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Introduction



Introduction by CEO

Sustainability is a central part of Cellbes business, and working with sustainability is a natural and important part of the company's business strategy.

Cellbes continues to make progress in sustainability and social responsibility. In 2024, we have focused on reducing our climate footprint by increasing the share of sustainable materials in our products and improving energy efficiency in our factories. We have also worked actively to ensure good working conditions in our supply chain and promote an inclusive work environment for our employees. Our vision is to create high-quality products that contribute to longevity and conscious consumption. By continuing our commitment to sustainability, we aim to make a positive impact on both the environment and society.

Within our own operations, we place great emphasis on creating a safe and inclusive work environment. Cellbes strives to create a work environment free from harassment and discrimination. We work continuously to prevent and manage mental illness and stress by offering occupational health

care and counselling if needed. Our pulse tool addresses issues of health, stress and workload, helping managers to see how the team is doing and adapting follow-ups to any anomalies that emerge.

Our mission "To empower women in a sustainable, inclusive and inspiring way," permeates everything we do. Together with our core values - Be brave, Strive forward, Work together - this mission forms the foundation of our operations and guides our employees in their decisions. We strive to create a working environment where our employees feel comfortable, safe and have room for personal development. With a positive outlook on the future, we are strongly committed to further developing our sustainability efforts, both through our own initiatives and in co-operation with others.

Charlotte Nordén CEO, CELLBES AB

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ABOUT THE REPORT

This is the eighth sustainability report from Cellbes AB, org.nr 556540-2152. The last report was published in April 2024. The sustainability report is published annually and follows Cellbes' financial year, which is the calendar year. This sustainability report covers our sustainability work for the year 2024 and applies to Cellbes AB and its subsidiaries.

The sustainability report is issued in accordance with the Swedish Annual Accounts Act by Cellbes AB and is available on our website, cellbes.se.

"Cellbes strives to affirm women's self-esteem in a way that is sustainable, inclusive, and inspiring."



About Cellbes

In 1954, Cellbes AB was founded with headquarters in Borås, Sweden. Since the beginning, Cellbes has had a clear vision: *To affirm women's self-esteem in a sustainable, inclusive and inspiring way.* Being genuine, trustworthy and positive is important to us and is reflected in everything we do. We take great pride in creating comfortable, well-fitting clothing in a wide range of sizes.

Cellbes strives to inspire our customers to conscious consumption, where quality and longevity are at the centre. As part of our digital transformation, we have reduced our catalogue mailings. Instead, we are investing in our digital channels to reduce our carbon footprint.

As an e-commerce company, Cellbes offers a wide range of clothing, footwear and homeware to customers in Sweden, Denmark, Norway, Finland, Estonia, Latvia, Czech Republic, Poland and Germany. We reach out to our customers through our own digital platforms. Through partners such as Zalando, we also reach Austria, Belgium and the Netherlands. We also have B2B partnerships in Sweden, Finland and Greece.

Our focus on in-house design is complemented by products from external brands. Cellbes AB also has two subsidiaries: Consortio (Shanghai) Trading Co, Ltd - China and Cellbes AS - Norway.

NUMBER OF EMPLOYEES: 84 personer NUMBER OF CUSTOMERS: approx 550 000

TURNOVER: 529 MSEK

INTRODUCTION



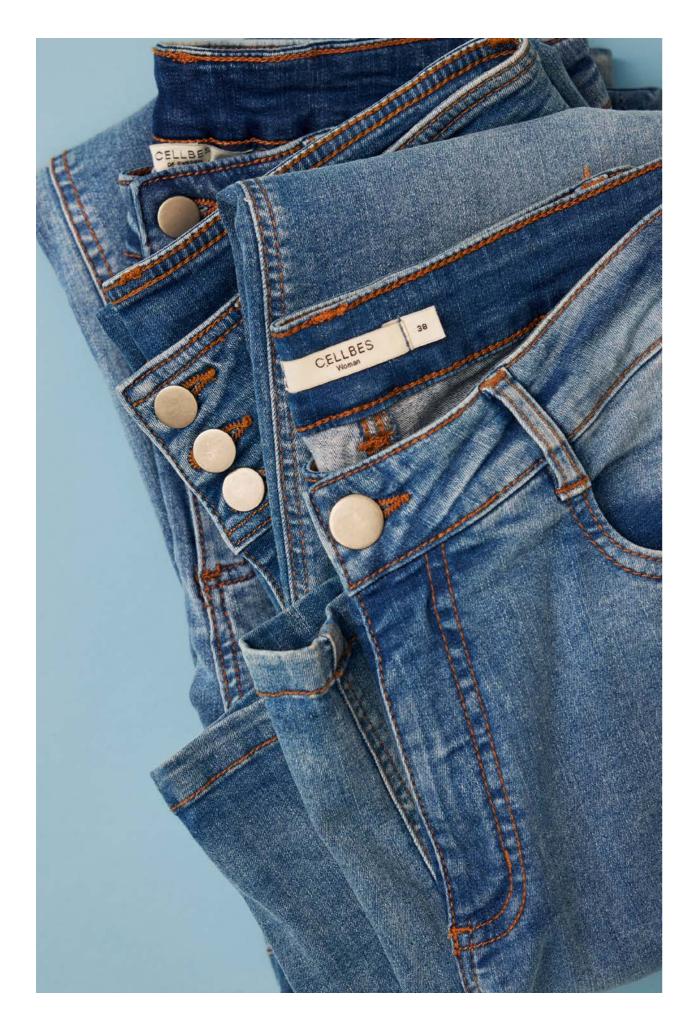
Organisation

The Board of Directors of Cellbes AB is the company's highest body. It consists of six members who have overall responsibility for internal control and risk management.

The Board sets business objectives and strategy, ensures that adequate controls are in place for compliance with laws and regulations and that key policies are followed. It is also responsible for the sustainability report and for ensuring that sustainability work is continuously monitored at Board meetings.

The strategic sustainability work is led by the Sustainability Manager together with the management team, where continuous reconciliation and follow-up are made. The Sustainability Manager is part of Cellbes management team.

Cellbes also has a sustainability group with a representative from each department. This makes it possible to reach out to and involve all employees parties. We see this as an important part of a long-term and successful sustainability programme.



Cellbes value chain

Cellbes value chain is described in five steps.

1. PRODUCT DEVELOPMENT

An important part of product development is the choice of materials, where our focus is on creating high quality products that contribute to longevity. We aim to develop garments that become wardrobe favourites. In 2024, we have also continued our efforts to replace conventional materials with materials with a lower climate footprint to achieve our climate goals. Every garment should earn its emissions.

2. PRODUCTION

The majority of Cellbes' production takes place in Asia, where production has the greatest environmental impact. To minimise our emissions and ensure good working conditions in production, Cellbes has entered into strict and detailed agreements (Code of Conduct), which our suppliers sign. Cellbes is a member of Amfori, where we work together with other members to achieve improvements. Since 2019, Cellbes is also a member of STICA, the fashion industry's forum for climate action.

3. TRANSPORT

The fact that most production takes place in Asia means long transport distances. Goods are primarily transported by boat from the production countries. When we buy from neighbouring countries, transport is by truck instead.

4. WAREHOUSE AND SALES

Goods are stored in our own warehouse in Borås, which is located in the same building as the head office. They are then transported to customers by lorry and, on some routes, by boat. At our warehouse, we work actively to optimise space, sort waste at source and reduce energy consumption. We endeavour to have as high a fill rate as possible in both packages and transport. We also try to minimise the number of returns.

5. USE

Cellbes vision is that our garments should be used for as long as possible. We are therefore constantly working to develop the fit and quality of our products. We guide our customers in how to wash and care for their products in the best and most environmentally friendly way possible.

INTRODUCTION



Risks in your own organisation

There is a risk of bribery and nepotism within our organisation, which can lead to staff not acting in the best interests of the company and allowing personal contacts to influence decisions. To mitigate this risk, we have an anti-corruption policy, as well as whistleblowing guidelines with an associated whistleblowing function. This reinforces preventive measures and increases the possibility of making any cases visible.

There is also a risk of harassment or discrimination in our organisation. We put a lot of emphasis on leadership, so that managers create a sense of security and enable employees people to speak up if situations arise. We have a clear policy where neither harassment of any kind nor discrimination is tolerated.

There is a risk of staff experiencing mental health problems and stress, partly because the industry in which we operate requires a willingness to change and has a fast pace of work. We are well aware of this and continuously provide information on where to turn if the situation is perceived as untenable. We have also used our occupational health service to provide counselling support to reduce the risk of employees persons ending up in long-term imbalance.

Our pulse tool also addresses issues of health, stress and workload. This tool is a good complement that increases the possibility for the manager to see how the team is doing and adapt the follow-ups to the deviations that emerge.

Risks in the supply chain

A detailed analysis of risks in our production countries, the Amforis Due Diligence ESG Risk Compass, is available at page 52.

The basis of our risk management in production is our Code of Conduct and our agreement, where we specify our requirements and guidelines for suppliers. The Code of Conduct includes guidelines for how we and our suppliers should handle issues related to corruption, safety, human rights, wages, working hours and discrimination - which are also addressed in the Amforis Risk Compass. Our contract includes requirements on animal husbandry, chemical content and chemical management.

To ensure compliance with our code of conduct, we are members of Amfori. As we are a relatively small company working with many different factories, it is a great advantage for Cellbes to be a member of a well-established system with clear requirements and procedures. Factories with the best results are inspected every two years, while factories with poorer results are inspected annually.

Inspections are carried out both announced and unannounced, making the results more reliable.

Today, all our factories in countries at risk are either members of Amfori or certified under SA8000.

To ensure that corruption does not occur in the laboratories and inspection companies we work with, we only use accredited companies that have clear policies and procedures and comply with current standards.

Read more in the report on how we manage risks in the supply chain.



EMISSIONS IN 2024

In 2024, our emissions amounted to 7,793 tonnes of $\rm CO_2e$, corresponding to 3.86 kg $\rm CO_2e$ per garment. Compared to our base year, this represents a 53% reduction per garment.

Read more on page 21.

SHARE OF SUSTAINABLE MATERIALS

In 2024, 55% of our products contained a sustainable material.

Read more on page 24.

BEPI INSPECTION

In 2024, we carried out our first Amfori BEPI inspection.

