



Sustainability Report 2023



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A message from our CEO

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Concrete steps on a bumpy road

The road behind us is marked by the heavy impacts of ongoing global conflicts and a complex macroeconomic environment. Global inflation continued to rise in 2023, and we saw a significant decrease in disposable income. Like other outdoor brands and retailers, at Haglöfs, we experienced repercussions in the form of weakened demand for full-priced products and overstock issues.

We responded to these challenges by producing less gear and selling more of our existing stock, which led to a significant CO₂e emissions reduction of 62% compared to the previous year: in fact, our total 2023 carbon footprint turned out considerably lower compared to the year 2020, when we initially committed to our climate targets. However, this does not, by any means, indicate that we have met our

net zero target. This reduction is mainly tied to the lower consumer demand and the overstock issue, and as we anticipate a return to normal production levels in the coming years, we must continue our efforts to reduce emissions. This means continuing our ongoing work of switching to lower-impact materials, transitioning to more efficient factories and production processes, phasing out coal usage, and increasing renewable energy across our supply chain.

A crucial part of making progress is ensuring everyone is on the same page. We spent the year further integrating sustainability into our business strategy by merging it with our business development efforts, thereby emphasizing its importance in our organizational structure. We also increased the number of individuals working in our

sustainability department and began the substantial work of preparing for the EU Green Deal regulations that will come into effect in the coming years. We further reviewed our Materiality Matrix and decided to elevate climate change as the most significant sustainability issue to our business and our stakeholders.

Another crucial part of making progress is taking concrete actions. Here are some from the past year worth highlighting:

On the production side, where most of our human rights risks and carbon footprint lie, we reached a significant milestone when we established a local sourcing office in Asia. This move brings us closer to where our products are made and makes it easier to place higher demands on fair working conditions and influence and support a faster transition to renewable energy and lower-impact materials.

We continued to accelerate the consolidation of the factories that we work with, with the aim to only work with partners aligned with our ambitions. We believe it will strengthen our long-term business relationships and

allow us to wield more influence in effecting ongoing improvements concerning human rights and social responsibility issues.

We also continued our efforts to improve data management in our Product Lifecycle Management system, facilitating more efficient and reliable data collection regarding the type and quantity of materials we purchase. In 2023, we mapped out our entire Tier 2 supply chain for nominated materials. This has resulted in a huge boost in the accuracy and reliability of our material data. We were particularly pleased with the quality and coverage of our trim data, which showed the most significant improvement.

In news closer to home, in 2023, we relocated our distribution center from Avesta to Eskilstuna, Sweden — one of the largest logistics hubs in the region. This move

has enabled us to manage logistics more effectively, which will contribute to a reduction in emissions over time.

A final action worth highlighting from this year is the fact that we updated our company values to Curious, Courageous, and Genuine. Altogether, they reflect our aptness to look ahead with an open mind and seek ways to improve, our uncompromising drive to make a positive difference in the world, and our commitment to transparency and staying true to who we are.

In our 2023 Sustainability Report, you will read more about how we navigated the year's bumpy landscape and made progress toward our goals, as well as what work we have left to do. Enjoy the read.

Fredrik Ohlsson, CEO



About this report

In this annual sustainability report, we provide updated insights about the initiatives undertaken by Haglöfs AB and its subsidiaries (referred to collectively as Haglöfs) throughout the 2023 calendar year. Here, you'll discover our ongoing endeavors to advance responsible consumption and production, enhance working conditions, and combat climate change, as well as the challenges we've faced in the process.

This sustainability report complements the Haglöfs Financial Statement 2023 and, unless otherwise stated, the information reported includes Haglöfs AB, Nordic Outdoor Group Aktiebolag – NOGAB, Haglöfs Deutschland GmbH, Haglöfs Oy, Hagløfs AS, Haglöfs Danmark A/S, and Haglöfs UK Ltd.



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

About Haglöfs





Our history

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

An attitude of innovation is at the core of our history. We were founded in 1914 by Wiktor Haglöf, a visionary with a dream and a toolbox. A carpenter by trade, Wiktor was determined to create a backpack that would withstand the necessary journeys through the country, no matter the conditions. From humble beginnings, our story evolved, and so has our offering. Seeking constant progress, we've

ventured into new territory, creating technical designs that set a new standard in craftsmanship and committing to do all we can to ensure that the outdoors will still be there for future generations to explore. We've pioneered a new standard for perfection but, like Wiktor, we never stop innovating.

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

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

Our purpose
For the greatest playground ever made

Our mission
Inspiring lasting outdoor explorations, since 1914

Our values

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

Genuine

Since the start, we have had the integrity and the confidence to go our own way. To us, it is essential that we continue to be who we are, staying true to ourselves and to others. We listen to our own beliefs and stay open to others, being someone that colleagues, partners, and customers can trust. For the outdoor people who push boundaries, we bring outstanding products and experiences. For partners, we bring responsible solutions. For our colleagues, we open up and share ideas. By being transparent and encouraging others to do the same, we continue to earn trust.

Curious

We are proud of our heritage and the experience it brought us. What makes us still relevant is the ability to look ahead, explore new ways of operating, and tailor

solutions to the needs of outdoor people. We keep our hearts and minds open, continuously improving whatever we can, and embracing the unexpected. We welcome new ideas and collaborations that brings confidence and inspiration to explorations of the unknown.

Courageous

Driven to make a difference, we go beyond the expected in everything we do, from crafting high-performance gear and apparel to reducing our carbon footprint. We have the courage to challenge ourselves and the industry to do better. We are not afraid to take a stance for what we believe in, to speak our mind and show support for others that share our beliefs. With an uncompromising dedication to life outdoors, we inspire people to explore and respect nature, making sure it remains the greatest playground ever made.

Our business

We design, develop and market outdoor clothing, footwear and hardware from our headquarters in Bromma, Sweden.

Haglöfs does not own any factories. Instead, we work with a network of 82 trusted material suppliers and 34 clothing, footwear, and hardware manufacturers across 16 different countries.

The majority of our products are shipped to our distribution center in Eskilstuna, Sweden. From there, they are distributed to our various sales channels. We operate through subsidiaries in Sweden, Norway, Finland, Denmark, Germany, and UK, and France¹. Haglöfs has been owned by LionRock Capital Limited since 2023.²

Sold in 21 markets via:

- Wholesale
- E-commerce in 12 countries
- 13 directly owned Haglöfs stores³

¹ Refers to a French branch of Haglöfs AB.
² Haglöfs was acquired by LionRock Capital Limited from ASICS Corporation on December 18, 2023.
³ The Haglöfs Brand Store Insjön opened in June 2023.

225
employees

923
MSEK in sales

1.45 million
products sold

Sweden
Norway
Finland
top 3 markets

Craftmanship for the next generation

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

A life well lived

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

- Quality
- Repair
- Repurpose

One planet production

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

- Materials
- Factories
- Operations

Our people

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

- Employees
- Workers
- Consumers



The basics



Responsibilities and structure

Our Sustainability and Business Development Director is responsible for developing and implementing our sustainability strategy and, as part of the management team, ensures that sustainability is integrated into our business strategy.

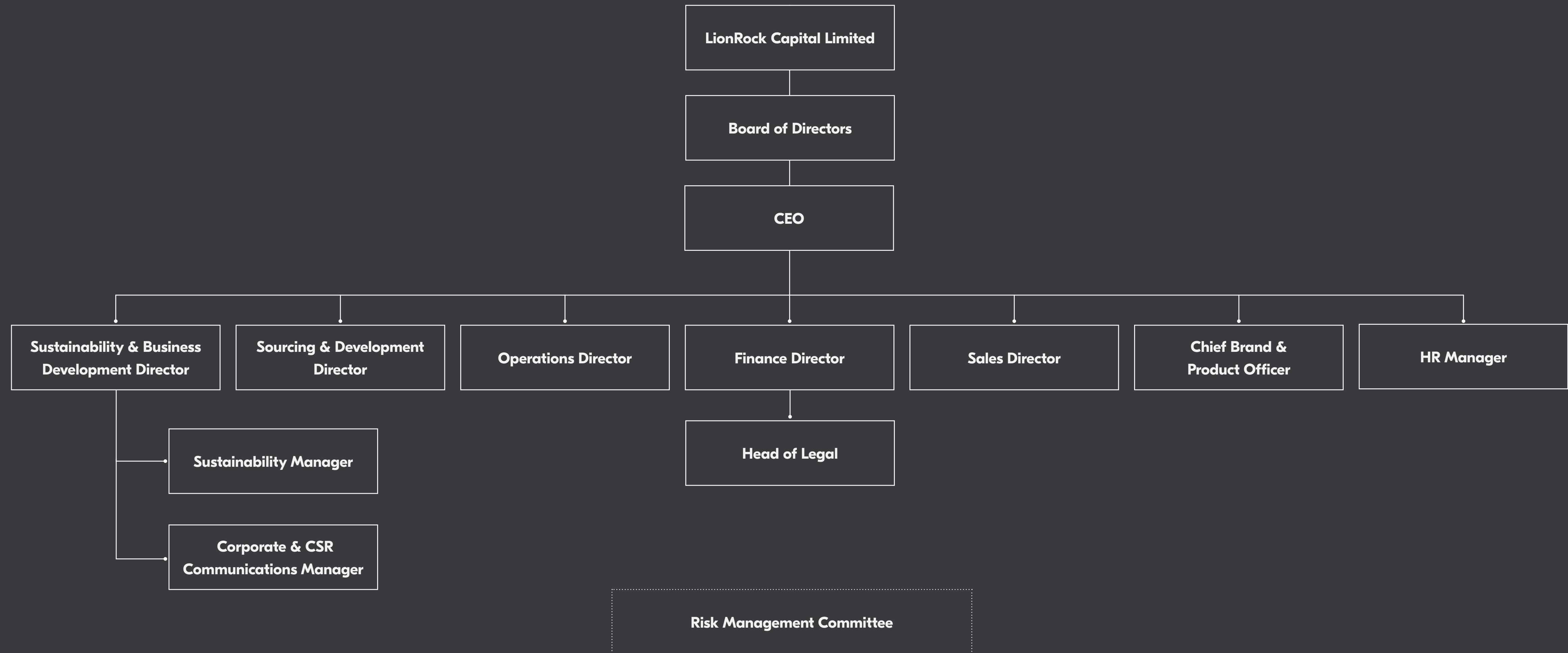
Our Risk Management Committee works to improve visibility of emerging risks, upcoming regulatory changes, and potential implications.

Nevertheless, at Haglöfs, we acknowledge that sustainability is not confined to a single team's responsibility. Instead, the pivotal approach to realizing our ambitions lies in seamlessly integrating sustainability into roles across the entire organization.

2023 updates:

- We further integrated sustainability into our business strategy by merging it with our business development efforts, thereby emphasizing its importance in our organizational structure.
- We added one new position to our Sustainability department.





Policies and guidelines

Haglöfs' success is built on trust and a reputation gained through honesty, fairness, respect, and hard work. We uphold these values consistently across all our global operations, reflecting our dedication to ethical conduct.

Our Code of Conduct outlines the importance of embodying Haglöfs values while ensuring integrity, compliance with legal requirements, and respect for all stakeholders – colleagues, customers, and business partners. This code applies to every individual associated with Haglöfs AB and its affiliates, regardless of their role or location. It is our collective responsibility to read, understand, and implement the Code of Conduct. We also expect our business partners to uphold similar principles, and we endeavor to collaborate only with those who meet our standards.

Our Policy of Engagement sets forth these standards for our manufacturing partners, covering areas such as anti-corruption, human rights, labor standards, data privacy, occupational health and safety, and environmental practices. This policy is an essential component of their

Terms of Agreement. An evaluation of the key sustainability risks in our operations and value chain highlights human rights and labor issues, environmental risks, and corruption as significant concerns. These risks are addressed through our internal policies and agreements with business partners. Within our value chain, workers are most vulnerable to human rights and labor rights violations, especially further down the supply chain.

Our supply chain assessment and monitoring efforts lay the groundwork for our commitment to human and labor rights due diligence (refer to Workers section). The risk of corruption, including bribery, is most pronounced in transactional contexts, especially when intermediaries are involved. Thus, addressing corruption in our terms of agreement and providing comprehensive staff training on our policies are crucial for mitigating this risk.

Environmental risks such as hazardous chemicals, water consumption and pollution, and greenhouse gas emissions are mostly concentrated in the segments of our supply chain responsible for material production. Our ongoing efforts to improve materials and production facilities aim to continually reduce our impact in these areas (refer to [Materials and Factories](#) sections). Enhancing visibility within our supply chain is essential for identifying and addressing risks. We collaborate directly with most of our manufacturers and material suppliers, striving to increase transparency across all tiers of our supply chain (refer to [Factories](#) section).

Our [Code of Conduct](#) and associated policies are readily accessible to all employees through our internal People Portal and are introduced during the onboarding process for new hires. Additionally, targeted

training sessions are conducted for key groups such as management, sales, and sourcing teams, where risks in specific areas are higher.

We actively encourage individuals to report any violations of our Code of Conduct and have established a confidential online reporting system to facilitate the reporting of ethics violations. This mechanism is complemented by an anonymous worker helpline in all the clothing, footwear, and hardware factories we engage with, enabling us to swiftly detect and address any issues that may arise.

2023 updates:

- No reports were submitted to the Ethics helpline.
- Four calls were received on the workers helpline (refer to [Workers](#) section).

- There were no reports or confirmed cases of corruption, no legal actions regarding anti-competitive behavior were raised, and no substantiated complaints were received concerning data privacy.
- One data breach, classified as “limited” in severity, was reported.
- 34% of employees completed online trainings, including: Confidentiality, Data Privacy, Workplace Harassment; and Whistleblowing.
- Haglöfs’ [Restricted Substances List](#) was updated to version 14 and shared with our suppliers for acceptance.
- Haglöfs’ Policy on [Antitrust and Competition](#) and Haglöfs’ Policy on [Anti-bribery and Anti-corruption](#) were updated.

Our policies

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

Where to focus

With numerous environmental and social challenges ahead of us, navigating where to begin can be difficult.

One approach we take to defining our priorities involves identifying issues that both hold significance for our stakeholders and align with our strategic business objectives. Our *Materiality Matrix* serves as a guide, pinpointing the intersection of stakeholder concerns and strategic importance. Conducting a value chain analysis of these prioritized issues further clarifies where positive and negative impacts occur, enabling us to concentrate our efforts where they can make the most significant difference. Given the high level of interdependence among these issues, addressing them often requires taking a comprehensive approach rather than tackling them individually. As is typical for companies in the consumer goods sector, the majority of these issues extend beyond our direct operations and lie within our supply chain.

In addition to our employees and owners, our most crucial stakeholders include our consumers, retailers, and suppliers along with their workers. However, there are additional groups that have an impact on or are impacted by our decisions. We want to ensure that their voices are heard and that we are aware of the aspects of our business that are most relevant to them.

These groups encompass government agencies or regulators, NGOs, industry associations, affected communities, and academic bodies. Their priorities and concerns collectively contribute to shaping our strategy. Given that the priorities of these diverse stakeholders evolve over time, maintaining an ongoing dialogue is essential. We engage with our stakeholders through various channels, including our website, social media platforms, and sustainability reports, as well as through formal and informal

meetings, surveys, interviews, trainings, and collaborative initiatives. This multifaceted approach allows us to keep our stakeholders apprised of our progress and solicit feedback on our business practices (refer to Our Stakeholders).

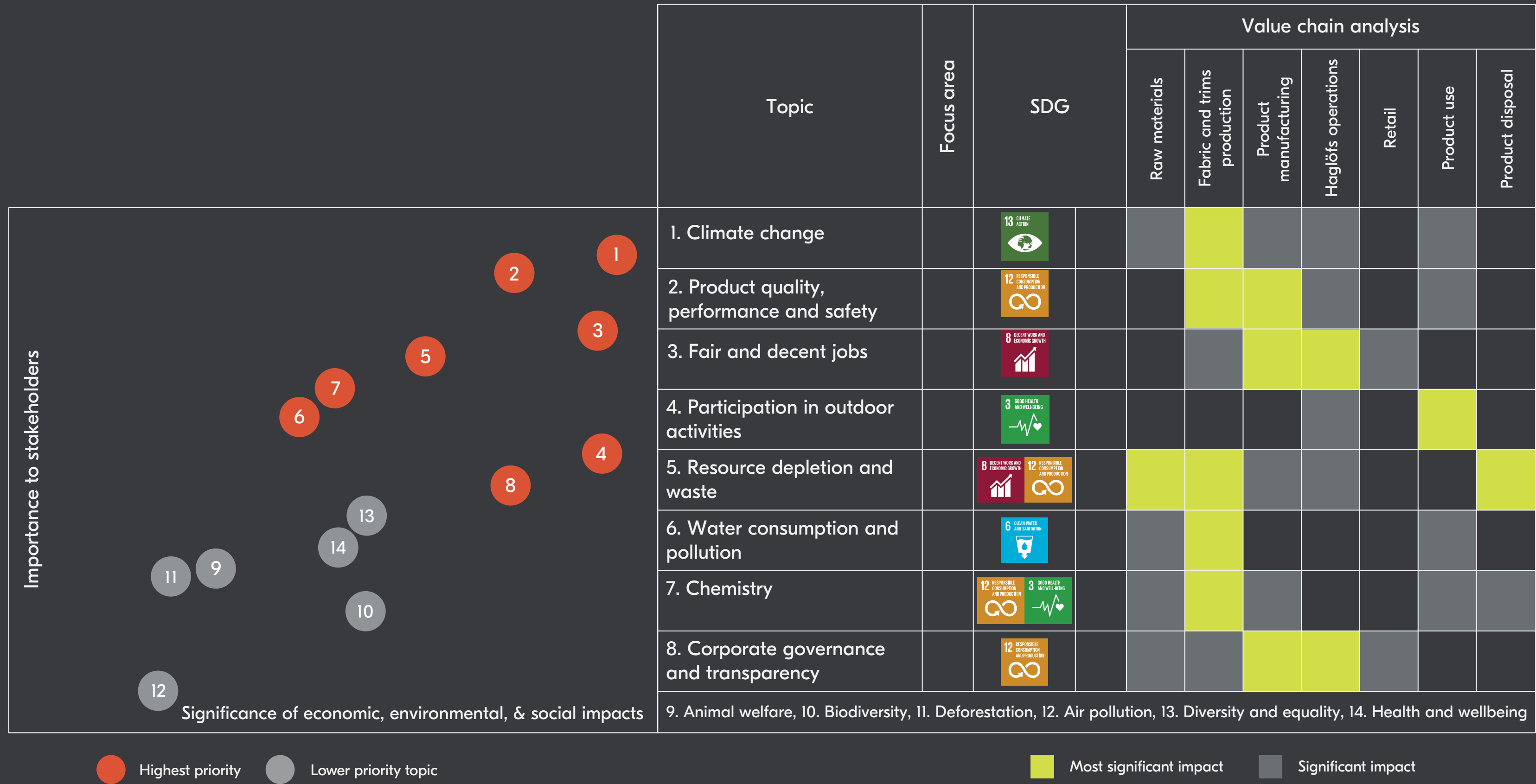
2023 updates:

- In our yearly Materiality Matrix Employee Survey which assesses the topics most important to our employees, climate change emerged as the #1 most important topic, closely followed by product quality, water consumption, and fair and decent jobs.
- In addition to climate change, we have observed increasing interest and discussion among our stakeholders regarding the outdoor industry's biodiversity impact. We believe that, since the collective knowledge in the industry and our own understanding of this issue has increased, our impact may be larger than previously assessed.

- After reviewing the Materiality Matrix, and incorporating the employee survey results among other factors, the management team decided to elevate climate change as the most important sustainability topic (compared to place #2 last year). Consequently, product quality, performance & safety, and fair and decent jobs have shifted to places #2 and #3, respectively. Additionally, biodiversity has been moved higher on the impact scale, now residing at a similar level as diversity and equality.
- During 2024, we aim to complete a Double Materiality Assessment (DMA), as outlined in The Corporate Sustainability Reporting Directive (CSRD). The DMA follows a different, more diligent, process to assess materiality and we expect the outcomes of the DMA to result in some changes to our approach to our material topics from 2024 onwards.



Our materiality matrix*



* Also refer to Appendix 2

Our stakeholders

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

Our stakeholders

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

[Learn more](#)

Goals to transform our world

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

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



A life well lived



Quality

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

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

One of the core elements of our design philosophy is “Lasts Lifetimes” where design choices are made with consideration for the durability, repairability, and end-of-life of a product.

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

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

2023 updates:

- We had a quality returns rate of 0.5% in sold pieces (compared to the 1% target maximum rate).
- Field testing for new clothing and hardware styles was kept on the same level as the previous year.
- Three products were withdrawn from the market due to chemical failures (refer to Factories section).

Guaranteed, by Nature

We take pride in making high-quality, high-performance products that keep up with our consumers' adventures. Through our [Lifetime Warranty](#), we guarantee the original owner of any Haglöfs product that we'll repair or replace any product that fails due to a manufacturing or material defect.



Our design philosophy



Responsible

Embrace zero
Last lifetimes

Performance

Look directional
Feel better
Protective
Literal functionality
Push harder
Nordic

Neo Hantverk

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

Our quality control process



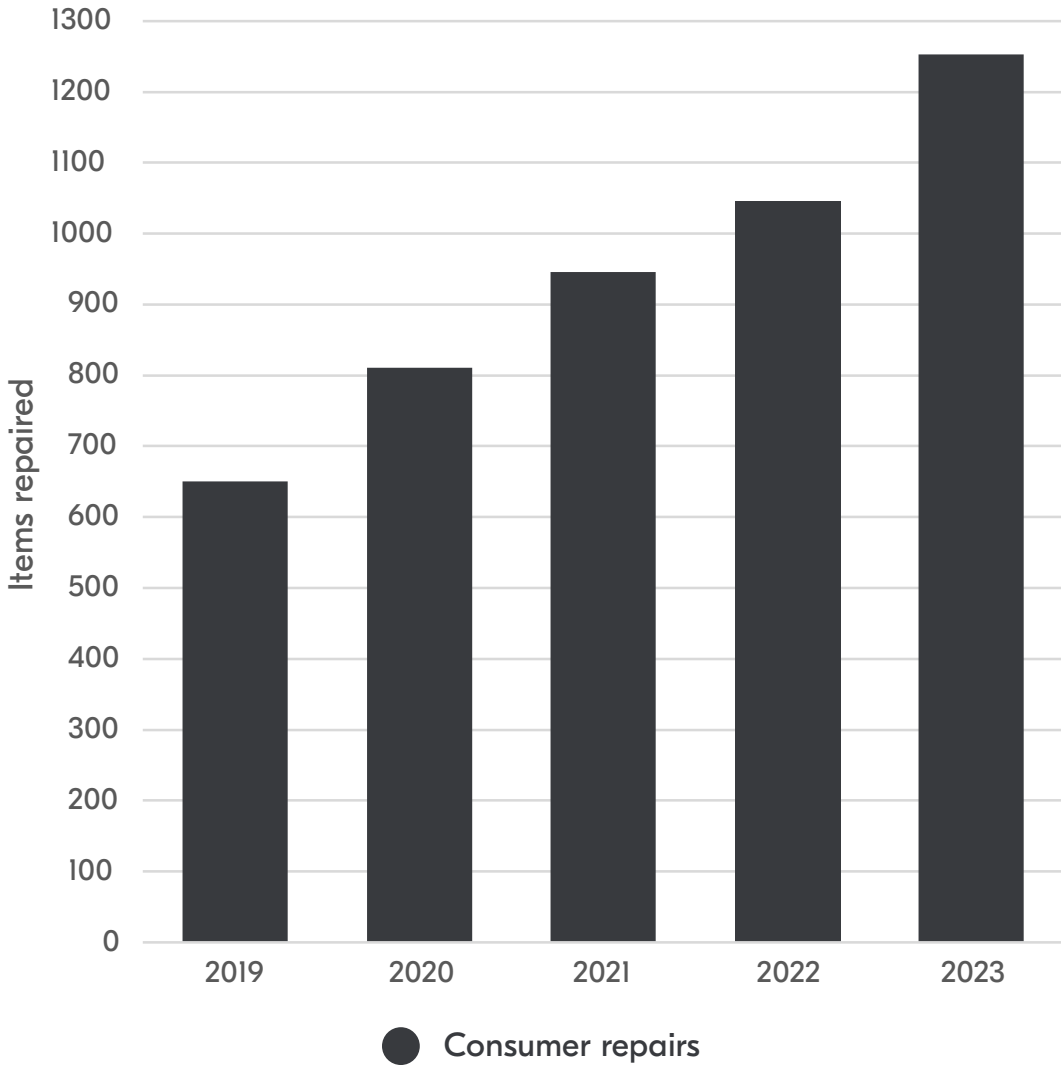
Repair

Product accidents or failures are inevitable, but this shouldn't mean that such products are destined for the landfill.

