



IC GROUP

IC GROUP **CORPORATE RESPONSIBILITY**
REPORT 2016

MESSAGE FROM THE GROUP CEO

IC Group owns a portfolio of Premium brands with employees engaged in operations globally.

As we constantly work towards becoming one of the best developers of Premium brands, we want to put this same drive and creativity to use in the area of responsibility. Our aim is to be a responsible developer, and this means not only being in compliance with international standards, but also trying to achieve higher levels of sustainability by joining forces with various stakeholders based on a partnership approach.

During this financial year a key focus area has been to continue analysing and assessing risks in our value chain. We ceaselessly work to establish a transparent overview together with our supply chain partners that allows us to identify and dive deeper into areas where we see challenges and opportunities for improvement.

As an example, our due diligence processes showed us that we should include Romania, an important sourcing country to us, in our engagement with BSCI. Enrolling our Romanian suppliers has been a major focus and has deeply involved our production office in Romania, building awareness and knowledge both internally and with our suppliers.

This leads me to emphasize the importance of training and education of both our employees and our supply chain partners. We have conducted multiple training sessions on chemical management and sustainable purchase practises with both internal and external experts. This financial year all suppliers in Romania, Turkey and Europe have been enrolled, as well as all brands have received training on a continuous basis. An example is our roll-out on anti-corruption e-learning to more than 700 employees. Our firm belief is that training and awareness building is a pre-requisite for real change to happen.

There is no doubt that IC Group will continue its strong support of the UN Global Compact Principles and will work towards even better systems for implementing CR efforts. This includes continuing our emphasis on creating strong partnerships with our suppliers with focus on dialogue and education as vehicles for the development of a more sustainable supply chain alongside with active memberships of the Sustainable Apparel Coalition, The Bangladesh Accord and Leather Working Group to mention a few.

In the next pages you will find more information on IC Group's commitment to the UN Global Compact, and how we translate this commitment into concrete activities and results.



Group CEO
Mads Ryder

CORPORATE RESPONSIBILITY IN IC GROUP

Our Corporate responsibility framework of People, Planet and Profit is based on international principles and the UN Global Compact. Our work with these principles has played an important role in guiding our company in making the right decisions while also contributing to our readiness to meet future challenges. By matching our overall framework with policies and processes allocated to the relevant functional departments we have created a solid foundation for our Corporate Responsibility work.

The first part of the Global Compact Communication on Progress report presents IC Group's corporate responsibility (CR) policy and then provides highlights of our CR activities in the financial year 2015/16. This is followed by a description of our work on People, Planet and Profit and subsequently by our plans and targets for the next financial year. In the last part of the report we provide a matrix showing an overview of activities and results vis-a-vis the 10 principles of the UN Global Compact.

Corporate Responsibility policy

IC Group recognizes that the Group is part of an industry with many corporate responsibility (CR) challenges both in terms of complex supply chains and resource challenges. These difficult tasks are taken seriously and the Group has adopted an overall approach of making sure that it is not a barrier to sustainable development. However, IC Group would like to take it one step further and where possible work towards turning these challenges into opportunities. The Group therefore strives at employing its creativity and strong innovation skills to make a difference and contribute to sustainable development.

IC Group's CR efforts are grounded in the UN Global Compact's 10 principles which are based on internationally adopted declarations and conventions on human rights, labour rights, environmental protection and anti-corruption. We use these principles and the United Nations Guiding Principles as the overall framework to guide our CR policies and implementation processes.

For IC Group, CR is about not only making sure our products live up to our high quality standards and customer expectations, but also that they are produced responsibly. We consider CR to be an integrated part of our business and an essential element in our company's profitability. Furthermore, our work with CR plays an important role in making sure IC Group is ready to meet future challenges.

