

MADE DIFFERENT.

TRANSPARENCY
REPORT 2018



icebreaker

NATURE. IT MEANS THE WORLD TO US.

ICEBREAKER STARTED WITH A CHANCE MEETING ON A NEW ZEALAND MERINO STATION, WHERE OUR FOUNDER JEREMY MOON FIRST ENCOUNTERED MERINO AND ITS NATURAL AND MIRACULOUS QUALITIES. THIS ANCIENT FIBER WAS STILL RELATIVELY UNKNOWN AT THE TIME, BUT JEREMY KNEW INSTANTLY THAT IT WOULD BE THE PERFECT NATURAL ALTERNATIVE TO SYNTHETIC OUTDOOR CLOTHING.

SINCE THEN, ICEBREAKER HAS GROWN INTO A WORLD CLASS SUSTAINABLY-DRIVEN APPAREL COMPANY, WORKING WITH WHAT NATURE PROVIDES, WITH A BELIEF THAT NATURE IS THE ANTIDOTE HUMANS NEED TO BALANCE FASTER, BUSIER LIVES IN AN EVER-CHANGING WORLD.

AS AN INDUSTRY, THE APPAREL SECTOR HAS TO WORK HARD TO DRIVE THE CHANGE NEEDED TO REDUCE OUR IMPACT ON THE PLANET, AND IT TAKES SMALL STEPS TO MAKE BIG CHANGE. AT ICEBREAKER WE ARE COMMITTED TO CONTINUALLY SEEKING ALTERNATIVE WAYS OF PRODUCING NATURAL, ETHICAL AND SUSTAINABLE SOLUTIONS AND SHARE OUR DEVELOPMENT AND PROGRESS SO OTHERS CAN LEARN AND ADAPT.

TRANSPARENCY IS ABOUT SHARING OUR PROGRESS AND BEING RESPONSIBLE. WE'RE NOT PERFECT BUT WE ARE CONSTANTLY STRIVING TO BE BETTER.

ICEBREAKER. **MADE DIFFERENT.**

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KEY INITIATIVES

BY 2023

REPLACE, RENEW OR RECONSTITUTE ALL REMAINING SYNTHETIC ELEMENTS IN OUR PRODUCT LINE.

0% ACRYLIC

WE WILL FULLY EXIT FROM USING ACRYLIC BY SS20.

NO MORE PLASTIC

IN 2019 LAUNCH A WATER-SOLUBLE BAG FOR THE DISTRIBUTION AND DELIVERY OF PRODUCT.

BY 2019

PUBLISH A 5-YEAR SUSTAINABILITY ROADMAP DEFINED BY OUR MATERIALITY ASSESSMENT WITH INTEGRATED BUSINESS GOALS.



OVER

REPORT
OVERVIEW

VIEW

Location: Omarama Station, New Zealand

“We are constantly struck by the irony of the industry to promote the use of synthetic fabrics as the ‘ideal technical’ layer. Really? Plastic against your skin? We believe there is a better way and nature has the answers.”



Jeremy Moon, Founder

FROM OUR FOUNDER

ICEBREAKER IS ABOUT ICEBREAKING

We explore the relationship between people and nature. It's about kinship, not conquering. Nature is our hero. We believe living a life connected to nature is good for us. It's the critical antidote to our busy city life.

Our purpose is to offer our customers a natural alternative to synthetics and to disrupt the outdoor industry towards sustainable solutions. It's why we exist. We are constantly struck by the irony of the outdoor industry to promote the use of petroleum based, synthetic fabrics such as polyester and polypropylene as the 'ideal technical layer'. Really? Plastic against your skin? We believe there is a better way and nature has the answers.

Icebreaker pioneered the ethical and sustainable production of natural performance clothing as an alternative to petrochemical synthetics. And we have a higher purpose beyond the clothes we make.

Our founding purpose defines not just what we make, but how we make it. It guides every design and development choice we make, it guides our manufacturing and distribution decisions, and it powers how we operate as a global team wanting to make a difference. Sustainability isn't just a feature of our products, it's in the values and design of our business.

We are committed to a business based on high performance nature based fabrics, and our supply chain is built on the foundations of transparency and traceability.

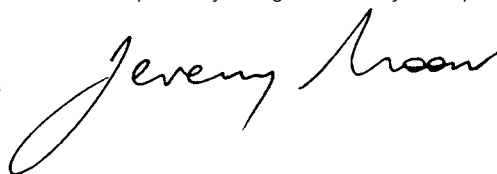
We also recognize that it is impossible to run a completely flawless business. Our commitment means we take responsibility in all four areas - caring for people, animal welfare, the environment and our business. We aren't perfect, but we are conscious of our choices, and are constantly striving for better.

The apparel sector faces some specific challenges. These include: fast fashion and overconsumption, animal cruelty, a reliance on unsustainable materials, toxic emissions, invisible supply chains due to extensive subcontracting and working conditions at the expense of people's fundamental human rights.

Together, with our people, suppliers and customers, we want to make a positive difference. We were born to challenge the industry norms with an outsider perspective - to be not only the natural fiber champions, but together with our customers to be champions of nature.

We are proud to be part of a global movement working on better ways to relate to each other and the natural world around us.

Thank you for joining us on this journey.



Jeremy Moon

To discover more about our founding story visit
icebreaker.com/insideicebreaker

OUR PURPOSE

“Driven by the belief that nature has the solutions, we provide the natural performance alternatives to synthetic based apparel, to create a healthier more sustainable future for our species and the planet.”

OUR VISION

Living with nature: we see a future where we learn to live with nature, not exploit it.

Living a life connected to nature is good for us. Nature is the antidote to our busy lives.

We believe there is a way to build an organization that uses the laws of nature as our inspiration.

OUR BRAND ETHOS

icebreaker is about icebreaking. We explore the relationship between people and nature.

We believe that ‘nature knows best’. It’s about kinship, not conquering. Nature is our hero.



NATURAL PRINCIPLES

Nature tends to be guided by three distinct rules. These apply to a high-country sheep station, an ecosystem such as a forest floor, and our business philosophy.

Adaptation

Living things thrive or die based on their ability to adapt to their changing environment.

Symbiosis

Living things work together for mutual benefit.

Sustainability

Nature doesn’t waste anything. That is a uniquely human trait.

We believe these principles are the ideal foundation for our company. They inform every move we make.

FROM OUR CEO

WELCOME

Working alongside nature, it's impossible to ignore the seasons and cycles. Things change all the time – it's natural. Nothing remains stagnant. Right now at icebreaker, it's a time of new growth – and this report is part of that.

Last year, we published our first Transparency Report. It flung open the doors of our business for all of the world to peer in. Opening up like this tested our nerve, but at the same time we knew it was the right thing to do. We are humbled and excited that this was so well received by our own industry and beyond. But work like this is something to build on, not rest on, as you will see in this year's update. There's still plenty to do and much for us to learn. Just like nature itself, we must keep evolving – and as we've always done, we turn to nature for inspiration.

Of course, one of the big changes for us since last year is that we're now part of the VF Corporation family. It's the next chapter in our adventure. For us, icebreaker has always been about something bigger than itself. When Jeremy Moon founded icebreaker, he set out to disrupt the outdoor clothing industry by providing a natural, ethical and sustainable alternative. Joining such a progressive portfolio of brands shows how far we have come on that mission. It opens up huge potential to influence the future of apparel, even from our far corner of the world.

It's important we move forward. The clothing industry faces many challenges, including overconsumption, a reliance on unsustainable materials, toxic emissions, animal-welfare issues and poor working conditions. So that we can make a positive difference, we all need to understand the issues, and take action.

This annual report holds us accountable to seek understanding and to monitor our actions. This year in particular, we have done that by undergoing our first independent materiality assessment. This has helped us to find out more about the key ways that icebreaker impacts the environment and the society we live and work in. It has provided us with more ways in which we can improve by hearing the opinions of our internal and external stakeholders. Most importantly, this process shared the ways our stakeholders want to improve, giving us insight beyond our own.

After 23 years, we still haven't reached the limits of what we can achieve with our natural, ethical, sustainable fiber. We're passionate about working with nature. Naturally, we aren't perfect and are continually striving for better. As we progress to the future, we wholeheartedly accept our responsibility to treasure our full ecosystem – our people, our places, our products – more than ever.

Thank you for your interest in what we do.



Greg Smith
CEO

To discover more, visit: www.icebreaker.com

OUR BUSINESS

icebreaker was founded in 1995 by 24 year-old NZ, Jeremy Moon.

In 2018, icebreaker was acquired by global apparel company, VF Corporation. This gives us an incredible opportunity to propel natural performance apparel globally. Jeremy Moon remains involved with icebreaker as founder, inspirer and natural fiber expert.

NORTH AMERICA

icebreaker Stores	16
Countries	2
Employees	163

Founded	1995, New Zealand
Headquarters	Auckland, New Zealand
Ownership Structure	A VF Corporation company in 2018. VF Corporation is listed on the New York Stock Exchange
Management	Greg Smith, Chief Executive Officer Nicola Simpson, Chief Operating Officer Jason Bloom, Chief Financial Officer Carla Murphy, Chief Brand & Product Officer
Global Sales	NZD \$227m
Global Unit Sales	4.8m units
Distribution	2,579 wholesale accounts. eCommerce in 23 countries. 45 icebreaker stores
Global Markets	45 countries. Main markets are Europe, North America, New Zealand and Australia
Employees	396 direct employees excluding contractors
Products	Natural performing apparel, comprising next-to-skin categories, including base layer and supporting mid-outer layer solutions for men, women and children.

EUROPE

icebreaker Stores	3
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Countries	33
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Employees	67
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ASIA

icebreaker Stores	5
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Countries	8
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Employees	0
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Today, icebreaker is sold through more than **2,500** wholesale customers and in **45** icebreaker retail stores across **45** countries.

AUSTRALASIA

icebreaker Stores	21
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Countries	2
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Employees	166
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MATERIALITY MATRIX

ICEBREAKERS TO HAVE INFLUENCE OR IMPACT IN BUSINESS ACTIVITIES



ABOUT THIS REPORT

WELCOME TO OUR TRANSPARENCY REPORT.

Our inaugural transparency report launched in 2017, set a baseline and true to our nature, we set ourselves some ambitious goals. This report is the first of what will be our ongoing annual updates. Our transparency commitment enables us to share how we do things and track our progress. Our ambition is to set and meet the highest of standards from farm to finished goods so our customers have full transparency around where their clothes come from and how they are made.

We don't have all the answers, but we are continually searching for a better way. Last year, we launched transparency@icebreaker.com. This allowed us to open the doors to our business and encourage people to ask us anything and share any areas for improvement. In this report, we share an overview of the most frequently asked questions.

Receiving recognition for our first report, such as an Outdoor Industry Award, symbolizes how important the topic of transparency is to our industry and our consumers. In addition, receiving an A+ rating in the 2018 Baptist World Aid Ethical Fashion Report indicates we are on the right track as a business, but there is still so much more we can do.

To further deepen our knowledge of our processes and impacts, we recently completed a materiality assessment. This enabled greater conversations with our key partners and stakeholders, including growers, suppliers and customers. It highlighted the environmental, social and governance issues affecting our business. It also helped us to better understand

the people who work with us and those who buy our products. Our plan is to incorporate the insights of the issues and impacts developed in this assessment into our three-year sustainability strategy.

We want to continue this conversation, share what has changed and what we plan to do next. While we realize we are not perfect, it's important we ensure our customers are able to see everything we do and for us to be accountable for improving and bettering our way where we can. Do keep in touch, we'd love to hear what you think.



**Meredith
Dawson Lawry**
Global Sustainability,
Quality and Compliance
Manager

WANT TO REACH OUT TO ICEBREAKER?

Read our inaugural report: www.icebreaker.com
Ask us anything at transparency@icebreaker.com



“Transparency encourages scrutiny, vigilance and accountability. It’s like opening one’s front door and allowing others to look inside. And of course, the more doors are open, the more the picture becomes clearer, the better we can understand and ameliorate supply chain workers’ lives and the environment.”

Orsola de Castro
Founder and Creative Director,
Fashion Revolution

TRANSPARENCY

WHAT IS TRANSPARENCY?

Transparency means a commitment to full and regular public disclosure of all policies, procedures, progress and real world impacts on workers, animals, communities and the environment.

For icebreaker, this means opening all our decisions up to scrutiny and assessment. Put simply, our 'inside' needs to be the same as our 'outside' and we accept responsibility for all of it.

We acknowledge that transparency alone is not enough. But it exposes the structures we use so we can better improve them.

WHY IS TRANSPARENCY IMPORTANT?

It is impossible for brands to ensure respect for human rights, sound environmental practices and uncompromised product quality without knowing where their products are made, who is making them and under what conditions.

If we can't see it, we can't fix it. When companies publish information about their supply chains and practices it helps NGOs, unions and local communities to trace their influence and hold them to account. And it helps alert the brands themselves to any issues of concern.

Transparency enables concerned consumers to make more informed decisions.

Transparency helps people scrutinize brands and builds trust.

TRANSPARENCY & ICEBREAKER

icebreaker was founded on the need for greater transparency, openness and honesty in the clothing industry and to pioneer the availability of nature based performance apparel.

We think people should know exactly what they are putting next to their skin, how it was made and all the effects their choice is having.

icebreaker has maintained its transparency by developing a business ecosystem based on close, long-term relationships. These relationships are open and honest – there is nothing we can hide from each other. We do not use agents or allow work to be outsourced beyond our directly approved suppliers.

We know exactly where our fiber comes from and ensure that growers uphold the strongest environmental and animal welfare practices. We know exactly where our garments are being made. We take responsibility for the whole ecosystem.

Until now, we haven't been great at sharing all the details of this with our consumers and business partners. Thank you for asking us to. We are proud to tell people about how we work and relish any opportunity to do so.

We know that no business is ever perfect. All business requires trade-offs. Transparency opens us up to the deepest possible feedback on the decisions we make. We need it. That is what will allow icebreaker, the industry we work in and our entire economic system to evolve and improve.

ICEBREAKER MATERIALITY ASSESSMENT

HOW WE'RE MADE DIFFERENT

To continue our journey towards understanding our impact and taking responsible action in 2018, we completed a materiality assessment. The aim was to gather insights on the environmental, social and governance issues and impacts of our business so that we can ensure we are addressing these in the best possible way.

The process involved capturing the viewpoints and concerns of our main stakeholder groups, both inside and outside icebreaker. We partnered with Ernst & Young (EY) to complete the assessment. Their expertise informed the questions asked and provided an open forum to ensure our stakeholders could be candid in their responses. The process included desktop analysis, interviews, defining issues, prioritization and reporting.

The insights we gained were extremely valuable:

icebreaker's people identified their top issues as chemical use, product quality and performance, relationships with suppliers and long-term contracts. They stressed the need for us to focus on what we are best at, while working with others to make the changes we want to see in the wider industry.

Worker wellbeing and our environmental footprint were two key issues for our **growers and suppliers**. They highlighted the impact and cost of increasing compliance and regulation. They also discussed how we could improve the way we communicate with them. Working overtime was specifically mentioned as a

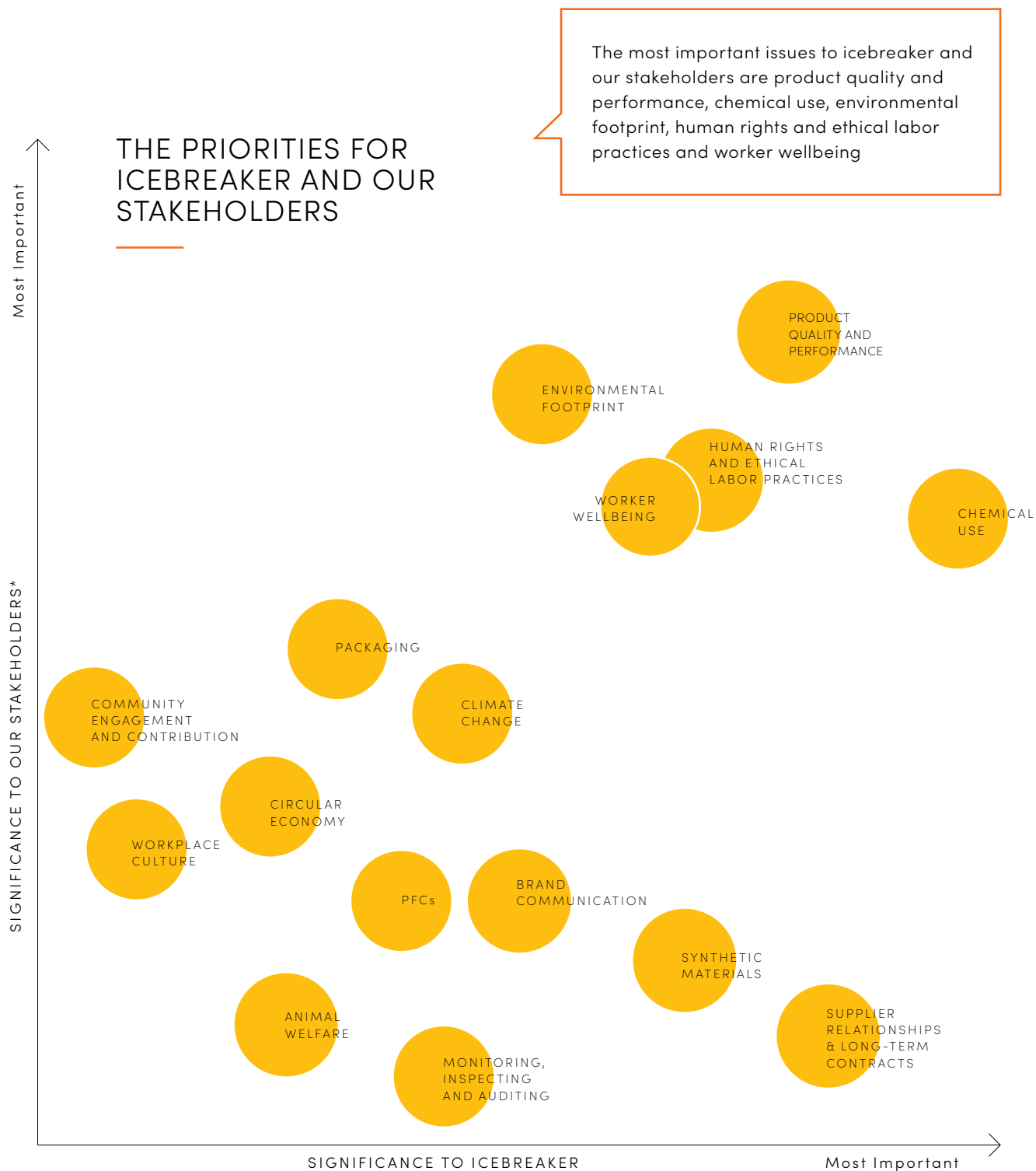
worker wellbeing issue, because of the seasonal nature of our merino fiber and products.

Our wholesalers and retailers wanted to talk more about human rights and wellbeing issues, community engagement, product quality and performance. Climate change, and the shift in consumer trends towards simplicity, were seen as potential risks, but they were also seen as opportunities.

Product quality and performance were key for **our consumers**. They also wanted to hear more from us about our brand purpose and story. And they were concerned about sustainability: packaging and plastic use, alongside chemical use and climate change.

NEXT STEPS

- **Plan for impact:** Incorporate the issues, impacts, challenges and opportunities highlighted in the assessment into our three-year sustainability strategy and articulate the priorities and responses to them.
- **Remain accountable:** Report against the issues identified in the assessment and continue to track and assess our progress.
- **Ongoing dialogue:** Continue to focus on stakeholder engagement and feedback in order to make holistically considered changes for the future.



There were a total of 22 issues and impacts identified.
For the full Materiality Matrix please see appendix.

*Our stakeholders: growers, suppliers, wholesale customers, consumers.

THE SUSTAINABLE DEVELOPMENT GOALS

The 17 United Nations Sustainable Development Goals (SDGs) were established in 2015 to achieve specific

sustainability targets by 2030. They seek to end poverty, protect the planet and ensure prosperity. Business will play a critical role in achieving these goals and delivering on the promise of sustainable and inclusive development.

Our materiality assessment furthered our progress on incorporating the SDGs into our work by identifying how these global goals relate to the issues and impacts within our business. We are committed to building and strengthening the wide ranging partnerships needed to support these goals. We encourage all the businesses we work and interact with to also take up this challenge.

THESE ARE THE FIVE SUSTAINABLE DEVELOPMENT GOALS IDENTIFIED AS BEING THE MOST RELEVANT TO ICEBREAKER AND WHERE WE CAN HAVE THE MOST IMPACT.

SDG

ROLE OF BUSINESS



Identifying 'hot spots' within the value chain to improve environmental and social impact.

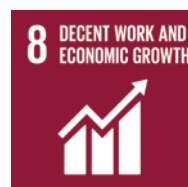
Innovation and design to enable and inspire sustainable lifestyles and wellbeing.



Innovation to prevent and mitigate detrimental impacts to marine environments. Protecting marine species. Support people who depend on oceans.



Supporting the delivery of health needs around the world.



Creating decent jobs and economic growth. Upholding labor standards. Ending discrimination. Embracing diversity and inclusion.



Measuring, managing and mitigating the impact and dependence on land and ecosystems. Incentivizing sustainable land use, responsible forest management and environmental stewardship. Restoring degraded land.

WHAT MATTERS TO ICEBREAKER	UN SDG TARGETS
• Environmental stewardship • Move towards living a life less plastic • Empowering sustainable lifestyles for consumers • Innovation • Industry collaboration	• 12.2: By 2030, achieve the sustainable management and efficient use of natural resources • 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment • 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse • 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
• Reducing micro-fiber plastic use • Responsible use of chemicals • Packaging • 'Nature has a better solution'	• 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
• Promoting healthy and active lifestyles	• 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
• Human rights and ethical labor practices • Worker safety and wellbeing • Fair wages • Equal work opportunities • Diversity and inclusion	• 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor-intensive sectors • 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation • 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value • 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms • 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
• Land and product stewardship • Natural resources and materials	• 15.1: By 2020, ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

OUR PROGRESS

In keeping with our commitment to transparency and continuous improvement, the snapshot in the table below highlights where we are doing well, and where we can improve.

WHAT IS WORKING

OVERVIEW

- Purpose drives our values and mission, for 24 years we have looked to nature for the answers.

➤ icebreaker is the first purpose-led acquisition by the VF Corporation.

- Our way of doing business promotes transparency and sustainable practices.

- We actively encourage our customers to 'Ask Us Anything' via Transparency@icebreaker.com

➤ In 2018, we invested in a Materiality Assessment to inform our future business strategies to drive greater betterment of people and the planet.

WHAT WE ARE WORKING TOWARDS

- By 2019, publish a 5-year sustainability roadmap defined by our materiality assessment with integrated business goals.
- Publish and commit initiatives towards five of the United Nations Sustainable Development Goals (SDG's):
 - #3 Good Health & Wellbeing
 - #8 Decent Work & Economic Growth
 - #12 Responsible Consumption & Production
 - #14 Life Below Water
 - #15 Life on Land
- By 2020 launch a global purpose-led social enterprise initiative.

GROWERS

- We provide long term supply contracts, enabling price stability and sustainability.
- Our grower accreditation program addresses environmental integrity, social responsibility, animal welfare, and fiber quality. This is audited by an independent third party.
- Since 2008 icebreaker has had a strict no mulesing policy in place.
- Our partnership with New Zealand Merino, enables significant sustainability research.

- Our quality specifications and assurance processes ensure premium quality merino wool.

➤ In 2018 icebreaker launched the Growers Club to further develop direct grower relationships and greater grower involvement.

➤ The ZQ qualification has incorporated a new standard requiring growers to have a written environmental management plan in place.

- Working with VF supply chain create greater benefits of scale for the Grower network.
- By 2020 complete a full Life Cycle Assessment for all aspects of on-farm environmental management.
- By 2019 complete ZQ accreditation program of acquiring certification to ISO 17065.

PRODUCT

- We prioritize natural fibers above all other types of materials, with 84% of total fabric make up produced from natural fiber.

➤ We will fully exit from using acrylic by SS20.

- Our commitment to ethical and sustainable fiber sourcing; Wool, TENCEL™, recycled Polyester, organic cotton.
- We have redefined our design principles to include a focus on natural and sustainable solutions.
- Since 2006 we have held certification to the Standard 100 by Oeko-Tex® consumer safety rating on all our core fabrics

➤ We have successfully converted all water repellent fabrics to be PFC free by 2020 (Fall Winter 2019 range).

➤ We have converted 77% of the polyester we use to be from recycled sources (polyester makes up 5% of our total fiber consumption).

- Our packaging currently incorporates:
 - 79% of our paper product packaging is FSC Certified
 - 100% of our product packaging is made with vegetable based inks and water based glue
 - The protective polybags we use are made from recycled polyester and are degradable

- By 2023 replace, renew or reconstitute all remaining synthetic elements in our product line.
- In 2019 launch a water-soluble bag for the distribution and delivery of product.
- By 2020 drive innovation in product design to enabling less material and garment waste in the design process.
- By 2020 move to using 100% FSC-certified paper packaging. Ensuring 100% of our packaging educates customers on how to recycle it.
- By 2022 convert all nylon fibers to a recycled source or newly innovated natural alternative.

WHAT IS WORKING

WHAT WE ARE
WORKING TOWARDS

SUPPLY CHAIN

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • The traceability and transparency of our supply chain. We have a publicly shared listing of our supply chain partners. • Our emphasis on direct, long term relationships with our suppliers. • We have a publicly available Supplier Code of Conduct outlining our Human Rights policies. Suppliers must agree to this code as a condition of doing business with icebreaker. • Robust auditing, including increased measures to protect migrant worker rights. We are focused on continuous improvement. • Publicly disclosing our aggregated audit ratings. Our audit results reflect a high performing supply chain: icebreaker average 9.2/10 vs industry average 7.8/10. • We have grievance mechanisms in place, including direct contact to icebreaker via workersvoice@icebreaker.com • On boarding expert partners who share our values. | <ul style="list-style-type: none"> • Annual icebreaker Vendor summit – promoting communication, collaboration and continuous improvement throughout our supply chain. • Responsible purchasing practices that provide long term forecasts and minimize human rights risks. • Drive chemical control, waste and water management policies from all the factories we work with. • Publicly disclosing our Restricted Substance List. <p>➤ Reduce the use of AIR freight by 68% over the last year.</p> <p>➤ Our involvement in the Bali Process Forum honors our commitment to engage with NGO's on global issues impacting our industry. We will continue to actively seek opportunities to do so.</p> <p>➤ We have successfully traced our vendor sourced product components and included the suppliers of these in our 2018 report supplier listing.</p> | <ul style="list-style-type: none"> • Drive and launch initiatives and safeguards against modern slavery – Incorporating recommendations from the Bali Process Forum. • By 2019 complete a full review of industry certification and memberships. • By 2020 publish an environmental footprint report. |
|--|---|--|

PEOPLE

- | | | |
|--|---|---|
| <p>➤ We have a defined set of Guiding Principles (values) and a new Code of Business Conduct setting out the expectations for ethical business conduct.</p> <p>➤ The establishment of a global leadership development program.</p> <p>➤ The launch of the Ethics Helpline and training to encourage people to speak up and feel comfortable asking questions and raising concerns.</p> <ul style="list-style-type: none"> • In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work. • Launching of the VF learning journeys and online resources for both individual contributors and people leaders. • Extended ethics training including techniques for tackling bullying and harassment in the workplace. | <ul style="list-style-type: none"> • Clear communication of our business goals and strategic priorities. • Providing opportunities for icebreakers to combine career development with adventure, by actively encouraging international relocations between our global offices. • Retail management and sales development programs. • Social clubs in each region managing events and activities to build relationships and have fun together. • Grassroots sustainability groups in each office. • Grower connection – encouraging and organizing station visits to connect our icebreaker team with the spiritual heart of our business. | <ul style="list-style-type: none"> • In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work. • Launching of the VF learning journeys and online resources for both individual contributors and people leaders. • Extended ethics training including techniques for tackling bullying and harassment in the workplace. • Increased diversity and inclusion initiatives. |
|--|---|---|



G R O V



OUR
GROWERS
AND FIBER
—

WE R S

John Mathias, Stock Manager
Location: Omarama Station, New Zealand

AN INTRODUCTION TO MERINO

icebreaker was founded on the use of **superfine merino wool**, sourced direct from selected stations in New Zealand. All of our products are still based on this amazing natural fiber.



THE MERINO IS ONE OF THE WORLD'S MOST ANCIENT BREEDS OF SHEEP, AND ONE OF THE TOUGHEST.



Simple, efficient, ingenious. Nature's solutions aren't tested in laboratories; they face the ultimate continuous field test.

How do we make fiber capable of outperforming synthetic material that provides a better choice for the environment?

The answer is we don't. Merino sheep do. At icebreaker we have over 23 years of experience in specifying the highest quality, ethically sourced merino.

Eons ago, animal hair - designed to keep a mammal warm - evolved to become wool. It then evolved to become superfine merino wool. This was an adaptation developed as the merino sheep broke away from other breeds. They headed to the mountains in search of new food and to seek safety from predators.

Merino aren't regular sheep chewing grass in the lowlands. They have evolved to survive the scorching summers and freezing winters of New Zealand's rugged Southern Alps.

Merino survive these extremes through the incredible natural engineering of their fleece. It is five times finer than a human hair. That's about twice as fine as regular wool. This makes it lighter, more breathable and better insulating.

The merino's summer coat is able to keep cool in temperatures over 30°C (86°F). In winter, merino grow an extra layer of wool. This keeps them warm as temperatures plummet to -10°C (14°F). A regular sheep would not survive.

NATURE'S PERFORMANCE FIBER

The special qualities of our merino make it an incredible natural performance fiber and a beautiful fabric to wear.

RESILIENCE

icebreaker merino fiber can be extended to more than 30% of its length without breaking*. Its wave-like 'crimp' structure makes it more resilient.

THERMO-REGULATION

icebreaker merino has the ability to gain and release heat depending on the wearer's next-to-skin environment and the external conditions. As it absorbs moisture it releases a small amount of heat. Hot conditions reverse the effect, cooling the skin.

*Source: Collie, S.R. and N.A.G. Johnson, 1998. The benefits of wearing wool rather than man-made fiber garments. Lincoln, Christchurch, New Zealand, WRONZ.

**Source: Leeder, J., Wool - Nature's Wonder Fiber, Australasian Textile Publishers

SOFTNESS

icebreaker merino fibers are so soft they bend when they contact the skin. This provides outstanding softness and comfort.

ODOR SUPPRESSION

icebreaker merino outperforms other fibers in its ability to resist the build up of unpleasant odors. Odor molecules are absorbed into the fiber, effectively locking them away from your nose.

UV PROTECTION

Merino is naturally UVA and UVB resistant.

BIODEGRADATION

icebreaker merino is a naturally biodegradable fiber. Under the right conditions it will readily biodegrade if buried.

MOISTURE MANAGEMENT

icebreaker merino absorbs moisture from the skin and then emits it into the air. This leaves you drier and more comfortable. It will absorb up to 35% of its own weight in water before feeling wet – far beyond most synthetic fibers**.

FLAME RESISTANCE

Merino's natural flame resistance exceeds that of all other commonly encountered textile fibers.



“We were the first company in the world to develop deep, long term relationships with merino farmers. This has allowed us to develop unrivalled expertise in specifying and selecting the finest quality merino.”

Jeremy Moon

WHY ICEBREAKER MERINO?

icebreaker pioneered the use of merino in high performance outdoor clothing. We still lead the flock.

We were the first company in the world to develop deep, long term relationships with merino farmers. This has allowed us to develop unrivalled expertise in specifying and selecting the finest quality merino.

We specify fiber length, strength, diameter, consistency, colour and cleanliness. We even specify our own icebreaker ‘style’ of raw fiber that ensures we get the right crimp and structure.

Our partnerships also guarantee the highest standards of animal welfare. Our animal welfare policy ensures a healthy, low stress quality of life for the sheep.

ETHICAL MERINO SOURCING

We are deeply connected to our roots in New Zealand and are equally committed to our New Zealand farmers and their futures as demonstrated by the introduction of the icebreaker Growers Club, including 10-year contracts.

Where we can, we prefer to source our merino from our New Zealand growers. However New Zealand supplies a relatively small amount of the global merino wool supply (estimated to be less than 10%) and within this there is a limited supply that meets our specifications. Therefore, as our demand for wool grows we will continue to source from growers outside New Zealand who are able to

meet the same high standards as our existing growers. Our partnership with The New Zealand Merino Company (NZM) and the ZQ accreditation program has helped us to establish these relationships with growers in South Africa and Australia. We hope this will also encourage more growers and brands to join us in increasing the global supply of ethically produced merino.

Last season, our contracted supply by country of origin was 64% New Zealand, 22% South Africa, 14% Australia.

KEY ISSUE OR AREA	DESCRIPTION OF ISSUE/IMPACT	ICEBREAKER SOURCING POLICY	SPECIFIC ACTIVITIES AND RESEARCH
FAIR TRADE /ECONOMIC SUSTAINABILITY	Ensuring the economic sustainability of growers is critical to the long-term viability of the industry and to allow growers to invest in farming standards.	Fiber is supplied via long-term forward contracts with prices set at sustainable and mutually agreed levels. This sourcing and pricing model removes price volatility and increases financial security of grower suppliers and has been in place at icebreaker for more than 20 years.	- Launch of the icebreaker Growers Club - Ongoing engagement between icebreaker and growers to maintain a close relationship - Growers attend icebreaker meetings to ensure there is a shared business understanding
SOCIAL RESPONSIBILITY AND WORKER SAFETY	Provide for the social and economic welfare of farmers, farm workers and their local communities. Protect the health and safety (H&S) of those living, working and visiting icebreaker merino-accredited farms.	H&S is addressed within the icebreaker ZQ Accreditation Standard. This specifically addresses farm-worker-and-visitor H&S requirements. Compliance with this is a condition of supplying icebreaker fiber. Growers must also comply with: - Health and Safety in Employment Act 1992 - Guidelines for the Provision of Safety, Health and Accommodation in Agriculture - Employment Relations Act 2000.	- New Zealand Merino runs grower training and education events and groups to support up-skilling and peer-to-peer learning - NZM on farm research and education stream dedicated to enhancing the people of the industry through training and development.

FIBER QUALITY	Ensuring that all wool supplied to icebreaker meets key quality specifications.	Fiber quality is specified within the icebreaker Contract for Merino Fiber. Wool classing and preparation must meet the contract requirements.	- Genetics research and selection tools to optimize sheep production according to icebreaker requirements - Fiber selection – professional wool classer training.
ANIMAL WELFARE AND HEALTH	The protection and enhancement of animal welfare and health is a core platform of icebreaker merino and a requirement to supply icebreaker.	Addressed within the icebreaker ZQ Accreditation Standard: - No mulesing - No live shipping - Growers must comply with all relevant animal-welfare legislation - Growers must have an animal-health plan that addresses any animal-health-and-welfare issues and risks on the property - Strict standards and procedure for shearing - Standards for all animal-health-and-handling procedures - Growers must have policies and practices in place to manage extreme events - Sheep are free range, roaming in open pastures. They have the ability to display normal patterns of behavior with the minimum of human intervention icebreaker growers must provide all livestock with their five basic requirements outlined on page 31.	- Identifying strategies to assist growers to minimize the risks of stopping mulesing - Biodiversity in the high country - Understanding the grazing and diurnal patterns of merino sheep in the high country - 'The Perfect Sheep' – a toolkit for growers to assist in the optimization of sheep health, wellness and nutrition - Forage research – fodder crops to improve animal nutrition and feed quality
ENVIRONMENTAL INTEGRITY	All activities on land can have adverse effects on the environment. Growers must be aware of, and have strategies in place to minimize, impacts on the environment. Growers are required to undertake active positive management to protect and enhance soils, water and indigenous biodiversity.	Addressed within the icebreaker ZQ Accreditation Standard. Growers must plan and be aware of best practice to manage their impacts on the following key indicators of sustainability: - Healthy soil - Biodiversity - Water quality - Waste management - Management of hazardous substances - Nutrient management and waste management Growers must have a documented environmental management strategy on their property.	- Wool's environmental credentials - Industry participation and leadership in the communication of wool's environmental credentials - Biodiversity in the high country – the impact of merino sheep grazing on high country biodiversity - Chemical residue benchmarking and best practice - Greenhouse gas-and-water footprinting - Biodegradation of merino products
AUDITING	The icebreaker ZQ accreditation program has been developed to provide customers with a high standard of verification so that product quality, animal welfare and health, environmental, economic and social values are positively addressed.	The program is based on encouraging growers to adopt best-management practices and to continually improve their performance. Growers are required to comply with the icebreaker accreditation standard at all times.	- All farms audited every three years by JAS-ANZ-accredited AsureQuality Ltd - Additional random vet and shearing audits may also occur. - Auditing involves on-site visit, discussion, access to farm stock, facilities and records, citing of supporting documents and written plans The ZQ version 4 standard is: - In the final stages of obtaining ISO/IEC 17065:2012 certification - Recognized formally as being equivalent to Responsible Wool Standard (ZQ certified wool qualifies as meeting RWS standard)

ANIMAL WELFARE

It is our responsibility to share more than how our products are made. We need to share how the animals that produce the fiber are cared for, along with the standards we have in place to ensure their wellbeing.

We're part of The New Zealand Merino Company (NZM)'s ZQ program, which ensures stringent standards are met. These cover the stewardship of livestock, management of the environment and social responsibility. With our contracted merino growers certified through ZQ, we can ensure the fiber meets our quality requirements and that the growers share our ethical values and practices.

ON-FARM AUDITING

This year, 72 contracted growers produced merino for icebreaker. All are ZQ certified with eight currently working toward the latest standard.

All the growers are audited at least every three years; 60 were audited last season. This season's audit picked up areas to be improved on 35 of these farms, with the majority of these issues now resolved. Some of the most common issues were the same as last year. This included the need to create and update land-environment plans and animal-health treatment records. These will now be the focus of further training and advice.

There were also concerns about properly recording any shearing shed injuries to people or sheep. NZM is encouraging growers to use a specially designed reporting template to help manage this.

A new poster of guidelines was also issued to highlight shearing shed safety and serve as an easy place to record any injuries.



AUDIT CORRECTIVE ACTION PLAN (CAP) OUTCOME

ISSUES	NUMBER	PERCENTAGE
NO ISSUES	25	42%
CAP CLOSED	27	45%
CAP OPEN	8	13%
TOTAL	60	100%

TYPE OF ISSUE	NUMBER	PERCENTAGE
CRITICAL	0	0%
MAJOR	5	6%
MINOR	78	94%
TOTAL	83	100%

THE FIVE FREEDOMS OF THE FLOCK

Guaranteeing the five key freedoms for our flock means you can feel happy in the knowledge that the sheep felt just as good making your icebreaker merino as you will wearing it.

01

FREEDOM FROM HUNGER AND THIRST

Sheep with good nutrition are better able to cope with natural stress, such as extreme weather. Farmers must ensure sheep have access to clean water and adequate nutrition.

02

FREEDOM FROM DISCOMFORT

Farmers must ensure their sheep have adequate shade and shelter available at all times.

03

FREEDOM FROM INJURY OR DISEASE

Farmers must regularly monitor each sheep, to help prevent disease and illness, including rapidly diagnosing animal health issues.

04

WHERE SHEEP CAN BE SHEEP

Sheep must be free range and roam in open pastures. This allows them to display their natural patterns of behaviors with minimal human intervention or interference.

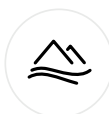
05

FREEDOM FROM DISTRESS

Farmers must manage sheep to avoid any unnecessary stress and pain. Their farms also need to be maintained to ensure they do not pose a risk of injury.

LAND STEWARDSHIP

Our growers are required to have a written environmental plan in place addressing five areas.



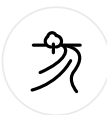
Planning and awareness



Biodiversity



Healthy soil



Healthy waterways and bodies



Responsible management of hazardous substances and waste

In December 2017, ZQ launched a new standard. This requires growers to have a written environment plan.

Since then, 89% (64) of icebreaker's contracted growers have their plan in place. The rest are working on completing theirs in the coming months.

The New Zealand Merino Company (NZM) runs workshops to help growers develop these plans.

"Creating a land-environment plan seemed to be a big task but we realized we had the information and just needed to pull it all together into one plan. The New workshops were a great way to meet up with other growers, and discuss and share ideas so nothing was overlooked. Having a written plan has actually made things easier. We can reflect on our original priorities. When we have to make a change, it helps to consider the bigger picture. These workshops mean taking the plan to the next level will not be daunting."

Bruce and Linda Jolly, Ardour Partnership, Wanaka

THE ICEBREAKER GROWERS CLUB



For more than 20 years, we've developed and deepened relationships with our grower families. Together we share an obsession with top-quality merino, based on great care for the merino sheep and the landscapes in which they live.

For many other wool growers, their fiber is sold through auctions. Growers find out how much they will receive for their wool only on the auction day and prices have historically been subject to extreme instability.

In 1997, icebreaker became the first company in the world to establish long-term contracts with key merino wool growers. These were typically based on a one-to-three-year period. They built the foundations of the strong relationships we have with our growers today.

Last year, members of the icebreaker team traveled throughout New Zealand's South Island, visiting grower families. We discussed their thoughts for the future, and how we might do things better. We shared our vision for a long-term future working together.

We wanted to enable plans for the next generation. We wanted to further encourage the growth of ethically farmed fiber. We wanted to continue to protect both the land and the high-country farming way of life.

The result of these conversations was the establishment of the icebreaker Growers Club.

It is based on an unprecedented commitment: 10-year supply contracts. This provides the growers with the security to invest in their businesses, their land, their animals and their people. It secures icebreaker's supply of consistent, high-quality merino fiber.

The 55 families in the icebreaker Growers Club come from diverse regions and backgrounds. They each have their own reasons for committing to the new 10-year contracts.

Simon and Lucy Maling were the first of the icebreaker grower families to sign up. They recently took over their family farm and plan significant investment into the property and farming programs. The new contract gives them the ability to have total clarity around future volume and wool specifications. It offers them unprecedented price security, giving complete confidence to plan for their future.

