



**BJÖRN BORG** 

**Sustainability report 2024**

# 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 2024. 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](https://corporate.bjornborg.com/sustainability)

UNLESS OTHERWISE INDICATED, ALL PHOTOS: BJÖRN BORG

# In this year's report

6	<b>GENERAL INFORMATION</b>
6	Message from CEO
8	Sustainability highlights 2024
10	Basis for preparation
12	Sustainability governance
14	Strategy
26	Impact, risk and opportunity management
28	<b>ENVIRONMENTAL INFORMATION</b>
28	Climate change
40	Pollution
42	Water
46	Resource use and circular economy
54	<b>SOCIAL INFORMATION</b>
54	Own workforce
66	Workers in the value chain
76	Consumers and end-users
80	<b>GOVERNANCE INFORMATION</b>
80	Business conduct
86	Get in touch
86	Auditor's Report on the statutory sustainability report



# General information

## Message from CEO

2024 has been a year of continued transformation and strong progress. We once again delivered record-high net sales, which reflect the strength of our brand and the determination of our team. But beyond numbers, it's the positive change we drive that makes me most proud.

At Björn Borg, we believe in a better tomorrow – and that belief drives every part of our business. This year, we continued to strengthen our sustainability work across the value chain. We increased the use of water-saving dyeing techniques and improved transparency in product communication. Our best-selling products are now made with cleaner processes and lower-impact fibres. We are not just building a stronger brand - we are building a more responsible one.

We remain focused on the areas where we can make the biggest difference. Transitioning to renewable electricity, both in our own operations and in our supply chain, is one of our top priorities.

We also know that transparency is key. It helps us better understand our impact, hold ourselves and our partners accountable, and guide improvements where they're needed most. By sharing knowledge, learning from others, and staying close to what's happening on the ground, we can create real, lasting change.

However, as our business grows, so have our total emissions – a clear reminder of the complexity in scaling responsibly. We know we must do more, and we're ready. Reducing emissions while continuing to grow will take continued learning, bold choices, and a long-term mindset – and we're determined to stay the course.

Sustainability is a shared responsibility. That's why every employee at Björn Borg has a personal sustainability goal, and our internal engagement remains high. We've also rolled out new tools and training in responsible marketing and compliance. Staying ahead of regulation is important, but more importantly, doing what's right has always been our foundation.

We know the journey won't be easy. But halving our emissions by 2030 is a bold and necessary goal – one we pursue with focus and humility. Because we believe that profitability and responsibility go hand in hand, and we are committed to growing with purpose.

I want to thank every colleague, partner and customer who is part of this journey. Together, we're showing that performance and sustainability are not competing goals – but mutually reinforcing ones. Let's keep raising the bar.

*Let's go!*

Henrik Bunge  
Head Coach



## Sustainability highlights 2024

<p>Scope 1 emissions –36% vs. 2020</p>	<p>Scope 2 emissions –56% vs. 2020</p>	<p>100% transparency in tier 1 and 2</p>
<p>Improved climate reporting – primary data from tier 1 covering 85% of produced weight</p>	<p>Preferred materials stood for 72% of total material weight*</p>	<p>Increased share of recycled polyester, 63% of total polyester weight*</p>
<p>Introduced recycled cotton in sports apparel</p>	<p>More factories committed to transition to renewable energy</p>	<p>Introduced a new dyeing technique – Clean color – for underwear</p>
<p>Integrated footwear in our social and environmental strategies and targets</p>	<p>Employee engagement score 84%</p>	<p>From 2024, all shipment cartons contain recycled cardboard</p>

\* Excluding footwear





# Basis for preparation

## GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

The Björn Borg sustainability report is published annually, and our last sustainability report was released in April 2024.

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 has 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

At the beginning of 2024, Björn Borg assumed responsibility for the distribution of footwear, previously handled by a third party that declared bankruptcy. Our sustainability report includes footwear as part of our own product categories from 2024.

## 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

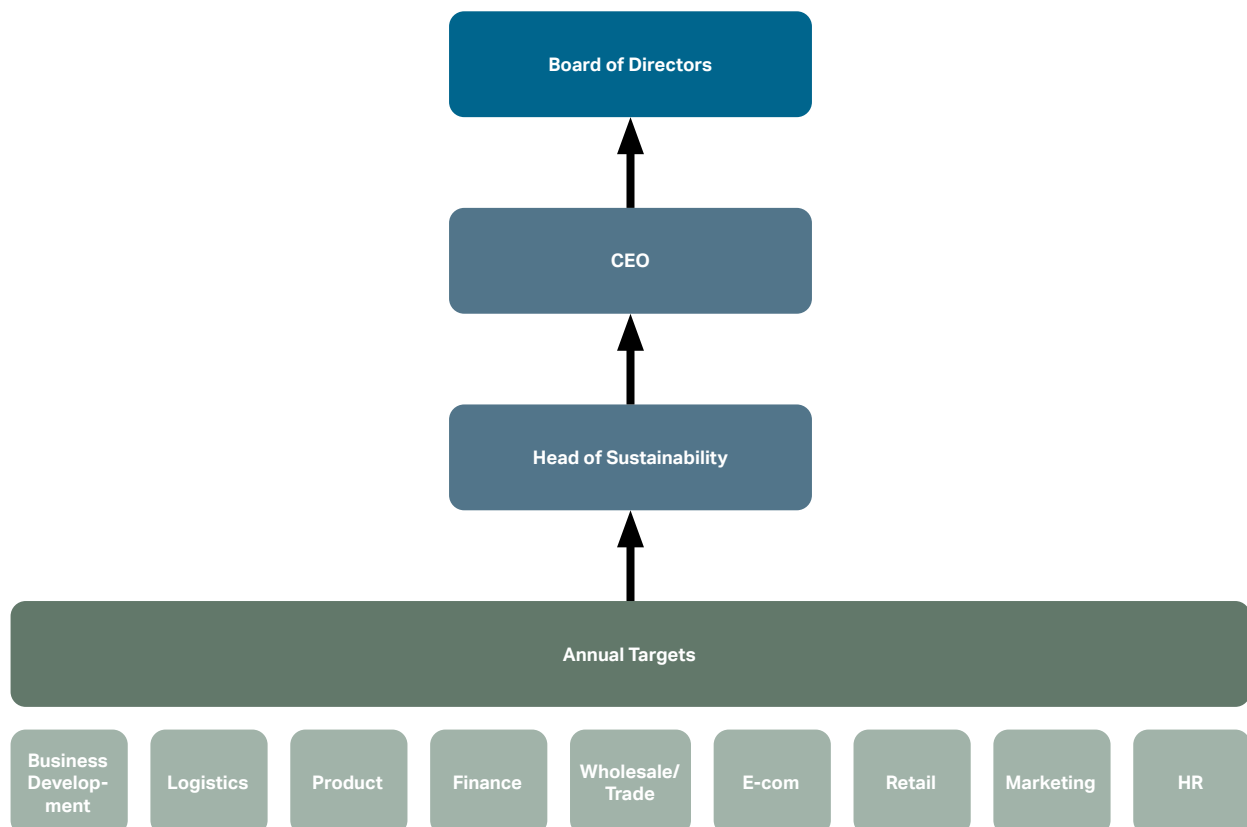
Björn Borg's Board of Directors oversees sustainability, approving policies that guide operations and internal controls. Key sustainability principles and policies, such as code of conduct, human rights, risk management, and data protection, are approved by the Board. These serve as the foundation for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

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 is 57 percent men and 43 percent women.

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 toward 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 2024, the senior management team focused on sustainability related topics such as updates to policies, employees' well-being 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 supplier disclosures, and refining internal reporting processes, 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 and complete sustainability data, following recognized frameworks. While material areas like greenhouse gas emissions are closely monitored, other areas such as water use, pollution, and waste are under development, with plans to gain deeper insights in 2025.

# 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](http://www.bjornborg.com). In total, the Group's net sales in 2024 amounted to SEK 989.7 million and the average number of employees was 152. Björn Borg has been listed on Nasdaq Stockholm since 2007.

The headcount of employees by 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, 2024, the company 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, 2024, amounted to SEK 106.1 million (101.2).

Profit before tax amounted to SEK 71.7 million (84.9). Cash and cash equivalents at the end of the period amounted to SEK 0 million (18.4).

## **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 prioritizing 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 products 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.



### 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 fibers, man-made cellulosic, and synthetic fibers, primarily from certified suppliers. Key partners include textile processors for spinning, knitting and weaving,

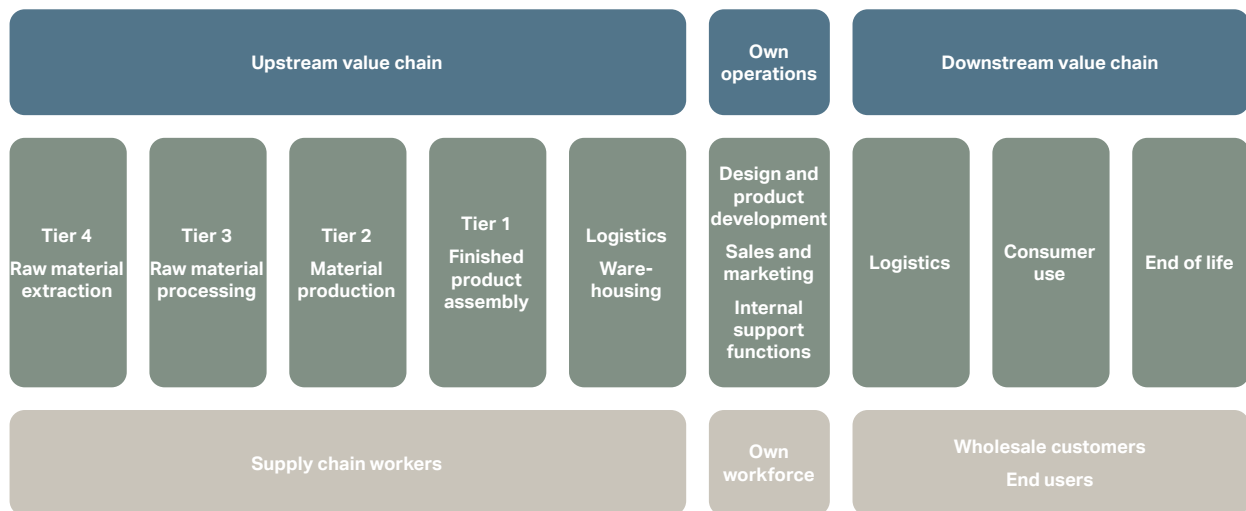
dyeing, and partners for manufacturing. Most are based in Asia and Europe. Logistics providers manage raw material and product transportation.

#### Downstream value chain

Björn Borg distributes products 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 fibers, with cotton being the most significant, as well as synthetic fibers, 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 prioritizing 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 organizations 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 prioritize 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 economical. 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 interests 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 to embrace an active, healthy lifestyle. Consumer interests are carefully considered in everything from product development to marketing and overall strategy.

### **Suppliers**

A big 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 prioritizing 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 reach ambitious targets.

### **Investors**

Significant growth in ESG investment has opened for 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 prioritizing 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 organization to implement necessary changes efficiently.

