



SURPRISING
CONNECTION:
PERFORMANCE MEETS
SUSTAINABILITY.

ODLO international sustainability report 2011



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ODLO acts with social and ecological responsibility.

foreword by thomas spiess

director supply chain & csr delegate, member of the management

Picture
Thomas Spiess.

Dear ODLO friends

2011 was an innovative year for ODLO.

We have developed and introduced to the market some unique and innovative functional underwear: «evolution» green^{tec}. Several years of development have culminated in an integrated recycling concept combining function, high-tech materials and sustainability. «evolution» green^{tec} is the first and only seamless underwear made from 100% recycled polyester that can itself be completely recycled.

2011, however, was also a challenging year for the entire sports industry.

Procurement in the Far East was and continues to be a challenge. Delivery delays and cost pressure are commonplace. ODLO is in a relatively comfortable situation: nearly two thirds of all products are manufactured in ODLO's own production facilities in Europe. But nevertheless, we had to review our purchasing and production portfolio and, thus, started to expand our factory in Romania. Capacities are to be doubled over the next years. And a new distribution centre in Germany is planned for 2013.

With this, we create optimal preconditions for sustainable growth.

Thomas Spiess
Director Supply Chain



management summary

Picture
ODLO «evolution»
greentec

Sustainable action has been anchored in ODLO's corporate vision from the beginning: «We act with social and ecological responsibility». The three core values «Responsibility», «Actions» and «Transparency» reflect what is paramount to ODLO.

Since 2008, ODLO has been a member of the **Fair Wear Foundation (FWF)**, which strives to improve labour conditions in the textile industry worldwide (www.fairwear.org). By the end of 2011, more than 90% of the company's total purchasing volume has been included in the ODLO monitoring system and comes from either an audited factory or factories in low risk countries, thus meeting the relevant FWF requirement.

With a view to channelling all efforts concerning ecological responsibility, the company launched

In 2011, ODLO reached another milestone in improving its ecological footprint by launching evolution greentec.

the ODLO **Climate Initiative** based on the three areas of focus »Awareness & Responsibility», «Quality & Innovation of Products» and «Reasonable Use of Resources». The

measures are to be implemented and communicated until the end of 2013.

In 2011, ODLO reached another milestone in improving its ecological footprint by launching **evolution greentec**, an integral and sustainable

concept. evolution greentec is the first and only seamless underwear made from 100% recycled polyester that can itself be 100% recycled. With evolution greentec, ODLO has developed a unique and innovative type of underwear. It meets highest standards of functionality and is specifically designed and produced with a green thread. The green thread stands for an outstanding level of sustainability and environmental compatibility. After years of development, a recycling concept has emerged that combines function, high-tech material and sustainability.

A Life Cycle Assessment carried out by myclimate in summer 2011 proved that as few as 2.7kg of CO₂ equivalent is generated during the production of one long-sleeved shirt of the new ODLO evolution greentec warm collection, which corresponds to a car drive of 13.5 kilometers (see chapter «Ecological Footprint»).

In 2011, ODLO also started expanding its own **production and distribution capacities**. In the medium term, the production area in ODLO's factory in Romania is to be doubled. In addition ODLO will decisively expand its distribution center in Germany – thus strengthening its European base.

The CSR Report 2011 is available in English.



the ODLO brand

Picture
ODLO Outdoor.

ODLO perfects the layers between the athlete's body and the elements.

Brand Philosophy

ODLO is the inventor of functional sports underwear. As the market and technological leader with 66 years' experience, ODLO has committed itself to producing the best functional sportswear for people who love exercise – in every weather and at every level of intensity. ODLO perfects the layers between the athlete's body and the elements.

ODLO inspires people to go outside, to enjoy sports and to tackle new challenges. ODLO stands for uncompromising functionality, wearing comfort and quality – from the skin outwards.

In the European market, ODLO is the leader in the segment of functional sports underwear. In addition, ODLO offers successful product lines in the categories of Outdoor, Running, X-Country, Tec Shirts and Bike. ODLO has its own subsidiaries in Switzerland, Germany, France, Belgium/Holland, Austria and Norway. The ODLO brand is distributed in more than 20 countries worldwide. For further information, please visit www.odlo.com.

ODLO offers just one single brand – namely ODLO. As a result, all activities are bundled and designed to develop the brand. This one-brand strategy also contributes towards ensuring a sustainable supply chain.


Quality, Materials, Prices

To ODLO, quality and functionality always have top priority. Our sportswear is convincing thanks to optimal climate regulation, comfort and high-quality materials and technologies. ODLO invests a great deal of time and money into research and development in order to satisfy the high demands of athletes.

By the same token, ODLO wants to be able to offer these functional products to a broad public – everyone should have the opportunity to derive even more enjoyment from sports and leisure with the right clothing.

ODLO, therefore, offers a broad collection of functional sportswear in the medium to high price-range. Thanks to the long lifespan and the high wearing comfort of ODLO products, the investment is in any case worthwhile to the customer. The fact that the majority of products are manufactured in Europe also contributes to the buying decision of many of our customers.

ODLO uses neither cotton nor wool. Most of the products are made of pure polyester, the best functional material on the market.



«ODLO is my partner. Therefore it's important to me that ODLO shows social and ecological commitment».

the ODLO company

Picture

Dario Cologna,
Olympic gold medalist.

Passion for Sports

The ODLO brand today represents a synonym for functional sports underwear. What began in 1946 with two knitting machines and a vision of high-quality sportswear today continues as a true success story. A Swiss company with Norwegian roots, ODLO focuses entirely on the layering principle and the implementation of latest fibres and processing technologies.

Behind ODLO is an organisation which, for 66 years, has combined a traditional passion for sports with innovative strength and know-how. The collections are continually optimised in close co-operation with athletes. A variety of top athletes swear by ODLO, such as biathlon Olympic champion Ole Einar Bjørndalen or multiple orienteering world champion Simone Niggli-Luder; the Swiss Nordic Ski Team with Olympic champions Dario Cologna (cross-country skier) and Simon Ammann (ski jumper) or the Scott Swisspower Mountain Bike Team.

History

In 1946, Odd Roar Lofterød senior, an enthusiastic sportsman, founded the ODLO company in Norway. One year later, ODLO began producing ladies' underwear. Additionally, the company founder developed for his son, a member of the youth speed-skating team, some special training tights made of Helanca fibres to protect him from the cold.

In 1963, Odd Roar introduced the further development of this prototype to the market: the first functional stretch outfit for cross-country skiers and speed-skaters made of the revolutionary, synthetic Helanca fibre. By 1972, 25 national teams were wearing ODLO competition sportswear at the Olympic Games in Sapporo.

In 1973, ODLO TERMIC, the first fully synthetic sports underwear, was put on the market.

In 1979, Odd Roar jun., son of the founder and someone who had grown up in an atmosphere of creative, entrepreneurial spirit, took over the ODLO company.

In 1987, Lofterød established ODLO International AG in Hünenberg near Zug (Switzerland), the new headquarters of the ODLO brand, together with some Swiss partners. In the same year, ODLO launched the revolutionary ATHLETIC CLOTHING SYSTEM based on the three-layer principle. Further product lines were introduced to the market in subsequent years, such as Running, Outdoor, Bike, Nordic Walking and Kids.

ODLO was ahead of the times in the mid-1990s when it launched a recycling programme. Customers could give their old ODLO products back to have them recycled. However, a lack of demand at that time led to the offer being withdrawn 5 years later.



the ODLO company

Picture
ODLO X-Country.

Just in time for [the turn of the century](#), ODLO achieved a fabric breakthrough: the development of the «effect by ODLO» fibre, thus bringing the first underwear containing odour-reducing silver ions on to the market. Further innovations followed: the universal, highly functional T-shirt «just one», as well as the new, all-year-round quality underwear «cubic».

The company constantly invests in the sustainability of its supply chain. ODLO Portugal as the company's own factory is constantly expanded and improved in its technology. [In 2003](#), an efficient central warehouse was built in Brüggen, Germany. [In 2004](#), ODLO established its own production facility in Romania, a modern factory with 350 employees and 11 production lines on 5,250 square metres. Following the expansion of capacity in Romania [in 2006](#), ODLO Portugal was newly structured as a competence and innovation centre with 55 highly qualified employees.

