

# Haglöfs sustainability

# Haglöfs

# Ainimizingthe impacton peopleon peopleand planet

Our long-term sustainability goals are to minimize the impact on people and planet while at the same time allowing and inspiring people to get out there to beat the elements.

We realize that the road to a sustainable future is paved with challenges since all our products make an impression on this fantastic planet we live on. Hard work, wise decisions as well as influencing our different stakeholders are instrumental components in reaching our goals. To meet the current and coming sustainability challenges, focussing on the global goals that have now been clarified and quantified, we need to continue to constantly improve ourselves and to push our sustainability efforts ever forward.

Sustainability is an integral part of our processes and is incorporated in our strategy as well as an important factor in all our decisions - big and small - on a global scale. The aim is to ensure sustainable consumption and production; to provide sustained, inclusive and decent working conditions as well as to carefully consider and limit consumption of resources to combat climate change. By becoming better ourselves, we will also influence our stakeholders and consumers to make better choices - something that reverberates well beyond our own products.



"Sustainability is an integral part of our processes and is incorporated in our strategy as well as an important factor in all our decisions - big and small - on a global scale," says Peter Fabrin, CEO.

In 2016, we have taken additional steps in our work towards a more sustainable future — including designing many reliable pieces of outdoor equipment, a significant acceleration in the phase out of potentially harmful chemicals in our products, a deepened collaboration with multiple stakeholders on many complex sustainability topics, the completion of implementing traceable and responsibly produced down throughout our product range and helping to spread the word about climate change. It has also been a challenging year where we have been scrutinized in media after the attention from NGO's and a year when we were struggling with fabric delays as the transition to fluorocarbon free water repellent treatments affected some textiles in a negative way; something which unfortunately also led to an increased carbon footprint compared to previous year.

We never said that the road towards a sustainable future was easy - but we are up for the challenge and we welcome you to learn more about our efforts in the pages that follow.

Stockholm, March 2017 Peter Fabrin, CEO

#### **About Haglöfs**

More than a century ago, Wiktor Haglöfs designed a backpack for the local workers of Swedish small town Torsång. The durable, practical backpack would be the proud beginnings of what today is one of the world's largest manufacturers of outdoor clothing, footwear and hardware. The Haglöfs brand is currently marketed to the Nordic region, Europe and Asia and is owned by ASICS Corporation since 2010.

#### About this publication

Annually we present the updates on the constant work that Haglöfs undertakes to strive towards a more sustainable future. Here you can read about our recent sustainability efforts - and challenges - to achieve responsible consumption and production, contribute to decent work and take climate action.

All queries about the sustainability work at Haglöfs AB can be directed to Haglöfs' Sustainability Manager, Eva Mullins on e-mail: eva.mullins@haglofs.se

#### Sustainability strategy at Haglöfs

To make business sense and to push boundaries, the decision to have sustainability high on the agenda in a company must come from the absolute top. At Haglöfs, the management team has decided that sustainability shall be part of Haglöfs strategy and the overall goal is to minimize our impact on people and planet. The work is based on four pillars:

- Products: Sustainable materials and long life-span products ensure the ultimate sustainability
- Producers: Sustainable products require fair working conditions
- Resources: Treading lightly on our natural playground
- People: Taking sustainability beyond the product

Sustainability is also embedded in the values which guide the work; Haglöfs are curious, reliable and proud. 'Reliable' includes offering long-lasting, durable, environmentally sound, multi-purpose and hence sustainable products.

# Main sustainability achievements and challenges 2016

#### **Highlights 2016**

- Sustainability strategy until 2020 was set as a foundation across all operations. The strategy is based on the four pillars of sustainable products, production, resource use and people
- bluesign<sup>®</sup> brand assessment 2.0 showed our bluesign<sup>®</sup> product rating among industry 'best in class'
- 71% of the clothing were bluesign® products (FW'16)
- Train transport of goods from Far East Asia increased by over 206%
- All producers and suppliers signed and adhered to a very comprehensive restricted chemcials list, excluding over 900 banned chemicals from our products
- Transition to 100% Responsible Down Standard Down (RDS) down was completed; securing the well-being of fowl from hatching to slaughter and absolutely forbidding live-plucking or force-feeding of animals
- Company travel CO<sub>2</sub> footprint was reduced by 16%
- We implemented traceability of down garments using consumer interface trackmydown.com; allowing consumers to track the origins of the down in their own products
- We carried out our 'Green Friday' initiative on consumption-notorious 'Black Friday'; profits from all Take Care products sold in own channels were donated to Protect Our Winters (POW) Sweden and Norway
- 74% of clothing was labelled 'Take Care' (FW'16)
- We ranked 'Good' in Fair Wear Foundation's Brand Performance Check
- All cotton used in clothing was 100% organic, most of it being high-quality Turkish organic cotton
- We launched Haglöfs first 'Take Care' shell boot made in premium leather from one of Europe's leading tanneries (Leather Working Group Gold Standard) and featuring a midsole with recycled material
- 10% of the footwear was labelled 'Take Care' (FW'16)
- Only organic milk, fruit, coffee and tea were provided in our offices
- Major steps were taken towards achieving the goal of 100% fluorocarbon free duarble water repellent (DWR) treatments in 2020; all insulation styles and several waterproof/breathable shells were changed over to high-performing fluorocarbon free alternatives
- Only Leather Working Group Leather (gold or silver rated) for leather details and products was sourced

- Haglöfs ranked one of 10 top employers out of over 200 participating companies in our sector on Netsurvey's global annual ranking "Powered by People"!
- 62% of the employees worldwide were female and so were 52% of all managers!
- Long supplier relationships (over 5 years) amounted to over 60%, resulting in high product quality, understanding of the Haglöfs business as well as stability in production orders benefitting workers worldwide
- 17 employees were educated in the Sustainability Fundamentals Course run by Sustainable Fashion Academy
- We participated in in several multi-lateral sustainability projects including for example BioInnovation, SUPFES, Sweden Textile Water Initiative
- We started to work with the tool Higg Index from Sustainable Apparel Coalition (SAC); helping us to make informed materials decisions
- We climate compensated all our company travel in UN Gold Standard CDM project Jilin Makri Wind Farm - totalling 236,4 tonnes of carbon dioxde for travel and 66,7 tonnes of carbon dioxde for company cars
- Fair Wear Foundation (FWF) audits of five major factories plus seven non-FWF audits of factories were carried out
- We decided to participate in a Living Wage Project at a major supplier in Vietnam together with two other FWF member brands
- Internal capacity building on Fair Wear Foundation Code of Labour Practise and Corrective Action Plan follow-up method as well as the Higg index (MSI module)
- Consolidation of suppliers and manufacturers to build even closer relationships with our stakeholders was carried out
- Haglöfs staff visited to over 95% of manufactories
- Our never-out-of stock programme helped to give a more even production in manufactories; reducing excessive overtime in production
- No antibacterial treatment was added to our clothes

