



*Stenströms.*

SUSTAINABILITY REPORT 2023



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### How to read our sustainability report

To increase the availability of our sustainability report, we have chosen to create it as a digital document with clickable sections to facilitate navigation.

At the top of each page is the report's chapter structure, which easily takes you to the sections you are interested in reading more about.

## About our sustainability report

This is Stenströms' first sustainability report, which relates to the 2023 financial year and covers the company AB Stenströms Skjortfabrik and its subsidiaries.

As a fashion company, we are affected by the disruptive changes taking place in the fashion and textile industry, and we welcome the new demands placed on our sustainability work and that of our industry colleagues. We want to make garments that people want and can wear for a long time, and with this as our starting point, our sustainability work is currently undergoing broad development. This also includes our reporting and although Stenströms is not subject to the requirement for a statutory sustainability report (ÅRL 6 chap. 10 – 14 §)

for the 2023 financial year, we nevertheless choose to prepare our accounts in accordance with the requirements. Stenströms is the largest company in a group with Cimbria Holding AB as the parent company. When we as a group are covered by the CSRD (Corporate Sustainability Reporting Directive) in the long term, sustainability reporting will be based on Cimbria Holding AB, but until then we intend to report on the basis of Stenströms activities.



"It has never been more important than now, that we all use our shared resources wisely and consume consciously"

## Stenströms celebrates 125 years of sustainable craftsmanship

In 2024, Stenströms shirt factory celebrates its 125<sup>th</sup> anniversary and is thus one of Europe's oldest shirt factories. Since the beginning, our goal has been to make shirts of the highest quality that can be worn again and again. Today, 125 years later, our business idea is more vital and relevant than ever before. It has never been more important than now, that we all use our shared resources wisely and consume consciously. For Stenströms, long-lasting garments are core and guide us from the design stage all the way until the garments reach our customers.

Today, Stenströms is an international company with a presence in more than 30 countries. From our headquarters in southern Sweden, we manage the entire process from idea sketch to finished product. All production of shirts continues to take place in Europe, where the hub is based in our own factory in Estonia.

During the last century, Stenströms has managed many tough periods and crises, but we still wonder whether the disruptive climate transition is the biggest of all the challenges we have faced together. In 2023, we at Stenströms focused on our sustainability work and we conducted a major review of our entire business with the aim of reducing our climate footprint. We have taken many steps in the right direction, from small to big.

Together with all our major partners and throughout the development and manufacturing process, everyone contributes by making wise and conscious choices.

In front of you is Stenströms first sustainability report. In it, you can get to know us a little more and read about important highlights in 2023. We hope you find this as important as we do.

*Fredrik Strandberg*  
Fredrik Strandberg, CEO

# This is Stenströms

## What we do

We help our customers be their best selves no matter what occasion they need a good shirt or blouse for. Being able to feel properly dressed for exams, job interviews or that fabulous party is what we want to cater to.

## Who we are

Today, Stenströms is an international company that sells our products in large parts of the world, and we are one of the few shirt manufacturers that offers both men's and women's clothing with a focus on quality. We control the entire manufacturing process, from fabric to finished garment, from our headquarters in Sweden and via our factory in Estonia. We have been a supplier to the Royal Court since 1962 and we are very proud of that.

## What we offer

Our range includes shirts and blouses for all occasions; from the garment-washed denim shirt to the formal dress shirt and the festive blouse. Today we also offer knitwear and accessories for both women and men. Our focus is on quality in every detail, and when we design garments, we do it to make them last a long time. Our factory in Estonia houses our raw materials and accessories warehouse. From there, we provide our retailers and customers with everything from seasonal news items for the seasons to made to measure garments.

## What we believe in

We believe in craftsmanship and choosing raw materials of the highest possible quality. We design timeless garments that last a long time. We also believe in continuity, longevity and honesty in all our relationships. It goes without saying that we support and respect our suppliers, retailers and customers, both in good times and bad. Our greatest asset is our knowledgeable and committed staff. They should feel proud of who we are and of being part of Stenströms.

## Our history

Stenströms Skjortfabrik was founded in the port city of Helsingborg in 1899 after tailor and businessman August Stenström realized that the demand for the most fashionable shirts never seemed to end. With new factory premises, cutters and seamstresses coming from the fashion city of Berlin, the shirt factory saw the light of day. During the 125 years that the business has been in operation, the work of designing and manufacturing shirts and blouses from our headquarters in Helsingborg has continued. This is done in the same spirit that August once founded: passion, fashion and quality.