## INTERESTS AND VIEWS OF STAKEHOLDERS

Stakeholder group	Engagement method	Purpose	Outcome
Employees	<ul style="list-style-type: none"> <li>Employee surveys</li> <li>Code of conduct</li> <li>Employee handbook</li> <li>Internal communication platforms</li> <li>Performance management program</li> <li>Regular performance review</li> </ul>	Strengthen employee engagement in ESG initiatives and ensure alignment with Björn Borg's sustainability goals.	Improved engagement, retention and alignment with sustainability goals.
End-consumers	<ul style="list-style-type: none"> <li>Surveys (e.g. digital survey after purchase)</li> <li>Point of sale feedback</li> <li>Social media interactions</li> <li>Corporate and webshop websites</li> <li>Customer service channels</li> <li>Events</li> <li>Indirectly through wholesale customers</li> </ul>	Gain insights into end-consumers' interests and preferences, promote sustainability 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"> <li>Sustainability reports</li> <li>Shareholder meetings</li> <li>Investor presentations</li> <li>Annual general meeting</li> <li>Corporate website</li> </ul>	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"> <li>Compliance reporting</li> <li>Webinars from relevant organizations</li> <li>Members of relevant networks</li> <li>Workshops</li> <li>Collaborations and partnerships</li> </ul>	Ensure adherence to regulatory frameworks and stay informed about new industry standards for sustainability.	Maintained compliance and influence in the development of sustainable regulations.
Suppliers	<ul style="list-style-type: none"> <li>Supplier guide</li> <li>Code of conduct</li> <li>Supplier meetings</li> <li>Audits</li> <li>Capacity-building workshops</li> </ul>	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"> <li>Customer meetings</li> <li>Trade fairs</li> <li>Requirement packages/agreements</li> <li>Sales data</li> <li>Industry events and initiatives</li> </ul>	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 abide to the Paris Agreement, our work, almost by default, contributes to several SDGs. Other contributing factors are our human rights and social engagements. Below is how and where we see that we have the largest impact.

### SDG 3 • Good health and well-being



Stress, work environment and work safety are important areas not only within our supply chain but also among our own staff. Every individual working for us should feel safe and well treated. A healthy work/life balance is at the core of our company values, and healthy living with regular training is part of it. This is the core of our culture, not only at the workplace, but also for our followers and consumers out there.

Security-wise, we supervise that our chemical regulations and quality directions are followed for personal safety for both workers, employees, and consumers. Our products should be safe for both people and nature.

### SDG 8 • Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



We work persistently to improve resource efficiency in our own production, but also in consumption through better designs, better qualities, and recyclable products to contribute to a longer product lifespan. With better planning and digitalization, we can achieve more efficient usage of raw materials and achieve cost-effectiveness in different parts of the supply chain.

Through our code of conduct and policies, and regular controls thereof, we take active measures to eradicate forced and child labour, to protect labour rights and promote a safe and secure working environment as well as fair wages for every person working for us – no matter where in the world.

### SDG 12 • Responsible consumption and production



This is the most important SDG for Björn Borg. It summarizes a big part of our sustainability work. Almost everything we do can be linked to this goal: usage of preferred materials and production techniques; the control and follow-up of our code of conduct and sustainability policies with respect to human rights and our

environment; securing better and less chemicals through restrictions and controls; our work with achieving increased transparency in the supply chain; designs and qualities optimized for a long product life; the facilitation of, and information around, recycling of packaging and products; structured routines and reporting within the organization as well as raising consumer awareness of a more sustainable lifestyle.

### SDG 13 • Climate action



We have worked on reducing our emissions ever since 2014 and accelerated the work every year. We have committed to decrease our GHG emissions by 50 percent by 2030 from a 2020 benchmark. We work actively with improved efficiency throughout our whole supply chain; from designing long-lasting products, increasing renewable energy in production and lowering our transport emissions in all parts of the business.

Through our systematic work for change and follow-ups with all stakeholders, we educate and raise awareness on climate change mitigation, adaptation, and impact reduction.

### SDG 16 • Peace, justice and strong institutions



Through our code of conduct for suppliers and our internal code of conduct, we oversee and enforce a safe, healthy, and equal work environment to detect possible occurrences of human rights abuse, corruption, or embezzlement. We run a transparent business where we promote a culture where anyone within or outside the company feels safe and is encouraged to act and report any wrongdoing related to our operations.

### SDG 17 • Partnerships for the goals



Collaboration is key to driving meaningful change, and Björn Borg actively partners with stakeholders across the value chain to advance sustainability. Through close cooperation with suppliers, industry organizations, and regulatory bodies, we work to improve environmental and social standards in textile production.



## **MEMBERSHIPS**

### **Amfori BSCI**

Björn Borg is a member of Amfori BSCI to ensure ethical and responsible working conditions across its supply chain. The initiative provides a structured framework for monitoring, auditing, and improving labour rights, helping the company uphold fair and safe workplace standards.

### **Scandinavian Textile Initiative for Climate Action (STICA)**

We are members of the Scandinavian Textile Initiative for Climate Action (STICA). Through this initiative, we collaborate with more than 50 Nordic textile companies to reduce greenhouse gas emissions in line with the Paris Agreement. Membership supports the Group's climate action strategy by providing tools, knowledge, and industry-wide cooperation to lower the environmental footprint.

### **Sustainable Fashion Academy (SFA) – Learning and Innovation Network**

Participation in Sustainable Fashion Academy (SFA) enables us to stay at the forefront of sustainability innovation and new regulations. Through education and collaboration with industry peers, we gain valuable insights on sustainable business practices and new 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 that share insights on the latest developments in chemical and eco-related issues. This membership helps staying informed about chemical regulations and best practices in textile production, ensuring safe materials and maintaining compliance with evolving environmental standards.

### **Textile Importers**

The Textile Importers supports companies in the trade of textiles, clothing, leather goods, and shoes. As a member, Björn Borg benefits from expert guidance on chemicals, product labeling, customs regulations, and environmental issues. The association also serves as a platform for advocacy and knowledge sharing within the textile industry.



BORG

BORG

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

### **Process**

In 2024, Björn Borg performed a double materiality assessment to comprehensively map the company's most significant impacts on people and the environment (impact materiality) and to evaluate the business risks and opportunities linked to sustainability topics (financial materiality).

### **Climate change**

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

### **Pollution**

Our double materiality assessment highlights our impact on water pollution and chemical use across the value chain. These stem primarily from production processes – such as dyeing and finishing – and from pesticide and fertilizer runoff in raw material cultivation, including cotton. By shifting to cleaner processes and low-impact materials, we see opportunities to reduce impact, improve product quality, and meet growing stakeholder expectations. [Read more on page 40.](#)

### **Water**

We use a significant share of our water in the value chain – especially in raw material cultivation, where cotton remains our most used fibre. Water is also essential in production processes such as dyeing and finishing. Increasing water scarcity poses a risk to both material availability and production stability. At the same time, we see opportunities 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 is dependent on materials and other resources to produce its products – making material use and the transition to a circular economy key focus areas. Raw materials, primarily cotton and polyester, are vital inputs but contribute significantly to emissions, water use, and pollution across the value chain.

Risks include limited availability, rising material costs, and increasing obligations under producer responsibility and waste legislation. At the same time, circular solutions present clear opportunities. By increasing the use of recycled and low-impact materials, and exploring circular design and production models, we can reduce environmental impact while building 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 in fostering well-being, diversity, and development – strengthening performance, building loyalty, and attracting top talent. Conversely, failing to prioritise these areas poses risks such as increased employee turnover, reduced productivity, and weaker employer brand. [Read more on pages 54-64.](#)

**Workers in the value chain**

Workers in the value chain are critical to Björn Borg's operations. Björn Borg primarily impacts labour conditions, wages, and workers' rights. Opportunities include continuous improvement of working conditions, fostering ethical supply chain practices, and strengthening supplier relationships which in turn could enhance both resilience and brand reputation. Key risks involve labour rights violations, unsafe working environments, and reputational harm. [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 honest and transparent business practices. Key priorities include maintaining strong supplier relationships, preventing corruption and bribery, and ensuring animal welfare. Opportunities include differentiating the brand by integrating these values into the business. Failing to meet these expectations risks damaging the company's reputation as a trusted employer and brand. [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 using 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 parts of the senior management and Board of Directors.

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



# Environmental information

## Climate change

### STRATEGY

#### Transition plan for climate change mitigation

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

Achieving the target requires investment and collaboration. Suppliers have already taken steps, including energy efficiency upgrades and renewable electricity use. Going forward, Björn Borg will increase the use of low-impact materials, support textile recycling, and encourage new technology development in production. We also work with supply chain partners and peers to improve access to renewable energy.

Climate goals are integrated into the overall strategy, though not yet into financial planning. The focus remains on optimizing product volumes, reducing overproduction, and aligning emission reductions with profitable growth. The transition plan is approved by senior management and the Board.

### Björn Borg's progress

#### Scope 1&2

Since 2020, Björn Borg has reduced Scope 1 emissions by 36 percent by transitioning to electric and hybrid vehicles, and Scope 2 emissions by 56 percent through lower electricity use in stores and an increased share of renewable electricity. In total, Scope 1 and 2 emissions have decreased by 49 percent, bringing us within close reach of our 50 percent reduction target.

#### Scope 3

In 2024, Scope 3 emissions increased by 22 percent compared to 2020, primarily due to higher production volumes. Moving forward, Björn Borg will continue to pursue strategic growth while accelerating efforts to reduce our climate impact. Key actions include increasing the share of preferred materials and expanding the use of renewable energy in production.

### 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 responsibly, this creates opportunities to reduce emissions, innovate with low-impact materials, and strengthen the brand. If not addressed properly, it can lead to increased emissions, regulatory risks, and higher costs.

To manage these impacts, Björn Borg follows a climate roadmap, including clear targets, a material conversion plan, and supplier engagement on energy and emissions. Climate data is collected and reviewed, with efforts underway to improve traceability and reporting.

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

### Highlights 2024

- 49% emission reduction in scope 1&2
- Increased share of renewable electricity in tier 1
- Improved transparency on energy use and transition plans with tier 2 suppliers
- Started integrating footwear into our climate reduction plan



## 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 calculations, ongoing stakeholder dialogue, industry partnerships, and Björn Borg's established risk management process. Our main climate impact arises from material use, energy consumption in production, and transportation. The climate assessment is conducted once a year, led by the Head of Sustainability, and forms the basis for prioritising actions and guiding strategic decisions.

### 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 impact, including carbon emissions, and forms the foundation for how climate and environmental issues are addressed. The code also guides the development of supporting policies and standards across the organization. It applies to all employees and is reviewed and approved annually by the Board, who hold overall responsibility for its implementation.

#### *2030 roadmap*

The 2030 roadmap is Björn Borg's long-term climate action plan, outlining the company's goals and priorities for reducing its environmental impact. It is updated annually to ensure compliance and alignment with the Group's overall strategy and climate targets. The roadmap focuses on cutting emissions across key areas such as materials, production processes, and transportation. It is led by the Head of Sustainability, who is responsible for implementing the plan across all departments. The climate goals stated in the roadmap are approved by the Board, and updated actions are reviewed and anchored with senior management each year.

#### *Material conversion plan*

Our material conversion plan is part of our 2030 roadmap and guides the shift to materials with a lower environmental impact. It is managed by the Head of Sustainability and is used by the product team each season to ensure material transition according to our 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 choosing hotels with relevant environmental certifications. The travel policy is owned by the CFO.

#### *Company car policy*

The company car policy outlines the guidelines for company cars to mind average fuel consumption and promote low emission alternatives. The policy is owned by the CFO.