We pledge to work pro-actively internally as well as externally with our suppliers to promote compliance with these principles. We will never be able to guarantee 100% compliance, but we strive to make a positive difference and set up due diligence processes to avoid non-compliance issues. Furthermore, we use our Compliance Hotline to enable access to remediation in cases of non-compliance.

i For a complete description of the CR policy including our specific People, Planet and Profit policies, please see the table below and the corporate web page icgroup.net/responsibility/

Highlights of activities in 2015/16

Continuous development of our implementation framework

IC Group's CR implementation framework guides us in operationalizing our CR policies and in dealing with the dilemmas intrinsic to working with responsibility. We continuously assess and develop the framework, integrating international best practices to be able to make the right decisions.

Again this financial year a key focus area is the analysis and assessment of risks in our value chain. We continuously work to establish a transparent overview that allows us to identify and dive deeper into areas where we see challenges and opportunities for improvement. The most important deep dive has been social matters focussing on due diligence processes and BSCI. We have restructured our work with BSCI and raised our BSCI footprint by 57%.

Furthermore environmental issues have been in focus. Chemical management and an extended focus on leather have led the way here. We have added the BLC Leather Technology Centre to our list of experts helping us improve our leather supply chain. This leads to the overarching importance we lay on internal and external training. Besides continuously training our suppliers and our brands in chemical management, we have also conducted e-learning on anti-corruption to 700 internal users.

The HIGG index and membership of the Sustainable Apparel Coalition (SAC) continue to be of utmost importance and we contribute to several work streams within SAC, engaging our employees from brands, production offices and HQ.

	PEOPLE	PLANET	PROFIT
PRINCIPLES	UNGC Principles 1-6	UNGC Principles 7-9	UNGC Principles 10
POLICIES	People CR policy	Planet CR policy	Profit CR policy
PROCESSES	Processes supporting the implementation of the People principles and policies	Processes supporting the implementation of the Planet principles and policies	Processes supporting the implementation of the Profit principles and policies

Figure 1 - 3 X 3 P's. Overall CR implementation framework - From Principles to Policies to concrete Processes.

IC Group's CR implementation framework (Figure 1) continues to provide valuable guidance in our everyday CR work, where the processes offer hands-on guidance on how to operationalise the CR work.

Our work on our People, Planet and Profit responsibilities

People – UNGC principles 1-6

PEOPLE POLICY

IC Group supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts both internally in IC Group as well as in cooperation with our suppliers. Furthermore, we regularly assess opportunities for using our core competences to make a positive contribution to the realisation of the Universal Declaration of Human Rights.

Our work with Human Rights also includes our efforts to create a conducive working environment for our employees, which provides the opportunity to develop and achieve a good work life balance.

Furthermore, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights.

The International Accord on Fire and Building Safety in Bangladesh

To date the Accord has concluded fire, electrical and structural inspections in more than 1,600 factories resulting in more than

1500 CAPs. Since IC Group signed the Accord in 2013 we have supported our suppliers in working with the Accord. Our suppliers in Bangladesh have been inspected by the Accord and we are working with them to make sure that the corrective action plans are implemented. Fortunately we have only had one case so far of critical flaws that could not be remediated. Since the Accord expires in 2018 we are engaged in planning for the future “after the Accord” together with all the stakeholders.

BSCI (Business Social Compliance Initiative)

Since joining BSCI in 2007, BSCI has played an important part of IC Group’s work on responsible value chain management. BSCI is a business-driven initiative for companies committed to improving working conditions in the global supply chain. Built on the 3 pillars of Monitoring, Empowering and Engaging, BSCI unites hundreds of companies around one common Code of Conduct and supports them in their efforts to build a responsible supply chain by providing them with a step-by-step development-oriented system.

As a result of a thorough consolidation in our supplier base, we have opened up for an even closer cooperation with our suppliers on CR and other related matters. We continue to encourage our suppliers to participate in training and workshops within BSCI around the world. Our work with BSCI continues to be an important foundation of our work with and commitment to CR.

We have worked in depth with our supply chain in Turkey and Romania the past year with regard to BSCI – a decision based on our internal due diligence processes. As a result we have raised our BSCI footprint by 57%.