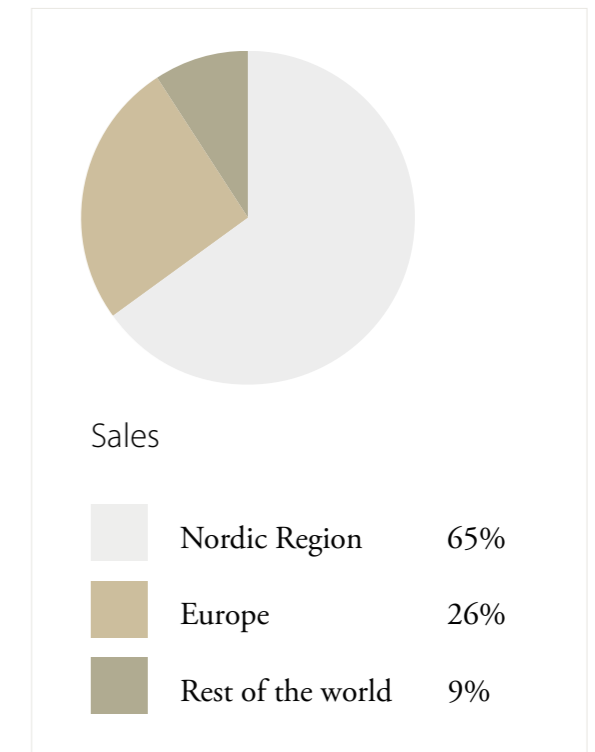
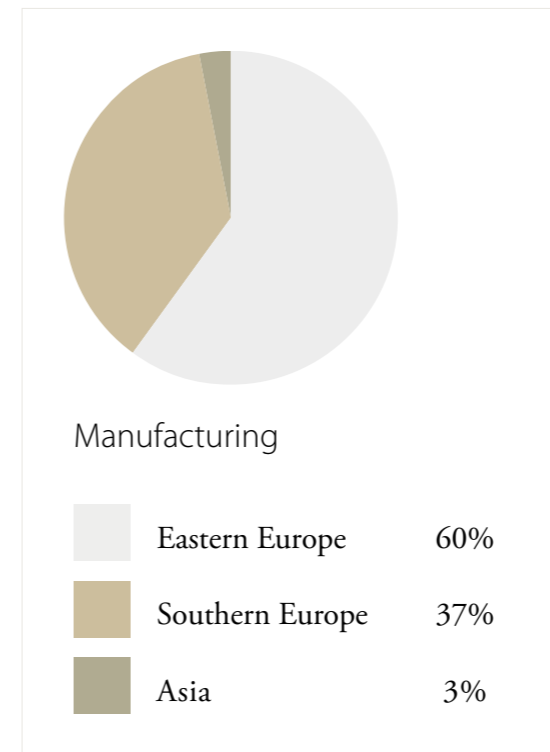


**1,600**  
retailers

**700,000**  
garments manufactured per year

**840,000**  
meters of fabric are required

**22**  
factories manufacture our garments



# Our value chain

From natural materials to recycling with care at every step. Stenströms value chain shows every step of the manufacturing process, where natural materials are refined into high-quality products that, after being used and spreading joy for many years, are eventually recycled. By showing care and craftsmanship throughout the process, we take responsibility for our environmental and social impact and create value at all stages.



## Raw material

We choose high-quality raw materials and almost exclusively natural materials when we manufacture our garments. Cotton is naturally the primary raw material, as the shirt is the main product in our range. The long-stapled fibers of Supima and Giza cotton contribute to the longevity of our shirts. Other examples of raw materials we use are wool, linen, silk and viscose.



## Fabric and yarn production

Our fabrics and yarns are carefully selected by the world's leading manufacturers, most of whom are based in Europe and operate under strict legal requirements regarding everything from the use of chemicals to working conditions. A large proportion of our fabrics and yarns are woven, knitted, washed and finished in the vicinity of the Alps, which are characterized by their rich access to clean, high-quality water.



## Garment manufacturing

Our largest partners are located in Europe, which guarantees high quality and good working conditions for factory employees. The entire process of cutting, sewing, knitting, washing, labeling and packaging takes place inside the walls of our carefully selected factories. During continuous factory visits, we train staff in sewing techniques and quality check our garments to ensure that they meet Stenströms' requirements.

