

OUR SUSTAINABILITY JOURNEY TO 2030

FRISTADS[®]
KANSAS[®]

March 3rd, 2021

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that *Fristads AB* supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. *Fristads AB* will make a clear statement of this commitment to our stakeholders and the general public.

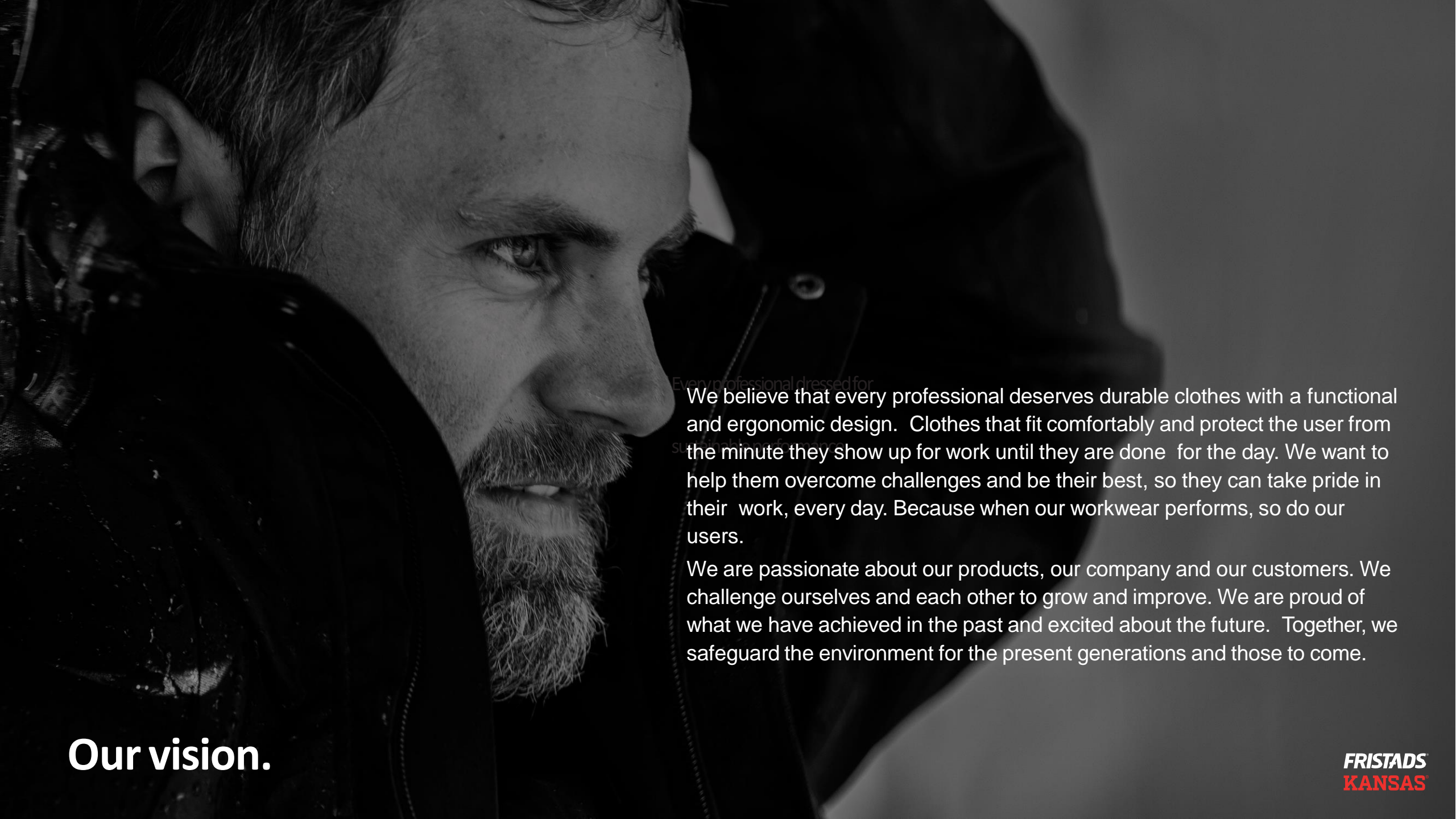
We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the UN Global Compact, and *annually* thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is *separate* from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,



