

SUSTAINABILITY REPORT 2025

BJÖRN BORG 
train to live

A better tomorrow

Tomorrow is formed today. To contribute to a better tomorrow, our focus lies on making changes where we can make the largest difference. Through passion, a winning attitude, and hard work, we are determined to run a business with the deepest respect for nature and people and give value to our most important person – you, whoever you are, who depends and rely on us. We will never give up.

Sustainability Report

This is our full Sustainability Disclosure for 2025. It contains detailed reporting of our sustainability approach, goals, and results.

Annual Report

The annual and corporate governance reports for Björn Borg Group include basic statistics and results in the sustainability area.

[Download the Annual Report.](#)

This report can be tailored for your own needs at corporate.bjornborg.com/sustainability

UNLESS OTHERWISE INDICATED, ALL PHOTOS: BJÖRN BORG



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General information

Message from CEO

2025 stands out as a year where we continued to deliver growth while taking important steps to future-proof our business. We achieved another record-breaking year in sales, confirming that our brand remains relevant and resilient in a changing market.

What matters equally is how we grow. Over the past year, we have continued to reduce emissions per unit produced, showing that we are moving in the right direction as we scale. I am proud of this progress, proving that growth and a lower environmental footprint can go hand in hand. At the same time, our total emissions have increased compared to our base year, reminding us that we need to do more. This remains a key priority for us: to combine profitable growth with a steadily lower environmental footprint.

Several concrete improvements define our progress in 2025.

In our supply chain, we have seen a major shift in energy use. The share of production covered by renewable electricity in our tier 1 factories increased from 11 percent last year to 85 percent in 2025. This is a significant step forward and demonstrates what can be achieved through close collaboration with our partners and a clear direction of travel.

We have also continued to increase the share of preferred materials in our collections, now reaching 78 percent of our total production of apparel and bags. This is a gradual and necessary transition, where design choices, material innovation, and supplier engagement all play a role in reducing impact over time.

Another important step this year has been strengthening transparency. We have continued to improve visibility in our supply chain and further

developed how we communicate with our consumers. Clear, inclusive, and accessible product information is becoming a baseline expectation, and an opportunity to build trust by being open about both progress and challenges.

At the same time, we are improving efficiency in our own operations. The implementation of a carton folding machine at our warehouse allows us to tailor packaging to each shipment, reducing unnecessary air transport and optimizing both material use and logistics. It is a practical example of how operational improvements contribute to our broader sustainability ambitions.

We continue to see strong engagement across the organisation. Every employee at Björn Borg has a personal sustainability goal, reinforcing that this is a shared responsibility and an integral part of how we operate and develop as a company.

Looking ahead, we remain confident in our direction. The challenges are real, and the pace of change in our industry is accelerating. But so is our ability to adapt, improve and lead where it matters most.

We have built strong momentum. Now it is about maintaining it, continuing to challenge ourselves, improving step by step and raising our level of ambition.

I want to thank every colleague, partner and customer who is part of this journey. Together, we are proving that performance and sustainability are not competing goals, but mutually reinforcing ones.

Let's keep pushing.

Henrik Bunge
Head Coach



Sustainability highlights 2025

Scope 1 & 2 emissions -73% vs. 2020	Emissions per purchased kg material -6% vs. 2024	Tier 1 primary data covers 95% of production
85% of production covered by renewable electricity in tier 1	Preferred materials: 78% of total volume*	Recycled polyester reached 70% of total polyester volume
Recycled cotton introduced in men's underwear	All factories onboarded to renewable energy transition plan	Water-saving dyeing increased to 8% of total cotton volume
Employee engagement score: 84%	Increased renewable electricity in own retail	Carton folding machine implemented in warehouse

* Excluding footwear



Basis for preparation

GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

The Björn Borg sustainability report is published annually, and our latest sustainability report was released in April 2025.

The sustainability statement covers Björn Borg Group's own operations and upstream and downstream value chain; from raw material extraction to finished goods production, transportation, warehousing, distribution to customers and end-consumers, and end-of-life. It also covers various service providers to Björn Borg and our own operations. No specific information had been omitted from the sustainability statement to protect intellectual property, know-how or results of innovation.

Björn Borg's annual and sustainability report can be found on our corporate website. This sustainability disclosure is separate from our Annual Report. The reporting principles for metrics related to each topic are described at the end of each section.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Value chain estimation

Despite continuous efforts to enhance supply chain transparency and increase the availability of primary data for environmental and social impact assessments, there are still limitations in supply chain visibility and data availability. While Björn Borg strives to use primary data for the most accurate results, access to such data is not always possible.

In these instances, estimates and assumptions are relied on to bridge information gaps.

The key areas where estimates and assumptions have been applied include greenhouse gas (GHG) emission calculations, water and pollution-related activities, and social compliance beyond our direct suppliers. Further details about how we handle these estimates and assumptions can be found in the related sections of this report.

The report includes disclosures related to Björn Borg's upstream and downstream value chain, covering suppliers, vendors, customers, and other business partners. As this information relates to performance and activities beyond the company's direct influence and control, there are inherent uncertainties regarding its completeness, accuracy, and verifiability.

Changes in preparation or presentation of sustainability information

There have been no material changes in the preparation or presentation of sustainability information compared to the previous reporting period. Minor refinements have been made to improve clarity and consistency of disclosures.

Disclosures stemming from local legislations or generally accepted sustainability reporting pronouncements

This sustainability report has been prepared in accordance with the previous wording of the Swedish Annual Accounts Act (ÅRL) 6:12. While the report is informed by the disclosure requirements of the Corporate Sustainability Reporting Directive (CSRD), Björn Borg is not yet subject to the CSRD.



Sustainability governance

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES Board of Directors and Board Committees

Björn Borg's Board of Directors oversees sustainability, approving policies that guide operations and internal controls. Key sustainability principles and policies, such as code of conduct, human rights, risk management, and data protection, are approved by the Board. These serve as the foundation for more detailed guidelines throughout the organisation.

The Board also approves Björn Borg's strategic sustainability targets, with the CEO responsible for their implementation. Progress on these targets is reported to the Board annually. Sustainability is integrated into the Group's business strategy, approved by the Board.

All members of the Board are non-executive and independent. The gender composition of the Board was 50 percent men and 50 percent women as per 31st December 2025.

The composition of the Board of Directors is ultimately a question for the Nomination Committee and is decided by the shareholders at the Annual General Meeting (AGM), but gender equality is one of the criteria that the nomination committee factors into its proposal to the AGM.

Twice a year, the Board reviews sustainability related risks and receives updates from executive management and specialists on material impacts, risks and progress towards targets. These discussions ensure the Board remains informed and updated on sustainability matters, including the views and interests of affected stakeholders. Further details about the board can be found in our annual report.

The CEO and senior management

The CEO is responsible for implementing Board-approved sustainability targets and reporting on related impacts, risks, and opportunities. The senior management team oversees the implementation of these targets and sustainability-related issues, regularly reviewing progress at meetings.

During 2025, the senior management focused on sustainability related topics such as employees' well-being, climate roadmap progress, and development and regulatory development within sustainability including sustainability reporting.

Each business area develops its own sustainability targets aligned with group goals. Business area heads are responsible for implementing their targets, with progress monitored by Head of Sustainability and the Group's senior management team.

Sustainability-related risks are included in the Group's overall risk assessment, which is carried out by the Audit Committee.

Sustainability process management team

The Group's sustainability strategy is developed, implemented, and monitored by the Head of Sustainability. Long- and short-term department-specific targets are established in collaboration with department heads, who are also responsible for driving progress within their respective areas.

INTEGRATION OF SUSTAINABILITY RELATED PERFORMANCE IN INCENTIVE SCHEMES

Sustainability is included in the annual personal targets of all Björn Borg employees. The target-setting model will continue to encourage the continuous assessment and improvement of sustainability matters. Sustainability is currently not part of any other incentive scheme.

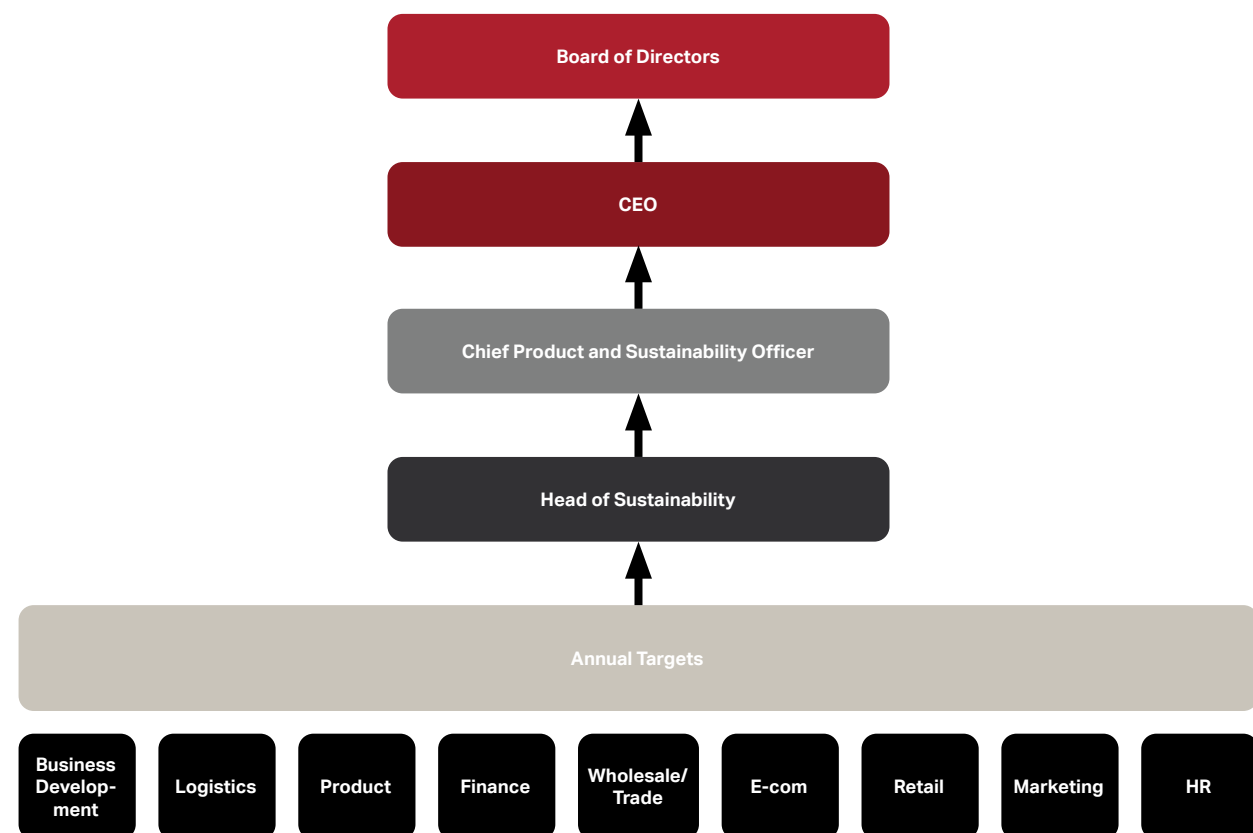
Key reporting risks include data inconsistencies, limited supply chain transparency, and regulatory non-alignment. To address these, Björn Borg is enhancing data management systems, improving reporting progress, including periodic training to stay updated on regulatory changes.

Annual reviews of controls and improvement plans are conducted by the reporting team and shared with senior management. Biannual updates on risks and progress are provided to the Board.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Björn Borg actively manages risks and internal controls to ensure accurate, reliable and complete sustainability data, in line with recognised frameworks. Material areas such as greenhouse gas emissions are closely monitored and supported by established processes, while other areas, including water use, pollution and waste, are still under development.

Although insights in these areas improved during 2025, further work is required to strengthen data availability, enhance structure and establish more robust data collection processes.



Strategy

“We inspire people to be more, through our belief that sports can make our minds, souls and bodies become something more than what we are today, and that anyone can become anything”.

STRATEGY, BUSINESS MODEL AND VALUE CHAIN Our strategy and its impact on sustainability matters, business model and value chain

The Björn Borg Group in brief

The Björn Borg Group owns the Björn Borg brand, and the focus of the business is sports apparel, underwear, bags and footwear. In addition, eyewear is offered via licensee. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has its own operations at all levels, from branding to consumer sales in its own Björn Borg stores and e-commerce, www.bjornborg.com. In total, the Group's net sales in 2025 amounted to SEK 1044 million and the average number of employees was 145. Björn Borg has been listed on Nasdaq Stockholm since 2007.

The headcount of employees per country is presented in Own workforce – Characteristics of the undertaking's employees.

The parent company

Björn Borg AB (publ) mainly conducts intra-Group operations. As of December 31, 2025, the group owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg UK Ltd., Baseline BV, Belgian Brand Management BVBA, Björn Borg Finland Oy and Björn Borg Denmark ApS. The company also owned 75 percent of the shares in Björn Borg (China) Ltd.

The parent company's net sales for the full year, 2025, amounted to SEK 128.4 million (106.1).

Profit before tax amounted to SEK 89.3 million (71.7). Cash and cash equivalents at the end of the period amounted to SEK 0 million (0).

Key elements of strategy and relation to sustainability matters

Product development

Our product categories include underwear, sports apparel, bags and footwear. Footwear became part of our in-house product portfolio in the beginning of 2024, after a previous third-party distributor went bankrupt. Eyewear continues to be produced under a licensing agreement. All our products are designed in-house with a focus on timeless Scandinavian aesthetics, ensuring a consistent brand identity and prioritising the use of materials with a lower environmental impact.

We have no products banned in any of our markets.

Manufacturing

Our products are made by trusted suppliers across the globe. Most of our manufacturing takes place in Asia, with China, Vietnam, and Bangladesh as key locations, complemented by production in Europe, including Türkiye, Italy, Romania, and Portugal. We are committed to working closely with our suppliers to uphold high-quality standards and responsible production practices – both environmental and social.

Transportation

Transporting product efficiently and with the ambition to minimize the environmental footprint is a key part of our operations. From production sites to warehouses and customers, we focus on balancing speed, product availability, and minimizing emissions. All transportation is managed through partnerships with third-party logistics providers. All transportation is managed through partnerships with third-party logistics providers.

I train by day,
so I can dance all night

Sales and distribution

Our products are sold through a combination of retail stores, e-commerce, and wholesale partnerships. We operate own Björn Borg stores in key locations and collaborate with third-party retailers to reach more customers. E-commerce is a growing part of our business, allowing us to connect directly with consumers worldwide and offer a seamless shopping experience. By combining these channels, we create opportunities to strengthen loyalty and grow our brand.

Our value chain

The following sections outline the main features of Björn Borg's upstream and downstream supply chain.

Upstream value chain

Björn Borg sources raw materials, including natural fibres, man-made cellulosic, and synthetic fibres, primarily from certified suppliers. Key partners include textile processors for spinning, knitting and

weaving, dyeing, and partners for manufacturing. All are based in Asia and Europe. Logistic providers manage raw material and product transportation.

Downstream value chain

Björn Borg distributes product via direct-to-consumer (DTC) channels (e-commerce, marketplaces, own stores) and wholesale partners, primarily focusing on our largest markets in northern Europe, distributors and licensee partners. Logistics partners handle last-mile delivery for both retail and wholesale distribution.

Own operations

Björn Borg operates midstream, bridging raw material suppliers and end consumers. We maintain long-term relationships with suppliers to ensure ethical sourcing and collaborates with retail and logistics partners to enhance distribution efficiency. Direct engagement with consumers through DTC channels supports brand loyalty.

Inputs

The primary inputs to Björn Borg's value chain include raw materials for products, energy sources for manufacturing, and a skilled workforce to transform raw materials into finished goods. Our products predominantly use natural fibres, with cotton being the most significant, as well as synthetic fibres, primarily polyester. Björn Borg is committed to sourcing preferred materials, those with a lower environmental impact, to reduce dependence on virgin resources and foster greater circularity.

Energy used in production is currently primarily fossil-based; however, increasing the share of renewable energy remains a key priority. This is being achieved through aligning targets with suppliers on renewable energy production on-site and purchase of renewable energy.

Our manufacturing processes rely heavily on human resources, with production primarily located in Asia. We strive to build long-term partnerships with suppliers who share our values and are dedicated to safeguarding and improving working conditions across the value chain.

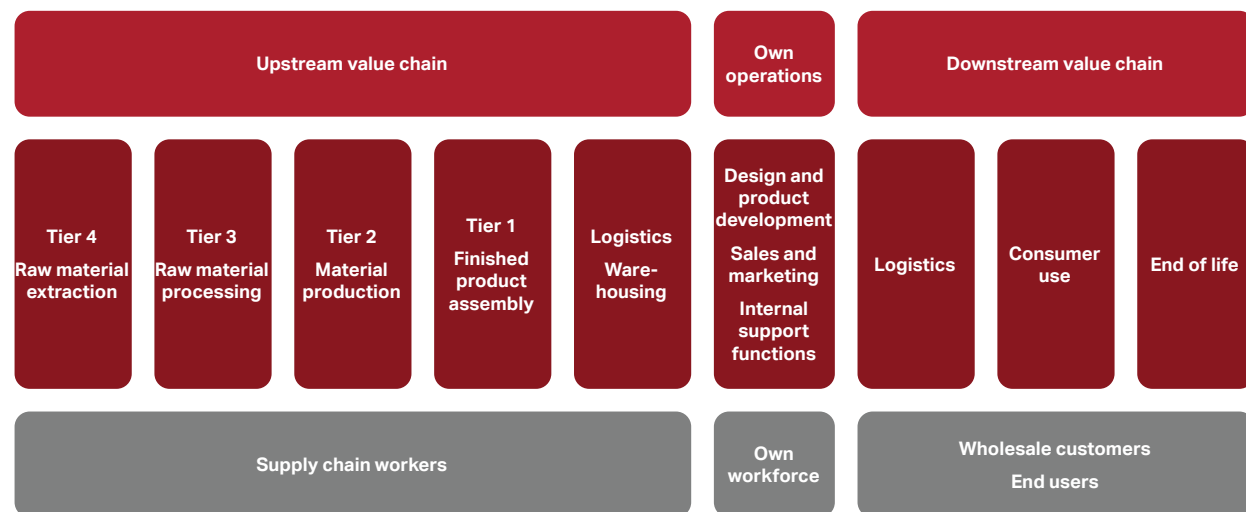
Outputs

Björn Borg delivers high-quality, durable products designed to empower and inspire our customers to live active, healthy lifestyles. By prioritising low-impact materials and responsible production practices, we create value for customers who seek products with lower environmental impact.

We generate benefits for suppliers by fostering ethical partnerships, promoting fair labour practices, and supporting initiatives that improve working conditions in production facilities. Additionally, our increased use of renewable energy and focus on reducing resource dependency contribute to mitigating climate impact, benefiting society at large.

