

GROUP SUSTAINABILITY REPORT 2022

CONTENTS

About Didriksons Group Sustainability Report
A word from the CEO4
Highlights in 2022
Consequences of the global forces
About Didriksons 7-12
Making jackets with a purpose7
Didriksons' core values
Didriksons in figures
Responsibility structure
Stakeholders
Governance
Our sustainability focus 13-15
UN Sustainable Development Goals
Our projects and initiatives

Responsible production	17-24
Greenhouse gas analysis	
Plan for emission reduction	
Solution dyeing	
Materials	21
Recycled fibres	21
Bio-based fibres	22
Recyclable mono-materials	22
Use of chemicals	
Risks and risk management	
Logistics	
Transportation	
지수는 것이 같이 다니 것이 집에 집에 있는 것이 같이 많이 있는 것이 없는 것이 없는 것이 없는 것이 없다.	
Packaging	
Packaging	
Circularity	25 – 27
Circularity • Our responsibility	25 – 27 25
Circularity	25 – 27 25 25
Circularity • Our responsibility • Product life is crucial • Long-term design	25 – 27 25 25 25
Circularity • Our responsibility • Product life is crucial • Long-term design • Research project: Rental models	25 – 27 25 25 25 25 25 25
Circularity • Our responsibility • Product life is crucial • Long-term design • Research project: Rental models • Quality review	25 – 27 25 25 25 25 25 25 25 26
Circularity • Our responsibility • Product life is crucial • Long-term design • Research project: Rental models • Quality review • Child safety	25 – 27 25 25 25 25 25 25 26 26
Circularity • Our responsibility • Product life is crucial • Long-term design • Research project: Rental models • Quality review • Child safety • Responsibility initiative	25 – 27 25 25 25 25 25 26 26 26 26
Circularity • Our responsibility • Product life is crucial • Long-term design • Research project: Rental models • Quality review • Child safety	25 – 27 25 25 25 25 25 26 26 26 26 26 26

. 27

• Extend Size and name tags ...

Social issues	28–30
Our partners	
Code of Conduct	
Long-term relationships with our partners	
Risks and risk management	
Didriksons' people	31–33
Together we make a difference	
Didriksons as an employer	
Risks and risk management	

|--|

ABOUT DIDRIKSONS' GROUP SUSTAINABILITY REPORT

The Board of Directors of Didriksons Group Holding AB, corp. ID no. 559161-5751, hereby presents the Group Sustainability Report for 2022, prepared as a separate report to the Directors' Report in accordance with chapter 6, section 11 of the Swedish Annual Accounts Act.

Since Didriksons was founded in 1913, the company has aimed to create clothes with a long product life and a high level of quality that provide protection from the elements. From the very beginning, we have focused on long-term sustainability within our operations and the products we design and produce. Our aim is to present our sustainability work in an as transparent and detailed manner as possible.

THIS GROUP SUSTAINABILITY REPORT COVERS THE FOLLOWING COMPANIES:

- Didriksons Group Holding AB, corp. ID no. 559161-5751
- Didriksons Group AB, corp. ID no. 559161-5744
- Krushyttan AB, corp. ID no. 556948-1731
- Krushyttan Förvaltning AB, corp. ID no. 556949-5269
- Didriksons Regnkläder AB, corp. ID no. 556566-1831
- Didriksons Sverige AB, corp. ID no. 559027-7967
- Didriksons Retail AB, corp. ID no. 559077-4732
- Didriksons Norge AS, corp. ID no. 991600477
- Didriksons UK Ltd, corp. ID no. 08309487
- Didriksons Finland OY, corp. ID no. 2617676-8
- Didriksons Deutschland GmbH, corp. ID no. HRB18342

A WORD FROM THE CEO

2022 was a year characterized by uncertainty, due to an unstable global environment. Despite this, we see hopeful signs in the increased interest in products that last longer, the growing second-hand market and people's increased will to repair rather than discard. This all aligns well with our CSR philosophy, where our most important objective is to create products for long-term use. As always, we continuously challenge ourselves to find new solutions. We have already seen a successful launch of our long-living range, which is based on our design philosophy regarding both choice of materials and focus on durability. This has been made possible by the long-term development of a sustainable production chain.

I am very proud of the fact that we managed to maintain our high ambition in our CSR work through these challenging times. During the past year, we have increased our efforts to become even more sustainable by mapping emissions in our value chain, and we have made significant progress in minimizing our emissions by no less than 55% in scope 1 and 2. We have also taken further decisive steps in our long-term work for traceability throughout the production process. The work that began several years ago has continued to grow and brought us closer to the goal of becoming a leading company in the pursuit of full transparency throughout the entire value chain.

At Didriksons our employees have always been the backbone of our success, and we will continue to put their well-being first. Our competent and committed colleagues have made our progress possible with their tireless belief in our brand and in our long-term plan. Therefore, it warms my heart that we once again have been certified by Great Place to Work® as one of Sweden's top workplaces, demonstrating our commitment to fostering a team-oriented environment that consistently delivers job satisfaction.

Overall, the 2022 report demonstrates our ongoing commitment to ensuring sustainable practices across our company. We are proud of the progress we have made so far and committed to building on this foundation going forward. And most importantly - we have a consistent CSR focused plan for the company's progress, a plan which we have been following for more than ten years. This plan has been a crucial part of the strong development of our brand, and we will follow that plan with determination to ensure that we continue to offer a compassionate alternative for all outdoor lovers.

See you outside,

Johan Ekeroth



HIGHLIGHTS IN 2022

- **31% of all purchased textiles** are dyed using the water-, energy-, and chemical-saving technique called Solution Dye.
- 55% CO₂ emission reduction of greenhouse gas emission in our scope 1 & 2 with 2018 as base year.
- We maintained certified as a Great Place to Work®.
- 92% of all padded products have padding made from recycled fibers, certified according to Global Recycled Standard (GRS).
- Vegan a long-term holistic approach, now 10 years without down, wool, leather, or fur.
- **Thelma 15 years,** this is still one of our most appreciated products thanks to our design philosophy to give our products a long useful life.
- **The CSR manager** is now part of the management team to drive integration of sustainability into the business.
- Long-living We launched a non-seasonal product range with classic pieces.



CONSEQUENCES OF THE GLOBAL FORCES

There is no doubt that the pandemic still has had an impact on the entire world, us included. During 2022 we have continued to experience disturbances due to Chinas' zero-covid policy. Consequences in the form of border closures, shutdowns both in our production facilities and infrastructure. China is the main supplier of materials for all our production countries and consequently all countries were affected.

The consequences of the pandemic have also meant that we have not been able to visit our vendors to the extent we would under normal circumstances. Several markets opened during the second half of the year 2022, enabling us to make more frequent visits to our production. However, travel within China has been limited due to closed regions and long quarantine regulations. With fewer possibilities for physical meetings, we now have a more frequent routine of having digital dialogues and this has contributed to a more efficient process as well as reduced emissions.

Closed factories in our main production country, China, lead to production delays that has affected our result of freight in a negative way. We are constantly working on our planning and souring processes to avoid air freight at any time. When unforeseen things happen, our process is to evaluate carefully what freight possibilities there are to only use air freight for the number of products that risk remaining unsold due to delayed delivery.

"Every jacket we make will have a meaningful purpose, for the people who wear it, make it and for our planet"

Vision

"We make sustainable, functional outerwear with clever features, each designed with a purpose"

Mission

ABOUT DIDRIKSONS

MAKING JACKETS WITH A PURPOSE

When we started Didriksons' rainwear factory in Grundsund in 1913, we made waterproof jackets that helped fishermen survive the forces of nature on the rough waves of the North Sea. Since then we have continued to design and manufacture jackets with a meaningful purpose. Our aim is to enable consumers to only buy the products they really need and want. We therefore base the design of our product range on the principle that our products will become long and faithful companions for many years. In keeping with our approach to our products, we also prioritise long-term relationships with our partners, employees and consumers.

