



HOOKED ON SUSTAINABLE FISHING

MUSTAD SUSTAINABILITY STRATEGY

OCTOBER 2019

FROM PART OF THE PROBLEM, TO PART OF THE SOLUTION

Hooked on Sustainable Fishing is Mustad's sustainability strategy launched to coincide with our 142nd anniversary of producing the finest quality fishing tackle and accessories. Here we outline our aspirations, ambitions and targets to become the most successful global brand and company in the fishing industry, and the first choice for sustainability conscious customers.

All economic activity has impacts on the environment and society, some of which are negative and others positive. We aspire to be a 'Net Positive' business, meaning we are committed to giving back more than we take from the natural world and enriching our employees, and the regions in which we operate. Our products are sold in 160 countries, presenting us with an enormous responsibility and opportunity to use our global brand as a force for doing 'more good' and 'less bad' across our business activities.

We look forward to sharing our sustainability journey with you.

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GLOBAL TRENDS TRANSFORMING BUSINESS

“Adopting sustainable business strategies is central to our long-term success”



Consumers desire and drive change

Global trends including resource scarcity, population growth, climate change and biodiversity loss are redefining the environment in which business operates. Consumers are increasingly demanding positive environmental impacts from their investments. Positive environmental and social performance can reduce investor risk, as well as maintain, or increase short- to long-term returns.

...and so do the investors

Investors (particularly younger ones) are increasingly looking for positive social and environmental impacts from their investments. Positive environmental and social performance can reduce investor risk, as well as maintain, or increase short- to long-term returns.

Conversely, low performance can increase reputational risk through controversy and reduce returns.

Long-term thinking makes it easier to find new business opportunities and markets

Aligning a business' value proposition with the UN's Sustainable Development Goals can help identify current and future market opportunities to realise shared value.



MUSTAD AND SUSTAINABILITY

“In everything we do, sustainability is about creating shared environmental, social and economic value”

Sustainable development meets the needs of the present without compromising the ability of future generations to do so. Today, sustainability is challenged by global mega-trends including climate change, biodiversity loss, population growth and wide-spread inequalities. These challenges require actions by governments, business, organisations and individuals.

In recent years, the fishing tackle sector has become increasingly active with commitments and initiatives to protect target fish species and habitats. However, whilst something we wholeheartedly support, we believe our sector needs to do much more. We also need to address sustainable production and responsible product use. Therefore Mustad is taking the lead; we want to set the global benchmarks, to become the most successful brand and company in the fishing industry, and the first choice for sustainability conscious customers purchasing our products.

Whilst bold, we believe our sustainability ambitions and aspirations are realistic. But delivering sustainability is also about creating the right business culture and an ongoing journey owned by all employees. Mustad consulted with our employees and management team to inform this Strategy. This enabled us to identify and map current and potential future business risks and compare these with the sustainability issues that matter to our key stakeholders. Secondly, we categorised supply chain risks from material sourcing through to production, distribution, retail, use and responsible product end-of-life considerations. This enabled us to identify the relationships between our business values and chosen sustainability targets. Throughout, this process was facilitated by *fish21*¹. Set against a 2019 baseline, our *Delivery Roadmap* converts our sustainability targets into defined, measurable and deliverable goals.



OUR VISION AND VALUES

“We want to inspire people to fish and enhance their fishing experience”

Sustainability

The production and use of our products and services are directly linked to the health of our oceans, lakes and rivers. We are deeply committed to becoming part of the solution to shared global challenges, rather than continuing to be part of the problem. By engaging with our customers and stakeholders, operating with integrity and being transparent, we will ensure Mustad can be positively held accountable in pursuit of our sustainability goals.

Pioneering

We strive to continuously create value through innovation. Mustad encourages and rewards new ideas from our employees, and we will work to drive impactful change across our sector.

People and Communities

We have a genuine obsession for all things fishing. We are passionate about the Mustad brand, our company’s long history, our employees and their communities. We support and cherish our global staff as our main business asset.

Excellence

We strive to always offer products of the highest quality and which continually set the standard for our sector.

OUR SUSTAINABILITY AMBITIONS

“SUSTAINABILITY IS PART OF OUR CULTURE AND CENTRAL TO THE VALUE PROPOSITION TO OUR CUSTOMERS”

- We will position social and environmental sustainability at the heart of product development and our core business model.
- We will be transparent in how we run our business responsibly and ensure product traceability.
- We will become recognised as an attractive and responsible employer, recruiting and retaining talented employees.
- We will engage and work with wider society to protect and enhance marine, coastal and freshwater ecosystems.
- We will take the lead in the fishing gear sector as an innovative, responsible and quality driven company.





