



SOCIAL REPORT 2019

Odd Molly

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

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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 makes a positive difference and contributes to more Molly's in the world

Mind

Odd Molly wants to help its customers to dress more sustainably and offers a distinctive design concept with sustainable materials, high quality and a long lifespan. As little impact as possible – as long a lifespan as possible. Encourage reuse and recycling.

Heart

Odd Molly wants to fight for the right of girls to decide how to live their lives and contribute to society. A society where girls feel a sense of freedom and dare to follow their dreams through self-sufficiency, freedom of expression and accepted diversity.

Conscience

Odd Molly wants to influence its partners, employees and society in a positive way by actively taking responsibility. Long-term, trusting relationships with partners and employees that create value for those around us.



ODD MOLLY IN BRIEF

Odd Molly is a Swedish company that designs, markets and sells fashion products for girls. The collections share a distinctive design, with feminine, flattering, easy-to-wear clothing recognized for its high quality, color and patterns.

Odd Molly is driven by strong values and a desire that girls be willing to go their own way, guided by the company's muse, Molly.

The company was founded in 2002 and since 2010 it is listed on Nasdaq Stockholm.

Odd Molly's products are sold through its own sales channels, webstore as well as physical stores and external retailers in countries around the world.

In 2019, Odd Molly's net sales amounted to 269.4 MSEK.

OUR RESPONSIBILITIES

Odd Molly is an ethical company that takes social and environmental responsibility. The ethical and environmental guidelines apply to everyone who works with Odd Molly: employees, suppliers, subcontractors and other partners.

Environmental impacts are minimized as far as possible at every level of the company's value chain. Odd Molly is a principled company that tries to set an example by making responsibility part of its corporate culture.

Odd Molly makes high-quality clothing that can be worn year after year and is highly sought-after in the secondhand market.



"Lately sustainability has become a major factor for the textile industry. We are convinced that being on top of these issues is a part of our way to success – it is something our customer take for granted.

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." – Jennie Högstedt Björk / CEO

Odd Molly’s entire concept is based on acting sustainably – usually in collaboration with others in the industry and with external parties. The aim is to continuously take on more responsibility. Odd Molly wants to contribute positively to an even greater extent and get more out of its sustainability efforts by working systematically to achieve clear goals.

Securing good conditions in our factories has been identified as one of our most important tasks. Our membership in Fair Wear foundation makes it possible to continuously work towards improvements.

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

Odd Molly believes that long term and tight cooperation with our suppliers is very positive for both parties. Some of our suppliers have been with us since the company started, and most of them for many seasons. We visit each supplier on a regular basis, normally twice a year. This close relationship helps us to make the suppliers understand the importance and the benefits of implementing the Code of Labour Practices.

Odd Molly as member	Fair Wear Foundation
<ul style="list-style-type: none"> Responsible to improve conditions in the supply chain according to the Code of Labour Practice Production sites shall be regularly audited (at least every third year) Improvements shall be made according to corrective action plans 	<ul style="list-style-type: none"> Check that members respect human rights in their supply chain Check factory conditions through audits Workers complaint hotline in production countries Verifies how well each member is doing through <i>brand performance checks</i> and reports it to the public





SUMMARY: GOALS & ACHIEVEMENTS 2019

Odd Molly has been a member of Fair Wear Foundation since 2009. We have highly appreciated our co-operation and the efforts that has been done to improve the standards in our factories. However, during 2019, we took the decision to end the membership in Fair Wear and we will instead join AMFORI, starting April 1, 2020. Therefore 2019 is the last year of membership in Fair Wear Foundation.

2019 was a challenging year in terms of sales and we had to take the decision to close several of our stores as well as put several product-categories on hold. A natural effect of this has been that the number of factories decreased. Some suppliers made their last deliveries for us in the beginning of the year.

The work to improve the social standards in the factories producing our garments is an ongoing work in progress. During 2019, we made six new audits. Two of them were made in factories that were audited by us for the first time. In addition to that we continued to follow up on previously done audits.

