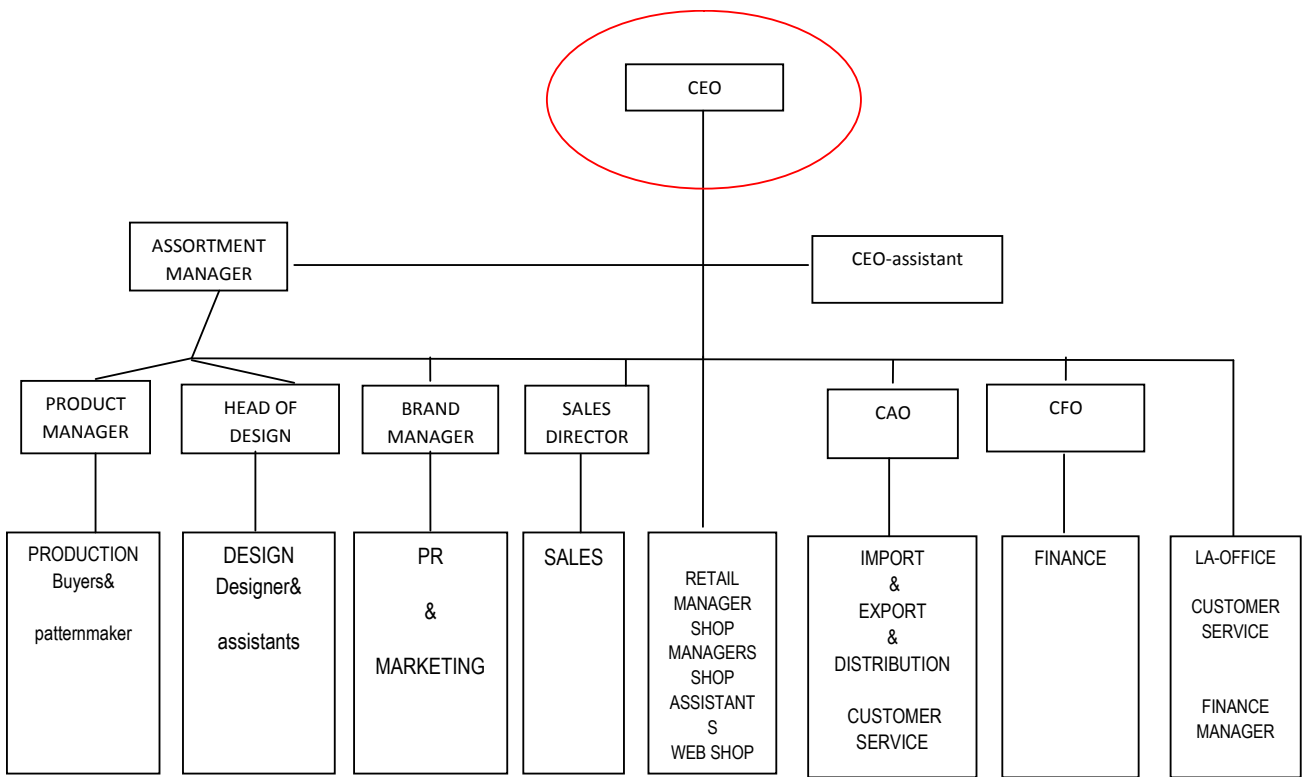


ODD MOLLY

SOCIAL REPORT 2013

Member of Fair Wear Foundations since June 2009





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Odd Molly in brief

Odd Molly is a Swedish company that designs, markets and sells fashion primarily through outside retailers around the world. In addition, our clothing is sold through five concept stores, two shop-in-shops and in Odd Molly's own web shop. The products are distinguished by beautiful, personal and daring design, combined with high quality and a distinctive profile. The brand is positioned at the upper end of the medium price segment.

In 2013 Odd Molly's products were sold in more than 30 countries and sales amounted to 228.2 MSEK in 2013.

Odd Molly is concerned about its fellow humans and the environment – and how these may be affected by the company's operations. Since its inception in 2002, Odd Molly has prided itself on being a good world citizen and accepting responsibility for its business relations.

