



SUSTAINABILITY REPORT 2025

Reporting Period: FY 2024–2025

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A WORD FROM OUR CEO

This is the first time since 2021 that we've published a full sustainability report. It's by no means perfect but it is a stake in the ground – a next step.

Over the past year, we did a full reset. That process was sometimes overwhelming, but it allowed us to step back and ask the hard questions: What really matters to Odlo? Where can we make the most impact? And how do we build systems that help us move forward – steadily and transparently?

We've also focused on making our sustainability efforts more consistent, more connected and more transparent. We've moved from isolated actions to a more integrated approach - linking sourcing, product development and governance through shared goals and shared accountability.

We've strengthened our due diligence processes, expanded our use of verified tools and piloted new ways to track social and environmental performance. Our teams have worked across departments to align on what matters most and to build the systems that will help us deliver.

This report reflects that shift. It's not just a snapshot of progress – it's a signpost for what comes next.

We know there's more to do. But we also know that with the right systems, the right people and the right mindset, we can keep moving forward – together.

We've made progress, but the sentiment across Odlo remains the same: we can still do more.

#TheresMoreOutThere



Daniel Eppler
CEO
Odlo International



ABOUT ODLO

Odlo was founded in Norway in 1946 with a simple but powerful idea: to create performance apparel that enables people to move freely in the outdoors. Nearly eight decades later, that same spirit of innovation and care continues to guide us.

Today, Odlo is a part of Monte Rosa Sport, alongside Janus and Henri Lloyd. Together, we share a commitment to technical excellence, responsible business conduct and protecting the places we love to explore. Our headquarters in Hünenberg, Switzerland, serves as the hub for our product development, sustainability work and strategic planning.

We operate our own vertically integrated production facility in Romania, which gives us flexibility, speed and control over quality and social standards. This facility accounts for nearly half of our total production volume and plays a central role in our sustainability strategy – especially when it comes to fair working conditions and energy efficiency.

Our product range spans base layers, mid layers and outerwear designed for running, hiking, skiing, and everyday movement. We prioritise functional comfort and durability, while continuously improving the environmental and social impact of our materials and processes.

As we move forward, we stay rooted in our purpose: to awaken fulfilment in the outdoors. At Odlo, sustainability isn't a label – it's part of our heritage and built into every decision we make. Whether it's through the materials we choose, the partnerships we build, or the way we support fairness and longevity in our value chain, we aim to be a brand that performs with integrity and leads with intent.

→ [Learn more about Odlo on our website](#)



03 SUSTAINABILITY AT ODLO

3.1 A Fresh Chapter

While sustainability was always important to our business, it’s now a strategic priority. To accelerate our progress, our [Sustainability Team](#) evolved into a new department in 2023, reporting directly to the CEO. The two-person team leverages support from the entire organisation with our sustainability workstream, a group of key partners who facilitate integration into our daily business.

In our [fiscal year \(FY\) 2024–25](#), we sharpened our focus on long-term, measurable impact by evolving our strategy and internal structures. What began as a compliance-first approach has now matured into a strategic framework that influences everything from sourcing decisions to product design.

We’ve clarified our material priorities, built a more transparent measurement system, and reinforced our internal sustainability governance. As a result, we are embedding sustainability deeper into day-to-day decisions across our value chain.

This shift has helped us move from reactive reporting to proactive responsibility. It’s not just about meeting standards – it’s about setting them. We’re asking better questions, challenging our assumptions and building systems that support progress over perfection.

3.2 Our Commitment

At Odlo, we know we can do more.

We Can Do More is our commitment to protecting the people and places we love by focusing on the areas where we can make the greatest progress.

Sustainability is not a label or a campaign – it’s part of our heritage and built into everything we do. As an outdoor brand, we’re deeply connected to the natural world. That connection comes with responsibility: to reduce resource use, to support fairness and dignity in our value chain and to design products that last.

We don’t claim to have all the answers. But we are committed to transparency, continuous learning and progress step by step. For us, sustainability isn’t about perfection. It’s about taking responsibility in every decision we make.

We can do more, and this is just the start.

The Sustainability Team:



Johanna Heimlicher
Sustainability Director



Sara Campidelli
Sustainability Manager

3.3 What Matters Most: Our Materiality Assessment

To make meaningful progress, we first asked the right questions and then we listened.

In 2023, we conducted a comprehensive [materiality assessment](#) to identify the environmental, social and governance topics that matter most to our stakeholders and where Odlo can have the greatest impact. This process was essential to refining our sustainability strategy and preparing for the future [CSRD \(Corporate Sustainability Reporting Directive\)](#) alignment.

The assessment followed a three-phase approach: analysis, consultation, and validation. We began by reviewing international frameworks (GRI (Global Reporting Initiative), CSRD, SASB (Sustainability Accounting Standards Board)), industry benchmarks, and regulatory trends to identify potentially material topics across our [value chain](#). We then engaged 106 stakeholders (94 internal and 12 external) through surveys and in-depth interviews. Internal participants included leadership, sustainability experts and cross-functional teams. External stakeholders represented key accounts, suppliers, NGOs and trade associations. Finally, results were validated by our Leadership Team and Board of Directors to ensure alignment with business strategy and stakeholder expectations.

Given that this was our first materiality assessment,

we opted for a simple approach to make the process manageable and meaningful. Our focus was on two key questions: how relevant is each issue to our stakeholders, and how does it impact Odlo’s business? In the future, we aim to evolve this work by incorporating [double materiality](#) as this framework gains traction and practical guidance within our sector.

The result? A clear view of the priorities that guide our sustainability work today and shape our strategy for tomorrow.

Our Top Material Topics:

- Fair working conditions & living wages
- Responsible sourcing & chemical management
- Energy management & emissions
- Product durability, repair, and circularity
- Transparency, due diligence, and traceability

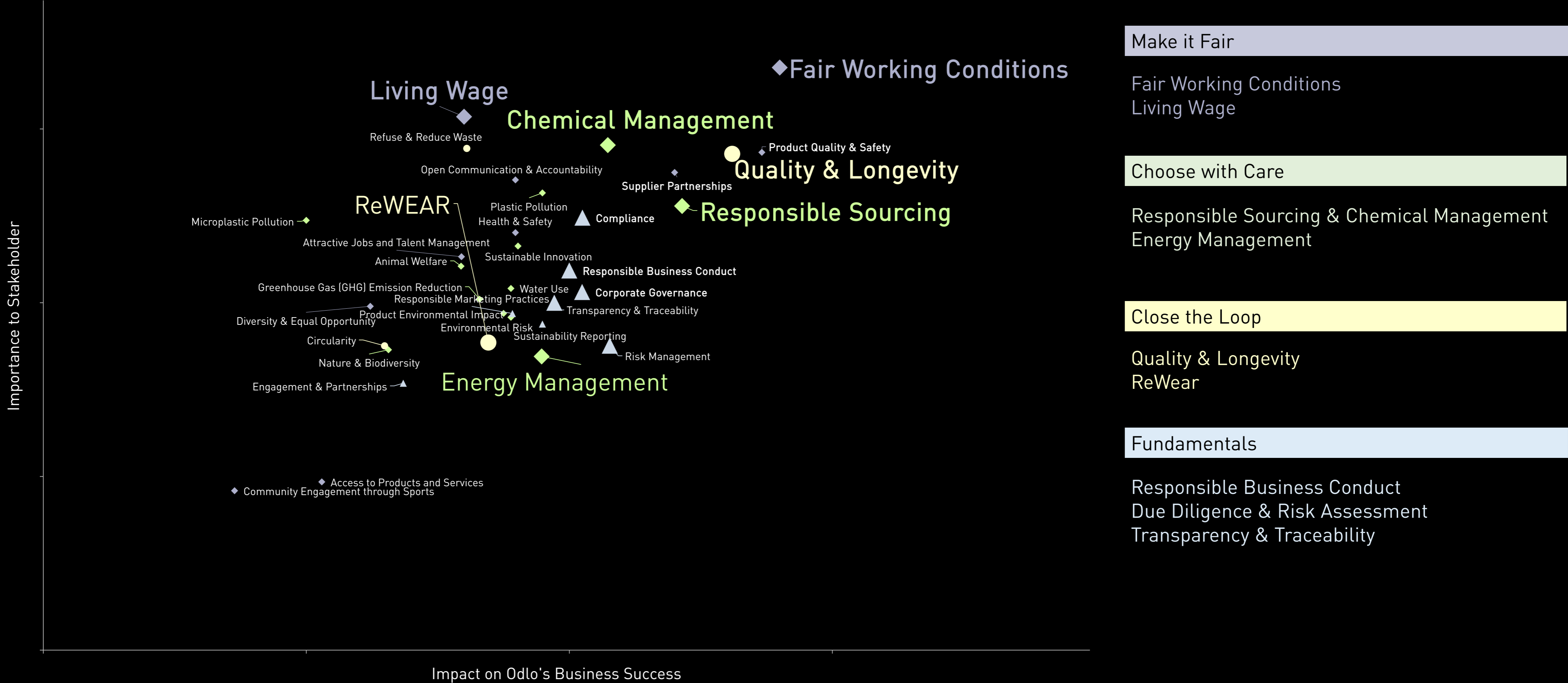
“Materiality shaped our focus: fairness, responsible sourcing, and durability.”

We’ve aligned these topics with our 3 strategic pillars:

Pillar	Key Material Topics
Make it Fair	Fair working conditions, living wage, responsible business conduct, human rights due diligence
Choose with Care	Responsible sourcing, chemical safety, environmental footprint, use of certified materials
Close the Loop	Durability, repair services, take-back programs, circular business models

The outcome helped define our focus areas and priorities. On the next page, you can see our materiality matrix, and in [Chapter 3.5](#) we explain how these insights have shaped our strategy framework.

3.4 Our Materiality Matrix



3.5 Our Sustainability Strategy

Building on the priorities identified in [Chapter 3.3](#), we refined our strategic approach to focus on the areas where Odlo can drive the greatest change. The assessment confirmed what we already understood: fair working conditions, responsible sourcing, energy management, product durability, and transparency are essential to our long-term impact.

Following the assessment, we streamlined from four pillars to three by integrating the former renewable-energy pillar “Go for Green” into “Choose with Care”. This aligns all major environmental levers (materials, chemistry, and energy) within a single pillar and reflects how decisions are made in practice.

Our strategy is now organised around three pillars that guide decisions, shape partnerships, and direct our investment.

The Pillars

We’ve built our approach around three key pillars.

These pillars help us focus on where we can make the most progress. They also remind us that real impact comes not just from big goals, but from everyday decisions.

Make it Fair:

Supporting fair working conditions, living wages and human rights throughout our value chain.

Choose with Care:

Reducing our environmental impact by making thoughtful choices about materials, energy and partnerships.

Close the Loop:

Designing for durability and circularity so our products stay in use longer and avoid the landfill.

These pillars help us focus on where we can make the most progress. They also remind us that real impact comes not just from big goals, but from everyday decisions.

The Fundamentals

While our pillars define what we focus on, our fundamentals define how we work, ensuring our strategy is grounded in integrity and accountability.

Responsible Business Conduct:

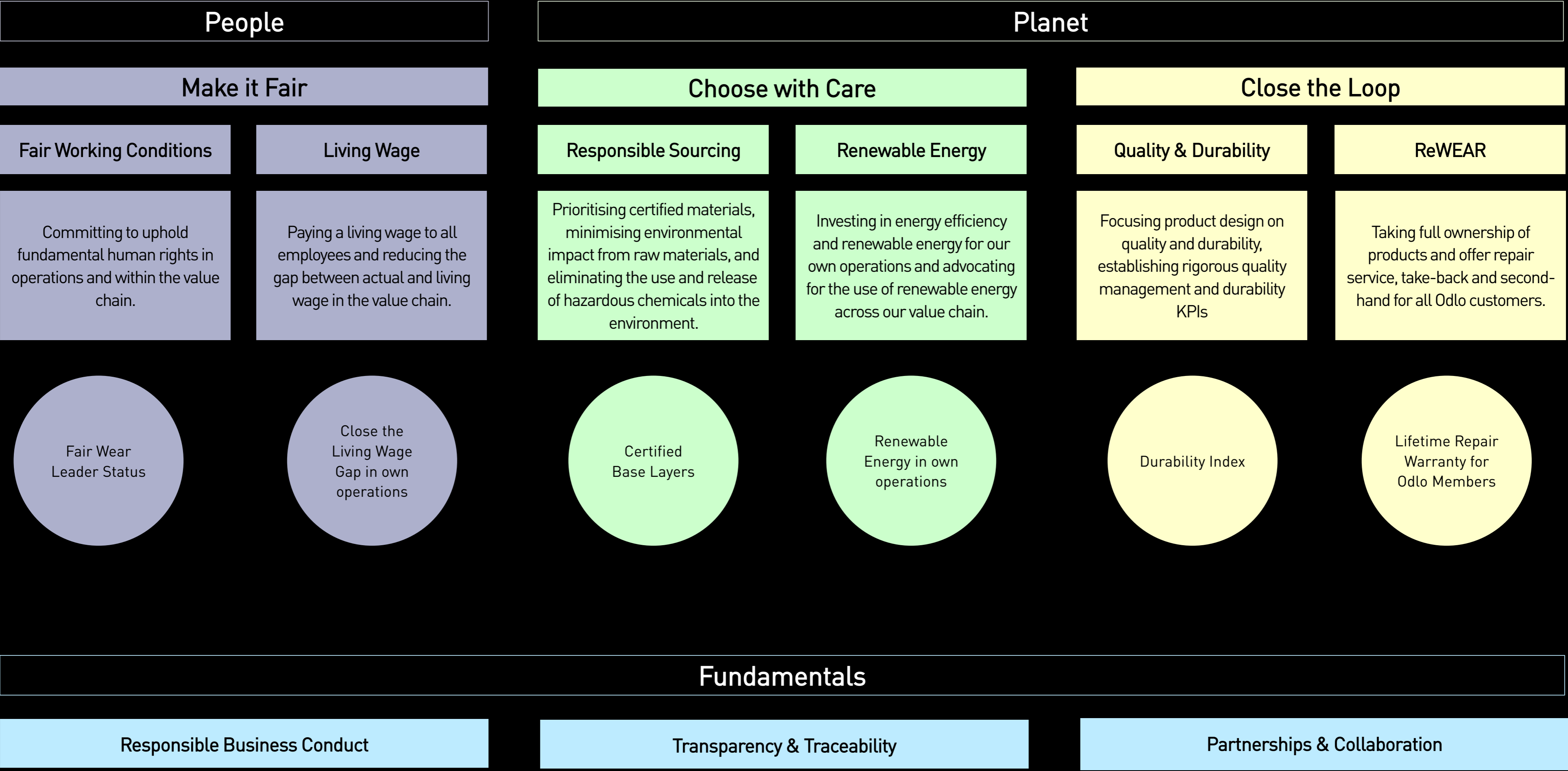
Guided by the [OECD Guidelines](#) and [UN Guiding Principles](#), we’re implementing a human rights and environmental due diligence system supported by audits, risk mapping and supplier engagement.