When products fail to meet our consumers' expectations, we typically offer replacements or refunds. However, this approach can lead to unnecessary waste. Therefore, whenever feasible, we prioritize repairing these items and returning them to their owners.

A little care and attention can significantly extend the lifespan of products, ensuring they're ready for the next adventure. Additionally, by taking care of your favorite gear, you not only prolong its usability but also contribute to reducing waste. That's why we provide comprehensive care instructions for all our products on our [website](#). Furthermore, our customer service and retail teams are readily available to assist with spare parts and offer advice whenever needed.

Product repairs⁴



⁴ Excludes minor repairs carried out in store and provision of spare parts which are not tracked. In the 2022 report, the charts were incorrect, the 2023 chart shows the correct data.

Repurpose

Leftover

Our Leftover initiative allows our product team to get creative with the leftover fabrics they find, diverting excess fabric from the waste stream.

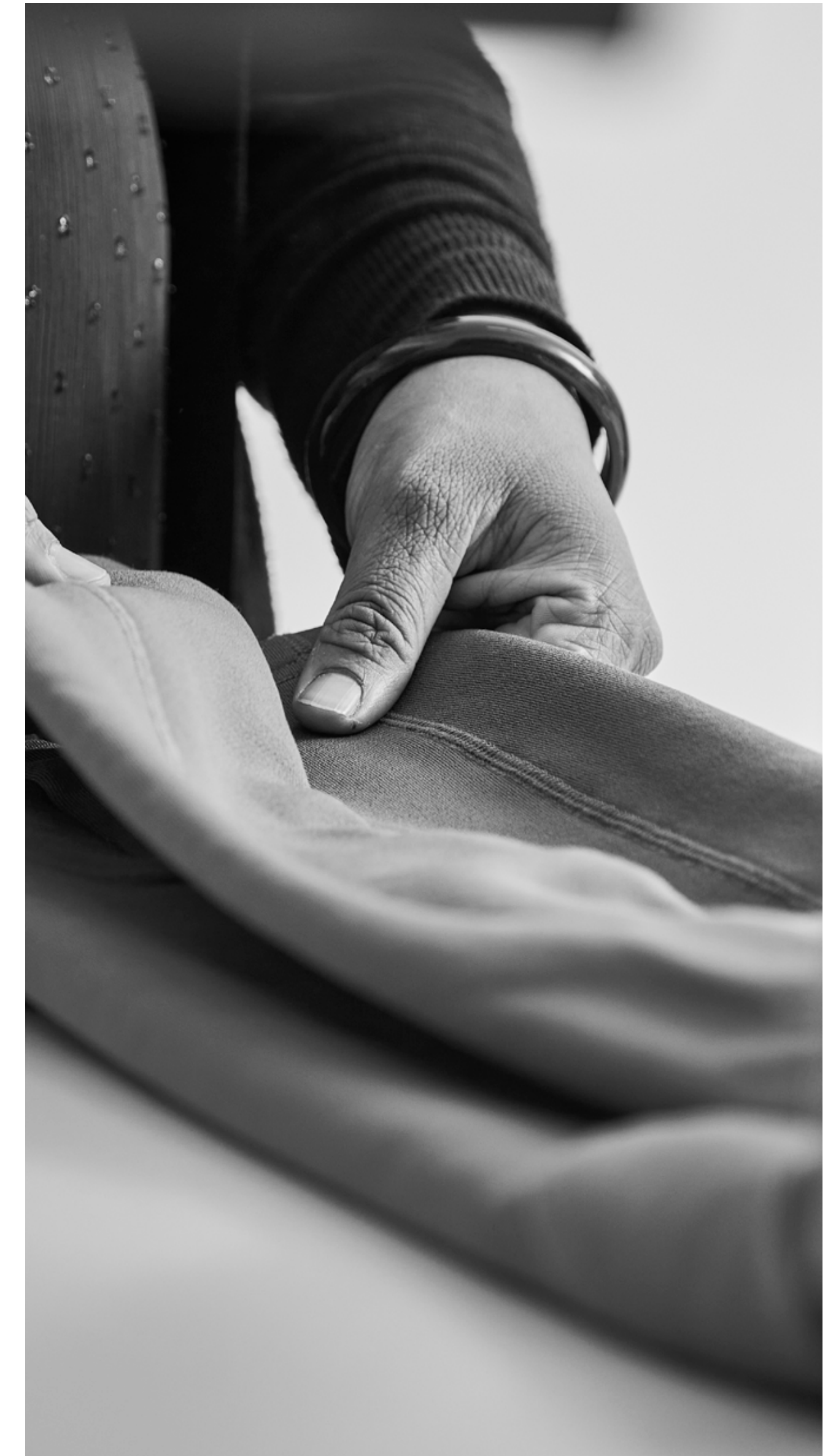
Haglöfs Restored

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

Consumers can drop off old gear they no longer use at any Haglöfs store and feel secure in the knowledge that it won't go to waste.

2023 updates:

- During 2023, we sold our transporter bags and wrist gaiters made from leftover materials in many of our stores.
- Following the unexpected closure of our service provider's activities, Haglöfs Restored was paused in late 2023. We expect to have a new solution in place during 2024.



One planet production





Our climate commitment

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

Meeting the goals set in the Paris Agreement will require an unprecedented global effort to halve greenhouse gas (GHG) emissions this decade and achieve net zero⁵ emissions by 2050 at the latest. Unfortunately, the world is not yet on track to achieve this. Therefore, those of us who can move faster should do so. That is why, in 2020, we made a commitment to reduce our emissions by 50%⁶ by 2030. While we continue our work to reduce emissions, we purchase high-quality carbon credits equivalent to our carbon footprint.

⁵ The IPCC defines net zero as when anthropogenic (i.e., human-caused) emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. www.ipcc.ch/sr15/chapter/glossary
⁶ Absolute emissions across scope 1 & 2 and selected scope 3 (production and distribution of goods sold and business travel) vs. 2020 emissions.

Scope of our emissions and beyond value chain mitigation

At Haglöfs, our climate commitment covers the CO₂e emissions from our own operations (referred to as Scope 1 & 2) as well as the emissions generated from the production and distribution of all the products we make – from the extraction of raw materials to delivery to the consumers (referred to as Scope 3). This is important because the production of our outdoor gear is where our biggest impact lies.

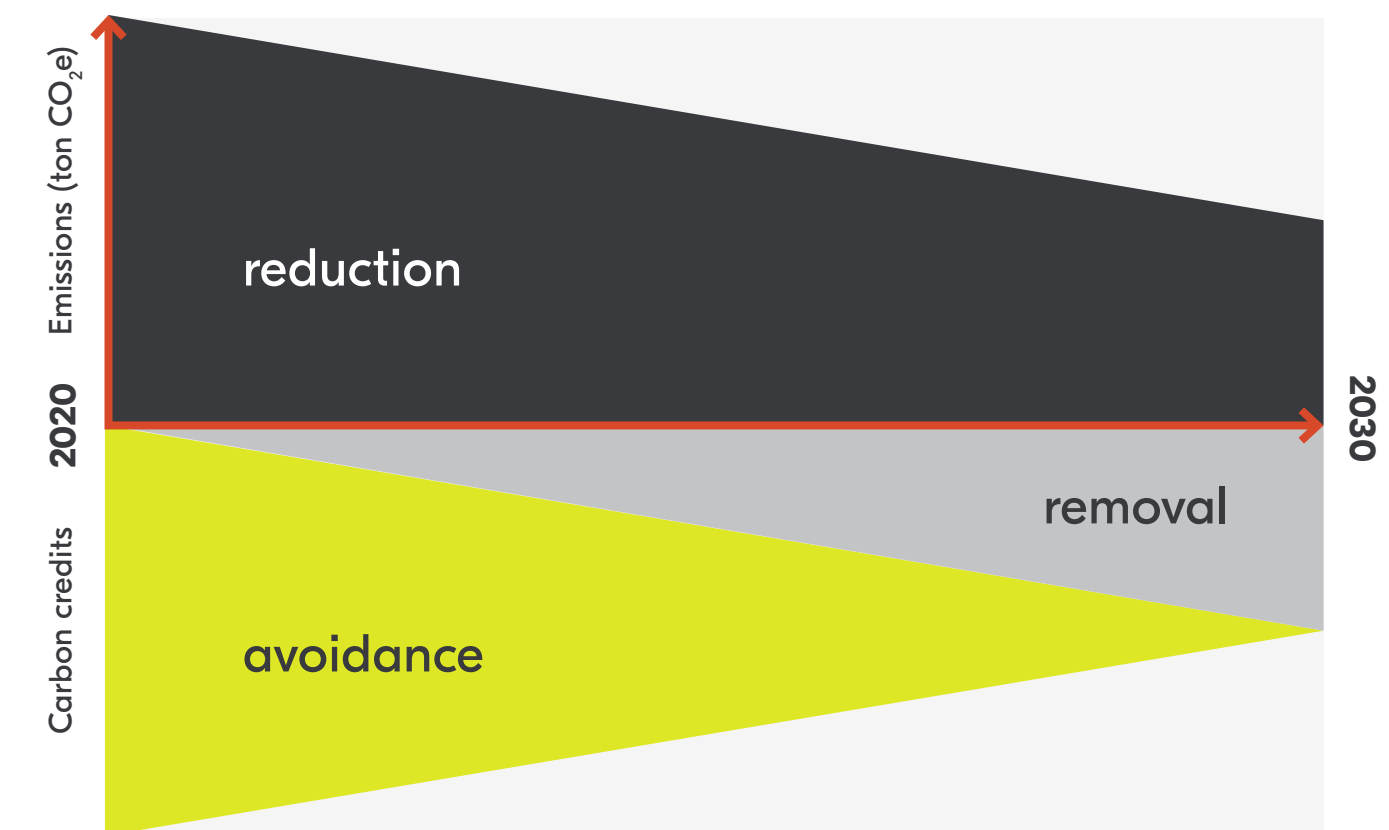
We purchase a quantity of high-quality, certified carbon credits equivalent to our carbon footprint.

Most carbon credits available today support projects that reduce or avoid emissions, such as renewable energy installation or forest protection. These projects are important to avoid further increases in emissions, but they will not be enough to bring emissions to net zero in the

future. It is therefore vital that investments are also made in the removal of emissions from the atmosphere.

Here, we commit to gradually increasing the percentage of purchased carbon removal credits, and, starting from 2030 onwards, transition to exclusively purchasing carbon removal credits. This ensures that we fully purchase the same amount of carbon credits as the level of emissions that we emit, thereby effectively removing them from the atmosphere.

Find out how we calculate our emissions [here](#).



[Learn more](#)

Net zero and other definitions

Scopes

The [Greenhouse Gas Protocol](#) organizes emissions into three different scopes.

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

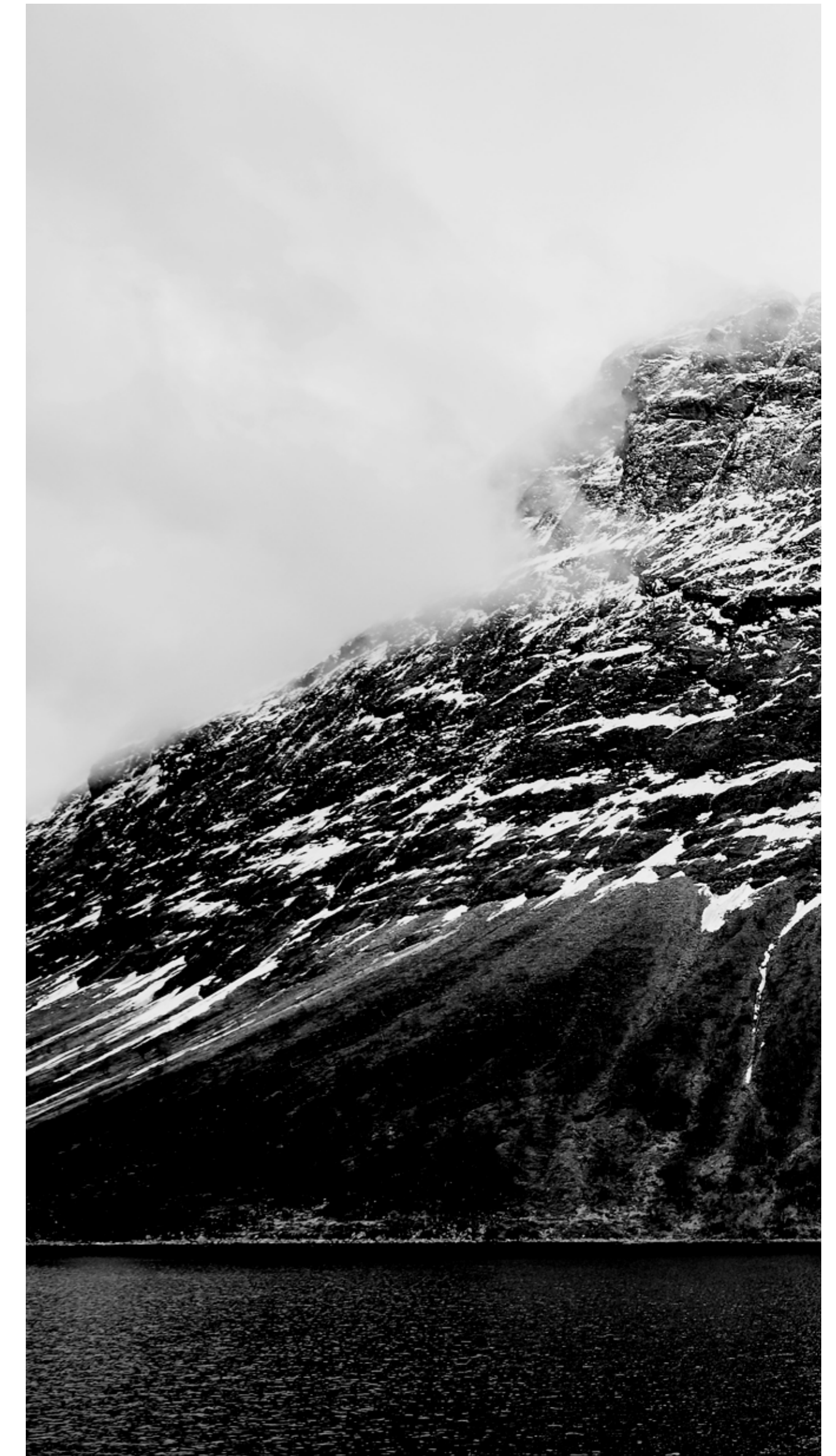
Purchase of carbon credits

A carbon credit is a certificate generated when someone takes action to eliminate a metric ton of GHG emissions. Companies, organizations, or individuals can then buy these certificates to compensate for their own emissions, and this is referred to as purchasing carbon credits, or beyond value chain mitigation.

Carbon credits projects can generally be categorized into two different types:

- Projects that avoid or reduce emissions, e.g., construction of a renewable energy project in place of fossil fuel.
- Projects that remove emissions from the atmosphere, e.g., reforestation or direct carbon capture and storage.⁷

⁷We are aware of and are closely monitoring the ongoing debate about what actions should be classified as carbon removal. We are committed to ensuring that our approach to carbon removal credits develops as the debate matures





[Learn more](#)

Net zero

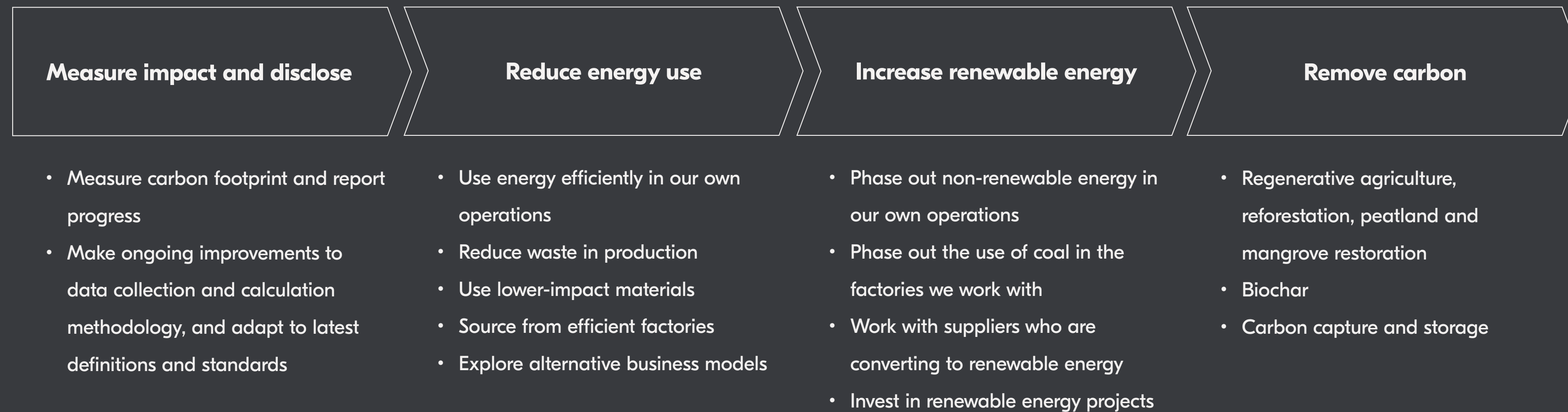
At a global level, the Intergovernmental Panel on Climate Change (IPCC) defines net zero as when anthropogenic (i.e., human-caused) emissions of GHGs to the atmosphere are balanced by anthropogenic removals over a specified period.

For businesses, this means that, after reducing their own emissions as much as possible, they remove from the atmosphere an amount of carbon dioxide equivalent to their remaining emissions.

There is still some ambiguity regarding the details of what net zero means for businesses in terms of the number of emission reductions required before one can claim to be net zero, the scope of emissions that should be covered, the type of action that qualifies as removal and how it is accounted for. Work is ongoing to define this more clearly to avoid confusion and inconsistent claims.⁸ At Haglöfs, we are committed to ensuring that our approach to net zero continues to develop as the debate matures.

⁸ <https://transformtonetzero.org/resources/transform-to-net-zero-position-paper-and-action-plan>
<https://sciencebasedtargets.org/net-zero>

Roadmap to net zero



How we will get there

Our plan to reach our targets focuses on the following four main areas:

Measure impact and disclose

The first time we measured and reported the carbon footprint of our emissions in Scopes 1, 2, and 3 was in 2020. We committed to measuring and disclosing our emissions on a yearly basis to track progress against our climate commitment.

The results (refer to Our Carbon Footprint charts) confirm that Scope 3 is where most of our emissions lie and that the manufacture of the materials that go into our products is the value chain step that has the biggest impact. We use this information to ensure that we focus our resources and reduction initiatives on the areas that have the largest opportunity for improvement.

It should be noted that there is considerable uncertainty in the data within the Scope 3 emissions. These emissions refer to those generated outside of our own organization, which poses challenges in data collection and leads us to rely heavily on generic industry data and assumptions. Calculations are based on the best available data and emissions factors at a given period in time and, therefore, should be treated as indicative and directional only. The aim is to continually improve the quality of the data, for example by obtaining more supplier-specific information through verified submissions of the Higg Facility Environmental Module (Higg FEM) and by being transparent about how the approach is adapted as methods improve. As data collection improves, we may, from time to time, restate previous results to reflect these improvements.

In recognition of the challenges in reporting Scope 3 data, we purchase a 10% buffer of carbon credits to help compensate for any potential variability between actual emissions and our calculations.

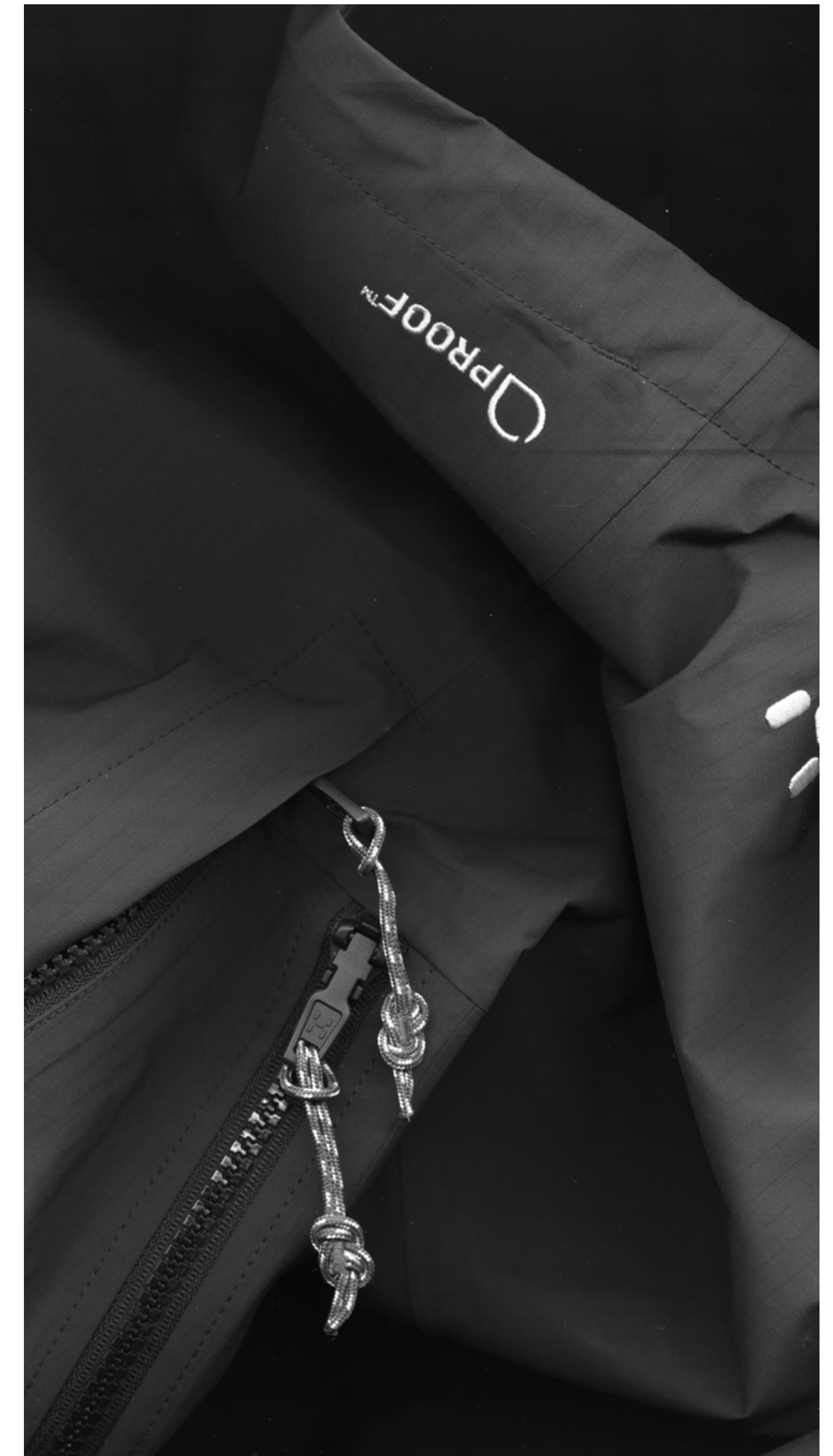
Reduce energy use

Our first priority is to reduce energy use in both our operations and across our supply chain. The production of materials for manufacturing Haglöfs products is the largest source of emissions. Focusing on this area, we can make the biggest impact by selecting materials with lower carbon footprints produced in factories with energy-efficient practices.

