



HAGLÖFS

Haglöfs was founded in 1914. From small-scale backpack manufacturing, Haglöfs has evolved into one of the world's leading suppliers of outdoor products by means of modern product development and strategic distribution.

Haglöfs' Sustainability in 2012

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CEO'S statement

At Haglöfs, we have high sustainability goals. As we put 2012 behind us, I can say that we have largely surpassed our goals for the period 2008-2012. Where we have not made it, this has not largely been a case of our own inability, but rather a lack in some respects of sufficiently effective solutions in the market so far. This knowledge also serves as an extra incentive for working to realize our vision of Haglöfs as the leading brand in the areas of Technical Outdoor and Sustainability by means of dialogue and consultation with our suppliers and manufacturers. We are now stepping up and increasing our ambitions in all our focus areas, even where this requires extra effort.

In simple terms, sustainability is about taking responsibility. It means being aware that your actions affect people, society and the environment. Haglöfs became an affiliate of Fair Wear Foundation (FWF) in 2012. Our membership of FWF and bluesign® is a guarantee of our responsibility throughout the supply chain, both in the material phase and in production.

Haglöfs has reached a point where sustainability is no longer a parameter to take into account – instead, it is at the heart of everything we do. It is also an area about which Haglöfs' employees are passionate. One good example is Haglöfs' second-hand concept Swapstories, which was launched in fall 2012. The concept, which was the brainchild of two employees on training at the Sustainable Fashion Academy, combines use of a pre-owned Haglöfs product and donations to charity. When activities generate this kind of idea, I feel that we have come a long way in achieving our vision. You can read more about other initiatives and our sustainability efforts on the following pages.

I hope you find the report interesting.
Nicolas Warchalowski, CEO.



About Haglöfs

Haglöfs develops clothing, footwear and equipment for people who invest in an active outdoor lifestyle. The range is characterized by functional design, highly technical materials, advanced construction, high usability, good fit, light weight, durability and long life.

The Haglöfs brand is primarily marketed to about 20 markets in Europe and Asia. Products are distributed through carefully selected sales channels comprising outdoor specialists and sports retailers.

Since 2010, Haglöfs has been owned by the Japanese company ASICS, which is one of the world's largest sporting goods companies.





"A product's material is essentially the whole product. If you can make it more environmentally friendly, you have gained a lot, and when we go in search of materials – as we do non-stop – we aim to find environmental alternatives."

Fredrik Lundberg,
Strategic Design Manager

Haglöfs' sustainability work

Awareness and responsibility are long-established watchwords for Haglöfs. Issues such as the environment, labor and human rights have been there as parameters throughout the years of the Company's modern development. Haglöfs was quick to acknowledge that, like many other companies, its operations have an effect on the surroundings – both positive and negative.

Four years ago, in 2008, Haglöfs made a strategic decision to integrate sustainability into its business development. The decision was based on two objectives working in tandem. These were to ensure long-term profitable growth and at the same time to contribute towards a sustainable society. Since then, Haglöfs' business concept and vision have contained a clear definition of the Company's position on sustainability issues. In order to raise the issues at a strategic level, a Director of Sustainability was appointed with overall responsibility for sustainability issues, both internally and externally.

Haglöfs formulated a number of sustainability targets for the period 2008–2012. The final outcome of these targets is reported in the sustainability report for the year. However, the work does not stop there. Haglöfs has defined new even more vigorous targets to be achieved by 2015.

WORKING IN A SUSTAINABLE WAY

For Haglöfs, there is a clear and obvious interplay between environment, ethics and economy. The Company is convinced that working in a sustainable way and pursuing responsible operations is conducive to long-term success. It is also natural for Haglöfs to focus on sustainability, as its outdoor business is dependent on an unspoiled, living natural environment and healthy people. The Haglöfs Board has adopted the Company's sustainability policy. This includes a number of values which are a natural part of the business – from concept to finished product.

Haglöfs' sustainability is an ongoing process that is fully integrated into the day-to-day work, with the Company's employees constantly looking for opportunities to create improvements. Responsibility is largely delegated and decisions on sustainability issues are made far along the line. To provide employees with additional tools, Haglöfs allows its designers, buyers, materials managers and other staff to undergo training in sustainability issues, including that arranged by the Sustainable Fashion Academy.

Part of Haglöfs' defined position is to develop high-quality products that provide a long use. To ensure that the products are used and maintained in an effective way, Haglöfs trains its dealers regularly in everything from basic product properties to how to care for and wash different types of products which they can then pass on to the end consumer. In 2012, Haglöfs also created opportunities to extend the life of products through its Swap-stories second-hand concept.

STRUCTURED WORK

Haglöfs' sustainability work focuses on the entire supply chain. In the concept phase, the Company focuses on finding environmental alternatives in the development of each new product. With clear goals, membership of bluesign® and an aim to use recycled and recyclable materials as far as possible, the work is well structured. In the production phase, the focus is on ensuring that the Company's manufacturers conduct ethically sustainable operations. This work has been given a further dimension with Haglöfs' membership of Fair Wear Foundation in 2012.

In early 2013, Haglöfs has created a new organization, which aims to link suppliers and producers even more closely to the Company. Closer cooperation, and, in some cases, consolidation in the area of suppliers will give Haglöfs an even better opportunity to influence the supply chain from a sustainability perspective.