#### Major challenges 2016:

- Our CO<sub>2</sub> footprint was increased due to the need for air freight of garments after hefty delays of fabrics with quality issues; all this due to our eagerness to transition to fluorocarbon free DWR treatments as soon as possible
- The market withdrawal of a footwear style that after testing had shown an incorrect (long chain fluorocarbon) DWR treatment
- We had two anonymous complaints lodged via the Fair Wear Foundation complaints mechanism; one of which has led to a report to the police of a former employee at one of the mills after attempted extorsion and forged documents

#### Toward 100% fluorocarbon free DWR treatments by 2020

For nearly ten years Haglöfs has been shifting water repellent (DWR) treated product range to fluorocarbon free DWR alternatives, starting with softshells and hiking pants, since fluorocarbons are persistent chemicals and may cause damage in the environment and bioaccumulate in human tissue. As a matter of fact, by the time that you read this, the vast majority of the clothing including all our insulation, running wear and all our waterproof/ windproof/breathable PROOF™ shell garments are completely fluorocarbon free.

In the beginning of 2016 products from many brands were tested for fluorocarbon (PFAS) content by Greenpeace as part of their 'Detox Outdoor' campaign. While our backpack was the only one in the test that was found to be completely fluorocarbon free, one tested boot from Haglöfs showed significant levels of PFAS of the so called C8 type, something we had phased-out in 2013. The boot was withdrawn from all markets and upon internal investigation it was found that the fabric used in the boots was old (from 2011) and should not have been used.

Following this, we have clarified our strict chemicals guidelines to our suppliers, accelerated our component/product testing and of course are pushing remaining fabric suppliers and manufacturers to also shift to fluorocarbon free DWR.

We do appreciate this increased awareness from the market about the fluorinated DWR treatments which tells us we are on the right way - and now push ourselves and our suppliers

hard to reach our DWR goal for 2020, which is 100% fluorocarbon free DWR treatments.



#### BioInnovation

Sweden is covered by forest. Haglöfs was the very first apparel-retailing brand to in November 2014 join the Vinnova co-funded BioInnovation project 'Establish Locally Grown Textiles in Sweden'. Taking part in two modules of the project 'Textile Recycling –Mechanical and Dissolving' focussing on recycling of used textiles and 'Sustainable Swedish Viscose' focussing on using Swedish forest to make more sustainable textile fibers. During the year 2016 Haglöfs has successfully participated in workshops and meetings and is driving the project together with e.g. forest indus-

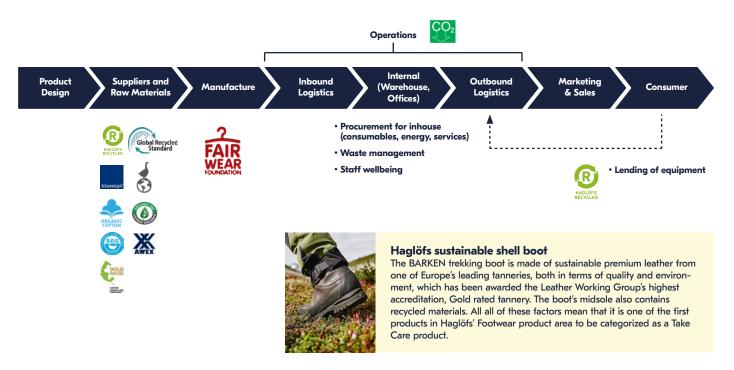
tries, recycling specialists and universities as well as peers. The aim is to help facilitate that the goal of Sweden transitioning to be a truly Biobased Economy by 2050 is viable also for high-performing outerwear; such as Haglöfs demands.



62% of our employees worldwide are female - and so are 52% of all managers!



#### Sustainable Value Chain; focussing on materials integrity, chemicals management and resource consumption



# From the strategy to the supply chain

In 2008, Haglöfs made a strategic decision to integrate sustainability into the company's future development. The decision was based on two objectives working in tandem — to ensure long-term profitable growth and at the same time to contribute towards a sustainable society.

Haglöfs' sustainability work is an ongoing process that is a natural part of day-to-day activities, with our employees constantly looking for opportunities to create improvements. At the same time, we all acknowledge that we have a long way to go before we can call ourselves truly 'sustainable' - hence the need for constant small steps in the direction of a sustainable company. Haglöfs' Sustainability Manager has the overall responsibility for driving the development in this direction, but much of the actual work is done throughout the organisation since sustainability issues are now such a natural part of the Haglöfs culture. Internal skills include to develop products 'on paper', which are then translated into the real thing with the help of our supply chain partners since Haglöfs does not have any own factories. Here we also need skills to pick the good raw materials, correct and non-hazardous chemicals, the best producer for the job as well as a reliable and responsible logistics partner.

In every step, we need to monitor that a high level of sustainability is kept. One of the big challenges is of course to keep improving in all these steps.

We also need to keep consumer behaviour in mind, since a sustainable product that nobody is willing to pay for at the end of the day is not sustainable at all.

#### Haglöfs stakeholders

Besides the obvious stakeholders such as own employees and owners, Haglöfs has many external stakeholders of which the consumers and retailers are the most relevant. They influence our decisions, from assortment planning to sales, and our products will most definitely affect them in their everyday outdoor life.

We also have several stakeholders in our supply chain, such as raw material suppliers, manufacturers, quality assurance companies, country agents and logistics partners as well as invaluable NGO-partners.

Beyond the supply chain, we are in contact with other stakeholders such as government agencies/authorities, municipalities, interest groups (NGO's) and media and we have frequent contact with our peers from the outdoor and fashion industry. Haglöfs has daily contact on various topics with many of our stakeholders, an absolute necessity to solve many of the complex sustainability issues that the world is facing today. This is an example of why a truly sustainable future can only come about from, often multidisciplinary, partnerships. Haglöfs is further involved in several research and development projects regarding sustainability.