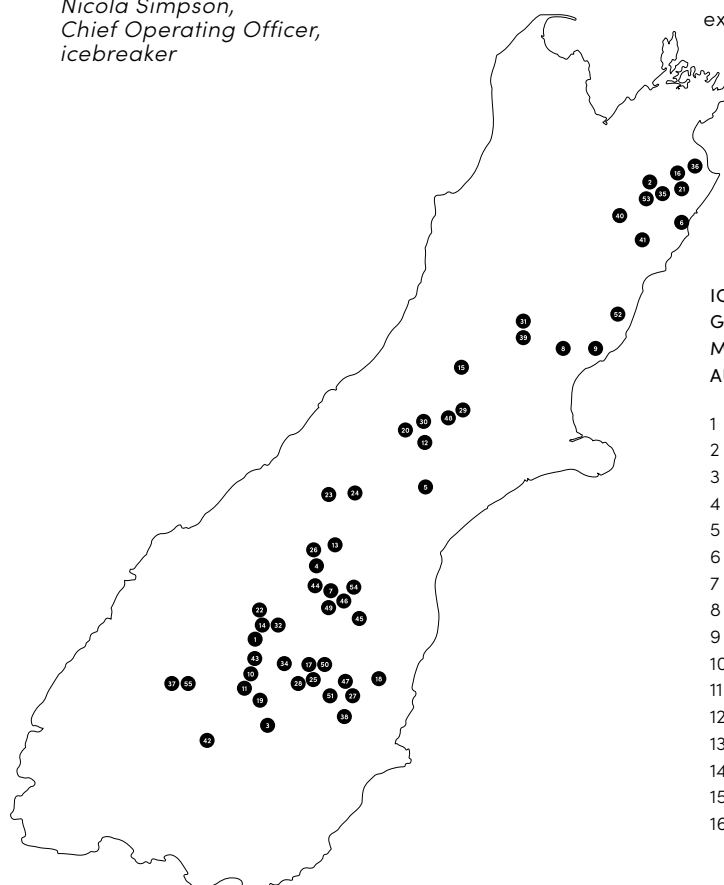
For Richard and Annabelle Subtil, signing the icebreaker contract was a decision made with their children in mind. It has ensured there will be a future market for the fiber they produce. As their children finish their education, it gives them the confidence to pursue a career in merino farming. They can build on the work of their parents and the several generations before them.

“We developed a ground-breaking concept that has transformed the partnership with our grower families. Together, we created the icebreaker Growers Club – based on an industry-first, 10-year supply contract.”

Nicola Simpson,
Chief Operating Officer,
icebreaker

There are other positive knock-on effects from forming the icebreaker Growers Club. Our growers live and work in remote locations around the South Island of New Zealand. They are part of small communities that rely heavily on the rural sector to thrive. The certainty created by the 10-year supply contracts and the resulting investment is having a positive impact on the local businesses they work with and buy from, and the small towns where they are based.

The icebreaker Growers Club is not the end of the journey. It's a new beginning. We'll continue to work closely with our grower families, to share ideas and explore new opportunities together.

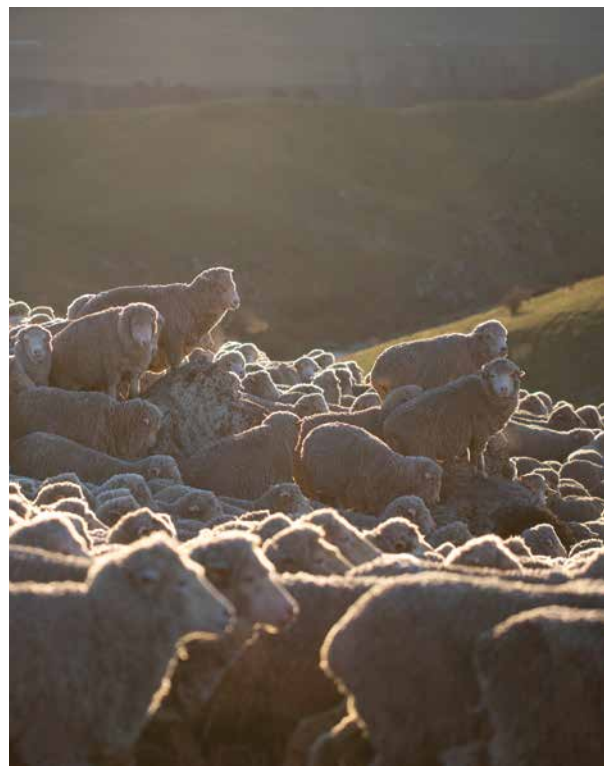
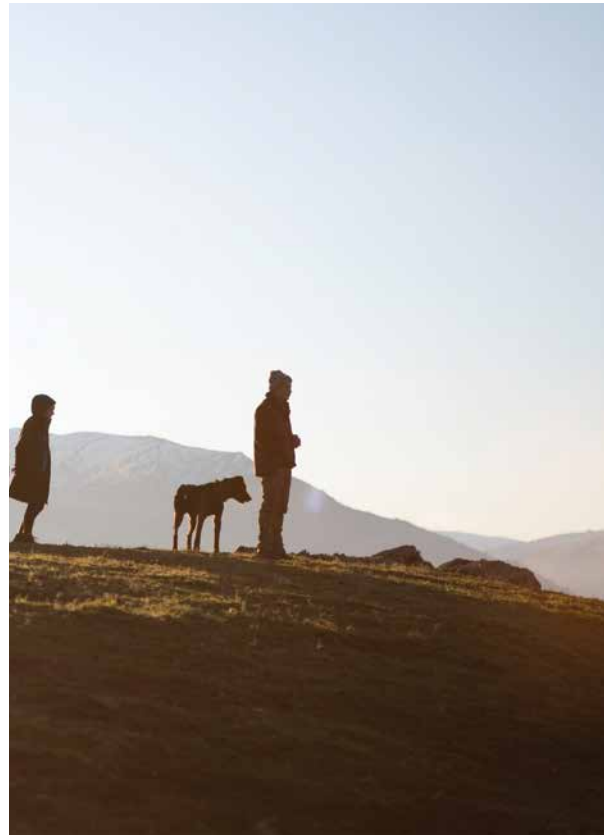


**ICEBREAKER
GROWERS CLUB
MEMBERS AS OF
AUGUST 2018**

1 Ardgour	17 Cragside	37 Mt Nicholas
2 Awapiri	18 Dolphins	38 Mt Ross
3 Baldwin	19 Earnsclough	39 Mt Whitnow
4 Benmore	20 Erehwon	40 Muller
5 Blue Mountain	21 Glen Orkney	41 Muzzle
6 Bluff	22 Glenfoyle	42 Nokomai
7 Bog Roy	23 Glentanner	43 Northburn
8 Bonjedward	24 Godley Peaks	44 Omarama
9 Braevaar	25 Goulburn	45 Otekaieke
10 Cairnmuir	26 Grantleigh	46 Otematata
11 Carrick	27 Hartfield	47 Patearoa
12 Castle Ridge	28 Ida Valley	48 Redcliffs
13 Catherine Field	29 Lake Coleridge	49 Roseneath
14 Cluden	30 Lake Heron	50 Rough Ridge
15 Cora Lynn	31 Lake Taylor	51 Stonehenge
16 Corleggy	32 Lindis Peaks	52 The Gums
	33 Mangaiti (North Island)	53 Upcot
	34 Matakanui	54 Waitangi
	35 Middlehurst	55 Walter Peak
	36 Monaghan	

“icebreaker approached us with a future vision and we loved this outlook. It fits well with the vision of our farming operation and future environmental and financial sustainability. The contract is more than guaranteed income, it’s a win-win for our relationship.”

Jason Clark, Carrick Station



“We are proud to join the icebreaker Growers Club for the benefit of our children and future generations. We have confidence knowing that they have this outlook for the future. We get quite emotional thinking about it, actually.”

Richard and Annabelle Subtil, Omarama Station



“Aligning ourselves with icebreaker has been a fantastic opportunity. For us it’s more than just about ticking boxes. The excitement and passion comes from having healthy animals and producing a fiber that we believe in. It’s also knowing that the environment and the people involved in the whole operation are cared for.”

Philip and Anne Todhunter, Lake Heron Station



BIODIVERSITY

Our growers are dedicated to looking after the landscapes they love and live in. This goes way beyond their own land and livestock. It means taking care of the entire ecosystem.

For example, our growers recognize the important role the hundreds of varieties of native flora and fauna, including tussock, play in the bionetwork. This includes supporting biodiversity of bird and insect habitat and preventing soil erosion.

HELPING TO PROTECT NEW ZEALAND'S NATIVE EELS

The ancestors of modern New Zealand eels have swum up and down New Zealand's waterways for millions of years. The longfin eel is found only in the rivers and lakes of New Zealand and is one of the largest eel species in the world. A strong eel population is a sign of healthy and fertile water and land.

Young eels, known as elvers, migrate up streams to find a suitable adult habitat. For longfins, depending on gender, at around 25-35 years migrate to the Pacific Ocean to breed and die. They are secretive, mainly nocturnal and prefer habitats with plenty of cover.

Sadly, the loss of wetlands, alongside historical commercial fishing practices, has reduced longfin numbers and left them at risk.

Omarama Station owners Richard and Annabelle Subtil run an eel recovery program with the Department of Conservation and the local Maori iwi [tribe]. Says Richard: "The longfin eels' migration has been interrupted with the building of the hydro dams in the area. This has made it necessary to capture the female eels and transport them down to the coast, so they can go off and breed. Our wetland is also great for winter eel habitat and an abundance of eels indicates healthy waterways and land."

ENVIRONMENTAL IMPACT

Did you know **82%** of NZ electricity comes from **renewable sources** like wind, hydro and geothermal power?

Since the 1930s, Omarama Station in North Otago has been generating hydro-electricity. Today, owners Richard and Annabelle Subtil use about a third of the power generated on their 12,000ha property and sell the rest back to the national grid.



“It has been two years since the Kaikoura earthquake. Life at Bluff Station is only just returning to some semblance of normality. But this has led to significant investment in infrastructure that will take us forward over the next 40 years. This investment has been enhanced by the security and stability of our 10-year supply contract with icebreaker. This gives us the confidence to invest.”

Hamish Murray, Bluff Station, Clarence Valley



01



02

- 01 The earthquake damaged station cottage
- 02 Mustering sheep on the station
- 03 Bee-keeping at Bluff station



03

BEE-KEEPING AT BLUFF STATION

"Our experience during the aftermath of the Kaikoura earthquake has also encouraged us to assess our operations in this special South Island high country.

Merino sheep will always be core to our values and business, because of the way they thrive in difficult environments, while producing some of the world's best natural fiber. But to achieve a sustainable future, we have looked for other revenue streams that can operate in harmony with our Merino sheep. Our recent diversification into the apiculture (bee-keeping) industry has challenged us to look closely at our whole farming system and see where it can be improved.

For honey production, the native biodiversity of the Clarence Valley, where Bluff Station is located, offers many pollen and nectar sources, from native bush to clover, borage, honey dew, matagouri and, most importantly, manuka.

Bluff Station's 600 bee hives are now contributing to a more stable and resilient business by utilizing the significant natural diversity of the surrounding environment. To grow this side of our business, we are working to not only protect our biodiversity but also to further enhance areas of native flora across our property."

To provide a snapshot of how icebreaker grower relations work on the ground, here's a brief tour of Lake Heron. Introducing Philip and Anne Todhunter, whose family has owned and run the station since Philip's great-grandfather bought the property in 1917.

GROWER INTERVIEW

CASE STUDY – LAKE HERON STATION

Philip & Anne Todhunter



Philip, Anne and Blake the Dog

OVERVIEW

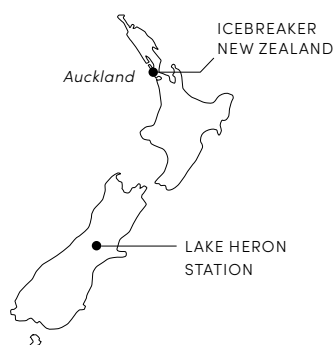
Location: Central South Island,
New Zealand

48,500 acres

11,000 Merino sheep and
700 beef cattle

The lake is the largest in the area.
It was left behind when glaciers
retreated into the surrounding
mountains.

Established around 1917



“The grazing management for these extensive areas is the same as it was 150 years ago... It’s a seasonal rotation... so the land is looked after for the future.”

Philip Todhunter, owner

Life in the High Country

Philip: “Living and working in the mountains is something I particularly enjoy. When I’m out working amongst the animals and mustering in the mountains, being there is a privilege. It’s a very special place to be.”

Anne: “I love this environment, the landscape, the mountains. I just feel very comfortable in these surroundings. Just being here is great. I never feel lonely. It’s almost like a small village of its own, out in a remote environment.”

A family legacy

Philip: “Being part of a family legacy is a great privilege, too. I’m the fourth-generation family member to be associated with the property. Anne and I have been here for 22 years. Our children are now away at school and university. Whether they come home and take over – that’s for them to decide. But they very much enjoy coming home and being part of the place; spending time working with the animals.”

Growing with purpose

Philip: “Our philosophy at Lake Heron is to look after the environment, the people

that work with us, our animals, and to produce something that is purposeful and natural, and is great for the environment.”

Anne: “We absolutely love what we do. Part of the excitement and passion comes from having healthy animals and producing a fiber that we believe in. And also knowing that the environment, and the people involved in the whole operation, are cared for as well.”

The wellbeing of the flock

Philip: “Out in the mountains it’s very free-range and wild. In New Zealand, we don’t have foxes or predators for the sheep. Pretty much all they have to worry about is making sure they eat enough. When you see the young sheep running around and skipping and jumping – they are fit, they move freely. That’s when you know they are happy and healthy.”

What’s good for the sheep is good for the fiber

Philip: “We are focused on growing great merino wool and looking after our animals. We’re regularly audited as part of the ZQ merino program, which has stringent requirements for looking after the animals. The better we look after

the sheep while they’re young; the more productive they are as adults. It means we grow more wool, with consistent length, free from fault and breaks.”

Anne: “We treat the animals with respect. When the guys are out moving the sheep or the cattle, the animals aren’t stressed. When they’re in the yards, the animals are treated in a way that causes the least stress possible. And they are well fed, which is obviously vitally important for their welfare, and also for them to be able to produce beautiful merino fiber.”



Classing the fiber by hand



Custodians of the land.

Working with icebreaker

Anne: "It's important for us to produce something that we know a consumer wants and values. Aligning ourselves with icebreaker has been a fantastic opportunity for us to align to that wider purpose, of more than just producing something, and not knowing where it's going."

Caring for the land

Anne: "We're in quite a fragile environment, and what that means is we

cannot overgraze. We have to be really careful that we maintain good vegetation cover on the soils, so they don't blow or wash away."

Philip: "Managing extensive areas of grazing is the same as for our predecessors 150 years ago: It's a very harsh climate, we have very strong winds. It's important for us to protect the soils in the paddocks - that's what grows the forage for the sheep. It's a seasonal rotation - we keep stock out at certain times of the year - so the land is looked after for the future."

"We look after our people and the land to the best of our ability. We take pride in looking after the natural beauty and the landscapes, the ecology and the wider ecosystem."



Lake Heron woolshed.

OUR PROGRESS

WHAT IS WORKING

- We provide long term supply contracts, enabling price stability and sustainability.
- Our grower accreditation program addresses environmental integrity, social responsibility, animal welfare, and fiber quality. This is audited by an independent third party.
- Since 2008 icebreaker has had a strict no mulesing policy in place.
- Our partnership with New Zealand Merino, enables significant sustainability research.
- Our quality specifications and assurance processes ensure premium quality merino wool.
- In 2018 icebreaker launched the Growers Club to further develop direct grower relationships and greater grower involvement.
- The ZQ qualification has incorporated a new standard requiring growers to have a written environmental management plan in place.

WHAT WE ARE WORKING TOWARDS

- Working with VF supply chain create greater benefits of scale for the Grower network.
- By 2020 complete a full Life Cycle Assessment for all aspects of on-farm environmental management.
- By 2019 complete ZQ accreditation program of acquiring certification to ISO 17065.

A person is shown from the chest up, wearing a light blue sweater with a small, dark, repeating pattern. The background is a warm, textured wall in shades of beige and cream. The word "PROD" is overlaid in large, white, sans-serif capital letters.

PROD



OUR
PRODUCT
—

PRODUCT

Natalie wears: 250 Vertex LS Half Zip Base Layer, Drift Snow/Black
Location: Soho Basin, Queenstown, New Zealand

OUR DESIGN PRINCIPLES

With nature as our guide, we aim to incorporate natural, ethical, sustainable practices into everything we do, including our product.

NATURAL

We are the natural performance pioneers. Our roots are founded in the land of the merino sheep. That drives us to continue to lead, innovate and create from what nature provides.

SIMPLICITY

With elegant simplicity comes timelessness that doesn't date.

LONGEVITY

icebreaker is the opposite of fast fashion. Through high-quality performance clothing, our goal is to thrive in your wardrobe and during your activities for many seasons.

VERSATILITY

Our clothes transcend single usage. We make multi-functional pieces that adapt to your life and style on the mountain, in the city and at home.

PURPOSE

We make purposeful clothing that responds to your body's active needs.

SUSTAINABLE

Our design position is to use only what we need and nothing that we don't. We believe in leaving the planet better than we found it, by not wasting precious resources and considering every step in the process.



OUR FABRICS

HOW AND WHY WE USE BOTH NATURAL AND SYNTHETIC MATERIALS

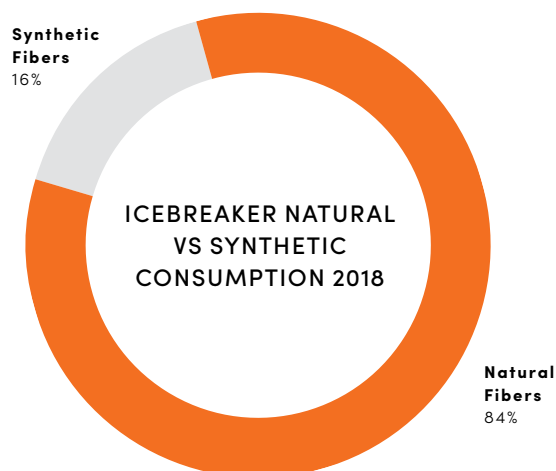
We believe in the power of our superfine merino wool as the basis for our natural performance apparel. It's far superior to regular wool, feels amazing against your skin, is highly breathable, regulates temperature and doesn't hold odor like synthetics.

To make our 'top-to-toe' layering system possible, there are times when we combine our merino with other fibers in order to deliver the performance required by our consumers. Therefore, the role of technology is to enable, enhance or amplify the natural benefits of the fiber for the user.

We never do this to simply make the fabrics cheaper or to compensate for poor-quality wool. We do it to enhance the functionality of merino and make new uses for merino possible. Can you imagine your socks and underwear without a touch of LYCRA® for stretch and comfort?

Today, our business reflects our dedication to natural solutions. 84% of our global fabric composition is natural fiber and only 16% is synthetic.

We are committed to inspiring an industry with less reliance on petrochemical fibers. Our research-and-development team is constantly searching for natural alternatives and solutions.



Today, our business reflects our dedication to natural solutions. **84%** of our global fabric composition is natural fiber and only **16%** is synthetic.

OUR CORE FABRICATIONS

CORESPUN

Our customers are demanding lighter-weight fabrics, but the risk with these is lower fabric integrity, leading to holes.

We discovered that by wrapping the merino around an ultrafine nylon core we could increase the strength of the fabric. This increase does not affect the comfort or odor resistant properties of merino against the skin but does create a garment that lasts much longer.

“Five+ years and loving it”

★★★★★

WATERBOY1368, APRIL 1, 2017

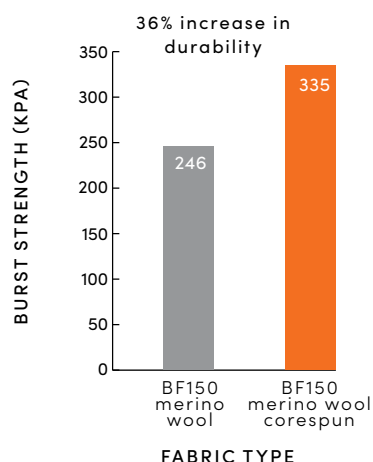
My everyday shirt for all climates, as a base layer, or mid layer or top layer. From humid to dry climates, winter to summer.”

REALFLEECE®

It's shocking that what has become commonly known as 'fleece' on the high street isn't fleece at all. It's plastic - polyester. We want to reclaim the word, by making fleece out of fleece. RealFLEECE® fabric is brushed to deliver ultimate softness and warmth.



BURST STRENGTH OF 150GM MERINO VS CORESPUN MERINO*



BODYFITZONE™

BodyfitZONE™ is our innovative technology that uses fine merino yarns blended with a touch of LYCRA® to enhance muscular performance and recovery. Strategically placed zone mesh panels create natural thermal dumping zones for optimal temperature regulation, breathability and next-to-skin softness.



COOL-LITE™

Our summer fabric, icebreaker Cool-Lite™, is a remarkable blend of merino and Tencel®. Tencel® is a fiber made from cellulose found in the wood pulp of renewable eucalyptus trees.



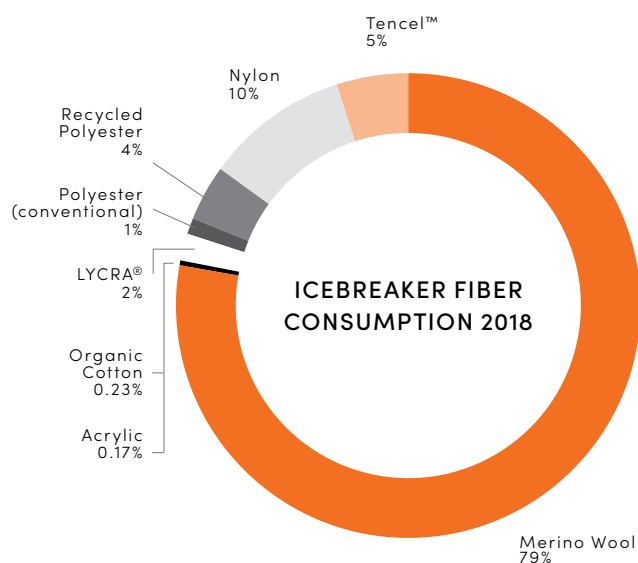
MERINOLOFT™

MerinoLOFT™ wool fiber insulation is a natural, intelligent alternative to synthetic insulation and duck down. It's a machine washable, breathable, lightweight insulation, even when wet.



NON-MERINO FIBER

Our non-merino wool source is comprised of: 10% nylon; 5% polyester, 5% Tencel™, 2% LYCRA® and less than 1% organic cotton and acrylic.



“The synthetic fibers we include in our range serve specific performance requirements, such as adding stretch or water-resistance. We never blend in order to make our fabrics cheaper.”

TENCEL™

Tencel™, sourced from Lenzing, has a natural cooling effect and is used in our summer collection, Cool-Lite™. Tencel™ is a natural fiber made from cellulose found in the wood pulp of renewable eucalyptus trees. It is obtained from sustainably managed farms that have earned Forest Stewardship Council (FSC) certification.

Tencel™ fibers are produced using an environmentally responsible closed loop production process, which transforms wood pulp into cellulosic fibers with high resource efficiency and low environmental impact. This solvent-spinning process recycles water and reuses the solvent at a recovery rate of more than 99%. This special process received the ‘European Award for the Environment’ by the European Union.*

NYLON

Nylon is added to certain icebreaker fabrics for added strength and durability. This is mainly via our technology corespun where a nylon core is wrapped with merino, maintaining signature merino softness next to skin.

RECYCLED POLYESTER

77% of the polyester in our Spring/Summer 18 and Fall/Winter 18 ranges is recycled. We are committed to reducing the 23% non-recycled balance through collaboration with our yarn and fabric suppliers.

LYCRA®

LYCRA® is added to some icebreaker fabrics provide stretch, comfort and freedom of movement. We source our LYCRA® from Invista.

ETHICAL AND ORGANIC COTTON

Cotton makes up less than 1% of our total fiber consumption. Where we do use cotton, we use only organic, ethically sourced cotton. icebreaker organic cotton is sourced from China and is certified organic via the Global Organic Textiles Standards.

NATURE HAS A BETTER WAY

We believe nature has a better way. We are relentlessly seeking natural fiber alternatives to the synthetic fibers we use today. Over the past few seasons, our product team has focused on specific synthetic fabrics within our range. They have been collaborating with our suppliers to either increase the natural fiber content, or replace the virgin synthetic fiber with recycled versions. We will fully exit the use of acrylic fiber in the Spring/Summer 20 season.

We will fully exit the use of acrylic fiber in the **Spring/Summer 20** season.



PFC-FREE BY 2020

Perfluorinated Compounds (PFCs) are a group of chemicals commonly used in outdoor clothing for durable water-repellent finishes (DWR). However, there are concerns that PFCs persist for long periods in the environment. They have also been shown to have toxic effects on animals.

The main focus of concern has been on perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) used in 'long chain' or C8 DWR coatings. These raise long-term environmental safety concerns. Icebreaker does

not, and will never use C8 DWR coatings. However some of our fabrics do include 'short chain' version C6 treatments and we have been working on transitioning these fabrics to PFC Free versions.

In our 2017 report we shared that in our Fall/Winter 2017 range 29% of waterproof jackets (which made up 6% of the range) were PFC-free. Waterproof jackets make up 8% of our Fall/Winter 2018 range and having now transitioned more fabrics to be PFC-free, we can confirm that 55% of this outerwear is PFC-free. We are pleased to report that from Fall/Winter 2019 we no longer have any DWR fabric finishes containing PFCs.

TRACKING OF PROGRESS TOWARDS PFC-FREE DWR FINISHES

SEASON	FW17	SS18	FW18	SS19	FW19	SS20
# OF DWR MATERIALS	7	6	10	6	6	5
# OF PFC FREE	3	2	4	4	6	5

PACKAGING

We are committed to sourcing packaging sustainably and are working towards using more recycled packaging wherever we can. We are preparing for a comprehensive refresh of our global packaging for 2020.

Our efforts to date include:

- 79% of our paper and cardboard packaging is certified by the Forestry Stewardship Council.
- Our retail bags are made with 20% natural kraft paper. This is FSC-certified and 80% post-consumer waste.
- 100% of the inks in our product packaging are vegetable-based. The glue we use is water-based.
- We use recycled, degradable plastic bags to ensure garments stay clean and undamaged. We are developing a water-soluble bag.
- We have removed all non-biodegradable additives from our packaging.

TYPE OF PACKAGING		QUANTITY FY 17/18
Boxes (Sleeve And Tray)		2 million
Stickers For Boxes e.g. size stickers		8 million
Swing Tags And Barcode Stickers		6 million
Sock Wraps		1 million
Accessory Header Cards And Stickers		230,000
Degradable, Recycled Poly-bag		3.5 million
Retail Bags		100,000

PACKAGING GOALS

We are taking a **circular economy** approach to our packaging. This means using materials that can be safely returned to the soil or reused and recycled in closed loops.

Our 2020 packaging goals include:

- Increasing the amount of recycled content in our packaging by 20%. (For example, starting with our Fall/Winter 19 collection, all our swing tags will be made from recycled paper).
- Using 100% FSC-certified paper packaging.
- Making sure 100% of our packaging educates customers on how to recycle it.

INTRODUCING THE WATER- SOLUBLE BAG



“Made from non-toxic and organic ingredients, this bag will do no unnecessary harm to the environment, no matter where it ends up.”

As part of our commitment to sustainability, we are fully committed to launching a water soluble bag. After 18 months of development, the bags are now in the final stages of testing to ensure they withstand the rigors of transportation and third party testing and certifying. It is critical that we make substantiated environmental claims that can be verified by independent lab testing, to ensure they will be ocean-

safe, compostable/biodegradable, can be processed by anaerobic digestion, as well as being water biodegradable and safe for the oceans. Made from non-toxic and essentially organic ingredients, this bag will do no unnecessary harm to the environment, no matter where it ends up. We are aiming to introduce the first round of bags with our FW19 season.

OUR PROGRESS

WHAT IS WORKING

- We prioritize natural fibers above all other types of materials, with 84% of total fabric make up produced from natural fiber.
- We will fully exit from using acrylic by SS20.
- Our commitment to ethical and sustainable fiber sourcing; Wool, TENCEL™, recycled Polyester, organic cotton.
- We have redefined our design principles to include a focus on natural and sustainable solutions.
- Since 2006 we have held certification to the Standard 100 by Oeko-Tex® consumer safety rating on all our core fabrics
- We have successfully converted all water repellent fabrics to be PFC free by 2020 (Fall Winter 2019 range).
- We have converted 77% of the polyester we use to be from recycled sources (polyester makes up 5% of our total fiber consumption).
- Our packaging currently incorporates:
 - 79% of our paper product packaging is FSC Certified
 - 100% of our product packaging is made with vegetable based inks and water based glue
 - The protective polybags we use are made from recycled polyester and are degradable

WHAT WE ARE WORKING TOWARDS

- By 2023 replace, renew or reconstitute all remaining synthetic elements in our product line.
- In 2019 launch a water-soluble bag for the distribution and delivery of product.
- By 2020 drive innovation in product design to enabling less material and garment waste in the design process.
- By 2020 move to using 100% FSC-certified paper packaging. Ensuring 100% of our packaging educates customers on how to recycle it.
- By 2022 convert all nylon fibers to a recycled source or newly innovated natural alternative.



SUPPLY CHAIN



OUR SUPPLY
CHAIN

Dai Ping, spinning line operator, seven years' employment.
Location: Sudwolle Group, Shanghai, China

WHO WE WORK WITH & WHERE

We work closely with our global partners, ensuring we're aligned in our aim to help create a healthier and more sustainable future for our species and the planet. We have mutual working relationships based on a consistently innovative, open minded approach and a willingness to improve. To have a real influence on each other's businesses, we pride ourselves on our emphasis on direct relationships and constant contact with our suppliers.

With our main raw material, merino, based in New Zealand, this makes Shanghai, China an economically and environmentally sensible supply-chain hub. Today, 62 of our 81 suppliers are based in Asia.

icebreaker's supply chain consists of direct relationships with **46** suppliers across **63** factories. This includes our wool tops, fabric, garment makers and point of sale fixture suppliers, as well as our main yarn, packaging and trim suppliers.

In addition, icebreaker's vendors nominate **35** of their own trim, yarn and packaging suppliers who operate across **37** factories.

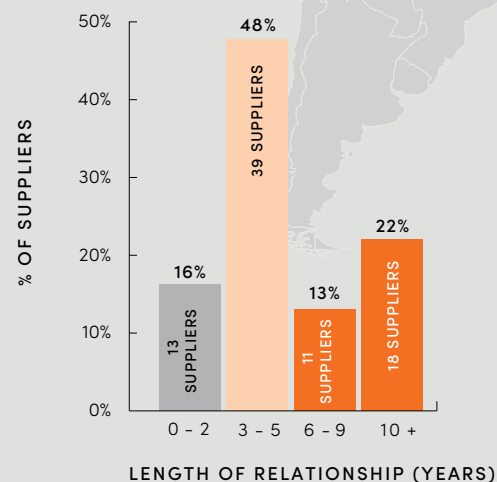
icebreaker's ecosystem connects more than **64,000** workers in **17** countries.

AMERICAS

Suppliers	7
Factories	7
Employees	1581
Distribution Centre	2
- Kamloops, Canada	
- Reno, United States	

Largest-volume suppliers
- Nester, United States (Socks)

LENGTH OF BUSINESS RELATIONSHIP WITH ICEBREAKER - ALL SUPPLIERS



EUROPE

Suppliers	11
Factories	17
Employees	1409
Distribution Centre - Onsabrück, Germany	1

Largest-volume suppliers
- Intersocks, Italy (Socks)
- Safil, Italy and Bulgaria (Yarn)

ICEBREAKER PRODUCTION COUNTRIES

Including suppliers for wool tops, yarn, fabric, trims, packaging, point-of-sale fixtures and garment makers. This includes our direct supplier relationships, as well as suppliers of our vendor sourced components.

COUNTRY	SUPPLIERS*	FACTORIES	EMPLOYEES
Bangladesh	5	6	8,987
Bulgaria	1	1	585
China	45	51	24,754
Greece	1	2	332
Hong Kong	1	1	195
India	1	1	29
Italy	7	8	259
Japan	2	3	930
Korea	1	1	31
Mexico	1	1	450
New Zealand	1	1	10
Poland	1	1	65
Slovenia	2	4	162
Taiwan	6	6	8,761
UK	1	1	6
USA	6	6	1131
Vietnam	6	6	17,822
TOTAL	90*	100	64,509

* Total number of suppliers will not be the sum of the column because some of our suppliers are located in two countries.

TOTAL

Suppliers	81
Factories	100
Employees	64,509

ASIA

Suppliers	62
Factories	75
Employees	61,509

Largest-volume suppliers

- Chargeurs, China (Wool tops)
- Südvolle, China (Yarns)
- Shanghai Challenge, China (Fabric, garments)
- Youngone, Bangladesh and Vietnam (Garments)
- Venitra, China (Garments)
- Supercap, China (Accessories)

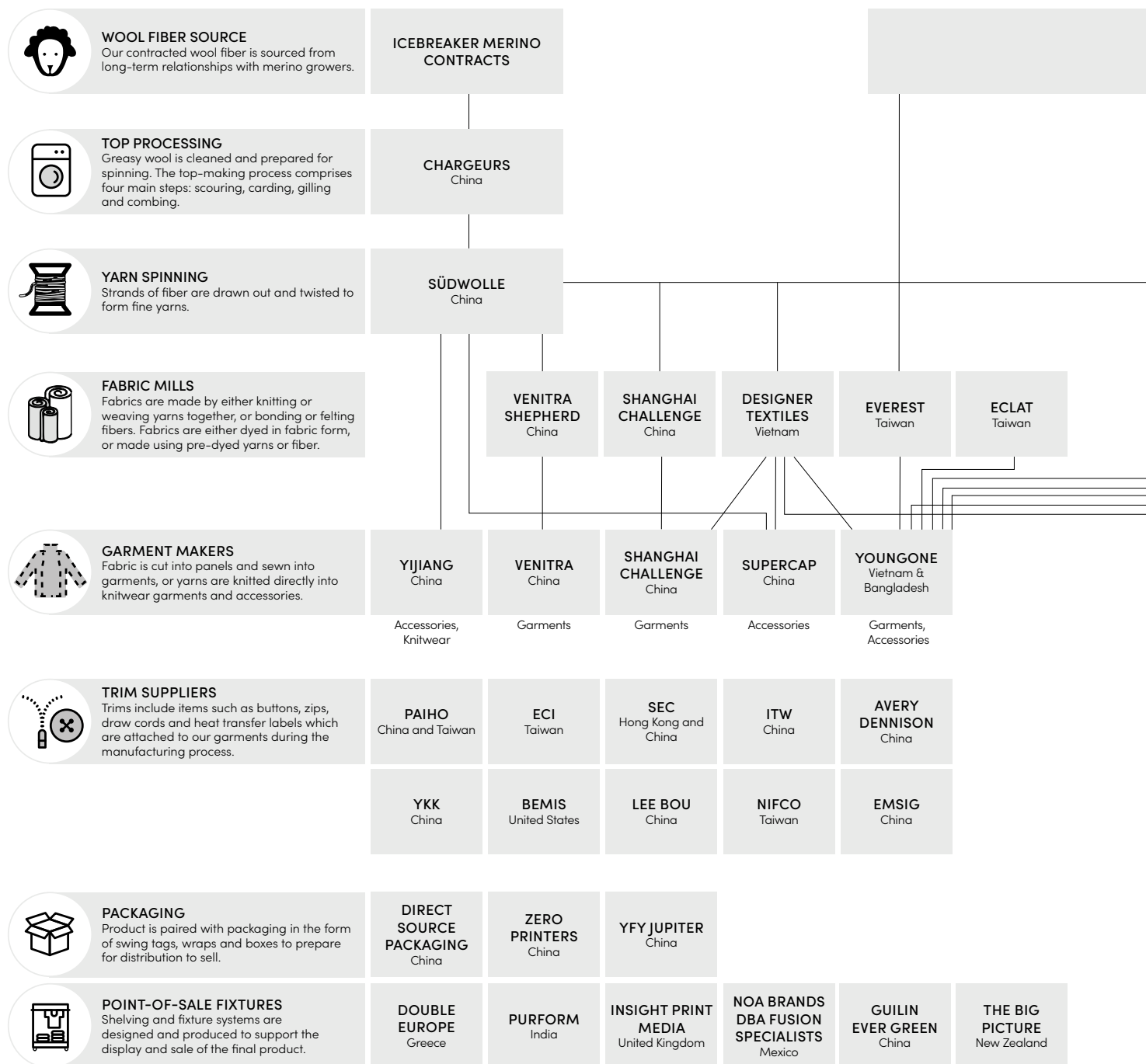
PACIFIC

Suppliers	1
Factories	1
Employees	10
Distribution Centre - Christchurch, New Zealand	1

SUPPLIER MATRIX

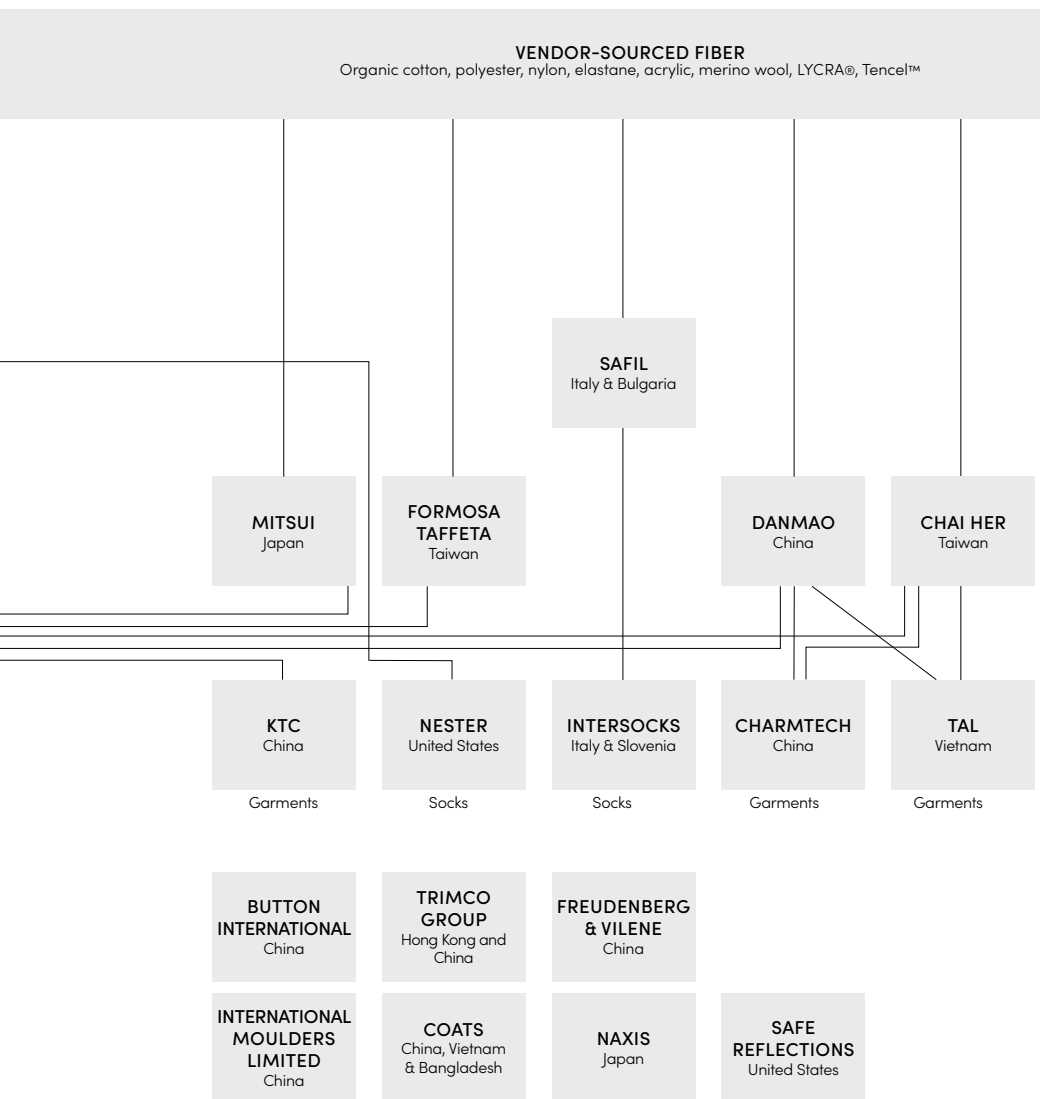
Spring Summer 2018 & Fall Winter 2018

2018 UPDATE



At icebreaker, we have visibility of all parts of our products' creation - from merino growers to top makers, yarn spinners, fabric makers and trim suppliers. This extensive understanding of our value chain has given us a unique advantage in controlling and minimising our footprint as our company grows.

See the appendix for a detailed supplier listing.



In addition to our direct sourcing relationships shown in the matrix, there are some additional suppliers from whom our suppliers source yarn, trims and packaging on our behalf. We call these our 'vendor sourced' components. We have traced these suppliers and have included them in the full supplier listing in the appendix. In total there were 35 additional trim, yarn and packaging suppliers used for the SS18/FW18 seasons.

OUR SUPPLY CHAIN ECOSYSTEM

Our approach has always been to stay true to a direct sourcing model based on a 'narrow and deep' supply chain philosophy. We have grown by nurturing a relatively small number of close, long term business relationships.

We are directly connected with all aspects of our products' creation - from merino growers to top makers (cleaned merino fiber), yarn spinners, fabric makers and trim suppliers. Many apparel brands only have direct relationships with their 'tier one' garment vendors, or access their factories via third parties and agents. We don't use agents - this creates an invisible supply chain. It makes traceability and transparency impossible.

This extensive understanding of every link of our value chain has given us a unique advantage in controlling and minimizing our footprint as our company grows.

Today our total supply chain is composed of 46 direct suppliers, managing 63 factories. We work directly with only nine fabric suppliers and ten garment suppliers. We know the business owners and management teams personally. All suppliers undertake not to subcontract any operations unless agreed to by Icebreaker. This ensures we know exactly where our products are being made and that all locations comply with the way Icebreaker does business.

Icebreaker directly sources 100% of our fabrics and garments, and approximately 90% of our fiber, yarns and trims. The balance of these components are sourced by our vendors on our behalf from an additional 35 suppliers, who we also have traceability of. Any vendor-sourced raw materials must also comply with our sourcing standards.

STARTING A RELATIONSHIP

We pride ourselves on our low turnover of suppliers and our commitment to building long term relationships. We always seek to grow and improve within our existing relationships. Where this is not possible, we seek out new ones.