## ACTIONS

Björn Borg has taken several key actions over the years to ensure alignment with, and continuous progress towards, the Group's long-term emission reduction goals. Our actions target the areas which stand for the largest share of the Group's emissions and cover scope 1, 2 and 3. Key activities to decarbonize our operations in scope 1 and 2 include transitioning to electrical cars in our car fleet, and secure renewable electricity in our retail stores. Key activities to reduce emissions in scope 3 include material conversion to alternatives with a lower climate impact, implementation of more energy efficient production processes, increase share of renewable energy throughout the value chain and ensure efficient and low-emission transportation.

### Actions in scope 1 & 2 – own operations

#### *Sourcing renewable energy*

Björn Borg sources renewable electricity with guarantees of origin for most of its offices and retail stores, covering 54 percent of total electricity use in 2024. Our aim is to reach 100 percent renewable electricity by 2030. In 2024, the closure of two stores, one in Sweden and one in the Netherlands, led to lower overall energy consumption. Emissions from electricity use in stores and offices decreased by 33 percent compared to 2023, and by 60 percent compared to 2020.

Our main warehouse, Nowaste, sourced 100 percent electricity from guarantees of origin in 2024, playing a key role in reducing emissions from third-party warehouses by 95 percent compared to both 2023 and 2020.

Björn Borg's head office in Frösundavik promotes climate-smart infrastructure. The Frösundavik building is BREEAM-certified, the world's leading sustainability assessment method for buildings and infrastructure. Located atop an esker with significant groundwater reserves, the building uses a closed-loop aquifer system to store energy. Warm water from summer is stored for winter heating, and cold water from winter is used for cooling in summer, creating a circular system that returns all groundwater after use. This significantly reduces annual energy use. Heating is provided through water radiators, and 100 percent of electricity used is wind-powered. During 2024, solar cells were installed on the building's roof and will contribute to our electricity use onwards.

In 2024, Björn Borg continued to reduce emissions from its car fleet by shifting towards electric vehicles. Currently, 11 percent of all company cars are electric, with further expansion planned in 2025.

### Scope 3 – our value chain

#### *Fibres*

We are currently shifting towards fibres with lower environmental impact, including organic cotton, recycled cotton, recycled synthetics, EcoVero™ viscose, among others. Our goal is to source 100 percent preferred fibres by 2030, and we have adopted a material conversion plan that is updated each season to ensure progress. A key ambition is to move away from fossil-based raw materials, with a strong focus on increasing the use of post-consumer recycled materials.

#### *Production processes*

A significant portion of our total emissions comes from product manufacturing, making it a key area of focus in our climate work. We are actively working to shifting to more energy- and resource-efficient production methods, such as waterless fabric dyeing. Our goal is that by 2030, 50 percent of all cotton and 50 percent of all polyester used will be dyed using water-saving techniques. While current levels remain low – 2 percent for cotton and none for polyester – we took an important step in 2024 by starting the implementation of Clean color dyeing for cotton. Our ambition is to scale this up in the coming years.

#### *Energy efficiency and renewable energy*

Our production consumes a lot of energy, and we are committed to driving greater energy efficiency together with suppliers across the value chain. A key part of this work is partnering with suppliers in tier 1 who invest in improvements in their own factories – many are already switching to LED lighting and more efficient machinery – and drive improvements with tier 2 and tier 3 suppliers. The most energy intensive processes take place in tier 2, particularly fabric dyeing.

We also focus on growing the share of renewable electricity. We have aligned electricity targets for 2030 with key tier 1 suppliers, standing for nearly 80 percent of Björn Borg's total production. Several tier 1 suppliers have installed solar panels, while others purchase energy certificates. In 2024, 11 percent of our total electricity use in tier 1 came from renewable sources produced on-site, or through purchase of certificates. One supplier has invested in an external solar energy park to produce electricity corresponding to the same amount as they use in their factory. This energy does not go to the factory, and is therefore not included in our figures, though worth highlighting that this effort represents another 4 percent of our electricity use. Some tier 2 suppliers are taking similar steps, though their broader energy needs make the transition more challenging. Björn Borg also acknowledges the challenges derived from limited direct relationships with tier 2 suppliers but focuses on increasing transparency and data collection.

Key challenges include limited access to renewable energy, high investment costs, and varying levels of awareness and engagement among suppliers. We regularly evaluate suppliers based on their ambition and alignment with our energy goals.

Our work with energy efficiency and renewable energy is long-term, our target is minimum 90 percent renewable energy in tier 1 by 2030. Since 2024, we have a big focus on enrolling our footwear suppliers into our climate reduction targets. Future activities include expanding focus on coal phase out and explore renewable alternatives to fossil fuels. We will keep implementing more initiatives with key suppliers in tier 1 and 2.

### Licensee – eyewear

A small share (0.5 percent) of our emissions in scope 3 comes from production of eyewear which managed by a licensee partner. We have a shared view of the importance of reducing climate impact, and their primary focus lies on low-impact materials and efficient packing to reduce air in shipments.

### Transportation

In 2024, our emissions from transport and distribution increased by 10 percent compared to both 2023 and 2020, driven by larger shipped volumes. The volume increased more than the emissions, showing that we transport more emission efficiently. Yet, further action is required to align with our emission reduction targets to 2030.

Björn Borg aims to reduce emissions from inbound and outbound shipment, primarily focusing on efficient transport routes, low-emission transport modes, increased load rate and by reducing air in shipments. We never schedule air shipments in inbound, and since 2021, any exceptions require senior management approval. In 2024, we had eight inbound air shipments due to delays in production and tight delivery deadlines.

We cooperate with transport partners who have climate targets in line with ours and who provide low-emission transport alternatives, we have used DHL's "ship green" for several years. A challenge is that we are not in direct control over fuels used in our shipments and hence are in the hands of our partners. In 2025, we aim to increase transparency and achieve better understanding of our business partners' emission reduction targets and action plans. Also, we will explore the transition to renewable fuels and enhance our understanding of how to approach this necessary transition in the future.

We strive for emission efficient transport routes in outbound and aim to avoid air freight. However, some destinations yet need air shipment, but in these cases, we aim to use truck as far as possible and minimize the distance with air. We aim to consolidate outbound shipments to our wholesale customers to optimize fill rate and the number of transports and to avoid smaller air shipments. We also aim to increase the share of shipments that go directly from our suppliers to our customers, to further minimize transports.

We are selective which destinations we air ship to via our e-com business. We know that even smaller air-shipments have a high impact on our total emissions, and we continuously evaluate the markets we fly to from a financial and emission perspective, which led to closure of 37 markets in 2023.

We also strive to minimize returns. Looking to return data, one of the reasons for returns is related to sizing issues and therefore, we continuously working on improving product photos and product information.

We aim to minimize air in our inbound and outbound shipments. A decision has been made to install a carton folding machine in our third-party warehouse, with expected decrease from an average of 24 percent to less than one percent air in outbound shipments to wholesale customers. Installation is planned during 2025.

### Business travel

Emissions from business travel increased with 78 percent in 2024 compared to 2023 and 144 percent compared to 2020, driven by increased travels to visit suppliers in Asia and Europe, and to the company's global sales meetings.

Björn Borg acknowledges the challenge of comparing and reducing business travel compared with 2020 as we did almost no travels that year due to covid-19 restrictions. Some meetings and relationships benefit from meeting live. Nevertheless, we will continue to evaluate all travels from a climate perspective, consider online meetings when possible and avoid unnecessary travelling, especially by air.

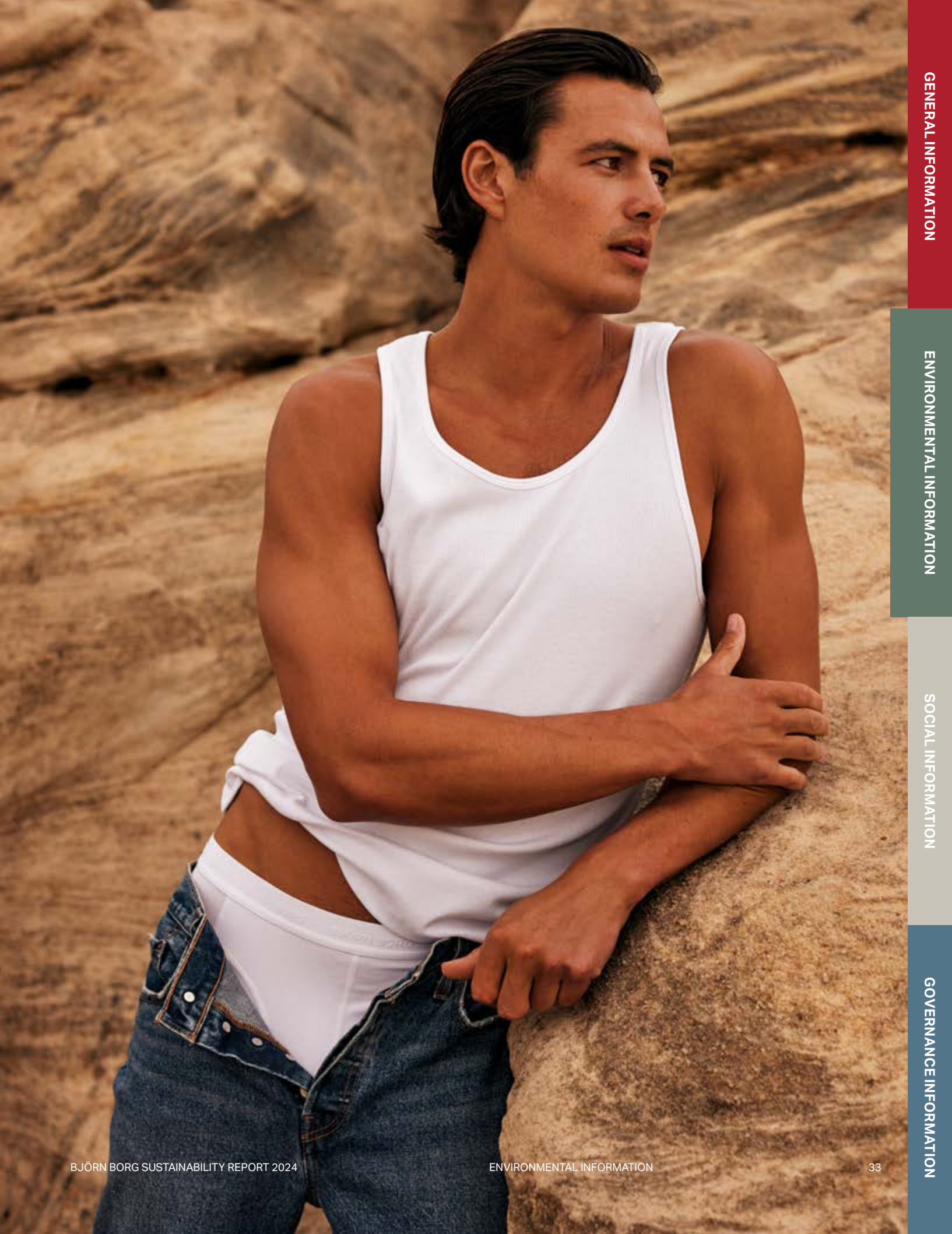
## TARGETS

### Targets related to climate change mitigation and adaptation

#### CLIMATE CHANGE MITIGATION AND ADAPTATION

Our targets:	Target year	Progress 2024
50% emission reduction in scope 1&2 (absolute target) vs. 2020 base year	2030	-49%
50% emission reduction in scope 3 (absolute target) vs. 2020 base year	2030	22%
100% renewable electricity in own operations	2030	54%
90-100% renewable electricity of total production in tier 1	2030	11%
70% renewable electricity in tier 2-3	2030	Ongoing mapping
0% inbound air shipment	2024	8 shipments