In total this year, suppliers who carry approximately 90% of our production value are under monitoring, including the low-risk countries.

2019 was also a year when we worked to resolve complaints filed towards some of our factories. We found the complaints as a proof that the workers are becoming more aware of their rights and that our effort to improve the factories grievances system works.

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 Labour Practices and rate them as *LEADER*, *GOOD* or *NEEDS IMPROVEMENT*.

Since Odd Molly's membership in Fair Wear ended in January 2020, no Brand Performance check for 2019 will be performed.

2018 year's Performance Check year gave Odd Molly rating as GOOD:

Summary, quote from the report:

In 2018, Odd Molly met most of FWF's performance requirements. The company had 90% of its purchasing volume under monitoring, meeting the required monitoring threshold. The company has a benchmark score of 61, which places Odd Molly in the 'Good' category.

Odd Molly has a systematic supplier-evaluation procedure which integrates every department's input in the decision-making process.

This resulted in significant progress towards resolving existing Corrective Action Plans (CAP). The remediation process was organized in a more structured way with the formulation of specific and detailed Corrective Action Plans for the production locations, visits that include more general and in-depth discussions about progress and adequate follow-up of complaints. Odd Molly maintains regular contact with suppliers as well as intermediaries, to follow up on external audits and uses the FWF quality assessment tool to assess them and develop a CAP from which to follow-up. Odd Molly can still make improvements to the timeline of follow up on remediation and complaints. FWF recommends Odd Molly to especially follow up on complaints and critical findings within CAPs in a timely manner.

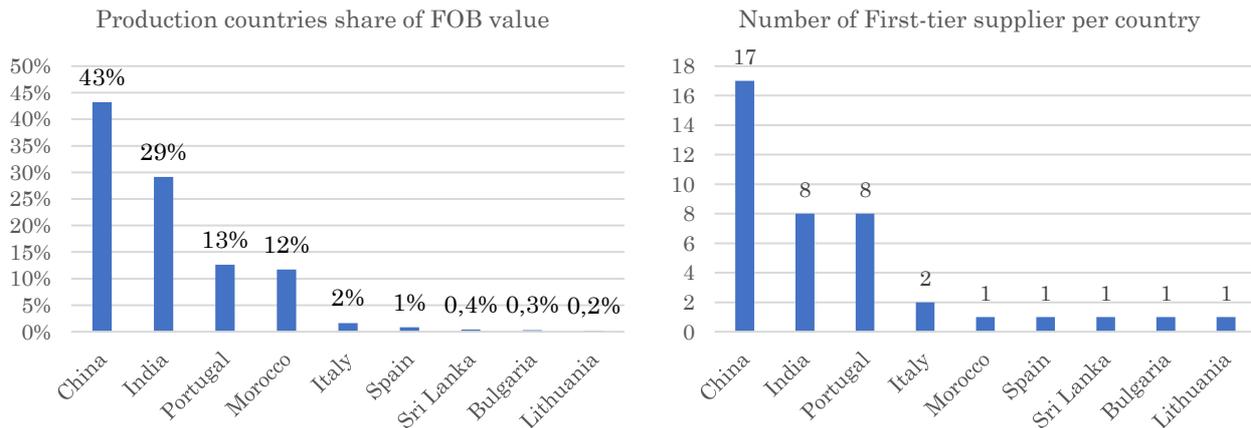
The full report can be downloaded from: <https://oddmolly.com/csr>

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 9 production countries: China, India, Portugal, Morocco, Spain, Italy, Sri Lanka, Lithuania and Bulgaria. During 2019, we worked with 40 first-tier 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 Labour practice, and Odd Molly's Quality Assurance & Chemical agreement
- Overall professionalism in running a factory and previous experience
- Reference customers

1.2. Organization 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 coordinator. Today the teams are: Light woven/jersey, Heavy woven, Heavy knit, Sports & Accessories.

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 Production manager.

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 manufacturers daily.