1. ICEBREAKER GLOBAL HEAD OF SOURCING
Initial contact with potential supplier



2. SUPPLIER DOCUMENTATION
Supplier to complete all onboarding documents



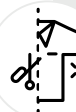
3. ICEBREAKER FACTORY VISIT
Icebreaker management personally visit all factories prior to commencing production



4. THIRD PARTY AUDIT
Our third party agency Asia Inspection audits the supplier. If a corrective action plan is required this is managed to a timeline



5. SIGN CONTRACT
Supplier signs contract agreement



6. SUPPLIER TRIAL
A trial is initiated with prototypes for approval



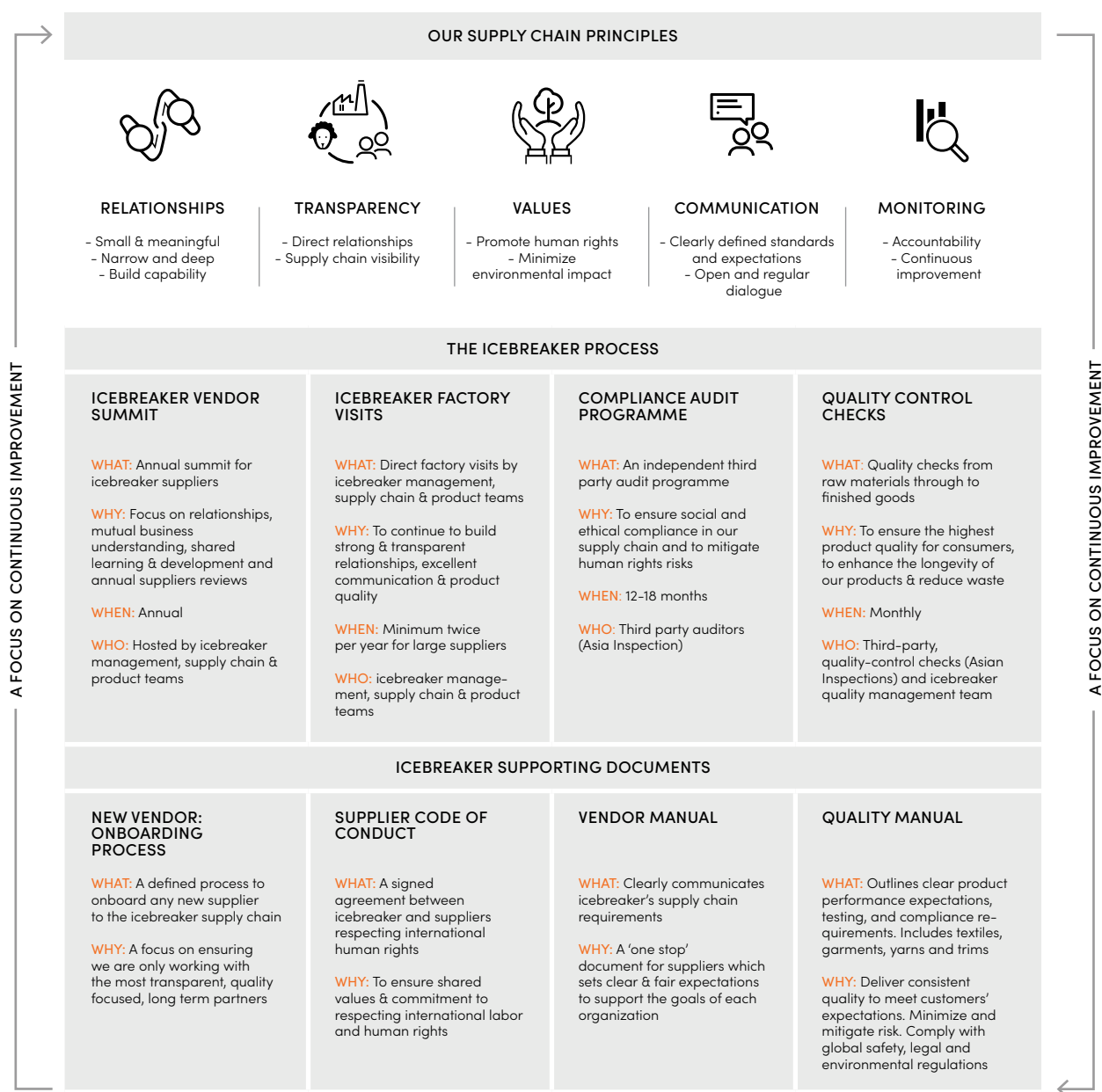
7. PARTNERSHIP & PRODUCTION COMMENCES
Following thorough checks our partnership commences

When it comes to selecting who we work with, we invest a huge amount of time and due diligence. All new icebreaker suppliers undergo a rigorous on-boarding process. This ensures they meet our requirements on social and environmental compliance, quality and innovation. It sets the foundation for a long-lasting mutually beneficial partnership.

Suppliers are asked to complete on-boarding documents and agree to the icebreaker Supplier

Code of Conduct. The on-boarding process includes an independent audit and a visit by icebreaker management to the factory and its facilities.

Suppliers are given copies of the icebreaker Vendor Manual and the icebreaker Quality Manual so they understand our business and product requirements from the outset.



HUMAN RIGHTS

It is our responsibility that everybody who works on an icebreaker product, wherever they are, does so in a fair, safe, non-discriminatory and empowering workplace.

icebreaker will not tolerate abuse of human rights anywhere in our business or supply chain.

Human rights are fully embedded in our business model, our decision-making and the way we create and share value. It's one of the key areas in which icebreaker is constantly looking for dialogue and improvement. It is a major focus of our social compliance process, backed with monitoring and support across our entire business.

ICEBREAKER'S SUPPLY CHAIN HUMAN RIGHTS POLICY



Xiao Ying Hou, Gilling Machine Operator, 12 years employment, Chargeurs, Shanghai, China

THE ICEBREAKER SUPPLIER CODE OF CONDUCT

The icebreaker Supplier Code of Conduct is pivotal to icebreaker's human rights strategy. It specifies the minimum contractual requirements for anyone employing people to make icebreaker products or materials.

The code is founded on:

- International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work
- The Universal Declaration of Human Rights
- The United Nations Convention on the Rights of the Child
- The United Nations Convention to Eliminate All Forms of Discrimination against Women

GRIEVANCE MECHANISMS PROTECTING WHISTLE-BLOWERS

At each visit our auditors leave contact detail cards and make it clear that workers can contact them directly and in confidence.

To date, we have received no grievance complaints through our audit process. However, we recognize that audits alone are not enough and that we must offer a direct and confidential channel of communication for whistle blowers.

In 2017 we set up the email address workersvoice@icebreaker.com for workers to contact icebreaker directly with guaranteed anonymity. This has now been added to our Supplier Code of Conduct and must be translated and visible to all workers in our supply chain. We will be reporting on any grievances received in future transparency reports.



Shen Hongyun, Seamstress, 5 year's service, Shanghai Challenge

A YEAR IN OUR SUPPLY CHAIN

We grow by nurturing a relatively small number of close, long-term business relationships. Rigorous supplier onboarding and compliance will remain at the core of this approach and we will continue to build on, and strengthen, our processes.

DIRECT-SOURCING

We maintain direct relationships with every level of our supply chain, from fiber to garments. We believe this is vital to ensure transparency and visibility.

Our previous Transparency Report detailed how we directly sourced 100% of our fabrics and garments. But a small percentage of components within our range were sourced by our suppliers on our behalf (6% of our yarns and 7% of our trims).

As part of our drive to increase transparency at icebreaker, we have traced the supply of vendor-sourced components. This included 24 additional trim suppliers, nine additional yarn suppliers and two additional packaging suppliers. These have been included in our full supplier listing in the appendix of this report.



01



02

- 01 Screen printing at Shanghai Challenge
- 02 Preparing wool tops for dyeing, Suedwolle, Shanghai
- 03 Preparation for yarn spinning, Suedwolle, Shanghai
- 04 Testing lab at Shanghai Challenge, Shanghai
- 05 Tube management for yarn spinning, Suedwolle, Shanghai



03



04



05



06

BRINGING OUR PEOPLE TOGETHER

Each year icebreaker holds a Vendor Summit, bringing together our supply chain partners and icebreaker teams, including product and sourcing, for four days of collaboration and open communication.

It is a unique opportunity to share business updates, tackle shared issues, review the previous year's performance and set objectives for the next. The focus is on constantly evolving quality, social compliance, innovation, sourcing, planning and sustainability.

For the first time, the 2018 summit was held outside icebreaker's home in New Zealand. The Summit was held at Naked Stables, an LEED certified eco-retreat in the Moganshan region.

In recognition of the 40th anniversary of the momentous 'reform and opening' of China, Robert Yang, CEO of Shanghai Challenge (SCT) gave a presentation on the evolution and current state of the Chinese apparel industry. SCT is our longest standing vendor who we have been working with since 2004 and was the winner of this year's icebreaker Vendor of the Year Award.

The event included more of our merino growers than previous years, 10 in total. Seventeen suppliers attended, including our tops processor and main yarn, fabric and garment vendors. For the first time, we were also joined by our largest point of sale fixture supplier and our quality and compliance provider, Asia Inspections. The four days of activities included individual review sessions, transparency workshops, design thinking, growers' presentations and team building activities



07

06 Naked Stables, an eco-retreat in Moganshan, China

07 icebreaker suppliers and employees at the summit

08 Morning Tai Chi class

09 Shanghai Challenge receiving the icebreaker Vendor Of The Year Award



08



09

such as Tai Chi. Although in China, we brought some traditional New Zealand culture to the event by gifting a New Zealand Pounamu (greenstone) necklace to each of our guests.

All flights to the Vendor Summit were carbon-offset by The Sheep Dogs, our internal icebreaker sustainability committee.

SOCIAL & ENVIRONMENTAL RESPONSIBILITY

HUMAN RIGHTS: TACKLING MODERN SLAVERY

Modern slavery includes human trafficking, forced labor, debt bondage, forced or servile marriage and the worst forms of child labor. The International Labor Organization estimates that 20.9 million people are subject to forced labor around the world. According to some estimates, there are as many as 45.8 million people living in modern slavery worldwide. The United Nations has set a goal to end modern slavery by 2025.

This is a huge problem across many industries, including our own. We want to be among the businesses, governments and community groups working together to tackle it.

THE BALI PROCESS

The Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (referred to as The Bali Process) was set up in 2002. Today it has more than 48 members. These include the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM) and the United Nations Office of Drugs and Crime (UNODC). There are also a number of observer countries and international agencies.

In 2017, the Bali Process created the Bali Process Government and Business Forum. Andrew Forrest (Chairman, Fortescue Metals Group) and Mr Eddy Sariaatmadja (Chairman, Emtel Group) were appointed as Business Co-Chairs, alongside H.E. Ms Retno L.P. Marsudi (Minister for Foreign Affairs of Indonesia) and Hon Julie Bishop MP (then Minister for Foreign Affairs of Australia) as Government Co-Chairs.

The purpose of the business forum was to open The Bali Process to greater business involvement. Rob Fyfe, former CEO and board chairman at icebreaker, represented New Zealand and icebreaker at The Bali Process Forum in Perth in 2017. In 2018 our global head of sourcing, Tui Taylor, joined him at the forum held in Bali amongst other business leaders representing 29 member states and representatives from 37 governments and 4 international organizations.

A working group set up by the forum and facilitated by the Walk Free Foundation created the 'Acknowledge, Act and Advance Recommendations' presented at the 2018 forum. These aim to set out a pathway for business and government to work together to eradicate modern slavery.

Members of the icebreaker sourcing team have participated in the working group and are now working towards incorporating the Bali Forum recommendations including the plan to publish a modern slavery statement and raise further awareness of this issue within our supply chain and broader industry.

Photography: Caitlin Di Stefano, Minderoo Foundation



At the 2018 Forum; Dr Dino Djalal, representative of the Indonesian Business Co-Chair, Eddy Sariaatmadja, Andrew Forrest and Jenn Morris, CEO Walk Free Foundation; Representative of Australian Business Co-Chair.



Rob Fyfe and Tui Taylor, icebreaker Global Head of Sourcing, at the 2018 Bali Process Government and Business Forum

The 3 'A's - Recommendations presented at the 2018 forum.

ACKNOWLEDGE

Create deeper understanding by businesses and government of the scale of, and challenges associated with these transnational crimes. These activities undermine economic growth by contributing to inefficient labor markets, depressing wage rates and causing significant social costs. Consumer and investor choice is also increasingly driven by ethical considerations.

ACT

Create consistency across jurisdictions. This will encourage businesses to implement ethical business practices and governments to strengthen policy and legislative frameworks. Clear and consistent policies and legislation also make countries more attractive for investment.

ADVANCE

Recognize that the forum is only just developing. It requires a governance framework to ensure its ongoing sustainability and effectiveness.

Human rights is a topic we are hugely passionate about. To learn more about our policies and safe guards, please refer to our Inaugural Transparency Report (2017) which can be downloaded from our website www.icebreaker.com

THE IMPORTANCE OF TRANSPARENCY

April 2017 was a wake-up call for us. We were rated D- in the Baptist World Aid Ethical Fashion Report. We were heavily penalized for not making the details of our supply chain publicly available. We were absolutely confident in the processes and safeguards we had in place already. But we hadn't done a good enough job of telling people about them.

We published our inaugural Transparency Report in November 2017, detailing our 21 years of investment in the way we work. We reached out to the Baptist World Aid team to ensure we shared with them the information they needed. We are proud to say that we were awarded an A+ rating in the 2018 Ethical Fashion Report. We were one of only a handful of the 114 brands to achieve this.

The process of creating the report opened up new ways of challenging ourselves. It created new questions, new scrutiny and more feedback. It has spurred further evolution and improvement. There's still much to do, in our own business and in our industry. We are relishing the challenge.

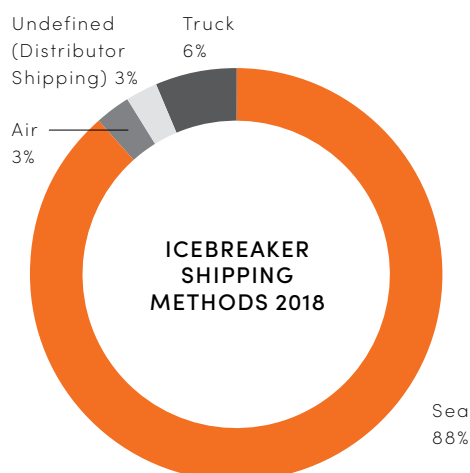
Let us know how we are doing, and what you would like to know: transparency@icebreaker.com

REDUCING OUR ENVIRONMENTAL FOOTPRINT

LOGISTICS AND TRANSPORT

In 2017 we addressed details of our transport and logistic processes. This provided a benchmark to reduce our use of air freight. We reported that for the FW16 season we transported 10% of our goods by air. Throughout 2017 we reduced this to 8.49%, but we knew we could do more. Throughout 2018 we developed a range of unique innovations in production planning and processes. This further cut our use of air freight to 2.65% – a 68% decrease.

In 2016, we consolidated our outsourced logistics with DB Schenker (DBS). We chose DBS partly due to its commitment to environmental protection and stringent reporting standards. This includes a commitment to halve its company-wide CO2 emissions by 2030 compared to 2006 levels. DBS also has an admirable history of industry-leading sustainability awards.



WASTE, WATER & ENERGY MANAGEMENT

The icebreaker auditing process includes a detailed assessment of environmental management systems and a best practice approach to waste management which is aligned with the international environmental standard ISO14001.

However, factories must balance international best practice with local law when driving their operations. We are pleased to see the relevant laws becoming more stringent in China where 63% of our SS18/FW18 production volume has been produced.

We are seeing positive improvements in waste, water and energy management, resulting in a 25% increase in scores over 9/10 for the waste management section of our audits. This year's average score for this section was 9.1/10, compared to 8.7/10 last year. In consultation with our factory partners, we believe the increase is driven by a stronger focus on environmental management systems in China.

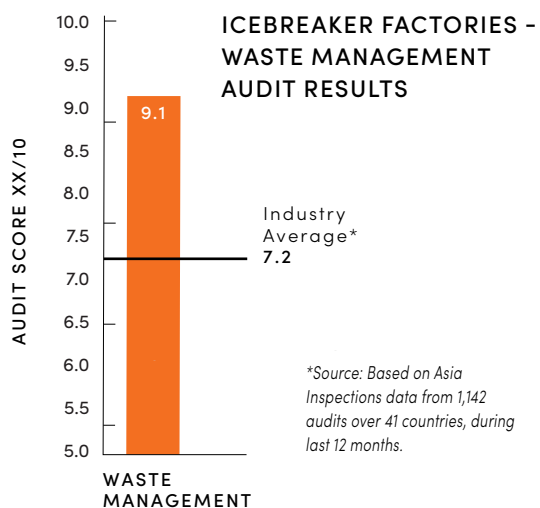
In early 2018, China changed its existing emissions discharge fee. It is now a tax collected from industrial polluters, focusing on air pollution, water pollution, solid wastes and noise. The country also instituted new laws to combat water pollution. The changes follow on from the imposition of strict laws that helped curb air pollution in some of the country's worst-affected areas, such as Beijing and Hebei Province.

The changes have prompted wide-ranging discussion in China's apparel industry. Many factories that did not comply with the new standards have been closed.

All factories working on icebreaker products or materials are required to continuously improve their processes and procedures with regards to environmental and social impact. These new laws will help speed up this improvement across the whole industry.



Li Deqi, Equipment Manager, 11 years' employment at Shanghai Challenge; oversees the Water Treatment Plant



THE FACTORY MUST	AUDIT CHECK
MANAGEMENT	
Have a valid written Environmental Impact Assessment Plan	●
HAZARDOUS WASTE	
Inventory all solid waste	●
Separate recyclable from non-recyclable waste	●
Reduce/recycle/reuse solid waste as much as possible	●
WASTE, AIR EMISSIONS & NOISE	
Inventory all waste water	●
Treat water adequately before discharge	●
Ensure waste water at discharge is meeting local standards	●
Inventory all air emissions	●
Ensure air quality is meeting local standards	●
ENERGY & WATER REDUCTION	
Monitor energy use and take actions to reduce energy	●
Monitor water use and take actions to reduce water use	●



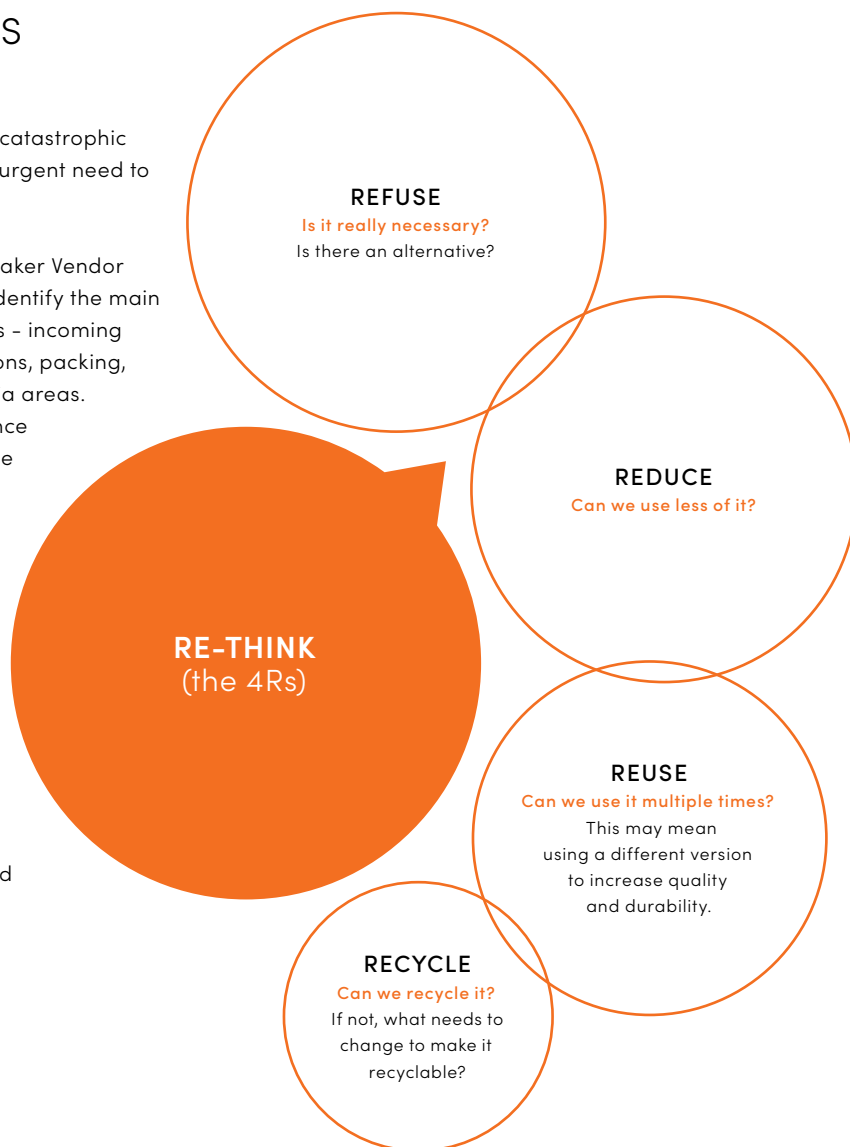
RE-THINKING PLASTICS

Excessive global plastic use is having a catastrophic effect on the natural world. There is an urgent need to change the way we use this material.

At a workshop during the annual icebreaker Vendor Summit 2018 we asked participants to identify the main uses of plastics in five operational areas - incoming goods and equipment, internal operations, packing, logistics and food processing in cafeteria areas. They then documented how each instance of plastic use could be addressed by one or more of the '4Rs' - refuse, reduce, reuse, recycle.

We showed two short films to explain the issues and introduce some possible solutions

The workshop generated a lot of enthusiasm for making change, either inside individual businesses in the supply chain or by more than one of them working together. We were inspired by how engaged and motivated our suppliers were.



CASE STUDY:

REDUCING OUR PLASTIC FOOTPRINT.

In 2018, Shanghai Challenge exemplified 'Made Different' thinking to reduce its plastic footprint. The company used to fasten plastic straps around

our shipping boxes to make them more secure in transport. This used about 282,400 metres of plastic straps each year. When icebreaker asked them to 'rethink' the use of these straps, they switched to a more robustly designed carton, eliminating the need for the straps, and with that, a staggering estimated 1.5 million metres of plastic tape over a five year period.



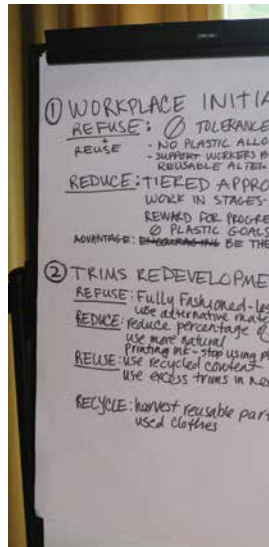
01

01 Engaging our supply chain by asking them to 'Rethink' their use of plastics

02 Icebreaker team

- members and

03 supply chain partners brainstorm and problem solve together.



02



03

CELEBRATING OUR SUPPLY CHAIN PARTNERS' ACHIEVEMENTS

DESIGNER TEXTILES, VIETNAM

- Recycles 50% of the water used at its mill
- Staff use refillable water bottles and flasks instead of disposable ones. Water coolers are provided in all offices
- Minimizes paper printing by using signs to encourage people to 'think before printing'
- Uses eco-friendly cleaning products

CHARMTECH, CHINA

- On-site vegetable gardens, where employees can grow additional healthy food for their families during breaks
- A 5% reduction in energy consumption. This was achieved through training, awareness and the use of energy-saving machinery and parts



AUDIT UPDATE

Our aim is to have long-lasting and deep working relationships with our suppliers, meaning having clear requirements about our work together. Our comprehensive auditing process helps with this.

The audit format is standardized across all factories, regardless of location or what they do for us, so we can ensure consistency and high performance. The audit scores form part of our vendor score cards which we review with suppliers at our annual Vendor Summit.

By reviewing these scores together, we get a refresher on what's important to us: that we all need to be working to enact the social and environmental values that icebreaker is based on. It makes this a key performance indicator for everything we do, across the entire production process.

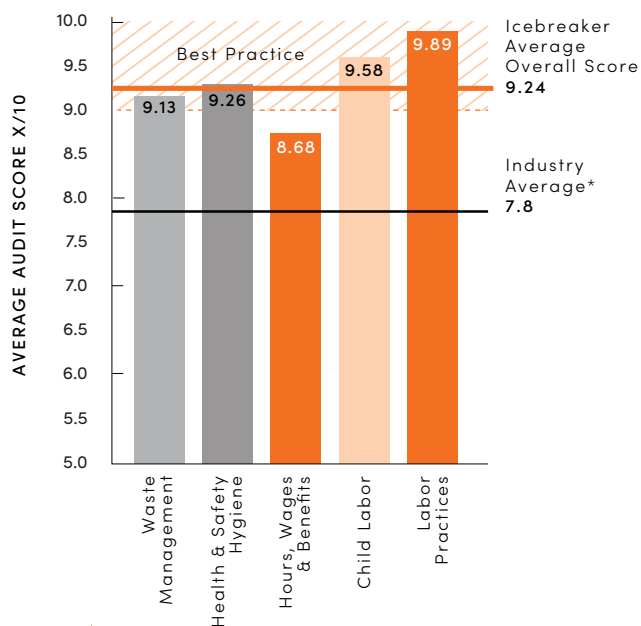
“There have been several positive outcomes of the icebreaker audits. The most valuable has been the ability for us to tap into the professionalism of the audit company. The audit scope and program used by Asia Inspection has allowed us to establish an internal document to be used as a tool for self checking and auditing on a regular basis.”

Chris McKenzie, Manufacturing Manager, Chargeurs

We're always improving and training. When problems are found, we support suppliers to find a solution. The process provides a clear pathway on how we work with their teams and with the expertise of our auditors, Asia Inspections.

The positive impact extends to everyone who works on our products. Our standards go above and beyond local laws in some of the countries we're working in. They provide best practice for labor, health and safety and waste management.

ICEBREAKER FACTORIES - AVERAGE AUDIT RESULTS

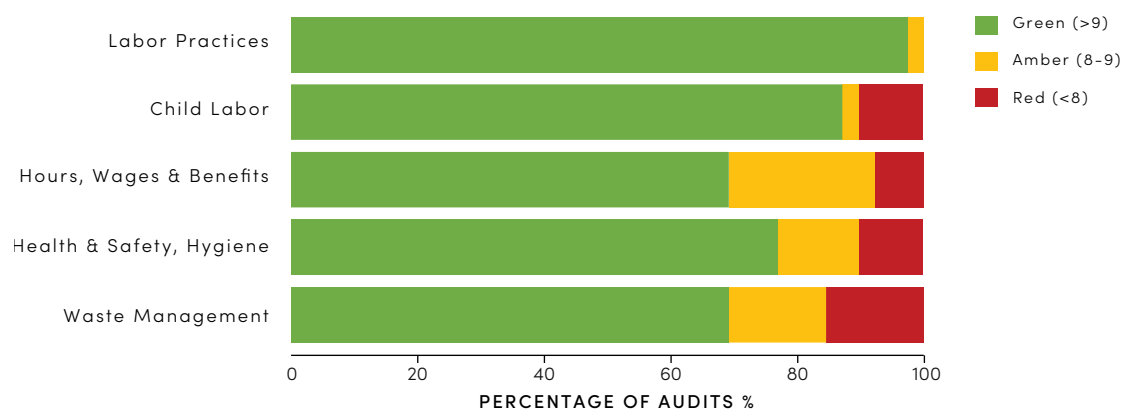


The average 2018 score of an icebreaker factory is **9.24/10** (compared to 9.2/10 in 2017)

*Source: Based on Asia Inspections data from 1142 audits across 41 countries, over the last 12 months.

ICEBREAKER FACTORIES - AVERAGE AUDIT RESULTS AUGUST 2017- AUGUST 2018

RESULTS BREAKDOWN BY CATEGORY	LABOR PRACTICES	CHILD LABOR	HOURS, WAGES & BENEFITS	HEALTH & SAFETY, HYGIENE	WASTE MANAGEMENT
Green (>9)	38 (97%)	34 (87%)	27 (69%)	30 (77%)	27 (69%)
Amber (8-9)	1 (3%)	1 (3%)	9 (23%)	5 (13%)	6 (15%)
Red (<8)	0 (0%)	4 (10%)	3 (8%)	4 (10%)	6 (15%)
TOTAL	39 (100%)	39 (100%)	39 (100%)	39 (100%)	39 (100%)



YEAR-ON-YEAR COMPARISON (BASED ON AVERAGE AUDIT RESULTS)

	OVERALL SCORE	LABOR PRACTICES (10%)	CHILD LABOR (15%)	HOURS, WAGES & BENEFITS (20%)	HEALTH & SAFETY, HYGIENE (35%)	WASTE MANAGEMENT (20%)
AUGUST 2017 - AUGUST 2018	9.24	9.89	9.58	8.68	9.26	9.13
AUGUST 2016 - AUGUST 2017	9.20	9.90	9.74	9.12	9.10	8.70
CHANGE	0.03	-0.01	-0.16	-0.44	0.16	0.43

A CLOSER LOOK

CASE STUDY

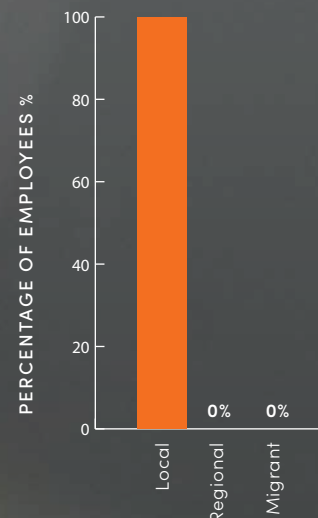
VENITRA

A recent addition to our supply chain ecosystem, this innovative new-generation company is a perfect fit for icebreaker and has quickly formed a fun and productive rapport with our teams.

COMPANY NAME	Venitra - Shepherd
MAIN FACTORY ADDRESS	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiangsu Province,
COUNTRY	China
CATEGORY	Garment Maker
DATE OF LAST AUDIT	December 2017
LATEST AUDIT RESULT	9.2/10
TOTAL EMPLOYEES	1,000 70% ♀ female / 30% ♂ male
MIGRANT WORKERS	100% Local 0% Regional 0% Migrant
ACCREDITATIONS	Quality & Environmental: ISO9001, OEKO-TEX. Social: Worldwide Responsible Apparel Production (WRAP)
ABOUT VENITRA	Capabilities: knits and wovens manufacturer. Flatlock, single and double needle and circular knits
LENGTH OF PARTNERSHIP WITH ICEBREAKER	2 years



VENITRA MIGRANT WORKER BREAKDOWN



“One of the things we strive to do is make sure our workers are happy. We don’t want them to leave; we want them to be there year after year. So the factory conditions, pay and social compliance must all be excellent.”

Interview with Clyde Adam Lam,
CEO, Venitra

How did you come to work with icebreaker?

“Through our connections and reputation we put together a meeting with icebreaker founder Jeremy Moon. From there we went through a detailed vetting. This included inspections, visits, product development and fabric selections.”

What do you enjoy most about your new relationship with icebreaker?

“What’s nice about icebreaker is the business that they’re in and the product they make. They think about the world as we live now: the environment, working with natural fibers and renewable resources. We’re very proud to be part of that. That’s the future.”

“We enjoy working with the icebreaker teams. The knowledge-sharing, open discussions, vendor summits, product research and development. All of it shows icebreaker really cares about its supply chain and everyone is important in the team.”

What are the business values for Venitra?

“We have a mission to be the best quality maker in the world. To do that we have to have the best people. One of the things we strive to do is make sure our workers are happy. We don’t want them to leave; we want them to be there year after year. So the factory conditions, pay and social compliance must all be excellent.”

How do you ensure the icebreaker clothing you make is of the highest product quality?

“It’s an exhaustive process of quality inspection, from yarn all the way to finished product. It’s a very special fabric that must be treated in a very special way. We have quality-control teams right through yarn to finished product. It’s demanding and it’s constant. But it ensures that we deliver the best product on the market.”



Sewing line in the Venitra factory

How do you ensure Venitra is a custodian of the environment?

“We have taken huge steps forward, as many companies have now, with environmental standards. We work with a local recycling company to have any waste wool recycled into carpets, clothing, hosiery, gloves and baize. Our water is cleaned and recycled. We are constantly looking for ways to further reduce waste and footprint. Going forward we are working to introduce solar power and the bluesign® system for a sustainable textile production.”



01



02



03

What does nature mean to you?

"We all live an outdoor active lifestyle and enjoy the beauty of nature that comes with that. Having been an active person my whole life I look at nature for inspiration. We must protect it."

What does transparency and traceability mean to you?

"Transparency is critical to the way we work. We are very proud to show the world how we make our products. We open ourselves up to our customers and ask: 'how can we be better?'"

01 Chen Fang, sewing worker, five years at Venitra.

02 Skillful sewing at Venitra

03 Garment panels with the icebreaker embroidered logo

04 Attention to detail and careful workmanship

05 Quality control checks run throughout the production process

06 Circular knitting machine used to make icebreaker fabric



04



05



06

OUR PROGRESS

WHAT IS WORKING

- The traceability and transparency of our supply chain. We have a publicly shared listing of our supply chain partners.
- Our emphasis on direct, long term relationships with our suppliers.
- We have a publicly available Supplier Code of Conduct outlining our Human Rights policies. Suppliers must agree to this code as a condition of doing business with icebreaker.
- Robust auditing, including increased measures to protect migrant worker rights. We are focused on continuous improvement.
- Publicly disclosing our aggregated audit ratings. Our audit results reflect a high performing supply chain: icebreaker average 9.2/10 vs industry average 7.8/10.
- We have grievance mechanisms in place, including direct contact to icebreaker via workersvoice@icebreaker.com
- On boarding expert partners who share our values.
- Annual icebreaker Vendor summit – promoting communication, collaboration and continuous improvement throughout our supply chain.
- Responsible purchasing practices that provide long term forecasts and minimize human rights risks.
- Drive chemical control, waste and water management policies from all the factories we work with.
- Publicly disclosing our Restricted Substance List.
- Reduce the use of AIR freight by 68% over the last year.
- Our involvement in the Bali Process Forum honors our commitment to engage with NGO's on global issues impacting our industry. We will continue to actively seek opportunities to do so.
- We have successfully traced our vendor sourced product components and included the suppliers of these in our 2018 report supplier listing.

WHAT WE ARE WORKING TOWARDS

- Drive and launch initiatives and safeguards against modern slavery – Incorporating recommendations from the Bali Process Forum.
- By 2019 complete a full review of industry certification and memberships.
- By 2020 publish an environmental footprint report.

A group of seven people are gathered on a grassy hill in the foreground, looking out over a vast landscape. The landscape features a large body of water, a line of trees, and a range of snow-capped mountains in the background. The sky is overcast. The word "PEO" is overlaid in large white letters across the middle of the image.

PEO

OUR
PEOPLE

PLE

Global Sales Team enjoy Lake Heron Station, New Zealand.

COUNTING ON OUR PEOPLE

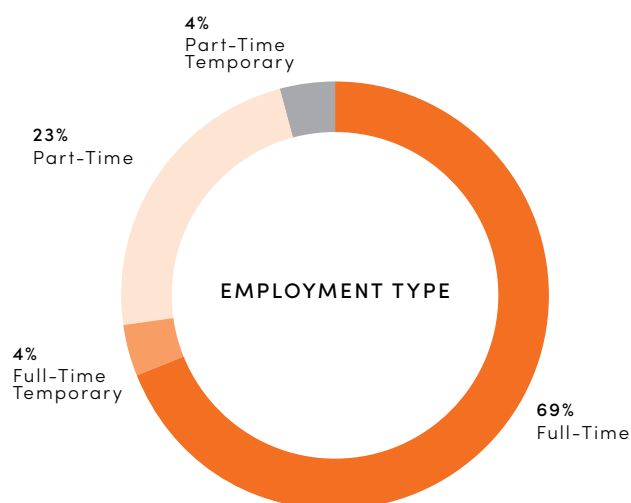
As of July 2018, icebreaker employed 396 people across seven countries who work daily to bring our vision and mission to life.

- **42%** are employed in New Zealand/Australia, **41%** in North America and **17%** in Europe
- **73%** are in full-time positions
- **42%** of our employees are working in management roles
- **58%** are female; **42%** are male
- **52%** of those in management roles are female; **42%** are male
- **42%** are under **30** years of age
- **54%** of our team are directly involved in selling our product to our customers
- **40%** work in retail sales, **14%** in wholesale sales, **10%** in customer operations and **7%** in marketing

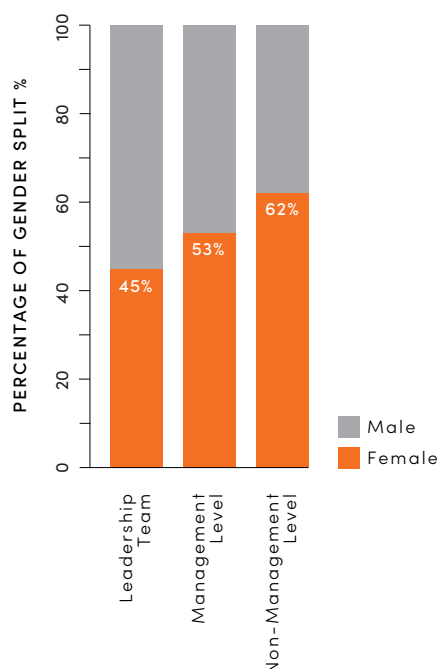
LENGTH OF SERVICE

LENGTH OF EMPLOYMENT*	PEOPLE	% OF TOTAL
> 10 YEARS	8	2%
6 TO 10 YEARS	28	7%
3 TO 6 YEARS	79	20%
1 TO 3 YEARS	130	33%
6 MONTHS TO 1 YEAR	64	16%
< 6 MONTHS	87	22%
TOTAL	396	100%

*Does not include contractors



GENDER BY MANAGEMENT LEVEL



GLOBAL EMPLOYEES BY FUNCTION*

	# PEOPLE	% OF TOTAL
CEO	1	0%
BUSINESS INTELLIGENCE	4	1%
CORPORATE SALES	3	1%
CUSTOMER OPERATIONS	39	10%
EXECUTIVE	9	2%
FINANCE	24	6%
ECOMMERCE	12	3%
OPERATIONS	15	4%
INFORMATION TECHNOLOGY	7	2%
INVENTORY	12	3%
MARKET DEVELOPMENT	3	1%
MARKETING	27	7%
OFFICE MANAGEMENT	4	1%
PEOPLE & PERFORMANCE	6	1%
PRODUCT	18	4%
RETAIL SALES	157	40%
WHOLESALE SALES	55	14%
GRAND TOTAL	396	100%

*Does not include contractors

AGE BY MANAGEMENT LEVEL*

	<30	30-49	50+	TOTAL
LEADERSHIP TEAM	0	9	2	11
MANAGEMENT LEVEL	27	121	7	155
NON-MANAGEMENT LEVEL	139	85	6	230
TOTAL EMPLOYEES	166	215	15	396

*Does not include contractors.

LIFE AT ICEBREAKER

We invest in and develop our people. We encourage our team to consider internal moves and internal relocations. This broadens their professional and life experience.



ADAM ROWLAND

"I've worked for big brands around the world. I am extremely humbled to be part of the icebreaker family here in New Zealand. It's not about selling the latest trend. It's about sharing the belief that 'nature has the solution'. This purpose drives us all to do our best and find new ways to bring sustainable solutions to everyone. Never have I been so proud to work with a brand. Its purpose has guided my own beliefs on how to be a better human and look after our planet."

Joined: 2016

Position: Global Head of Planning, based in Auckland, New Zealand.



EMILY CLARK

"Moving to Munich is both a personal and professional opportunity of a lifetime. I feel really lucky to be here. Working in another market means that even after four-and-a-half years, every day I am learning something new. It has also shown me that throughout the world, despite cultural differences, we are all icebreakers. We are all passionate about what we do and what we are creating here. It's something special to be a part of, and makes me proud to be a Kiwi abroad. I'm lucky to have had such an easy transition, with icebreaker supporting me every step of the way."

Joined: 2014

Position: eCommerce Site Coordinator, based in Starnberg, Germany.



TRUDIE ABEL

"I love to travel. So it's fortunate that icebreaker encourages us towards adventure, personally and in our careers. This adventure has taken me from Europe to the home of icebreaker in New Zealand, and to our North American headquarters in Vancouver. Re-locating countries and transitioning from a global role to a regional role has given me incredible insights. They serve me every day in my position, and have shifted my perspective entirely. icebreaker enables opportunities, and then empowers you to design what that opportunity looks like."

Joined: 2016

Position: Regional Head of Marketing, based in Vancouver, Canada.

“icebreaker enables opportunities, and then empowers you to design what that opportunity looks like.”

Trudie Abel



HANNAH PHILIP

“I was ready for a new adventure. I got the promotion I worked towards and the opportunity to move to Canada! Over here, I have developed my skills and been pushed out of my comfort zone, both personally and professionally. Being a passionate Kiwi and icebreaker I am proud to represent New Zealand on the global stage and bring my loud Kiwi spark to the North America office.”

Joined: 2012

Position: Customer Service Team Leader – Direct-to-Consumer, based in Vancouver, Canada.



TRACY LYNES

“My favorite thing about icebreaker is the people I get to work with every day. It’s awesome to be surrounded by people who share the same passion and respect for nature and believe in the products we make. The welcome from the North American team in Vancouver when I moved over really reinforced this. I am able to share insights with, and receive support from, the New Zealand finance team where my icebreaker journey began, the global finance team, and my new North American team. This allows me to always be learning and taking on new challenges that support both my personal and professional goals.”

Joined: 2015

Position: Senior Accountant, North America, based in Vancouver, Canada.



TYSON METIVER

“It took me a while to realize how important change is to my personal growth. For a long time I felt stagnant, affecting my fulfillment within my work and personal life. I knew I needed a massive disruption in my lifestyle to find a stronger sense of purpose. It wasn’t just changing jobs within icebreaker, but changing places. Packing up and throwing myself into new situations that challenged me on every level of my personal and professional being. Partnering with a company that aligns with those values of challenge and progression accelerated that process for me, and now I look back with a massive sense of pride and accomplishment.”

Joined: 2014

Position: Account Manager, based in Wellington, New Zealand

GENERATING OUR PEOPLE POWER

BRINGING OUR TEAM TOGETHER

icebreaker succeeds through close, long-term relationships: we bring people together.

Leadership Development Program

We held our first ever two day leadership development workshop for 66 of our global leaders in Auckland in May 2018.

It has opened another way for us to develop and invest in our people. It also helps to ensure our teams are challenged, empowered, included and trained to thrive in the work they do. We wanted to bring our global leaders together as a leadership community to share their experiences and insights. Together we explored how to prepare, support and encourage each other and our teams through growth and change.

We are continuing to engage this leadership community in regular follow up sessions every 6-8 weeks to share learnings and maintain momentum around this new approach to leading people.

Global Sales Meeting

This year, in addition to our annual Vendor Summit, we held a global sales meeting in New Zealand. It was an initiative of a small feisty group of smart and dedicated individuals within our brand team, with the aid of The New Zealand Merino Company. We brought 118 people from our US, Canada, Europe and Asia sales teams to icebreaker's high country heartland. It was a chance for them to be immersed in icebreaker's

provenance and history, and to meet our merino growers.

They spent a night on a merino station. The remainder of the week was in Queenstown. The participants worked together on the Spring Summer 19 product and marketing campaigns.

ETHICAL LEADERSHIP

Our Code of Business Conduct

As a result of icebreaker's acquisition by VF Corporation, we have adopted the VF Code of Business Conduct to guide the way we will conduct ourselves in our day-to-day work.

The code includes five key principles. They guide how we conduct ourselves and our business relationships:

1. Leading with integrity.

Each of us demonstrates the characteristics of a leader. We are responsible for ensuring our colleagues and business partners feel comfortable asking questions and raising concerns.

2. Treating everyone with dignity and respect.

People are our greatest asset. We know that what makes us great is employees and partners worldwide.

3. Competing fairly and honestly.

Winning in the right way is essential to our success. This includes avoiding conflicts of interest and ensuring that we keep accurate accounting and financial records.

4. Following the law wherever we do business.

We commit to following the law and ensuring compliance in our daily operations worldwide.