Read more on page 34.

STICA'S DATA COLLECTION AND REPORTING GROUP

During the year, we joined the STICA Data Collection and Reporting working group. We have already joined the groups for China, Bangladesh and India.

RESPONSIBLE MOHAIR STANDARD (RMS)

In 2024, Cellbes added RMS to our product certifications.

Read more on page 27.

SHARE OF CERTIFIED SUPPLIERS

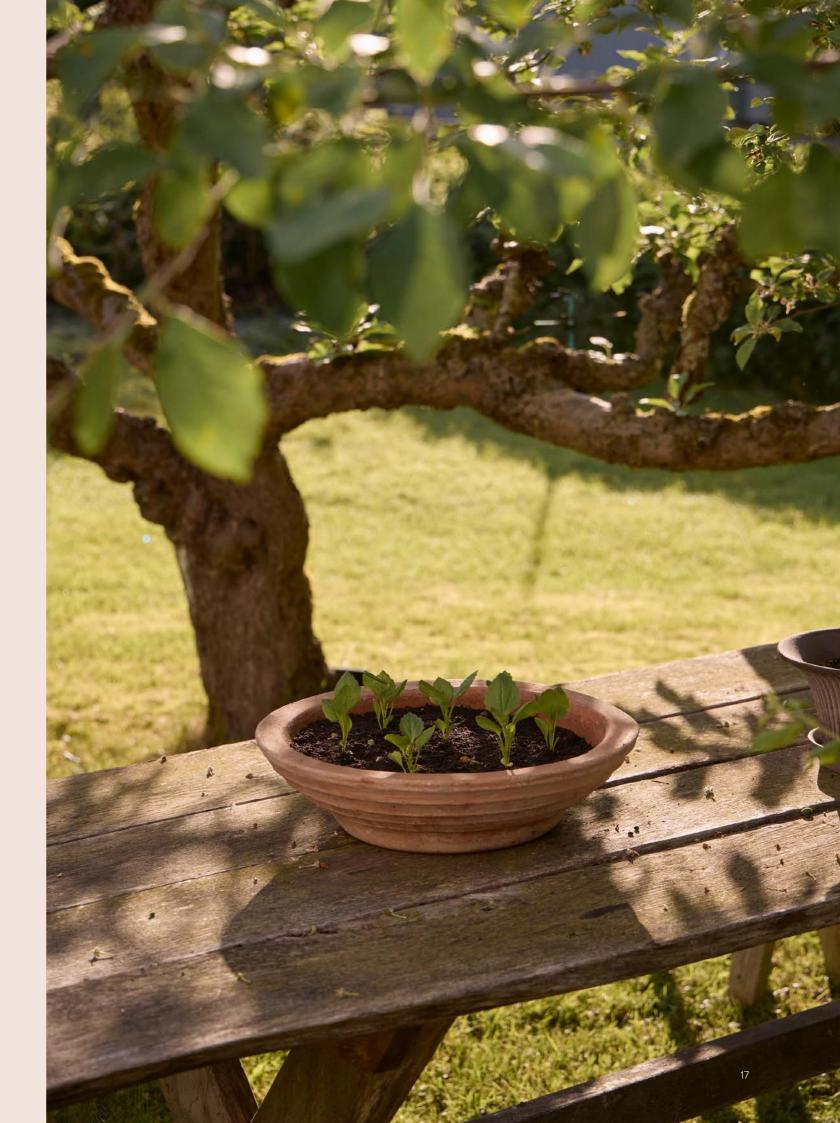
Today, 50% of our suppliers have one or more product certifications. In total, there were 53 certifications.

Read more on page 26.

LOAN WARDROBE FOR STAFF

During the autumn, we are conducting a test with a loan wardrobe for staff, where you can borrow a pair of trousers, a party dress or an outer garment, for example. The garment is returned together with comments on fit and quality.

Environmental



The Sustainable **Development Goals**

The Sustainable Development Goals (SDGs) are a central part of the 2030 Agenda. Adopted by UN member states in 2015, the 2030 Agenda sets out 17 goals for economically, socially and environmentally sustainable development. Achieving these goals requires a strong commitment from individuals, businesses and nations.

Cellbes has selected ten goals, focusing on three of them, while the others support these - something that is clearly stated in our sustainability strategy. We have chosen goals where we see that our business has a relatively large impact and where we can contribute to a positive development.





















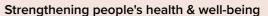
Cellbes sustainability strategy

To clarify, manage and prioritise our sustainability work, we have developed a sustainability strategy. It is closely linked to the goals we have chosen to focus on based on the UN's global goals.









- Marketing and products that are inclusive and empowering for women.
- Ensuring that our products are free from harmful chemicals.
- Create an inclusive workplace that promotes mental health.

Protecting human rights and decent labour conditions

- Work responsibly with our suppliers.
- Increase the proportion of suppliers who are members of Amfori.
- Maintain good business ethics throughout the value chain.
- Work towards a good working environment for our employees.
- Ensuring gender equality for our employees.
- Ensure a working environment free from harassment and discrimination.









Promoting sustainable consumption and production

- Reducing our climate emissions.
- Increase the share of more sustainable products.
- Guiding our customers towards more sustainable choices.
- Explore circular business models.
- Increase the control of emissions to water from our suppliers.
- Reduce paper consumption by reducing the use of office paper and printed mailings to our customers.
- Increase the share of packaging made from recycled or renewable materials.

Cellbes climate work

The Paris Agreement entered into force in 2016 and aims to limit global warming by reducing greenhouse gas emissions. The goal is to keep warming below 2 degrees and to endeavour to limit it to 1.5 degrees.

At Cellbes, we are committed to reducing our absolute greenhouse gas emissions to the extent required by scientific consensus to meet the global 1.5 degree target.

We measure and report our greenhouse gas emissions according to the GHG Protocol, which is the most widely used methodology internationally. By categorising emissions into direct (Scope 1) and indirect (Scope 2 and 3) sources, we get a clear picture of where emissions come from. This contributes to transparency and enables comparisons between different companies.

For Scope 1 and 2, where 2018 is our base year, the target is to reduce emissions by 50% between 2018 and 2030. For Scope 3, where 2020 is our base year, the target is to reduce emissions by 42% between 2020 and 2030. This target applies regardless of how much our turnover increases, making it a very challenging ambition. In Scope 3 we have chosen to include the following categories:

- Purchased goods and services.
- Upstream transport and distribution.
- Packaging materials.
- Waste.
- Fuel and energy related activities.
- Business travel.
- Employee commuting (new category added in 2024).
- Capital goods (new category added in 2024).



STICA - The Scandinavian Textile Initiative for Climate Action

To effectively reduce the climate impact caused by textile manufacturing, collaboration is required. In 2019, we therefore chose to join STICA. Through this collaboration, we learn from each other and establish requirements and guidelines on how to measure and reduce our climate footprint throughout the value chain.

Change and improvement can happen at a faster pace when companies that are less advanced in climate action learn from those that are further ahead. We are also more likely to achieve change by imposing the same type of requirements on suppliers and transport operators.

In 2023, we joined the STICA India group. We have also previously participated in the China and Bangladesh groups, which means that we have representation in the working groups covering our largest sourcing markets. In 2024, Cellbes also participated in the group working on Data Collection and Reporting. During the year, STICA's working groups have, among other things, worked on training for suppliers, energy efficiency in factories and investigated opportunities to promote suppliers' transition to renewable energy.

Climate Action Plan

One of STICA's requirements is that, in addition to having a goal to reduce our emissions, we also develop a plan for how this will be done. Cellbes has formulated a Climate Action Plan where we have agreed to prioritize these actions to reduce our emissions:

- Sustainable materials continue to replace conventional materials with materials with a lower carbon footprint, such as recycled or organic alternatives.
- Renewable energy in production guide and encourage the climate transition of our suppliers through the STICA working groups.
- Avoid overproduction carefully considering which products we launch and in what volumes from an emissions perspective.
- Strive for high quality and long-lasting products every garment should deserve its emission.

Read more in the report about how we address these issues related to the environmental impact of our products and production.

CEMAsys

Climate calculations

Our climate calculations are done in collaboration with our partner CEMAsys, a specialised sustainability consultancy that provides system solutions and expertise to over 800 companies. Working with CEMAsys ensures that our methods and the figures we report are accurate.

Our total Scope 1-3 emissions in 2024 were 7 793 tonnes $\rm CO_2e$. For 2023, total emissions were 4 574 tonnes $\rm CO_2e$, which represents an increase of 71% for 2024 compared to the previous year. However, compared to our 2020 base year, emissions were reduced by 46%.

So, by 2024, we will be below the target we have set to meet the Paris Agreement levels.

Outcome/Scope	Base year	Emissions in the base year	Objective	Emissions in 2024	Outcome
Scope 1 & 2	2018	122 tonnes CO ₂ e	-50%	33,9 tonnes CO ₂ e	-72%
Scope 3	2020	14315 tonnes CO ₂ e	-42%	7759 tonnes CO ₂ e	-46%

In 2023, we produced significantly fewer garments than in a normal year, with a decrease of 44%. For 2024, production volumes have returned to normal levels. To be able to follow the development of emissions when production volumes fluctuate, we have decided to also report emissions per garment on average. Looking at emissions per garment, it shows an increase of 18% compared to the previous year, which is due to a larger share of air freight (see page 32) and changes in the product mix that affect material consumption. Compared to the base year 2020, we instead show a decrease of 53%.