[In 2008](#), ODLO joined the Fair Wear Foundation, an international non-profit organisation founded to improve labour conditions in the textile

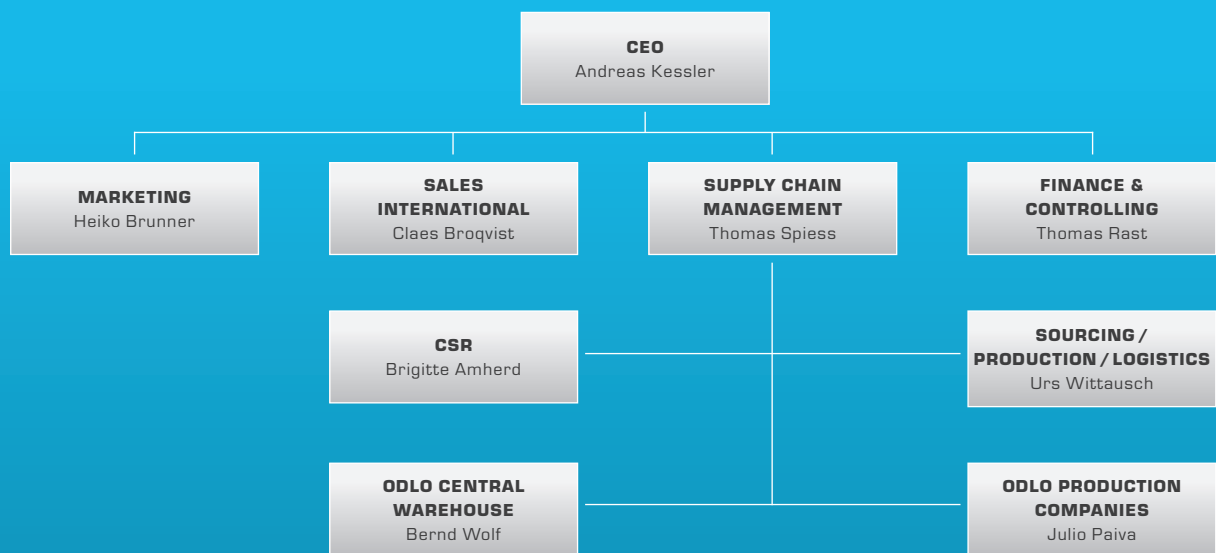
industry. In the same year, ODLO launched the functional, figure-hugging «evolution» sports underwear and the new sports bra range.

Since 2008, ODLO
is a member of
Fair Wear Foundation

ODLO wants to grow further and be an attractive employer. The Swiss company, therefore, moved into a new building in Hünenberg [in August 2009](#) with 4,500 square metres, where the employees do not only have spacious, modern offices but also a lounge and a gym of their own.

[In 2011](#), a comprehensive CSR development project culminated in the launch of «evolution» [greentec](#), an integral and sustainable concept. «evolution» [greentec](#) is the first and only seamless underwear made from 100% recycled polyester that can itself be completely recycled.

In 2011, ODLO also started expanding its own production and distribution capacities. In the medium term, the production area in ODLO's factory in Romania is to be doubled. ODLO will decisively expand its distribution center in Germany – thus strengthening its European base. In the same year, ODLO returned to where the roots of the sportswear company are: to Oslo in Norway. Here, an ODLO store was opened.



ODLO Sports Group – Facts and Figures 2011

Grafik

Organisation chart
ODLO International
as of 31.12.2011.

ODLO Sports Group AG 2011	ODLO Sports Group AG 2011
Headquarters ODLO Sports Group AG, Switzerland CH-6331 Hünenberg, Bösch 47	Production 2 collections with a total of 6.7 million ordered garments
Brand established in 1946	Sales ODLO Sports Group CHF 144.2 million
Board of Directors Michel Perraudin, Chairman of the Board Odd Roar Lofterød, Member of the Board Tore Rynning-Nielsen, Member of the Board Sverre B. Flåskjer, Member of the Board Arnaud Lipkowicz, Member of the Board	Points of sales ODLO products are offered in more than 4,500 sales points worldwide, mainly in the specialist sports trade. The Swiss company also runs its own ODLO stores.
Management Andreas Kessler (CEO) Thomas Spiess (Supply Chain) Claes Broqvist (Sales) Thomas Rast (Finance) Heiko Brunner (Marketing)	Germany 1,450 PoS (10 mono-brand stores, 5 outlets) France 1,200 PoS (16 franchise stores, 3 outlets) Switzerland 900 PoS (4 mono-brand stores, 1 outlet) Austria 563 PoS (3 mono-brand stores, 1 outlet) Netherlands 350 PoS (0 mono-brand stores, 0 outlets) Belgium 200 PoS (0 mono-brand stores, 0 outlets) UK 136 PoS (0 mono-brand stores, 0 outlets) Norway 100 PoS (1 mono-brand stores, 0 outlets)
Employees (FTE) Totally 740, of which 110 are based at the Swiss headquarters in Hünenberg	Further information www.odlo.com

Responsibility – we care!
Actions – we act!
Transparency – we share!



csr vision

Grafik

The three core values of the ODLO CSR vision are responsibility, actions and transparency.

Sustainable action has been anchored in ODLO's corporate vision from the beginning: «We act with social and ecological responsibility».

The three core values «Responsibility», «Actions» and «Transparency» reflect what is paramount to ODLO.

We care:

As a Swiss quality company with a family tradition, sustainability is very important to us. We want to assume our responsibility so that we can all continue to enjoy sporting activities in the nature well into the future.

We act:

We want to act in the form of small, specific steps, fully aware of the fact that we only have limited resources and have to be economically successful. We, therefore, have to come up with a selection of sensible measures which we can implement.

We share:

We stand by what we do. We want to inform publicly about our measures and progress and also communicate any setbacks if and when they arise.



csr strategy overview

Picture
ODLO Outdoor.

The ODLO CSR strategy defines ambitious goals, responsibilities and milestones. The CSR strategy is an internal and confidential paper, which is discussed and approved by the Executive Board on an annual basis. The following extract provides an overview of its content.

The CSR strategy for the coming years has the following areas of focus:

Social responsibility

Be a fair and attractive partner to the producers and ensure that they correctly apply the Code of Conduct.

Be a fair and attractive employer to our own employees (headquarters, subsidiary companies, own production plants).

Realise the measures stipulated by the Fair Wear Foundation as an outcome of the Management System Audit.

Follow up on Corrective Action Plans (CAPs) as the outcome of social audits at the production plants.

Follow up on Employee Survey, which takes place every two years.

Ecological responsibility

Assume ecological responsibility.

Ensure stakeholders' safety and health within the scope of capabilities.

Implement the ODLO Climate Initiative with its 3 programmes:

- Awareness & Responsibility
- Quality & Innovation
- Use of Resources

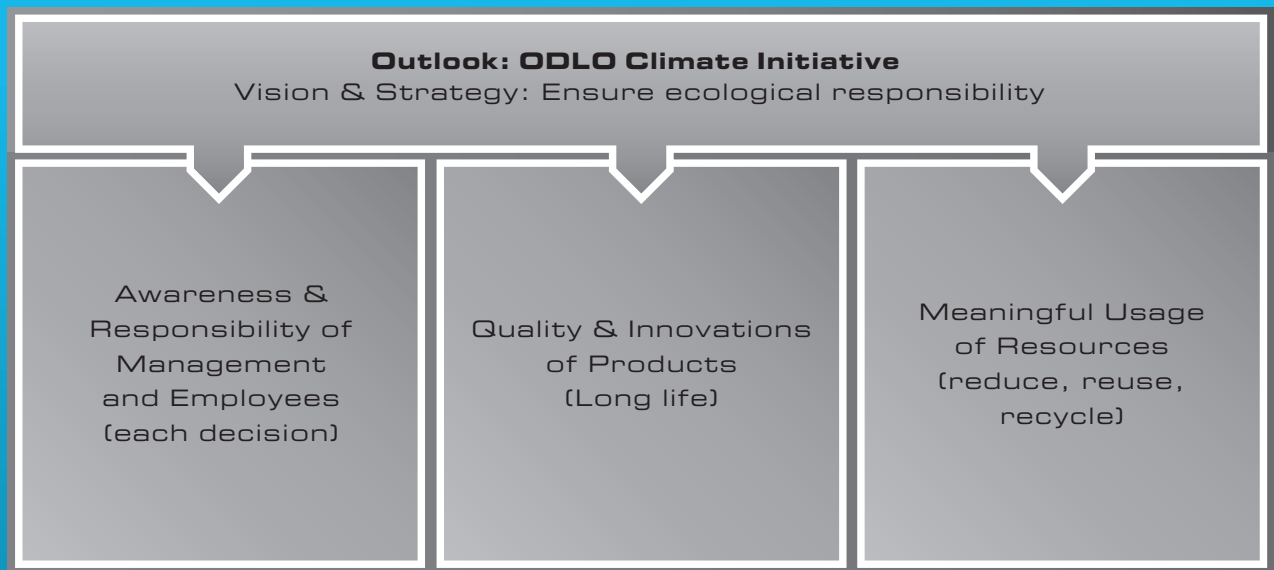
Membership of international working groups & initiatives (European Outdoor Group EOG, World Federation of the Sporting Goods Industry WFSGI).

Transparency, communication, organisation

Further increase transparency internally and externally.

Continuously develop management and employees.

Implement CSR in the Management by Objectives (MBO) process (annual goals, annual assessment, development of measures).



ODLO climate initiative

Grafik
The ODLO Climate Initiative 2011–2013 comprises three areas of focus.

Each area of focus comprises several measures. These are to be implemented and communicated between 2011 and 2013.

Awareness & Responsibility:

Awareness for CSR matters is to be continuously raised among all employees. Ecological and social aspects are to be included in each decision-making process. The know-how and sense of responsibility of each individual is to be increased by incorporating training, communication and the integration of CSR into the Management by Objectives (MBO) process.