5. Striving to make our communities better.

We have a responsibility and an opportunity to lead our industry toward a better future. Our efforts on sustainability, responsibility and community engagement help us keep this commitment.

VF Training

VF provides online and facilitated training on the Code of Business Conduct. There is also training on anti-corruption, conflicts of interest, fair competition and intellectual property.

Ethics Helpline

VF operates a global ethics helpline. It's a free, confidential way for anyone – not just employees – to seek guidance, ask a question or raise a concern about any of its companies. It is available 24 hours a day/ seven days a week in more than 150 languages, in every country where VF has employees. Anonymous reporting is available where allowed by law.

The VF Ethics and Compliance team reviews every report and assigns an appropriate investigator. Every effort is made to investigate reports appropriately, consistently and in a timely manner. Retaliation against anyone making a report or participating in an investigation is not tolerated.



Leadership development workshop

HEALTH AND WELLBEING

We believe it is vital to have a healthy balance between our professional lives and our lives beyond our work.

This year our regional H&S committees are focusing on four key pillars: Balance, Wellbeing, Connection and Safety, with a commitment to supporting our team to explore the ways they work best and offering practical and relevant tools and initiatives to help them achieve this.

We also held a Wellbeing Speaker Series in Auckland where a professional life coach provided practical tips on ways to improve how we live, work and respond under pressure to help us better understand our human potential.

THE SHEEP DOGS

GRASSROOTS SUSTAINABILITY

The Sheep Dogs is an employee-run grassroots office sustainability group that brings awareness and positive change to a business that cares deeply for our environment. We don't play by a specific set of office rules, but instead act on the good ideas from within ourselves and from our friends, the people who work around us.

icebreaker tends to attract people who are into sustainability, environmentalism and social awareness. The Sheep Dogs are now also part of the induction process, giving everyone the chance to get involved from day one.

We've been involved in making a load of changes, some small, some not so small. We've been involved in a range of activities: Reducing waste, cutting water and energy use and hosting environmental awareness evenings in the office to encourage people to take action in their everyday lives from work to home.

Here are some highlights:

- **Plastic-Free Awareness Month.** Employees pledged not to bring or use single-use plastic in the office kitchens.
- **Reduce printing.** Our printers now print only when you are at the machine and input a password. This has cut printing by nearly a third, and eradicated forgotten printed documents.
- **Centralized rubbish.** Having one clearly differentiated set of waste bins has increased recycling and composting.
- **Tree-less toilet paper.** Alternatives such as toilet paper made from bamboo and sugar cane help cut deforestation.

- **Fairtrade and organically grown office coffee**
- **Turning off retail store video displays at night**
- **Office supplies** and cleaning products that demonstrate sustainability and social benefit credentials
- **Free keep cups** for all our global office employees
- **Quarterly casual documentary movie nights** to stay informed
- **Regular office guest speakers** on global and local sustainability
- **Beach clean-ups** and tree-planting events
- **Carbon-off-setting flights** to the 2018 Vendor Summit in Shanghai
- **Sponsorship of the Endangered Kiwi Breeding Program**, Taranaki Region, New Zealand
- **Planted edible office gardens** to give icebreakers a chance to grow our own food and create an inviting outdoor space.

Next, we have our eye on soft plastics recycling, increasing the use of rechargeable batteries for gadgets that can take them, and ditching sandwich cling film in favor of beeswax wraps as well as more conservation sponsorship.

"I'm really proud of what we've created, but what's more important is that it gives everyone in our office a sense of pride in the company they chose to work for. It elevates all of us, knowing we're part of something good." **Ken Harris, Lead Sheep dog**



01



02



03

01 Founding Members

02 Tree Planting

03 Ken Harris,
Lead Sheep Dog

04 Inspiring the teams
in our Auckland
office



04

OUR PROGRESS

WHAT IS WORKING

- We have a defined set of Guiding Principles (values) and a new Code of Business Conduct setting out the expectations for ethical business conduct.
- The establishment of a global leadership development program.
- The launch of the Ethics Helpline and training to encourage people to speak up and feel comfortable asking questions and raising concerns.
- In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.
- Launching of the VF learning journeys and online resources for both individual contributors and people leaders.
- Extended ethics training including techniques for tackling bullying and harassment in the workplace.
- Clear communication of our business goals and strategic priorities.
- Providing opportunities for icebreakers to combine career development with adventure, by actively encouraging international relocations between our global offices.
- Retail management and sales development programs.
- Social clubs in each region managing events and activities to build relationships and have fun together.
- Grassroots sustainability groups in each office.
- Grower connection – encouraging and organizing station visits to connect our icebreaker team with the spiritual heart of our business.

WHAT WE ARE WORKING TOWARDS

- In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.
- Launching of the VF learning journeys and online resources for both individual contributors and people leaders.
- Extended ethics training including techniques for tackling bullying and harassment in the workplace.
- Increased diversity and inclusion initiatives.

APPENDIX

88	Transparency Inbox Overview
90	Grower Listing
92	Supplier Listing
106	Materiality Matrix

TRANSPARENCY INBOX OVERVIEW

In 2017, we launched the transparency@icebreaker.com email, to allow our partners and consumers to 'Ask us Anything'. Here are some of the questions.

OUR BUSINESS

Q. What are the main values leading your business?

A. At icebreaker we explore the relationship between people and nature. Nature is our hero. Our purpose is to offer our customers a natural alternative to synthetics and to lead the outdoor industry towards sustainable solutions. Our three guiding principles are adaptation (the ability to adapt to an ever changing environment), symbiosis (living things working together for mutual benefit) and sustainability. You can find out more about our values and principles here: <https://nz.icebreaker.com/en/our-story/philosophy.html>

OUR GROWERS

Q. How can you be sure your wool comes from animals who are treated humanely?

A. We are committed to working closely with our merino growers; in some cases, these relationships span over 20 years. This is how we know that we work with some of the best merino growers in the world. Growers who share our values for producing sustainable, ethically sourced merino fiber. icebreaker sources from the ZQ grower accreditation programme <http://www.zqmerino.co.nz>. This programme has been developed to provide customers with certainty that product quality, animal welfare and health, environmental, economic and social

values are positively addressed and provides further assurances through an independent third party on-farm audit process. icebreaker growers are committed to a strict animal welfare code, that also applies to the sheep dogs working on the stations.

Q. What measures do you take to ensure a balance between the sheep's grazing needs being met, while protecting the natural ecosystem existing in each region?

A. We source our ethical wool through the ZQ accreditation program, which independently audits and regulates for best practice environmental sustainability. Sheep are grazed in some of the world's most beautiful and remote grassland areas and are free to roam throughout the year. Each farm is geographically diverse and located within a wider regional ecosystem, therefore, we take an individual approach to environmental management. Each of our growers must complete and maintain a land environment plan, focused on the protection of their landscape. Many growers have generational knowledge and care for the environmental systems unique to their property. The land is further protected through local regulation, governing the management of land, air and water natural resources.

Q. What breed of working dogs are used on your grower stations?

A. There are two types of dogs typically used on New Zealand sheep farms: Huntaways and Heading dogs. The Huntaway is a New Zealand breed of dog that is used for general sheep tasks, including helping to move sheep in and out of sheep yards during shearing time. The other type of dog is known as a Heading dog, which has been bred from a Border Collie; Heading dogs position themselves around the sheep to move them in certain directions. New Zealand doesn't have predators such as foxes or wolves, so we don't use dogs for the 'protection' of sheep, only to muster and move sheep.

OUR PRODUCT

Q. Do you have a recycling program up and running for used or damaged icebreaker products?

A. We currently don't have a garment recycling program in place, but this is one of the key projects we have on our roadmap and we have set a goal to establish one by 2022. Before launching the program there are a number of dependencies to work through including ensuring that the methods and processes used for collecting, transporting and processing or repurposing the garments are sustainable.

OUR SUPPLY CHAIN

Q. I would love to know who is making my icebreaker products. What kind of conditions are they working in? Are they paid a decent wage? Are they all adults? What is icebreaker doing to ensure these things?

A. Great questions - these are all things that are very important to us. We take a diligent approach to our supply chain management systems. This includes a robust supplier on-boarding process and arranging third party ethical audits before we start working with a new supplier. All of our suppliers must agree to our Supply Chain Code of Conduct, which outlines our human rights policy and is founded on the International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work. If you would like to know more, we have outlined the full details of our approach in our 2017 Inaugural Transparency report which can be downloaded from our website: www.icebreaker.com

Q. Do you think we'll one day be able to track from farm to garment? It'd be great to see where the wool from a purchased garment originates and the factories that contribute to its manufacture.

A. We are able to trace the source of all components of our product from fiber through to trims at each stage of our supply chain. Each stage of production has a unique set of compliance and quality checks. The challenge with linking a specific garment right back to an individual

sheep station is that during the wool tops process, our wool (which comes from multiple stations) is blended together many times over during the cleaning, carding and combing process in order to achieve a homogenous and consistent level of quality, appearance and performance.

Q. How do you ensure that the dying processes are environmentally friendly and that dyestuffs are safe for consumers?

A. We work with suppliers who have on site water processing plants. This ensures that all water used in the dying process is completely cleaned before it can be discharged. Our audit format includes a waste management section, which checks that the factories' chemical and water management systems are meeting our stringent standards. Since 2006 we have undertaken the STANDARD 100 by OEKO-TEX® certification on an annual basis. 92% of the fabrics in our FW17 range have been certified, the 8% balance is due to seasonal small run fabric. This is a globally recognized, independent testing and certification system used to confirm the absence of harmful substances within a fabric or raw material.

OUR PEOPLE

Q. What will change in your internal culture now that icebreaker is no longer a New Zealand-owned company?

A. In April 2018 icebreaker was acquired by VF Corporation because they believe in our product and our ethos. Our partnership with VF provides us with the largest platform in the world to tell our story, access new markets and reach new consumers at an accelerated pace. This is a once-in-a-lifetime opportunity for our global brand and for our wool suppliers to introduce new consumers to the benefits of sustainably farmed, ethically sourced merino wool. icebreaker was built on the foundations of sustainability and traceability. We want to be global leaders in transparency and inspire other companies to do the same. We will continue to look for opportunities to engage and collaborate within VF Corporation and our broader industry.

GROWER LISTING

ICEBREAKER CONTRACTED GROWERS FOR SEASON 2018

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
ARDGOUR	Wanaka	12/07/17
AWAPIRI	Blenheim	15/06/17
BALDWIN	Roxburgh	21/03/18
BEN DHU	Omarama	22/06/18
BENMORE	Omarama	17/04/18
BLACKSTONE HILL	Omakau	20/03/18
BLUE MOUNTAIN	Fairlie	2/02/18
BLUFF	Kekerengu	13/06/17
BOG-ROY	Kurow	20/02/18
BONJEDWARD	North Canterbury	2/08/17
BRAEVAAR	Amberley	2/06/17
BRANCH CREEK	Wanaka	19/06/18
BRANCHES	Queenstown	15/05/18
CAIRNMUIR	Cromwell	14/06/17
CARRICK	Cromwell	11/08/17
CARRICKMORE	Ranfurly	20/06/18
CASTLE RIDGE	Ashburton	21/11/17
CATHERINE FIELDS	Pukaki	23/03/18
CECIL PEAK	Queenstown	31/08/17
CLUDEN	Cromwell	27/06/18

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
CORA LYNN	Arthurs Pass	26/06/17
CORLEGGY	Blenheim	4/07/17
CRAGSIDE	Oturehua	5/06/18
CRAIGLEA	Roxburgh	15/03/18
DOLPHINS	Palmerston	21/06/18
EARNSCLEUGH	Alexandra	6/07/17
EREWHON	Ashburton	22/08/17
GLEN ORKNEY	Blenheim	14/03/18
GLENFOYLE	Cromwell	19/06/17
GLENTANNER	Mt Cook	14/02/18
GODLEY PEAKS	Lake Tekapo	26/02/18
GOULBURN	Oturehua	20/03/18
GRANTLEIGH (BEN OHAU)	Twizel	19/01/16*
HARTFIELD	Ranfurly	10/07/18
HILLTOP DOWNS	Roxburgh	14/06/18
HORSESHOE	Roxburgh	21/05/18
IDA VALLEY	Oturehua	15/06/18
LAKE COLERIDGE	Darfield	15/11/17
LAKE HERON	Ashburton	22/08/17
LAKE OHAU	Omarama	23/02/18

* Audit completed on Ben Ohau station prior to ownership and name change to Grantleigh

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
LAKE TAYLOR	Hawarden	19/04/18
LINDIS PEAKS	Tarras	21/06/17
MAHERUA	Little River	11/04/18
MANGAITI	Wanganui	7/06/17
MATAKANUI	Omakau	19/06/17
MIDDLEHURST	Blenheim	W/06/18
MONAGHAN	Blenheim	12/06/17
MT NICHOLAS	Queenstown	31/08/17
MT ROSS	Middlemarch	23/06/17
MT WHITNOW	Hawarden	18/06/18
MULLER	Blenheim	27/06/18
MUZZLE	Clarence Valley	6/03/18
NOKOMAI	Lumsden	15/06/17
NORTHBURN	Oturehua	14/03/18
OMARAMA	Omarama	6/02/18
ORMOND	Blenheim	27/04/18
OTEKAIEKE	Duntroon	19/04/18
OTEMATATA	Otematata	20/03/18
OTEMATATA/A	Otematata	20/03/18
PATEAROA	Ranfurly	21/03/18
REDCLIFFS	Methven	4/09/17
ROSENEATH	Kurow	30/04/18
ROUGH RIDGE	Oturehua	12/03/18
STONEHENGE	Ranfurly	21/03/18
TE AKA	Kurow	23/03/18

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
TEMPLE PEAK	OTAGO	20/06/18
TEVIOT RIVER DOWNS	Roxburgh	18/05/18
THE GUMS	Cheviot	16/08/17
THE ROCKS	Middlemarch	23/04/18
TYNTESFIELD	Blenheim	13/03/18
UPCOT	Blenheim	27/03/18
WAITANGI/S	Kurow	23/03/18
WALTER PEAK	Queenstown	16/01/18

SUPPLIER LISTING

ICEBREAKER SUPPLY CHAIN LISTING

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
A&E	A&E Dongmei Thread Manufacturing Co., Ltd	Trims Vendor Sourced	X	China	Nange Industrial Village of Daojiao Town, Dongguan City Guangdong Province, PRC
AD TRIMS	Ad Trims	Trims Vendor Sourced	X	Bangladesh	261, Ukil Building (Ground Floor), Jamal Khan Road, Chittagong Bangladesh
AVERY DENNISON	Paxar Packaging Guang Zhou Limited	Trims	Jul-18	China	Tanshan Village, Hualong Town, Panyu District, Guangzhou, Guangdong Province, China, 511434
BEMIS	Bemis	Trims	X	USA	2849 Greenwich St. Suite 1, San Francisco CA 94123
BUTTON INTERNATIONAL	Changshu Button International Co., Ltd	Trims	X	China	2nd Floor, #8 Aleey 30, Lane 358, Ruiguang Road, Taipei, Taiwan 114
CHARGEURS	Zhangjiagang Yangtse Wool Combing Co Ltd	Tops Production	Mar-18	China	European Industrial Park, Tangshi St, Yangshe Town, Zhangjiagang City, Jiangsu, 215618
CHARMTECH INDUSTRIAL LIMITED	Qingyuan Bowcharm Garment Manufacturing Limited	Tops Production	Aug-17	China	Zhoutian Industry Area, Taihe Town, Qingxin County, Qingyuan city, Guang Dong province, China
CHIA HER	Chia Her International	Fabric	May-18	Taiwan	Gongye road, Guanttian District, Taiwan, ROC
COATS	Shanghai Coats Thread Co., Ltd.	Trims	X	China	No.9 Baosheng Road, Songjiang District, Shanghai, China
COATS BANGLADESH	Coats Bangladesh Limited	Trims	X	Bangladesh	Fouzderhat Industrial Estate, Sagorika Road,P.O custom Academy, Chittagong4219, Bangladesh.
COATS VIETNAM	Coats Phong Phu Company	Trims	X	Vietnam	Phố Nối B Industrial Park - Nghĩa Hiệp - Yên Mỹ - Hưng Yên Province

TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
369	25%	75%	0%	50%	50%	2013	6 years
22	100%	0%	0%	0%	100%	2017	2 years
4069	17%	83%	0%	56%	44%	2007	12 years
450	99%	1%	0%	30%	70%	2016	3 years
175	17%	83%	0%	70%	30%	2009	10 years
172	34%	65%	1%	40%	60%	2006	13 years
420	76%	24%	0%	78%	22%	2012	7 years
822	79%	21%	1%	0.51	0.49	2014	5 years
179	28%	72%	0%	38%	62%	2010	9 years
1588	97%	0%	3%	1%	99%	2014	5 years
399	99.75%	0.25%	0%	51%	49%	2005	14 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
DANMAO (JIANGSU DANMAO TEXTILE CO LTD)	Jiangsu Danmao Textile Co Ltd	Fabric	May-18	China	No.2 Lumeng North Road, Lucheng, Danyang, Jiangsu, China
DD CORPORATION	Dd Corporation	Trims Vendor Sourced	X	Bangladesh	1338/A, Al Noor Manzil Nasirabad R/A, Chittagong
DESIGNER TEXTILES INTERNATIONAL LTD	Designer Textiles Vietnam	Fabric	Jan-18	Vietnam	Lot P, Hoa Xa Industrial Park, Nam Dinh, Vietnam
DIRECT SOURCE PACKAGING	Dong Sung Printing Co., Qingdao Factory	Packaging	May-18	China	Qingdao D.S. Corporation, Shaoshan, Xiazhuang Town, ChengYang District, QingDao, China 266107
DONG HWA	Donghwa Textile Co.,Ltd	Trims Vendor Sourced	X	Korea	Hanhwabizmetro 2-Cha, #511 449-21 Gayang-Dong, Gangseo-Gu, Seoul, Korea
DONGGUAN BAOYUN CLOTHING ACCESSORIES CO.LTD.	Dongguan Baoyun Clothing Accessories Co.ltd.	Trims Vendor Sourced	X	China	Sukeng Management District, Changping Town, Dongguan City, Guangdong Province
DONGGUAN HENGLIANG PRINTING.,LTD.	Dongguan Hengliang Printing.,Ltd.	Trims Vendor Sourced	X	China	A-4,NO.41 Meiming Industrial Pack,Shangnan Road,Shangjiao,Changan Town,Dongguan
DOUBLE RETAIL	Pafos, Inofyta	Pos Fixtures	Jan-18	Greece	32011 Inofyta Viotias Greece
DOUBLE RETAIL	Veta, Athens	Pos Fixtures	Jan-18	Greece	1-3 Aristeidou str, Aharnai, Athens, Attica, Greece
DUC PHUC	Duc Phuc Co., Ltd	Trims Vendor Sourced	X	Vietnam	No 190 Hai Ba Trung, Ba Trieu Ward, Nam Dinh City, Vietnam
E.C.I. ELASTIC CO., LTD	E.c.i. Elastic Co., Ltd	Trims	X	China	Qian - Wu, Doumen China
ECLAT TEXTILE CO., LTD	Eclat Textile Co.,Ltd	Fabric	Apr-18	Taiwan	No.28, Wu Chuan Road, Wu Ku industrial park, New Taipei City, Taiwan
EMSIG	Sunco Button Factory	Trims	X	China	263 West 38th Street, Flr 5th, New York 10018 USA. Factory: Ker Yuan 7th Road, Tang Xia, Dongguang
EVEREST TEXTILE	Everest, Tainan	Fabric	May-18	Taiwan	256 Ming Ho Tsun, Shansan Hsiang District, Tainan Hsien, Taiwan, R.O.C.
FORMOSA TAFFETA CO.	Formosa Taffeta Co.ltd	Fabric	Sep-17	Taiwan	317, Shu Liu RD., Touliu 640, Taiwan, R.O.C
FREUDENBERG & VILENE INTERNATIONAL LTD.	Freudenberg & Vilene Interlining (Natong) Co., Ltd.	Trims	X	China	408 Chang Jiang Middle Road, Nantong/China

	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
	1060	95%	5%	0%	60%	40%	2011	8 years
	9	100%	0%	0%	0%	100%	2015	4 years
	150	87%	13%	0%	27%	73%	2000	19 years
	125	98%	2%	0%	52%	48%	2016	3 years
	31	81%	19%	0%	30%	70%	2013	6 years
	100	50%	48%	2%	70%	30%	2015	4 years
	60	60%	40%	0%	45%	55%	2015	4 years
	112	39%	28%	33%	13%	87%	2014	5 years
	220	83	0%	1700%	5%	95%	2014	5 years
	8	100%	0%	0%	50%	50%	2013	6 years
	535	67%	33%	0%	58%	42%	2006	13 years
	1000	94%	5%	1%	55%	45%	2016	3 years
	60	0%	100%	0%	23%	77%	2007	12 years
	1906	68%	0%	32%	50%	50%	2013	6 years
	3723	84%	0%	16%	34%	66%	2016	3 years
	261	100%	0%	0%	39%	62%	2015	4 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
FUDING	Shanghai Fuding Dress Co.,Ltd	Trims Vendor Sourced	X	China	No.156 Shenxi Village Zhoupu Town, Shanghai
GRAPHIC VISUAL SOLUTIONS	Graphic Visual Solutions	Packaging Vendor Sourced	X	USA	4301 Waterleaf Court, Greensboro, NC 27104
GUILIN EVER GREEN HANGER FACTORY	Guilin Ever Green Hanger Factory	Pos Fixtures	X	China	Shangzhai Tun, Zaijiao Village, Licheng County, Lipu Town, Guilin City, Guanxi, China
HAIRUI	"Shanghai Hairui Industrial Limited Company	Trims Vendor Sourced	X	China	No.68 Dongheyan Road Chenqiao Town, Chongming District, Shanghai China
INSIGHT PRINT MEDIA	Insight Print Media Ltd	Pos Fixtures	Jul-18	UK	Unit 17, Bristol Vale Trading Estate, Bedminster, Bristol, BS3 5RJ
INTERNATIONAL MOULDERS LIMITED	Dongguang Honghua Bra Subsidiary Material Products Co Limited	Trims	X	China	A10, Jinfu RD, Tangchun Industrial, Liaobun Town, Dongguan, Guangdong Province
INTERSOCKS D.O.O	Recinko D.o.o (Confection)	Sock Vendor	Feb-18	Slovenia	Roška Cesta 41, Si-1330 Kočevje, Slovenia
INTERSOCKS D.O.O	Intersocks Trata (Previously Called Interconf D.o.o) Intersocks Confection Unit (Part Of Intersocks D.o.o)	Sock Vendor	Feb-18	Slovenia	Trata Xiv / 6, Si-1330 Kočevje, Slovenia
INTERSOCKS D.O.O	Insocks Srl (Knitting)	Sock Vendor	Jan-18	Italy	Via Dell ' Industria 28, It-32010 Pieve D'Alpago, Italy
INTERSOCKS D.O.O	Calz. Telemaco Srl (Knitting)	Sock Vendor	Sep-17	Italy	Via Brentella, 9, It-31040 Trevignano, Italy
INTERSOCKS D.O.O	Ana D.o.o (Confection)	Sock Vendor	Sep-17	Slovenia	Stari trg ob Kolpi 45, 8342 Stari trg ob Kolpi
ITW GRAPHICS ASIA LIMITED	Itw Sports Branding Enping Pacific Concept Industries Ltd.	Trims	Jul-18	China	Puqiao Economic Industry District, Shahu Town, Enping city, Guangdong Province, China
JINGXIAN	"Zhejiang Jingxian Garment Technologies Co. Ltd	Yarn - Vendor Sourced	X	China	No.9 Qunfeng No.1 Provincial Road, Lin Dai town, Pinghu Zhejiang Province, China
KEN SMITH YARNS	Ken Smith Yarn Company	Yarn - Vendor Sourced	X	USA	1530 Kirkpatrick Road Burlington, NC
KRAJEVSKI	Pphu Krajewski Marek Krajewski	Yarn - Vendor Sourced	X	Poland	ul. Nadbzurzańska 19, 99-400 Łowicz, Poland

	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
	6	50%	50%	0%	50%	50%	2010	9 years
	100	100%	0%	0%	30%	70%	2008	11 years
	90	100%	0%	0%	70%	30%	2009	10 years
	36	100%	0%	0%	50%	50%	2018	1 year
	6	100%	0%	0%	0%	100%	2017	2 years
	313	4%	96%	0%	44%	56%	2017	2 years
	57	100%	0%	0%	88%	12%	2014	5 years
	47	100%	0%	0%	90%	10%	2014	5 years
	21	57%	43%	0%	48%	52%	2014	5 years
	17	53%	47%	0%	58%	42%	2014	5 years
	23	100%	0%	0%	92%	8%	2014	5 years
	180	80%	20%	1%	63%	37%	2008	11 years
	220	80%	20%	0%	80%	20%	2017	2 years
	15	100%	0%	0%	46%	54%	2016	3 years
	65	90%	10%	10%	60%	40%	2014	5 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
KTC LIMITED	Heshan Rondor Garments Limited	Garment Vendor	Nov-15	China	No. 1601 Renmin Road East, Shaping Town, Heshan City, Guangdong, People's Republic of China
LEE BOU INTERNATIONAL LTD.	Wuxi Lee Bou Silicone Industries	Trims	Jul-18	China	No. 16, Hexin Rd., Xishan District, Dongting Town, Wuxi City, Jiang Su, China
LISHUN	Shanghai Lishun Accessories Co.,Ltd	Trims Vendor Sourced	X	China	Room 102, No.9th Lane 500 Xiangyin Road Shanghai
LIUQING	Zhejiang Hujiang Thread Co.,Ltd	Trims Vendor Sourced	X	China	675 Airport Road, Yiwu, Zhejiang Prov.
LIUQING SEWING THREAD COMPANY	Liuqing Sewing Thread Company	Trims Vendor Sourced	X	China	No 2048,Airport road Liuqing Industrial Park, Yiwu City, Zhejiang Province
LUART D.O.O	Luart D.o.o	Packaging Vendor Sourced	X	Slovenia	Parmova ulica 41, 1000 Ljubljna
MAGHINA	Filati Elastici Maghina Srl	Yarn - Vendor Sourced	X	Italy	Via Marconi 54 - 25020 San Paolo BS - Italy
MCMICHAEL	Mcmichael,Mills, Inc.	Yarn - Vendor Sourced	X	USA	130 Shakey Rd. Mayodan, NC 27027
mitsui BUSSAN I-FASHION LTD.	Mitsui Ochiai-Cho Factory	Fabric	Jun-18	Japan	15. Ochiai-Cho, Kisshoin Minami-ku, Kyoto, Japan 601-8324
MITSUI BUSSAN I-FASHION LTD.	Mitsui Ishikawa Factory	Fabric	X	Japan	Nu161-4, Hama-machi, Nomi-shi, Ishikawa pref, Japan 929-0124
NANTONG BANGRUN LACE/ELASTIC FABRICS CO.LTD	Nantong Bangrun Lace/Elastic Fabrics Co.ltd	Trims Vendor Sourced	X	China	Xinglong Road, Tianshenggang District, GangZha Area, Nantong City, JiangSu Province
NAXIS	Naxis Co., Ltd	Trims	X	Japan	64-6 Oguro, Maruoka-cho, Sakai-shi, Fukui, Japan
NESTER HOSIERY	Nester Hosiery Inc	Sock Vendor	Nov-17	USA	1546 Carter Street, Mt. Airy, NC 27030
NEW YARN	New Yarn Srl	Yarn - Vendor Sourced	X	Italy	Via Industriale, 7 Barbariga 25030 (BS) ITALIA
NHAN MY	Junmay Label Co., Ltd	Trims Vendor Sourced	X	Vietnam	Lot CN-01-03 Ninh Hiep Industrial Zone Ninh Hiep Commune Gia Lam District Hanoi City Vietnam

TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
60	60%	40%	0%	45%	55%	2015	4 years
233	12%	85%	2%	70%	30%	2008	11 years
30	60%	40%	0%	90%	10%	2005	14 years
465	37.60%	62%	0%	32%	68%	2017	2 years
595	40%	60%	0%	80%	20%	2016	3 years
35	97%	0%	3%	52%	49%	2014	5 years
20		0%	25%	45%	55%	2014	5 years
295	100%	0%	9%	57%	43%	2016	3 years
168	73%	27%	0%	21%	79%	2016	3 years
155	82%	2%	16%	30%	70%	2016	3 years
30	30%	70%	0%	40%	60%	2016	3 years
607	85%	15%	0%	82%	18%	2016	3 years
185	99%	1%	0%	60%	40%	2005	14 years
5	80%	0%	20%	20%	80%	2014	5 years
90	62%	30%	8%	66.67%	33.33%	2013	6 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
NIFCO TAIWAN CORPORATION	Nifco Taiwan Corporation	Trims	X	Taiwan	No.198, Sec.2, Zhong Ai Rd.,Guan-Yin District. TaoYuan City 407. Taiwan
NOA BRANDS DBA FUSION SPECIALTIES	Fusion Specialties	Pos Fixtures	May-18	Mexico	Santos Dumount #6620, Cd. Juarez, Chih, Mexico
NYFIL,	Nyfil	Yarn - Vendor Sourced	X	Italy	VIA DELL'ARTIGIANATO 69 - 25018 - MONTICHIARI - BS
PAIHO GROUP	Paiho Group Wuxi	Trims	Jul-18	CHINA	No.18 HeXin Rd, Dongting Town Xishan District, Wuxi City Jiangsu
PAIHO GROUP	Paiho, Taiwan	Trims	X	Taiwan	No. 575 Hokang Road Homei Township Changhua County Taiwan 508
PURFORM - SIMPLEX PLAST.	Simplex Plast	Pos Fixtures	Feb-18	India	Plot No. 29, Diwan & Shah Udyog Nagar, Waliv Village, Sativali Rd, Vasai East, Dist Palghar 401208, India
QIANZI	Wuxi Daoyue Trading Co., Ltd	Trims Vendor Sourced	X	China	86-1111 Hubing Road Binghu District, Wuxi, Jiangsu Prov
R.M. ENTERPRISE	R.m. Enterprise	Trims Vendor Sourced	X	Bangladesh	40/41 Kodom Mobarak Momin Road, Chittagong Bangladesh
S.E.C. ACCESSORIES LTD.	S.e.c. Accessories Ltd. (Dongguan)	Trims	X	CHINA	4th Floor, Dai Long Xin Wei Zai Village, Xiegang Town, Dongguan City, Guangdong Province, China
SAFE REFLECTIONS	Safe Reflections Inc	Trims	X	USA	3220 Granada Ave N St Paul Minnesota US 55128
SAFIL SPA	Safil Spinning Plant	Yarn	Mar-17	Bulgaria	Industrial Zone, 4134 Scutare, Plovdiv, Bulgaria
SAFIL SPA	Safil Dyeing Plant	Yarn	Mar-17	Italy	Via del Mosso, 10, Gaglianico, Biella, Italy
SHANGHAI CHALLENGE	Shanghai Challenge Garment Co. Ltd	Garment Vendor	Apr-18	China	No.1918 Tingfeng Road,Tinglin,Jin Shan District, Shanghai 201514, P.R.C.
SHANGHAI CHALLENGE	Lianyun Gang Guanlin Garment Co., Ltd	Garment Vendor	Nov-17	China	No.68 Xingyang Road, Guanyun, Lianyungang City, Jiangsu Province, China
SHANGHAI CHALLENGE	Hubei Challenge Garment Co.,Ltd	Garment Vendor	Aug-17	China	Tongjigou Industry Plant,Zhushan,Shiyan, Hubei, China
SHANGHAI CHALLENGE	Shanghai Challenge Ltd	Fabric	May-18	China	No.1918 Tingfeng Road, Jinshan District, 201504, Shanghai, China

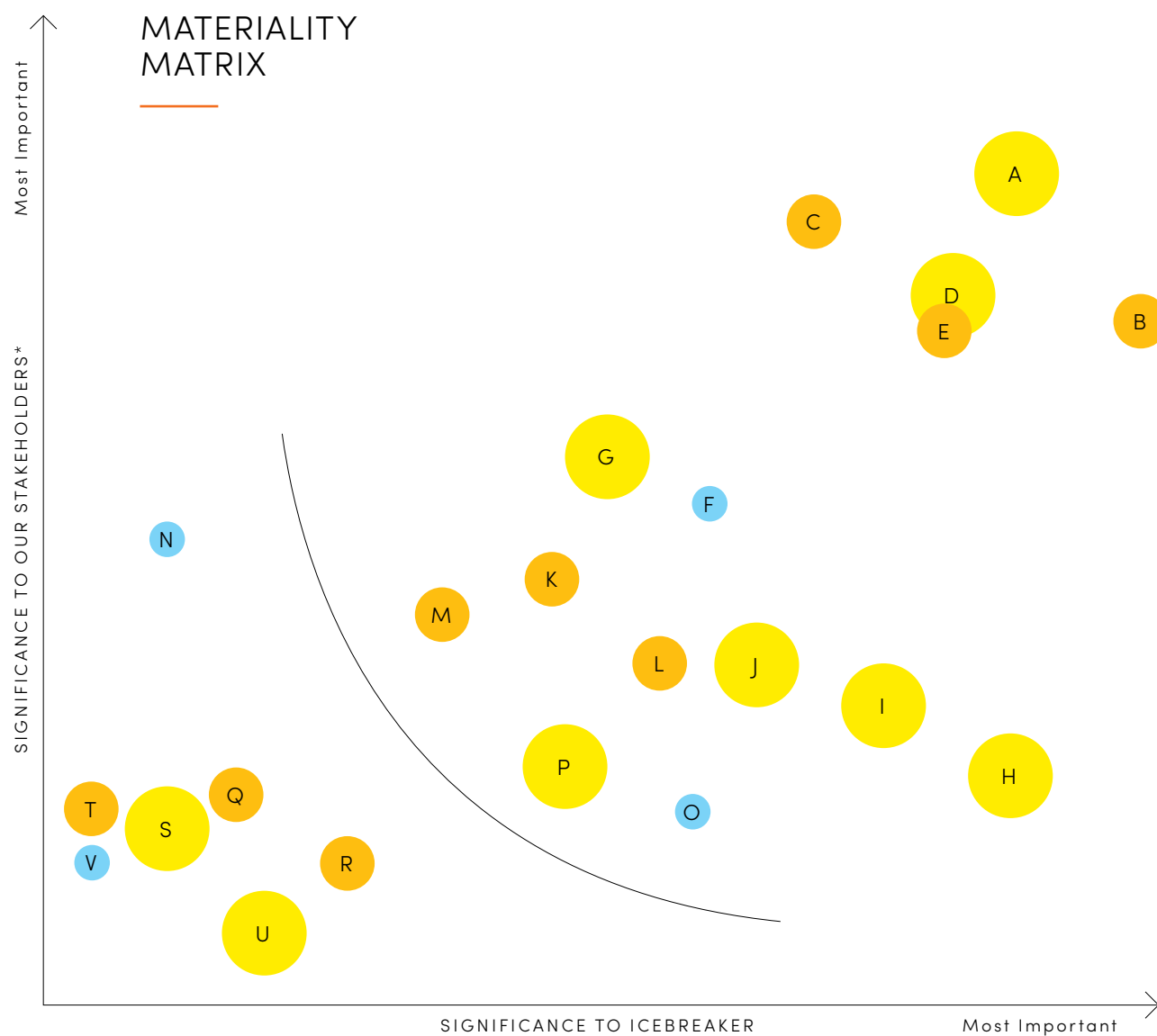
TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
250	99%	1%	0%	48%	52%	2015	4 years
450	100%	0%	0%	43%	57%	2013	6 years
8	25%	0%	75%	25%	75%	2014	5 years
1134	49%	51%	0%	63%	38%	2008	11 years
1060	77.00%	0%	24%	58%	42%	2008	11 years
29	100%	0%	0%	0%	100%	2006	13 years
3	100%	0%	0%	33%	67%	2017	2 years
7	100%	0%	0%	0%	100%	2016	3 years
53	11%	82%	0%	51%	49%	2016	3 years
86	91%	9%	0%	35%	65%	2018	1 year
585	100%	0%	0%	65%	35%	2015	4 years
150	92%	8%	0%	67%	33%	2015	4 years
745	75%	25%	0%	72%	28%	2004	15 years
156	98%	2%	0%	85%	15%	2015	4 years
770	89%	11%	0%	74%	26%	2018	1 year
787	81%	18%	1%	62%	38%	2004	15 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
SHIMADA	Shimada Sh	Trims Vendor Sourced	X	China	Room 904-908, Tower.a Far-East International Plaza,No.319 Xian Xia Road, Shanghai,China
SHIMADA	Shimada Shoji (Shanghai) Co., Ltd.	Trims Vendor Sourced	X	China	Rm 904-908 A Building, Far East International Plaza No 319 Xian Xia Road Shanghai China 200051
SML DONGGUAN DONG HING LABEL & EMBROIDERY CO., LTD.	SmlDongguan Dong Hing Label & Embroidery Co.,Ltd.	Trims Vendor Sourced	X	China	Shangsha District Chang'an Town Dongguan Guangdong Province China
SUEDWOLLE	Zhangjiagang Yangtse Spinning Co.,Ltd	Yarn	Nov-17	China	Economic Development Zone, Yang Zi Road 5, Tangshi, Zhangjiagang City Jiangsu Province China
SUPERCAP TIGER GROWTH ASSETS LIMITED.	Zhongshan Weili Textile Co., Ltd.	Garment Vendor	Aug-17	China	The 2Nd Industrial Area, Sanxiang Town, Zhongshan City, Guangdong Province
TAL APPAREL	Tal Global Alliances Limited	Garment Vendor	Jun-17	Vietnam	Nguyen Duc Canh Industrial Zone, Thai Binh City, Thai Binh Province, Vietnam
TECHNICAL & TEXTILE SERVICE SRL	Technical & Textile Service Srl	Yarn - Vendor Sourced	X	Italy	Via 8 Marzo, 25 Borgo San Giacomo
TECNOYARN	Tecnoyarn Spa	Yarn - Vendor Sourced	X	Italy	Via Alessandrini, 4 - 25086 Rezzato (Bs), Italy
THE BIG PICTURE	The Big Picture	Pos Fixtures	May-18	NZ	7D Saturn Place, Rosedale Auckland, 6032
TRIMCO GROUP (CLOTEX-LABELON)	Clotex Labels	Trims	X	Hong Kong	Flat G, 8/F, City Ind. Complex, 116-122 Kwok Shui Road, Kwai Chung, Hong Kong
TRIMCO GROUP (CLOTEX-LABELON)	Clotex Labels Hangzhou	Trims	X	China	1/F, Block 8, No.611, Dong Guan Road, Bin Jiang District, Hangzhou, Zhejiang, China
VENITRA SHEPHERD INC	Zhangjiagang Shepherd Inc.	Garment and Fabric Vendor	Dec-17	China	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiang Su Province, China
VENITRA ENTERPRISES INTERNATIONAL	Meng Di Corporation	Dying and Finishing	Jan-18	China	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiang Su Province, China
WENJIA	Kunshan Wenjia Weaving Co.,Ltd	Trims Vendor Sourced	X	China	No.1195 Yuanqu Road Zhouzhuang Town, Kunshan, Jiangsu Province, China.

TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
85	65%	20%	15%	50%	50%	2016	3 years
30	100%	0%	0%	60%	40%	2018	1 year
1800	20%	80%	0%	55%	45%	2011	8 years
1250	25%	75%	0%	62%	38%	2006	13 years
2466	4%	96%	0%	65%	35%	2014	5 years
4948	97%	3%	1%	83%	17%	2016	3 years
25	80%	20%	20%	50%	50%	2014	5 years
13	100%	0%	0%	45%	55%	2014	5 years
10	100	0%	0%	30	70	2014	5 years
195	95%	5%	0%	60%	40%	2016	3 years
110	100%	0%	0%	70%	30%	2016	3 years
1000	100%	0%	0%	70%	30%	2017	2 years
50	100%	0%	0%	30%	70%	2017	2 years
30	100%	0%	0%	60%	40%	2018	1 year

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS
XINLAN	Wuxi Xinlan Paper&Plastic Packaging Co.Ltd	Trims Vendor Sourced	X	China	Yanshuizhuang Village Ganlu Town, Xishan District Wuxi, Jiangsu Prov
YALISI	Yalisi (One Department Of Liuqing)	Trims Vendor Sourced	X	China	No 2048,Airport Road Liuqing Industrial Park, Yiwu City Zhejiang Province
YFYJUPITER LIMITED	Dongguan Xinhai Environment-Friendly Material Co., Ltd	Packaging	Dec-17	China	No.17 Shenxi Road, Houjie, Dongguan, Guang Dong, China
YIJANG KNITTING	Yijiang Knitting Co., Ltd	Garment Vendor	Apr-18	CHINA	No 9 Chunhui Road Xishan Edz Wuxi Jiangsu
YKK SH	Shanghai Ykk Zipper Co Ltd	Trims	X	China	7Th,Floor,No 501,Dongdaming Road,Shanghai Factory - 468 Lu-Chun Road,Minhang Econonic & Technological Development Zone,Shanghai
YKK SH	Shanghai Ykk Zipper Co Ltd	Trims	X	China	No.1258 Feidu Road,Pudong New Area,Shanghai
YOUNGONE CORPORATION	Youngone Corporation Bangladesh/ Karnaphuli Shoes Ind Ltd (Garment Unit)	Garment Vendor	Jan-18	Bangladesh	Korean Export Processing Zone, Anwara, Chittagong, Bangladesh
YOUNGONE CORPORATION	Youngone Nam Dinh Co Ltd	Garment Vendor	Jan-18	Vietnam	Lot O,P,Q,R, N6 Road, Hoa Xa Ip, My Xa Commune, Nam Dinh City, Nam Dinh Province, Vietnam
YOUNGONE CORPORATION	Youngone Corporation Bangladesh/ Karnaphuli Shoes Ind Ltd (Fabric Unit)	Trims Vendor Sourced	X	Bangladesh	Korean Export Processing Zone Anowara Chittagong Bangladesh
ZERO PRINTERS (SHANGHAI LING-DIAN GARMENT ACCESSORIES CO LTD)	Shanghai Donghong Printing Co Ltd	Packaging	Mar-18	China	No.2001 Jinteng Rd. Jin Shan District, Shanghai
ZHANGJIAGANG BONDED TIANKE TRADING CO.LTD	Zhangjiagang Bonded Tianke Trading Co.Ltd	Trims Vendor Sourced	X	China	Zhangjiagang Economic Development Zone Jiangsu Province
ZHONGSHAN HONGCAI TEXTILE CO.,LTD.	Zhongshan Hongcai Textile Co.,Ltd.	Trims Vendor Sourced	X	China	God Wan Town, Zhongshan City, Guangdong Province Bay Port Industrial Park

	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
	4	100%	0%	0%	50%	50%	2017	2 years
	595	40%	60%	0%	80%	20%	2016	3 years
	48	100%	0%	0%	38%	62%	2017	2 years
	58	75%	25%	0%	62%	38%	2017	2 years
	2300	98%	2%	2%	67%	33%	2008	11 years
	669	98%	2%	2%	60%	40%	2008	11 years
	7279	95%	5%	0%	80%	20%	2013	6 years
	12227	88%	12%	0%	73%	27%	2015	4 years
	82	100%	0%	0%	73%	27%	2015	4 years
	300	50%	50%	0%	60%	40%	2016	3 years
	300	50%	50%	0%	60%	40%	2016	3 years
	68	5%	95%	0%	20%	80%	2015	4 years



ICEBREAKER'S ABILITY TO HAVE INFLUENCE OR IMPACT IN BUSINESS ACTIVITIES



- A. PRODUCT QUALITY AND PERFORMANCE
- B. CHEMICAL USE
- C. ENVIRONMENTAL FOOTPRINT
- D. HUMAN RIGHTS AND ETHICAL LABOR PRACTICES
- E. WORKER WELLBEING
- F. CLIMATE CHANGE
- G. PACKAGING
- H. SUPPLIER RELATIONSHIPS & LONG-TERM CONTRACTS
- I. SYNTHETIC MATERIALS
- J. BRAND COMMUNICATION
- K. CIRCULAR ECONOMY
- L. PFCs

- M. WORKPLACE CULTURE
- N. COMMUNITY ENGAGEMENT AND CONTRIBUTION
- O. MONITORING, INSPECTING AND AUDITING
- P. ANIMAL WELFARE
- Q. GOVERNANCE & POLICY
- R. MATERIAL INNOVATION AND RESEARCH
- S. ECONOMIC PERFORMANCE
- T. INDUSTRY COLLABORATION
- U. WORKSPACE DIVERSITY AND EQUALITY
- V. CONSUMER ADVOCACY

**Our stakeholders: growers, suppliers, wholesale customers, consumers.*

This report was printed on FSC® paper
with vegetable die inks.