Rebekka Redd Fly Fishing



The UN Sustainable Development Goals² (or Global Goals) provide the planet’s blueprint to achieve a better and more sustainable future for all by 2030. At Mustad we have aligned our sustainability aspirations, ambitions and targets with the seven Global Goals on which we believe our business can have most impact.

OUR SUSTAINABILITY PRINCIPLES



² <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

PRINCIPLE 1 – MINIMISING THE ENVIRONMENTAL FOOTPRINT OF PRODUCTS AND SERVICES

“ALL OUR PRODUCTS ARE DESIGNED WITH QUALITY, FUNCTIONALITY AND SUSTAINABILITY IN MIND”

Humanity uses the equivalent of 1.7³ Earths to provide the resources we use and absorb our wastes. This is because we have a linear (take, make, use and throw) economy. Our 2030 aspiration, as part of a vibrant circular economy in which resources are used more sustainably, is to source 100% from renewable and recycled materials. We also aspire to be ‘net climate positive’ – absorbing more carbon than we release – in both our direct energy use and embodied in our products and services.

It has been estimated that up to 80% of a product’s environmental impacts are determined during its design – we are therefore integrating eco-design into new product development to ensure we manage our natural resources more sustainably. Our research shows that our customers and supply chain stakeholders are positively motivated by Mustad’s sustainability ambitions. It is seen as an increasingly important purchasing consideration alongside quality and value.

Wherever practicable we will minimise and design out unnecessary packaging. We have also listened to our customers’ concerns on the threat to wildlife from single-use plastics. Earlier this year we conducted a successful fact-finding tour to identify and commercially engage with a packaging manufacturer aligned with our sustainability ambitions. As a result, we are introducing packaging made from responsibly sourced and recycled card. The packaging on our latest knife and tool range is 100% plastic-free. Mustad is also committed to phasing-out use of hazardous chemical and materials.

Mustad is at the forefront of our sector to phase out lead. Our new range of fishing weights are made from 97% tungsten to replace lead.

At 2019 European and international tackle trade shows, we were overwhelmed by the positive support for our new environmentally-friendlier products and packaging and forthcoming associated developments.



Sustainable forestry⁴ is one of the most effective means to mitigate climate change. Trees absorb carbon dioxide (CO₂) from the atmosphere as they grow. When wood is harvested, carbon is stored in every product made from it. Mustad now uses FSC certified cardboard in its packaging.

³ <https://www.footprintnetwork.org/>

⁴ <https://fsc.org/en/page/fsc-labels>

2030 ASPIRATIONS

“100% RENEWABLE AND RECYCLED MATERIAL USE” AND “EDUCATION ON SOURCING AND USING OUR PRODUCTS”

Short-term targets (2020-2022)

- Single-use fossil oil-based plastic packaging phased-out by end 2021
- Lead phased-out from all products and non-vegetable inks replaced in all packaging by 2022
- All wood and cardboard sourced from certified responsible sources, or recycled fibres by 2022
- All cotton sourced from more sustainable sources (e.g. organic and recycled fibres) by 2022
- Academy launched providing information to aid customer decision making on product selection; responsible product use / care; and end-of-life management for all packaging / products

Medium-term targets (2025)

- Procurement policies require all suppliers to be aligned with Mustad’s responsible and sustainable sourcing targets
- All wool is responsibly sourced or uses recycled fibres
- Plastic use in all products is sourced from recycled or renewable (e.g. sugar cane) polymers
- All steel for hook manufacture is sourced from recycled feedstock and steel wastage is reduced by 50%

Long-term targets (2030)

- Eliminate all hazardous chemicals and materials across the supply chain

2030 ASPIRATIONS

“BECOME NET CLIMATE POSITIVE IN EVERYTHING WE DO”

Short-term targets (2020-2022)

- 25% reduction in CO₂ emissions from staff travel by 2022
- 25% of manufacturing powered by renewable energy by 2022
- Implement Group-wide climate accounting using the GHG protocol's scope 1 and 2⁵ by 2022
- 25% reduction in the airfreighting of goods by end-2022

Medium-term targets (2025)