DIEH (Danish Ethical Trading Initiative)

As one of the founding members of DIEH, IC Group continues to play a significant role in the initiative. Our engagement in DIEH reflects the Group’s belief in working together in a multi stakeholder approach to create sustainable solutions to the challenges in the industry. This also reflects the growing awareness in the industry that no single stakeholder can solve the complex challenges alone. On the contrary, there is great potential in working together and in identifying where each stakeholder has the best competences to contribute to sustainable solutions.

Restricting the use of Uzbek cotton

We understand that the cotton supply chain is complex, that cotton is a commodity that tends to be commingled and that tracing the origin of cotton in finished products is difficult. We are asking our suppliers to make their best efforts to trace their cotton sources and avoid any cotton from Uzbekistan. We do not prescribe a single approach or timeline, but consider this an ongoing effort that will require the involvement, support and action of a broad range of stakeholders in order to improve our collective abilities to trace cotton origins and ultimately to ensure that cotton used in our products is not made with forced labour or any other human rights violations.

Supplier Scorecard

Not only have we further consolidated our purchase, focusing on using partner suppliers, with whom we have long lasting business relationships. But we have also increased the use of our supplier scorecard, which was implemented in 2012/13. Parameters like quality, price and delivery together with CR parameters form a solid base for promoting a dialogue between our suppliers and IC Group. In 15/16 90% of our spend was channelled through suppliers who were covered by our supplier scorecard.

The feedback from our suppliers has been positive. The dialogue not only strengthens our partnerships but our suppliers have also welcomed measurable performance targets and have been able to utilize the scorecard information internally. We will continue developing and rolling out the score card together with our suppliers.

The Higg Index – people part

We have implemented the social/labour part of the The Higg Index, both at a brand and supplier level. Peak Performance has provided training to all partner suppliers on working with The Higg Index and participated in the mass roll-out. See more information about The Higg index under ‘Planet’.

Global employee satisfaction

In IC Group our work with employee satisfaction is a continuous process which is closely followed by the top management. Satisfied, engaged employees and empowering leadership are absolutely necessary in a high performing organization. Each manager sets new targets each year and both individuals and teams are assessed to develop a performance culture based on performance recognition and respect for work life balance.

To support this process, the annual Employee Survey ensures that we have a continuous idea of what our strengths are and where we need to improve. We have moved the annual employee survey from February to October and have therefore not conducted the survey in the past fiscal year. The overall results from last year’s Employee Survey show a score on Satisfaction & Motivation of 72 points (which equals high satisfaction and motivation). On Loyalty the score was a high 80 points.

Planet – UNGC principles 7-9

PLANET POLICY

IC Group supports the UN Global Compact's principles for the environment (principles 7-9). Practically we do this by continuously assessing our environmental challenges and following the overall principle of taking a precautionary approach to environmental challenges. Furthermore, we focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our impact on the environment and where we can work with our suppliers to facilitate that they, e.g., use environmentally friendly technologies.

Sustainable Apparel Coalition - Engaging Key Stakeholders

The Higg Index is a tool developed by the Sustainable Apparel Coalition (SAC). The implementation of this tool is continuously one of the Group's key focus areas. SAC is an organization bringing together some of the key players in the fashion industry accounting for approximately 40% of the world market for apparel and footwear. SAC leads the way in creating a common sustainability standard throughout a product's full lifecycle - both environmentally and socially. The core tool, The Higg Index, allows companies and suppliers to benchmark their scores against other users of the index in a transparent forum, supporting a new, partnership-based approach to value chain management. Since IC Group joined SAC, the Group has participated actively in developing The Higg Index and implemented all three modules of the index – the product, the brand and the facility modules.

i For more information on the Sustainable Apparel Coalition, please see apparelcoalition.org.

The Product Module – Rapid Design Module (RDM)

The aim of the RDM is to provide designers and buyers with a tool to be able to compare the sustainability of different materials, manufacturing processes etc., already during the pre-production phase. The product module has been implemented in Peak Performance which applies the module to a large number of product categories.

