



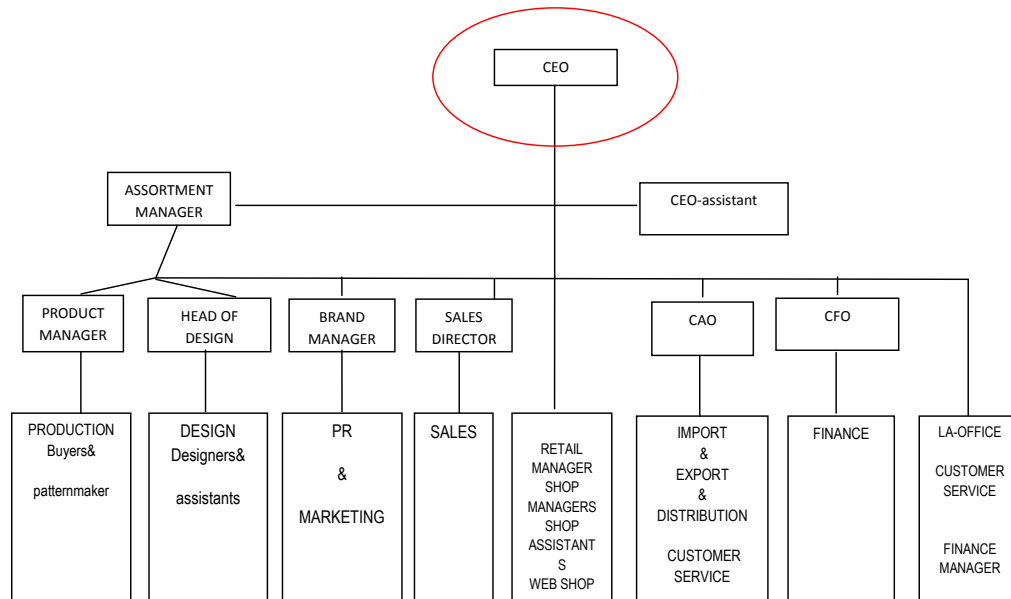
SOCIAL REPORT 2016

Odd Molly

a brand with a *mind*, a *heart* and a *conscience*

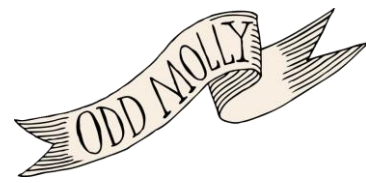
Member of Fair Wear Foundation since June 2009

Reporting year January 2016 – December 2016



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Odd Molly wouldn't exist without Molly. A skater girl in Venice Beach in the 80s, whose courage to break free from conventions and follow her own dreams inspired us to start Odd Molly in the first place. But Molly is more than just a part of our history; Molly is Odd Molly's soul. Her values reflect upon everything we do. Odd Molly will always be inspired by Molly, and fight to have more Molly's in the world.

Odd Molly is a brand with a mind, a heart and a conscience.

Odd Molly is also a loving brand with high ambitions, still a brand that will never take itself too seriously.

The Odd Molly mind loves to submit to its appetite for more, always being damn fabulous meanwhile

OUR VISION

Odd Molly make a positive difference and contribute to more Molly's in the world.

Mind

Heart

Conscience

Odd Molly wants to help its customers to dress in a sustainable way and provides a clear style concept with durable materials, high quality and long life.

As low impact as possible - as long lifetime as possible

Promoting re-use and recycling

Odd Molly wants to fight for girls' right to independency regarding their own lives and the society.

A society where girls feel great freedom and dare to follow their dreams, through access to self-sufficiency, freedom and accepted diversity.

Odd Molly wants to influence partners, employees and the community in a positive direction by actively take responsibility.

Long-term and trusting relationships with partners and employees that create added value for our environment.

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 products are sold through our 18 stores 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 2016, Odd Molly's net sales amounted to 423 MSEK. 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 Labor 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 Labor Practices.