Name Mr. Anders Hulse
Managing Director



Even professional dressed for

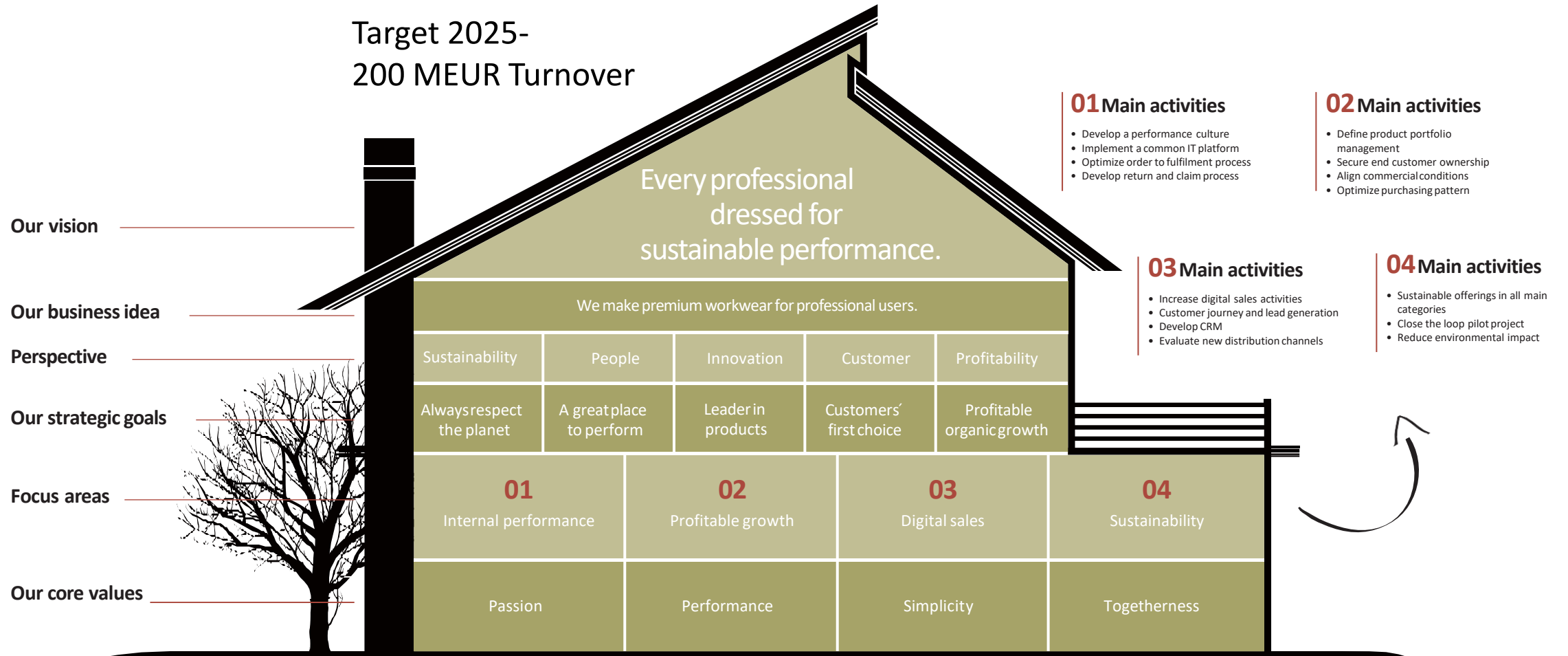
We believe that every professional deserves durable clothes with a functional and ergonomic design. Clothes that fit comfortably and protect the user from the minute they show up for work until they are done for the day. We want to help them overcome challenges and be their best, so they can take pride in their work, every day. Because when our workwear performs, so do our users.

We are passionate about our products, our company and our customers. We challenge ourselves and each other to grow and improve. We are proud of what we have achieved in the past and excited about the future. Together, we safeguard the environment for the present generations and those to come.

Our vision.