- 45% reduction in CO₂ emissions from staff travel
- 50% of manufacturing powered by renewable energy
- (Where accessible) conduct a trial into using renewable electric and/or plug-in hybrid vehicles for logistics / distribution
- Implement Mustad Group-wide climate accounting using the GHG protocol's scope 3
- 45% reduction in the airfreighting of goods

Long-term targets (2030)

- 80% reduction in CO₂ emissions from staff travel
- 100% of manufacturing powered by renewable energy
- 45% renewable electric and plug-in hybrid vehicles for logistics and distribution
- Mustad-owned carbon offset scheme (third-party certified) established via publicly accessible forest creation
- 70% reduction in the airfreighting of goods



Mustard

HOODLUM® HEAVY DUTY HOOK
REF 10814TTP-TS SIZE 6/0 CITY 3



PRINCIPLE 2 – PROTECT AND ENHANCE AQUATIC ECOSYSTEMS

“MUSTAD SHOULD BE THE FIRST CHOICE FOR SUSTAINABILITY CONSCIOUS CUSTOMERS”

At Mustad we believe that we not only have a responsibility to take care of our people and local surroundings, but also the natural world. We feel a special connection and commitment to help protect and enhance marine, coastal and inland freshwater eco-systems, so that fish species and wider flora and fauna can thrive.

Globally, it has been estimated⁶ that there are more than 220 million recreational fishers (or anglers) – nearly twice the number of commercial fishers. Annually, these anglers spend \$190 billion and in some locations are particularly important to tourism dependent local coastal communities. We will work to engage society and build the necessary links between protecting and valuing aquatic ecosystems, and recreational fishing as a healthy outdoor lifestyle choice.

Central to our commitment to aquatic ecosystems, we will provide customers – as part of our forthcoming online ‘Mustad Academy’ – with advice and tips on how to use all our products responsibly, to maximize successful catch and release, and provide all returned fish with the maximum opportunity to breed and grow bigger. This resource will be accessible via a dynamic QR-code on all product packaging, so you can use this information on your mobile phone or tablet from almost anywhere in the world. Mustad will work to support regional initiatives – including beach clean-ups to remove marine litter which are aimed at protecting and enhancing marine, coastal and inshore habitats.



⁶ <https://bit.ly/2NnR73b>

2030 ASPIRATIONS

“MUSTAD IS RECOGNISED AS A GLOBAL LEADER ON THE PROTECTION AND ENHANCEMENT OF AQUATIC ECOSYSTEMS”

Short-term targets (2020-2022)

- Provide customers – as part of our forthcoming online ‘Mustad Academy’ (accessible via dynamic QR-code on all packaging) – with advice and guidance on how to use our new products responsibly and to maximise successful catch and release – to provide all returned fish with the maximum survival opportunity to breed and grow bigger
- We will collaborate with other parties (e.g. fishing clubs and marinas) to support beach clean-ups to remove marine litter, including any old collected fishing gear
- Support regional initiatives aimed at protecting and enhancing marine, coastal and inshore ecosystems where (wild) fish populations and other aquatic flora and fauna can thrive
- We will collaborate with regional Mustad professional field staff (pro-ambassador anglers) to conduct trials to evaluate how to incentivise our customers to act responsibly at the end-of-life of our fishing products; including:
 - Instore / online line-respooling and recycling – by providing a discount on new fishing line / braid purchases when old / worn products are returned for recycling
 - Instore lead weight recycling – by providing a discount on new non-toxic weight purchases when lead varieties are returned for recycling, to remove this material from angling by promoting its safe management via a responsible outlet

Medium- to long-term targets (2025-2030)

- We will identify ecosystem challenges for each operating region and then determine Mustad’s appropriate response. These will be reported in annual reviews of this Strategy

PRINCIPLE 3 – TAKING CARE OF OUR PEOPLE AND PROVIDING MEANINGFUL EMPLOYMENT

At Mustad we strongly believe that we have a responsibility to take care of our people and surroundings. All our employees have the right to decent work and terms and conditions, including a living-wage, and safe and healthy working conditions, reflecting good practice in each operating region.

We respect, support and acknowledge the fundamental principles of human and labour rights, as defined in the Universal Declaration of Human Rights⁷, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work⁸, and the OECD Guidelines for Multinational Enterprises⁹.