Using the RDM has created increased awareness on the sustainability of different design choices and increased the dialogue and collaboration between designers and buyers. This has also spurred creative thinking and dialogue with the supply chain on how to implement new sustainability initiatives.

The Brand Module

By using the brand module, companies are able to score their own performance on both environmental and social/labour issues, and then share the scores online with other value chain partners. IC Group has used the brand module in Peak Performance and in IC Group's corporate entity and has shared these scores. This enables the Group to benchmark against other Higg Index users. Peak Performance is pioneering this work and has raised the Higg Index score by 18% during this financial year. The raise of the Index was achieved by being transparent with the RSL, making a strategy to substitute PFC and adding Peak Performance Care program among others.

The Facility Module

The facility module is targeted at raw material suppliers and producers to allow them to score their performance on environmental and social/labour issues. IC Group has used the facility module for training our suppliers. Besides developing their capacity to work with The Higg Index, this module has also been used as a way to build trust and transparency in the value chain. When IC Group connects with a value chain partner using The Higg Index, the Group automatically shows them its scores. The index is not just another audit tool, but a tool that will help the users identify opportunities and potential for improvements in the value chain, and how stakeholders can work together to find sustainable solutions.

We are using the findings from our EP&L in the HIGG training with Peak's partner suppliers. GHG in Tier 1 and 5 were identified as having the most impact on our EP&L. This knowledge was combined with our partner's facility module scores to see where we should lay our combined efforts to gain the biggest positive impact.

Clevertcare – reducing climate impact and extending the life of garments

Clevertcare is another initiative by the Sustainable Apparel Coalition and aims to raise consumer awareness about the fact that caring for their clothes will extend its durability – thereby creating both economic and environmental benefits.

Peak Performance is part of the new care label initiative which was launched in 2014. Peak Performance is the first Group brand to implement Clevertcare in January 2015 and is promoting Clevertcare on 100% of all products.

i For more information please visit clevertcare.org/da

The HIGG index suite of tools is under constant development and IC Group is contributing in most of the work streams involving employees from Peak Performance, our production office and HQ. The tools are created by stakeholder involvement, which is quite unique.

Furthermore IC Group is a signatory of the social/labour convergence pledge – a colossal project trying to align social auditing and making ONE social auditing tool going forward.

For more information please visit <http://apparelcoalition.org/wp-content/uploads/2015/10/World's-Leading-Apparel-Brands-Combine-Forces-to-Transform-Global-Labor-Conditions1.pdf>

The annual SAC meeting was held in May 2016 in Copenhagen and IC Group was co-hosting the meeting, which had the highest attendance numbers to date. Numerous panel debates and workshops across three days ensured that work streams and projects are continuing with full speed ahead.

Chemical Risk Assessment

The Group has worked thoroughly on minimizing harmful chemical usage and improving chemical test performance by better work flows, better communication and due diligence. The project started June 2014 and is ongoing – the development within chemical management moves at a quick pace and ongoing training is of the essence.

Our aim continues to be:

- Achieve a decrease of chemical fails.
- Ensure better risk assessment and due diligence performed earlier in the design & development process.
- Increase communication and cooperation between our brands, our production companies, suppliers and HQ.

We achieve the results through:

- Training of staff of all brands and suppliers by internal and external experts.
- Restricted Substance List (RSL) and other tools, updated, implemented and followed internally and externally.
- Workflows and communication flows implemented and followed

The project lives on and training and follow-ups are planned every month. It has also resulted in training on chemicals within leather both within our brands and with our leather suppliers, which is also ongoing.

We have built up extensive knowledge on chemical management, which we share both within our various partnerships and on our homepage. We have e.g. helped the Danish Environmental Protection Agency to make a guide on chemical management for small/medium sized businesses. Furthermore we have conducted training on chemicals for brand members of the Danish Fashion Institute.

Leather Working Group

The Group has joined the Leather Working Group in order to find feasible solutions on the challenges in the leather supply chain. Leather production may pose a high risk area which consequently makes it an issue that has the Group's full focus. The chemicals used in tanneries preparing raw leather potentially harm both workers and the surroundings.