Our focus is on quality in every detail, and when we design garments, we do it to make them last a long time.



## Recycling and reuse

Even a high-quality garment will eventually reach the day when the customer can no longer or no longer wants it in their wardrobe. At this stage, we encourage our customers to sell or donate the garment to someone else. In this way, we extend the life of the product and the same garment can be enjoyed by more people. When the garment finally reaches the end of its life, it's time to reuse or recycle it through garment collecting.



## Usage

Both Stenströms and our products stand for longevity and high quality. Our ambition is for the garments to last a long time, and we want to inspire our customers in different ways to wear their clothes again and again. Through the right care advice, we encourage our customers to take care of their garments to make them last as long as possible. We also offer garment care products that help to extend the lifespan.



## Sales

We collaborate with retailers in more than 25 countries and all stores are selected for their expertise and high ambition. Some of the sales also take place via our physical and digital flagship stores, where only products from Stenströms are offered. Our products are also sold through a selection of online retailers.



## Warehouse and distribution

Stenströms central warehouse is located in southern Sweden and all garments arrive there after they have been manufactured. After arrival inspection, the garments are ready to be sent to our retailers or directly to our customers. All orders are carefully picked, packed and labeled by our staff before being picked up by our designated carriers who are responsible for transportation.



# Highlights 2023

## Sustainable craftsmanship

Establishment of a strategic sustainability platform with focus areas that specify the direction of our sustainability work.

## ESG Platform

Introduction of digital data collection from our suppliers on important sustainability issues.

## Anniversary in our factory

For 30 years, our factory and our own employees in Estonia have been an important hub for other production units and to ensure the quality level of Stenströms garments.

## Stenströms spring boost

Pulse and activity-boosting campaign for our employees and international sales force where we together increased our exercise level.

## Whistleblowing function

In line with the new Whistleblowing Act, our employees can anonymously report any violations of policies or misconduct within our business.

## New ERP system and e-commerce

The updated digital infrastructure enables increased traceability in our value chain and prepares us for future requirements of EU digital product passport.

## Cradle-to-Cradle

Our marketing materials are produced at a printing company that holds the Cradle-to-Cradle environmental certification, which promotes a circular life cycle for printed matter.

## Improved packaging

Fewer pins and clips for a more sustainable folding of our shirts. FSC-certified paper in cardboard and wrapping tissue. The plastic bags are recyclable and made from recycled plastic.



1,000 square meter solar cell panels

In 2022, we conducted an energy survey of our property in Helsingborg to investigate possible initiatives to reduce our energy consumption and environmental impact. Based on the results, we decided to install 1,000 square meters of solar panels on the roof of our headquarters and warehouse. The photovoltaic installation was inaugurated in April 2023 and has generated electricity equivalent to 136 MWh since it was commissioned. With an estimated annual production

of 243 MWh, this means that we will be self-sufficient on electricity for large parts of the year, and during the summer months we can also distribute the surplus to the local electricity network. We are proud to be able to contribute to the transition to renewable energy and to be part of promoting sustainability in the local community.

# Sustainable craftsmanship

At Stenströms, we want to maintain the highest possible quality in everything we do. We choose to look at quality from three specific perspectives – it's about our philosophy that guides us in everyday life, the products we offer and our relationships with the world around us. With this as our starting point, we work to create attractive products that people want and can use for a long time and that people feel safe to wear, again and again. We call this Sustainable Craftsmanship.

## Establishment of a strategic sustainability platform

A lot is happening at Stenströms and a lot is happening in the world around us. The fashion and textile industry is facing major challenges in terms of sustainability, and ambitious work is underway within the EU to develop a common path forward – the Textile Strategy. By 2030, the European fashion and textile industry shall be sustainable and circular, which will be the result of new extensive legislation in the textile field. As both the textile strategy and comprehensive reporting requirements under CSRD\* will have a major impact on how our industry relates to sustainability, we saw a need to develop our sustainability work by creating a clearer strategic direction and structure for our priorities going forward.

In 2023, we therefore chose to develop a strategic sustainability platform, which was based on internal workshops, business intelligence and a stakeholder dialog. Communication with our most important stakeholders takes place on an ongoing basis during the year, but in connection with the development work, a stakeholder survey with a specific focus on sustainability was carried out to learn about their perspectives and expectations.

