**About the report**

This is the first sustainability report from Peak Performance and with it we wish to give the reader - our business to business partners, consumers and employees - an understanding of our sustainability work and our path going forward.

The report has been prepared for in accordance with the GRI Standards: Core Option.

All questions related to the report can be directed to Sustainability & Quality Manager Åsa Andersson, asa.andersson@peakperformance.se
I am very happy to present Peak Performance’s first Sustainability Report. It’s time to finally share our commitment to a better future. Sustainability is important to us. Over the last few years, we have been working hard to reach a high enough standard to talk about our work and our impact. Today, we are proud to tell you what we’ve been doing, to report on our achievements and to share our roadmap for reducing our impact in the future.

Sustainability has been part of our business for a long time. Today, everyone at Peak Performance is keen to push ahead - faster and with greater focus. Our people couldn’t be more committed to creating a positive impact. We also know that our end consumers and business partners want us to become more sustainable, delivering more sustainable products and increasing transparency along our supply chain.

Personally, I see a strong connection between longevity and sustainability. We design and develop products that are built to last. Our consumers value this quality: by giving them a long-lasting product, they will use it longer and handle it with care.

There is also a strong connection between economic performance and sustainability. We are committed to growing our brand, but only in a sustainable way. It means a lot to us when consumers and customers choose our products because of the work we do to reduce their impact. We are convinced this strategy will pay off in the long run, leading to a more profitable business and an even stronger business case for sustainability.

If I had to choose one highlight from last year, it was becoming one of three funding partners behind the STICA project. This initiative will help us further improve our business practises and collaborate with industry peers. Ultimately, it will guide us towards partnering with manufacturers to reduce greenhouse gas emissions by at least 30% by 2030.

Of course, another highlight was our change of ownership. Our new owner, Amer Sports, has a long track record of prioritising the principles of sustainability.

Looking ahead, the greatest challenge I see is speed. We are running out of time. If we want to combat climate change, we must move quickly and effectively. Time constraints are tricky when you’re relying on innovation to solve problems.

That’s why I’m so grateful for the support of our employees. They are fully committed to our sustainability roadmap, demonstrating real commitment and passion to this work. I am also pleased to see how our customers and consumers are starting to value our sustainability efforts. I believe only truly sustainable brands will survive in our industry - those that show progress and are committed to change. It won’t be long before the market cleans itself of the mediocre, which of course will create new possibilities for the truly committed!

As a business, I am confident we have the strong foundation we need to succeed. Our steady growth means we can set ambitious targets. I am looking forward to what comes next!
THIS IS PEAK PERFORMANCE

OUR NEVER-ENDING EXPEDITION

Our business is on a never-ending expedition. The further we go, the further we want to go. When it comes to sustainability, we are always thinking long term and pushing ourselves to go further.

We design garments that last. Our pieces are functional and contemporary but have the kind of classic cut you’ll want to keep forever. In the same way, we value relationships that last – with our partners, our employees and our consumers. By building lasting relationships, we build a lasting business. We also make resources last. By constantly improving our materials, processes and design, we create more performance with less impact.

And finally, we are devoted to make our planet last. The mountains, the streets, the trails – this is where we adventure. Yesterday, today and tomorrow: our never-ending expedition.
HISTORY

Back in 1986, three talented skiers asked themselves two questions. First, why was no one making clothes they wanted to wear? Clothes that combined excellent functionality with simple, cool design; neither flashy nor boring. Secondly, how could they spend more time in Åre, their favourite small ski resort in the heart of the Swedish mountains? As it turned out, the answer to both questions was Peak Performance.

From the very start, our business has been shaped by what we value. Today, while our three-man business has grown into an international company, our values and passion remain the same.

WHAT WE DO

Over 30 years, our business has grown and changed but, in the end, it’s all about freedom. We’re about making the most out of every opportunity and being prepared for anything - from slopes to streets, from bike to bar, from work to workout.

Although our mountain resort heritage belongs to our past, our ‘raison d’etre’ remains the same: to innovatively combine function and fashion. Today, we are stepping up to become a vibrant and progressive brand at the forefront of international sports fashion.

OUR BUSINESS MODEL

Peak Performance is Scandinavia’s largest brand of technical sports and fashion wear, with approximate annual sales of 145 MEUR and a presence in more than 25 markets.

We generate 66% of our net sales from the Nordic region, 20% from the DACH region and 14% from other international markets. More than 40% of our consumers are women.

All our products are designed and developed at our head office in Stockholm. Most are produced in Asia using our strong supplier base of trusted, long-time partners.

Our largest production country is Vietnam, followed by China and Turkey. We ship our products to our warehouse in Denmark and distribute to our sales channels from there. To Canada and Japan we distribute directly.

Peak Performance products are sold via five channels: wholesale, retail, franchise, outlet and e-commerce.
We are about 585 passionate employees at Peak Performance. 120 of us are located at the headquarters in Stockholm while the remaining group are the customer-facing sales team and store employees across our network of retail and outlet stores.

Anyone who interacts with us will notice that we have something very special. We are more than just a group of individuals who work together. We’re more like good friends, like family. We work hard together, but also play and have fun together.

We do things for real, or not at all. We do what we believe in and we do it to make a difference. We are simply obsessed with doing exceptional things. This dedication is what makes our hearts beat and our adrenaline rush. It’s what drives us and makes us push limits.

We go above and beyond in the pursuit of perfection. We know where to go and what it takes to get there. We lead the way and never give up. We take on challenges and aim to win. We win because we believe we can win. It’s something that comes from within.

We call it TOGETHERHOOD  
It’s true PASSION  
It’s a WINNING SPIRIT
OUR SUSTAINABILITY STORY

BRAND VISION

To be the world’s leading sports fashion brand for the active consumer

BRAND MISSION

To empower an active lifestyle with the perfect mix of style and performance in a commercial, high-quality and sustainable product offering

Nature has been our playground since we started our company in 1986. We make clothes for consumers who love an active lifestyle. To continue doing this, we must reduce our impact on the environment as much as possible.

The world is changing faster than ever. As the need for action on environmental challenges like climate change, pollution, resource shortages and biodiversity loss becomes more apparent and urgent, we must reduce our impact. Sustainability is no longer a ‘nice to have’, it must permeate every level of business.

At Peak Performance, we made sustainability part of our business strategy in 2014. Since then, we have continuously updated our approach in response to our changing circumstances, expectations and ambitions.
DECIDING WHERE TO FOCUS

OUR SUSTAINABILITY APPROACH

We take a value chain approach to sustainability, which means we aim to reduce our impact from the sourcing of raw materials right through to how our consumers use and dispose of our products.

In 2018, we updated our sustainability strategy to focus more on the opportunities that sustainability creates. When approached in a creative and innovative way, sustainability can have a hugely positive impact on both our day-to-day work and our business’ impact and long-term growth. It challenges us to think differently about our purpose, our role and our future.

OUR SUSTAINABILITY FRAMEWORK

Our value chain approach to sustainability means we have divided our work into three areas: Brand, Product and Partners. Alongside this, we look at sustainability in terms of People, Planet and Profit.

We are using the UN Global Compact and the 17 Sustainable Development Goals (SDGs) to further structure and guide our work. We have identified SDG 12 (Responsible consumption and production) as our main goal. However, we also recognise that SDG 17 (Sustainable development through global partnership) is critical to reaching our targets and making a positive impact.

Our sustainability work complements our values of Passion, Winning Spirit and Togetherness

In 2017, we conducted our first materiality assessment to identify our areas of greatest impact and greatest potential. We further focused this work in 2018 to fit our strategy refresh.

Having identified 25 material issues, we ran risk assessments to identify the most critical and to prioritise our action plan.

However, we recognise all 25 identified issue areas are important, and that focusing on the top few is not good enough. In 2018, we started to map all 25 issues onto the 17 Sustainable Development Goals to make sure our efforts are aligned with the UN’s approach.
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<tr>
<td>MATERIALITY</td>
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<td>Circular products</td>
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**PEOPLE**

21. **Use phase (after use)**

- Prolonging the longevity of the garments by supporting care of the products.
- Long life with conscious consumers
- Being behind competitors
- Losing end consumers and customers

22. **Social compliance supply chain**

- Fair living wages, industrial relations, human rights
- Transparent supply chain to be proud of
- Transparency

23. **Capacity Building**

- Building capacity and knowledge within our supply chain
- Contribute to developing countries
- Corruption
- Greenwash

24. **Environmental Performance supply chain**

- Supplier engagement and performance to support the brand targets on climate change.
- Decreasing climate impact
- Exposure of lacking credibility due to limited climate work today

25. **Co-innovation**

- Take advantage of each other’s knowledge and curiosity for new solutions, materials and techniques.
- Better products from all aspects
- Being behind competitors

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“We do things for real, or not at all. We do what we believe in and we do it to make a difference. We are simply obsessed with doing exceptional things. This dedication is what makes our hearts beat and our adrenaline rush. It’s what drives us and makes us push limits.”
LISTENING TO OUR STAKEHOLDERS

Our business has many different stakeholders, internally and externally, upstream and downstream. One of this report’s goals is to inform our business-to-business partners and end consumers about our sustainability work. We are also here to speak to our employees and potential employees about our sustainability achievements and ambitions. Our supplier partners are also our stakeholders, which includes our Tier 1 partners (mostly ready-made suppliers) and our Tier 2 partners (mostly our material suppliers).

During 2018, we conducted a survey of our 13 biggest key business-to-business accounts, asking about their understanding of sustainability and expectations for us as a brand. We found that:

• Our B2B customers respect, acknowledge and understand the principles of sustainability.
• Their top issues include: animal welfare, such as use of real fur and responsibly-sourced down and wool; chemical use (particularly the use of perfluorocarbons); issues around social compliance in the production value chain.
• Most of our customers have policies for chemical use, down, fur and social compliance.
• They are familiar with the following sustainability certifications: Oeko-Tex, Bluesign®, Fair Trade and Responsible Down Standard (RDS).
• 60% of these customers are willing to pay more for sustainable products and appreciate working with brands that have a sustainability strategy.
• They recognise that end consumers are interested in sustainability and prioritise the same issues of animal welfare, chemicals and social compliance. However, only 40% think consumers are willing to pay more for a more sustainable product.
• Therefore, although our customers recognise the value of sustainability performance, they prioritise timely deliver, high-quality and perfect fit products, and good customer support.