Odd Molly's goal is that all its contacts, from end consumers to business partners will find value-added in their relationship with the company. Odd Molly's future growth will be achieved while maintaining an attention to quality and acting responsibly toward stakeholders with the help of corporate responsibility, among other, as a strategic step.

Odd Molly is a member of Fair Wear Foundation, a non-profit independent organization, working together with its members to improve the labor conditions in factories within the textile industry. As a member, Odd Molly has undertaken to comply with the Fair Wear Foundation's Code of Labour Practices and to continuously push the supplier toward improvements. Together with the audit team from Fair Wear, we make regular inspections at the factories producing our garments.

Odd Molly believes that long term and tight cooperation with our suppliers is very positive for both parties. Some of our suppliers have been with us since the company started, and most of them for many seasons. We visit each

supplier on regular basis, normally twice a year. This close relationship helps us a lot to make the suppliers understand the importance and the benefits of implementing the Code of Labour Practices.

Odd Molly isn't an invented concept.

Odd Molly is for real.

We met 10 years ago and understood immediately that we had a magical connection and an idea worth building a company on. We saw something in our meeting that was missing in fashion heaven and liked the idea of complementing the market, not just competing. Today, 10 years later, we know we were right.

Our personal commitment to an aesthetic design and feeling hasn't changed. We will always give our pens free reign in respectful ignorance of what trends say we should do. We will always stand up for women as a phenomenon far beyond what today's superficial values make her out to be. These two things are deeply rooted in Odd Molly's soul, simply because we are a company built on people, on humanity and commitment.

Our message, and our design's, is for real. It's wildly beautiful, it's heartfelt and it's needed. In the past, today and in the future.

And, yes, we will always argue affectionately, challenge conventions and at the same time enjoy a little friendly laugh.

Everyone is an ideal.

You are perfect because you are not.

Vive la difference!

1. Summary: goals & achievements 2013

During 2013 we focused on conduct audits at factories which have not been subject for auditing in the past. Furthermore as to ensure that real improvements are happening follow up on CAP:s from pervious audits was conducted.

Luckily factory managers are still very co-operative and positive regarding our partnership with FWF and most of them find the audits as a helpful tool.

In China, two factories was audited for the first time and one factory for the second time. Additional, FWF carried out a verification audit at one factory in China.

In India two factories was audited for the first time.

In addition we have been having a dialogue with factory management to follow up on CAP:s from previous audits in China, India and Morocco to work towards improvement.

A performance check was made upon Odd Molly head office as conducted by FWF

Our goal for 2013 was to keep 90% of our buying volume audited and this has been reached. Internally we continue to improve our management system to make sure all buyers are aware and can follow up on CAP's at each factory visit - this is constant work in progress!

After four years of membership with FWF, we still feel that the most important lesson learned, is that there is no such a thing as a perfect factory - but it is possible to make a change even if it is done in small steps!

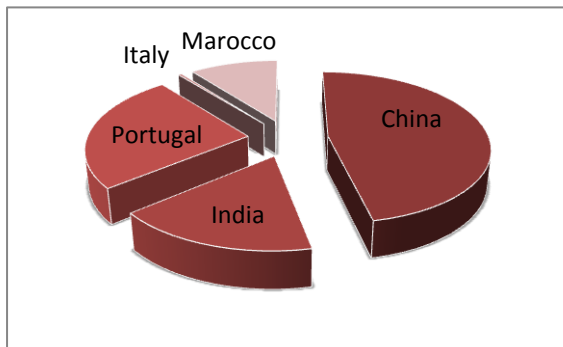
2. Sourcing strategy

2.1. Sourcing strategy & pricing

Odd Molly's business concept is to design market and sell women's fashion, primarily through independent retailers worldwide.

We do not have any factories of our own, but produces our products at external manufacturers.

To cover the needs for the merchandise we produce, we are today operating in five production countries: China, India, Italy, Portugal and Morocco. For the moment, we work with approximately 20 suppliers, depending on the season.