Stenströms strategic sustainability platform is based on our view of quality and results in three prioritized focus areas that specify the direction of our sustainability work. Under each focus area; our philosophy, our products and our relationships, there are a number of prioritized sustainability issues that have been anchored internally during the year.



\* The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that came into force from the financial year 2024 and does not affect Stenströms until 2025. CSRD requires companies of a certain size to report on their sustainability work on the basis of a wide range of disclosure requirements in the areas of environment, social issues and governance, which are set out in the directive's framework of standards ESRS (European Sustainability Reporting Standards).



## Our Philosophy

Quality guides the way we act in our everyday lives. We constantly strive to make improvements in everything we do and consciously manage our impact on people, the environment and society. Based on our values, we create a safe and developing working environment in which employees in our business thrive and develop.

Our ambition is to make a positive difference at all stages, and based on careful quality assurance and control of our value chain, we ensure that established policies are followed. We are careful about how we use our resources and take responsibility for ensuring that products are manufactured with as little environmental impact as possible. By sharing and being transparent about how we work, we want to make sure that people feel safe wearing our products and that they have been manufactured responsibly.



## Our products

The products we design, shall stand test of time, both for life's major events and in everyday life. Our passion for making quality garments that last over time means that the interest in Stenströms today is greater than ever before.

For us, quality means creating timeless designs, the pride we feel for the craftsmanship of making the garments and our conscious choice of materials. Together, this creates the conditions for the garments to be used for many occasions and also be passed down to future generations. We also play a role in inspiring our customers to use the garments in different ways to activate their wardrobe and teach them about garment care.



## Our relationships

Our good relationships with the outside world are a prerequisite for our business and for us to be able to offer quality products that people want to use. Here, we look at quality based on the cooperation with our suppliers, the relationship with our retailers and customers, but also our commitment to society. During our 125-year journey to become an international company, a long-term approach has characterized our relationships and the mutual desire to nurture and develop partnerships has been central.

We have a responsibility for how our suppliers act and affect the world around them, in everything from environmental issues to how their employees are treated. It is also important for us to actively drive positive change in society, as well as in our industry. We therefore make conscious choices in how we engage in various industry initiatives and partnerships with local connections.



## Our Philosophy

Just as quality means that a garment can be used for a long time, quality in our organization means that we must have a way of working that lasts over time. This means that we constantly try to improve and that we consciously manage our impact on people, the environment and society. Based on our values, we create a safe and developing working environment where everyone should feel welcome in the Stenström family. We care about how we use our resources. Through long-term partnerships built on trust and responsibility, we try to make a positive difference within our value chain. In this way, we become a company that you enjoy working for, that you want to do business with and buy products from.

### A safe and developing workplace

Our employees play a important role in Stenströms' success. There is a sense of pride within the company that is largely based on a clear sense of participation and community, where everyone sees the value of one another's work. A number of policydocuments and guidelines have been established to ensure that Stenströms is and continues to be a workplace where people feel safe and have the opportunity to develop. All policies are reviewed annually by our human resources council, which makes sure the documents are kept up-to-date.

Stenströms employs 53 people with an average age of 43, of which about 60 percent are women. The framework for our work is set on the basis of our internal policy documents, while our expectations on suppliers are set out in our Code of Conduct. The Code of Conduct covers a number of areas, including human rights, the environment and traceability. Read more on pages 24 – 25.

It is important for us to promote good working conditions and to prevent accidents and illness at work. To counteract these risks, regular work environment inspections are carried out in both office and warehouse. The focus is on both the physical and psychological working environment, where aspects such as ergonomy and protective work equipment are reviewed.

In order to protect the health of our staff, all employees are offered an annual health allowance and every two years there is the opportunity for a health check-up with a doctor on site. As an inspiration, some form of joint pulse and activity-enhancing campaign is also carried out annually for 4 – 6 weeks, which has been highly appreciated. This year's campaign led to a general increase in the level of exercise among employees, with a clear majority showing increased interest in an active lifestyle.