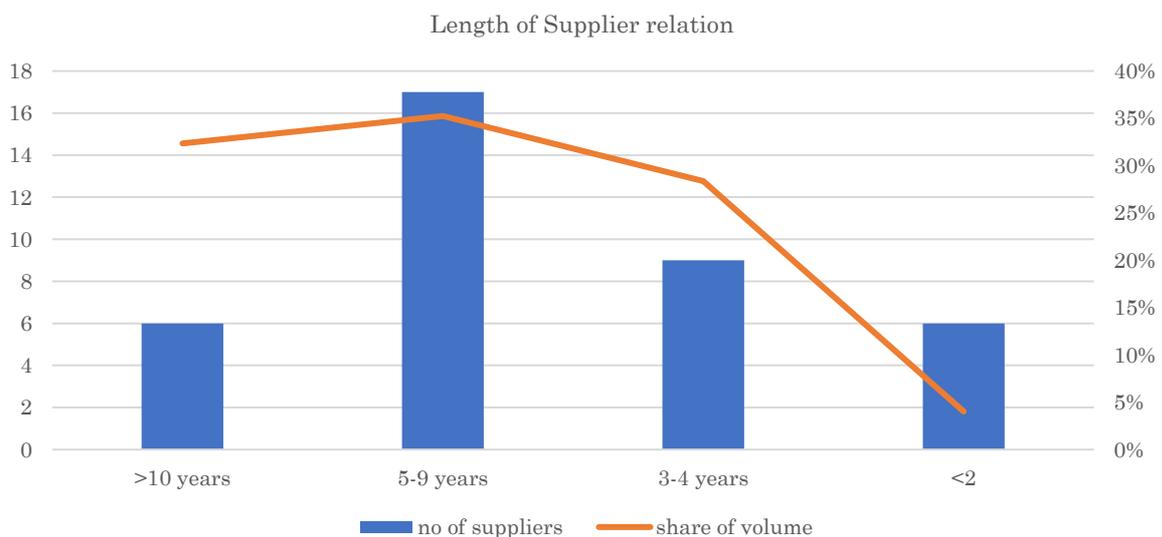
1.3. Production cycle

Odd Molly designs and sells its collections two times per year, spring/summer, and fall/winter. Each season is divided in 6 delivery drops.

Main collection	Design and samples	Sales period	Production/shipping	Delivery period
	26–30 weeks	10 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.



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 these criteria:

- 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 reliable 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 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 Labour Practice. Before production order is placed, the same must be signed and the manufacturer must be visited by Odd Molly representative.

	Low-Risk countries <i>(Portugal, Italy, Lithuania, Spain)</i> <i>Worker's Information sheets displayed, signed Code of Labour Practice, visits by Odd Molly</i>	High-Risk countries <i>(China, India, Morocco, Sri Lanka, Bulgaria)</i> <i>Regular audits by FWF, Corrective action plans, workers sheets displayed, signed Code of Labour Practice, visits by Odd Molly</i>	Total
Amount of suppliers	13	27	40
Percentage of total FOB	16%	84%	100%
Percentage of total FOB towards the monitoring treshold	15%	73%	88%

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 CAPs. 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 every season 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 CAPs.

All the factories audited so far have shown a very positive attitude and willingness to improve. We have found no sign of child labour, forced labour, 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 a challenge.