Quality & Innovation of Products:

ODLO develops products with a very long lifespan, an important aspect of sustainability. This will remain unchanged in the future. New, more environmentally-friendly materials are continuously examined and – wherever it makes sense – integrated.

Reasonable Use of Resources:

ODLO strives to use resources responsibly, reuse or continue to use them wherever possible. Recycling options are carefully considered and implemented where they make sense.



the ODLO code of conduct

Pictures
ODLO Romania. Each
producer has to sign and
implement a strict code
of conduct.

As early as in the nineties, ODLO had signed a code of conduct with its producers. At the beginning of 2009, ODLO revised that code of conduct according to the requirements of the Fair Wear Foundation and had it re-signed by each of the producers.

This most restrictive code on the market is based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights.

Its major points are:

Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).

No discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111).

No exploitation of children

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, no less than 15 years (ILO Convention 138). There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. Children (between the age of 15 and 18) shall not perform any work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals (ILO Convention 182).

Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).

the ODLO code of conduct

Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate (ILO Convention 1).

Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.

Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

ODLO has committed itself to a correct implementation of this code of conduct.



csr management system

Picture left
ODLO CSR Team 2011.

Picture right
ODLO X-Country.

CSR Overall Responsibility

ODLO International's Executive Board bears overall responsibility for CSR. It defines the CSR strategy. Significant strategic decisions are taken by the overall Executive Board.

Within the Executive Board, the head of Supply Chain Management as the CSR delegate is entrusted with the implementation of the CSR strategy. He is supported by the CSR Manager.

ODLO CSR Team 2011

ODLO assigns a CSR team to ensure the implementation of the vision and strategy. In 2011, the team was composed of the following members:

CSR Delegate:

Thomas Spiess

CSR Manager:

Brigitte Amherd

Head of Sourcing & Production:

Urs Wittasch

Administrator Sourcing & Production:

Jason Peyer

Fabric Development Manager:

Regina Goller

In addition, every ODLO employee is obliged to act with social and ecological responsibility in his or her field of work.

All the managers at ODLO are responsible for implementing the CSR strategy in their own fields of activity, placing the necessary emphasis on the topic and providing incentives for the continual further development of CSR at ODLO.

ODLO Management Instruments 2011

ODLO internally

- CSR Vision and Strategy
- CSR Budget
- Monthly meeting of CSR Team
- Quarterly report to Executive Board
- CSR Workplan (annual planning)
- CSR contributions to ODLO Inside Newsletter
- International CSR presentations

ODLO externally

- Code of Conduct
- CSR questionnaire for producers
- Social Audits, Fair Wear Foundation
- CSR Report
- Corrective Action Plans (CAPs)

csr management system

Communication, Training and Development

The following platforms have been implemented and are used by the CSR Team:

Target groups	Internal platforms	Timing
CSR Team	CSR Team Meeting	Monthly, project-specific
Executive Board	CSR Strategy Meeting Executive Board Meeting	Yearly Project-specific
ODLO headquarter staff	Information Meeting	Up to 6 times per year
ODLO international staff	International Marketing & Sales Meeting Newsletter	Twice a year Monthly

Target groups	Platforms for Informing Producers	Timing
Management of own production plants (ODLO Portugal & ODLO Romania)	Direct contact (phone, e-mail) Management Meeting International Marketing & Sales Meeting	Ongoing communication Continuously, if required up to 4 times a year Twice a year
Employees of own production plants (ODLO Portugal & ODLO Romania)	Newsletter Information board	Monthly Ongoing communication
Management of manufacturers	Direct contact (on-site visits, video-conference, phone, e-mail) Corrective Action Plan (CAP)	On-going communication Quarterly update
Workers of production plants	Information board	Information by producer

Fair Wear Foundation Membership

ODLO is a member of the Fair Wear Foundation, which strives to improve labour conditions in the textile industry worldwide. FWF verifies that producers abide by this code and achieve adequate progress. Governed by trade unions, NGOs and business associations, FWF's independence is guaranteed. Transparency and accountability are key principles (www.fairwear.org).

FWF members work towards improving the labour conditions in factories that produce sewn textiles all over the world. The basis of collaboration between FWF and its members is the code of labour practices. Eight labour standards form the core of this code of conduct. FWF members undertake to comply with the code of labour practices.

FWF verifies whether companies comply with the code of labour practices through factory audits and a complaints procedure, through management system audits at its members and through extensive stakeholder consultation in the production countries. FWF shares its knowledge and (local) contacts with its member companies, providing them with access to information on local legislation, labour standards and culture.

Members are required to set up a coherent monitoring system, including factory audits, factory training and factory visits. FWF has a complaints procedure that enables factory workers to anonymously bring to light any abuses related to labour conditions.



goals & achievements 2011

Picture

ODLO Kids. Future generations, too, should be able to experience an unspoilt nature.

Further Development of CSR Management System

Social and ecological responsibility has been anchored in the fundamental values and thinking of ODLO since the very beginning. Since 2009, the standardised ODLO CSR Management System has been implemented. In 2011, the main measures taken to develop the system further were:

- Development of the ODLO CSR Strategy for the years 2012– 2015
- Management system audit at the ODLO International headquarters by the Fair Wear Foundation in September 2011
- Increase in transparency within the entire value chain

Social Audits

ODLO cultivates long-term partnerships with its producers. In 2011, 18 producers were active for ODLO apart from our own 2 factories in Portugal and Romania (20 producers in total).

Excerpt from the management system audit report of FWF:

«Since the start of its member-

ship, 6 audits have been carried out by FWF teams. One of the factories delivers through an agent. Altogether, between 55% and 58% of the supply base is audited by local FWF teams.

13% of the purchasing volume is produced in low risk countries such as Portugal, Germany and Italy. Furthermore, ODLO has assessed other existing audit reports and included a follow-up in their monitoring system for two more suppliers. As a result, more than 90% of the company's total purchasing volume is included in the monitoring programme and comes from either an audited factory or factories in low risk countries, thus meeting the relevant FWF requirement.»

In 2011, ODLO has expanded its supplier register and included all subcontractors.

The Fair Wear Foundation itself carried out an independent social audit with a subcontractor of our Chinese agent for the first time in 2011. This audit represented a first step towards integrating all subcontractors into the ODLO social monitoring system. As there has been no direct contact with ODLO before, the subcontractor audited is still at the very beginning of the social compliance process.

All audits carried out so far resulted in corrective action plans (CAPs). The findings detailed in these CAPs are now being addressed by the audited producers under the supervision of ODLO and FWF.

There is still potential for improvement with all producers to varying extents. Depending on the

More than 90% of the company's total purchasing volume is included in the monitoring programme.



goals & achievements 2011

production country and its legal regulations, working conditions vary considerably as compared to Central Europe. All producers, however, have committed themselves to continuous improvement. Under chapter «Monitoring by Countries», the results are illustrated and commented in detail.

Special monitoring was required for ODLO's producer in India over the last year. Here, an audit carried out in 2010 had brought to light significant shortcomings. Despite the fact that operations are being managed satisfactorily considering local circumstances and that new jobs have been generated, the situation does not live up to ODLO's expectations. Together with the producer and FWF, a tight, binding roadmap was defined during several meetings. An independent consultant is supporting the producer in implementing the measures on site. By the end of 2012, clear progress is expected to be made. In 2013, FWF will check progress by means of another audit.

Implementation of ODLO Climate Initiative

In 2010, ODLO conceived and launched the ODLO Climate Initiative, a programme for comprehensively improving the ecological footprint. The following results have already been achieved by 31.12.2011:

- Internal analysis of the economic situation (SWOT), spring 2010, updated in winter 2011/12
- Product life cycle analysis of the core sportswear product «ODLO warm» together with myclimate, winter 2010. For results please revert to CSR Report 2010.
- Presentation of the ODLO Climate Initiative 2011 – 2013 at the International Marketing & Sales Meeting, November 2010
- Product life cycle analysis of the sportswear core product «ODLO evolution warm» in comparison to «evolution greentec warm» in co-operation with myclimate in autumn 2011
- Testing/introduction of new, more ecological materials and technologies, e.g. dope dyeing (currently the most environmentally-friendly dyeing technique), 2011
- Co-operation with suppliers of environmentally-friendly materials, such as Polartec, the market leader for ecological materials, 2010/2011
- Market analysis in connection with DWR (durable water resistance) equipment, 2011
- Launch of «evolution» greentec in winter 2011 (integrated recycling concept)

The results are detailed in chapter «Ecological Footprint».



goals & achievements 2011

Picture

Pedometers for «Expedition Everbest». Physical activity in everyday life represents an essential contribution to good health.

Training & Development of ODLO Employees

In 2011, training and development of ODLO employees focused on «evolution» green^{tec}, using all ODLO communications platforms. All other CSR matters have been communicated in the internal newsletter or in direct contact with the employees.