IC Group believes that its membership of The Leather Working Group will help create a more transparent leather supply chain. In cooperation with the suppliers IC Group is working towards ensuring that the tanneries are contacted and urged to become members of Leather Working Group. The tanneries will, after training and audits, be graded according to the level of compliance. IC Group has initiated this process among its suppliers in India, who are now engaged in this process on different levels. The first tanneries have been audited in autumn 2014 and after ongoing preparation by consultants re-audited in 2015.

During the last year IC Group has also joined BLC, Leather Technology Centre, where we can draw on experts for both training and problem solving.

i For more information on the Leather Working Group, please see leatherworkinggroup.com.

For more information on BLC, please see www.blcleathertech.com/

Further supply chain deep dives

As part of our continuous due diligence work and as a result of our chemical risk assessment we continuously work on mapping our supply chain on wool, down and leather. Our EP&L showed us that our purchase of wool is large with 24% of all material bought. With lower volumes, but still classified as important animal origin products, we have down playing an important role in Peak Performance's products, as leather does within Tiger of Sweden.

FROST DOWN JACKETS - BOTH POPULAR AND SUSTAINABLE

Peak Performance has always produced down jackets of a very high quality, using technologies that combine the most wear-resistant materials with down possessing high insulating power. The Frost down program is made of recycled polyester fabrics/trims, Blue Sign certified down, eco DWR finish and of course features low impact care instructions. The Higg score (in the Rapid Design Module) for the Frost program has been raised by 81% by implementing these features.

To Peak Performance, high quality and sustainable production are equally important. The brand's down products are among the best-selling product categories and appeal to all types of consumers, be they dedicated skiers, business people or young people and children.

CLIMATE POLICY

As members of a global industry we have a responsibility for reducing our carbon footprint. We believe that taking charge of our carbon footprint is not only a sustainability imperative but also a way to future-proof our business to be able to keep growing while respecting the boundaries of our planet.

For IC Group this entails focusing on the leverage points where we can make the biggest difference in terms of climate change. Among others, we use Environmental Profit and Loss accounting and The Higg Index to learn more about our biggest challenges, where we can foster change and help set industry benchmarks. Knowing the climate impacts throughout our value chain means we can make better decisions in the design phase and in the way we source products.

Finally we are aware that our actions alone only account for a minute share of our industry's carbon footprint and we therefore participate actively through various organizations in making the fashion industry more sustainable.

Environmental Profit and Loss project

To implement our Climate Policy we needed to know more about where we have opportunities and leverage to reduce our CO2 footprint. For this reason we made an Environmental Profit & Loss (E P&L) project and the results were ready in Autumn 2014. We believe an EP&L is important as an awareness/transparency tool, for identification of environmental hotspots, for risk management and overall supply chain management and as an excellent means for communication.

The aim of the project done in collaboration with the Danish Environmental Protection Agency and leading international experts was to be able to put a financial value on our environmental impact. The E P&L shows us where in the value chain we have the biggest environmental impact comparing our impact on water, GHG, land use and air in monetary terms and hence identifying sustainability hot spots. The E P&L also shows us the environmental impact of different choices of materials and therefore complements our work with the Rapid Design Module.

Working on the findings of the EP&L is an ongoing project. Our first step has been to address our most important suppliers, showing them our results and furthering the idea of mutual transparency. Also we were able to compare our EP&L results with the suppliers' facility module results/HIGG and hence identify key areas to work further on. We will continue this important work and incorporate the findings in our work with the Higg Index.

i Please follow this link to the EP&L report: http://mst.dk/media/129531/natural-capital-account-for-the-danish-apparel-sector_final.pdf

Profit - UNGC principle 10

PROFIT POLICY

In IC Group we believe that integrating our social, environmental and economic responsibilities is essential for our long-term profitability. In other words, we believe that running a company which respects our people, planet and profit responsibilities is not only the best thing for the profitability of IC Group but it is also how we can make the biggest contribution in the societies where we operate. Furthermore, we also believe that this results in proper risk management for the benefit of our shareholders and other stakeholders.