#### These are some major collaboration partners and projects:

- bluesign<sup>®</sup>
- Fair Wear Foundation (FWF)
- The Swedish Chemical Group (Kemikaliegruppen/Swerea)
- European Outdoor Group (EOG)
- Substitution in practice of prioritized fluorinated compounds to eliminate diffuse sources (SUPFES)
- Scandinavian Outdoor Group (SOG)
- BioInnovation research project
- Sustainable Apparel Coalition/Higg Index (SAC)
- The Chemicals Agency textiles dialogues
- · Microplastics research projects (several, with separate stakeholders)
- The Swedish Textile Water Initiative (STWI)
- The Sustainable Fashion Academy (SFA)
- The European Outdoor Conservation Association (EOCA)



#### Haglöfs' sustainability status and future goals

	Status SS'16	Status FW'16	Goal year 2020
Take Care clothing	<b>76</b> %	<b>74</b> %	<b>90</b> %
bluesign <sup>®</sup> products	<b>66</b> %	<b>71</b> %	80 %
Take Care hardware	12 %	<b>7</b> %	<b>90</b> %
Take Care footwear	<b>7</b> %	10 %	45%

Percentages are based on number of styles in original range

"Sustainable products start with good design; making a durable and versatile piece, removing everything unnecessary, choosing materials and trims to get better sustainability credentials and – of course – making it all look and feel good so that you want to use your product for a long time!" Karin Kinander, Senior Designer, Clothing

# Choosing a Sustainable Product

Take Care is our way of highlighting the products where we've come the farthest in our sustainability efforts. By labelling the products that are most advanced in terms of sustainability with the Take Care symbol, we give the retailers a chance to offer a collection that has an even lower environmental impact and to offer the consumers guidance in making an active sustainable purchase decision.

We have defined Take Care criteria for each business area and for a product to carry the 'Take Care' symbol it must meet at least one of the following criteria:

#### **Clothing:**

- Be a bluesign®-product.
- Be made of recycled materials.
- Be made of organic cotton.

#### Hardware:

- Be a bluesign®-product.
- Be made of > 90 percent bluesign®-approved materials.
- Be made of recycled materials.

#### Footwear:

- Be made of environmentally friendly leather from a Leather Working Group accredited tannery (Gold or Silver rated).
- Be made of at least 70 percent bluesign<sup>®</sup>-approved or recycled materials.
- The midsole and/or outsole of the footwear must also contain bio-based or recycled materials.





#### In addition to continuous improvement of the sustainability credentials of our products, we are working on reducing energy consumption and greenhouse gas emissions where ever we can. It encompasses big and small, from careful logistics planning and production in high-tech factories via guidelines for business travel, company cars as well as choosing conference and meeting venues, to recycling programs and providing organic fruit and fair trade coffee at all workplaces.

#### Sustainable Fashion Academy (SFA)

To engage and educate internal staff how to make even better sustainability decisions, Haglöfs provides training both internally and from external partners for key functions and already engaged employees. One of the external training providers is the Sustainable Fashion Academy (SFA), a non-profit association borne from fashion and design representatives, environmental organizations, universities and similar bodies, with the aim to increase awareness for sustainability issues in our industry and to provide tools to make better decisions. Among SFA founders and partners are textile companies from both fashion and outdoor sectors which nurtures collaboration. Haglöfs has also been delivering lectures during the SFA on multiple occasions.

Haglöfs designers, product developers, buyers, materials managers, marketing team as well as management team members have participated

in the SFA sessions, both in the Sustainability Fundamentals course as well as in more area-specific 'deepdive' courses regarding for instance management and strategy, supply chain or marketing.



# Sustainable materials and long life

Our consumers must be able to rely on their products — to have confidence that they always help you beat the elements. While quality and function are top priorities for Haglöfs - a long lifespan is what has the biggest impact in terms of a product's footprint - the goal is to always search for the materials that at the same time minimize each product's negative environmental impact.

#### Choosing material that are more sustainable

We work constantly to find new solutions and materials to make our products more sustainable. For all materials, leather and trims (zippers, elastic bands, labels etc), we try to have as high sustainability credentials as possible.

Haglöfs became a bluesign<sup>®</sup> system partner in 2008 and since then the amount of bluesign<sup>®</sup> approved materials has increased sharply to well over 60% of the used materials - resulting in an even larger amount of the collection being bluesign<sup>®</sup> approved products. Any supplier who is not yet bluesign<sup>®</sup> approved, still needs to fulfil the strict restricted chemicals list of bluesign<sup>®</sup> as well as follow the internal policies we set up. One of these is of course the fluorocarbon policy where we set on phasing out fluorocarbons in our water repellent treatments until 2020.

Whenever possible the use of recycled material is another sustainable option we make. It reduces energy used, the dependency on fossil material and reduces the amount of overall waste on the planet.

To only use 100% organic cotton in our apparel has been a natural choice from the day we started using cotton in our range. The majrority of our cotton is high quality cotton from Turkey. In our down-products we have chosen to use third-party audited Responsible Down Standard down (RDS) - guaranteeing that no live-plucking/live-harvesting or force-feeding of fowl is done. The down is also hypoallergenic as well as bluesign® approved. All leather Haglöfs use comes from Leather Working Group (LWG) tanneries, which are certified to have good process control to save water and energy; as well as to have restricted use of harmful chemicals when producing the leather.

Additionally, we do not accept any fur, no mulesing practise on sheep and no material from cage-bred or endangered species. Of course, any animal material used is a by-product from the food industry; material that may otherwise become landfill.

These days, it is a natural part of the product development process to examine what bluesign<sup>®</sup> approved, recycled or otherwise more sustainable materials are available in order to achieve the desired product properties.

The goal is to always choose materials so that the product can be labelled Take Care - and preferably ticking more than one of our 'boxes'. But most importantly we choose to use long-lasting materials and trims to make them last over time.

#### **Recycled materials at Haglöfs**

To reduce the overall footprint of the product Haglöfs fry to use recycled material where possible and have the ambition to increase the amount of recycled material successively with at least 5% per year until 2020 and beyond. Of course, the longevity or function of the material must never be sacrificed in this aim. At Haglöfs, a product where 50% or more is made from recycled materials is referred to as recycled.



"Perhaps a recycled or bluesign® approved garment with a fluorocarbon free DWR costs a little more or will not resist dirt in the same way we are used to. But now it is about making the right choices for the future – and little things make a big difference!" Caroline Claus, Jenny Spiik & Marie Ericson, Materials Development team

#### Sustainability challenges in product development

The more complex the product, the more difficult it becomes to find and chose sustainable solutions and Haglöfs products are no exception.

The footwear industry is historically seen as something even more challenging from a sustainability perspective than the textile industry so footwear has for us been a focus area to try to do better.

Besides now having transitioned to more sustainable leather from LWG leather, we now need to continue with other parts of the footwear; a complex but interesting challenge in the coming years. So far, the BioSolyte<sup>®</sup> midsole, made from 30% biobased renewable material from sugar cane and traceable back to the plantation, used in several styles, is one good example. The path towards increasing the proportion of bio-based materials is one that Haglöfs will continue to pursue.

Other challenges lie not only in finding the higher sustainability credentials or alternative processing techniques to lessen our footprint - but also to then apply them on our range! Quantifying the total environmental impact of a material or product - and to subsequently try to reduce that impact - is also a constant challenge which always needs to be balanced with a relevant expression and function in the product.