In addition to selecting the right materials, we participate in the European Outdoor Group (EOG) Carbon Reduction Project (SDCP). The project aims to support our Tier 2 suppliers in the reduction of their carbon footprint through a combination of more energy-efficient processes and machinery, and the introduction of more renewable energy sources.

Introduce renewable energy

Energy will always be needed to produce and transport our products. Therefore, a large-scale transition to the use of renewable energy will be needed to meet the goals. Work is already underway within our operations (refer to Operations section) and we aim to support suppliers to do the same (for example, through the SDCP). We also encourage government action to drive the transition to renewable energy.



Remove carbon

In 2030, once we have reduced emissions as much as we possibly can, and at least by 50% compared to 2020, the remainder of our emissions need to be removed from the atmosphere to be able to reach net zero. Here, we will not wait until 2030 but rather take responsibility for our emissions along the way. We commit to supporting projects that are reducing or removing a quantity of carbon equivalent to our own remaining carbon footprint. By 2030, we will transition any remaining projects that rely on carbon reduction to those that actively remove carbon from the atmosphere.

It is important to ensure that the carbon credits we purchase are of the highest quality. This is why we choose to only support those projects that are certified by the leading standards in the voluntary carbon market - The

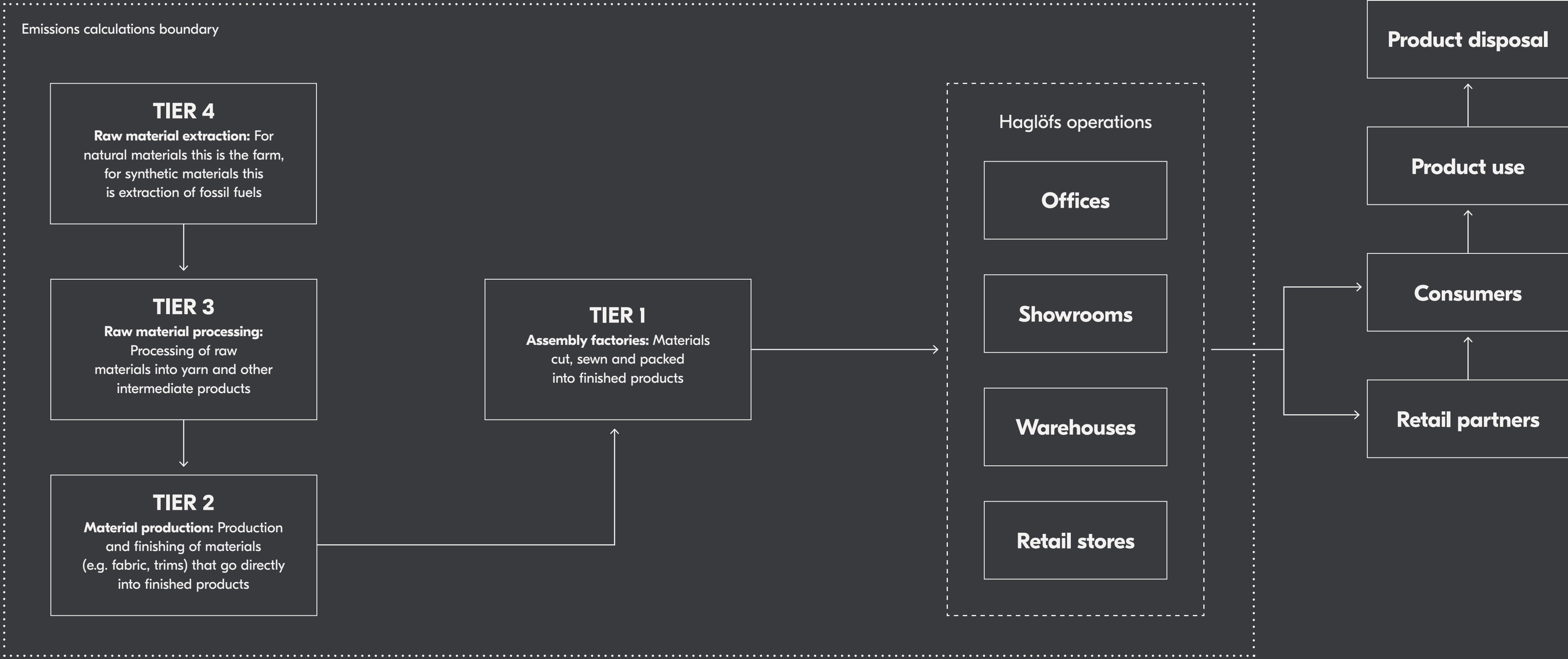
Gold Standard and Verra's Verified Carbon Standard (VCS) in combination with the Climate, Community & Biodiversity Standards (CCB). This means the projects have been evaluated against strict criteria and, in addition, provide benefits beyond just climate mitigation, such as the provision of jobs in the local community or biodiversity protection. In addition to purchasing high-quality carbon credits, we also aim to support projects that are in geographical alignment with our value chain.

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

insights and help to identify a variety of impactful removal projects that preferably align with more than one of the Sustainable Development Goals that are relevant to us.

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

Our value chain





Climate commitment updates 2023:

In 2023, we experienced a notable reduction in emissions compared to previous years. The outdoor industry faced challenges in the preceding year, marked by lower consumer demand and an overstock situation among brands and retailers. At Haglöfs, as we focused on selling an increased share of existing stock, we experienced a substantial decline in production volumes in 2023 compared to 2022, which in turn led to a 62% emissions reduction compared to the previous year. The need to accelerate our efforts and expand our initiatives remain. As we anticipate a return to more typical production levels in the coming years, reaching our 2030 target will hinge on increasing the use of lower-impact materials in our collections, transitioning to more efficient factories and production processes, phasing out coal usage, and enhancing the integration of renewable energy across our supply chain. In the following pages we summarize some of the work undertaken in 2023.

Data management

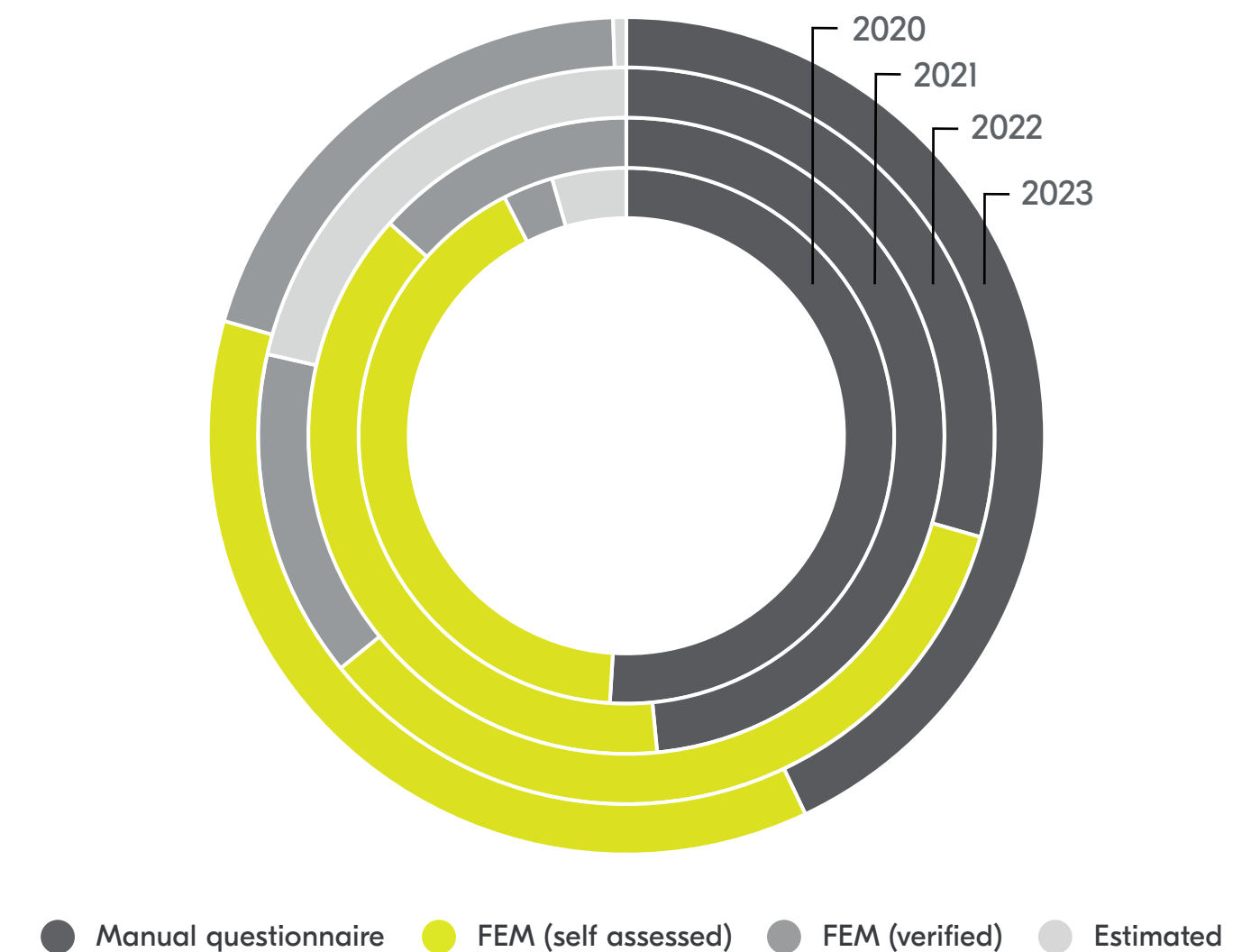
- We kept encouraging our Tier 1 suppliers to utilize the Higg FEM for reporting their energy use. This approach reduces reliance on estimations and enhances confidence in the data. In cases where suppliers do not report in Higg FEM, we utilize a questionnaire to gather carbon emission data. For non-reporting suppliers, we rely on estimated figures based on production quantities. In total we cover 99% of our emissions in Tier 1 through either Higg FEM or a questionnaire.
- We continued to improve data management in our Product Lifecycle Management system, facilitating more efficient and reliable data collection regarding the type and quantity of materials we purchase. In 2023, we mapped out our entire Tier 2 supply chain for nominated materials, resulting in improved accuracy and reliability of our material data. The biggest improvement was seen in

the quality and coverage of our trims data. Additionally, we gathered non-nominated material data, which was previously estimated.

In our own operations

- The use of renewable energy for electricity used in our own operations was 90% (of MWh)
- The phase-out of company cars running on petrol or gasoline continued and the number of hybrid and/or fully electric cars reached 53% of our total car fleet.

Data source
(as % of T1 emissions reported)



In production

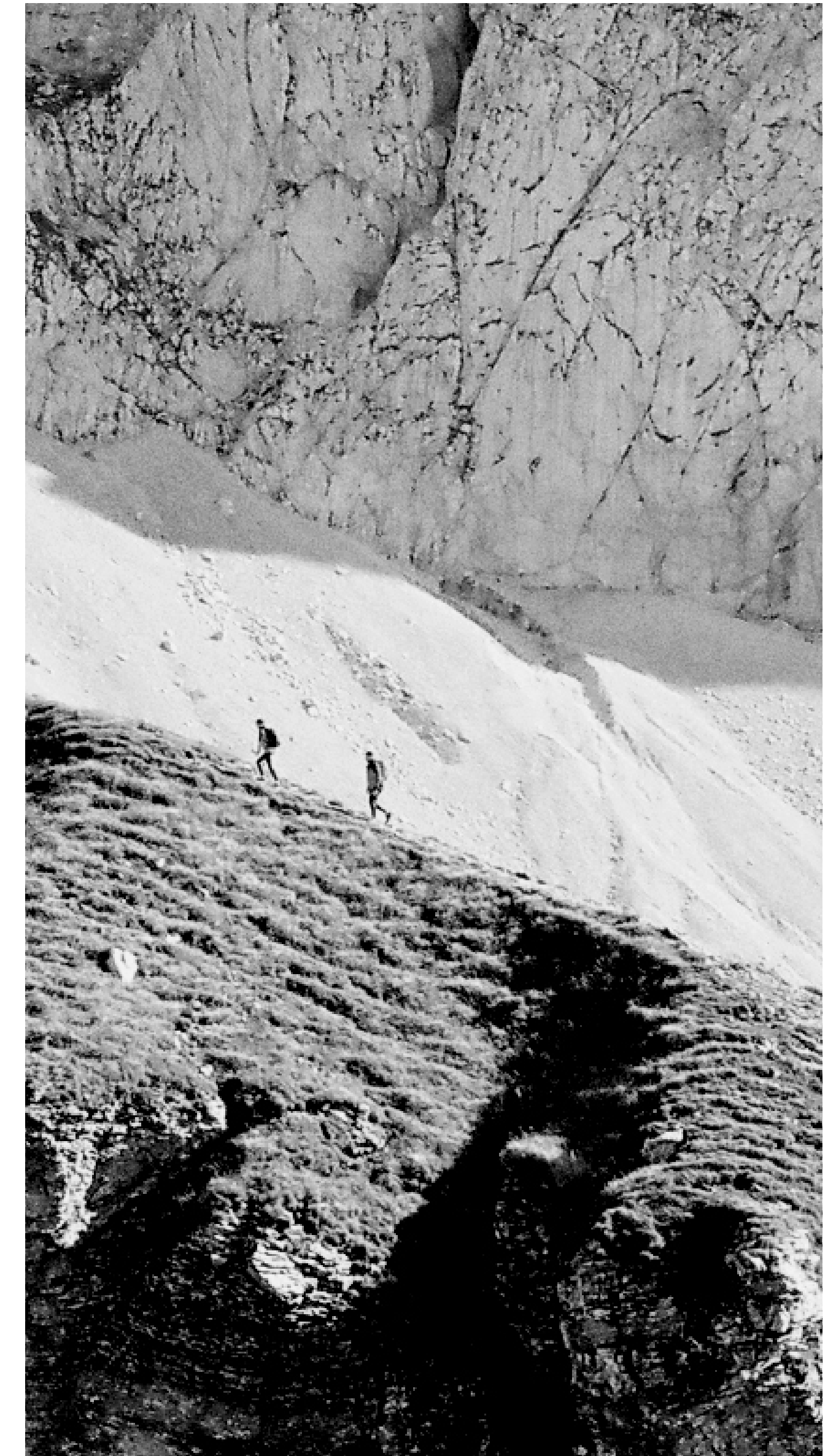
- Our overall emissions in 2023 decreased by 62% compared to 2022. This reduction was primarily driven by lower production volumes, as well as decreased emissions per product.
- We opened a local sourcing office in Asia to more easily influence and support a faster transition to renewable energy and lower-impact materials.
- We pushed forward with our Sourcing Strategy and accelerated the consolidation of factories to ensure that we are working with the right partners who are aligned with our ambitions.
- The push for renewable energy in our supply chain continued and now a majority of our Tier 1 factories have renewable energy installed.
- Our Fall/Winter 24 collection was launched to the trade with 72% of our clothing and hardware styles containing

renewable or recycled fabrics, reflecting continued progress towards our goal of 100% by 2025.

- The EOG Carbon Reduction Project (SDCP) with other outdoor brands continued with the aim to enroll shared material suppliers in carbon efficiency programs.

Purchasing carbon credits

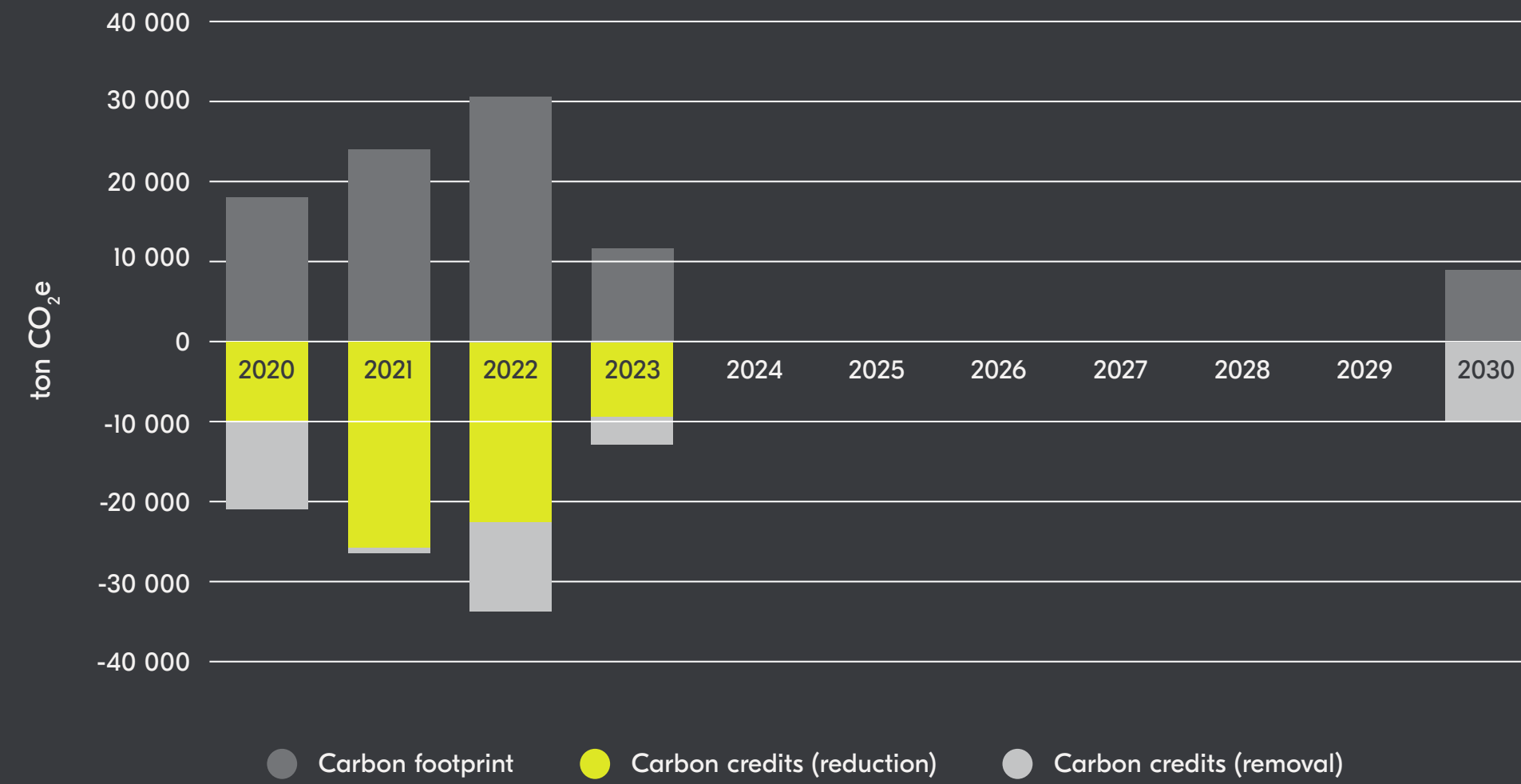
- We purchased and retired a quantity of carbon credits equivalent to our 2023 carbon footprint and added a buffer to allow for variability in the data. Purchasing credits is helping direct funding to projects, including renewable energy in our main sourcing countries and nature-based solutions such as forest protection and reforestation. Find out about our latest purchase [here](#).





Our carbon footprint

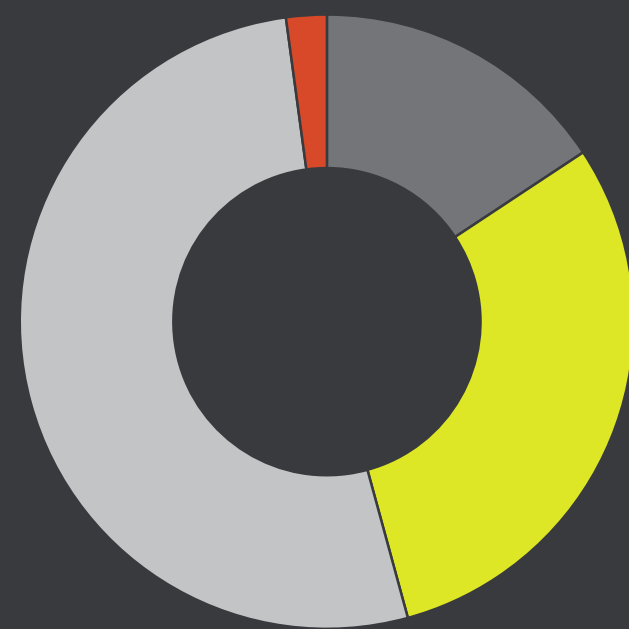
Total emissions and carbon credits purchased⁹



⁹ Total emissions refers to Scope 1, 2 & selected Scope 3 including purchased goods and services.

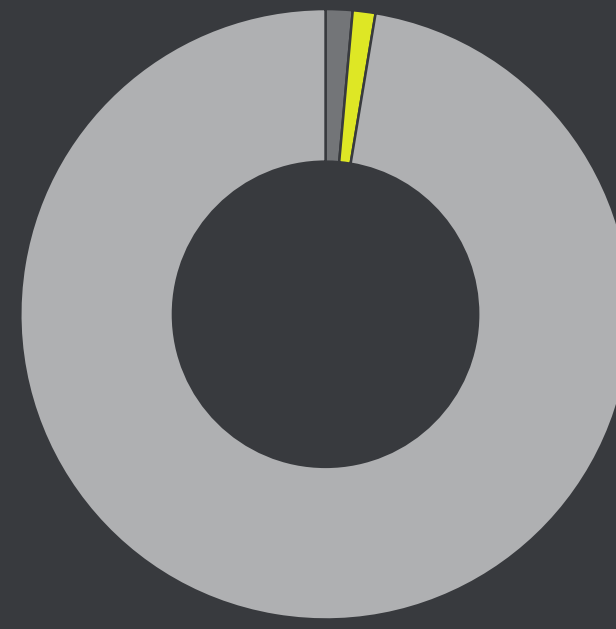
Our carbon footprint cont.

