Full sustainability report can be found in our website at :  
<https://www.haglofs.com/fit/en-ft/sustainability/sustainability-report/>

PLEASE CONTACT [SUSTAINABILITY@HAGLOFS.SE](mailto:SUSTAINABILITY@HAGLOFS.SE) FOR QUESTIONS





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