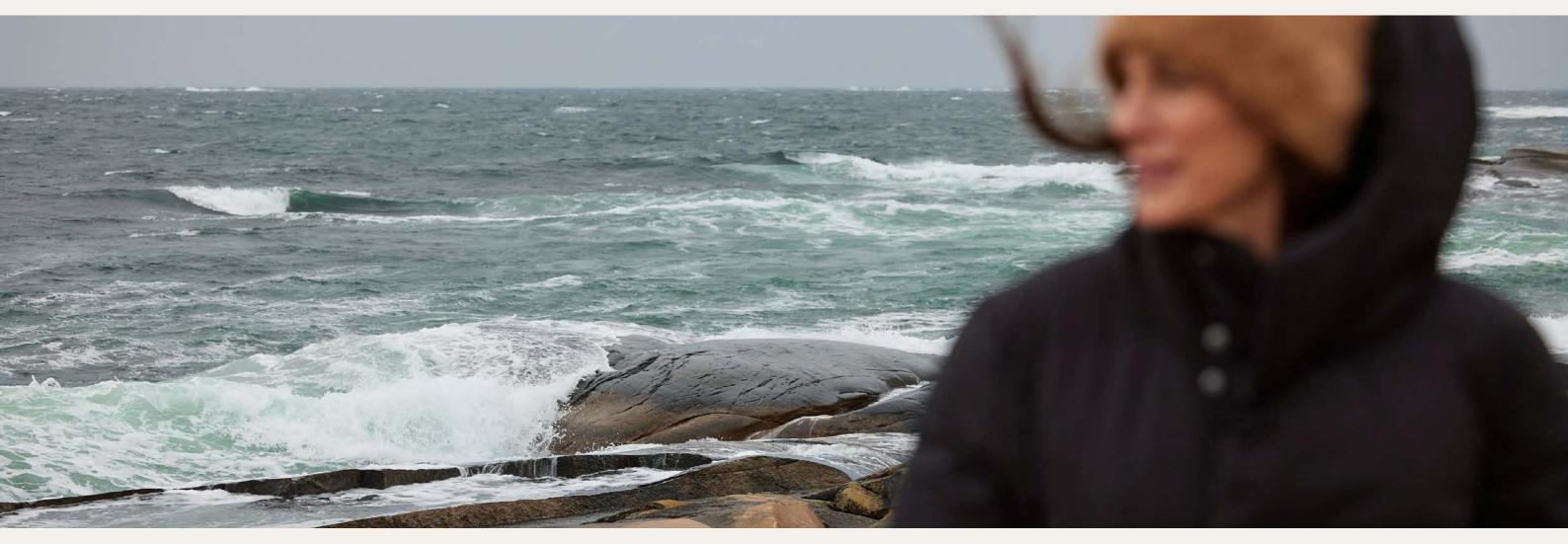
Average										
2020	2021	2022	2023	2024						
8,23 kg CO ₂ e	5,07 kg CO ₂ e	4,26 kg CO ₂ e	3,27 kg CO ₂ e	3,86 kg CO ₂ e						

This KPI shows that we are on the right track over time and that the actions we are taking are paying off. That said, we expect that production volumes are likely to increase in the coming years, as we have a growth target in the business. We will monitor this figure closely and continue to drive our efforts to curb emissions, supported by our Climate Action Plan.

Greenhouse gas emissions, Scope 1, 2 and 3	ons, Scope 2020		2021		2	022	2	2023		2024	
Category	Emissions, tonnes CO ₂ e	Share of total emissions, %	Change 2023–20								
SCOPE 1	15	0,1%	17,7	0,1%	16,7	0,2%	16,1	0,4%	1,3	0,0%	-91,9%
Transport	4,9	0,0%	5,3	0,0%	5,3	0,0%	9,5	0,2%	1,3	0,0%	-86,3%
Stationary combustion	10,1	0,1%	12,4	0,1%	11,3	0,1%	6,6	0,1%	0,0	0,0%	
Refrigerants	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0,0	0,0%	
SCOPE 2	76,6	0,5%	61,6	0,5%	53,7	0,5%	43	0,9%	32,6	0,4%	-24,2
Electricity	22	0,2%	14,7	0,1%	12,3	0,1%	11,5	0,3%	6,1	0,1%	-47,0
District heating	54,6	0,4%	46,9	0,3%	41,4	0,4%	31,5	0,7%	26,5	0,3%	-15,9
Electric vehicles	0	0,0%	0,1	0,0%	0	0,0%	0	0,0%	0,0	0,0%	
SCOPE 3	14315	99,4%	13585	99,4%	10655	99,3%	4518	98,7%	7759,0	99,6%	71,7
Transport and distribution	1316	9,1%	1063	7,8%	1070	10,0%	557,1	12,2%	1191,0	15,3%	113,8
Business travel	16	0,1%	4	0,0%	8	0,1%	26,1	0,6%	11,9	0,2%	-54,4
Waste	7	0,1%	10	0,1%	13	0,1%	10	0,2%	8,3	0,1%	-17,0
Fuel and energy- related activities	19	0,1%	19	0,1%	14	0,1%	13	0,3%	6,2	0,1%	-52,3
Capital goods*									8,8	0,1%	
Employee commuting*									87,9	1,1%	
Purchased goods and services	12957	89,9%	12489	91,4%	9550	89,0%	3911,7	85,5%	6444,9	82,7%	64,8
Tier 1 (sewing production)	1438	10,0%	1433	10,5%	964	9,0%	1131	24,7%	541,0	6,9%	-52,1
Tier 2-4 (materials, yarn and fabric manufacturing)	11342	78,7%	10829	79,2%	8383	78,2%	2630	57,5%			
Tier 2 (materials, yarn and fabric manufacturing)**		0,0%		0,0%		0,0%		0,0%	1175,1	15,1%	
Tier 3-4 materials, varn and fabric manufacturing)**		0,0%		0,0%		0,0%		0,0%	4530,9	58,1%	
- Packaging materials	177	1,2%	223	1,6%	203	1,9%	151,4	3,3%	197,9	2,5%	30,7
other purchased services	0	0,0%	4	0,0%	0	0,0%	0	0,0%	0,0	0,0%	
TOTALT	14406	100,0%	13665	100,0%	10725	100,0%	4577	100,0%	7792,9	100,0%	-21,5



^{*} New category for 2024 $\hfill **$ For 2024 we report separately for Tier 2 and Tier 3-4.



Environmental impact of the product

Of our total emissions, 73% come from raw material and fabric production, equivalent to 5 706 tonnes of $\rm CO_2$. Compared to 2023, when emissions stood at 2 962 tonnes of $\rm CO_2$, this is an increase of 93%, mainly due to a significantly higher production volume.

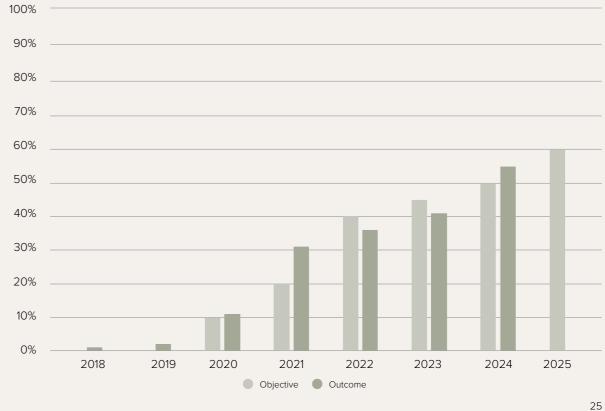
To reach our climate goals, Cellbes is continuously working to increase the share of sustainable materials. Our vision is to continue to replace

conventional materials with materials with a lower carbon footprint, such as recycled or organic alternatives.

For 2024, the target was for at least 50% of our garments produced to contain sustainable materials. This target was met during the year with a final result of 55%. The target for 2025 is set at 60%.

"Sustainable materials - continue to replace conventional materials with materials with a lower carbon footprint, such as recycled or organic materials."

Share of products containing sustainable materials



ENVIRONMENTAL ENVIRONMENTAL

Certified materials

To achieve these goals, we primarily work with third-party certifications. Third-party certification means that an independent party determines compliance with specific requirements, which may relate to the product, processes, materials of origin and/or labour conditions. The requirements are developed by experts in the field and the assessment is carried out by accredited inspection organisations. This makes the type of certification reliable, transparent and ensures full traceability.

In order to certify a garment, our suppliers must be certified in all tiers, so that the entire value chain is certified from fibre to us as a company. At present, 50% of our suppliers are certified, with an average of three certificates per supplier, giving a total of 53 certificates.





Cellbes is certified by Control Union with the following certifications:



Global Organic Textile Standard (GOTS)

A product labelled with GOTS meets the requirements for the entire production chain - from fibre to end product. GOTS is the world's leading textile processing standard for organic fibres that includes both ecological and social criteria.

A GOTS-certified garment contains at least 70% organic material. Certified by Control Union, licence number 1031663.



Global Recycled Standard (GRS)

Products certified to the Global Recycled Standard (GRS) contain recycled materials that have been verified at every stage of the supply chain, from source to end product. In addition, social, environmental and chemical criteria related to the process are required. Certified by Control Union, licence number 1031663.



TUED BLENS

Recycled Claim Standard (RCS)

The Recycled Claim Standard (RCS) verifies recycled material and traces it from source to end product. Certified by Control Union, licence number 1031663.





Organic Content Standard (OCS)

The Organic Content Standard (OCS) verifies organically grown material and traces it from fibre to final product. Certified by Control Union, licence number 1031663.



RDS - Responsible Down Standard

The Responsible Down Standard (RDS) certifies down and feathers based on animal welfare requirements and traces them from farm to end product. Certified by Control Union, licence number 1031663.





Responsible Wool Standard (RWS) & Responsible Mohair Standard (RMS)

The Responsible Wool Standard (RWS) and the Responsible Mohair Standard (RMS) describe and certify animal welfare and land management practices in wool/mohair production and trace the certified material from farm to final product. Certifierat av Control Union, licensnummer 1031663.



Trademarks

As a further step to minimise our carbon footprint, we have a policy that all viscose we buy should be LENZING $^{\mathbb{M}}$ ECOVERO $^{\mathbb{M}}$. In addition, to reduce the use of conventional lyocell and modal, we work with TENCEL $^{\mathbb{M}}$ Lyocell and Modal from LENZING $^{\mathbb{M}}$.

EcoVero[™]

LENZING™ ECOVERO™ are trademarks of Lenzing AG
LENZING™ ECOVERO™ fibres are produced with
at least 50% less carbon emissions and water
consumption compared to generic viscose.
LENZING™ ECOVERO™ fibres are made from
controlled or certified wood sources. LENZING™
ECOVERO™ fibres provide natural softness and
drape.