Scope 1 & 2 emissions¹⁰
303 ton CO₂e



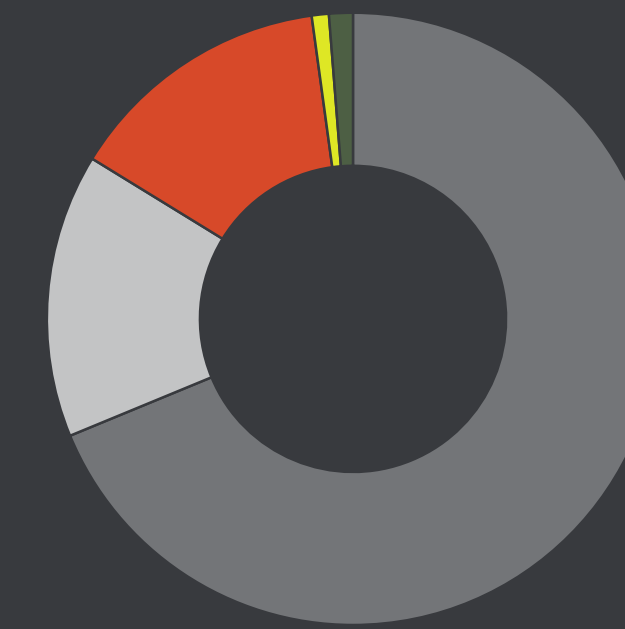
● Electricity ● Heating ● Cars ● Refrigerant

Haglöfs carbon footprint
11556 ton CO₂e



● Scope 1 ● Scope 2 ● Scope 3

Scope 3 emissions¹¹
11253 ton CO₂e



● Materials - Products ● Logistics ● Materials - Packaging
● Product Assembly ● Other (fuel and energy related activities, business travel)

¹⁰ Scope 1 & 2 data applies to Haglöfs AB and subsidiaries owned and leased locations including offices, retail stores and warehouses. Company/leased car impacts are also included. Data is stated as market based. Location based emissions = 108 ton CO₂e. Where data is not available for a site, estimations are made based on the area of the site.

¹¹ Scope 3 includes the following GHG protocol categories: 1-purchased goods and services, 3-fuel and energy related activities, 4- upstream transportation and distribution and 6-business travel.

Materials

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

We know from life cycle assessments of our products that the largest part of a product's environmental footprint, including carbon emissions and water use, comes from the production of materials. Our focus is on selecting materials with lower environmental impact and suppliers that have a high share of renewable energy in their energy supply. We work with a Preferred Materials List to guide our product team in their choices as we push to reduce the overall impact of our products. We will continue to update it as available information and material options evolve. We aim to maximize our use of materials from this list while ensuring that product durability and performance are not compromised.

TARGET: 100% of styles will contain recycled or renewable materials by 2025.¹²

¹² Refers to main fabric and insulation in clothing and hardware. Renewable materials must meet the criteria on the Preferred Material List, recycled content must be at least 50% to qualify.

Preferred materials list

Recycled materials

- Synthetics
- Natural
- Leftovers

Natural materials

- Tencel
- RWS certified wool
- Organic cotton
- Hemp

Low impact dyeing techniques

- No dye
- Solution dyeing
- CO₂ dyeing



Animal-based materials

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

For our down products, we abide by the Responsible Down Standard (RDS) to help ensure that no live-plucking or force-feeding of fowl has occurred in our supply chain. Certified products are third-party audited along every step of the chain, from farm to warehouse. We can track the down all the way back to the farm.

All our wool is currently certified mulesing-free and we aim to transition our wool to the Responsible Wool Standard (RWS). The RWS not only ensures animal welfare standards are upheld but also verifies responsible management of the land the sheep are grazed on.

2023 updates:

- Our Preferred Materials List remained unchanged.
- 100% of the cotton used was organic.
- 100% of the down used was certified to the Responsible Down Standard.
- 92% of the fabric volume supplied by our nominated fabric suppliers was bluesign® certified.
- 64% of our polyester (our most used material) and 58% of our nylon (our second most used material) was recycled.
- For our 2024 product range, 78% of our spring/summer products and 72% of our fall/winter products will contain recycled materials.¹³

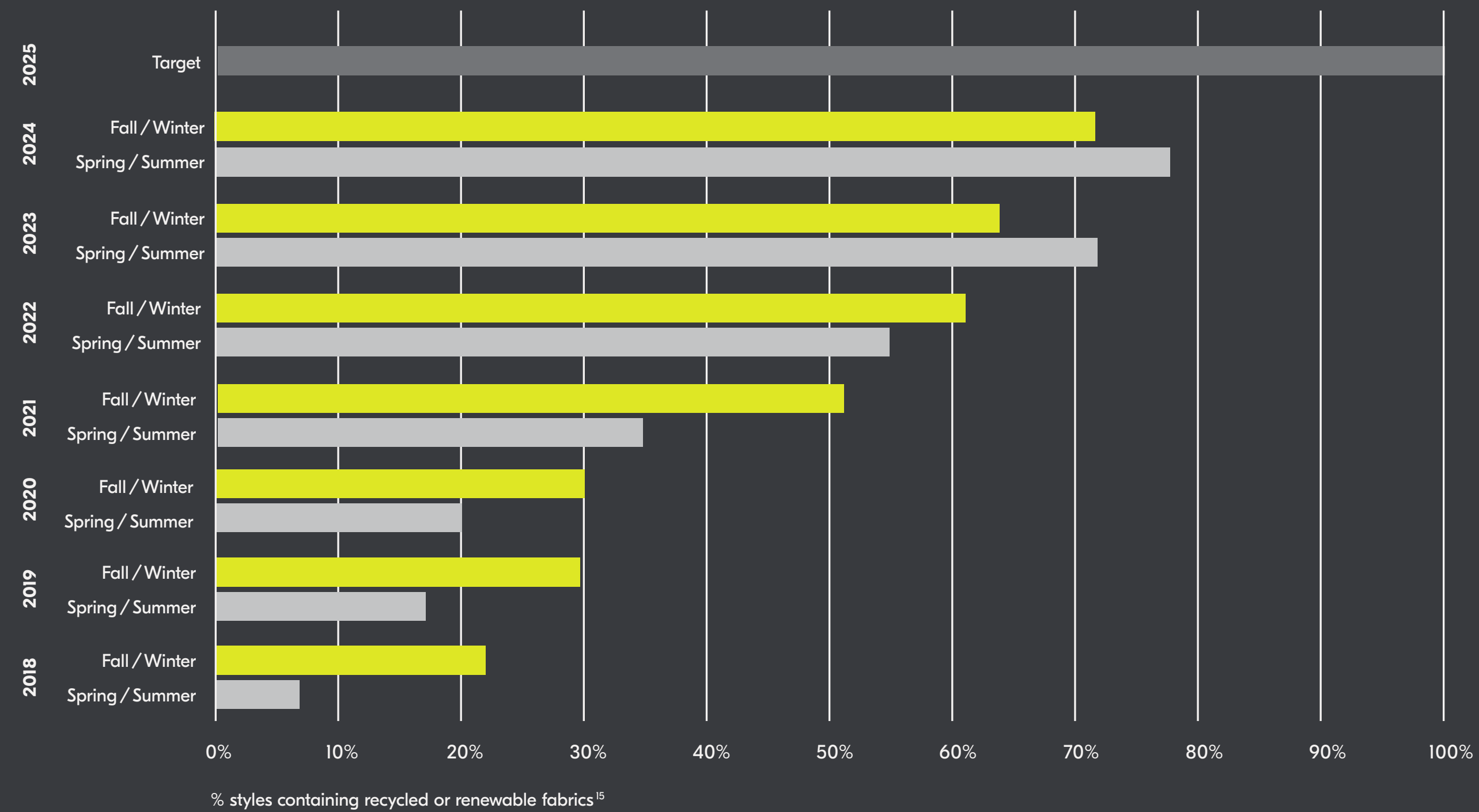
Top 10 materials by weight¹⁴

Material	Weight, ton	(% recycled)
Polyester	308 494	64%
Nylon	125 617	58%
Cardboard & paper	47 761	19%
Polyurethane	43 531	
Cotton	24 740	
LDPE	19 719	37%
Polytetraflouroethylene (ptfe) plastic	15 548	
Polyethylene	11 533	
Elastane/spandex	10 173	
Zinc-alloy	7 963	

¹³ In 2023 we changed our calculation for products containing recycled materials. In this report we have restated the 2023 calculations, resulting in slightly lower results vs what was reported in the 2023 report (previously reported results in parenthesis): Spring/summer 2023: 72% (76%), Fall/winter 2023: 64% (74%). 2018-2022 data has not been restated.

¹⁴ Covers >95% of materials by weight, CL & HW only, includes packaging, data not available for FW.

Our materials



¹⁵ Refers to main fabrics in clothing and hardware, must be >50% recycled content to qualify

Packaging

Packaging helps ensure that our products are received by consumers in the best possible condition. We aim to only use packaging that is reusable, recyclable, or compostable and have guidelines in place that help steer us on material selection and packaging reduction. We have limited our direct product packaging to shoeboxes for footwear, cardboard boxes for some base layers, and, in our retail stores, we only use paper bags.

To protect all the remaining products on their journey from factory to consumer, we use plastic bags. Here, we are working on the following:

- Reducing the quantity of plastic used through smarter and more efficient packing techniques.
- Transitioning to lower impact material by increasing the use of recycled content.
- Addressing the question of recyclability through the European Outdoor Group's Single Use Plastic project (SUP).

As a founding member of SUP, we have been working with brands and retailers from the outdoor industry with the aim of collectively reducing the impact of our single-use packaging. The idea of simply removing bags or replacing plastic with another material to reduce environmental

impact is over simplistic and risks creating unintended consequences. A review of the data shows that during production, transportation, and use phases, plastic outperforms most other materials. It is after the consumer is finished with it that the problems begin. The aim of the project is therefore to reduce the quantity of plastic that ends up with the consumer, ensuring that it stays within a closed system and preventing it from ending up in landfills, incinerators, or the natural environment.

[Learn more](#)

Microfibers

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

Haglöfs is a member of the [Microfibre Consortium](#) which aims to facilitate the development of practical solutions for the textile industry to minimize microfiber release to the environment from textile manufacturing and the product life cycle.



Our packaging

Reusable, recyclable or compostable

Retail store bags	FSC certified paper	✓
Shoebboxes	90% recycled cardboard	✓
Base layer boxes	FSC certified cardboard	✓
Plastic bags (for product transportation)	LDPE (37% recycled across total weight)	—
Outer cartons (for product transportation)	Cardboard (19% recycled across total weight)	✓
E-commerce delivery bags	LDPE (40–80% recycled content)	— ¹⁶
E-commerce delivery boxes	Cardboard	✓

¹⁶ Reusable one time only for product returns.

Factories

It's crucial to integrate better material choices with responsible factory practices. For instance, recycled fabric dyed in a factory that releases untreated wastewater into a local river cannot be considered a sustainable solution.

In the factories we partner with, we prioritize responsible management of chemicals, water, and energy to minimize our environmental footprint.

While chemicals are crucial for product development, they must be handled with care to ensure consumer safety, worker well-being, and minimal environmental impact.

The textile industry is a heavy water consumer, especially in wet processing facilities like textile mills and dye houses. Poorly managed facilities can contribute to water pollution. We aim to only work with suppliers who adhere to our standards and undergo third-party assessments to ensure responsible water management, including water use quantity and wastewater treatment.

Energy used in material production and manufacturing contributes significantly to our greenhouse gas emissions. To achieve our goal of reducing our carbon footprint, we must focus on this part of our value chain.

Our chemical, water and energy management framework



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

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

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

We prioritize nominating material suppliers that are members of bluesign® and the Leather Working Group. This ensures the use of best practice monitoring of production facilities with the highest risks, including assessments of the facilities' chemical, water and energy management. In addition to this, we contract third parties conduct risk-based testing of our products to verify that they meet our RSL.

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

Transparency

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

At Tier 2, we are working to improve our understanding of the factories involved in the various stages of material production, such as dyeing, lamination, weaving, knitting, and yarn production.

Beyond these top tiers, we are also interested in the origin of our natural materials since animal welfare, human rights, and environmental risks can all be found in these supply chains. Currently, we can track our down to the

farm level. Our leather supply chain leads to farms in the USA, UK, Argentina, Turkey, and North Africa. There remain challenges in maintaining visibility in this area of the supply chain.

2023 updates:

- We finalized our mapping of our Tier 2 supply chain for nominated materials.
- We mapped the majority of our non-nominated material suppliers. This work will continue in 2024.

Standards

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

2023 updates:

- The latest update on the RSL, version 14, was completed in 2023, in compliance with the newest update from bluesign® and Afirm. The RSL has been shared with all our suppliers for acceptance.

Phase-out of hazardous chemicals

Over several seasons now, we have been transitioning to PFAS-free materials. Per- and polyfluoroalkyl substances (PFAS) are effective at repelling water and dirt and have been used to increase the lifespan and functionality of a wide range of products in the outdoor industry. However, these are persistent chemicals that might cause damage to the environment and bio-accumulate in human tissue.

At Haglöfs we initially set ambitious targets to transition all our DWR treatments to PFAS-free by 2020. This was at a time when a clear path for achieving such a target was still unclear. This stretching goal has driven the transition, and we have learned a lot along the way – mostly, that it is not as easy as it sounds.

We are continuing our effort to transition our range to using PFAS-free materials and DWR treatments. Today, the remaining styles are those containing the most technically advanced waterproof zippers and GORE-TEX fabrics,

which demand the highest standards in performance and durability, and where the alternative options evaluated are yet to meet the performance criteria. GORE-TEX has set a timeline for phasing out PFAS in their materials and DWR, although the deadline for phase-out was unfortunately delayed. Their firm target for completing the elimination of PFAS from consumer fabric products was the end of 2023. And now they are on track to transition the vast majority of their consumer portfolio by the end of 2025. More details on the status of their phase-out plan can be found [here](#).



Verification

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

2023 updates:

- 92% of our nominated fabric volumes are bluesign® approved.
- 100% of our leather suppliers for clothing are medal-rated Leather Working Group tanneries.

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

2023 updates:

- 2% of test results required follow-up.
- Three products were withdrawn from the market due to chemical failures.
 - L.I.M Smart Temp Multitube and L.I.M Quickdry headband were withdrawn since they exceeded Haglöfs internal limits for antimony.
 - Bow Windstopper Glove was recalled since it surpassed legal limits for NPEO.
- Focused priority testing for total fluorine and DMFa.

Measure and improve

To achieve our ambitions to significantly reduce our carbon footprint, we first need to understand the quantity and type of energy used in our factories as well as identify those suppliers that are efficiently managing their energy use. To collect this data, we use the Higg FEM. The Higg FEM allows us to track and report on the performance of our suppliers regarding the management and reduction of their emissions. The Higg FEM similarly allows us to better understand our water footprint and identify areas for improvement.

2023 updates:

- Product manufacturers, representing over 70% of our product volume and accounting for 56% of Tier 1 emissions in 2023, posted a Facilities Environmental Module in the 2021 or 2022 cycle.¹⁷

¹⁷Due to the timing of the Higg Index cycles, the 2023 data was not available at the time of writing and will be reported on in subsequent reports.



[Learn more](#)

Higg Index

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

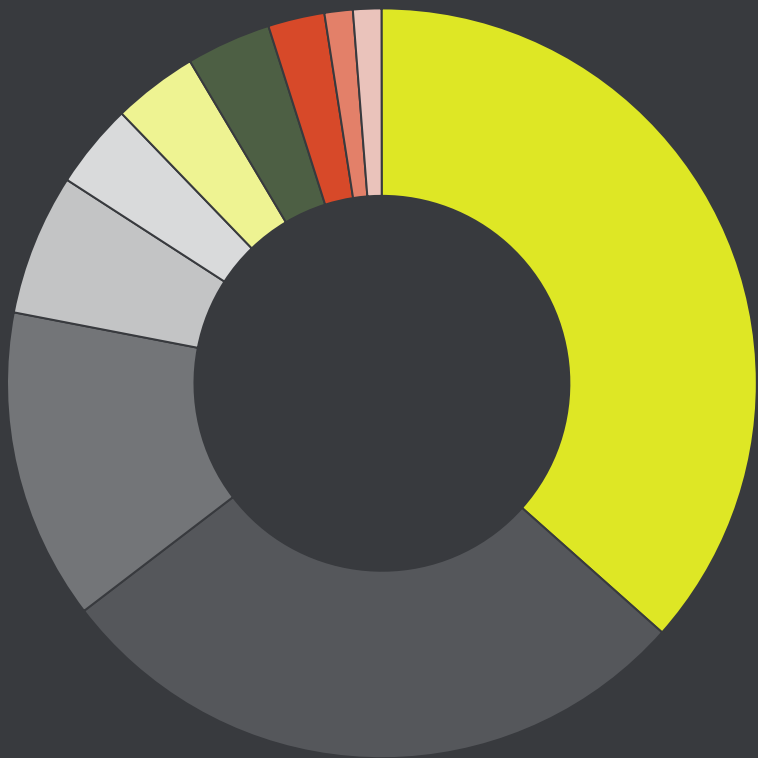
The focus of Cascale has been to develop the Higg Index — a suite of tools that can help a brand assess the sustainability of a product throughout its entire life cycle — from raw materials and design solutions to production and end of use.



We currently make use of the Material Sustainability Index (MSI) to understand the impact of our materials, while the Higg FEM is helping us to collect data on how factories are managing areas like chemicals, water, and energy use. The calculations for our carbon footprint include a combination of the MSI and FEM data to estimate the emissions from our manufacturing processes.

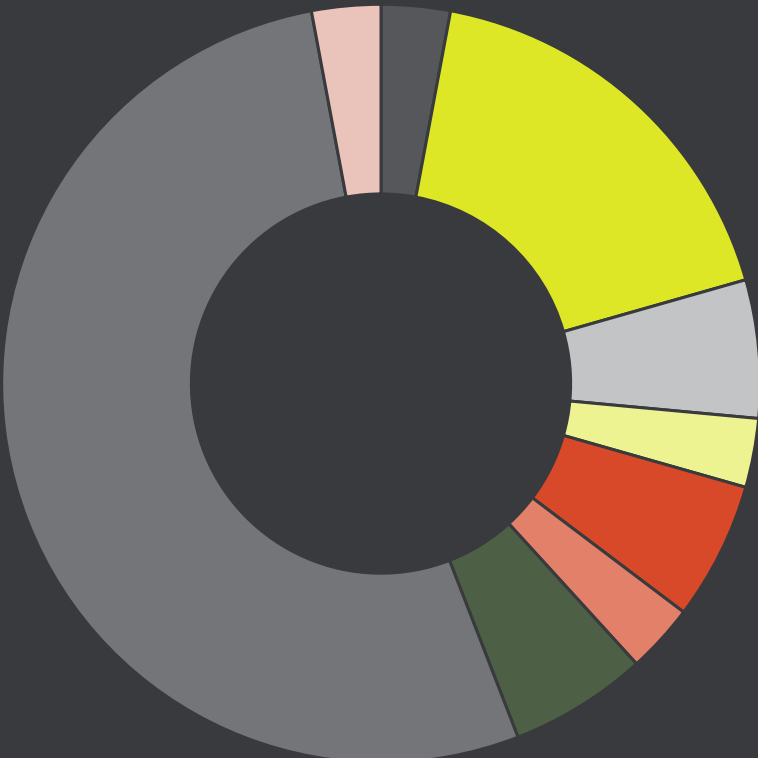
Our supply chain ¹⁸

82 material suppliers¹⁹



■ China ■ Taiwan ■ Vietnam ■ Italy ■ Korea ■ Japan ■ USA ■ Germany ■ Sweden ■ UK

34 garment, footwear & hardware factories



■ Cambodia ■ China ■ Indonesia ■ Laos ■ Portugal ■ Sweden ■ Turkey ■ Vietnam ■ Romania

¹⁸ Includes nominated material suppliers representing >80% of all materials (fabrics, trims, insulation). Where supplier has multiple locations these are counted separately for the country count.

¹⁹ In the 2022 sustainability report, the materials suppliers data was incorrectly reported in the graph headline to 57, however the total amount of materials suppliers was 87. The country split was on the other hand reported correctly.

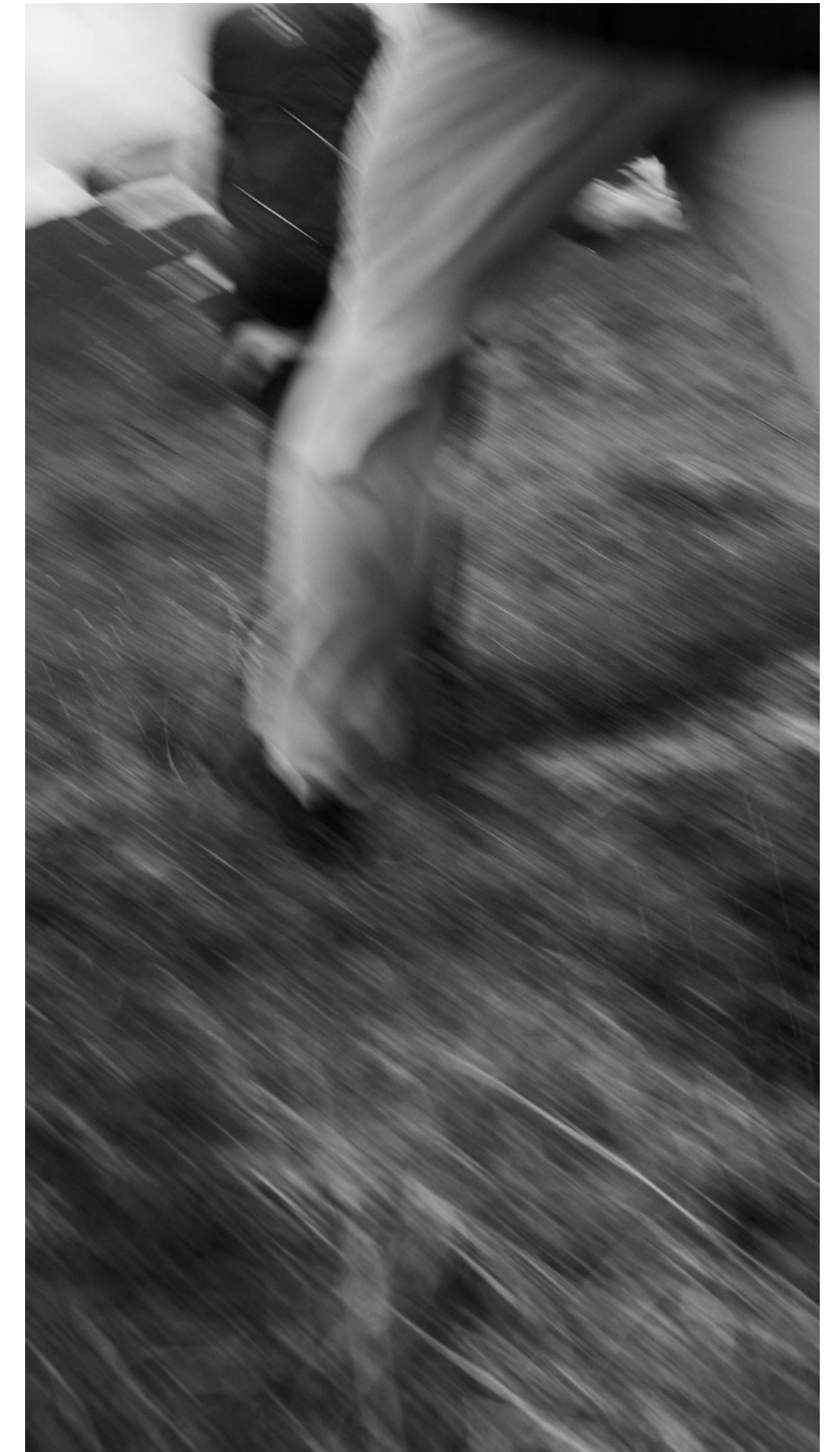
[Learn more](#)



Moving faster together

For outdoor brands, most of our carbon footprint lies in the supply chain and many of us share suppliers. Therefore, since early 2021, the European Outdoor Group has been facilitating the work of a collaborative Supply Chain Decarbonization Project (SCDP). The SCDP is a pre-competitive collaboration between a group of European outdoor brands, including Haglöfs, which aims to reduce GHG emissions and/or increase renewable energy usage within the outdoor industry supply chain. The focus has been on Tier 2 – where individual brands typically have less direct communication with factories compared to Tier 1.