#### **Eliminating hazardous chemicals**

Creating functional materials that are water repellent, wicking or odor-free – qualities which are in demand from end consumers - sometimes requires the addition of functional chemicals. We always try to use less harmful alternatives, while retaining necessary function to create a long-lasting product.



#### **Responsible Down Standard**

Haglöfs exclusively uses Responsible Down Standard (RDS) in their down products. The RDS is a voluntary initiative run by the global non-profit organization Textile Exchange and is third-party audited by Control Union (CU) in every step of the chain from farm to warehouse; making it possible to confirm that the down in a specific product is indeed RDS down. The RDS ensures that the animal welfare is secured and that the down is not sourced from farms where force-feeding or live plucking occurs. As a bonus, the down in the RDS-standard R·D·S is traceable back to the hatching farm. The down that is

of course always a by-product from the food industry; so Haglöfs makes use of what might otherwise go to waste!



"Our task is to ensure that our products have as little adverse impact on the environment as possible, even on complex products such as footwear. We do this for instance through working exclusively with leather with a Gold/Silver rating from Leather Working Group tanneries, so all our leather footwear have a restricted chemical content as well as lower water and energy consumption. I would venture to say that we are very advanced in this area." says Masahi 'Masa' Abe, footwear development and sourcing manager

As a bluesign® system partner since October 2008, Haglöfs was one of the first companies in Scandinavia to join the system, which offers the textile industry's most stringent restricted substance list (RSL). This bluesign<sup>®</sup> RSL we have since adopted as our own.

We have a goal to have 100% fluorocarbon free durable water repellent treatments on our products by the year 2020 and the majority of our products for 2016 were completely free from fluorocarbons. Since several years we have discontinued the use of the longer chain-length fluorocarbons. For products that do not need to be waterproof or water-repellent, no treatment is used at all.

Since 2013, we have chosen not to use anti-bacterial treatments on our apparel since potentially there may be issues with these substances.

Instead we apply a permanent anti-odour treatment in the production step, so it does not wash out or wear off. This anti-odour treatment does not kill any bacteria but works in a mechanical way by adsorbing sweat on a large fabric surface area. This way we can prevent nasty smell even after heavy use - and our consumers do not need to wash the garment as often, something that increases the garments life-span as well as reduces the overall water and energy use.

Since 2013, Haglöfs has been part of the major research project SUPFES, in order to find alternatives to perfluorinated substances and chemicals that pollute the environment. Other participants include Chalmers University of Technology, VU University Amsterdam, Stockholm University, Swerea IVF and companies in the Swedish Chemicals Group at Swerea IVF together with the Käppala wastewater treatment plant.



#### Sustainable Apparel Coalition & HIGG INDEX

Haglöfs owner is a founding member of the Sustainable Apparel Coalition (SAC), an industry-wide group of more than 100 leading brands, retailers, suppliers and non-for-profit organisations collaborating to increase transparency within our industry and reduce the total environmental and social impacts of apparel and footwear products around the world. Developed within the SAC, the Higg Index provides a tool for our industry to assess sustainability throughout a product's entire life cycle, from materials to end-of-life.

The different modules of the Higg-Index help us at Haglöfs, to track environmental sustainability performance with supplying partners and assess the sustainability character

of each individual product design and development decisions. Based on this tool we can make better and more sustainable material and design decisions.



Sustainable Apparel Coalitior

#### bluesign<sup>®</sup>

bluesign® is an international standard aimed at reducing and replacing all chemicals that are potentially hazardous to living beings and our environment in every part of the textile value chain - from yarns, dyes and additives to finished fabrics. In order to obtain bluesign® approval, a fabric must meet the following criteria:

- · The fabric itself is free from harmful substances, as defined in the most comprehensive RSL (restricted substance list) published.
- · Harmful emissions to water, soil and air from the fabric's production process have been minimized.
- · Resource use, in particular water and energy, is monitored and reduced as far as possible.
- · Working conditions during the manufacturing process meet far-reaching requirements in the area of health and safety.

As a bluesign<sup>®</sup> system partner, Haglöfs is committed to progressively and continuously increasing the use of bluesign®-approved fabrics in order to ensure development of products with a minimal environmental impact.



"A product containing 90 percent or more bluesign®-approved materials and at least 30 percent approved trims qualifies for classification as a bluesign® product".



## Haglöfs production countries 2016 production volume, %

China 48% Vietnam 28% Indonesia 6% Cambodia 2% Romania 1%

Low risk country

Estonia 9% Portugal 7% Sweden <1%



"Taking responsibility for the people who make our products is absolutely essential. Careful production planning not to exert inhumane pressure, regular visits to check quality and working conditions as well as the collaboration with Fair Wear Foundation, the most stringent and transparent voluntary initiative for supply chain monitoring, help us to do that."

Katarina Stenman, Sourcing and Development manager

#### Fair Wear Foundation (FWF)

Haglöfs was in 2012 the first Swedish Outdoor brand to become a member of the Fair Wear Foundation (FWF), an international organisation for independent control of production, working for better labour conditions around the globe with the goal to achieve more than just the required legal minimum — with the most prominent example being the strive towards living wages for workers. FWF is a non-profit organization with about 80 member companies that manufacture clothing and other sewn products and it is considered to be the most stringent and demanding independent standard for third party auditing available in the marketplace.

Being a FWF member brand means that the production shall be regularly audited (at least every 3 years, but often more frequent), that the audits are so-called joint audits together with other FWF members - which saves time and cost for both brand and factory. Fair Wear Foundation also requires unsurpassed transparency from its members.

## Fair Wear Foundation's code of labour practices

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

For more information, see www.fairwear.org



# Sustainable clothing requires fair working conditions

Haglöfs do not own any factories. All production takes place at the facilities of external manufacturers. Here we focus on improving the working environment, securing the prevalence of human rights and restrict and monitor other ethical issues such as the prohibition of child labour and forced labour. Of course, bribery and corruption are never acceptable.

## Social Report 2016

#### **Main activities**

In 2016, all production sites besides a few were visited by Haglöfs staff and several audits were carried out by Fair Wear Foundation, as well as by other accredited auditors, to encompass a clear majority of production. Due to Haglöfs AB logo changeover, the workers information sheets at all mills have been distributed and shall have been posted at all mills.

Internal education on how to carry out the Corrective Action Plans (CAPs) – the suggested improvements after an audit – as well as follow-ups and training in basic safety checks at the mill have been carried out with the team that visit our production sites. Subsequently, the work with CAPs has been intensified across all business areas.

The participation in a living-wage project at one of our largest suppliers in Vietnam will be initiated during early 2017. There has been work done to improve the wage levels after the audits, and among others one Chinese mill where we produce at has seen a wage increase of around 10%. Additionally, improvement of the lay-out of production at another mill has improved the production speed, and hence the payment to workers, by several percent. Both in Vietnam and China — where a vast majority of Haglöfs production occurs — the legal wage levels keep increasing and the gap between minimum wage and living wage is slowly shrinking.