OUR PURPOSE:

- Keep you dry, warm and safe
- Enable you to feel that you can move freely and spend as much time outdoors as you wish
- Protect our planet and inspire you to do the same



DIDRIKSONS' CORE VALUES

Our three core values – craftsmanship, innovation and responsibility – are an integral part of everything we do, from the initial design idea until the product is no longer usable. Our long experience of making well-designed, high-quality products has resulted in **craftsmanship** being one of our most important values. For us, innovation means smart design with focus on comfort, safety and protection from the elements. **Innovation** also means that we are always looking for better alternatives in everything we do, from design and material choices to finding more sustainable production processes. We also have a **responsibility** to our stakeholders to run an economically and socially sustainable company, as well as an environmental responsibility to only produce products that fulfil a purpose and last for a long time.

CRAFTSMANSHIP

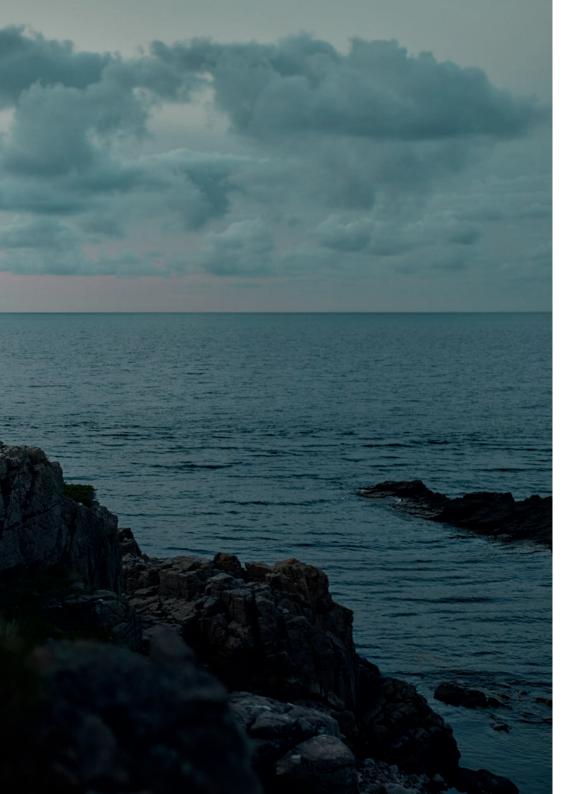
We create clever and well-designed jackets designed for consumers' needs

INNOVATION

We drive an innovative design with focus on comfort, protection, safety and sustainability

RESPONSIBILITY

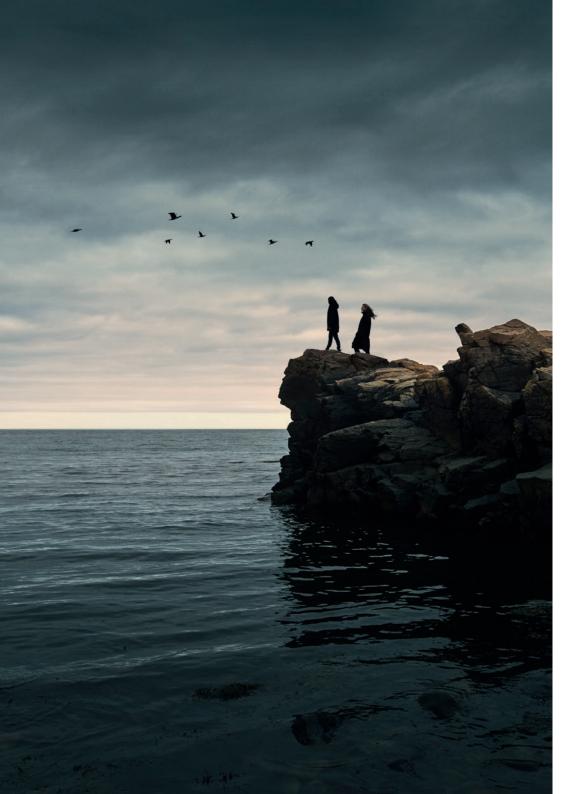
We make jackets with a purpose to last, and we foster an equal work ethic and a down-to-earth culture



DIDRIKSONS IN FIGURES

Didriksons' business idea is based on creating functional, sustainable, and well-designed jackets that protect people from the elements. Our products are mainly sold in Sweden and Germany, although Didriksons also continues to grow outside these markets. Below is a summary of Didriksons in figures in 2022.

- The Didriksons brand was founded in 1913 in Grundsund in the Swedish province of Bohuslän and is thus one of the oldest clothing brands in Sweden.
- Markets: 25 countries
- Subsidiaries in Sweden, Norway, the United Kingdom, Finland, and Germany
- Representative office in China with a quality assurance function
- Quality assurance representative in Bangladesh
- Design and product development takes place at the head office in Borås, Sweden
- Own e-commerce activities in 20 countries
- Number of employees: 109
- Net sales in SEK: 745 million
- Number of products sold: 1,541,073
- Top markets are Sweden and Germany



RESPONSIBILITY STRUCTURE

To reach a high level of progress in the field of sustainability we believe that the whole company needs to have a clear sustainability focus. Our sustainability work is assigned to a CSR manager who is responsible for developing the overall CSR strategy and daily management of the CSR processes for Didriksons.

The CSR manager leads a designated CSR group consisting of expertise from the management team and relevant departments within the company. The purpose of the group is to ensure that the CSR strategy is implemented throughout the whole business, involving all areas and departments.

STAKEHOLDERS

Didriksons has a number of different internal and external stakeholders. The following is a description of some of our most important stakeholders.

CONSUMERS

We want our products to inspire consumers to spend more time in nature. Consumers should feel secure in the knowledge that our products are safe and meet the requirements expected of them, and that they will last for many years.

EMPLOYEES

We strive to always be a responsible and attractive employer that motivates our employees and listens to their input. It is our employees who make Didriksons the company we are.

RETAILERS

Apart from our own e-commerce activities and stores, it is through our retailers that Didriksons is visible to consumers. For us, it is important to ensure that our retailers understand our values and are able to sell our products in a valuable manner.

OWNERS

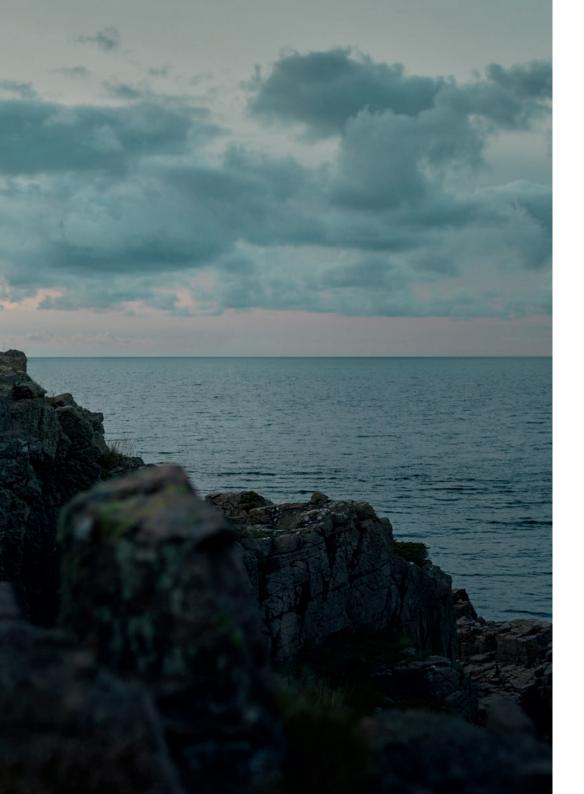
Our majority owner, Adelis Equity Partners, is a signatory to the UN Principles for Responsible Investment (PRI) and has, through the Board of Directors, established sustainability goals for Didriksons' operations.