In the coming years, we expect to expand the share of preferred materials in our products, further improving environmental outcomes and appealing to conscious customers. For investors and stakeholders, this supports risk mitigation and long-term profitability. Furthermore, our collaboration with suppliers aims to create measurable improvements in social and environmental performance across the value chain.

By delivering on these commitments, Björn Borg continues to build trust, enhance stakeholder value, and contribute to a more sustainable future.



INTERESTS AND VIEWS OF STAKEHOLDERS

Björn Borg's stakeholders are individuals, groups, or organisations that are impacted by or can influence the company's operations, including wholesale customers, end consumers, employees, suppliers, investors and regulatory bodies. Stakeholder dialogue is part of the systematic sustainability work and essential in the process of identifying material topics within environment, social and governance areas.

Björn Borg engages with stakeholders differently depending on the stakeholder group, and all have been carefully considered in the double materiality assessment to analyse and prioritise material topics.

Employees

Employee engagement drives Björn Borg's business and performance and works in both ways – we invest in a winning team to constantly find sustainable solutions including social, environmental or economic. With this work, we hope to motivate, retain and attract our employees. Björn Borg has the ambition to be the best workplace in the universe, and a sustainability engagement survey made in 2023 showed that all respondents found it crucial and self-evident that the company takes ambitious sustainability measures. All employees set an annual sustainability goal for increased engagement and corporate sustainability goal fulfilment.

Wholesale customers

Wholesale business makes the biggest part of Björn Borg's business, and the interest and views of wholesale customers inform the double materiality assessment as well as strategic decisions and priorities within the sustainability work. For instance, increasing transparency and providing more detailed product data are top priorities for many larger customers, making them key areas of focus for Björn Borg moving forward.

The interest and views of stakeholders inform and guide Björn Borg's sustainability strategy. A key priority for driving impact across the entire value chain in the short, medium and long-term is securing transparency and improving data availability. Collecting primary data from our upstream supply chain and aligning with the expectations of regulatory bodies, wholesale customers, and end consumers positions Björn Borg as a forward-thinking brand and trusted supplier.

End-consumers

Ongoing dialogue with end-consumers provides valuable insights into their priorities and expectations. Björn Borg strives to build strong relationships by welcoming consumers into the brand's world and inspiring them to embrace an active lifestyle. Consumer interests are carefully considered in everything from product development to marketing and overall strategy.

Suppliers

A significant share of Björn Borg's climate and social impact lies within the upstream supply chain and hence, suppliers play a key role when identifying and prioritising material topics. Björn Borg strives to build a network of suppliers who share the vision of reducing climate impact and improving working conditions across the value chain. A shared commitment to these goals is essential for achieving meaningful progress and reaching ambitious targets.

Investors

Significant growth in ESG investment has enabled a continuous dialogue with investors and owners, helping us to get deeper insights into their interests and prerequisites. The view of investors and interest from the market has primarily been informed by requirements from external stakeholders like Nasdaq and other main financial institutions. Their interests and expectations are considered when prioritising material sustainability topics with a special focus on transparent and compliant reporting processes.

Regulatory bodies

With many new ESG laws and regulations on the horizon, regulatory bodies play a key role in shaping Björn Borg's sustainability direction and have been carefully considered in the double materiality assessment. Staying up to date is an essential part of the internal compliance process, and responsibilities are assigned within the organisation to implement necessary changes efficiently.

INTERESTS AND VIEWS OF STAKEHOLDERS

Stakeholder group	Engagement method	Purpose	Outcome
Employees	<ul style="list-style-type: none"> Employee surveys Code of Conduct Employee handbook Internal communication platforms Performance management program Regular performance review 	Be an inclusive and attractive employer. Engagement with employees enhances employee engagement and talent retention.	Improved employee engagement, retention and alignment with ESG goals.
End-consumers	<ul style="list-style-type: none"> Surveys (e.g. digital survey after purchase) Point of sale feedback Social media interactions Corporate and webshop websites Customer service channels Events Indirectly through our wholesale customers 	Gain insights into end-consumers' interests and preferences, promote a sustainable lifestyle and gather feedback.	A sustainability strategy guided by end-consumer feedback, with material topics prioritized according to their interests.
Investors	<ul style="list-style-type: none"> Sustainability reports Shareholder meetings Investor presentations Annual general meeting Corporate website 	Provide transparency on sustainability performance and gain insights into the interests of investors, owners and the market.	Ensured alignment with investors' expectations and strengthened trust in Björn Borg's ESG commitments.
Regulatory bodies	<ul style="list-style-type: none"> Compliance reporting Webinars from relevant organisations Members of relevant networks Workshops Collaborations and partnerships 	Ensure adherence to regulatory frameworks and stay informed about new industry standards for sustainability.	Maintained compliance and influence in the development of sustainability related regulations.
Suppliers	<ul style="list-style-type: none"> Supplier guide Code of Conduct Supplier meetings Audits Capacity-building workshops 	Ensure and monitor ethical practices, compliance, and adaptation to Björn Borg's sustainability requirements.	Improved supply chain transparency, adoption of shared sustainability standards and a clearer view of future direction.
Wholesale customers	<ul style="list-style-type: none"> Customer meetings Trade fairs Requirement packages/agreements Sales data Industry events and initiatives 	Gain insights into wholesale customers' sustainability priorities, product offerings and market needs.	A sustainability strategy, product offerings, and services guided by, and aligned with, the sustainability needs and priorities of wholesale customers.

BJÖRN BORG AND THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Through Björn Borg's commitment to the Paris Agreement, our operations contribute to several of the UN Sustainable Development Goals. In addition, our work within human rights and social responsibility further strengthens our contribution. Below are the areas where we believe we have the greatest impact.

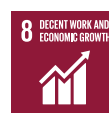
SDG 3 • Good health and well-being



Health, safety and well-being are key priorities across both our own operations and our value chain. Everyone working with or for Björn Borg should feel safe, respected and supported. A healthy work-life balance, combined with an active lifestyle, is an integral part of our culture.

We ensure that our chemical standards and product quality requirements are strictly followed to safeguard the health and safety of workers, employees and consumers. Our ambition is that all products are safe for both people and the environment.

SDG 8 • Decent work and economic growth



We work continuously to improve resource efficiency in both production and consumption. Through better product design, higher quality and longer product lifespan, we contribute to more sustainable use of resources.

Our code of conduct and related policies set clear expectations on labour rights, working conditions and fair wages. Through regular monitoring and follow-up, we work to prevent forced and child labour and to ensure safe and fair working environments throughout the value chain.

SDG 12 • Responsible consumption and production



Responsible consumption and production is a central part of Björn Borg's sustainability strategy. This includes the use of preferred materials, improved production techniques and stricter control of chemical use.

We work to increase transparency in the supply chain, optimise product design for longevity, and support circular initiatives such as recycling and improved product information. Internally, structured processes and reporting support continuous improvement, while externally we aim to raise consumer awareness of more sustainable choices.

SDG 13 • Climate action



Reducing our climate impact has been a long-term priority. We have committed to reducing our greenhouse gas emissions by 50 percent by 2030, compared to a 2020 baseline.

Our efforts focus on improving efficiency across the value chain, including increased use of renewable energy in production, optimised product design and reduced transport emissions. Through ongoing engagement with stakeholders, we also contribute to increased awareness and action on climate-related issues.

SDG 16 • Peace, justice and strong institutions



Through our code of conduct and governance framework, we promote ethical business practices and respect for human rights across our operations and value chain.

We are committed to maintaining a transparent business environment where employees and partners feel safe to report concerns. Our systems are designed to identify and address risks related to human rights, corruption and unethical behaviour.

SDG 17 • Partnerships for the goals



Collaboration is essential to driving meaningful change. Björn Borg works closely with suppliers, industry organisations and regulatory bodies to improve environmental and social standards across the value chain.

Through long-term partnerships and shared commitments, we aim to accelerate progress towards more sustainable production and consumption within the textile industry.



MEMBERSHIPS

Amfori BSCI

Björn Borg is a member of Amfori BSCI, supporting responsible working conditions across the supply chain. The initiative provides a structured framework for monitoring, auditing and improving labour rights, helping ensure fair and safe workplaces.

Scandinavian Textile Initiative for Climate Action (STICA)

Björn Borg participates in STICA, collaborating with more than 50 Nordic textile companies to reduce greenhouse gas emissions in line with the Paris Agreement. The initiative supports the Group's climate strategy through shared tools, knowledge and industry collaboration.

Sustainable Fashion Academy (SFA) – Learning and Innovation Network

Participation in SFA enables Björn Borg to stay at the forefront of sustainability developments and regulatory changes. Through collaboration with industry peers, we gain insights into best practices and innovative solutions for a more responsible fashion industry.

The Chemicals Group, RISE Research Institutes of Sweden

Björn Borg is a member of The Chemicals Group, a network of approximately 120 companies. The membership provides insights into developments in chemical and environmental topics, supporting compliance and the use of safer materials in production.

Textile Importers

Björn Borg is a member of Textile Importers, which supports companies within textiles, clothing and footwear. The organisation provides guidance on chemicals, product labelling, customs regulations and environmental issues, and serves as a platform for knowledge sharing and industry advocacy.



MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Process

In 2024, Björn Borg conducted its first double materiality assessment to identify the company's most significant impacts on people and the environment (impact materiality), as well as the financial risks and opportunities related to sustainability topics (financial materiality). The assessment is reviewed and updated annually to ensure continued relevance.

Climate change

As a brand operating within a global textile value chain, we contribute to carbon emissions, primarily from material sourcing, manufacturing and transport. Evolving climate regulations pose financial risks, but also create opportunities. By accelerating decarbonisation efforts, we drive innovation, reduce impact and strengthen long-term competitiveness. [Read more on pages 28-38.](#)

Pollution

Our material impacts include water pollution and chemical use across the value chain, primarily linked to dyeing and finishing processes, as well as agricultural inputs such as pesticides and fertilisers in raw material cultivation. By shifting to cleaner processes and lower-impact materials, we can reduce environmental impact, improve product quality and meet increasing stakeholder expectations. [Read more on page 40.](#)

Water

Water use is significant across our value chain, particularly in raw material cultivation, where cotton remains our most used fibre, and in production processes such as dyeing and finishing. Increasing water scarcity poses risks to both material availability and production stability. At the same time, opportunities lie in adopting innovative materials, resource-efficient dyeing techniques and circular production models to reduce water dependency. [Read more on pages 42-44.](#)

Resource use and circular economy

Björn Borg relies on raw materials such as cotton and polyester, which contribute significantly to emissions, water use and pollution across the value chain. This makes resource efficiency and circularity key focus areas. Risks include limited material availability, rising costs and increasing regulatory requirements related to producer responsibility and waste. At the same time, circular solutions offer clear opportunities. By increasing the use of recycled and lower-impact materials and developing circular design and production models, we can reduce environmental impact while strengthening long-term resilience. [Read more on pages 46-52.](#)

Own workforce

Employee engagement ranks as Björn Borg's second most important KPI, reflecting the central role people play in the company's success. There are clear opportunities to foster well-being, diversity and development – strengthening performance, building loyalty and attracting top talent. Conversely, failure to prioritise these areas may lead to increased employee turnover, reduced productivity and a weaker employer brand. [Read more on pages 54-64.](#)

Workers in the value chain

Consumers and end-users are vital to Björn Borg's success. The brand's primary impacts include product safety, responsible marketing and data privacy. Opportunities lie in strengthening consumer relationships and building long-term loyalty, while risks include failing to ensure product safety, shifts in consumer preferences and potential reputational damage. [Read more on pages 66-74.](#)

Consumers and end-users

Consumers and end-users are vital to Björn Borg's success. The brand's primary impacts include ensuring product safety, responsible marketing and data privacy compliance. Opportunities include building stronger consumer relationships and long-term loyalty, Risks involve failing to protect consumer safety, a weakened brand reputation and shifting customer preferences. [Read more on pages 76-78.](#)

Material topics

- Climate change
- Pollution
- Water
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Consumers and end-users
- Business conduct

Not reaching material threshold

- Biodiversity and ecosystems
- Affected communities

Business conduct

Björn Borg is committed to transparent and responsible business practices. Key priorities include maintaining strong supplier relationships, preventing corruption and bribery, and ensuring animal welfare. Opportunities lie in strengthening brand differentiation through responsible practices, while failure to meet these expectations may harm the company's reputation as a trusted brand and employer. [Read more on pages 80-84.](#)

Impact, risk and opportunity management

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In 2024, Björn Borg conducted its first double materiality assessment. The process of identifying and assessing material impacts, risks and opportunities began with a group mapping of Björn Borg Group's subsidiaries and a value chain analysis. The group mapping outlined the size, operations and geographic location of each subsidiary and informed both the value chain and double materiality analyses.

In the value chain analysis, each activity was assessed based on its geographical location, Björn Borg Group's business relationships, and the stakeholders affected or potentially affected by the activity. The mapping provided a structured overview of the upstream and downstream value chain and helped identify areas of impact, risk and opportunity within the double materiality framework.

The identification of impacts, risks and opportunities began with assessing Björn Borg Group's actual and potential, positive and negative impacts on people and the environment in the short, medium and long term. Impacts were identified based on whether the Group caused, contributed to, or was directly linked to them through its business relationships. Financial risks and opportunities were assessed in relation to the identified impacts. The magnitude of financial risks was evaluated using qualitative thresholds, reflecting the current limitations in available quantification methods.

The process was informed by stakeholder dialogue, audit reports, climate disclosures and other fact-based sources from Björn Borg's operations and value chain. The process was supported by industry insights and established tools such as the WWF Risk Filter and the Taskforce on Nature-related Financial Disclosures (TNFD).

Identified impacts, risks and opportunities were evaluated against predefined materiality criteria: time horizon, likelihood, scale, scope and severity. A maximum materiality score of five was used, with a threshold of three. All elements with a score of three or higher were classified as material.

The assessment process included a series of cross-functional workshops conducted over a three-month period with Björn Borg employees representing relevant business functions. The resulting material topics and outcomes of the double materiality assessment were reviewed with senior management and the Board of Directors.

The double materiality assessment is reviewed annually, taking into account updates to assumptions, regulatory developments and contextual changes. Identified risks are integrated into Björn Borg's overall risk management processes, while identified opportunities are embedded into strategic planning and operational decision-making.

In 2025, Björn Borg conducted an annual review of the double materiality assessment to ensure continued relevance. The review confirmed that the previously identified material topics remain valid, with minor updates reflecting reduced risk exposure related to sustainability reporting within governance.



Environmental information

Climate change

STRATEGY

Transition plan for climate change mitigation

Björn Borg is committed to reducing CO₂e emissions across scopes 1, 2 and 3 by 50 percent by 2030, compared to the 2020 base year. The target is aligned with the Paris Agreement's 1.5°C pathway and applies across all business units. While a climate neutrality target has not yet been set, a Group-wide transition plan is in place and updated annually. The target is further supported through Björn Borg's commitment as a member of the Scandinavian Textile Initiative for Climate Action (STICA).

Achieving the target requires continued investment and close collaboration across the value chain, with a focus on renewable energy, lower-impact materials and more efficient production processes. Björn Borg also works with supply chain partners to improve access to renewable energy.

Climate goals are integrated into the overall strategy, with a focus on optimising product volumes, reducing overproduction and aligning emission reductions with profitable growth. The transition plan is approved by senior management and the Board of Directors.

Highlights 2025

- 73% emission reduction in Scope 1 & 2; target achieved ahead of 2030
- 85% of total production (weight) in tier 1 covered by renewable electricity
- 78% preferred materials across apparel and bags
- Enrolled all tier 1 suppliers to our renewable energy transition plan

Björn Borg's progress

Scope 1&2

Since 2020, Scope 1 emissions have decreased by 52 percent through the transition to electric and hybrid vehicles, and Scope 2 emissions by 85 percent due to lower electricity use and an increased share of renewable electricity. In total, Scope 1 and 2 emissions have decreased by 73 percent, significantly surpassing the 2030 target trajectory.

Scope 3

In 2025, Scope 3 emissions increased by 9 percent compared to 2020, primarily driven by higher production volumes. At the same time, emission intensity continued to improve, reflecting the impact of ongoing reduction measures.

We will continue to combine growth with accelerated emission reductions, focusing on preferred materials, renewable energy in production and improved efficiency across the value chain.

Material impacts, risks and opportunities and their interaction with strategy and business model

Björn Borg's business model impacts the climate primarily through material choices, production and transport. Managed effectively, this creates opportunities to reduce emissions, drive innovation in materials and production, and strengthen the brand.

If not addressed, climate-related impacts may result in increased emissions, regulatory risks and higher costs. These risks are mitigated through a structured climate roadmap, including clear targets, material transition plans and active supplier engagement.

Climate data is continuously collected and improved, supporting increased traceability and integration of climate considerations into product development and sourcing decisions.

Climate considerations are embedded in product and sourcing decisions, supporting the company's goal to align business growth with emission reductions.



IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Climate-related impacts, risks and opportunities are identified through annual climate assessments, ongoing stakeholder dialogue, industry partnerships and established risk management processes.

The most significant impacts relate to material use, energy consumption in production and transportation. The assessment is led by the Head of Sustainability and forms the basis for prioritisation and strategic decision-making.

Policies related to climate change mitigation and adaptation

Code of conduct

The code of conduct outlines Björn Borg's commitment to ethical business conduct and long-term value creation. It recognises the company's environmental impacts, including carbon emissions, and forms the foundation for how climate and environmental issues are addressed.

The code of conduct also guides the development of supporting policies and standards across the organisation. It applies to all employees and is reviewed and approved annually by the Board, which holds overall responsibility for its implementation.

2030 roadmap

The 2030-roadmap is Björn Borg's long-term climate action plan, outlining goals and priorities for reducing environmental impact. It is updated annually to ensure alignment with the Group's overall strategy and climate targets. The roadmap is implemented across all departments under the responsibility of the Head of Sustainability. Climate goals stated in the roadmap are approved by the Board.

Material conversion plan

The material conversion plan supports the transition to lower-impact materials and is integrated into product development processes each season. It is managed by the Head of Sustainability and supports the product teams each season to ensure that material choices align with the company's targets.

Travel policy

The travel policy outlines how business travel should be conducted and encourages the use of low-emission transportation options whenever possible. It also promotes selecting hotels with relevant environmental certifications. The policy is owned by the CFO.

Company car policy

The company car policy supports the transition towards low-emission vehicles and reduced fuel consumption. The policy is owned by the CFO.

ACTIONS

Björn Borg continues to implement actions to ensure alignment with, and continuous progress towards, the Group's long-term emission reduction goals. These target the largest emission sources across Scope 1, 2 and 3.

Actions in scope 1 & 2 – own operations

Sourcing renewable energy

Renewable electricity is sourced for most offices and retail stores through guarantees of origin. During 2025, the share of renewable electricity increased further, including expansion in retail operations in the Netherlands and Belgium. Several stores have also implemented or planned energy efficiency measures, such as sliding doors to reduce heat loss.

We use energy-efficient lighting and comply with energy efficiency requirements set by retail centres. In some locations, energy use is capped per retail space, and exceeding these limits may result in penalty fees.

