



IC GROUP

IC GROUP **CORPORATE RESPONSIBILITY**
REPORT 2015

MESSAGE FROM THE GROUP CEO

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

As we constantly work towards becoming one of the best developers of Premium Brands, we find it natural to extend this vision into the area of responsibility. We want to be a responsible developer and this means not only being in compliance with international standards on people, planet and profit, but also trying to impact the development towards sustainability by joining forces with various stakeholders based on a partnership approach.

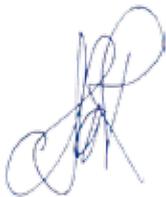
Our profound work with the Apparel Coalition continuously brings great insight to both us and our partners. The engagement of the upstream value chain partners is crucial to making real differences and therefore a main focus area has been the mass roll-out of The Higg Index towards selected suppliers. The Higg Index plays an important role in engaging our value chain from designers to buyers and suppliers and in setting targets for our own performance.

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

To enhance the understanding in our value chain and its impact we have also conducted an Environmental Profit & Loss (EP&L) project leading to valuable insights in our areas of impact on the environment. The results have been interlinked with our suppliers' targets in The Higg Index, founding a common way towards better results.

In May this year I had the pleasure of a meeting with the Bangladesh Accord in Amsterdam and was awed by the work the Accord is putting in to raising the bars in Bangladesh. There is no doubt that IC Group will continue our strong support of the UN Global Compact Principles and will work towards even better systems for implementing our CR efforts. This includes continuing our emphasis on creating strong partnerships with our suppliers with focus on dialogue and education as vehicles for the development of a more sustainable supply chain.

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



Group CEO
Mads Ryder

CORPORATE RESPONSIBILITY IN IC GROUP

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

The first part of the Global Compact Communication on Progress report presents IC Group's corporate responsibility (CR) policy and then provides highlights of our CR activities in the financial year 2014/15. This is followed by a description of our work on People, Planet and Profit and subsequently by our plans and targets for the next financial year. In the last part of the report we provide a matrix showing an overview of activities and results vis-a-vis the 10 principles of the UN Global Compact.

Corporate Responsibility policy

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

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

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

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

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

Highlights of activities in 2014/15

Continuous development of our implementation framework

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

In this financial year a key focus area is the analysis and assessment of risks in our value chain. We continuously work to establish a transparent overview that allows us to identify and dive deeper into areas where we see challenges and opportunities for improvement. The most important deep dives have been into chemicals and leather, which will be ongoing.

Our membership of Leather Working Group, an initiative whose aim is to better understand and improve conditions further upstream in the value chain, is vital to strengthen our understanding of the leather supply chain.

To further our understanding of our value chain and its impact we have also conducted an Environmental Profit & Loss (E P&L) project leading to valuable insights in our areas of impact on the environment. First derived project is an investigation of our wool supply chain, which is ongoing.

Another main focus area has been the mass roll-out of The Higg Index towards selected suppliers. The Higg Index plays a crucial role in engaging our value chain from designers to buyers and suppliers and in setting targets for our own performance.

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

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

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

Our work on our People, Planet and Profit responsibilities

People – UNGC principles 1-6

PEOPLE POLICY

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

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

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

The International Accord on Fire and Building Safety in Bangladesh

To date the Accord has concluded fire, electrical and structural inspections in more than 1,400 factories resulting in more than 700 CAPs. Since IC Group signed the Accord in 2013 we have supported our suppliers in working with the Accord. Our suppliers in Bangladesh have been inspected by the Accord and we are working with them to make sure that the corrective action plans are implemented. The inspections showed critical flaws that could not be remediated with one of our suppliers and unfortunately we consequently had to move our production to another factory.

BSCI (Business Social Compliance Initiative)

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

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

DIEH (Danish Ethical Trading Initiative)

As one of the founding members of DIEH, IC Group continues to play a significant role in the initiative. During this financial year IC Group's CR Manager has continued to fill the role of vice chair. For IC Group our engagement in DIEH reflects the Group's belief in working together in a multi stakeholder approach to create sustainable solutions to the challenges in the industry. This also reflects the growing awareness in the industry that no single stakeholder can solve the complex challenges alone. On the contrary, there is great potential in working together and in identifying where each stakeholder has the best competences to contribute to sustainable solutions.

RESTRICTING THE USE OF UZBEK COTTON

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

Supplier Scorecard

Not only have we further consolidated our purchase, focusing on using partner suppliers, with whom we have long lasting business relationships. But we have also increased the use of our supplier scorecard, which was implemented in 2012/13. Parameters like quality, price and delivery together with CR parameters form a solid base for promoting a dialogue between our suppliers and IC Group. In 14/15 86% of our spend was channeled through suppliers who were covered by our supplier scorecard.

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

The Higg Index – people part

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

Global employee satisfaction

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

To support this process, the annual Employee Survey ensures that we have a continuous idea of what our strengths are and where we need to improve. The overall results from this year's Employee Survey show the same score as last year on Satisfaction & Motivation (72 points which equals high satisfaction and motivation). On Loyalty this year's score continues to be high by scoring 80 points which is one point up compared to last year's survey results.