- Information about CSR to all ODLO employees in all countries by means of the internal newsletter
- CSR information – internal and external information provided by the CSR Team

Internal CSR Initiatives and International Activities

Internal CSR initiatives are initiated by individual members of staff, managers, teams or the HR department. These initiatives include:

- **Aid supplies for tsunami victims in Japan**
Since the devastating earthquake and the subsequent tsunami in Japan in 2011, Human Plus e.V. has organised several aid shipments. Human Plus, Germany, stands for fast, unbureaucratic aid for victims of war or natural catastrophes. ODLO contributed textiles to the shipment.
- **Expedition Everbest / Right to Play**
In spring, ODLO employees embarked on «Expedition Everbest» with the aim of climbing the highest peak of the world. They did not actually climb Mount Everest but were given a pedometer, which tracked and added up the daily number of steps taken during 40 days.

The expedition was a complete success: of the 129 participants, as many as 81 reached the peak! In total, the ODLO trekkers took 40 million steps, which represents a remarkable contribution to their health. For each employee who reached the top, ODLO donated CHF 40.00 to «Right to Play», an organisation that supports disadvantaged children by giving them access to sporting activities. www.righttoplay.com.

- **«Bike to work» initiative, June 2011**

For the 5th consecutive time already, ODLO International took part in the «bike to work» initiative organised by the umbrella association «Velo Schweiz». For a full month, employees rode to and from work by bicycle, thus making both an ecological and a sporting contribution. www.biketowork.com.

- **VINTO training initiative**

In order to give young, ambitious athletes the opportunity to enter the professional world, ODLO offers a commercial apprenticeship (in co-operation with the organisation Vinto). In 2011, the first apprentice – a passionate triathlete – started his four-year apprenticeship with ODLO International. Thanks to the additional apprenticeship year, he will be able to combine his intensive training programme with his apprenticeship.



goals & achievements 2011

Picture left
ODLO Lunch with Friends,
Dario Cologna.

Picture right
ODLO employees
at an internal
sports event.



- Sports events**
 ODLO supports a variety of internal and external sports events, thus promoting both popular sports, employees' health and the development of young athletes.
- «feel fit» health package for ODLO employees**
 The Swiss headquarters in Hünenberg offers to its employees a variety of activities that are good for their health. The ODLO health package includes sports (own gym), nutritional consulting, lectures on health-related topics and workplace ergonomics.
- Inline skating «Solidarity!»**
 6,000 inline-skating enthusiasts took over the Bugatti circuit in Le Mans for 24 hours of skating on the legendary track. Among the 619 teams to compete this year, one stood out from the others: for the third consecutive year, the team «IDEM ROLL'IDAIRE» was skating for solidarity, initiated by an ODLO France employee and supported by ODLO. The team raised EUR 5,600. This money will be used to rebuild the roof of a school in Burkina Faso.
- Corrida da Muhler – fighting against breast cancer**
 On 12 June, Runporto organised a 5km race on the streets of Porto. 15,435 women participated in the run. This initiative is organised

annually together with a group of several public and private associations in order to encourage women to participate in sports and to alert them to the fact that so many women fall victim to breast cancer. The money raised was donated to the Portuguese League Against Cancer (an organisation that does research and supports all cancer patients). 47 employees of ODLO Portugal took part in the event.

- Lunch with Friends of ODLO**
 Also in 2011, the initiative «Lunch with Friends of ODLO» attracted some interesting personalities to Hünenberg. For example, meteorologist Cécile Bähler spoke about climate issues, and Thomas Frischknecht and Florian Vogel gave some personal insights into the Scott Swisspower MTB Racing Team. Dario Cologna spontaneously took part as well. The top athlete who is supported by ODLO answered questions of employees in a casual and charming way.



transparency and external communication

Picture left
ODLO Running.
Advertising campaign.

Picture right
ODLO Bike.

In 2011, ODLO used the following tools for external communications:

- ODLO website / CSR website (www.odlo.com)
- ODLO Internet Newsletter
- CSR Report 2011
- Press releases

For ecological reasons, ODLO refrains from publishing a CSR flyer but makes all information available paper-less on its website.



sourcing strategy

Picture
ODLO Romania
Production.

ODLO Production

For decades, ODLO had manufactured its products predominantly in its own factory in Portugal. With the growth of the company and the expansion of the product range, ODLO required more production capacity and additional know-how over the last years. After careful research, the management decided in favour of a small number of producers, with whom ODLO entered into long-term partnerships.

In 2004, ODLO also built a modern factory in Romania. That is where the large sports underwear are manufactured, whilst ODLO Portugal is managed as a technology and competence centre.

In 2011, 57% was manufactured in ODLO's own factories – a unique situation in the textile industry. A total of 72% of garments were produced in Europe including the Middle East.

Production table by country for 2011

Country of production	Number of producers	Value %	Volume %
ODLO Romania	1	31.33	45.35
ODLO Portugal	1	7.94	11.64
Total own production Europe	2	39.27	56.99
Germany	1	3.88	2.05
Portugal	1	0.08	0.33
Romania	1	2.10	0.94
Italy	2	0.06	0.06
Israel	1	11.59	11.72
Total Europe and Middle East	8	56.99	72.09
China	8	29.65	19.47
Vietnam	1	4.64	2.36
Thailand	2	7.29	4.78
India	1	1.43	1.32
Total Asia	12	43.01	27.92
Total	20	100.00	100.00



agents & subcontractors

Picture
ODLO Running.

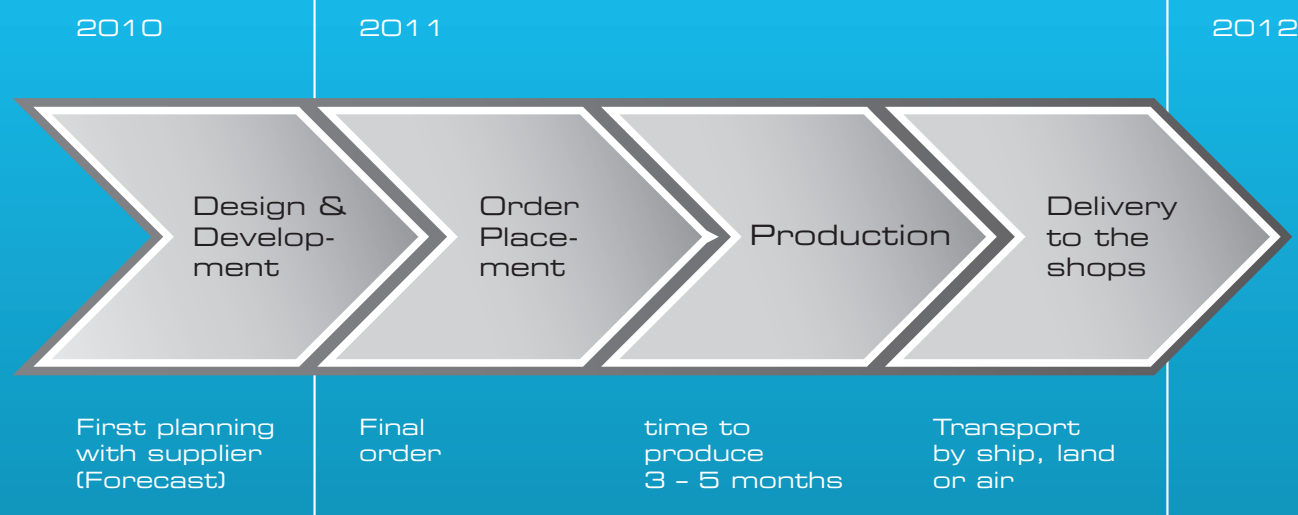
Agents

Agents, as opposed to producers, do not have their own manufacturing facilities but commission third-party companies. ODLO has been working with an agent in China for some years. This agent is listed in the above chart as a producer. According to the agent, 3 third-party companies have been commissioned in 2011, with one third-party company accounting for the majority of volume. This third-party company was, therefore, audited in 2011 (for results see country information).

All third-party companies of our agent have been included in our supplier register in 2011 and are now being continuously integrated in the ODLO monitoring system.

Subcontractors

Some ODLO producers outsource certain processes (e.g. the sewing in of parts) to subcontractors. Others place commissions with subcontractors in case of capacity constraints. In any case, the main contractor vouches for its subcontractors. To the present day, ODLO only included the main suppliers in its supplier register and correspondingly audited them. In 2011, ODLO has expanded the supplier register to include the subcontractors involved in the manufacturing process as well. All these subcontractors are now to be included in the ODLO monitoring system.



sourcing strategy

Grafic

ODLO production cycle.
ODLO produces 2
collections per year.

The producers are
involved in the order
planning process as
early as during the
development phase (11
months prior to the final
order placement).

Both sides agree on
lead times. Lead times
(time between order
placement and delivery)
are dependent on the
material as well as the
complexity of the product
(between 3 – 5 months).

Throughout the entire
production cycle, the
producers are in close
contact with the ODLO
management.

The ODLO sourcing strategy is based on the
following principles:

Priority 1: Own production

To the extent possible in terms of capacity and
know-how, new garments and/or additional
production volumes are manufactured in our
own factories in Portugal or Romania.