Summary: goals & achievements 2016

“The membership in Fair Wear Foundation gives us a possibility to realize the objectives of our core values – that Odd Molly is a brand with a mind, a heart and a conscience. Our goal is that everyone working with Odd Molly should feel good – including the people producing our garments. Every season we learn more about our suppliers and we are proud to see real improvement happen even if it is happening in small steps... We will always continue to try – always for the love of feeling good!” - Anna Attemark / CEO

During the year Oddmolly made efforts to shape a new sustainability strategy to make it possible to take our work to the next level.

With the support of external specialists, we initiated a dialogue with key stakeholders to better understand the issues they see as most important. Odd Molly’s garments are often detailed with a lot of handcraft, and it is no surprise that Social conditions in the factories is something that our customers see as very important. To stay true to our core values our membership in Fair Wear Foundation is more important than ever.

The work to improve the social standards in the factories producing our garments continues. We have done 7 audits in China and India during 2016 - in total around 20 audits since we became a member of Fair Wear Foundation in 2009.

The work to follow up on audits and verify that suppliers act per the Corrective Action Plans is an on-going work-in progress. During the year, several meetings took place between factory managers and Odd Molly staff together with auditors from Fair Wear. In total this year we have audited suppliers who carry 65% of our production volume in total, and 90% including the low-risk countries.

Last year we focused on enrolling suppliers in the Workplace Education Program offered by Fair Wear. The program offer in-house factory trainings for workers and managers to raise awareness for the Code of Labour Practices. We have found this, as a complement to the audits, to be a good tool to strengthen grievance mechanisms and improve communication between workers and management. Still, we find workers awarness to be a challenge and during 2016 we strenghtend our internal system to monitor that the Code of Labour Practice really is posted in all production locations.

The Living Wages remais our biggest challenge. During the year we worked with a method to analyze the suppliers prices to get a better understanding of how big part of the cost for one garment that is directly linked to wages.

Brand Performance Check

Fair Wear Foundation use the Brand Performance Check as a tool to evaluate and report on the activities of their members.

The Checks examine how the member’s management systems support FWF’s Code of Labor Practices and rate them as *LEADER*, *GOOD* or *NEEDS IMPROVEMENT*.

Brand Performance Check for year 2015 gave Odd Molly a score of 70 point and a rating as *GOOD*. *The check concerning year 2016 will be done in end of May 2016.*

Brand Performance check summary:

Odd Molly meets most of FWF's management system requirements. The company's sourcing strategy is based on long-term relationships and it works with a stable supplier base. The past two years Odd Molly has expanded their product range, which means several new suppliers were selected. 19% of Odd Molly's 2015 purchasing volume comes from suppliers located in low risk countries. Together with the suppliers the company has audited the past years, it has reached a monitoring threshold of 93%. Based on this monitoring percentage and a benchmark score of 70 FWF has awarded Odd Molly a Good rating.

In 2015 Odd Molly invested effort in ensuring all buyers had the same systematic way in ensuring supplier compliance with the FWF Code of Labour Practice.

This resulted in a general overview of supplier performance. This document is accessible for all staff involved. In addition, Odd Molly spent time and effort on

ensuring other colleagues within the company were aware of FWF membership. The production manager gave several presentations to sales staff and retail personnel to inform them about FWF.

FWF recommends Odd Molly to continue the work they started on getting insight in the production time and thus the costs of specific garments. This information is important in determining how the pricing strategy affects working conditions (overtime and living wage) in the factories.

