

2022 Climate Impact Report

ASKOV FINLAYSON

KEEP THE NORTH COLD ISN'T A SLOGAN

Keep The North Cold isn't a slogan – it's our mission as a Certified B Corp, and a commitment we make to our customers. So we created the world's first Climate Positive outdoor apparel company to help protect the very thing our products are designed to celebrate: winter.

Climate Positive means taking responsibility for our environmental impact and doing more good than harm. It's about holding ourselves accountable to the planet – and to you – and making sure that together, when it comes to the climate crisis, we are part of the solution.



CLIMATE POSITIVE IMPACT

We want you to hold us accountable, too, and that requires transparency. This report is an annual opportunity for us to share our progress, as well as our challenges, and give you an opportunity to check our math.

To have a net-positive impact on the environment, we must make sure our investments in creating a sustainable future outweigh our carbon footprint and we use a simple three-step formula to do it:

- 01 Each year, we carefully measure our full carbon footprint as a company, from raw materials to production and shipping, but only after we work to minimize it every step of the way.
- 02 We use the Social Cost of Carbon to convert our carbon footprint into a dollar amount.
- 03 We invest 110% of our annual climate cost in organizations working to create solutions to the climate crisis.

OUR 2022 CARBON FOOTPRINT —→

In 2022, we emitted 293.5 tonnes of carbon, a 27% increase from 230.5 tonnes in 2021 as our business grew 93% during that same time. Expanding our assortment with the introduction of The Preservation Vest increased our manufacturing footprint and use of raw materials, as well as the average weight of our order shipments to customers. These changes outweighed savings made in other areas of our company's operations, including moving to a more efficient office space.

There's an inherent tension between trying to build a business while also trying to reduce environmental impact, and we recognize that. It's why we believe strongly in our Climate Positive business model, which means the growth of our positive impact will always outpace the growth of our carbon footprint as our company moves forward.

CARBON FOOTPRINT

Here is a breakdown of our 2022 carbon emissions by source:



Achieving climate positive impact starts with working to reduce our carbon footprint at every opportunity. In 2022, we maintained our commitment to using sustainable and recycled materials in our products, which helps to minimize our carbon emissions. Our parka continues to feature Thinsulate 100% Recycled Featherless Insulation and 100% recycled outer shell and lining fabrics. Our new Preservation Vests utilizes those same materials, which also helps reduce waste in our sourcing practices. And our North Hats are made from 100% recycled yarn as always, while our other apparel is made from organic cotton by a fellow B Corp.

We also continued our plastic-free shipping program for all deliveries. As we develop new products and source new packaging solutions, we will continue our focus on using sustainable and recycled materials. We're also looking at opportunities to reach deeper into our supply chain and decarbonize the manufacturing process itself, and will keep you posted on our progress.

SOCIAL COST OF CARBON —→

We see a lot of companies making Net Zero pledges and purchasing carbon credits to 'offset' their emissions. We think Net Zero schemes are problematic for a number of reasons, but chief among them is that carbon credits don't capture the full amount of a company's environmental impact. Using the social cost of carbon as our benchmark comes at a greater expense to our business, but we believe it's the right number to use for true climate accountability.

The social cost of a metric ton of emitted carbon incorporates the human cost of climate change: extreme weather, sea level rise, food insecurity, and impact on public health. When you add up those factors, the result is more than five times the average cost of a carbon credit. We pay it because it's the right thing to do.



GRANTEES —→

Our grantmaking program this year will focus on one major emissions reduction project in close partnership with the National Parks of Lake Superior Foundation. The mission? Decarbonizing the operations of all five national parks along Lake Superior – something that no other national park has done.

From the unique ecosystem of Isle Royale to the historic lighthouses of the Apostle Islands, Lake Superior's five national parks boast natural beauty and cultural resources cherished by generations. However, the park facilities run primarily on fossil fuels and we're going to help change that. By transitioning to 100% renewable energy and electrifying transportation, this historic initiative will eliminate 32,000 tonnes of carbon emissions over the next 25 years. That equates to 1,280 tonnes avoided per year, or more than four times the current annual carbon footprint of our business.

With 10% of the world's freshwater, Lake Superior and the National Parks are facing the ravages of a changing climate. We owe it to the lake, the parks, and ourselves to create a future without carbon pollution and Askov Finlayson is excited to support this ambitious effort.

LAKE SUPERIOR

Askov Finlayson x NPLSF

We already know what we have to do to avoid the worst catastrophic impacts of climate change. We remain optimistic about our collective ability to overcome challenges and solve big problems.

THANK YOU FOR YOUR CONTINUED SUPPORT.

TOGETHER WE CAN KEEP THE NORTH COLD FOR GENERATIONS TO COME.