**FRISTADS
KANSAS**

Target 2025-
200 MEUR Turnover



Sustainability goals & commitments

2025 commitments:

- **People – satisfied employees**
 - Act in accordance with our Code of Conduct
 - Ensure that everyone working for us has good working conditions
- **Planet – sustainable product offer & operation**
 - Adopt circular thinking throughout the product process
- **Profit – reliable partner**
 - Become the workwear industry's experts on sustainability
 - Help our customers and suppliers to fulfil their sustainability goals

2030:

- Overall, 1,5°C reduction connected to UN GHG protocol 2030

STICA	Definition	Target	Comment
Scope 1	Refers to combustion of fuels in facilities, vehicles and cooling agent leakage from facilities	50% decrease 2030 (base year 2018)	Activities, reporting and part timelines included in the LCA
Scope 2	Refers to consumption of electricity, district heating and district cooling.	50% decrease 2030 (base year 2018)	Activities, reporting and part timelines included in the LCA
Scope 3	Refers to emissions from the purchase of goods and services such as logistics	1,5°C reduction connected to GHG protocol 2030 (base year 2019)	To be reported end 2021 1,5°C reduction to be translated to % targets

Our sustainability strategy aims to support the UN Sustainable Development Goals (SDG)



Fristads are acting on 14 goals and 3 of the goals are of particular relevance for us:

- Responsible consumption and production (12)**
 Make responsible decisions on what products to develop and garment design and make quality workwear that can be used for a longer time.
- Climate action (13)**
 Reduce our emissions by continuously evaluating our products, production, processes and logistics and always looking for alternatives with the lowest climate impact.
- Partnerships for the goals (17)**
 Working together with our industry colleagues and the field of research, combining our efforts to make a bigger change (e.g. RISE Chemical Group, STICA)

SUSTAINABILITY GOVERNANCE

Anders Hulse

Social



Togetherness

Bas Teepe
Maria Andtbacka

Caroline Bouisset
Gary Lee
Lam Pui Chi
Louise Tammjarv

Environment



Passion

Linda Olofsson
Anna Hacker
Sofia Johansson

Economic



Performance

Martin Steenari
Frida Lindström

Annual report
Linda McGurk

STANDARDS & TOOLS



- Annual Report

HUMAN RIGHTS Leading by Example

Social



Togetherness

- Employee Code of Conduct
- Peakon
- Supplier Code of Conduct
- amfori BSCI
- Newsletter

CLIMATE Caring for Change

Environment



Passion

- ISO 14001
- STICA
- amfori BEPI
- Supplier Chemical management
- OekoTex
- LCA

CIRCULARITY Driving innovation

Economic



Performance

- ISO 9001
- EPD (SimaPro)
- Re:use



Togetherness

Human rights

People are at the heart of Fristads Kansas strategy.

From our own employees to partner factory workers and customers, the focus is on ensuring they understand and exercise their rights, make informed decisions and unlock their potential.

Target 2022

- 100% T1 and T2 strategic and tactical suppliers audited
- Mapping of 100% of T2 non nominated suppliers and T3 for traceability and transparency
- Direct and indirect employees trained on Women empowerment

LEADING BY EXAMPLE



What

➤ **Employee's Code of Conduct**

- Management training
- Employee training
- Grievance mechanism/
Whistleblowing/ anti corruption eLearning
Employee/ Supplier/ customer?
- WEP Women empowerment Program

➤ **Peakon**

- Engagement Score
- Leadership

➤ **Newsletter** Sustainability update

When	How	Where
Bi-annual	KPI (Hultafors alignment)	Available on Team "Sustainability Team"
Bi-annual (start Q1 2021)	KPI	Available on Team "Sustainability Team"
Annual	Board reporting	Website portal
TBD		
Monthly	KPI	HR/ intranet
Quarterly	KPI	HR/ intranet
Quarterly	Article	Intranet



What

➤ **Supplier Code of Conduct**

- New version with chemical restrictions & requirements

➤ **amfori BSCI – Business Social Compliance Initiative**

- New platform migration
- Audit rating & Evaluation rating & Risk assessment
- Own production Excellence program (Stritex)
- Support Sourcing in reduction of suppliers
- CSR Activity Report
 - Factory update/ Red Alerts/ Risk assessment/ factory Training
 - AGT Covenant Fristads Breda