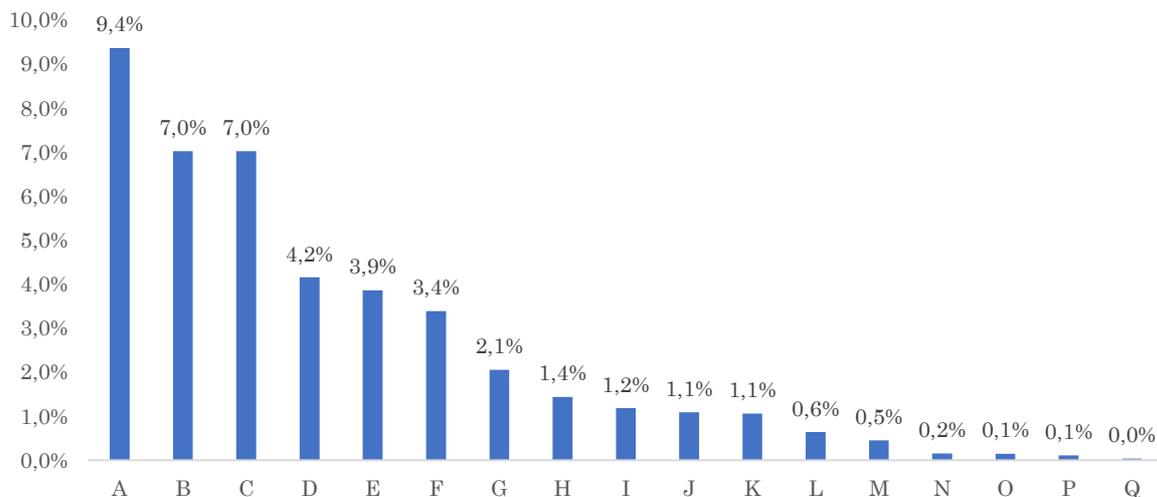
1.6. CHINA

China carries 43% of Odd Molly’s buying volume. During 2019, we worked with 17 factories in China.

Highlights 2019:

- We made in total five audits, two of them in factories that were audited by Fair Wear for the first time
- Production manager and buyers at Odd Molly had several meetings to follow up on previous audits
- No complaint was filed

Chinese suppliers share of total FOB value



Most important findings per FWF labour standard, China:

Employment is freely chosen:

We have found no signs of forced labour. 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 labour:

We have found no signs of child labour. All factories show that their staff at HR department is well trained in factories prohibition of child labour 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 old. In these cases, the worker is registered with the local labour 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 workers 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 valuable 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 gap between skilled and unskilled workers remains. We also find significant 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. We continue our dialogue with factory management.

No excessive working hours:

This is also an area for improvement since overtime is an issue in most Chinese factories. 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. Unfortunately, our leverage in most factories is low, and overtime is mostly not caused by Odd Molly but other bigger clients during peak periods.

We continue to have a dialogue with the factories to secure that no overtime is caused by Odd Molly as a first step.

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 severe injury at any of the factories even though we found 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: in the factories that were audited for the first time, issues such as workers not wearing protective masks, emergency exit signs missing etc., were found. Most of the findings could be rectified as soon as possible after the audit. The factory that was re-audited showed improvement in their ergonomic program such as installing anti-fatigue floor mats and installing missing exit signs.

Legally binding employment relation:

We find that workers in all factories sign labour contracts that are legal and fair.