We have an idea not to spread too much in order to be more present in each country and being able to visit on a regular basis, as well as place orders that are good for suppliers and enables us a stronger position at the factory. Odd Molly believes strongly that long term and tight cooperation with our suppliers is very positive for both parties.

Some of the biggest and most important suppliers have been with us from the very start.

We choose our suppliers carefully since quality and punctual deliveries are of high importance. Most time it starts with a personal contact from the past or recommendation from a colleague or another supplier. In countries where we work via production agents (Portugal, India, and Italy) the agent will recommend new suppliers, most of the time this supplier is already well

known to them through production for other clients.

In countries where we work directly with the manufacturers, the responsible buyer will take the first contact. To secure that we get all basic details about the supplier, we have a checklist for the buyers to follow.

After the first contact, we start with making price quotations and prototypes. If we then decide to place a program with the supplier, they will start with making salesmen samples. If all goes smooth and quality is up to standard, we will then place order for bulk production. Before placing the first bulk order, we aim to visit the factory, to make sure that they live up to the standards in terms of product quality and FWF Code of Labor practice and are willing to sign this document. They must also sign Odd Molly's list of Restricted Chemicals, following the REACH legislation and Odd Molly Quality and garment test standard.

Our aim is to start slowly with only a few styles in smaller quantities and gradually build and increase the business.

Odd Molly is a design driven company where the product stands in the first room, since we do not primarily compete on price. However, we always negotiate our prices in order to pay the right price for each product. We negotiate price in two stages, at the making of Selling Samples and at the placement of firm orders. If order quantity exceeds expectations, price can be re-negotiated. In case of orders below production minimum, we are willing to pay a reasonable surcharge, negotiated from case to case.

Odd Molly did not change its sourcing strategy over the years. We are always striving for long term relationships with our suppliers as this has proven fruitful for us and the suppliers as well as it builds a strong product.

Summary of steps when starting cooperation with a new supplier:

- First contact – recommendation from production agent / colleagues etc
- Ask supplier to send Company profile, pictures from factory, references, and samples from production.
- Find out basic facts about the supplier.
- First evaluation whether to proceed or not – done by Product manager and Buyer.
- Presentation of Odd Molly – inform about General Buying and delivery terms, REACH list of banned substances, Quality Standards, Shipping information, membership in Fair Wear Foundation. Hand over FWF Questionnaire.
- Price quotations
- Making of first prototypes
- Second evaluation – outcome of samples, general performance in terms of communication skills etc.
- Making of Selling samples
- Factory visit
- Before bulk order is placed, supplier must sign: General Buying and delivery terms, REACH list of banned substances, Fair Wear Foundation Code of Labour Practice.
- Bulk order

2.2. Organisation of the sourcing department

Sourcing-and production department:

We do not have a separate department for sourcing, design and production since we found it more efficient to work with the product development in small teams for each product group.

The department is managed by Assortment manager, design manager and production manager who work closely together.

The teams for each product group consist of designer, buyer, design assistant and production assistant. Today the teams are: Light woven/jersey, Heavy woven, Heavy knit, Accessories & Home.

The production manager is also responsible for CSR.

2.3. Production cycle

Odd Molly design and produce two collections per year: Spring/ summer and autumn/ winter.

We mainly sell to external retailers via agents and distributors and not own shops and we are not taking any risk in placing order on speculation. This means we first produce Salesmen samples collections, then take in orders from retailers and then place order for production. Suppliers are informed about final quantities for production after sales period is closed. The production lead-time varies between 12-20 weeks, depending on style, quality and quantity. There might be some exceptions to meet production lead-time.