MADE DIFFERENT.

TRANSPARENCY
REPORT 2018



icebreaker

NATURE. IT MEANS THE WORLD TO US.

ICEBREAKER STARTED WITH A CHANCE MEETING ON A NEW ZEALAND MERINO STATION, WHERE OUR FOUNDER JEREMY MOON FIRST ENCOUNTERED MERINO AND ITS NATURAL AND MIRACULOUS QUALITIES. THIS ANCIENT FIBER WAS STILL RELATIVELY UNKNOWN AT THE TIME, BUT JEREMY KNEW INSTANTLY THAT IT WOULD BE THE PERFECT NATURAL ALTERNATIVE TO SYNTHETIC OUTDOOR CLOTHING.

SINCE THEN, ICEBREAKER HAS GROWN INTO A WORLD CLASS SUSTAINABLY-DRIVEN APPAREL COMPANY, WORKING WITH WHAT NATURE PROVIDES, WITH A BELIEF THAT NATURE IS THE ANTIDOTE HUMANS NEED TO BALANCE FASTER, BUSIER LIVES IN AN EVER-CHANGING WORLD.

AS AN INDUSTRY, THE APPAREL SECTOR HAS TO WORK HARD TO DRIVE THE CHANGE NEEDED TO REDUCE OUR IMPACT ON THE PLANET, AND IT TAKES SMALL STEPS TO MAKE BIG CHANGE. AT ICEBREAKER WE ARE COMMITTED TO CONTINUALLY SEEKING ALTERNATIVE WAYS OF PRODUCING NATURAL, ETHICAL AND SUSTAINABLE SOLUTIONS AND SHARE OUR DEVELOPMENT AND PROGRESS SO OTHERS CAN LEARN AND ADAPT.

TRANSPARENCY IS ABOUT SHARING OUR PROGRESS AND BEING RESPONSIBLE. WE'RE NOT PERFECT BUT WE ARE CONSTANTLY STRIVING TO BE BETTER.

ICEBREAKER. **MADE DIFFERENT.**

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KEY INITIATIVES

BY 2023

REPLACE, RENEW OR RECONSTITUTE ALL REMAINING SYNTHETIC ELEMENTS IN OUR PRODUCT LINE.

0% ACRYLIC

WE WILL FULLY EXIT FROM USING ACRYLIC BY SS20.

NO MORE PLASTIC

IN 2019 LAUNCH A WATER-SOLUBLE BAG FOR THE DISTRIBUTION AND DELIVERY OF PRODUCT.

BY 2019

PUBLISH A 5-YEAR SUSTAINABILITY ROADMAP DEFINED BY OUR MATERIALITY ASSESSMENT WITH INTEGRATED BUSINESS GOALS.



OVERVIEW

REPORT
OVERVIEW

“We are constantly struck by the irony of the industry to promote the use of synthetic fabrics as the ‘ideal technical’ layer. Really? Plastic against your skin? We believe there is a better way and nature has the answers.”



Jeremy Moon, Founder

FROM OUR FOUNDER

ICEBREAKER IS ABOUT ICEBREAKING

We explore the relationship between people and nature. It’s about kinship, not conquering. Nature is our hero. We believe living a life connected to nature is good for us. It’s the critical antidote to our busy city life.

Our purpose is to offer our customers a natural alternative to synthetics and to disrupt the outdoor industry towards sustainable solutions. It’s why we exist. We are constantly struck by the irony of the outdoor industry to promote the use of petroleum based, synthetic fabrics such as polyester and polypropylene as the ‘ideal technical layer’. Really? Plastic against your skin? We believe there is a better way and nature has the answers.

Icebreaker pioneered the ethical and sustainable production of natural performance clothing as an alternative to petrochemical synthetics. And we have a higher purpose beyond the clothes we make.

Our founding purpose defines not just what we make, but how we make it. It guides every design and development choice we make, it guides our manufacturing and distribution decisions, and it powers how we operate as a global team wanting to make a difference. Sustainability isn’t just a feature of our products, it’s in the values and design of our business.

We are committed to a business based on high performance nature based fabrics, and our supply chain is built on the foundations of transparency and traceability.

We also recognize that it is impossible to run a completely flawless business. Our commitment means we take responsibility in all four areas – caring for people, animal welfare, the environment and our business. We aren’t perfect, but we are conscious of our choices, and are constantly striving for better.

The apparel sector faces some specific challenges. These include: fast fashion and overconsumption, animal cruelty, a reliance on unsustainable materials, toxic emissions, invisible supply chains due to extensive sub-contracting and working conditions at the expense of people’s fundamental human rights.

Together, with our people, suppliers and customers, we want to make a positive difference. We were born to challenge the industry norms with an outsider perspective – to be not only the natural fiber champions, but together with our customers to be champions of nature.

We are proud to be part of a global movement working on better ways to relate to each other and the natural world around us.

Thank you for joining us on this journey.

A handwritten signature in black ink that reads "Jeremy Moon". The signature is fluid and cursive, with a large, sweeping "J" and "M".

Jeremy Moon

To discover more about our founding story visit icebreaker.com/insideicebreaker

OUR PURPOSE

“Driven by the belief that nature has the solutions, we provide the natural performance alternatives to synthetic based apparel, to create a healthier more sustainable future for our species and the planet.”

OUR VISION

Living with nature: we see a future where we learn to live with nature, not exploit it.

Living a life connected to nature is good for us. Nature is the antidote to our busy lives.

We believe there is a way to build an organization that uses the laws of nature as our inspiration.

OUR BRAND ETHOS

icebreaker is about icebreaking. We explore the relationship between people and nature.

We believe that ‘nature knows best’. It’s about kinship, not conquering. Nature is our hero.



NATURAL PRINCIPLES

Nature tends to be guided by three distinct rules. These apply to a high-country sheep station, an ecosystem such as a forest floor, and our business philosophy.

Adaptation

Living things thrive or die based on their ability to adapt to their changing environment.

Symbiosis

Living things work together for mutual benefit.

Sustainability

Nature doesn’t waste anything. That is a uniquely human trait.

We believe these principles are the ideal foundation for our company. They inform every move we make.

FROM OUR CEO

WELCOME

Working alongside nature, it’s impossible to ignore the seasons and cycles. Things change all the time – it’s natural. Nothing remains stagnant. Right now at icebreaker, it’s a time of new growth – and this report is part of that.

Last year, we published our first Transparency Report. It flung open the doors of our business for all of the world to peer in. Opening up like this tested our nerve, but at the same time we knew it was the right thing to do. We are humbled and excited that this was so well received by our own industry and beyond. But there’s still plenty to do and much for us to learn. Just like nature itself, we must keep evolving – and as we’ve always done, we turn to nature for inspiration.

Of course, one of the big changes for us since last year is that we’re now part of the VF Corporation family. It’s the next chapter in our adventure. Joining such a progressive portfolio of brands opens up huge potential to influence the future of apparel, even from our far corner of the world.

We need to move forward. The clothing industry faces many challenges, including overconsumption, a reliance on unsustainable materials, toxic emissions, animal-welfare issues and poor working conditions. One of the biggest issues we need to address is plastic microfibers.

Plastic micro-fibers now pollute our waterways to such an extent that they are in the food chain and represent a major environmental crisis.

A big contributor is apparel made from petrochemical-based synthetics. We believe that as a change agent both in the lives of our consumers, and across the apparel industry globally, we can promote the use of natural materials and help reduce this pollution.

Compiling this annual report keeps everyone up to date with both the changes we are making and the ones we need to make. A new step for us this year was our first independent materiality assessment. This has helped us to find out more about the key ways that icebreaker impacts the environment and the society we live and work in. It has provided us with more ways in which we can improve by hearing the opinions of our internal and external stakeholders. Most importantly, this process shared the ways our stakeholders want to improve, giving us insight beyond our own.

After 23 years, we still haven’t reached the limits of what we can achieve with our natural, ethical, sustainable fiber. We’re passionate about working with nature. Naturally, we aren’t perfect and are continually striving for better. As we progress to the future, we wholeheartedly accept our responsibility to treasure our full ecosystem – our people, our places, our products – more than ever.

Thank you for your interest in what we do.



Greg Smith
CEO

To discover more, visit: www.icebreaker.com

OUR BUSINESS

icebreaker was founded in 1995 by 24 year-old NZ, Jeremy Moon.

In 2018, icebreaker was acquired by global apparel company, VF Corporation. This gives us an incredible opportunity to propel natural performance apparel globally. Jeremy Moon remains involved with icebreaker as founder, inspirer and natural fiber expert.

Founded	1995, New Zealand
Headquarters	Auckland, New Zealand
Ownership Structure	A VF Corporation company in 2018. VF Corporation is listed on the New York Stock Exchange
Management	Greg Smith, Chief Executive Officer Nicola Simpson, Chief Operating Officer Jason Bloom, Chief Financial Officer Carla Murphy, Chief Brand & Product Officer
Global Sales	NZD \$227m
Global Unit Sales	4.8m units
Distribution	2,579 wholesale accounts. eCommerce in 23 countries. 45 icebreaker stores
Global Markets	45 countries. Main markets are Europe, North America, New Zealand and Australia
Employees	396 direct employees excluding contractors
Products	Natural performing apparel, comprising next-to-skin categories, including base layer and supporting mid-outer layer solutions for men, women and children.

NORTH AMERICA

icebreaker Stores	16
Countries	2
Employees	163

EUROPE

icebreaker Stores	3
Countries	33
Employees	67

ASIA

icebreaker Stores	4
Countries	8
Employees	0

Today, icebreaker is sold through more than **2,500** wholesale customers and in **45** icebreaker retail stores across **45** countries.

AUSTRALASIA

icebreaker Stores	22
Countries	2
Employees	166



ABOUT THIS REPORT

WELCOME TO OUR TRANSPARENCY REPORT.

Our inaugural transparency report launched in 2017, set a baseline and true to our nature, we set ourselves some ambitious goals. This report is the first of what will be our ongoing annual updates. Our transparency commitment enables us to share how we do things and track our progress. Our ambition is to set and meet the highest of standards from farm to finished goods so our customers have full transparency around where their clothes come from and how they are made.

We don't have all the answers, but we are continually searching for a better way. Last year, we launched transparency@icebreaker.com. This allowed us to open the doors to our business and encourage people to ask us anything and share any areas for improvement. In this report, we share an overview of the most frequently asked questions.

Receiving recognition for our first report, such as an Outdoor Industry Award, symbolizes how important the topic of transparency is to our industry and our consumers. In addition, receiving an A+ rating in the 2018 Baptist World Aid Ethical Fashion Report indicates we are on the right track as a business, but there is still so much more we can do.

To further deepen our knowledge of our processes and impacts, we recently completed a materiality assessment. This enabled greater conversations with our key partners and stakeholders, including growers, suppliers and customers. It highlighted the environmental, social and governance issues affecting our business. It also helped us to better understand

the people who work with us and those who buy our products. Our plan is to incorporate the insights of the issues and impacts developed in this assessment into our three-year sustainability strategy.

We want to continue this conversation, share what has changed and what we plan to do next. While we realize we are not perfect, it's important we ensure our customers are able to see everything we do and for us to be accountable for improving and bettering our way where we can. Do keep in touch, we'd love to hear what you think.



Meredith Dawson Lawry
Global Sustainability,
Quality and Compliance
Manager

WANT TO REACH OUT TO ICEBREAKER?

Read our inaugural report: www.icebreaker.com
Ask us anything at transparency@icebreaker.com



“Transparency encourages scrutiny, vigilance and accountability. It’s like opening one’s front door and allowing others to look inside. And of course, the more doors are open, the more the picture becomes clearer, the better we can understand and ameliorate supply chain workers’ lives and the environment.”

Orsola de Castro
Founder and Creative Director,
Fashion Revolution

TRANSPARENCY

WHAT IS TRANSPARENCY?

Transparency means a commitment to full and regular public disclosure of all policies, procedures, progress and real world impacts on workers, animals, communities and the environment.

For icebreaker, this means opening all our decisions up to scrutiny and assessment. Put simply, our ‘inside’ needs to be the same as our ‘outside’ and we accept responsibility for all of it.

We acknowledge that transparency alone is not enough. But it exposes the structures we use so we can better improve them.

WHY IS TRANSPARENCY IMPORTANT?

It is impossible for brands to ensure respect for human rights, sound environmental practices and uncompromised product quality without knowing where their products are made, who is making them and under what conditions.

If we can’t see it, we can’t fix it. When companies publish information about their supply chains and practices it helps NGOs, unions and local communities to trace their influence and hold them to account. And it helps alert the brands themselves to any issues of concern.

Transparency enables concerned consumers to make more informed decisions.

Transparency helps people scrutinize brands and builds trust.

TRANSPARENCY & ICEBREAKER

icebreaker was founded on the need for greater transparency, openness and honesty in the clothing industry and to pioneer the availability of nature based performance apparel.

We think people should know exactly what they are putting next to their skin, how it was made and all the effects their choice is having.

icebreaker has maintained its transparency by developing a business ecosystem based on close, long-term relationships. These relationships are open and honest – there is nothing we can hide from each other. We do not use agents or allow work to be outsourced beyond our directly approved suppliers.

We know exactly where our fiber comes from and ensure that growers uphold the strongest environmental and animal welfare practices. We know exactly where our garments are being made. We take responsibility for the whole ecosystem.

Until now, we haven’t been great at sharing all the details of this with our consumers and business partners. Thank you for asking us to. We are proud to tell people about how we work and relish any opportunity to do so.

We know that no business is ever perfect. All business requires trade-offs. Transparency opens us up to the deepest possible feedback on the decisions we make. We need it. That is what will allow icebreaker, the industry we work in and our entire economic system to evolve and improve.

ICEBREAKER MATERIALITY ASSESSMENT

HOW WE'RE MADE DIFFERENT

To continue our journey towards understanding our impact and taking responsible action in 2018, we completed a materiality assessment. The aim was to gather insights on the environmental, social and governance issues and impacts of our business so that we can ensure we are addressing these in the best possible way.

The process involved capturing the viewpoints and concerns of our main stakeholder groups, both inside and outside icebreaker. We partnered with Ernst & Young (EY) to complete the assessment. Their expertise informed the questions asked and provided an open forum to ensure our stakeholders could be candid in their responses. The process included desktop analysis, interviews, defining issues, prioritization and reporting.

The insights we gained were extremely valuable:

icebreaker's people identified their top issues as chemical use, product quality and performance, relationships with suppliers and long-term contracts. They stressed the need for us to focus on what we are best at, while working with others to make the changes we want to see in the wider industry.

Worker wellbeing and our environmental footprint were two key issues for our **growers and suppliers**. They highlighted the impact and cost of increasing compliance and regulation. They also discussed how we could improve the way we communicate with them.

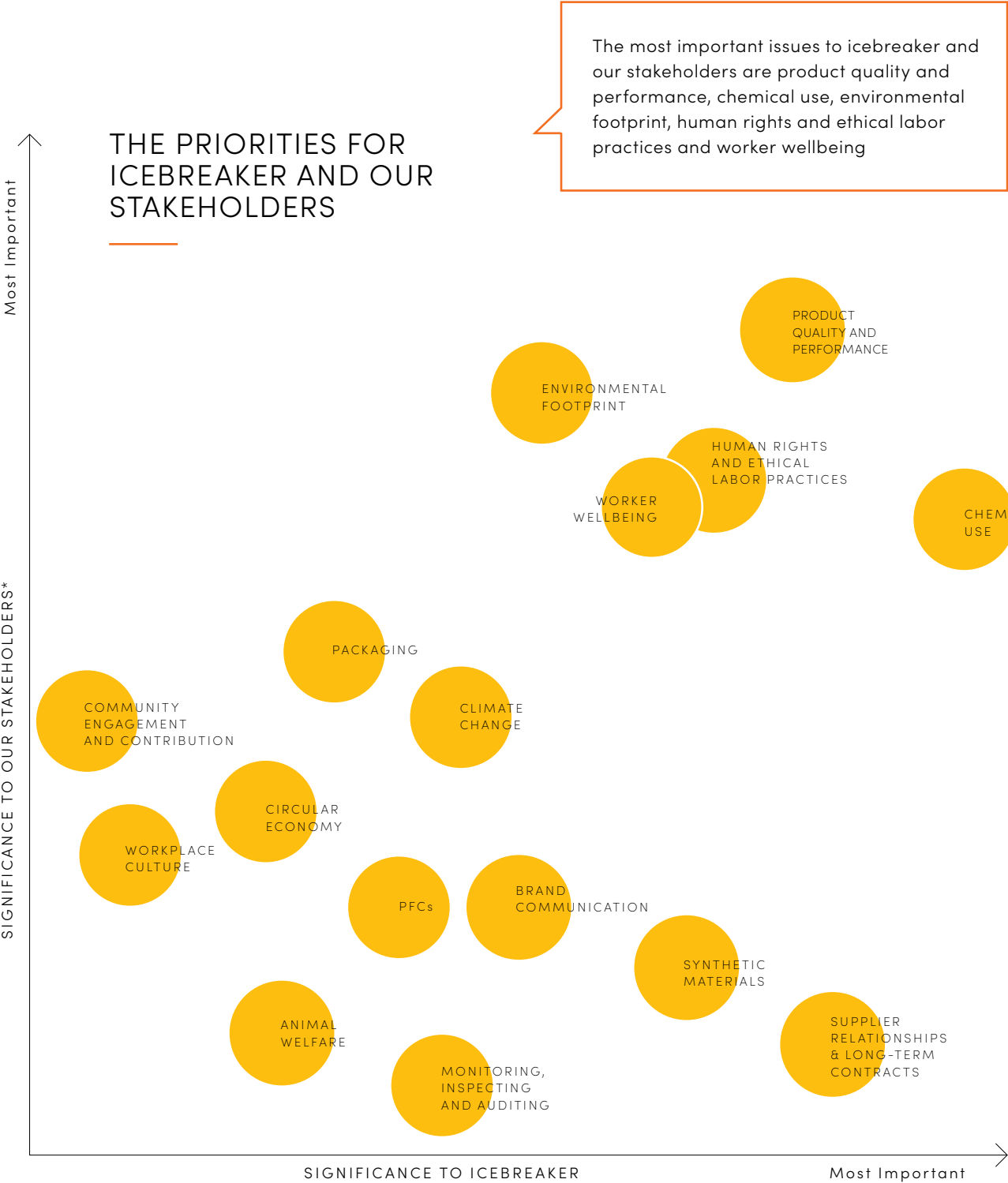
Working overtime was specifically mentioned as a worker wellbeing issue, because of the seasonal nature of our merino fiber and products.

Our wholesalers and retailers wanted to talk more about human rights and wellbeing issues, community engagement, product quality and performance. Climate change, and the shift in consumer trends towards simplicity, were seen as potential risks, but they were also seen as opportunities.

Product quality and performance were key for **our consumers**. They also wanted to hear more from us about our brand purpose and story. And they were concerned about sustainability: packaging and plastic use, alongside chemical use and climate change.

NEXT STEPS

- **Plan for impact:** Incorporate the issues, impacts, challenges and opportunities highlighted in the assessment into our three-year sustainability strategy and articulate the priorities and responses to them.
- **Remain accountable:** Report against the issues identified in the assessment and continue to track and assess our progress.
- **Ongoing dialogue:** Continue to focus on stakeholder engagement and feedback in order to make holistically considered changes for the future.



There were a total of 22 issues and impacts identified. For the full Materiality Matrix please see appendix. *Our stakeholders: growers, suppliers, wholesale customers, consumers.

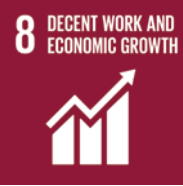
THE SUSTAINABLE DEVELOPMENT GOALS

The 17 United Nations Sustainable Development Goals (SDGs) were established in 2015 to achieve specific

sustainability targets by 2030. They seek to end poverty, protect the planet and ensure prosperity. Business will play a critical role in achieving these goals and delivering on the promise of sustainable and inclusive development.

Our materiality assessment furthered our progress on incorporating the SDGs into our work by identifying how these global goals relate to the issues and impacts within our business. We are committed to building and strengthening the wide ranging partnerships needed to support these goals. We encourage all the businesses we work and interact with to also take up this challenge.

THESE ARE THE FIVE SUSTAINABLE DEVELOPMENT GOALS IDENTIFIED AS BEING THE MOST RELEVANT TO ICEBREAKER AND WHERE WE CAN HAVE THE MOST IMPACT.

SDG	ROLE OF BUSINESS	WHAT MATTERS TO ICEBREAKER	UN SDG TARGETS
	Identifying 'hot spots' within the value chain to improve environmental and social impact. Innovation and design to enable and inspire sustainable lifestyles and wellbeing.	• Environmental stewardship • Move towards living a life less plastic • Empowering sustainable lifestyles for consumers • Innovation • Industry collaboration	• 12.2: By 2030, achieve the sustainable management and efficient use of natural resources • 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment • 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse • 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
	Innovation to prevent and mitigate detrimental impacts to marine environments. Protecting marine species. Support people who depend on oceans.	• Reducing micro-fiber plastic use • Responsible use of chemicals • Packaging • 'Nature has a better solution'	• 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
	Supporting the delivery of health needs around the world.	• Promoting healthy and active lifestyles	• 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	Creating decent jobs and economic growth. Upholding labor standards. Ending discrimination. Embracing diversity and inclusion.	• Human rights and ethical labor practices • Worker safety and wellbeing • Fair wages • Equal work opportunities • Diversity and inclusion	• 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor-intensive sectors • 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation • 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value • 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms • 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	Measuring, managing and mitigating the impact and dependence on land and ecosystems. Incentivizing sustainable land use, responsible forest management and environmental stewardship. Restoring degraded land.	• Land and product stewardship • Natural resources and materials	• 15.1: By 2020, ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

OUR PROGRESS

In keeping with our commitment to transparency and continuous improvement, the snapshot in the table below highlights where we are doing well, and where we can improve.

WHAT IS WORKING

OVERVIEW

- | | | |
|--|---|---|
| <ul style="list-style-type: none">Purpose drives our values and mission, for 24 years we have looked to nature for the answers. <p>➤ icebreaker is the first purpose-led acquisition by the VF Corporation.</p> <ul style="list-style-type: none">Our way of doing business promotes transparency and sustainable practices. | <ul style="list-style-type: none">We actively encourage our customers to 'Ask Us Anything' via Transparency@icebreaker.com <p>➤ In 2018, we invested in a Materiality Assessment to inform our future business strategies to drive greater betterment of people and the planet.</p> | <ul style="list-style-type: none">By 2019, publish a 5-year sustainability roadmap defined by our materiality assessment with integrated business goals.Publish and commit initiatives towards five of the United Nations Sustainable Development Goals (SDG's):<ul style="list-style-type: none">#3 Good Health & Wellbeing#8 Decent Work & Economic Growth#12 Responsible Consumption & Production#14 Life Below Water#15 Life on LandBy 2020 launch a global purpose-led social enterprise initiative. |
|--|---|---|

GROWERS

- | | | |
|--|---|---|
| <ul style="list-style-type: none">We provide long term supply contracts, enabling price stability and sustainability.Our grower accreditation program addresses environmental integrity, social responsibility, animal welfare, and fiber quality. This is audited by an independent third party.Since 2008 icebreaker has had a strict no mulesing policy in place.Our partnership with New Zealand Merino, enables significant sustainability research. | <ul style="list-style-type: none">Our quality specifications and assurance processes ensure premium quality merino wool. <p>➤ In 2018 icebreaker launched the Growers Club to further develop direct grower relationships and greater grower involvement.</p> <p>➤ The ZQ qualification has incorporated a new standard requiring growers to have a written environmental management plan in place.</p> | <ul style="list-style-type: none">Working with VF supply chain create greater benefits of scale for the Grower network.By 2020 complete a full Life Cycle Assessment for all aspects of on-farm environmental management.By 2019 complete ZQ accreditation program of acquiring certification to ISO 17065. |
|--|---|---|

PRODUCT

- | | | |
|--|--|---|
| <ul style="list-style-type: none">We prioritize natural fibers above all other types of materials, with 84% of total fabric make up produced from natural fiber. <p>➤ We will fully exit from using acrylic by SS20.</p> <ul style="list-style-type: none">Our commitment to ethical and sustainable fiber sourcing; Wool, TENCEL™, recycled Polyester, organic cotton.We have redefined our design principles to include a focus on natural and sustainable solutions.Since 2006 we have held certification to the Standard 100 by Oeko-Tex® consumer safety rating on all our core fabrics | <p>➤ We have successfully converted all water repellent fabrics to be PFC free by 2020 (Fall Winter 2019 range).</p> <p>➤ We have converted 77% of the polyester we use to be from recycled sources (polyester makes up 5% of our total fiber consumption).</p> <ul style="list-style-type: none">Our packaging currently incorporates:<ul style="list-style-type: none">79% of our paper product packaging is FSC Certified100% of our product packaging is made with vegetable based inks and water based glueThe protective polybags we use are made from recycled polyester and are degradable | <ul style="list-style-type: none">By 2023 replace, renew or reconstitute all remaining synthetic elements in our product line.In 2019 launch a water-soluble bag for the distribution and delivery of product.By 2020 drive innovation in product design to enabling less material and garment waste in the design process.By 2020 move to using 100% FSC-certified paper packaging. Ensuring 100% of our packaging educates customers on how to recycle it.By 2022 convert all nylon fibers to a recycled source or newly innovated natural alternative. |
|--|--|---|

WHAT IS WORKING

SUPPLY CHAIN

- | | |
|---|--|
| <ul style="list-style-type: none">The traceability and transparency of our supply chain. We have a publicly shared listing of our supply chain partners.Our emphasis on direct, long term relationships with our suppliers.We have a publicly available Supplier Code of Conduct outlining our Human Rights policies. Suppliers must agree to this code as a condition of doing business with icebreaker.Robust auditing, including increased measures to protect migrant worker rights. We are focused on continuous improvement.Publicly disclosing our aggregated audit ratings. Our audit results reflect a high performing supply chain: icebreaker average 9.2/10 vs industry average 7.8/10.We have grievance mechanisms in place, including direct contact to icebreaker via workersvoice@icebreaker.comOn boarding expert partners who share our values. | <ul style="list-style-type: none">Annual icebreaker Vendor summit – promoting communication, collaboration and continuous improvement throughout our supply chain.Responsible purchasing practices that provide long term forecasts and minimize human rights risks.Drive chemical control, waste and water management policies from all the factories we work with.Publicly disclosing our Restricted Substance List. <p>➤ Reduce the use of AIR freight by 68% over the last year.</p> <p>➤ Our involvement in the Bali Process Forum honors our commitment to engage with NGO's on global issues impacting our industry. We will continue to actively seek opportunities to do so.</p> <p>➤ We have successfully traced our vendor sourced product components and included the suppliers of these in our 2018 report supplier listing.</p> |
|---|--|

PEOPLE

- | | | |
|--|--|--|
| <p>➤ We have a defined set of Guiding Principles (values) and a new Code of Business Conduct setting out the expectations for ethical business conduct.</p> <p>➤ The establishment of a global leadership development program.</p> <p>➤ The launch of the Ethics Helpline and training to encourage people to speak up and feel comfortable asking questions and raising concerns.</p> <ul style="list-style-type: none">In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.Launching of the VF learning journeys and online resources for both individual contributors and people leaders.Extended ethics training including techniques for tackling bullying and harassment in the workplace. | <ul style="list-style-type: none">Clear communication of our business goals and strategic priorities.Providing opportunities for icebreakers to combine career development with adventure, by actively encouraging international relocations between our global offices.Retail management and sales development programs.Social clubs in each region managing events and activities to build relationships and have fun together.Grassroots sustainability groups in each office.Grower connection – encouraging and organizing station visits to connect our icebreaker team with the spiritual heart of our business. | <ul style="list-style-type: none">In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.Launching of the VF learning journeys and online resources for both individual contributors and people leaders.Extended ethics training including techniques for tackling bullying and harassment in the workplace.Increased diversity and inclusion initiatives. |
|--|--|--|

➤ 2018 Progress update

WHAT WE ARE WORKING TOWARDS



OUR
GROWERS
AND FIBER
—

GROWERS

John Mathias, Stock Manager
Location: Omarama Station, New Zealand

AN INTRODUCTION TO MERINO

icebreaker was founded on the use of **superfine merino wool**, sourced direct from selected stations in New Zealand. All of our products are still based on this amazing natural fiber.

THE MERINO IS ONE OF THE WORLD'S MOST ANCIENT BREEDS OF SHEEP, AND ONE OF THE TOUGHEST.



Simple, efficient, ingenious. Nature's solutions aren't tested in laboratories; they face the ultimate continuous field test.

How do we make fiber capable of outperforming synthetic material that provides a better choice for the environment?

The answer is we don't. Merino sheep do. At icebreaker we have over 23 years of experience in specifying the highest quality, ethically sourced merino.

Eons ago, animal hair – designed to keep a mammal warm – evolved to become wool. It then evolved to become superfine merino wool. This was an adaptation developed as the merino sheep broke away from other breeds. They headed to the mountains in search of new food and to seek safety from predators.

Merino aren't regular sheep chewing grass in the lowlands. They have evolved to survive the scorching summers and freezing winters of New Zealand's rugged Southern Alps.

Merino survive these extremes through the incredible natural engineering of their fleece. It is five times finer than a human hair. That's about twice as fine as regular wool. This makes it lighter, more breathable and better insulating.

The merino's summer coat is able to keep cool in temperatures over 30°C (86°F). In winter, merino grow an extra layer of wool. This keeps them warm as temperatures plummet to -10°C (14°F). A regular sheep would not survive.

NATURE'S PERFORMANCE FIBER

The special qualities of our merino make it an incredible natural performance fiber and a beautiful fabric to wear.

RESILIENCE

icebreaker merino fiber can be extended to more than 30% of its length without breaking*. Its wave-like 'crimp' structure makes it more resilient.

THERMO-REGULATION

icebreaker merino has the ability to gain and release heat depending on the wearer's next-to-skin environment and the external conditions. As it absorbs moisture it releases a small amount of heat. Hot conditions reverse the effect, cooling the skin.

*Source: Collie, S.R. and N.A.G. Johnson, 1998. The benefits of wearing wool rather than man-made fiber garments. Lincoln, Christchurch, New Zealand, WRONZ.

**Source: Leeder, J., Wool - Nature's Wonder Fiber, Australasian Textile Publishers

SOFTNESS

icebreaker merino fibers are so soft they bend when they contact the skin. This provides outstanding softness and comfort.

ODOR SUPPRESSION

icebreaker merino outperforms other fibers in its ability to resist the build up of unpleasant odors. Odor molecules are absorbed into the fiber, effectively locking them away from your nose.

UV PROTECTION

Merino is naturally UVA and UVB resistant.

BIODEGRADATION

icebreaker merino is a naturally biodegradable fiber. Under the right conditions it will readily biodegrade if buried.

MOISTURE MANAGEMENT

icebreaker merino absorbs moisture from the skin and then emits it into the air. This leaves you drier and more comfortable. It will absorb up to 35% of its own weight in water before feeling wet – far beyond most synthetic fibers**.

FLAME RESISTANCE

Merino's natural flame resistance exceeds that of all other commonly encountered textile fibers.

"We were the first company in the world to develop deep, long term relationships with merino farmers. This has allowed us to develop unrivalled expertise in specifying and selecting the finest quality merino."

Jeremy Moon

WHY ICEBREAKER MERINO?

icebreaker pioneered the use of merino in high performance outdoor clothing. We still lead the flock.

We were the first company in the world to develop deep, long term relationships with merino farmers. This has allowed us to develop unrivalled expertise in specifying and selecting the finest quality merino.

We specify fiber length, strength, diameter, consistency, colour and cleanliness. We even specify our own icebreaker 'style' of raw fiber that ensures we get the right crimp and structure.

Our partnerships also guarantee the highest standards of animal welfare. Our animal welfare policy ensures a healthy, low stress quality of life for the sheep.

ETHICAL
MERINO
SOURCING

We are deeply connected to our roots in New Zealand and are equally committed to our New Zealand farmers and their futures as demonstrated by the introduction of the icebreaker Growers Club, including 10-year contracts.

Where we can, we prefer to source our merino from our New Zealand growers. However New Zealand supplies a relatively small amount of the global merino wool supply (estimated to be less than 10%) and within this there is a limited supply that meets our specifications. Therefore, as our demand for wool grows we will continue to source from growers outside New Zealand who are able to

meet the same high standards as our existing growers. Our partnership with The New Zealand Merino Company (NZM) and the ZQ accreditation program has helped us to establish these relationships with growers in South Africa and Australia. We hope this will also encourage more growers and brands to join us in increasing the global supply of ethically produced merino.

Last season, our contracted supply by country of origin was 64% New Zealand, 22% South Africa, 14% Australia.

KEY ISSUE OR AREA	DESCRIPTION OF ISSUE/IMPACT	ICEBREAKER SOURCING POLICY	SPECIFIC ACTIVITIES AND RESEARCH
FAIR TRADE /ECONOMIC SUSTAINABILITY	Ensuring the economic sustainability of growers is critical to the long-term viability of the industry and to allow growers to invest in farming standards.	Fiber is supplied via long-term forward contracts with prices set at sustainable and mutually agreed levels.	- Launch of the icebreaker Growers Club - Ongoing engagement between icebreaker and growers to maintain a close relationship - Growers attend icebreaker meetings to ensure there is a shared business understanding
	This sourcing and pricing model removes price volatility and increases financial security of grower suppliers and has been in place at icebreaker for more than 20 years.		
SOCIAL RESPONSIBILITY AND WORKER SAFETY	Provide for the social and economic welfare of farmers, farm workers and their local communities.	H&S is addressed within the icebreaker ZQ Accreditation Standard. This specifically addresses farm-worker-and-visitor H&S requirements. Compliance with this is a condition of supplying icebreaker fiber.	- New Zealand Merino runs grower training and education events and groups to support up-skilling and peer-to-peer learning - NZM on farm research and education stream dedicated to enhancing the people of the industry through training and development.
	Protect the health and safety (H&S) of those living, working and visiting icebreaker merino-accredited farms.	Growers must also comply with: - Health and Safety in Employment Act 1992 - Guidelines for the Provision of Safety, Health and Accommodation in Agriculture - Employment Relations Act 2000.	

FIBER QUALITY	Ensuring that all wool supplied to icebreaker meets key quality specifications.	Fiber quality is specified within the icebreaker Contract for Merino Fiber. Wool classing and preparation must meet the contract requirements.	- Genetics research and selection tools to optimize sheep production according to icebreaker requirements - Fiber selection – professional wool classer training.
ANIMAL WELFARE AND HEALTH	The protection and enhancement of animal welfare and health is a core platform of icebreaker merino and a requirement to supply icebreaker.	Addressed within the icebreaker ZQ Accreditation Standard: - No mulesing - No live shipping - Growers must comply with all relevant animal-welfare legislation - Growers must have an animal-health plan that addresses any animal-health-and-welfare issues and risks on the property - Strict standards and procedure for shearing - Standards for all animal-health-and-handling procedures - Growers must have policies and practices in place to manage extreme events - Sheep are free range, roaming in open pastures. They have the ability to display normal patterns of behavior with the minimum of human intervention icebreaker growers must provide all livestock with their five basic requirements outlined on page 31.	- Identifying strategies to assist growers to minimize the risks of stopping mulesing - Biodiversity in the high country - Understanding the grazing and diurnal patterns of merino sheep in the high country - ‘The Perfect Sheep’ – a toolkit for growers to assist in the optimization of sheep health, wellness and nutrition - Forage research – fodder crops to improve animal nutrition and feed quality
ENVIRONMENTAL INTEGRITY	All activities on land can have adverse effects on the environment. Growers must be aware of, and have strategies in place to minimize, impacts on the environment. Growers are required to undertake active positive management to protect and enhance soils, water and indigenous biodiversity.	Addressed within the icebreaker ZQ Accreditation Standard. Growers must plan and be aware of best practice to manage their impacts on the following key indicators of sustainability: - Healthy soil - Biodiversity - Water quality - Waste management - Management of hazardous substances - Nutrient management and waste management Growers must have a documented environmental management strategy on their property.	- Wool’s environmental credentials - Industry participation and leadership in the communication of wool’s environmental credentials - Biodiversity in the high country – the impact of merino sheep grazing on high country biodiversity - Chemical residue benchmarking and best practice - Greenhouse gas-and-water footprinting - Biodegradation of merino products
AUDITING	The icebreaker ZQ accreditation program has been developed to provide customers with a high standard of verification so that product quality, animal welfare and health, environmental, economic and social values are positively addressed.	The program is based on encouraging growers to adopt best-management practices and to continually improve their performance. Growers are required to comply with the icebreaker accreditation standard at all times.	- All farms audited every three years by JAS-ANZ-accredited AsureQuality Ltd - Additional random vet and shearing audits may also occur. - Auditing involves on-site visit, discussion, access to farm stock, facilities and records, citing of supporting documents and written plans The ZQ version 4 standard is: - In the final stages of obtaining ISO/IEC 17065:2012 certification - Recognized formally as being equivalent to Responsible Wool Standard (ZQ certified wool qualifies as meeting RWS standard)

ANIMAL WELFARE

It is our responsibility to share more than how our products are made. We need to share how the animals that produce the fiber are cared for, along with the standards we have in place to ensure their wellbeing.

We’re part of The New Zealand Merino Company (NZM)’s ZQ program, which ensures stringent standards are met. These cover the stewardship of livestock, management of the environment and social responsibility. With our contracted merino growers certified through ZQ, we can ensure the fiber meets our quality requirements and that the growers share our ethical values and practices.

ON-FARM AUDITING

This year, 72 contracted growers produced merino for icebreaker. All are ZQ certified with eight currently working toward the latest standard.

All the growers are audited at least every three years; 60 were audited last season. This season’s audit picked up areas to be improved on 35 of these farms, with the majority of these issues now resolved. Some of the most common issues were the same as last year. This included the need to create and update land-environment plans and animal-health treatment records. These will now be the focus of further training and advice.

There were also concerns about properly recording any shearing shed injuries to people or sheep. NZM is encouraging growers to use a specially designed reporting template to help manage this.

A new poster of guidelines was also issued to highlight shearing shed safety and serve as an easy place to record any injuries.



AUDIT CORRECTIVE ACTION PLAN (CAP) OUTCOME

ISSUES	NUMBER	PERCENTAGE
NO ISSUES	25	42%
CAP CLOSED	27	45%
CAP OPEN	8	13%
TOTAL	60	100%

TYPE OF ISSUE	NUMBER	PERCENTAGE
CRITICAL	0	0%
MAJOR	5	6%
MINOR	78	94%
TOTAL	83	100%

THE FIVE FREEDOMS OF THE FLOCK

Guaranteeing the five key freedoms for our flock means you can feel happy in the knowledge that the sheep felt just as good making your icebreaker merino as you will wearing it.

01

FREEDOM FROM HUNGER AND THIRST

Sheep with good nutrition are better able to cope with natural stress, such as extreme weather. Farmers must ensure sheep have access to clean water and adequate nutrition.

02

FREEDOM FROM DISCOMFORT

Farmers must ensure their sheep have adequate shade and shelter available at all times.

03

FREEDOM FROM INJURY OR DISEASE

Farmers must regularly monitor each sheep, to help prevent disease and illness, including rapidly diagnosing animal health issues.

04

WHERE SHEEP CAN BE SHEEP

Sheep must be free range and roam in open pastures. This allows them to display their natural patterns of behaviors with minimal human intervention or interference.

05

FREEDOM FROM DISTRESS

Farmers must manage sheep to avoid any unnecessary stress and pain. Their farms also need to be maintained to ensure they do not pose a risk of injury.

LAND STEWARDSHIP

Our growers are required to have a written environmental plan in place addressing five areas.



Planning and awareness



Biodiversity



Healthy soil



Healthy waterways and bodies



Responsible management of hazardous substances and waste

In December 2017, ZQ launched a new standard. This requires growers to have a written environment plan.

Since then, 89% (64) of icebreaker’s contracted growers have their plan in place. The rest are working on completing theirs in the coming months.

The New Zealand Merino Company (NZM) runs workshops to help growers develop these plans.

“Creating a land-environment plan seemed to be a big task but we realized we had the information and just needed to pull it all together into one plan. The New workshops were a great way to meet up with other growers, and discuss and share ideas so nothing was overlooked. Having a written plan has actually made things easier. We can reflect on our original priorities. When we have to make a change, it helps to consider the bigger picture. These workshops mean taking the plan to the next level will not be daunting.”

Bruce and Linda Jolly, Ardgour Partnership, Wanaka

THE ICEBREAKER GROWERS CLUB



For more than 20 years, we've developed and deepened relationships with our grower families. Together we share an obsession with top-quality merino, based on great care for the merino sheep and the landscapes in which they live.

For many other wool growers, their fiber is sold through auctions. Growers find out how much they will receive for their wool only on the auction day and prices have historically been subject to extreme instability.

In 1997, icebreaker became the first company in the world to establish long-term contracts with key merino wool growers. These were typically based on a one-to-three-year period. They built the foundations of the strong relationships we have with our growers today.

Last year, members of the icebreaker team traveled throughout New Zealand's South Island, visiting grower families. We discussed their thoughts for the future, and how we might do things better. We shared our vision for a long-term future working together.

We wanted to enable plans for the next generation. We wanted to further encourage the growth of ethically farmed fiber. We wanted to continue to protect both the land and the high-country farming way of life.

The result of these conversations was the establishment of the icebreaker Growers Club.