Transparency & Traceability:

We believe in showing the work, not just the results. Transparency allows us to build trust, stay accountable and create space for collaboration. We publish key information about our supply chain, audit performance and material priorities.

Strength Through Partnerships:

At Odlo, we strongly believe that sustainable practices are strengthened through partnership and collaboration. By working together, companies can set common goals and pool resources, making a more significant impact than they could individually.



04 MAKE IT FAIR

People are at the heart of everything we do.





MAKE IT FAIR

People are at the heart of everything we do.

At Odlo, we believe that everyone involved in making our products should work in safe, dignified environments and earn a wage they can live on. But defining “fair” can be complex. Working conditions vary across countries, and systemic challenges make progress slow. That’s why we take a structured, long-term approach, starting with our own operations and building partnerships that help us go further in our value chain.

Over the past year, we strengthened how social performance informs our business decisions. With support from [Fair Wear](#) and guided by [OECD Guidelines](#) and [ILO conventions](#), we integrated measurable social indicators into our sourcing framework, laying the groundwork for a more transparent and accountable value chain.

Our Focus Areas

We’re focused on two areas where we can have a direct and lasting impact:

- Fair working conditions
- Living wages

Our Goals

- Achieve Fair Wear “Leader” status
- Close the living wage gap in our own operations and at key suppliers

4.1 Fair Working Conditions

Fair working conditions are a cornerstone of our Make it Fair pillar and one of our top material priorities. We define “fair” not just by compliance, but by the systems we build to uphold dignity, safety and opportunity across our value chain.

We have been a proud member of [Fair Wear](#) since 2008. Our Code of Labour Practices – based on [Fair Wear’s 8 Labour Standards](#) and signed by all [Tier 1](#) suppliers - underpins our social compliance work. It guides our monitoring, remediation and improvement efforts. In fiscal year (FY) 2024–25, we maintained our commitment to Fair Wear and continued working towards our goal of achieving Leader status in their [Brand Performance Check](#).

→ [Check out our latest Brand Performance Check](#)

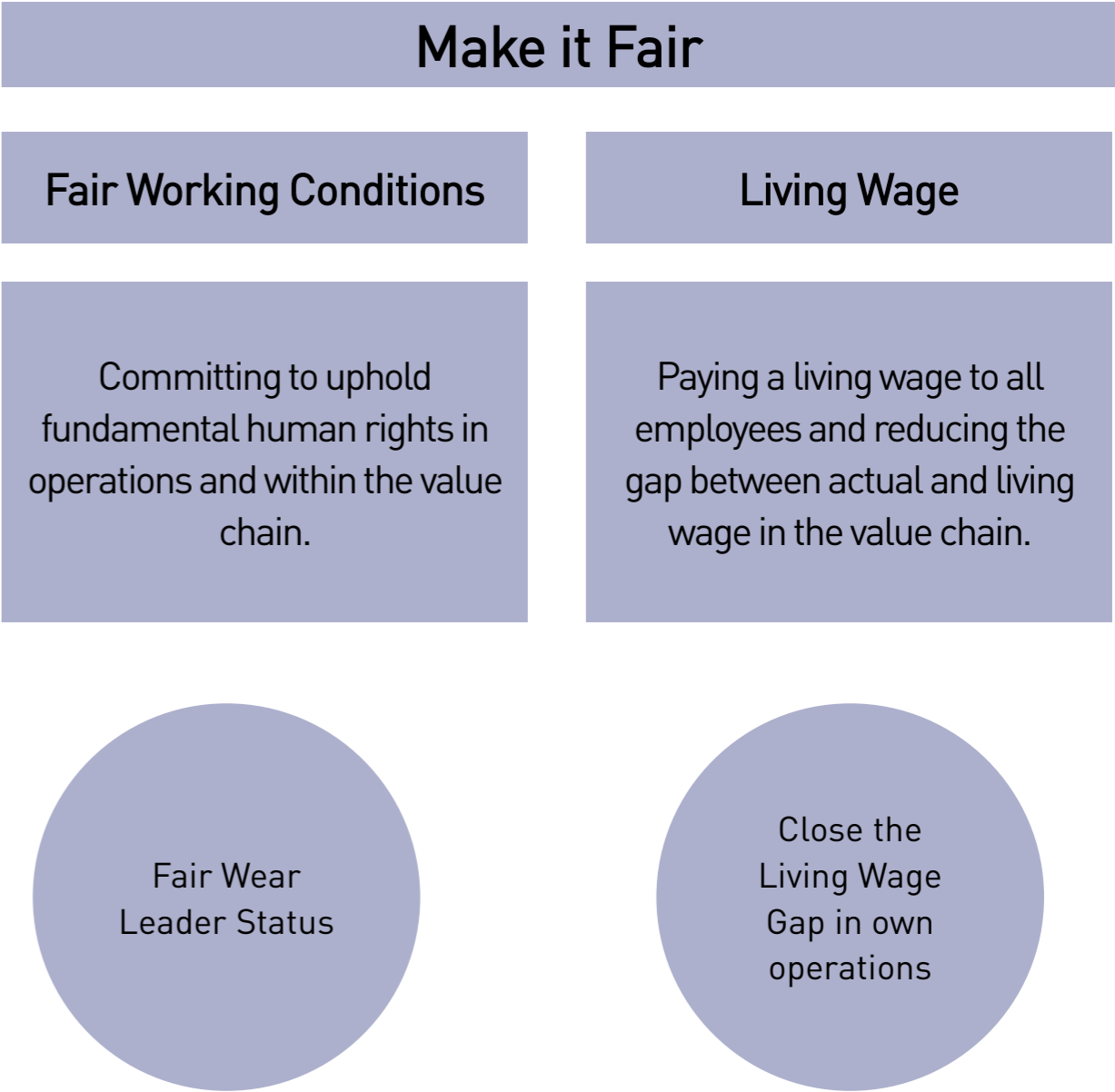
Our approach is also shaped by international frameworks including the [OECD Guidelines](#) and [ILO conventions](#) and embedded into our internal governance through our [Responsible Business Conduct Policy](#) and [Human Rights and Environmental Due Diligence \(HREDD\)](#) roadmap.

This year we took a major step by embedding social KPIs into sourcing decisions – ensuring that purchasing reflects not only cost and quality but also supplier performance on human rights, health and safety.

Key activities this year included:

- Risk assessments across all sourcing countries, identifying high and very high-risk areas
- Increased adoption of the [Higg Facility Social & Labor Module \(FSLM\)](#) at Tier 1
- Follow-up on corrective action plans from previous audits
- Launch of a Tier 1 Supplier Scorecard pilot, combining social, environmental and purchasing indicators

We are preparing to extend our due diligence and data tracking to [Tier 2](#) suppliers in 2026, in line with our commitment to traceability and transparency.



4.2 Living Wage

Paying a living wage remains one of the most complex and critical goals in our supply chain. Our approach combines wage data benchmarking, factory-level studies and collaboration with production partners.

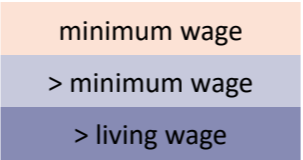
Over the past year, we have continued to assess the gap to living wage at our own production facility, Odlo Romania S.r.l., which produces around half of Odlo’s products. With the support of Syndex, a specialised Romanian consultant, we determined the region-specific living wage benchmark for Neamt County using the [Anker methodology](#), including interviews with employees to assess their average spending and needs. The study found that, compared to the regional benchmark, the gap has been closed for most workers following the minimum wage increase in July 2024. With the further increase in January 2025, the “mode wage” (most common wage) for sewing operators is exceeding the living wage benchmark for the region though some of the lowest-paid workers remain below the benchmark.

At the supplier level, we assessed the wage gap at strategic factories using the [Global Living Wage Coalition benchmark \(GLWC\)](#) data and began integrating these findings into our conversations with these partners.

The following chart shows how the most common wage for sewing operators compares to industry benchmarks.

We use the “mode wage” – the salary earned by the largest number of sewing operators as it best reflects what a typical worker in the factory earns.

Country	FW Factory ID	2023	2024
Romania	145		
Romania	3804	N/A	
Romania	36060	N/A	
Vietnam	3919		
Vietnam	10014		
Vietnam	7371		
Vietnam	10298		
Vietnam	5649		
Vietnam	8529		
Vietnam	34464		
Sri Lanka	5608		
Sri Lanka	11868		
Thailand	3039		
Türkiye	8383		
Türkiye	33415		
China	35190	N/A	
China	6115		
India	4835	N/A	
Cambodia	11430		
Italy	36390		
Slovenia	2959		



STS2030 – United for Fair Wages Vietnam

In November 2024, Odlo joined [Sustainable Textiles Switzerland \(STS\) 2030](#), a multi-stakeholder program aligned with the [UN Sustainable Development Goals](#). One of its four targets is the promotion of fair wages and humane working conditions, which led to the launch of the United for Fair Wages project in Vietnam.

This initiative brings together committed brands – including Odlo – to promote fair wages through a joint gap analysis and supplier engagement. It is supported by the Swiss government and organisations such as [Fair Wear](#), [amfori](#), [ILO Better Work](#), and [Swiss Fair Trade](#).

Odlo is actively collaborating with other Fair Wear member brands in Vietnam, engaging in shared analysis and supplier dialogue. The goal is to co-create scalable approaches to wage improvement and roll them out across the supply chain.

"Living wage progress starts with collaboration – brands sharing knowledge and aligning on credible benchmarks to drive systemic change."

Sara Campidelli, Sustainability Manager, Odlo

4.3 Human Rights Due Diligence

While our two focus areas – fair working conditions and living wages – guide our strategy, we also recognise the importance of building strong systems to prevent harm and promote accountability. In FY 2024–25, we made significant progress in strengthening our [Human Rights Due Diligence \(HRDD\)](#) framework.

Our approach is grounded in international standards, including the OECD Guidelines and Fair Wear’s 6 HRDD steps process (see chart). It focuses on identifying risks before harm occurs and embedding due diligence into sourcing and governance.

Key developments this year:

- We conducted a value chain risk assessment with support from consultancy focusright, mapping potential adverse impacts from raw materials to end-of-life.
- We adopted Fair Wear’s Risk Scoping Tool to streamline country, sector, and facility-level assessments.
- We launched an internal HREDD steering committee to coordinate cross-functional implementation.
- We began integrating worker-focused KPIs into supplier evaluations to better measure impact.