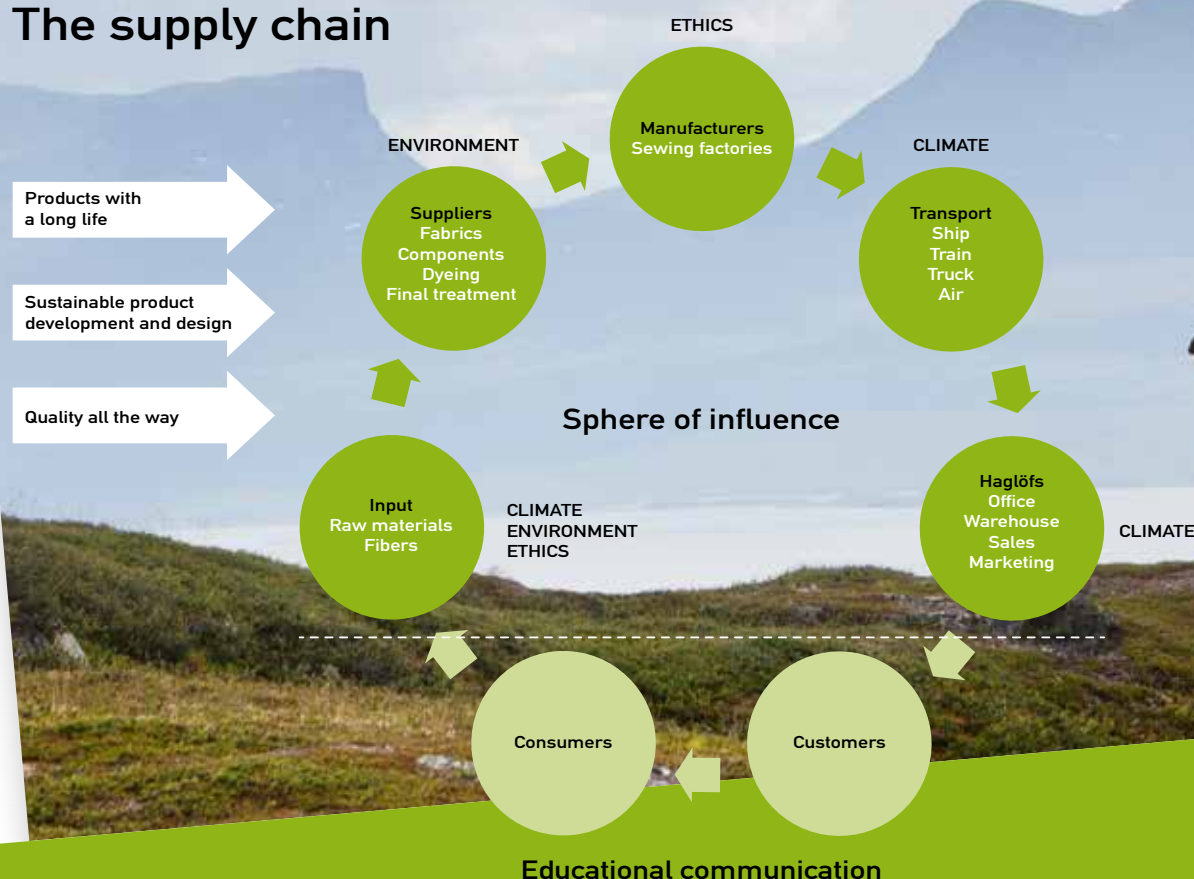
**Take
care**

Haglöfs markets its sustainability work under the Take care concept. The concept symbolizes the Company's responsibility and summarizes all aspects of Haglöfs' operations in a combination of high and low, large and small. In addition to the work associated with Haglöfs' products, continuous efforts include reducing energy consumption and greenhouse gas emissions, guidelines for business travel and company cars, selection of conference and meeting locations where the premises and accommodation have an ecological profile, recycling programs and the provision of ecological fruit and fair trade coffee at all offices.

Significant events in 2012

- Haglöfs joins Fair Wear Foundation.
- Haglöfs produces a final report on previous sustainability targets and formulates new ones.
- Haglöfs decides to phase out all antibacterial agents by spring 2014.
- Haglöfs establishes a seasonal warehousing solution for the markets in Asia, which reduces CO₂ emissions associated with transportation.
- Haglöfs tightens up its RSL (restricted substance list) requirements which all materials suppliers must follow.
- Haglöfs launches Swapstories – a second-hand concept for Haglöfs products.

The supply chain



Haglöfs' sustainability targets

TARGETS 2008-2012	STATUS IN 2012	TARGETS 2015
30% of all products sold in the Clothing business area to be made of recycled materials.	30%	50% of all products sold in the Clothing business area to be made of recycled materials.
30% of all products sold in the Clothing business area to be made of bluesign®-approved materials.	33%	80% of all products sold in the Clothing business area to be made of bluesign®-approved materials.
15% of all backpacks sold to be made of recycled materials.	17%	50% of all products sold in the Hardware business area to be made of bluesign®-approved and/or recycled materials. ⁽¹⁾
50% reduction in greenhouse gas emissions per SEK million sales compared with 2008.	Reduced by 26%	70% reduction in greenhouse gas emissions per SEK million sales compared with 2008.
		40% of all products sold in the Footwear business area to be made of recycled materials. ⁽¹⁾

⁽¹⁾ Reformulated target.