Planet – UNGC principles 7-9

PLANET POLICY

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

Sustainable Apparel Coalition - Engaging Key Stakeholders

The Higg Index is a tool developed by the Sustainable Apparel Coalition (SAC). The implementation of this tool has been one of the Group's key focus areas during the financial year 2014/15. SAC is an organization bringing together some of the key players in the fashion industry accounting for approximately 40% of the world market for apparel and footwear. SAC leads the way in creating a common sustainability standard throughout a product's full lifecycle - both environmentally and socially. The core tool, The Higg Index, allows companies and suppliers to benchmark their scores against other users of the index in a transparent forum, supporting a new, partnership-based approach to value chain management. Since IC Group joined SAC, the Group has participated actively in developing The Higg Index and implemented all three modules of the index – the product, the brand and the facility modules.

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

The Product Module – Rapid Design Module (RDM)

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

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

The Brand Module

By using the brand module, companies are able to score their own performance on both environmental and social/labour issues, and then share the scores online with other value chain partners. IC Group has used the brand module in Peak Performance and in IC Group's corporate entity and has shared these scores. This enables the Group to benchmark its scores against other Higg Index users. Peak Performance has been pioneering this work and managed to raise its Higg Index score by 19 % during this financial year. This was achieved among others by joining the mass roll out of the facility module to Peak Performance's partner suppliers.

The Facility Module

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

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

Clevercare – reducing climate impact and extending the life of garments

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

Peak Performance has joined the new care label initiative which was launched in 2014. Peak Performance was the first Group brand to implement Clevercare in January 2015 and has pledged to promote Clevercare on 100% of all products. The aim is to implement Clevercare in the other Group brands after a test period in Peak Performance.

i For more information please visit clevercare.org/da

Chemical Risk Assessment

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

Our aim has been to:

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

We achieve the results through:

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

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

Leather Working Group

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

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

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

Further supply chain deep dives

Since end of 2014 we are working on mapping our down and wool supply chains. The EP&L showed us that our purchase of wool is large with 24% of all material bought and down plays an important role in Peak Performance's products. As part of our continuous due diligence work and as a result of our chemical risk assessment we have hence identified these two materials as candidates for a thorough supply chain mapping. We hope to have a conclusion on wool and down by the end of 2015.

THE PEAK PERFORMANCE DYEDRON JACKET WAS SELECTED AS WINNER IN THE SKI CATEGORY OUTER AT ISPO AWARD 2015/2016
The Dyedron Jacket is the first ski jacket ever dyed without a single drop of water from outer to lining using the revolutionary Drydye® fabric technology, and marks the future of sustainable skiing.

DYEDRON – THE FUTURE IN SUSTAINABLE SKIING

Four years ago Peak Performance started investigating the possibilities in dyeing ski wear in a more sustainable way. The use of the revolutionary Drydye® fabric technology from the Yeh Group totally eliminates water in the dyeing process and requires 50% less energy and 50% fewer chemicals.

"The technology is a game changer. Everybody working with garments knows that the dyeing process is what requires the most water and now we know that it's possible to dye all types of fabrics without water which is a big step towards a more sustainable industry," says Per Odqvist, Fabric R&D at Peak Performance.

On top of that, the outer, the membrane, lining, padding and the details of the Peak Performance Dyedron Jacket and Pant set are all made from 100% recycled or recyclable polyester. An eco-friendly ski set designed with the environment and the future in focus without compromising the functionality and protection needed to hit the slopes.

Peak is actively using the Rapid Design Module (RDM) to assess the sustainability of their styles. The Dyedron program scored 97% higher in the RDM than a comparable Peak ski jacket.

CLIMATE POLICY

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

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

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

Environmental Profit and Loss project

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

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

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

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

Profit - UNGC principle 10

PROFIT POLICY

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

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

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

Compliance Hotline

The Compliance Hotline plays an important role in ensuring that IC Group complies with all internal policies and regulatory requirements and is an important part of the on-going due diligence work. IC Group has not received any cases during the financial year 2014/15.

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

Anti-corruption E-learning tool

In order to implement our anti-corruption policy and therefore as a means to educate our staff and agents buying on our behalf, we have invested in an e-learning tool on anti-corruption. The tool is provided by a group of international experts on CSR and E-learning. As a first step we have conducted a successful pilot and the plan is to roll-out to 700 users within second half of 2015.

Plans and targets for 2015/2016

In the next financial year IC Group will continue to work hard to have even better systems and processes in place for implementing our CR efforts across the board.

Furthermore, our membership of the Sustainable Apparel Coalition and the implementation of the Higg Index will continue to be an important driver for our CR work in 2015/16 focusing on engaging the whole value chain even more from designers to buyers and manufacturers.

Our work on chemical management and deep dives into the supply chain such as leather, working with our leather supply chain and Leather Working Group, will also continue to be in focus as a result of our due diligence processes. The down and wool supply chain will also be an important part of our CR work in 2015.

Furthermore we will put even more efforts into our work with BSCI and the aim is to have at least 80% of production in risk countries in BSCI by the end of 2015/16.