The full report can be downloaded from: <https://oddmolly.com/csr>

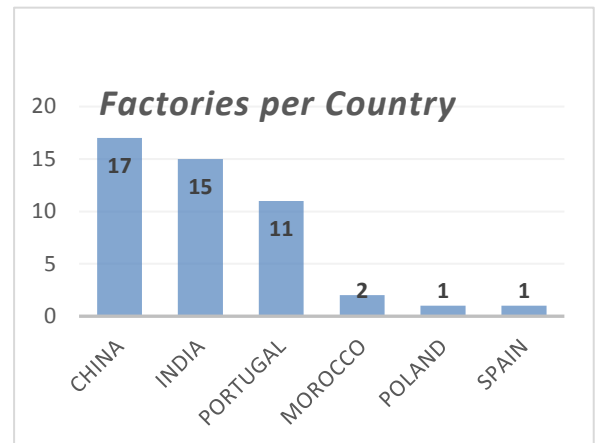
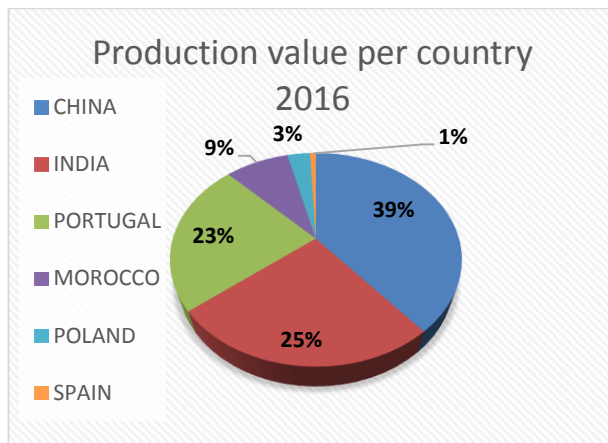
1. Sourcing strategy

1.1. Sourcing strategy & pricing

Odd Molly's business concept is to design, market and sell women's fashion, through independent retailers as well as in our own shops worldwide.

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

To cover the needs for the merchandise we produce, we are today operating in 6 production countries: China, India, Portugal, Morocco, Poland and Spain. During 2016, we worked with 47 suppliers.



We choose our suppliers very carefully. Quality in terms of both product and delivery performance are taken into consideration, as well as the suppliers standard when it comes to environmental and social issues.

Odd Molly is a design driven company where the product stands in the first room, we do not primarily compete on price. However, we always negotiate our prices 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.

The base criteria 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 comply to Fair Wear Foundation Code of Labor practice, and Odd Molly’s Quality Assurance & Chemical agreement.
- Over all professionalism in running a factory and previous experience
- Reference customers

1.2. Organisation of the sourcing department

With the best possible product in focus, we have organized our department in teams where designers and buyers are working closely together – being responsible for the product from design and product development to production and delivery. 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, Sport, Accessories & Home.

The department is managed by Assortment manager, Design manager and Production manager who work closely together.

Allocation of orders are decided by the buyers together with the Productionmanager.

The production manager is overall responsible for Sustainability but the teams are closely involved in the daily work with these issues.

In India and Portugal, we work with production agents who take care of the daily communication with the suppliers. This is very helpful to improve the control and the communication since these agents can visit the manufactures daily.

1.3. Production cycle

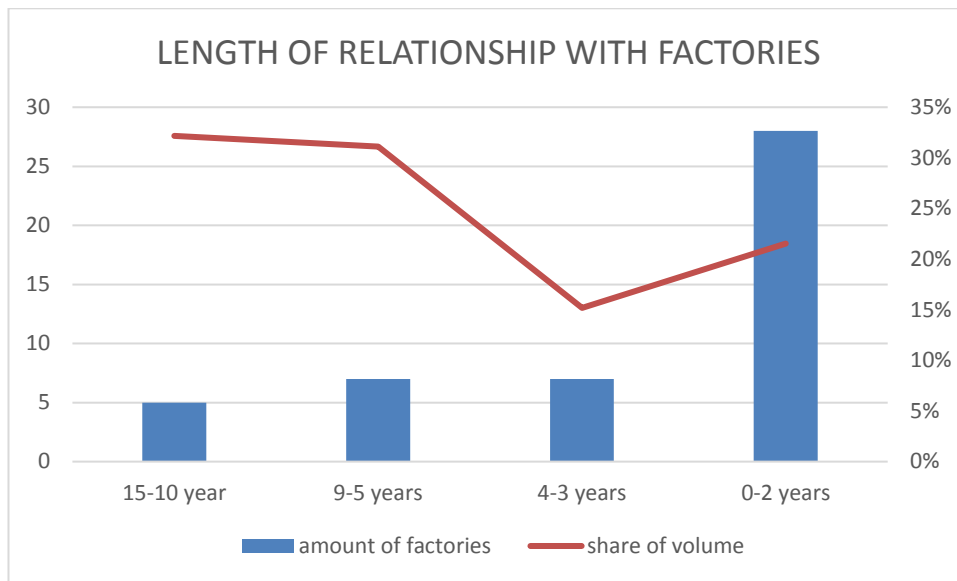
Odd Molly designs and sell four collections per year: pre-spring, spring/summer, pre-fall and fall/winter. The pre-collections have two delivery drops and the main-collections 4-6 delivery drops.