SUPPLIERS AND OTHER BUSINESS PARTNERS

We strive to achieve long-term partnerships with our business partners, who are required to comply with our Code of Conduct, have rules on safe and sustainable production and respect human rights.

SOCIETY

We strive to be a transparent company and a responsible employer that constantly remains up to date and compliant with the regulations and laws expected of a company in our industry. We participate in research projects and support organisations that can impact positive influence in relation to the various challenges faced by the textile industry.



GOVERNANCE

Didriksons has a number of policies for the different parts of our business, and we comply with applicable regulations and industry standards to ensure that Didriksons acts in a responsible manner. Our policies govern how we work with sustainability and our products and ensures that all tiers of production are managed in an environmentally, economically and socially responsible manner. There is a clear framework for how Didriksons complies with labour market laws, ordinances and regulations. Suppliers and subcontractors are obligated to comply with our Drybook, which is our supplier contract. Our Drybook serves as a manual that includes details of statutory requirements and our Code of Conduct. Workplace instructions are regulated in Didriksons' Staff Handbook and in applicable collective agreements. All employees are also provided with information about GDPR and how we process personal data concerning employees and customers.

OUR SUSTAINABILITY

UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the Member States of the United Nations signed an agenda containing 17 Sustainable Development Goals (SDGs) aimed at achieving a more sustainable and gender-equal world. The aim is to achieve these SDGs by 2030. Based on these 17 SDGs, we have identified five focus areas that we can influence in our daily work and where we can create positive change.

OUR FIVE GOALS

Based on the UN's 17 SDGs, we have selected five goals that can be applied directly to Didriksons and in our value chain. Based on these five goals, we have then created an internal order of priority and have selected two goals on which to further channel our sustainability focus. These two focus areas are **6 Clean water and sanitation** and **12 Responsible consumption and production**. To gain an overview of how we are performing and developing in relation to our five selected goals, we have developed a number of key performance indicators (KPIs) that we have been using since 2017.



SUSTAINABLE DEVELOPMENT GOALS IN OUR VALUE CHAIN

In developing our sustainability strategy, we have worked on the basis of our entire value chain and have implemented sustainability goals that affect every step in the chain, from the initial design idea to the handling of worn-out products. Our CSR Policy and Environmental Policy form the basis of our strategy and act as governing documents in the design of the strategy. These governing documents are available to Didriksons' staff via our internal database.



6 CLEAN WATER AND SANITATION



Water has always been an important issue for us and characterises both our history and Didriksons as a brand. One of our most highly prioritised goals is to reduce our water consumption and improve water quality. We do this by working with a small number of carefully selected producers and constantly improving our dyeing processes. Since 2015 we have implemented the solution dyeing technique in our production process. We continue to expand our use of water-saving dyeing processes and responsible design development. Since 2015 we have also used completely PFC-free alternatives for our water-repellent finishes as part of our measures aimed at keeping water cleaner from harmful chemicals. The section entitled "Responsible production" contains more information about how we work to reduce our water consumption.

8 DECENT WORK AND ECONOMIC GROWTH



We take care of our employees and our long-term partners. For us, it is of the utmost importance to ensure that everyone who works for Didriksons, regardless of where in the value chain, has decent working conditions and is able to work in a safe and secure work environment. In the section entitled "Social issues – including human rights and anti-corruption", and in the section entitled "Didriksons' people", we describe the KPIs we measure and the risks associated with goal number 8.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION In order for Didriksons to be able to continue to produce products, we must constantly develop our production processes. This is necessary in order to minimise our environmental and health footprint. Extending the product life of the garments we make is also part of Didriksons' responsibility.

We work closely with our partners to achieve a more sustainable production process. We are present and train our suppliers and subcontractors to ensure they comply with applicable laws and chemical requirements. In order to reduce our environmental impact with regard to materials, we constantly strive to increase our use of more sustainable materials and water-saving dyeing processes. One initiative aimed at achieving more circular products is ensuring that part of our product range is prepared for recycling in the future. In the sections entitled "Responsible production" and "Social issues – including human rights and anti-corruption", we provide more information about our projects and activities in relation to goal number 12.



Didriksons' goal is to use less of the world's resources and to use these resources as responsibly as possible. This applies to both large and small initiatives. One example is our endeavour to choose the most climate-smart alternatives at our head office. We measure the amount of heat and energy consumption at our office buildings. Our collaboration with STICA has provided us with the opportunity to use standardised methods of measuring our emissions. In the section entitled "Responsible production", under the heading "Greenhouse gas analysis", we provide a description and analysis of our reporting to date through STICA.



13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Goal number 17 focuses on being able to meet the sustainability challenges facing the world and our need to strengthen partnerships at both a local and global level. We have long-term relationships with a small number of carefully selected suppliers. We have been working with our longest-standing supplier for more than 20 years. We share our knowledge and provide our suppliers with training in technical know-how, as well as training in sustainability and corporate social responsibility. The section entitled "Responsible production" contains a description of the KPIs we measure and the risks associated with partnerships with suppliers.

OUR PROJECTS AND INITIATIVES

In order to be able to make a difference and minimise the textile industry's impact on the environment, it is necessary for us to work together with the whole of our industry. We work with partners at both a global and local level, and this section contains a description of some of our key partners in relation to our sustainability work.

GREAT PLACE TO WORK®

Great Place to Work helps organisations of all sizes and in all industries to evaluate and develop their workplace culture. Quality awards are presented annually to the best workplaces based on the results of their surveys. This certification is the only one of its kind in Sweden and is based on the Great Place to Work Institute's global standard for what characterises a good workplace. The certification is proof that employees experience a very high degree of trustworthiness, respect, fairness, pride and camaraderie within the organisation. Didriksons lives up to the high standards for what characterises a good workplace and has, after a thorough evaluation, been awarded the Great Place to Work certification.

CSR VÄSTSVERIGE

Didriksons is a member of CSR Västsverige, where we receive access to extensive and versatile support aimed at developing long-term, value-creating CSR activities in our organisation.

SWEDISH INSTITUTE FOR STANDARDS (SIS)

SIS is a network of experts working to create international standards. Didriksons participates in SIS in order to stay up to date on industry standards concerning safety in children's clothing (SIS/TK 16/AG 5).

SWEDISH CHEMICALS GROUP

Didriksons is part of the Swedish Chemicals Group, the purpose of which is to disseminate the latest knowledge regarding chemical and environmental issues to member companies. This is a way for us to stay up to date on the latest information regarding chemicals in the textile industry.

THE SWEDISH TEXTILE INITIATIVE FOR CLIMATE ACTION (STICA)

Since 2019, Didriksons has been a member of STICA, a collaborative organisation whose aim is to help Nordic fashion and textile companies reduce their climate footprint in line with the Paris Agreement goal of limiting global warming to 1.5 degrees. The goal is to reduce greenhouse gas emissions by at least 50% by 2030. We map our carbon dioxide emissions (CO_2) based on three scopes within our value chain.

WATERAID

Each year, Didriksons makes a monetary donation to the independent international organization WaterAid. WaterAid is an organization that works to improve people's lives by improving access to clean water, sanitation, and hygiene in the world's poorest communities. In 2022, Didriksons were involved in March for water. Didriksons employees participated in the step collecting activity to raise money for clean water and a more equal world. During the water month March 10Euro per sold Whyra jacket was donated to support WaterAid's important work. Whyra jacket is produced in 100% solution dyed fabric that saves water in fabric production.