Thanks to these surveys, we also learned it is important we brand our more sustainable products in a way that informs both our B2B customers and consumers about their impact.
**PARTNER INTERVIEW: SPORT CONRAD**

Can you introduce us to Sport Conrad?
Sport Conrad is a leading multi-channel online dealer for outdoor gear and apparel located in the Bavarian Alps. We were the first dealer to sell Peak Performance outside of Sweden. What started as a small shoemaker’s workshop more than 120 years ago in Penzberg, grew into a successful family business, now led by its fourth generation. Nowadays, we sell more than 40,000 pairs of skis each year from our online shop or in one of our four stores in Penzberg, Murnau, Wielenbach and Garmisch-Partenkirchen. Our 180 employees, who all share the same passion for mountains and skis bring a one-of-a-kind product knowledge to the company. Every customer will experience this when entering our stores.

Sustainability in your own business and what are you doing?
As an outdoors retailer, Sport Conrad takes responsibility for our environment and is conscious of the impact the products we sell have. To provide our customers with a better overview of this impact, we created a label to identify environmentally-friendly products. As well as giving our customers more information, our WIR DENKEN UM (which translates to ‘We change our ways’) label provides responsible manufacturers with an attractive platform for their products.

We consider this initiative as the first – and important – step in the right direction. We will continue our step-by-step approach to improving our social and environmental impact. We have also taken steps to improve the impact of our operations. For example, we have stopped travelling for photo shoots, and now shoot only in our region. Our catalogue contains fewer pages and, in cooperation with our printing suppliers we now use the most environmentally-friendly printing process in Germany. The print shop, paper, inks and packaging foil is certified with the environmental seal ‘Blue Angel’.

Why do you work with Peak Performance?
Our relationship with Peak Performance has flourished over many years. They have come far when it comes to a more sustainable approach and our customers appreciate their combination of functionality and modern, timeless design.

What’s your advice to the conscious end consumer?
We are going through a process of rethinking how we do business. We knew we wanted to do more for the environment and our future. But we quickly realised the complexity of sustainability - there are very few quick and easy solutions. Our WIR DENKEN UM campaign is the start of a long journey and we invite any consumers to join us and start questioning the status quo for themselves.

“We quickly realised the complexity of sustainability - there are very few quick and easy solutions.”
PERFORMANCE REPORT

2018 was an exciting year for us. After almost 20 years under the ownership of IC Group, Peak Performance was sold to Amer Sports, a company operating only within the sports industry. This shift presents new opportunities to grow and develop in a sustainable way. Amer Sports is already a member of several significant sustainability groups, including Bluesign®, the Sustainable Apparel Coalition and the European Outdoor Group.

Here are a few of our other sustainability highlights from 2018.

BRAND

- We signed the UN Fashion Charter and the Swedish Textile Initiative for Climate Action
- We updated our sustainability strategy and materiality assessment
- We started to measure our brand’s climate impact
- We increased the level of sustainability education within our own operations
- We stepped up our consumer engagement, installing a team to push sustainability communication and awareness

PRODUCT

- We created a new strategy for increasing longevity in our products
- We updated our Material and Product strategy and are tracking well against our material goals
- We continued our work to substitute perfluorocarbons in DWR treatments
- We received our first Responsible Down Standard (RDS) certification as a brand
- We did not use any anti-bacterial treatments in our products
- We increased the scope of our animal welfare policy to say no to all leather and fur

SUPPLIERS

- We updated our sourcing strategy and evaluation of our suppliers, for both Tier 1 and 2 suppliers, and included sustainability as a ranking factor
- We supported the Fortis Foundation in Bangladesh with funding for capacity building
- We worked closely with one of our material suppliers to invent and develop a new fabric – made from recycled polyester and woven in a way that extends product life
- Partners that participate in the Higg Index facility module account for 75% of our total production volume
BUSINESS THAT LASTS

In a fast-changing world, long-lasting success requires a business to pay attention and integrate sustainability into its business model. We have started that journey by improving our understanding of how our decisions impact sustainability. This year, we have taken important steps to make our business last. Having incorporated corporate responsibility into our business plan, we are launching our first Sustainability Report to show where we are, to demonstrate to our people that we’re proud of their work, and to create alignment around the way ahead.
SUPPLY CHAIN STAKEHOLDERS

We are connected to a wide range of independent social and environmental organisations operating within our supply chain. These stakeholders give us greater visibility on what’s going in the apparel supply chain and guide our actions for improving our impact. We also partner with various industry peers. These organisations include:

- Sustainable Apparel Coalition / Amfori/BSCI / The Bangladesh Accord
- Bluesign® / The Swedish Chemical Group
- Sustainable Fashion Academy
- Better Cotton Initiative / Control Union
- United Nations / Scandinavian Outdoor Group

In the five years since we launched our sustainability strategy, we have seen the far-reaching benefits of working collaboratively with others as part of various projects and partnerships. We also understand that a brand of our size (with our core values) must be part of driving change.

We have become involved in a few research projects that closely connect to our work. The project outcomes are helping us make the right choices and improve our impact.

RFID FASHION TECH

The RFID Fashion Tech project explores how textile recycling can be made more efficient and transparent. RFID (Radio Frequency Identification) presents one such possible solution. Can we use its labelling technology to increase both the value and volume of recycled materials and the products they are turned into? For example, it is often hard to know which chemicals have been used in the manufacture of a textile or product.

Being able to identify chemicals at the end of a product’s life would be invaluable information for the recycling value chain. This project partners with large actors in both IT and the textile industry.

POPFREE (Persistent Organic Pollutant Free)

POPFREE is a two-year innovation project to promote feasible non-fluorinated alternatives in product categories such as fire-fighting foams, textile impregnation, food contact paper, cosmetics and ski waxes. The project brings together over 30 partners, from industry, academic institutes and NGOs. Participation in this project is important to our journey to phasing out PFAS from our durable water repellent and our goal to be 100% PFC-free by 2020.

MINSHED

MinShed is a three-year research project to minimise microplastics emissions from textiles, working with both the construction of fabrics that release fewer microplastics and with solutions to capture microplastics when textiles are washed. The project is focused on polyester, although nylon, acrylic, blends and other materials may also be investigated. The project’s participant list includes 21 brands, Chalmers University of Technology, University of Borås and RISE.

MICROFIBER EVENT AT ISPO

During ISPO Munich Sports Fair 2018, Peak Performance hosted a meeting with three other outdoor brands, as well as the suppliers we have in common. The purpose of the meeting was to highlight the issue of microfibre release from textiles and to share our knowledge of this topic. This was an opportunity for us to share information about the MinShed project and connect others in our industry to academic research projects.

“We have seen the far-reaching benefits of working collaboratively with others as part of various projects and partnerships”
WHY WE WORK WITH SUSTAINABILITY

Linear business models are a thing of the past. By shifting towards a circular model and creating products that last longer, we will change our impact for the better – reducing waste, using resources more wisely, and engaging with consumers and employees around their roles, rights and responsibilities.

For us, working in a sustainable way means control over our business practises, conscious decisions about creating our product assortment, and the cautious use of resources. When we get it right, we know it will impact our business positively, giving us a ‘reason to operate’ and – as a consequence - loyalty from our customers and end consumers.

OUR NEW PRODUCT DEVELOPMENT PROCESS

One process we have implemented to help us make better decisions along our value chain is our New Product Development process. It brings together all our teams, from commercial and design, to marketing and sourcing, to make decisions about our assortment. By allowing us to form early alignment on our range, we can be more focused in what we bring to market. In turn, this means we reduce our range, focus on sustainable options and promote those priorities earlier in the process. Each style must have a ‘reason to be’ and tick several boxes in terms of its impact if it is to make it to market.

SALES AND OPERATION PLANNING

Our business model is built on selling goods in our own physical and ecommerce stores, to our business-to-business (B2B) partners and via our outlet stores. We have established a new function within the Sales and Operation Planning team that brings all our various channels’ demands into a purchasing request. This consolidates and controls demand, which means we produce only up to the numbers we can sell. We don’t practise building up stock levels above our real demand. This would produce waste through over-capacity – an unsustainable practise.

FABRIC LEFT OVER PROCESS

A common problem in our industry is the creation of leftover material due to unforeseen changes. For example, inaccurate planning of ready-made product demand, cancellations of orders or long lead times for technical materials that need early pre-booking can all result in over-production of material. To counter this, we have secured a parallel process to make use of any leftovers and seldom end up with true waste. Our target is to achieve zero waste of leftover fabrics.

INNOVATION AND KNOWLEDGE SHARING

Innovation is critical to our brand. We are constantly striving to find new ways of working, new technical solutions and new sustainable materials. We work closely with our suppliers to share what we know, and we use their knowledge to improve our own performance. We will only reach our sustainability goals by being open to innovative materials and technologies.

Our Design and R&D Department is implementing a project that uses 3D software to reduce our prototyping and sampling footprint. The software digitally designs and sketches, while developing fabrics and patternmaking. Compared to conventional 2D methods, this allows for 360-degree product visibility and fabric functionality. In turn, this means more front-end design and less development back-and-forth. By connecting patterns to this software, we can make a perfect 3D prototype before we ask for physical sampling.

We are in phase one during 2019, with a focus on our core winning styles and market trends. Our ultimate goal is to reduce all future sampling (including salesman samples), and to sell-in using virtual designs alongside fabric swatches, colours and details. This connects to our focus on ‘less is more’: fewer samples, less work, shorter timelines, less shipping and less impact.
**LONG TERM GOALS**

**Shifting from linear to circular economy.** We will follow the Circular Economy principles set by our owners, Amer Sports. These include reviewing and addressing: Product lifecycle, Resource efficiency, Durability & Repair, Business Models and End of Use.

**To reduce our climate impact by 30% by 2030.** We will work with our supply chain to help us reach the 30% reduction, as measured by the HIGG index. We have signed the UN Fashion Charter for Climate Action and the Swedish Textile Initiative for climate action, both of which are helping us understand our impact.

**Sustainable growth plan.** We will meet our end-consumer expectations for responsible business practices and promote responsible consumption.

**Brand Commitment.** We will be responsible and transparent in all our marketing and communication.

**Responsible sales planning.** We will improve our sales planning to increase our efficiency and reduce the overuse or waste of resources. Ultimately, we will only produce to meet demand.

**Stakeholder dialogues.** We will connect more closely with our stakeholders to learn more about their sustainability expectations. We will collaborate with competitors, partners and consumers.