It is based on an unprecedented commitment: 10-year supply contracts. This provides the growers with the security to invest in their businesses, their land, their animals and their people. It secures icebreaker's supply of consistent, high-quality merino fiber.

The 10-year contracts strengthen our relationships but also radically transform on-farm economics. Additionally we believe these types of contracts could be applied to other industries to help drive both economic and environmental sustainability.

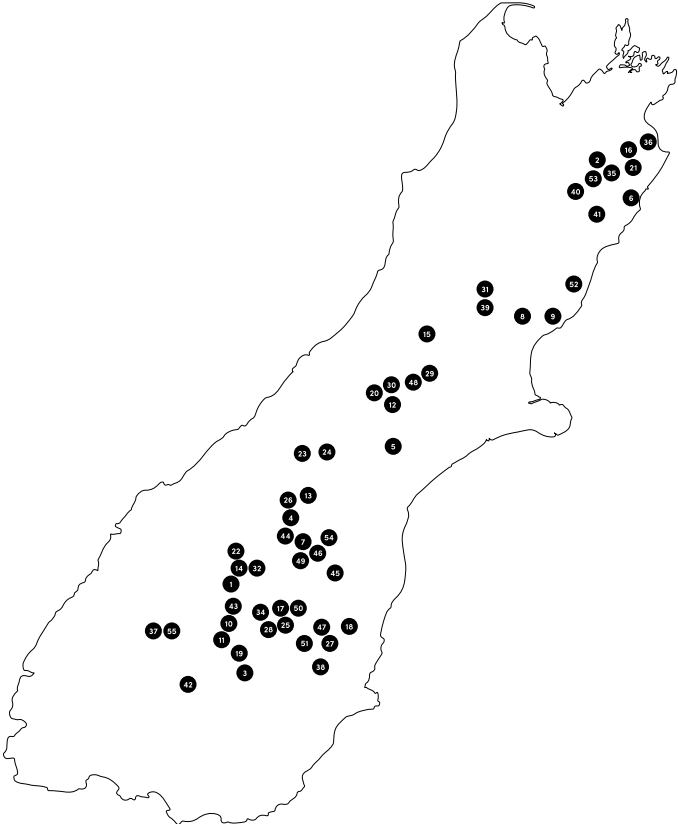
The 55 families in the icebreaker Growers Club come from diverse regions and backgrounds. They each have their own reasons for committing to the new 10-year contracts.

Simon and Lucy Maling were the first of the icebreaker grower families to sign up. They recently took over their family farm and plan significant investment into the property and farming programs. The new contract gives them the ability to have total clarity around future volume and wool specifications. It offers them unprecedented price security, giving complete confidence to plan for their future.

For Richard and Annabelle Subtil, signing the icebreaker contract was a decision made with their children in mind. It has ensured there will be a future market for the fiber they produce. As their children finish their

“We developed a ground-breaking concept that has transformed the partnership with our grower families. Together, we created the icebreaker Growers Club – based on an industry-first, 10-year supply contract.”

Nicola Simpson,
Chief Operating Officer,
icebreaker



education, it gives them the confidence to pursue a career in merino farming. They can build on the work of their parents and the several generations before them.

There are other positive knock-on effects from forming the icebreaker Growers Club. Our growers live and work in remote locations around the South Island of New Zealand. They are part of small communities that rely heavily on the rural sector to thrive. The certainty created by the 10-year supply contracts and the resulting investment is having a positive impact on the local businesses they work with and buy from, and the small towns where they are based.

The icebreaker Growers Club is not the end of the journey. It's a new beginning. We'll continue to work closely with our grower families, to share ideas and explore new opportunities together.

ICEBREAKER GROWERS CLUB MEMBERS AS OF AUGUST 2018		
1 Ardgour	17 Cragside	37 Mt Nicholas
2 Awapiri	18 Dolphins	38 Mt Ross
3 Baldwin	19 Earnsclough	39 Mt Whitnow
4 Benmore	20 Erewhon	40 Muller
5 Blue Mountain	21 Glen Orkney	41 Muzzle
6 Bluff	22 Glenfoyle	42 Nokomai
7 Bog Roy	23 Glentanner	43 Northburn
8 Bonjedward	24 Godley Peaks	44 Omarama
9 Braevaar	25 Goulburn	45 Otekaieke
10 Cairnmuir	26 Grantleigh	46 Otematata
11 Carrick	27 Hartfield	47 Patearoa
12 Castle Ridge	28 Ida Valley	48 Redcliffs
13 Catherine Field	29 Lake Coleridge	49 Roseneath
14 Cluden	30 Lake Heron	50 Rough Ridge
15 Cora Lynn	31 Lake Taylor	51 Stonehenge
16 Corleggy	32 Lindis Peaks	52 The Gums
	33 Mangaiti (North Island)	53 Upcot
	34 Matakau	54 Waitangi
	35 Middlehurst	55 Walter Peak
	36 Monaghan	

“icebreaker approached us with a future vision and we loved this outlook. It fits well with the vision of our farming operation and future environmental and financial sustainability. The contract is more than guaranteed income, it’s a win-win for our relationship.”

Jason Clark, Carrick Station



“We are proud to join the icebreaker Growers Club for the benefit of our children and future generations. We have confidence knowing that they have this outlook for the future. We get quite emotional thinking about it, actually.”

Richard and Annabelle Subtil, Omarama Station



“Aligning ourselves with icebreaker has been a fantastic opportunity. For us it’s more than just about ticking boxes. The excitement and passion comes from having healthy animals and producing a fiber that we believe in. It’s also knowing that the environment and the people involved in the whole operation are cared for.”

Philip and Anne Todhunter, Lake Heron Station



BIODIVERSITY

Our growers are dedicated to looking after the landscapes they love and live in. This goes way beyond their own land and livestock. It means taking care of the entire ecosystem.

For example, our growers recognize the important role the hundreds of varieties of native flora and fauna, including tussock, play in the bionetwork. This includes supporting biodiversity of bird and insect habitat and preventing soil erosion.

HELPING TO PROTECT NEW ZEALAND'S NATIVE EELS

The ancestors of modern New Zealand eels have swum up and down New Zealand's waterways for millions of years. The longfin eel is found only in the rivers and lakes of New Zealand and is one of the largest eel species in the world. A strong eel population is a sign of healthy and fertile water and land.

Young eels, known as elvers, migrate up streams to find a suitable adult habitat. For longfins, depending on gender, at around 25-35 years migrate to the Pacific Ocean to breed and die. They are secretive, mainly nocturnal and prefer habitats with plenty of cover.

Sadly, the loss of wetlands, alongside historical commercial fishing practices, has reduced longfin numbers and left them at risk.

Omarama Station owners Richard and Annabelle Subtil run an eel recovery program with the Department of Conservation and the local Maori iwi [tribe]. Says Richard: "The longfin eels' migration has been interrupted with the building of the hydro dams in the area. This has made it necessary to capture the female eels and transport them down to the coast, so they can go off and breed. Our wetland is also great for winter eel habitat and an abundance of eels indicates healthy waterways and land."

ENVIRONMENTAL IMPACT

Did you know **82%** of NZ electricity comes from **renewable sources** like wind, hydro and geothermal power?

Since the 1930s, Omarama Station in North Otago has been generating hydro-electricity. Today, owners Richard and Annabelle Subtil use about a third of the power generated on their 12,000ha property and sell the rest back to the national grid.



"It has been two years since the Kaikoura earthquake. Life at Bluff Station is only just returning to some semblance of normality. But this has led to significant investment in infrastructure that will take us forward over the next 40 years. This investment has been enhanced by the security and stability of our 10-year supply contract with icebreaker. This gives us the confidence to invest."

Hamish Murray, Bluff Station, Clarence Valley



01



02



03

BEE-KEEPING AT BLUFF STATION

"Our experience during the aftermath of the Kaikoura earthquake has also encouraged us to assess our operations in this special South Island high country.

Merino sheep will always be core to our values and business, because of the way they thrive in difficult environments, while producing some of the world's best natural fiber. But to achieve a sustainable future, we have looked for other revenue streams that can operate in harmony with our Merino sheep. Our recent diversification into the apiculture (bee-keeping) industry has challenged us to look closely at our whole farming system and see where it can be improved.

For honey production, the native biodiversity of the Clarence Valley, where Bluff Station is located, offers many pollen and nectar sources, from native bush to clover, borage, honey dew, matagouri and, most importantly, manuka.

Bluff Station's 600 bee hives are now contributing to a more stable and resilient business by utilizing the significant natural diversity of the surrounding environment. To grow this side of our business, we are working to not only protect our biodiversity but also to further enhance areas of native flora across our property."

GROWER INTERVIEW

CASE STUDY – LAKE HERON STATION

Philip & Anne Todhunter



Philip, Anne and Blake the Dog

OVERVIEW

Location: Central South Island,
New Zealand

48,500 acres

11,000 Merino sheep and
700 beef cattle

The lake is the largest in the area.
It was left behind when glaciers
retreated into the surrounding
mountains.

Established around 1917



To provide a snapshot of how icebreaker grower relations work on the ground, here's a brief tour of Lake Heron. Introducing Philip and Anne Todhunter, whose family has owned and run the station since Philip's great-grandfather bought the property in 1917.

“The grazing management for these extensive areas is the same as it was 150 years ago... It’s a seasonal rotation... so the land is looked after for the future.”

Philip Todhunter, owner

Life in the High Country

Philip: “Living and working in the mountains is something I particularly enjoy. When I’m out working amongst the animals and mustering in the mountains, being there is a privilege. It’s a very special place to be.”

Anne: “I love this environment, the landscape, the mountains. I just feel very comfortable in these surroundings. Just being here is great. I never feel lonely. It’s almost like a small village of its own, out in a remote environment.”

A family legacy

Philip: “Being part of a family legacy is a great privilege, too. I’m the fourth-generation family member to be associated with the property. Anne and I have been here for 22 years. Our children are now away at school and university. Whether they come home and take over – that’s for them to decide. But they very much enjoy coming home and being part of the place; spending time working with the animals.”

Growing with purpose

Philip: “Our philosophy at Lake Heron is to look after the environment, the people that work with us, our animals, and to produce something that is purposeful

and natural, and is great for the environment.”

Anne: “We absolutely love what we do. Part of the excitement and passion comes from having healthy animals and producing a fiber that we believe in. And also knowing that the environment, and the people involved in the whole operation, are cared for as well.”

The wellbeing of the flock

Philip: “Out in the mountains it’s very free-range and wild. In New Zealand, we don’t have foxes or predators for the sheep. Pretty much all they have to worry about is making sure they eat enough. When you see the young sheep running around and skipping and jumping – they are fit, they move freely. That’s when you know they are happy and healthy.”

What’s good for the sheep is good for the fiber

Philip: “We are focused on growing great merino wool and looking after our animals. We’re regularly audited as part of the ZQ merino program, which has stringent requirements for looking after the animals. The better we look after the sheep while they’re young; the more productive they are as adults. It means we grow more wool, with consistent length, free from fault and breaks.”

Anne: “We treat the animals with respect. When the guys are out moving the sheep or the cattle, the animals aren’t stressed. When they’re in the yards, the animals are treated in a way that causes the least stress possible. And they are well fed, which is obviously vitally important for their welfare, and also for them to be able to produce beautiful merino fiber.”

Working with icebreaker

Anne: “It’s important for us to produce something that we know a consumer wants and values. Aligning ourselves with icebreaker has been a fantastic opportunity for us to align to that wider purpose, of more than just producing something, and not knowing where it’s going.”



Classing the fiber by hand



Custodians of the land.

Caring for the land

Anne: “We’re in quite a fragile environment, and what that means is we cannot overgraze. We have to be really careful that we maintain good vegetation cover on the soils, so they don’t blow or wash away.”

Philip: “Managing extensive areas of grazing is the same as for our predecessors 150 years ago: It’s a very harsh climate, we have very strong

winds. It’s important for us to protect the soils in the paddocks – that’s what grows the forage for the sheep. It’s a seasonal rotation – we keep stock out at certain times of the year – so the land is looked after for the future.

“We look after our people and the land to the best of our ability. We take pride in looking after the natural beauty and the landscapes, the ecology and the wider ecosystem.”



Lake Heron woolshed.

OUR PROGRESS

WHAT IS WORKING

- We provide long term supply contracts, enabling price stability and sustainability.
- Our 10-year contracts are strengthening our relationships with our growers and radically transforming on-farm economics. We believe these types of contracts can be applied to other areas of agriculture to help drive both economic and environmental sustainability.
- Our grower accreditation program addresses environmental integrity, social responsibility, animal welfare, and fiber quality. This is audited by an independent third party.
- Since 2008 icebreaker has had a strict no mulesing policy in place.
- Our partnership with New Zealand Merino, enables significant sustainability research.
- Our quality specifications and assurance processes ensure premium quality merino wool.
- In 2018 icebreaker launched the Growers Club to further develop direct grower relationships and greater grower involvement. These contracts transform on-farm economics and we believe there is opportunity for these types of contracts to be applied to other industries to drive both economic and environmental sustainability.
- The ZQ qualification has incorporated a new standard requiring growers to have a written environmental management plan in place.

WHAT WE ARE WORKING TOWARDS

- Working with VF supply chain create greater benefits of scale for the Grower network.
- By 2020 complete a full Life Cycle Assessment for all aspects of on-farm environmental management.
- By 2019 complete ZQ accreditation program of acquiring certification to ISO 17065.



OUR
PRODUCT
—

PRODUCT

Natalie wears: 250 Vertex LS Half Zip Base Layer, Drift Snow/Black
Location: Soho Basin, Queenstown, New Zealand

OUR DESIGN PRINCIPLES

With nature as our guide, we aim to incorporate natural, ethical, sustainable practices into everything we do, including our product.

NATURAL

We are the natural performance pioneers. Our roots are founded in the land of the merino sheep. That drives us to continue to lead, innovate and create from what nature provides.

SIMPLICITY

With elegant simplicity comes timelessness that doesn't date.

LONGEVITY

icebreaker is the opposite of fast fashion. Through high-quality performance clothing, our goal is to thrive in your wardrobe and during your activities for many seasons.

VERSATILITY

Our clothes transcend single usage. We make multi-functional pieces that adapt to your life and style on the mountain, in the city and at home.

PURPOSE

We make purposeful clothing that responds to your body's active needs.

SUSTAINABLE

Our design position is to use only what we need and nothing that we don't. We believe in leaving the planet better than we found it, by not wasting precious resources and considering every step in the process.



HOW AND WHY WE USE BOTH NATURAL AND SYNTHETIC MATERIALS

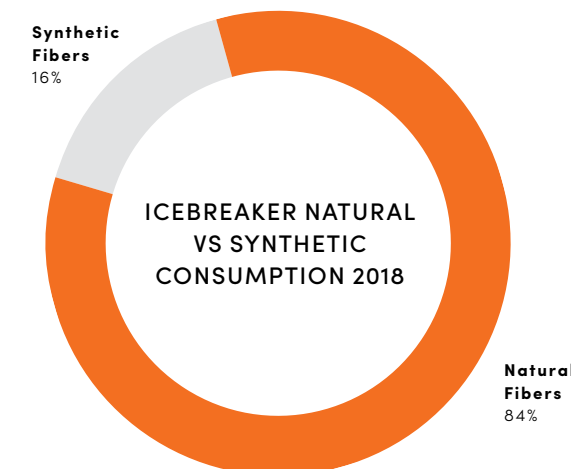
We believe in the power of our superfine merino wool as the basis for our natural performance apparel. It's far superior to regular wool, feels amazing against your skin, is highly breathable, regulates temperature and doesn't hold odor like synthetics.

To make our 'top-to-toe' layering system possible, there are times when we combine our merino with other fibers in order to deliver the performance required by our consumers. Therefore, the role of technology is to enable, enhance or amplify the natural benefits of the fiber for the user.

We never do this to simply make the fabrics cheaper or to compensate for poor-quality wool. We do it to enhance the functionality of merino and make new uses for merino possible. Can you imagine your socks and underwear without a touch of LYCRA® for stretch and comfort?

Today, our business reflects our dedication to natural solutions. 84% of our global fabric composition is natural fiber and only 16% is synthetic.

We are committed to inspiring an industry with less reliance on petrochemical fibers. Our research-and-development team is constantly searching for natural alternatives and solutions.



Today, our business reflects our dedication to natural solutions. **84%** of our global fabric composition is natural fiber and only **16%** is synthetic.

2018 UPDATE

OUR CORE FABRICATIONS

CORESPUN

Our customers are demanding lighter-weight fabrics, but the risk with these is lower fabric integrity, leading to holes. We discovered that by wrapping the merino around an ultrafine nylon core we could increase the strength of the fabric. This increase does not affect the comfort or odor resistant properties of merino against the skin but does create a garment that lasts much longer.

“Five+ years and loving it”

★★★★★
WATERBOY1368, APRIL 1, 2017
My everyday shirt for all climates, as a base layer, or mid layer or top layer. From humid to dry climates, winter to summer.”

REALFLEECE®

It’s shocking that what has become commonly known as ‘fleece’ on the high street isn’t fleece at all. It’s plastic – polyester. We want to reclaim the word, by making fleece out of fleece. RealFLEECE® fabric is brushed to deliver ultimate softness and warmth.

BODYFITZONE™

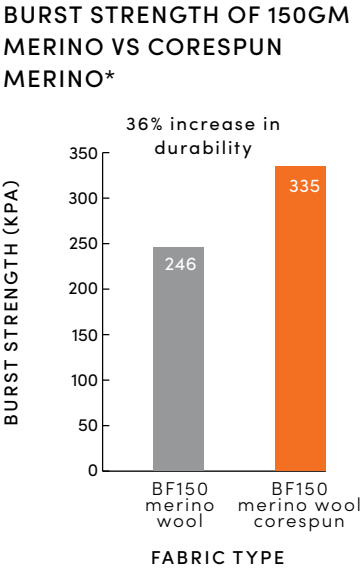
BodyfitZONE™ is our innovative technology that uses fine merino yarns blended with a touch of LYCRA® to enhance muscular performance and recovery. Strategically placed zone mesh panels create natural thermal dumping zones for optimal temperature regulation, breathability and next-to-skin softness.

COOL-LITE™

Our summer fabric, icebreaker Cool-Lite™, is a remarkable blend of merino and Tencel®. Tencel® is a fiber made from cellulose found in the wood pulp of renewable eucalyptus trees.

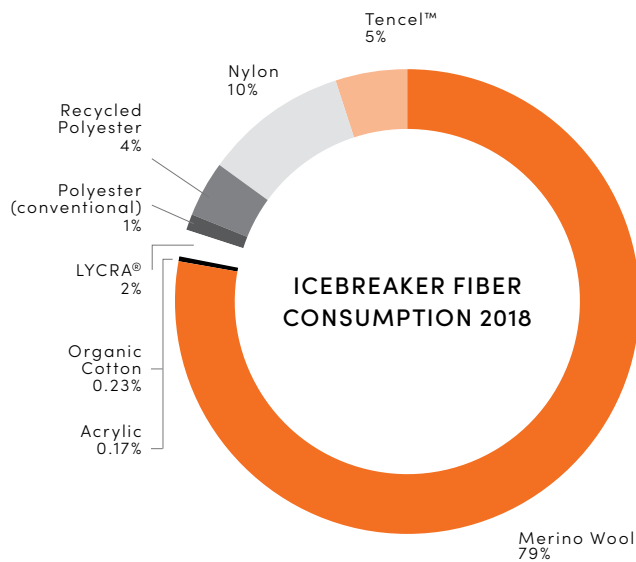
MERINOLOFT™

MerinoLOFT™ wool fiber insulation is a natural, intelligent alternative to synthetic insulation and duck down. It’s a machine washable, breathable, lightweight insulation, even when wet.



NON-MERINO FIBER

Our non-merino wool source is comprised of: 10% nylon; 5% polyester, 5% Tencel™, 2% LYCRA® and less than 1% organic cotton and acrylic.



“The synthetic fibers we include in our range serve specific performance requirements, such as adding stretch or water-resistance. We never blend in order to make our fabrics cheaper.”

TENCEL™

Tencel™, sourced from Lenzing, has a natural cooling effect and is used in our summer collection, Cool-Lite™. Tencel™ is a natural fiber made from cellulose found in the wood pulp of renewable eucalyptus trees. It is obtained from sustainably managed farms that have earned Forest Stewardship Council (FSC) certification.

Tencel™ fibers are produced using an environmentally responsible closed loop production process, which transforms wood pulp into cellulosic fibers with high resource efficiency and low environmental impact. This solvent-spinning process recycles water and reuses the solvent at a recovery rate of more than 99%. This special process received the ‘European Award for the Environment’ by the European Union.*

NYLON

Nylon is added to certain icebreaker fabrics for added strength and durability. This is mainly via our technology corespun where a nylon core is wrapped with merino, maintaining signature merino softness next to skin.

RECYCLED POLYESTER

77% of the polyester in our Spring/Summer 18 and Fall/Winter 18 ranges is recycled. We are committed to reducing the 23% non-recycled balance through collaboration with our yarn and fabric suppliers.

LYCRA®

LYCRA® is added to some icebreaker fabrics provide stretch, comfort and freedom of movement. We source our LYCRA® from Invista.

ETHICAL AND ORGANIC COTTON

Cotton makes up less than 1% of our total fiber consumption. Where we do use cotton, we use only organic, ethically sourced cotton. icebreaker organic cotton is sourced from China and is certified organic via the Global Organic Textiles Standards.

NATURE HAS A BETTER WAY

We believe nature has a better way. We are relentlessly seeking natural fiber alternatives to the synthetic fibers we use today. Over the past few seasons, our product team has focused on specific synthetic fabrics within our range. They have been collaborating with our suppliers to either increase the natural fiber content, or replace the virgin synthetic fiber with recycled versions. We will fully exit the use of acrylic fiber in the Spring/Summer 20 season.

We will fully exit the use of acrylic fiber in the **Spring/Summer 20** season.



PFC-FREE BY 2020

Perfluorinated Compounds (PFCs) are a group of chemicals commonly used in outdoor clothing for durable water-repellent finishes (DWR). However, there are concerns that PFCs persist for long periods in the environment. They have also been shown to have toxic effects on animals.

The main focus of concern has been on perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA) used in 'long chain' or C8 DWR coatings. These raise long-term environmental safety concerns. icebreaker does

not, and will never use C8 DWR coatings. However some of our fabrics do include 'short chain' version C6 treatments and we have been working on transitioning these fabrics to PFC Free versions.

In our 2017 report we shared that in our Fall/Winter 2017 range 29% of waterproof jackets (which made up 6% of the range) were PFC-free. Waterproof jackets make up 8% of our Fall/Winter 2018 range and having now transitioned more fabrics to be PFC-free, we can confirm that 55% of this outerwear is PFC-free. We are pleased to report that from Fall/Winter 2019 we no longer have any DWR fabric finishes containing PFCs.

TRACKING OF PROGRESS TOWARDS PFC-FREE DWR FINISHES

SEASON	FW17	SS18	FW18	SS19	FW19	SS20
# OF DWR MATERIALS	7	6	10	6	6	5
# OF PFC FREE	3	2	4	4	6	5

PACKAGING

We are committed to sourcing packaging sustainably and are working towards using more recycled packaging wherever we can. We are preparing for a comprehensive refresh of our global packaging for 2020.

Our efforts to date include:

- 79% of our paper and cardboard packaging is certified by the Forestry Stewardship Council.
- Our retail bags are made with 20% natural kraft paper. This is FSC-certified and 80% post-consumer waste.
- 100% of the inks in our product packaging are vegetable-based. The glue we use is water-based.
- We use recycled, degradable plastic bags to ensure garments stay clean and undamaged. We are developing a water-soluble bag.
- We have removed all non-biodegradable additives from our packaging.

TYPE OF PACKAGING		QUANTITY FY 17/18
Boxes (Sleeve And Tray)		2 million
Stickers For Boxes e.g. size stickers		8 million
Swing Tags And Barcode Stickers		6 million
Sock Wraps		1 million
Accessory Header Cards And Stickers		230,000
Degradable, Recycled Poly-bag		3.5 million
Retail Bags		100,000

PACKAGING GOALS

We are taking a **circular economy** approach to our packaging. This means using materials that can be safely returned to the soil or reused and recycled in closed loops.

Our 2020 packaging goals include:

- Increasing the amount of recycled content in our packaging by 20%. (For example, starting with our Fall/Winter 19 collection, all our swing tags will be made from recycled paper).
- Using 100% FSC-certified paper packaging.
- Making sure 100% of our packaging educates customers on how to recycle it.

INTRODUCING THE WATER- SOLUBLE BAG



“Made from non-toxic and organic ingredients, this bag will do no unnecessary harm to the environment, no matter where it ends up.”

As part of our commitment to sustainability, we are fully committed to launching a water soluble bag. After 18 months of development, the bags are now in the final stages of testing to ensure they withstand the rigors of transportation and third party testing and certifying. It is critical that we make substantiated environmental claims that can be verified by independent lab testing, to ensure they will be ocean-

safe, compostable/biodegradable, can be processed by anaerobic digestion, as well as being water biodegradable and safe for the oceans. Made from non-toxic and essentially organic ingredients, this bag will do no unnecessary harm to the environment, no matter where it ends up. We are aiming to introduce the first round of bags with our FW19 season.

OUR PROGRESS

WHAT IS WORKING

- We prioritize natural fibers above all other types of materials, with 84% of total fabric make up produced from natural fiber.
- We will fully exit from using acrylic by SS20.
- Our commitment to ethical and sustainable fiber sourcing; Wool, TENCEL™, recycled Polyester, organic cotton.
- We have redefined our design principles to include a focus on natural and sustainable solutions.
- Since 2006 we have held certification to the Standard 100 by Oeko-Tex® consumer safety rating on all our core fabrics
- We have successfully converted all water repellent fabrics to be PFC free by 2020 (Fall Winter 2019 range).
- We have converted 77% of the polyester we use to be from recycled sources (polyester makes up 5% of our total fiber consumption).
- Our packaging currently incorporates:
 - 79% of our paper product packaging is FSC Certified
 - 100% of our product packaging is made with vegetable based inks and water based glue
 - The protective polybags we use are made from recycled polyester and are degradable

WHAT WE ARE WORKING TOWARDS

- By 2023 replace, renew or reconstitute all remaining synthetic elements in our product line.
- In 2019 launch a water-soluble bag for the distribution and delivery of product.
- By 2020 drive innovation in product design to enabling less material and garment waste in the design process.
- By 2020 move to using 100% FSC-certified paper packaging. Ensuring 100% of our packaging educates customers on how to recycle it.
- By 2022 convert all nylon fibers to a recycled source or newly innovated natural alternative.

A woman, Dai Ping, is the central figure in a textile spinning factory. She is wearing a white hairnet, yellow earplugs, and a white apron over a light blue polo shirt. She is looking directly at the camera with a slight smile. The background shows rows of spinning machines with many spindles and bobbins. Large white text 'SUPPLY CHAIN' is overlaid on the image. The word 'SUPPLY' is on the top line and 'CHAIN' is on the bottom line, both in a large, bold, sans-serif font.

SUPPLY CHAIN

OUR SUPPLY
CHAIN
—

Dai Ping, spinning line operator, seven years' employment.
Location: Sudwolle Group, Shanghai, China

WHO WE WORK WITH & WHERE

We work closely with our global partners, ensuring we're aligned in our aim to help create a healthier and more sustainable future for our species and the planet. We have mutual working relationships based on a consistently innovative, open minded approach and a willingness to improve. To have a real influence on each other's businesses, we pride ourselves on our emphasis on direct relationships and constant contact with our suppliers.

With our main raw material, merino, based in New Zealand, this makes Shanghai, China an economically and environmentally sensible supply-chain hub. Today, 62 of our 81 suppliers are based in Asia.

icebreaker's supply chain consists of direct relationships with **46** suppliers across **63** factories. This includes our wool tops, fabric, garment makers and point of sale fixture suppliers, as well as our main yarn, packaging and trim suppliers.

In addition, icebreaker's vendors nominate **35** of their own trim, yarn and packaging suppliers who operate across **37** factories.

icebreaker's ecosystem connects more than **64,000** workers in **17** countries.

AMERICAS

Suppliers	7
Factories	7
Employees	1581
Distribution Centre - Kamloops, Canada - Reno, United States	2

Largest-volume suppliers
- Nester, United States (Socks)

EUROPE

Suppliers	11
Factories	17
Employees	1409
Distribution Centre - Onsabrück, Germany	1

Largest-volume suppliers
- Intersocks, Italy (Socks)
- Safil, Italy and Bulgaria (Yarn)

TOTAL

Suppliers	81
Factories	100
Employees	64,509

ASIA

Suppliers	62
Factories	75
Employees	61,509

Largest-volume suppliers
- Chargeurs, China (Wool tops)
- Südvolle, China (Yarns)
- Shanghai Challenge, China (Fabric, garments)
- Youngone, Bangladesh and Vietnam (Garments)
- Venitra, China (Garments)
- Supercap, China (Accessories)

ICEBREAKER PRODUCTION COUNTRIES

Including suppliers for wool tops, yarn, fabric, trims, packaging, point-of-sale fixtures and garment makers. This includes our direct supplier relationships, as well as suppliers of our vendor sourced components.

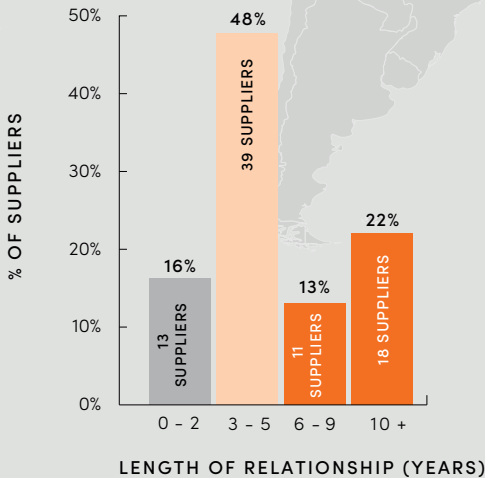
COUNTRY	SUPPLIERS*	FACTORIES	EMPLOYEES
Bangladesh	5	6	8,987
Bulgaria	1	1	585
China	45	51	24,754
Greece	1	2	332
Hong Kong	1	1	195
India	1	1	29
Italy	7	8	259
Japan	2	3	930
Korea	1	1	31
Mexico	1	1	450
New Zealand	1	1	10
Poland	1	1	65
Slovenia	2	4	162
Taiwan	6	6	8,761
UK	1	1	6
USA	6	6	1131
Vietnam	6	6	17,822
TOTAL	90*	100	64,509

* Total number of suppliers will not be the sum of the column because some of our suppliers are located in two countries.

PACIFIC

Suppliers	1
Factories	1
Employees	10
Distribution Centre - Christchurch, New Zealand	1

LENGTH OF BUSINESS RELATIONSHIP WITH ICEBREAKER - ALL SUPPLIERS

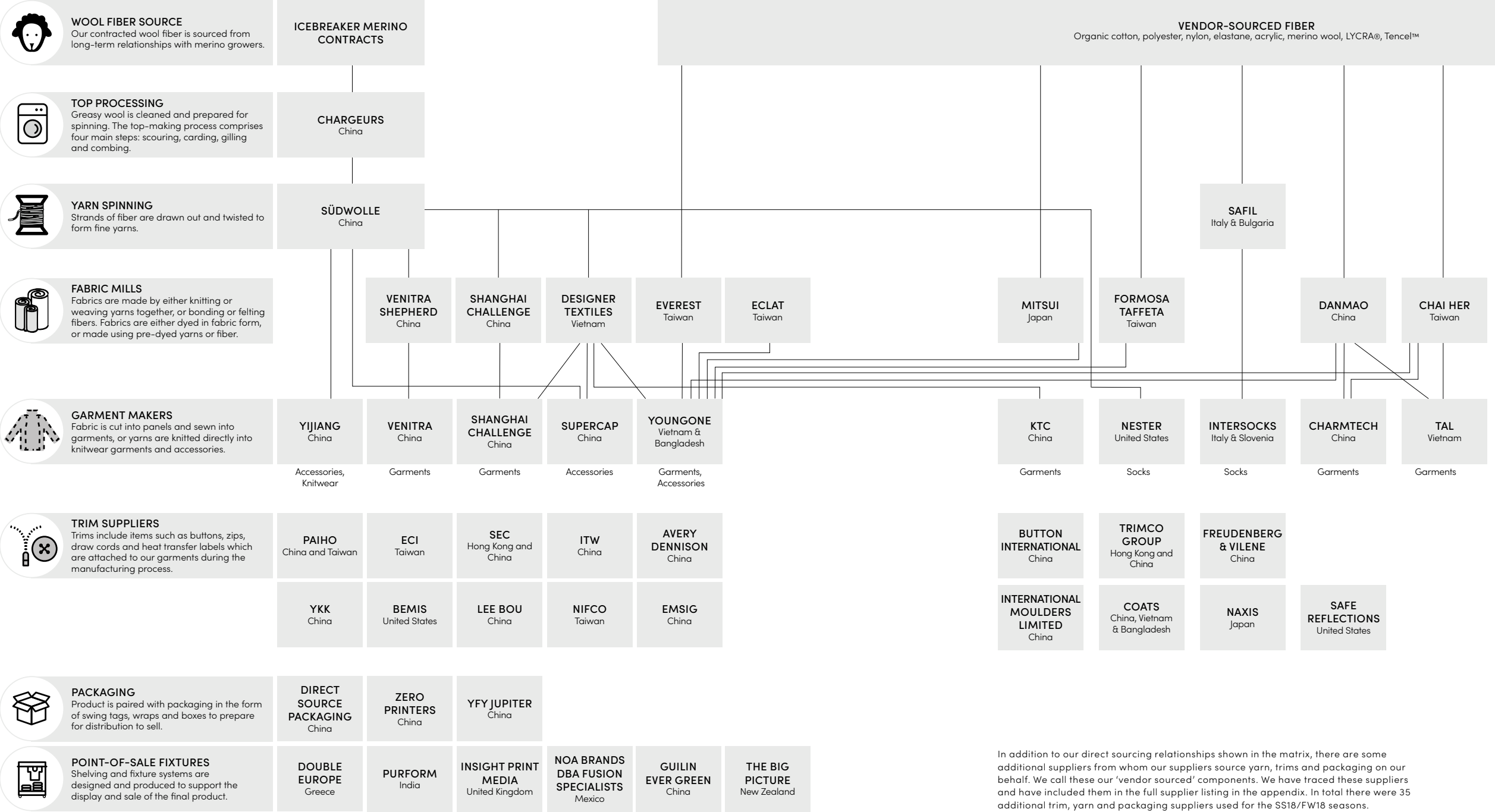


SUPPLIER MATRIX

Spring Summer 2018 & Fall Winter 2018

At icebreaker, we have visibility of all parts of our products' creation - from merino growers to top makers, yarn spinners, fabric makers and trim suppliers. This extensive understanding of our value chain has given us a unique advantage in controlling and minimising our footprint as our company grows.

See the appendix for a detailed supplier listing.



In addition to our direct sourcing relationships shown in the matrix, there are some additional suppliers from whom our suppliers source yarn, trims and packaging on our behalf. We call these our 'vendor sourced' components. We have traced these suppliers and have included them in the full supplier listing in the appendix. In total there were 35 additional trim, yarn and packaging suppliers used for the SS18/FW18 seasons.

OUR SUPPLY CHAIN ECOSYSTEM

Our approach has always been to stay true to a direct sourcing model based on a ‘narrow and deep’ supply chain philosophy. We have grown by nurturing a relatively small number of close, long term business relationships.

We are directly connected with all aspects of our products’ creation – from merino growers to top makers (cleaned merino fiber), yarn spinners, fabric makers and trim suppliers. Many apparel brands only have direct relationships with their ‘tier one’ garment vendors, or access their factories via third parties and agents. We don’t use agents – this creates an invisible supply chain. It makes traceability and transparency impossible.

This extensive understanding of every link of our value chain has given us a unique advantage in controlling and minimizing our footprint as our company grows.

Today our total supply chain is composed of 46 direct suppliers, managing 63 factories. We work directly with only nine fabric suppliers and ten garment suppliers. We know the business owners and management teams personally. All suppliers undertake not to subcontract any operations unless agreed to by Icebreaker. This ensures we know exactly where our products are being made and that all locations comply with the way Icebreaker does business.

Icebreaker directly sources 100% of our fabrics and garments, and approximately 90% of our fiber, yarns and trims. The balance of these components are sourced by our vendors on our behalf from an additional 35 suppliers, who we also have traceability of. Any vendor-sourced raw materials must also comply with our sourcing standards.

STARTING A RELATIONSHIP

We pride ourselves on our low turnover of suppliers and our commitment to building long term relationships. We always seek to grow and improve within our existing relationships. Where this is not possible, we seek out new ones.

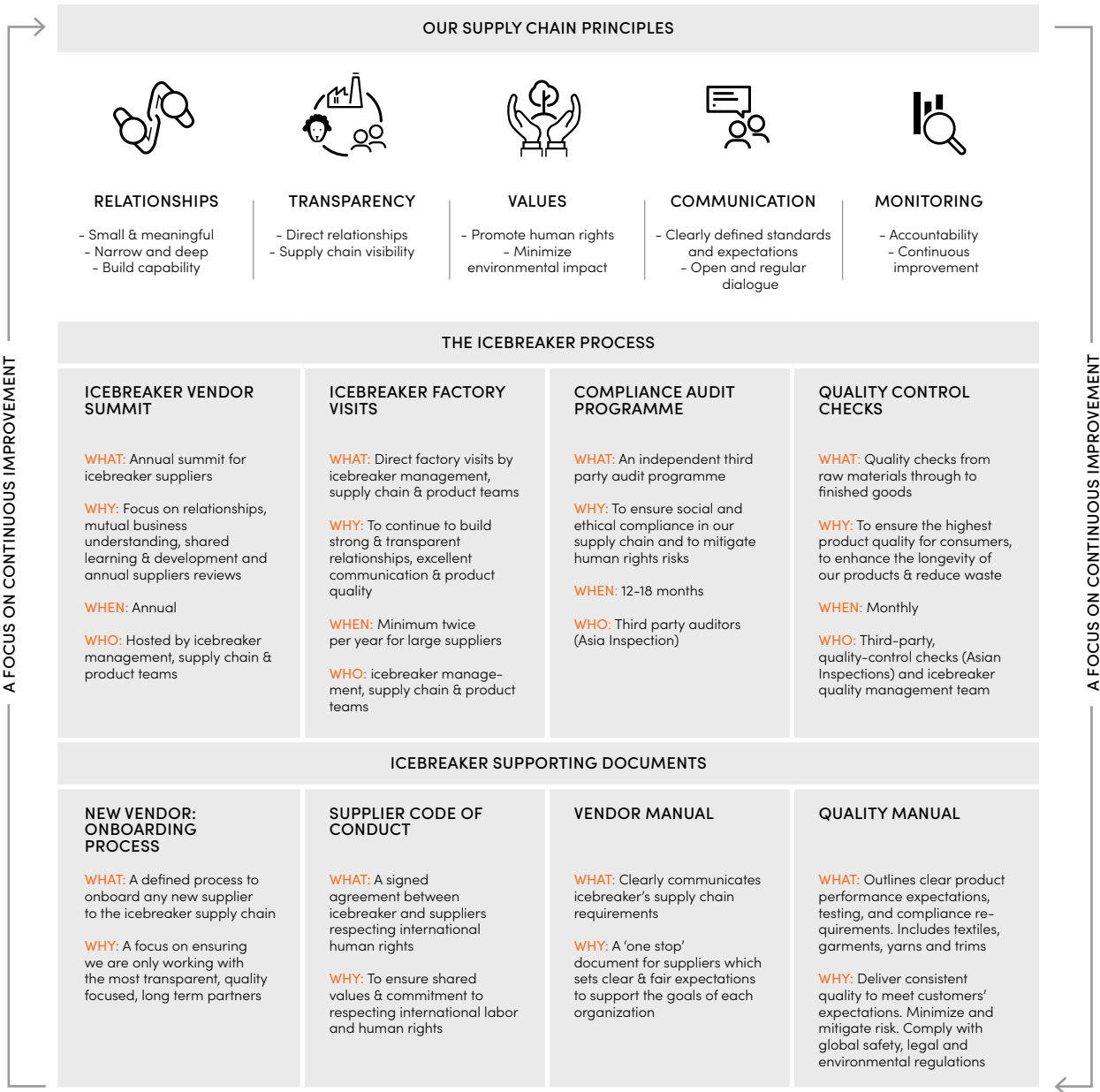


When it comes to selecting who we work with, we invest a huge amount of time and due diligence. All new icebreaker suppliers undergo a rigorous on-boarding process. This ensures they meet our requirements on social and environmental compliance, quality and innovation. It sets the foundation for a long-lasting mutually beneficial partnership.

Suppliers are asked to complete on-boarding documents and agree to the icebreaker Supplier

Code of Conduct. The on-boarding process includes an independent audit and a visit by icebreaker management to the factory and its facilities.

Suppliers are given copies of the icebreaker Vendor Manual and the icebreaker Quality Manual so they understand our business and product requirements from the outset.

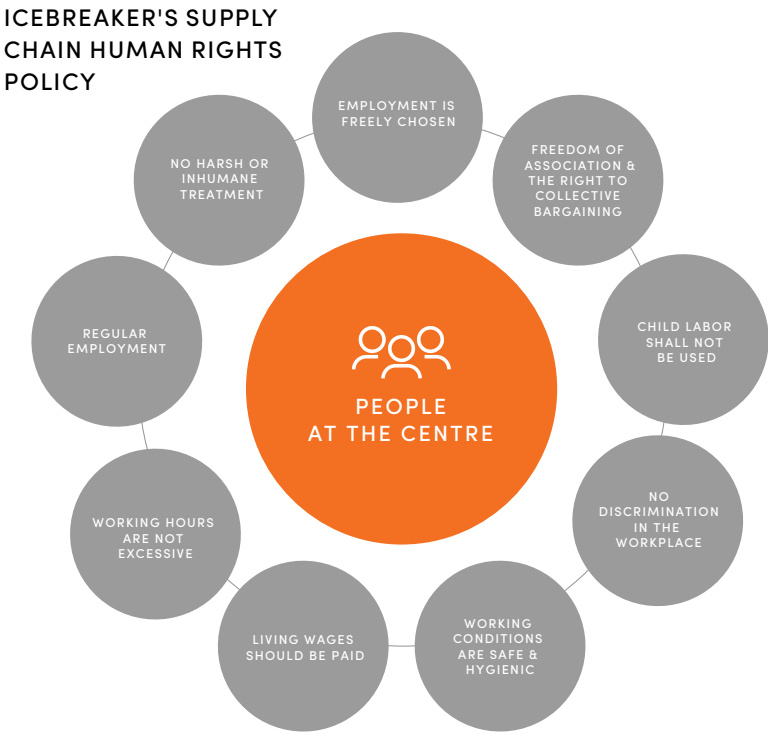


HUMAN RIGHTS

It is our responsibility that everybody who works on an icebreaker product, wherever they are, does so in a fair, safe, non-discriminatory and empowering workplace.

icebreaker will not tolerate abuse of human rights anywhere in our business or supply chain.