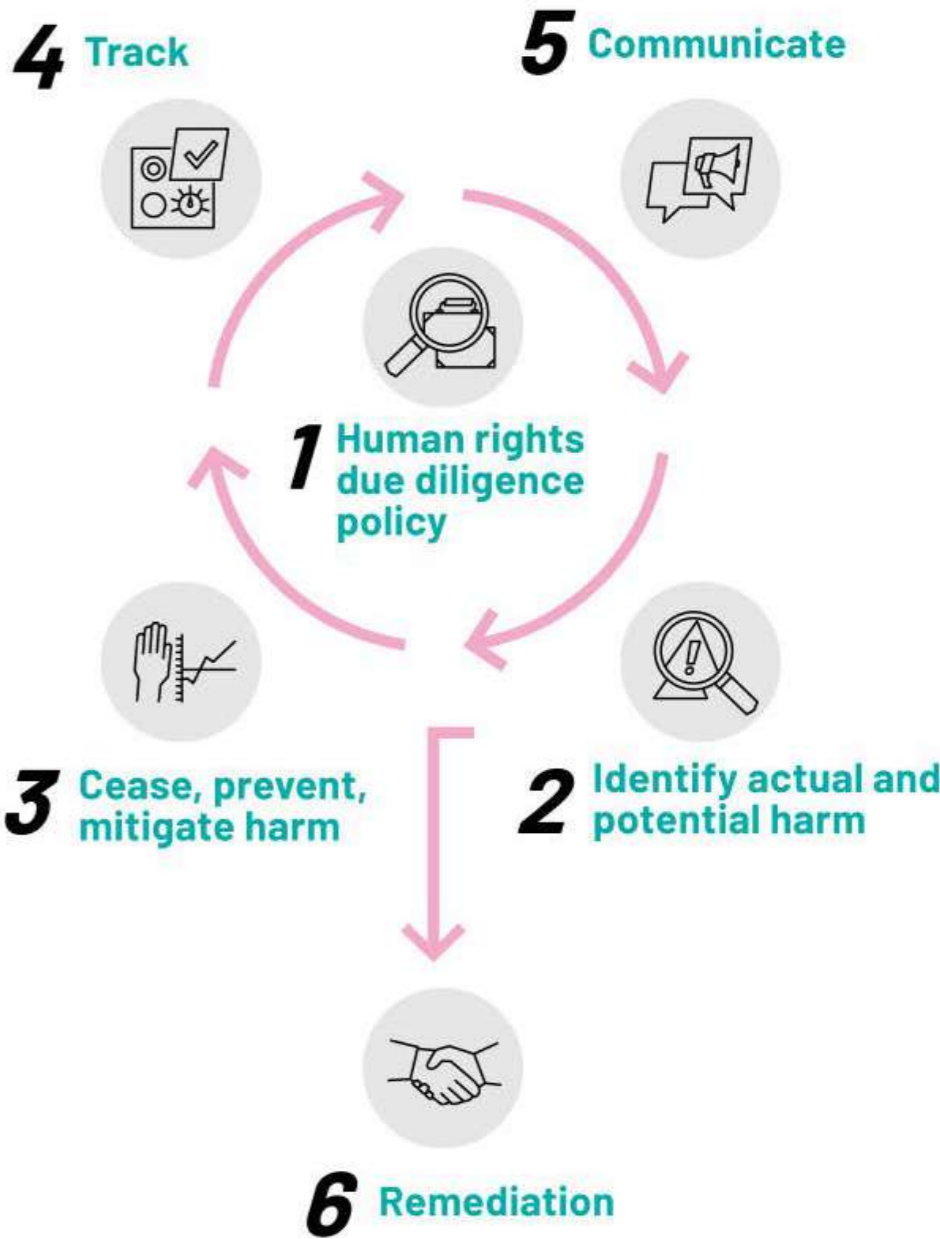
Our HRDD efforts prioritise Tier 1 garment makers, where we have the most direct influence. We also assess how our own business model may contribute to risks – such as through pricing, lead times or production planning.

Finally, we conducted country-level risk assessments using international benchmarks ([ILO](#), [UNICEF](#), [ITUC](#), [Global Slavery Index](#), [UNDP](#)). These assessments guide our monitoring strategy and help us focus efforts where they are most needed.

This chapter outlines the systems we’ve built to support our Make it Fair pillar. The following sections will explore how we address specific risks – freedom of association, gender equality and working hours – through targeted action and supplier engagement.

For more information on human rights risks in the textile industry see page 13 in our [2024 Social Report](#).

The 6 HRDD steps



4.4 Responsible Sourcing & Purchasing Practices

Fairness in our supply chain starts long before a product reaches the production line, it begins with how we choose and work with our suppliers. In FY 2024–25, we strengthened our sourcing systems to support long-term partnerships, transparent pricing and shared responsibility across our supply chain.

Odlo’s sourcing strategy is built on two pillars: maintaining our own production facility in Romania and working with a small group of trusted manufacturing partners. This approach allows us to plan long-term, reduce complexity, and deepen engagement. In fact, 85% of our key suppliers have worked with us for more than five years.

We updated our Supplier Agreement to align with the [Common Framework for Responsible Purchasing Practices](#), formally codifying our commitment to shared responsibility. The agreement now includes clearer terms, stronger protections for suppliers and a contractual basis for collaborative risk management.

Relationship duration	Number of partners	% total partners
0-5 years	2	14%
5-10 years	5	36%
10+ years	7	50%

To support onboarding, we provide each new supplier with a comprehensive package that includes:

- [Odlo’s Responsible Business Conduct Policy](#)
- Garment Maker Questionnaire
- Transparency Agreement
- A presentation deck outlining our social responsibility goals and processes

We also introduced a Supplier Scorecard, piloting this with two strategic partners to assess performance across supply chain management, product quality and sustainability. The scorecard is not a ranking tool – it’s a conversation starter, helping us clarify expectations and identify opportunities for joint improvement. We have now rolled it out to all Tier 1 suppliers and want to implement it as well for strategic Tier 2 partners.

Our open costing policy ensures transparent pricing. Suppliers provide a breakdown of material, labour, overhead and margin, allowing us to understand cost drivers and respond to changes (such as wage increases) fairly and efficiently.

Production planning is another key area. We work on a two-season cycle, with detailed calendars shared well in advance. Orders are placed only on fully commercialised styles, and delivery timelines are agreed collaboratively.

If disruptions occur, we prioritise dialogue and problem-solving to minimise impact.

Finally, we’ve strengthened our approach to responsible exits. If a partnership ends, we follow a structured process that includes clear communication, planning for final production and assessing potential impacts on workers and operations.

These practices reflect our belief that sourcing is not just about products: it’s about people, relationships and shared values. By embedding responsibility into every step of the sourcing process, we’re building a supply chain that supports fairness, resilience and long-term success.

“Collaboration is the key to resilience. When we plan together, we succeed together.”

Matthieu Leclercq, Sourcing Director, Odlo

4.5 Gender Equality & Worker Voice

A truly fair supply chain is not only about wages and working hours; it is also about who gets heard, who progresses and who feels safe at work. Gender equality and worker representation are therefore key lenses in our Make it Fair pillar. In FY 2024–25, we expanded our efforts to better understand and address gender-related dynamics and freedom of association risks across our Tier 1 suppliers.

We launched a Factory Gender Data Collection Questionnaire, which was completed by 16 out of 29 surveyed factories. The results confirmed that although women make up the majority of the textile workforce, they remain underrepresented in management, promotions and union participation.

Key findings:

- Women have only **36% of the likelihood** that men have of holding management roles
- Women have **less than half the chance** of men to serve as worker representatives (approx. 47%)
- Women are **67% less likely** than men to be promoted
- Women are **26% less likely** than men to be hired
- A gender pay gap exists in **5 of 16 facilities**
- Women are almost **twice as likely** than men to earn the lowest wages

These findings prompted targeted dialogue with suppliers on the most critical gaps. Encouragingly, the proportion of women in management roles increased from 42% to 53%. However, union membership declined overall, including among women.

Snapshot of representation:

Metric	Percentage
Women Workers	78%
Women Managers or Supervisors	53%
Workers in a Union	36%
Women Workers in a Union	17%

Freedom of association remains a high-risk area in many production countries. We continue to support worker committees where formal unions are not present and encourage suppliers to adopt clear policies and training on worker rights.

Odlo remains committed to improving gender equity and worker voice through ongoing engagement, supplier follow-up and integration of these metrics into our broader due diligence and sourcing strategy.





4.6 Working Hours & Overtime

Managing working hours and overtime remains a persistent challenge in the textile sector, especially due to the industry's strong seasonality. Production peaks from June-August for Fall/Winter and January-March for Spring/Summer collections create concentrated demand periods, which can lead to excessive overtime across our supply chain.

These pressures were heightened during the Covid-19 pandemic, when workforce reductions were followed by a rapid rebound in demand. Combined with younger generations' preference for more stable and better-paying industries, labour shortages have stretched suppliers' legal working hour limits.

To address these challenges, suppliers are working to improve efficiency and distribute orders more evenly throughout the year. On our side we are improving forecasting accuracy to help suppliers better plan production. We encourage suppliers to flag capacity constraints early, so that solutions – such as adjusting delivery timelines or using air freight when critical – can be found collaboratively to prevent excessive overtime.

We monitor working hours through audit reports and root cause discussions, using our Overtime Pressure Assessment Tool to track:

- Overtime instances during peak and low seasons
- The number of affected workers in a representative sample
- Qualitative ratings of overtime pressure (None, Low, High, or Excessive)

This tool helps us identify patterns and initiate dialogue with suppliers where overtime risks are highest.

4.7 Factory Due Diligence

While our governance systems – including HREDD – are outlined in the [Fundamentals section](#), this chapter focuses on how we operationalise factory-level monitoring through audits, site visits and grievance mechanisms to uphold fair working conditions in practice.

Odlo’s factory due diligence approach continues to evolve as we strengthen our risk-based monitoring system. In FY 2024–25, we focused on reducing audit fatigue, prioritising high-risk suppliers, and improving collaboration with other Fair Wear member brands. Our goal remains to ensure that all manufacturing partners uphold fair working conditions and are supported in making continuous improvements.

Rather than requesting audits from all suppliers, we now review existing third-party assessments – such as Fair Wear audits, verified Higg Facility Social & Labor Module (FSLM) submissions, and other credible reports where available. When risks are identified, we open [Corrective Action Plans \(CAPs\)](#) and work closely with suppliers to resolve issues. If a supplier is shared with another Fair Wear brand, we coordinate efforts to streamline follow-up and avoid duplication.

As a member of [Cascade](#), Odlo accepts verified Higg FSLM submissions as part of our monitoring framework. These assessments provide valuable insights into working

conditions and social compliance, allowing us to maintain oversight while reducing redundant audits.

Monitoring coverage in FY 2024–25:

Metric	Percentage
Facilities Audited (last 3 years)	41%
Facilities Visited (last 2 years)	76%
Facilities Checked for H&S (last 2 years)	76%
Facilities Submitting Higg FEM	66%
Facilities Submitting Higg FSLM	38%

Our team conducted on-site visits in Vietnam, Sri Lanka, Turkey, Romania, Thailand, and China, covering 76% of our manufacturing partners and 95.6% of our annual production volume. Some suppliers received multiple visits to ensure ongoing support. Based on our updated risk assessment, we prioritised visits to higher risk countries and facilities, with additional audits and trainings already planned for the coming year.

As a member of Fair Wear, we ensure all factory workers have access to the [Fair Wear Grievance Mechanism](#). Our partners are required to display the [Fair Wear Code of Labour Practices](#) flyer prominently in their facilities. In countries where Fair Wear has a local presence, workers can report grievances confidentially via a dedicated hotline. The Fair Wear team supports resolution efforts in collaboration with Odlo and factory management.



4.8 What’s Next

In 2025, we’ll continue to deepen our commitment to fair working conditions and living wages across our value chain. Our priorities include:

- Develop a roadmap for 100% living wage coverage at Odlo Romania and expanding wage benchmarking to Tier 1 suppliers.
- Scaling our Tier 1 Supplier Scorecard and integrating social KPIs into sourcing decisions.
- Extending our due diligence and risk tracking to key Tier 2 suppliers.
- Strengthening gender equity and worker voice through targeted supplier engagement.
- Enhancing our overtime monitoring system and supporting suppliers in managing seasonal peaks.
- Continuing to align our HRDD practices with international standards and embedding them into purchasing and planning processes.

Objective	Target	FY 2024–25 Status
Fair Wear Foundation Rating	Leader Status	➔ On track
Code of Labour Practices signed	100% Tier 1 suppliers	✓ Achieved
Supplier Agreement aligned with CFRPP	100% direct suppliers	➔ On track
Risk assessment coverage	100% Tier 1 suppliers	✓ Achieved
Due diligence process (OECD aligned)	Kicked off in 2025	➔ On track
Supplier Scorecard	100% Tier 1 suppliers	➔ On track
Living Wage at Odlo Romania	100% of workers	➔ On track
Roadmap for fair wages STS 2030	By 2026	➔ On track
Share of factories that pay 10% over minimum wage	100% Tier 1 suppliers	≈ In progress
Grievance mechanism available to all workers	100% Tier 1 suppliers	≈ In progress
Higg FSLM adoption (Tier 1)	All strategic partners	➔ On track
Higg FSLM adoption (Tier 2)	All strategic partners	≈ In progress

05 CHOOSE WITH CARE

For every touchpoint of our business, we must choose with care.



CHOOSE WITH CARE

For every touchpoint of our business, we must choose with care.

Choose with Care is about taking responsibility for the impact of our decisions. From the energy we use to the raw material for our sewing thread, it all has an impact on the environment and we are committed to minimising it. While we recognise that every material and process has an environmental cost, our goal is to make informed trade-offs and continuous improvements – focusing on areas where we have the greatest influence and can create the most positive change.

This pillar reflects our belief that sustainability isn't limited to one department or product line. It's part of how we design, source, manufacture and operate. That includes choosing suppliers who share our values, investing in better materials, managing chemicals responsibly and working toward cleaner energy across our supply chain.

Our Focus Areas

To reduce our environmental impact across the product lifecycle, we focus on:

- Responsible sourcing and chemical management
- Renewable energy in own operations and across our value chain

Our Goals

- Certify all base layers by 2027 via [Bluesign](#) on synthetics and [Responsible Wool Standard \(RWS\)](#) on Merino and track certification progress across entire range
- Monitor and increase renewable energy in Odlo-owned operations

5.1 Responsible Sourcing & Chemical Management

From raw fibre to finished product, our goal is to prioritise certified, lower-impact materials while eliminating hazardous chemicals and optimising water and energy use in production. Our sourcing strategy is built on traceability, continuous improvement and long-term supplier relationships.

How we choose materials

Performance always comes first. That’s the foundation of our design philosophy. There is no such thing as a sustainable material. Every fibre has an environmental cost, which is why we follow the [Textile Exchange](#) definition of Preferred Materials: those that offer reduced impacts and increased benefits compared to conventional equivalents.