Priority 2: Long-term partnerships

Whilst other producers make use of hundreds
of producers and have them compete against
each other or exchange them every season,
ODLO aims for long-term partnerships with a
small number of producers under the motto of
«less is more».

The growth in sales targeted by ODLO should,
to the extent possible, be achieved with those
partners. New partners are selected according
to a strict evaluation procedure.

This policy enables the producers to plan for
the long term, thus increasing stability and job
security.

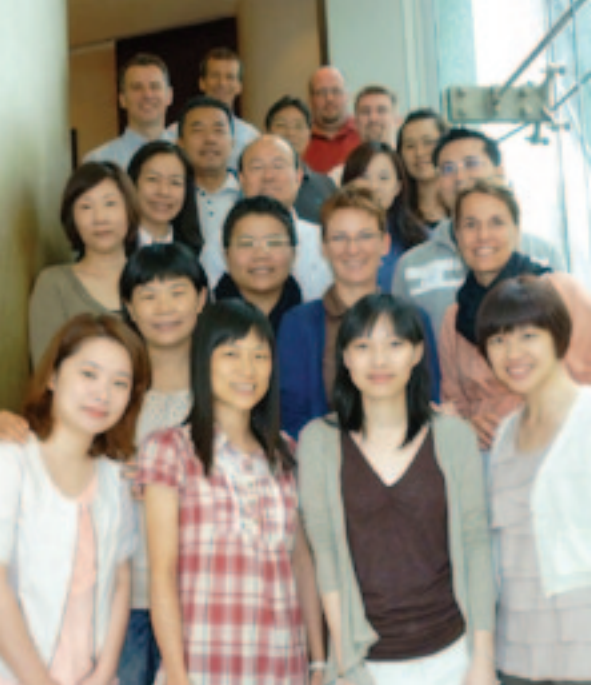
Co-operation Period with Producers (as at 31.12.2011):

Co-operation period	Number of producers
More than 15 years:	2 producers
More than 10 years:	6 producers
7 – 10 years:	4 producers
4 – 7 years:	4 producers
Less than 4 years:	4 producers

Supply Situation in China, Workshop in Hong Kong

The supply situation in Asia has drastically changed over the last two years. The fast-growing Chinese domestic market and labour shortages in China have had a negative impact on the sourcing situation of ODLO. At the same time, the demand for technical fabrics from the part of the outdoor sports industry has increased significantly.

In this changing environment, close co-operation between ODLO and its producers and fabric suppliers is essential for ensuring that production is on schedule and superior in quality, thus avoiding excessive working hours for all parties involved.



sourcing strategy

Picture left:
Sourcing workshop in
Hong Kong, June 2011.
ODLO sourcing staff
with key producers &
suppliers.

For this reason, ODLO has organised a round table with these parties. At the end of June, representatives of the fabric supplier and the producers met for a workshop in Hong Kong, joined by an interdisciplinary team from ODLO. The workshop was a complete success, helping to solve problems pragmatically and quickly thanks to personal exchange.

Pricing Policy

ODLO calculates its prices using the «open costing» principle. This means that, for every product, the sales price is calculated individually, taking into consideration the material and work costs, overheads (headquarters, marketing, etc.) and the profit margin. This price is negotiated directly with the producer.

ODLO does not work on the basis of tenders, i.e. there is no additional competition among the producers.

Organisation of the Sourcing Team

ODLO has a small Sourcing Team consisting of 5 members, who work closely together with the Product Management Team. They all work in the same building at the Swiss headquarters, which ensures flexible information and short decision-making routes.

Selection Process for New Producers

ODLO applies a 4-step plan in selecting new producers:

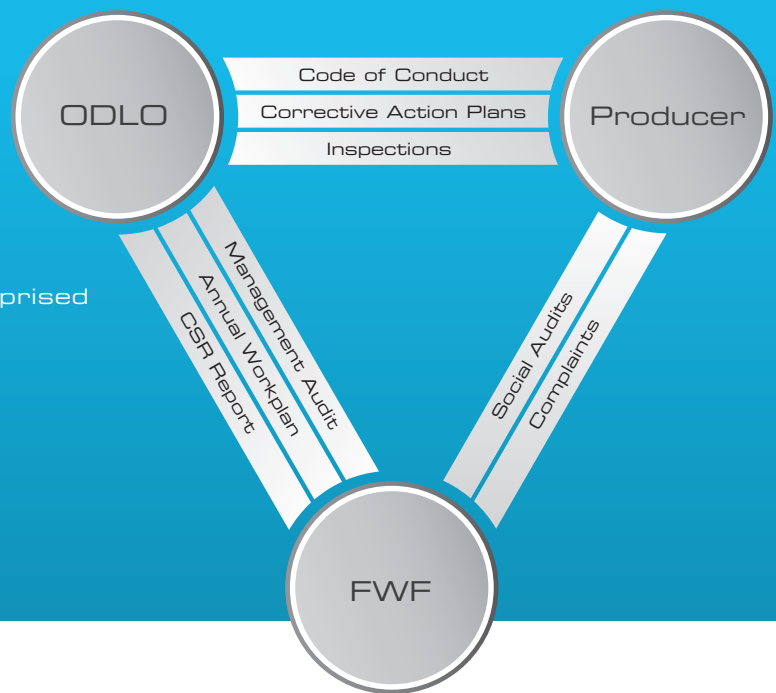
- | | |
|---------|---|
| Step 1: | Producer Meeting (Source Allocation Meeting) to discuss new collection (Head of Sourcing & Product Manager) |
| Step 2: | Search for new producer if no existing partner can deliver additional quantities or new parts |
| Step 3: | Visit to the new producer on site, examination of ODLO Must Criteria, completion of a producer assessment (checklist) (Head of Sourcing & Production) |
| Step 4: | Final decision about co-operation with new producer by Executive Board |

The new producer must fulfil at least the following ODLO MUST criteria:

- A professionally managed company; state-of-the-art production
- Willingness to sign and comply with the ODLO code of conduct
- Compliance with ODLO quality standards
- Successful completion of the producer assessment

ODLO Monitoring System

The current monitoring system is comprised of the following instruments:



monitoring-system

Diagram
ODLO monitoring system.

Monitoring Instruments

The current monitoring system is comprised of the following instruments:

Code of Conduct & FWF Questionnaire:

All producers have to sign the ODLO Code of Conduct (see chapter «Code of Conduct»), confirming that they have filled out the questionnaire truly and correctly and that they are prepared to work towards full implementation of the necessary measures within their company.

Social Audits by FWF:

ODLO commissions an external, independent organisation with performing the social audits. The majority of audit teams are trained by FWF to carry out factory audits.

Corrective Action Plans (CAPs):

To follow up on these audits, ODLO maintains a Corrective Action Plan (CAP) with all producers, listing the shortcomings found. At regular intervals, the producers report any progress made to ODLO by means of these CAPs.

Inspections by ODLO Staff:

ODLO employees visit the producers on a regular basis and inspect the working conditions on site, e.g.:

- Quality Assurance Team Asia and Europe
- Head of Sourcing and Production (3 – 4 times a year)
- Members of the Product Management Team
- Executive Board Members
- Other ODLO employees

During their visits, the ODLO employees fill out a checklist and report their findings to the CSR Team.

Complaints:

Employees of a producer can file complaints concerning their working conditions with an independent authority designated by the FWF. The authority forwards the complaint in anonymous form to the FWF which, in turn, informs ODLO.

Management System Audit:

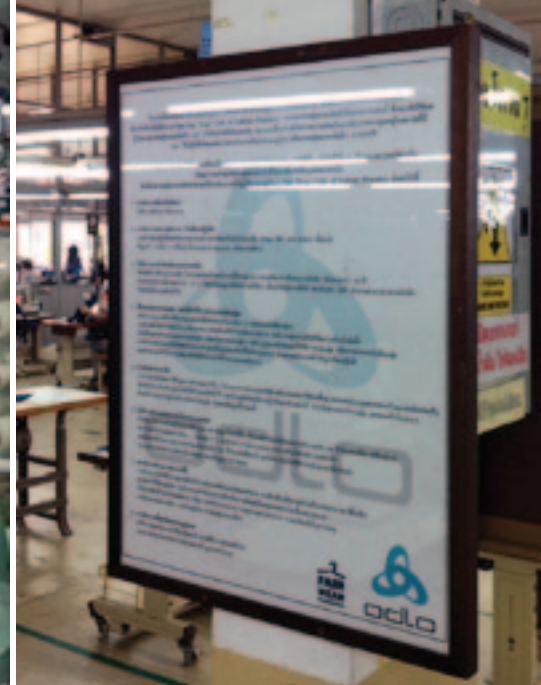
At regular intervals, the FWF also verifies ODLO to support FWF processes. The results are published on the FWF website and are integrated into the CSR Workplan and the CSR Report.

CSR Workplan:

ODLO draws up a workplan every year (annual planning), which is then submitted to the FWF. This confidential document details the activities planned for the following year. The workplan for 2011 was submitted to the FWF on time at the end of 2010.