RINKI, FINNISH PACKAGING RECYCLING RINKI LTD

Didriksons is a member of Rinki, a Finnish non-profit service company that makes the sorting of packaging easy for consumers and facilitates the management of producer responsibility for businesses.

DER GRÜNE PUNKT

Didriksons is a member of German Der Grüne Punkt, a European network for recycling.

FTI (THE SWEDISH PACKAGING & NEWSPAPER "COLLECTION SERVICE)

Didriksons is a member of FTI, an association that collects packaging and newspapers in Sweden and makes sure that they are recycled to the greatest extent possible.

LÉKO

Didriksons is a member of Léko, a French eco-organization that aims to modernize the household packaging sector in France.

RE_FASHION

Didriksons is a member of Re_fashion, a textile industry eco-organization with the role to oversee the prevention and end-of-life management of the products each company place on the French market. The aim is a 100% circular textile industry.

THE RESCUE MISSION

Didriksons is a strategic partner to The Rescue Mission, a non-profit, social work organization based in Gothenburg. During the winter season 2022 Didriksons donated jackets to help keep people warm.











DerGrünePunkt Macht was draust



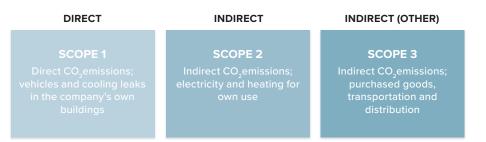


RESPONSIBLE PRODUCTION

Didriksons endeavors to use the BAT (Best Available Technology) principle, which entails the selection of manufacturing processes based on the best available technology from an environmental perspective.

GREENHOUSE GAS ANALYSIS

In 2022, we carried out a greenhouse gas analysis as part of our membership of STICA. The greenhouse gas analysis relates to 2021 and thus differs from the other parts of the report, which are focused on 2022.



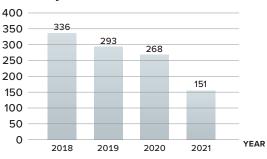
SCOPE 1 & 2:

The first mapping of Didriksons' greenhouse gas emissions was carried out in 2018 and related to scope 1 and scope 2. 2018 is therefore our base year for these scopes, and it is this year's measurement of emissions that we refer to in our goals for scope 1 and scope 2. As in the previous year, the largest percentage of emissions in these two scopes relates to energy and heat consumption. In total for scope 1 and scope 2, we have reduced our emissions by 55% compared to our base year. The reduction is largely due to less use of energy and heating primarily because we have one less own operated warehouse. Reduced travelling has also contributed to the reduction of emissions. The target for scope 1 and scope 2 was reached in the year 2021. The emission reduction target has therefore been revised from previous 50,4% to 60% by the year 2025.

To continue the trend of reduced emissions, we are continuing to work on identifying actual use and mapping the energy sources from which our heating is derived, with the aim of replacing all non-renewable sources with renewable energy and thus reducing emissions in our total energy consumption. Ongoing measures are also being taken to replace fossil-driven vehicles with plug-in hybrids and/or electric vehicles, to reduce our emissions still further.

SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS

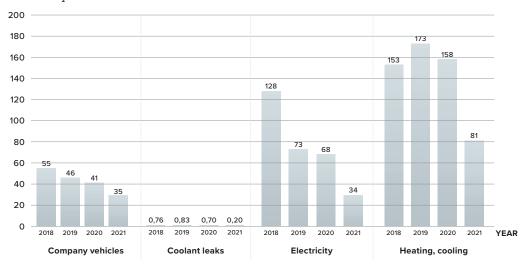




Difference compared to base year: Reduction of 185 tonnes of CO₂ = 55%

DISTRIBUTION OF EMISSIONS SCOPE 1 & 2

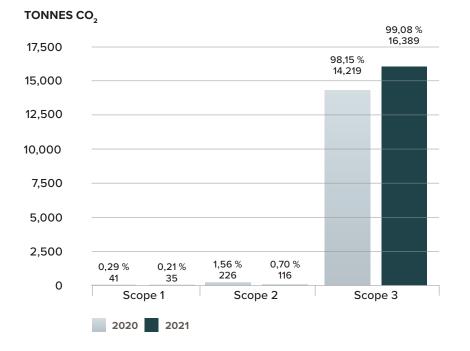
TONNES CO.



SCOPE 3:

2020 is our base year for scope 3. The results show that our main emissions exist in scope 3 (99,1%), and more specifically in the category "Purchased Goods and Services" (77%). The total emission for scope 3 increased for the year 2021 because we bought more products this year. However, product emission per sold product was reduced by 18% compared to the year 2020. The category "Transportation and Distribution" accounts for the second-largest share of our emissions (21%). When it comes to this category, our ambition is to always ship goods by sea to the greatest extent possible. More information about transportation is provided in the section entitled "Our logistics." Target for scope 3 is revised from reduction of 30% to 50% in line with the STICA climate impact ambition.

CO₂ EMISSION PER SCOPE AND YEAR



FOR SCOPE 1 & 2, WE AIM TO ACHIEVE THE FOLLOWING GOALS BY 2025

- Based on our emission reporting, we should reduce our absolute greenhouse gas emissions by 60% by 2030 in order to be in line with the goal of limiting global warming to 1.5 degrees. Didriksons' goal is to achieve this by 2025.
- 100% of our energy consumption will come from renewable energy sources.
- Carpool: 75% plug-in hybrids and/or electric.

FOR SCOPE 3, WE AIM TO ACHIEVE THE FOLLOWING GOAL BY 2030

- Reduce our absolute greenhouse gas emissions by 50% by 2030.
- During year 2023 the process to make a climate action roadmap will start. This will clarify what actions Didriksons needs to take in order to reach the emission reduction goal.



PLAN FOR EMISSION REDUCTION

Emissions in the category "Purchased Goods and Services" has by far the largest impact and must therefore be our main area of focus when implementing measures to reduce our climate impact. To achieve the goal of a 50% reduction in greenhouse gas emissions in scope 3 by 2030, we are continuing to work on measures involving the conscious selection of materials that generate low greenhouse gas emissions. We are continuing to increase the percentage of lining and outer materials manufactured with the water-, chemicals- and energy-saving solution dyeing process in our collections. We also recognize the importance of continuing to develop relationships with our partners to achieve a more sustainable production process.

To improve the data quality for the next reporting year, we are endeavoring to obtain actual supplier data from a couple of our garment suppliers. Our aim is to target all garment vendors and certain pinpointed material partners. Better data quality will further improve our emission calculations so that relevant climate action can be identified.

The challenge for Didriksons is to continue to reduce our total emissions during our current growth journey. In summary, to achieve our goals, we must continue to find better alternatives in production, choose better energy sources and better materials, and find better ways of transporting our products from the factory to our customers and consumers. Together with more accurate data from our supply chain, from fiber production to finished garments, we will continue to strive to reduce our climate footprint.

SOLUTION DYEING – THE DYEING TECHNIQUE THAT SAVES WATER

Since 2015, to minimize the use of water, chemicals, and energy in our production processes, we have been using the solution dyeing technique when dyeing some of our synthetic materials.

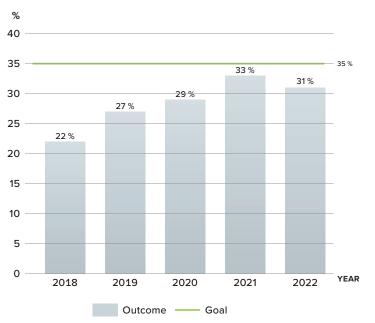
The solution dyeing technique involves mixing in colour's pigments at the initial stage of producing the fiber that will become material. One major benefit of this dyeing technique is the avoidance of a separate dyeing process; otherwise, the fiber must first be spun and then woven into a fabric which is subsequently dyed. Every kilogram of solution-dyed material saves between 80 – 120 liters of water compared with traditional methods of dyeing synthetic textiles. A fabric that is dyed using the solution dyeing technique is also more resistant to fading caused by sunlight and washing than a fabric dyed in the traditional way. This is in line with our vision of offering garments that last for a long time without compromising on quality or performance.