Economic sustainability

The Haglöfs business concept is to offer a responsible brand which meets modern day demands for products with a high level of functionality, good design and value for money to those who invest in an active outdoor lifestyle. The vision is to position the brand as a leader in the areas of Technical Outdoor and Sustainability in all of the important global markets. To achieve this vision, the business must also be economically sustainable. Haglöfs' objective to strive for long-term profitable growth forms the basis of sustainable business and a successful sustainability program.

It is Haglöfs' conviction that responsible business operations are a prerequisite for long-term, successful business. There is also a clear and obvious link between economic, social and environmental sustainability. A good example is Haglöfs' new seasonal warehousing solution in Hong Kong, which reduces CO₂ emissions associated with transport, provides a faster time-to-market and also brings cost savings.

In order to increase its internal expertise, Haglöfs also invests in sustainability measures such as putting many of its employees through the Sustainable Fashion Academy's training programs.

EXPANSIONARY PHASE – NEW CHALLENGES – NEW OPPORTUNITIES

Haglöfs' global expansion places increased demands on all aspects of the business, but in particular on sustainability efforts. Profitable growth is a prerequisite for financing organic growth. As the Company and number of employees grow, it becomes increasingly important to focus on aspects such as the social working environment – especially considering that most of the expansion is into new markets far away from the Swedish origins. The expansion also brings an increased number of business trips by air, which adversely affects Haglöfs' environmental impact.

Haglöfs' new retail strategy, with its own stores and an expansion of the Company's shop-in-shop concept, presents similar challenges, but at the same time brings an increased opportunity to communicate key sustainability aspects, such as information for the end consumer on how best to care for and maintain the equipment.

bluesign®

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

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

As a member of bluesign®, Haglöfs is committed to progressively and continuously increasing the use of bluesign®-approved fabrics in order to ensure we develop products with a minimal environmental impact. 33 percent of all products sold in the Clothing business area in 2012 were bluesign® products.

Haglöfs' stakeholders

Like other companies, Haglöfs has a large number of stakeholders. The ones with which Haglöfs has most contact outside the organization are found in the Company's supply chain. Other stakeholders include the state and municipalities, government agencies and different interest groups. Haglöfs has daily contact with many of its stakeholders, while meetings with others take place less frequently. However, there are few occasions where some form of the sustainability issue does not enter into the dialogue and cooperation.

Haglöfs is involved in several research and development projects. In 2012, Haglöfs and six other outdoor companies participated in the Fair Wear Foundation European Outdoor Group Living Wage Study. The project aims to illustrate the living wage, its implications with regard to the earnings capacity at a factory and its effect on consumer prices. During the project, Haglöfs and two manufacturers shared information from their accounts with each other and discussed various aspects of this area.

Haglöfs is also involved in a research project, led by Organo-Click, aimed at finding alternatives to fluorocarbons as an impregnation agent.

As a result of its sustainability efforts, Haglöfs has become increasingly in demand in various sustainability-related dialogues. Below is a list of current projects and dialogues.

- The Swedish Textile Water Initiative.
- The Swedish Shoe Environmental Initiative.
- The Chemicals Agency textiles dialogues.
- The Swedish Chemical Group.
- Sustainable Fashion Academy Steering Group.
- The FWF-EOG Living Wage Study.
- The EOG-European Outdoor Conservation Association.



Barrier Pro II Belay.

bluesign®-approved jacket with 100% post-consumer recycled polyester as insulation.

Haglöfs and the environment

It is Haglöfs' goal to minimize each product's negative environmental impact. Environmental impacts are a general problem in textile production. This is why Haglöfs has decided, in addition to developing high-quality products with a long life and maintaining a sustainable production process, to use materials that are produced with minimal environmental impact.

Haglöfs works on environmental issues in several dimensions. In 2008, Haglöfs became a member of bluesign®, an international industry standard which imposes the toughest requirements in the textile industry, with a focus on health, safety and the environment. At present, Haglöfs does not cover all its needs with bluesign®-approved materials. Through bluesign®, Haglöfs is trying to get its suppliers to improve their material production and be able to deliver bluesign®-approved materials for Haglöfs to use in its production. One example is Haglöfs' zippers. In future collections, they will be bluesign®-approved – a direct result of pressure initiated in 2009.

To become a new Haglöfs supplier today, it is a requirement that the company concerned become a member of bluesign® in the immediate future. For existing suppliers who have not yet taken that step, Haglöfs imposes far-reaching requirements. These include signing the Haglöfs terms of agreement, which require suppliers to have a clearly defined approach to liability issues and follow Haglöfs' restricted substance list (RSL). In 2012, Haglöfs tightened up its terms of agreement even more and now requires all materials suppliers to follow the RSL used by bluesign®.

It is also Haglöfs' aim to increase the proportion of recycled materials in products. Several of the Company's product series are made mainly of recycled polyester, and many of the materials Haglöfs uses are fully recyclable.

THINKING OUTSIDE THE BOX

In many cases, the use of chemicals is a prerequisite for creating functional materials that are waterproof or water repellent and at the same time breathable – qualities which end consumers demand. However, this does not prevent Haglöfs from constantly questioning its approach and trying a different one. Haglöfs has decided to provide a number of product lines that do not need to be completely waterproof with a DWR (durable water repellent) finish which is free of fluorocarbons.

During 2012, Haglöfs made a strategic decision to phase out all antibacterial agents by spring 2014 and replace them instead with an anti-odor agent that is not harmful to the environment. Other projects in progress include studies to find an organically tanned leather that meets Haglöfs' requirements and efforts to develop shoes with soles that have a reduced environmental impact.