#### **Brand Performance Check - Achievements and Goals**

The compulsory annual Brand Performance Check was carried out in May 2016 by Fair Wear Foundation (FWF) interviewing key persons in Haglöfs Head Office. The aim was to evaluate Haglöfs' performance in moving towards more decent working conditions in the supply chain. This brand performance check refers to the work undertaken in 2015 and resulted in a Workplan for 2016; setting a roadmap for the work to be done in 2016. The brand performance check for 2015 showed that Haglöfs met the majority of FWF's requirements and was given an overall benchmarking score of 65 points, meaning that Haglöfs remains rated in the "good" category. However, it is a decline from the foregoing year and not a desirable development. Our goal is to achieve leader status before year 2020 so there is plenty of work still to be done.

#### Sourcing strategy and Pricing

We believe that long-term supplier relationships are beneficial in the long run, even if short-term margins may be improved if you change factories very frequently. We manufacture at factories highly specialized in certain products or product segments; for example taped garments, advanced backpacks or waterproof leather footwear. We have been working with most suppliers (62%) for over 5 years and some supplier relationships are going strong since over 25 years.

Our products are complex and in the premium segment, which requires both highly skilled production personnel and an advanced manufacturing process. This also encompasses an ethical responsibility; hence the manufacturers, production sites and production countries are chosen carefully. The production sites are visited by staff from our office usually once or twice a year, but sometimes more often than that.

#### **Supplier relations and Production cycle**

We have recently reduced the number of suppliers we work with and we currently have 33 manufacturers (some with more than one production site). As a result we are able to work even closer with our producers and as an important customer to the mills we will be able to influence the workers conditions in a positive direction even more. We have two production seasons a year, but have shifted to 'stepwise' purchasing as well as a limited 'never out of stock' programme of products to make the flow of products more even. This gives less production peaks, and reduces the main cause of excessive overtime - problem in many audits.

#### Integration monitoring activities and sourcing decisions

Some manufacturers started producing for Haglöfs in 2016, to meet new technical and capacity demands — but some factories also closed. New factories are visited prior to production to secure that general standards are high and to get a confirmation that the supplier code of labour practise will be upheld. We choose not to produce in countries where we find workers legislation to be highly dubious, working conditions are very insecure or where civil war fractions roam.

Good supplier relationships are essential to improve any issues that arise in monitoring activities and to be able to resolve any complaints in a constructive way. The common lack of democratically elected committees in the workplaces, which is not surprising given workers' unions are unusual in several of our production countries, can be initiated and formed once the benefits of an improved worker-employer relationship are spelled out to manufacturers — provided Haglöfs is an important enough customer to them.

As a rule, Haglöfs does not use any subcontractors (besides for logo embroidery and print); but during 2016, we had a sudden sharp increase in orders for one programme, which forced the manufacturer to a last-minute shift of parts of the programme to a subcontracted factory. Of course, also this mill has signed our Code of Labour Practise and we have visited the factory in question to check production conditions.

#### Organisation of the sourcing department

Eight product developers, the business area managers and the sourcing & development manager from the Haglöfs Head Office in Stockholm visit the production sites frequently to secure the quality of products and manufacturing conditions. We know the addresses of all our manufacturing sites and visits are made on annual basis, with additional visits from our local affiliates being made more frequently. Additionally, design and pattern team members as well as the sustainability manager have made on-site visits to several production sites during 2016. After the FWF Brand Performance Check recommendations, we have also worked more closely with our owner to audit and follow-up CAPs at joint factories.

#### Monitoring and remediation

Several audits were carried out during 2015 and a total of 83 % of the production volume (by value) was audited according to the

Fair Wear Foundation framework or produced in a country that has been assigned by FWF to be a 'low-risk'. Low-risk countries are countries where the legal framework is strong enough to ensure and enforce basic Human Rights. FWF still requires its brands to monitor activities in these countries, through factory visits and posting of the worker information sheets. For 2016, a lot of auditing activity was undertaken and the internal education of Haglöfs staff has been accelerated to further improve follow-ups on Corrective Action Plans (CAPs) in the future. Additionally, the collaboration with Asics regarding shared manufacturers has been significantly improved.

#### Fair wear foundation audited factory p9100

The factory is located in mainland China and manufactures clothing for Haglöfs starting in 2016. The result of this Haglöfs led audit, which was carried out together with FWF member brand ALBIRO, was in general good with no critical findings. The factory has no independent union or workers committee which is run by workers without management involvement and workers are generally not aware of their rights; something that needs to be corrected. There are also some matters with social security and/or rural insurance that needs to be improved to encompass all workers. Additionally, some safety issues with missing lit exit signs and lack of secondary containers for chemical storage were found. Still work to do to achieve living wage levels.

#### Fair wear foundation audited factory p9064

This clothing factory is a 'sister factory' to a factory to a manufacturer that Haglöfs has been working with for 10 years and due to increased order volumes, we have also from 2016 started to produce at this site. This audit was led by Swiss member brand Kjus and German FWF member brand Schöffel also participated. The audit found that there were some sewing subcontractors affiliated with this factory which must be included in auditing. Some workers could take sewing work into their homes, something that need to cease immediately to keep track of the workforce age and working hours. Quite serious overtime issues were found and an effective age verification system needs to be arranged urgently. Some OH&S issues such as missing proper labeling of chemical bottles and incomplete fire extinguisher systems were found. Legally binding employment need to be erected for all workers. Additionally, there was a finding that workers had been coached in preparation of the audit, a practice that must be stopped. This audit needs to be followed-up on very closely. Still work to do to achieve living wage levels.

Fair wear foundation audited factory p9053 - verification audit The factory is in China and manufactures clothing. Haglöfs began collaboration with the factory in 2005. This audit was a verification audit to follow up on complaints and to see improvements from previous audit. Mammut took the lead in following up in this audit. It was found that there are still issues with excessive working hours with over 7 days consecutive work as well as on occasion more than 3 hours overtime per day. All FWF member brands must together with the factory need to carefully plan coming production to ease pressure (considering also the production of non-FWF customers). Workers shall be entitled to paid sick leaves as per legally required; the payment shall not be less than 80% of the local minimum wage. Additionally, sometimes the monthly payments have been delayed a few days, a practise which must stop. Some OH&S matters that need to be resolved were noted such as poor ventilation in taping and laminating areas, missing eye shields on some sewing machines, two fire exit signs not being lit and one blocked fire alarm. Some workers were not covered by injury insurance. Still work to do to achieve living wage levels and forming a democratically elected workers committee.