TENCEL™ are trademarks of Lenzing AG

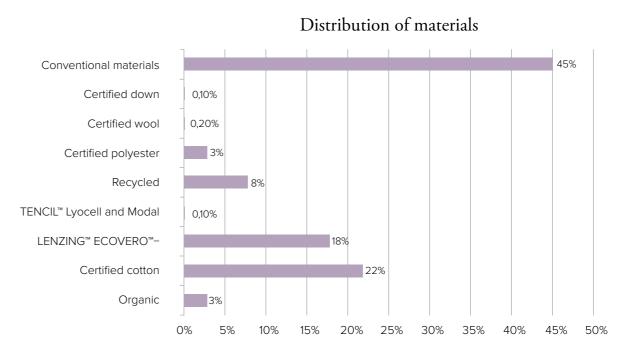
TENCEL™ Lyocell and Modal fibres are produced with at least 50% less carbon emissions and water

consumption. TENCEL™ Lyocell and Modal fibres are made from controlled or certified wood sources. TENCEL™ Lyocell and Modal fibres give the fabrics a natural softness, making them feel comfortable against the skin.

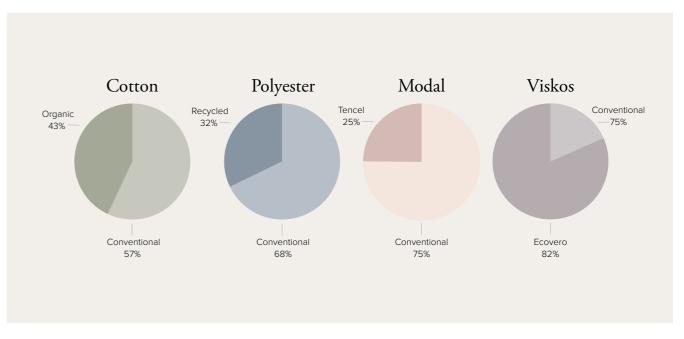
Own sustainability labelling

In 2024, a small proportion of our own 'Organic' and 'Recycled' labels remained. These labels mean that we work with suppliers whose factories are certified, which in the future will allow for full certification of the entire value chain. In this sustainability report, we have chosen to include these labels, but they will be re-evaluated in the future to comply with future legislation.

In summary, we count our certifications, Lenzing fibres and our own labels as sustainable materials.



The above diagram shows the share of different materials based on the number of garments produced in 2024.



The charts show the share of conventional and sustainable materials at fibre level for our most used fibres.

Chemical content

During the manufacturing process of a textile product, many different types of chemicals are used to add value to the product. For example, chemicals are used to give the fabric its colour or to give it a specific property.

However, some chemicals can pose risks to both the environment and factory workers in the country of production, as well as to end users and the environment in the countries of sale. Therefore, responsible chemical management is a must for Cellbes. Our suppliers are continuously informed about new requirements that are developed based on international and European legislation.

Our products must not contain substances at levels prohibited by current legislation. In addition, we do not allow our products to contain substances listed as candidate substances in the European chemicals regulation REACH.

In 2022, we developed our own Restricted Substances List (RSL), which we update annually, in order to be able to adapt the requirements to new sales markets and make the requirements clearer for suppliers.

Membership of the Chemicals Group

As part of our chemical and sustainability work, Cellbes has for many years been a member of the Chemical Group, a network run by RISE. Within the Chemical Group, over 100 member companies, research actors and authorities collaborate on chemical issues in the textile industry.

The Chemicals Guidance provides our suppliers with information on regulated chemicals, the processes in which they are used and their impact on the environment and people. A new edition of the Chemicals Guidance is sent out twice a year.

The Chemicals Group provides guidance on the latest knowledge on chemical and environmental issues and provides practical tools to prevent the presence of unwanted chemicals in our garments.



Chemical Safety

To ensure that our suppliers comply with legislation and that our products do not contain unauthorised chemicals, random samples are taken of selected products every quarter. The selection of products is based on a risk analysis, Chemicals Due Diligence, which takes into account, among other things, the suppliers' previous results, whether the supplier or the product is new and whether the product is considered to be a so-called risk product.

In 2024, we carried out chemical tests on 125 articles

Cellbes has signed "No to PFAS"

PFAS is a collective name for almost 5 000 industrially produced chemicals. They make many products grease-, dirt- and water-repellent, such as cosmetics, food packaging, frying pans and clothing. PFAS are often referred to as 'perpetual chemicals' because they do not break down naturally and are bio accumulative. As a result, 99% of people have measurable levels of PFAS in their blood.

The environmental organisation ChemSec's PFAS Movement initiative brings together companies

that have decided to phase out PFAS from their own production and supply chain. By joining the PFAS Movement, we are part of the initiative to free people and the environment from the nearly 5,000 PFAS substances.





ENVIRONMENTAL ENVIRONMENTAL

Environmental impact of production

Of our total emissions, 80% comes from the production of our goods. The largest share comes from the production of raw materials and fabrics, including dyeing and printing (Tiers 2-4), with the remainder coming from sewing production (Tier 1).

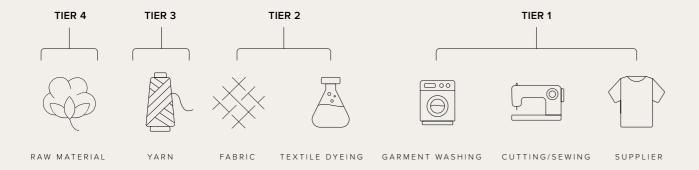
We have collected actual emissions data to cover 92% of the order volume from Tier 1 (sewing factories) and 60% from Tier 2 (fabric and yarn factories). For the remainder, we use average emissions data based on the country in which production takes place. We consider it important to have as high a share of actual data as possible to measure improvements over time.

In 2023, emissions from production (Tier 1-4) amounted to 3 760 tonnes CO₂e. For 2024, these emissions increased by to 6 247 tonnes of CO₂e, mainly due to an increase in our purchases of goods compared to the previous year.

In sewing production (Tier 1), emissions decreased by 52%, while emissions in Tiers 2-4 increased by . The reason for the decrease in sewing production can be explained by some of our suppliers choosing more climate-friendly energy sources and working to reduce their energy and fuel consumption. The increase in Tier 2 is mainly due to the use of more materials as we produced more garments.

We will continue to focus on material selection and energy and fuel consumption in production, since these emissions has a major impact on our overall performance

"Renewable energy in production - guiding and encouraging our suppliers' climate transition through co-operation in STICA working groups."



STICA – THE SCANDINAVIAN TEXTILE INITIATIVE FOR CLIMATE ACTION



As a member of STICA, Cellbes is involved in several different working groups with varying focuses. Among other things, we work to improve the energy efficiency of factories and investigate opportunities for them to switch to renewable energy. We also work to develop reporting data for emission calculations and discuss various issues related to textile production.

AMFORI



We are a member of amfori We act for a more sustainable supply chain

Since 2018, Cellbes has been a member of Amfori, a world-leading initiative that works for social (Amfori BSCI) and environmental (Amfori

BEPI) responsibility in the supply chain. Together with other member companies, we can have a much greater impact than if we acted alone. All of our sewing factories (Tier 1) are Amfori BSCI members.

Read more about the Amfori BSCI (Business Social Compliance Initiative) in the chapter: Social responsibility in production.

AMFORI BEPI



In 2022, Cellbes started working with Amfori BEPI (Business Environmental Performance Initiative)

We act for a more sustainable supply chair

to monitor and prioritise environmental work

in our supply chain. BEPI is a tool and a platform that helps factories understand and improve their environmental work and reduce their climate impact.

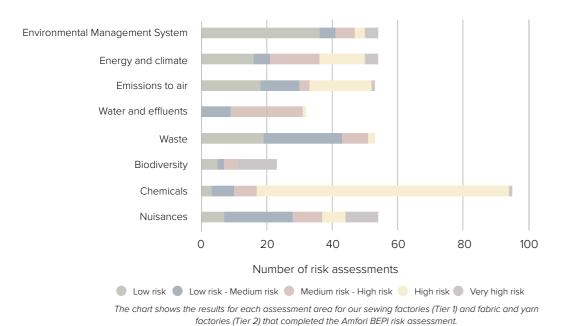
Through BEPI, we ask our factories to carry out risk assessments to identify potential environmental risks and determine what can be prevented or improved. 52% of our sewing factories (Tier 1) have completed this risk assessment. Among our fabric and yarn mills (Tier 2), 6% are members of Amfori, of which 17% have completed the risk assessment.

The Amfori BEPI is divided into eight assessment areas that are rated from low to high risk.

When a factory gets a result indicating higher risk, it is often because the factory does not measure or control this area effectively enough.

The factories that have completed their risk assessment can have a dialogue with us and also receive training in the Amfori platform to increase their knowledge and eventually reduce their climate impact.

Risk assessments Amfori BEPI 2024



Cellbes first Amfori BEPI inspection

Factories can also be inspected by third parties through BEPI to check their measurements and report their results.

Cellbes largest factory in Bangladesh have completed a BEPI inspection, where environmental management systems, climate impact and energy efficiency were reviewed.

Based on the factory's risk assessment in BEPI, we chose to inspect areas of higher risk that we consider to be essential for reducing our climate impact in the production. Through the BEPI inspection, the factory management felt that they were helped to develop the work in these areas and we can now have a continuous dialogue on improvements.

A selection of factory actions following the BEPI inspection:

- The factory's environmental management system has been better structured and is now followed up with regular internal inspections.
- Targets have been set to reduce energy consumption. The factory will follow up and document this over time.
- A system for measuring water consumption has been installed.
- The factory has developed a standard for environmental requirements for its subcontractors.
- Employees have been trained on the environmental impact of the factory and relevant laws
- The management of chemicals has been reviewed and clearer instructions have been introduced for staff.



Product quality and lifetime

Our desire and goal is for our garments to become the customer's wardrobe favourites. To achieve this, we need a really comfortable fit and good quality, which is our top priority when developing our products.

Garments that are not used have been produced unnecessarily and have an unnecessary impact on the environment. Therefore, we want Cellbes products to be used a lot and often. In addition, garments that do not last for long-term use quickly become waste products. Therefore, we strive to ensure that each garment has as long a life as possible.

Quality work is therefore an important part of the sustainability work at Cellbes.

Quality assurance throughout the product development process

To ensure our quality, tests are carried out on our products at every stage, from product development to delivery to the warehouse.

Quality work starts already at the design stage. We carry out preventive tests on new materials to weed out those that do not fulfil our requirements at an early stage. Extensive testing and checking of samples takes place throughout the process to ensure that the fit and finish are as we intended.