SUSTAINABLE COLLABORATION

For winter 2013, Haglöfs is launching a new generation of warm garments with different types of insulation. Even back in the concept stage, Haglöfs decided that the entire collection would be bluesign®-approved. This applies to the outer material and the insulation, whether it be down or synthetic. In connection with the development work, Haglöfs initiated a strategic collaboration with HK Non-Woven. The company is a world leader in fiber and insulation technology and, since its establishment in 1969, has operated with a production process that is free from harmful chemicals, a closed production system to minimize waste, water recycling and full traceability of the base material.

Together, the two companies have presented the new



Eva Mullins,
Material Manager

"Development in recycled insulation materials has been rapid. When we started to look at the market in 2008, we found very little. Now, five years later, we have reached a point where it is becoming cheaper to use recycled fiber."



insulating synthetic material Quad Fusion™, which is bluesign®-approved and consists of recycled/recyclable polyester. Quad Fusion™ will be available in three grades, two of which will be launched in 2013. Quad Fusion+™, which is level two, is 100 percent post-consumer recycled, which means that the raw material has been out at the consumer level and has returned. This is recycling in its truest sense.

For shell garments with down insulation, Haglöfs already has a long-term collaboration with a supplier offering bluesign®-approved goose down. The down is also completely traceable for the consumer by means of an individual ID number on each garment. All the garments are also equipped with a durable outer fabric in Pertex® Quantum or Pertex® Classic Eco – both bluesign®-approved, with the latter made of 100 percent recycled polyester.



HAGLÖFS
RECYCLED

HAGLÖFS RECYCLED

Haglöfs uses recycled polyester and polyamide. To qualify for the "Haglöfs Recycled" symbol, more than 50 percent of the material must be recycled.

Haglöfs and ethics

Haglöfs does not have its own factories. All production takes place at the facilities of external producers. Considering the position of production in the supply chain, the direct environmental impact is relatively low. Haglöfs focuses on issues such as working environment, human rights and prohibition of child labor.

It is important for Haglöfs to have manufacturers that take responsibility. To produce items for Haglöfs, manufacturers must have documented aims with regard to labor conditions in their factories. Haglöfs previously imposed requirements in a code of conduct that all manufacturers had to follow. Haglöfs checked compliance with the code through various forms of visits to the factory.

Labor conditions are generally very good at the factories Haglöfs uses. Haglöfs' products are advanced and, as such,

require highly skilled personnel during their production. This requires the provision of good labor conditions and good pay.

Haglöfs works closely with its manufacturers, more than 60 percent of whom have been partners of the Company for over five years. Buyers, product developers and designers at Haglöfs also make regular visits to manufacturers. But everything is open to improvement.

HAGLÖFS JOINS FAIR WEAR FOUNDATION

Haglöfs became an affiliate member of Fair Wear Foundation (FWF) in May 2012. FWF is an international initiative for independent control, with the aim of improving labor conditions and wages for garment workers worldwide. Through the Company's membership, Haglöfs' manufacturers are now bound by FWF's Code of Labor Practices, which is even more extensive than Haglöfs' previous code.

When Haglöfs purchases new production, preference is given to manufacturers who are approved by FWF. As a direct result of its work with FWF, Haglöfs has taken an active decision to exclude certain countries from its production.

In 2012, 55 percent of Haglöfs' production was controlled in the framework of FWF, which is well above the requirement for new member companies. The remaining 45 percent is still controlled in accordance with the previous requirements.



"For many people, Haglöfs' products allow their dreams to come true, whether we are talking about learning to ski or climbing the world's highest mountain. With Swapstories, these dreams can be shared with others – a bit like sitting round a campfire and telling old stories."



Swapstories – new life for old products

When Haglöfs launched its secondhand-concept Swapstories in September 2012, this was both the beginning and end of a journey. It was the beginning of a journey that writes a new chapter in Haglöfs' sustainability efforts, but above all it was the end of a journey symbolizing that dreams can come true. And it all started with a canceled shopping trip.

Since the Sustainable Fashion Academy was established in 2008, Haglöfs has provided a number of its employees with training there each year. The training covers many areas and aspects of the garment industry and addresses issues ranging from how to calculate the environmental impact of a single product to how to market sustainable products to consumers. Helena Emanuelsson and Jacob von Matern were part of the second training batch from Haglöfs.

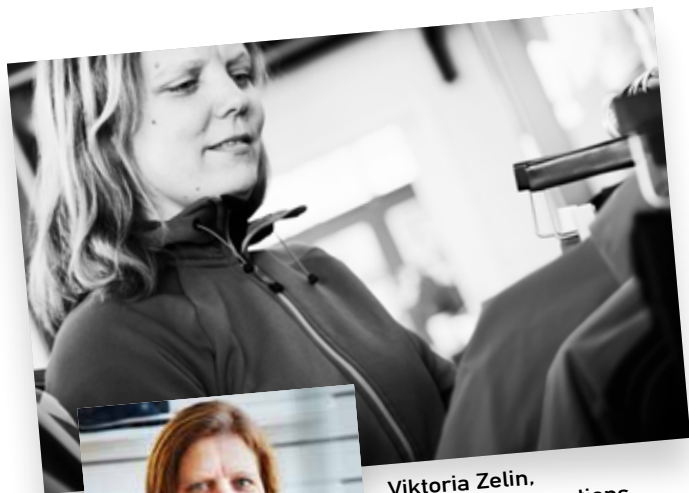
Helena works as a product developer in the Clothing business area and Jacob works in design and development in Hardware.