➤ **Compliance program** Internal training

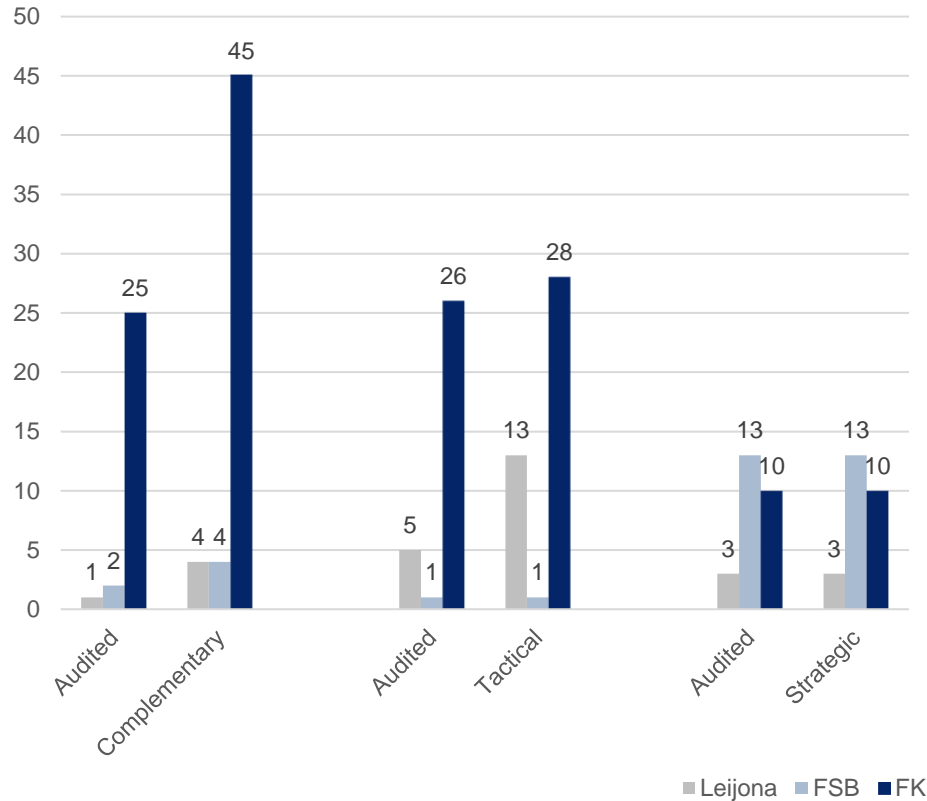
- Tender support

➤ **Living Wages program** Strategic tier 1 factories

When	How	Where
Q1 2021	KPI	Available on Team “Sustainability Team”
½ Q2 2021		
Quarterly	KPI	Available on Team “Sustainability Team”
Biannual	KPI	Available on Team “Sustainability Team”
On Going	KPI	Available on Team “Sustainability Team”
On Going	Excel	Available on Team “Asia Reports”
Annual	AGT rating	TBC
Biannual	KPI	Available on Team “Sustainability Team”
Q4 2021	KPI	Available on Team “Sustainability Team”

Supply Chain Audit Compliance Tier 1 – Q1 2021

● YTD
 ● YEAR END



Reasons/ Explanations

To ensure that all factories are audited, and that remediation plan are implemented.

Zero tolerance
Red alerts?

Activities/ Actions

- Mandatory audit under BSCI/ SA8000 standard in high-risk countries
- Monitoring and support by internal compliance team for the implementation of improvements according to remediation plan submitted and committed by factories further to audits.

3.