The transition to electric and hybrid vehicles continued, with 23 percent of company cars classified as electric or hybrid by the end of 2025.

We have already reached our 2030 emission reduction target for Scope 1 and 2 in 2025. However, we will continue to further reduce our impact where possible.

Scope 3 – our value chain

Fibres

Björn Borg continues to transition towards lower-impact fibres, including organic cotton, recycled synthetics and man-made cellulosic fibres, with the ambition to reach 100 percent preferred materials by 2030. This shift is guided by a material conversion plan that is updated each season and focuses on, amongst others, reducing reliance on fossil-based raw materials and increasing the use of post-consumer recycled content.

During 2025, the share of preferred materials increased to 78 percent of total material use (by weight, excluding footwear), up from 72 percent in 2024, partly driven by an increased use of recycled polyester.

Production processes

A significant share of Björn Borg's emissions arises from product manufacturing, making production processes a key focus area for reduction. We work to transition towards more energy- and resource-efficient production methods, including water-saving dyeing techniques. The ambition is that 50 percent of cotton and polyester will be dyed using water-saving techniques by 2030.

During 2025, the use of water- and energy-efficient dyeing methods increased, with Clean Color and High IQ® representing approximately 8 percent of total cotton use. Suppliers also continued to invest in improved production processes, including a new energy-efficient dyeing facility in China. Challenges remain in Tier 2 production, particularly related to thermal energy use, which will continue to be a key focus area in 2026. Water-efficient dyeing methods for synthetic fibres will also be prioritised, where implementation so far has remained limited due to cost-related challenges.

Renewable energy and energy efficiency in the supply chain

Energy use in production is a major driver of emissions. Björn Borg works closely with suppliers to improve energy efficiency and increase the use of renewable electricity across the value chain.

During 2025, all tier 1 suppliers were onboarded to the renewable energy transition plan. As a result, 85

percent of total production volume (by weight) was produced in tier 1 factories using renewable electricity.

Supplier requirements have been strengthened accordingly and are reflected in the supplier guide. Renewable energy performance is also assessed when onboarding new suppliers. Engaging tier 2 and tier 3 suppliers through tier 1 partners remains a key approach to driving change across the value chain.

Tier 2 remains a challenge due to higher energy demand and limited direct influence, and efforts continue to improve transparency and data collection.

The long-term target is to reach 100 percent renewable electricity in tier 1 by 2030, and at least 70 percent in tier 2 and tier 3. Efforts are also ongoing to phase out coal and transition to renewable energy sources across the supply chain.

Our main warehouse, Nowaste, continued to source 100 percent renewable electricity through guarantees of origin during 2025.

Transportation

In 2025, emissions from transport and distribution increased by 37 percent compared to 2024, primarily driven by higher inbound air freight.

Björn Borg aims to reduce emissions from inbound and outbound shipments by improving route efficiency, increasing load rate and prioritising low-emission transport alternatives. We never schedule air shipments for inbound shipments, and since 2021, any exceptions require senior management approval.

During the year, we continued to collaborate with transport partners that have climate targets aligned with our ambitions. A decision was made to implement DHL's "GoGreen" services for all air freight shipments from 2026, building on lower-emission solutions already in place for other transport modes. A key challenge is the limited control over fuels used in transport, which depends on external partners.

A carton folding machine was implemented at the warehouse for business-to-business shipments, enabling packaging to be tailored to each shipment and reducing unnecessary air in transport.

Outbound logistics are optimised through improved consolidation, higher fill rates and fewer transports. Air freight is minimised where possible, and when required, truck transport is used for part of the journey to reduce air distance. Efforts also continue to increase direct shipments from suppliers to customers, further reducing transport needs.

We remain selective in the destinations served via air freight in our e-commerce operations. Following the closure of 37 e-commerce markets in 2023, these markets remained closed during 2025. Deliveries to the USA were also discontinued due to market instability and customs-related challenges, contributing to reduced air freight.

Looking ahead, efforts will focus on reducing air freight through improved production planning, more efficient transport routes and expanded use of digital sampling.

We also work to reduce emissions related to returns from our e-commerce channel by improving product information, sizing guidance and digital tools. As the e-commerce business grows, maintaining low return rates remains a priority. Testing of additional solutions will continue into 2026.

In 2026, we will map the impact of last-mile deliveries and develop a plan to reduce emissions, including increasing the share of renewable energy-powered transport solutions. This will require continued collaboration with transport partners.

Business travel

Emissions from business travel decreased by 53 percent in 2025 compared to 2024, which was an unusually high year due to a global sales meeting involving the entire company. Compared to the 2020 base year, emissions increased by 160 percent, reflecting a return to more normal travel patterns, including visits to suppliers in Asia and Europe.

Björn Borg acknowledges the challenge of comparing and reducing business travel relative to 2020, as travel was significantly reduced during that year due to Covid-19 restrictions. While some meetings and relationships benefit from in-person interaction, all travel is continuously evaluated from a climate perspective. Digital meetings are prioritised where possible, and unnecessary travel, particularly by air, is avoided.

Licensee – eyewear

A small share (0.8 percent) of our total emissions originates from eyewear production, which is managed by a licensee partner. The collaboration is based on a shared ambition to reduce climate impact, with a focus on low-impact materials and efficient packaging to minimise air in shipments.

During 2025, the licensee continued to reduce its climate impact through targeted improvements in transportation and packaging. Initiatives included optimising packaging design to reduce freight volumes, such as developing flat-pack solutions. Further actions were taken to improve packaging materials, including a transition to FSC-certified paper sourced from the Nordics and a partial phase-out of plastics in packaging.

TARGETS

Targets related to climate change mitigation and adaptation

CLIMATE CHANGE MITIGATION AND ADAPTATION

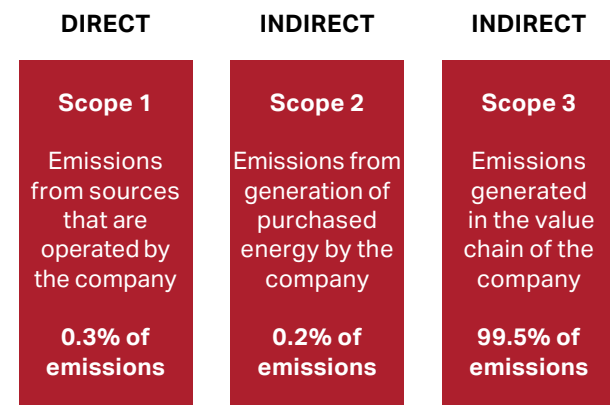
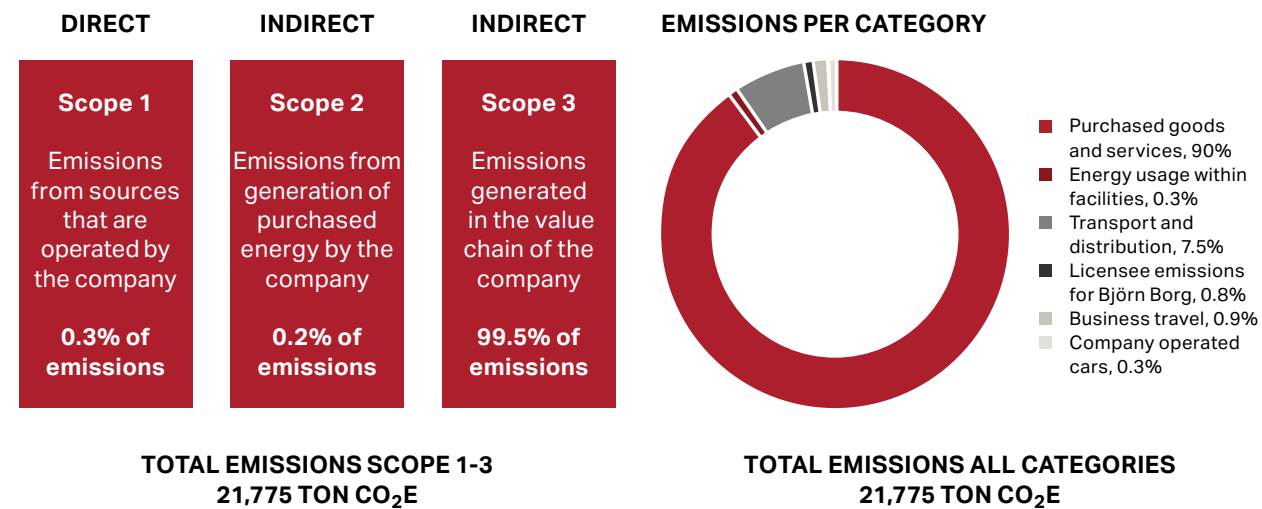
Our targets:	Target year	Progress 2025	Progress 2024
50% emission reduction in scope 1&2 (absolute target) vs. 2020 base year	2030	-73%	-49%
50% emission reduction in scope 3 (absolute target) vs. 2020 base year	2030	9%	22%
100% renewable electricity in own operations	2030	68%	54%
100% renewable electricity in tier 1, total production	2030	85%	11%
70% renewable electricity in tier 2-3	2030	Ongoing mapping	Ongoing mapping



METRICS
Gross Scopes 1, 2, 3 and total GHG emissions

EMISSIONS PER SCOPE AND CATEGORY

Ton CO ₂ e	2025	2024	Change 2024-2025	2020 (baseyear)	Change 2020-2025
Scope 1	67	88	-24%	139	-52%
Company operated cars	67	87	-23%	109	-39%
Refrigerant leakage	-	1,5	-100%	-	-
Fuel use for own heat or electricity production	-	-	-	30	-100%
Scope 2	33	98	-66%	225	-85%
Electricity	12	71	-83%	175	-93%
Heating	21	27	-23%	50	-58%
District cooling	0.001	0.001	34%	-	-
Total Scope 1&2	100	186	-46%	364	-73%
Scope 3	21,765	23,663	-8%	19,539	11%
Purchased goods and services	19,645	21,876	-10%	17,995	9%
Fuel- and energy-related activities	31	50	-37%	73	-57%
Upstream transportation and distribution	1,638	1,199	37%	1,321	24%
Business travel	195	410	-53%	75	160%
Emissions from sources that are operated by the company	0,03	-	-	-	-
Franchises	127	127	-90%	3,911	-97%
Total Scope 1-3	21,775	23,849	-9%	19,903	9%



CALCULATION METHOD, SCOPE 2

Ton CO ₂ e	2025	2024
Market-based	33	98
Location-based	59	77

Data quality

Most of our emissions occur outside our direct operations. We therefore rely on external data from suppliers and landlords to track energy use and fuel consumption. Collecting and verifying this data remains complex and time-consuming and continues to be a key challenge in our emissions reporting.

In 2025, 93 percent of emissions were based on measured data, 2 percent on secondary data, and 5 percent were estimated. This represents a significant increase in the share of measured data compared to 2024 (84 percent).

While primary data enables more accurate tracking of improvement initiatives, the use of industry averages continues to limit our ability to fully assess actual progress. Improving traceability and data quality therefore remains a key priority. During 2025, we expanded our data collection to additional factories, with 33 out of 49 tier 1 factories now included, covering more than 80 percent of tier 1 emissions.

Methodology for GHG emission calculations

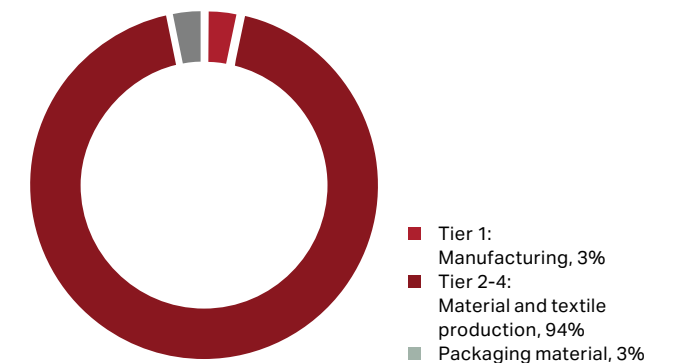
To track progress toward our emission reduction targets, greenhouse gas (GHG) emissions are measured and reported annually as carbon dioxide equivalents (CO₂e). Emissions are categorized into three scopes, following the methodology of the Greenhouse Gas Protocol (GHG Protocol).

- Scope 1: direct emissions from our own operations; primarily from company operated cars.
- Scope 2: indirect emissions from generation of purchased electricity, district heating and cooling; primarily for our retail stores and offices.
- Scope 3: other indirect emissions generated in the value chain.

Björn Borg does not use carbon offsets or compensation to reduce its emissions.

We adopt the operational control approach for our climate calculations.

PURCHASED GOODS AND SERVICES, TOTAL EMISSIONS AND SHARE PER CATEGORY



Scope 1

Scope 1 emissions for Björn Borg include:

- Fuel use for own heat or electricity production
- Company-operated cars
- Refrigerant leakage

Scope 2

Scope 2 emissions for Björn Borg include:

- Electricity consumed in offices, stores and warehouses
- Heating consumed in offices, stores and warehouses
- District cooling consumed in offices, stores and warehouses

The market-based method is applied to calculate scope 2 emissions. Difference between market-based and location-based calculation methods is presented in the metrics section.

Scopes 1 and 2

Scopes 1 and 2 are calculated using, wherever possible, primary activity data such as kilowatt-hours for energy use and kilometres per fuel type for vehicles. Emission factors come from sources such as the Swedish Transport Administration (Trafikverket), the Swedish Energy Markets Inspectorate (Ei), the International Energy Agency (IEA), and AIB European residual mixes.

When actual data is unavailable, estimates are used. These include estimates for electricity, heating, and refrigerant leakage. Refrigerant leakage is approximated based on the total floor area where district cooling is used. Default values from the Swedish Energy Agency (Energimyndigheten) are applied when energy consumption data is missing.

Scope 3

Scope 3 emissions for Björn Borg include:

- Purchased goods and services
- Upstream fuel- and energy-related activities not included in scopes 1 and 2
- Upstream transportation and distribution
- Business travel
- Franchises (licensee partner)

Category 1 – Purchased goods and services

Emissions from production of goods were calculated differently for apparel and bags, and footwear. For apparel and bags, calculations were made using estimated product weights and material composition and based on the number of products produced and shipped from factories during the current year. When weights or compositions were missing, assumptions were made based on the product type and best available information. Material weights were allocated to tier 1 factories and matched with primary supplier data.

Product packaging material weights were calculated based on Björn Borg's defined standard packaging weights and applied to purchased volumes. Emission factors for packaging materials are from the Higg MSI database 2025. All packaging material from tier 1 suppliers to end consumers is included.

Tier 1 emission data was collected through supplier questionnaires. In 2025, 33 suppliers in tier 1 responded to the questionnaires, 4 more than the year before. Respondents in tier 1 represented approximately 80 percent of the emissions in tier 1, a slight decrease compared to the previous year.

For non-reporters, average values for electricity and fuel use from reporting suppliers for 2025 were applied. Two average values were used, one from suppliers producing footwear and one from remaining suppliers producing apparel and bags. Where no, or insufficient, primary data from the factories was obtained, assumptions were made based on the best available data.

Tier 2 emissions are based on supplier questionnaires or Higg MSI data (2025). In 2025, 18 suppliers responded, compared to 22 in 2024. The decrease is due to data from several factories not meeting the required quality standards and therefore not being included. Emissions from non-reporting suppliers are estimated from reporter averages. When data was missing or incomplete, assumptions were made based on the best available data.

Tier 3-4 emissions are calculated entirely using Higg MSI emission factors.

Footwear emissions from tier 2-4 were calculated based on estimated material composition and weights, using Higg MSI 2025 emission factors.

Material waste is incorporated into all reported materials using average waste factors derived from supplier data across tiers.

Emissions from materials where no Higg MSI factors exist are based on assumptions. Cotton sourced as Better Cotton is assumed conventional cotton, FSC paper is assumed virgin paper and linen is assumed virgin plant-based material.

Salesman samples are included in the reported quantity for all products and calculated using the same average-based method as non-reporters.

Development samples are estimated using a weighted average emission factor across all materials used by Björn Borg.

Category 3 – Upstream fuel and energy related activities

Emissions from fuel and energy related activities are calculated using activity data from all facilities and fuel data for company vehicles. Emission factors are from the Swedish Transport Administration (Trafikverket), the Swedish Energy Markets Inspectorate (Ei), the International Energy Agency (IEA) and AIB European residual mixes, amongst others. Estimates are used where data is missing, based on facility area or previous year's consumption.



Category 4 – Upstream transportation and distribution
Emissions are primarily based on primary data from logistics partners. If unavailable, emissions are calculated from shipment weights and distances, using Network of Transport Measures (NTM) emission factors. CO₂ is converted to CO₂e. Tank-to-wheel (TTW) data is converted to well-to-wheel (WTW). A Radiative Forcing Index of 2.7 is applied to air freight per STICA guideline.

Category 6 – Business travel

Emissions are calculated using activity data and spend data. Activity data is collected from service suppliers including Taxi Stockholm and Kleins travel agency. Emission factors come from for example ICAO Carbon Calculator, the Swedish Transport Administration (Trafikverket), Hertz Sustainability report (2019), the report "Branch-läget 2021" by Svenska Taxiförbundet, NTM (2022), and "Travel and climate, Methodology Report. Version 2.0" by Larsson & Kamb (2019).

An average hotel night cost of 2,000 SEK is assumed to calculate the number of nights from the total spend. A Radiative Forcing Index of 2.7 is applied to air freight per STICA guideline.

Category 14 – Franchises (licensee partner for eyewear)

Tier 1 emissions are estimated based on the Environmental Product Declaration (EDP) of a pair of Ray-Ban frames. The emission factor represents the production of the frame and lenses, final assembly and packaging. Tier 2-4 emissions were calculated using reported material weights and Higg MSI 2025 emission factors.