We are working toward [RWS \(Responsible Wool Standard\)](#) and [GRS \(Global Recycled Standard\)](#) certification by 2026, and all our wool is already [mulesing-free](#). Most of our recycled polyester comes from post-consumer PET bottles, while recycled polyamide is sourced from pre-consumer waste.

Chemical management is a critical part of responsible sourcing. All our fabric suppliers are [Oeko-Tex](#) certified or [Bluesign System Partners](#) and all products which are worn close to skin are certified with [Oeko-Tex Standard 100](#). In 2025 we joined the Bluesign System to strengthen

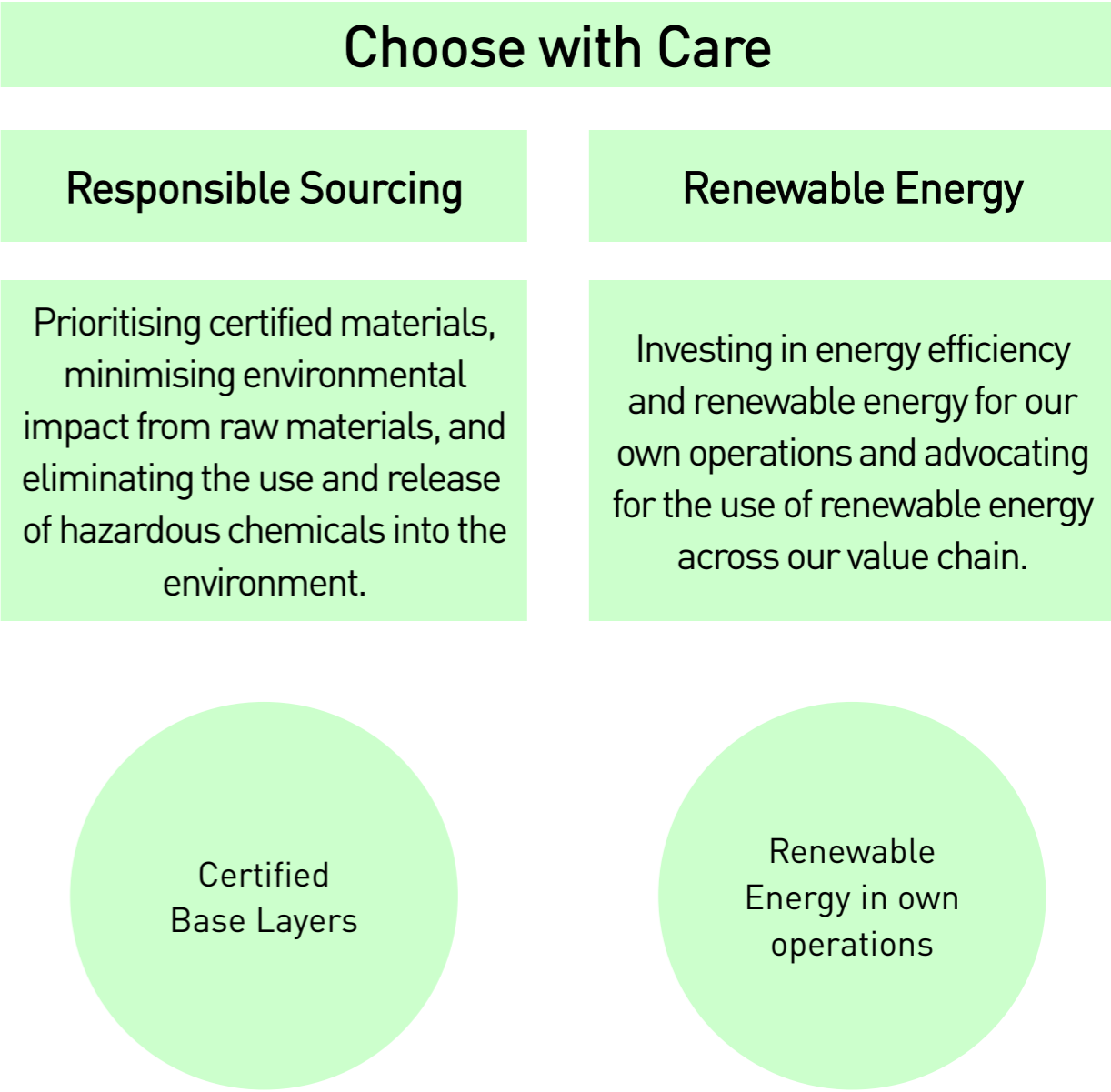
due diligence and reduce impact where it matters most – during wet processing.

We are also transitioning our odour control treatment to [HeiQ Mint](#), a bio-based, biocide-free alternative.

We are phasing out intentionally added [PFAS](#) by 2026. In SS26, we succeeded in converting our final product that still relied on C6 [DWR](#) - a super lightweight high performance running jacket where achieving comparable performance with PFAS free [C0 DWR](#) treatments had been particularly challenging.

Certifications & Standards

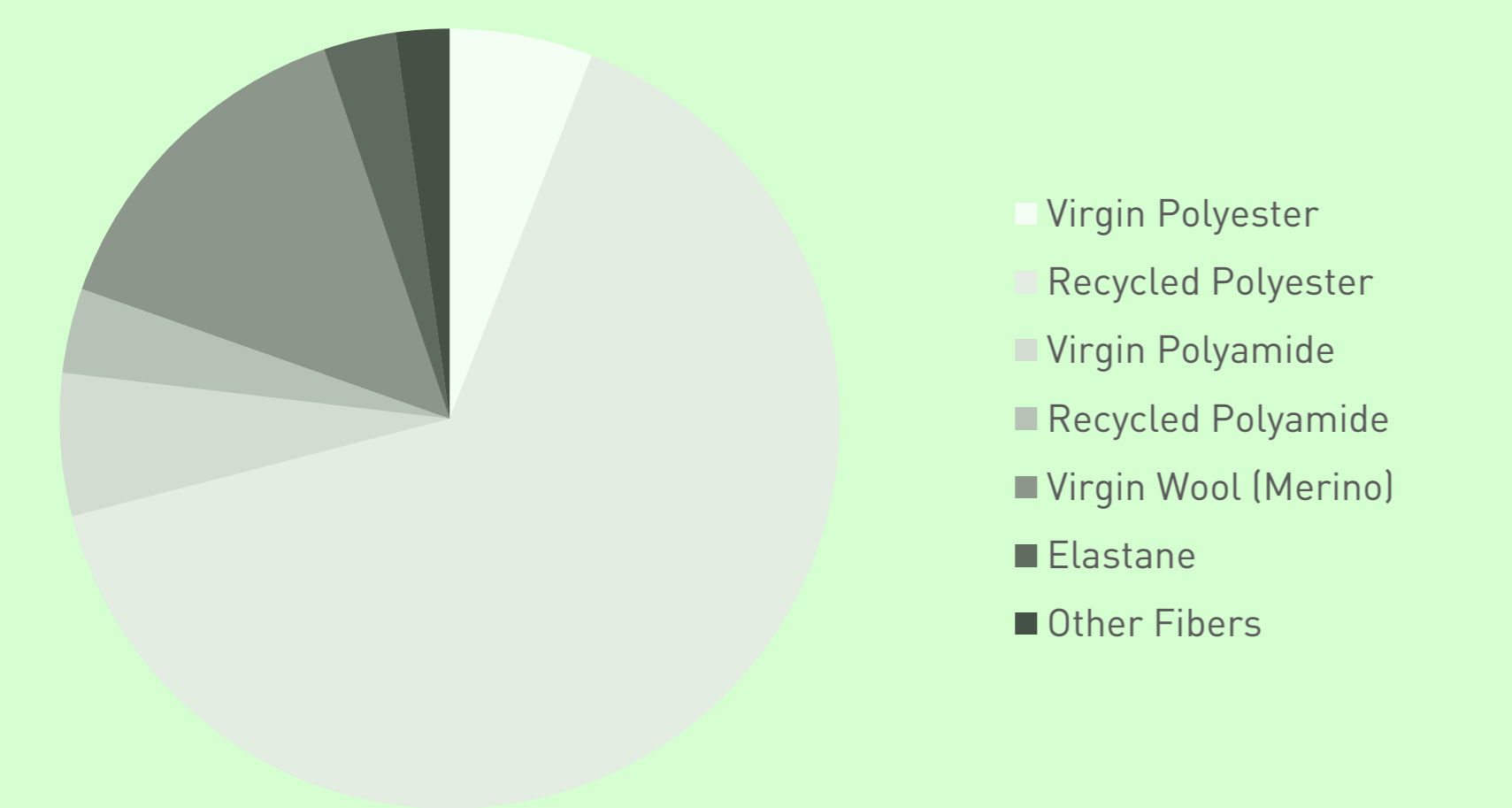
- Oeko-Tex for product safety
- GRS (Global Recycled Standard) for recycled materials
- Bluesign for technical base layers by FW27
- RWS (Responsible Wool Standard) for merino products by FW27



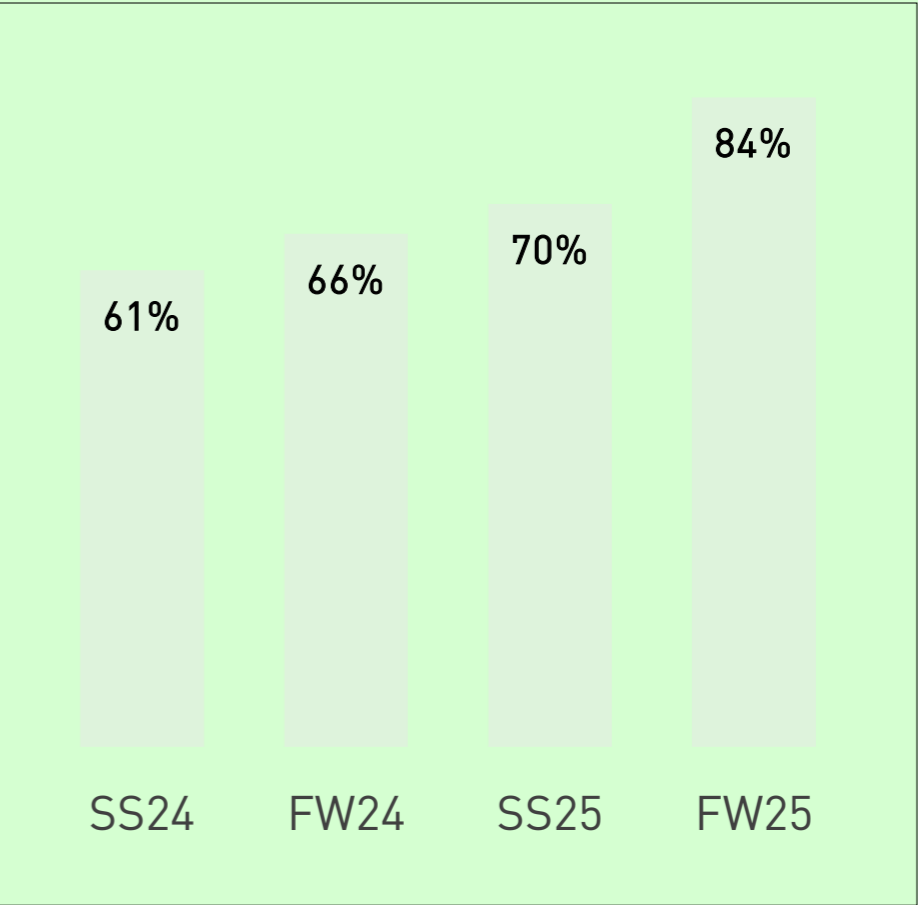
Preferred Materials Progress

Odlo Materials Content Breakdown (Fall 2024 / Spring 2025 Seasons)

Content Type	% of Total Material By Manufactured Weight	Conventional (% of Specific Material)	Preferred (% of Specific Material and Type)
Polyester	71%	8%	92%
Polyamide	9%	63%	37%
Wool	14%	100 % mulesing free	
Elastane	3%	97%	3%
Other Fibres	2%	50%	50%
Total	100%	31%	69%



Recycled Fibres Progress
(% of recycled content within synthetic fibres, by weight)



5.2 Renewable Energy & Energy Efficiency

Energy use is one of the biggest drivers of emissions in textile production. That’s why increasing our share of renewable energy and improving energy efficiency are core goals of this pillar.

In recent years, Odlo has made significant investments in on-site solar energy generation at key locations. At our production facility in Romania, solar panels have been operational since early 2023. In FY 2023/24, solar energy covered 33% of the site’s total electricity consumption, increasing to 43% in FY 2024/25.