Stenströms spring boost 2023

# 4,2

training sessions per week,  
which was an increase  
from 2.4 at the start

# 302

minutes of training per week  
per employee. The World Health  
Organization recommends  
150 minutes per week

# 92%

reduced inactivity





Our own factory in Elva, Estonia, with around 80 employees, has been manufacturing our shirts for more than 30 years and is part of our work with health and safety management. There is a local health and safety officer on site and its geographical location allows us to make regular visits to follow up. On a regular basis, fire safety, workstations, ergonomics and individual work rotation are checked to minimize unilateral workload and prevent injuries.

#### Responsibility for our environmental impact

Protecting the environment is a shared responsibility, and at Stenströms we do our best to manage the climate impact of our operations. We have identified that the biggest impact comes from our energy use, and in 2022 we therefore conducted an energy survey to review possible efforts with the goal of reducing our energy use and switching to fossil-free sources.

As a result of the survey, we switched to LED lighting on several areas of our premises during the year and also installed charging stations. We also decided to invest in solar cells on the roof of our headquarters, which was completed in April 2023. From its commissioning until the end of 2023, the panels had produced electricity equivalent to 136 MWh and has an estimated annual production of 243 MWh. It is estimated that our solar panel cells will enable us to be self-sufficient in electricity for large parts of the year, and during the summer months we will also be able to distribute the surplus to the local electricity network.

In our factory in Estonia, heating takes place via district heating, and for several years a control system has been in place that distributes the heat based on production and the lighting is regulated based on how the premises are used. We are also looking into the possibility of installing solar cells at the factory. Read more about our energy use on pages 24 – 25.

#### Quality in the value chain

We are proud of our supplier partnerships and feel reassured that most of them operate in Europe. Our choice of suppliers is carefully considered, and in our Code of Conduct we clarify our expectations and requirements for their work. Read more on pages 24 – 25. As a measure of the strength of our partnerships, we conduct annual physical visits to our factories, where we have the opportunity to check that

they live up to our Code of Conduct. During the visits, we check aspects such as health and safety management, working conditions, environmental work, quality control and the handling of materials. At present, our supplier visits are not recorded, but we intend to develop standardized procedures and documentation over the next year.

As a customer of our suppliers, we have good opportunities to set requirements for how our raw materials are produced. However, based on our size from a global perspective, we have limited influence to drive our suppliers' sustainability work and development. The fashion and textile industry is facing many and major challenges, where the largest stakeholders, due to their purchasing volumes, play an important role in driving change.

#### Our development work

Stenströms, like many other fashion and textile companies, is facing a journey of change. In line with the increased information requirements that our stakeholders place on us, internal development work is currently underway to both map and improve the management of our impact on society and the environment.

At Stenströms, we see it as an obligation to take our social and environmental responsibility, both in our own operations and with our suppliers. By being a respected stakeholder, we have good opportunities to use our influence to affect how our garments are manufactured and handled in a sustainable way. Read more on pages 20 – 23. In 2023, we therefore begun to gather information from our suppliers about the social and environmental impact that arises in connection with the production of our products. The information requirements concern, among other things, business ethics, working conditions, resource management and water consumption. Read more on pages 24 – 25.





## Our products

The quality mindset permeates our choice of fabrics, materials, every stitch and every design detail. First and foremost, the product we develop must be comfortable to wear and be able to be used for a long time, both for life's major events and in everyday life. The same thoughts also characterize how the garments are manufactured. Our commitment to providing high-quality products covers our entire value chain – from suppliers and partners to employees, retailers and customers.

### Pride in craftsmanship

The fact that our products can be used in many different contexts places demands on craftsmanship. At Stenströms, there is a solid craftsmanship pride behind the thoughts and ideas that go into the development of a garment and that drive us to want to make the right choice at every step. This includes everything from design and choice of materials, to sewing, button selection and labeling.

Each Stenströms shirt consists of at least 23 carefully cut parts that are assembled through a whole 60 different work steps. The collars of our shirts alone are processed in 25 different steps to achieve the quality that is characteristic of a Stenströms shirt. With a few exceptions, our shirt buttons are made from the natural material mother-of-pearl, which is cut and processed by

hand and sewn on in two separate steps with a special wrapped neck. All to make them last as long as possible.

Our own factory in Estonia acts as a hub for production, where our partners are invited to study in detail how different production steps are carried out. This gives us the opportunity to standardize the production of our garments and to maintain a consistently high level of quality, regardless of where the production takes place.

Our products are mostly sewn, knitted and woven using machines. Even though production has been modernized during our 125 years in the industry, some critical steps are still carried out by hand in order for a product to live up to our quality requirements and retain its shape, elegance and comfort year after year.