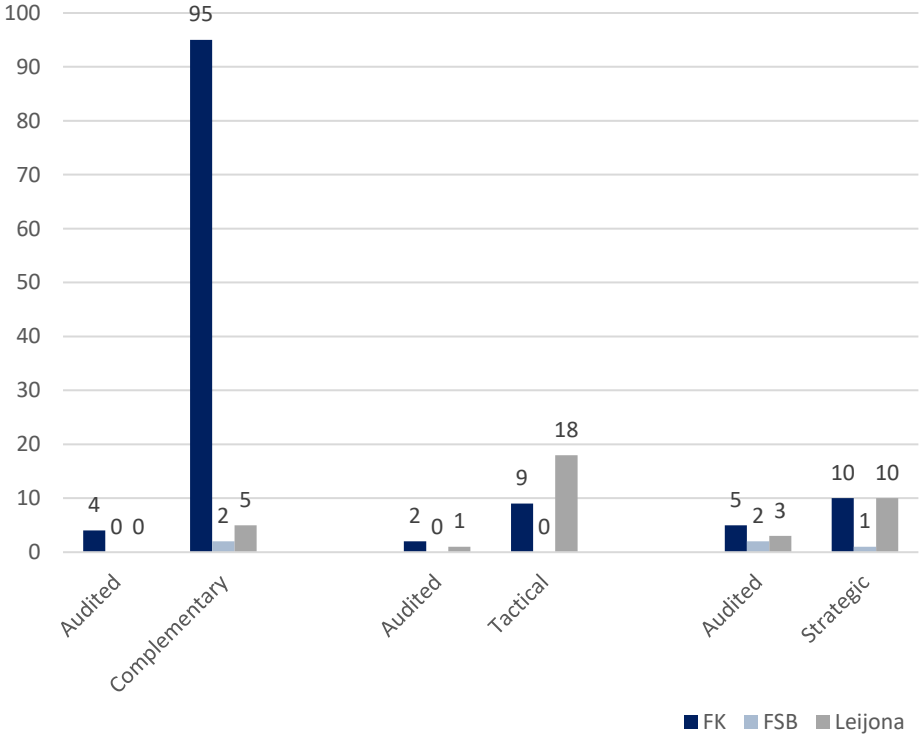
Sustainable Procurement.

Owner: Head of CSR
Definition: Rating of audit (BSCI & other)
Measure: Quarterly
Target: 100% of all factories audited

Supply Chain Audit Compliance Tier 2 – Q1 2021



YTD YEAR END



Reasons/ Explanations

To ensure that all factories are audited, and that remediation plan are implemented.

Activities/ Actions

- Mandatory audit under BSCI/ SA8000 standard in high-risk countries
- Monitoring and support by internal compliance team for the implementation of improvements according to remediation plan submitted and committed by factories further to audits.

3.

Sustainable Procurement.

Owner: Head of CSR
Definition: Rating of audit (BSCI & other)
Measure: Quarterly
Target: 100% of all factories audited



Passion

Climate

To target the emissions that are produced from our operations, we will reduce greenhouse gas emissions from both our own activities and those of our suppliers. In 2020 we learn that we can redefine what is possible by bringing people together to face the big challenges.

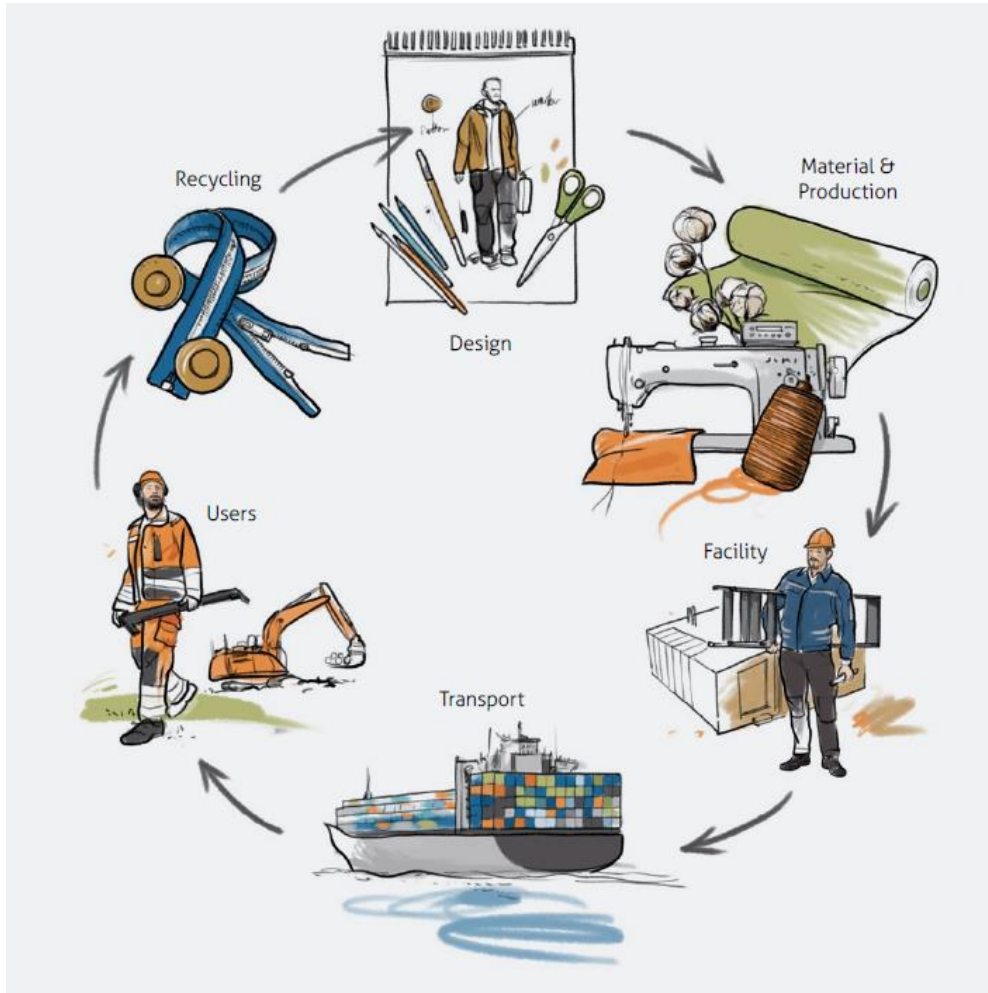
We are committed to reduce our supply chain carbon emissions in line with the 1.5 C future and will engage with our core suppliers to support them in reducing their GHG emissions and moving to renewable alternative energy sources.