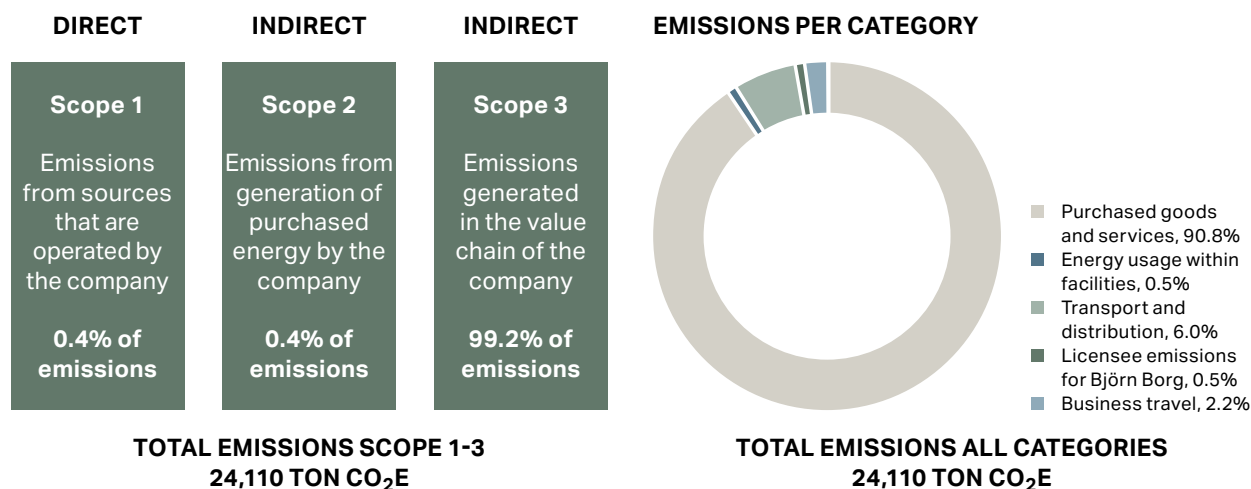


## METRICS

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

#### EMISSIONS PER SCOPE AND CATEGORY

Ton CO <sub>2</sub> e	2024	2023	Change 2023-2024	2020 (baseyear)	Change 2020-2024
<b>Scope 1</b>	<b>88</b>	<b>186</b>	<b>-53%</b>	<b>139</b>	<b>-36%</b>
Fuel use for own heat or electricity production	-	41	-100%	30	-100%
Company operated cars	87	145	-40%	109	-21%
Refrigerant leakage					
<b>Scope 2</b>	<b>98</b>	<b>122</b>	<b>-19%</b>	<b>225</b>	<b>-56%</b>
Electricity	71	105	-33%	175	-60%
Heating	27	16	70%	50	-45%
District cooling	0.0006	-		-	
Company operated cars	0.3	0.5			
<b>Total Scope 1&amp;2</b>	<b>186</b>	<b>308</b>	<b>-39%</b>	<b>364</b>	<b>-49%</b>
<b>Scope 3</b>	<b>23,923</b>	<b>17,749</b>	<b>35%</b>	<b>19,539</b>	<b>22%</b>
Purchased goods and services	21,876	14,959	46%	14,159	55%
Fuel- and energy-related activities	50	79	-37%	73	-32%
Upstream transportation and distribution	1,460	1,327	10%	1,321	10%
Business travel	410	111	268%	75	449%
Franchises	127	1,272	-90%	3,911	-97%
<b>Total Scope 1-3</b>	<b>24,110</b>	<b>18,057</b>	<b>34%</b>	<b>19,903</b>	<b>21%</b>



**CALCULATION METHOD, SCOPE 2**

Ton CO <sub>2</sub> e	Emissions
Market-based	98
Location-based	77
<b>Difference</b>	<b>21</b>

*Data quality*

Most of our emissions occur outside our direct operations, so we rely on external data from suppliers and landlords to track energy use and fuel consumption. Gathering and verifying this information is often complex and time-consuming, making it one of the more challenging aspects of our emissions reporting. In 2024, 84 percent of emissions were based on measured data, and 13 percent were estimated – a slight decrease from the previous year due to limited actual data for footwear production, a new product category in Björn Borg’s emission calculations.

While we can track the impact of energy improvements when real data is available, industry averages make it harder to assess actual progress. Improving traceability and data quality remains key, and in 2024 we expanded reporting, with 29 tier 1 suppliers covering over 85 percent of tier 1 emissions.

**Methodology for GHG emission calculations**

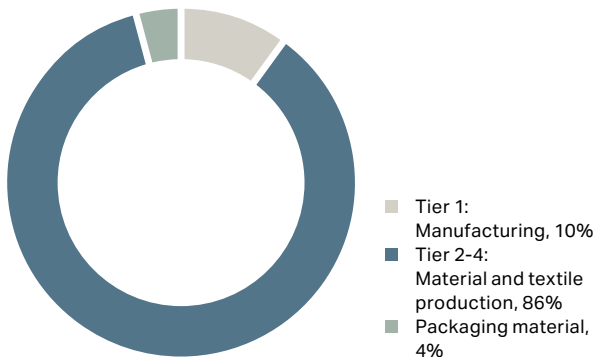
To track progress toward our emission reduction targets, greenhouse gas (GHG) emissions are measured and reported annually as carbon dioxide equivalents (CO<sub>2</sub>e). Emissions are categorized into three scopes, following the methodology of the Greenhouse Gas Protocol (GHG Protocol).

- 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**



**TOTAL EMISSIONS, PURCHASED GOODS AND SERVICES  
21,876 TON CO<sub>2</sub>E**

*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 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 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 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 2024. All packaging material from tier 1 suppliers to end consumers is included.

Tier 1 emission data was collected through supplier questionnaires. In 2024, 29 suppliers in tier 1 responded to the questionnaires, 11 more than the year before. In 2024, 23 new factories were added to Björn Borg's supplier base, mainly from the takeover of footwear production from the previous licensee partner. Respondents in tier 1 represented approximately 85 percent of the emissions in tier 1.

For non-reporters, average values for electricity and fuel use from reporting suppliers for 2024 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 (2024). In 2024, 22 suppliers responded, 8 more than 2023. Non-reporters' emissions 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 2024 emission factors.

Material waste is added to all reported materials. 4.7 percent is added in tier 2 based on averages reported by tier 1 and 5.5 percent is added in tier 3 based on tier 2 averages.

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. 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. CO<sub>2</sub> is converted to CO<sub>2</sub>e. 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 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 2024 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 microplastic generation. We are committed to minimizing 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 certified third-party labs, we ensure compliance to protect workers, the environment, and consumers.

We closely monitor regulatory developments related to microplastics and will adjust our policies, actions, and targets as needed to ensure continued compliance and impact reduction.

## 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 our established risk management procedures. 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 our requirements for chemical handling procedures and testing routines. Our RSL is developed and updated biannually by RISE – the Swedish Chemicals Group.

It aligns with EU regulations including REACH, the POPs Regulation, the Biocidal Products Regulation, and the Packaging Directive (94/62/EC). We also enforce a ban 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.

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

## ACTIONS

### Chemical testing

We conduct chemical testing twice a year on selected products. One product per vendor is chosen 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. Starting in 2024, our testing process will also include packaging materials.

### Certification mapping

We currently track which certifications our suppliers hold, although no formal requirements are in place yet. Moving forward, we plan to establish clearer guidelines on how certifications can support our efforts to reduce pollution, limit harmful chemicals, and prevent microplastics in production.





# Water

## STRATEGY

Water plays a key role in the production of Björn Borg products – from raw material cultivation to dyeing, washing, and finishing fabrics. This creates both impacts, risks, and opportunities, making it essential for Björn Borg to have clear goals, defined requirements, and strong follow-up processes to promote the use of water-efficient dyeing methods and mitigate risks related to water use. We work closely with suppliers on a global scale to drive progress and achieve results in this area.

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

Our double materiality assessment identified water as a material topic due to its high use across the value chain – especially in fibre growing, fabric dyeing, washing, and finishing. The assessment was based on industry research, external reports, the WWF Risk Filter tools, and information from suppliers. Using large amounts of water in water-scarce areas could increase local water stress.

Since many of Björn Borg's production steps depend on water, water scarcity could become a financial risk in the future. Stricter rules and regulations around water use could also lead to higher costs. These risks are seen as low in the short term but may grow over time.

At the same time, there are opportunities, such as using low-impact fibres and water-saving dyeing methods, which can help strengthen the brand, build a more resilient supply chain, and stay ahead in sustainable development.

## Policies related to water consumption

Björn Borg has adopted the following policies that address water management within the supply chain:

### *Code of conduct and Supplier guide*

The code of conduct outlines general expectations for environmental responsibility, and the supplier guide specifically encourages suppliers to minimize the environmental impact of wet processes by reducing water use and creating action plans. All suppliers are expected to comply with these requirements, with follow-up dialogues held regularly. The aim is to support progress and ensure alignment with Björn Borg's ambition for water reduction.

## ACTIONS

Björn Borg has taken several actions to improve water management in production. Water use is considered throughout the fabric sourcing process, including fibre cultivation, dyeing, washing and finishing methods, and how factories manage water.

Below are Björn Borg's main actions and targets for water management.

### Water use in fibre cultivation

Cotton is our most used fibre, accounting for 51 percent of total material weight in 2024. As cotton requires high water usage in cultivation, it is essential to source it responsibly. We source organic cotton and Better Cotton, which both focus on minimizing the environmental impact from cotton farming. We are also focusing on increasing the share of recycled cotton in our collection, which reduces the need for growing new cotton.

### Highlights 2024

- Established a working group for water saving dyeing and printing techniques
- Introduced a new water saving technique, Clean color, for cotton from HS25
- Increased use of High IQ® for sports apparel
- Strengthened cooperation with key suppliers on water management



### Water saving dyeing and printing techniques

Björn Borg is working to reduce water use by using more water-efficient dyeing methods. The goal is that by 2030, at least 50 percent of all cotton and polyester will be dyed with preferred water-saving techniques. There are challenges – such as finding methods that meet our requirements for minimum order quantities, quality, and cost – but we are committed to finding practical solutions that support our goal.

In 2024, we took a big step with the introduction of a new method, Clean color, used on Björn Borg’s best-selling underwear style. These products will reach the market in 2025, and the plan is to expand its use going forward.

We also increased the use of High IQ® dyeing in sportswear, now offering it in more colours. This method helps to save water and energy by up to 50 percent.

In 2025, we will continue to focus on increasing the use of water-saving dyeing techniques throughout the collection.

### Water management in factories

Björn Borg aims to work with suppliers that have strong water management systems in place, helping to reduce environmental impact. In 2025, we will take the next step in exploring how to improve our approach to water data, including how to collect and manage real data from production facilities in a meaningful and practical way.

Some of the factories we work with have on-site water treatment systems, while others rely on external treatment facilities. 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. Similar systems are also in place at dyeing mills in China, Vietnam and Italy, supporting responsible water management across key production sites.