This system allows long enough lead-time for production and a low risk in terms of pre-bookings from our side. It also evens out the workload for the suppliers.

Main collection	Design and samples	Salesperiod	Production/shipping	Delivery
	26-30 weeks	12 weeks	12-24 weeks	12 weeks
Pre collections	Design and samples	Salesperiod	Production/shipping	Delivery
	16 weeks	8 weeks	12-24 weeks	12 weeks

1.4. Supplier relations

Odd Molly aims 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.



Our brand is currently developing towards being more of a lifestyle brand than a pure fashion collection and during the last years we have added new product groups to our concept. Naturally, this has led to an extension of the supplierbase. During 2016, we introduced *Underwear & Sport* and one new factory in China was added. We also started to work with one new knitting factory in India. Odd Molly staff has been visiting the factories to ensure quality level and social standards. No social audits have been done by FWF in those factories yet but will be done during 2017.

1.5. Integration monitoring activities and sourcing decisions

The outcome of the audits done so far did not change our sourcing strategy. It strengthens our basic idea to work with a limited number of suppliers and to have a deep and long-term relation, working together towards improvements per FWF's recommendations.

We evaluate the suppliers' performance regularly based on the criteria's:

- Product quality
- Delivery punctuality
- Social – and environmental compliance
- Price
- Communication

The monitoring activities are naturally a central part in this work. Each production team is closely involved in the outcome of audits and follow up on Corrective Action Plans.

We try to reward the suppliers with good performance with good orders.

Our close relation with the suppliers makes it possible to always have an open dialogue regarding whatever issues that need to be addressed and to work towards improvement.

2. Coherent system for monitoring and remediation

Odd Molly's system for monitoring and remediation is built on close communication with the suppliers. It starts already at the introduction stage of a new suppliers when they are informed about our membership in Fair Wear Foundation, introduced to the Complaint Procedure and asked to fill in the Code of Labor Practice. Before production order is placed, the same must be signed and the manufacturer must be visited by Odd Molly representative.

We choose the factories for auditing based on importance of the supplier and size of actual orders, as well as earlier performance. After the audit, we communicate with the factory management directly to make sure efforts are made to improve according to CAP:s. The Production manager and Buyers are visiting the factories to verify the improvements once a year. Sometimes auditors from Fair Wear is joining during these visits. In between, the buyers are

visiting the factories minimum 2 times per year to work with product development and quality assurance.

The factories are also visited regularly by our local production agents who helps to follow up on the CAP: s.

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

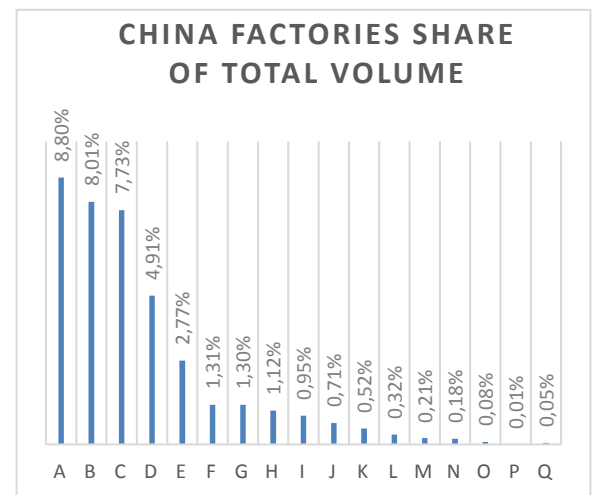
Odd Molly did not start production in any new countries lately. However, if we should do so, we study the information provided in Fair Wear Foundations *Country studies*.