Target 2030

- Reduction of GHG emissions by 50 % compared to the year 2020
- By 2022 100% of strategic T1 and T2 suppliers actively engaged in our Supplier Emission Reduction Program

CARING FOR CHANGE

Life Cycle Assessment_ISO 14001



Target: Overall, 1,5°C reduction connected to UN GHG protocol 2030

Why?

To help us determine areas that can be improved from a sustainability perspective.

How?

From the moment we envision a new garment to the day it is discarded we consider the impact it has on the environment and what we can do to minimize the negative effects.

All Fristads departments are guided by the LCA, as it provides the framework for our environmental work.

Needs:

- System support for reporting (World Favor?)
- Sustainability Manager to monitor and encourage the LCA
- Support on translation of 1,5°C reduction to % targets
- ISO 14001 responsible person inhouse?

Content:

- Activity
- Stakeholders (internal and external)
- Implementation and follow up (timeline & system)
- Targets
- Responsible person
- Rating 1-3
- Significantly environmental aspects (Products or Facilities & transport)

STICA

STICA	Definition	Target	Comment
Scope 1	Refers to combustion of fuels in facilities, vehicles and cooling agent leakage from facilities	50% decrease 2030 (base year 2018)	Activities, reporting and part timelines included in the LCA
Scope 2	Refers to consumption of electricity, district heating and district cooling.	50% decrease 2030 (base year 2018)	Activities, reporting and part timelines included in the LCA
Scope 3	Refers to emissions from the purchase of goods and services such as logistics	1,5°C reduction connected to GHG protocol 2030 (base year 2019)	<ul style="list-style-type: none"> To be reported end 2021 Establish framework for reporting 1,5°C reduction to be translated to % targets