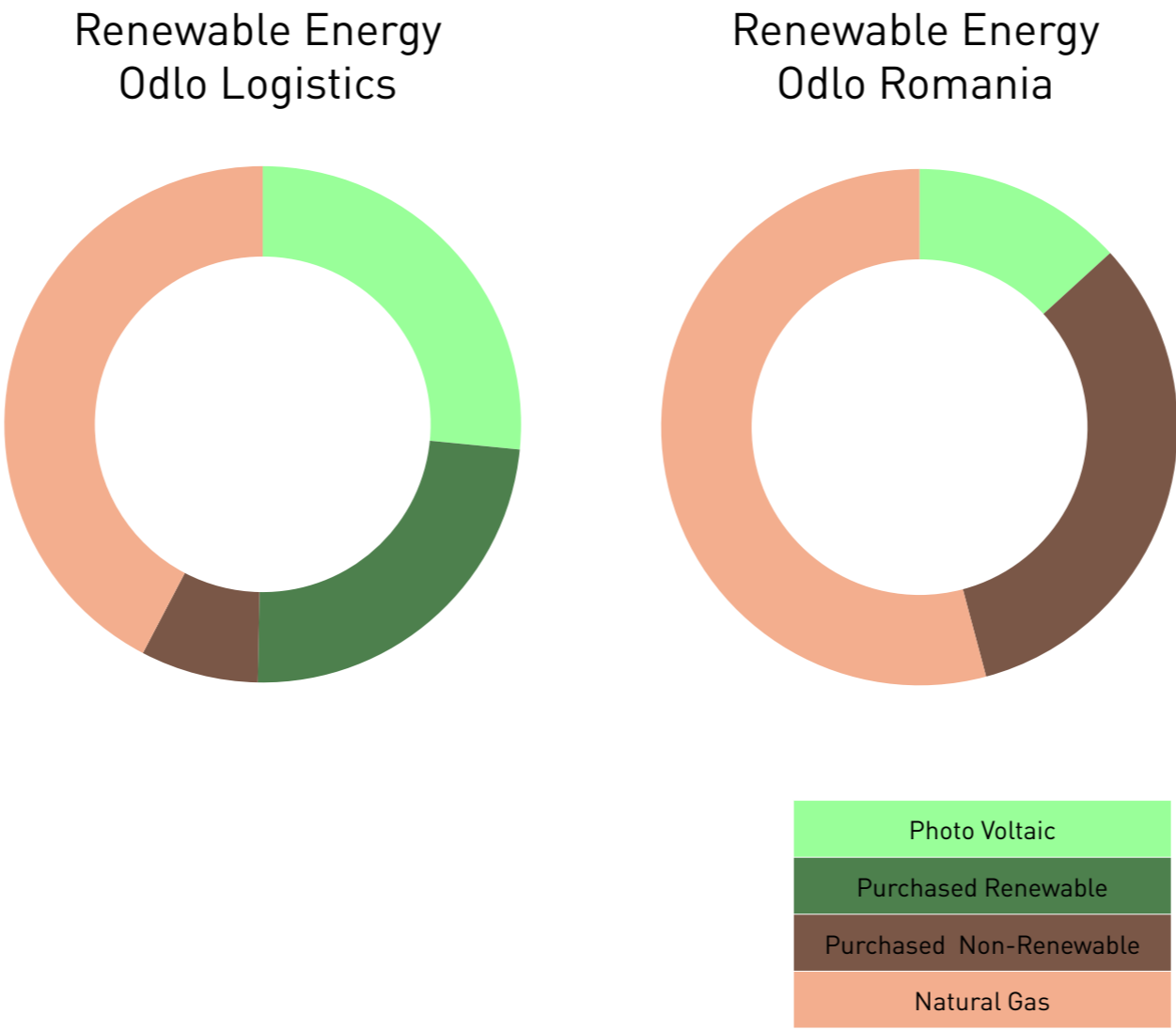
At the central warehouse in Brüggen, solar energy accounted for 49% of electricity needs in FY 2023/24 and 44% in FY 2024/25. Most of the remaining electricity demand at Brüggen was covered by renewable electricity purchased from the grid.

It is important to note that the largest share of energy consumption at both sites comes from natural gas. The breakdown of energy sources in our own operations is illustrated in the adjacent chart.

In FY 2024–25, we focused on strengthening our data foundation: analysing our own operations and collecting energy information from Tier 1 and Tier 2 suppliers

We began systematically tracking energy use at our central warehouse in Germany (Odlo Logistics) and

our production facility in Romania (Odlo Romania) and used [Higg Facility Environmental Module \(FEM\)](#) data to assess our external suppliers’ performance. There is much more to do, but this is the basis for more targeted improvements in the years ahead.



5.3 Corporate Carbon Footprint & SBTi

In December 2023, we committed to the [Science Based Targets initiative \(SBTi\)](#), marking a significant step in our climate strategy. This commitment holds us accountable to reducing greenhouse gas emissions in line with the [Paris Agreement](#) and sets a clear path for decarbonisation.

Our first step has been to establish a robust baseline and ensure our data is reliable. We are currently defining our [Scope 1, 2, and 3 emissions](#) and setting reduction targets that are both credible and realistic. We don't want to overpromise; instead, our principle is that transparency and commitment matter more than perfection. Setting targets signals our intent and provides a clear framework for progress, even as we acknowledge that the journey will not be without challenges.

Our [Corporate Carbon Footprint](#) (market based) for the baseline year is:

FY 2023–24 Corporate Carbon Footprint:

- Scope 1: ≈ 407 t CO₂e (direct emissions)
- Scope 2: ≈ 428 t CO₂e (indirect energy emissions)
- Scope 3: ≈ 24'194 t CO₂e (value-chain emissions)

Total: ≈ 21'773 t CO₂e

While the numbers will continue to be refined as data quality improves, this baseline confirms what we expected: the vast majority of Odlo's footprint lies upstream, in material production and manufacturing. That insight helps us focus our efforts where they can have the most impact – through cleaner materials, renewable energy and collaboration with our suppliers.

In the coming months, we will use this baseline to define near-term science-based targets and prepare for validation. Our approach will remain pragmatic: we aim for targets that align with climate science but are grounded in what is realistically achievable for our business. Committing to move in that direction is essential for credibility and progress.

This marks the transition from measurement to action. We will start tracking progress against our reduction pathway and report transparently, knowing that humility and honesty are critical to maintaining trust. More than 80% of Odlo's total emissions and 84% of our Scope 3 footprint, stem from purchased goods and materials. That means real progress depends on re-designing products and re-thinking sourcing decisions.

5.4 Product Level Environmental footprints

In FY 2024–25, we began using [Carbonfact](#), a carbon management tool that calculates product-level environmental footprints. This tool allows our Design, Development and Sustainability Teams to identify hotspots such as energy-intensive materials, trims or processes and compare alternative options early in the design phase.

While we are not yet publishing product-specific results, this work is laying the foundation for future decision-making. Our current focus is on building knowledge and improving data quality so that, over time, footprint insights can inform design and sourcing in a meaningful way.

Thanks to Carbonfact we have also started calculating [French environmental-cost scores](#) and aligning our methodology with upcoming [EU Product Environmental Footprint \(PEF\)](#) category rules. This will ensure Odlo is ready for future digital product passport and eco-label requirements under European legislation.

Looking ahead, our goal is to integrate product-level footprinting into the development process, so that every new collection is designed with a clearer understanding of its environmental cost. This approach will help us turn data into design decisions and make carbon reduction an everyday practice, not just a reporting exercise.

5.5 What’s Next

We know that better materials and cleaner energy are only part of the picture. As we build stronger data systems and deeper partnerships, we’ll continue to ask tough questions about the total environmental cost of our products – and how we can reduce it together.

In 2026, we aim to:

- Finalise a baseline for Scope 1–3 emissions
- Set Near-Term Science Based Targets
- Expand our use of preferred materials and product certification
- Deepen our engagement with key suppliers on chemicals and energy efficiency
- Begin publishing environmental impact per product (starting with base layers)

Objective	Target	FY 2024–25 Status
Synthetic base layers Bluesign certified	100% by 2027	≈ In progress
Merino base layers RWS certified	100% by 2027	→ On track
Oekotex 100 certified	All base layers, first layers and mid layers	✓ Achieved
Chemical Policy signed	100% Tier 1&2 suppliers	✓ Achieved
No more intentionally used PFAS	100% PFC free DWR by 2026	→ On track
Preferred materials uptake	Increase % year-on-year	→ On track
Higg FEM adoption (Tier 1&2)	All strategic partners	→ On track
Renewable electricity (Odlo Logistics)	100%	→ On track
Renewable energy (Odlo Romania)	Increase % year-on-year	≈ In progress
Scope 1–3 emissions baseline	Complete by FY25	✓ Achieved
GHG measurement (Scope 1–3, GHG Protocol)	Yearly CCF	→ On track
Set science-based reduction targets (SBTi)	End of 2025	→ On track

06 CLOSE THE LOOP

The most sustainable garment is the one that stays in use.





CLOSE THE LOOP

The most sustainable garment is the one that stays in use.

Odlo has a long tradition of making functional, high-quality products designed to last. From our origins in Norway, our founder Odd Roar Lofterød grounded the brand in principles of innovation, performance and durability. These values remain central to how we design and build products today.

Close the Loop is about putting those values into practice in a more circular system – one where durability, repair, and end-of-life solutions are part of the product journey. It's not a departure from how we've worked, but a logical next step.

This isn't Odlo's first step toward circularity. In 2011, we introduced a recycling guarantee on one of our base layer ranges, allowing customers to return used garments for responsible disposal. While the program didn't gain enough traction to continue at the time, it reflected an early effort to take responsibility beyond the point of sale.

Our Focus Areas

We're working in two key areas to extend product life and reduce waste:

- Quality & Durability
- Circular business models via our ReWEAR program

Our Goals

- Launch a durability index, starting with our base layers, to help guide product design and track long-term wear
- Offer a lifetime repair warranty to all Odlo Members – making repairs easy, accessible and a core part of product ownership

6.1 Quality & Durability

Durability has always been at the heart of Odlo’s design philosophy – because the most sustainable product is the one you can use for years. When garments perform season after season, they reduce waste and environmental impact.

Our 2023 consumer survey confirmed this expectation: over 95% of respondents agreed or strongly agreed that Odlo products are high quality, and most said they keep their items until they are worn out or damaged, rather than replace them for style or novelty. This loyalty reflects both the technical excellence of our products and the trust our community places in them.

Consumers also shared why they repair Odlo items when needed. The most common reason?

“I loved it and wanted to keep using it.”

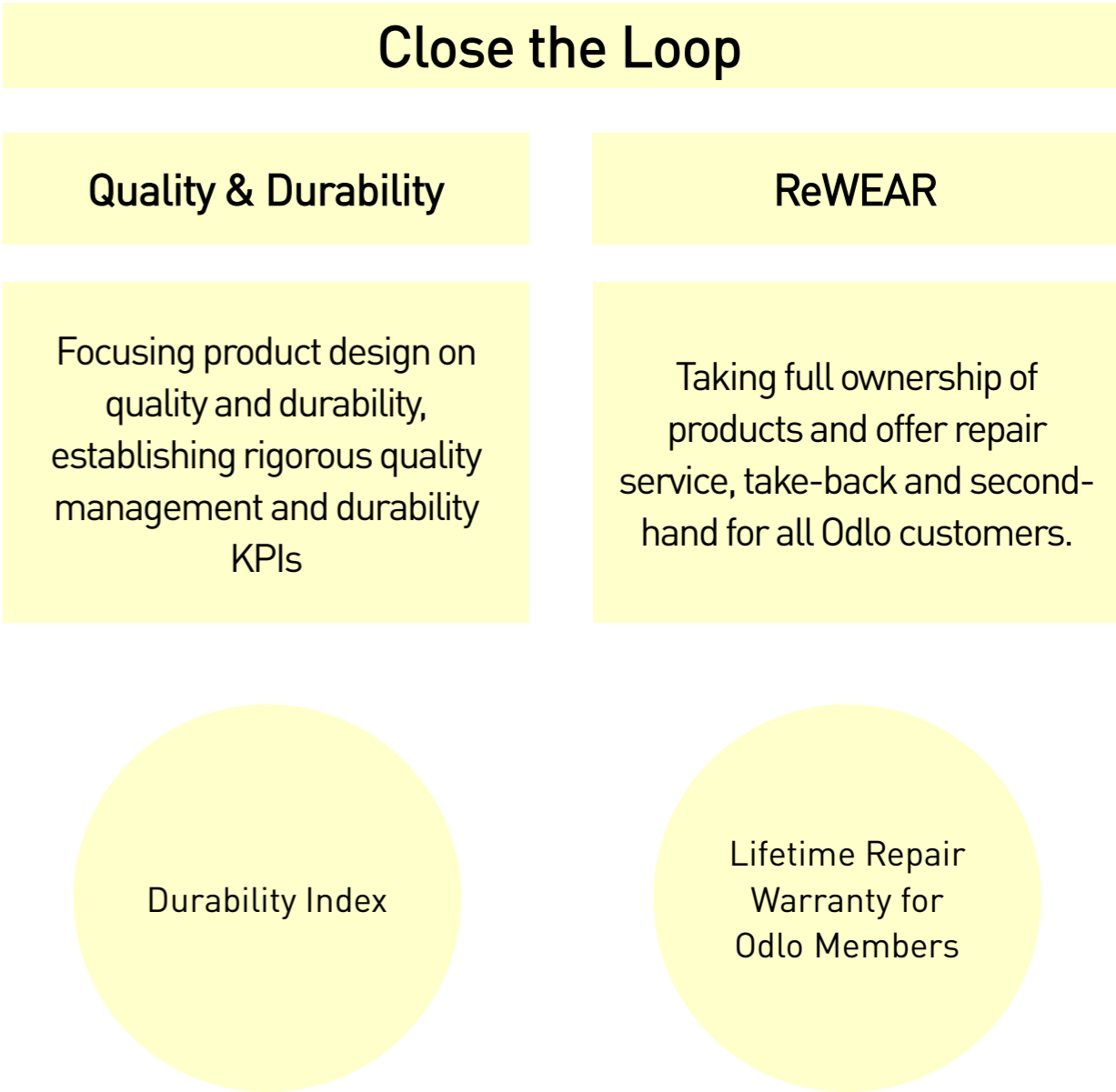
Other motivations included environmental responsibility and preserving the value of high-quality gear. These insights reinforce our belief that durability isn’t just a design principle – it’s an emotional connection and a sustainability advantage.