**SHORT TERM ACTIONS**

**Create our first sustainability report.** We are launching our first sustainability report in 2018, which marks the first step in being more transparent about our sustainability work.

**Focus on sustainability communication.** We will explore how best to communicate our sustainability work, using a tone of voice that reflects who we are and what we stand for.

**Follow up on stakeholder dialogues.** During 2018, we asked our biggest key accounts what sustainability means for them. We will follow up this work with a stakeholder workshop that includes our management team.

**All departments to have their own sustainability agenda.** From January 2019, all employees at Peak Performance HQ should have at least one OKR (Objective Key Result) with a focus on sustainability.

**Continue the launch of 3D design.** We will continue to increase our use of 3D design to streamline and reduce the environmental impact of our product development, sales and marketing and sample production.

**Reduce our office and showroom environmental impact by 10% during 2019.** We will shift our company car fleet to electric or hybrid models, starting with 20% during 2019.
We use lifecycle assessment or other comprehensive and science based methodologies for core product offerings to estimate sustainability impacts.

Based on the assessment of sustainability impacts, we continuously seek low-impact alternatives for design, development and production processes.

We improved resource efficiency in our own operations, annually assessing our manufacturing processes. Where possible, we use lightweight materials and recycled or bio-based content in our products, minimise manufacturing waste and recover waste for use as a resource.

We seek to systematically improve resource efficiency across all elements of operations and supply chain.

We prolong the life-span of our products through designing quality and durable products as well as targeting continuous improvements. We expand product life by advising consumers in product care and providing repair service.

We design and develop products with total lifecycle approach, including easy repairability.

We explore alternative business models to maximise utilisation of our products.

We use service models and sharing platforms to reduce our impact and improve the value we provide to our customers.

We guide our customers on how to return product at end of use, such as recycling or product take back schemes.

We close the loop at the end of product life by developing capabilities to remanufacture or upgrade products and by designing products which are recyclable.

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**PRODUCT LIFECYCLE**

We updated strategy and materiality assessment from 2016 and mapped the 17 Sustainable Development goals into our framework.

We included sustainability in a major update of our business plan as we shifted to new ownership.

We stepped up our consumer engagement for sustainability, increasing communication and awareness.

We conducted a stakeholder survey with our biggest B2B partners (see results in the stakeholder section).

**RESOURCE EFFICIENCY**

**DURABILITY & REPAIR**

**BUSINESS MODELS**

**END OF USE**

**AMER SPORTS CIRCULAR PRINCIPLES**

**BASIC**

**ADVANCED**
PRODUCTS THAT LAST

We design products that last. The core of Peak Performance is timeless design sewn into the best materials. Longevity goes hand in hand with how we think about quality and our customer relationships. We design functional and contemporary pieces that consumers can keep close for a long time; we offer repair services to prolong every product’s life. When the time comes to part with their products, consumers can return them to us to make the most of whatever resources that remain. Because of this approach, it’s not unusual for us to meet a parka from decades ago, or a pair of trousers that have hiked around the globe. It’s always a dear reunion.
OUR IMPACT

Globally, the apparel industry is estimated to be responsible for between 2% and 10% of GHG emissions. The Ellen MacArthur Foundation (EMF) predicts that if our industry continues on its current growth and impact trajectory, it would be responsible for 26% of the global carbon budget by 2050. A ‘business-as-usual’ approach isn’t just irresponsible, it’s incredibly short-sighted.

It is therefore imperative that our industry acts to reduce its climate impact for the long-term. To do this effectively, we must tackle the areas of our value chain with the greatest impact.

Most of the apparel industry’s GHG emissions are generated during raw material production, supply chain processing and assembly, transportation, and in customer product care and disposal. According to a recent Quanties report (quantis-intl.com/measuring-fashion-report-2018/), the production, dyeing and finishing of materials and products is responsible for 36% of our industry’s value chain impact. Therefore we are focusing on these areas in our sustainability work.

FROM 2014 TO TODAY

In 2014, our previous owner conducted a review of the environmental impact of our supply chain, along with four others brands in its portfolio. The report showed that our joint impact comes from the following:

- 39% from raw material production
- 37% from wet processing, fabric manufacturing and yarn spinning
- 24% from ready-made suppliers

As a result of this report, we could see how and where to prioritise our action to reduce the impact of the fibres we were sourcing for our business.

In 2016, Peak Performance joined the European Clothing Action Plan to better understand and address our fibre impact. At the same time, we created our first Material and Product strategy. This guides us in procuring more sustainable materials. It also helps us choose which suppliers to work with and helps us work with them in a way that builds strong and sustainable relationships. As part of this strategy, we created a ‘fabric library’, which lists our preferred materials, most of which are favoured for their sustainability credentials. We have furthermore identified seven materiality issues (see p. 9-11) that directly connect to our products, and our updated strategy works towards improvements across all of them.

We are focusing first on our high-volume products, like the popular Frost Down Jacket, because making these more sustainable will have the greatest positive impact. This approach means we pay a lot of attention to maintaining our exceptional levels of quality. By focusing on fibres, processes and innovation, we are aiming to increase the number of more sustainable products we offer while minimising quality risks. It’s critical that we maintain customer trust (and competitiveness) while we transition to more sustainable products.
THE LONG VIEW

Longevity has always been important to us. We built our brand on high-quality products that last, and often meet consumers who still use products from our first ever collections. Of course, this makes us proud, but it also sets an high bar when it comes to quality and design. We always have consumers in mind when we’re developing products, with a promise to exceed their expectations. This involves continually working to improve how we deliver those levels of quality.

During 2018, we conducted three ‘Quality as a habit’ workshops with our design, development and production teams. These successfully increased knowledge, helped us find new ways of working and allowed us to update our team on our existing quality process. Creating a common mindset for how we deliver high-quality products will bring benefits for the long-term.

Furthermore we make sure to work with high-quality material suppliers and recommend the best materials to our vendors. This reduces certain risks, including quality and chemical. All the material we buy meets our high-quality standards.

Another way we increase the longevity of our products is through our Peak Performance Care initiative, which provides care advice and repair services. To find out more, read the Peak Performance Care case study on page 25.
LONG TERM GOALS

Make products that last. Through timeless design, high-quality manufacture and a care and repair service, we will make our products last even longer.

To source 100% sustainable materials by 2026 and lower our impact in processing. Our strategy focuses on fibres and processes and is open to innovation and new technologies.

To use 100% ethically sourced materials. This relates to all materials with an animal origin (like wool and down) or with a negative impact on human rights (like cotton).

To design 50% of our products for the circular economy by 2026. In line with Amer Sports’ circularity principles (see p. 19 this means focusing even more on recycled and biodegradable materials and designing for easy repair and recyclability.

SHORT TERM ACTIONS

Deliver on our material strategy and extend to include trim material. We are on track to meet the following 2020 targets: 50% of synthetic fibres to be recycled or bio-based; all cotton to be bought from BCI or to be Organic cotton; 100% of down to be RDS certified; 85% of all used Durable Water Repellents to be without perfluorocarbons.

Reduce the climate impact of our products. We will calculate the GHG emissions of all the material we buy, with 2018 as our baseline year. We will then set goals and actions for the future, in line with the Science Based Targets.

Scale up our repair service to reach more consumers via multiple channels. Our loyalty program provides free access to repairs if the product is bought in one of our stores. We are very proud of this service. All our stores work with a carefully-chosen repair shop and/or tailor, and we can mostly provide original material to make repairs.

100% compliance certifications in place for all materials, including animal-origin material.

First workshops in circular design. We will offer our product department the possibilities to attend circular design workshops during 2019.
RESULTS MATERIAL

- **RECYCLED POLYESTER**
- **RECYCLED OR BIOBASED POLYAMIDE**
- **ORGANIC OR BETTER COTTON**
- **RDS DOWN**
- **PFC FREE DWR**

**BASELINE**
- Became certified as a brand for the Responsible Down Standard.

**2016**
- We reached our quality claims target of being below 0.4% for the year 2018.

**2017**
- We did 2 re-calls of products due to quality related issues.

**2018**
- Material and care guide for the web was updated with information on sustainability and care.

**GOAL 2020**

**GOAL 2026**
The ECAP is a 3.6 million Euro project funded by EU LIFE that aims to address clothing sustainability. The project started in 2016 and runs for three years until the end of 2019, and covers everything from raw material to collection and recycling of old clothes. ECAP’s holistic approach encompasses sustainable design, production, public procurement, consumption, collection and recycling, and reprocessing.

By March 2019, ECAP aims to adopt a circular approach across Europe that:

- Diverts 90,000 tonnes of clothing waste from landfill and incineration, every year
- Saves 1.6 million tonnes of CO2e
- Saves 588 million m3 of water

We are proud to be part of ECAP. As a result of our membership, we gain knowledge and share learning, and receive advice, training and tools on how to calculate and measure our impact. Ultimately, we will find a way to reduce the overall footprint of individual garments.

Peak Performance signed up to ECAP in 2016. We have set a bold goal to buy 100% sustainable materials by 2026 – the year Peak Performance turns 40. To achieve this goal, we need to focus on fibres and processes, and to be open to innovations that support sustainability.

We calculate our fibre footprint in CO2 emissions, water use and waste. Between 2017 and 2018, we reduced our water-use by 18% due to shifting from conventional cotton to BCI and unfortunately increased our CO2 emissions by 9%. That was due to a higher percentage of synthetic material in our portfolio of fibres. The amount of waste created was similar for 2017 and 2018. We calculated these figures using a Life Cycle Assessment (LCA) tool and following the guiding principles of ISO 14040, GHG protocol, PAS 2050 and the Water Footprint Network Global Water Footprinting method.

Being part of the ECAP project has increased our understanding of our fibre footprint, and helped us set clear goals and start tracking against them. We have a much clearer picture about what we need to do to convert unsustainable materials into better options. We are soon to work with ECAP to learn more about bio-based and biodegradable synthetic fibres and their impacts.

Quote from Ria Kearney, project leader at Made-By:

“From the outset of joining ECAP, Peak Performance has been genuinely committed to learning how to source more sustainably and ensuring they reduce the impact of their fibres portfolio. The increasing uptake of more sustainable fibres into their collections, most notably Better Cotton, recycled nylon and recycled polyester, is proof of the progress they have made and can continue to build on.”
PEAK PERFORMANCE CARE

The longer a product lasts, the lower its ecological footprint. At Peak Performance, we’re committed to helping make sure our products last as long as possible – it’s the right thing to do for the environment, and it’s a big reason why our customers love us.