General collection time cycle (spring /summer collection):

- Jan- Feb: Planning of collection, design period
- March: Sourcing/final design/instructions to suppliers
- April -May: Making of prototypes
- May -June: Making of Salesmen samples
- July: Sales meeting with agents and distributors. Selling in period starts
- July -Sep/Oct: Sales period
- Sep/Oct: Final order quantity to suppliers
- Oct: Confirmation of pre-production samples
- Oct-Jan: Production period (depending on supplier/quality)
- Dec-Feb/March: Delivery period



General collection time cycle (fall /winter collection) :

- Jul - Sep: Planning of collection, design period
- Sep -Oct: Sourcing/final design/instructions to suppliers
- Nov: Making of prototypes
- Dec: Making of Salesmen samples
- Jan: Sales meeting with agents and distributors. Selling in period starts
- Jan- March/April: Sales period
- March/April: Final order quantity to suppliers
- May: Confirmation of pre-production samples
- May/Aug: Production period (depending on supplier/quality)
- July -Sep/Oct: Delivery Period

2.4. Supplier relations

The base criteria's to select a supplier are:

- General impression of production facilities and management attitude
- Product quality, making and details
- Delivery quality
- Price – prices must be reasonable for each product and we must meet our goal in terms of gross-margin.
- Compliance – the supplier must be able to sign our Code of Labor practice, Odd Molly List of Restricted chemicals and REACH candidate list.
- Over all professionalism in running a factory and previous experience
- Reference customers

All above points has to be taken into consideration when making the decision whether to give an order to a supplier or not.

Based on the above points the assess of new suppliers are done by the buyers, together with the product manager on a case-to-case basis. Most important though is the product quality – if this is not right there is no need to go further....

In the countries where we work with local production offices, we always source new suppliers through these offices. They will then recommend a supplier, and present it to our buyer who will take the decision if we should proceed or not.

2.5. Integration monitoring activities and sourcing decisions

The outcome of the audits done so far did not affect our sourcing strategy. It strengthens our basic idea to work with a limited amount of suppliers and to have a deep and long-term relation, in order to work together towards improvements according to FWF:s recommendations.

3. Coherent system for monitoring and remediation

All the factories audited so far have shown a very positive attitude and willingness to improve. We have found no sign of child labor, no forced labor, no discrimination in employment. All factories pay at least minimum wages according to the local laws, however living wages according to FWF wage ladder as well as overtime is an issue in most cases.

We choose the factories for auditing and follow up on CAP:s based on importance of the supplier and size of actual orders, as well as earlier performance.

Odd Molly staff visit all factories at least twice a year to work with product development and quality assurance. The factories is also visited regularly by our local production agent in India who helps to follow up on the CAP:s.

Odd Molly buyers normally follow up on CAP:s from previous audits during every visit at the factory. In between visits the follow ups are done by e-mail if necessary.

3.1. INDIA

India carries 17% of Odd Molly's buying volume. During 2013 we worked with in total 18 factories in India. However, only 5 of these stand for 15,5% of the total volume and we have concentrated the monitoring activities to these factories.

*Supplier no 3734, India 4,35% of Odd Molly's total buying volume 2013
Audit date August 2013*

This is the first FWF visit to this factory. However, the site was visited by FWF auditor along with Odd Molly representatives for CAP verification, dated Feb 2012. The CAP was verified based on an audit report of SGS conducted in Oct 2010.

Important findings:

- According to the management – long association with workers, some of whom who are as old as the factory itself.
- Overtime is an issue in this factory. Managers were hesitant to show records due to bad past experience. We will have a dialogue with the management to ensure transparency.
- Workers were not fully aware about FWF complaints procedure, and contract workers not aware of the company policies, committees or suggestion box. The management confirms that training has been held after the audit, nevertheless this is a challenge since contract workers are highly mobile.
- Fabric section used to be crowded, however it's now well planned.
- Audit team met with good co-operation. Whatever information was requested was provided.
- According to the audit team – good management feedback received from workers.
- Some issues regarding safe and healthy working conditions were acknowledged during audit, such as

inappropriate floor markings and lack of MSDS in local language. The same has been rectified.

- Fire training was only provided to male managers. However, as after our audit fire training was provided to all staff – including women!
- No complaints have been filed at this supplier.

Supplier no 3742, India 0,51% of Odd Molly's total buying volume 2013

A follow up on previous audits has been done by Odd Molly staff as per 2013, we are pleased to see that actions have been taken towards improvement.