### METRICS AND TARGETS

#### Water consumption

Björn Borg does not yet measure total water consumption in production due to the complexity of the supply chain and limited availability of water data. However, we aim to improve in this area and will begin exploring ways to track water use more effectively during 2025.

#### THE USE OF WATER-SAVING DYEING TECHNIQUES

Our targets:	2024	2023
50% of total cotton weight dyed with a water saving technique by 2030	2%	1%
50% of total polyester weight dyed with a water saving technique by 2030	0%	2%

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



# Resource use and circular economy

## STRATEGY

At Björn Borg, we recognize that the environmental impact of a product begins at the design stage. Therefore, we carefully select materials and finishing processes with lower environmental impacts, guided by our material and process guide. Our focus on durability and high-quality aims to reduce the lifecycle footprint of our products. As products lie at the core of what we do, our strategy to transition to preferred materials and processes become a central focus for our business.

Our approach to resource efficiency emphasizes the elimination of unnecessary materials, integration of preferred materials, and design for longevity and circularity. By optimizing every stage of the product life cycle, we aim to reduce overproduction and waste while maximizing resource efficiency and product value.

### Highlights 2024

- 72% of apparel and bags made from preferred materials (by weight)
- 20% of apparel and bags made from recycled materials (by weight)
- 63% of polyester used is recycled
- 12% of polyamide used is recycled
- Footwear integrated into our material conversion plan
- Introduced recycled cotton and biobased synthetics
- Increased recycled content in shipment packaging
- New circular design guide developed and implementation begun

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

We identify and assess resource use and circularity-related impacts, risks, and opportunities through ongoing stakeholder dialogue, partnerships, and our established risk management processes. Our primary environmental impact stems from material use, particularly cultivation and extraction of raw materials, but also from the longevity and consumer care of products. The assessment is led by our Head of Sustainability with support from the product team and other internal and external stakeholders.

## Policies related to resource use and circular economy

### *Climate roadmap*

Our climate roadmap defines the strategic direction for our environmental work, supporting our long-term sustainability vision. It sets out clear targets across all focus areas and is reviewed and updated annually to ensure accountability and continued progress. The roadmap is owned by our Head of Sustainability, who is responsible for its development and implementation across the organization. Material selection and production processes form a core part of the roadmap, reflecting their central role in achieving our overall sustainability ambitions.

### *Design platform*

Björn Borg's design platform guides our product development with a focus on timeless aesthetics, unique expression, perfect fit, great functionality, and long-lasting quality. As the starting point for durability, our design approach plays a key role in extending product life and reducing environmental impact.

### *Material and process guide*

To minimise the environmental impact of our products and production, we strictly adhere to our material and process guide. This guide defines and ranks materials as "not approved", "approved", or "superior", supporting better material choices across all product categories and promoting responsible practices among our suppliers. It is regularly updated to reflect new innovations and market developments. The Head of Sustainability is responsible for its continuous development and implementation.



### *Material conversion plan*

Our material conversion plan is a key tool for driving the transition to preferred materials and achieving our 2030 targets. It focuses on phasing out virgin, non-renewable resources in favour of better alternatives. The plan is updated each season with specific material priorities, ensuring a continuous pipeline of new initiatives and progress across collections.

### *Circular design guide*

In 2024, we introduced a new circular design guide to embed circular principles into the design of our apparel, bags, and footwear. The guide supports our design- and product development team in increasing circularity in line with set targets. Throughout 2025, it will be further refined to strengthen strategic alignment with our climate goals, customer expectations, and upcoming EU legislation.

### *Supplier guide*

Our supplier guide outlines expectations on resource efficiency and responsible practices, with a strong focus on sampling and quality control. Rigorous checks throughout development and production help ensure that materials are used efficiently and that our products are built to last.

### *IT Sustainability policy*

In 2024, we adopted a new IT Sustainability to formalise our commitment to integrating sustainable practices into our IT operations. The policy aims to reduce the environmental footprint of our technology use, promote energy efficiency, and guide procurement and end-of-life management in line with our 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. Our 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.”*

Our material conversion plan outlines long-term targets for preferred materials and is updated seasonally to maintain momentum. In 2024, 72 percent of our total product weight (excluding footwear) consisted of preferred materials – up from 69 percent the previous year. All apparel and most bags contain at least 70 percent preferred materials by weight, often more.

During the year, we introduced Sorona® – a biobased synthetic partly made from corn – marking a small but important step toward biobased synthetic materials. We also increased the use of recycled cotton in our sportswear range, supporting progress toward our preferred material targets. In 2025, we will continue to explore innovative materials and scale up existing ones to move closer to 100 percent preferred materials. The main challenge remains sourcing options that meet our requirements for price, quality, and minimum order quantities.

In 2024, we also took over the design and development of footwear. A key focus has been integrating this category into our material conversion plan. This includes an increased use of leather, and we require that all leather is sourced exclusively from suppliers audited by the Leather Working Group (LWG). Footwear is a complex product due to its multi-component construction and mix of many materials. The cost for preferred materials, especially soles, remains a challenge, as well as reaching minimum order quantities. We have started mapping materials and are working on switching to better alternatives every season.

In addition to fibres, we continue to prioritise preferred processes – production methods with demonstrably lower environmental impact compared to conventional equivalents.

Many of our styles are made using Lenzing’s TENCEL™ Lyocell and TENCEL™ ECOVERO™ viscose 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 forests with high conservation value, areas being converted to plantations or other non-forestry uses, or regions associated with genetically modified trees or illegal logging. All viscose used in our products is derived from certified, responsibly sourced wood and fibres.



### *Product packaging*

In 2023, we launched a major redesign project for our underwear packaging, set to reach the market in early 2025. Production of the new boxes began in 2024, delivering improvements in both design and resource efficiency. The updated packaging is more aligned with our brand identity. It features a smaller plastic window – reducing plastic use – with 50 percent of the plastic now made from recycled material.

All cardboard used across our product packaging is sourced from certified forests, controlled wood, or recycled content. Some components – such as plastic, polyester, and metal details – remain virgin materials.

The main challenge in packaging development continues to be finding the right balance between design, cost, and preferred materials.

In 2024, we initiated the second phase of the packaging project, focusing on remaking hangtags and footwear boxes. These will be introduced to the market during 2025.

### *Shipment packaging*

Shipment packaging remained a key focus area in 2024. We continued mapping incoming packaging materials and successfully increased the share of recycled content in both inbound cartons and polybags. Today, all apparel suppliers use partly recycled cartons, and nearly all are transitioning to recycled polybags, with full implementation expected over the coming seasons. One of our major underwear suppliers has also replaced conventional tape with paper tape.

Our ambition is to achieve fully recycled inbound and outbound shipment packaging by 2030. To support this, we updated our supplier guide in early 2024 with stricter requirements on recycled materials in shipment packaging.

All e-commerce and outbound shipping packaging is made from either certified forests, controlled wood, or recycled materials. Our e-commerce plastic bags are Återbära™ certified, produced from recycled content in a certified European facility, and designed for recycling via FTI. These are used for all products except underwear, where logistical challenges have yet to be resolved.

## OUR PREFERRED MATERIALS AND PROCESSES 2024:

### 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

### **Enable and promote circularity**

In 2024, we introduced our new circular design guide and began embedding it into the daily work of our design and product development teams. Throughout the year, we hosted workshops to inspire and explore how circular design principles can be further integrated into our collections. This work will continue in 2025 with support from both internal and external experts.

Our product team is already applying circular principles to varying degrees. Key activities include:

- Designing for timelessness to ensure longevity beyond trend cycles
- Selecting preferred materials with reduced environmental impact
- Conducting rigorous quality and durability testing on all materials and products
- Performing wear testing on all new developments
- Analysing claims data to identify and address product weaknesses
- Encouraging repairs and including repair kits with selected items

While these efforts lay a strong foundation, we see opportunities to go further. We will continue implementation of circular design during 2025.

Our circular design guide contains the following principles:

Design for:

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

We are actively exploring ways to adopt a more circular business model beyond product design. Some of our current initiatives include:

- Inspiring and guiding consumers on how to care for their products to extend their lifespan
- Hosting sample sales to offer samples and old stock a second life
- Expanding our second-quality concept in outlet stores, launched in 2023 and continued in 2024
- Partnering with Sysav, a textile sorting facility, to recycle unsellable products and textile waste from our Swedish stores and head office

We are also exploring digital product development and 3D sampling as a way to reduce the need for physical samples – saving materials, shipments, and time.

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 want to be part of that transformation.

### **Strong partnership with licensee**

Björn Borg has a long-standing partnership with a licensee partner for the production of eyewear. They have a strong focus on lowering the environmental footprint from materials and production, and hold ISO 14001 and ISO 9001 certificates since 2023.

Björn Borg eyewear, glasses cases and polishing cloths are made from recycled fibres. Materials also include bio-acetate, MEM nose-pads (energy saving and recyclable material), biodegradable demo lenses and packaging. With replaceable hinges, we prevent consumers from throwing a fully functional frame due to malfunctioning hinges.

The bio-acetate are certified according to the ISO15985 standard.

The shipping boxes for Björn Borg eyewear are tailor-made for an exact number of articles enabling resource efficiency regarding material and volume. All eyewear is delivered in bags made of cornstarch, and the number of bags is now two instead of four, which is industry standard. Cases are delivered without plastic bags and wrapped in wax paper. All Björn Borg eyewear packaging is biodegradable. Almost all eyewear customers offer recycling programs in their stores. Our eyewear are easy to recycle in the normal waste system for end consumers since our products consists of glass and metal mostly and 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, and by embedding circular design principles. These voluntary targets are designed to drive resource efficiency, reduce environmental footprint, and increase the use of recycled and responsibly sourced materials.

**Resource inflows**

Material inflows at Björn Borg are directly linked to the raw materials used in our products and packaging. In 2024, 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 – an area we aim to improve from 2025 onwards.