There are many ways we can ensure our products last, and two of these fall under the umbrella of Peak Performance Care.

OUR REPAIR SERVICES

By offering to repair all products sold in our retail stores, we are providing an environmentally positive solution. In a recent upgrade to our loyalty program, we now offer free repair services to our most loyal consumers. In 2018, we conducted 4145 repairs. This service is currently offered in our own stores, but we aim to offer it in other channels soon.

If a customer brings us a product that is so well-used it is simply beyond repair, we offer them a discount of 20% to buy themselves a replacement. We then send the old product to Human Bridge, a long-term partner organisation that uses our donations to support its work to supply used but well-functioning medical equipment to countries around the world.

OUR CUSTOMER CARE

We take care to choose materials that don’t require high-impact care. We also make sure consumers know how to take care of their garments. For example, knowing how to wash a down product or a shell jacket using water repellent is critical for increasing the lifespan of a product. We already provide technical clothing care information with all our products. We are also working with CleverCare to provide lower-impact care advice, such as washing less often and at a lower temperature. Of course, these environmental actions have an added benefit of increasing product longevity.

DOWN POLICY

ETHICALLY SOURCED DOWN AND RESPONSIBLE DOWN STANDARD

Animal welfare is important. In 2014, we partnered with Allied Feather & Down to source more ethical and sustainable down. They provide Bluesign®- and RDS certified down. Our own down policy states:

- All geese and ducks are bred and treated in an ethical way
- All down is a by-product of the meat industry, no live plucking
- No birds are force fed or raised for Foie Gras
- All slaughterhouses are audited by the International Down and Feather Laboratory (IDFL)

In 2016, we further strengthened our sourcing policy, requiring all down lots to be marked and traceable. We provide this information to our consumers using ‘Track my Down’ hangtags stating the source of the product’s down.

In 2017, we started buying down certified by the Responsible Down Standard. 2018, 99% of our down was RDS-certified; the missing 1% came from a supplier that couldn’t get its certification in time. During 2018, we were also, as a brand, audited and certified by the RDS.
A PLANET THAT LASTS

Our winning spirit drives us to aim for the best outcome. By constantly improving our materials, processes and design, we create better performance with less impact. We are working hard to improve our overall environmental performance and minimise the impact of our use of energy, materials and chemicals, and our waste creation. Reducing our climate impact guides all our decisions.
A thriving future for our planet is synonymous with a thriving future for our business: we cannot have one without the other. However, shifting to this mindset is challenging and takes time. In part, that’s because the pace of change is so fast – what was best practice yesterday is no longer good enough. To stay relevant and responsible as a business, we therefore need to dedicate resources to staying part of the debate, and to acknowledge and – where appropriate – embrace new theories and methods for sustainable business.

We also need to consider how a planet that’s increasingly affected by climate change will fundamentally change the nature of adventure. At Peak Performance, we are open to thinking creatively and radically about our role in the future of adventure. What we do know is that, whatever that role is, it will need to be fully sustainable.

Our business’ biggest impact on the planet comes from production, which we talk about in our Products That Last chapter.

Becoming more sustainable as a business is an active choice that we have to keep making every day – it won’t just happen. We can only keep moving forwards by measuring our impact, evaluating the results and setting new targets. Rolling this approach out across our value chain is tough but necessary and urgent.

To that end, we recently signed up to the Swedish Textile Initiative for Climate Action (STICA) as one of three founding brands. This means we are part of driving change in the Swedish textile industry.

We are grateful for the opportunity to show leadership even though we still have a lot of work to do. Because we are quite a small company with limited resources, our fastest way forward is to team up with others and to learn ‘on the job’.

To increase the pace of change, we need to empower our people with sustainability knowledge and skills. We are conducting a course that combines the Sustainable Fashion Academy course and internal education for 15 of our employees per year – focusing on those employees best-placed to create change through their work.

Each student finishes the course with a strong understanding of the environmental impacts of our industry and knowledge about the work we are doing. Each student also makes an action plan for how they will implement what they have learned in their operational work.

So far, we have educated 75 of our people in this way and we can see the positive impact it is having on our sustainability performance across the board – from ideation to execution.
CHEMICALS

Chemicals have an important role to play in modern manufacturing, but – when used irresponsibly – can cause harm to people and the environment. We prioritise the health and safety of everyone who comes into contact with our products, from the people who make them to the people who use them. We have a responsibility to make sure we are not using any chemicals that could cause harm, either during manufacture processes, wear or washing and care.

To do this, we stay updated on global chemical legislation and use a Restricted Substances List that covers legislation in our markets. RSL is part of the supplier contract and has to be signed by our Tier 1 and Tier 2 suppliers. Because EU REACH legislation is adding more chemicals to its list of Substances of Very High Concern, we updated our RSL in 2018.

Our chemical-handling process involves regular, seasonal chemical risk assessments. We constantly review our collections looking for risks and make sure our suppliers have a good understanding of the subject. During 2018, we conducted a workshop with four garment vendors and six material suppliers to increase their knowledge of chemicals, risks, new legislation and new substances on the candidate list. We conduct random product chemical tests and communicate the results with our suppliers and vendors. If any products fail their tests, we make a corrective action plan with the relevant supplier to find the root cause of the result and adjust accordingly.

In 2018, we ran 38 chemical tests, including full product screenings and nominated tests on specific trims and materials. We had five failed tests, and found lead, copper and Nonyl Phenol Ethoxylates (NPEO). These fails were corrected. Looking ahead, our testing program is focusing on chemical risk matrix, high-volume styles and new materials.

During recent years, we have been focused on substituting Perfluorocarbons (PFC), a group of chemicals used in dirt and water repellence (DWR) treatments. A lot of PFCs are harmful and are now well regulated in REACH legislation. We cover our chemical goals in our Products that last chapter.
LONG TERM GOALS

Reduce our climate impact. We commit to addressing our use of energy, water and waste, and to setting clear goals for progress. We will reduce our overall environmental impact by at least 30% by 2030. We will work with our full value chain, including all three scopes.

Drive change and increase knowledge within our company. We will continue to provide sustainability education internally and externally. We plan to offer training in specific subjects, such as in depth course on sustainable design.

Substitution of harmful chemicals. We are constantly updating ourselves about regulations and new harmful chemicals, and conducting and acting on risk assessments.

100% of our suppliers using the HIGG index. We are working with our suppliers to help them become part of the HIGG Index and develop environmental goals. We will verify our suppliers’ self-assessment and set goals with all our partner suppliers.

Reduce quantity of samples. We are working in a number of ways to reduce the number of samples our salespeople need during selling-in. Our long term goal is to work without samples.

SHORT TERM ACTIONS

Reach STICA baseline and set goals for Scope 1 and Scope 2 during 2019

Sustainable Fashion Academy – continue to increase knowledge and awareness through employee training.

Higg Brand Module – increase our performance in sustainability, using the HIGG index as the tool for evaluation and measuring our performance.

HIGG Index Facility Environmental module – suppliers that represent 80% of our product volume will be taking part in the HIGG index Facility Environmental module.

Go through the Bluesign® assessment during 2019.
We have measured our impact as a brand in scope 1 – water, waste, chemicals, scope 2 - energy, scope 3 – business travelling and transport of goods, see results in our GRI index.

We have signed STICA and UN Fashion Charter, which commits us to reduce our impact by 30% by 2030.

In 2018 we did not make any products with anti-bacterial treatments. This means our products won’t release toxic chemicals into the local water system when they are washed.

We ran a workshop with four garment vendors and six material suppliers to increase their knowledge about chemicals.

Fourteen of our HQ employees took part in the Sustainable Fashion Academy training and education.

We conducted basic sustainability education for 18 people from our sales teams in Sweden and Finland.

We actively participated in providing feedback to the BETA brand HIGG index module.
PARTNER MEMBERSHIPS

The Swedish Chemical Group

The Swedish Chemical group is a network for textile and electronic companies organised by Research Institute Sweden (RISE) and their chemists. Being part of this network means we receive regular updates on chemical-related news, including around new legislation and industry trends. The group holds regular all-member meetings, contacts individual organisations if they need support and provides access to tools for chemical risk assessment and substitution.

Our membership in the Swedish Chemical Group is critical to our chemical risk assessment work and we are regularly in contact for answers to questions about, for example, chemical legislation.

Bluesign®

Bluesign® is an independent standard built on five principles: Resource Productivity, Consumer Safety, Water Emissions, Air Emissions and Occupational Health & Safety with a focus on chemicals. To become Bluesign-certified, a material must meet best practice criteria across these five principles. Most Bluesign® certificates are awarded to material suppliers, but a few garment vendors have earned them too.

Peak Performance became a member of Bluesign® through our new owners, Amer Sports. In 2019, we will conduct the Bluesign® assessment. This standard is already quite common in the outdoor industry, and we therefore buy a lot of Bluesign® material already, and work with suppliers that are Bluesign® certified.

UN Fashion Charter for Climate Action

During last year’s COP24 in Poland, the UN launched its Fashion Charter for Climate Action initiative; signatories have agreed to reduce their GHG emissions by at least 30% by 2030. Peak Performance has signed this agreement, together with the other apparel brands within Amer Sports (Salomon and Arc’teryx). All three brands, as well as Amer Sport’s group-level corporate sustainability team, are participating in working groups to establish a baseline, standard and roadmap towards the 30% commitment. The working groups will explore decarbonisation and GHG emission reductions, raw materials, manufacturing/energy, policy engagement, financial tools, promoting broader climate action and logistics. So far, 40 brands and organisations have signed the charter.

Swedish Textile Initiative for Climate Action—STICA

In November 2018, Peak Performance was asked to be one of three brands standing behind the Sustainable Textile Initiative for Climate Action and to ask the Swedish and Scandinavian textile industry to act against climate action.

The initiative supports companies operating in Sweden and international markets to set science-based targets and reduce their greenhouse gases in line with a 1.5C warming pathway, as outlined by the UN Framework on Climate Change and the Paris Agreement. Participants are also encouraged to go further and become climate positive.

STICA is a learning network for brands at different stages of their climate work. During 2019, we will work together to understand our climate impact and start measuring our GHG emissions in Scope 1, 2 and 3. We will also set science-based targets and make a roadmap for reducing our emissions.