Mustad has a long tradition of acknowledging our employees’ rights to freedom of association, including forming and joining trade unions, and the right to collective bargaining. We believe this improves decision-making. Mustad operates inclusive recruitment and progression policies with respect to gender balance, ethnic diversity, disability and LGBTQ+ rights. On an ongoing basis, we work to ensure all employees are provided with the opportunity to learn skills necessary for personal growth and advancement, empowering and incentivising them to contribute to the company’s values and aims.

Longer-term, we will work to secure compatible benefits for all employees across our value chain (e.g. suppliers.) Where aligned with our sustainability aspirations, ambitions and targets, we will also proactively prioritise material and product sourcing from low income countries.



7 <https://www.un.org/en/universal-declaration-human-rights/index.html>

8 <https://www.ilo.org/declaration/lang-en/index.htm>

9 <https://www.oecdwatch.org/oecd-ncps/the-oecd-guidelines-for-mnes/>

2030 ASPIRATIONS

“BE THE GLOBAL LEADER IN THE FISHING SECTOR AS A RESPONSIBLE EMPLOYER, RECRUITING AND RETAINING HIGH-CALIBRE TALENT”

Short-term targets (2020-2022)

- Decent work and terms and conditions – including pay and working hours – for all employees, and which reflect good practice in each operating region
- Implement inclusive recruitment and progression policies which do not prejudice candidates on grounds of gender, ethnic diversity, disability or sexual orientation
- Employees are provided with the opportunities to learn skills necessary for personal growth and everyone shall have the same responsibility to contribute to the company’s sustainability agenda
- We will establish a reward scheme which encourages and incentivises staff to bring forward creative ideas

Medium-term targets (2025)

- Prioritised material / product sourcing from low income countries, where these meet required quality and performance standards
- Human rights are respected and international labour standards implemented in all business areas

Long-term targets (2030)

- Mustad is recognised as the leader in the global fishing tackle sector as a responsible employer and linked to our Norwegian values
- Decent work and terms and conditions extended to all people who work across our supply chain

PRINCIPLE 4 – ADVANCING RESPONSIBLE BUSINESS

“COLLABORATIVE PARTNERSHIP WORKING IS CENTRAL TO ADDRESSING COMMON SOCIETAL SUSTAINABILITY CHALLENGES”

At Mustad our Norwegian heritage is reflected in our behavior – we strongly believe in cooperation and partnerships to find solutions to common business challenges. To be successful, these require transparency, trust and innovation across the supply chain. To assist delivery of our sustainability ambitions, aspirations and targets, we will continue to explore exciting opportunities for collaborative working. This will bring scale and resources to help address common sustainability challenges which may be too large and complex to be adequately tackled alone.

We recognize that Certified B Corp businesses work to balance purpose and profit, and that sustainability leaders are emerging from Scandinavian and global brands in the outdoor pursuits market and across other industries (e.g. retail.) Mustad will look to these brands for inspiration and to benchmark what ‘good’ looks like on responsible and sustainability business practices.

We are genuinely excited about the opportunity to play a lead role in advancing sustainability across our supply chain and the global fishing tackle sector more broadly, to address common challenges aligned with our prioritised Global Goals.



2030 ASPIRATIONS

“MUSTAD IS A SUSTAINABILITY LEADER WORKING COLLABORATIVELY TO ADVANCE OUR PASSION FOR FISHING AND HEALTHY LIFESTYLES”

Short-term targets (2020-2022)

- Take the lead in the fishing gear business as a responsible company and the key stakeholder in society on sector-related issues
- Regionally, work collaboratively with key stakeholders aligned with our sustainability ambitions
- Use our global brand as a force for doing ‘more good’ and ‘less bad’
- Build quality and perception linked to our sustainability and Norwegian values

Medium-term targets (2025)

- Align company investments and acquisitions with our sustainability values
- Engage all generations with our passion for fishing and in support of healthy lifestyles
- Work collaboratively to maximise the understanding of our positive supply chain sustainability attributes and their wider benefits to society
- Work in collaborative partnership to promote responsible recreational fishing, by influencing positive consumer attitudes towards our industry in Norway and beyond

Long-term targets (2030)

- Be recognised as a sustainability leader working collaboratively in Norway and across all operating regions to advance our passion for fishing and healthy lifestyles.



Mustad (O. Mustad & Søn A.S.) has been manufacturing and selling the finest quality fishing tackle and accessories since 1877. For 142 years, we have helped to create sensational fishing experiences around the world. Our love of nature and passion for fishing drives Mustad's commitment to protect the planet for current and future generations.



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