Excluded scope 3 emission categories

- Capital goods
- Waste management
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold goods (not relevant)
- End use of sold goods
- End-of-life treatment/disposal of sold goods
- Downstream leased assets
- Operation of investments

Organizational boundaries

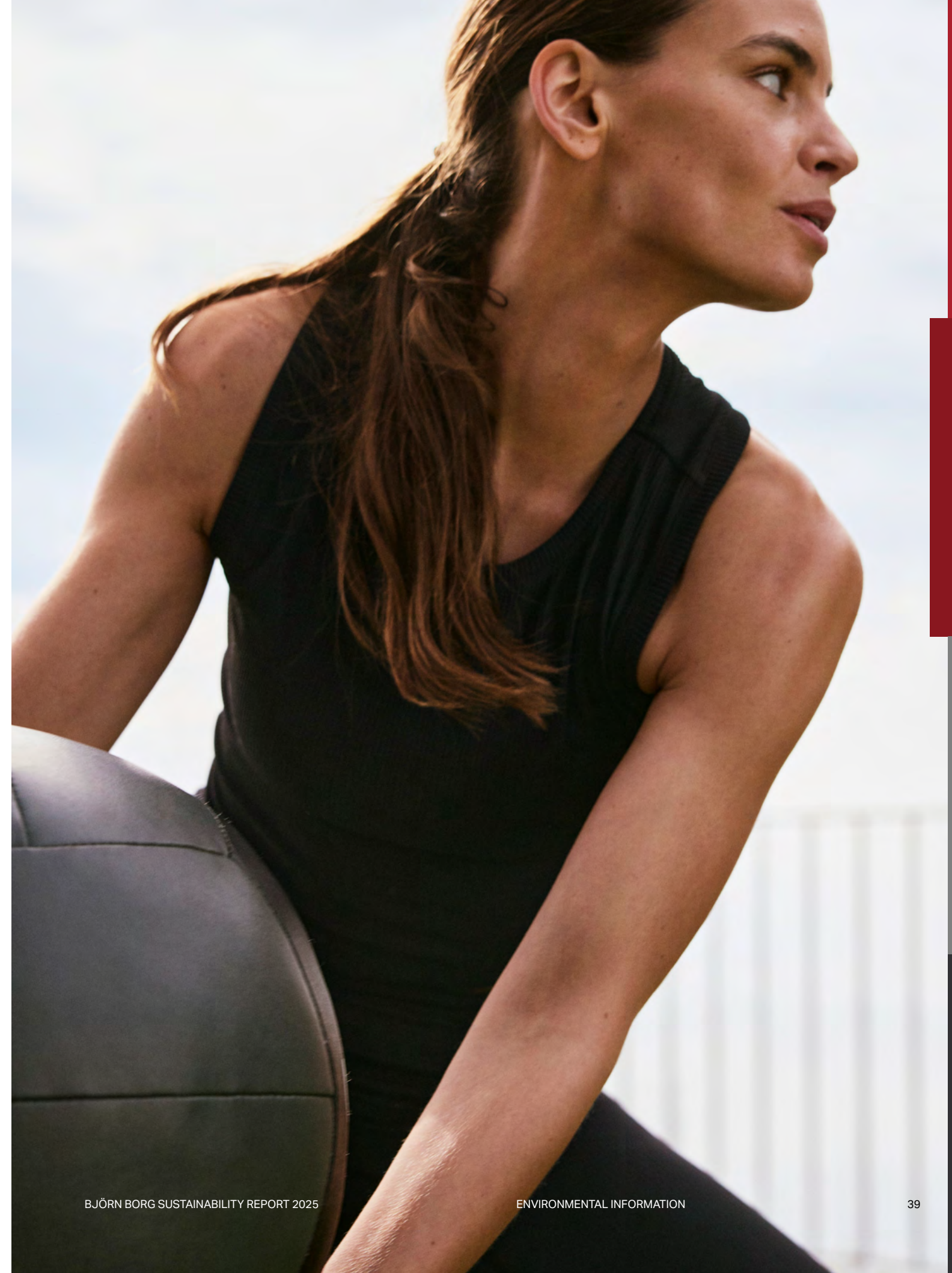
The calculations cover Björn Borg operations in Belgium, Denmark, Finland, Germany, Sweden, and The Netherlands. Our licensee for eyewear is also included on a product level (material and production), but not in energy or transport-related emissions.

Uncertainties and estimates

Emission factors from the Higg MSI are based on industry-wide life cycle assessments and not on actual emissions from Björn Borg's suppliers. The representativeness of Higg MSI data for our production varies and may not always reflect supplier-specific conditions.

We rely on primary data from suppliers and while the data is verified to the extent possible, quality limitations remain. We aim to continuously enhance data validation and completeness.

Björn Borg works with the climate consultancy 2050 in Stockholm to ensure credibility in our GHG calculations.



Pollution

STRATEGY

Our product manufacturing involves chemicals and processes that may contribute to water pollution and the generation of microplastics. We are committed to minimising these impacts by enforcing a strict chemical policy, including a Restricted Substances List (RSL) for finished goods and a Manufacturing Restricted Substances List (MRSL) during production. Together with suppliers and accredited third-party laboratories, we ensure compliance to protect workers, the environment and consumers.

We closely monitor regulatory developments related to microplastics and continuously adjust our policies, actions and targets to ensure ongoing compliance and impact reduction.

In 2025, Björn Borg continued to strengthen its approach to chemical management and microplastic prevention, with increased focus on supplier engagement, certification mapping and improved monitoring of chemical compliance across the value chain.

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Material pollution-related impacts, risks and opportunities are identified through continuous stakeholder dialogue, strategic partnerships and established risk management processes. Our key environmental impacts relate to water pollution from wet processing and chemical use, as well as the release of microplastics during and after production.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT Policies related to pollution

Chemical policy

Björn Borg's chemical policy sets out our commitment to safe and responsible chemical management across the entire supply chain. It applies to all product categories and is mandatory for all suppliers and production partners.

The policy includes our Restricted Substances List (RSL), Manufacturing Restricted Substances List (MRSL), as well as requirements for chemical handling procedures and testing routines. The RSL is

developed and updated biannually by RISE – the Swedish Chemicals Group.

The policy aligns with EU regulations, including REACH, the POPs Regulation, the Biocidal Products Regulation and the Packaging Directive (94/62/EC). A ban is enforced on all Substances of Very High Concern (SVHC) listed in the REACH Candidate List. When operating in markets outside the EU, local legislation is followed accordingly.

For footwear, we apply the AFIRM Restricted Substance List (RSL).

The policy is owned by the Head of Sourcing and Product Development.

ACTIONS

Chemical testing

We conduct chemical testing twice a year on selected products. One product per supplier is selected based on a risk assessment and sent to an independent third-party laboratory for analysis. If any test reveals chemical levels exceeding permitted limits, immediate corrective actions are taken and the case is thoroughly investigated. Since 2024, our testing process also includes packaging materials.

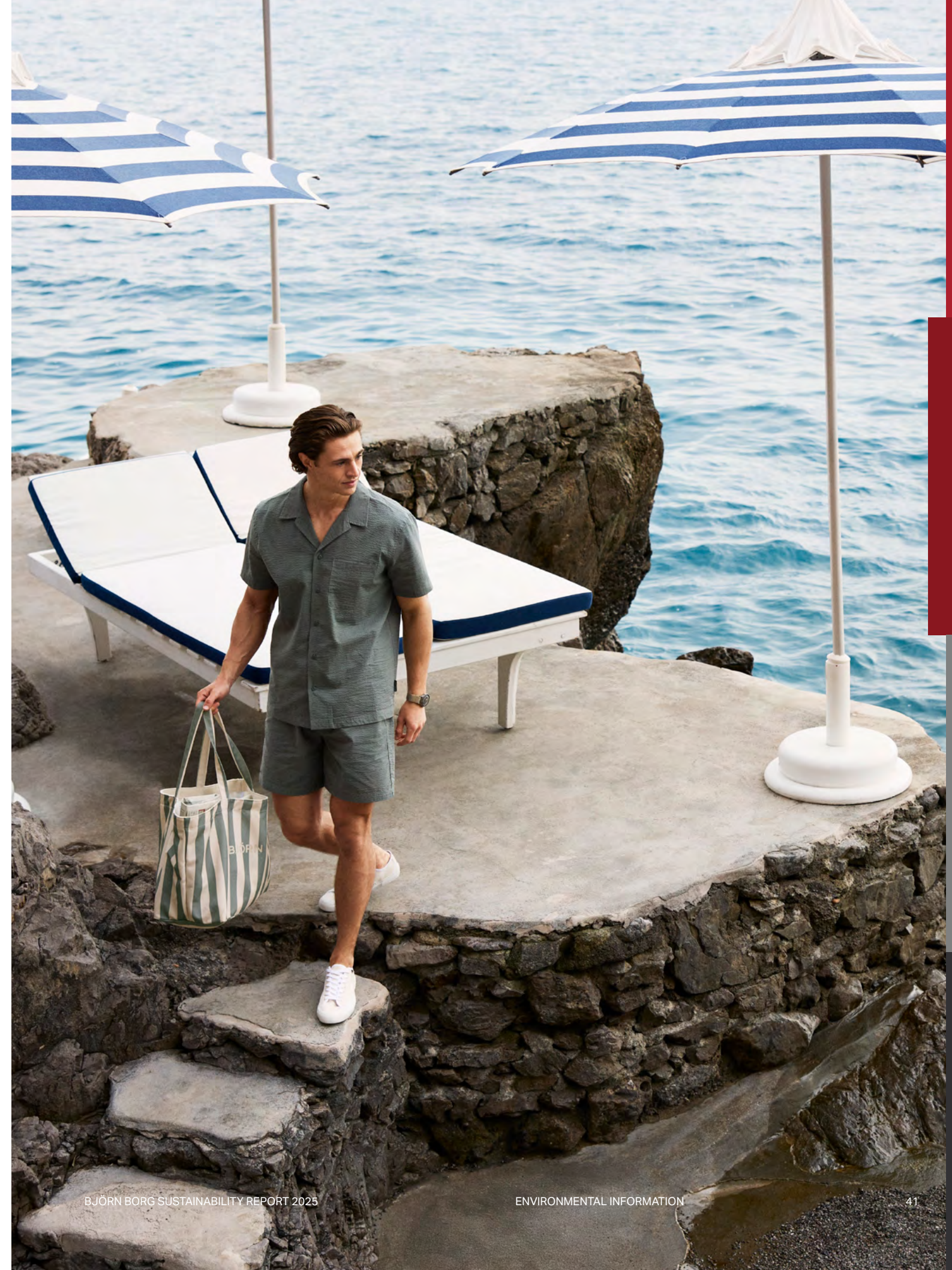
In 2025, footwear was included in the chemical testing process following the transition of product development in-house, ensuring continued compliance across all product categories.

During the year, supplier requirements were further strengthened to ensure that Safety Data Sheets (SDS) are available upon request, improving transparency and supporting more effective chemical compliance across the supply chain.

Certification mapping

We track the certifications held by our suppliers, although no formal requirements are currently in place. Going forward, we aim to establish clearer guidelines on how certifications can support our efforts to reduce pollution, limit hazardous substances and prevent microplastic release in production.

During the year, we transitioned heat transfer prints to a supplier with a strong focus on transparency and certified chemical content. This improvement will be implemented in the AW26 apparel collection.



Water

STRATEGY

Water plays a key role in the production of Björn Borg products, from raw material cultivation to dyeing, washing and finishing of fabrics. This creates impacts, risks and opportunities, making it essential to have clear goals, defined requirements and strong follow-up processes to promote water-efficient production and reduce water-related risks.

Björn Borg works closely with suppliers globally to drive progress in water management and to support the implementation of more water-efficient processes across the value chain.

In 2025, Björn Borg continued to strengthen its approach to water management, with increased focus on water-saving techniques, supplier engagement and improved understanding of water use across the value chain.

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The double materiality assessment identified water as a material topic due to its significant use across the value chain, particularly in fibre cultivation, fabric dyeing, washing and finishing. The assessment was informed by industry research, external reports, tools such as the WWF Risk Filter, and information from suppliers.

Water use in water-scarce regions may contribute to increased local water stress and pose risks to both ecosystems and communities. As many production processes depend on water, water scarcity may also result in financial risks over time, including increased costs and supply chain disruption. At the same time, opportunities exist to reduce impact through the use of lower-impact materials and the implementation of water-saving dyeing and processing techniques, supporting environmental performance and long-term resilience.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to water consumption

Björn Borg has adopted policies that support responsible water management across the supply chain:

Code of conduct and Supplier guide

The code of conduct outlines general expectations on environmental responsibility, while the supplier guide provides more detailed guidance, encouraging suppliers to reduce water use in wet processes and implement improvement actions. Compliance is followed up through regular dialogue and supplier engagement, supporting alignment with Björn Borg's ambitions for reduced water impact.

ACTIONS

To address water-related risks in water-scarce regions, we prioritise actions that directly reduce water dependency and improve water efficiency in production. This includes increasing the use of water-saving dyeing techniques, promoting lower-impact materials such as recycled cotton, and working with suppliers to implement water management systems and wastewater treatment.

These actions contribute to reducing pressure on local water resources and mitigating risks for surrounding ecosystems and communities.

Water use in fibre cultivation

Cotton remains our most used fibre and a key contributor to water use in the value chain. To reduce environmental impact, we prioritise the sourcing of organic cotton and Better Cotton, both of which aim to improve water management practices in cotton farming.

In addition, we are increasing the share of recycled cotton in our collections, reducing the need for virgin fibre production and associated water use.



**Train hard,
lounge harder**

Water saving dyeing and printing techniques

We continue to increase the use of water-efficient dyeing methods across our collections. The long-term ambition is that by 2030, at least 50 percent of all cotton and polyester will be dyed using preferred water-saving techniques.

During 2025, progress continued in scaling these techniques, although challenges remain related to quality requirements, cost and production constraints. We remain committed to working with suppliers to identify practical solutions.

The Clean Color technique, introduced in previous years, continued to be implemented and expanded, while the use of High IQ® dyeing in sports apparel was further increased. These methods can significantly reduce water and energy use in production.

During the year, we also explored water-saving dyeing solutions for synthetic materials. While implementation has not yet been achieved due to cost-related challenges, this remains a priority area moving forward.

In 2026, we will continue to increase the use of water-saving dyeing techniques across the collection.

Water management in factories

Björn Borg works with suppliers that have water management systems in place, supporting responsible water use and wastewater treatment. Several suppliers operate on-site wastewater treatment systems or collaborate with external facilities.

In key production locations, treated water is reused in production processes or for irrigation, contributing to reduced freshwater consumption. Our largest supplier in Bangladesh uses a modern wastewater treatment system in its dyeing mill, where a significant portion of water is recycled in a closed-loop process. Treated water is either reused in production or used to irrigate green areas surrounding the facility.

During 2025, we continued to explore approaches to improve the collection and management of production-level water data. Progress in this area remains limited, and further work is required to build a structured and reliable overview of water use across the value chain.

These actions contribute to reduced water use, improved resource efficiency and strengthened resilience across the value chain.

METRICS AND TARGETS

Water consumption

THE USE OF WATER-SAVING DYEING TECHNIQUES

Our targets:	2025	2024
50% of total cotton weight dyed with a water saving technique by 2030	8%	2%
50% of total polyester weight dyed with a water saving technique by 2030	0%	0%

Björn Borg has voluntarily set targets to guide and strengthen its water management efforts.

Highlights 2025

- Increased use of water-efficient dyeing techniques across key product categories
- Suppliers progressed in modernising dyeing facilities, reducing water and energy use
- Advanced exploration of water-saving solutions for synthetic materials



Resource use and circular economy

STRATEGY

Björn Borg recognises that the environmental impact of a product is largely determined at the design stage. Material selection and production processes are therefore key focus areas, guided by the material and process guide.

A strong focus on durability and product quality supports reduced lifecycle impact. As products are at the core of the business, the transition towards preferred materials and more sustainable processes is a central part of the strategy.

The approach to resource efficiency focuses on eliminating unnecessary materials, increasing the share of preferred materials and designing for longevity and circularity. By optimising each stage of the product lifecycle, Björn Borg aims to reduce overproduction and waste while maximising resource efficiency and product value.

In 2025, an internal footwear team was established at the headquarters, strengthening capabilities and enabling greater control over material choices and product development within this category.

Highlights 2025

- 78% preferred materials in apparel and bags (by production weight)
- 70% of polyester sourced from recycled materials
- 32% of polyamide sourced from recycled materials
- Progressed mapping of footwear materials and increased use of water-based PU
- Increased share of recycled content in shipment packaging
- Reduced packaging material through implementation of a carton folding machine
- Strengthened internal capabilities in circular design

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Resource use and circularity-related impacts, risks and opportunities are identified through stakeholder dialogue, partnerships and established risk management processes.

The primary environmental impact relates to material use, particularly raw material extraction and cultivation, as well as product longevity and consumer use. The assessment is led by the Head of Sustainability, with input from product teams and relevant stakeholders.

Policies related to resource use and circular economy 2030-Roadmap

Our 2030 Roadmap defines the strategic direction for Björn Borg's environmental work and supports long-term sustainability ambitions. It includes clear targets across key areas and is reviewed annually to ensure progress and accountability. The Head of Sustainability is responsible for overall development and implementation, while the Head of Product Development and Sourcing is responsible for integrating the roadmap into product-related activities.

Material selection and production processes are central components of the roadmap, reflecting their importance in reducing overall environmental impact.

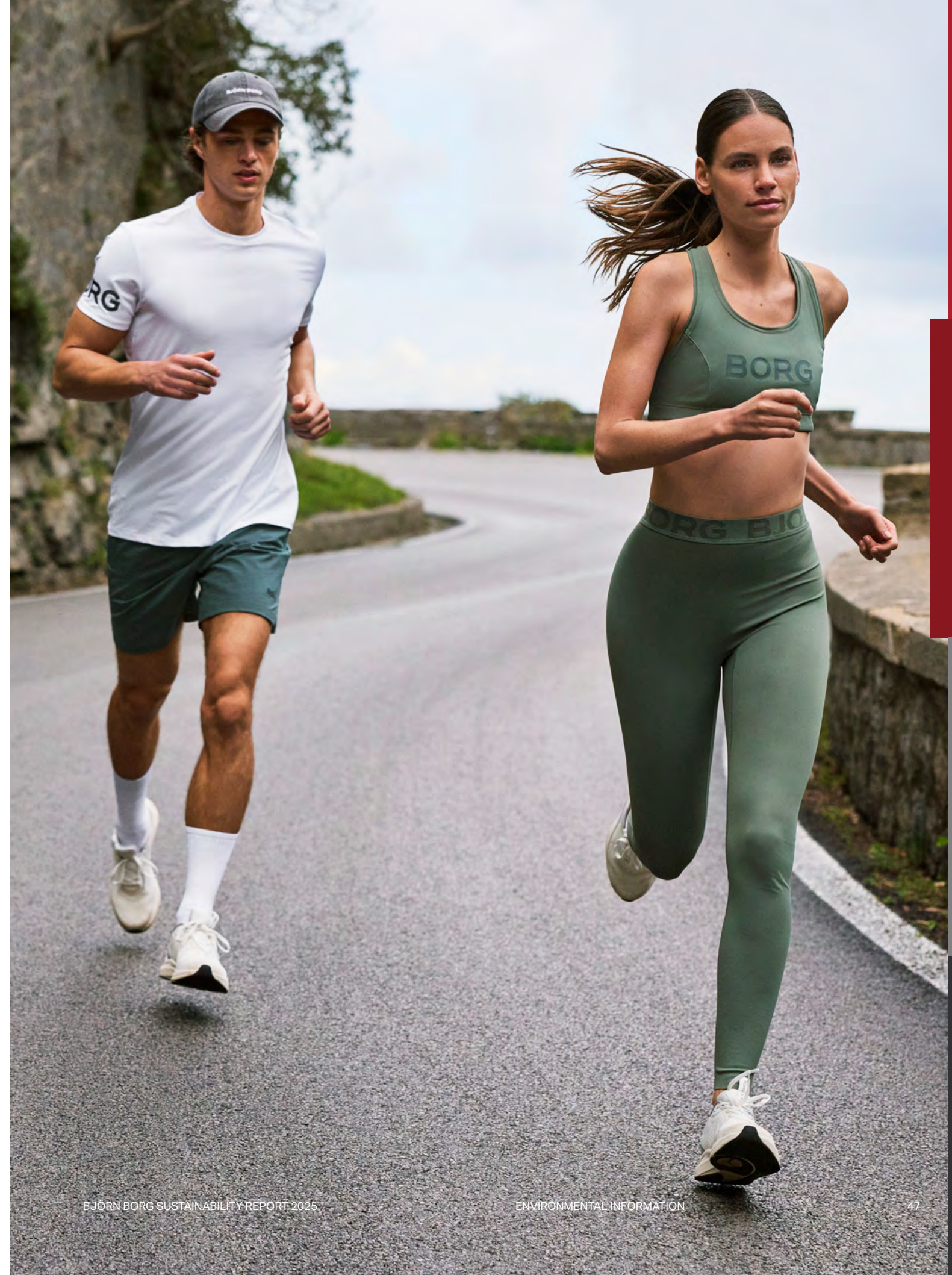
Design platform

Björn Borg's design platform guides design and product development. It focuses on timeless design, unique expression, perfect fit, good functionality, and long-lasting quality. Durability starts at the design stage, making the design approach key to extending product life and reducing environmental impact.