With regards to anti-corruption, we support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery. To further safeguard our Company against illegal activities and to identify corrupt practices we apply our Compliance Hotline which provides a confidential system through which employees can report misconduct.

Furthermore, we continuously work to improve our processes and educate our employees on how best to tackle situations where they face corruption challenges.

Compliance Hotline

The Compliance Hotline plays an important role in ensuring that IC Group complies with all internal policies and regulatory requirements and is an important part of the on-going due diligence work. IC Group has not received any cases during the financial year 2015/16.

Though mentioned here under the Profit chapter, the Compliance Hotline is equally relevant with regards to People and Planet non-compliance issues.

Anti-corruption E-learning tool

In order to implement our anti-corruption policy and therefore as a means to educate our staff and agents buying on our behalf, we have invested in an e-learning tool on anti-corruption. The tool is provided by a group of international experts on CSR and E-learning. We have successfully rolled-out our policies and anti-corruption e-learning to 700 users in the past year.

Plans and targets for 2016/2017

In the next financial year we will continue to improve our framework for implementing our CR efforts and our focus areas will remain the same:

Our target to reach a BSCI coverage of at least 80% of the production deriving from risk countries has been met, and we will continue to keep high awareness here on.

Chemical management and deep dives into the supply chain will also continue to be in focus as a result of our due diligence processes. Leather, down and wool supply chain transparency are challenging and continue to require our full attention. Closely connected are the awareness building activities and training, which we will continue to conduct across own employees and suppliers.

Our membership of the Sustainable Apparel Coalition and the implementation of the Higg Index will continue to be an important driver for our CR work in 2016/17 focusing on engaging the whole value chain even more from designers to buyers and suppliers in both tier one and two.

CR ACTIVITIES AND RESULTS 2016/2017

PEOPLE – SOCIAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLES 1-6 IN THE GLOBAL COMPACT

IC Group supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts both internally in IC Group as well as in cooperation with our suppliers. Furthermore, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights.

PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
CR Integration in relevant departments, managed by corporate CR Manager	CR teams established in brands and production offices.
Consultation Committee with participation of management and employees representatives	Half yearly meetings, memos and action plans shared with all employees.
Annual employee surveys	We have moved the annual Employee Survey from February to October. Therefore we do not have a new score for 2015. Last year the score was 72 on Satisfaction & Motivation, 80% on Loyalty, which are both high scores.
Social/labour part of The Higg Index - Brand module	The brand module is implemented in Peak Performance and in IC Group's corporate entity. The results have been employed to set new targets and benchmark our efforts against our peer members of the Sustainable Apparel Coalition (SAC). The social/labour module is seen as a supplement to our work with BSCI.
EXTERNALLY	
Country risk analysis	Is conducted continuously on all sourcing countries as part of human rights due diligence. This year we have conducted a due diligence on Myanmar, before entering this new sourcing market.
Business Social Compliance Initiative (BSCI) Code of Conduct	83% of our production deriving from countries with a high risk profile was from suppliers who had been or were in the process of completing the BSCI auditing (or equivalent) process. We have worked extensively to include Romania in our BSCI framework. This is a large rise compared to 53% in 14/15
Social and labour part of The Higg Index – Facility module	Training of Peak Performance's partner suppliers on how to use The Higg Index.
Supplier scorecard incl. CR indicators linked to BSCI	The supplier score card has been rolled out to all preferred suppliers covering 90% of our total volume compared to 86% in 2014/15. High level discussions based on the score card every 6 months.
Bangladesh Accord on Building and Fire Safety	All suppliers have been inspected by the Accord. The Group ensures in cooperation with the suppliers that corrective actions are implemented whenever possible.
Uzbek Cotton	Uzbek Cotton Policy formulated and rolled out to internal and external stakeholders. Regular reminders to all internal stakeholders to keep pushing for transparency on cotton origin.