So far, the initiative has engaged 42 brands in Sweden and Norway.

https://www.sustainablefashionacademy.org/STICA

Sustainable Fashion Academy

The Sustainable Fashion Academy (SFA) trains and supports students, educators, consultants, policy makers, freelancers, management teams and brand and retail employers in sustainable business growth. The SFA brings together a wide range of experts and specialists in textile, outdoor, footwear, sportswear, fashion and luxury products. Their mission is to prepare and equip apparel professionals with the knowledge and tools they need to embark on meaningful sustainable journeys while growing their business.

Peak Performance has been using the services of SFA since 2014, training up 75 of our employees in sustainable business growth. This has increased sustainability knowledge within our company. Since 2016, we have run regular in-house two-day workshops with the help of the SFA and teams of 15 people to learn about and discuss sustainability at our business.
The Sustainable Apparel Coalition (SAC) is an independent organisation with a vision to transform the apparel, footwear and textile industry into one that has a positive impact on the environment, and on the people and communities associated with its activities.

As part of this vision, the SAC has developed the HIGG index toolbox, which contains three self-assessment tools for brands to measure their business’ performance, their products and the performance of their suppliers/vendors.

We started to measure our brand performance in 2014, which gave us the insight to start building a solid strategy for our environmental work, and to set the right level of targets. We have since seen a steady improvement and, using the HIGG index as a benchmark, can see we now score slightly above average in our sector.

At a supplier level, we have mostly focused on Tier 1 suppliers. By encouraging them to become part of the HIGG index, we have seen an increase in their knowledge of social and environmental sustainability. Today, 13 of our partner garment vendors are part of HIGG, which covers approximately 60% of our total produced volumes. Our long-term goal is to work more closely with all our suppliers to set environmental goals.

We started using the HIGG Index design and development module during 2015, when we created a baseline for all our product categories. After benchmarking these baselines, we could see that none of our products performed well. To maximize impact, we therefore decided to focus our improvement efforts on our high-volume products.
RELATIONS THAT LAST

Even though we like remote adventures, no man is an island. For us, cooperation is fundamental. We believe in relations that last.

Our employees are key to combining and creating the best solutions for our products and our planet. We believe in growing every day. Employee capacity building and taking part in an active lifestyle is an important part of building our company values.

At the same time, successful sustainability work needs strong collaboration. We partner with the best to be able to influence and have a positive impact on our suppliers. We also work with other brands. We aim for a transparent supply chain that all partners can be proud of and take part in. We are capacity building with our partners and working with common standards.
OUR EMPLOYEES, IMPACT AND RISK

At Peak Performance, we celebrate our differences, bringing together people who are energetic, sporty, urban and dynamic. We love unique personalities and abilities because everyone’s contribution creates our success. Our employees all play their part in creating the best solutions for our products and our planet. With a healthy dose of humility, we perform – win or lose - as a team.

Our values of Togetherhood, Passion and Winning Spirit are the source of our performance and productive engagement. We aim for a top-class working environment that is built on workflow and healthy, active lifestyles.

To achieve our business results, we need a high-performing team. To create this, we have set a clear People Strategy that is focused on strong leadership, stretch goals, a culture of feedback and cross-functional collaboration. Our strategy aims to ensure sustainable business success today and in the future. It is designed to attract and retain talent, to develop and motivate our employees and to create a high-performing working culture. It creates a highly engaged and motivated workforce with a collaborative and growth focused mind-set.

We have designed our People Strategy to align with our company strategy and business initiatives. We are always striving to grow and, by connecting our capability building with the acquisition and development of talent (internally and externally), we are building an organisation that is fit for the future.

Our People Strategy consists of the following workstreams:

- Building the right capabilities in our organisation for sustainable growth and global expansion
- Building a strong performance culture that connects business strategy with individual goals. Enhancing an ambitious growth mindset with continuous feedback dialogue between manager and employee.
- Nourishing engagement through our active lifestyle culture and with talent-support and growth.
- Promoting 'Together Forward' as a sustainable collaborative value that allows us to create great results together.

RISKS

As a high-performing organisation with employees who are always willing to go the extra mile, we have a risk of them running too fast. This results in high stress and potential burn out. During 2018, our sick leave rate reduced, and we believe this was a result of our proactive health support, training in personal effectiveness and better employee-manager dialogue about workload and task prioritisation. We will continue to focus on the risk and keep it as low as possible.

We love unique personalities and abilities: at Peak Performance everybody is somebody. We recognise that to better mirror our consumers and prepare for global expansion, we need to address our organisation’s diversity, from both an ethnic and gender viewpoint. During 2018, we recruited from a more diverse talent base (mainly in our product departments) and improved gender ratios in some departments.

However, we must further accelerate our recruitment diversity and workplace inclusivity.
**LONG TERM GOALS**

**Employer of choice**—We aim to be an industry leader and employer of choice.

**Living the Brand**—We will further enhance our strong company culture and appreciation of active lifestyles as we grow to become a global company at the forefront of sports fashion.

We will become a truly **diverse and equitable company**.

**Mirroring our target group**—We will become an inclusive organisation that represents our global consumer target group.

We will run an efficient, **Sustainable and Profitable Business**.

We will **build capabilities** to support long-term growth and expansion.

**SHORT TERM ACTIONS**

**Development**—All our employees will have an individual development plan linked to our company’s required capabilities, professional competences and career growth.

Through **intensified talent acquisition**, we will find the right external and internal competences to help us expand globally.

**Reporting baseline**—We will measure our baseline performance for Human Resources according to GRI figures, and set goals accordingly.
Winning Spirit: We delivered our best results in company history while conducting a full merger and acquisition process as we moved to new ownership.

We reached a 100% participation rate in our performance management tool. Over 150 employees now have individual goals that support our long-term company strategy and enable short term results.

We delivered personal effectiveness training to our employees to support workflow and reduce stress.

We strengthened our support of active lifestyles with a weekly programme that includes yoga, running, and CrossFit. With our support and encouragement, most of our employees either train or play sports as a natural part of their weekly routine.
Mårten Bergkvist, Global Digital Key Account Manager

Why did you start to work at Peak Performance?

I wanted to combine my career experience and intentions with my personal experiences and development as a skier, athlete and nature lover. I want to support and push the Peak Performance brand to new highs.

What is making you develop in your work at Peak Performance?

In my role as the Global Digital Key Account Manager, I constantly get to challenge the status quo of what is possible for the Peak Performance brand in the digital wholesale space - globally.

What does sustainability mean to you?

Two things. First, to maintain a balance with the everyday "I have to's" with the "I want to's". And second, to help make the world a better place for my children.

What do you do in your daily work to support sustainability?

For me, it is about giving at least a thought and/or some consciousness every day to what I can do differently. I always think about what I can give back to mother nature. For one example, I try to bike to work as much as I can.

Eva Fütting, Active Designer

Why did you start to work at Peak Performance?

I was always fascinated by sustainability, technical materials and nature. I grew up in Southern Germany close to the Black Forest. Mountains and forest were early on an important part of my life. At Peak Performance, I get to work with high-end technical materials that are made for the outdoors within a brand that has a sustainable vision. Peak Performance has a style and Scandinavian taste that very few sport brands have - it’s unique in a conservative outdoor world.

What is the best thing about Peak Performance as a workplace?

We have a fantastic work culture. Togetherhood is one of the most important assets in our brand philosophy. We train together, we help each other, and we inspire each other. That makes it fun to come to work every day. We are not scared to try new ideas, fail and try again.

What does sustainability mean to you?

A lot. We need to change our way of producing, designing and consuming in the near future because the environmental impact of the garment industry is so big. This is a huge challenge for the whole clothing industry. We all can and need to be part of it. It is scary but also fun to be part of that journey.

What do you do in your daily work to support sustainability?

I try to make as many sustainability-friendly decisions as I can in my everyday work life. With each material and decision, you can ask yourself: is there a more sustainable solution? We just started a project to reduce water pollution and chemicals. It has been very tough and quite a lot of extra work, but it is only by taking bumpy roads for certain projects that we will change things in the future.

What is making you develop in your work at Peak Performance?

New challenges. We are working very closely with our Peak Performance friends, our professional athletes. Together with them, it is amazing to develop concepts and products that are sustainable and long-lasting, where every detail has a reason for being. Every athlete is different, and every project is different - so I never get bored.
Our Friends and Ambassadors are carefully selected athletes who help us with product development, testing of new styles and official photoshoots. We always aim to find friends from across our markets, to ensure gender equality and to work with a mix of established athletes and those on their way up.

We prefer to build long-term collaborations with ambassadors because this ensures a genuine passion for our brand. This is exemplified by our partnership with Henrik Windstedt, one of the leading freeride skiers in the world, who has worked with Peak Performance for about 15 years, since the early days of his career. We help our Friends and Ambassadors to perform to their fullest potential, and to inspire others to get out and get active.

In 2018, we were made incredibly proud by two of our Friends: freeride skier Kristofer Turdell, who won the Freeride World Tour (FWT), and golfer Joakim Lagergren, who won his first competition on the European tour.
Building strong relations with our partners is important to us. Every year, we gather our partner suppliers at our Partner Summit – which provides an opportunity to build and strengthen relationships, share our work and facilitate discussions around improving our common business.

We use a well-defined strategy to manage our supplier base, which helps ensure a strong pool of trusted, long-term supplier partners that consistently meet our exacting standards. We aim for a balanced and cost-efficient global sourcing footprint, with reallocation initiatives smoothly executed in cooperation with trusted partners in a way that affects neither our brand’s quality requirements nor our social compliance requirements. We follow the below strategy to enable this kind of best-in-class partnership.

We have categorised our ready-made vendors and material suppliers into Partner, Preferred and Potential suppliers. They are evaluated according to price, quality, lead time, sustainability, innovation and specialist knowledge.

**SUPPLIER MANAGEMENT**
- Rigorous onboarding procedure with stringent quality requirements and review of social compliance
- Thorough contracting and compliance process
- Continuous cooperative performance development
- Systematic and strategic segmentation of suppliers

**SUPPLIER PARTNERSHIP**
- Frequent, ongoing in-person interaction
- Partner rewards with true dedication to relations and brand
- Maintaining deep and genuine relationships
- Share growth plans and commit on business plans

**PARTNER** – These suppliers can offer us quality products and a high level of innovation, capacity agreements and responsible business. They have a stable history and have been with us for more than three years. Today, we have 12 partner suppliers, which represent 87% of our total value for 2018. Some of our partners have been with us more than 15 years.