Important findings:

- Some issues regarding safe and healthy working condition, such as floor markings and boiler room, was observed during audit. The same has been rectified.
- As acknowledged during audit, workers were not aware about FWF Complaints handler posted in the factory for third party complaint. Actions have been taken; the same is displayed in both English as well as local language and workers have been informed.
- Training has been held to make sure workers are aware about the FWF CoLP and complaints handler system as well as the suggestion box and the process and procedures for grievance handling.
- The factory is still missing a crèche but promised to provide, this is still pending.
- A number of safe-and health issues was found during the first audit and most has been corrected by now. For example the drinking water has been tested and the fire drills has been conducted more regularly.

- No complaints has been filed against this supplier.

*Supplier no 4849 India, 4,19% of Odd Molly's total buying volume 2013
Audit date August 2013*

We placed the first order with this supplier during 2012. Odd Molly staff has visited the factory twice and an audit performed by FWF was made during 2013

Important findings:

- Management provides a Trust Fund, which invests a profit margin, for the welfare of the workers, such as education scholarship for the children of workers and health expenses for tailors.
- The workers consider this factory as one of the best factories in the region, as it provides a good working atmosphere.
- The audit team observed good practice regarding; (1) document maintenance. All documents were up-to-date, as per legal requirement, and their retrieval time was incredible (2) OHS of the factory (3) worker-management interaction at the shop floor.
- Overtime is an issue in this factory and overtime hours are not visible in the pay slips. Management agreed to improve the production planning.
- No complaints has been filed against this supplier

Supplier no 3728 India, 4,08% of Odd Molly's total buying volume 2013

This is one of our oldest factories, who we have been working with since 2008. We have conducted several audits and management has had a positive attitude towards making improvements. However, unfortunately they closed its business during the year due to financial issues. In conjunction they received complaint from worker.

Supplier no 3744 India, 1,8% of Odd Molly's total buying volume 2013

We conducted audit as well as follow-up during 2011 and 2012. During 2013 we have visited the factory, although not made any audit activities since we due to price-issues decreases on our collaboration.

"Odd Molly is a brand with a mind, a heart and a conscience. Odd Molly is also a loving brand with high ambitions, yet a brand that will never take itself very seriously. The Odd Molly mind loves to submit to its appetite for more, always being damn fabulous meanwhile."



Most important findings per FWF labor standard, India:

Employment is freely chosen:

We have found no signs of forced labor. Appointment letters are given to workers in all factories but in some cases we found them being incomplete and needed to be updated.

No discrimination in employment:

We have found no signs of any discrimination during recruitment or during workers stay in the factory. Most factories do have policies on sexual harassment, discrimination and women's rights.

No exploitation of child labor:

We have found no signs of child labor. None of our factories in India recruited workers below 18 years old. Proof of age is demanded and some factories also keep dental certificate for this reason.

Freedom of Association and the right to collective bargaining:

Most factories do not have any unions. It seems to be a common practice in the region since the unions are seen more like political organizations that pays less attention towards workers welfare. Instead it is a common practice to have Workers Committees which takes up concerns of workers with the management. All factories do have such committees, still in many cases we found that workers are not aware about their rights and they need more training. Also the method of selecting members to these committees needed in some cases to be improved. Inspection of documents in all factories showed that the workers do have right to bargain collectively.

Further noted, even though the factories do have improved training it is still a case that many workers are unaware of their rights. Thereby this seems to be something which requires monitoring continually.

Payment of Living Wage

We have found payment of living wage according to the wage ladder being our

biggest challenge in CoLP. All factories are paying more than the legally required minimum wages but still not reaching the living wage at all levels in the factories. Most suppliers actually pay considerable more than living wage to those workers who are considered to be most skilled. -however, there remains a large gap as between skilled and unskilled workers with regards to payment.

For Odd Molly as a company we are not in a position to guarantee a certain amount of production orders from season to season and we normally hold only a small percentage of the total production capacity in each factory. We will continue to encourage the management in each factory to work towards the living wage level but we see this as a long term project.