2.1. CHINA

China carries 39 % of Odd Molly's buying volume. During 2016, we worked with 17 factories in China.

Highlights 2016:

- Four full audits conducted by Fair Wear Foundation staff.
- Production manager and Buyers at Odd Molly had several meetings to follow up on previous audits.
- Two factories participated in Workers Education program
- Complaint from two factories were handled, both concerning Payment of a living wage and a Legally binding employment relationship. After Odd Molly contacted the factory management, both cases could be solved.



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 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 cultural 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 per the legal requirements. Juvenile workers cannot perform any dangerous work and are 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:

We find this to be an area for improvement. Most of the factories do not have an independent union or worker's committee which is run by workers without management involvement. Some of the factories has a trade union which is subject to the All China Federation of Trade Unions (ACFTU) but the chairman is most of the times 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. We see the participation in Workers Education Program as the most important tool to improve this area.

Payment of Living Wage:

Payment of living wage is one of the biggest challenges. Most factories are claiming that they have a shortage of manpower and therefore need to increase wages. But still the big gap between skilled and unskilled workers remains. We also find big difference in wage level between our factories. In some cases, all workers are paid between Industry Average and the Asia Floor Wage – or even above that for the most skilled workers. In some factories, the level is between Legal minimum and Industry average.

It is also an observation that many factories do not pay leaves, benefits and overtime premium to workers according to legal requirements.

During this year's audit's we could see some improvement. One factory revised its payment system and now all employees are properly paid for their annual leave and statutory holiday leaves as well as they are properly paid for overtime hours.

Odd Molly will continue to encourage the management in each factory to work towards the living wage. During 2016, we started to ask the suppliers for more transparent price-calculations to analyze how big part of the price we pay per product that is linked to wages. This is a long-term project that we will work with continuously.

No excessive working hours:

This is also an area for improvement where small steps are taken. We try to work together with factories to plan the production to avoid overtime as much as possible. Fabrics and yarns are pre-booked and our delivery schedule is spread almost over every month of the year. Still overtime is an issue in most Chinese factories. Unfortunately, our leverage is low and overtime is not caused by Odd Molly but other bigger clients during peak-periods.

One factory managed to reduced overtime significantly by improving their production efficiency. We try to use them as a good example to inspire others to do the same.

Safe and healthy working conditions:

All factories provide on-going training for the workers and conduct fire drills on a regular basis. We have no reports on cases of serious injury at any of the factories even though we found many practical issues that needed to be improved regarding safe and healthy conditions. In most cases management, has been very open for improvement and immediate actions have been taken per the CAPs.

Examples of findings from this year: one factory that did not have the proper fire permit has received the same, lights installed in a warehouse has been changed to be explosive-proof, staff has been train on first-aid, ventilation system has been installed in a spot-cleaning area.

Although various issues have been observed multiple times and many improvements have been done, new observations about 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. However, in previous audits we found that not all workers' gets a copy of the contract. This was found to be improved.

Most workers are covered by injury insurance.

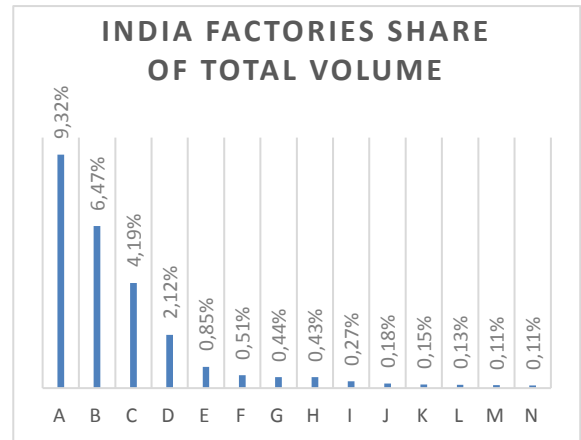
For Social Security, some factories increase their coverage up to 95% of the workforce while in other factories this is still an issue especially for the temporary workers.