**PREFERRED** – These suppliers are fully approved and audited, and have maintained good relations with our business for at least one year. We usually create a strategy with our Preferred partners for how they can become a partner. They are tracking well according to our KPI’s of value, quality compliance and delivery. Today, we have 16 preferred suppliers, which represent around 10% of our total value.

**POTENTIAL** – These suppliers either offer niche products or are new to us and must prove themselves over several seasons. They must meet minimum set of requirements, including compliance and sustainability measures.
### SUPPLIERS

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<td>LEI TAK FUNG TEXTILE &amp; GMT LTD</td>
<td>2013</td>
<td>🇧🇩</td>
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<tr>
<td>LTP VIETNAM CO., LTD</td>
<td>2002</td>
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<tr>
<td>NAN YANG GARMENT CO., LTD</td>
<td>2006</td>
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<tr>
<td>PAN PACIFIC CO., LTD</td>
<td>2012</td>
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<tr>
<td>POONGSHIN CO., LTD</td>
<td>2015</td>
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<tr>
<td>WONDO APPAREL CORP</td>
<td>2009</td>
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<tr>
<td>PROMAR TARIM VE TEKSTIL</td>
<td>2004</td>
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<td>UAB LTP</td>
<td>2002</td>
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<thead>
<tr>
<th>SUPPLIER NAME</th>
<th>HQs</th>
<th>FACILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIAN SOURCING INT.</td>
<td>🇨🇳</td>
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<tr>
<td>BESTE S.P.A.</td>
<td>🇮🇹/🇷🇴</td>
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<tr>
<td>CF GLOBAL VIETNAM CORP</td>
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<td>CONDRA S.R.L.</td>
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<td>FOCUS HK CO. LTD</td>
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<tr>
<td>INTERSOCKS D.O.O.</td>
<td>🇮🇹/İL</td>
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<tr>
<td>KAMER GIYIM SAN TIC</td>
<td>🇹🇷</td>
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<tr>
<td>KIT MAN INDUSTRIAL</td>
<td>🇨🇳</td>
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<tr>
<td>MAGLIFICIO FMF SPA</td>
<td>🇮🇹/росл</td>
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<tr>
<td>PALACE GROUP CO., LTD</td>
<td>🇻🇳</td>
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<tr>
<td>R. SCANDINAVIA</td>
<td>🇸🇪</td>
<td></td>
</tr>
<tr>
<td>SATILA OF SWEDEN AB</td>
<td>🇸🇪/🇪🇪/🇸🇸</td>
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<tr>
<td>SC RCC INTERIMEX SRL</td>
<td>🇷🇴</td>
<td></td>
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<tr>
<td>SHANGHAI FEI DA DOWN GARMENTS</td>
<td>🇨🇳</td>
<td></td>
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<tr>
<td>STIL GIYIM SAN VE TIC</td>
<td>🇹🇷</td>
<td></td>
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<tr>
<td>SOUTH OCEAN</td>
<td>🇨🇳</td>
<td></td>
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<tr>
<td>TEXMADE—TEXTEIS LDA.</td>
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</table>

*Suppliers that are discontinued are not shown in reporting.*

"We use a well-defined strategy to manage our supplier base, which helps ensure a strong pool of trusted, long-term supplier partners that consistently meet our exacting standards"
SOCIAL COMPLIANCE IN OUR SUPPLY CHAIN—RISK AND CHALLENGES

Today, we work with 33 suppliers with 46 facilities in different countries. Almost 100% of our production takes place in countries outside Sweden, most of which are defined as risk countries from a human rights perspective according to Amfori/BSCI. These risk countries include China, Vietnam, Bangladesh, Myanmar, Thailand, Turkey and Romania. A country qualifies as a ‘risk country’ if it scores poorly in the Worldwide Governance Indicators’ following six metrics:

Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption.

We carefully track our global footprint to maintain a well-diversified geographic mix of markets. In recent years, this has required cost-effective reallocation initiatives that were completed without any compromise on quality or social compliance issues. We also track our footprint to scan and monitor human rights risks in each of our supplier countries. To do that properly, we work with (among others) the following partners.

**AMFORI/BSCI**

The Amfori/BSCI is a leading supply chain management system that supports companies to drive social compliance and improvements within the factories in their global supply chains. We have been part of this initiative since 2007.

The BSCI implements international labour standards that protect workers’ rights. Through their supply chain management, the BSCI unites over 1300 companies around one common Code of Conduct and supports us in our efforts towards building an ethical supply chain and protecting workers’ rights.

**THE BANGLADESH ACCORD**

The Bangladesh Accord is an independent, legally-binding agreement between brands and trade unions to work towards a safe and healthy garment and textile industry in Bangladesh.

Through factory inspections, remediation monitoring, safety training and safety complaint resolution, the Accord seeks to enable a working environment in which no worker need fear fires, building collapse or other accidents that could be prevented with reasonable health and safety measures.

We have been part of the Accord since it started in 2013. All four of our Bangladesh-based suppliers are in the program, and each is steadily improving its inspection results and taking part in ongoing health and safety training.

**SUSTAINABLE APPAREL COALITION**

The SAC is a trade organisation comprised of brands, retailers, manufactures, government and non-governmental organisations, and academic experts. Its members represent more than a third of the global apparel and footwear market, and each of them is working to reduce the environmental and social impacts of their products.

SAC developed the HIGG Index, a standardised suite of tools that measures environmental and social labour impacts across the value chain. Participants can use HIGG index tools to address inefficiencies, resolve damaging practices and achieve the environmental and social transparency consumers are demanding. By joining forces in a coalition, it becomes easier to address the urgent, systemic challenges that are impossible to change alone. We have been a member of the SAC since 2014, when we also started using the HIGG Index self-assessment tools.
LONG TERM GOALS

Have a transparent supply chain to be proud of. As our world gets smaller, access to real-time information improves, which in turn leads to more questions about our sourcing practises - both from customers and end consumers. We want to know more about where our materials and products come from and who made them.

Capacity Building. We will build capacity and knowledge by empowering those in our supply chain.

Wages. We will improve the wages of the workers in our supply chain. In collaboration with Amer Sports, we will find a way to support or establish a programme that works for better wages across our industry.

HIGG Index Social compliance. We will work towards having one standard for social compliance in the futures.

SHORT TERM ACTIONS

Social Compliance. We will further increase our work with the Amfori/BSCI to secure full engagement and compliance from partner suppliers and potential partner suppliers.

Mapping of suppliers. We will map our Tier 1 and Tier 2 suppliers and create a clear picture of their environmental and social impact.

We will publish our T1 supplier list and prepare our T2 supplier list for publication.

Profitable Business. We will run a fair and profitable business, in part through excellent planning for production, our partner programme
BSCI compliance in risk countries
85% of our FOB value is covered through BSCI or similar in risk countries. We now have 28 facilities under the BSCI programme. 15 facilities were audited during 2018. Five were graded as B, eight as C and one as D.

Accord Compliance
The Bangladesh Accord has certified one out of four suppliers as 100% compliant.

Fortis Foundation
In 2018, we contributed 100,000SEK to the Fortis Foundation. This NGO is also supported by one of our partner suppliers in Bangladesh. The foundation has a mission to provide education, medical treatment and training (as well as provide financial support) to vulnerable people in Bangladesh. They have four different projects, each of which was supported by our funding in different ways: building a tin building at the Dighir Chala High School, buying benches for the Lalkhan Bazar Primary School, purchasing sanitary material for the Bidyabhuban School and providing medicine and wheelchairs to the students at the Blooms Katigram School.
Dyeing textiles consumes a lot of water and uses a lot of chemicals. To improve dyeing processes, we are trying to find new solutions as well as new suppliers that share our view. We teamed up with the Swedish company We aRe SpinDye® because they offer the most sustainable polyester yarns and fabrics. Their dyeing method reduces water use by 75%, chemical use by 90% and energy use by 30%, compared to traditional methods.

We aRe SpinDye’s colouring process is certified and fully transparent and delivers fabrics with excellent colour performance. What’s more, all SpinDye fabrics are made from 100% certified recycled polyester from PET bottles.

The SpinDye certification method is based on a tracking and tracing formula which uses a transaction certificate-based system, similar to the organic certification system. This ensures the highest level of integrity. All fabrics are checked by a third-party certification body and are therefore transparent, trusted and traceable.

During the last year, we worked closely with We aRe SpinDye® to create a small range of products. This Impact Project collection includes a mix of highly technical active and urban styles. They were developed together with our free-rider Lucas Stål Madison for ultimate comfort and performance. We will launch these styles during fall 2020.
<table>
<thead>
<tr>
<th>DISCLOSURE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1 Name of the Organization</td>
<td>Peak Performance Production AB</td>
</tr>
<tr>
<td>102-2 Activities, brands, Products and services</td>
<td>Peak Performance is Scandinavia’s largest brand of technical sports and fashion wear. All our products are designed and developed at our head office in Stockholm. We primarily produce them in Asia with a strong supplier base of trusted, long-time partners. The products of Peak Performance are sold through five channels; wholesale, retail, franchise, outlet and e-commerce. Bulk of products produced and sold are soft goods including sports clothing, casual clothing and accessories.</td>
</tr>
<tr>
<td>102-3 Location of HQ</td>
<td>Stockholm, Sweden</td>
</tr>
<tr>
<td>102-4 Location of operations</td>
<td>Headquarters in Sweden. Additional Sourcing &amp; Production team in Hongkong. Local sales rep. and customer service teams in Canada, Norway, Denmark, Finland, Austria, Germany, Belgium, Holland &amp; Switzerland.</td>
</tr>
<tr>
<td>102-5 Ownership and legal form</td>
<td>Peak Performance Production AB is limited company fully owned by Finish sporting goods company Amer Sports.</td>
</tr>
<tr>
<td>102-6 Markets served</td>
<td>We sell our products through 40 brand stores in 8 markets (Sweden, Norway, Austria, Denmark, France, Germany, Finland &amp; Switzerland), 25 partner stores in 6 markets (Germany, Austria, Switzerland, Holland, Belgium, Canada) 10 outlets in 8 markets (Sweden, Norway, Germany, Denmark, Switzerland, Austria, UK &amp; Belgium/Luxemburg) and through 1600 wholesale partners in 25 countries. ii) Consumer goods sector iii) BTB partners and end consumers.</td>
</tr>
<tr>
<td>102-7 Scale of the organization</td>
<td>Number of fulltime employees - 254, net sale 145 M Euro Part of Amer Sports Group Oy.</td>
</tr>
<tr>
<td>102-8 Information on employees and other workers</td>
<td>Total number of employees: 84 employees—Female 62%, Male 38 %. Total number of employees, by region. Austria 26, Belgium 1, Canada 5, Denmark 29, Finland 15, France 7, Germany 45, Hongkong 19, Netherland 85, Norway 85, Sweden 328, Switzerland 20. Total number of employees by employment type (full-time and part-time), By gender. Female 365, Male 219 The data has been inventoried 31st of December.</td>
</tr>
</tbody>
</table>
### 102-9 Supply Chain
A regular supply chain for textile business starts with the raw material, Tier 5 supplier. It follows by Tier 4, yarn spinning, Tier 3 fabric manufacturing, Tier 2, wet processing and then Tier 1, the garment vendors. We know our garment vendors and our material suppliers. We also have an impact with the transportation of the products. We need to make sure that we have a low negative impact along this value chain and this can be done in different ways. We explain this work in our report.