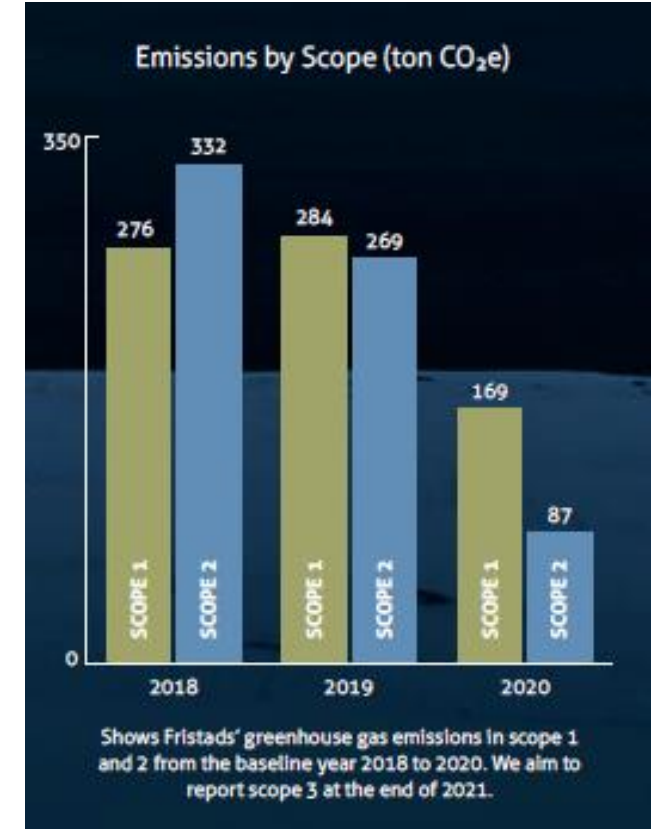
Target: Overall, 1,5°C reduction connected to UN GHG protocol 2030

Activities:

- Annual reporting on scope 1, 2 and 3
- Workshop for management teams: Fristads & Snickers planned for Autumn 2021 led by consultant 2050-bureau & MSCH_LRO_LJU. Purpose to define targets.
- STICA committees
- LCA: Activities, reporting and part timelines included in the LCA

Needs:

- System support for reporting scope 1 and 2.
- Sustainability Manager to monitor scope 1 and 2 (LCA)
- Support on translation of 1,5°C reduction to %targets
- Scope 3: System support SimaPro



STICA SCOPE 3

STICA	Definition	Target	Comment
Scope 3	Refers to emissions from the purchase of goods and services such as logistics	1,5°C reduction connected to GHG protocol 2030 (base year 2019)	<ul style="list-style-type: none"> To be reported end 2021 Establish framework for reporting 1,5°C reduction to be translated to % targets

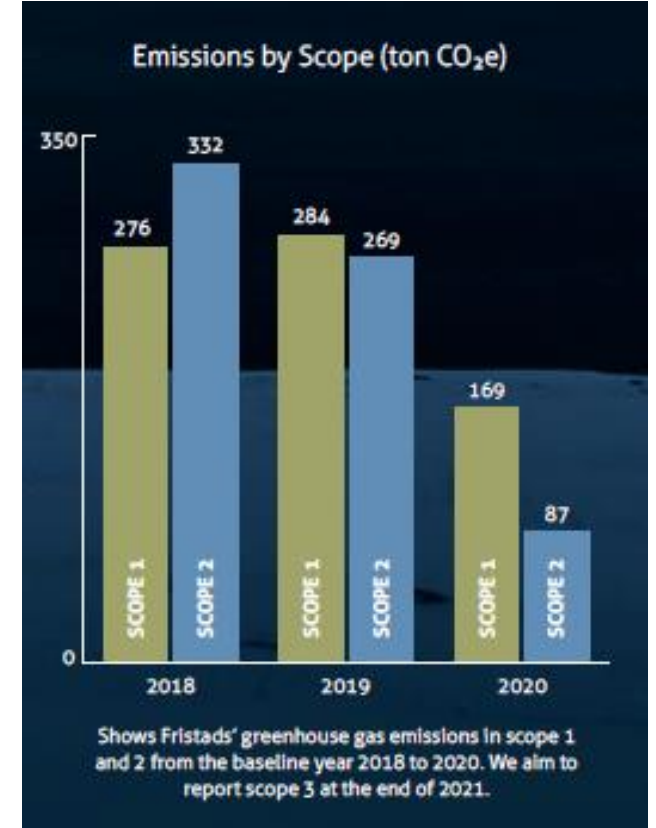
Target: Overall, 1,5°C reduction connected to UN GHG protocol 2030

Activities scope 3 2021:

- Define framework for:
 - Raw material mapping
 - Downstream transportation and distribution (0% airfreight by 2022/ outbound logistics reduction)
 - Business travel & employee commuting (to be included from 2022)
 - Supplier Emission Reduction Program (At Strategic factories T1 & T2)
 - BEPI (Business Environmental Performance Initiative)
 - Renewable energy/ LED lighting
 - Workshop for core management teams Autumn 2021

Needs:

- Support on translation of 1,5°C reduction to %targets
- Scope 3: System support SimaPro





Performance

Circularity

For our professional workwear industry, fully integrating the guiding principles of the circular economy is a priority.