2.2. INDIA

India carries 25 % of Odd Molly's buying volume. During 2016 we worked with 14 main factories in China.

Highlights 2016:

- Three full audits conducted by Fair Wear Foundation staff.
- One of Odd Molly's buyers together with the chief auditor from Fair Wear Foundation visited the suppliers to follow up on previous audits.
- No complaint where filed during 2016.



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. One factory was found not maintaining a proper loan and advance register which is a legal requirement. Management agreed to improve this and it will be verified during upcoming visits.

No discrimination in employment:

We have found no proof of discrimination during recruitment or during workers stay in the factory this year. Most factories do have policies on sexual harassment, discrimination and women's rights. However, the functionality of these policies and the committees in the factories is a constant subject of improvement. During 2015 several factories were enrolled in the Workers Education program and this year we could verify some improvement. For example, in one factory women were now doing more skilled work like stitching while before you could find women working only with un-skilled work like finishing. Another factory with a high number of female workers did not have any maternity beneficiaries. They have now started an awareness program about maternity rights & benefits so that women workers will enjoy maternity benefits in future.

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. One factory was recommended to improve their routines in monitoring the age of workers at the subcontracting units.

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 pay less attention to worker's welfare. Instead it is a common practice to have Workers Committees which take up concerns of workers with the management.

Last year it was found that some factories even lacked this kind of committees, but this has been rectified and they do have a system in place now. Still we found that workers are not aware of their rights. The functionality of these committees can also be improved. This remains an issue even though several factories participated in Workers Education Program. Since the workforce is changing constantly, training must be held on regular basis in the factories.

Inspection of documents in all factories showed that the workers do have right to bargain collectively.

Payment of Living Wage:

We have found payment of living wage per the wage ladder being our biggest challenge in India. 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 pay considerable more than living wage to those workers who are most skilled. However, there remains a large gap between skilled and unskilled workers regarding payment. This year we also found indications that one factory did not reach minimum wage for workers hired temporary on need – something we will follow up to verify improvement.

One factory developed their internal system so details of overtime now shows on the wage slips. Still some of the factories do not pay the legal rate of overtime hours.

Odd Molly will continue to encourage the management in each factory to work towards the living wage. During 2016 we started to ask the suppliers for more transparent price-calculations to analyze how big part of the price we pay per product that is linked to wages. This is a long-term project that we will work with continuously.

No excessive working hours:

Overtime occurs during peak periods in most factories. Last year we found overtime hours not being properly recorded. This factory improved their system so details of overtime now shows on the wage slips.

It is hard for Odd Molly to make a difference by changing our own production planning. We only stand for a small part of the factories total orders and all brands tend to follow the same timetable in terms of delivery periods. Nevertheless, we work closely together with factories to optimize the production planning.

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 aware of the functioning and purpose of these committees.

We have no reports on cases 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 have been taken according to the CAPs.

Examples of findings this year: Evacuation signs that before was missing has been properly maintained, rubber-mats has been installed at some of the working stations, first-aid register are now maintained, Material Safety Data Sheets was posted in local language.

Although it has been observed in CAPs multiple times and further improvements have been rectified, new observations regarding safe and healthy working conditions constantly emerge. It requires constant monitoring.

Legally binding employment relation:

We find that most factories provide an appointment letter in the local language along with the company rules and policies for the worker's awareness on their rights and responsibilities. However, we have found some cases with casual workers where records were not kept and sometimes the workers do not receive a copy of the contract.

2.3. MOROCCO

Morocco carries 8 % of Odd Molly's buying volume. During 2016 we worked with 2 factories in Morocco. So far, we concentrated the monitoring activities to one of them standing for almost all the volume. Since Fair Wear Foundation isn't active in Morocco, our first audit done 2012, was made by UL. Fair Wear's team from Tunisia made the second audit 2014.