Jacob von Matern,
Designer Hardware



Helena Emanuelsson,
Buyer Clothing





Viktoria Zelin.
Sourcing & Operations
Manager



“FWF gives us, and other brands, increased opportunities to guarantee proper labor conditions at our manufacturers’ factories. This is also an advantage for them, as they no longer need to be controlled by each individual company.”

The down in Haglöfs’ products

Haglöfs uses goose and duck down to insulate some of its jackets and sleeping bags. Haglöfs down supplier is a bluesign® system partner and has signed Haglöfs code of conduct, which clearly states that the down used in Haglöfs’ products must be a by-product of food production and not plucked from live birds.

Haglöfs has written assurances from the supplier that is the case, and personnel from Haglöfs have visited the supplier’s facilities.

Haglöfs and its supplier have set up a system for tracking the origin of the down. Haglöfs’ provides each of its down garments with a unique ID number. The system, whereby the down can be tracked right back to the food slaughterhouse, enables Haglöfs to guarantee the origin of the down.

At Haglöfs, both of them worked on sustainability issues as part of their day-to-day duties. This included finding recycled materials and bluesign®-approved fabrics and engaging in dialogue on issues such as manufacturers’ labor conditions. The training gave them an insight into how others in the clothing industry address these issues and what challenges the textile industry faces. Even on the very first day they had something to think about.

“I was going to take the opportunity to do a bit of shopping in Stockholm after the first training day, but after listening to the talks, I was not particularly keen to drive up consumption,” says Helena.

“Enormous resources are consumed in the textile industry. There is an immense amount of things to do – but also many opportunities, which makes it exciting. We both felt that there must be a better way of giving products a longer life,” adds Jacob.

FROM THEORY TO REALITY

As part of the training, each company’s trainees were expected to do a final project. During a lecture on the lifecycle of a product, Helen and Jacob began to discuss the idea that recycling is good, but reusing a product is even better. This made them realize that every product carries its own story – a story that could be shared with others. An idea began to take shape; an idea that would become Swapstories.

At an early stage, Helena and Jacob had quite a clear picture of what the flow would look like and how everything would work. They both felt that this was so good that they wanted to implement it in real life – not just as a theoretical project assignment. Following their presentation of the idea to Haglöfs CEO Nicolas Warchalowski, Helen and Jacob were given the green light and in January 2012, they held their first meeting with the project group, which consisted of 10 of their Haglöfs colleagues.

THE DREAM OF MAKING A REAL DIFFERENCE

The idea behind Swapstories is that the consumer brings in a used product to the Haglöfs Brand Store in Stockholm and also writes a short account of what the product has been through –

from first trip to big expedition. The account is then available on the Haglöfs website and on Facebook. Consumers then receive a 20 percent discount on a new item in the store in return for their contribution. The staff at the Haglöfs store put a price on the pre-owned product, provide it with a Swapstories label and hang it in a special section of the store. The proceeds from selling the products are then donated to one of two charities which the new owner is allowed to choose between.

“At an early stage, we decided that we wanted to combine our idea of second-hand products and their stories with the idea of donations to charity. Our project team was also in agreement that all the money should go to two projects with which we already had a connection – Vi Agroforestry and the Åredalen project,” says Jacob.

Swapstories was launched in Stockholm on September 18 and even at the inauguration owners were swapping their products. Since its inception, the project has donated an average of SEK 10,000 per month to charity.

“Swapstories fits in well with Haglöfs’ core values, our aspirations and our commitment to sustainability, and is a very good way of giving new life to old items,” conclude Helena and Jacob.



Fair Wear Foundation

Fair Wear Foundation (FWF) is an international initiative for independent control, with the aim of improving labor conditions for garment workers worldwide. FWF is organized as a non-profit organization with about 80 member companies that manufacture clothing and other sewn products and take responsibility for their supply chain.

Haglöfs was the first Swedish outdoor brand to become an affiliate of FWF, joining in May 2012. The application process included a review of Haglöfs based on a management audit, which involved an evaluation by FWF of Haglöfs' work in the area of ethics and social responsibility prior to the application.

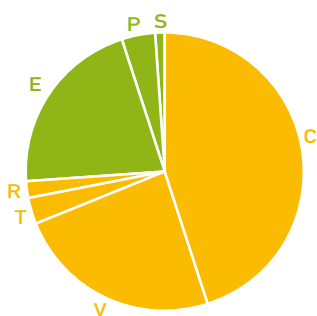
As an affiliate of FWF, Haglöfs now takes an even greater responsibility for its supply chain. In the first year of membership, it is a requirement that 40 percent of the production volume is approved by FWF. The corresponding requirement after three years is 90 percent and when this is achieved, the products may be labeled with the FWF symbol. To obtain approval, the factories engaged by a company must have undergone an audit, which takes the form of a structured inspection. The inspections can be conducted by the company, by a third party or by the FWF's local inspection team. After the inspection, a CAP (corrective action plan) is drawn up for factories that were not approved and this should be actioned within a specified period.