The group has been working over the last three years to share supply chain information and identify areas for cooperation. We have identified the key overlaps in the supply chain and engaged external partners to conduct carbon assessments at key shared factories to identify GHG emission hotspots and evaluate the factories' maturity level in the area of carbon emissions management. Training sessions and workshops have been performed to identify carbon reduction potential, as well as set carbon reduction baselines, targets, and action plans. The participating organizations, including Haglöfs, jointly support and finance assessments and facility improvements identified in the action plans. Pooling resources and working together in this way allows us to move faster toward our climate goals.



Operations

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

Energy

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

Target: 100% renewable electricity in our own operations by 2024.

2023 updates:

- 90% of the electricity purchased for our own operations was sourced from renewable energy sources. Consequently, we did not achieve our goal of using 100% renewable electricity in our own operations by 2023.
- The decision was made to postpone the target of achieving 100% renewable electricity in our own operations from 2023 to 2024.



Logistics

Logistics accounts for a significant proportion of our GHG emissions. These are the emissions associated with the transportation of our products from the factories to our warehouses and beyond. Air freight has disproportionately high emissions compared to other modes of transport, so our focus is to reduce it as much as possible. Most products arrive from Asia by sea and are transported in Europe by truck. Advanced production planning helps to prevent last-minute air shipments to meet delivery targets, while a combination of air and sea shipments reduces the total distance of the flight segment while still helping to reduce delivery times.

2023 updates:

- CO₂e emissions from logistics decreased by 64% compared to 2022.²⁰
- Air freights were minimized and accounted for only ~4% of our shipped products, compared to 23% in 2022.

- In 2023, our distribution center was relocated from the city of Avesta to Eskilstuna. Eskilstuna has been identified as our center of gravity, and our new warehouse is situated in one of the largest logistic hubs in the region. This facilitates more effective logistics management and consequently reduces emissions over time.
- Together with our main inbound transport partner (JAS), we implemented three concrete solutions in 2022/2023 aimed at reducing our CO₂e emissions:
 - Introduction of a short sea shipping service from Portugal to the Avesta/Eskilstuna Warehouse, replacing international road transport.
 - Implementation of rail transport from the port of Gothenburg to Eskilstuna, significantly reducing road transport.
 - Improved optimization of purchasing processes and logistics flow, resulting in fewer partial deliveries and ultimately reducing the total number of shipments.

Travel

The Haglöfs head office is located in Bromma, Stockholm. It is conveniently accessible by public transport, for staff as well as visitors – and, of course, many employees walk, run, or ride a bicycle to the office.

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

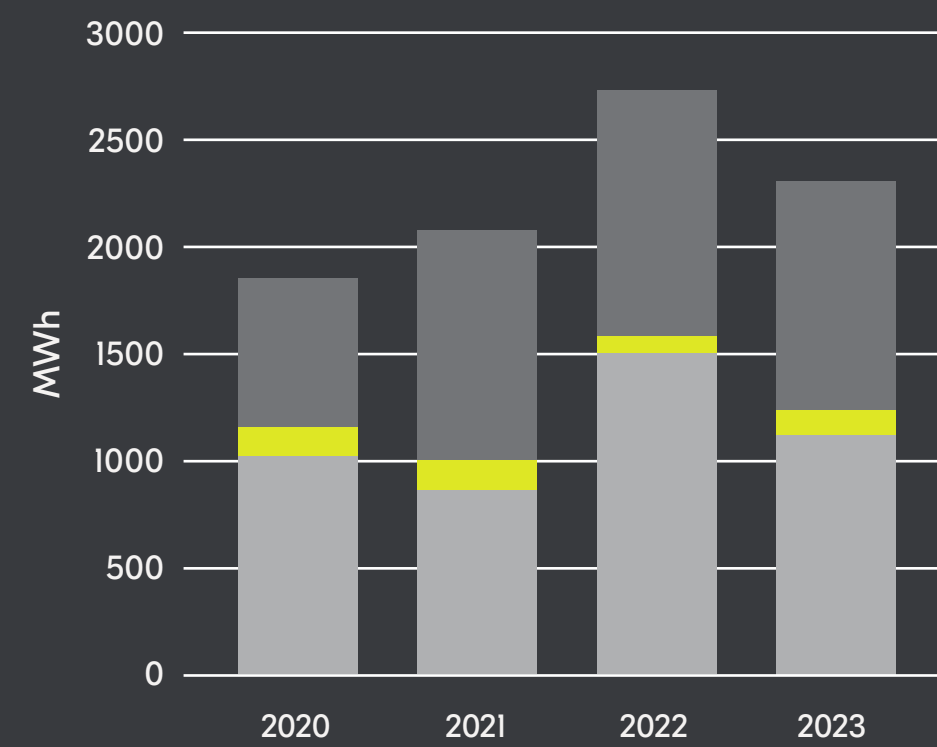
2023 updates:

- Business travel in total (including company operated cars, flight and train travel) was kept to a minimum and our total business travel missions decreased by 1% compared to 2022.
- At the end of 2023, 13% of the car fleet was fully electric and 45% was hybrid.

²⁰ In our 2022 sustainability report, in the “Our Operations” section, we reported 2022 logistics emissions of 5,825 tons. This number was incorrect due to double counting of parts of our sea/air freight. In the 2023 report this number has been recalculated to 4,632 tons. From 2022 onwards we no longer have mixed/unknown as a category in our logistics emissions calculations. This is due to improved data quality allowing us to allocate Transports to the correct category.

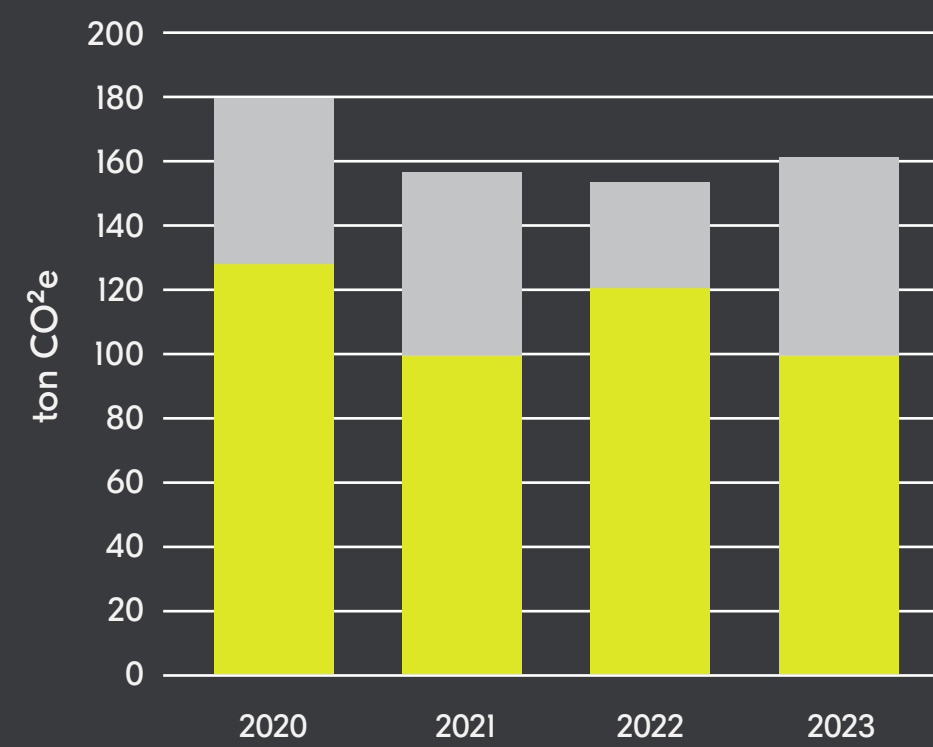
Our operations

Energy use



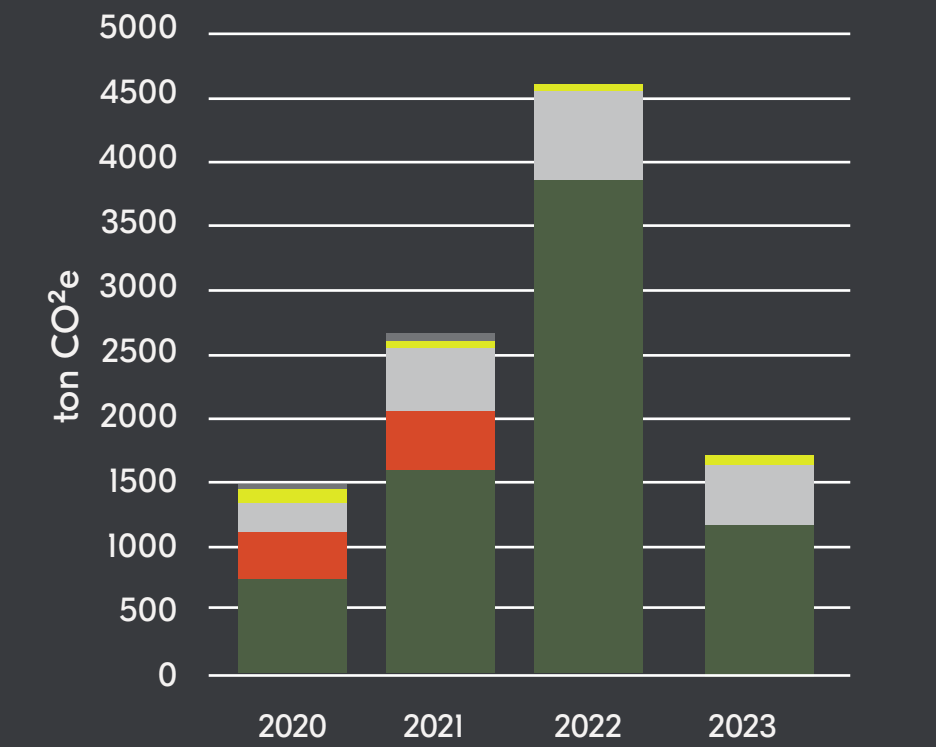
● Electricity (renewable) ● Electricity (non-renewable) ● Heating

Energy emissions



● Electricity ● Heating

Logistics emissions²¹



● Rail ● Road ● Sea ● Mixed/Unknown ● Air

²¹ 2% of our transport emissions are represented by tonkm that have been reported by your carriers, and 24% of the transport emissions are represented by tonkm estimated by us. Furthermore, 74% of the transport emissions are not represented by any activity data. This means that there was no information regarding tonkm in the reports we received from the carriers, and the only information available was the emissions.

In our 2022 sustainability report, in the "Our Operations" section, we reported 2022 logistics emissions of 5,825 tons. This number was incorrect due to double counting of parts of our sea/air freight. In the 2023 report this number has been recalculated to 4,632 tons. From 2022 onwards we no longer have mixed/unknown as a category in our logistics emissions calculations. This is due to improved data quality allowing us to allocate Transports to the correct category.

Our people



Employees

At the heart of our organization lies a century-long commitment to our most valuable asset — our people.

They play a pivotal role in shaping our culture, driving our success, and setting the course for our future. As we reflect on those directly impacted by our daily operations, our employees naturally take precedence. We are committed to contributing to decent working conditions that have a positive impact on the people we work with. In the following section, we outline key initiatives and accomplishments from the past year that align with our commitment to Employment, Labor Relations, Equality, Diversity and Inclusion, Health and Safety, People Development, as well as Employee Engagement.

Employment

In addition to adhering to labor legislation and, where applicable, collective bargaining agreements, the employment contract serves as the cornerstone of our employee relationships. The majority of our employment contracts are full-time and permanent. Temporary contracts are mainly used in our retail stores for seasonal work and to cover temporary vacancies. Part-time contracts are predominantly applied in our retail stores.

We exclusively engage external staffing agencies for our warehouse operations in Sweden, and this collaboration is established following an agreement with the regional union. Our selection criteria for external staffing agencies include the requirement that they hold a collective bargaining agreement. This approach aligns with our commitment to responsible and ethical employment practices.

Our Code of Conduct

At Haglöfs, our guiding principles extend beyond values to involve our Code of Conduct (CoC), a commitment to conducting business with honesty, ethics, and legality. Applicable to all employees, the CoC is an integral component of our employment contracts, shaping our daily actions. Covering various aspects, including gender equality, a healthy work environment, and zero tolerance for discrimination and harassment, the CoC is reinforced by detailed policies on specific issues such as anti-corruption and bribery. All new hires must read and sign our CoC together with their employment contract. We actively encourage reporting on any CoC violations through a confidential online system, reinforcing our commitment to ethical practices.

Labor relations

At Haglöfs, we believe in the power of people and their impact. To unleash this potential, we prioritize listening and involving our team in decision-making. This dialogue is ongoing and takes place daily between managers and their teams. Additionally, there is a structured and regular exchange between HR and employee representatives. This ensures comprehensive coverage, addressing various aspects in both daily operations and broader initiatives, where risk assessment is a crucial part of the process. In cases where these representatives are not appointed from Haglöfs' employees, we actively engage with regional or national representatives.

Most of Haglöfs' employees are based in Sweden, where all employees benefit from collective bargaining agreements. In locations without collective bargaining agreements, we adhere to local labor laws and regulations.

2023 updates:

- We maintained regular monthly updates between HR and appointed employee representatives, covering employer updates and addressing employee feedback and queries.
- 19 co-determination negotiations were conducted throughout the entire organization.
- No strike days took place among our own employees.



Equality, diversity, and inclusion

Sweden has a rich history of advocating for a more equal and inclusive society, which is evident in the numerous benefits workers enjoy today, ranging from leading parental benefits to protections under the anti-discrimination act.

We value the advantages of fostering an equal, inclusive, and diverse workplace and strive to embody this progressive spirit not only in Sweden but throughout the entire organization. Our goal is to create an environment where everyone can be themselves and feel safe and secure at work and among colleagues. This is assessed and monitored through our quarterly engagement survey. Gender diversity is a prioritized focus area within the full company and at the management level. We ensure qualified representation of the underrepresented gender on the shortlist of all recruitments. Our recruitment policy is

designed to guide managers in recruiting with as little bias as possible and without discrimination.

In Sweden, we conduct an annual gender pay gap analysis in collaboration with our unions. This analysis helps us identify and address any unjustified gender pay gaps or structural inequalities.

2023 updates:

- There were no reported cases of discrimination.
- We ensured that the budget for learning and development initiatives remained under HR's jurisdiction, promoting equal distribution of development opportunities.
- Gender distribution at the managerial level was within our target of 40/60.
- We revamped our recruitment process to involve HR and hierarchical managers in all recruitments for permanent

white-collar positions to recruit in a manner that is as unbiased as possible and free of discrimination.

- A feedback training program was introduced for all employees, to foster an environment where individuals feel free to ask for and receive feedback. The goal is to understand differences and abilities, while promoting professional growth for oneself and others.

Looking ahead, our focus will remain on attracting, recruiting, developing, and promoting the underrepresented gender into managerial positions. Additionally, we are committed to ongoing education and awareness initiatives on diversity and inclusion. Through these efforts, we aim to reduce unconscious bias, foster inclusive leadership, and make more informed decisions, ultimately enhancing equality in the workplace.



[Learn more](#)

Gender Pay Gap Analysis

Every year, we conduct a gender pay gap analysis among our Swedish employees. The results of the 2023 analysis show the following:

- Our Equal Pay Index (EPI)²² is 97.6.
- There is an uneven distribution of women and men within the organization. While there is an excess of women in lower-complexity roles, the distribution in higher-complexity roles is more balanced. However, we see a positive trend towards gender neutrality in less complex roles compared to 2022.
- We have identified a surplus of equivalent jobs where men earn more than women, although there has been a positive trend since 2022.
- We have observed a surplus of equal jobs where men earn more than women, and unfortunately, there is a negative trend with more instances of females earning

less than men in equal jobs compared to 2022.

- In 2023, we identified one unjustified gender pay gap and have developed an action plan to address it.
- We are still encountering some data issues related to gender pay gap analysis, particularly concerning the proper evaluation of job complexity using a consistent methodology. We are committed to ensuring that our evaluation and mapping processes are 100% accurate.

Moving forward, we will continue to carefully analyze recruitment and salary review processes to ensure gender equality in remuneration. Additionally, we will strive to recruit more females into higher-complexity roles.

²² The EPI is a weighted measurement of how equal the salaries are in the company. An EPI close to 100 tells us that we have an equal salary structure and that men and women would have had equal salaries if they were evenly distributed in the organization.

Health and safety

Haglöfs regards its employees as the cornerstone of the company, whether they operate from an office, a remote setting, our warehouse, or any of our stores. Our commitment is to provide a secure and healthy work environment for all. Our Work Environment Policy comprehensively addresses responsibilities, health, safety, stress prevention, and the management of work-related illnesses. Our occupational health and safety practices involve regular assessments of workplace hazards, safety inspections, and training. Recognizing diverse work conditions, we tailor risk assessments and training to address specific hazards associated with roles, such as forklift operations in warehouses.

2023 updates:

- A work environment committee was established at headquarters, alongside the already existing committee in Avesta.
- A formal allocation of work environment responsibility was extended to all our managers.
- Introducing all employees to our Work Environment Policy became a part of our onboarding process, reinforced during the manager introduction plan and in our New Joiners Week.
- The psychosocial and organizational work environment protocol was integrated into our yearly performance and development process, encouraging discussions and action plans between managers and employees.
- We conducted a feedback survey on common areas at headquarters as part of our Health and Safety Inspection Protocol.

- We continued to review engagement survey results to address team-specific engagement and working conditions.
- We had 29 work-related incidents²³ and 4 accidents reported, all followed up by an action plan to prevent future accidents.
- Despite no reports through the Ethics Helpline, HR received four formal reports of offensive mistreatment or bullying, all addressed with individual action plans.
- No work environment authority audits were carried out.

²³ An incident refers to an event where something occurs that could have led to an accident, although an accident did not actually happen on this occasion. Reporting incidents is essential as it allows for investigation and necessary corrective actions to be taken to prevent similar situations from occurring in the future.

People development

In our collective growth journey, the development of our team members plays a vital role. We believe in not only offering our employees clear job descriptions and managerial guidance but also continuous opportunities for learning and growth. Through regular check-ins, ongoing feedback, and our annual performance and development process, we aim to foster an environment where expectations are clear, development is encouraged, and constructive feedback is a valued exchange.

2023 updates:

- Our onboarding program, New Joiners Week, continued to ensure smoother company introductions.
- We maintained The Haglöfs Academy, a platform for all employee learning and development activities.
- Throughout the year, we organized training on greenwashing and workshops on feedback and discussion

forums covering various topics including difficult conversations, change management, culture, psychological safety, attitudes, and empowerment through delegation.

- Haglöfs Learning Library was established with online learning material accessible to all through our HR system.
- A Leadership Learning Library was launched for managers in our new HR system to support our leadership program and provide an on-demand learning tool.
- A leadership development program was introduced, combining online training and discussion forums to develop leadership qualities and establish Leadership behaviors aligned with our Values.
- "Manager Forums" continued to focus on various managerial development topics, emphasizing leadership development and best practices in HR processes, mental health, and difficult conversations.

- Our performance management process underwent a revamp. Now integrated into our HR system, the process now emphasizes performance with clear evaluation guidelines that consider daily contributions, values alignment, and goal achievements.
- To ensure consistency and communication, responsibility for updating and sharing team members' job descriptions was integrated into our performance management process.

Values and engagement

At Haglöfs, our ethos is rooted in being Outsiders by Nature. We recognize the immense benefits the outdoors brings to the mental and physical well-being of our people, which is why we offer different levels of support to help and encourage them to get out there.

We prioritize health-promoting benefits, including wellness allowances to inspire physical activity. Our weekly Outdoor Hour, embedded in regular working hours, invites everyone to step outside, preferably together in groups. Moreover, we empower our managers to plan a minimum of two offsite activities annually, to experience the outdoors and our gear together.

2023 updates:

- Our values were revised, and new values – Curious, Courageous, and Genuine – were launched.
- Haglöfs Days gathered all 225 employees for outdoor activities, competitions, and relaxation, with the unveiling of our new brand platform as a highlight.
- On November 24, known as Black Friday, operations were closed where possible; local events focused on enjoying the outdoors together.
- Global Town Halls continued. A monthly occasion where company results, strategic initiatives, and Must Wins are shared, with employee questions encouraged.
- Weekly letters from the CEO provided business insights.
- Engagement assessment continued with quarterly surveys, with management accountable for action plans based on team outcomes.
- Individual SMART goals for team engagement were introduced to all management team members.

Hybrid work policy

Our hybrid work policy allows employees the flexibility to work remotely or from home for up to 50% of their working hours. We promote a consistent weekly on-site presence across all locations, encouraging employees to spend one fixed day per week in their respective offices. At our head office in Alvik, this designated day includes our Outdoor Hour, Town Halls, or other larger gatherings. Detailed planning of office presence is coordinated in alignment with individual preferences, team dynamics, and project requirements, and is agreed upon collaboratively between managers and team members.

Warehouse and retail store employees are naturally exempt from this policy, as their roles require on-site presence to perform their duties effectively.

2023 updates:

- We extended our "home office allowance" of 200 euros, providing a one-time allowance for all employees to facilitate the purchase of any necessary equipment for remote work.





Haglöfs Engagement Survey

The Haglöfs Engagement Survey provides a platform for regular, concise check-ins through an app, offering real-time insights into our organizational well-being. Conducted quarterly, the survey consists of 15 questions addressing seven vital engagement drivers: Well-being, Collaboration, Recognition, Pride, Development, Alignment, and Leadership. To safeguard confidentiality, individual results are accessible only in groups of four or more.

The survey serves as a tool for pinpointing areas of lower engagement. Through collaborative efforts involving the team and manager, we work on improvements and continuously monitor our progress.

Based on the overall company results of the 2022 survey, we identified the following key action areas for 2023:

- Renew focus on values across all people processes,

strengthening Collaboration, Alignment, Leadership, and Pride.

- Emphasize feedback, performance management, and inclusive leadership to address areas needing improvement: Development, Well-being, and Recognition.
- Focus on people policy, organizational clarity, and transparency through the new HR Portal to enhance Alignment, Well-being, and Recognition.

Some of the initiatives that followed were:

- Launch of a new performance management tool.
- Implementation of individual people goals for all management team members.
- Introduction of HR Platform with course catalog.
- Rollout of global feedback training.
- Revision of values to align with the new brand platform.
- Leadership development program.
- Formal allocation of work environment responsibility.