CSR Report:

The present report functions as a controlling instrument and is published.



monitoring by country

Picture left
Circular knitting machine.

Picture right
ODLO Code of Conduct published in the factory building of an Asian producer.

* Postponed from 2011 to 2013. In 2011 a roadmap was defined (ODLO & FWF) and an independent consultant was put in place on site. First results are due at the end of 2012. This is why an audit at an earlier point in time does not make sense.

Since ODLO's affiliation with the Fair Wear Foundation in 2008, the following audits have been conducted with our producers:

Independent audits carried out by the FWF by Country (as at 31.12.2011):

Country	Producer identification number	Date of audit (completed)	Next audit (planned)
Thailand	4	April 2009	2012
Romania	1.1	September 2009	2013
China	3	November 2009	2013
China	9	June 2010	2014
India	7	July 2010	2013 *
China	19.3	June 2011	2014

monitoring system

Corrective Action Plans (CAPs) by Category and Country 2011:

During the audit carried out at a subcontractor in China in 2011, FWF identified a total of 28 measures (so-called findings). The table below groups these findings according to the core elements of the CoC.

*At the time of the audit, this subcontractor employed two 17-year-old teenagers, which is permitted by law in China if they are registered accordingly and have undergone a medical check-up. Neither was the case, so the subcontractor had to remedy the situation upon completion of the audit.

28 findings that emerged during the 2009, 2010 and 2011 audits carried out by FWF could be dealt with in the past year. This means that the producers have taken the necessary measures to remedy the situation on their own account. This will be verified by FWF during their next audit. As per end of December, 33 findings were still open.

This summary considers five CAPs of producers no. 2, 4, 7, 9 and 19.3 (all of them audited by FWF). All other CAPs were not integrated in the summary because they lack a unified format. This will be achieved during the next year(s).

New findings emerged during the FWF social audit in 2011:

Area of reporting	Country	Producer number	No. of findings
Management	China	19.3	7
Forced labour	China	19.3	0
Discrimination	China	19.3	0
Child labour	China	19.3	1 *
Freedom of association	China	19.3	2
Payment of living wages	China	19.3	6
Overtime	China	19.3	4
Health and safety	China	19.3	8
Total			28

CAP Progress Report as at 31. 12. 2011 (Summary):

Area of reporting	Closed findings (during 2011)	Open findings (31.12.2011)
Management	9	9
Forced labour	1	0
Discrimination	1	0
Child labour	0	0
Freedom of association	4	2
Payment of living wages	4	10
Overtime	4	4
Health and safety	4	8
Total	28	33



explanations concerning audits per country

Picture
ODLO Bike.

In the following, we will comment on the most obvious shortcomings found as part of the social audits.

India:

The audit performed in India was conducted at a new production unit of the supplier. Up to the date of the audit, no ODLO products had been manufactured in this production plant. Working conditions were insufficient for a co-operation with ODLO. The producer has shown understanding and commitment for improving the situation. Since then, several meetings took place between the producer, ODLO and FWF.

All parties agreed on a roadmap for improving the situation.

After consultation with FWF, ODLO commissioned an independent consultant in 2011, who is supporting the producer in India in implementing the required measures. The results will be available by the end of 2012. In 2013, FWF will audit the producer once again to track progress.

In 2011, some shortcomings could be remedied already. They were mainly related to inconsistencies concerning factory licences, a lack of formal labour contracts and time reporting. As it is commonplace in Asia, the workers questioned were neither informed about their rights nor organised in a workers' representation or trade union. As far as forced labour or child labour is concerned, no findings have been made.

However, it was criticised that not all workers were paid the legally required minimum wage including social security.

China:

In China, three factories were audited. One of them was the factory of a subcontractor. The audits showed that the FWF code of labour practices was not posted in the factories. Workers were not very well aware of their rights, although in two factories there was a union. The workers' representatives were, however, not elected democratically.

In 2011, one producer has itself become a member of the Fair Wear Foundation because of the positive experiences made in the past. This producer, thus, receives a special status within the ODLO monitoring system. Planned training by ODLO on site becomes obsolete.

There are no shortcomings with regards to the standards laid down in the codex concerning forced labour, child labour and discrimination.

All audits established excessive working hours. ODLO has started a dialogue on improving forecasting and planning. That could contribute to reducing excessive overtime. Not all workers in the factories were covered by social security schemes for occupational injury and medical insurance, which is very common in China.

explanations concerning audits per country

Thailand:

In Thailand, one audit was conducted, which showed that some workers did not have a formal working contract. Taking leave was restricted for workers, which is not according to the law. Several issues were found related to occupational health and safety at the workplace that needed improvement. Workers were required to work excessive hours and overtime compensation was not adequate. No findings were reported on child labour. ODLO summarised all the findings in a CAP and was in close contact with the factory regarding progress. Most improvements were realised by the end of 2011.

Romania:

An audit conducted in the factory in Romania showed that workers were not aware of the FWF code of labour practices. Workers' representatives were in place but were not active as such because of a lack of awareness on their roles. No findings were reported on forced labour, child labour and discrimination and no excessive working hours were found. However, there was need for improvement regarding health and safety at the workplace. Although at least the legal minimum wage and even more was paid to most workers, a gradual increase towards reaching a living wage will be required. As far as the CAP is concerned, ODLO is in close contact with the factory and FWF. Most of the improvements could be realised by the end of 2011.

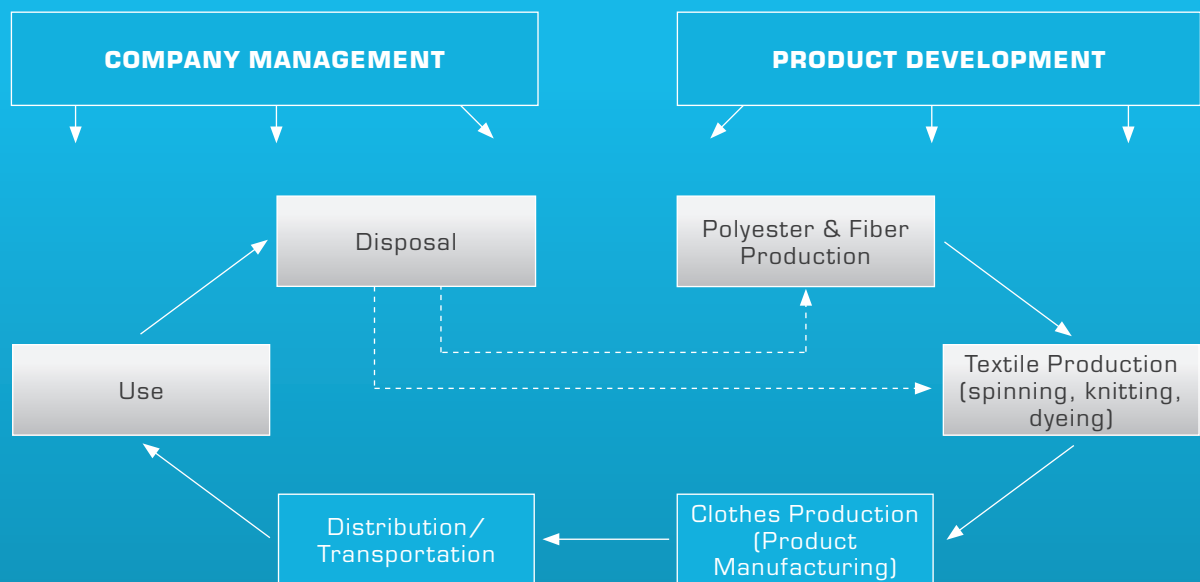
Vietnam:

The supplier in Vietnam has been audited by the Fair Labor Association (FLA). ODLO requested earlier audit reports and found out that almost all findings have already been dealt with. ODLO is following up on the remaining ones. Visits to the factory by the Head of Sourcing & Production of ODLO confirmed the good conditions prevailing in the factory.

Israel:

All products are being manufactured in one single factory, which exclusively works for ODLO. FWF has not been active in Israel up to now. There are two SMETA audit reports from 2009 and 2011. The findings identified have been included in ODLO's CAPs (corrective action plans), with ODLO monitoring the implementation of improvements by the producer. A further, more comprehensive audit is planned by the Fair Labor Association (FLA) in 2013. FLA has a team based in Israel.

The producer in Israel also has a factory in Jordan. That factory participates in the Better Work Programme by the International Labour Organization (ILO), aiming at improving working conditions. In 2011, no ODLO products have been produced in Jordan.



ecological footprint

Grafik

Ecological footprint analysis. ODLO has a direct influence on the blue processes and an indirect influence on all the others.

In 2010, ODLO started the project «Ecological Footprint», aiming at analysing the ecological footprint of the company step by step and at implementing meaningful measures for reducing emissions. The planned measures are summarised in the ODLO Climate Initiative, see chapter «CSR Strategy». The measures already implemented are mentioned under chapter «Goals & Achievements». The results for 2011 will be described on the next pages.