### 102-10 Significant changes to the organization and its supply chain
We have during 2018 been sold by IC Group and bought by Amer Sports. We did our best year ever from a financial perspective. We reduced our amount of suppliers from 67 to 35 from 2017 to 2018.

This was done to have a solid base of suppliers with a sustainable growth plan for our partner suppliers and to have a higher efficiency for QA arrangement and to do training with our suppliers, we have also during the last year changed part of our collection structure so some supplier was no longer needed due to them making specific type of products that are no longer in our portfolio.

### 102-11 Precautionary Principle or approach
We follow the regulation in Swedish law about Precautionary Principles and this applies on our work to make sure that we do not put any products on the market that contains any harmful chemicals. We do a risk assessment on all products and follow up with testing if necessary. We also have a Restricted Chemical List that in some cases follows a lower accepted limit than the legislation say. If we should find something to be wrong and need to make a re-call of a product this is the principle to follow.

### 102-12 External initiatives
Amfori/BSCI principles for social compliance
UN Global Compacts and SDG 17 for our CR framework.

### 102-13 Membership of associations
- BSCI – Business Social Compliance Initiative
- The Bangladesh Accord
- Sustainable Apparel Coalition
- Sustainable Fashion Academy
- Gintex and Clevercare
- The Swedish Chemical Group
- TEKO
- Better Cotton Initiative
- Scandinavian Outdoor Group
- European Outdoor Group
- Bluesign®
- UN Fashion Charter for Climate Action
- Swedish Textile Initiative for Climate Action

### 102-14 Statement from senior decision-maker
Se page
Values, principles, standards, and norms of behavior

We work with Amfori/BSCI and follows their Code of Conduct when it comes to our Supply Chain, all our suppliers need to sign and follow. We also make sure to follow up with audits. Internally we work after our values: Passion, Togetherness and winning spirit.

Governance structure

The Amer Sports’ brand companies have Sustainability Teams dedicated to the development of environmental issues, and there is a company-wide network of corporate responsibility specialists representing Amer Sports’ main brands, regions and categories. The Amer Sports sourcing and supply chain management are integrated and have a common organization that serves all of the brands. Peak Performance will be integrated into the common organization in 2019. The Asian Sourcing Office in Hong Kong is responsible for the social compliance of suppliers, vendor qualification, product industrialization, contract management, price negotiations, procurement process, optimization and export administration.

List of stakeholder groups

Owner, Suppliers, workers, employees, Customers, End consumers, Students, NGO’s, Unions, Control organizations, Research organizations, Authorities, Industry partners.

Collective bargaining agreements

In Sweden, where the majority of our employees work, all retail employees (blue collar workers) in Sweden we have no collective bargaining agreement but instead offer the same conditions in terms of pension, insurances, working time, salary revision etc. that a collective bargaining agreement would impose. Other countries follow the provisions of the collective bargaining agreements applicable for the specific country context and standards.

Identifying and selecting stakeholders

We have a constant dialogue with different stakeholders. From the business side we have a lot of questions and demands from our customers, B2B partners as well as from our end consumers. We are also engaging with external stakeholders when we need to update our selves on new information. When doing our stakeholder survey during 2018 we focused on our biggest key account customers.

Approach to stakeholder engagement

Our business has many different stakeholders, internally and externally, upstream and downstream. We have written this report mainly to inform our business-to-business partners and end consumers about our sustainability work. However, we are also here to speak to our employees and potential employees about our sustainability achievements and ambitions. Our suppliers are also our stakeholders, which includes our Tier 1 suppliers (mostly garment vendors) and our Tier 2 suppliers (mostly our material suppliers). During 2018, we conducted a survey of our 13 biggest key accounts, asking them about their understanding of sustainability and their expectations for us as a brand.
<table>
<thead>
<tr>
<th>GENERAL DISCLOSURE</th>
<th>DISCLOSURE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-44 Key topics and concerns raised</td>
<td>There has during 2018 been a general higher focus on climate change and the impact from the textile industry. Different reports are stating that 2-10% of the global impact comes from the textile industry and we cannot continue business as usual. We have therefore decided to focus more on our climate impact and have signed the UN Fashion Charter for Climate Action and we stand behind the Swedish Textile Initiative for Climate Action as a founding member.</td>
<td></td>
</tr>
<tr>
<td>102-45 Entities included in the consolidated financial statements</td>
<td>This report is made only to cover the work within Peak Performance Production AB and all its entities.</td>
<td></td>
</tr>
<tr>
<td>102-46 Defining report content and topic Boundaries</td>
<td>We are working according to the UN Global Compacts and 10 guiding principles, People, Planet and Profit. We did our first materiality assessment in 2017 when we defined 25 different materiality's. This assessment has been updated during 2018 when we as well mapped the materiality's according to the 17 Sustainable Development goals. The work is driven with a strategy as base.</td>
<td></td>
</tr>
<tr>
<td>102-47 List of material topics</td>
<td>See page 9-10</td>
<td></td>
</tr>
<tr>
<td>102-48 Restatements of information</td>
<td>This is our first report, all data is calculated according to the boundaries mentioned in the report.</td>
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<tr>
<td>102-49 Changes in reporting</td>
<td>No changes</td>
<td></td>
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<tr>
<td>102-50 Reporting period</td>
<td>2018-01-01 to 2018-12-30.</td>
<td></td>
</tr>
<tr>
<td>102-51 Date of most recent report</td>
<td>This report is our first sustainability report covering year 2018.</td>
<td></td>
</tr>
<tr>
<td>102-52 Reporting cycle</td>
<td>Follows our owners annual year reporting.</td>
<td></td>
</tr>
<tr>
<td>102-53 Contact point for questions regarding the report</td>
<td>Sustainability: Åsa Andersson <a href="mailto:asa.andersson@peakperformance.se">asa.andersson@peakperformance.se</a> Business: Stina Göransson at <a href="mailto:stina.goransson@peakperformance.se">stina.goransson@peakperformance.se</a></td>
<td></td>
</tr>
<tr>
<td>102-54 Claims of reporting in accordance with the GRI Standards</td>
<td>According to the GRI Standards - Core Option.</td>
<td></td>
</tr>
<tr>
<td>102-55 GRI content index</td>
<td>The index is shown on pages 50-55</td>
<td></td>
</tr>
<tr>
<td>102-56 External assurance</td>
<td>This report is not externally assured. The report has been read and accepted by our Management team as well as our Corporate Responsibility at our owners, Amer Sports.</td>
<td></td>
</tr>
</tbody>
</table>
1. Living the brand

Being a true Peak Performer and support the lifestyle the brand stands for.

403-2 OCCUPATIONAL HEALTH AND SAFETY

We have a direct responsibility for the working environment at our offices and stores. We have an established HR department working with risk assessment, policies and guidelines, development plans and training programs to support a healthy organization that can drive our business forward and support an active lifestyle. We follow Swedish legislation

Absentee rate/Sick leave:
- Total worked time, hours: 364,559
- Total sick leave, hours: 9,594
- Total sick leave, %: 2.63%

Sick leave by gender:
- Female: 8,153 hours, 3.47 %
- Male: 1,441, 1.11 %

No reported accidents during 2018

2. Employer of choice

High ambitions to be an employer that attract new employees

401-1, 401-2 EMPLOYMENT

To achieve our business results we need a high-performing team. When having employees who is always willing to go the extra mile, we have a risk of them running to fast with a result of high stress and potential burn out.

To manage that we have created the People Strategy which helps nurture strong leadership, stretch goals, a culture of feedback and cross-functional collaboration.

New hires, age:
- 18-25: 7
- 26-35: 27
- 36-45: 9
- 46-55: 3

Resignations, age:
- 18-25: 3
- 26-35: 12
- 36-45: 14
- 46-55: 2

New hires, gender:
- Female: 28
- Male: 18

Resignations, gender:
- Female: 18
- Male: 13

Same benefits if you are full time or temporary/part time employee. All benefits and insurances are given. Differentiation is done by white collar worker and blue collar worker (retail) instead.

3. Diversity & equality

High ambitions to be an employer that attract new employees

401-3EMPLOYMENT

Following our company policy regarding diversity and Swedish discrimination law to make sure we support job/private and equal possibilities. HR is responsible to make sure that we have a policy in place and secure clear communication within our organization in this matter.

Employees entitled parental leave, by gender:
- Female: 10
- Male: 2
405-1 DIVERSITY AND EQUAL OPPORTUNITY

Each department should have a more diverse organization with both
gender and ethnicity. Our clear ambition and goal is that everybody is
somebody at Peak Performance, bring in diverse competences with
global experience and to mirror our consumer base.

405-2 DIVERSITY AND EQUAL OPPORTUNITY

Yearly assessment of salary levels from a gender perspective and
implementation in our salary review process.

In general we are not yet on a fully equal salary on male/female.
On senior positions we are on around 95% ratio and on mid and
professional roles we are closer to 100%

406-1 NON DISCRIMINATION

We have a direct influence on, and a legislated responsibility for both
proactive work to make sure that we have and including and respectful
environment that don’t discriminate or harass. But also to take fast action
when it potentially happens.

Peak Performance have during 2017 implemented policies for
harassment and discrimination, diversity and alcohol and drugs
prevention. These policies are valid for all Peak Performance
employees, worldwide. HR is responsible for following up on
these policies proactive and retroactive. To accomplish this we
have implemented a ethical group during 2018 consisting of em-
ployees from the organization that together work with this, both
with a risk focus and a proactive focus related to a more inclusive
organization.