The knowledge of the production staff and the choice of materials is always crucial. We value the close and long-term relationships we have with our suppliers, where we have found the right partners based on our heritage and extensive knowledge of craftsmanship and design to produce garments of the highest possible quality.

### Timeless design is our philosophy

Our choice of style and timeless design are important parts of our brand and the premium feeling we want our garments to have. We are traditional in our fits and are aimed at a style-conscious customer who should be able to wear our garments every day of the week. The fact that we choose a timeless design also means that our garments remain relevant for a long time, which, together with the high quality, means that you both want to and can wear the same garment for a long time. This means that you don't have to buy new clothes as often, which puts less strain on the earth's resources and reduces the impact on the environment.

We grow with the world around us and are always curious about how classic fashion can be combined with other

styles. Trendspotting is an important part of staying a current fashion brand and we therefore visit the influential fairs in Florence and Milan annually to be inspired, but also to learn more about how we as a company in the fashion industry, can become more sustainable.

In the fashion industry, sustainability has grown to be perhaps the biggest and most important issue, and we welcome collaborations and knowledge sharing with our industry colleagues. In light of this, we are pleased that our timeless design philosophy stands strong. Products that last over time and can be adapted to different styles and contexts form an important basis for sustainable consumption.

### Sustainable material choices and processes

Good material choices have permeated Stenströms since 1899. Aesthetics, comfort and durability are important keywords for our designers in their creative work with the collections. Together with a timeless design, the choice of high-quality materials creates the conditions for the garment to last a long time and be passed on to future generations. At the same time as



we offer the highest possible quality, the materials we use must be produced with the least possible social and environmental impact. This not only keeps us up-to-date in terms of style, but also ensures that our customers can feel confident wearing our garments.

We collaborate with some of the world's leading fabric and yarn suppliers who have made major investments in recent years to reduce their environmental impact. They are at the forefront of textile development research, where they test everything from new manufacturing methods to dyeing techniques for their fabrics and yarns in the field of sustainability.

We use almost exclusively natural materials. Cotton, linen, silk and wool are some examples, but we also see opportunities in the increased availability of new innovative and more environmentally friendly materials. Cotton is the textile fiber we use the most in our products. Supima and Giza cotton are mainly used in our shirts, whose long-stacked fibers provide longevity. The fabric construction is also important in relation to the quality, as the use of double-twisted yarn (twofold) results in a fine, yet durable fabric and a silky feel against the body. At the same time, such a bond means less wrinkles, which in turn reduces the use of chemicals and any iron-free treatments in the production stage.

In order to dye, print and prepare textiles, chemicals are required in the manufacturing process, but by complying with the EU REACH regulation, we use approved alternatives. Since our raw materials and clothes are mainly manufactured in Europe, EU legislation naturally applies. We also choose to impose similar requirements on our suppliers and factories outside Europe.