#### Fair wear foundation audited factory p9058

The factory is located in Vietnam and 2016 was the first year that Haglöfs produced at this manufacturer. Some overtime was noted and on occasion the compulsory day off in every seven-day period was sometimes not taken. Payment for resigned workers as well as additional payments to fire team were not paid as per required; and deductions as a form of discipline must cease. Content of employment contracts and signature procedure does not comply with legal requirements; which must be amended. Accident investigation was found not to comply with law and compensation after possible occurring accident must be adequate. Risk assessment, safety training and first aid training is not sufficient and must be accelerated. Some issues regarding fire safety must be amended; including lack of automatic fire alarm system in the material warehouse as well as fire exits needing to be marked adequately. Work to inform workers about their rights must be improved, as well as the strive to reach living wage levels.

#### Fair wear foundation audited factory p9036

The factory is located in China and has been manufacturing clothing for Haglöfs since 2004. This audit was a verification audit to follow up from last FWF audit from 2013 and there seemed to have been improvement. Excessive working hours were still found yet lower than previous and within the legal levels for daily overtime. It was also found that sometimes the compulsory rest day in a seven-day period was not taken. The mill has an improved system to compare workers gross wage with their due hourly wage and workers are paid per at least legal standards, but the workers are unaware how overtime premium or production bonus is calculated. Not all social security or insurance fees are paid, which must be improved. Factory has a trade union but the workers should be allowed to elect the union chairman or the union committee. No major OH&S issues were found. Still work to do to achieve living wage levels.

#### Fair wear foundation quick-scan + non-fwf auditor factory p9115

The factory is located in Vietnam and manufactures backpacks and bags for Haglöfs since 2015. This was a quick-scan to follow-up on a FWF audit from 2015 in conjunction with Jack Wolfskin (leader) and Fond of Bags. The general opinion was that this is a well-organized factory with good overall conditions. Wage levels are well above the legal minimum levels for the area and have been increased in the recent year, but are not yet at living wage level. Some issues related to OH&S as well as chemicals storage was found and resolved. Overtime also occurs and exceed the monthly legal limits in peak season, while daily and yearly limits are ok.

#### Non-fwf third party audited factory p9002

This is a new factory to Haglöfs with 2016 being the first year of production, manufacturing sleeping bags. This mill is a member of Better Factories Cambodia and is the only factory in Cambodia that we use. This audit was made by the third-party auditor Sumations and led by German brand Jack Wolfskin. The audit indicated excessive overtime and lack of compulsory weekly rest days in this peak season time; these issues need to be resolved. Also, the factory has work to do to improve the right to collective bargaining including educating staff in rights of the workers, policies and laws. Additional issues relating to health of the workers, including lack of health checkups, limitations to rights to visit the midwife for pregnant workers and lack of workers safety representatives as well as limitations on toilet visits were found.

#### Factories audited under sa8000 programme

SA8000 is a social certification standard from Social Accountability International which measures social performance in eight areas important to social sustainability in workplaces, anchored by a management system element that drives continuous improvement in all areas. **Audited factory p9094** – third party audited by 'The Compliance Network' on October 27th -28th 2016. (Audit deemed that job allowance should be included to calculate overtime wage and contribute insurance for employee. Besides this, there are some OH&S matters to address. CAP is under monitoring.)

**Audited factory p9102** – Audited during 2016. CAP is under monitoring.

Audited factory p9095 – third party audited by 'Elevate Limited on Septemebr 22nd & 23rd 2016. CAP is under monitoring. AUDITED FACTORY P9113 - Audited during 2016. CAP is under monitoring.

Audited factory p9079 pi/sa8000 — minor (non-third party) audit. Factory is a member of Fair Labour Association (FLA). CAP is under monitoring.

#### Complaints

All factories that Haglöfs produce at shall have the Fair Wear Workers Information Sheets — including the process for lodging a complaint — posted visibly at the production site. Production workers that are not happy with their working conditions can make anonymous complaints to FWF and then the all FWF member brands producing at the factory must investigate what has occurred and need to work on remedying. Every year a brand performance check is done and all results — as well as all final reports after a complaint from a worker has been resolved are published on the FWF web page.

#### Complaint at factory p9053

A complaint was lodged with the FWF anonymous mechanism in May 2016 where the complainant claimed that from April to May 2016, workers in all workshops at the factory only had one day off per month and no overtime premiums were paid. A second complaint in August 2016 was received with similar claims. After the initial complaint, individual work by Haglöfs, Mammut and Jack Wolfskin producing at the factory was initiated to resolve the issues with excessive overtime. In November 2016 a verification audit was organized by FWF to check remediation and based upon records of May, July and August 2016 situation had improved but it was clear that a majority of the workers is still not happy with excessive overtime. It is unclear whether overtime premiums are paid as per prescribed by law. In May / June 2017 a second verification audit will be organized by FWF to follow up further. Complaint has not yet been resolved.

#### Complaint at factory p9110

A complaint was lodged at this mill with the FWF anonymous mechanism in September 2016 regarding this mill where (among others) FWF member brands Haglöfs and Kjus produce. The complainant claimed that there had been delays in salary payments, excessive overtime, work on annual holiday days without proper compensation and not sufficient rest days. The content of this complaint was investigated by the factory management and according to them a former employee at the mill which is now accused of falsifying workers identities and denying the management access to the salary payment system; which would have made it difficult for the management to follow exactly working hours and payment of wages. This complaint has since led to a police report of the former employee (by the factory management) and it is still being investigated by FWF, Haglöfs and Kjus as well as by the local police authority. Complaint has not yet been resolved.

#### Training and capacity building

Fair Wear Foundation supplier seminar 14th December 2016, Jakarta – Suppliers were encouraged to attend the seminar focussed on Wage levels, Social dialogue & Prevention of gender-based violence. Internal training Fair Wear Foundation Corrective Action Plans (CAPs) training 23th September - Internal training of Haglöfs development team.

Internal training Fair Wear Foundation Pillars and Code of Labour Practise training 23th September - Internal training of Haglöfs production team staff and communication staff.

Dialogues on Fair Wear Foundation 17th & 29th August; 10th October — Dialogues with FWF team members, FWF member brand and Haglöfs Sourcing and Development team to check status quo as well as how to improve the dialogue and corrective actions.

#### Transparency and communication

This report will be published and available to all stake holders, on the Haglöfs web page as well as distributed to our supply chain partners. Haglöfs work with corporate social responsibility and collaboration with Fair Wear Foundation work is also described on the webpage under the 'Sustainability' section. our 'boxes'! But, most importantly, we choose to use long-lasting materials and trims to make them last over time.