Material and process guide

To minimise the environmental impact of our products and production, we apply our material and process guide. The guide defines and ranks materials as "not approved", "approved", or "superior", enabling more responsible material choices across all product categories and supporting improved practices among suppliers.

It is regularly updated to reflect new innovations and market developments. The Head of Sustainability is responsible for its ongoing development and implementation.



Material conversion plan

The material conversion plan is a key tool for driving the transition to preferred materials and achieving the 2030 targets. It focuses on phasing out virgin, non-renewable resources in favour of lower-impact alternatives. The plan is updated each season with clear material priorities, supporting continuous progress across collections.

Circular design guide

In 2024, a circular design guide was introduced to embed circular principles into the design of apparel, bags and footwear. The guide supports design and product development teams in increasing circularity in line with defined targets. It is owned by the design team.

Supplier guide

The Supplier Guide defines expectations on resource efficiency and responsible practices, with a strong focus on sampling and quality control. Continuous checks throughout development and production help ensure efficient material use and long-lasting products.

IT Sustainability policy

In 2024, a new IT Sustainability policy was adopted to formalise the integration of sustainable practices into IT operations. The policy aims to reduce the environmental footprint of technology use, promote energy efficiency and guide procurement and end-of-life management in line with broader sustainability goals.

ACTIONS AND RESOURCES

Optimize material use

Products

We aim to use only preferred materials across all products by 2030 and continue to make progress with each new season. The definition of a preferred material follows industry standards:

“A fibre or raw material that delivers consistently reduced impacts and increased benefits for climate, nature, and people against the conventional equivalent, through a holistic approach to transforming production systems.”

The material conversion plan outlines long-term targets and is updated seasonally to maintain momentum. In 2025, 78 percent of total product weight (excluding footwear) consisted of preferred materials, up from 72 percent in 2024. This increase was mainly driven by a higher share of recycled content in fabric mixes in apparel, elastics in underwear, and materials in bags.

All apparel and most bags contain at least 70 percent preferred materials by weight, often more.

During the year, recycled cotton was introduced in the underwear range, supporting progress towards preferred material targets. Organic cotton also increased in the apparel range, where organic and recycled cotton now represent 8 percent of total cotton use. All other cotton is sourced as Better Cotton.

In 2026, Björn Borg will continue to explore innovative materials and scale existing solutions. The main challenge remains sourcing options that meet requirements for price, quality and minimum order quantities.

In 2025, the integration of footwear into internal design and development processes continued. A key focus has been incorporating this category into the material conversion plan. All leather is sourced from suppliers audited by the Leather Working Group (LWG). Footwear remains a complex category due to its multi-component construction. The cost of preferred materials, particularly for soles, and minimum order quantities continue to present challenges. During the year, material mapping progressed, supporting a gradual shift towards improved alternatives.

The share of water-based PU in the footwear collection increased during the year. Efforts also continued to improve fit and quality within the category.

In addition to fibres, preferred production processes are prioritised, focusing on methods with lower environmental impact compared to conventional alternatives.

Björn Borg uses Lenzing's TENCEL™ Lyocell and TENCEL™ ECOVERO™ fibres, sourced from sustainably managed woodlands. TENCEL™ ECOVERO™ is produced with up to 50 percent lower emissions and water impact compared to conventional viscose and is certified with the EU Ecolabel.

Björn Borg is committed to responsible sourcing and does not use wood fibres from high conservation value forests, converted land, genetically modified trees or illegal logging. All viscose is derived from certified and responsibly sourced wood.

In 2026, the focus will be on further increasing the share of preferred materials and strengthening sourcing capabilities. Efforts will also explore how consolidation of materials and suppliers can improve efficiency and support the scaling of preferred materials.

Product packaging

A redesign of underwear packaging, launched in 2023, reached the market in early 2025. The updated packaging is more aligned with the brand identity and features a smaller plastic window, reducing plastic use. The plastic used contains 50 percent recycled material. Hangtags and footwear boxes were also updated and introduced during 2025.

All cardboard and paper used in our product packaging is certified by Forest Stewardship Council (FSC). Some components, such as plastic and metal details, remain virgin materials.

We aim for all paper and plastic in product packaging to be sourced from recycled materials by 2030. The main challenge remains balancing design, cost and the use of preferred materials.

Shipment packaging

Shipment packaging remained a key focus area in 2025. Mapping of incoming packaging materials continued, and the share of recycled content increased in both cartons and polybags. Most inbound cartons are made from fully or partly recycled materials. Polybags are made from 100 percent recycled material.

The ambition is to achieve fully recycled inbound and outbound shipment packaging by 2030.

All outbound cartons provided by the warehouse are made from recycled material. E-commerce and outbound packaging is made from certified or recycled materials, with e-commerce plastic bags containing 40 percent recycled content and designed for recycling.

In 2026, further work will focus on alternative materials and improved shipment solutions for underwear boxes, aiming to reduce packaging material use and minimise air in shipments.

Retail packaging

Retail packaging mainly includes paper bags and gift bags, all certified according to FSC Mix or FSC 100% standards.

Retail stores use lightboxes for marketing purposes. During the year, the lifespan of printed visuals was extended, reducing replacement frequency. This is expected to decrease the production of lightbox materials by approximately 40 percent.

OUR PREFERRED MATERIALS AND PROCESSES 2025:

Synthetic fibres

- Recycled polyester
- Waterbased polyurethane
- Recycled polyamide
- Repreve® Our Ocean™
- Sorona®

Plant fibres

- Better sourced option for cotton: Better Cotton
- Organic cotton
- Organic linen
- Recycled cotton

Animal fibres and materials

- Responsible Wool Standard (RWS)
- Responsible Down Standard (RDS)
- Allied Feather + Down
- Leather Working Group (LWG)

Manmade cellulosics

- TENCEL™ Lyocell
- TENCEL™ Modal
- Lenzing™ Ecovero™ Viscose
- Viscose – Bamboo (Forest Stewardship Council – FSC)

Processes

- Avitera – High IQ® Lasting Colour Eco
- Digital print
- Clean color
- Sublimation print
- BIONIC-FINISH®ECO

Paper

- Recycled paper
- Forest Stewardship Council (FSC)

Plastic

- Recycled PET

Promote circularity

Björn Borg introduced its circular design guide in 2024 and began embedding it into the daily work of design and product development teams. The guide supports the integration of circular principles across collections, with a focus on durability, material efficiency and product longevity.

Circular principles are applied across product development, including:

- Designing for timelessness to extend product lifespan
- Selecting preferred materials with lower environmental impact
- Conducting quality and durability testing
- Performing thorough wear testing on new developments
- Analysing claims data to identify product weaknesses
- Encouraging repairs and including repair kits with selected items

The circular design guide is based on the following principles.

Design for:

1. Durability
2. Reusability
3. Repairability
4. Disassembly
5. Remanufacturing or refurbishment
6. Recycling
7. Optimization of material use

During 2025, we continued to explore and implement circular design principles within the product development process. Several internal workshops were held, including open sessions where product developers shared challenges and explored solutions collaboratively. In addition, a dedicated workshop was conducted together with Science Park Borås at Do Tank Stockholm, further strengthening internal knowledge and capabilities.

While progress was made, implementation remains at an early stage and several challenges persist, particularly related to design constraints, material availability and cost considerations.

A target had been set to implement circular design principles across the full range of apparel and bags during 2025. This target was not achieved, primarily due to the challenges outlined above.

We also continue to explore circular business models beyond product design. Initiatives include guiding consumers on product care, offering sample sales to extend product life, offering second-quality products in outlet stores, and partnering with textile recyclers to recycle unsellable products and textile waste. Digital product development and 3D sampling are also being explored to reduce the need for physical samples.

For 2026, circular design remains a key focus area within the design team. However, targets have been adjusted to better reflect current capabilities and to support a more gradual and realistic implementation going forward.

We recognise that the full potential of a circular economy can only be reached through collaboration across the entire value chain, from material innovation to infrastructure and new business models. The textile industry is rapidly evolving and we aim to be part of this transformation.

Materials and circularity in eyewear

Björn Borg has a long-standing partnership with a licensee for eyewear production. The partner has a strong focus on reducing environmental impact from materials and production and has held ISO 14001 and ISO 9001 certifications since 2023.

Björn Borg eyewear, glasses cases and polishing cloths are made using recycled fibres. Materials also include bio-acetate, MEM nose pads (energy-saving and recyclable), as well as biodegradable demo lenses and packaging. Replaceable hinges extend product lifetime by enabling repair instead of replacement.

The bio-acetate is certified according to the ISO 15985 standard.

Shipping boxes are tailor-made to optimise volume, improving material efficiency and reducing transport emissions. Eyewear is delivered in bags made from cornstarch-based materials. Cases are delivered without plastic bags and wrapped in wax paper. In 2025, foldable cases were introduced to further improve shipment efficiency.

Most eyewear retailers offer in-store recycling programs. Björn Borg eyewear is designed for recyclability, as products mainly consist of glass and metal components that are easy to disassemble.

METRICS AND TARGETS

Targets related to resource use and circular economy

Björn Borg has set clear targets to minimise the environmental impact of resource use by optimising material choices for both products and packaging. These are voluntary targets designed to drive resource efficiency, reduce environmental footprint, and increase the use of recycled and responsibly sourced materials.

MATERIALS USED TO MANUFACTURE BJÖRN BORG'S PRODUCTS

Total weight of Björn Borg's products (excl footwear)	1623 tonnes
Share of preferred materials	78%
Total weight of recycled materials	380 tonnes
Share of recycled materials	23%
Weight of petroleum based materials	724 tonnes
Share of petroleum based materials	45%

Excluding materials for footwear and licensee items

USE OF RECYCLED AND RESPONSIBLY SOURCED MATERIALS

Area	Targets:	Target year	Progress 2025	Progress 2024
Material use	100% preferred materials	2030	78%	72%
Material use	100% of all polyester to be recycled	2030	70%	63%
Material use	100% of all polyamide to be recycled	2030	32%	12%
Material use	35% of all cotton to be organic cotton	2030	7%	7%
Material use	5% of all cotton to be recycled cotton	2030	0.3%	0.5%
Material use	100% of all paper and carton for all packaging to come from recycled sources	2030	62%	35%
Material use	100% of all plastic for all packaging to come from recycled sources	2030	83%	71%

All targets and progress figures exclude footwear and licensee items

Resource inflows

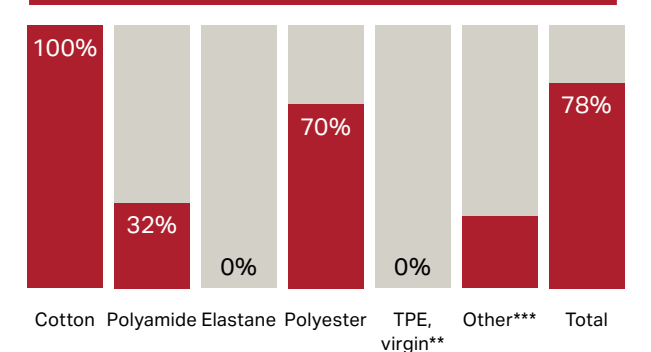
Material inflows at Björn Borg are directly linked to the raw materials used in our products and packaging. In 2025, our products (excluding footwear and licensee items) consist of the key materials outlined below. Due to limited data availability, footwear materials are currently excluded from weight-based reporting. In 2025, progress was made in increasing material transparency for this category, a work that will continue and further improve in 2026.

Other materials include leather, down and metal. In addition, we also use paper, plastic and cardboard for our packaging.

MATERIALS USED IN 2025

Material	Share of total material weight	Share of total emissions
Cotton	53%	44%
Polyester	30%	33%
Polyamide	7%	12%
Elastane	6%	7%
Thermoplastic elastomer (TPE)	2%	2%
Other*	2%	2%
Total	100%	100%

PREFERRED MATERIALS, SHARE PER FIBRE 2025



* Other includes man-made cellulosic fibres (MMCF), recycled cotton, metals, wool, down, acrylic, polyoxymethylene (POM) and silicone

** Thermoplastic elastomer (TPE), virgin

*** Other includes man-made cellulosic fibres (MMCF), metals, wool and down
Excluding footwear and licensee items

The estimated weight of manufactured footwear in 2025 is 94 tonnes, representing approximately 5 percent of total production volume. For eyewear, the estimated weight is 7 tonnes, accounting for 0.4 percent of total production weight.

Björn Borg sources raw materials in line with recognised industry standards and certification schemes, including the Global Recycled Standard (GRS), Organic Content Standard (OCS), Recycled Claim Standard (RCS), Responsible Wool Standard (RWS), Responsible Down Standard (RDS), Forest Stewardship Council (FSC), and Lenzing-certified materials.

Calculation methodology for resource inflows

The data for textiles and other materials is based on the weight of products shipped from factories during 2025, calculated using product material composition and consumption data. Due to the complexity of multi-component products and limited system support, some simplifications and estimations were required when calculating fibre weights for certain categories and styles. While our current systems do not allow for precise fibre-level calculations, a dedicated project is underway to improve system capabilities.

Material weights include all of the Group's own product categories, excluding footwear. As responsibility for the footwear category was assumed in 2024, the initial focus has been on material mapping, with fibre-specific weight calculations to follow.

For eyewear, material composition and product weights were reported by the licensee partner, with total weights consolidated by Björn Borg.

To ensure data integrity, clear boundaries have been established for product weight calculations to avoid double counting.

Resource outflows

Products and materials

The core products from Björn Borg's production include men's and women's underwear, sportswear, bags, and footwear. We apply established design principles and material guidelines to optimise resource use and promote product longevity. Going forward, we are placing increased emphasis on embedding circular design principles throughout our development process.

The durability of our products is expected to meet or exceed the industry average for similar categories. Although no formal benchmarking has been conducted, this expectation is supported by our resource optimisation and robust quality assurance processes, which align with recognised industry standards.

While we currently do not track formal data on reparability, we support extended product use by

providing care and laundry guides both online and on-garment. Selected outerwear products are delivered with repair kits to further encourage product longevity.

In packaging, we are committed to eliminating unnecessary materials and shifting towards recycled content across both product and shipment packaging.

One of our long-term ambitions is to improve recyclability by designing with mono-materials or using a high share of a single fibre. Although we do not yet have detailed data on recyclable content across our product range, we aim to develop this capability in the coming years.

Waste

The main materials that are present in Björn Borg's waste:

- Cardboard
- Paper
- Plastic
- Textiles
- Glass
- Metal
- Food
- Mixed waste
- Electronic equipment

We aim to maximise recycling across our operations and have implemented dedicated waste collection systems and recycling streams for various waste categories in our offices and stores. As part of our continuous improvement, we plan to develop more detailed waste data collection methods in the coming years.

To reduce electronic waste, Björn Borg sends all discarded IT equipment to Inrego – a company specialising in refurbishing IT devices for resale across 90 countries. Inrego's process is ISO-certified and has been refined over 25 years. Through this partnership, our used hardware is either reused or responsibly recycled, supporting a circular approach to electronics. Inrego's core mission is to maximise the reuse of IT products and thereby reduce their climate impact. Approximately 80% of Björn Borg's IT devices are TCO certified.

Unsold goods

Minimising unsold goods is a key priority for Björn Borg. In this context, unsold goods refer to new products that remain unsold, including excess stock and returns that cannot be resold at full price.

Products not sold through primary sales channels or at regular price are managed through controlled discounting and sold in retail stores or through sample sales held twice per year.

In 2025, Björn Borg did not discard any unsold goods.



Social information

Own workforce

STRATEGY

Train To Live is the guiding principle for Björn Borg's team and the brand overall. The belief that an active lifestyle contributes to physical, mental and emotional well-being is foundational for the brand DNA. The employees play a key role in bringing this vision to life through their experience, creativity and commitment to developing both the brand and the business. Björn Borg wants to offer a stimulating environment built around high ambition, drive and strong passion for fashion and sports. Together, the team creates a workplace with continuous improvement as a goal, and the culture both attracts and retains talent.

Björn Borg's workplace includes permanent and temporary employees, apprentices and non-employees including temporary agency workers and self-employed individuals.

We take pride in offering an equal, diverse, healthy and friendly workplace. Being treated with respect is fundamental to employee well-being and engagement.

Material impacts, risks and opportunities and their interaction with strategy and business model

Employee well-being

Employees are central to Björn Borg's business success, with employee engagement identified as the company's second most important KPI. Investing in well-being, diversity and development boosts productivity and loyalty, and creates a motivated workforce. Failing to prioritise these areas may lead to increased stress, burnout and reduced well-being, which in turn may result in higher employee turnover and lower performance.

To mitigate these risks, Björn Borg works proactively to provide employees with tools to structure work, support physical and mental well-being, and maintain a healthy work-life balance.

Ethics, diversity and non-discrimination

Björn Borg promotes an open and transparent workplace where employees feel safe to express concerns and report irregularities without fear of negative consequences.

The code of conduct, health and safety policy, employee surveys and whistleblowing policy form the foundation for identifying, preventing and addressing human rights risks.

Björn Borg believes that diversity improves the ability to reach business targets and stay relevant as a brand and a business. We believe that differences are an asset that increases efficiency and creativity. The code of conduct sets out the frameworks for equality, diversity, and respect, and must be complied with by everyone within the Group. Björn Borg has zero tolerance regarding discrimination of any kind.

Recruitment and promotion are based on the CPR model, for Competence, Personality and Results, supporting fair and objective decision-making.

The non-discrimination and anti-harassment policies follow the ILO convention, and the ultimate responsibility lies with the HR manager.