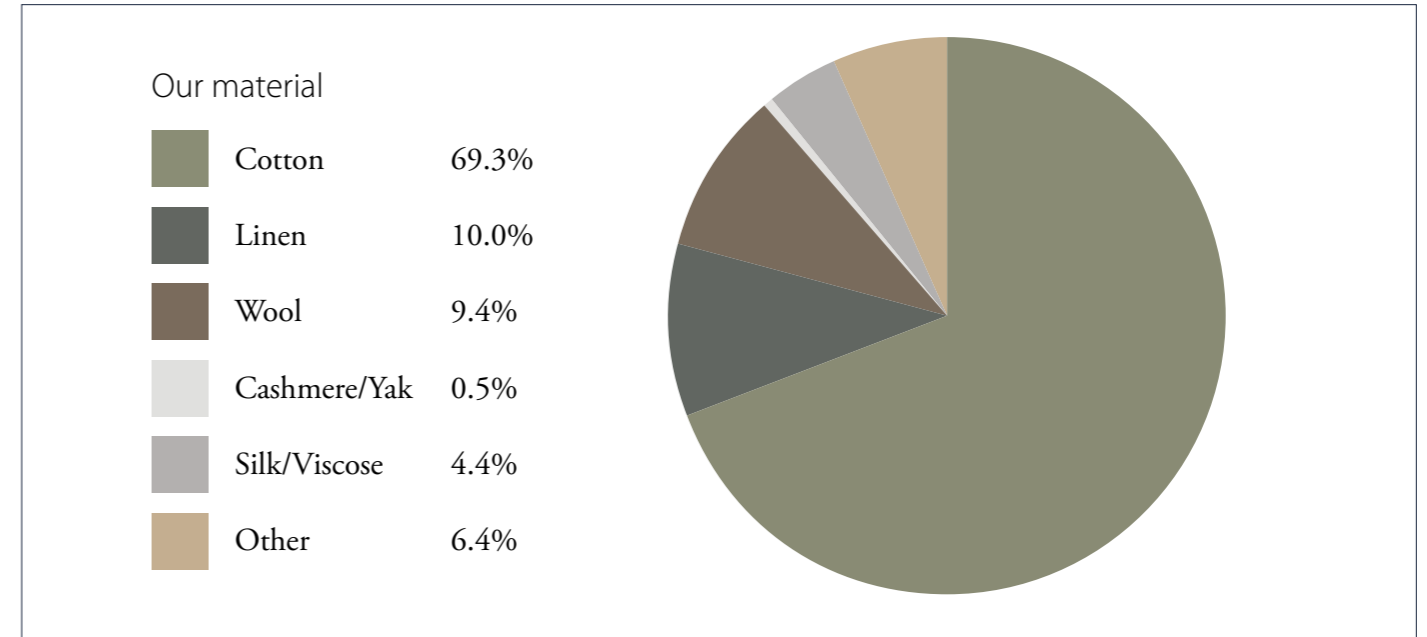
In general, a large amount of water is consumed in connection with textile production, for example during washing, cleaning and dyeing. During the year, we developed the collection of information from our suppliers in order to create a clearer picture of water use and the environmental impact that occurs in the production of our garments. The information will form an important basis for our continued work with improvement measured at the supplier level.

#### Working with packaging materials

In 2023, we took important initiatives to further reduce our environmental impact specifically linked to our packaging. Our bags now consist of at least 80 percent recycled plastic, and all labels, cardboard backings and tissue paper are made from FSC-labeled paper, where the wood pulp comes from responsible forestry. We have also removed some pins and clips to achieve a more sustainable folding of our shirts. In 2024, we will continuously evaluate more parts of our packaging material to find more environmentally friendly alternatives, which at the same time allow the products to remain intact during handling and transport.

#### Sustainable with the right care

Taking care of your clothes is very important for the longevity of the garment. As a producer, we have a limited opportunity to influence how our products are used and cared for, but our ambition is to encourage more sustainable consumption habits in various ways. Therefore, we see that we can play an important role in communicating knowledge about garment care among our employees, store staff and customers, read more on pages 20 – 23.





## Our relationships

Since 1899, Stenströms has been part of the local community in Helsingborg. Over time, we have grown into an international company that reaches people all over the world through the popularity of our products. This journey would not have been possible without the trust we have among our many stakeholders and we have a responsibility to manage and develop the relationships we have built with the world around us.

As a product-manufacturing company, the relationship with the world around us is, for natural reasons, central to our strength and success. Our retailers play a crucial role in presenting our products to customers and in communicating their needs and interests back to us. At the same time, the close relationship with our suppliers is crucial for us to be able to offer uniformly high-quality clothing. In this way, our relationships are also collaborations that enable us to create clothes that you want and can wear for a long time.

### Cooperation with suppliers

Long-term thinking is an important part of how we view quality and we value our long-term supplier relationships. We have worked with most suppliers for almost 30 years. By maintaining and developing a relationship, we create closeness and trust that ultimately contributes

to smoother cooperation and a better understanding of each other's expectations, conditions and opportunities.

Around 70 percent of our manufacturing takes place through external factories that are mainly located in Europe. By being careful and long-term in our planning, we are a reliable client who can offer continuity in our suppliers' work. This creates stability in the relationship, giving our suppliers greater opportunities to plan their capacity and retain the same workforce. This also means that our garments are largely made by the same people, which means that the quality level is kept consistently high.

We have a genuine interest in how our products are manufactured – down to the smallest detail – and the proximity in our relationships enables us to make an impact on the spot. We regularly visit our suppliers





to check the conditions for their work, both in terms of production, but also safety and the working environment. During our visits, we primarily discuss possible improvements and in some cases we are involved in financing investments in the production facilities and offer both training and education of their employees.