All products are tested for colour fastness, shrinkage, warp and nickel content before sewing production starts. This allows us to correct any quality deviations at an early stage, which benefits suppliers, our planning and the environment.

In 2024, we have further developed our quality work to specifically evaluate wear resistance and durability. To this end, we have extended the tests to

include, for example, wear resistance, abrasion and durability of zips where relevant.

Testing is mainly carried out in third-party laboratories in our supplier countries, but can also take place in our quality department at headquarters.

Quality inspections

To ensure that production complies with our previously established requirements - and to detect any errors before delivery - checks are carried out on the finished production.

At the head office, we check shipment samples before each delivery. For some selected shipments, a Final Random Inspection (FRI) is also carried out. During this inspection, a large number of products from the pre-packed shipment are examined on site at the factory by an independent quality controller. This includes the garment's measurements, labelling, labels, sewing and packaging.

The quality department, together with the purchasing department, selects which deliveries are to undergo an FRI. Large deliveries, new factories or deliveries from suppliers where we have previously discovered quality deficiencies are examples of reasons why a delivery is selected.

In 2024, 181 inspections were carried out, which represents 18% of our orders in 2024.

Once a shipment has arrived at our warehouse in Sweden, samples are taken from all deliveries for further inspection. This helps us to detect any mishaps during transport. Should any discrepancies be detected, we can usually rectify this locally in Borås.

TÜV Rheinland

TÜV Rheinland is our partner for quality tests, chemical tests and FRI inspections of our products before they leave the factory. TÜV Rheinland is a world-leading provider of testing services and has laboratories in several of our production countries.

Customer experience and wear-tests

The quality department and customer service naturally work closely together at Cellbes. In order for our products to really become the customer's favourites, it is important to follow up her experience of quality and fit. Here, customer service and dialogue with the customer is an important source of information.

In 2024, we made a selection of products available at our headquarter for our employees to borrow and wear-test. One of the purposes of which was to evaluate the quality of the garment during use.

"Strive for high quality and long-lasting products - every garment should deserve its emission."

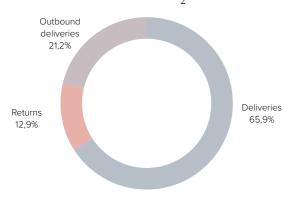




Environmental impact of transport and distribution

In 2024, emissions from our transport amounted to 1191 tonnes of $\rm CO_2e$, compared to 557 tonnes in 2023. This is an increase of 114%, largely due to increased use of air freight.

Breakdown of transport emissions, tonnes CO₂e



The diagram above shows the breakdown of emissions in 2024 between inbound deliveries (from supplier to warehouse), outbound deliveries (from warehouse to customer) and emissions caused by returns.

Deliveries

Since the majority of the world's textile production takes place in Asia, this means long transport distances. Cellbes goods are mainly transported by boat from the production countries in Asia, which is both more cost-effective and less harmful to the environment.

Cellbes goal is to use sea freight as much as possible and only use air freight in exceptional cases. We have managed to keep air freight at very low levels over the past three years, but in 2024, unfortunately, air freight was used to a much greater extent than desired. Air freight accounted for 601 tonnes of $\mathrm{CO}_2\mathrm{e}$, which is over six times more than in 2023 (94 tonnes of $\mathrm{CO}_2\mathrm{e}$).

In 2023, production volumes were at an extremely low level for us, resulting in low stock levels. Therefore, we needed to bring goods home at a higher pace in 2024 to ensure the supply of goods. In addition, the global situation was challenging and affected the normal shipping routes through the Suez Canal. All in all, this led to increased use of air freight. We take this development seriously and are working to make 2024 an exception.

Outbound deliveries

Our customer orders are packed at our warehouse in Borås and distributed from there to our customers, mainly by lorry. As a step in reducing our emissions, Cellbes installed solar panels at our warehouse during the year. In 2024, the solar panels have reduced our emissions by 117 tonnes of CO₂e.

Our sales are mainly through e-commerce in Sweden and the other Nordic countries, but we also have B2B sales to selected stores in Sweden, Finland and Greece. In 2022, we started selling our products through Zalando in Sweden, Denmark, Finland, Germany and the Netherlands and we continue to increase our presence in Europe.

Together with our distributors, we are adding new delivery options with lower emissions and trying to make it easy for our customers to make an active choice. Therefore, Cellbes has joined the "Industry Agreement for the fossil-free delivery", which aims to create clarity for the consumer about what a fossil-free delivery means.

We endeavour to pack goods so that they take up as little space as possible during transport to the customer. Therefore, the majority of our goods are sent in plastic bags. Currently, around 86% is packed in plastic bags and the rest in corrugated cardboard boxes. Our goal is for all packaging to be recyclable and our plastic packaging is currently based on recycled LDPE.

Returns

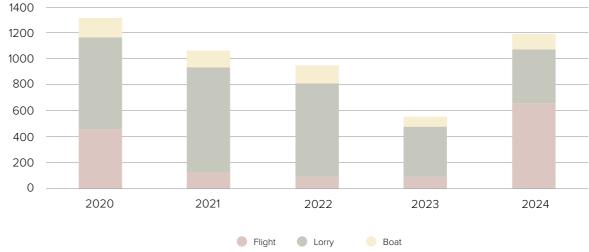
The high number of returns is a well-known problem in online fashion-related purchases today. To try to reduce the number of returns, we charge a fee for return shipping. We also work to provide the customer with the clearest possible information about the product. Product information, size information and measurement lists are continuously being developed, as this is an important piece of the puzzle to lower the return rate.

Cellbes uses three subcontractors to handle our customers' returns. The company we use most is located in Estonia, and we also have a partner in

the Czech Republic and Norway. We have placed returns handling there mainly for economic reasons, as it is very time consuming. However, we are aware that this requires more transport overall than if our returns warehouse was located in Sweden. We are continuously looking at ways to improve these flows.

Cellbes does not discard returns, except when products are seriously defective. In 2024, 1.7% of returns were defective. These products are donated or sold to buyers. Those who receive the defective goods resell them in second-hand shops or send them as aid.

Total emissions transport, tonnes CO₂e



During 2024

- 996 094 parcels were sent to our customers.
- 301 844parcels were returned by our customers.
- the percentage of products returned was 23%.

Social responsibility



SOCIAL RESPONSIBILITY

Social responsibility in your own organisation

2024

	Number of employees 2024	Managers at Cellbes 2024	Managers at Cellbes + EMT 2024	Executive Management Team (EMT) 2024
Q	78%	88%	85%	80%
ď	22%	12%	15%	20%
< 30 år	10%	0%	0%	0%
30–50 år	53%	79%	52%	16%
> 50 år	37%	21%	48%	84%

Core values

Cellbes' culture is characterised by our core values: Be brave, Strive forward, Work together. At Cellbes, everyone is involved in everything we do - both in major decisions and in the ongoing, daily work. The core values are fundamental to how we treat each other and serve as a guide for how we achieve our set goals and strategies.

Our core values and their anchoring in all parts of the organisation have once again shown their stability and strength in the challenges and successes that Cellbes has experienced during the year. Management, managers and employees have continued to work clearly with how we all contribute to and take responsibility for our work, Cellbes' development and our common working environment.

In 2024, we started implementing our branding work. In this context, there are two particularly interesting elements to highlight: our target position and our brand personality. Both of these go hand in hand with who we are and where we want to be. Branding, in our case, is about evolution - evolving and becoming even clearer.

The security that exists in the organisation is highly valued and has been a key factor in ensuring that all employees contribute and strive in the same direction.

Cellbes places great emphasis on continuously highlighting the core values and linking them to

good performance and results. They are initially presented in the advertisement stage and then deepened during the recruitment process. The core values follow our employees throughout their journey with us and are used as a basis in employees interviews, follow-up and salary interviews, as well as in goal management at individual, group and department level.

Diversity

For us, diversity is a key factor in developing and achieving new results. Bringing in people from different backgrounds increases our ability to find new ways to achieve our business goals. We work continuously to attract new colleagues, advertise in channels that are accessible to all, and ensure that skills are the most important factor in recruitment.

Cellbes initiated a collaboration with an actor that works to provide opportunities for graduates born outside the EU to enter the Swedish labour market through internships. We feel that this has worked well and plan to continue the collaboration in the future.

In 2023, we saw an increase with 44% more applications than the year before. For 2024, it is gratifying that we are maintaining the same level. One change compared to previous years is that applications are now primarily received via two channels - an even distribution between the Swedish Public Employment Service and LinkedIn, which was previously the primary channel for applicants.

We look forward to following developments and remaining relevant among job seekers. We are closely monitoring our visibility, so that more applicants find us, thereby increasing opportunities for even broader diversity within the organisation.

Policy work

Cellbes conducts at least an annual review of existing policies to ensure that they are consistent with our current needs. The need is governed by Cellbes' conditions and requirements, for example linked to laws, regulations and ordinances. Among other things, we have a policy against victimisation with an associated action plan for how to prevent and handle such situations, as well as policies for alcohol and drug problems, work environment and rehabilitation.

Cellbes also has a procedure and policy for whistleblowing cases and an external tool as a reporting channel.

When developing and revising policies, the management team, HR and relevant departments work together. By working together with colleagues who have a high level of expertise in each area, we ensure good quality in all policies.

In 2024, more extensive work on updating the contingency plan was carried out and embedded in

the organisation

Salary mapping

The annual salary survey aims to identify and address any inappropriate gender pay gaps, but also provides Cellbes with the opportunity to see how salaries compare for different groups and roles at the same level of responsibility.

The policy for salary setting within Cellbes AB is gender-neutral and should thus prevent gender-related salary differences or other benefits from arising. The annual salary surveys give us good control over the current salary situation and create the conditions for equal development of salaries in the organisation.

Based on the results of the survey, we can conclude that we have an equal pay development. Any gender pay gaps that cannot be explained by objective reasons have been addressed in the past and will continue to be addressed when identified. Those who participated in the 2024 survey all contributed knowledge, information and views to best reflect the organisation.

"Cellbes core values are Be Brave, Strive Forward and Work Together"



SOCIAL RESPONSIBILITY

Work environment, organisation and employees

At Cellbes, we have a well-implemented work environment, which is evident in how we follow our routines, policies and guidelines. For example, monthly one2one talks are conducted between manager and employees, annual employees evaluations.