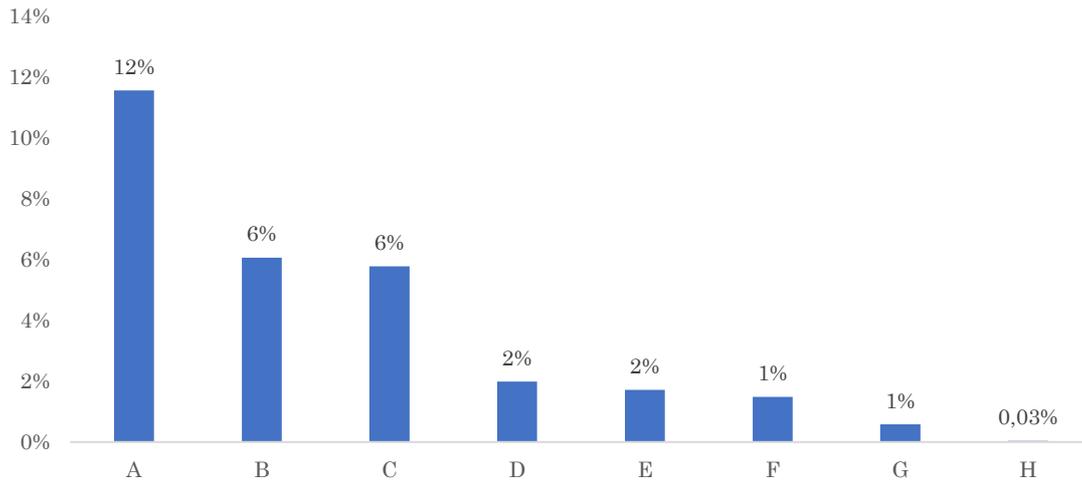
1.7. INDIA

India carries 24% of Odd Molly’s buying volume. During 2019 we worked with 9 main factories in India.

Highlights 2019:

- One audit was done, and Production manager and Buyers at Odd Molly had several meetings to follow up on previous audits
- Complaint were filed towards two factories during 2019

Indian suppliers share of total FOB value



Most important findings per FWF labour standard, India:

Employment is freely chosen:

We have found no signs of forced labour. Appointment letters are given to workers in all factories.

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.

No exploitation of child labour:

We have found no signs of child labour. 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 improvement observed was that one factory now improved their internal system for how to monitor the workers age in their subcontractor units.

Freedom of Association and the right to collective bargaining:

Most factories do not have any unions. It seems to be a frequent practice in the region since the unions are seen more like political organizations that pay less attention to worker’s welfare. Instead, it is common to have Workers Committees which take up concerns of workers with the management.

In previous audits it has been a finding that some factories lack this kind of committees and in many cases the functionality of these committees needs to be improved. This year’s audits showed the same result. Even though several factories participated in Workers Education Program, most workers are not aware of their rights. Since the workforce is changing constantly, training must be held on regular basis in the factories and this can still be improved.

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. Even if factories pay the legally required minimum wages, most do not reach the living wage at all levels in the factories. Most suppliers pay considerably more than living wage to those workers who are most skilled. However, there remains a gap between skilled and unskilled workers regarding payment.

Odd Molly will continue to encourage the management in each factory to work towards the living wage.

No excessive working hours:

Overtime occurs during peak periods in most factories.

Odd Molly is trying to work with the factories to plan production so overtime can be avoided. The challenge is that we only stand for a very small part of the factories total production and all brands tend to follow the same timetable in terms of delivery periods. Nevertheless, we will continue the dialogue towards improvements.

Safe and healthy working conditions:

Most factories are organized with health and safety committees and provide training for the workers. Still, in some 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 severe injury at any of the factories even though we found 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: missing needle guards, workers not provide with earplugs and other safety equipment.

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.

1.8. MOROCCO

Morocco carries 12% of Odd Molly's buying volume. During 2019, we worked with 1 factory only. They are one of our most long-term partners and we have been doing several audits previously. 2019, the factory was audited several times by other companies, and we have been following up on those reports according to FWF's monitoring process.

Highlights 2019:

- The factory has shared audits from BSCI and Wrap. They were awarded with the *WRAP* GOLD Certificate of Compliance.
- No complaint was filed during 2019

Most important findings per FWF labour standard, Morocco:

Employment is freely chosen:

We have found no signs of forced labour. 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 labour:

We have found no signs of child labour.

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 have 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.