The second factory will be visited during 2017 and we will share the monitoring activities with another FWF member

Highlights 2016:

- Odd Molly’s Production Manager visited to follow up on previous audits.
- The factory has shared audits from BSCI and Wrap
- No complaint where filed during 2016.

Most important findings per FWF labor standard, Morocco:

Employment is freely chosen:

We have found no signs of forced labor. Appointment letters are given to workers. In previous audits in one factory it was found that workers must sign an agreement letter that oblige him to payback all the loan increased by an amount of 10% if he decides to leave the job. This routine has been changed and workers can now pay back without any penalty.

No discrimination in employment:

We have found no proof of discrimination during recruitment or during workers stay in the factory.

No exploitation of child labor:

We have found no signs of child labor.

Freedom of Association and the right to collective bargaining:

No findings.

Payment of Living Wage:

Most workers in the factory earn more than the Living Wage. Still there is a big variation in wages between the most skilled and unskilled workers. Everybody is paid over the legal minimum wage.

No excessive working hours:

No findings.

Safe and healthy working conditions:

Several improvements has been done since last audit: Ventilation system has been installed in the ironing area, protective gloves are now used, responsible persons had first aid training, stairs are equipped with anti-slip strips and chairs has been replaced. A health and safety committee has been formed, is active and conducts meetings since 2015.

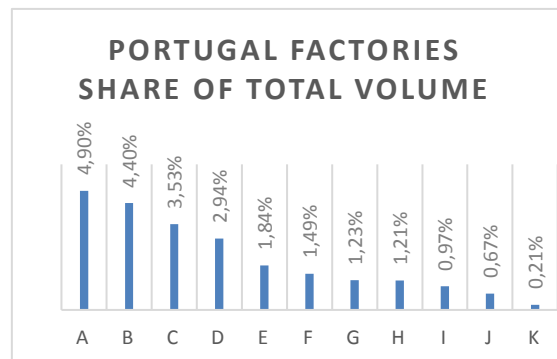
Legally binding employment relation:

No findings

2.4. PORTUGAL

Portugal carries 23% of Odd Molly’s buying volume. During 2016, we worked with 11 main factories.

All suppliers are informed about the FWF membership. Questionnaire has been signed and Code of Labor Practice is posted. Since Portugal is a low-risk country we do not make any audits with Fair Wear staff but all suppliers have been visited by Odd Molly Buyers and Production manager.



2.5. SPAIN

2015 we started to work with one supplier in Spain. They produce less than 1% of the total volume. The factory has been visited by Odd Molly staff and they are informed about the membership in Fair Wear. The questionnaire has been signed and Code of Conduct has been sent out. No other monitoring activities so far.

2.6. POLAND

Poland with one supplier only carries 3 % of Odd Molly's buying volume:

This supplier is Swedish with its own factory set-up in Poland. They have been informed about the FWF membership. The questionnaire has been signed and Code of Conduct has been sent out. No other monitoring activities so far

3. Complaints handling

We have experienced that it is hard to make sure that the Code of Labour Practice and information about FWFs complaint service is posted in a proper way (visible on notice boards and in local language). During 2016, we improved our internal system of monitoring this and started to require all suppliers to send us photo-proof of the posted CoLP. These photos are filed in our supplier register and included in the supplier evaluation. We also verify that the Code is posted during audits. 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 to solve the situation. The amount of complaints has increase as more suppliers has participated in Workers Education Program and the Complaint Handlers phone-number has been more accessible. We see this as very positive since it proofs that the system is working!

During 2016 we handled two complaints towards factories in China.

The cases are relevant to the following labor standards of FWF's Code of Labor Practices:

- Payment of living wage
- Legally binding employment relationship
- No excessive working hours

Odd Molly had discussions with the factories to solve the issues in the best possible way. Both cases are closed. To take part of the details, you can find the full reports on:

www.fairwear.org/resources/?type=complaints

4. Training and capacity building

4.1. 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. During 2015, all buyers participated in a training session with Fair Wear to increase their ability to make proper follow up on CAPs when they visit our suppliers

4.2. 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.