Safety representatives and HR conduct safety rounds, collaborate and hold forums for the safety committee. Together, we continuously address what emerges in surveys and create action plans where appropriate. We are very proud of the commitment and involvement of all employees parties in work environment issues.

Cellbes primary survey tool is a monthly pulse survey. Through this, we can continue to identify and manage risks linked to workload, roles, stress and more. We also work proactively against victimisation and other factors that can affect health. The monthly pulse surveys are supplemented with quarterly reviews in the teams.

We have a clear division of responsibilities and delegate health and safety tasks to the managers who have staff responsibilities. The employer ensures that they have the necessary knowledge and delegates tasks that are best handled close to the business, i.e. in the teams.

Cellbes is very pleased to offer our employees' health promotion activities. Each week a trained instructor leads a Pilates session and we also offer lunchtime walks or runs together twice a week.

Many of our employees appreciate the opportunity to exercise during the working day. As an employer, we see positive effects of this, both in terms of the well-being of our employees and in facilitating worklife balance as far as possible.

The office team, which was formed when we moved to our new office in 2022, has ensured that necessary changes in the office could be implemented. These include adding office chairs, optimising workspaces and ordering roller blinds with a sun protection function.

The possibility of working from home remains a valued complement that favours working methods, accessibility and flexibility for both our employees staff and the organisation. We continue to see that it works for the organisation, taking into account the different conditions of the services. Homeworking is voluntary and our general rule is to work from the office three days a week or more, if the organisation requires it.

Cellbes still offers more workplaces for our employees, including through our satellite offices in Gothenburg and Stockholm.

The Cellbes community is something we cherish. During the year, we have organised activities where we meet in various contexts, such as joint breakfasts and coffee breaks. We celebrated the summer together with a mingle party and a boat trip in the Gothenburg archipelago. In addition, Cellbes and InsitePart celebrated our anniversary with lunch and various table activities. The year ended with a fantastic party on the theme Studio 54.

Continuous pulse measurement

As mentioned earlier, Cellbes examines the work environment through a pulse measurement tool and associated routine. In practice, this involves our employees answering eight questions once a month. Managers then receive a team report and are required to discuss the results with their team once a quarter.

Each employees has access to their individual performance report via their personal login in the tool. There, everyone can follow their progress in real time and get tips on how to act to achieve

change where needed. We want all employees persons to feel as good as possible, to be as engaged as possible and to reach the departmental goals together in a satisfactory way.

It also provides HR with an overall picture of how the organisation is doing and how engagement is changing over time, as well as insights into what is affecting performance. Therefore, it is an important basis for guiding what actions may need to be taken - an important tool in our ongoing work on the psychosocial work environment.

Segment	Engagement	Response rate	Feedback and communication	Autonomy	Sence of purpose and involvement	Workload	Health	Workspace and tools	Learning and development	Goals and achievement of goals	Strategy, vision and culture	Working relationship to manager	Working relationship to colleagues
Cellbes	4,2	82	4,1	4,1	4,3	4,2	3,9	4,2	4,2	4,3	4,4	4,4	4,3
Cellbes	0	-15	0	0	0	0	0	0	0	0	0	0	-0,3

The image above shows the segments on the left, i.e. the Cellbes organisation. The drivers being measured are shown in the vertical headings. The top row of the heat map is based on Cellbes overall results based on how our employees answered the questions in the latest survey. The bottom row shows the trend development of the organisation.

This data gives us a clear overview of areas that may need to be addressed. We can easily follow up by clicking on each driver to see the associated issues and identify areas with lower scores. Among other things, HR suggests appropriate measures and supports in the actions that may need to be implemented.

Occupational health services

Cellbes encourages all employees to take walks and short breaks for exercise. We also share tips on ergonomically favourable working positions, with the aim of maintaining a high level of awareness of ergonomics and health. Our managers are also well versed in the procedures for when external help should be sought via the occupational health service.

Cellbes has had a good cooperation with the occupational health service for several years. We are confident in our preventive work and the examination methods we use, as well as in the measures we implement to prevent and remedy health problems. We have identified groups with higher short-term sickness absences and our managers are actively working with these according to our rehabilitation policy, with HR being able to step in and provide support if needed. We have seen that short-term sick leave remains below 2% for the full year 2024 - a positive development that indicates that our procedures and follow-up favour the healthy presence of employees and thus also the business.

Collective agreement

All salaried employees at Cellbes are covered by collective agreements between "Svensk Handel" and "Unionen". The workplace has a local club which, together with HR, has well-established processes and working methods linked to everything from collaboration and risk assessment to negotiation. The parties have a public annual cycle for the organisation, which creates good conditions for transparency and efficiency.

There are two safety representatives at the workplace, one of whom is also the chairman of the local club. This contributes to well-founded dialogues with high commitment and efficiency in current processes, with the common goal of doing the best for Cellbes - with employees in focus.

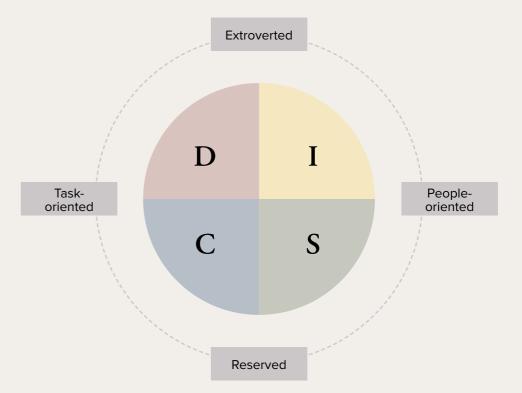
2024 Office employ					
Short term absence	1,26				
Work related incident	0				
Reported incidents	0				



Leadership and self-leadership

In 2024, we continued to promote our DISC analysis strategy and conducted a training course that provides an overview of different behavioural styles and increases understanding of both oneself and others. We see great benefit with this strategy; partly because many people have appreciated the forums as a fun element, and partly because people actually understand and respect that we are different. We see that the strategy contributes to both a positive cultural development and an increased focus on insight and understanding.

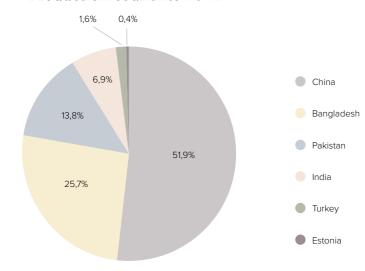
The theory behind DISC is based on human behaviour and is divided into four behavioural styles. The analysis measures the person's type of behaviour and communication style. It serves as a great complement in leadership development, as it gives our leaders a better understanding of themselves - and makes it easier for them to understand others. All employees who completed the test have also received training.



Social responsibility in production

The majority of our production is located in Asia, with China as the main production country. Other production countries are Bangladesh, India, Pakistan, Turkey and Estonia. The diagram shows the distribution of order value per production country for Cellbes own production.

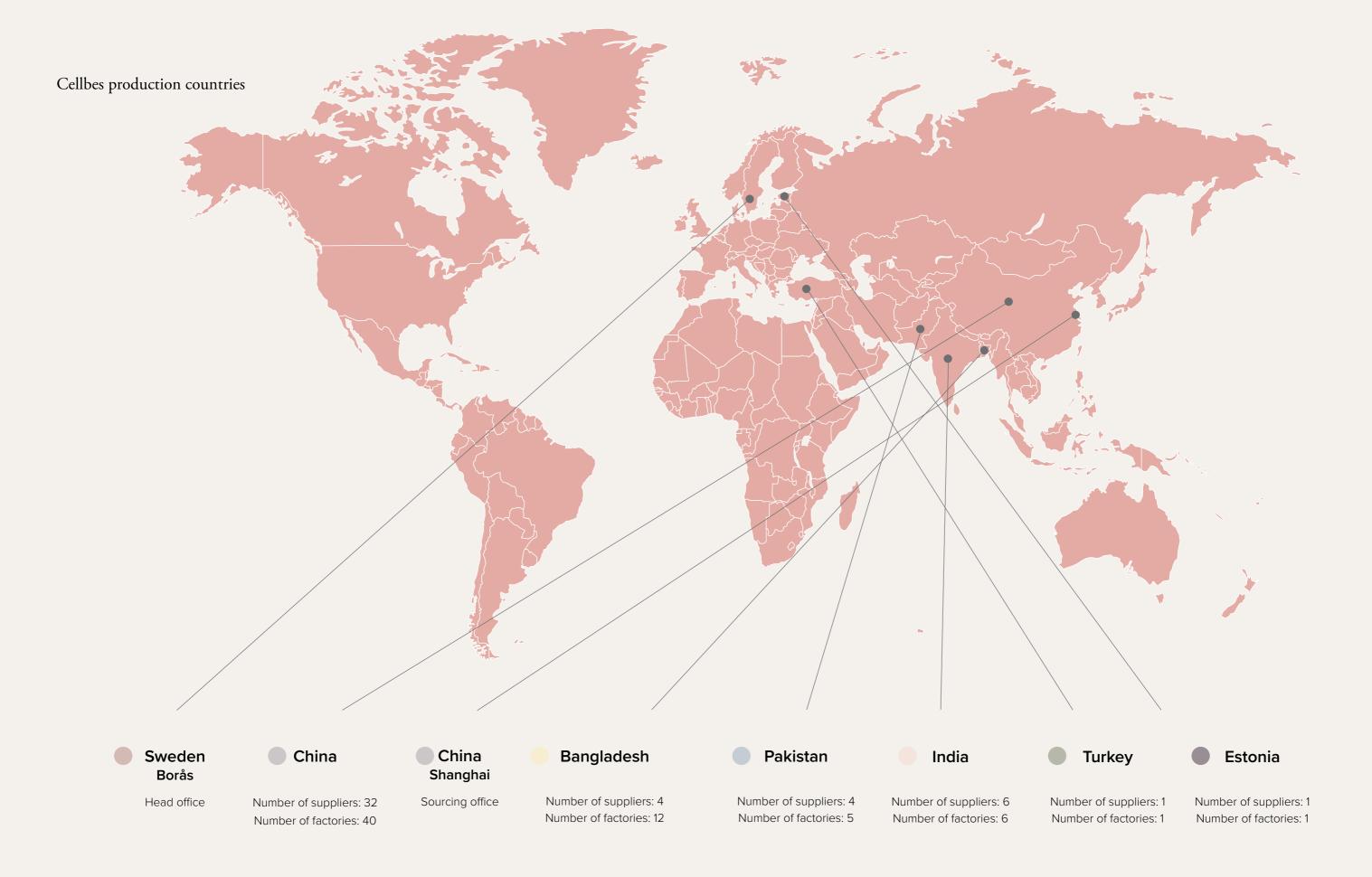
Production countries 2024



According to the Amfori Due Diligence ESG Risk Compass, Pakistan, Bangladesh, China, Turkey and India are categorised as high to very high risk in several areas



SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

Risks: Governance

	Bangladesh	China	Estonia	India	Pakistan	Turkey
Conflict data - Incident events	Medium risk	Medium risk	Low risk	Very high risk	Very high risk	High risk
Conflict data - Reported civilian deaths	Medium risk	Low risk	Low risk	Medium risk	Medium risk	Low risk
Ratification of environmental treaties	High risk	Medium risk	Low risk	Medium risk	High risk	Medium risk
Human development	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Ratification of human rights treaties	High risk	High risk	Medium risk	High risk	High risk	Medium risk
Global governance indicator	Medium risk	Medium risk	Low risk	Medium risk	Medium risk	Medium risk

Risks: Social

	Bangladesh	China Estonia		India	Pakistan	Turkey
Forced labour	High risk	Very high risk	Medium risk	Very high risk	Very high risk	Very high risk
Discrimination-Gender	No data available					
Fair compensation	Medium risk	Medium risk	No data available	Medium risk	Medium risk	Medium risk
Forced migration	High risk	Medium risk	Low risk	Low risk	High risk	High risk
International migration	Low risk					
Occupational safety and health - Non-fatal injuries	No data available	No data available	Low risk	No data available	No data available	Low risk
Occupational safety and health - fatal injuries	No data available	No data available	Low risk	No data available	Low risk	Low risk
Precarious employment	Very high risk	High risk	Very high risk	Very high risk	Very high risk	Low risk
Right to freedom of association	Very high risk	Very high risk	Medium risk	Very high risk	Very high risk	Very high risk
Working time - average	High risk	High risk	Medium risk	High risk	High risk	High risk
Working time - per cent	Medium risk	No data available	Low risk	High risk	Medium risk	Medium risk

Risks: Environment

	Bangladesh	China	China Estonia India Pakistar		Pakistan	Turkey
Air quality	Very high risk	Very high risk	Medium risk	Very high risk	Very high risk	High risk
Biological diversity	High risk	Very high risk	Low risk	Very high risk	High risk	Very high risk
Climate change	Very high risk	Very high risk	Medium risk	Very high risk	Very high risk	Very high risk
Waste management	Very high risk	Very high risk	Medium risk	Very high risk	Very high risk	High risk
Water and wastewater - wastewatern	Very high risk	Very high risk	Medium risk	Very high risk	Very high risk	High risk
Water and wastewater - water stress	Low risk	Medium risk	Medium risk	Very high risk	Very high risk	High risk

Table from the Amfori Due Diligence ESG Risk Compass showing the risk classification of our production countries in different areas.

Low risk: this score means this country has a low probability for risks on this indicator's scope. Basic due diligence should suffice in the form of general attention for possible new information and regularly checking the ESG risk scores.

Medium risk: it is possible that risks exist in the area in the country. Regular due diligence is necessary. Where sustainable options should be available, it is required to stay informed on occurrences on this indicator's scope.

High risk: poses a serious risk of adverse supply chain impacts when conducting business in

this country. Due diligence is advised through investigation and research on this indicator's scope and monitoring the current situation in the local supply chain is recommended.

Very high risk: it is very likely that infringements on this indicator's scope will occur in this country. Due diligence is considered mandatory and requires preventive action to ensure business with this location can be conducted in a sustainable manner.

No data available: when data is not available or is outdated.

SOCIAL RESPONSIBILITY
SOCIAL RESPONSIBILITY

Suppliers

Cellbes does not own any factories of its own, but co-operates with independent textile producers in Europe and Asia. The basis for being able to influence working conditions and environmental issues at suppliers is to maintain good cooperation and strong, long-term relationships. This is something we strive for and continuously work on.

A large part of our production is located in China and we have therefore chosen to have a production office in Shanghai. Being on site close to many of our suppliers is something that significantly strengthens both co-operation and communication.

Cellbes is working to consolidate the supply chain and limit the number of suppliers. This gives us better control and a closer co-operation with the suppliers we choose to work with long-term.

Before entering into a partnership with a new supplier, we require detailed information about the supplier's factories and subcontractors, supply chain, valid certificates and results of third-party inspections. We also require that all new factories

are members of Amfori and have at least a C grade inspection, or are certified according to SA8000. In addition, the supplier must carefully review and sign our supplier agreement, our so-called Supplier's Guide. This agreement contains, among other things, our code of conduct and animal rights policy, as well as our quality and chemical requirements.

Factories

The value chain of the textile industry is complex and often involves several intermediaries and many different subcontractors. We recognise this complexity and the difficulty of achieving full transparency. We have mapped and have all the information on which factories sew our products (Tier 1) and which factories produce fabrics and yarns (Tier 2). In addition to fabric and yarn production, dyeing and printing also take place in the fabric and yarn factories.

Since September 2021, we have published and publicised our Tier 1 factories. Since 2023, we are doing the same for all our Tier 2 factories. Tier 2 is the most environmentally and climate-impacting part of the textile supply chain and therefore it is

important for us to gain more knowledge about this part.

Cellbes controls which sewing factory (Tier 1) is used for an order. All authorised sewing factories are registered in our order system and the purchasing department must always link each order to a specific production unit. This allows us to follow up on the number of orders and the order value per sewing factory, which in turn significantly increases our control and traceability. This information is very important when prioritising our work on social responsibility and climate impact in the factories.

Transparency Pledge

The Transparency Pledge is a coalition of human rights and labour rights organisations working with global trade unions to promote transparency in

apparel and footwear supply chains.

The Transparency Pledge calls on clothing and footwear companies to commit to greater transparency in their supply chains.

Transparency in a company's supply chain makes it easier for the company to engage with civil society to identify, assess and avoid actual or potential adverse human rights impacts. This is a critical step that strengthens a company's human rights due diligence.

Cellbes signed the Transparency Pledge 2023 and publishes our Tier 1 factories (sewing factories) and Tier 2 factories (fabric and yarn factories) on our website. We have also published our Tier 1 factories on the Open Supply Hub.







SOCIAL RESPONSIBILITY



Amfori

Since 2018, Cellbes has been a member of Amfori, a world-leading initiative that works for social (Amfori BSCI) and environmental (Amfori BEPI) responsibility in the supply chain. Together with other member companies, we can have a much greater impact than if we acted alone. All of our sewing factories (Tier 1) are Amfori BSCI members.

Amfori BSCI

To ensure compliance with the requirements of the Amfori BSCI, we ensure that all sewing factories undergo continuous inspections based on the guidelines. The inspections are carried out by independent third-party auditors.

According to the Amforis guidelines, a full inspection takes place every two years and can be semi-announced or unannounced. Semi-announced means that the factory knows that an inspection will take place at a certain time interval, while unannounced means that the factory does not know when the inspection will be carried out.

A factory inspection usually includes:

- Introductory meeting with factory management.
- Walk-through of the factory to check the working environment and employees.
- Review of documentation.
- Interviews with managers and employees.
- Closing meeting with factory management and establishment of an action plan.

The factory is graded according to the 13 Amfori's assessment areas, with individual grades from A to E. These partial grades are then combined into a final grade.

Grade A – Excellent

The factory has no or only minor deviations from the code. No follow-up audit is required.

Grade B - Good

The factory has only minor deviations from the code and no deviations on critical issues. It has a high level of maturity and can drive its improvement process independently. No follow-up audit is required.

Grade C – Acceptable

The factory has no non-conformities on critical issues and fulfils at least half of all audit requirements.

Grade D – Inadequate

The factory has one or more non-conformities on critical issues and fulfils less than half of the audit requirements.

Grade E – Not acceptable

The factory has critical non-conformities with the code, which require immediate follow-up and action.

Zero Tolerance – Zero Tolerance

Includes very serious concerns, such as child labour, corruption and forced labour. Zero Tolerance means that immediate action must be taken by all members concerned.

Factories rated C-E need more support in the improvement process and are required to develop an action plan within 60 days of the inspection. A follow-up inspection must be carried out within one year to ensure that the actions have been implemented.

If a factory receives an A or B grade, the inspection is valid for two years.

Should a Zero Tolerance issue be detected, immediate action is required. All factory partners are informed and a joint meeting is held to address the issues. Zero Tolerance can include child or forced labour, unethical behaviour, corruption and bribery. At Cellbes, we are very keen to ensure that such issues do not arise and take violations of this kind very seriously.

Once an inspection has been carried out, the results are documented by the external auditor and published in the Amforis database, where they become visible to the companies using the supplier. The database makes it possible to share the information with other member companies, which in turn leads to a more effective joint influence on suppliers. In addition, double inspections can be avoided, allowing more suppliers to be inspected overall.

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SOCIAL RESPONSIBILITY

Inspection results by assessment area Amfori BSCI 2024

Objectives and results

In 2024, we managed to achieve our target that none of our sewing factories would have a grade lower than C.

We also increased the share of sewing factories with an A or B grade to 28%, compared to 23% in 2023.

The largest share, , has a final grade of C. One of the reasons why many factories end up at this level is that a relatively large number of them are criticised

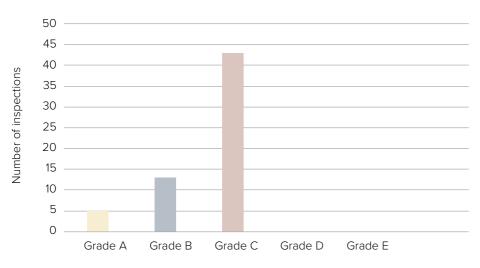
for working hours. Reasonable working hours and overtime is one of Amfori's areas of assessment and a common area of criticism, particularly in China. The issue of overtime is difficult to address, but we try to have a constructive dialogue with our suppliers.