Haglöfs Awards

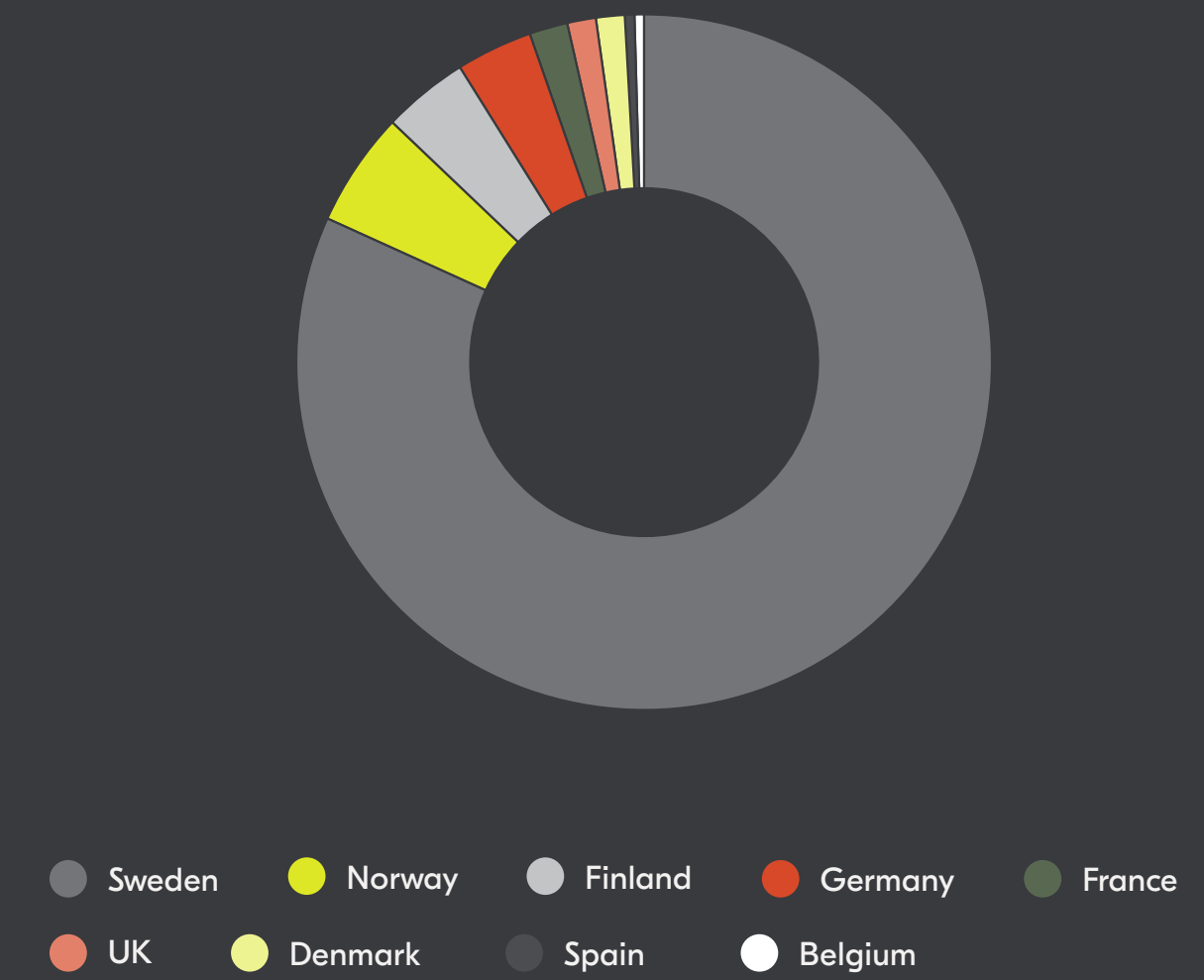
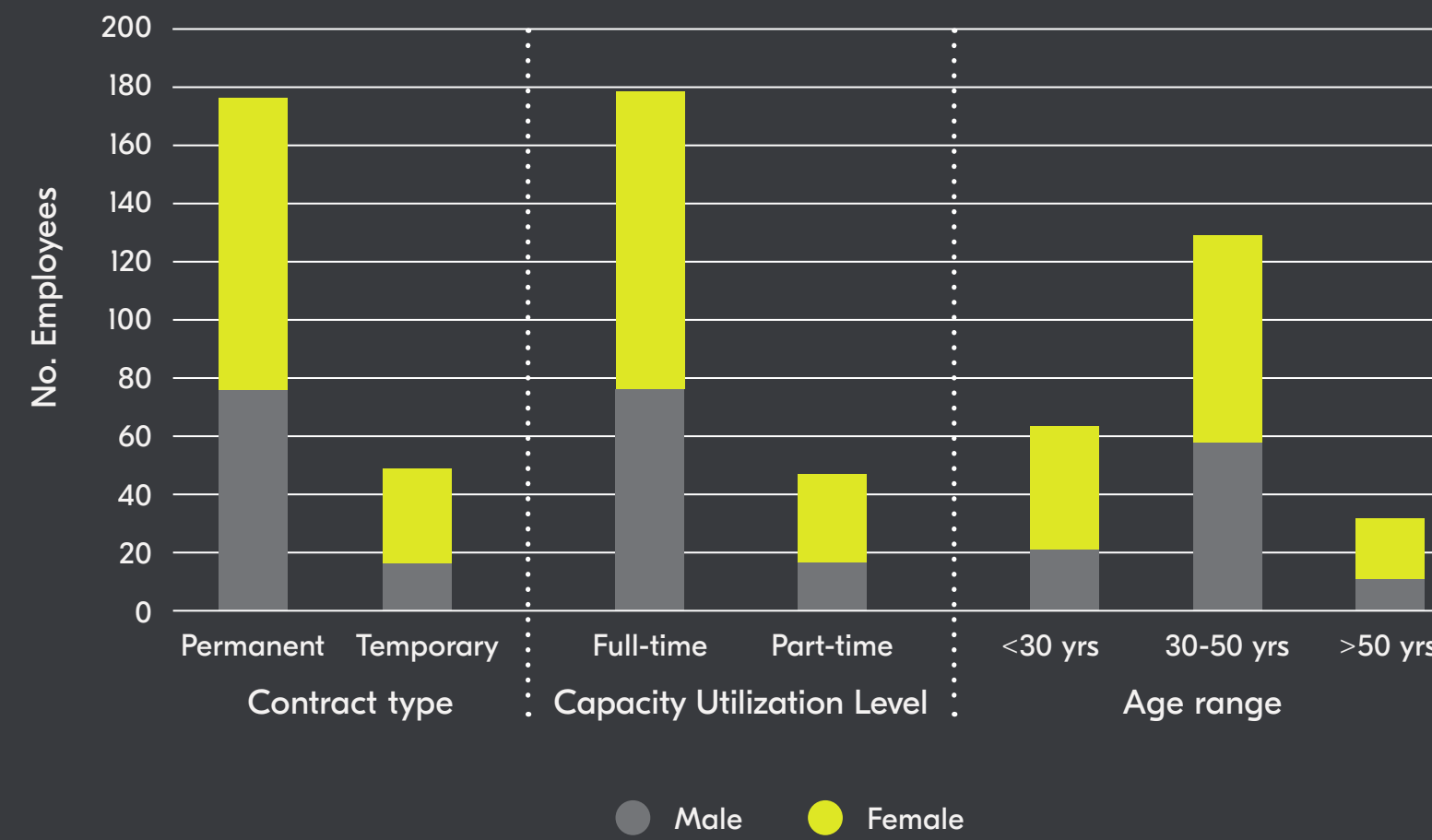
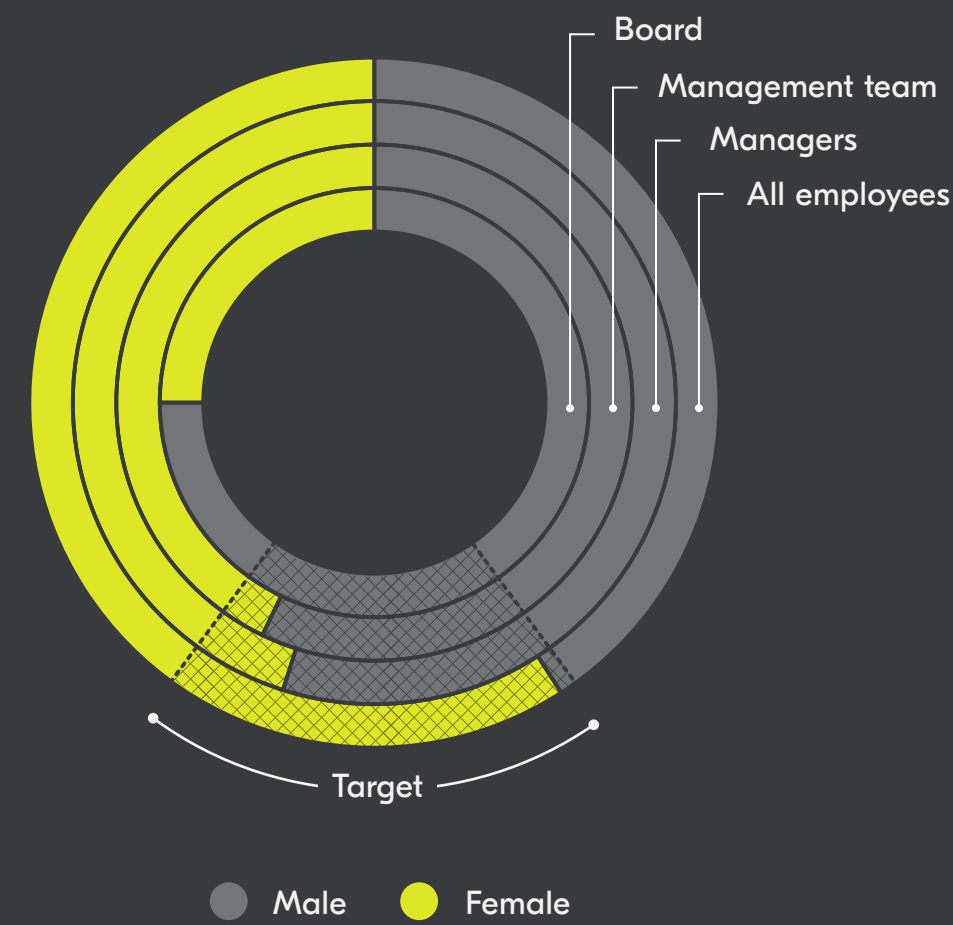
We sustained our Haglöfs Award tradition, recognizing individuals who embody our values — Curious, Genuine, and Courageous — to the fullest, or who have made a significant impact aligned with our sustainability pillars. This peer-to-peer recognition allows employees to nominate colleagues who contribute significantly, often behind the scenes, without seeking acknowledgment. In total, we received 27 nominations, and three deserving winners were awarded.

Join our team!

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



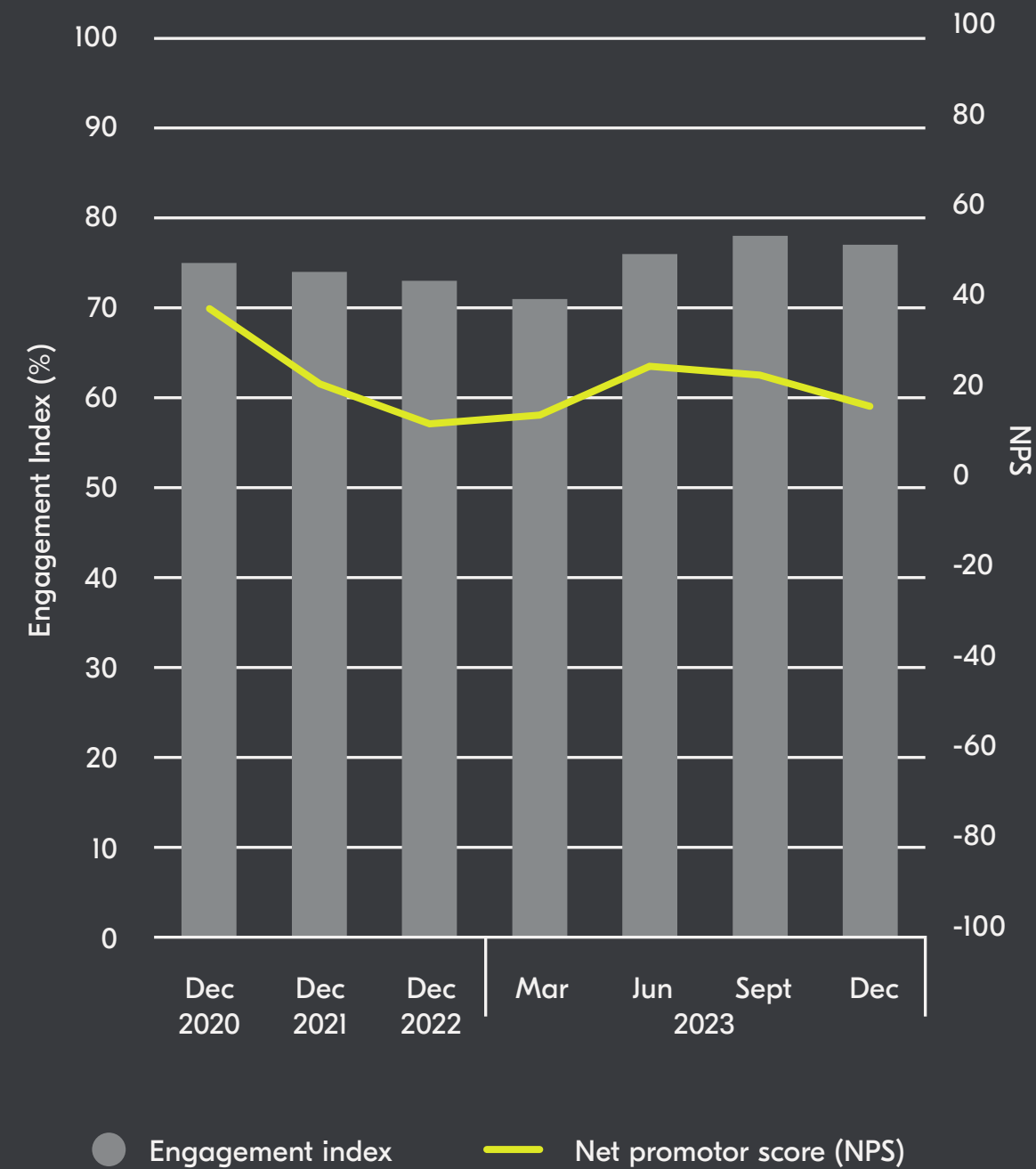
Our employees²⁴



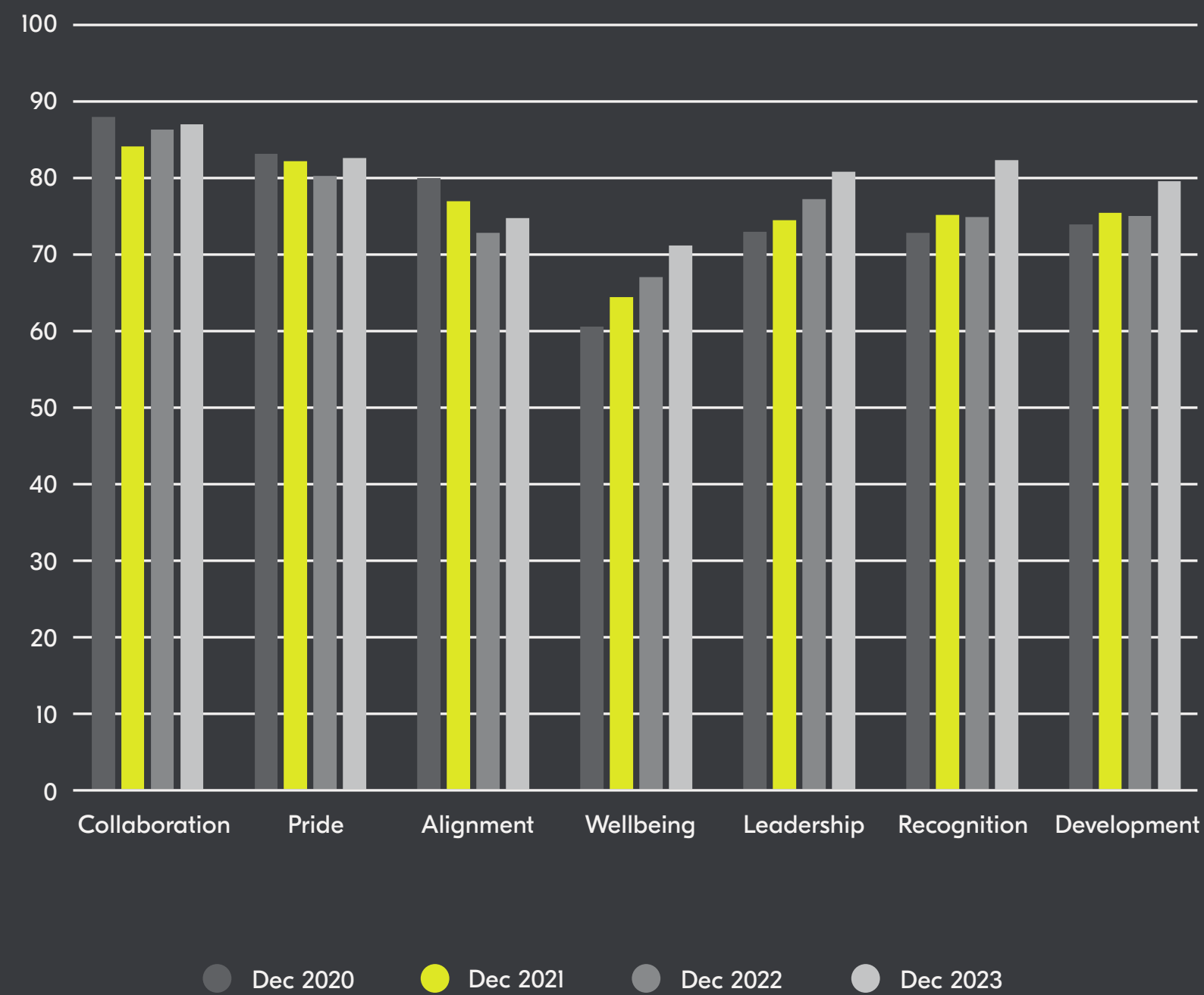
²⁴Data valid as of 31st December 2023

Employee survey results

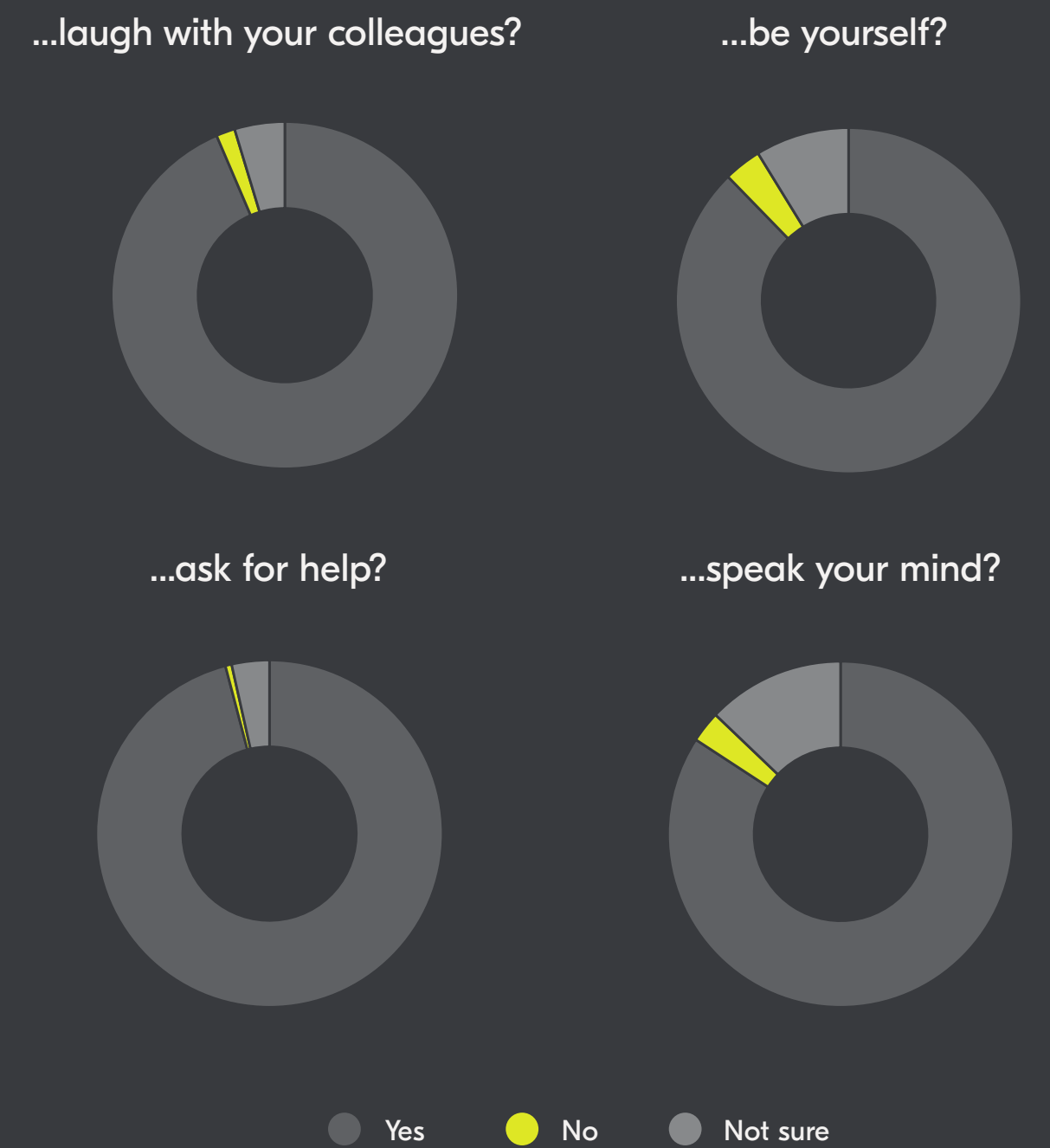
Haglöfs Pulse



Haglöfs engagement survey results by area



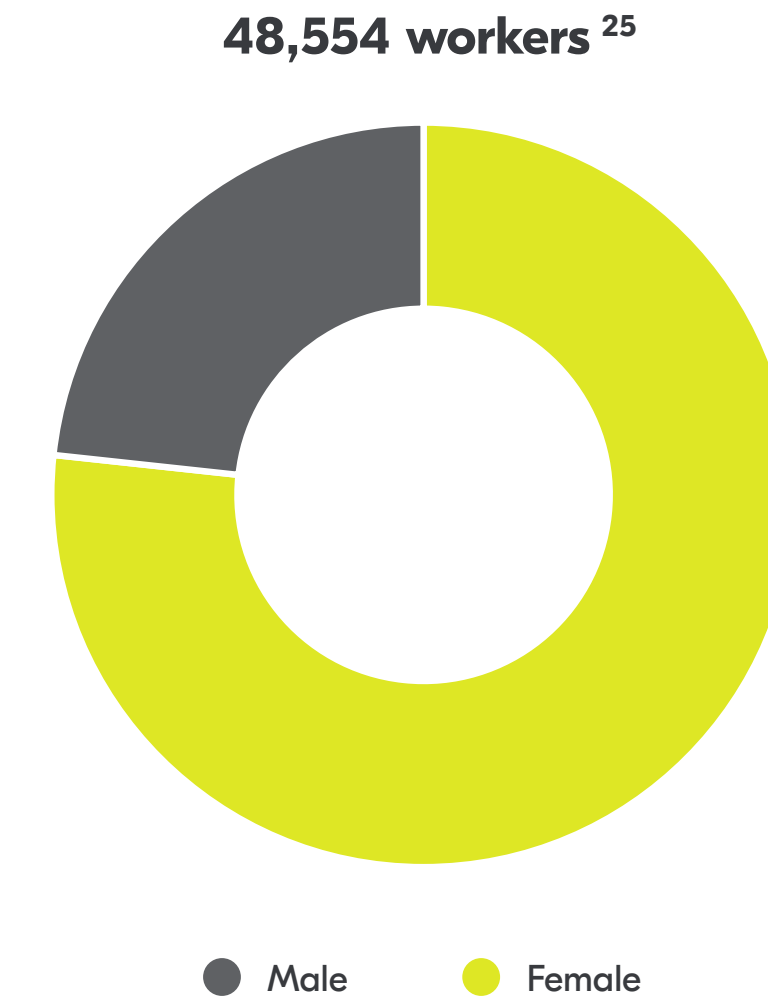
In your team today can you...