4.3. Activities to inform manufacturers and workers

Managers at each factory are informed about the FWF system in a direct dialogue with Odd Molly production manager or our local buying offices.

in an early stage. Their willingness to comply to the Code of Labor Practice is crucial in our choice of suppliers.

We will not place any orders with a supplier unless they have signed our Master Purchase agreement, containing

- a. General Buying and Delivery Terms
- b. Fair Wear Foundation and Social Compliance
- c. Legal Compliance & Policies, Product Safety & Quality Assurance

The responsible buyer follow up that all these documents are answered and signed.

We control when we visit the factories that CoLP is posted or we ask for photo-evidence– this needs to be monitored constantly.

Odd Molly is encouraging all suppliers to take part in the WEP training provided by FWF. Until now we had 9 factories in China and India participating. These factories produce 42% of the total production volume, and 57% of the volume produced in High-risk countries (China, India & Morocco). The response from the suppliers has been very positive.

5. Information management

To keep track on all the production locations we ask all suppliers to fill in a spreadsheet with the details for their main factories as well as the subcontractors. Main suppliers are quite easy to track since we pay visits every season. However, to keep track on the sub-contractors are a challenge and constant work in progress. This information is entered in the supplier register of Fair Wear Foundation.

During 2016 we improved our internal system to keep track on progress when we included the audit results in the general evaluating system of suppliers. This scoring system is monitored by Buyers and Production manager together and is an important tool in the communication with the suppliers.

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 of 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 Sustainability 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 Production & Sustainability manager through our Customer Service.

7. Stakeholder Engagement

Sustainability is, and has always been, an integral part of Odd Molly. During the year Odd Molly started to shape a new sustainability strategy with support from external specialists. The company started a dialogue with its most important stakeholder groups to better understand which issues they feel as most important. We interviewed owners, boardmembers, staff in the office and in our shops, end consumers and bloggers. The result has been a base for selecting the key aspects for Odd Molly to focus on, and clear goals for how Odd Molly can measure its performance will be set accordingly.

The most important issues are Workers Welfare, Gender Equality/Women's rights and environmental responsibility.

This applies to everyone who works with Odd Molly: employees, suppliers, subcontractors and other partners.

To deal with the country specific challenges in our production countries, the Country Studies by Fair wear is an important support.

We also get information from our local agents/production offices regarding the local situations.

8. Corporate Social Responsibility

Other CSR activities during 2016:

Sweden Textile Water initiative

To contribute to a better and more efficient water management in the factories we use, Odd Molly was in 2010 one of 34 Swedish companies who formed Sweden Textile Water Initiative (www.stwi.se) 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.

SIWI and Swedish brands (STWI) in cooperation with local consultants, support production units by identifying factory-based projects to become more efficient in water, wastewater, energy and chemical management. The production units get education and technical support to implement these projects. (

Swedish International Development Cooperation Agency, Sida, is financing 50% of the project. 4 of Odd Molly's suppliers were participating in the project during 2016. The result was amazing – by doing a lot of small investments or changes in routines, a lot of savings could be done in terms of money, energy, water and Chemicals. To read more details, please follow the link below for the first Global Report:

<http://stwi.se/2015/11/24/modelling-sustainability-stwi-global-report-launched/>

Chemicals

All Odd Molly's suppliers have to sign our lists of Restricted Chemicals, following the European legislation. To make sure that all suppliers are following the rules, we test our materials at accredited laboratories. Odd Molly is also a member of "Kemikaliegruppen" 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 does not use real fur, only skin and fur from animal's bread for the food-industry.

We do not accept Mulesing and all our Merinos are certified to be non-mulesd.

We do not accept harmful sheering methods of Angora rabbits therefore we do not use angora yarns.

All our down fillings are certified by IDFL to not be plucked from living birds.

To learn more about our work with sustainability within the supply chain, please visit <https://oddmolly.com/csr>