The limitation of this technique is that it requires high volumes of fabric for each color, as fiber production and dyeing take place in the same step of the process. To reach this volume, we use the solution dyeing technique as our primary method of dyeing all lining fabrics. To be able to achieve this, we have limited the range of lining colors choices to three colors only. This is a concrete example of prioritizing responsible production over design considerations.

In 2022, we expanded our use of the solution dyeing technique to a greater extent in our outer materials to save water, chemicals, and energy. Our aim is to use this technique for 35% of our annual consumption of textile materials in 2025. This year we bought bigger quantities of solution dyed textiles than 2021. Unfortunately, the percentage of the solution dyed textiles compared with the total bought quantities were lower. It is a decrease from last year and it is partly explained by the increase of new collection segments, where solution dyed fabrics not have been implemented yet. The main focus going forward is to increase the number of styles with solution dye in the outer fabric to achieve our goal.

Every kilogram of solution-dyed material saves between 80 – 120 liters of water compared with traditional methods of dyeing synthetic textiles. Our goal is: 35% of all purchased textiles will be dyed using the solution dyeing technique in 2025

SOLUTION DYED-TEXTILES USED IN OUR COLLECTION



Comment: Textiles dyed with the solution dyeing technique have a high minimum quantity and are used in our lining fabrics, which are only available in three basic colours.

KPI

Solution-dyed textiles
 used in our collection

Goal

35% by 2025

MATERIALS

Our value chain plays a major role in determining the size of our environmental footprint. One of the most effective ways of reducing our environmental impact is to make products that last for a long time. We strive to constantly develop our product range so that it entails the smallest possible impact on the environment. The majority of our emissions occur in our production, where manufacturing processes and material choices play a significant role in determining our environmental footprint. We have chosen to completely refrain from the use of animal materials (down, leather, fur, and wool), as we feel that we do not have the possibility to ensure that animal husbandry and the production of such materials will definitely take place in an ethical manner.

This section of the report contains information about some of the material choices we make in order to reduce our environmental impact.

RECYCLED FIBRES

We largely use synthetic fibres in our products. This approach is associated with an environmental risk that these fibres are traditionally extracted from oil, which is a finite resource, as well as the waste that arises when the product is used up. To manage these risks, we take active measures to find even more sustainable production processes.

For each collection we produce, we expand our use of recycled fibres without compromising on quality or performance. Each year, we measure the total percentage of recycled materials used in our collection.

Recycled materials do not provide the same level of performance as newly manufactured materials, which are more durable and last longer. Consequently, our goal is not to solely use recycled materials in our production, as it is also important for us that our products last as long as possible. The longer the useful life of a garment, the less impact it has on natural resources. We do, however, strive to use 100% recycled materials in our padding, as this part of a garment is not subject to the same stress or wear and tear as the outer materials and lining fabrics. This approach is in line with our vision of a circular economy, which is described further in the section entitled "Circularity economy".

In 2022, 92% of padded products consist of recycled fibres in the padding.

RECYCLED MATERIALS USED IN OUR COLLECTION



Comment: Since recycled materials are not as durable as traditionally produced materials, our goal is not to solely use recycled materials.

KPI	Goal
Recycled materials used in our	15% by 2025
collection (padding excluded)	



Global Recycled Standard (GRS) To ensure that recycled fibres are used in our recycled materials, we use the Global Recycled Standard (GRS) certification.

BIO-BASED FIBRES

We work with textile suppliers who are proud of the quality and performance they can deliver. Since the spring of 2020, we have been using bio-based materials in parts of our collection. Thanks to the properties of the bio-based materials we use, we can achieve soft, stretchy materials without the need to mix in elastane, which means that we produce a pure polyester-based product that avoids a material mix and facilitates easier recycling.

RECYCLABLE MONO-MATERIALS

We work on the basis of a circular design philosophy, whereby one of our initiatives is to simplify the recycling of garments through material choices, material development and design choices. When full-scale recycling processes are available, we want our products to be ready to be dealt with in the best possible manner.

We strive to make products that are recyclable. In the textile industry, there is still no fully developed technique for managing the waste we generate via our products. However, it is our ambition to create a circular sustainable system in which our garments can be recycled and become new material when there are methods available for recycling textiles.

We have a range of waterproof products that are fully recyclable, except non-textile parts (such as zippers and buttons). This is possible because we only use polyester in textile materials. Through laboratory studies, we have received confirmation that all textile parts, including our polyester membrane, can be recycled. This means that all textile parts of the garment can be broken down and recycled into new materials. Making a garment from one and the same material facilitates the recycling process, as there is no need to separate the materials from each other. An example of this is our jacket Thyra which is made in a mono-material without any trims, prepared for recycling.



Sorona®

We work with textile suppliers who are proud of the quality and performance they can deliver. One such partner is Sorona, who have developed a partially plant-based polyester fibre that has been part of our collection since the spring of 2020. Sorona can also be recycled in a polyester recycling cycle.

USE OF MATERIALS

Chemicals play a central role in the clothing industry, and if chemicals are not used properly they can do great harm to people and the environment. When it comes to this issue, we have a responsibility in relation to those who produce our products as well as those who buy them. To ensure that no illegal chemicals are used in our products, we constantly stay up to date on the latest chemical regulations and requirements. This is primarily done through our membership of the Swedish Chemicals Group, where their aim is to provide support and develop tools for the dissemination of information regarding legal requirements and other activities in the area of chemical use. We comply with all laws and regulations in this area, and we proactively keep our partners informed of any changes to chemical-related legislation.

In order to maintain control of our materials, we nominate the materials that are used and perform chemical tests based on risk assessment. Didriksons also urges suppliers to update their tests if a long time has passed since a test was last performed. We have chosen to completely refrain from the use of fluorocarbons in our production, and since 2015 we have been using completely PFC-free alternatives for our water-repellent finishes.

RISKS AND RISK MANAGEMENT

Our membership of the Swedish Chemicals Group is of great help when it comes to constantly keeping our partners updated on the latest directives regarding chemical-related legislation in the EU. Our risk analysis in this area is performed with the Swedish Chemical Group's risk analysis tool as a starting point and is ensured through dialogue with partners.

A large part of our emissions and our use of resources takes place in the material manufacturing process, where large amounts of water, chemicals and energy are used.

Didriksons' internal CSR Group works actively and strategically with these issues throughout the value chain. Through our membership of STICA, we have mapped our scope 3 CO₂emissions in production, which in turn helps us to identify the parts of the process that we can change in order to reduce our emissions. By applying the solution dyeing technique in the dyeing process, we reduce our consumption of chemicals, energy and water. Our strategic choice of synthetic materials over natural materials, such as cotton, is part of the goal of reducing our water consumption. In situations where we do use cotton, it is largely mixed up to become more durable. When we use cotton, we strive to ensure that it is certified according to the Global Organic Textile Standard (GOTS), which ensures that it is organically produced. We also use the OEKO-TEX certification, which ensures that the materials we use are tested for harmful substances. All our garments in Galon^{*} are made from OEKO-TEX-certified materials.



OUR LOGISTICS

TRANSPORTATION

A large majority of the shipments from our production facilities in Asia are shipped by sea or rail to our warehouse, which is located adjacent to our head office in Borås, Sweden. We also use a third-party warehousing solution in Germany for all orders that are sent directly to end consumers. The purpose is to minimize the distance of transport for our orders to the European market. A third-party warehousing solution is also used in Borås to even the flow to our customers.