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

**MATERIALS USED TO MANUFACTURE BJÖRN BORG'S PRODUCTS**

Total weight of Björn Borg's products (excl footwear)	1703 tonnes
Share of preferred materials	72%
Total weight of recycled materials	343 tonnes
Share of recycled materials	20%
Weight of petroleum based materials	743 tonnes
Share of petroleum based materials	44%

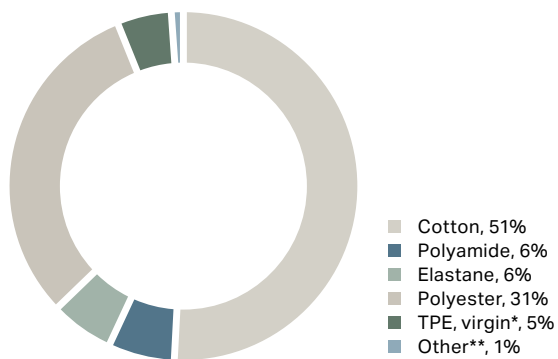
*Excluding materials for footwear and licensee items*

**USE OF RECYCLED AND RESPONSIBLY SOURCED MATERIALS**

Area	Targets:	Target year	Progress 2024	Progress 2023
Material use	100% preferred materials	2030	72%	69%
Material use	100% of all polyester to be recycled	2030	63%	57%
Material use	100% of all polyamide to be recycled	2030	12%	24%
Material use	35% of all cotton to be organic cotton	2030	7%	7%
Material use	5% of all cotton to be recycled	2030	0.5%	0%
Material use	100% of all paper and carton for all packaging to be recycled	2030	35%	-
Material use	100% of all plastic for all packaging to be recycled	2030	71%	47%
Product design	Start implement the new circular design guide in AW25	2025	Started	
Product design	All new styles to align with the circular design guide in SS26	2025	Started	

*All targets and progress figures exclude footwear and licensee items*

**MATERIALS USED IN 2024**

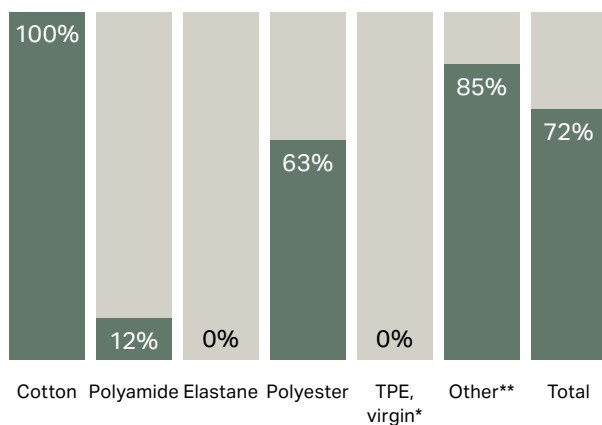


\* Thermoplastic elastomer (TPE), virgin

\*\* Other includes man-made cellulosic fibres (MMCF), metals, wool and down

*Excluding footwear and licensee items*

**PREFERRED SHARE PER FIBRE 2024**



The estimated weight of manufactured footwear in 2024 is 167 tonnes, representing approximately 9 percent of total production volume. For eyewear, the estimated weight is 7 tonnes, accounting for 0.4 percent of total produced 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 standards.

#### *Calculation methodology for resource inflows*

The data for textiles and other materials is based on the weight of products shipped from factories during 2024, 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 in this area.

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

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

To ensure data integrity, we have established clear boundaries 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.



# Social information

## Own workforce

### STRATEGY

Train To Live is the encompass showing the way for the whole Björn Borg team and the brand overall. The conviction that exercise and an active lifestyle are the conditions for a better you both physically, mentally and spiritually is foundational for the brand DNA. Björn Borg's employees all contribute with their experiences, creativity, and motivation to develop 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 workforce includes its regular and temporary employees, apprentices and non-employees including temporary agency workers and self-employed workers.

Björn Borg takes pride in offering an equal, diverse, healthy and friendly workplace. Being treated respectfully contributes to feeling good. The following section shows how Björn Borg works with equality, diversity, transparency and ethics in its own workforce.

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

#### *Employee well-being*

Björn Borg's employees are central to its success, with employee engagement as the company's second most important KPI. Investing in well-being, diversity and development boosts productivity and loyalty, creating a motivated workforce that positively impacts communities. Failing to prioritize these areas could lead to raising stress levels, burnout and decreased employee well-being, and in turn, higher employee turnover and reduced performance.

Recognizing this risk, Björn Borg takes a proactive approach by equipping employees with tools to structure work, prioritize physical and psychical well-being, and maintain a healthy work-life balance – ultimately reducing stress levels and enhancing performance.

#### *Ethics, diversity and non-discrimination*

Key to creating an ethical and transparent business environment is a workplace where people are free to speak their minds and point out problems and irregularities openly and honestly without risking negative repercussions. Therefore, Björn Borg promotes a culture where anyone within or outside the company feels safe and is encouraged to act and report any wrongdoing related to the company's operations.

The code of conduct, the health and safety policy, and the whistleblowing policy form the basis to identify, prevent and mitigate human rights risks and remediate any adverse impact it has caused or contributed to.

Björn Borg strongly 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 framework for equality, diversity, and respect, and must be compiled with by everyone within the Group. Björn Borg has zero tolerance regarding discrimination of any kind.

Recruitment and promotions within Björn Borg are based on a model called CPR, for Competence, Personality and Results as determining criteria. This model, when used correctly, tends to lead to diversity. When mapping competences, personal values, and abilities to achieve results systematically, differences add value instead of risking being a part of the selection model.

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



## **IMPACT, RISK AND OPPORTUNITY MANAGEMENT**

### **Policies related to own workforce**

#### *Code of conduct*

Our code of conduct defines the 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 and 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's 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 Director 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 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 the 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 organization 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 2024, Björn Borg achieved an employee engagement score of 84 percent, 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 dialogue with workers' 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 our 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 seize opportunities related to its workforce.

#### **Workplace environment**

Björn Borg strives to offer an inspiring, safe, and functional work environment. The right physical and social environment help employees thrive and evolve professionally and individually.

- Details are discussed in collaboration between the employer, the employee, and a safety officer.
- Managers are trained to get the right knowledge, competence, resources, and mandate to work for a good and safe environment.
- Regular inspections and risk assessments of the physical, organizational, and social work environment are made.
- Incidents or accidents are immediately investigated.
- All employees get a safety introduction and training.
- Work environment duties are followed up annually.

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.

The Björn Borg headquarters sits in Haga Park, part of the Royal National City Park. The Frösundavik building was the first office building in Sweden to be honoured with Fitwel certificate for its attention to health and wellbeing. It offers extensive thinking around sick leave prevention and stress – partially through generous daylight and greens in the glass construction. The company offers bicycles, paddle boards, kayaks, a padel court, a gymnasium, and a fully equipped gym for all employees and tenants.



### **Performance management**

Björn Borg is a performance driven organization 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. Running towards a common goal sounds reasonable enough, 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 green goals is to empower and make every person aware of their importance on the road toward one of the three most important business goals.

### **Training and development**

In 2024, we conducted several sustainability workshops across the company – including four sessions during global sales meetings with larger groups, as well as targeted sessions in smaller team settings focused on specific sustainability topics relevant to each function. These workshops aimed to engage employees and deepen sustainability awareness throughout the organization. Further, several educational tools are offered within the company: courses, a sustainability intranet and sales material. The Head of Sustainability holds regular meetings with the company department heads to follow up on goals.

The growing interest in products which have a lower environmental impact and how companies take responsibility makes Björn Borg's sales staff key to never lose grip on reality and ensure that the requirements of the customers are met.

### **Work-life balance and special leave**

Even if many of Björn Borg employees work from home a day or two per week, stress is part of many people's lives and work situations. Björn Borg recognizes the potential impact of health on work, and of work on health, and is therefore committed to proactively identifying, assessing and managing preventable risks to physical and mental health. The performance management system is designed to help set priorities and maintain a healthy work/life balance and keep negative stress at bay. Workflow is another of Björn Borg's foundational work structures. One hour every week, just before Sports Hour, all work in complete silence to plan the upcoming week, set priorities, and clean inboxes. This practice, as well as the company's goal setting process, is in place to create a sense of control and peace of mind for the upcoming weekend and the full calendar year. Moreover, a health care package with access to private stress management sessions is offered for individuals who need further support.

All Björn Borg employees have been trained in workflow/stress management during the year and managers have gone through leadership training. The company invested 747 000 SEK (around 4 900 SEK per full-time employee) in employee training in 2024.

Björn Borg recognizes that different life situations may call for alternatives to full time and/or special leave and will always try to find a way to solve individual situations in the best way possible. If somebody wants or needs to have a part-time arrangement, long-term or during a limited time, the company will try to solve it. Björn Borg allows flex time, up to 40 percent from home and employees may allocate their time to fit the life situation.

### 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 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 2024
100% of employees (full time contract) to be part of Björn Borgs performance management process	2024	100%
100% of new employees (full time contract) to complete Workflow education	2024	100% of new employees Jan-Dec completed the education

### METRICS

#### CHARACTERISTICS OF THE GROUP'S OWN EMPLOYEES

Country	Number of employees (headcount)			Distribution, %	
	Women	Men	Total	Women	Men
Sweden	96	29	125	77	23
Finland	35	7	42	83	17
Denmark	0	3	3	0	100
Benelux	26	22	48	54	46
Germany	0	1	1	0	100
<b>Total</b>	<b>157</b>	<b>62</b>	<b>219</b>	<b>72</b>	<b>28</b>

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

	Women	Men	Total
Number of employees	157	62	219
Number of permanent employees	103	44	147
Number of temporary employees	54	18	72
Number of employees , part time	40	11	51

#### DIVERSITY METRICS SENIOR MANAGEMENT

	Women	Women, %	Men	Men, %
Senior Management	3	38	5	63

#### DIVERSITY METRICS EMPLOYEES

	Under 30 years old	30 to 50 years old	Over 50 years old	Total
Number of employees	105	98	16	219

#### *Employee development*

The total number of employees, measured as headcounts, decreased by 12 percent compared to the previous year. This decrease could be attributed to the closing of retail stores in Sweden, Benelux and Finland.

Full-time equivalents (FTE) increased by 0,01 percent, from 151 last year to 152 in 2024.

No large-scale job cut offs have been made during the year, but the company has decided to close its bag office in southern Sweden to relocate the business to the headquarters in Stockholm. The closure of the bags office will take place in the beginning of 2025.

#### *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 2024, 62 employees left the company and the turnover rate was 28 percent.

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

#### *Methodology to compile employee data*

The headcount indications are based on the number of people employed on December 31, 2024.

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 different collective bargaining agreements, varying between countries and job categories such as stores and office. The collective bargaining coverage in 2024 was 42 percent. For employees not covered by collective bargaining agreements, working conditions and terms of employment are determined and influenced by law and applicable collective bargaining agreements.

#### **Gender equality**

Every person within Björn Borg has the same rights, obligations, and possibilities within work, career, professional development, and salary. The company strives for an even gender distribution and equal employment conditions per work category and department. The goal is that neither gender shall make up over 60 percent of any Björn Borg's key governing bodies offers somewhat of a challenge. The industry has a high female representation and most of Björn Borg's employees are women (77 percent).

Three (38 percent) of the senior management representatives are women and five (63 percent) are 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 senior management, including country managers, excluding CEO: SEK 105 378/month. Employee to CEO ratio: 1:8.

**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. Five work-related injuries have been reported during 2024 (2.5 percent based on headcount). One (0.5 percent based on headcount) led to long-term sickleave. The rest were lighter injuries during transport to or from work, workout sessions and global sales meetings. In total, 335 days were lost to work-related injuries from work-related accidents. There were no serious accidents which resulted in fatality.

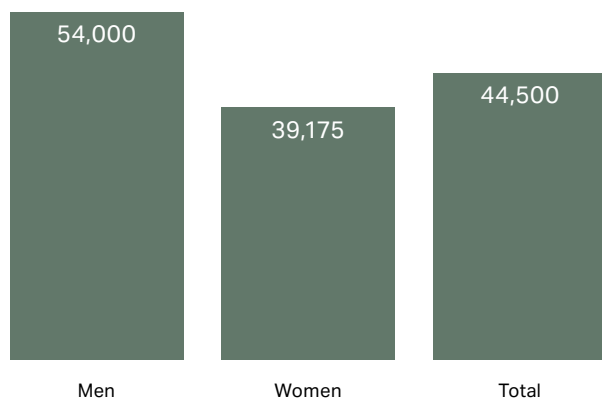
**Work-life balance indicators**

100 percent of Björn Borg's employees are entitled to family related leave and 8 percent utilized this benefit during 2024 of which 1 percent were men and 7 percent women. All employees are entitled to family related leave through social policy and/or collective bargaining agreements.