To strengthen this promise, our Sustainability and Product Creation Teams are working closely together to develop clear durability and circularity design guidelines.

These guidelines will help ensure that every new product is conceived with longevity in mind – from material selection to construction details.

We are also preparing for new European legislation on durability and repairability testing, including eco-modulation requirements in France and upcoming EU Product Environmental Footprint (PEF) rules. Our long-term goal is to introduce a formal Durability Index across product categories, making durability more measurable and comparable. While this is not yet fully operational across the industry, it is a development we are monitoring closely and actively contributing to. The ability to quantify durability will be critical for future compliance and for guiding design decisions that balance performance, sustainability and value.

Our commitment is clear: make products worth keeping. By focusing on quality and longevity, we ensure that every Odlo piece delivers lasting performance – and lays the foundation for future circular solutions.



6.2 ReWEAR & Lifetime Repair Warranty

Our ReWEAR program is designed to keep Odlo gear in play longer. It includes three services: Repair, Take-Back, and Resale.

→ [Check out ReWEAR](#)

Repair

Odlo offers free repairs for warranty products (within two years) at all owned and operated Brand Stores and Outlets. For non-warranty items, Odlo covers logistics, while customers pay only for the repair itself. We collaborate with local repair ateliers specialising in outdoor apparel across four key markets: [createlab](#) in Switzerland, [Goodloop](#) in France, [Meyer und Kuhl](#) in Germany, and [Tavare](#) in Norway. Launched in France in June 2024, the program was rolled out to Norway in July, followed by Switzerland in September, and extended to Germany, Austria, and Italy starting in September 2025. We are also working on expanding the program to our e-commerce platform.

Repairs in 2024-25	Average repair cost	Most repaired product type
47	13-18 €	Jackets

Take-back

Customers can return used Odlo garments - or products from any other brand - to any Odlo store and receive 10% off their next purchase. All items are sent to [Texaid](#) for processing. Odlo products are expertly refurbished and returned to us for resale, while items from other brands are sold through Texaid’s re-commerce platform.

Resale

Our resale items are carefully curated through our take-back program and include products returned under warranty. Each item is collected, professionally cleaned and repaired to a near-new condition. We also offer pieces with minor, unrepairable flaws – such as small stains or holes – labelled “Almost Perfect,” ready for many more seasons outdoors. The resale program is currently active in our brand stores in Zürich, Lenzerheide, Berlin, Oslo, and Annecy, with further expansion underway.

Products collected	Products repaired	Products re-sold	Average resale price	Base layer and underwear sold
1999	907	386	€ 38.95	35% / total sales

Products sold – Resale	Quantity split
Insulated Jackets	8%
Jackets	11%
Mid layers	16%
T-shirts, polos & tanks	23%
Base layer tops	12%
Bras	4%
Base layer bottoms	4%
Shirts & blouses	3%
Underwear	7%
Tights & cycling bibs	2%
Pants	3%
Shorts	4%
Gloves & headwear	3%
Kids base layer tops	2%

6.3 Fabric Loop

Odlo is proud to be a founding member of [Fabric Loop](#), a newly established industry association committed to closing the loop in the Swiss textile sector. Together with six other brands and the [Swiss Textiles](#) association, we launched Fabric Loop on 12 November 2024 to accelerate the transition toward a circular economy in textiles.

Fabric Loop aims to develop a comprehensive, scalable and user-friendly system for textile collection, reuse, repair and recycling. The initiative is designed to go beyond traditional second-hand models by integrating fibre-to-fibre recycling, reuse infrastructure and data transparency into a unified national framework. The system will be supported by a prepaid circularity contribution, ensuring sustainable financing and incentivising circular design from the outset.

As a founding member, Odlo is actively involved in shaping the governance, business case and stakeholder engagement strategy of Fabric Loop. The association is currently developing the legal and operational foundations for a nationwide roll-out, with the goal of harmonising with EU [Extended Producer Responsibility \(EPR\)](#) regulations by 2026.

“We actively support Fabric Loop because we believe that only by working together can we make the future of textiles truly circular.”

Daniel Eppler, CEO, Odlo



6.4 Closing the Loop on Polyester

In 2024, Odlo partnered with Swiss cleantech pioneer [DePoly](#) to explore a new pathway for circularity in performance apparel. Supported by the [Innosuisse](#)-funded Innovation Booster program, the collaboration focused on transforming production waste from Odlo's own factory into virgin-quality recycled polyester fabric – without relying on fossil resources.

The project targeted our iconic [Active Warm base layer](#), a mono-material polyester garment ideally suited for chemical recycling. Cut-offs from production in Romania were collected and sent to DePoly's facility in Switzerland, where the material was broken down into its original monomers – purified terephthalic acid (PTA) and monoethylene glycol (MEG) – using DePoly's proprietary low-energy, catalyst-driven process.

These monomers were then repolymerised into virgin-grade PET in Italy and spun into new yarn at a Swiss university partner with expertise in polymer engineering and melt spinning. The final step – knitting the yarn into new performance fabric – was carried out in collaboration with a textile laboratory in Spain.

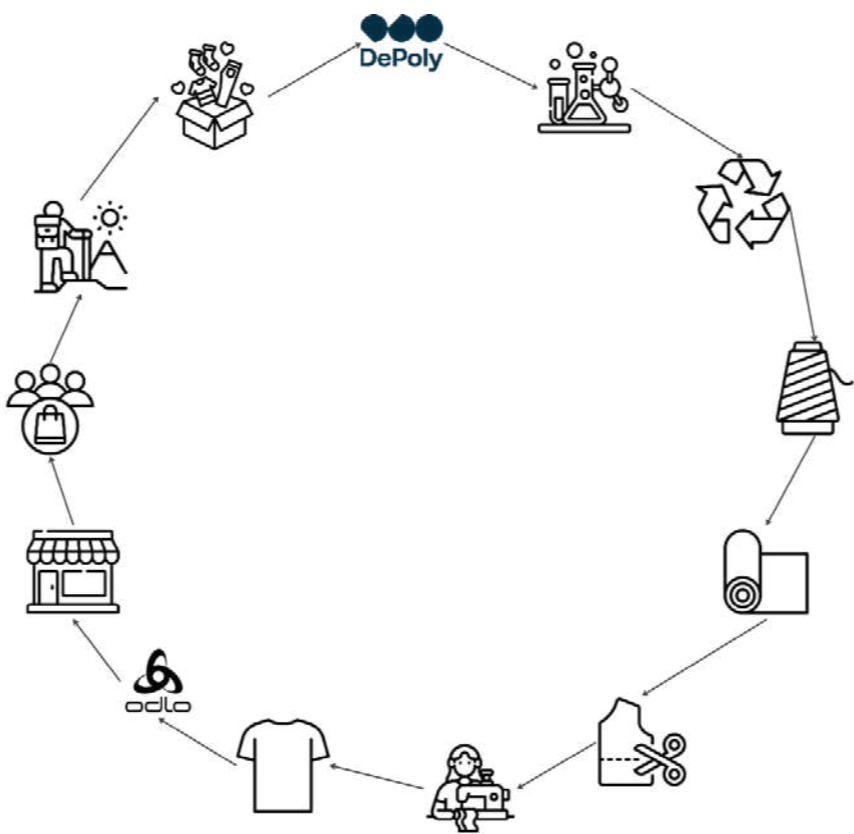
The project was selected as one of six winners in the 7th Circular Campaign by the [Innovation Booster Applied Circular Sustainability](#) program, receiving CHF 24,000 in funding. Odlo and DePoly participated in two design

sprints and a public pitch to share learnings and build momentum for future scaling.

Beyond technical success, the initiative demonstrated that textile-to-textile recycling is possible – even for garments traditionally excluded from circular models due to hygiene and performance constraints.

We're excited to see how this technological breakthrough can benefit our industry in the long term.

→ [Read more about the project](#)



6.5 What’s Next

In 2025, we will build on our circularity efforts by focusing on durability, longevity and second-life solutions. Our priorities include:

- Expanding ReWEAR to online channels
- Rolling out the Durability Index for base layers and using it to guide design decisions
- Publishing product-level environmental impact data to support informed choices
- Deepening partnerships with repair providers and recyclers
- Strengthening our commitment to long-lasting design by embedding durability metrics into product development and customer communication

Objective	Target	FY 2024–25 Status
Durability Index (base layers)	Baseline established	≈ In progress
Circular Design Guidelines	Defined & communicated	# Planned
Digital Product Passport	All Odlo products	✓ Achieved
Lifetime Repair Warranty	All Odlo Members	→ On track
Take-back availability	All Odlo stores	✓ Achieved
Resale program	Select Odlo stores	✓ Achieved
Repair Service availability	All Odlo stores	✓ Achieved
Repair Service availability	Odlo.com	≈ In progress
Warranty claim products repaired instead of replaced	Increase % year-on-year	# Planned
Revenue through circular business models	Increase % year-on-year	# Planned
Textile to textile recycled content uptake	Increase % year-on-year	≈ In progress
Cutting waste in own production going to recycling	95% by 2027	≈ In progress



07 OUR FUNDAMENTALS



FUNDAMENTALS

As we continue to evolve our sustainability strategy, we recognise that strong fundamentals are what make our commitments credible. These are the systems, policies, and frameworks that ensure our actions are not only well-intentioned but also accountable, traceable and aligned with global standards.

In FY 2024–25, we focused on strengthening the backbone of our sustainability work – embedding due diligence into our governance, refining our traceability systems and aligning our goals with science-based targets. These efforts are not just about compliance; they are about building a culture of responsibility that permeates every part of our business.

“We believe that progress is only meaningful when it’s measurable, transparent and grounded in shared values.”



7.1 Responsible Business Conduct

Our [Responsible Business Conduct \(RBC\) Policy](#) sets out our commitment to ethical, responsible operations. In FY 2024–25, we updated the policy to fully integrate our [Human Rights and Environmental Due Diligence \(HREDD\)](#) framework, aligning with the OECD Guidelines and Fair Wear’s six-step HRDD process. This framework strengthens our ability to identify, prevent and address risks to people, animals and the environment across our value chain.

We also launched a value chain risk assessment with support from the consultancy focusright, mapping potential adverse impacts from raw materials to end-of-life. This work helped us define prevention measures and assign responsibilities across departments. The project is ongoing and will inform our 2025–26 roadmap.

For implementation details of our monitoring systems – including supplier audits, grievance mechanisms and field-level oversight – see [Chapter 4.7: Factory Due Diligence](#).

Strong governance is essential to making our sustainability commitments credible and actionable. In FY 2024–25, we refined our internal structure to ensure that responsibility for human rights and environmental due diligence is embedded across the business.

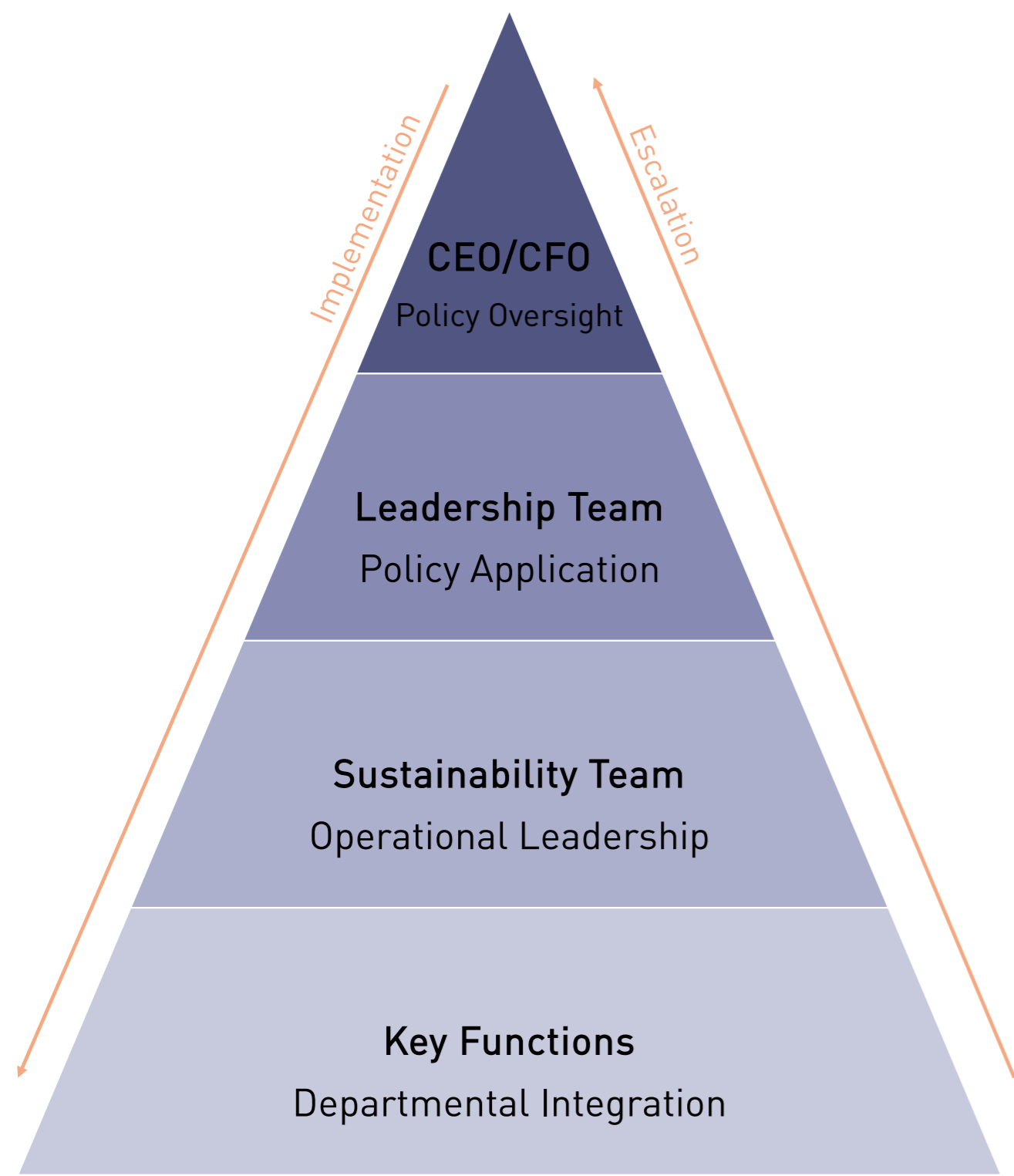
Odlo is a part of Monte Rosa Sport (MRS) but maintains its own governance structure for sustainability. The Sustainability Director reports directly to the CEO and is part of Odlo’s Leadership Team, ensuring that sustainability is integrated into strategic decision-making.