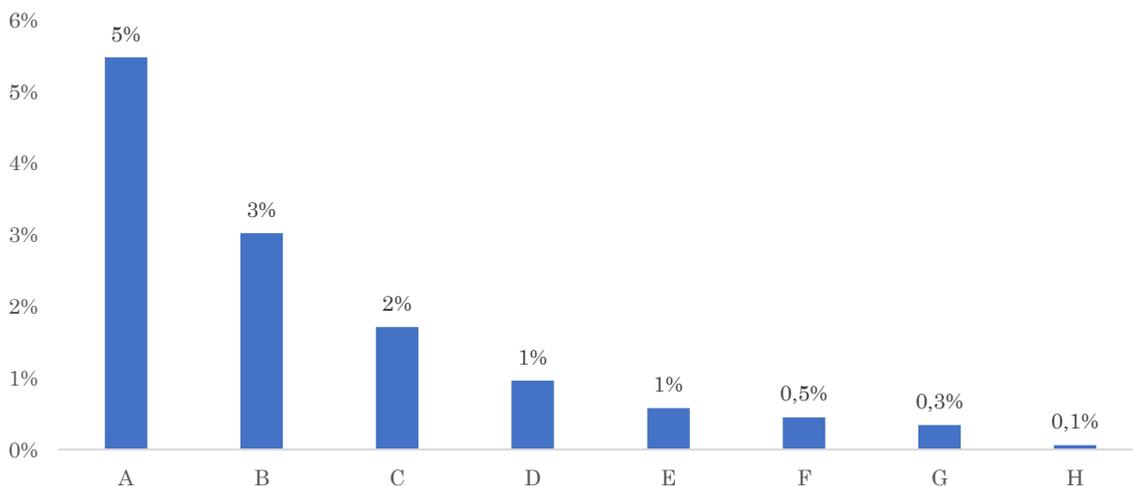
Legally binding employment relation:

No findings

1.9. PORTUGAL

Portugal carries 13% of Odd Molly’s buying volume. During 2019, we worked with 8 main factories.

Portuguese suppliers share of total FOB value



All suppliers are informed about the FWF membership. Questionnaire has been signed and Code of Labour 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.



1.10. SPAIN

We work with one supplier in Spain producing our Espadrilles. They carry 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. Code of Labour Practice has been sent out and the questionnaire has been signed. No other monitoring activities so far.

1.11. ITALY

During the year we started a trial with production of knitwear in two factories in Italy. The total volume was less the 2%. The factories have been visited by Odd Molly staff and they are informed about the membership in Fair Wear. Code of Labour Practice has been sent out and the questionnaire has been signed.

1.12. SRI LANKA

In 2017 we started to work with one supplier in Sri Lanka, producing our lingerie line. Another FWF member also work with the same factory and audits have been done. Unfortunately, this product-line has been put on hold and the supplier made its last delivery for Odd Molly in the beginning of 2019. FOB volume was only 0.5% of the total volume.

1.13. LITHUANIA

2018 we started working with one factory in Lithuania to fulfil the need of our new ski-line. Several other Fair Wear member work with this factory as well and audits have been done. Code of Labour Practice has been sent out and the questionnaire has been signed. Unfortunately, this product-line has been put on hold and the supplier made its last delivery for Odd Molly during the year of 2019.

1.14. BULGARIA

During 2018 we started production with one supplier in Bulgaria for sportswear. Volume is 0.5% The factory has been visited by Odd Molly staff and they are informed about the membership in Fair Wear. Code of Labour Practice has been sent out and the questionnaire has been signed. Unfortunately, this product-line has been put on hold and the supplier made its last delivery for Odd Molly during the year of 2019.

2. Complaints handling

We have experienced that it is hard to make sure that the Code of Labour Practice and information about FWF's complaint service is posted in a proper way (visible on notice boards and in local language). We require all suppliers to send us photo-proof of the posted CoLP and 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 increased 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 2019 we handled complaints towards three factories in India.

The cases are relevant to the following labour standards of FWF's Code of Labour 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. To take part of the details, you can find the full reports on: [Fair Wear Foundation/complaints](https://www.fairwearfoundation.com/complaints)

3. Training and capacity building

3.1. 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. We have had training session for the buyers with Fair Wear to increase their ability to make proper follow up on CAPs when they visit our suppliers

3.2. 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 Corrective Action Plans. They have an ongoing dialogue with the suppliers and report back to us regarding any progress made. Since they visit the suppliers regularly, they can verify improvements on site.

3.3. 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. Their willingness to comply to the Code of Labour 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 follows 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.

3.4. Workers education program

Odd Molly is encouraging all suppliers to take part in the Workers Education Training provided by Fair Wear Foundation. The program offers in-house factory trainings for workers and managers to raise awareness for the Code of Labour Practices, as well violence prevention. 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.