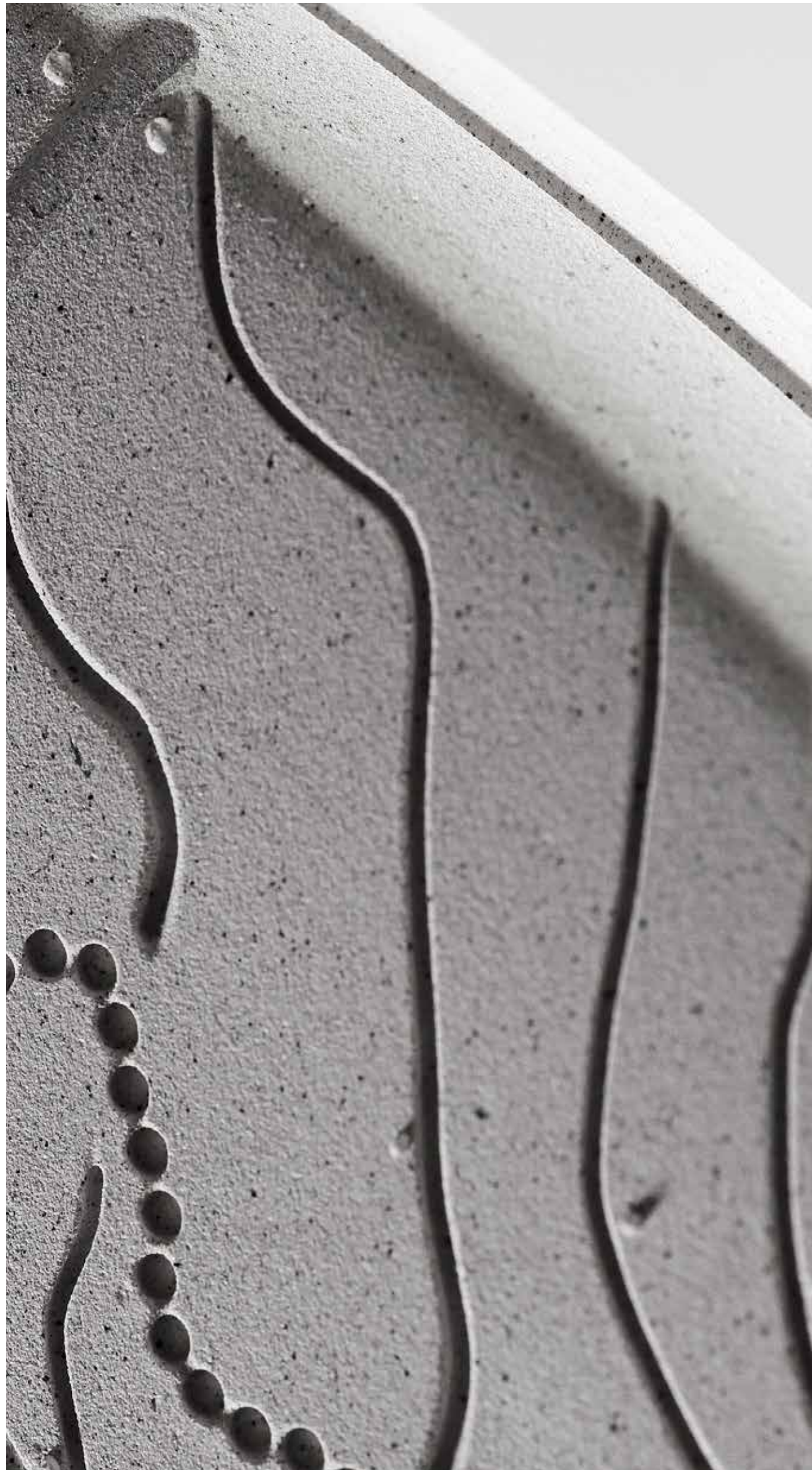
Workers

Dedicated people worldwide work to create Haglöfs products that enhance outdoor experiences. It's crucial that everyone involved, including those in our supply chain, is treated fairly.

While the textile industry offers employment and growth opportunities to millions globally, labor and human rights standards aren't consistently applied across the supply chain. To address this, we conduct thorough assessments before entering into business relationships, ensuring that factories commit to upholding our standards. We continuously monitor their compliance to guarantee fair labor practices and safe working conditions.



²⁵ Workers at clothing, footwear, and hardware manufacturing sites where Haglöfs production took place in 2023, based on the latest available audit data or supplier declaration



[Learn more](#)



Fair Wear

Fair Wear is a non-profit organization that works with brands, factories, trade unions, non-governmental organizations, and governments to improve working conditions for garment workers. Our Fair Wear membership underpins our social responsibility initiatives in our clothing, footwear, and hardware factories. Fair Wear supports brands with audits, training, a worker helpline, and local expertise in labor and human rights issues, as well as by providing a forum for member brands to collaborate within shared factories to accelerate improvements. In addition, Fair Wear provides an external verification of a brand's

performance, evaluating its processes and systems – the results of which are made publicly available on its website. In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines which raised the bar and included some new indicators. As a consequence, we were placed in the “good” category in the latest brand performance check, which is a step below the leadership category. We are committed to making the improvements needed to again become a leader in this area.

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

Risk assessment

Country risk assessment

Before establishing sourcing operations in a new country, we conduct a country risk assessment. This evaluation encompasses an analysis of various factors, including human rights such as freedom of association and the right to collective bargaining, living wages, gender equality, labor conditions, political stability, sector risks, and corruption risks. We utilize risk classifications from expert organizations, as well as indicators from non-governmental organizations and trade unions, to benchmark our assessments. These country risk assessments are reviewed annually, or more frequently if significant new information arises.



Factory assessment

In the selection of new suppliers, we evaluate their adherence to our social and environmental standards, alongside their technical proficiency, before proceeding. Approval of a new factory involves collaboration between the sourcing and sustainability teams.

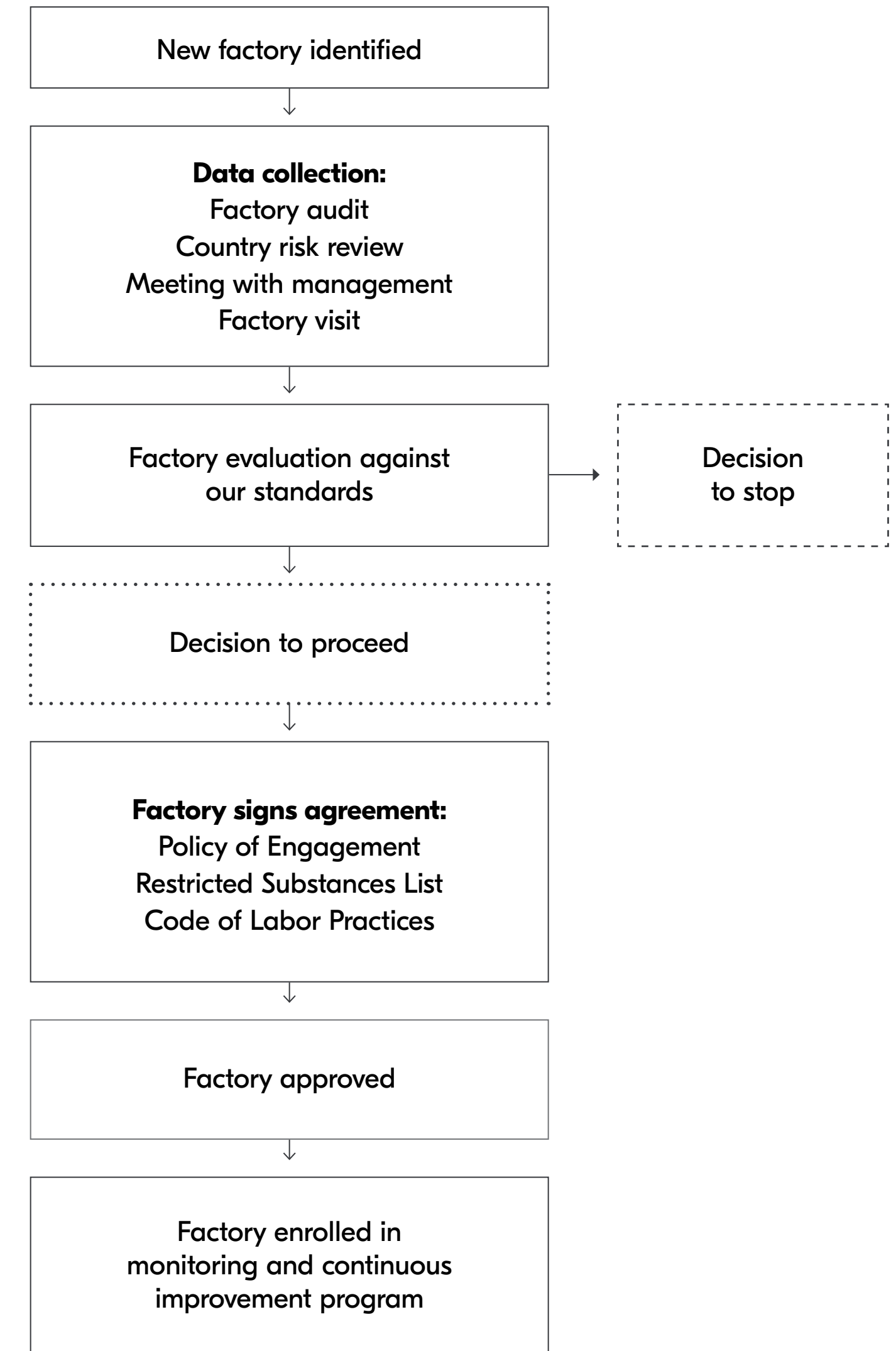
Our Policy of Engagement outlines essential criteria concerning human rights, labor standards, corruption, occupational health and safety, and environmental practices. It constitutes a crucial component of the Terms of Agreement, which is mandatory for all new suppliers to sign before production begins.

Factories are assessed based on social, environmental, and chemical management criteria, resulting in a score that is integrated into the sourcing scorecard. A score of 1 signifies

industry-leading practices, while a score of 4 denotes factories with significant or recurrent issues. These ratings serve several purposes:

- Integrating supplier performance in social compliance, and environmental responsibility into sourcing decisions.
- Enhancing supplier awareness regarding their performance relative to others.
- Facilitating internal communication.

These scores inform the extent of monitoring required and training offered, and influence order allocation and changes in the supplier base.



Monitoring and continuous improvement

Upon partnering with a new supplier, its manufacturing facilities undergo continuous monitoring and improvement cycles to ensure sustained adherence to the Code of Labor Practices.

Audits and visits

Haglöfs works with factories to fix issues found during audits via time-bound corrective and preventive action plans. In 2023, the three areas with most issues identified during audits were the same as in 2022. Safe and healthy working conditions continued to represent the area with most non-compliance issues identified, followed by issues connected to wages and freedom of association. The seasonal nature of our products means that we have two main production seasons per year, contributing to production peaks which are the main cause of excessive overtime seen at some factories. We aim to increase the

quantity of products that can be produced outside of peak seasons to relieve some of this pressure.

2023 updates:

- We opened a local sourcing office in Asia, enabling the company to be closer to production and improve service and lead times while placing higher demands on fair working conditions.
- Four of the factories we work with were audited during the year. As all clothing, footwear, and hardware factories are enrolled in an audit cycle of three years and a large share was audited in 2022, fewer audits were carried out in 2023 compared to the previous year. All audits were performed by Fair Wear at factories in Vietnam.
- We extended our audit scope to also include an embroidery and printing factory in Vietnam. This audit accounts for nearly half of all the issues identified during

audits in the year. A few of the issues identified were connected to the topic of child labor and regarded the factory lacking policies addressing child labor and juvenile workers as well as not performing alternate age verification for workers who cannot provide age records.

- As part of the audits, a total of 148 workers were interviewed. In three of the four audits, off-site worker interviews were conducted.
- The work to follow up on the issue identified in the audits in 2022 also continued in 2023, both independently and in collaboration with other Fair Wear member brands.
- There was a total of 17 visits by Haglöfs staff to nine of the factories we work with.



Haglöfs Code of Labor 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 living wage
- No excessive working hours
- Safe and healthy working conditions
- Legally-binding employment relationship

Our monitoring and improvement process

Audits

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

Why: To ensure compliance with the Code of Labor Practices in our factories and to mitigate human rights risks.

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

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

Factory training

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

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

When: Frequency of training depends on the factory rating.

Who: Fair Wear and Better Work.

Visits

What: Visits to the factory site

Why: To ensure better visibility of conditions on the ground, follow up on issues found during auditing, reinforce our standards, build strong and transparent relationships, improve communication, and monitor product quality.

When: All year round.

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

Worker helpline

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

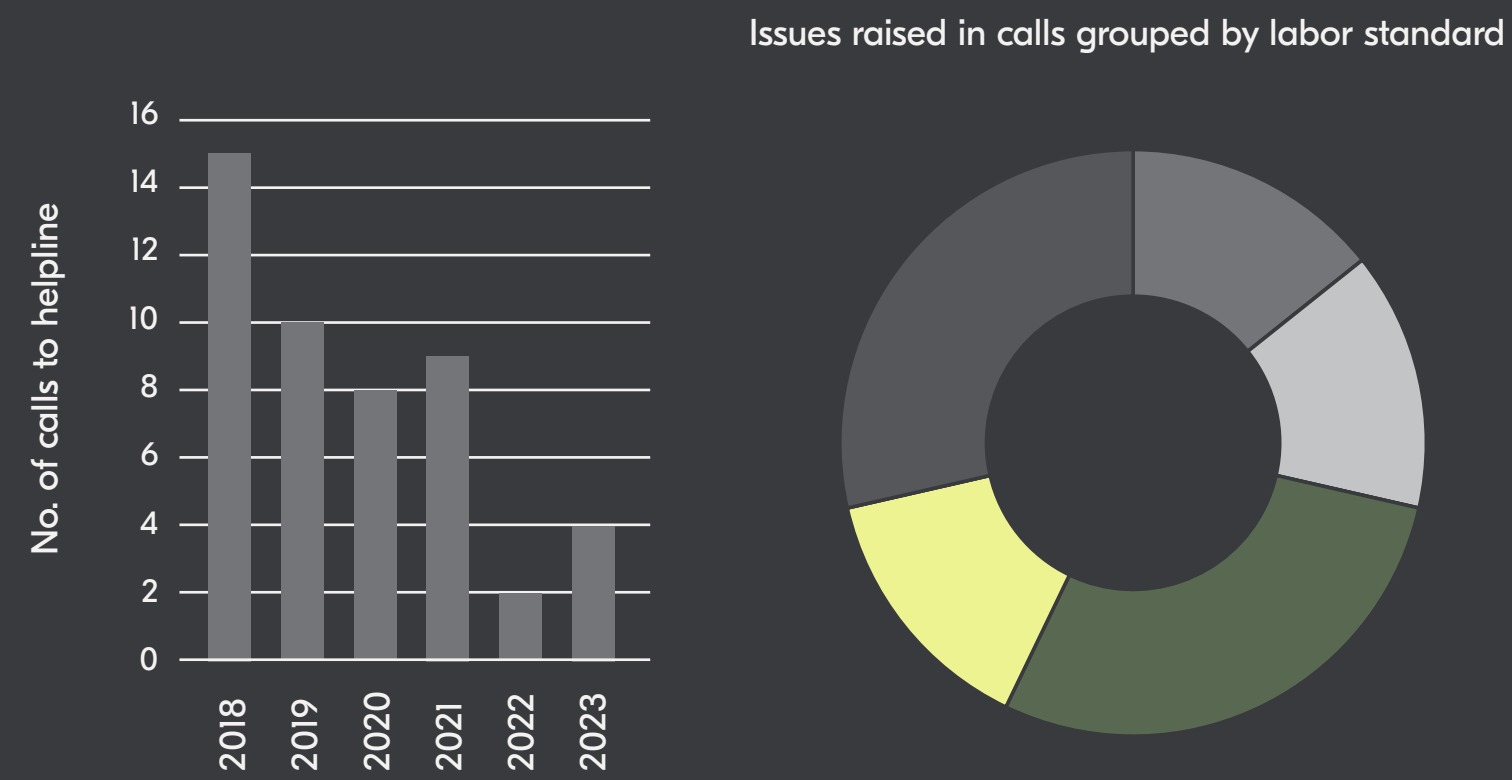
Why: Not all workers feel safe raising issues with factory management.

When: Available 365 days a year.

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

Our monitoring data²⁶

Worker helpline²⁷



1. Employment is freely chosen

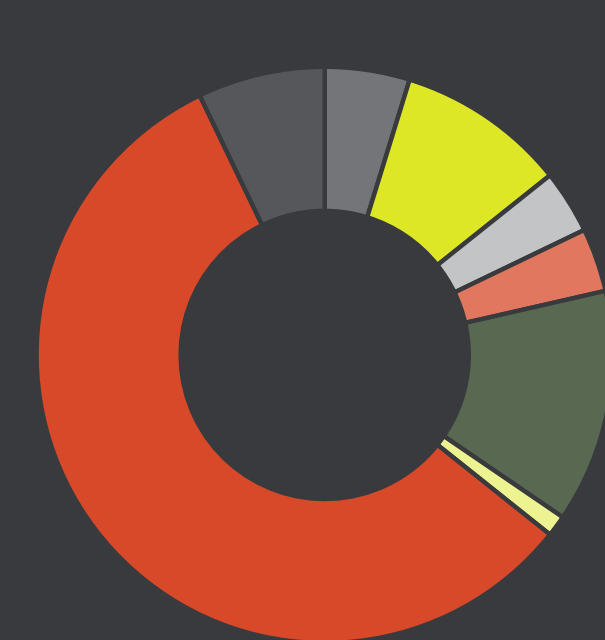
2. Freedom of association and the right to collective bargaining

5. Payment of a living wage

6. Reasonable hours of work

Audits

Issues found grouped by labor standard

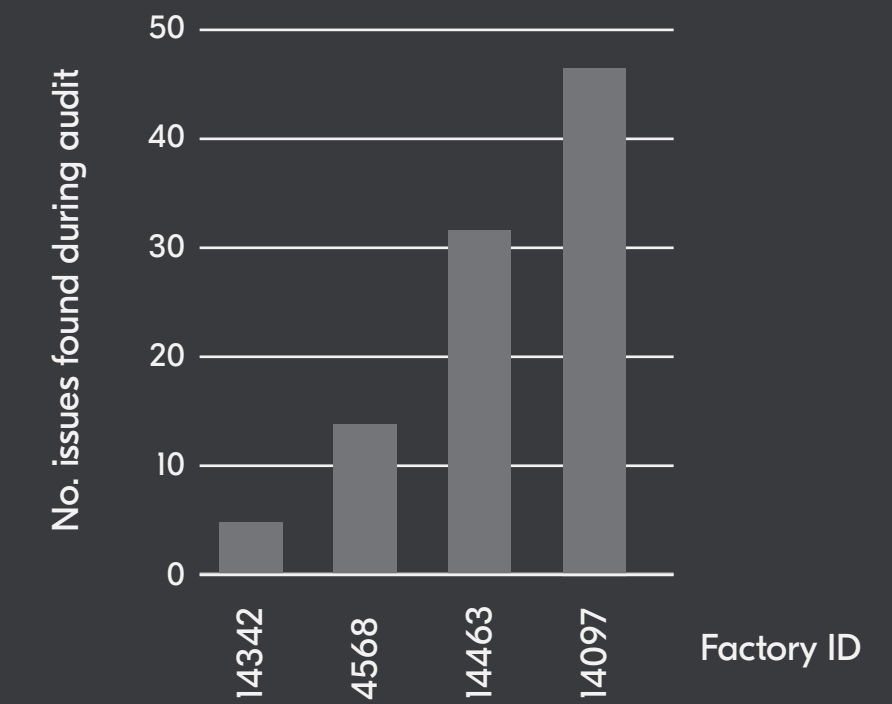


3. No discrimination in employment

4. No exploitation of child labor

7. Safe and healthy working conditions

8. Legally binding employment relationship



²⁶ Audits and complaints in clothing, footwear and hardware manufacturing sites where Haglöfs' production took place in 2023.

²⁷ One complaint can fall under more than one category of labor standard.

Training

Training sessions at the factories help workers understand their rights while ensuring they are aware of the options available to them if they should feel their rights are being violated. Training also helps support factory management in setting up the processes and systems for continuous improvement.

2023 updates:

- Three of the factories we work with held training sessions, reaching a total of 296 workers and 77 factory managers. Fair Wear led all of the training sessions and covered the topics in the Code of Labor Practices as well as internal and external grievance mechanisms.



Grievance mechanisms

In addition to providing training on workers' rights, we actively encourage factories to establish grievance mechanisms that enable workers to raise concerns with factory management safely and without fear of reprisal. The primary aim is for factories to develop their own effective systems, which should include access to union or worker representatives.

Ideally, open dialogue between workers and management facilitates the resolution of issues internally. However, there are instances where workers may not feel comfortable raising concerns internally. In such cases, we ensure that information sheets, detailing the eight labor standards, are posted in local languages in all factories we collaborate with. These sheets also include contact details for a confidential helpline hosted by Fair Wear in the local language. Workers can utilize this helpline to report any

breaches of the Code of Labor Practices if they have been unable to address the issue directly with the factory. Haglöfs then collaborates with the factory to investigate and resolve the complaint.

Comprehensive reports on complaints received from workers in the factories Haglöfs partners with are available on the [Fair Wear website](#).²⁸

2023 updates:

- Four complaints were received through the Fair Wear helpline in 2023. The complaints regarded three different factories in China and Vietnam.
- Two of the complaints received regarded delayed wages or non-payment of severance pay upon resignation. Both cases were resolved, and the workers were paid. Another complaint was about a misunderstanding

leading to a pregnant worker resigning, which was clarified, and the worker was able to return to work. The fourth complaint regarded unauthorized subcontracting, which the factory admitted to having done in the past but had stopped doing by the time the complaint was submitted.

- We will continue to monitor whether the information posters about the Fair Wear helpline remain visibly hanging in the workplaces, and work with factories to promote internal grievance mechanisms.

²⁸ With the exception of reports from China where Fair Wear is restricted in their activities due to their status as an NGO.



Long-term relationships

A stable factory base emphasizing long-term relationships fosters trust and facilitates ongoing improvements. We have maintained partnerships with over 41% of our suppliers for over five years.