IMPACT, RISK AND OPPORTUNITY MANAGEMENT Policies related to own workforce

Björn Borg has established several policies to support responsible business conduct and a safe working environment, including:

Code of conduct

The code of conduct defines ethical principles that guide Björn Borg's business practices and our role as a responsible corporate citizen in a global context. It supports long-term value creation by promoting integrity, accountability, and respect for people and planet. The code applies to all employees across the Björn Borg Group. Responsibility for the code sits with the Board of Directors, which reviews and approves it annually.

Policy for human rights and due diligence strategy

The policy for human rights and due diligence strategy outlines the principles for respecting and upholding human rights throughout Björn Borg Group's business operations. The policy is based on international standards and guidelines such as the UN guiding principles on business and human rights. The policy has been approved by the Board of Directors, and senior operational executives are responsible for implementation.

Work environment policy

The work environment policy outlines the principles as routines applied within the Björn Borg Group to create and maintain a good and safe working environment in its business activities. It encompasses the whole company, all equipment, and all facilities, as well as the physical, social, and psychological aspects of Björn Borg employees. The goal is a workplace that is both safe and evolving for everyone. The policy relies on state law, internal requirements and industry standards, and has been approved by the Board of Directors. The CEO is responsible for implementation and HR is responsible for related day-to-day activities.

The work environment is reviewed every month and annually by our internal representatives and safety officers according to the regulations in AFS 2001:1 from the Swedish Work Environment Authority. Health and safety performance is reported according to Swedish law to the CEO and the safety committee.

Whistleblowing policy

The whistleblowing policy encourages employees to report serious wrongdoings and irregularities within the Björn Borg Group. It lays down the routines

applied to ensure that employees have relevant channels to file such reports. The policy has been approved by the Board of Directors and is reviewed annually. The policy is owned by the HR.

Data protection policy

Björn Borg data protection policy regulates the company's adherence to the laws and regulations that govern the protection of personal data, including but not limited to, the General Data Protection Regulation (GDPR). The data protection policy has been adopted by the Board of Directors and aims to ensure compliance with data protection laws by the companies within the Björn Borg Group.

To ensure and demonstrate compliance with the GDPR principles when processing personal data, it is made sure that instructions, routines, documentation, principles etc. are available to all employees. Training, monitoring, auditing, and other compliance activities related to the privacy field are implemented in the business.

A data controller is accountable for processing the personal data per the GDPR, and for being able to prove its accountability. The legal department is responsible for following up compliance with the GDPR on a Björn Borg Group level and reporting compliance to the CEO twice per year. Legal also advises the CEO and Björn Borg's management team on GDPR issues and is responsible for coordinating governance within the privacy field together with the contact persons of individual business areas and support functions.

The CEO, with support from the management team, is ultimately responsible for compliance with the GDPR and the data protection policy and shall report compliance to the Board of Directors yearly and when there has been a material breach of compliance.

Further steering documents have been adopted within the organisation to guide and ensure good business practices and safe working environment:

- Employee handbook
- Salary handbook
- Policy against offensive victimization, sexual harassment, and other forms of harassment
- Policy for handling alcohol and drugs

Information on staff policies and working environment is made available for all employees on Björn Borg's intranet.

Björn Borg's non-employees are also covered by the policies to the extent they are legally or contractually applicable to them.



Processes for engaging with own workers and workers' representatives about impacts

Björn Borg conducts company-wide employee surveys twice per year – one focusing on engagement, motivation, work environment and equal treatment, and another on overall well-being. The surveys are anonymous and distributed to all employees, with the engagement survey generating a benchmarked engagement score. Results are reviewed and translated into concrete actions for improvement.

In 2025, Björn Borg achieved an employee engagement score of 84 (2024: 84), placing us among the top performers in the industry according to our third-party survey provider's benchmark. The process is led by HR in collaboration with the CEO and senior management. HR is also responsible for overseeing the company's employee engagement initiatives, and for maintaining dialogues with worker's representatives.

Processes to remediate negative impacts and channels for own workers to raise concerns

Björn Borg has established clear processes to remediate negative impacts on the own workforce, including internal channels for raising concerns and a dedicated whistleblowing system. All reports are handled with strict confidentiality and care. More information about our whistleblowing policy is available in the governance section.

Regular employee surveys serve as a key tool for gathering feedback and identifying potential issues or negative trends over time. In addition, all employees participate in monthly one-on-one check-ins with their immediate manager to discuss their general work situation and well-being.

To further foster a healthy and supportive work environment, a dedicated safety committee is in place to carry out regular safety inspections and risk assessments. HR follows up on all feedback and potential concerns raised by employees, working proactively to promote a positive and inclusive workplace culture.

ACTIONS

Björn Borg takes action to address material impacts, mitigate risks and capture opportunities related to its workforce.

Workplace environment

Björn Borg strives to provide an inspiring, safe and functional work environment, recognising that working conditions are a key area of impact for its own workforce. The approach is based on systematic work environment management, focusing on preventing risks while promoting well-being, engagement and long-term performance.

Work environment management is conducted in line with applicable regulations, with clear responsibilities defined in collaboration between employer, employees and safety representatives. Regular inspections and risk assessments are carried out across physical, organisational and social aspects of the work environment. All employees receive safety introductions and relevant training, and incidents or accidents are investigated without delay to prevent recurrence.

The work environment is reviewed on a monthly and annual basis in accordance with AFS 2001:1 from the Swedish Work Environment Authority. This follow-up is carried out through a cross-functional group consisting of HR, the CFO and safety officers, responsible for monitoring performance, reviewing risks and ensuring continuous improvement.

Key actions during 2025:

- Updated the structure of the work environment training, which is mandatory for managers, strengthening focus on risk identification, prevention and compliance (roll-out in 2026).
- Continued systematic follow-up on the workplace environment through risk assessments, safety trainings and incident management processes.
- Completed an expansion of the head office in Solna, improving workspace functionality and increasing capacity for product and design teams.
- A decision was taken to implement a new HR system, aimed at strengthening organisational structure, improving onboarding processes and facilitating more effective managerial follow-up. Implementation is planned during 2026.



The Björn Borg headquarters is located in the Haga Park, part of the Royal National City Park, in the Fitwel-certified Gate:01 building, designed to support health and well-being through features such as natural light, green surroundings and access to sports facilities.

A significant share of employees works in retail, making store environments an important part of the overall work environment. Björn Borg continuously works to ensure safe, functional and supportive conditions in stores, aligned with the company's standards. During 2026, this work will be further strengthened through increased focus on structure, follow-up and continued development of the retail work environment.

Performance management

Björn Borg is a performance-driven organisation where performance management is one of the fundamental pillars. The business relies on a framework where all employees work together in the same direction. This framework governs the daily operations with the core values of *Passion, Empowering, Winning Attitude, Bold and Magnetic*. It consists of the answer to five fundamental questions: Where are we going? Where are we now? What are we going to do to reach our goals? How are we going to do it? And why are we doing it? Once knowing the direction of the company and what needs to be done to reach that goal, functional goals are set on department level and an individual level. Working towards a common goal may seem straight forward, but goals must be equally challenging and motivating. Björn Borg makes a big effort to keep motivation high and takes pride in the workplace being so appreciated. More information about the Björn Borg framework is available in the annual report.

Individual sustainability goals

Every employee within Björn Borg must set a sustainability goal. The sustainability team is dedicated to equipping everybody on the team with tools to reach their green goals – not the least in the annual goal-setting process. The ambition with the green goals is to empower and make every person aware of their importance on the road toward one of the three most important business focuses.

Training and development

Björn Borg works to address impacts, risks and opportunities related to employee competence, engagement and long-term performance through continuous training and development. Strengthening employee skills is essential for maintaining a high-performing organisation, supporting business resilience and meeting evolving sustainability and customer expectations.

Training has long been an integral part of Björn Borg's way of working. During 2025, the focus was on further structuring and clarifying existing initiatives to make development opportunities more visible and accessible to all employees.

Key actions during 2025:

- Delivered a broad range of training sessions in leadership, presentation skills, digital tools and function-specific areas under the concept "never-stop-learning", made available to all employees across the organisation.
- Established a structured training calendar to provide a clearer overview of available training and development opportunities across the organisation (roll-out and follow-up in 2026).
- Continued to provide access to educational tools, including courses and sales materials, supporting continuous learning in daily operations.
- Strengthened sustainability competence through workshops during global sales meetings, complemented by targeted sessions for smaller teams focusing on function-specific topics.

Work-life balance and special leave

Björn Borg recognises that work environment and well-being are closely linked, and that both physical and mental health are essential for long-term performance. Even if many employees work from home one or two days per week, stress remains part of many people's work situations and everyday lives. The company therefore works proactively to identify, assess and manage risks related to both physical and mental well-being.

The performance management system supports prioritisation and a healthy work-life balance. Workflow remains one of Björn Borg's foundational work structures. One hour every week, just before

Sports Hour, all employees work in complete silence to plan the upcoming week, set priorities and clear inboxes. Together with the goal-setting process, this creates a sense of control and supports reduced stress.

Key actions during 2025:

- Continued Workflow and Sports Hour every Friday, supporting planning, collaboration and well-being.
- Provided training in workflow and stress management for all employees.
- Offered access to a health care package, including private stress management support for individuals who need additional support.
- Invested SEK 571,393 (approximately SEK 3,941 per full-time employee) in employee training.

Moreover, the office policy was updated to support collaboration, strengthen company culture and further build a strong and cohesive organisation. The new structure, to be implemented in 2026, includes four days per week in the office and up to 20 percent remote work, with Monday and Friday as shared office days. The change was communicated well in advance to support planning and aims to create more opportunities for collaboration, connection and a strong sense of community across the organisation.

Björn Borg recognises that different life situations may require flexibility in working arrangements and leave, and aims to find solutions that support individual needs, including part-time arrangements when needed.

Support for dependent care

Employees may leave to pick up their children or manage personal matters at any time if they fulfil their work duties. Childcare on the company's markets is free, so there is no need for financial support or on-site childcare. The countries where Björn Borg operates have extended the parental benefits, and employees can take a generous parental leave (up to 18 months) in connection with childbirth or adoption.

Vacation

A minimum of 20 days of vacation per year, in addition to bank holidays, is stipulated by law in Germany, the Netherlands, and Belgium, 25 days in Sweden and Denmark and 30 days in Finland.

TARGETS

Björn Borg has set targets to manage material negative impacts, advance positive impacts, and address risks related to its workforce, with focus on employee engagement and development.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Our targets:	Target year	Results 2025
Employee Engagement score in the annual employee survey 90 (out of 100)	2025	84
100% of employees (full time contract) to be part of Björn Borgs performance management process	2025	100%
100% of new employees (full time contract) to complete Workflow education	2025	100%

Employee development

The total number of employee development, measured as headcounts, remained stable compared to the previous year.

Full-time equivalents (FTE) decreased by 5 percent, from 152 last year to 145 in 2025.

No large-scale job cuts were made during the year. However, a reorganisation was carried out in which certain responsibilities previously held by the Netherlands team were transferred to the head office. The purpose of this change was to streamline operations and improve overall efficiency.

METRICS

CHARACTERISTICS OF THE GROUP'S OWN EMPLOYEES

Country	Number of employees (headcount)			Distribution, %	
	Women	Men	Total	Women	Men
Belgium	13	2	15	87	13
Denmark	0	3	3	0	100
Finland	47	10	57	82	18
Germany	0	1	1	0	100
Netherlands	13	16	29	45	55
Sweden	86	30	116	74	26
Total	159	62	221	78	28

CHARACTERISTICS OF THE GROUP'S OWN EMPLOYEES BY CONTRACT TYPE AND GENDER

	Women	Men	Total
Number of employees	159	62	221
Number of permanent employees	109	47	156
Number of temporary employees	50	15	65
Number of part-time employees	45	13	58
Number of employees, non guaranteed hours	50	12	62

DIVERSITY METRICS SENIOR MANAGEMENT

	Women	Women, %	Men	Men, %
Senior Management	2	33	4	67

DIVERSITY METRICS EMPLOYEES

	Under 30 years old	30 to 50 years old	Over 50 years old	Total
Number of employees	94	110	17	221

Employee turnover

Employee turnover reflects the fluctuation in the company's workforce. Björn Borg strives for a stable turnover rate, recognizing that a certain rate of turnover is necessary for maintaining competitiveness and fostering innovation. During 2025, 74 employees left the company, and the turnover rate was 33 percent.

Employee turnover was calculated by dividing the total number of employees who left the company by the number of employees at the end of the reporting period (headcounts).

Methodology to compile employee data

The headcount indicators are based on the number of people employed on December 31, 2025.

Full time equivalent numbers are reported quarterly and based on hours. The total is added yearly and divided by four to get an average.

Collective bargaining coverage and social dialogue

Björn Borg has collective bargaining agreements that vary by country and job category, including retail and office roles. In 2025, collective bargaining coverage was 71 percent. For employees not covered by such agreements, working conditions and terms of employment are governed by applicable legislation and relevant agreements.

Gender equality

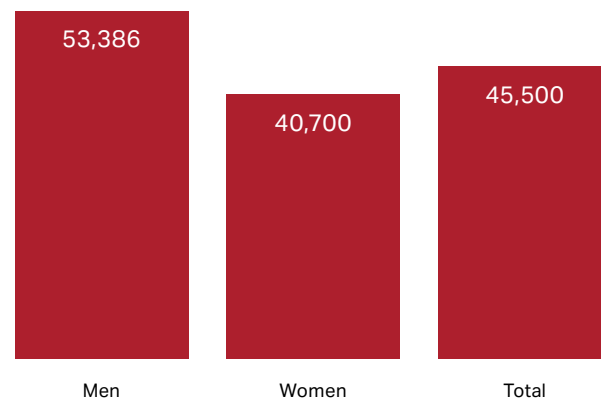
All employees at Björn Borg have equal rights, responsibilities and opportunities in terms of work, career development and compensation. The company strives for balanced gender representation and equal working conditions across all functions and departments. The target is that no gender should represent more than 60 percent of key governing bodies, which remains challenging given the industry's high female representation. In 2025, women represented 72 percent of the employees. Among senior management, two (33 percent) were women and four (66 percent) were men.



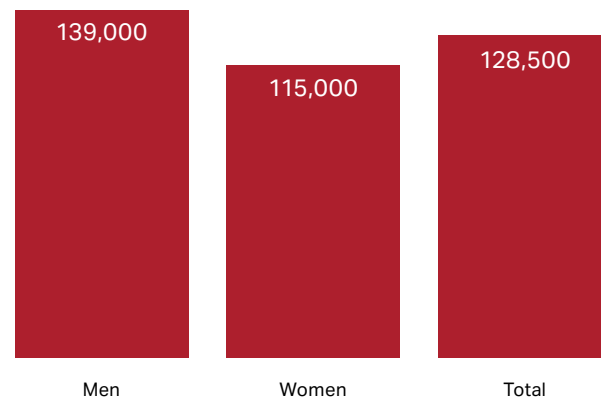
Fair wages

Björn Borg's salary policy forms a framework for setting salaries for each employee in a long-term, consistent, and individual way. Salaries at Björn Borg are set according to the contents and requirements of the job and linked to performance. Salaries raise according to the degree of responsibility, the degree of difficulty, the level of skill, the employee's performance and ability and the market influence. The main criterion for individual assessment is performance i.e., the degree to which the employee contributes to the business targets. Björn Borg sets salaries as a level between the lower quartile (25th percentile) and the upper quartile (75th percentile) in each market.

MEDIAN SALARY FULL TIME EMPLOYEES (EXCL CEO AND SENIOR MANAGEMENT), SEK/MONTH



MEDIAN SALARY MEN VS. WOMEN IN SENIOR MANAGEMENT (EXCL CEO), SEK/MONTH:



Median salary senior management, including country managers, excluding CEO: SEK 111 000/month (2024: SEK 105 378/month). Employee to CEO ratio: 1:8,66 (2024: 1:8,43)

Social protection

All workers in the own workforce are covered by social protection against loss of income due to major life events, either by Björn Borg or through public programs.

Training and skills development indicators

100 percent of Björn Borg employees who have a full-time contract are part of the company's performance management process focusing on continuous professional growth through annual goal setting and monthly coaching by the reporting manager.

Health and safety indicators

All employees are covered by a health and safety management system based on legal requirements and recognized standards which have been audited by third party, Arbetsmiljöverket. Non-employees are not covered by such systems through Björn Borg. 4 work related injuries have been reported during 2025 (2 percent based on headcount). These were lighter injuries that happened during workout sessions. In total, 45 days were lost to work-related injuries from work-related accidents. There were no serious accidents which resulted in fatality.

Work-life balance indicators

100 percent of Björn Borg's employees are entitled to family related leave and 3 percent utilized this benefit during 2025 of which 0,3 percent were men and 2,7 percent women. All employees are entitled to family related leave through social policy and/or collective bargaining agreements.

Incidents, complaints and severe human rights impacts and incidents

During 2025, 4 incidents of discrimination were reported in the annual employee survey and/or directly to HR. Corrective actions were taken and the cases are solved. No incidents or complaints relating to human rights were reported during 2025, and thereby no fines or penalties were issued.



Workers in the value chain

STRATEGY

Björn Borg's success depends on finding the right supply chain partners who share its values and working together to build strong relationships while maintaining high ethical standards. To support this, the company has a structured system to identify long-term partners who believe in a transparent and sustainable fashion industry. The focus is not just on meeting requirements but on continuous improvement and responsible business practices.

In 2025, we launched the Sourcing Excellence project, aimed at reviewing the sourcing strategy and defining a clear long-term vision for building a strong and resilient supplier base. The ambition is to ensure that we continue to develop a sourcing setup and supplier network that supports long-term business needs and sustainable growth.

Material impacts, risks and opportunities and their interaction with strategy and business model

Workers across the value chain are essential to Björn Borg's business operations. Our most significant impacts relate to labour conditions, wages, and workers' rights. While key risks include labour rights violations, unsafe working environments, and reputational damage, there are also clear opportunities - such as improving working conditions, fostering ethical business practices, and strengthening supplier relationships to build resilience and enhance brand reputation.

Highlights 2025

- Maintained full compliance with social audit requirements, with 100% of tier 1 factories covered in 2025.
- Maintained a high supply chain transparency with 100% in tier 1, 91% in tier 2 and 74% in tier 3.
- Launched Sourcing Excellence, introducing stricter onboarding criteria, including renewable energy requirements.
- Strengthened audit follow-up, improving supplier performance and corrective action implementation.

Those who may be directly affected by Björn Borg's business relationships are workers employed by suppliers involved in raw material sourcing, manufacturing, supporting services, and transport and logistics.