ACTIVITIES DURING THE YEAR

In 2012, Haglöfs commissioned FWF to conduct audits at two garment factories in Vietnam. The results were generally satisfactory and corrective action plans have been initiated for areas that need improvement. Haglöfs also asked FWF to inspect a backpack factory in Vietnam. The factory is a member of bluesign® and is SA 8000 certified (global standard for social accountability). The results were very good, with only two minor criticisms.

Haglöfs has also learned of three corrective action plans for existing producers that were previously inspected under the FWF framework. These concern two factories in China and one in Turkey and Haglöfs has impressed upon them the importance of implementing the measures.

Production countries distribution



Countries where regular audits are carried out

China	45%
Vietnam	24%
Turkey	3%
Romania	2%

Low risk countries

Estonia	21%
Portugal	4%
Sweden	1%

"Being affiliated with FWF has several advantages. First, it gives us and other member companies increased opportunities to exert an influence on the supply chain from an ethically sustainable perspective. Secondly, it is a stamp of quality that shows that our work in this area is at a high level."

All the inspections at Haglöfs' manufacturers essentially show the same results that are generally applicable to factories involved in outdoor products. Because the cost of materials is relatively high and production requires a skilled manufacturing team, wage levels are above the legal minimum level. The problems that are usually identified instead are issues concerning overtime.

FAIR WEAR FOUNDATION'S 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.



Lennart Ekberg,
Director of Sustainability



Haglöfs and climate

Haglöfs' sustainability efforts that provide the greatest impact involve ensuring that products are developed and manufactured in an environmentally, socially and economically sustainable manner. However, this does not mean that Haglöfs does not take the negative climate trend very seriously.

HAGLÖFS' CLIMATE IMPACT

Haglöfs works actively on climate issues in the framework of its Climate Action Plan. As Haglöfs does not have its own production, the Company focuses on limiting greenhouse gas emissions generated during its operations. Haglöfs has been measuring greenhouse gas emissions in four priority areas since 2008:

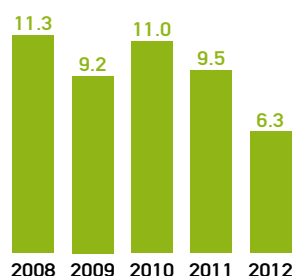
- All transportation of goods from manufacturer to warehouse.
- All energy consumption at Haglöfs' offices, warehouses and stores (heating + electricity).
- All business travel by air.
- All use of company cars.

The target was to reduce emissions (per SEK million sales) from the 2008 level of 2.3 tonnes to 1.1 tonnes by the end of 2012. Haglöfs did not manage to achieve this target. However, this has not prevented Haglöfs from setting a new, even more demanding goal. The target now is to reduce emissions (per SEK million sales) by 70 percent from the 2008 level of 2.3 tonnes to 0.7 tonnes by the end of 2015.

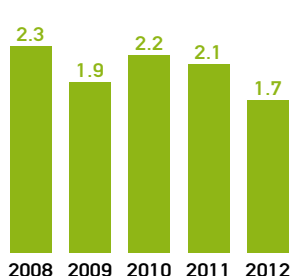
	Tonne CO ₂					%
	2008	2009	2010	2011	2012	2011-2012
Energy consumption	133	182	148	61	64	4
Business travel and company cars	412	375	* 31	** -10	*** 238	****
Transport	582	538	1,225	1,304	922	-29
Total	1,127	1,095	1,404	1,355	1,224	-11

* Carbon-offsetting of 375 tonnes. ** Carbon-offsetting of 404 tonnes. *** Carbon-offsetting of 342 tonnes. **** Not applicable.

Greenhouse gas emissions
Tonne CO₂/employee



Greenhouse gas emissions
Tonne CO₂/SEK mill. sales



TRANSPORT

It is estimated that almost 30 percent of global greenhouse gas emissions come from the transport sector. Most of Haglöfs' shipments from Asia to its main warehouse in Avesta are in containers which are transported to Gothenburg by sea. From Gothenburg they go by rail to Örebro and the final leg is by truck to Avesta. Although this is not the fastest solution, it is the most effective way of minimizing greenhouse gas emissions at present. In 2012, Haglöfs changed the distribution mix for its transport, which directly led to a reduction in the environmental impact.

For environmental reasons, Haglöfs is working to reduce its reliance on air transport. This will also play a crucial role in the

Company's ability to achieve its greenhouse gas emission targets. This is because, although air freight accounted for just over 4 percent of the total volume transported in 2012, it was responsible for almost 70 percent of total emissions. This is an area on which Haglöfs places great emphasis and is a key issue for achieving the ambitious sustainability goals.

Haglöfs' deliveries of products to customers are by truck, which in most cases is the only available mode of transport. As would be expected, Haglöfs only uses responsible logistics partners.

	Tonne-km					Tonne CO ₂					%
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2011-2012
Air	275,051	246,301	697,282	728,418	510,279	408	366	1,035	900	631	-30
Road	667,932	657,517	783,014	981,329	729,711	52	51	61	174	129	-26
Sea	11,067,279	10,971,964	11,643,083	15,608,413	11,049,265	122	121	128	230	163	-29
Rail	164,360	164,920	172,680	252,620	168,140	0	0	0	0	0	+/- 0
Total	12,174,622	12,040,702	13,296,059	17,570,780	12,457,395	582	538	1,225	1,304	922	-29

HOW MUCH CO₂ IS GENERATED DURING TRANSPORTATION OF ONE TONNE OF FREIGHT?