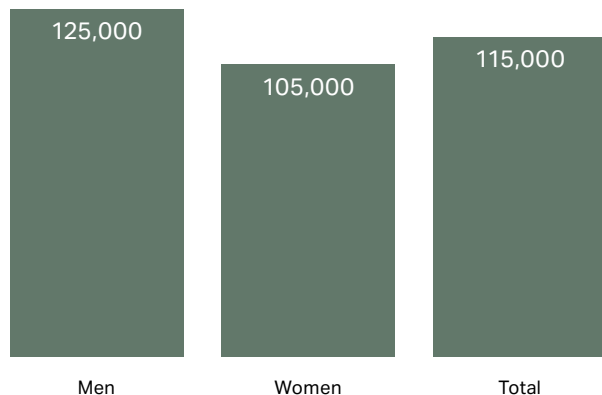
**Incidents, complaints and severe human rights impacts and incidents**

During 2024, 11 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 2024, and thereby no fines or penalties were issued.

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



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







# 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.

## 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 opportunities – such as improving working conditions, fostering ethical business practices, and strengthening supplier relationships to build resilience and enhance brand reputation.

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.

### Highlights 2024

- All new footwear suppliers were successfully integrated in Björn Borg's due diligence process.
- Strengthened collaboration on climate action with tier 2 suppliers.
- Björn Borg's supplier guide was updated with clear expectations on transparency and information sharing.
- Positive impact through suppliers – one supplier continued to provide free healthcare for workers in Bangladesh and launched a scholarship program for their children.

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 Björn Borg's responsibility to ensure that its 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 (UNGPR)
- 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 will be made more easily available for workers in the value chain from 2025 as well as informed to all direct suppliers. 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 process and suppliers of the company's products. All direct suppliers must review and sign the guide before production begins. It covers every aspect of the supply chain, including product development, quality control, and product safety, as well as chemical and environmental standards and expectations.

*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 its 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. More information about our chemical policy can be found under the policy section in the Pollution section.

**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 2024, no reports were filed by workers in the value chain.

### ACTIONS

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 actions are directed towards tier 1, though we are continuously expanding that same work beyond tier 1 where relevant. Since 2023, we have increased the monitoring of tier 2 suppliers through social audit programs. In 2024, we conducted more own 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 our 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 2024, all Björn Borg's suppliers had signed the supplier guide and code of conduct. During the year, Björn Borg took over development and production of footwear from a previous licensee partner. With this, six new suppliers and 17 factories were added to our supplier base.

### 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.

### Factory audits and continuous improvement

Factory audits are conducted through the amfori BSCI system by an independent inspection firm that checks thirteen different performance areas during the audit. It involves interviewing workers, checking documents, and thoroughly reviewing matters related to social compliance. This system provides a complete overview of the audit results of most factories where Björn Borg has manufacturing.

Factory audits take place every year or every two years, depending on the audit results. Björn Borg follows the amfori BSCI standard for semi-announced audits, meaning factories are given a general time-frame of a few weeks for when the audit will happen, but the exact date is not shared in advance.

In 2024, all tier 1 factories (56) and eight tier 2 factories participate in a social audit program. While most are enrolled in amfori BSCI, some have undergone SMETA or SLCP audits or hold a WRAP certification. Amfori BSCI is Björn Borg's preferred choice, but alternative audit schemes have been accepted in a few cases where factories are already enrolled in other programs. These exceptions help prevent audit fatigue while maintaining compliance and accountability.

Björn Borg holds Responsibility (RSP) for four tier 1 factories, which account for 33 percent of the total production volume in pieces, as well as two tier 2 factories producing trims and packaging. An RSP holder is responsible for arranging audits and following up on the performance and improvements of suppliers. 98 percent of the factories in tier 1 (finished product assembly) had a valid social audit in 2024. One factory did not, it produced footwear for the previous licensee partner. This factory was terminated during the year.

All Björn Borg suppliers must adhere to a social audit program, no matter which tier. Some adhere directly to Björn Borg's code of conduct, others indirectly through tier 1 partners. Seven tier 2 suppliers are members of amfori BSCI and had an audit in 2024.

Most common findings during audits:

- Failure to implement social management systems. Some factories have not fully adopted the amfori BSCI code of conduct or failed at certain parts of implementation.
- More overtime than what is allowed.
- All workers are not covered by social insurance through work. Some workers are not interested in a social insurance due to that part of its cost is deducted from their salary, and they may have other alternative arrangements in place. It may also only be relevant to the regio where the factory is located and not in their home region.
- Factories pay minimum wages but not always living wages.
- Equality between men and women differs in different production countries.

During 2024, 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 their work on the remediation plan, including enrolling them in training arranged by amfori BSCI, covering relevant areas of development. The company has direct contact with agents or directly with merchandisers, sustainability managers, owners, or other employees in the factories. Most often, tier 1 suppliers are in contact with the tier 2 suppliers. Björn Borg is in direct contact with a few nominated tier 2 suppliers for trims and packaging. In general, Björn Borg and the suppliers keep a close dialogue and support each other in assessing and mitigating risks. Findings from audits are always brought up with factory representatives.

Further, Björn Borg works with amfori BSCI to identify, assess, and mitigate risks and opportunities in relation to workers in the value chain.

Björn Borg's licensee partner for eyewear handles all contact with their value chains.

#### **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 2024, we visited 69 percent of our vendors, including 10 out of 16 in China, 2 out of 2 in Vietnam, 2 out of 2 in Türkiye, 1 out of 1 in Cambodia, 2 out of 2 in Portugal, 1 out of 2 in Italy, and 0 out of 1 in Romania. Vendors often collaborate with multiple factories, and Björn Borg conducted visits to several of them. A key focus of these visits was tier 2 suppliers, particularly fabric production and dyeing. Björn Borg views supplier visits as essential for strengthening relationships and ensuring alignment on environmental and social standards. These visits across Europe and Asia will continue in 2025.

Some minor findings were made during the own factory visits, for example, workers not using the safety equipment offered in loud areas and exit signs not properly hung on the walls. All issues found are immediately brought to the attention of the manager.

#### **Supply chain transparency**

Björn Borg is dedicated to increasing supply chain transparency, believing that the first step to improvement is understanding the current situation. The information collected is inspired by Transparency Pledge, an initiative that encourages greater openness in supply chains. As part of this, Björn Borg collects key details such as factory names, addresses,



supplier names, production countries, and employee information. In many cases, even more details are collected, including certifications, environmental programs, and other sustainability efforts.

Mapping the full value chain is challenging due to limited transparency, as many suppliers lack information about their tier 3 and tier 4 suppliers. Additionally, monitoring a large number of suppliers requires significant time and better systems. Björn Borg is actively working to increase visibility and improve tracking across the supply chain.

### **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 2024, 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 2024, 25 percent of suppliers (by factory) paid a living wage according to amfori BSCI's calculation methodology and audit results. Additionally, 36 percent paid the minimum wage, 30 percent paid between living and minimum wage, and 8 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 2024**

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	Medium Risk	22.83	27.50	33.50	18.90	15.60	26.90	14.60
China	Medium Risk	41.97	7.40	52.80	38.70	25.10	73.60	54.20
Italy	Low Risk	70.38	85.80	60.80	72.60	64.90	70.30	67.90
Cambodia	Medium Risk	26.22	12.70	23.60	25.50	47.90	38.20	9.40
Portugal	Low Risk	78.68	88.20	83.50	75.50	70.60	80.20	74.10
Romania	Medium Risk	58.15	62.30	64.20	63.20	56.40	46.70	56.10
Türkiye	Medium Risk	31.92	25.00	32.50	43.90	13.70	41.50	34.90
Vietnam	Medium Risk	40.62	15.20	50.50	38.20	45.00	56.10	38.70

**METRICS AND TARGETS****BJÖRN BORG SUPPLIER GUIDE AND CODE OF CONDUCT**

Our targets:	2024	2023
Every year, 100% of tier 1 suppliers to have signed the Björn Borg Supplier Guide	100%	100%
Every year, 100% of tier 1 suppliers to have signed the Code of Conduct	100%	100%

**FAIR WAGES**

Our targets:	2024	2023
By 2030, 100% of suppliers in tier 1 (manufacturing) pay living wages	25%	23%

**FACTORY AUDITS**

Our targets:	2024	2023
Every year, 100% of tier 1 factories shall have a valid audit.	98%	100%
By 2030, the average amfori BSCI score in tier 1 shall be B	C	C

**NUMBER OF FACTORIES PER COUNTRY 2024 (TIER 1 – MANUFACTURING)**

Country	2024	2023
Bangladesh	4	3
Cambodia	2	0
China	40	23
India	1	0
Italy	1	0
Portugal	2	0
Romania	1	0
Türkiye	3	3
Vietnam	2	1
<b>Total</b>	<b>56</b>	<b>30</b>

**CORRECTIVE ACTION PLAN IN PLACE**

Our targets:	2024	2023
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%

**NUMBER OF NOMINATED FACTORIES PER COUNTRY 2024 (TIER 2 – TRIMS AND PACKAGING)**

Country	2024	2023
China	2	2
Bangladesh	1	1
Türkiye	1	1
Vietnam	1	0
<b>Total</b>	<b>5</b>	<b>4</b>

**SUPPLY CHAIN TRANSPARENCY**

Our targets:	2024	2023
By 2030, 100% transparency in tier 1, 2, 3	100% in tier 1, 2, Tier 3 under mapping	100% in tier 1, 2, Tier 3 under mapping

#### SHARE OF PRODUCTION PER COUNTRY 2024

%	2024
Bangladesh	6
Cambodia	1
China	77
Italy	1
Romania	1
Türkiye	7
Vietnam	8
<b>Total</b>	<b>100</b>

Based on order value HS24 to SS25 – excluding footwear.

#### AMFORI AUDIT SCORE 2024

	Number of factories	Share %
A	5	10
B	10	20
C	35	70
D	0	0
E	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Five factories were covered by other audit schemes (SMETA, FSLM, WRAP). One factory did not have any valid audit 2024.

#### Suppliers and factories 2024

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 and responsible marketing. Consumers shall always be offered safe products as well as protection of personal information shared with Björn Borg. Björn Borg actively listens to consumer feedback, using insights to enhance 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 has a direct impact on consumers, particularly in responsible marketing, clear product information, and product and personal safety. When managed well, it presents an opportunity to strengthen consumer relationships and build long-term loyalty. However, shortcomings in these areas can lead to consumer safety issues, reputational damage, and a loss of customer loyalty as preferences shift toward other brands.

To manage these impacts, risks, and opportunities, Björn Borg has established structured processes, including end-consumer surveys to assess sustainability perception, claims management to track quality-related returns for product improvements, and customer support services for questions and feedback.

Complaints are taken seriously and addressed immediately. Product-related claims are typically limited to specific items or production batches and are carefully reviewed to ensure quality and improvement.

Björn Borg actively listens to consumers, whose social and environmental awareness provides valuable insights that shape product development and sustainability efforts.

## Highlights 2024

- Updated marketing communication guideline
- Updated responsible marketing policy
- Sustainability top mark score increased for the fifth year in a row

## IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### Policies related to consumers and end-users

Björn Borg's policies related to consumers and end-users include:

#### *Responsible marketing policy*

Björn Borg's responsible marketing policy defines the brand's commitment to ethical, transparent, and sustainable marketing practices. It 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. The policy applies to all marketing efforts, including digital and print media, sales promotions, and event marketing. The policy is owned by the Chief Marketing Officer.