Until now we had in total 9 factories in China and India participating. In total 336 persons, workers and managers, took part of the training. The response from the suppliers has been very positive, both from management and workers.

4. 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.



The audit results are included in the general evaluating system of suppliers. This scoring system is monitored by Buyers and Production manager together and is a useful tool in the communication with the suppliers.

5. 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 June 3, 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 Head of Production & Sustainability through our Customer Service.

6. Stakeholder Engagement

Sustainability is, and has always been, an integral part of Odd Molly. When formulating our sustainability strategy we started a dialogue with our 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 apply 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 has been an important support. We also get information from our local agents/production offices regarding the local situation in each country.

7. Corporate Social Responsibility

Other CSR activities during 2019:

Swedish Textile Initiative for Climate Action

The purpose of *The Swedish Textiles Initiative for Climate Action (STICA)* is to support the apparel and textile industries and their stakeholders in the Nordic region to, at minimum, **reduce greenhouse gases in line with 1.5 C warming pathway**, as outlined by the United Nations Framework on Climate Change and the Paris Agreement. Ultimately STICA's aim is to ensure the Swedish and Nordic textile industry does more than its share by becoming the first climate positive apparel and textiles industry in the world well before 2050.

STICA achieves this by:

- Supporting apparel and textile companies operating in both the Nordic and international markets **to set science-based targets and reduce their greenhouse gases in line with 1.5 C warming pathway**, as outlined by the United Nations Framework on Climate Change and the Paris Agreement.

- Providing a **neutral, non-competitive platform for companies and organizations** to learn best practices for reducing their GHG emissions as well as to track and publicly report on their progress on a regular basis.
- Supporting the development of **joint projects and cross-sector collaborations** in order to reduce the Nordic apparel and textile industry's GHG emissions while stimulating climate solutions that can also be exported outside of the Nordic region, thus increasing the Nordic apparel and textile industry's global competitiveness.
- Working with industry stakeholders to develop a **roadmap and implement an action plan** for how the Swedish and Nordic apparel and textile industries will reduce their GHG emissions well below the 1.5 C warming target in order to become climate positive, while also becoming a global leader in developing climate positive solutions for the global apparel and textiles industry.

STICA's Action Learning Network

Companies participating in STICA's action learning network commit themselves to reducing their greenhouse gas emissions **in line with 1.5 C warming pathway**, as outlined by the United Nations Framework on Climate Change and the Paris Agreement. Companies also commit to publicly reporting their progress on an annual basis and to working collaboratively in order to develop joint solutions for accelerating GHG reductions.

As one of the funding members Odd Molly aims to be an active part of the journey. See separate report:

Greenhouse gas emission report for direct and energy related emissions (Scope 1 and 2)

<https://www.sustainablefashionacademy.org/STICA>

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.

For two years "*STWI Projects*" (SIWI and Swedish brands (STWI) in cooperation with local consultants) supported production units to become more efficient in water, wastewater, energy and chemical management. The production units got education and technical support to implement identified projects. "*Swedish International Development Cooperation Agency*", SIDA, has been co-financing the project.

During the project period, seven of Odd Molly's suppliers participated. The result was amazing – by doing 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:

www.stwi.se

<http://stwi.se/assets/2015-STWI-Global-report-web.pdf>

The last year discussion regarding how the initiative will continue has been ongoing. Odd Molly is still a member but could not nominate any factories to the program 2019. Our aim is to do so the coming year.

Chemicals

All Odd Molly's suppliers must 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 "The Chemical group" (*Kemikaliegruppen*)



within the Swedish research center SWEREA, supporting textile companies management of chemicals within their supply chain.

Animal Welfare

Odd Molly is a member of “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-mulesed.

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

All our down fillings are certified by Responsible Down Standard not to be plucked from living birds.



**To learn more about
our work with
sustainability, please
visit**

<https://oddmolly.com/csr>

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