Our HREDD roadmap – which defines key measures, targets, and responsibilities – is approved by the Leadership Team and updated regularly to address emerging risks. Oversight of our Responsible Business Conduct Policy and HREDD implementation is provided by Odlo’s Executive Team (CEO and CFO), which reviews implementation annually and provides strategic direction and accountability.

Implementation is supported by a cross-functional HREDD steering committee and operational leadership is coordinated by the Sustainability Director. Responsibility for human rights and environmental aspects is integrated into existing functions including Sourcing, Product Development, Human Resources and Finance.

This structure ensures that sustainability is not siloed – it’s part of how we work, plan and make decisions every day.

7.1.1 RBC Governance at Odlo



7.1.2 Our use of the Higg Index (Cascale)

We are members of [Cascale](#) and use the Higg Index tools on the [Worldly Platform](#) to integrate environmental and social data into our due diligence.

- [Higg Facility Environmental Module \(FEM\)](#) helps us assess environmental management at facility level (e.g., energy & GHG, water, wastewater, air emissions, waste, chemicals, EMS).
- [Higg Facility Social and Labour Module \(FSLM\)](#) evaluates social and labour practices and management systems at manufacturing sites.

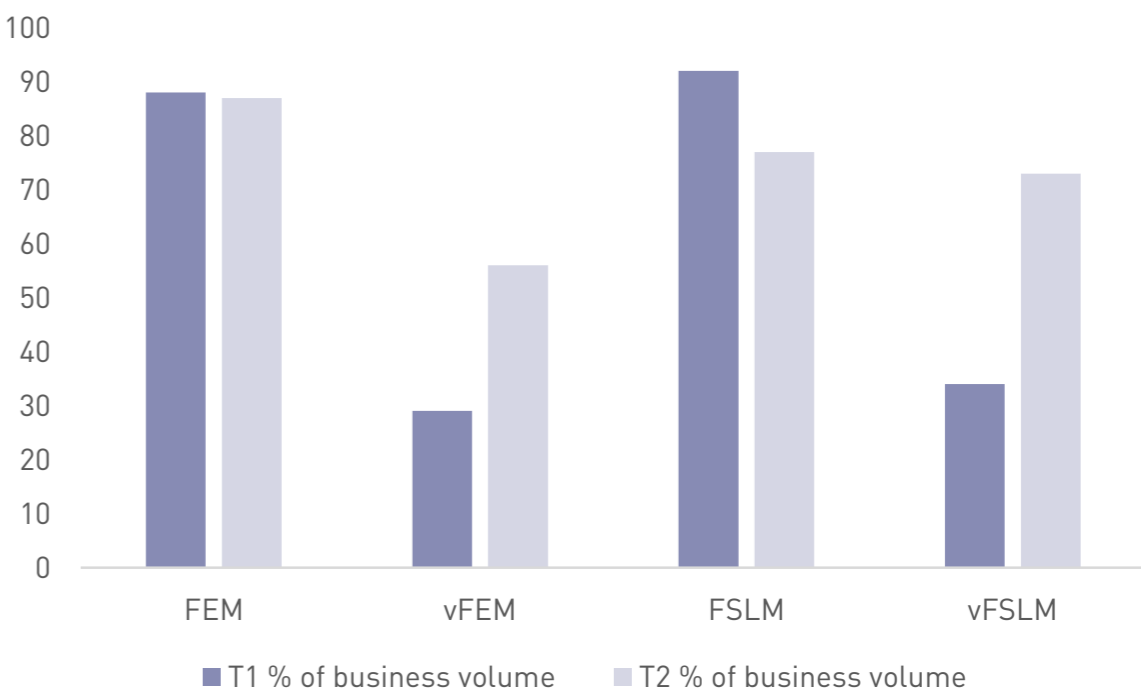
Higg facility modules are holistic assessments used to measure facility performance and drive continuous improvement, rather than certifications. Third-party verification confirms the accuracy of self-assessments.

We do not make product-level impact claims based on Higg results; disclosures remain at facility/brand level and support our risk-based engagement and remediation.

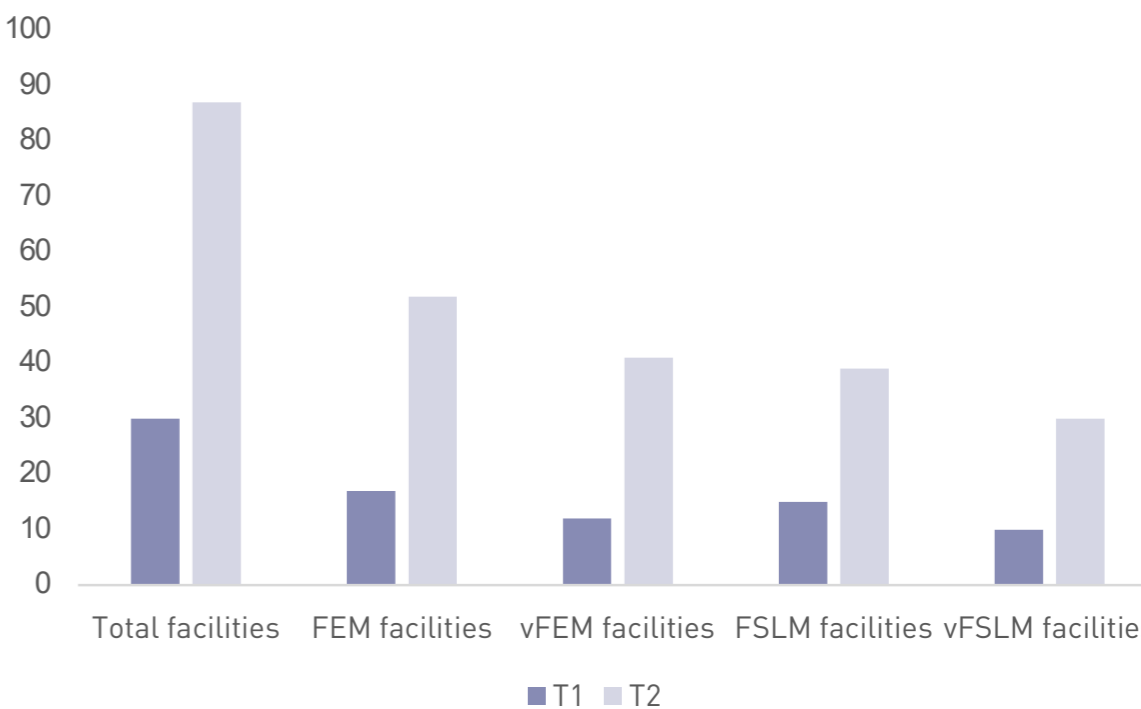
What we disclose this year (FY2023/24)

- FEM coverage (business-weighted): 87.3% of sourced volume; 42.7% verified.
- FSLM coverage (business-weighted): 84.3% of sourced volume; 53.6% verified.

FY2023-24 adoption by tier (business volume %)



Facilities submitting modules (FY2023-24)



7.2 Transparency & Traceability

Transparency is more than a reporting tool – it’s a mindset. We continue to disclose our Tier 1 and 2 suppliers on [Open Supply Hub](#) and publish our [Fair Wear Brand Performance Check](#) annually on our website. These platforms allow stakeholders to see who we work with, how we work and where we’re making progress.

→ [Check out our suppliers on Open Supply Hub](#)

Internally, we’re expanding our traceability systems to cover subcontractors and Tier 2–5 suppliers. This means we’re not only mapping our direct relationships but also understanding the broader network that contributes to our products. In some cases, we can trace our products back to the raw material.

“By communicating openly and honestly with stakeholders, Odlo can strengthen its reputation, build trust, and create a positive impact.”



Manufacturer List

Here is the list of garment manufacturers we worked with in FY 2024-25. The list contains the location of the main contractors and, in case applicable, main production sites of subsidiaries.

Asia

- Madison 88 - CHINA
- Bodyline Pvt Ltd. - SRI LANKA
- MAS Active (Pvt) Limited – SRI LANKA
- Pasasport Srl - CHINA
- Right Sports Apparels - INDIA
- SEES Global Inc. - CAMBODIA
- Shin Textile Solutions Co. Ltd. - VIETNAM
- Yehpattana Tayeh - THAILAND
- Gen Nex Apparel Co. Ltd - VIETNAM
- Vietsun - VIETNAM

Europe and Middle East

- Odlo Romania Srl - ROMANIA
- Cottontex SRL - ROMANIA
- Intersocks - SLOVENIA, ITALY
- Memteks Tekstil San. Ve Tic.a.s. - TURKEY



ODLO'S DIGITAL PRODUCT PASSPORT

From SS25 onwards, all Odlo garments will include a [Digital Product Passport \(DPP\)](#) – a QR code on the inside label that links to a digital product sheet. This marks a key step in our commitment to transparency and traceability.

→ [Check out our DPP](#)

Each DPP provides essential information, including:

- Fabric composition
- Care instructions
- Country of fabric production
- Country of dyeing and finishing
- Country of garment assembly
- Percentage of recycled content

This initiative supports reuse and recycling by making product data accessible throughout the lifecycle – even after the main care label is removed. The QR code is printed on a small, permanent “code label” to ensure long-term visibility.

Our DPPs also align with new French legislation requiring digital environmental info sheets for garments, and we are preparing for upcoming EU-wide regulations expected by 2028. These laws aim to increase supply chain transparency and restrict vague claims like “eco-friendly,” requiring verifiable, downloadable data on environmental impact and production origins.

7.3 Partnerships and Collaboration

We believe that sustainability is a shared responsibility, and that real progress happens when we work together. Our partnerships are not just affiliations; they are active collaborations that help us move faster, go deeper and stay accountable.

In FY 2024–25, we continued to engage with leading industry initiatives, advocacy groups, and multi-stakeholder platforms to strengthen our impact across human rights, environmental performance and circularity.



Fair Wear

A member since 2008, [Fair Wear](#) remains our anchor for social responsibility. Their framework guides our due diligence, audit follow-up and grievance mechanisms. In FY 2024–25, we deepened our engagement through shared audits, supplier dialogue and the rollout of our updated Supplier Agreement aligned with the [Common Framework on Responsible Purchasing Practices](#).

Sustainable Textiles Switzerland 2030 (STS 2030)

As part of this national initiative, we joined the “United for Fair Wages” pilot in Vietnam, working alongside other brands to close wage gaps through joint analysis and supplier engagement. [STS](#) also supports our work on circularity and climate goals, helping us align with the Sustainable Development Goals.

Cascale & Worldly

Through [Cascale](#), we have access to tools like [Higg FEM](#) and [Higg FSLM](#) where we assess environmental and social performance at supplier level. In FY 2024–25, we accepted verified Higg submissions as part of our monitoring framework, reducing audit fatigue and improving data quality.

Protect Our Winters (POW) Switzerland

Our partnership with [POW](#) mobilises the outdoor community for climate action. Together, we’ve raised awareness, advocated for bolder climate policy in Switzerland and developed product lines that reflect our shared values.

European Outdoor Group (EOG)

In 2024, we joined [EOG](#) to strengthen our voice in the outdoor sector. Their working groups and market insights help us stay ahead of regulatory trends and collaborate on industry-wide solutions.

These partnerships are essential to our strategy. They help us benchmark performance, share learnings and advocate for systemic change.

7.4 Alignment with the UN Sustainable Development Goals

Odlo uses the [UN Sustainable Development Goals \(SDGs\)](#) as a shared framework to guide our sustainability efforts where we can drive the most material impact. Our strategy is anchored in three pillars – [Choose with Care](#) (Planet), [Make it Fair](#) (People), and [Close the Loop](#) (Circularity) – which primarily align with SDGs 8, 12, and 13, while also contributing to SDGs 5, 6, 7, 9, and 17.