The results of factory inspections are also broken down into 13 separate assessment areas, and factories are scored on each one, highlighting which areas need to be prioritised for improvement.

Ethical behavious Protection of the environment No forced labour Employment contract Special protection for young workers No child labour Safe working environment Fair compensation No discrimination Right to freedom of association and collective bargaining Worker engagement and protection Social management system and cascade effect 0 10 20 30 40 50 60 70 Number of inspection results Grade A Grade B Grade C Grade D Grade E

The chart shows the results (grades A-E, where A is the highest) for each assessment area for our Tier 1 sewing factories that are members of Amfori.

Inspection results Amfori BSCI 2024



The chart above shows the percentage of our inspected sewing factories that received each grade (A-E, where A is the highest)

No discrimination

Examining whether there is a risk of discrimination is an important area of assessment during an Amfori inspection. It also examines whether there is sexual violence or gender-based harassment, which is a heightened risk in the textile industry, especially for female workers.

Factory management must document how they monitor and prevent discrimination and harassment. Management must be able to demonstrate that they follow the Amfori Code of Conduct and that complaints can be made without risk of retaliation.

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In the Amfori platform, Cellbes also registers the fabric and yarn mills (Tier 2) that are members of Amfori. This allows us to follow up on their performance on BSCI inspections. As we have a large proportion of fabric and yarn mills that are not members of Amfori, we are working to increase the number.

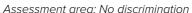
Living wages in the production chain

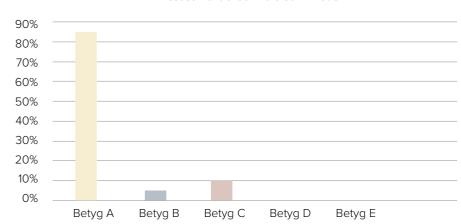
The minimum wage is set by law in every producing country, but unfortunately it does not always correspond to a so-called living wage. A living wage

is calculated to cover all basic needs such as food, housing, healthcare, childcare/schooling and some savings for unforeseen expenses. Working to ensure that everyone receives a living wage is complex and it is difficult to ensure that the money is actually spent on wages.

All our factories are required to pay at least the legal minimum wage, which is verified during Amfori inspections. We support Amfori's work to promote living wages and choose suppliers who take the issue seriously.

Inspection results Amfori BSCI 2024





The figure shows the results (grades A-E, where A is the highest) for the assessment area "No discrimination" for our sewing factories (Tier 1) and fabric and yarn factories (Tier 2) that are members of Amfori.

Governance





Anti-corruption in the supply chain

Part of Amfori's Code of Conduct, Ethical Business Conduct, focuses on corruption. To be considered a socially responsible factory according to Amfori, it is required to have established social policies and act transparently. Fraud and misrepresentation in the supply chain can lead to both substandard and defective products. These measures ensure that corruption, extortion, embezzlement, bribery or falsified information do not take place.

An inspection in this area evaluates whether the factory can prove that it has developed policies and actively takes measures to prevent corruption. The inspector also assesses the factory's level of knowledge and how it works to inform and train employees.

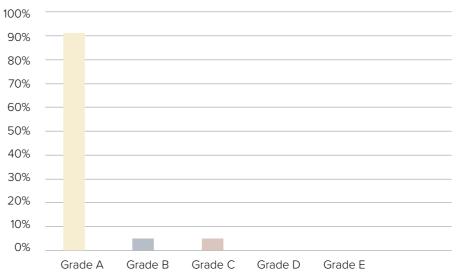
For the 2024 measurement, we also include fabric and yarn mills that are members of Amfori. Looking only at sewing factories, the share of factories with the highest score has increased from 92% to 98% in 2024. Also, no sewing factory has received a score lower than B during the year, which is an improvement.

However, when we add up our fabric and yarn mills, we get a proportion that is at grade C. Our aim is to continually improve our scores in all areas of assessment and to ensure that our mills comply with applicable conditions. We recognise that we need to work more closely with factories further down the supply chain.

One area where we see great potential for improvement is the way factories train their staff, as some employees say they lack knowledge of business ethics.

Inspection results Amfori BSCI 2024

Assessment area: Ethical business behaviour



The image shows the results (grades A-E, where A is the highest) for the assessment area "Ethical Business Conduct" for our sewing factories (Tier 1) and fabric and yarn factories (Tier 2) that are members of Amfori.

GOVERNANCE

Whistleblowing

Whistleblowing function in our organisation

We have recognised the risk that employees persons may feel uncertain about raising suspicions or misconduct, and where to turn if the suspicion or information concerns a superior. To ensure compliance with the policy, we needed to improve the possibilities to make any cases visible by creating an anonymous reporting channel for our employees. In 2021, Cellbes therefore decided to implement a whistleblowing function. We chose an external provider, which, among other things, guarantees that we as an employer fulfil the legal requirements and that the whistleblower remains anonymous.

In connection with this, whistleblowing guidelines were established, a policy describing what suspicions and misconduct can be reported, how to report, what protection a whistleblower has, which internal roles handle incoming cases, how the process works and what is expected of both internal managers and the whistleblower during the investigation.

Finally, it is obvious to us that Cellbes employees, contractors and board members must not accept bribes or participate in bribery. Our policy is clear and we are confident that we have both a functioning reporting function and well-implemented guidelines.

Whistleblower function in production

Cellbes is committed to ensuring that workers in its factories are treated with respect and have a safe and secure working environment. Through Amfori Speak for Change, employees in factories that manufacture Cellbes products are given the opportunity to whistle blow with an independent investigation.

Speak for Change is a whistleblowing mechanism to receive and address complaints from workers. It offers several contact channels - phone, online form or chat app - adapted to local conditions (language, accessibility, etc.), allowing workers to express themselves anonymously.

If Amfori considers a complaint to be well-founded, all members linked to the factory concerned are immediately called to a meeting. An independent investigation officer is appointed and an action process is initiated.

Speak for Change is available in several of the countries where Cellbes has production and will be introduced in the remaining countries in 2025. As we also register the fabric and yarn mills that are Amfori members, they are also covered by the Speak for Change programme.

Cellbes has not received any whistleblower cases in its supply chain in 2024.

Code of conduct

Through their membership of Amfori, all members undertake to follow a common code of conduct and to work continuously to disseminate and implement it among suppliers.

Our Code of Conduct refers to international conventions such as the *Universal Declaration* of Human Rights, Children's Rights and Business Principles, UN Guiding Principles on Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO).

All suppliers are required to sign our Code of Conduct, which shows that they take responsibility and are committed to human rights, good labour conditions and treating workers with respect.

The Code of Conduct covers several important human rights issues. For example, business partners must not discriminate or exclude people based on gender, age, religion, race, social background, sexual orientation, ethnicity and so on. Child and forced labour is strictly prohibited and workers should be entitled to fair remuneration sufficient to support themselves and their families.

The code of conduct includes the following requirements:

- The right to freedom of association and collective bargaining.
- · Fair compensation.
- Health and safety must be taken into account in the workplace.
- Prohibition of child labour and special protection for young workers.
- · Prohibition of forced labour.
- Ethical business behaviour.
- · Prohibition of discrimination.
- · Decent working hours.
- No insecure employment.
- · Protection of the environment.

Animal welfare issues

Cellbes suppliers are encouraged to strengthen controls in their value chains and apply the same rigour to their subcontractors. All parties are encouraged to work together to improve dialogue, traceability and transparency throughout the value chain, from farm to slaughterhouse, including all handling of animals during rearing, transport, slaughter, shearing and the like.

All our suppliers must comply with national and international laws relating to animal rights. This includes international agreements such as the Convention of International Trade in Endangered Species (CITES). Cellbes products must not contain parts from vulnerable or endangered species.

Farmers and all animal handlers must comply with the Five Freedoms for Animal Welfare, developed by the EU Farm Animal Welfare Council/World Organisation for Animal Health (OIE). These five freedoms are:

- Freedom from hunger and thirst through access to fresh water and a diet that maintains full health and vigour.
- Freedom from discomfort by providing a suitable environment with shelter and a comfortable resting place.
- Freedom from pain, injury and disease through prevention or timely diagnosis and treatment.
- Freedom to perform natural behaviour by meeting the animal's needs for sufficient space, the right resources and companionship of the animal's own kind.
- Freedom from fear and anxiety by ensuring conditions and treatments that prevent mental distress.

All suppliers are encouraged to provide as much detailed information as possible on the origin of the material.



Products of animal origin

Cellbes is committed to animal rights and believes that animal health and welfare should be considered throughout the manufacturing process. Our animal rights policy is included in our Supplier's Guide, which all our suppliers sign.

We have the following requirements for animalderived materials:

- Down and feathers used in Cellbes products must come from birds raised for meat production.
 Down and feathers must not come from birds that have been force-fed or plucked alive. All virgin down and feathers must come from farms certified to the Responsible Down Standard (RDS).
- Leather and skins in Cellbes products must be a residual product from the food industry.
- No real fur may be used.
- Animal hair and wool must not come from animals that have been handled, slaughtered or sheared in a way that could harm them. All wool in Cellbes products is certified according to the Responsible Wool Standard (RWS) or Responsible Mohair Standard (RMS).
 - Mulesing: wool must not come from farms that use mulesing, a procedure that can be performed on the sheep's hindquarters to prevent blue fly infestation.

- o *Angora*: Rabbit fur is not allowed in Cellbes products.
- Materials such as skins, bones, teeth and claws must not come from reptiles. Reptiles include but are not limited to alligators, crocodiles, lizards and snakes.
- We do not allow the use of corals or shells from species listed by CITES (The Convention of International Trade in Endangered Species) or IUCN (International Union for Conservation of Nature) on the Red List of Threatened, Critically Endangered or Vulnerable Species. If pearls are used in the production, only cultured pearls are allowed.
- No animal bones or horns are used for our products.
- Materials or ingredients tested on animals are not authorised.

As we have taken a stand against the use of real fur in our products, we have signed up to Animal Rights' fur-free list, which is part of the international Fur Free Alliance (FFA).







Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Cellbes AB, org.nr 556540-2152

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2024 och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Göteborg den dag som framgår av vår elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik Auktoriserad revisor