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

Journey	Distance (km)	Transport mode	CO ₂ /tonne-km (gr)	CO ₂ Total (kg)
Lousada-Avesta	3,400	Road	77.8	264.5
Total				264.5
Shanghai-Gothenburg	20,302	Sea	11.0	223.3
Gothenburg-Örebro	280	Rail	0*	0*
Örebro-Avesta	141	Road	77.8	11.0
Total				234.3

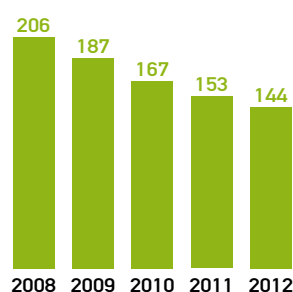
* Carbon-neutral transport by rail in Sweden.

BUSINESS TRAVEL AND COMPANY CARS

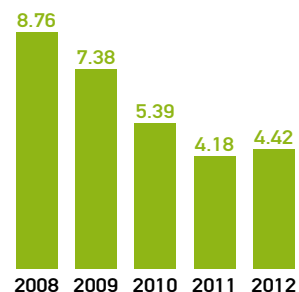
Haglöfs' sustainability policy stipulates that business travel must be undertaken using the method of transport with the lowest environmental impact. In many cases, it is not feasible to choose modes of transport other than cars or aircraft. Haglöfs has established a company car policy, under which tougher CO₂ emission requirements for company cars are defined each year. From 2014, emissions from newly ordered company cars must not exceed 119 grams CO₂ /km.

Average emissions from company cars during the year were 144 grams, which is an improvement of 6 percent compared with the previous year. Haglöfs has halved its emissions per driver since 2008.

Company cars, average CO₂ emission/km (grams)



Company cars, average CO₂ emission/driver (tonnes)



Haglöfs carbon offsets its use of company cars and air travel. Carbon offsetting amounted to 342 tonnes of CO₂ in 2012.

	Tonne CO ₂					%
Business travel	2008	2009	2010	2011	2012	2011-2012
Air	304	276	323	303	486	60
Company cars	108	99	84	91	94	3
Total	412	375	* 31	** -10	*** 238	

*Carbon-offsetting of 375 tonnes. ** Carbon-offsetting of 404 tonnes. *** Carbon-offsetting of 342 tonnes.

ENERGY CONSUMPTION

As part of a collaboration with Gävle Energi, Haglöfs has moved to Källmärkt® (source-labeled) fossil-free electricity. With source-labeled electricity, Haglöfs' total electricity consumption



in its offices, warehouses and stores in Sweden is covered by power generation based on renewable energy such as wind, water and biomass. The collaboration with Gävle Energi also includes identifying measures for further energy savings. Haglöfs also has a general energy-saving program,

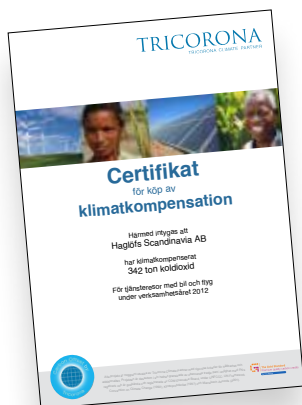
under which all the Company's employees receive training, with the focus on reducing energy consumption.

Total energy consumption in 2012 remained unchanged from the previous year and amounted to 1.2 MWh. At the same time, Haglöfs established two new offices, two new Brand Stores and increased the total workforce, which is a testament to Haglöfs savings initiatives. Heating accounted for about half of the figure, and other electricity for the rest.

Energy consumption	kWh					%
	2008	2009	2010	2011	2012	2011-2012
Heating	443,900	471,720	637,671	619,071	648,374	5
Electricity	650,035	591,887	633,431	626,569	598,950	-4
Total	1,093,935	1,063,607	1,271,102	1,245,640	1,247,324	+/-0

Greenhouse gas emissions from energy consumption	2008	2009	2010	2011	kWh	%
					2012	2011-2012
Heating	42	49	71	57	60	5
Electricity	91	133	77	4	4	+/-0
Total	132	182	148	61	64	4

Key figures, premises	2008	2009	2010	2011	2012	%
						2011-2012
Emissions/employee (tonnes CO ₂ e)	1.3	1.5	1.2	0.4	0.4	+/-0
Energy consumption/m ² (kWh/m ²)	136	129	139	136	136	+/-0



Haglöfs has chosen to work with Tricorona Climate Partner and the carbon offsetting is helping to fund a Gold Standard-certified CDM (Clean Development Mechanism) project, replacing fossil electricity generation with wind turbines in China.

Logistics

It is Haglöfs' aim that service and reliability of supply will show the same high standards as the Company's products. This requires a well-developed working approach, processes and systems. To maintain optimum cost-efficiency and achieve the goal of profitable growth, it is essential for the market to perceive Haglöfs as having high capacity and delivery quality. Consequently, Haglöfs' logistics function is much more than just a product flow; it also includes a total flow of information throughout the entire value chain.