Air transport is only used in situations where no other alternative is possible, such as when something unforeseen happens. During 2022 air transport decreased to 7,6%, the result is still too high and we are aiming for this number to go down the coming year. An explanation of the result is because of the continued closing of our factories due to covid-related problems. A more secure freight market and careful planning will leave a positive impact moving forward. We constantly strive to reduce the number of shipments by air through careful planning together with our suppliers, although new uncertainties mean that we also need to allow for extra lead times in the planning process.

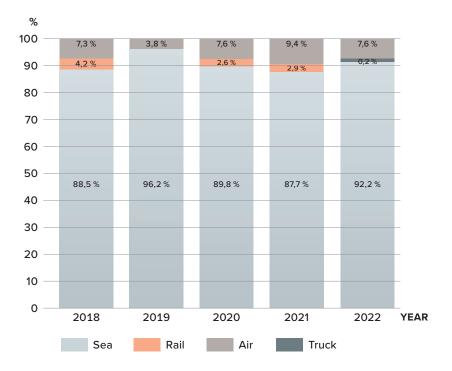
We always try to consolidate incoming shipments to achieve a high fill rate in our containers. This means that we rarely ship containers that are not completely full, thus avoiding the risk of "transporting air".

For outgoing shipments to our customers, we only work with partners who have a clear sustainability focus. Almost all shipments to customers are made by road, with only a very small percentage made by air when no other alternative is valid. We work together with our freight forwarders to achieve completely fossil-free deliveries.

PACKAGING

We strive to reuse as much packaging material as possible, and we apply combined shipping when dispatching orders to retailers and consumers. We pack orders compactly to minimize unnecessary air, and we only use e-commerce mailing bags that are made from 100% recycled plastic. We continuously review our packaging quality regarding both cardboard cartons and plastic bags.







Thelma – 15 years. One product that is a prime example of long-term design is our Thelma jacket, which has been in our range since 2007 and is still just as popular with our consumers to this day. To celebrate Thelma 15 years, it is now made of 100% recycled nylon in outer fabric.

CIRCULARITY

OUR RESPONSIBILITY

Adopting a circular approach means that we cannot focus solely on our responsibility to reduce our climate impact in productions. It is just as much a matter of taking responsibility for the product when it is used by a consumer. We know that the clothing industry has a major impact on the environment, and we are aware that most of the emissions arising in relation to our products occur in the material production process. It is therefore of the utmost importance that we reduce our emissions in this part of our value chain. However, to really make a difference, it is necessary to take appropriate measures at the initial design stage to ensure that we design products in a manner that ensures that they will last for many, many years. It is by extending the useful life of products that we can truly make a difference.

PRODUCT LIFE IS CRUCIAL

Making a product that will last for a long time requires skilled design and knowledge of the product's functionality and construction. When we create products with a long useful life, we show that Didriksons is a brand that can be trusted. Didriksons' products have a high value on the second-hand market, which is also an indication that our products are of good quality and last for a long time. In 2022 we were on the top 20 list of clothing brands at Tradera, one of Sweden's most popular second-hand sites.

LONG-TERM DESIGN

It takes a high level of skill to create a product that will last year in and year out, without losing its performance or relevance. Our product and design team constantly develops our products based on a sustainable design strategy. The choice of materials, colors, patterns and garment models are all parameters that play an important role in this strategy.

RESEARCH PROJECT: RENTAL MODELS

Our aim is that all our products will have a long-life usage, not just a long life but a long life with frequent usage. New business models, complementary to our linear business model, will most likely support our products to be used more. To gain more knowledge in this area we are involved in a research project: "Rental models: Study of business models in the textile and clothing industry for resource-efficiency everyday life". A 2-year project (2022-2024) that is a collaboration by University of Borås, research institute RISE IVF and Chalmers University of Technology.



QUALITY REVIEW

We constantly review the quality of our products to ensure that they are safe and that critical areas, such as the garment's seams, are of requisite quality and performance. This is done both during the development of the garments and through subsequent quality control checks, which are carried out by staff from our representative office in the production process. This quality review process contributes to a close and constantly evolving collaboration with our suppliers.

CHILD SAFETY

Our kids' garments comply with all applicable regulations and standards, to ensure that they are safe and childproof. We are a member of the organisation SIS (Swedish Institute for Standards), which is a group of various companies and experts working to develop standards and requirements that have not yet become national standards, but rather an "industry agreement". One example of such an industry agreement is the agreement that, for safety reasons, no outdoor garment for children may have a sewn-on hood.

There are a number of standards in the area of child safety, with associated requirements and methods. When we design our kids' garments, we base our work on these child safety standards and perform a risk assessment. It is important to be aware of all requirements at the initial design stage, in order to eliminate the risks that could otherwise arise.

RESPONSIBILITY INITIATIVE

By carefully planning our design and material choices, we minimize the risk of leftover material. It is always our ambition to responsibly deal with any leftover material that may arise from our production process despite our best efforts. To date, any such leftover material has been used for limited collections that have been sold exclusively via our e-commerce platform and in our stores. It is our aim to further develop this responsibility of purposefully utilizing any leftover material from our production process and make meaningful products with a purpose with upcycled material.

The colorful range of our upcycled production of Sandön Tote Bag was made from leftover material from previous productions of jackets. Sandön is designed to be versatile, and our hope is that it will be used instead of disposable bags when shopping.

WASTE MANAGEMENT

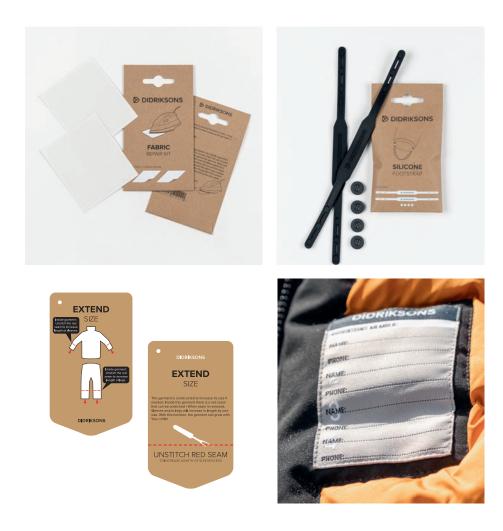
We measure the amount of recycled waste in relation to total waste at Didriksons' head office in Borås. At Didriksons we want to encourage and inspire our employees with a sustainable mindset, in both work-related decisions and at home. In year 2022 78% of all waste were recycled, an improvement with 28% since 2018 thanks to more recycling opportunities and our employees engagement to recycle.

REPAIR KITS

Taking proper care of garments ensures that the product life is extended. We offer our customers repair kits and information about how to care for garments in order to extend the useful life of their garments. This is an area of our circular economy philosophy that we will continue to develop.

EXTEND SIZE AND NAME TAGS

Children grow quickly, as any parent knows, and we use an Extend Size function to ensure that our garments don't get outgrown more quickly than necessary. This function involves loosening a seam in the sleeves and legs, thus making the garment one size larger. Our kids' garments also have name tags with room for several names, as we want to encourage families to pass on our garments to siblings or other children once the first child has outgrown them.



SOCIAL ISSUES – INCLUDING HUMAN RIGHTS AND ANTI-CORRUPTION

OUR PARTNERS

Didriksons strives to ensure that everyone who works for us and on our behalf, regardless of where in the value chain, will feel safe, secure, and positive about their work. We work with 17 garment suppliers, and our longest-standing collaboration has been in place for no less than 22 years. These garment suppliers are located in five countries: China, Bangladesh, India, Vietnam and Sweden. The majority of our suppliers are based in China.