#### Decent work for all – starting with ourselves!

During 2015 Haglöfs made a re-organisation which contributed to increased stress in parts of the organisation. In the wake of this, several opportunities to save time and energy were identified and seized. This work seems to have started to pay off during 2016, as for instance identification of 'time thieves' and proactive management coaching work has contributed to for example a significant drop in stress-related leave. Another example of Haglöfs moving in the right direction is that in 2016 Haglöfs ranked as one of the top 10 employers out of over 200 participating companies within the products and services sector on Netsurvey's global annual ranking "Powered by People"! Haglöfs scored above global index in all four main categories: Leadership, Team efficiency, Engagement and Employee Net Promotor Score and share the eminent 'top 10' ranking with other Swedish global brands such as Tele2, Volvo Finans, Arvid Nordqvist and Academic Work. This means that Haglöfs stands out as one of the most engaging and attractive employers to work for!

The gender equality in the company is also an important yardstick, being an equal opportunity company. The figures for 2016 speak their clear language with almost 60% of the global team members being female. And while the management team consists

of 17% females — something Haglöfs will strive to improve — fact is that 52% of the managers at Haglöfs are female.



We have been working with most suppliers (62%) for over 5 years and some supplier relationships are going strong since over 25 years!



# Towards lower CO<sub>2</sub> emissions

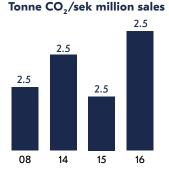
One of the most important question when it comes to sustainability is how negative climate change affects nature and there is of course an obvious danger that the climate impacts of people and companies. Perhaps the most obvious risk is that a changing climate would have a radical effect on the conditions for the outdoor industry and limit the scope for pursuing an active outdoor life.

Haglöfs is working on this critical issue but since we do not have our own production, we focus on limiting greenhouse gas emissions in four priority areas:

- All transportation of goods from manufacturers to warehouses.
- All energy consumption at Haglöfs' offices, warehouses and stores(heating + electricity).
- All business travel by air.
- All use of company cars.

For the year 2016, Haglöfs overall climate impact increased. The main reason for the increase is that transport by air nearly doubled. Logistics is the largest emissions item which historically has proven to have a high risk of fluctuations. The increase in airfreight is a result of fabric issues such as down leakage during the transition to fluorocarbon free DWR treatments, something that led to significant delays. Additionally, some customers needed deliveries which were on collision course with our thorough production planning and normally allowing lead-times. These two major things, combined with normal minor raw material delays, led to unsustainably high air freight amounts - something that we need to improve during the coming years.

Greenhouse gas emissions



#### **Energy consumption**

As part of a collaboration with Gävle Energi, Haglöfs has moved to using Källmärkt<sup>®</sup> (source-labelled) fossil-free electricity for all own operations (except for Barkarby Outlet store, which has small fraction of non-renewables in the energy mix - a result of purchasing what the owner of the localities supply). This means that the total electricity consumption in our offices, warehouses and stores



in Sweden is almost exclusively from renewable energy sources such as wind, water and biomass. We also work to identify measures and actions for further energy savings.

Tonne CO <sub>2</sub>	2008	2014	2015	2016	Change 2015-2016
Energy consumption	132	56	86	99	<b>15</b> %
Business travel and company cars	412	<sup>4)</sup> 612	<sup>4)</sup> 616	<sup>4)</sup> 520	<b>-16</b> %
Transport	582	1725	1041	2 012	93%
Total	1127	2 394	1742	2 631	<b>51</b> %

<sup>4)</sup> Carbon-offsetting of 2013: 395 tonnes. <sup>5)</sup> Carbon-offsetting of 2014: 353 tonnes. <sup>6)</sup> Carbon-offsetting of 2015: 274 tonnes.

For the year 2016, the electricity consumption looks like it has a very high increase. This is due to the addition of two new units (Haglöfs Brand Outlet Store Barkarby and Haglöfs Brand Store Åre), whereof the Barkarby shop has some non-renewable energy mixed in the energy delivery, so even a very small electrical contribution from fossil-based energy from one retail area causes a large increase in an otherwise completely renewable consumption. Our goal is to change over to 100% renewable at this outlet as soon as the current electricity fixed plan is due for renewal.

Greenhouse gas emissions from energy consumption Tonne $\mathrm{CO}_{\mathrm{z}}$	2008	2014	2015	2016	Change 2015-2016
Electricity	91	<sup>2)</sup> 4	<sup>2)</sup> 4	14	<b>291</b> %
Heating <sup>1)</sup>	42	52	82	85	-40%
Total	132	56	86	99	15%

<sup>1)</sup> Greenhouse gas emissions from district heating have risen due to changes in the computation model. The actual energy consumption is unchanged. <sup>2)</sup> Källmärkt® (source-labeled) fossil-free electricity.



Decrease of air travel since last year.

#### **Green Friday**

Haglöfs refused to partake in the consumption-driven sales and the 'Black Friday'-initiatives around the globe on November 25th 2016. Instead we opted for a 'Green Friday' in collaboration with Protect Our Winters (POW) Sweden & Norway, a non-profit organization educating the public about climate change and how to counteract it. Through this initiative we donated 50% of the retail value of all our 'Take Care'-labelled products from our brandstores and e-com on this day and donated it to the enthusiasts at POW; a donation that has since been put into work as information and education.

#### Business travel and company cars

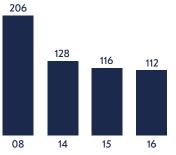
Our sustainability policy is that travel shall be done using the method of transport with the lowest environmental impact; though being a global company, travel needs to reflect this. Even so, the amount of air travel in 2016 has decreased by 26% since last year and the flight distances are generally over 500km. Additionally, a decrease in the car travel was achieved, reducing the carbon emissions by 13%.

We have a company car policy which involves strict and continually lower CO<sub>2</sub> emission requirements for company cars each year. From 2016, emissions from newly ordered company cars must not exceed 112 grams CO<sub>2</sub>/km.

By replacing physical meetings with digital ones as well as a conscious choice to travel by train whenever possible, while at the same time keeping the waning trend in air travel, can further decrease the carbon footprint from our business travel.

#### Company cars, average





Business fravel Tonne CO <sub>2</sub>	2008	2014	2015	2016	Change 2015-2016
Company cars	108	75,3	76,3	66,7	13%
Sea	-	-	-	0,06	-
Air	304	537,0	539,4	401,2	<b>-26</b> %
Rail	-	-	-	0,00001	-
Hotel	-	-	-	52,1	-
Total	412	612,3	615,7	520,11	<b>-16</b> %

Haglöfs conducts carbon offsetting of its business travel through a partnership with Tricorona Climate Partner. The carbon offsetting helps to fund the Jilin Zhenlai Mali Wind Power Project in the Jilin Province in Northeast China. China has the highest energy consumption in the world and its electricity production is mainly coal-based. Jilin Mali consists of 33 wind turbines and is located in an area dominated by power plants that generate coal-based electricity. The project does not only mean a cleaner source of electricity with



fewer CO<sub>2</sub> emissions and less local air pollution, but also a more stable electricity supply. The wind farm is expected to deliver 101,696 MWh to the electricity grid in the area on an annual basis. Jilin Mali is approved and certified under both the Kyoto Protocol's CDM and Gold Standard.