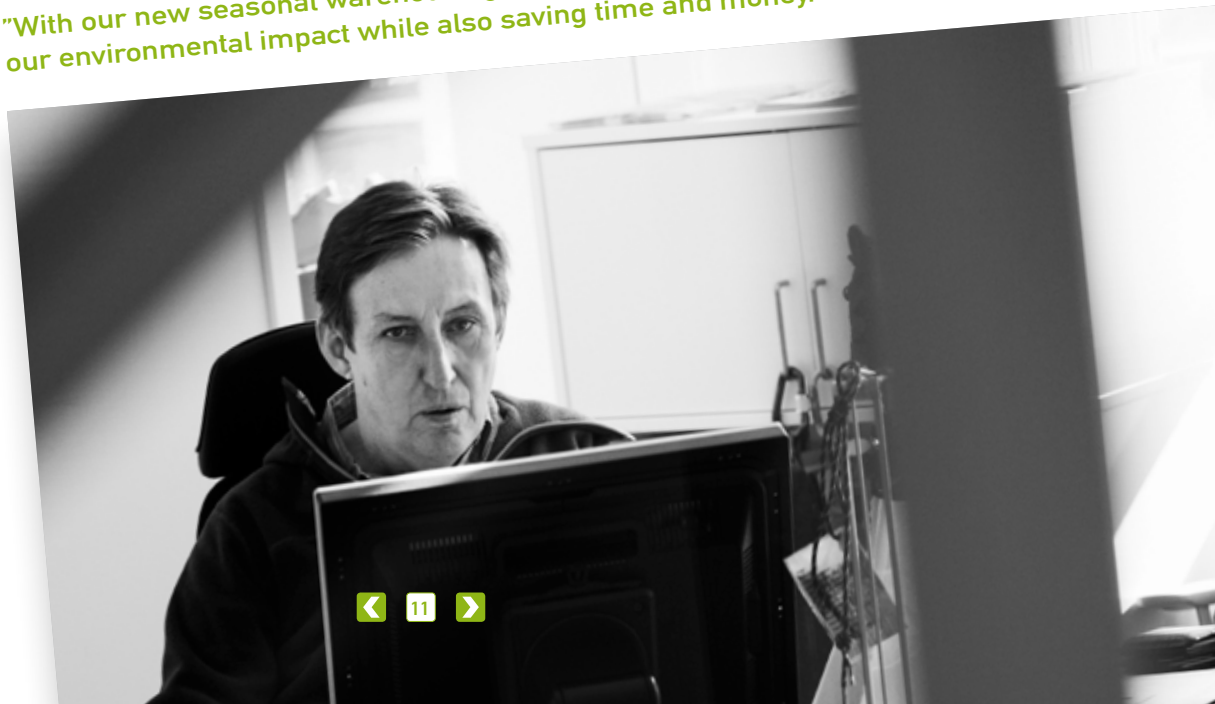
Deliveries from Haglöfs' manufacturers to the central warehouse in Avesta are normally by sea, with additional transportation by rail or road, depending on the manufacturer's location. Haglöfs has engaged Green Carrier for a large proportion

of its transportation needs, as the company is able to offer a complete product portfolio in combination with a high service level, short decision-making channels and active environmental and quality programs. For fast deliveries – particularly of prototypes and sample collections – air freight is used to a limited extent.

NEW SOLUTION IN ASIA

As part of Haglöfs' increased presence in Asia, the Company established a seasonal warehousing solution or SFC (seasonal freight consolidation) in Hong Kong in 2012. The solution means that about 10 percent of Haglöfs' sales go directly from the manufacturers' factories via the SFC to the Asian markets, regardless of whether the products are manufactured in Asia or in Europe. This provides savings in both time and money, while also reducing the environmental impact.

"With our new seasonal warehousing in Hong Kong, we are reducing our environmental impact while also saving time and money."



The sustainable workplace

Haglöfs has a very strong corporate culture, which is rooted in the Company's history and reflects the true outdoor life and an innovative entrepreneurial spirit. The culture is summarized in Haglöfs' core values, where concepts such as passion, commitment and a down-to-earth approach are not just words written on a piece of paper but something that everyone lives for. There is a strong family spirit at Haglöfs. This is also why many people experience the feeling of being welcomed into someone's home when visiting a Haglöfs office or store.

Haglöfs' success as a company comes from the purposeful commitment and work of its employees who are supported by

clear and structured management and leadership. Haglöfs has a relatively large proportion of young employees who are passionate about Haglöfs and outdoors. To achieve long-term success, Haglöfs works continuously to ensure that the organization is correctly dimensioned and employees have a good working environment and are given the opportunity to exert an influence and contribute to the development of the business.

Haglöfs is in the midst of global expansion – a journey that places new demands on the individual. In 2012, Haglöfs established a new HR function to support the development of the organization and employees. Skills development, Haglöfs as a workplace and management and leadership are three areas on which there has been a special focus during the year. All HR activities are based on the same assumption: that individuals, teams, goals and results will work symbiotically, without friction and in the right direction.



Leif Fontér,
Director of Logistics & Human Resources

"Haglöfs is on a journey that places demands on managers and employees alike – everything from the fundamentals of success at work to how we lead and organize activities in order to achieve our goals."

About the report

Haglöfs sustainability report is published annually and summarizes the Group's work on the issues of environment, climate, society and economy that are relevant to Haglöfs and its stakeholders. The first sustainability report was published in the Haglöfs annual report for the 2010 fiscal year.

As Haglöfs does not currently issue a public annual report, the Company has decided to cease reporting its sustainability performance according to the Global Reporting Initiative (GRI). However, Haglöfs is firmly committed to following the GRI principles as far as possible.

Any questions about Haglöfs' sustainability work and the report should be directed to the Director of Sustainability Lennart Ekberg. E-mail: lennart.ekberg@haglofs.se. Telephone: +46 (0)70-5841501