OUR 17 GARMENT SUPPLIERS BY COUNTRY:

- China: 11
- Bangladesh: 2
- Vietnam: 2
- India: 1
- Sweden: 1*

In order to become a partner of Didriksons, we require the supplier to meet the requirements we impose with regard to social, economic, and environmental responsibility. To increase our presence with our suppliers in the countries where we have the largest share of production, we have a representative office in China as well as a representative in Bangladesh who is in daily contact with our suppliers. These representatives perform quality control checks and make sure our partners stay up to date regarding our DryBook, which includes our Code of Conduct.

In 2022, we have invested in improved risk management through production capacity reservations, where we follow up deliveries throughout the value chain. It gives us better control that the production takes place at the locations we have planned and not at subcontractors and reduces the risks of delays to the customer.

During these 3 years of pandemic, we have realized that its necessary to make us less dependent on China, both in terms of fabric production and garment production capacity. During the second half of 2022 we began the mission to look over the possibilities to decrease the share of ready-made garments in China to the advantage of our other production countries.

CODE OF CONDUCT

Didriksons' employees and suppliers must sign and comply with our Code of Conduct. This aims to ensure that we run our business in a profitable as well as socially and environmentally sustainable manner. We always endeavour to challenge and maintain a social, environmental and product standard based on long-term relationships. To check our suppliers' compliance with our Code of Conduct, we perform regular checks and inspections and maintain daily contact with our suppliers. For us, it is of the utmost importance not to compromise on requirements regarding safety, human rights or chemical-related regulations.

^{*} This supplier knits and performs most of their production in Sweden, although the sewing of our products is carried out in Poland.

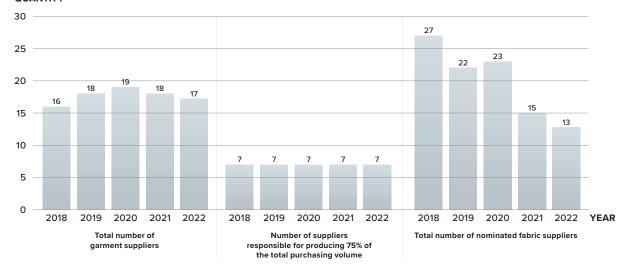
LONG-TERM RELATIONSHIPS WITH OUR PARTNERS

Our aim is to be able to maintain our long-term, healthy partnerships with a small number of carefully selected suppliers. This is one way for us to work towards achieving UN Sustainable Development Goal number 17 Partnerships for the goals.

The advantage of having long-term partnerships with our suppliers is that we get to know each other well and have the opportunity to train our suppliers both technically and in relation to corporate social responsibility. We view it as our joint task to develop together with our partners. The more suppliers and production tiers you have, the more difficult it becomes to maintain control of your production process. By working closely with a small number of carefully selected partners, we achieve a good level of insight and thus good control of the entire value chain.

To gain an overview of our supplier partnerships, we have developed a number of additional KPIs in relation to our production. We measure the total number of garment suppliers, the number of garment suppliers responsible for producing 75% of the purchasing volume, and the total number of nominated fabric suppliers. All these KPIs are relevant in relation to our goal of having long-term partnerships. Since 2018 the total number of fabric suppliers decreased by more than 50%, this is a result of our strategy to consolidate fabric suppliers. With a small number of fabric suppliers we can get better control of the whole value chain, an important step towards full transparency throughout the entire value chain.

PARTNERSHIPS



Goal

QUANTITY

KPI

- Total number of garment suppliers
- Number of suppliers responsible for producing 75% of the total purchasing volume
- Total number of nominated fabric suppliers

We strive to always have long-term, healthy partnerships with our suppliers. Since 2011, four of our seven most important suppliers have produced the majority of our products.

RISKS AND RISK MANAGEMENT

Our production largely takes place in risk countries*, which entails an increased risk of shortcomings in the areas of human rights and working conditions.

Our Code of Conduct addresses critical issues that are of increased importance in risk countries. The following areas are addressed in our Code of Conduct.

- Forced labour Human rights
- Child labour
- Discrimination
- Wages and benefits
- Working conditions Working hours

- Freedom of association Environment
- Laws

One risk area that we have identified based on these aspects is that of material manufacturing. It is in this part of the supply chain that the use of chemicals constitutes a large part of the work. We have also identified increased risks in relation to our subcontractors, where we do not have direct insight but rather must rely on our suppliers' compliance with the governing documents that form the basis for our collaboration.

Our strategy for verifying compliance with requirements regarding human rights and working conditions is to maintain control of our value chain. This has characterized our choice of, and the number of, suppliers in both the first and second tiers of the supply chain. By only working with a small number of carefully selected suppliers, we have the opportunity to maintain a presence in the production process, partly via our own representative staff, and partly through regular supplier visits by staff from our head office. This frequent presence promotes discussions about the production process in both the first and second tiers of the supply chain. These discussions are not solely limited to aspects such as the work environment and social issues but also include the risks that arise in the form of safety in buildings and evacuation routes in premises. Due to the consequences of the pandemic in the form of shutdowns, border closures and travel restrictions, our controlling presence has been smaller than previously. Other than the increased production-related risks that can arise when a frequent presence is not possible, the risks of higher costs and increased handling of shipments are also risks that can be reduced if our production is located closer to our own market.

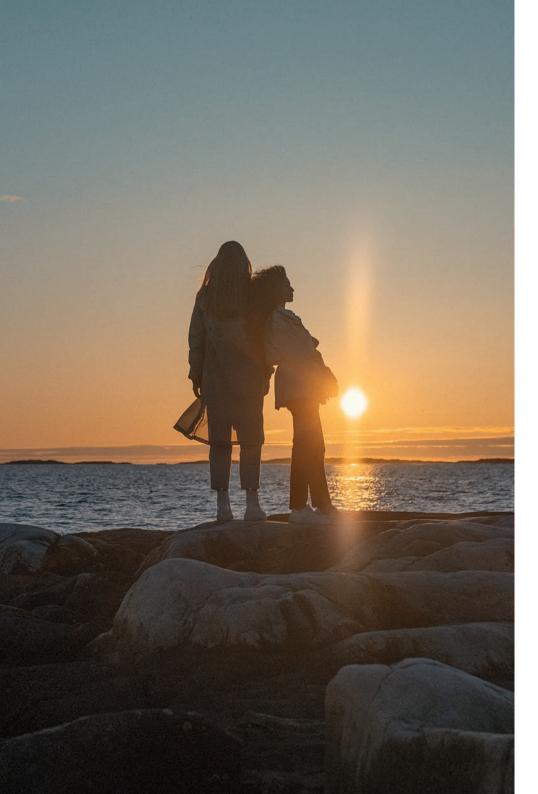
By only working with carefully selected partners who share our values, and by being a brand that does not focus solely on price, we contribute to respect for sound working conditions and fair wages. In connection with our own quality control measures and inspections, it is a matter of course that any defects or shortcomings identified in production must be pointed out and reported to the person responsible so that remedial action can be taken. We had no reported cases of human rights violations in 2022, which is consistent with our statistics in 2021. Our Code of Conduct is respected and complied with by all suppliers. 100% of our suppliers have signed our Code of Conduct. One reason why the statistics are unchanged compared to the previous year may be that our controlling presence has been smaller than before due to the restrictions entailed by the pandemic.

We value long-term partnerships with our partners, but we are also aware of the risks associated with this approach. As a long-term partner, the relationship could become more than simply businesslike, which could lead to a risk of corruption. Didriksons has a zero-tolerance policy when it comes to bribery and corruption, and we regulate these aspects through our Code of Conduct and Anti-Corruption Policy, which our suppliers are obligated to comply with. This policy aims to ensure that we always prevent corruption in all activities that are under Didriksons' influence, and it also helps to ensure that we have a high level of transparency and integrity throughout the value chain.