To address these issues, Björn Borg has implemented structured processes to identify and manage human rights risks and opportunities throughout the value chain. These include country- and factory-level risk assessments, third-party factory audits, and continuous improvement programmes. Country-specific risks are proactively managed through targeted actions and direct engagement with suppliers in affected regions.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to value chain workers

It is our responsibility to ensure that our daily operations and business relationships respect human rights throughout the value chain. Supplier relationships are evaluated to uphold international human rights standards and prevent violations. To guide this work, Björn Borg has developed and adopted a line of related policies and guidelines:

Supplier code of conduct

Björn Borg has adopted the amfori BSCI Code of Conduct, which is based on, and refers to,

- United Nations (UN) Universal Declaration of Human Rights
- International Labour Organization (ILO) Conventions and Recommendations
- UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- UN Children's Rights and Business Principles
- Gender Dimensions of the UN Guiding Principles on Business and Human Rights
- OECD Sectoral Guidance Documents

The code is based on 13 key principles:

- Social management system and cascade effect
- Workers' involvement and protection
- The rights of freedom of association and collective bargaining
- No discrimination, violence or harassment
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- Special protection for young workers
- No precarious employment
- No bonded, forced labour or human trafficking
- Protection of the environment
- Ethical business behaviour



All tier 1 suppliers must sign and comply with the code of conduct, with compliance verified through regular audits. While Björn Borg acknowledges its responsibility beyond tier 1, direct contact is limited as it primarily goes through tier 1 suppliers. Therefore, tier 1 suppliers are responsible for ensuring compliance within their own supply chains. Björn Borg is working to increase transparency beyond tier 1 – read more under Supply chain transparency.

Policy for human rights and due diligence strategy
Björn Borg's policy for Human Rights and Due Diligence Strategy outlines the principles for respecting and upholding human rights throughout Björn Borg Group's business operations. The policy is based on international standards and guidelines such as the UN Guiding Principles on Business and Human Rights. The policy has been approved by the Board of Directors and senior operational executives are responsible for implementation.

International Accord
Suppliers of Björn Borg who produce in Bangladesh must be signatories of the International Accord for Health and Safety in the Garment and Textile Industry (International Accord) and all factories must follow the standard. The International Accord ensures worker health and safety in the textile and garment industry.

Whistleblowing policy
The Whistleblowing policy gives the opportunity to report serious wrongdoings and irregularities within the Björn Borg Group and lays down the routines applied within the group in ensuring that value chain workers have relevant channels to file such reports. The whistleblowing system was made more easily available for workers in the value chain from 2025. The policy has been approved by the Board of Directors and is reviewed annually. The policy is owned by the legal department.

Supplier guide
The Björn Borg Supplier Guide outlines the requirements for both the manufacturing processes and suppliers involved in the company's products. All direct suppliers are required to review and sign the guide before production begins. The guide covers key areas across the supply chain, including product development, quality control, product safety, as well as chemical and environmental standards and expectations.

In 2025, the guide was updated to reflect evolving requirements for suppliers, including stricter expectations on the transition to renewable energy and improved standards for material certifications.

Responsible purchasing practices guideline
The Responsible Purchasing Practices Guideline defines the key principles of Björn Borg's purchasing process, always ensuring responsible and fair treatment of suppliers. It covers essential practices such as setting timelines well in advance of each season, sharing forecasts to support capacity planning, guidelines for order cancellations, and a structured supplier exit strategy. Responsible purchasing practices play a key role in supporting and improving working conditions at supplier facilities. Björn Borg is committed to building long-term relationships with key suppliers, recognizing that strong, lasting partnerships are only possible when suppliers view Björn Borg as a fair and reliable partner.

Chemical policy
Björn Borg's chemical policy ensures safe and compliant production by minimizing hazardous substances. The company works closely with suppliers to protect consumer health, worker safety, and the environment while adhering to strict regulations and industry best practices.

Processes for engaging with value chain workers about impacts
Engaging with supply chain workers is a key part of Björn Borg's broader stakeholder engagement process. This typically takes place through regular factory audits, supplier visits, and ongoing day-to-day communication via email and online meetings. The audit process is further outlined in the Actions section below.

As a member of amfori BSCI, we actively encourage our suppliers to participate in training offered through the platform - covering topics such as fair working conditions, worker rights, and continuous improvement.

The effectiveness of supplier engagement is monitored through both factory audit outcomes and Björn Borg's internal vendor evaluation, conducted twice a year. The Head of Sourcing and Product holds overall responsibility for supplier engagement and ensuring compliance across the supply chain.

Processes to remediate negative impacts and channels for value chain workers to raise concerns
Björn Borg has established processes to remediate negative impacts, which are activated in cases where harm has been caused. In line with our Human Rights Policy and the amfori BSCI Code of Conduct, any identified negative impact must be addressed without delay.

Factory audit results are reviewed by our sourcing team, and findings are assessed and addressed in collaboration with suppliers. Suppliers are required to develop and implement a corrective action plan within 60 days of an audit, assigning clear responsibilities and allocating resources to ensure progress. All steps are monitored via the amfori BSCI platform.

As part of our commitment to responsible supply chain management, all factories signing our Code of Conduct must implement grievance mechanisms in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs). This ensures a structured channel for workers and communities to report and resolve concerns related to business activities. Compliance is assessed through audits.

In addition, our whistleblowing channel is open to workers across the value chain, with all reports managed according to our established policy. In 2025, no reports were filed by workers in the value chain.

ACTIONS, METRICS AND TARGETS
Consistently over time, Björn Borg has implemented actions to mitigate material risks and pursuing material opportunities related to value chain workers. This section shows the most prominent of these actions. Most of the actions we are taking are primarily in tier 1, though we are continuously expanding that same work beyond tier 1 where relevant. Since 2023, Björn Borg has increased monitoring of tier 2 suppliers through social audit programs. In 2025, we continued to increase on-site visits to tier 2 suppliers.

To drive meaningful change, Björn Borg has also set clear targets aimed at reducing negative impacts, enhancing positive contributions, and managing key risks related to value chain workers. These targets prioritize compliance with industry standards, increased supply chain transparency, improved social audit scores, and the promotion of fair wages.

Targets are set based on material impacts, performance data, and achievement goals, with input from Björn Borg's teams, industry benchmarks, and value chain monitoring. While value chain workers are

not directly involved, their needs and conditions are considered throughout the process and help track progress.

Supplier guide and Code of conduct
All suppliers and business partners supplying to, or acting on behalf of Björn Borg, are required to sign and commit to comply with the Björn Borg Supplier Guide and Code of Conduct. By setting clear expectations, Björn Borg aims to foster strong partnerships, encouraging suppliers to uphold high standards of business ethics and continuously improve their operations. Suppliers and factories may change slightly each year, therefore the target is followed up annually. In 2025, all Björn Borg's suppliers had signed the supplier guide and code of conduct. During 2024, Björn Borg took over the development and production of its footwear category from a former licensee partner. This transition added five new suppliers and 17 factories to the supplier base. In 2025, a key focus was to continue to integrate working processes and clearly communicate our standards to all new suppliers, supporting the development of strong and long-term partnerships.

Onboarding criteria for new suppliers
Before partnering with a new supplier, Björn Borg carries out a detailed risk assessment to ensure the supplier's values and ethical standards align with its own. The supplier must meet Björn Borg's onboarding criteria, which cover both social and environmental performance, before the partnership can begin. In 2025, the sourcing project Sourcing Excellence was initiated, including a review and update of the onboarding criteria to better align with Björn Borg's long-term vision for its supplier base. As part of this, the use of renewable electricity in production has been introduced as a requirement for all new suppliers entering production for Björn Borg.

Factory audits and continuous improvement
Factory audits are conducted through the amfori BSCI system by independent third-party auditors, covering thirteen different performance areas related to social compliance. The audits include worker interviews, document reviews and on-site inspections, providing a comprehensive assessment of factory conditions.

Audits are conducted every one to two years depending on performance. Björn Borg follows the amfori BSCI standard for semi-announced audits, where factories are informed of a general timeframe, but not the exact audit date, in advance.

In 2025, all tier 1 factories and several tier 2 factories participated in a social audit program. While most are enrolled in amfori BSCI, some factories are assessed through equivalent schemes such as SMETA, SLCP or WRAP. Amfori BSCI is Björn Borg's preferred choice, but alternatives are accepted in cases where suppliers are already enrolled in other recognised programmes, helping to reduce audit fatigue while maintaining compliance and accountability.

At the end of 2025, Björn Borg held Responsibility (RSP) for three tier 1 factories, representing approximately 30 percent of total production volume (in pieces), as well as two tier 2 factories producing trims and packaging. The RSP holder is responsible for arranging audits and following up on supplier performance and improvement actions.

As the production base evolves, including the addition of footwear, we plan to update our RSP structure during 2026. In 2025, 100 percent of Tier 1 factories (finished product assembly) had a valid social audit.

All suppliers are required to adhere to Björn Borg's code of conduct, either directly or through tier 1 partners. At tier 2, an increasing share of suppliers are covered by recognised audit programmes such as amfori BSCI or equivalent schemes, strengthening oversight further down the supply chain.

Common findings during audits:

- Gaps in the implementation of social management systems, including incomplete adoption of the amfori BSCI Code of Conduct or partial implementation of its requirements.
- Working hours exceeding allowed limits.
- Limited coverage of social insurance, where not all workers are enrolled. In some cases, workers opt out due to cost-sharing arrangements or rely on alternative solutions, and coverage may vary depending on regional regulations.
- Wages meeting legal minimum requirements but not always living wage standards.
- Variations in gender equality, with differences observed across production countries.

These findings guide our prioritisation of improvement actions.

During 2025, no severe human rights issues or incidents connected to workers in the value chain have been reported.

Audit follow-up and corrective actions

Björn Borg supports suppliers in the implementation of corrective action plans, including facilitating participation in training programmes arranged by amfori BSCI covering relevant improvement areas. We maintain direct contact with agents, merchandisers, sustainability managers and, in some cases, factory owners.

In accordance with the amfori BSCI framework, a corrective action plan must be established within 60 days of the audit. To support this process and ensure that all relevant areas are addressed, Björn Borg engages directly with factories where it holds Responsibility (RSP) during the corrective action period. This includes follow-up meetings to monitor progress and ensure that necessary actions are implemented. This close collaboration has been well received by suppliers and has contributed to improved performance in subsequent audits.

Björn Borg's licensee partner for eyewear manages all interactions with its own supply chain.

Supplier education

Björn Borg encourages all suppliers and factory employees to take courses and educate themselves through amfori BSCI, which has a wide range of courses and workshops. Courses are recommended based on the findings from their individual amfori BSCI audit reports.

This resulted in almost all the suppliers taking all courses highlighted. More specifically, the training has been around Social Management Systems, workers' involvement, improving working conditions, fair remuneration, decent working hours and an introduction to occupational health and safety.

Suppliers found the training highly valuable for ongoing implementation, and their progress is continuously monitored through meetings and follow-up audits.

Own factory visits

In 2025, we continued to conduct regular supplier visits as part of our ongoing due diligence, focusing on strengthening relationships and ensuring alignment with environmental and social standards across the supply chain. Particular attention was given to tier 2 suppliers, including fabric production and dyeing processes, where key environmental impacts occur. During these visits, renewable electricity was a key focus area in dialogue with suppliers.

Findings were made during factory visits, for example, workers not using the safety equipment offered in loud areas, amfori BSCI information not made visible as per requirement, and storage of



materials partly blocking emergency exits. All issues found are immediately brought to the attention of the manager.

The visits took place across both Europe and Asia and will continue during 2026.

Supply chain transparency

Björn Borg is committed to increasing supply chain transparency, recognising that a clear understanding of the current situation is a prerequisite for improvement. Our approach is inspired by the Transparency Pledge, an initiative promoting greater openness in supply chains. As part of this work, we collect key information such as factory names, addresses, supplier names, production countries and employee data. In many cases, additional information is gathered, including certifications, environmental programmes and other sustainability initiatives.

Mapping the full value chain remains a challenge due to limited transparency beyond tier 1. In most cases, we rely on tier 1 suppliers to provide information about sub-suppliers, while visibility into tier 3 and tier 4 suppliers is often limited. Managing and monitoring a large supplier base is also resource-intensive and requires improved systems, which is an area of ongoing development. We continue to work actively to increase visibility and strengthen traceability across the supply chain.

In 2025, we maintained full transparency in tier 1. Transparency in tier 2 reached 91 percent, primarily due to two tier 1 suppliers being unable to provide complete information. Transparency in tier 3 reached 74 percent, representing progress in expanding visibility further down the value chain.

Transparency is defined as the availability of key supplier information, including factory name, address, audit program and audit results. The transparency score for tier 1 is based on the share of suppliers and factories for which this information has been obtained. For tier 2 and tier 3, transparency is measured on the share of tier 1 suppliers that have provided equivalent information on their upstream suppliers.

Fair wages

Björn Borg outsources production to independent manufacturers, meaning it does not directly pay garment workers' salaries or determine their wages. However, maintaining a transparent view of wage conditions across the supply chain is essential. Each supplier is expected to openly share their wage

practices to ensure accountability and progress.

Björn Borg's Code of Conduct requires all business partners to pay, at a minimum, the highest of either government-mandated minimum wages or industry standards set through collective bargaining. Supplier wages are monitored through audits and regular follow-ups, with the long-term goal of achieving 100 percent living wages in tier 1 by 2030.

In 2025, Björn Borg continued engaging with suppliers to emphasize the importance of fair wages and encouraged those not yet meeting living wage standards to develop a strategy for closing the gap. A common challenge in these discussions is how to accurately calculate a living wage. Additional benefits such as free transportation, meals, or extra pay for extreme temperatures are often not included in standard wage calculations.

As of 2025, 35 percent of suppliers (by factory) paid a living wage according to amfori BSCI's calculation methodology and audit results. Additionally, 22 percent paid the minimum wage, 29 percent paid between living and minimum wage, and 14 percent were audited using different wage calculation methods and hence are not included in these numbers.

Supplier engagement beyond compliance

Some of Björn Borg's suppliers go beyond compliance, implementing programs to support workers and enhance health and safety. For example, Trademark, one of Björn Borg's underwear suppliers, provides healthcare services in its Bangladesh factories, along with free education, seminars, and vaccines at reduced prices. Björn Borg highly values partnerships with suppliers who go the extra mile to improve worker well-being.

The amfori BSCI Risk Classification

Amfori BSCI Country Risk Classification data relies on the Worldwide Governance Indicators from the World Bank. The indicators determine the level of risks related to governance in sourcing countries. Risk is scored from 0 to 100, with 0 being the highest risk and 100 being the lowest risk.

Risk countries: Countries with a WGI average rating between 0-60 or three or more individual dimensions rated below 60.

Low-risk countries: Countries with WHI average rating higher than 60 and no more than two individual dimensions rated lower than 60.

Most severe risk countries have a WGI rating below 3, or at least two individual dimensions rated below 1.

The six dimensions of governance identified by the World Bank:

1. *Voice & Accountability:* the extent to which a country's citizens can participate in selecting their government, as well as freedom of expression, freedom of association, and free media.
2. *Rule of law:* the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property of rights, the police, and the courts, as well as the likelihood of crime and violence.
3. *Regulatory quality:* the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

4. *Political stability and absence of violence/terrorism:* the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically motivated violence and terrorism.
5. *Government effectiveness:* the quality of public services, the quality of civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
6. *Control of corruption:* the extent to which public power is exercised for private gain, including both petty and grand forms of corruption as well as "capture" of the state by elites and private interests.

AMFORI BSCI COUNTRY RISK CLASSIFICATION 2025

Country Name	Risk Label	Overall Risk	Voice and Accountability	Rule of Law	Regulatory Quality	Political Stability & Absence of Violence	Government Effectiveness	Control of Corruption
Bangladesh	High Risk	37,10	36,53	40,44	39,88	40,90	39,31	25,55
China	Medium Risk	51,72	27,91	46,99	53,74	63,28	68,76	49,65
Italy	Medium Risk	67,51	75,53	67,62	64,96	71,17	66,75	59,05
Portugal	Medium Risk	71,72	78,99	75,42	66,54	75,07	69,76	64,54
Romania	Medium Risk	60,73	63,63	63,35	60,91	68,61	59,47	48,38
Türkiye	High Risk	44,57	37,69	42,45	51,53	49,31	49,97	36,45
Vietnam	High Risk	49,69	37,63	51,56	50,65	65,99	49,55	42,76

METRICS AND TARGETS

BJÖRN BORG SUPPLIER GUIDE AND CODE OF CONDUCT

Our targets:	2025	2024
100% of tier 1 suppliers to have signed the Björn Borg Supplier Guide	100%	100%
100% of tier 1 suppliers to have signed the Björn Borg Code of Conduct	100%	100%

FACTORY AUDITS

Our targets:	2025	2024
Every year, 100% of tier 1 factories shall have a valid audit	100%	98%
By 2030, the average amfori BSCI score in tier 1 shall be B	C	C

CORRECTIVE ACTION PLAN IN PLACE

Our targets:	2025	2024
After each Amfori audit, 100% of suppliers where Björn Borg holds RSP shall have a corrective action plan in place within 60 days after the audit	100%	100%

SUPPLY CHAIN TRANSPARENCY

Our targets:	2025	2024
By 2030, 100% transparency in tier 1, 2, 3	100% tier 1 91% tier 2 74% tier 3	100% tier 1, 2 Tier 3 under mapping

Transparency is defined as the availability of key supplier information (factory name, address, and audit data). Tier 1 reflects the share of suppliers with this data, while tier 2-3 reflects the share of tier 1 suppliers providing equivalent upstream information.

FAIR WAGES

Our targets:	2025	2024
By 2030, 100% of suppliers in tier 1 (manufacturing) pay living wages	35%	25%

NUMBER OF FACTORIES PER COUNTRY 2025 (TIER 1 – MANUFACTURING)

Country	2025	2024
Bangladesh	3	4
Cambodia	0	2
China	37	41
India	0	1
Italy	0	1
Portugal	1	2
Romania	1	1
Türkiye	1	3
Vietnam	6	2
Total	49	57

NUMBER OF NOMINATED FACTORIES PER COUNTRY 2025 (TIER 2 – TRIMS AND PACKAGING)

Country	2025	2024
Bangladesh	1	1
China	4	2
Türkiye	1	1
Vietnam	1	1
Total	7	5

SHARE OF PRODUCTION PER COUNTRY 2025

%	2025	2024
Bangladesh	6	6
Cambodia	0	1
China	76	77
Italy	0	1
Romania	2	1
Türkiye	2	7
Vietnam	12	8
Portugal	2	
Total	100	100

Based on order value HS25 to SS26 - including footwear

AMFORI AUDIT SCORE 2025

	Number of factories	Share %
A	2	5
B	11	26
C	28	67
D	1	2
Total	42	100

Seven factories were covered by other audit schemes; SMETA, SLCP & WRAP.

Suppliers and factories 2025

In 2025, 11 new factories were added to Björn Borg's supplier base, and 18 factories were terminated or paused, to support the evolving sourcing strategy and ensure alignment with updated supplier requirements.

Our full supplier list is available on our website.



Consumers and end-users

STRATEGY

Consumers are a key stakeholder for Björn Borg and central to its business success and vision for a better tomorrow. We strive to inspire consumers to embrace a more sustainable lifestyle and make informed, responsible choices.