No excessive working hours:

We try to work together with factories to plan the production in order to avoid overtime as much as possible. Still overtime occurs during peak periods in most factories, but is always voluntary. In some cases we found overtime hours not being properly recorded on wage slips which needs to be improved.

Safe and healthy working conditions:

All factories are organized with health and safety committees and provide training for the workers. Still in many cases we find this not being good enough since workers are not very well aware of the functioning and purpose of these committees. It is obvious that regular training and constant monitoring is needed.



We have no reports on case of serious injury at any of the factories even though we found many practical issues that needed to be improved in regards of safe and healthy conditions. In most cases management has been very open for improvement and immediate actions has been taken according to the CAP:s.

Although it has been observed in CAP:s multiple times and further improvements have been rectified, new observations with regard to safe and healthy working conditions constantly emerge. It seems to require constant monitoring.

Legally binding employment relation

We find that all factories provide appointment letter in local language to all workers along with the company rules and policies for the workers awareness on their rights and responsibilities.

3.2. CHINA

China carries apx 46% of Odd Molly's buying volume. During 2013 we worked with in total 10 factories in China. We have concentrated the audit activities during the year to the 4 biggest once standing for the apx 32% of the buying volume.

Supplier no 4930, China 3,2% of Odd Molly's total buying volume 2013

Audit date May 2013. The first audit as conducted by FWF team. The factory works with another FWF member and we have been in contact in the past to help each other with follow up to avoid double work and to get a greater impact at the factory.

Important findings:

- Factory management are willing to advance the working conditions and labor standards of the factory and make remediation accordingly; they are open to accept all non-compliance

identified by audit team and commit to taking the corrective action plans (CAP) according to the proposed timeframe in the CAP report.

- Factory management confirms that they have other costumers as well who are pushing for living wages and overtime issues, and they are running a project in the factory to find out how they can be more efficient and improve on those areas.
- FWF CoLP has at the time for the audit not been forwarded to the subcontractors for printing and embroidery. The management confirms to do this asap.
- Supplier adopts the automatic hanger system for linking which increase 27% productivity compared with the normal linking lines.
- Workers complaints have been filed to the management regarding bad food quality, too hot areas in parts of the factory. Management confirms that they take this seriously and they see the workers as the most valuable asset of their company.
- Supplier provides free childcare services with a preschool teacher to take care of workers children.
- There is no ergonomic program in the factory. Management agrees to discuss improvement but this is still an open issue.
- No complaints has been filed against this factory

Supplier no 3738, China 4,98% of Odd Molly's total buying volume 2013

Audit date July 2013. A verification audit was conducted as per 2013

Important findings:

- Factory management was willing to advance the working conditions and labor standards of the factory and made remediation accordingly; they were open to accept all non-

compliances identified by audit team and committed to taking the corrective action plans (CAP) according to the proposed timeframe in the CAP report.

- All employees are provided with social insurance benefits. This is a vital improvement since last audit. .
- A sprinkler system is installed at all workshops for fire prevention-
- Even though factory made efforts to provide training in FWF CoLP, many workers still state they are unaware. Factory will provide further training.
- Overtime is still an issue in this factory. Management confirm to continue to work towards improvement but this still need monitoring.
- No complaints has been filed against this factory

Supplier no 3719, 16,75% of Odd Molly's total buying volume 2013

Audit date March 2013. The second audit was conducted by FWF team

Important findings:

- Factory management is cooperative and transparent to support the audit team during the two-day field audit and willing to improve the working conditions and labor standards of their factory.
- Management is open to accept all non-compliance identified by audit team and commit to making the corrective action plans after internal discussions.
- Overtime has been observed at previous audits and even though some improvement has been made, it is still an ongoing issue.
- No complaints has been filed against this factory

Supplier no 3768, 6,87% of Odd Molly's total buying volume 2013

Audit date May 2013. First audit conducted as per FWF team

Important findings:

- Management was cooperative and transparent to support the audit team during the two-day field audit and willing to improve the working conditions and labor standards of the factory
- Lead-time for sampling has been an issue in this factory. We will work on a better planning to make it easier for the supplier to reduce overtime during sample making.
- At the time of the audit the factories subcontractors were not informed about FWF CoLP. Management confirmed to do so asap.
- Overtime in general is an ongoing issue in the factory and especially in peak season. Management agrees to work towards improved working efficiency and reduce the working hours step by step.
- Some health and safety issue was found - for example one building was missing one fire exit, some chemical tanks did not have the 2nd protection of leakage and there was a big room for improvement of cleaning the toilets and drinking water areas. The management confirms to improve this immediately.
- Management was open to accept all non-compliances identified by audit team and committed to taking the corrective action plans as soon as possible after proper internal and external discussion.
- No complaints has been filed against this factory

Most important findings per FWF labor standard, China:

Employment is freely chosen:

We have found no signs of forced labor. All workers are free to hand in their letter of resignation and leave the factories

No discrimination in employment:

We have found no signs of any discrimination during recruitment or during workers stay in the factory. Most factories do have policies on sexual harassment, discrimination and women's rights. Workers are recruited and promoted based on their skills rather than culture background, nationality, religious belief etc.

No exploitation of child labor:

We have found no signs of child labor. All factories show that their staff at HR department is well trained in factories prohibition of child labor and they follow these policies strictly. There are systems in place to verify the authentic of ID card via internet.

Some factories might from time to time employ juvenile workers, between 16-17 years. In these cases the worker is registered with the local labor bureau according to the legal requirements. Juvenile workers cannot perform any dangerous work and is mostly used in the sewing department. At the time of our audits, there has been no juvenile worker employed in any of the factories.

Freedom of Association and the right to collective bargaining:

Most of the factories are unionized, even though the chairman normally is appointed by management and not by democratic elections. All factories state that they respect workers' choice and the freedom of association and never intervenes workers to join the trade union or to organize any kind of worker committee. Nevertheless, it seems to be the common fact that the workers themselves show very little interest in the

trade union. They are not aware of freedom of association or collective bargaining and see the union as a symbol that cannot give any practical benefits. Instead they like to go directly to the management with any kind of complaints or expressions. Factories confirm to give more training but this is an area that needs constant monitoring.

Payment of Living Wage

We have found payment of living wage according to the wage ladder being our biggest challenge in CoLP. All factories are paying more than the legally required minimum wages but still not reaching the living wage at all levels in the factories. Most suppliers actually pay considerable more than living wage to those workers who are considered to be most skilled. -however, there remains a large gap as between skilled and unskilled workers with regards to payment.

For Odd Molly as a company we are not in a position to guarantee a certain amount of production orders from season to season and we normally hold only a small percentage of the total production capacity in each factory. We will continue to encourage the management in each factory to work towards the living wage level but we see this as a long term project.

No excessive working hours:

We try to work together with factories to plan the production in order to avoid overtime as much as possible. Still overtime is an issue in most Chinese factories.

At first audits we have found cases were overtime exceeded the legal limits. According to management overtime hours is now reduced to be within the legal limits and is strictly voluntary. This issue needs constant monitoring since workload might be very different from season to season depending on the current size of factories orders.

Safe and healthy working conditions:

All factories provide on-going training for the workers and conduct fire drill on regular basis.

We have no reports on case of serious injury at any of the factories even though we found many practical issues that needed to be improved in regards of safe and healthy conditions. In most cases management has been very open for improvement and immediate actions has been taken according to the CAP:s.

Although it has been observed in CAP:s multiple times and further improvements have been rectified, new observations with regard to safe and healthy working conditions constantly emerge. It seems to require constant monitoring.

Legally binding employment relation

We find that workers in all factories sign labor contracts that are legal and fair. Probation period is 1 month.

3.3. PORTUGAL

Portugal carries apx 30% of Odd Molly's buying volume:

All suppliers have been informed about the FWF membership. Questionnaire has been signed and Code of Conduct has been sent out. No other monitoring activities so far.