Human rights are fully embedded in our business model, our decision-making and the way we create and share value. It's one of the key areas in which icebreaker is constantly looking for dialogue and improvement. It is a major focus of our social compliance process, backed with monitoring and support across our entire business.



Xiao Ying Hou, Gilling Machine Operator, 12 years employment, Chargeurs, Shanghai, China

THE ICEBREAKER SUPPLIER CODE OF CONDUCT

The icebreaker Supplier Code of Conduct is pivotal to icebreaker's human rights strategy. It specifies the minimum contractual requirements for anyone employing people to make icebreaker products or materials.

The code is founded on:

- International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work
- The United Nations Convention on the Rights of the Child
- The United Nations Convention to Eliminate All Forms of Discrimination against Women
- The Universal Declaration of Human Rights

GRIEVANCE MECHANISMS PROTECTING WHISTLE-BLOWERS

At each visit our auditors leave contact detail cards and make it clear that workers can contact them directly and in confidence.

To date, we have received no grievance complaints through our audit process. However, we recognize that audits alone are not enough and that we must offer a direct and confidential channel of communication for whistle blowers.

In 2017 we set up the email address workersvoice@icebreaker.com for workers to contact icebreaker directly with guaranteed anonymity. This has now been added to our Supplier Code of Conduct and must be translated and visible to all workers in our supply chain. We will be reporting on any grievances received in future transparency reports.



Shen Hongyun, Seamstress, 5 year's service, Shanghai Challenge

A YEAR IN OUR SUPPLY CHAIN

We grow by nurturing a relatively small number of close, long-term business relationships. Rigorous supplier onboarding and compliance will remain at the core of this approach and we will continue to build on, and strengthen, our processes.

DIRECT-SOURCING

We maintain direct relationships with every level of our supply chain, from fiber to garments. We believe this is vital to ensure transparency and visibility.

Our previous Transparency Report detailed how we directly sourced 100% of our fabrics and garments. But a small percentage of components within our range were sourced by our suppliers on our behalf (6% of our yarns and 7% of our trims).

As part of our drive to increase transparency at icebreaker, we have traced the supply of vendor-sourced components. This included 24 additional trim suppliers, nine additional yarn suppliers and two additional packaging suppliers. These have been included in our full supplier listing in the appendix of this report.



01



02



04

- 01 Screen printing at Shanghai Challenge
- 02 Preparing wool tops for dyeing, Suedwolle, Shanghai
- 03 Preparation for yarn spinning, Suedwolle, Shanghai
- 04 Testing lab at Shanghai Challenge, Shanghai
- 05 Tube management for yarn spinning, Suedwolle, Shanghai



05



06

BRINGING OUR PEOPLE TOGETHER

Each year icebreaker holds a Vendor Summit, bringing together our supply chain partners and icebreaker teams, including product and sourcing, for four days of collaboration and open communication.

It is a unique opportunity to share business updates, tackle shared issues, review the previous year's performance and set objectives for the next. The focus is on constantly evolving quality, social compliance, innovation, sourcing, planning and sustainability.

For the first time, the 2018 summit was held outside icebreaker's home in New Zealand. The Summit was held at Naked Stables, an LEED certified eco-retreat in the Moganshan region.

In recognition of the 40th anniversary of the momentous 'reform and opening' of China, Robert Yang, CEO of Shanghai Challenge (SCT) gave a presentation on the evolution and current state of the Chinese apparel industry. SCT is our longest standing vendor who we have been working with since 2004 and was the winner of this year's icebreaker Vendor of the Year Award.

The event included more of our merino growers than previous years, 10 in total. Seventeen suppliers attended, including our tops processor and main yarn, fabric and garment vendors. For the first time, we were also joined by our largest point of sale fixture supplier and our quality and compliance provider, Asia Inspections. The four days of activities included individual review sessions, transparency workshops, design thinking, growers' presentations and team building activities



07

06 Naked Stables, an eco-retreat in Moganshan, China

07 icebreaker suppliers and employees at the summit

08 Morning Tai Chi class

09 Shanghai Challenge receiving the icebreaker Vendor Of The Year Award



08



09

such as Tai Chi. Although in China, we brought some traditional New Zealand culture to the event by gifting a New Zealand Pounamu (greenstone) necklace to each of our guests.

All flights to the Vendor Summit were carbon-offset by The Sheep Dogs, our internal icebreaker sustainability committee.

SOCIAL & ENVIRONMENTAL RESPONSIBILITY

HUMAN RIGHTS: TACKLING MODERN SLAVERY

Modern slavery includes human trafficking, forced labor, debt bondage, forced or servile marriage and the worst forms of child labor. The International Labor Organization estimates that 20.9 million people are subject to forced labor around the world. According to some estimates, there are as many as 45.8 million people living in modern slavery worldwide. The United Nations has set a goal to end modern slavery by 2025.

This is a huge problem across many industries, including our own. We want to be among the businesses, governments and community groups working together to tackle it.

THE BALI PROCESS

The Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (referred to as The Bali Process) was set up in 2002. Today it has more than 48 members. These include the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM) and the United Nations Office of Drugs and Crime (UNODC). There are also a number of observer countries and international agencies.

In 2017, the Bali Process created the Bali Process Government and Business Forum. Andrew Forrest (Chairman, Fortescue Metals Group) and Mr Eddy Sariaatmadja (Chairman, Emtel Group) were appointed as Business Co-Chairs, alongside H.E. Ms Retno L.P. Marsudi (Minister for Foreign Affairs of Indonesia) and Hon Julie Bishop MP (then Minister for Foreign Affairs of Australia) as Government Co-Chairs.

The purpose of the business forum was to open The Bali Process to greater business involvement. Rob Fyfe, former CEO and board chairman at icebreaker, represented New Zealand and icebreaker at The Bali Process Forum in Perth in 2017. In 2018 our global head of sourcing, Tui Taylor, joined him at the forum held in Bali amongst other business leaders representing 29 member states and representatives from 37 governments and 4 international organizations.

A working group set up by the forum and facilitated by the Walk Free Foundation created the 'Acknowledge, Act and Advance Recommendations' presented at the 2018 forum. These aim to set out a pathway for business and government to work together to eradicate modern slavery.

Members of the icebreaker sourcing team have participated in the working group and are now working towards incorporating the Bali Forum recommendations including the plan to publish a modern slavery statement and raise further awareness of this issue within our supply chain and broader industry.

Photography: Caitlin Di Stefano, Minderoo Foundation



At the 2018 Forum; Dr Dino Djalal, representative of the Indonesian Business Co-Chair, Eddy Sariaatmadja, Andrew Forrest and Jenn Morris, CEO Walk Free Foundation; Representative of Australian Business Co-Chair.

The 3 'A's - Recommendations presented at the 2018 forum.

ACKNOWLEDGE

Create deeper understanding by businesses and government of the scale of, and challenges associated with these transnational crimes. These activities undermine economic growth by contributing to inefficient labor markets, depressing wage rates and causing significant social costs. Consumer and investor choice is also increasingly driven by ethical considerations.

ACT

Create consistency across jurisdictions. This will encourage businesses to implement ethical business practices and governments to strengthen policy and legislative frameworks. Clear and consistent policies and legislation also make countries more attractive for investment.

ADVANCE

Recognize that the forum is only just developing. It requires a governance framework to ensure its ongoing sustainability and effectiveness.

Human rights is a topic we are hugely passionate about. To learn more about our policies and safeguards, please refer to our Inaugural Transparency Report (2017) which can be downloaded from our website www.icebreaker.com



Rob Fyfe and Tui Taylor, icebreaker Global Head of Sourcing, at the 2018 Bali Process Government and Business Forum

THE IMPORTANCE OF TRANSPARENCY

April 2017 was a wake-up call for us. We were rated D- in the Baptist World Aid Ethical Fashion Report. We were heavily penalized for not making the details of our supply chain publicly available. We were absolutely confident in the processes and safeguards we had in place already. But we hadn't done a good enough job of telling people about them.

We published our inaugural Transparency Report in November 2017, detailing our 21 years of investment in the way we work. We reached out to the Baptist World Aid team to ensure we shared with them the information they needed. We are proud to say that we were awarded an A+ rating in the 2018 Ethical Fashion Report. We were one of only a handful of the 114 brands to achieve this.

The process of creating the report opened up new ways of challenging ourselves. It created new questions, new scrutiny and more feedback. It has spurred further evolution and improvement. There's still much to do, in our own business and in our industry. We are relishing the challenge.

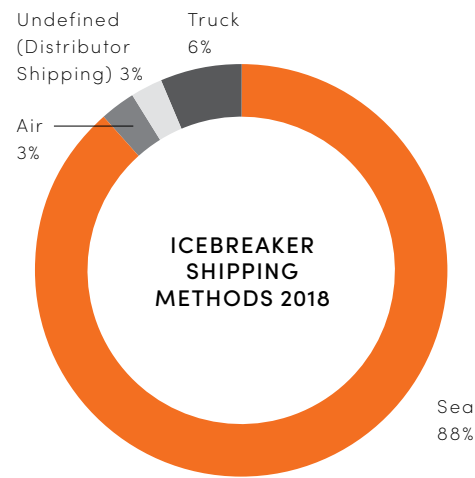
Let us know how we are doing, and what you would like to know: transparency@icebreaker.com

REDUCING OUR ENVIRONMENTAL FOOTPRINT

LOGISTICS AND TRANSPORT

In 2017 we addressed details of our transport and logistic processes. This provided a benchmark to reduce our use of air freight. We reported that for the FW16 season we transported 10% of our goods by air. Throughout 2017 we reduced this to 8.49%, but we knew we could do more. Throughout 2018 we developed a range of unique innovations in production planning and processes. This further cut our use of air freight to 2.65% - a 68% decrease.

In 2016, we consolidated our outsourced logistics with DB Schenker (DBS). We chose DBS partly due to its commitment to environmental protection and stringent reporting standards. This includes a commitment to halve its company-wide CO2 emissions by 2030 compared to 2006 levels. DBS also has an admirable history of industry-leading sustainability awards.



WASTE, WATER & ENERGY MANAGEMENT

The icebreaker auditing process includes a detailed assessment of environmental management systems and a best practice approach to waste management which is aligned with the international environmental standard ISO14001.

However, factories must balance international best practice with local law when driving their operations. We are pleased to see the relevant laws becoming more stringent in China where 63% of our SS18/FW18 production volume has been produced.

We are seeing positive improvements in waste, water and energy management, resulting in a 25% increase in scores over 9/10 for the waste management section of our audits. This year's average score for this section was 9.1/10, compared to 8.7/10 last year. In consultation with our factory partners, we believe the increase is driven by a stronger focus on environmental management systems in China.

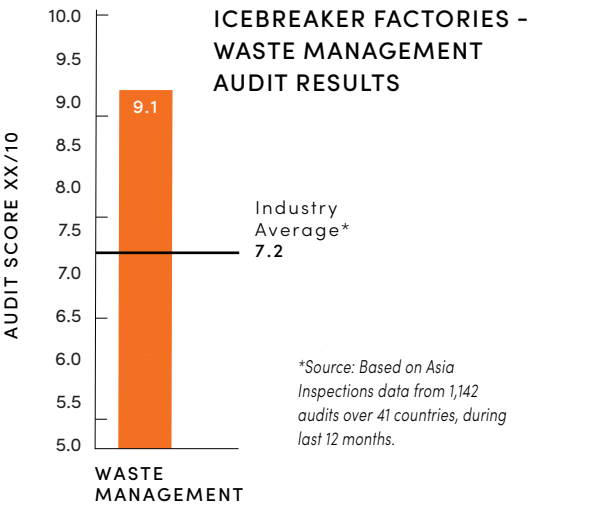
In early 2018, China changed its existing emissions discharge fee. It is now a tax collected from industrial polluters, focusing on air pollution, water pollution, solid wastes and noise. The country also instituted new laws to combat water pollution. The changes follow on from the imposition of strict laws that helped curb air pollution in some of the country's worst-affected areas, such as Beijing and Hebei Province.

The changes have prompted wide-ranging discussion in China's apparel industry. Many factories that did not comply with the new standards have been closed.

All factories working on icebreaker products or materials are required to continuously improve their processes and procedures with regards to environmental and social impact. These new laws will help speed up this improvement across the whole industry.



Li Deqi, Equipment Manager, 11 years' employment at Shanghai Challenge; oversees the Water Treatment Plant



THE FACTORY MUST	AUDIT CHECK
MANAGEMENT	
Have a valid written Environmental Impact Assessment Plan	●
HAZARDOUS WASTE	
Inventory all solid waste	●
Separate recyclable from non-recyclable waste	●
Reduce/recycle/reuse solid waste as much as possible	●
WASTE, AIR EMISSIONS & NOISE	
Inventory all waste water	●
Treat water adequately before discharge	●
Ensure waste water at discharge is meeting local standards	●
Inventory all air emissions	●
Ensure air quality is meeting local standards	●
ENERGY & WATER REDUCTION	
Monitor energy use and take actions to reduce energy	●
Monitor water use and take actions to reduce water use	●



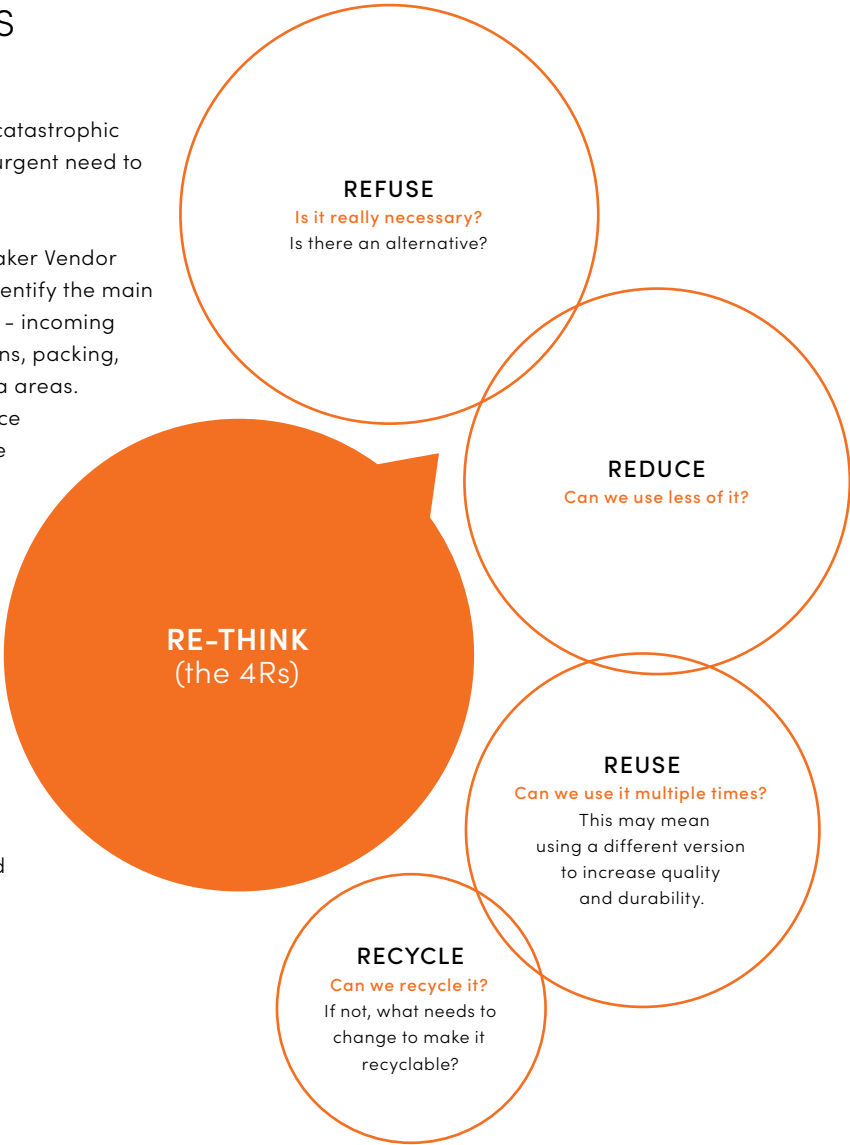
RE-THINKING PLASTICS

Excessive global plastic use is having a catastrophic effect on the natural world. There is an urgent need to change the way we use this material.

At a workshop during the annual icebreaker Vendor Summit 2018 we asked participants to identify the main uses of plastics in five operational areas - incoming goods and equipment, internal operations, packing, logistics and food processing in cafeteria areas. They then documented how each instance of plastic use could be addressed by one or more of the '4Rs' - refuse, reduce, reuse, recycle.

We showed two short films to explain the issues and introduce some possible solutions

The workshop generated a lot of enthusiasm for making change, either inside individual businesses in the supply chain or by more than one of them working together. We were inspired by how engaged and motivated our suppliers were.



CASE STUDY:

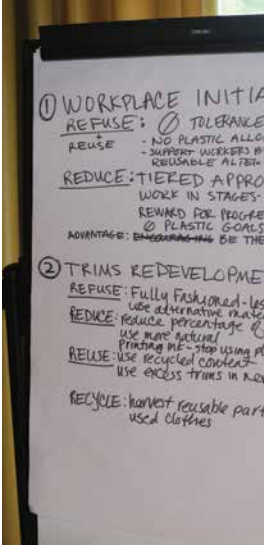
REDUCING OUR PLASTIC FOOTPRINT.

In 2018, Shanghai Challenge exemplified 'Made Different' thinking to reduce its plastic footprint. The company used to fasten plastic straps around

our shipping boxes to make them more secure in transport. This used about 282,400 metres of plastic straps each year. When icebreaker asked them to 'rethink' the use of these straps, they switched to a more robustly designed carton, eliminating the need for the straps, and with that, a staggering estimated 1.5 million metres of plastic tape over a five year period.



- 01 Engaging our supply chain by asking them to 'Rethink' their use of plastics
- 02 Icebreaker team members and
- 03 supply chain partners brainstorm and problem solve together.



CELEBRATING OUR SUPPLY CHAIN PARTNERS' ACHIEVEMENTS

DESIGNER TEXTILES, VIETNAM

- Recycles 50% of the water used at its mill
- Staff use refillable water bottles and flasks instead of disposable ones. Water coolers are provided in all offices
- Minimizes paper printing by using signs to encourage people to 'think before printing'
- Uses eco-friendly cleaning products

CHARMTECH, CHINA

- On-site vegetable gardens, where employees can grow additional healthy food for their families during breaks
- A 5% reduction in energy consumption. This was achieved through training, awareness and the use of energy-saving machinery and parts



AUDIT UPDATE

Our aim is to have long-lasting and deep working relationships with our suppliers, meaning having clear requirements about our work together. Our comprehensive auditing process helps with this.

The audit format is standardized across all factories, regardless of location or what they do for us, so we can ensure consistency and high performance. The audit scores form part of our vendor score cards which we review with suppliers at our annual Vendor Summit.

By reviewing these scores together, we get a refresher on what’s important to us: that we all need to be working to enact the social and environmental values that icebreaker is based on. It makes this a key performance indicator for everything we do, across the entire production process.

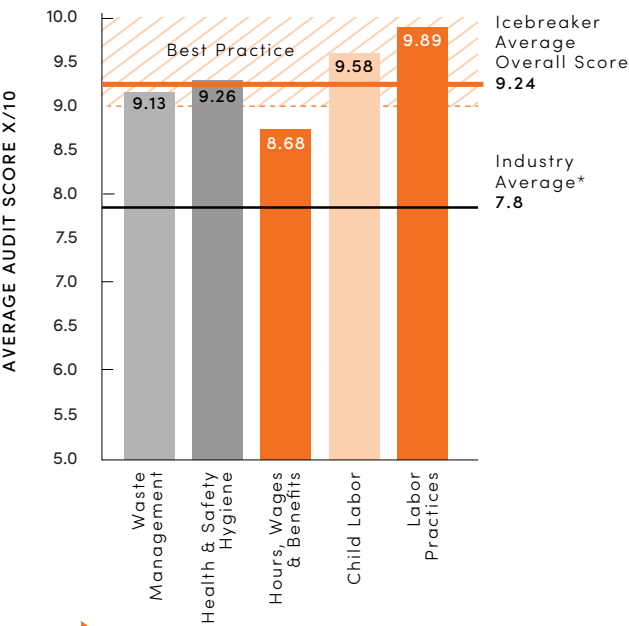
“There have been several positive outcomes of the icebreaker audits. The most valuable has been the ability for us to tap into the professionalism of the audit company. The audit scope and program used by Asia Inspection has allowed us to establish an internal document to be used as a tool for self checking and auditing on a regular basis.”

Chris McKenzie, Manufacturing Manager, Chargeurs

We’re always improving and training. When problems are found, we support suppliers to find a solution. The process provides a clear pathway on how we work with their teams and with the expertise of our auditors, Asia Inspections.

The positive impact extends to everyone who works on our products. Our standards go above and beyond local laws in some of the countries we’re working in. They provide best practice for labor, health and safety and waste management.

ICEBREAKER FACTORIES - AVERAGE AUDIT RESULTS

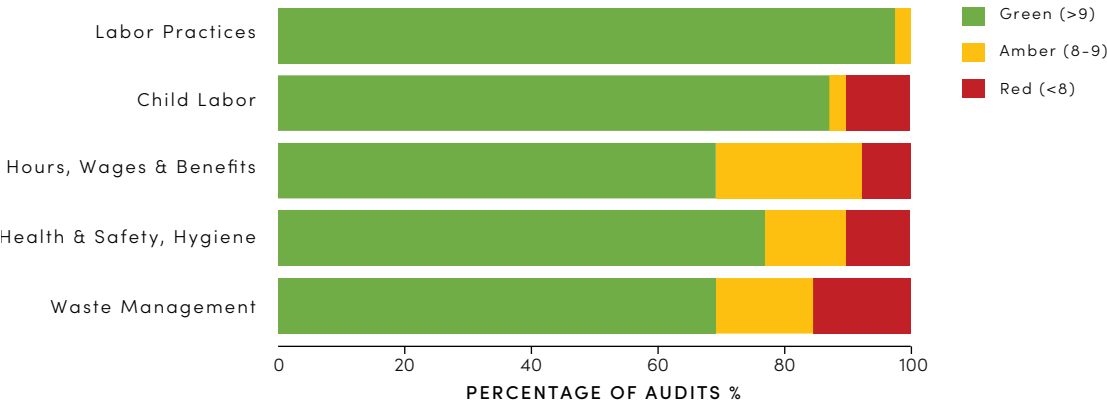


The average 2018 score of an icebreaker factory is **9.24/10** (compared to 9.2/10 in 2017)

*Source: Based on Asia Inspections data from 1142 audits across 41 countries, over the last 12 months.

ICEBREAKER FACTORIES - AVERAGE AUDIT RESULTS AUGUST 2017- AUGUST 2018

RESULTS BREAKDOWN BY CATEGORY	LABOR PRACTICES	CHILD LABOR	HOURS, WAGES & BENEFITS	HEALTH & SAFETY, HYGIENE	WASTE MANAGEMENT
Green (>9)	38 (97%)	34 (87%)	27 (69%)	30 (77%)	27 (69%)
Amber (8-9)	1 (3%)	1 (3%)	9 (23%)	5 (13%)	6 (15%)
Red (<8)	0 (0%)	4 (10%)	3 (8%)	4 (10%)	6 (15%)
TOTAL	39 (100%)	39 (100%)	39 (100%)	39 (100%)	39 (100%)



YEAR-ON-YEAR COMPARISON (BASED ON AVERAGE AUDIT RESULTS)

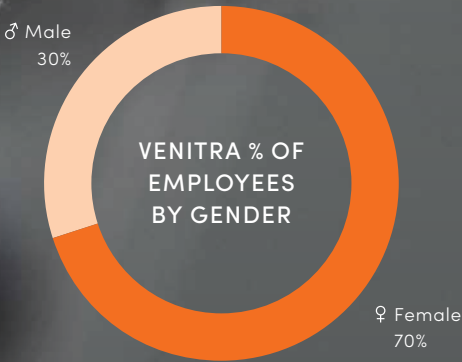
	OVERALL SCORE	LABOR PRACTICES (10%)	CHILD LABOR (15%)	HOURS, WAGES & BENEFITS (20%)	HEALTH & SAFETY, HYGIENE (35%)	WASTE MANAGEMENT (20%)
AUGUST 2017 - AUGUST 2018	9.24	9.89	9.58	8.68	9.26	9.13
AUGUST 2016 - AUGUST 2017	9.20	9.90	9.74	9.12	9.10	8.70
CHANGE	0.03	-0.01	-0.16	-0.44	0.16	0.43

A CLOSER LOOK

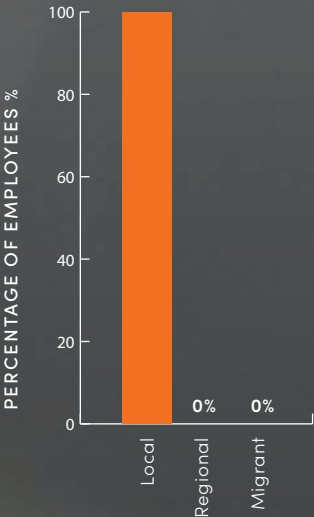
CASE STUDY VENITRA

A recent addition to our supply chain ecosystem, this innovative new-generation company is a perfect fit for icebreaker and has quickly formed a fun and productive rapport with our teams.

COMPANY NAME	Venitra - Shepherd
MAIN FACTORY ADDRESS	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiangsu Province,
COUNTRY	China
CATEGORY	Garment Maker
DATE OF LAST AUDIT	December 2017
LATEST AUDIT RESULT	9.2/10
TOTAL EMPLOYEES	1,000 70% ♀ female / 30% ♂ male
MIGRANT WORKERS	100% Local 0% Regional 0% Migrant
ACCREDITATIONS	Quality & Environmental: ISO9001, OEKO-TEX. Social: Worldwide Responsible Apparel Production (WRAP)
ABOUT VENITRA	Capabilities: knits and wovens manufacturer. Flatlock, single and double needle and circular knits
LENGTH OF PARTNERSHIP WITH ICEBREAKER	2 years



VENITRA MIGRANT WORKER BREAKDOWN



“One of the things we strive to do is make sure our workers are happy. We don’t want them to leave; we want them to be there year after year. So the factory conditions, pay and social compliance must all be excellent.”

Interview with Clyde Adam Lam,
CEO, Venitra

How did you come to work with icebreaker?

“Through our connections and reputation we put together a meeting with icebreaker founder Jeremy Moon. From there we went through a detailed vetting. This included inspections, visits, product development and fabric selections.”

What do you enjoy most about your new relationship with icebreaker?

“What’s nice about icebreaker is the business that they’re in and the product they make. They think about the world as we live now: the environment, working with natural fibers and renewable resources. We’re very proud to be part of that. That’s the future.

“We enjoy working with the icebreaker teams. The knowledge-sharing, open discussions, vendor summits, product research and development. All of it shows icebreaker really cares about its supply chain and everyone is important in the team.”

What are the business values for Venitra?

“We have a mission to be the best quality maker in the world. To do that we have to have the best people. One of the things we strive to do is make sure our workers are happy. We don’t want them to leave; we want them to be there year after year. So the factory conditions, pay and social compliance must all be excellent.”

How do you ensure the icebreaker clothing you make is of the highest product quality?

“It’s an exhaustive process of quality inspection, from yarn all the way to finished product. It’s a very special fabric that must be treated in a very special way. We have quality-control teams right through yarn to finished product. It’s demanding and it’s constant. But it ensures that we deliver the best product on the market.”



Sewing line in the Venitra factory

How do you ensure Venitra is a custodian of the environment?

“We have taken huge steps forward, as many companies have now, with environmental standards. We work with a local recycling company to have any waste wool recycled into carpets, clothing, hosiery, gloves and baize. Our water is cleaned and recycled. We are constantly looking for ways to further reduce waste and footprint. Going forward we are working to introduce solar power and the bluesign® system for a sustainable textile production.”



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What does nature mean to you?

"We all live an outdoor active lifestyle and enjoy the beauty of nature that comes with that. Having been an active person my whole life I look at nature for inspiration. We must protect it."

What does transparency and traceability mean to you?

"Transparency is critical to the way we work. We are very proud to show the world how we make our products. We open ourselves up to our customers and ask: 'how can we be better?'"

- 01 Chen Fang, sewing worker, five years at Venitra.
- 02 Skillful sewing at Venitra
- 03 Garment panels with the icebreaker embroidered logo
- 04 Attention to detail and careful workmanship
- 05 Quality control checks run throughout the production process
- 06 Circular knitting machine used to make icebreaker fabric



04



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06

OUR PROGRESS

WHAT IS WORKING

- The traceability and transparency of our supply chain. We have a publicly shared listing of our supply chain partners.
- Our emphasis on direct, long term relationships with our suppliers.
- We have a publicly available Supplier Code of Conduct outlining our Human Rights policies. Suppliers must agree to this code as a condition of doing business with icebreaker.
- Robust auditing, including increased measures to protect migrant worker rights. We are focused on continuous improvement.
- Publicly disclosing our aggregated audit ratings. Our audit results reflect a high performing supply chain: icebreaker average 9.2/10 vs industry average 7.8/10.
- We have grievance mechanisms in place, including direct contact to icebreaker via workersvoice@icebreaker.com
- On boarding expert partners who share our values.
- Annual icebreaker Vendor summit – promoting communication, collaboration and continuous improvement throughout our supply chain.
- Responsible purchasing practices that provide long term forecasts and minimize human rights risks.
- Drive chemical control, waste and water management policies from all the factories we work with.
- Publicly disclosing our Restricted Substance List.
- Reduce the use of AIR freight by 68% over the last year.
- Our involvement in the Bali Process Forum honors our commitment to engage with NGO's on global issues impacting our industry. We will continue to actively seek opportunities to do so.
- We have successfully traced our vendor sourced product components and included the suppliers of these in our 2018 report supplier listing.

WHAT WE ARE WORKING TOWARDS

- Drive and launch initiatives and safeguards against modern slavery – Incorporating recommendations from the Bali Process Forum.
- By 2019 complete a full review of industry certification and memberships.
- By 2020 publish an environmental footprint report.

PEOPLE

OUR
PEOPLE

Global Sales Team enjoy Lake Heron Station, New Zealand.

COUNTING ON OUR PEOPLE

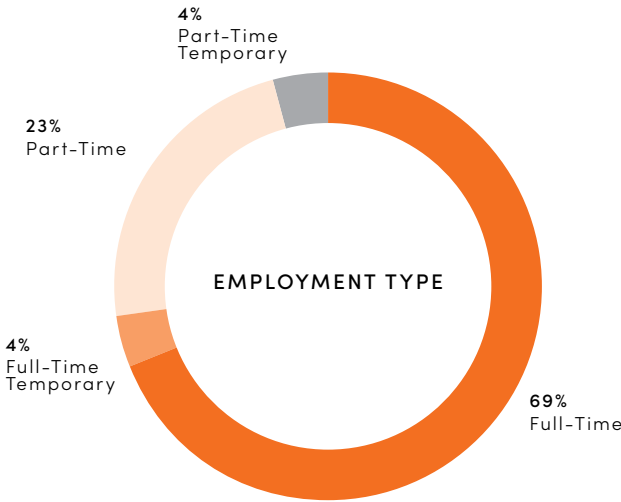
As of July 2018, icebreaker employed 396 people across seven countries who work daily to bring our vision and mission to life.

- 42% are employed in New Zealand/Australia, 41% in North America and 17% in Europe
- 73% are in full-time positions
- 42% of our employees are working in management roles
- 58% are female; 42% are male
- 52% of those in management roles are female; 42% are male
- 42% are under 30 years of age
- 54% of our team are directly involved in selling our product to our customers
- 40% work in retail sales, 14% in wholesale sales, 10% in customer operations and 7% in marketing

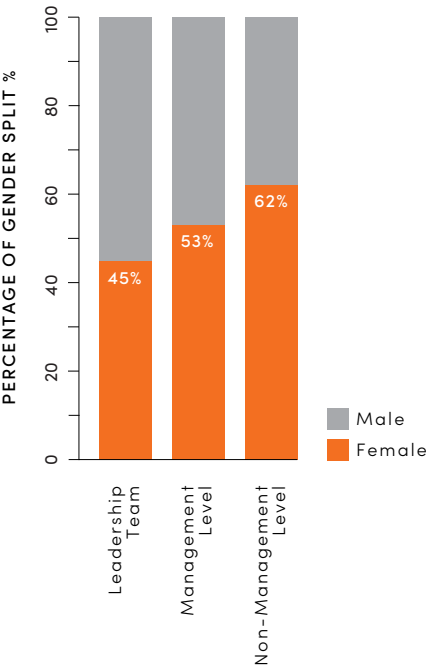
LENGTH OF SERVICE

LENGTH OF EMPLOYMENT*	PEOPLE	% OF TOTAL
> 10 YEARS	8	2%
6 TO 10 YEARS	28	7%
3 TO 6 YEARS	79	20%
1 TO 3 YEARS	130	33%
6 MONTHS TO 1 YEAR	64	16%
< 6 MONTHS	87	22%
TOTAL	396	100%

*Does not include contractors



GENDER BY MANAGEMENT LEVEL



GLOBAL EMPLOYEES BY FUNCTION*	# PEOPLE	% OF TOTAL
CEO	1	0%
BUSINESS INTELLIGENCE	4	1%
CORPORATE SALES	3	1%
CUSTOMER OPERATIONS	39	10%
EXECUTIVE	9	2%
FINANCE	24	6%
ECOMMERCE	12	3%
OPERATIONS	15	4%
INFORMATION TECHNOLOGY	7	2%
INVENTORY	12	3%
MARKET DEVELOPMENT	3	1%
MARKETING	27	7%
OFFICE MANAGEMENT	4	1%
PEOPLE & PERFORMANCE	6	1%
PRODUCT	18	4%
RETAIL SALES	157	40%
WHOLESALE SALES	55	14%
GRAND TOTAL	396	100%

*Does not include contractors

AGE BY MANAGEMENT LEVEL*	<30	30-49	50+	TOTAL
LEADERSHIP TEAM	0	9	2	11
MANAGEMENT LEVEL	27	121	7	155
NON-MANAGEMENT LEVEL	139	85	6	230
TOTAL EMPLOYEES	166	215	15	396

*Does not include contractors.

LIFE AT ICEBREAKER

We invest in and develop our people. We encourage our team to consider internal moves and internal relocations. This broadens their professional and life experience.

“icebreaker enables opportunities, and then empowers you to design what that opportunity looks like.”

Trudie Abel



ADAM ROWLAND

“I’ve worked for big brands around the world. I am extremely humbled to be part of the icebreaker family here in New Zealand. It’s not about selling the latest trend. It’s about sharing the belief that ‘nature has the solution’. This purpose drives us all to do our best and find new ways to bring sustainable solutions to everyone. Never have I been so proud to work with a brand. Its purpose has guided my own beliefs on how to be a better human and look after our planet.”

Joined: 2016
Position: Global Head of Planning, based in Auckland, New Zealand.



EMILY CLARK

“Moving to Munich is both a personal and professional opportunity of a lifetime. I feel really lucky to be here. Working in another market means that even after four-and-a-half years, every day I am learning something new. It has also shown me that throughout the world, despite cultural differences, we are all icebreakers. We are all passionate about what we do and what we are creating here. It’s something special to be a part of, and makes me proud to be a Kiwi abroad. I’m lucky to have had such an easy transition, with icebreaker supporting me every step of the way.”

Joined: 2014
Position: eCommerce Site Coordinator, based in Starnberg, Germany.



TRUDIE ABEL

“I love to travel. So it’s fortunate that icebreaker encourages us towards adventure, personally and in our careers. This adventure has taken me from Europe to the home of icebreaker in New Zealand, and to our North American headquarters in Vancouver. Re-locating countries and transitioning from a global role to a regional role has given me incredible insights. They serve me every day in my position, and have shifted my perspective entirely. icebreaker enables opportunities, and then empowers you to design what that opportunity looks like.”

Joined: 2016
Position: Regional Head of Marketing, based in Vancouver, Canada.



HANNAH PHILIP

“I was ready for a new adventure. I got the promotion I worked towards and the opportunity to move to Canada! Over here, I have developed my skills and been pushed out of my comfort zone, both personally and professionally. Being a passionate Kiwi and icebreaker I am proud to represent New Zealand on the global stage and bring my loud Kiwi spark to the North America office.”

Joined: 2012
Position: Customer Service Team Leader – Direct-to-Consumer, based in Vancouver, Canada.



TRACY LYNES

“My favorite thing about icebreaker is the people I get to work with every day. It’s awesome to be surrounded by people who share the same passion and respect for nature and believe in the products we make. The welcome from the North American team in Vancouver when I moved over really reinforced this. I am able to share insights with, and receive support from, the New Zealand finance team where my icebreaker journey began, the global finance team, and my new North American team. This allows me to always be learning and taking on new challenges that support both my personal and professional goals.”

Joined: 2015
Position: Senior Accountant, North America, based in Vancouver, Canada.



TYSON METIVER

“It took me a while to realize how important change is to my personal growth. For a long time I felt stagnant, affecting my fulfillment within my work and personal life. I knew I needed a massive disruption in my lifestyle to find a stronger sense of purpose. It wasn’t just changing jobs within icebreaker, but changing places. Packing up and throwing myself into new situations that challenged me on every level of my personal and professional being. Partnering with a company that aligns with those values of challenge and progression accelerated that process for me, and now I look back with a massive sense of pride and accomplishment.”

Joined: 2014
Position: Account Manager, based in Wellington, New Zealand

GENERATING OUR PEOPLE POWER

BRINGING OUR TEAM TOGETHER

icebreaker succeeds through close, long-term relationships: we bring people together.

Leadership Development Program

We held our first ever two day leadership development workshop for 66 of our global leaders in Auckland in May 2018.

It has opened another way for us to develop and invest in our people. It also helps to ensure our teams are challenged, empowered, included and trained to thrive in the work they do. We wanted to bring our global leaders together as a leadership community to share their experiences and insights. Together we explored how to prepare, support and encourage each other and our teams through growth and change.

We are continuing to engage this leadership community in regular follow up sessions every 6-8 weeks to share learnings and maintain momentum around this new approach to leading people.

Global Sales Meeting

This year, in addition to our annual Vendor Summit, we held a global sales meeting in New Zealand. It was an initiative of a small feisty group of smart and dedicated individuals within our brand team, with the aid of The New Zealand Merino Company. We brought 118 people from our US, Canada, Europe and Asia sales teams to icebreaker's high country heartland. It was a chance for them to be immersed in icebreaker's

provenance and history, and to meet our merino growers.

They spent a night on a merino station. The remainder of the week was in Queenstown. The participants worked together on the Spring Summer 19 product and marketing campaigns.

ETHICAL LEADERSHIP

Our Code of Business Conduct

As a result of icebreaker's acquisition by VF Corporation, we have adopted the VF Code of Business Conduct to guide the way we will conduct ourselves in our day-to-day work.

The code includes five key principles. They guide how we conduct ourselves and our business relationships:

- 1. Leading with integrity.**
Each of us demonstrates the characteristics of a leader. We are responsible for ensuring our colleagues and business partners feel comfortable asking questions and raising concerns.
- 2. Treating everyone with dignity and respect.**
People are our greatest asset. We know that what makes us great is employees and partners worldwide.
- 3. Competing fairly and honestly.**
Winning in the right way is essential to our success. This includes avoiding conflicts of interest and ensuring that we keep accurate accounting and financial records.

4. Following the law wherever we do business.

We commit to following the law and ensuring compliance in our daily operations worldwide.

5. Striving to make our communities better.

We have a responsibility and an opportunity to lead our industry toward a better future. Our efforts on sustainability, responsibility and community engagement help us keep this commitment.

VF Training

VF provides online and facilitated training on the Code of Business Conduct. There is also training on anti-corruption, conflicts of interest, fair competition and intellectual property.

Ethics Helpline

VF operates a global ethics helpline. It's a free, confidential way for anyone – not just employees – to seek guidance, ask a question or raise a concern about any of its companies. It is available 24 hours a day/ seven days a week in more than 150 languages, in every country where VF has employees. Anonymous reporting is available where allowed by law.

The VF Ethics and Compliance team reviews every report and assigns an appropriate investigator. Every effort is made to investigate reports appropriately, consistently and in a timely manner. Retaliation against anyone making a report or participating in an investigation is not tolerated.



Leadership development workshop

HEALTH AND WELLBEING

We believe it is vital to have a healthy balance between our professional lives and our lives beyond our work.

This year our regional H&S committees are focusing on four key pillars: Balance, Wellbeing, Connection and Safety, with a commitment to supporting our team to explore the ways they work best and offering practical and relevant tools and initiatives to help them achieve this.

We also held a Wellbeing Speaker Series in Auckland where a professional life coach provided practical tips on ways to improve how we live, work and respond under pressure to help us better understand our human potential.

THE SHEEP DOGS

GRASSROOTS SUSTAINABILITY

The Sheep Dogs is an employee-run grassroots office sustainability group that brings awareness and positive change to a business that cares deeply for our environment. We don't play by a specific set of office rules, but instead act on the good ideas from within ourselves and from our friends, the people who work around us.

icebreaker tends to attract people who are into sustainability, environmentalism and social awareness. The Sheep Dogs are now also part of the induction process, giving everyone the chance to get involved from day one.

We've been involved in making a load of changes, some small, some not so small. We've been involved in a range of activities: Reducing waste, cutting water and energy use and hosting environmental awareness evenings in the office to encourage people to take action in their everyday lives from work to home.

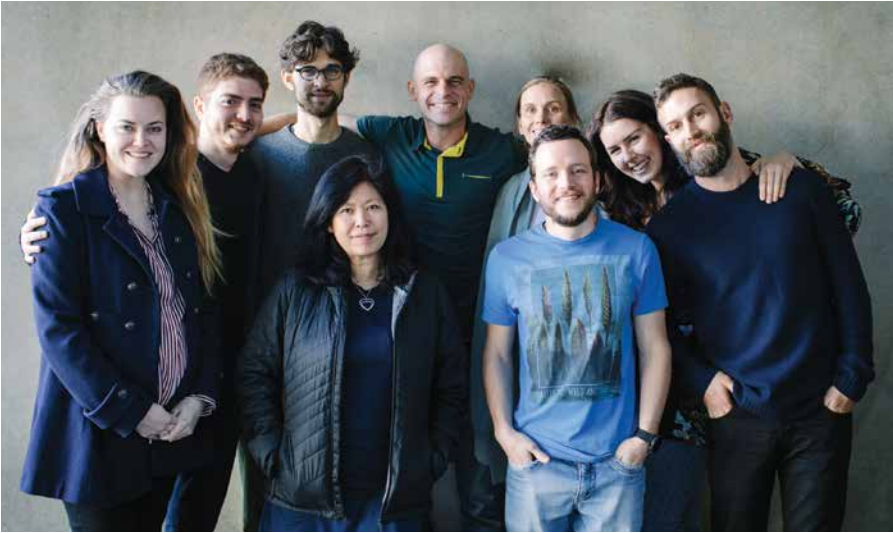
Here are some highlights:

- **Plastic-Free Awareness Month.** Employees pledged not to bring or use single-use plastic in the office kitchens.
- **Reduce printing.** Our printers now print only when you are at the machine and input a password. This has cut printing by nearly a third, and eradicated forgotten printed documents.
- **Centralized rubbish.** Having one clearly differentiated set of waste bins has increased recycling and composting.
- **Tree-less toilet paper.** Alternatives such as toilet paper made from bamboo and sugar cane help cut deforestation.