It is our assessment that the risk of corruption is greatest in connection with the placement of orders with subcontractors, with bribery constituting the greatest risk. To minimize the risk of business dealings being conducted on wrongful grounds, we maintain constant contact with our suppliers. Our staff who work with these issues are trained in our Anti-Corruption Policy and methods for detecting and managing this risk. To minimize the risk of corruption, it is Didriksons that steers the choice of suppliers in our technical specifications, with Didriksons' product department responsible for determining the suppliers included in the specification. In 2022, no cases or reports were submitted regarding deviations from Didriksons' governing documents or zero tolerance policy, which is consistent with our statistics in 2021.

Our goal is to only work with suppliers who have social insurance, and all of Didriksons' suppliers meet this goal.

^{*} With the Worldwide Governance Indicators (WGI) project, the World Bank has specified six governance indicators that classify countries on the basis of whether or not they are a risk country. These dimensions are: 1. Voice and Accountability, 2. Political Stability and Absence of Violence/Terrorism, 3. Government Effectiveness, 4. Regulatory Quality, 5. Rule of Law, and 6. Control of Corruption.



DIDRIKSONS' PEOPLE

TOGETHER WE MAKE A DIFFERENCE

At Didriksons we are nothing without our employees. It is the people that make Didriksons move forward and that fills the brand with our values of what we stand for. We strive to create an environment where everyone is treated with respect and dignity while also providing a safe, secure, and healthy workplace that promotes professional and personal development. Our Code of Conduct and governing documents help us understand how we can apply our values in our day-to-day activities. All employees in Sweden are covered by collective agreements between Swedish Trade Federation, Unionen and Handels. Our Work Environment Policy and CSR Policy address issues relating to health and safety, stress, and work-related injuries. Our Code of Conduct sets the standard for how we behave towards each other. We have a health and safety officer to whom employees can turn to regarding issues concerning health and safety or the work environment, and we provide regular first aid courses and fire drills.

Finding a good balance in life is an important piece of the puzzle and an aspect on which we actively focus. We are convinced that, when we can maintain a sound balance between work and private life, we perform better and are also more inspired and engaged at work. Achieving a good level of integration between our departments is crucial for the well-being of our employees and our company's development. Our employees are offered an allowance for wellness and are encouraged to undertake physical exercise and activities. We have an employee wellbeing group that organizes wellness activities and other much appreciated events where our employees have the opportunity to meet and interact physical exercise and activities.

TRUST INDEX

KPI • Trust index

Goal

94%

KPI

Goal

50%

KPI

Goal

50%

KPI

Percentage of

women on the

Board of Directors

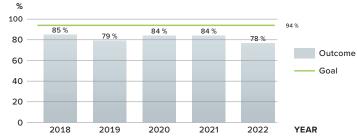
• Percentage of male

• Percentage of women

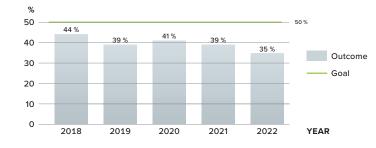
Comment: The term "senior

in senior positions

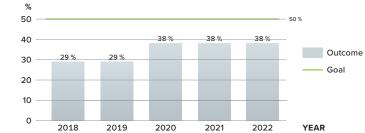
employees



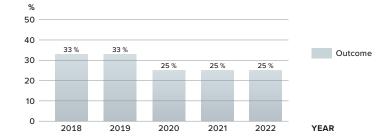




PERCENTAGE OF WOMEN IN SENIOR POSITIONS



PERCENTAGE OF WOMEN ON THE BOARD OF DIRECTORS



DIDRIKSONS AS AN EMPLOYER

Under goal number 8 we have a number of KPIs designed to measure how we perform as an employer in the eyes of our employees. We have a collaboration with Great Place to Work®, who perform annual employee surveys at our company. The results of these surveys help us to identify areas of strength as well as shortcomings. The results are used by the management team's continued development activities, which the entire company works on together during the year with the aim of achieving continuous improvements as a workplace.

Didriksons has been a certified Great Place to Work since 2020, and we aim to become one of the best companies to work for in the whole of Sweden. Through the Great Place to Work initiative, we have the opportunity to measure our employees' level of confidence and engagement in their work. This is an indicator of our employees' job satisfaction and how they feel about their workplace. We are proud of the extensive commitment in 2022, a 97% response rate and a trust index of 78%. It is a decrease from last year and is partly explained by the increased number of staff during the last two years.

Our ambition is to be an attractive employer. We are a fast-growing company and are constantly focused on finding skilled employees and creating a successful and gender-equal workplace. In 2022, Didriksons had 109 employees in 5 countries. Full-time equivalents increased in 2022 by 16 fantastic employees.

We believe that gender equality and diversity are important factors in building a sustainable business. We measure the gender distribution between men and women, partly in total in the workplace and partly in relation to senior positions. In this context the term "senior positions" refers to the Board of Directors, the CEO, and other senior executives. At present the majority of our employees are women, while men hold the majority of our senior positions. Our aim is to achieve an even gender distribution, both in the workplace in total and in relation to senior positions.

positions" refers to individuals who, together with the CEO, are members of the group management team.

RISKS AND RISK MANAGEMENT

We have a responsibility to our employees and our owners to take active measures to achieve a work environment that is safe, secure, and stimulating. Everyone has an obligation to comply with our Work Environment Policy and our Victimization and Harassment Policy.

In accordance with the 2021 Swedish Whistleblowing Act, we have integrated a centralized whistleblowing function to enable employees to report suspected serious irregularities or misconduct. This will allow for a more homogenous process to voice inappropriate conduct and help us maintain our strong values. No incident was reported during 2022.

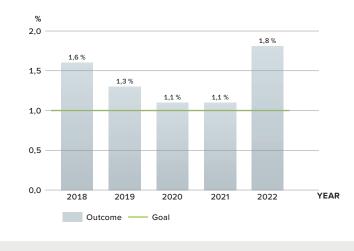
We work actively to assess risks, invest in safe equipment, remove unsafe work activities, and establish procedures for a safe work environment. We do this in order to minimize the risk of work-related injuries and accidents. All managers have completed a work environment course under HR management.

The risk of accidents in the workplace is greatest for those who spend time in our warehouse. The warehouse is an environment with risks associated with activities such as the use of forklifts, loading and unloading. During our peak season we also use hired agency staff in our warehouse. Both our own staff and hired agency workers receive thorough training regarding our procedures aimed at minimizing the risk of an accident occurring.

Staff members who spend time in our brick-and-mortar stores encounter different types of risk than those who work at our office. Our stores are equipped with assault alarms, and there are guards who patrol the areas and visit the stores at least once a day. No cash is handled in our stores, and the stores have alarms that are activated after closing time. All products are protected by alarm sensors, and there are fire extinguishers and evacuation plan in all stores. To minimize the risk of a member of staff getting injured, we always try to use good ladders and safe pallets.

Our aim is to achieve as low a rate of sick leave as possible. In 2022 the rate of short-term sick leave increased to 1.8% from 1.1% in 2021. Our goal is to achieve a maximum of 1.0% short-term sick leave. To achieve the lowest possible rate of sick leave, it is necessary to ensure that our employees feel safe, secure, and motivated to perform their work duties.

SHORT-TERM SICK LEAVE



KPI	Goal
 Short-term sick leave 	Max. 1.0%



IN CONCLUSION

Our efforts and endeavors to make Didriksons a more sustainable company are part of an ongoing process, and in 2023 our aim is to further increase the pace of this work. One example of this ambition is that the CSR Manager now is involved in the management team, and we launched our new long-living range to further enhance our sustainability strategy and processes throughout the whole of our business and value chain.

Signatures of the Board of Directors Borås, 26 April 2023

Gustav Bard Chairman of the Board

Lene Sandvoll Stern Board member

Mats Hedblom Board member

Tord Dyrssen Board member