3.4. MOROCCO

Supplier no 15, Morocco, 10,3 % of Odd Molly's total buying volume 2013

Audit date April 2013.

Meeting has been held between Odd Molly staff and factory manager to follow-up audit on the CAP as carried out in 2012. Since FWF doesn't have a set up in Morocco, the audit was conducted by UL-STR but according to FWF monitoring system.

Important findings:

- Overtime remains an issue at this supplier. However management has made changes to improve and solutions are work in progress.
- Some remarks with regard to Safe and Healthy regulations were found, such as missing pulley guard on sewing machines, MSDS being incomplete, fire extinguisher not marked, etc. The same has now been confirmed as to have been addressed.
- Better contract between the factory and home workers has been established since our audit.
- No complaints have been filed against this factory.

4. Complaints procedure

During audits we have confirmed that factories display the information about FWF:s complaint service in a proper way (posted on visible notice boards and in local language). In case of any complaint, FWF will forward the same to Odd Molly. We will then communicate with FWF and start a dialogue with the supplier in order to solve the situation

During 2013 one complaint has been filed towards one supplier in India.

FWF received a complaint from a worker in the factory related to the labour standards 'employment is freely chosen', 'reasonable hours of work' and 'payment of a living wage'. The plaintiff complained that the company did not fulfill the promise of increment in wages. He also claimed that overtime was asked with only single pay and that only minimum wages was paid to workers who had been at the site for many years. Odd Molly investigated the case immediately with help of FWF:s representatives and it showed that the factory was in deep financial trouble and about to close down its business. In the end it was confirmed that the worker left the factory with full settlement, as well as all the other workers in the factory. All Odd Molly's orders had to be moved to other suppliers.

5. Training and capacity building

5.1. Activities to inform staff members

Product manager is updating all employees about all FWF-related activities in weekly meetings. We continuously work on increasing the buyer's awareness of various CSR issues in their daily work.

5.2. Activities to inform agents

Production agents in countries where we are using such are informed about our membership. In India, the agent takes part in the audits and is very active in the work to follow up on the CAPs.

5.3. Activities to inform manufacturers and workers

No actions have been taken from Odd Molly to train manufacturers and workers so far. Recommendation has been given to the management in the two audited factories in India to conduct regular training programmed to educate the committee members about their roles and responsibilities, and to increase the awareness of the Code of Conduct among the workers.

During August 2013 training regarding REACH and other banned substances was organized in India, by UL.

An invitation regarding FWF training program was sent to all suppliers in India as well as China as per 2013.



6. Transparency & communication

Odd Molly aims to be fully transparent regarding all our CSR activities.

We inform on the website www.oddmolly.com about the membership in Fair Wear Foundation which was also announced in a press release 3 June 2009.

Sales agents and staff in our shops are continuously informed about our CSR work to be able to fully understand and communicate to our end consumers.

Any question related to CSR that might be raised from customers, are answered directly by CSR manager/product manager.

7. Corporate Social Responsibility

Other CSR activities during 2013:

STWI

To contribute to a better and more efficient water management in the factories we use, Odd Molly was 2010 one of 34 Swedish companies who formed Sweden Textile Water Initiative together with Stockholm International Water Institute

By developing guidelines for sustainable water use in the production and manufacturing processes of textiles and leather, we aim to contribute to wiser water management in our supply chain.

The first version of the guide is now ready, and the member companies will start to work with it towards their suppliers. (www.stwi.se)

Chemicals

All Odd Molly's suppliers have to sign our lists of Restricted Chemicals, following the REACH legislation within the EU. To make sure that all suppliers are following the rules, we test our materials at accredited laboratories. Odd Molly is also a member of "Kemikaligruppen" within the Swedish research center SWEREA, supporting textile

companies in their management of chemicals within their supply chain.

Animal Welfare

To make a clear statement regarding our policy to not use what is classified as "real fur" we in November 2012 joined the "Fur Free Retailers program".

This means Odd Molly do not use real fur, only skin and fur from animals bred for the food-industry.