The consumer engagement strategy focuses on clear and transparent communication, responsible marketing and safeguarding consumer trust. This includes ensuring product safety and protecting personal data. Björn Borg actively listens to consumer feedback and uses these insights to improve product development and the overall customer experience.

Material impacts, risks and opportunities and their interaction with strategy and business model

Björn Borg's business model directly impacts consumers, particularly through marketing practices, product information, and product and data safety. When managed effectively, this creates opportunities to strengthen relationships and build long-term loyalty.

However, shortcomings in these areas may lead to consumer safety risks, reputational damage and reduced customer trust.

To manage these impacts, risks and opportunities, Björn Borg has established structured processes, including consumer surveys, claims management and customer support services.

Complaints are handled promptly, and product-related claims are typically limited to specific items or production batches. These are carefully reviewed to support continuous quality improvement.

Consumer insights, including increasing awareness of social and environmental issues, are continuously integrated into product development and sustainability efforts.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to consumers and end-users

Björn Borg's policies include:

Responsible marketing policy

Björn Borg's responsible marketing policy defines the brand's commitment to ethical, transparent and responsible marketing practices. The policy ensures compliance with regulations such as the Unfair Commercial Practices Directive (UCPD) and ensures that all marketing activities are carried out with integrity and respect for consumers, employees, the environment, and society. It also includes adherence to the Swedish Fashion Ethical Charter, which promotes a healthy body image.

The policy applies to all marketing efforts, including digital and print media, sales promotions, and event marketing. It is owned by the Chief Marketing Officer.

Product safety standard and Children's safety guideline

The product safety standard and children's safety guideline apply across all stages, from design to manufacturing. These guidelines align with established safety standards and are communicated to Björn Borg's product development teams, production partners and testing laboratories.

To ensure ongoing compliance, regulatory developments are continuously monitored, seasonal risk assessments are conducted, and regular product testing is carried out by external institutes.

These policies are owned by the Head of Sourcing and Product Development.

Chemical policy

Björn Borg's chemical policy ensures that all products are safe for consumers and comply with legal requirements. Compliance is verified through testing by certified third-party labs. The policy follows internationally recognised standards, including the REACH regulation and AFIRM.

Data protection policy

Björn Borg's data protection policy ensures compliance with laws and regulations governing personal data protection, including the General Data Protection Regulation (GDPR). The policy applies to all companies within the Björn Borg Group, safeguarding data privacy and security. It has been adopted by the Board of Directors. For more details, refer to the policy section under Own workforce.

Processes for engaging with consumers and end-users about impacts

Björn Borg actively connects with consumers through both direct and indirect channels. Key platforms for interaction include stores, social media, website, packaging, newsletters and customer service. These interactions provide valuable insights and inspiration that help shape the brand's direction.

Until 2024, we conducted third-party consumer surveys to measure perception of our sustainability work, with results improving from 34 percent in 2019 to 54 percent in 2024. The survey was paused in 2025, but insights from previous surveys continue to inform actions related to transparency and communication.

Social media plays a key role in brand communication, as people listen to people. Through influencers, we share its mission: to inspire people to use training to become the best version of themselves, both physically and mentally.

Consumer engagement is monitored through survey results, customer service evaluations and claims data. Responsibility lies with the Chief Marketing Officer.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

When negative impacts are identified, such as product quality issues or concerns related to marketing, Björn Borg takes appropriate corrective action. Consumers can raise concerns through customer service, return processes and digital channels. We are committed to resolving issues promptly and using insights from these cases to drive continuous improvement.

ACTIONS

Björn Borg actively works to manage its impact on consumers, with a focus on product safety, responsible communication and an inclusive brand experience.

Responsible marketing practices

Björn Borg is committed to responsible marketing, with diversity, inclusion and health at the core of its communication. The company adheres to the Swedish Fashion Ethical Charter and avoids digital manipulation that could result in unrealistic body images. Models are selected based on athleticism and overall well-being.

Communication aims to be inclusive and empowering, promoting body positivity and a healthy lifestyle. All content is reviewed to ensure it is respectful, accurate and free from unsubstantiated claims. Employees involved in communication are trained in sustainability and responsible marketing, supporting transparency and credibility.

In 2025, efforts focused on reducing the risk of misleading sustainability claims through strengthened internal review processes, ensuring that all claims are clearly formulated and substantiated. Compliance was further supported through internal guidelines, approval processes and ongoing dialogue.

Targeted training initiatives on responsible communication, including greenwashing, were conducted during the year to strengthen internal competence. This was complemented by workshops developing examples of sustainability communication that are both informative and engaging.

In 2025, no significant incidents of non-compliant or misleading marketing communication were reported.

For 2026, efforts will continue to maintain zero tolerance for incorrect or unclear sustainability claims. These are monitored through KPIs, including the number of reviewed campaigns, identified non-compliance cases and adherence to approval processes.

Transparent information and communication

Björn Borg is committed to truthful, accurate and transparent communication, ensuring that all messaging is clear, substantiated and not misleading. Openness around sustainability efforts, social commitments and environmental impact is a key priority.

In 2025, transparency was strengthened through clearer product information in digital channels and more consistent communication regarding material choices. This was supported by the development of an internal tool where product texts are AI-generated based on product data, enabling more controlled and accurate communication of materials and processes.

Providing consumers with accessible and reliable product information remains a key focus. During the year, work was initiated to restructure the sustainability section on the website to improve clarity and accessibility. This work will continue into 2026.

To stay aligned with current and upcoming regulations, Björn Borg continues to strengthen internal expertise in responsible marketing and sustainability communication through training and industry engagement. All products are labelled in accordance with legal requirements.

Influencer collaborations are required to clearly disclose partnerships, ensuring transparency and supporting consumer trust.

Empowering consumers

Björn Borg engages directly with consumers to inspire informed and responsible choices. A key focus is product care and extending product lifespan, one of the most effective ways to reduce environmental impact.

Efforts focus on improving the customer journey by helping consumers select the right product and size from the outset, thereby reducing returns. Following the introduction of an e-commerce feature in 2024 to raise awareness of the environmental impact of returns, testing of additional tools to support correct sizing continued during 2025 and will continue into 2026.

Björn Borg also engages with consumers through wholesale partners, ensuring that communication remains clear, consistent and aligned with brand guidelines. Increasing demand for material certifications reflects a broader shift towards greater transparency and more credible product information. In response, efforts to strengthen certification across the supply chain will continue in 2026.

Product safety

Björn Borg is committed to ensuring consumer safety by providing high-quality products that are safe to use. Each season, products are tested to verify quality, chemical compliance and safety, either in suppliers' laboratories or by independent third-party institutes. Any non-compliance is identified and addressed promptly.

Children's wear is subject to enhanced safety requirements. In 2025, drawstrings have been removed from children's garments to further strengthen product safety.

Data protection

Consumers should feel confident that their personal data is handled securely and in compliance with regulations. All data is managed in accordance with Björn Borg's data protection policy. For more details, see the policy section. During 2025, no substantiated complaints concerning breaches of customer privacy and losses of customer data were reported.



Governance information

Business conduct

Björn Borg's business culture is shaped by its leadership, with the Board of Directors and senior management setting the standards for integrity, respect, and responsible business practices. Together, they define the overall strategy for ethical business conduct, while senior management, led by the CEO, ensures these values are upheld across the organization.

They also review and refine the Björn Borg Code of conduct and related policies, keeping them as a guiding framework for decision-making. By staying true to these principles, Björn Borg strives to build trust and drive positive change throughout and beyond the own organization.

Key priorities within business conduct include protecting personal data, preventing corruption and bribery, and maintaining strong supplier relationships. Animal welfare is also an important part the company's ethical guidelines. Failing to live up to these standards could harm Björn Borg's reputation as both a trusted employer and brand. Integrating these values into daily operations is essential to building trust, which strengthens employee, supplier and customer loyalty.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Corporate culture and business conduct policies

Business ethics and compliance are essential for sustainable business growth and are non-negotiable requirements for everything Björn Borg does. Björn Borg is committed to acting with honesty, integrity and respect for its own values, principles and policies, and for the laws and regulations where it operates.

Code of conduct

The code of conduct lays down the principles applied within the Björn Borg Group to ensure high ethical standards in business operations and corporate responsibility. The policy applies to all Björn Borg employees, with the Board of Directors responsible for its oversight, reviewing and approving it annually.

It addresses key sustainability matters, including business ethics, investor relations, environmental impact, social responsibility in the supply chain, diversity, and responsible marketing. The code extends to suppliers and business partners, ensuring alignment with internal labor and environmental standards.

The code of conduct also outlines Björn Borg's zero-tolerance policy on corruption and bribery, reinforcing the company's commitment to ethical practices.

Björn Borg promotes fair working conditions, consumer safety, and transparency, encouraging open dialogue and whistleblowing without retaliation. The code of conduct is accessible via internal communication channels and the company's corporate website, with compliance reinforced through training and monitoring.



Whistleblowing policy

Our whistleblowing policy provides a secure and confidential channel for employees, business partners, and other stakeholders to report suspected misconduct, unethical behaviour, or violations of laws and company policies. The purpose of this policy is to ensure that concerns can be raised safely and without fear of retaliation, promoting accountability, integrity and compliance within Björn Borg's operations.

The policy outlines what can be reported, how to submit a report, and the steps taken to investigate concerns. It is available to all employees, suppliers and other relevant stakeholders through internal communication channels and Björn Borg's official website. In 2025, the whistleblowing policy was enhanced to provide easier access for external parties. Reports can be submitted through a secure whistleblowing system, either anonymously or with personal details. Once a report is received, it is reviewed and investigated by an independent team or external provider to ensure impartiality. If a report is validated, appropriate actions are taken, and corrective measures implemented immediately.

Björn Borg ensures that all whistleblowers are protected under strict confidentiality measures. Personal data and report details are handled securely, and whistleblowers are shielded from any form of retaliation. This policy reflects our commitment to ethical business practices and provides a structured approach to addressing concerns responsibly.

Animal welfare policy

Björn Borg is committed to ethical and responsible sourcing of animal-derived materials. The company's animal welfare policy is based on the Five Freedoms for Animals established by the World Organization for Animal Health, ensuring animals are treated with care and respect throughout the supply chain.

The Five Freedoms for Animals:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury, and disease
- Freedom to express normal behavior
- Freedom from fear and distress

All wool must come from non-mulesed sheep and be certified under Responsible Wool Standard (RWS). Leather must only be sourced from animals raised for the food industry and from suppliers audited by the

Leather Working Group (LWG). The use of live-plucked down is strictly prohibited, and all down and feathers must come from birds bred for food production and be certified under the Responsible Down Standard (RDS) or an equivalent standard.

The animal welfare policy is part of Björn Borg's supplier guide, ensuring that all suppliers adhere to its standards. Compliance is verified through certifications, and any identified non-compliance is addressed through appropriate corrective actions.

Management of relationships with suppliers

Björn Borg is committed to strong, long-term partnerships with its suppliers, ensuring that cooperation is mutually beneficial and aligned with shared values.

Entering and exiting partnerships

Before onboarding a new supplier, Björn Borg conducts a thorough evaluation to ensure compliance with its onboarding criteria. This includes operational factors such as lead times, quality, and pricing, as well as social and environmental performance. Factory audits are carefully reviewed to confirm adherence to Björn Borg's code of conduct, covering working conditions, safety, wages, renewable energy use, certifications, environmental programs, and access to preferred materials. Aligning core values is key to building a successful and sustainable partnership.

At times, Björn Borg needs to end a business relationship with a supplier due to changes in product assortment or failure to meet quality standards, sustainability targets, or factory audit requirements. However, we first aim to address and correct any issues before considering termination. If a partnership must end, Björn Borg follows a responsible exit strategy, ensuring that contracts do not end during active production and that suppliers receive a sufficient phase-out period.

Product development & production process

The procurement process begins with an evaluation of suitable suppliers for specific styles, followed by quotation requests and supplier selection. Once an order is confirmed, the product development phase begins, including style refinement and price negotiations. In parallel, forecasts are shared to help suppliers allocate capacity before receiving final orders and setting production timelines. Björn Borg closely monitors production, working alongside suppliers to address potential challenges early and avoid last-minute pressure.

Vendor evaluation

Björn Borg conducts an internal vendor evaluation, assessing suppliers based on 13 performance categories. These include wage levels, renewable energy use, certification status, social audit scores, transparency, product development efficiency, on-time shipments, and communication. The results provide insights into supplier strengths and areas for improvement.

In May 2025, the vendor evaluation score was 78 percent, compared to 84 percent in November 2024. The decrease is primarily explained by a change in the evaluation methodology, where assessments are now conducted at supplier level rather than factory level. This shift has increased the weighting of lower-performing suppliers, resulting in a lower overall score.

The vendor evaluation is usually conducted twice per year. During 2025, however, an update of the evaluation framework was initiated to better reflect the most relevant criteria for supplier performance and sustainability. The revised framework is expected to be implemented during 2026.

Supply chain transparency

We strive for transparency throughout our supply chain. In 2025, we achieved 100 percent transparency in tier 1 and 91 percent in tier 2. Transparency in tier 2 decreased from 100 percent in the previous year, primarily due to two footwear suppliers being unable to share information about their sub-suppliers.

We are in direct contact with all tier 1 suppliers and two of our main tier 2 suppliers for packaging and trims. By transparency we refer to having information about factory name, addresses and production processes at minimum. Most materials are sourced locally through tier 1 suppliers. Due to the complexity of the textile supply chain, full visibility remains a challenge. However, we encourage open supplier communication, and place great importance on social and environmental performance data being shared with us. This to drive accountability and responsible business practices.

Production allocation

Björn Borg maintains a diverse supplier portfolio to balance risks while ensuring a strong production base across different product categories and markets. The nature of each supplier relationship varies based on partnership length, production volume and the relative importance of Björn Borg as a customer. The company continuously monitors risks

associated with production markets and individual suppliers to ensure stability and resilience.

Payment practices

Payment terms are agreed upon at the start of each partnership and must be mutually approved if any changes arise. Any temporary deviations from agreed terms must be clearly communicated and approved by the suppliers involved.

Prevention and detection of corruption or bribery

Björn Borg has a zero-tolerance policy toward bribery and corruption. Employees are not permitted to accept gifts or similar benefits from business partners, especially suppliers, unless the gift is customary, appropriate for the context, and of modest value. Likewise, employees must exercise caution when providing samples, gifts, or incentives to customers, particularly those involved in purchasing decisions. Employees may not misuse their position within the company or exploit internal information for personal gain.

All new employees receive training on Björn Borg's anti-corruption policies, which are also accessible on the company's intranet. Compliance with these policies is mandatory for all employees.

Incident handling process

If a corruption-related concern is reported, Björn Borg follows the procedures outlined in its whistleblowing policy. An external investigator, independent from the company, reviews all reported cases to determine if they fall within the scope of bribery or corruption. Any unnecessary personal data is immediately deleted. If a case qualifies, the Chairman of the Board is notified, and relevant functions such as HR, Legal, the CEO, or CFO may be involved to further investigate and determine necessary actions.

Whistleblowing

In line with Björn Borg's code of conduct, the company encourages everyone in the organization to speak openly on any matter, including concerns or suspicions of unlawful behaviour including incidents of harassment, discrimination, abuse of power, bullying, fraud, corruption or conflict of interest, or any other potential non-compliance, and/or behaviours that go against Björn Borg's values.

Björn Borg encourages communication via line managers, human resources, legal and compliance. Björn Borg has an established whistleblowing system

available to both Björn Borg's employees and external stakeholders. More information about the policy can be found under the policy section.

Addressing corruption risks in the supply chain
Björn Borg acknowledges corruption risks in its production countries and monitors these risks based on the Amfori BSCI country risk classification. The highest risk area is Bangladesh, where in 2025, approximately 6 percent of the production was allocated. To mitigate these risks, Björn Borg's code of conduct explicitly outlines expectations on ethical business practices, which all suppliers must comply with. Factory audits are conducted to verify adherence.

However, Björn Borg recognizes that corruption risks increase beyond tier 1, where visibility and direct oversight are more limited. Any identified case of corruption would be immediately addressed, with appropriate measures taken to ensure compliance and accountability.

Data security

Cyber risks are handled thorough adherence to our policies and procedures. As user behaviour represents one of the most significant risks to data security, employees are regularly informed about potential threats, including the identification and flagging of external emails. An online training program on data security was rolled out at the end of 2023 and has continued since then. Participation and

effectiveness are tracked monthly. The results during 2025 indicate increased awareness and strengthened security behaviour across the organization.

We regularly follow up on our IT Framework and in Q4 each year an external security audit on the company's technologies and practices affecting user data is made. The audit is an evaluation process of all systems (internal and external) that gives all units an IT security score. The score is followed up and a plan to improve the security score is discussed with the supplier.

External data subjects can raise concerns about data privacy through the Björn Borg customer service. Employees can turn to HR or the IT department.

No data security breaches have been encountered during 2025. If we were to have a breach concerning personal data, it would be reported to The Swedish Authority for Privacy Protection (IMY) required by Swedish law.

METRICS AND TARGETS

Confirmed incidents of corruption or bribery

During 2025, there were no confirmed incidents of corruption or bribery in its own workforce. Björn Borg did not receive any fines for violation of anti-corruption and anti-bribery laws. No business partners were terminated due to violations related to corruption or bribery.

ANNUAL ACCOUTS ACT

Information requirement	Environment	Employees	Social	Human Rights	Anti-Corruption
The company's business model	14-16, Annual report				
The company's model for practices for the different areas, including analysis that has been performed	28-52, 80	54-64, 80	10-27 54-78, 80	56, 66-74, 80-84	80-84
The results of the policy	28-52	58-64	58-64, 69-74, 77-78	66-74, 80-84	84
Essential risks related to the company's busienss, including, when relevant, the company's business relations, product or services, that are likely to get negative consequences	24, 28, 40, 42, 46	25, 54	25, 54, 66	25, 54, 66	25, 80
How the company handles the risks	24, 28-52, 80	25, 54-64, 80	25, 54-78, 80-83	54-64, 66-74, 80	83-84
Central result indicators relevant to the business	8, 32-35, 44, 51, 61-64, 70-74, 78, 84				



Get in touch

If you need more information about our sustainability work or this report, please contact:

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We appreciate your feedback.

Auditor's report on the statutory sustainability report

The general meeting of the shareholders in Björn Borg AB (publ), corporate identity number 556658-0683.

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for the statutory Sustainability report for the year 2025 and that has been prepared in accordance with the older wording that applied before 1 July 2024.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

BDO Mälardalen AB

Stockholm, April 21, 2026

Johan Pharmanson
Authorized Public Accountant





A man and a woman are shown from the chest up, facing each other. The man on the left is wearing a blue t-shirt with a logo on the sleeve. The woman on the right is wearing a black tank top and is smiling broadly. They are both looking at each other. A vertical black bar is positioned between them, and the woman's hand is resting on it. The background is a blurred outdoor setting with greenery and a light sky.

train to live

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