PROFIT – FINANCIAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLE 10 IN THE GLOBAL COMPACT

Zero tolerance approach towards corruption in all its forms. Whistle-blower system, which provides a confidential system to report misconduct.

PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
E-learning on anti-corruption	Rolled out to all our office staff, 700 employees, with a completion rate of 86%. The average mastery rate is 88%. Twice a year we enroll new employees in the program.
Compliance Hotline	No cases.
Anti-Corruption policy	No cases.

PLANET – ENVIRONMENTAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLES 7-9 IN THE GLOBAL COMPACT

IC Group supports the UN Global Compact's principles for the environment by continuously assessing our environmental challenges and following the overall principle of taking a precautionary approach to environmental challenges.

We focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our impact on the environment and where we can work with our suppliers to facilitate that they, e.g., use environmentally friendly technologies.

Climate Policy

As members of a global industry the Group has a responsibility for reducing its carbon footprint. The Group believes that taking charge of its carbon footprint is not only a sustainability imperative but also a way to future-proof its business to be able to keep growing while respecting the boundaries of the planet.

For the Group this entails focusing on the leverage points where the Group can make the biggest difference in terms of climate change. Among others, the Group uses environmental accounting according to the Environmental Profit and Loss method (EP&L) and The Higg Index to learn more about where the Group can foster change and help set industry benchmarks. Knowing the climate impacts throughout the value chain means that the Group can make better decisions in the design and sourcing phases.

PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
HQ knowledge center	Continuous training of own employees and value chain partners. Project management of Chemical Risk Assessment project covering all staff and suppliers. The HQ knowledge center has facilitated 28 seminars on chemicals, anti-corruption and general CSR internally and with suppliers. Continuous deep dives and revision of tools are also of utmost importance.
Risk Matrix and supporting guiding documents for avoiding harmful chemicals	Continuously updated on a regular basis.
Restricted substance list (RSL)	Implementation of new and more ambitious RSL along with other connected tools.
Environmental accounting according to the Environmental Profit & Loss method (EP&L)	Results show environmental hotspots and are used for communication on mutual transparency towards suppliers, for training and identifying areas for deep dives into the supply chain.
Rapid design module (RDM)	Peak Performance uses the Rapid Design Module (RDM) to evaluate styles in terms of sustainability. A good example is the Frost down jacket where the RDM score grew from 31 point 56 points by making more sustainable material choices.
Environmental part of The Higg Index – Brand module	The brand module is implemented in Peak Performance and in IC Group's corporate entity. The results have been employed to set new targets and benchmark our efforts against our peer members of the SAC. In our work with HIGG we focus on the environmental part.
Sustainable Fashion Academy	Peak Performance has enrolled 12 employees from design, buying, e-com, retail and finance in a CSR course. The course teaches basic CSR knowledge and has raised the awareness within the brand.
EXTERNALLY	
Training of suppliers	Several trainings on chemicals by internal and external experts, incl. Leather Working Group and BLC.
Supplier scorecard incl. indicators on harmful chemical	The supplier score card has been rolled out to all preferred suppliers covering 90% of our total volume compared to 86% in 2014/15. High level discussions based on the score card every 6 months.
The Leather Working Group (LWG)	Working on a sustainable leather supply chain is an ongoing process. First roll-out in India on consolidated supplier base. Tiger of Sweden is our brand with far most leather in the collection. 29% of their leather goes through a certified tannery
Clevercare.org	All Peak Performance products have a Clevercare label as of January 2015.
Angora	Development of audit protocol and passed audit for the Group's nominated angora supplier. Process established that all angora will be sourced from this supplier.
Environmental part of The Higg Index – Facility module	Trained Peak Performance's partner suppliers on how to use The Higg Index. The Higg index training was combined with the findings in the EP&L. Every year Peak sets targets for the facility module together with these suppliers. 60% of Peak Performance's volume is made by suppliers using the Higg index
Deep dives into materials	Both the wool and down supply chains are in a process of being mapped. This work started end of 2014 and is ongoing every season in order to enhance traceability and transparency.