SWOT 2011

The most essential **strengths** of ODLO from an ecological point of view are:

- High quality standard facilitates sustainable products (lifespan)
- Entire sports underwear is certified according to Oekotex 100 standards
- Almost all of the ODLO fabric producers are certified according to Oekotex 100 or Bluesign
- High purity of materials (polyester) facilitates 100% recycling
- High degree of own European production (ODLO Portugal and Romania) with high level of ecological and social regulations and direct control
- Few producers, longstanding partnerships
- International CSR Team represented in the Executive Board
- Experienced Product Development Team based directly at the headquarters in Hünenberg, Switzerland

- Short routes of transport thanks to European production
- Packaging of underwear made of cardboard featuring the «Green Dot»

The most significant **areas for improvement** that can be influenced by ODLO are:

- Raising of ecological awareness among employees so that ecological aspects are increasingly included in decision-making processes
- Elaboration and introduction of CSR product development guidelines
- Consideration of ecological innovations (materials, technologies)
- Reduction of energy consumption and exploitation of recycling possibilities (e.g. fabric waste, packaging, energy, office waste, etc.)



launch of «evolution» greentec in 2011

Picture
«evolution» greentec.

In 2011, ODLO reached another milestone in improving its ecological footprint by launching «evolution» greentec.

«evolution» greentec is the first and only seamless underwear made from 100% recycled polyester that can itself be 100% recycled.

With «evolution» greentec, ODLO has developed a unique and innovative type of underwear. It meets highest standards of functionality and is specifically designed and produced with a green thread. The green thread stands for an outstanding level of sustainability and environmental compatibility.

After years of development, a recycling concept has emerged that combines function, high-tech material and sustainability.

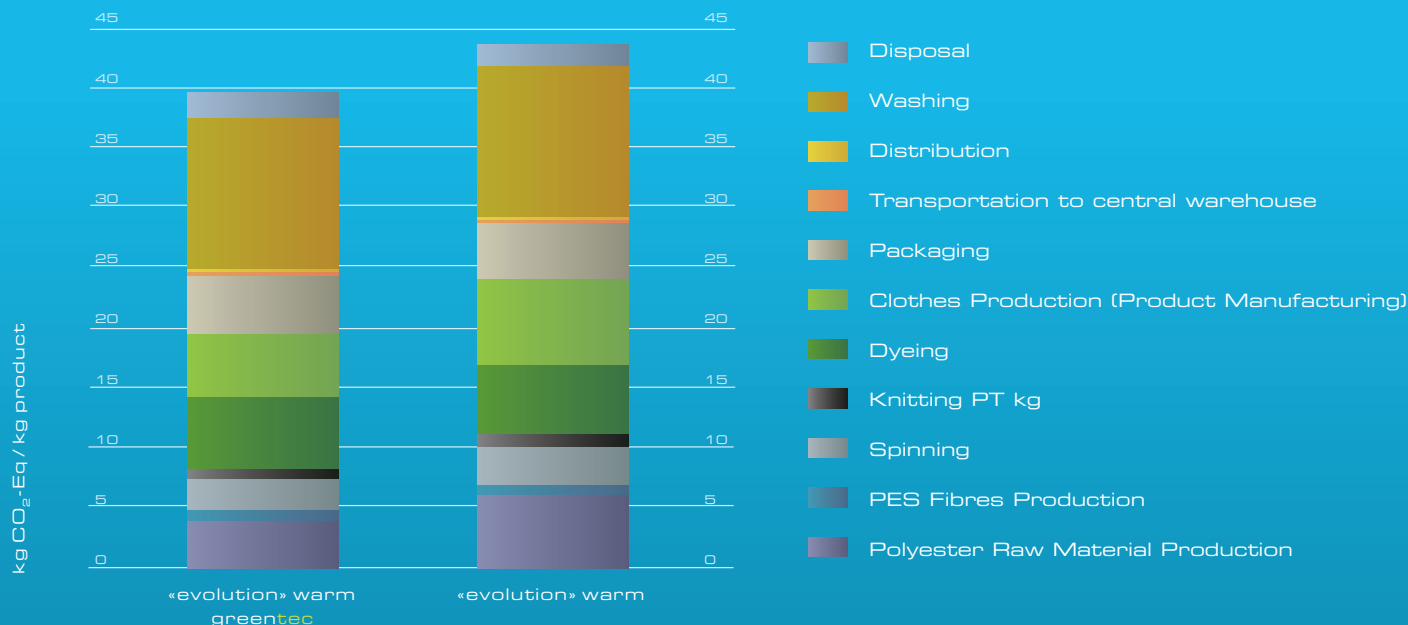
After years of development, a recycling concept has emerged that combines function, high-tech material and sustainability.

As the raw material for its «evolution» greentec seamless underwear, ODLO exclusively uses off-grade granulate which is produced as a side-product in the manufacture of polyester yarn. This waste yarn produces a consistently pure-quality, hard-wearing end product.

«evolution» greentec goes through two recycling cycles: in the first one, waste (off-grade granulate) from thread production for evolution products is brought into the textile cycle, producing new high-quality «evolution» greentec products. In the second cycle, worn «evolution» greentec garments

are fed into a non-textile recycling process, for example to produce clothes hangers. «evolution» greentec packaging consists entirely of 100% recycled and recyclable cardboard.

The «evolution» greentec collection will be launched in other qualities as well. The collection consists of four garments, each in two colours, for women and men. Taking ecological and economic considerations into account, the range and colours will be maintained for at least three years.



life cycle assessment 2011

Grafik

CO₂ equivalent emission during the entire life cycle - ODLO «evolution» greentec in comparison to ODLO «evolution» warm. Apart from the carbon footprint, the study also analysed the overall environmental impact, which provided a similar conclusion.

Commissioned by ODLO, the Swiss non-profit organisation myclimate (www.myclimate.org) conducted a Life Cycle Assessment of three ODLO sportswear core products:

- ODLO Originals warm (for results see CSR Report 2010)
- ODLO «evolution» warm (for results see below)
- ODLO «evolution» greentec warm (for results see below)

The data was calculated per kilo and can, thus, be easily applied to each shirt, pair of trousers, etc.

The primary data required (e.g. energy and material requirement) were delivered by ODLO or measured and weighed by means of existing products. Background data (e.g. electricity, transports, etc.) were gathered from the «ecoinvent V2.2, 2010» database (database elaborated by the Swiss Federal Institute of Technology (ETH) Zurich and the Swiss Federal Institute of Technology (EPFL) Lausanne as well as the Paul Scherrer Institute (PSI), the Swiss Federal Laboratories for Materials Science and Technology (EMPA) and the Swiss Federal Research Station Agroscope Reckenholz-Tänikon (ART)) as well as by myclimate's own research. The inventory and impact assessment were carried out with the aid of the life-cycle assessment software EMIS (V5.6, 2011).

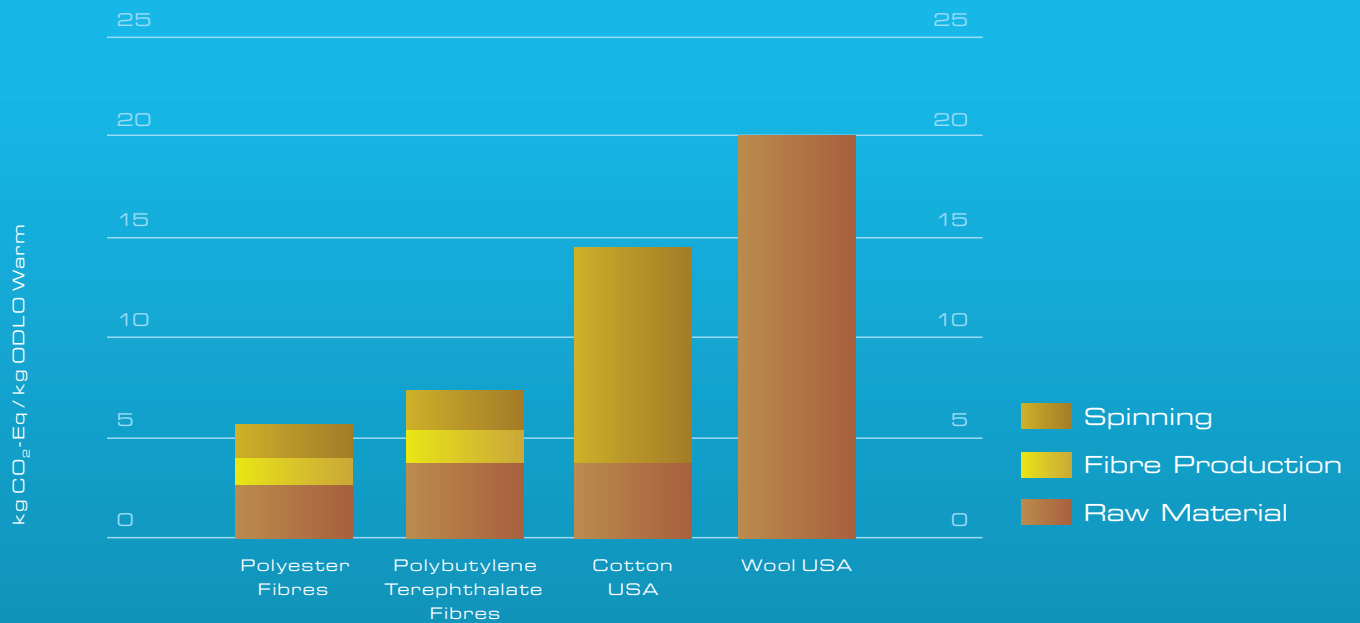
The scope of analysis involves the entire life-cycle of the products, from the extraction of natural resources, production, transport, usage to disposal. Similar to a study carried out by the European Environment Agency (EEA 1997), it was assumed that, during the utilisation phase, a garment is washed 75 times at 60 degrees before being disposed of.