No reported discrimination during 2018

404-1 TRAINING AND EDUCATION

We have an direct impact on our employees, we want to let them grow
every day to secure that we are able to fulfill our capability needs to ena-
ble short term results and long term sustainable growth.

Since 2 years back we have established a development program involv-
ing all employees at our offices, including sustainability training.

The average hours of training hours during 2018 has been ap-
proximately 24 hours (3 days) per year.

For Men 26 hours and women 22. Per category wholesale has 26
hours, marketing 24, product and design 24, support functions 22
and retail 8.

Sustainability training (SFA) ) in total 15 hours per employee (14
people in total)

3 male and 11 female

Buyers, designers, merchandisers, GM and fabric R&D

Basic CR education — 3 hours in total per employee (20 in total)
for the Swedish and Finnish sales teams

10 male and 10 female from sales
MATERIALITY

INDICATORS

MANAGEMENT APPROACH AND BOUNDARIES

COMMENTS

PAGE

PLANET

6. Reduce climate impact

Working actively to reduce our impact on climate.

302-1 ENERGY

We have a direct impact on the energy used in our own operations covering offices and retail stores (scope 1 and 2). The biggest impact in our value chain comes from the production of our products as well as from transportation of them from the garment vendors to our distribution center and out to stores (scope 3).

By taking part of the STICA and UN fashion Charter for climate Action we gather with the industry to measure our full impact and set goals how to reduce.

We have for 2018 measured our energy use in our own offices and stores. This has been done with support from Deloitte.

Direct energy consumption

Non-renewable

Fuel oil 7247 kWh

Natural Gas 75 439 kWh

Indirect energy consumption

Electricity 1 422 419 kWh

Heating 60 824 kWh

Total energy used 1 565 929 kWh

306-2 EFFLUENTS AND WASTE

We have a direct impact on how much resources we use and how much of that we recycle. We have internal policies for recycling of paper, plastic, glass, electronics, metal and food but the outcome vary due to possibilities to recycle due to location.

We have for 2018 measured our waste in our own offices and stores. This has been done with support from Deloitte.

Recycling & Reuse 31.8 ton

Composting 0.09 ton

Incineration 3.8 ton

Landfill 142.75 ton

Total amount 148.47 ton

305-1, 305-2, 305-3 EMISSIONS

Methodology followed: ISO 14064-1: 2006 (based on the GHG Protocol) for all except the transport figures.

Included: HQ, production office, all sales offices and own stores.

Emission has been calculated according to Scope 1, 2 and partly scope 3. We have also been looking into bought material, see info under products and material. This has been done with support from Deloitte.

Scope 1 - offices, stores and company cars 196 tCO2e

Scope 2 - bought energy 89 tCO2e

Scope 3 - business travel, waste 275 tCO2e

Scope 3 - Transportation has been calculated on from port to our distribution center in Copenhagen. From far east we preferably use Sea but it also happens that we have to fly home products due to different circumstances, during 2018 we had one supplier who had difficulties to fit in capacity due to a fire in one of their facilities. This meant that we had to fly home part of the order.

Total emissions for transportation has been calculated to 992.5 tCO2e.

Air—7%

Road—28%

Sea—64%
### MATERIALITY

#### PROFIT

**7. Profitable and sustainable business**

Integrate sustainability as a core for making a profitable business both for us and for our partners.

**201-1 ECONOMIC PERFORMANCE**

We are owned by Amer Sports and are reporting our financial figures as part of that group. Amer Sports have been on the Finnish stock exchange during 2018 and follows all required legislation for their reporting.

Netsale ~145 MEuro

Produced products ~2 500 000

We are part of the Amer Sports group and are reporting our financial figures as part of that group. Amer Sports have been on the Finnish stock exchange during 2018.

### PRODUCT

#### PLANET

**16. Material/fibers**

Material used in our products. When working with new materials always ask for more sustainable options.

**301-2, 302-3, 302-5 MATERIALS, ENERGY, WATER**

Our highest impact during the full value chain is in the production of the material used in our products. We are trying to reduce the impact by working with material suppliers that we know share our vision of lowering the impact, track the material that we buy and reduce by looking into use of processes that reduce water, energy and chemical use.

Calculation of carbon, water and waste on all bought main fabrics: P. 20-24

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon tCO2/t textile</td>
<td>27.3</td>
<td>29.9</td>
</tr>
<tr>
<td>Water m3/t textile</td>
<td>3462.2</td>
<td>2826.5</td>
</tr>
<tr>
<td>Waste t/t textile</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Increase of CO2e is due to higher % of polyester in 2018 and reduction of water use is due to a higher % of Better Cotton.

2018 we worked with 2 dying techniques that reduce water, energy and chemicals; Solution dye/Spin dye and CO2 dying.

All Spin Dyed material are coming with a certificate stating:

- Water usage - 88% reduction with optimized dyeing process
- Chemical usage - 90% reduction...
- Cumulative energy demand - 13% reduction...
- CO2 footprint - 18% reduction...

For 2018 we produced 8 different styles using the Spin dye technique and 4 styles using CO2 dying

**14. Anti-corruption**

Prevent anti-corruption in brand and in supply chain.

**205-2, 205-3 ANTI-CORRUPTION**

The risk for being exposed for different kind of corruption and bribery is biggest out in our supply chain but can as well occur in the meetings with our B2B partners. We are working with education of all employees to increase the knowledge and Anti-corruption is part of our Code of Conduct and therefore having focus during inspections and auditing of suppliers.

Online training was held 2018 from our old owner with the following statistics. On a non-manager level 60% of all employees (out of 121) did the full training. On a manager level the participation where 53% (of 28).

No reported incidents reported during the year
19. Chemicals

Control over supply chain from a chemical perspective.

416-1, 416-2 CUSTOMER HEALTH AND SAFETY

A lot of chemicals is used in production and we have a high legisla-
tion for Substances of High Concern in Europe, the REACH. We
also need to cover other legislation on product safety in all the
markets where we are present.

We are making a risk assessment on 100% of our collection.
Identifying highest risk according to volume, country of origin,
type of material, supplier, testing history.

We have during 2018 provided 45 chemical testing. This includes
22 full screening of full product and 23 composite tests of materi-
al. In total we have had 5 fails according to our own RSL or/and
REACH.

All fails has been corrected together with the suppliers before we
shipped the products.

No re-calls was done due to chemical issues.

We were also inspected by the Swedish Chemicals Agency ac-
cording to use of anti-bacterial treatments. The case was closed
in November 2018 with no remarks.

20. End of use

Help the end consumer to close the loop.

301-3 MATERIALS

To much textile ends up in landfill and by feeding the textiles back
in the loop again we contribute to reuse and to recycling of already
used textile. We have a take back program connected to our own
retail stores.

We only collect our own products, old from end consumers or
claimed products.

Total amount in kg of take back products that has been sent to
Human Bridge 2018 was ~2000 kg

SUPPLIER

22. Social compliance supply chain

Fair living wages, industrial relations, human
rights.

407-1 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We have a big impact on all people working in our supply chain and our
responsibility is to make sure that they are treated correctly according to
the declarations on Human Rights. To make sure that we support equal
and inalienable rights of all members of the human family is the foundation
of freedom, justice and peace in the world.

Businesses should support and respect the protection of internationally
proclaimed human rights; and make sure that they are not complicit in hu-
mnan rights abuses.

We are working with Amfori/BSCI to understand the impact, evaluating
risks and to conduct audits according to their principles and Code of Con-
duct.

General remarks in audits can be overtime and we are working with capa-
city planning in the beginning of each season to avoid urgent need of over-
time work.

Big part of our production takes part in risk countries and those are
identified according to the Amfori/BSCI country risk classification.
Our risk countries are China, Bangladesh, Vietnam, Myanmar,
Thailand, Turkey, Romania.

Freedom of association and collective bargain is an important part
of the Code of conduct that Amfori/BSCI provide and that we work
with.

26 factory have been through social compliance audit which in-
cludes BSCI, WRAP & Better Work.

No factory has shown low remarks on this topic, in general working
hours is observed and that is usually due to overtime in working
hours due to lack of control in capacity planning.
408-1 CHILD LABOR
We have zero tolerance to child labor and are aware that this is a high risk in the supply chain and in specific countries. We try to have a visibility and regular presence in the factories to scan presence of "young workers".

Child labour is having high focus in the Amfori/BSCI audits.

409-1 FORCED OR COMPULSORY LABOR
Forced labor is higher in the risk countries and it is difficult to control compliance. We follow up the audit reports from the Amfori/BSCI audits

Forced or compulsory labor is having high focus in the Amfori/BSCI audits.

412-1 HUMAN RIGHTS ASSESSMENT

We have a big impact on all people working in our supply chain and our responsibility is to make sure that they are treated correctly according to the declarations on Human Rights. To make sure that we support equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.

Each new supplier are screened according to risk country and compliance level according to our general supplier mapping.

Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not

26 factories (under the 2018 go public list) have been through social compliance audits which includes Amfori/BSCI, WRAP & Better Work. 15 of those were under the Amfori/BSCI.

During 2018 we supported the Fortis foundation in Bangladesh with fundings. They are focusing on building schools and to educate children and those who are disabled.

The work is mostly support the area where we have production.

23. Capacity building
Build capacity and knowledge within our supply chain

413-1 LOCAL COMMUNITIES
Knowledge is driving change and young people are the future. We are acting in developing countries where the knowledge usually are low. This increase the risk of non compliance to the declarations on Human Rights.

During 2018 we supported the Fortis foundation in Bangladesh with fundings. They are focusing on building schools and to educate children and those who are disabled.

The work is mostly support the area where we have production.

24. Environmental performance
Supplier engagement and performance to support the brand targets on climate change.

308-1, 308-2 SUPPLIER ENVIRONMENTAL ASSESSMENT
The impact occurs in the countries where we have our production of material and products, see mapping of our footprint. This impact is bigger than our own operations. We are working with our suppliers to raise knowledge and awareness and we do that through the Sustainable Apparel Coalition.

We have onboarded 2 new suppliers and they are screened according to our general requirements for environmental performance.

We are also encouraging our suppliers to work with a self assessment in the Higg Index. This work has mostly been towards our Partners, both Tier 1 and Tier 2.