#### *Product safety standard and Children's safety guideline*

Ensuring consumer safety is a top priority for Björn Borg. To maintain the highest standards, we have implemented a product safety standard and guideline for children's safety, which apply at every stage from design to manufacturing. These guidelines align with established safety standards and are shared with Björn Borg's product development team, production partners, and test labs.

To ensure ongoing compliance, the team monitors regulatory updates, conducts seasonal risk assessments, and performs regular product testing by external institutes.

#### *Chemical policy*

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

### *Data protection policy*

Björn Borg's data protection policy ensures the company's compliance with laws and regulations governing personal data protection, including the General Data Protection Regulation (GDPR). Adopted by the Board of Directors, the policy applies to all companies within the Björn Borg Group, safeguarding data privacy and security. 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, the website, packaging, newsletters and customer service. As Björn Borg's target audience is socially and environmentally conscious, these interactions provide valuable insights and inspiration that help shape the brand's direction.

To better understand consumer perception, Björn Borg regularly conducts a third-party consumer survey, which includes the question: "How would you evaluate Björn Borg's efforts in order to become environmentally friendly/sustainable?". The survey reaches 1 840 consumers across seven markets every month, providing continuous feedback. In 2024, the score increased for the fifth consecutive year, from 34 percent in 2019 to 54 percent in 2024, a testament to an intensified focus on sustainability and consumer communication.

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

The effectiveness of consumer engagement is monitored through Björn Borg's consumer survey score, customer service evaluation and claims management. The Chief Marketing Officer is responsible for overseeing consumer engagement.

In 2025, we will deepen our consumer engagement by leveraging data-driven insights from our surveys to refine our sustainability efforts and brand messaging. Additionally, we will strengthen our social media presence and influencer collaborations to further inspire and connect with our community on a more personal level.

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

Whenever a negative impact is identified – such as consumer feedback on marketing, communication concerns, or product quality issues – Björn Borg takes appropriate action to address it. Consumers can raise concerns through customer service, product return processes, and feedback channels like social media. Björn Borg is committed to resolving issues quickly and ensuring continuous improvement.

### **ACTIONS**

The following sections explain how Björn Borg manages material impacts, mitigates risks, and seizes opportunities related to consumers and end-users.

### **Responsible marketing practices**

Björn Borg is dedicated to responsible marketing, ensuring that diversity, equality, inclusion, and health are at the core of its communications. The company adheres to the Swedish Fashion Ethical Charter, which promotes a healthy body image. To uphold this, we avoid digital manipulation that creates unrealistic beauty standards as well as models with an unhealthily low Body Mass Index (BMI). Instead, all models are chosen for their athleticism and overall well-being.

Björn Borg believes in celebrating diversity, promoting body positivity, and encouraging a healthy lifestyle. We strive to create inclusive and empowering messaging that inspires confidence, regardless of age, background, or body type.

To ensure ethical communication, Björn Borg avoids content that could be considered offensive and does not make unsubstantiated product claims. All communicators are trained in sustainability communication and responsible marketing, reinforcing the brand's commitment to authenticity and transparency.

### **Transparent information and communication**

Björn Borg is committed to truthful, accurate, and transparent marketing, ensuring all communication is clear, substantiated, and never misleading. We prioritize openness in sharing our sustainability efforts, social commitments, and environmental impact. In 2024, the marketing communication guideline was updated to align with current regulations, upcoming changes, as well as wholesale partners' requirements for sustainability communication.

Providing consumers with easy access to accurate product information is a key focus. In 2024, Björn Borg updated product details and symbols on its website, verifying accuracy and removing any symbols that could be misleading. These updates reinforce clear and transparent communication.

To stay ahead of current and future regulations, Björn Borg is actively enhancing staff expertise in responsible marketing and sustainability communication. In 2024, this included webinars and industry-led training sessions, ensuring employees remain informed and aligned with best practices. All of our products are labelled with the legally required information about material composition.

Influencer marketing is a key part of Björn Borg's strategy, and all collaborating influencers are required to clearly disclose their partnerships when promoting Björn Borg products. This ensures transparency and strengthens consumer trust.

### **Empowering consumers**

Björn Borg engages directly with consumers, providing a valuable opportunity to inspire and empower them to make informed, responsible choices and drive positive change. A key focus is product care and extending product lifespan, one of the most effective ways to minimize environmental impact.

In 2024, Björn Borg introduced a new e-commerce feature to educate consumers on the environmental impact of returns and promote more mindful shopping, helping to reduce unnecessary transportation emissions.

The brand also engages with consumers through wholesale partners and places great importance on ensuring that all communication remains clear, consistent, and fully aligned with brand guidelines.

### **Product safety**

Björn Borg is committed to ensuring consumer safety by providing high-quality products that are safe to use. Each season, rigorous product testing is conducted to verify quality, chemical compliance, and safety. Tests are carried out either in suppliers' internal laboratories or by independent third-party testing institutes. Any potential non-compliance issues are identified and addressed immediately.

### **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 2024, 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 of 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 act 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 international 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 business 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.





GENERAL INFORMATION

ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION

### *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 channel will be enhanced to ensure 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 the 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 on core values is key to building a successful and sustainable partnership.

At times, Björn Borg may need 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, the company first aims to address and correct any issues before considering termination. If a partnership must end, Björn Borg follows a responsible exit strategy, ensuring that no contracts 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*

Twice a year, 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 November 2024, the vendor evaluation score was 84 percent, a slight decrease from 85 percent in 2023. The decrease can be explained by onboarding many new factories, which often takes some time and effort in the beginning to improve collaboration efficiency.

*Supply chain transparency*

We aim for transparency throughout the supply chain. In 2024, we had 100 percent transparency in tier 1 and 2. We are in direct contact with all tier 1 suppliers and two of our main tier 2 suppliers for packaging and trims. With transparency we refer to having information about factory names, addresses and production processes at minimum. Most material is sourced locally through tier 1. Due to the complexity of the textile supply chain, full visibility remains a challenge. However, encourage open supplier communication, and place great importance on that social and environmental performance data is 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 whistle-blowing 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.

**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 areas include Bangladesh and Cambodia, where in 2024, approximately seven 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.

**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.

**Data security**

Cyber risks are handled through the following of our policies and procedures. Employees are regularly informed about risks and flag external emails. An online employee education program in data security was rolled out during Q4 2023 and continued during 2024.

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 increase the security code is discussed with the supplier.

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

No data security breaches have been encountered during 2024. If we would have a breach concerning personal data, it would be reported to The Swedish Authority for Privacy Protection (IMY) by Swedish law.

**METRICS AND TARGETS**

**Confirmed incidents of corruption or bribery**

During 2024, there were no confirmed incidents of corruption or bribery in the own workforce. Hence, 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 ACCOUNTS 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	54-78, 80	56, 66-73, 80-84	80-84
The results of the policy	28-52	58-64	58-64, 69-74, 77-78	66-73, 80-84	84
Essential risks related to the company's business, 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, 66-73, 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:

[Sofia.svensson@bjornborg.com](mailto:Sofia.svensson@bjornborg.com) (sustainability) or  
[Emma.bengtsson@bjornborg.com](mailto:Emma.bengtsson@bjornborg.com) (press)

We appreciate your feedback.

## Auditor's report on the statutory sustainability report

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

### ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory Sustainability report for the year 2024 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 16, 2025

Johan Pharmanson  
*Authorized Public Accountant*

Carl-Johan Kjellman  
*Authorized Public Accountant*







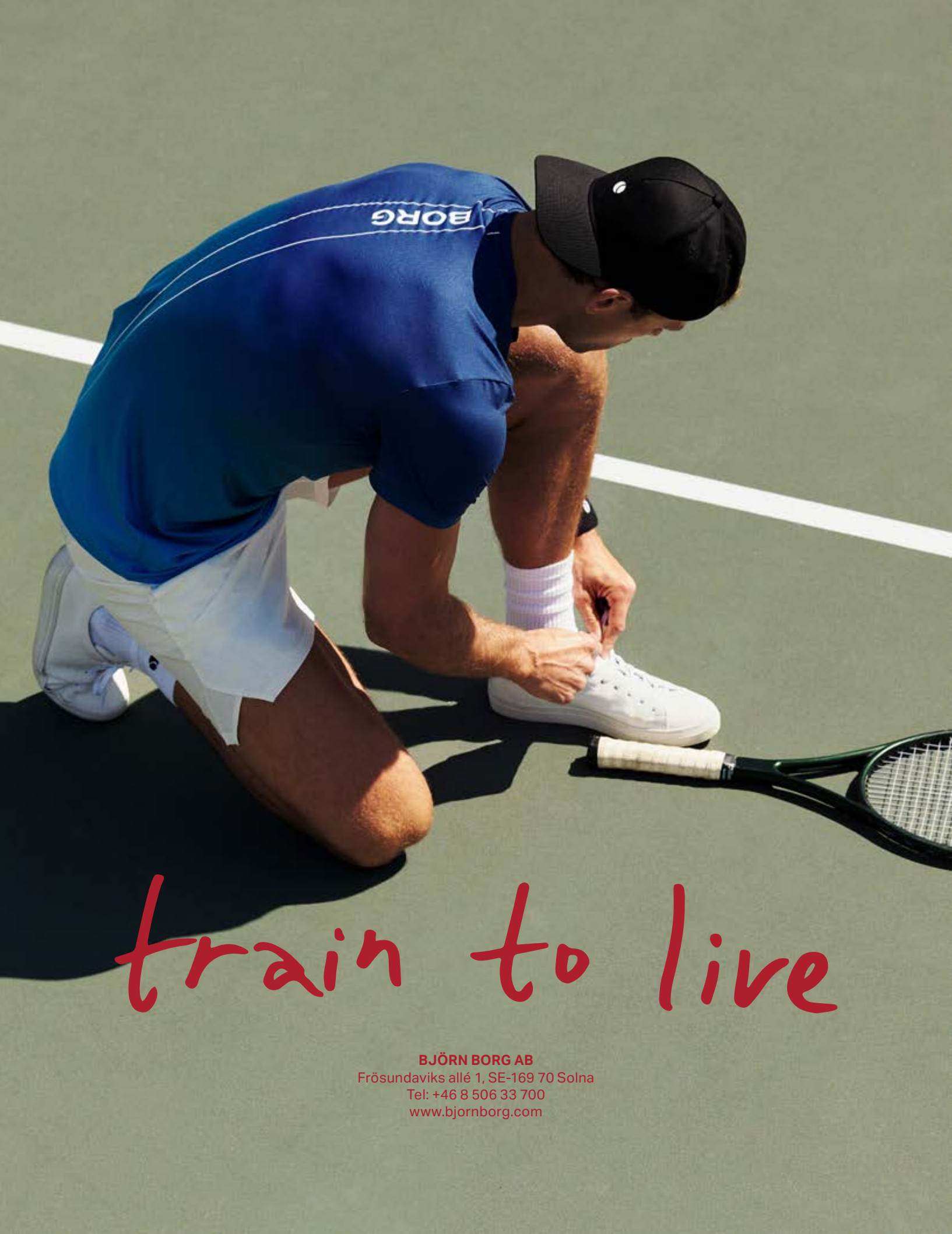


GENERAL INFORMATION

ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION



*train to live*

**BJÖRN BORG AB**

Frösundaviks allé 1, SE-169 70 Solna

Tel: +46 8 506 33 700

[www.bjornborg.com](http://www.bjornborg.com)