Result 1

In order to produce 1 kilo of «evolution» greentec warm, around 24 kilos of CO₂ equivalent are emitted, i.e. 14% less than the conventional «evolution» warm.

This is primarily due to the different yarn material. The situation with regards to the **overall environmental impact** is quite similar. «evolution» greentec warm outperformed the conventional product «evolution» warm by 15% over the entire life cycle.

With 33% for «evolution» greentec warm, i.e. 30% for «evolution» warm, the utilisation phase considerably contributes to the climate impact of the products. Of equal significance with nearly 15% each are the processes of dyeing/washing and knitting.



life cycle assessment 2011

Grafik

CO₂ equivalent emission
– comparison of synthetic
fibres with cotton and
wool. Result shows
rough tendencies only!

*assuming an emission
of 0.2kg of CO₂ equivalent
per km and person
(according to ecoinvent
database V.2.2).

Result 2

As little as 2.7kg of CO₂ equivalent are generated during the production (including all processes up to confectioning) of one long-sleeved shirt of the new ODLO «evolution» greentec warm collection (112.2g), which corresponds to a car drive of 13.5 kilometres. *

Polyester Versus Cotton / Wool

In a second step, these CO₂ equivalent emissions as well as the water consumption were compared to available data on cotton or wool.

This comparison was made using generic data of the ecoinvent database (V2.2). As there are no existing inventories available for knitted cotton fabrics, the processes were compared up to «spinning yarn». The ecoinvent inventory describes cotton from the United States. It can be assumed that the further processes are similar to those of PES yarn. Processes for wool only exist in a very general way for «wool directly from the farm». For wool, there are existing inventories from the USA.

Result 3

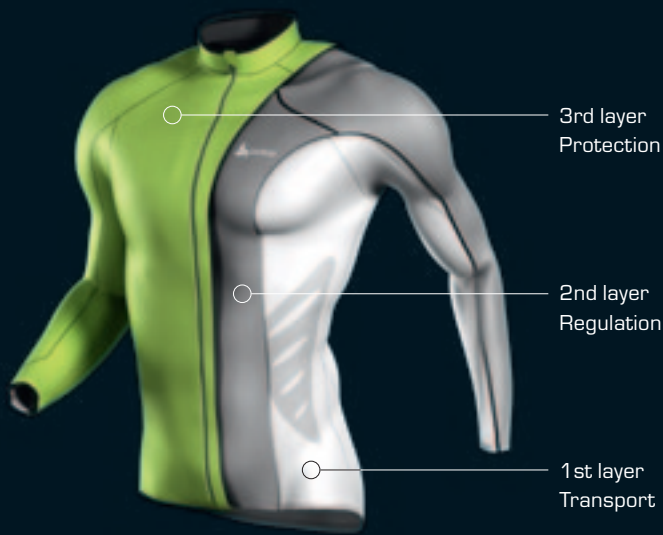
All results of the life cycle analysis show that the production of polyester fibres achieves at least equal results compared to cotton and better results compared to wool as far as the CO₂ equivalent emission is concerned.

This result, however, has to be viewed with caution, since it depends very much on wool and meat prices and only applies to the US market.

Result 4

Taking water consumption into account as far as possible, cotton shows the greatest water consumption, followed by wool. The production of PES fibres, in turn, hardly requires any water.

More meaningful than the comparison of water consumption, however, would be the analysis of the effects on water shortage, as water consumption in Germany may not be compared to water consumption in Portugal or Australia. The calculation of water shortage, however, does not yet represent an integral part of life-cycle assessment software tools, which would require additional expenditures.



materials & technologies

Picture left
ODLO 3layer principle

Picture right
ODLO cubic.

ODLO uses only highly functional fibres. Approximately 70% of fabrics are developed exclusively for ODLO. The fabrics offer optimal moisture transport and high breathability. A Fabric Development Team based at the ODLO headquarters in Switzerland endeavours to provide athletes only with the best fabrics. The Swiss company is entertaining close relationships with research institutes.

ODLO strives to continuously reduce material consumption, e.g. by using laser cutting technology or by using lighter fabrics. The company is very intent on keeping materials unmixed in order to create good conditions for recycling.

Oeko-Tex 100

ODLO functional sports underwear has been awarded the Oeko-Tex label «Confidence in Textiles», which certifies textiles that are free from harmful substances according to Oeko-Tex Standard 100. ODLO sports underwear complies with current standards regarding human ecology: it contains no carcinogenic substances, no formaldehyde, is free from allergenic dyes and has a skin-friendly pH value.



Green Dot

All ODLO underwear packaging features the «Green Dot», being entirely recyclable.



bluesign® system partners

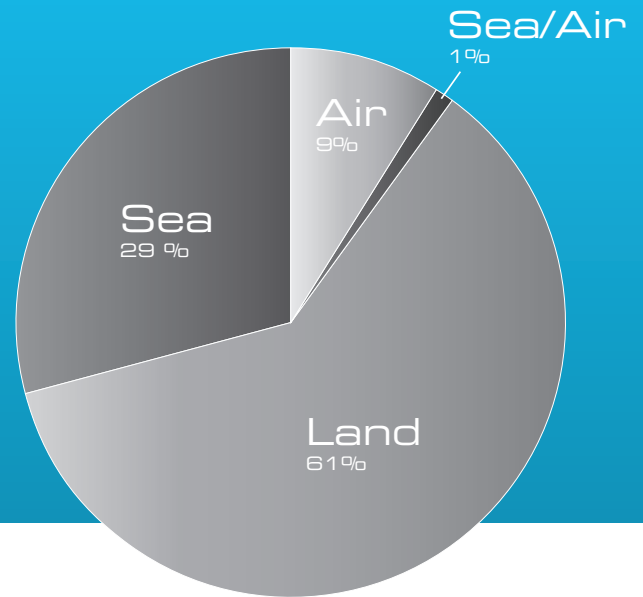
Several ODLO fabric suppliers are bluesign® system partners, such as Polartec, the inventor of modern synthetic fleece.

Bluesign promotes an independent industry textile standard. The bluesign standard is an input stream management system that covers all environmental, health and safety (EHS) aspects within the textile manufacturing chain (www.bluesign.com).

REACH

ODLO's entire European production is subject to the strict requirements of REACH. REACH stands for Registration, Evaluation and Authorisation of Chemicals. REACH is the new regulation concerning safe production and use of chemical substances of the European Union (EU) and came into force on 1 June 2007.

In 2011, 10 percent were shipped by air, respectively sea / air.



transportation

Grafik
Goods transported in
2011, according to
means of transport,
in percentage.

ODLO strives to arrange transportation by sea wherever possible, which represents the best alternative both from an ecological and economic point of view.

Unfortunately, the trend continues to prevail, with ODLO having to transport considerably higher quantities of goods by airplane than planned in the past year. In 2009, only 2.4% of goods had to be transported by airplane, whereas in 2010, 7% of goods had to be transported by air or air/sea and in 2011 even 10%.

This can be attributed to general delays in delivery in Asia due to capacity constraints/ labour shortages. The entire textile industry was affected and had to order express deliveries. ODLO will continue to keep transportation by air at the lowest level possible.



conclusions of 2011 and outlook towards 2012

Picture
ODLO Running.

There's much to be done....

...if sustainability is to be more than a mere promise. A change of thinking is to take place within the entire organisation. What's required is a willingness to tackle new ideas, to seek new ways. Social and ecological aspects must be integrated in the working processes.

With the significant launch of ODLO «evolution» greentec in the past year, we have succeeded in integrating sustainability. In our core business of

sports underwear, we have proven that there is a demand for innovative concepts from the part of specialist sports shops.

Now we are eagerly awaiting the sales figures. How are the consumers going to react to the product? The forecasts give us reason to look into the future with optimism.

Even in times of economic hardship, sustainability remains on the agenda. Non-profit organisations such as Greenpeace or WWF fight for sustainable action on behalf of nature and the environment. It's important for us to maintain our strong market presence in the long term, while, at the same time, acting with a sense of responsibility.

ODLO strives to continue improving its ecological footprint. The objectives defined in the ODLO Climate Initiative are ambitious. The CSR Team is looking forward to the challenges. Please do not hesitate to send us your proposals and suggestions, because...

...there's much to be done.

We have succeeded in integrating sustainability in our core business.



editorial information

Publisher:

ODLO Sports Group, Bösch 47
CH-6331 Hünenberg, Switzerland, www.odlo.com

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