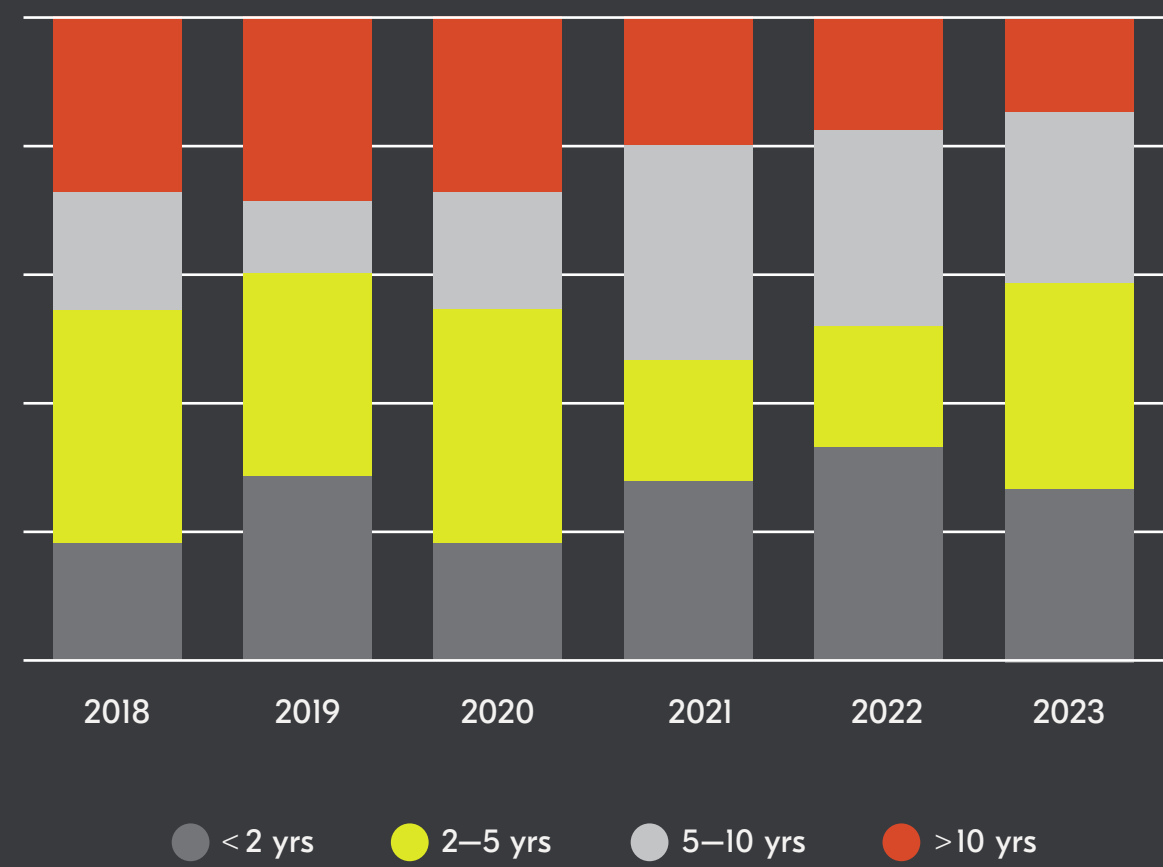
However, there are instances where relocating factories becomes necessary due to shifts in product mix, capacity, or technical capabilities; or where a factory fails to meet our standards consistently. We acknowledge the potential impacts of such transitions on workers and have established internal guidelines for managing factory exits responsibly. This includes providing factories with adequate notice to allow them to replace our orders and ensuring a smooth transition process.

2023 updates:

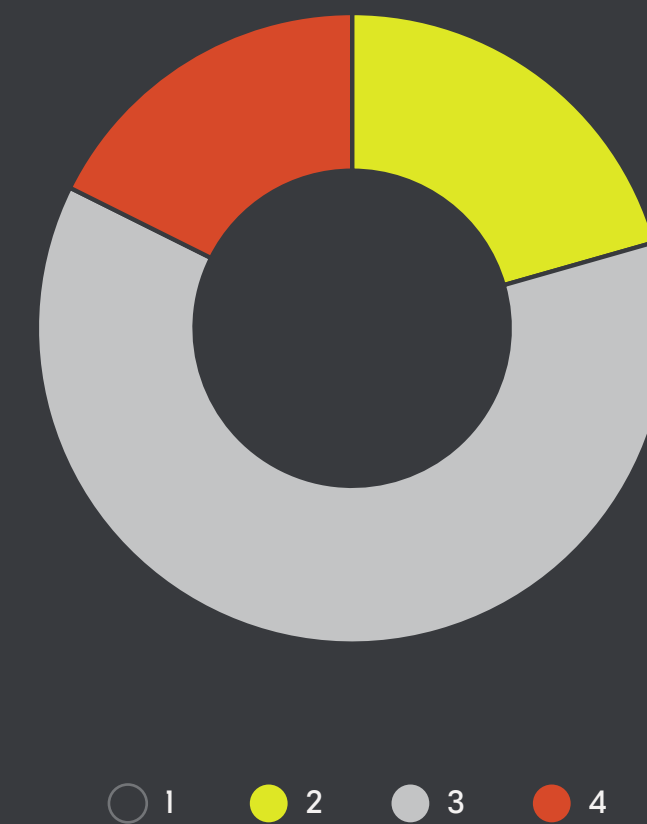
- In accordance with our Sourcing Strategy, our work to consolidate factories persisted in 2023. Fewer new factories were added, and the total number of factories was reduced overall compared to 2022. Our objective is to sustain this approach to bolster increased volumes with trusted factories, thereby strengthening long-term business relationships. This enables us to wield greater influence in effecting ongoing improvements concerning human rights and social responsibility issues within factories.

Our supply chain cont.²⁹

Length of supplier relationship



Factory split by performance rating³⁰



²⁹ Data based on clothing, footwear and hardware manufacturers (Tier 1)

³⁰ Factories are assessed based on social, environmental, and chemical management criteria, resulting in a score that is integrated into the sourcing scorecard. A score of 1 signifies industry-leading practices, while a score of 4 denotes factories with significant or recurrent issues. (Refer to Factory Assessment)

Living wages

The issue of living wages in the supply chain is multifaceted and presents several challenges. These include a lack of brand control over worker salaries, factories serving multiple brands, a lack of transparency of labor costs in product costs, disparities in defining living wages, and the absence of established methods for reliably and fairly distributing funds to workers.

The initial step towards addressing this issue is gaining a comprehensive understanding of the current wage landscape in factories. Audits conducted by Fair Wear in our factories include a thorough wage analysis, ensuring that workers receive at least the legally mandated minimum wage.

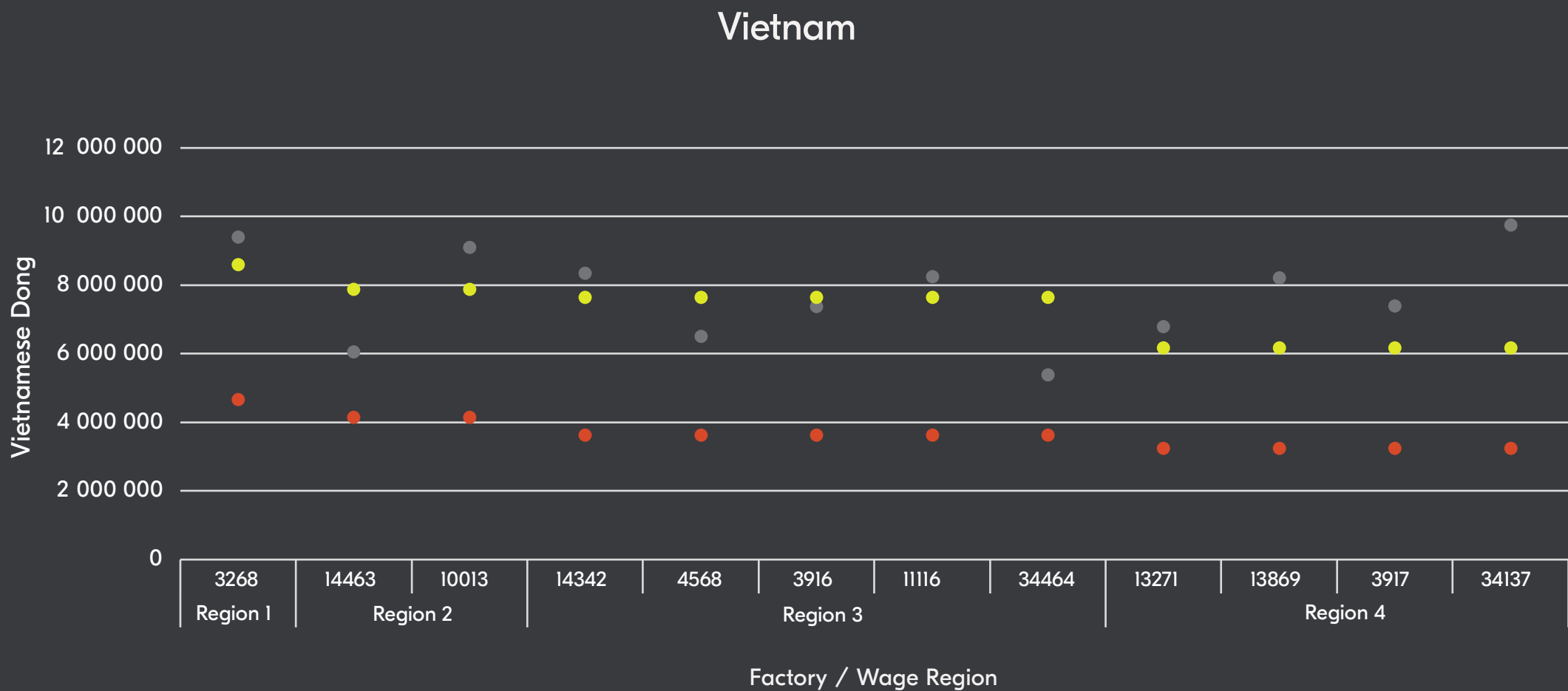
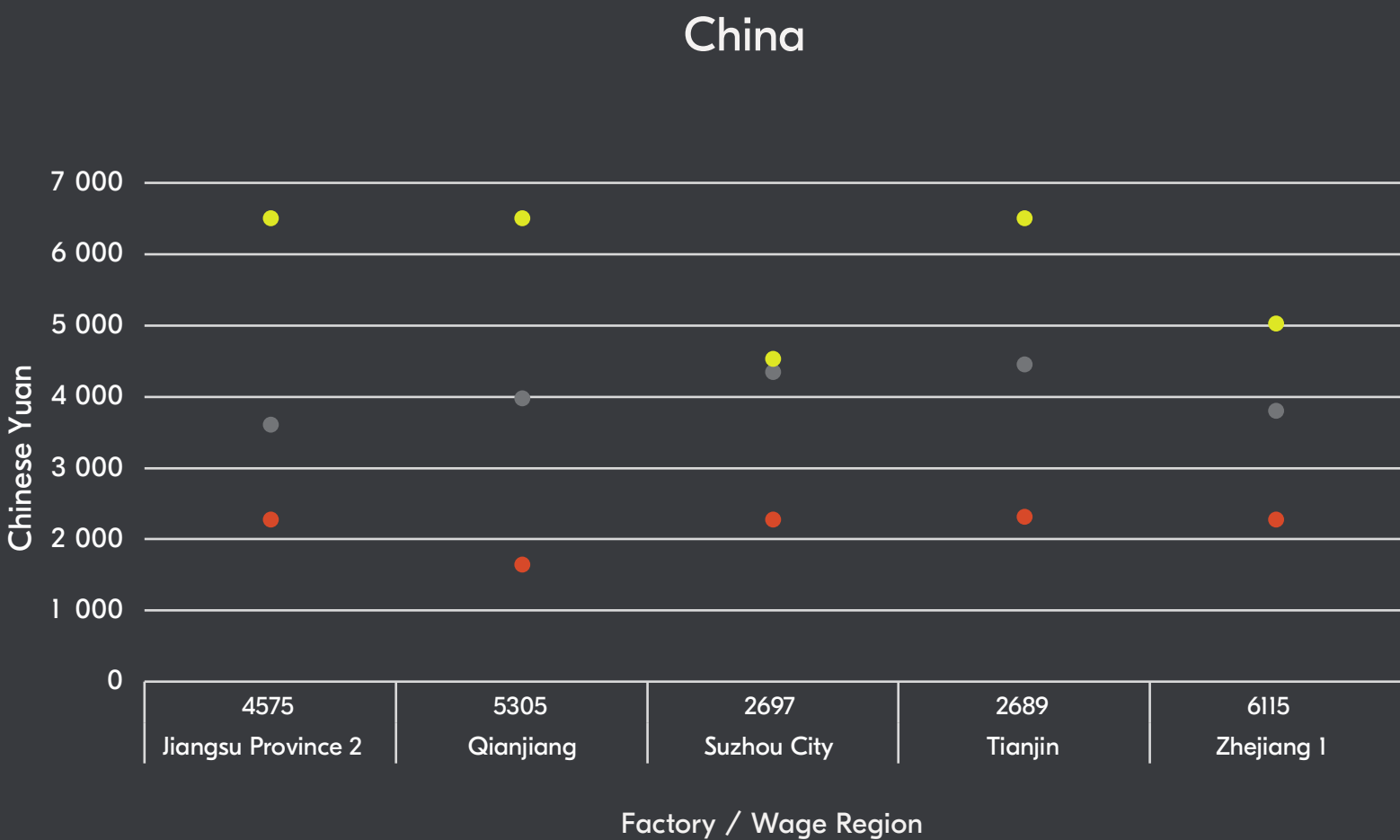
Furthermore, the wage analysis offers insights into wage levels compared to various living wage benchmarks. Our findings indicate that the vast majority of our factories pay beyond minimum wage, with some meeting one of the living wage benchmarks used.

For consistent and sustainable implementation of living wages across the industry, it is imperative to raise minimum wage standards and promote robust worker representation and negotiation capabilities. This could involve fostering collective bargaining agreements that adequately address the needs of workers. Our ongoing audits, the helpline, and factory visits play a vital role in identifying opportunities for enhancing worker representation and advocating for improvements in wage practices.

2023 updates:

- We were able to collect three additional wage datasets during the audits conducted in Vietnam, resulting in complete wage data for 17 factories in China and Vietnam. Eight of these factories pay average wages that meet one of the living wage benchmarks used.

Supply chain wage analysis³¹



● Average monthly wage ● Living wage benchmark ● Legal minimum wage

³¹ Data covers 17 factories producing over 64% of the 2023 volume. Data is gathered from the most recent Fair Wear audit report and it includes basic salary and benefits, excessive overtime wages are not included. The data is summarised as the weighted average of the mode data per position worked in a factory. The legal minimum wage benchmarks are the most recently updated regional legal minimum wages. The living wage benchmarks are based on regionally specific living wage estimates published by expert organisations including the Asia Floor Wage Alliance, Global Living Wage Coalition, and Wage Indicator Foundation.

Health and safety

In addition to labor concerns, workers at lower tiers of the supply chain, notably in facilities like textile mills or tanneries, face heightened health and safety risks. We mandate that these higher-risk facilities implement robust measures to protect workers, including in the area of chemical management. Moreover, we collaborate with reputable third-party organizations to validate conditions in these factories (refer to Factories section).





[Learn more](#)

Better Work

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

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

Consumers

Every day, we craft products to facilitate comfort and safety, regardless of the weather, enabling people to explore the great outdoors.

We're strong advocates for the positive impact the outdoors can have on physical and mental health. We firmly believe that spending time in nature not only contributes to personal well-being but also instills a deeper appreciation for the environment and the need to protect it. In 2023 we continued to prioritize engaging with our consumers through physical events, fostering connections and shared experiences.

Höga Kusten Trail:

Haglöfs proudly sponsored both the summer and winter editions of the Höga Kusten Trail, a picturesque long-distance race in the stunning Höga Kusten region of northern Sweden. A total of 1,400 participants embraced the challenge across both events.

Haglöfs Film Festival:

The Outsiders by Nature Film Festival, hosted across

multiple cities, celebrated our community of adventurers – pioneering climbers, freeskiers, and all-around adventure enthusiasts who embody the spirit of exploration. More than 1,000 consumers attended to watch the inspirational showcased films.

Basecamp Sunnmøre:

In March, we served as the main sponsor for a community ski touring event in Hjørundfjorden, Norway, set amidst the beautiful Sunnmørsalpene. The event hosted 40 guests and showcased the stunning beauty of the Norwegian wilderness.

L.I.M Ski Touring Event:

In March, we also hosted journalists and retail partners for a ski touring weekend in Lech, Austria, offering product workshops and backcountry skiing experiences.

Ride The Cow 2023:

In April, we sponsored the freeride contest Ride the Cow in Hemavan, fostering a sense of community among up-and-coming free riders in a relaxed and positive atmosphere.

Haglöfs Ski Camp:

In May, we embarked on an unforgettable skiing adventure with 60 consumers to Vassijaure, Lapland in Sweden. Nestled in the remote wilderness, participants experienced fresh powder skiing, the enchanting midnight sun, and a shared passion for the outdoors.

Bergskultur Summercamp:

Together with ambassador Matilda Söderlund, we established a female climbing community, offering 12 girls the opportunity to participate in five climbing workshops, fostering camaraderie and skill development.

Strynefestivalen:

As the main sponsor of Strynefestivalen in June, we immersed ourselves in the scenic town of Stryn, Norway, engaging with 650 participants through various outdoor activities and ski clinics with our ambassadors.

Arctic Weekend:

Arctic Weekend marked the beginning of the ski and snowboard season in Ruka, Finland, where we connected with consumers through skiing, informative clinics, and exclusive film previews.

Outdoor Chicks x Haglöfs:

These events included a hiking trip to South Tirol, where participants tested Haglöfs products and bonded over their shared love for the outdoors.

Lom Ski Festival:

In November, we sponsored the Lom Ski Festival, engaging with 150 participants through product demos, contests, and ski clinics with our ambassadors.

Conservation Land Foundation (CLF)

Over the year we extended our support to the dedicated volunteers of the CLF who actively contribute in the field to preserve and clean up outdoor spaces. Their efforts not only safeguard the environment but also serve as an inspiration for others to assume greater responsibility for public lands. Over the span of more than a decade, the CLF has effectively orchestrated and guided a national movement, uniting community-based advocates to protect, restore, and enhance the conservation of areas designated under the National Conservation Lands program in the USA.



[Learn more](#)

Avoiding greenwashing

A couple of years ago, we decisively shifted away from the use of generic and vague terms such as "sustainable," "green," "eco-friendly," and "good for the planet" when describing our products. The rationale behind this decision stems from our acknowledgment that all industrially produced clothing and gear inherently carry an environmental impact, making true sustainability an impossibility. We recognize that everything we produce has an impact.

Our approach is to instead empower consumers to make informed choices by offering maximum transparency. We focus on providing concrete information about the environmental impact of both our operations and products, as well as information about our ongoing efforts to minimize this impact. When making any claims about our

products, we ensure that they are rigorously substantiated by scientific evidence, communicate achievements over aspirations, and relate specifically to each product's environmental impact throughout its entire life cycle.

During 2023, we offered a "Washing off the Green" training to all Haglöfs employees across our markets, including the Haglöfs management team, with a high participation rate of 76%.

[Learn more](#)

Black Friday

At Haglöfs, our commitment to challenging the environmental and social consequences of excessive consumption has been steadfast for seven consecutive years. On Black Friday, widely recognized as the most intense shopping day of the year, we have taken various measures over the years, from adjusting prices and channeling profits to charities to endorsing second-hand products.

While seasonal sales have long played an integral role in the clothing industry by helping manage excess stock, recent trends have seen a shift towards frequent discounting as a sales strategy. Companies often produce discounted items specifically for events like Black Friday

with the sole aim to boost sales. The repercussions extend beyond contributing to overconsumption and environmental strain. The systematic discounting associated with Black Friday events significantly contributes to lowering production costs and worker wages throughout the entire supply chain.

On November 24, 2023, we once again stood up against the excessive consumption fueled by exaggerated discounts on Black Friday. This year, and for the third year in a row, we ceased operations wherever possible, including our brand stores, e-commerce, most outlets, and our headquarters and subsidiary offices.

“We trust that our opposing actions will, at the very least, serve to spotlight the issues associated with excessive consumption and the widespread and systematic use of substantial discounts, which are leading us in the wrong direction.”

- Fredrik Ohlsson, CEO

Appendix

Appendix 1: Index

Content index	Description	Page	Notes
General Disclosures			
Organizational profile	Name of the organization	5	
	Activities, brands, products, and services	10	
	Location of headquarters	10	
	Location of operations	10	
	Ownership and legal form	5,10	
	Markets served	10	
	Scale of the organization	10	
	Information on employees and other workers	75	
	Supply chain	9, 59, 77	
	Significant changes to the organization and its supply chain	3-4, 13-14	One new store was opened in Sweden.
	Precautionary Principle or approach	15-17	Our policies, processes and strategies described throughout use a precautionary approach aimed at going beyond minimum regulatory requirements where they relate to environmental impacts
	External initiatives	See Notes	EOG Single Use Plastics project, EOG Climate Action programme/Supply chain Decarbonisation Project (SCDP), signatories to AAFA/FLA Commitment to Responsible Recruitment, Microfibre Consortium 2030 Commitment
	Membership of associations	See notes	Scandinavian Outdoor Group (SOG), European Outdoor Group (EOG), Teko (Sveriges Textil- och Modeföretag), Fair Wear, bluesign, RISE Kemikaliegruppen, Cascale (formerly Sustainable Apparel Coalition)
Strategy	Statement from senior decision-maker.	3–4	
Ethics and integrity	Values, principles, standards, and norms of behaviour	8, 15–17	
Governance	Governance structure	13–14	

Appendix 1: Index

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General Disclosures			
Stakeholder engagement	List of stakeholder groups	21-22	
	Collective bargaining agreements	66	
	Identifying and selecting stakeholders	18-19, 21-22	
	Approach to stakeholder engagement	18-19, 21-22	
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Reporting practice	Entities included in the consolidated financial statements	5	
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	Restatements of information	28, 48, 59, 62-63	Footnotes: 4, 13, 19, 20-21
	Changes in reporting	-	
	Reporting period	5	1 January 2023 - 31 December 2023
	Date of most recent previous report	See notes	1 January 2023 - 31 December 2023
	Reporting cycle	5	Annual
	Contact point for questions regarding the report	5	sustainability@haglofs.se
	Content index	98-101	Appendix 1
	External assurance	104	Appendix 3
Economic Standards			
Anti-corruption	Communication and training about anti-corruption policies and procedures	15-17	
	Confirmed incidents of corruption and actions taken	15-17	No reports or confirmed cases of corruption
Anti-competitive Behaviour	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	No legal action brought

Appendix 1: GRI Index

Content index	Description	Page	Notes
Environmental Standards			
Materials	Materials used by weight or volume	48	
	Recycled input materials used	48, 49, 52	
Energy	Energy consumption within the organization	63	2301 MWh
Water and Effluents	Interactions with water as a shared resource	53-57	
Emissions	Direct (Scope 1) GHG emissions	45-46	
	Energy indirect (Scope 2) GHG emissions		
	Other indirect (Scope 3) GHG emissions		
	GHG emissions intensity	-	Covers S1,2 & selected S3 Emissions/product sold: 7,97 kg CO ₂ e/product sold Emissions/turnover: 12,53 ton CO ₂ e/MSEK
Supplier Environmental Assessment	New suppliers that were screened using environmental criteria	53-57	
Social Standards			
Occupational Health and Safety	Workers covered by an occupational health and safety management system	66-67, 69, 79-82, 85-86	
Training and Education	Programs for upgrading employee skills and transition assistance programs	70	
	Percentage of employees receiving regular performance and career development reviews	70	
Diversity and Equal Opportunity	Diversity of governance bodies and employees	75	
Non-discrimination	Incidents of discrimination and corrective actions taken	16, 67, 69, 76	

Appendix 1: GRI Index

Content index	Description	Page	Notes
Social Standards			
Freedom of Association and Collective Bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	15-16, 77-85	
Child Labour	Operations and suppliers at significant risk for incidents of child labour	15-16, 77-85	Child and forced labor remain a risk throughout the textile supply chain, including in our key sourcing countries. Our Terms of Agreement with suppliers include a prohibition on child and forced labour, and we monitor our Tier 1 factories for potential signs of child and forced labour and provide worker grievance mechanisms
Forced or Compulsory Labour	Operations and suppliers at significant risk for incidents of forced or compulsory labour		
Human Rights Assessment	Operations that have been subject to human rights reviews or impact assessments	79-80	All Tier 1 suppliers are screened during selection and approval process
Supplier Social Assessment	New suppliers that were screened using social criteria	79-80	All Tier 1 suppliers are screened during selection and approval process
Customer Health and Safety	Incidents of non-compliance concerning the health and safety impacts of products and services	25, 57	
Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	One data breach was reported. No substantiated complaints were received concernin breaches of customer privacy.

Appendix 2: Our material topics

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

Appendix 2: Our material topics

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

Appendix 3: Auditor statement



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Haglöfs AB, org.nr 556054-8694

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2023 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Yttrandet har lämnats den dag som framgår av vår elektroniska underskrift.

Ernst & Young AB

Oskar Wall

Auktoriserad revisor




Haglöfs