As a pioneer with the implementation of EPD in the industry, we strive to create a circular economy throughout our operations and are looking at all areas.

Target 2030

- By 2025 Sustainable product offering for Fristads at 50% -& Kansas at 25%
- Close the loop Target by Q4 2021

ECONOMIC

Sustainability Plan 2025: Product Portfolio

KPI:s:

- **Share of sustainable articles:**

- Definition: % in pcs sales of sustainable articles (Green + sustainable materials)
- Target 2021: 10%* in models of sustainable articles (Green + sustainable materials) 2022: 15%, 2025: 50%

- **Sustainable offering**

- Definition: % styles of sustainable model colors (Green + sustainable materials) in each segment
- Target for the whole assortment 2021: 10%* in number of sustainable model colors (Green + sustainable materials) 2022: 15%, 2025: 50%
- Green offering must meet all target groups in 2023 by the latest

* Target 2021 to be revised due to change in launch plan for High vis Green

Professions	Building & construction	Industry	Service	High Visibility	Flame protection
Craftsman		N/A	N/A	2022	2022-2023
Roadworkers	N/A	N/A	N/A	2022	2022-2023
Industry worker	N/A		N/A	2022	2022-2023
Transport & logistics		N/A		2022	2022-2023
Service technician		N/A		2022	2022-2023
Technicians/consultants	N/A	N/A		2022	2022-2023

Sustainability Plan 2025: Product Portfolio

Activity	Target 2025	Comment
Convert materials	<ul style="list-style-type: none"> Recycled polyester: 50% of total use within Fristads Organic cotton: New developments: 25% of cotton within Fristads BCI cotton: 50% of cotton use within Fristads (2021: 5%, 2022: 15%, 2023: 30%, 2024: 40%, 2025: 50%) 	Quality and functionality max -10% in comparison to current Activities, reporting and part timelines included in RAW KPI:s
Dyeing	<ul style="list-style-type: none"> Convert 25% of dyed materials to more sustainable dyeing methods 	Quality and functionality max -10% in comparison to current Activities, reporting and part timelines included in RAW KPI:s
Product offering	<ul style="list-style-type: none"> All main product categories must offer a Green alternative in 2023 by the latest Green offering must meet all target groups in 2023 by the latest 	Activities, reporting and part timelines included in the LCA + KPI:s
Trims	<ul style="list-style-type: none"> Convert 25% of trims to sustainable alternatives 	Activities, reporting and part timelines included in PDI KPI:s
EPD	<ul style="list-style-type: none"> EPD on all Green articles (50% by 2025) 	
STICA, scope 3	<ul style="list-style-type: none"> Total environmental impact of purchased goods in co2 (water usage not included) Establish target for scope 3 in 2021 	
Oekotex	<ul style="list-style-type: none"> 98% towards Ökotex 100 class 2 	Evaluate: <ul style="list-style-type: none"> Oekotex Leather Oekotex Made in Green
Packaging material	<ul style="list-style-type: none"> Minimize packing material and convert the remaining necessary material designed to be: Reusable, recyclable or compostable. Max 20% use of conventional plastic bags on garment level in 2025 	Activities, reporting and part timelines included in the LCA
Chemicals	<ul style="list-style-type: none"> Reduce unwanted chemicals (further than law requirements) Fluorocarbons: Only allowed use on EN20471 fluorescent colors and EN13034 certified garments by end of 2022 Chemical guidance supplier bi-annual webinar 	Activities, reporting and part timelines included in RAW KPI:s
Re:Use	<ul style="list-style-type: none"> Implement Producentansvarslagen 2022-2025 75% re:use of textile waste in production Textile recycling for used garments with key customers in 2021 	Activities, reporting and part timelines included in the LCA
R&D	<ul style="list-style-type: none"> Minimum 2 projects per year 2021: Green Deal, TexChain 3 and Dyeing project 	

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