- **Fairtrade and organically grown office coffee**
- **Turning off retail store video displays at night**
- **Office supplies** and cleaning products that demonstrate sustainability and social benefit credentials
- **Free keep cups** for all our global office employees
- **Quarterly casual documentary movie nights** to stay informed
- **Regular office guest speakers** on global and local sustainability
- **Beach clean-ups** and tree-planting events
- **Carbon-off-setting flights** to the 2018 Vendor Summit in Shanghai
- **Sponsorship of the Endangered Kiwi Breeding Program**, Taranaki Region, New Zealand
- **Planted edible office gardens** to give icebreakers a chance to grow our own food and create an inviting outdoor space.

Next, we have our eye on soft plastics recycling, increasing the use of rechargeable batteries for gadgets that can take them, and ditching sandwich cling film in favor of beeswax wraps as well as more conservation sponsorship.

"I'm really proud of what we've created, but what's more important is that it gives everyone in our office a sense of pride in the company they chose to work for. It elevates all of us, knowing we're part of something good." **Ken Harris, Lead Sheep dog**



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- 01 Founding Members
- 02 Tree Planting
- 03 Ken Harris, Lead Sheep Dog
- 04 Inspiring the teams in our Auckland office

OUR PROGRESS

WHAT IS WORKING

- We have a defined set of Guiding Principles (values) and a new Code of Business Conduct setting out the expectations for ethical business conduct.
- The establishment of a global leadership development program.
- The launch of the Ethics Helpline and training to encourage people to speak up and feel comfortable asking questions and raising concerns.
- In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.
- Launching of the VF learning journeys and online resources for both individual contributors and people leaders.
- Extended ethics training including techniques for tackling bullying and harassment in the workplace.
- Clear communication of our business goals and strategic priorities.
- Providing opportunities for icebreakers to combine career development with adventure, by actively encouraging international relocations between our global offices.
- Retail management and sales development programs.
- Social clubs in each region managing events and activities to build relationships and have fun together.
- Grassroots sustainability groups in each office.
- Grower connection – encouraging and organizing station visits to connect our icebreaker team with the spiritual heart of our business.

WHAT WE ARE WORKING TOWARDS

- In 2019 introduce flexible working and other workplace initiatives to promote a healthy balance between work and life outside of work.
- Launching of the VF learning journeys and online resources for both individual contributors and people leaders.
- Extended ethics training including techniques for tackling bullying and harassment in the workplace.
- Increased diversity and inclusion initiatives.

APPENDIX

88	Transparency Inbox Overview
90	Grower Listing
92	Supplier Listing
106	Materiality Matrix

TRANSPARENCY INBOX OVERVIEW

In 2017, we launched the transparency@icebreaker.com email, to allow our partners and consumers to 'Ask us Anything'. Here are some of the questions.

OUR BUSINESS

Q. What are the main values leading your business?

A. At icebreaker we explore the relationship between people and nature. Nature is our hero. Our purpose is to offer our customers a natural alternative to synthetics and to lead the outdoor industry towards sustainable solutions. Our three guiding principles are adaptation (the ability to adapt to an ever changing environment), symbiosis (living things working together for mutual benefit) and sustainability. You can find out more about our values and principles here: <https://nz.icebreaker.com/en/our-story/philosophy.html>

OUR GROWERS

Q. How can you be sure your wool comes from animals who are treated humanely?

A. We are committed to working closely with our merino growers; in some cases, these relationships span over 20 years. This is how we know that we work with some of the best merino growers in the world. Growers who share our values for producing sustainable, ethically sourced merino fiber. icebreaker sources from the ZQ grower accreditation programme <http://www.zqmerino.co.nz>. This programme has been developed to provide customers with certainty that product quality, animal welfare and health, environmental, economic and social

values are positively addressed and provides further assurances through an independent third party on-farm audit process. icebreaker growers are committed to a strict animal welfare code, that also applies to the sheep dogs working on the stations.

Q. What measures do you take to ensure a balance between the sheep's grazing needs being met, while protecting the natural ecosystem existing in each region?

A. We source our ethical wool through the ZQ accreditation program, which independently audits and regulates for best practice environmental sustainability. Sheep are grazed in some of the world's most beautiful and remote grassland areas and are free to roam throughout the year. Each farm is geographically diverse and located within a wider regional ecosystem, therefore, we take an individual approach to environmental management. Each of our growers must complete and maintain a land environment plan, focused on the protection of their landscape. Many growers have generational knowledge and care for the environmental systems unique to their property. The land is further protected through local regulation, governing the management of land, air and water natural resources.

Q. What breed of working dogs are used on your grower stations?

A. There are two types of dogs typically used on New Zealand sheep farms: Huntaways and Heading dogs. The Huntaway is a New Zealand breed of dog that is used for general sheep tasks, including helping to move sheep in and out of sheep yards during shearing time. The other type of dog is known as a Heading dog, which has been bred from a Border Collie; Heading dogs position themselves around the sheep to move them in certain directions. New Zealand doesn't have predators such as foxes or wolves, so we don't use dogs for the 'protection' of sheep, only to muster and move sheep.

OUR PRODUCT

Q. Do you have a recycling program up and running for used or damaged icebreaker products?

A. We currently don't have a garment recycling program in place, but this is one of the key projects we have on our roadmap and we have set a goal to establish one by 2022. Before launching the program there are a number of dependencies to work through including ensuring that the methods and processes used for collecting, transporting and processing or repurposing the garments are sustainable.

OUR SUPPLY CHAIN

Q. I would love to know who is making my icebreaker products. What kind of conditions are they working in? Are they paid a decent wage? Are they all adults? What is icebreaker doing to ensure these things?

A. Great questions - these are all things that are very important to us. We take a diligent approach to our supply chain management systems. This includes a robust supplier on-boarding process and arranging third party ethical audits before we start working with a new supplier. All of our suppliers must agree to our Supply Chain Code of Conduct, which outlines our human rights policy and is founded on the International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work. If you would like to know more, we have outlined the full details of our approach in our 2017 Inaugural Transparency report which can be downloaded from our website: www.icebreaker.com

Q. Do you think we'll one day be able to track from farm to garment? It'd be great to see where the wool from a purchased garment originates and the factories that contribute to its manufacture.

A. We are able to trace the source of all components of our product from fiber through to trims at each stage of our supply chain. Each stage of production has a unique set of compliance and quality checks. The challenge with linking a specific garment right back to an individual

sheep station is that during the wool tops process, our wool (which comes from multiple stations) is blended together many times over during the cleaning, carding and combing process in order to achieve a homogenous and consistent level of quality, appearance and performance.

Q. How do you ensure that the dying processes are environmentally friendly and that dyestuffs are safe for consumers?

A. We work with suppliers who have on site water processing plants. This ensures that all water used in the dying process is completely cleaned before it can be discharged. Our audit format includes a waste management section, which checks that the factories' chemical and water management systems are meeting our stringent standards. Since 2006 we have undertaken the STANDARD 100 by OEKO-TEX® certification on an annual basis. 92% of the fabrics in our FW17 range have been certified, the 8% balance is due to seasonal small run fabric. This is a globally recognized, independent testing and certification system used to confirm the absence of harmful substances within a fabric or raw material.

OUR PEOPLE

Q. What will change in your internal culture now that icebreaker is no longer a New Zealand-owned company?

A. In April 2018 icebreaker was acquired by VF Corporation because they believe in our product and our ethos. Our partnership with VF provides us with the largest platform in the world to tell our story, access new markets and reach new consumers at an accelerated pace. This is a once-in-a-lifetime opportunity for our global brand and for our wool suppliers to introduce new consumers to the benefits of sustainably farmed, ethically sourced merino wool. icebreaker was built on the foundations of sustainability and traceability. We want to be global leaders in transparency and inspire other companies to do the same. We will continue to look for opportunities to engage and collaborate within VF Corporation and our broader industry.

GROWER LISTING

ICEBREAKER CONTRACTED GROWERS FOR SEASON 2018

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
ARDGOUR	Wanaka	12/07/17
AWAPIRI	Blenheim	15/06/17
BALDWIN	Roxburgh	21/03/18
BEN DHU	Omarama	22/06/18
BENMORE	Omarama	17/04/18
BLACKSTONE HILL	Omakau	20/03/18
BLUE MOUNTAIN	Fairlie	2/02/18
BLUFF	Kekerengu	13/06/17
BOG-ROY	Kurow	20/02/18
BONJEDWARD	North Canterbury	2/08/17
BRAEVAAR	Amberley	2/06/17
BRANCH CREEK	Wanaka	19/06/18
BRANCHES	Queenstown	15/05/18
CAIRNMUIR	Cromwell	14/06/17
CARRICK	Cromwell	11/08/17
CARRICKMORE	Ranfurly	20/06/18
CASTLE RIDGE	Ashburton	21/11/17
CATHERINE FIELDS	Pukaki	23/03/18
CECIL PEAK	Queenstown	31/08/17
CLUDEN	Cromwell	27/06/18

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
CORA LYNN	Arthurs Pass	26/06/17
CORLEGGY	Blenheim	4/07/17
CRAGSIDE	Oturehua	5/06/18
CRAIGLEA	Roxburgh	15/03/18
DOLPHINS	Palmerston	21/06/18
EARNSCLEUGH	Alexandra	6/07/17
EREWHON	Ashburton	22/08/17
GLEN ORKNEY	Blenheim	14/03/18
GLENFOYLE	Cromwell	19/06/17
GLENTANNER	Mt Cook	14/02/18
GODLEY PEAKS	Lake Tekapo	26/02/18
GOULBURN	Oturehua	20/03/18
GRANTLEIGH (BEN OHAU)	Twizel	19/01/16*
HARTFIELD	Ranfurly	10/07/18
HILLTOP DOWNS	Roxburgh	14/06/18
HORSESHOE	Roxburgh	21/05/18
IDA VALLEY	Oturehua	15/06/18
LAKE COLERIDGE	Darfield	15/11/17
LAKE HERON	Ashburton	22/08/17
LAKE OHAU	Omarama	23/02/18

* Audit completed on Ben Ohau station prior to ownership and name change to Grantleigh

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
LAKE TAYLOR	Hawarden	19/04/18
LINDIS PEAKS	Tarras	21/06/17
MAHERUA	Little River	11/04/18
MANGAITI	Wanganui	7/06/17
MATAKANUI	Omakau	19/06/17
MIDDLEHURST	Blenheim	W/06/18
MONAGHAN	Blenheim	12/06/17
MT NICHOLAS	Queenstown	31/08/17
MT ROSS	Middlemarch	23/06/17
MT WHITNOW	Hawarden	18/06/18
MULLER	Blenheim	27/06/18
MUZZLE	Clarence Valley	6/03/18
NOKOMAI	Lumsden	15/06/17
NORTHBURN	Oturehua	14/03/18
OMARAMA	Omarama	6/02/18
ORMOND	Blenheim	27/04/18
OTEKAIEKE	Duntroon	19/04/18
OTEMATATA	Otematata	20/03/18
OTEMATATA/A	Otematata	20/03/18
PATEAROA	Ranfurly	21/03/18
REDCLIFFS	Methven	4/09/17
ROSENEATH	Kurow	30/04/18
ROUGH RIDGE	Oturehua	12/03/18
STONEHENGE	Ranfurly	21/03/18
TE AKA	Kurow	23/03/18

PROPERTY NAME	PROPERTY LOCATION	LAST AUDIT DATE
TEMPLE PEAK	OTAGO	20/06/18
TEVIOT RIVER DOWNS	Roxburgh	18/05/18
THE GUMS	Cheviot	16/08/17
THE ROCKS	Middlemarch	23/04/18
TYNTESFIELD	Blenheim	13/03/18
UPCOT	Blenheim	27/03/18
WAITANGI/S	Kurow	23/03/18
WALTER PEAK	Queenstown	16/01/18

SUPPLIER LISTING

ICEBREAKER SUPPLY CHAIN LISTING

SUPPLIER	FACILITY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
A&E	A&E Dongmei Thread Manufacturing Co., Ltd	Trims Vendor Sourced	X	China	Nange Industrial Village of Daojiao Town, Dongguan City Guangdong Province, PRC	369	25%	75%	0%	50%	50%	2013	6 years
AD TRIMS	Ad Trims	Trims Vendor Sourced	X	Bangladesh	261, Ukil Building (Ground Floor), Jamal Khan Road, Chittagong Bangladesh	22	100%	0%	0%	0%	100%	2017	2 years
EVERETT DENNISON	Paxar Packaging Guang Zhou Limited	Trims	Jul-18	China	Tanshan Village, Hualong Town, Panyu District, Guangzhou, Guangdong Province, China, 511434	4069	17%	83%	0%	56%	44%	2007	12 years
BEMIS	Bemis	Trims	X	USA	2849 Greenwich St. Suite 1, San Francisco CA 94123	450	99%	1%	0%	30%	70%	2016	3 years
BUTTON INTERNATIONAL	Changshu Button International Co., Ltd	Trims	X	China	2nd Floor, #8 Aleey 30, Lane 358, Ruiguang Road, Taipei, Taiwan 114	175	17%	83%	0%	70%	30%	2009	10 years
CHARGEURS	Zhangjiagang Yangtse Wool Combing Co Ltd	Tops Production	Mar-18	China	European Industrial Park, Tangshi St, Yangshe Town, Zhangjiagang City, Jiangsu, 215618	172	34%	65%	1%	40%	60%	2006	13 years
CHARMTECH INDUSTRIAL LIMITED	Qingyuan Bowcharm Garment Manufacturing Limited	Tops Production	Aug-17	China	Zhoutian Industry Area, Taihe Town, Qingxin County, Qingyuan city, Guang Dong province, China	420	76%	24%	0%	78%	22%	2012	7 years
CHIA HER	Chia Her International	Fabric	May-18	Taiwan	Gongye road, Guanttian District, Taiwan, ROC	822	79%	21%	1%	0.51	0.49	2014	5 years
COATS	Shanghai Coats Thread Co., Ltd.	Trims	X	China	No.9 Baosheng Road, Songjiang District, Shanghai, China	179	28%	72%	0%	38%	62%	2010	9 years
COATS BANGLADESH	Coats Bangladesh Limited	Trims	X	Bangladesh	Fouzerhat Industrial Estate, Sagorika Road,P.O custom Academy, Chittagong4219, Bangladesh.	1588	97%	0%	3%	1%	99%	2014	5 years
COATS VIETNAM	Coats Phong Phu Company	Trims	X	Vietnam	Phố Nối B Industrial Park - Nghĩa Hiệp - Yên Mỹ - Hưng Yên Province	399	99.75%	0.25%	0%	51%	49%	2005	14 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
DANMAO (JIANGSU DANMAO TEXTILE CO LTD)	Jiangsu Danmao Textile Co Ltd	Fabric	May-18	China	No.2 Lumeng North Road, Lucheng, Danyang, Jiangsu, China	1060	95%	5%	0%	60%	40%	2011	8 years
DD CORPORATION	Dd Corporation	Trims Vendor Sourced	X	Bangladesh	1338/A, Al Noor Manzil Nasirabad R/A, Chittagong	9	100%	0%	0%	0%	100%	2015	4 years
DESIGNER TEXTILES INTERNATIONAL LTD	Designer Textiles Vietnam	Fabric	Jan-18	Vietnam	Lot P, Hoa Xa Industrial Park, Nam Dinh, Vietnam	150	87%	13%	0%	27%	73%	2000	19 years
DIRECT SOURCE PACKAGING	Dong Sung Printing Co., Qingdao Factory	Packaging	May-18	China	Qingdao D.S. Corporation, Shaoshan, Xiazhuang Town, ChengYang District, QingDao, China 266107	125	98%	2%	0%	52%	48%	2016	3 years
DONG HWA	Donghwa Textile Co.,Ltd	Trims Vendor Sourced	X	Korea	Hanhwabizmetro 2-Cha, #511 449-21 Gayang-Dong, Gangseo-Gu, Seoul, Korea	31	81%	19%	0%	30%	70%	2013	6 years
DONGGUAN BAOYUN CLOTHING ACCESSORIES CO.LTD.	Dongguan Baoyun Clothing Accessories Co.ltd.	Trims Vendor Sourced	X	China	Sukeng Management District, Changping Town, Dongguan City, Guangdong Province	100	50%	48%	2%	70%	30%	2015	4 years
DONGGUAN HENGLIANG PRINTING.,LTD.	Dongguan Hengliang Printing.,Ltd.	Trims Vendor Sourced	X	China	A-4,NO.41 Meiming Industrial Pack,Shangnan Road,Shangjiao,Changan Town,Dongguan	60	60%	40%	0%	45%	55%	2015	4 years
DOUBLE RETAIL	Pafos, Inofyta	Pos Fixtures	Jan-18	Greece	32011 Inofyta Viotias Greece	112	39%	28%	33%	13%	87%	2014	5 years
DOUBLE RETAIL	Veta, Athens	Pos Fixtures	Jan-18	Greece	1-3 Aristeidou str, Aharnai, Athens, Attica, Greece	220	83	0%	1700%	5%	95%	2014	5 years
DUK PHUC	Duc Phuc Co., Ltd	Trims Vendor Sourced	X	Vietnam	No 190 Hai Ba Trung, Ba Trieu Ward, Nam Dinh City, Vietnam	8	100%	0%	0%	50%	50%	2013	6 years
E.C.I. ELASTIC CO., LTD	E.c.i. Elastic Co., Ltd	Trims	X	China	Qian - Wu, Doumen China	535	67%	33%	0%	58%	42%	2006	13 years
ECLAT TEXTILE CO., LTD	Eclat Textile Co.,Ltd	Fabric	Apr-18	Taiwan	No.28, Wu Chuan Road, Wu Ku industrial park, New Taipei City, Taiwan	1000	94%	5%	1%	55%	45%	2016	3 years
EMSIG	Sunco Button Factory	Trims	X	China	263 West 38th Street, Flr 5th, New York 10018 USA. Factory: Ker Yuan 7th Road, Tang Xia, Dongguang	60	0%	100%	0%	23%	77%	2007	12 years
EVEREST TEXTILE	Everest, Tainan	Fabric	May-18	Taiwan	256 Ming Ho Tsun, Shansan Hsiang District, Tainan Hsien, Taiwan, R.O.C.	1906	68%	0%	32%	50%	50%	2013	6 years
FORMOSA TAFFETA CO.	Formosa Taffeta Co.ltd	Fabric	Sep-17	Taiwan	317, Shu Liu RD., Touliu 640, Taiwan, R.O.C	3723	84%	0%	16%	34%	66%	2016	3 years
FREUDENBERG & VILENE INTERNATIONAL LTD.	Freudenberg & Vilene Interlining (Natong) Co., Ltd.	Trims	X	China	408 Chang Jiang Middle Road, Nantong/China	261	100%	0%	0%	39%	62%	2015	4 years

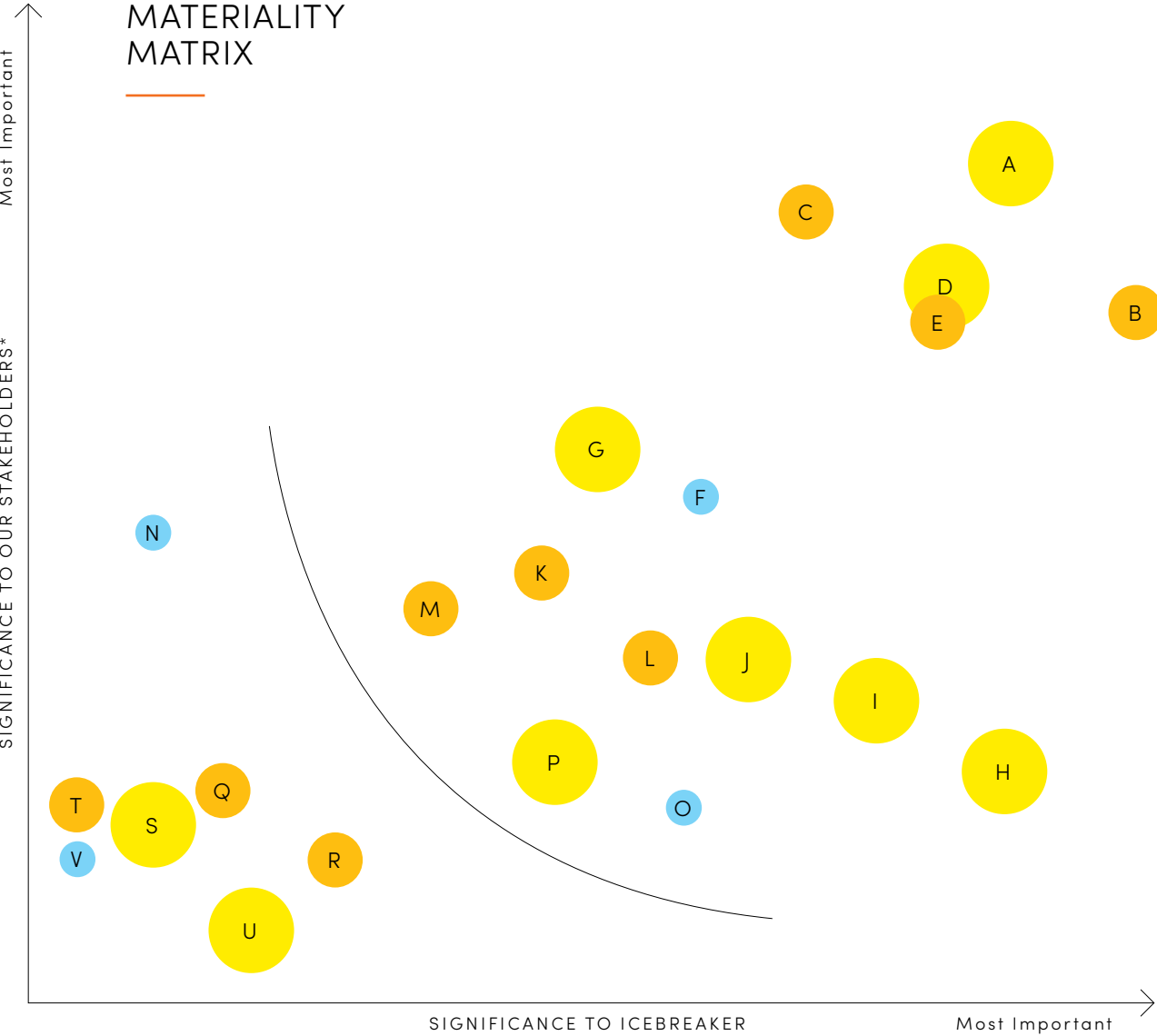
SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
FUDING	Shanghai Fuding Dress Co.,Ltd	Trims Vendor Sourced	X	China	No.156 Shenxi Village Zhoupu Town, Shanghai	6	50%	50%	0%	50%	50%	2010	9 years
GRAPHIC VISUAL SOLUTIONS	Graphic Visual Solutions	Packaging Vendor Sourced	X	USA	4301 Waterleaf Court, Greensboro, NC 27104	100	100%	0%	0%	30%	70%	2008	11 years
GUILIN EVER GREEN HANGER FACTORY	Guilin Ever Green Hanger Factory	Pos Fixtures	X	China	Shangzhai Tun, Zaijiao Village, Licheng County, Lipu Town, Guilin City, Guanxi, China	90	100%	0%	0%	70%	30%	2009	10 years
HAIRUI	*Shanghai Hairui Industrial Limited Company	Trims Vendor Sourced	X	China	No.68 Dongheyan Road Chenqiao Town, Chongming District, Shanghai China	36	100%	0%	0%	50%	50%	2018	1 year
INSIGHT PRINT MEDIA	Insight Print Media Ltd	Pos Fixtures	Jul-18	UK	Unit 17, Bristol Vale Trading Estate, Bedminster, Bristol, BS3 5RJ	6	100%	0%	0%	0%	100%	2017	2 years
INTERNATIONAL MOULDERS LIMITED	Dongguang Honghua Bra Subsidiary Material Products Co Limited	Trims	X	China	A10, Jinfu RD, Tangchun Industrial, Liaobun Town, Dongguan, Guangdong Province	313	4%	96%	0%	44%	56%	2017	2 years
INTERSOCKS D.O.O	Recinko D.o.o (Confection)	Sock Vendor	Feb-18	Slovenia	Roška Cesta 41, Si-1330 Kočevje, Slovenia	57	100%	0%	0%	88%	12%	2014	5 years
INTERSOCKS D.O.O	Intersocks Trata (Previously Called Interconf D.o.o) Intersocks Confection Unit (Part Of Intersocks D.o.o)	Sock Vendor	Feb-18	Slovenia	Trata Xiv / 6, Si-1330 Kočevje, Slovenia	47	100%	0%	0%	90%	10%	2014	5 years
INTERSOCKS D.O.O	Insocks Srl (Knitting)	Sock Vendor	Jan-18	Italy	Via Dell ' Industria 28, It-32010 Pieve D'Alpago, Italy	21	57%	43%	0%	48%	52%	2014	5 years
INTERSOCKS D.O.O	Calz. Telemaco Srl (Knitting)	Sock Vendor	Sep-17	Italy	Via Brentella, 9, It-31040 Trevignano, Italy	17	53%	47%	0%	58%	42%	2014	5 years
INTERSOCKS D.O.O	Ana D.o.o (Confection)	Sock Vendor	Sep-17	Slovenia	Stari trg ob Kolpi 45, 8342 Stari trg ob Kolpi	23	100%	0%	0%	92%	8%	2014	5 years
ITW GRAPHICS ASIA LIMITED	Itw Sports Branding Enping Pacific Concept Industries Ltd.	Trims	Jul-18	China	Puqiao Economic Industry District, Shahu Town, Enping city, Guangdong Province, China	180	80%	20%	1%	63%	37%	2008	11 years
JINGXIAN	*Zhejiang Jingxian Garment Technologies Co. Ltd	Yarn – Vendor Sourced	X	China	No.9 Qunfeng No.1 Provincial Road, Lin Dai town, Pinghu Zhejiang Province, China	220	80%	20%	0%	80%	20%	2017	2 years
KEN SMITH YARNS	Ken Smith Yarn Company	Yarn – Vendor Sourced	X	USA	1530 Kirkpatrick Road Burlington, NC	15	100%	0%	0%	46%	54%	2016	3 years
KRAJEVSKI	Pphu Krajewski Marek Krajewski	Yarn – Vendor Sourced	X	Poland	ul. Nadbzurzańska 19, 99-400 Łowicz, Poland	65	90%	10%	10%	60%	40%	2014	5 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
KTC LIMITED	Heshan Rondor Garments Limited	Garment Vendor	Nov-15	China	No. 1601 Renmin Road East, Shaping Town, Heshan City, Guangdong, People's Republic of China	60	60%	40%	0%	45%	55%	2015	4 years
LEE BOU INTERNATIONAL LTD.	Wuxi Lee Bou Silicone Industries	Trims	Jul-18	China	No. 16, Hexin Rd., Xishan District, Dongting Town, Wuxi City, Jiang Su, China	233	12%	85%	2%	70%	30%	2008	11 years
LISHUN	Shanghai Lishun Accessories Co.,Ltd	Trims Vendor Sourced	X	China	Room 102, No.9th Lane 500 Xiangyin Road Shanghai	30	60%	40%	0%	90%	10%	2005	14 years
LIUQING	Zhejiang Hujiang Thread Co.,Ltd	Trims Vendor Sourced	X	China	675 Airport Road, Yiwu, Zhejiang Prov.	465	37.60%	62%	0%	32%	68%	2017	2 years
LIUQING SEWING THREAD COMPANY	Liuqing Sewing Thread Company	Trims Vendor Sourced	X	China	No 2048,Airport road Liuqing Industrial Park, Yiwu City, Zhejiang Province	595	40%	60%	0%	80%	20%	2016	3 years
LUART D.O.O	Luart D.o.o	Packaging Vendor Sourced	X	Slovenia	Parmova ulica 41, 1000 Ljubljna	35	97%	0%	3%	52%	49%	2014	5 years
MAGHINA	Filati Elastici Maghina Srl	Yarn - Vendor Sourced	X	Italy	Via Marconi 54 - 25020 San Paolo BS - Italy	20		0%	25%	45%	55%	2014	5 years
MCMICHAEL	Mcmichael,Mills, Inc.	Yarn - Vendor Sourced	X	USA	130 Shakey Rd. Mayodan, NC 27027	295	100%	0%	9%	57%	43%	2016	3 years
MITSUI BUSSAN I-FASHION LTD.	Mitsui Ochiai-Cho Factory	Fabric	Jun-18	Japan	15. Ochiai-Cho, Kisshoin Minami-ku, Kyoto, Japan 601-8324	168	73%	27%	0%	21%	79%	2016	3 years
MITSUI BUSSAN I-FASHION LTD.	Mitsui Ishikawa Factory	Fabric	X	Japan	Nu161-4, Hama-machi, Nomi-shi, Ishikawa pref, Japan 929-0124	155	82%	2%	16%	30%	70%	2016	3 years
NANTONG BANGRUN LACE/ELASTIC FABRICS CO.LTD	Nantong Bangrun Lace/Elastic Fabrics Co.ltd	Trims Vendor Sourced	X	China	Xinglong Road, Tianshenggang District, GangZha Area, Nantong City, JiangSu Province	30	30%	70%	0%	40%	60%	2016	3 years
NAXIS	Naxis Co., Ltd	Trims	X	Japan	64-6 Oguro, Maruoka-cho, Sakai-shi, Fukui, Japan	607	85%	15%	0%	82%	18%	2016	3 years
NESTER HOSIERY	Nester Hosiery Inc	Sock Vendor	Nov-17	USA	1546 Carter Street, Mt. Airy, NC 27030	185	99%	1%	0%	60%	40%	2005	14 years
NEW YARN	New Yarn Srl	Yarn - Vendor Sourced	X	Italy	Via Industriale, 7 Barbariga 25030 (BS) ITALIA	5	80%	0%	20%	20%	80%	2014	5 years
NHAN MY	Junmay Label Co., Ltd	Trims Vendor Sourced	X	Vietnam	Lot CN-01-03 Ninh Hiep Industrial Zone Ninh Hiep Commune Gia Lam District Hanoi City Vietnam	90	62%	30%	8%	66.67%	33.33%	2013	6 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
NIFCO TAIWAN CORPORATION	Nifco Taiwan Corporation	Trims	X	Taiwan	No.198, Sec.2, Zhong Ai Rd.,Guan-Yin District. TaoYuan City 407. Taiwan	250	99%	1%	0%	48%	52%	2015	4 years
NOA BRANDS DBA FUSION SPECIALTIES	Fusion Specialties	Pos Fixtures	May-18	Mexico	Santos Dumount #6620, Cd. Juarez, Chih, Mexico	450	100%	0%	0%	43%	57%	2013	6 years
NYFIL,	Nyfil	Yarn - Vendor Sourced	X	Italy	VIA DELL'ARTIGIANATO 69 - 25018 - MONTICHIARI - BS	8	25%	0%	75%	25%	75%	2014	5 years
PAIHO GROUP	Paiho Group Wuxi	Trims	Jul-18	CHINA	No.18 HeXin Rd, Dongting Town Xishan District, Wuxi City Jiangsu	1134	49%	51%	0%	63%	38%	2008	11 years
PAIHO GROUP	Paiho, Taiwan	Trims	X	Taiwan	No. 575 Hokang Road Homei Township Changhua County Taiwan 508	1060	77.00%	0%	24%	58%	42%	2008	11 years
PURFORM - SIMPLEX PLAST.	Simplex Plast	Pos Fixtures	Feb-18	India	Plot No. 29, Diwan & Shah Udyog Nagar, Waliv Village, Sativali Rd, Vasai East, Dist Palghar 401208, India	29	100%	0%	0%	0%	100%	2006	13 years
QIANZI	Wuxi Daoyue Trading Co., Ltd	Trims Vendor Sourced	X	China	86-1111 Hubing Road Binghu District, Wuxi, Jiangsu Prov	3	100%	0%	0%	33%	67%	2017	2 years
R.M. ENTERPRISE	R.m. Enterprise	Trims Vendor Sourced	X	Bangladesh	40/41 Kodom Mobarak Momin Road, Chittagong Bangladesh	7	100%	0%	0%	0%	100%	2016	3 years
S.E.C. ACCESSORIES LTD.	S.e.c. Accessories Ltd. (Dongguan)	Trims	X	CHINA	4th Floor, Dai Long Xin Wei Zai Village, Xiegang Town, Dongguan City, Guangdong Province, China	53	11%	82%	0%	51%	49%	2016	3 years
SAFE REFLECTIONS	Safe Reflections Inc	Trims	X	USA	3220 Granada Ave N St Paul Minnesota US 55128	86	91%	9%	0%	35%	65%	2018	1 year
SAFIL SPA	Safil Spinning Plant	Yarn	Mar-17	Bulgaria	Industrial Zone, 4134 Scutare, Plovdiv, Bulgaria	585	100%	0%	0%	65%	35%	2015	4 years
SAFIL SPA	Safil Dyeing Plant	Yarn	Mar-17	Italy	Via del Mosso, 10, Gaglianico, Biella, Italy	150	92%	8%	0%	67%	33%	2015	4 years
SHANGHAI CHALLENGE	Shanghai Challenge Garment Co. Ltd	Garment Vendor	Apr-18	China	No.1918 Tingfeng Road,Tinglin,Jin Shan District, Shanghai 201514, P.R.C.	745	75%	25%	0%	72%	28%	2004	15 years
SHANGHAI CHALLENGE	Lianyun Gang Guanlin Garment Co., Ltd	Garment Vendor	Nov-17	China	No.68 Xingyang Road, Guanyun, Lianyungang City, Jiangsu Province, China	156	98%	2%	0%	85%	15%	2015	4 years
SHANGHAI CHALLENGE	Hubei Challenge Garment Co.,Ltd	Garment Vendor	Aug-17	China	Tongjiigou Industry Plant,Zhushan,Shiyan, Hubei, China	770	89%	11%	0%	74%	26%	2018	1 year
SHANGHAI CHALLENGE	Shanghai Challenge Ltd	Fabric	May-18	China	No.1918 Tingfeng Road, Jinshan District, 201504, Shanghai, China	787	81%	18%	1%	62%	38%	2004	15 years

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
SHIMADA	Shimada Sh	Trims Vendor Sourced	X	China	Room 904-908, Tower.a Far-East International Plaza,No.319 Xian Xia Road, Shanghai,China	85	65%	20%	15%	50%	50%	2016	3 years
SHIMADA	Shimada Shoji (Shanghai) Co., Ltd.	Trims Vendor Sourced	X	China	Rm 904-908 A Building, Far East International Plaza No 319 Xian Xia Road Shanghai China 200051	30	100%	0%	0%	60%	40%	2018	1 year
SML DONGGUAN DONG HING LABEL & EMBROIDERY CO., LTD.	Sml Dongguan Dong Hing Label & Embroidery Co.,Ltd.	Trims Vendor Sourced	X	China	Shangsha District Chang'an Town Dongguan Guangdong Province China	1800	20%	80%	0%	55%	45%	2011	8 years
SUEDWOLLE	Zhangjiagang Yangtse Spinning Co.,Ltd	Yarn	Nov-17	China	Economic Development Zone, Yang Zi Road 5, Tangshi, Zhangjiagang City Jiangsu Province China	1250	25%	75%	0%	62%	38%	2006	13 years
SUPERCAP TIGER GROWTH ASSETS LIMITED.	Zhongshan Weili Textile Co., Ltd.	Garment Vendor	Aug-17	China	The 2Nd Industrial Area, Sanxiang Town, Zhongshan City, Guangdong Province	2466	4%	96%	0%	65%	35%	2014	5 years
TAL APPAREL	Tal Global Alliances Limited	Garment Vendor	Jun-17	Vietnam	Nguyen Duc Canh Industrial Zone, Thai Binh City, Thai Binh Province, Vietnam	4948	97%	3%	1%	83%	17%	2016	3 years
TECHNICAL & TEXTILE SERVICE SRL	Technical & Textile Service Srl	Yarn - Vendor Sourced	X	Italy	Via 8 Marzo, 25 Borgo San Giacomo	25	80%	20%	20%	50%	50%	2014	5 years
TECNOYARN	Tecnoyarn Spa	Yarn - Vendor Sourced	X	Italy	Via Alessandrini, 4 - 25086 Rezzato (Bs), Italy	13	100%	0%	0%	45%	55%	2014	5 years
THE BIG PICTURE	The Big Picture	Pos Fixtures	May-18	NZ	7D Saturn Place, Rosedale Auckland, 6032	10	100	0%	0%	30	70	2014	5 years
TRIMCO GROUP (CLOTEX-LABELON)	Clotex Labels	Trims	X	Hong Kong	Flat G, 8/F, City Ind. Complex, 116-122 Kwok Shui Road, Kwai Chung, Hong Kong	195	95%	5%	0%	60%	40%	2016	3 years
TRIMCO GROUP (CLOTEX-LABELON)	Clotex Labels Hangzhou	Trims	X	China	1/F, Block 8, No.611, Dong Guan Road, Bin Jiang District, Hangzhou, Zhejiang, China	110	100%	0%	0%	70%	30%	2016	3 years
VENITRA SHEPHERD INC	Zhangjiagang Shepherd Inc.	Garment and Fabric Vendor	Dec-17	China	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiang Su Province, China	1000	100%	0%	0%	70%	30%	2017	2 years
VENITRA ENTERPRISES INTERNATIONAL	Meng Di Corporation	Dying and Finishing	Jan-18	China	Ying Shan Road, Feng Huang Town, Zhangjiagang City, Jiang Su Province, China	50	100%	0%	0%	30%	70%	2017	2 years
WENJIA	Kunshan Wenjia Weaving Co.,Ltd	Trims Vendor Sourced	X	China	No.1195 Yuanqu Road Zhouzhuang Town, Kunshan, Jiangsu Province, China.	30	100%	0%	0%	60%	40%	2018	1 year

SUPPLIER	FACTORY NAME	CATEGORY	DATE OF LAST AUDIT	COUNTRY	ADDRESS	TOTAL NO EMPLOYEES	% LOCAL	% NON LOCAL (FROM OTHER REGION)	% MIGRANT (FROM OTHER COUNTRY)	% FEMALE	% MALE	PARTNERSHIP COMMENCED (YEAR)	LENGTH OF RELATIONSHIP (YEARS)
XINLAN	Wuxi Xinlan Paper&Plastic Packaging Co.Ltd	Trims Vendor Sourced	X	China	Yanshuizhuang Village Ganlu Town, Xishan District Wuxi, Jiangsu Prov	4	100%	0%	0%	50%	50%	2017	2 years
YALISI	Yalisi (One Department Of Liuqing)	Trims Vendor Sourced	X	China	No 2048,Airport Road Liuqing Industrial Park, Yiwu City Zhejiang Province	595	40%	60%	0%	80%	20%	2016	3 years
YFYJUPITER LIMITED	Dongguan Xinhai Environment-Friendly Material Co., Ltd	Packaging	Dec-17	China	No.17 Shenxi Road, Houjie, Dongguan, Guang Dong, China	48	100%	0%	0%	38%	62%	2017	2 years
YIJIANG KNITTING	Yijiang Knitting Co., Ltd	Garment Vendor	Apr-18	CHINA	No 9 Chunhui Road Xishan Edz Wuxi Jiangsu	58	75%	25%	0%	62%	38%	2017	2 years
YKK SH	Shanghai Ykk Zipper Co Ltd	Trims	X	China	7Th,Floor,No 501,Dongdaming Road,Shanghai Factory - 468 Lu-Chun Road,Minhang Econonic & Technological Development Zone,Shanghai	2300	98%	2%	2%	67%	33%	2008	11 years
YKK SH	Shanghai Ykk Zipper Co Ltd	Trims	X	China	No.1258 Feidu Road,Pudong New Area,Shanghai	669	98%	2%	2%	60%	40%	2008	11 years
YOUNGONE CORPORATION	Youngone Corporation Bangladesh/ Karnaphuli Shoes Ind Ltd (Garment Unit)	Garment Vendor	Jan-18	Bangladesh	Korean Export Processing Zone, Anwara, Chittagong, Bangladesh	7279	95%	5%	0%	80%	20%	2013	6 years
YOUNGONE CORPORATION	Youngone Nam Dinh Co Ltd	Garment Vendor	Jan-18	Vietnam	Lot O,P,Q,R, N6 Road, Hoa Xa Ip, My Xa Commune, Nam Dinh City, Nam Dinh Province, Vietnam	12227	88%	12%	0%	73%	27%	2015	4 years
YOUNGONE CORPORATION	Youngone Corporation Bangladesh/ Karnaphuli Shoes Ind Ltd (Fabric Unit)	Trims Vendor Sourced	X	Bangladesh	Korean Export Processing Zone Anowara Chittagong Bangladesh	82	100%	0%	0%	73%	27%	2015	4 years
ZERO PRINTERS (SHANGHAI LING-DIAN GARMENT ACCESSORIES CO LTD)	Shanghai Donghong Printing Co Ltd	Packaging	Mar-18	China	No.2001 Jinteng Rd. Jin Shan District, Shanghai	300	50%	50%	0%	60%	40%	2016	3 years
ZHANGJJIAGANG BONDED TIANKE TRADING CO.LTD	Zhangjiagang Bonded Tianke Trading Co.Ltd	Trims Vendor Sourced	X	China	Zhangjiagang Economic Development Zone Jiangsu Province	300	50%	50%	0%	60%	40%	2016	3 years
ZHONGSHAN HONGCAI TEXTILE CO.,LTD.	Zhongshan Hongcai Textile Co.,Ltd.	Trims Vendor Sourced	X	China	God Wan Town, Zhongshan City, Guangdong Province Bay Port Industrial Park	68	5%	95%	0%	20%	80%	2015	4 years



ICEBREAKER'S ABILITY TO HAVE INFLUENCE OR IMPACT IN BUSINESS ACTIVITIES



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| A. PRODUCT QUALITY AND PERFORMANCE | M. WORKPLACE CULTURE |
| B. CHEMICAL USE | N. COMMUNITY ENGAGEMENT AND CONTRIBUTION |
| C. ENVIRONMENTAL FOOTPRINT | O. MONITORING, INSPECTING AND AUDITING |
| D. HUMAN RIGHTS AND ETHICAL LABOR PRACTICES | P. ANIMAL WELFARE |
| E. WORKER WELLBEING | Q. GOVERNANCE & POLICY |
| F. CLIMATE CHANGE | R. MATERIAL INNOVATION AND RESEARCH |
| G. PACKAGING | S. ECONOMIC PERFORMANCE |
| H. SUPPLIER RELATIONSHIPS & LONG-TERM CONTRACTS | T. INDUSTRY COLLABORATION |
| I. SYNTHETIC MATERIALS | U. WORKSPACE DIVERSITY AND EQUALITY |
| J. BRAND COMMUNICATION | V. CONSUMER ADVOCACY |
| K. CIRCULAR ECONOMY | |
| L. PFCs | |

*Our stakeholders: growers, suppliers, wholesale customers, consumers.



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