CR ACTIVITIES AND RESULTS 2015/2016

PEOPLE – SOCIAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLES 1-6 IN THE GLOBAL COMPACT	
IC Group supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts both internally in IC Group as well as in cooperation with	our suppliers. Furthermore, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights.
PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
CR Integration in relevant departments, managed by corporate CR Manager	CR team established in Peak Performance. Workshops and training successfully completed.
Consultation Committee with participation of management and employees representatives	Half yearly meetings, memos and action plans shared with all employees.
Annual employee surveys	The overall results from this year's Employee Survey show the same score as last year on Satisfaction & Motivation (72 points which equals high satisfaction and motivation). On Loyalty this year's score continues to be high by scoring 80.
Social/labour part of The Higg Index - Brand module	The brand module is implemented in Peak Performance and in IC Group's corporate entity. The results have been employed to set new targets and benchmark our efforts against our peer members of the Sustainable Apparel Coalition (SAC). The social/labour module is seen as a supplement to our work with BSCI.
EXTERNALLY	
Country risk analysis	Is conducted continuously on all sourcing countries as part of human rights due diligence.
Business Social Compliance Initiative (BSCI) Code of Conduct	53% of the production deriving from countries with a high risk profile was from suppliers who had or were in the process of completing the BSCI auditing (or equivalent) process. We have decided to take our compliance a step further and include Romania in our high risk country portfolio, which explains the drop compared to last year (63%).
Social and labour part of The Higg Index – Facility module	Training of Peak Performance's partner suppliers on how to use The Higg Index.
Supplier scorecard incl. CR indicators linked to BSCI	The supplier score card has been rolled out to all preferred suppliers covering 86% of our total volume compared to 80% in 13/14. High level discussions based on the score card every 6 months.
Bangladesh Accord on Building and Fire Safety	All suppliers have been inspected by the Accord. One supplier was delisted by the Accord due to non-remediation of critical flaws and we have found another supplier to be enrolled instead. The Group ensures in cooperation with the suppliers that corrective actions are implemented whenever possible.
Uzbek Cotton	Uzbek Cotton Policy formulated and rolled out to internal and external stakeholders.

PROFIT – FINANCIAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLE 10 IN THE GLOBAL COMPACT	
Zero tolerance approach towards corruption in all its forms. Whistle-blower system, which provides a confidential system to report misconduct.	
PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
E-learning on anti-corruption	Roll-out pilot in Spring 2015. Roll-out to 700 users in Summer/Autumn 2015.
Compliance Hotline	No cases.
Anti-Corruption policy	No cases.

PLANET – ENVIRONMENTAL RESPONSIBILITY

POLICIES CONNECTED TO PRINCIPLES 7-9 IN THE GLOBAL COMPACT

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

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

Climate Policy

As members of a global industry the Group has a responsibility for reducing its carbon footprint. The Group believes that taking charge of

its carbon footprint is not only a sustainability imperative but also a way to future-proof its business to be able to keep growing while respecting the boundaries of the planet.

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

PROCESSES	ACTIONS AND RESULTS
INTERNALLY	
HQ chemicals knowledge center	Continuous training of own employees and value chain partners. Project management of Chemical Risk Assessment project covering all staff and suppliers.
Risk Matrix and supporting guiding documents for avoiding harmful chemicals	Continuously updated on a weekly basis.
Restricted substance list (RSL)	Implementation of new and more ambitious RSL along with other connected tools.
Environmental accounting according to the Environmental Profit & Loss method (EP&L)	Results show environmental hotspots and are used for communication on mutual transparency towards suppliers, for training and identifying areas for deep dives into the supply chain.
Rapid design module (RDM)	Peak Performance uses the RDM to evaluate all product groups.
Environmental part of The Higg Index – Brand module	The brand module is implemented in Peak Performance and in IC Group's corporate entity. The results have been employed to set new targets and benchmark our efforts against our peer members of the SAC. In our work with HIGG we focus on the environmental part.
EXTERNALLY	
Training of suppliers	Several trainings on chemicals by internal and external experts, incl. Leather Working Group and MTS.
Supplier scorecard incl. indicators on harmful chemical	The supplier score card has been rolled out to all preferred suppliers covering 86% of our total volume compared to 80% in 13/14. High level discussions based on the score card every 6 months.
The Leather Working Group (LWG)	Ongoing process. First roll-out with consolidated Indian supplier base in 2014. Consolidated Chinese supplier base have started roll-out in Spring 2015 after receiving training.
Clevercare.org	All Peak Performance products have a Clevercare label as of January 2015. After test-period and evaluation, a further roll-out.
Angora	Development of audit protocol and passed audit for the Group's nominated angora supplier. Process established that all angora will be sourced from this supplier.
Environmental part of The Higg Index – Facility module	Trained Peak Performance's partner suppliers on how to use The Higg Index and participated in the mass roll-out. The Higg index training was combined with the findings in the EP&L. Every year Peak sets targets for the facility module together with these suppliers.
Deep dives into materials	Both the wool and down supply chains are in a process of being mapped. This work started end of 2014 and is ongoing. We hope to have concluded this work by the end of 2015.