## In 2016 Haglöfs carbon-offset its use of company cars and air travel, amounting to 303,1 tonnes of CO<sub>2</sub>

#### Transport

lournay

Most of Haglöfs' shipments from Asia to its main warehouse in Avesta are in containers, which are transported to Gothenburg by sea. From Gothenburg they go by rail to Örebro or Fagersta for reloading onto trucks for final delivery to Avesta. Although this is not the fastest, it is the most effective way of minimizing greenhouse gas emissions from logistics. From EU producers the goods is usually freighted on trucks, although we are now keeping an eye on the development of rail logistics in the EU, something which has already been made possible for passenger traffic.

In 2016 Haglöfs import logistics accounted for over 76% of total emissions from operations, our by far greatest source of  $CO_2$  emissions. In 2016, our total tonne kilometres (1 ton transported 1 km = 1 tonne kilometre) decreased by 6% (from 15 747 429 tonne km to 14 837 499 tonne km). However, due to setbacks with fabric delays and planning issues that led to a sharp increase in the need for air freight, the transport by air more than doubled resulting in an overall higher climate impact as air is the mode of transport with the absolutely largest impact on the climate.

The good news from 2016 transport is that the amount of goods taken by train from Asia (along the Trans Siberian railway!) increased by over 200% in tonne km and generated nearly no emissions - this is something we will always prioritize over air freight if possible.

Over the coming year, we will hopefully avoid huge fabric issues (albeit related to new, more sustainable finishings, they still had a large impact on logistics and  $CO_2$  emissions) and once again reduce the air freight amount significantly. We will also need to comply with the new regulations for emissions from sea-freight; leading to longer lead times but saving on the  $CO_2$  emissions.

Tonne-km	2008	2014	2015	2016
Sea	11 067 279	16 833 940	14 286 981	12106509
Air	275 051	1 076 911	576763	1387379
Road	667 932	827 951	665006	675 513
Rail	164 360	248 860	218 680	668 098
Total	12 174 622	18 987 662	15747 429	14 837 499

Business travel Tonne CO2	2008	2014	2015	2016	Change 2015-2016
Sea	122	248	210	178	<b>-15</b> %
Air	408	1331	713	1714	<b>141</b> %
Road	52	147	118	120	2%
Rail	0,000	0,022	0,019	0,059	206 %
Total	582	1725	1041	2 012	<b>93</b> %

## How much CO<sub>2</sub> is generated during transportation of one tonne of freight?

It is a common misconception that production in Asia has a more adverse effect on the environment than production in Europe. In many cases, trucks are the only practical mode of transport available for deliveries in Europe. The example below compares Haglöfs' production in Portugal with production in China. In the example, greenhouse gas emissions are actually lower in shipments from China than from Portugal, as a result of a better transport mix.

Journay	Distance (km)	Transport mode	CO <sub>2</sub> /tonne-km (gr)	CO <sub>2</sub> Total (kg)
Lousada-Avesta	3,400	Road	77.8	264.5
Total				264,5
Shanghai-Gothenburg	20,302	Sea	11.0	223.3
Gothenburg-Örebro	280	Rail	* 0.0	* 0.0
Örebro-Avesta	141	Road	77.8	11.0
Total				234.3

\*Carbon-neutral transport by rail in Sweden.

#### **Sweden Textile Water Initiative**

Fresh water is a precious resource on our planet and the textile industry requires large quantities of water in the manufacturing process. One way that Haglöfs is working to reduce our water footprint is via the membership in the Sweden Textile Water Initiative (STWI), an association where many Swedish textile companies (e.g. IKEA, H&M, Filippa K & Fjällräven) join forces to identify possibilities for reduced water consumption in the supply chains. As a first step, guidelines and clear instructions have been set up for the fabric suppliers on how to increase water efficiency, prevent water pollution and manage waste in their processes. In the coming phase of the STWI, manufactures can get on-site advise how

to implement the guidelines and also information about how they can upgrade technology to save water — as well as money. In 2016; the following has been achieved by the STWI affiliated companies.



### 2016 Results from the world's most impactful sustainability program

STWI has finalized the 2016 results, wich has been our biggest year so far. As STWI has decided to align its goals with the UN Sustainable Development Goals, here are some examples of the results from 2016 projects in Bangladesh, China, Ethiopia, India and Turkey.



5 countries covered in STWI 119 factories

20 brands with factories in the program 10 brands in learning platform Support from Swedish Government Partnerships with government and academic Institutions in all five countries



3.35 Million Cubic Meter Saved annually = 1 days need for 67 million people = annual need for 183,000 people 6% Reduction in total water use 7.3% Reduction in water per KG textiles



Electricity use reduced by **27650006 KwH (2.76**%) Thermal use reduced by **553748 Giga Jules (7**%) Energy use per KG textile reduced by **24.22 Mj/Kg (14.57**%)



Total chemical reduction is **5.2 million KG (3.37**% of total chemical use) Total chemical reduction per KG production is **294 grams/kg (9.55**%) **68**% Factories with resource monitoring system installed and used **77**% improvement in legal compliance



15930 workers trained through 13 workshops and 4 awareness sessions 176 top management executives trained

**162.9 Million SEK** invested by factories with **20** month payback time

(240% ROI in 3 years) 88.9 Million SEK saved by factories in operational costs 831% private capital mobilised for public investment by Sida

Decreased carbon emissions from car travels





"Making the right decisions so that we can look our children in the eyes and say that we've tried hard to ensure that they can enjoy nature in the future in the same way as we do today, is a big responsibility. We've been working focusedly with sustainability for over a decade and have made great progress. Yet still there is lots of work ahead." Eva Mullins, Sustainability Manager

# Towards a sustainable future

The COP21 UN Climate Change Conference in 2015 defined the sustainable future in the Sustainable Development Goals (SDG's), which has given new worldwide energy and focus to the now quantified climate and sustainability goals. Haglöfs' way forward will be defined by the SDG's that are relevant to our operations.

Changes in the sustainable supply chain are largely driven by a number of factors, such as legal demands; innovation in material or process technology; and competition as well as media attention, all of which will drive requests from consumers and NGO's and hence push boundaries.

But more than anything the movement forward in sustainability comes from the Haglöfs internal drive to do things better all the time. And by collaborating in partnerships to reach the global sustainability goals we've come far along the right way.

Follow our ongoing sustainability work online at haglofs.se