SDG	How Our Strategy Contributes
SDG 8: Decent Work & Economic Growth	Fair Wear programme; HREDD across tiers; worker voice & grievance mechanisms; living wage roadmap (Romania mode wage progress); freedom of association and gender equality actions.
SDG 12: Responsible Consumption & Production	Responsible materials and chemical management (PFAS phase-out by SS26; Bluesign/RWS by FW27); durability; digital product passport (DPP); Open Supply Hub disclosure; take-back and ReWEAR repair services.
SDG 13: Climate Action	Corporate Carbon Footprint baseline (FY 2023–24) and SBTi commitment; energy efficiency at own sites; renewable sourcing; supplier engagement to reduce Scope 3 emissions.
SDG 9: Industry, Innovation & Infrastructure	DePoly advanced recycling pilot; LCA/Carbonfact integration enabling product-level impact data and more detailed Digital Product Passports (DPP).
SDG 7: Affordable & Clean Energy	Renewable electricity roadmap for key sites; supplier renewable uptake and efficiency improvements.
SDG 6: Clean Water & Sanitation	RSL (Restricted Substance List) and wastewater compliance via Bluesign/Oeko-Tex aligned partners; wet-processing risk management and audits.
SDG 5: Gender Equality	Supplier gender assessments, anti-harassment training, pregnancy protection clauses; female representation tracking.
SDG 17: Partnerships for the Goals	Collaboration via EOG, STS2030 (United for Fair Wages), Open Supply Hub, technology partners (Carbonfact, DePoly), and local repair partners.

08 LOOKING AHEAD





LOOKING AHEAD

We've done the reset. We've asked the hard questions. Now we're moving forward with greater clarity, stronger systems and a shared understanding of what sustainability means at Odlo. 2025 is not a new beginning but a continuation of the work we've already started and a year to deepen our impact.

Our focus is on embedding sustainability into every part of our business. From sourcing and design to logistics and finance, we're building a culture where responsibility is a way of working. This means aligning our reporting with international frameworks, strengthening our governance and ensuring that our commitments are backed by data and action.

We're also expanding our circularity efforts – bringing ReWEAR to more markets and channels, and making 'durability' a design principle, not just a product feature. Our Digital Product Passport will help customers understand the journey of their garments, while our repair and resale programs will give those garments a second life.

On the climate front, we're preparing to submit our Science Based Targets and begin implementation planning. We've established our emissions baseline and we're setting ambitious, science-aligned goals that reflect both our responsibility and our potential for impact.

None of this happens in isolation. It's a cross-functional effort, and it depends on collaboration – within our teams, with our suppliers and across the industry. We're committed to deeper dialogue with stakeholders, more transparent communication and a relentless focus on progress over perfection.

We know the road ahead is long. But we're not walking it alone. And we're not standing still. Together, we're building a more responsible Odlo – step by step.

9 Glossary (A-H)

Anker methodology:

A research-based method for calculating living wage benchmarks, developed by Richard and Martha Anker. It estimates the cost of a basic but decent standard of living in a given region and is used by Odlo as a reference for living wage work.

Bluesign (bluesign):

An independent system that helps textile companies manage chemicals and resources more safely and efficiently across the supply chain. Odlo uses [bluesign](#) to support safer chemistry and lower-impact production.

Brand Performance Check:

The annual [Fair Wear assessment](#) of Odlo’s social compliance and human rights due diligence performance. The result is published and rates brands as “Leader”, “Good”, or “Needs Improvement”.

Corporate Carbon Footprint (market-based):

Odlo’s total greenhouse gas emissions (Scope 1, 2 and 3) calculated using market-based electricity emission factors that reflect contractual instruments such as green tariffs or energy certificates.

Corrective Action Plans (CAPs):

Plans developed with suppliers to address non-compliance issues identified during audits or assessments. CAPs define corrective measures, responsibilities and timelines and are monitored by Odlo.

CSRD (Corporate Sustainability Reporting Directive):

EU directive that expands mandatory sustainability reporting, requiring companies in scope to publish standardised, double-materiality reports in line with the European Sustainability Reporting Standards (ESRS).

Digital Product Passport (DPP):

A QR code on Odlo garments providing key product data such as fabric composition, production locations and share of recycled materials. It supports transparency, regulatory readiness and circularity.

Double Materiality:

A core concept in sustainability reporting requiring companies to assess topics from two perspectives:

- Impact materiality (“inside-out”): How the company affects people and the planet.
- Financial materiality (“outside-in”): How sustainability issues affect the company’s performance and resilience.

Durable Water Repellent treatment (DWR):

A treatment applied to the outer fabric to make water bead and roll off instead of soaking in. Odlo uses PFC-free (C0) alternatives and advises regular reproofing for best performance.

Eco-Modulation:

A system used in Extended Producer Responsibility (EPR) schemes where fees are adjusted based on a product’s environmental performance (for example durability, recycled content or reparability).

EU Product Environmental Footprint (PEF):

A standardised European method for measuring and comparing the environmental performance of products over their life cycle. It is increasingly used for environmental labelling and regulation.

Extended Producer Responsibility (EPR):

Regulations that make producers financially and/or operationally responsible for the end-of-life management of their products, including collection, sorting, reuse and recycling.

Fair Wear Grievance Mechanism:

A confidential system operated by [Fair Wear](#) that allows workers in Fair Wear-audited factories to report grievances about labour rights. Odlo supports this mechanism and follows up on all complaints.

Fiscal Year 2024–25:

Odlo’s fiscal year runs from 1 July to 30 June. Fiscal Year 2024–25 covers the period from 1 July 2024 to 30 June 2025.

French environmental-cost score:

A metric required under French legislation that rates products based on their environmental impact. For [textiles](#), it considers factors such as climate impact, resource use and pollution and is linked to national EPR and transparency rules.

Global Living Wage Coalition benchmark (GLWC):

Living wage benchmarks developed by the [Global Living Wage Coalition](#) using the Anker methodology. They provide region-specific reference values for a basic but decent standard of living.

Global Recycled Standard (GRS):

A certification for products made with recycled materials. [GRS](#) verifies recycled content and includes social, environmental and chemical requirements along the supply chain.

HeiQ Mint:

A bio-based, biocide-free odour-control treatment used by Odlo on selected products as an alternative to silver-based antibacterial finishes.

Higg Facility Environmental Module (FEM):

A tool used to assess the environmental performance of manufacturing facilities, covering topics such as energy, water, chemicals and waste. Odlo uses Higg FEM with key Tier 1 and Tier 2 suppliers.

Higg Facility Social & Labor Module (FSLM):

A tool used to evaluate social and labour conditions in facilities, including wages, working hours, health and safety and worker treatment. Odlo uses Higg FSLM to support social due diligence.

Human Rights and Environmental Due Diligence (HREDD):

A system to identify, prevent, mitigate and address actual and potential risks to people and the environment across Odlo’s value chain, in line with international standards.

9 Glossary (I-Z)

Human Rights Due Diligence (HRDD):

The part of due diligence that focuses specifically on human rights risks, such as forced labour, child labour, discrimination or restrictions on freedom of association, in business operations and supply chains.

ILO Conventions:

Core International Labour Organization conventions and the [ILO Declaration on Fundamental Principles and Rights at Work](#), covering areas such as freedom of association, forced labour, child labour and non-discrimination.

Materiality Assessment:

A process to identify and prioritise environmental, social and governance topics that are most important to stakeholders and where Odlo can have the greatest impact. The results inform Odlo’s sustainability strategy.

Mulesing of sheep:

A controversial surgical practice in wool production where skin is removed from the breech area of sheep to reduce flystrike risk. Due to animal welfare concerns, Odlo sources only mulesing-free wool.

OECD Guidelines:

The [OECD Guidelines](#) for Multinational Enterprises on Responsible Business Conduct set expectations for responsible business, including human rights, labour, environment and anti-corruption, and call for risk-based due diligence.

Odlo Code of Labour Practices:

Odlo’s social compliance framework, based on Fair Wear standards, that sets clear expectations for labour conditions at supplier factories. All Tier 1 suppliers must sign and comply with this Code.

Oeko-Tex Standard 100:

[Oeko-Tex Standard 100](#) is a globally recognised certification ensuring textiles have been tested for harmful substances and are safe for human use.

Paris Agreement on Climate Change:

An international treaty adopted in 2015 under the [UNFCCC](#) that aims to limit global warming to well below 2°C and pursue efforts to 1.5°C above pre-industrial levels.

PFAS (Per- and polyfluoroalkyl substances):

A large group of man-made chemicals used in water- and stain-repellent treatments that are persistent in the environment. Odlo is phasing out PFAS in its products and uses PFAS-free alternatives for DWR finishes.

Responsible Business Conduct Policy:

Odlo’s overarching policy outlining how the company conducts its business ethically and responsibly across its value chain, based on the OECD Guidelines and UN Guiding Principles.

Responsible Wool Standard (RWS):

A [certification](#) ensuring that wool comes from farms with high animal welfare and responsible land management, with full supply chain traceability.

Risk benchmarks:

International references used to assess country and sector risk for human rights and environmental issues, including sources such as the ILO, UNICEF, ITUC, Global Slavery Index and UNDP.

Science Based Targets initiative (SBTi):

A global [initiative](#) that enables companies to set greenhouse gas reduction targets aligned with climate science and the goals of the Paris Agreement.

Scope 1, 2, and 3 emissions:

- Scope 1: Direct emissions from sources owned or controlled by Odlo (e.g. on-site fuel use, company vehicles).
- Scope 2: Indirect emissions from purchased energy such as electricity, steam or heating.
- Scope 3: All other indirect emissions across the value chain (e.g. purchased materials, transport, use and end-of-life of products).

Sustainability Team:

Odlo’s dedicated team responsible for Corporate Social Responsibility (CSR) and Environmental, Social & Governance (ESG) topics, including strategy, implementation, due diligence and reporting.

Textile Exchange:

A global nonprofit [organisation](#) that develops standards, guidance and data to help the textile industry reduce its environmental impact. It oversees standards such as GRS and RWS.

Tier 1:

Direct suppliers responsible for garment assembly. Tier 1 factories cut, sew and finish Odlo products and are the main focus of social auditing and Fair Wear work.

Tier 2:

Suppliers providing fabrics and key components (such as yarns, trims or linings) used by Tier 1 factories to produce Odlo garments.

UN Guiding Principles:

The [UN Guiding Principles on Business and Human Rights](#) provide a global standard for preventing and addressing human rights impacts linked to business activity, built on the pillars of protect, respect and remedy.

UN Sustainable Development Goals (SDGs):

The 17 [global goals](#) adopted by the United Nations to achieve sustainable development by 2030.

Value Chain:

The full range of activities and actors involved in creating an Odlo product and managing it at end-of-life – from raw material production to fabric and garment manufacturing, logistics, retail, product use and disposal or recycling.

10 ESRS Mapping

ESRS Standard	Disclosure Requirement	Where It Appears	Gap / Action Needed
ESRS 2 – General Disclosures	Governance structure, roles, and responsibilities	Governance & Organisation – Sustainability governance, Board oversight, Sustainability Director role	Fully covered
ESRS 2 – General Disclosures	Strategy and business model	A Fresh Chapter and Our Framework – Integration of sustainability into core strategy	Fully covered
ESRS 2 – General Disclosures	Materiality assessment	Materiality matrix with top priorities (fair working conditions, living wage, circularity)	Add explicit link to financial impacts
ESRS 2 – General Disclosures	Policies and due diligence	RBC policy aligned with OECD, Fair Wear; HREDD roadmap	Fully covered
ESRS S1 – Own Workforce	Working conditions	Make it Fair pillar – Living wage progress, safe workplaces	Fully covered
ESRS S1 – Own Workforce	Diversity and inclusion	Gender data collection, union representation	Add KPIs for diversity, report on own workforce
ESRS S1 – Own Workforce	Grievance mechanisms	Fair Wear helpline and direct email channels	Fully covered
ESRS E1 – Climate Change	Climate targets and transition plan	Commitment to SBTi, Scope 1–3 roadmap	Add near-term SBTi targets in 2026
ESRS E1 – Climate Change	Energy and emissions	Renewable energy adoption at Odlo sites and Tier 1 suppliers	Fully covered, report on Tier 1 energy mix
ESRS E2/E3 – Pollution & Water	Chemical management	Oeko-Tex® and Bluesign® certifications, PFC phase-out	Fully covered
ESRS E2/E3 – Pollution & Water	Water use	Mentioned in sourcing context	Add quantitative disclosure
ESRS E5 – Circular Economy	Circular business models	ReWEAR programme, repair warranty, resale initiatives	Fully covered
ESRS E5 – Circular Economy	Product durability	Durability Index and repairability labelling	Fully covered
ESRS G1 – Business Conduct	Responsible business conduct	RBC policy aligned with OECD and UNGPs	Fully covered
ESRS G1 – Business Conduct	Transparency and traceability	Open Supply Hub disclosure, Fair Wear Brand Performance Check	Fully covered

Explanatory Notes

Odlo demonstrates strong coverage across ESRS 2, S1, E1, E5, and G1 through robust governance, fair labour practices, climate commitments, and circularity initiatives. Key gaps include quantitative water data, biodiversity metrics, and explicit financial impact linkage for double materiality. Future steps: introduce interim targets for climate and social KPIs, expand biodiversity reporting, and strengthen anti-corruption disclosures.

Why ESRS Matters

Odlo recognises the importance of aligning with the European Sustainability Reporting Standards (ESRS) to ensure transparency, comparability, and readiness for upcoming regulatory requirements. This table provides a detailed mapping of our current disclosures against ESRS, highlighting areas of strong alignment and opportunities for enhancement.

Please note: This is our first attempt at ESRS mapping and is nowhere near perfect. It is intended as a starting point for discussion and continuous improvement rather than a definitive compliance statement.



THERE'S MORE OUT THERE

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