#### Relationship with retailers

Just as in the cooperation with our suppliers, the relationship with our retailers is also characterized by proximity and long-term. Stenströms retailers are often privately owned clothing stores with a genuine interest in and knowledge of quality clothing. By meeting our customers on a daily basis, they are important ambassadors and representatives of the Stenströms brand. We meet our retailers several times a year to listen to their experiences, follow up on their work and present our collections.

It is of particular importance that our retailers share our values and view of quality, and have the knowledge that we believe is required to sell our products. Our retailers are therefore regularly offered our Shirt Academy training course. The purpose of the program is to provide both national and international store staff with the right knowledge of our brand, design philosophy, manufacturing processes and choice of materials.

#### Supporting our customers

Stenströms is aimed at the style-conscious customer, who places high demands on both the design and the experience of the garment. We see that sustainability is also an aspect that has become increasingly important. The timeless design, high quality level and how our garments are made contribute to our products being able to last a long time in the customer's wardrobe, but what ultimately determines whether a garment can be used again and again is how it is handled in everyday life.

Even a garment that is made with the greatest care and the best materials needs to be cared for correctly to keep it in great condition year after year. While we are aware of our limitation in influencing how garments are handled, we try to provide our customers with information and suggestions on how they can best preserve the quality of their Stenström garments. Among other things, our customer service team receives continuous training in

textile material in order to help our customers and answer their questions.

We are constantly developing our ways of reaching out to our customers and encouraging more sustainable consumption habits. As an example of this, in 2023 we produced a material guide that describes our choice of materials and their different characteristics. We have also worked on developing a care guide to guide and make it easier for the customer to take care of the products after purchase. Both are planned to be launched in 2024.

#### Community engagement

Stenströms has a long history of community involvement. In many cases, the choice of engagement is based on the initiatives of our employees and owners, as we all share a conviction of wanting to contribute positively to society and people.

Stenströms has been part of Helsingborg for 125 years and we have a firm foothold in the city and a great interest in its development. We have long been actively involved in the urban development of Drottninghög, where our headquarters is located, and have expanded our operations by building a new property with an international showroom, office and warehouse.

Our commitment to the local community is also expressed in the cooperation with primary and secondary schools, where our employees regularly act as mentors for students and contribute to vocational training in e-commerce, textiles and entrepreneurship.

Through our factory in Estonia, we have long had a close relationship with the Estonian society. It has therefore been natural for us to be involved in the Ågrenska Foundation, which works to help Estonian children, young people and adults with disabilities. Our owner has been on the foundation's board since 2000, and the same year we bought a property that was donated to the foundation to run a center for children with disabilities and their families.



# Sustainability information

This section presents detailed information about Stenströms sustainability work. In 2023, the company developed its procedures and the scope of information gathering from its suppliers, to map the company's footprint and impact on society and the environment. The information relates to both 2022 and 2023 and was collected via Worldfavor, which offers a platform for collecting ESG data\* directly from the companies in the value chain. The information areas have been selected based on an internal analysis of current sustainability issues.

## ESG data

During the year, Stenströms worked to establish a structure for the collection of data within the supply chain in order to increase transparency towards its stakeholders, and to ensure that the company in the long term will meet future information requirements regarding its value chain. In a first phase, the company has chosen to focus data collection on the garments it manufactures. The purpose of this collection structure is to create a clearer current picture of how suppliers work with important sustainability issues and which policies have been established. The collection of relevant information also helps Stenströms to assess and manage both risks and opportunities related to sustainability within its value chain.

- Anti-corruption
- Business ethics
- Climate change
- Human rights and working conditions
- Sustainability strategy
- Sustainable supply strategy
- Waste and resource circularity
- Water consumption

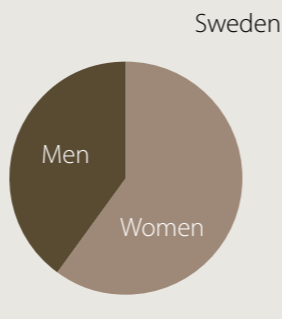
The platform also provides suppliers with the company's code of conduct, which must be signed annually before each new production year.

\* Environmental, Social and Governance


## Employees

At the end of 2023, 53 people were permanently employed in Stenströms operations in Helsingborg, with an average age of 43. Approximately 60 percent of these were women. Stenströms operates its own production in a plant located in Estonia, where 84 people were permanently employed at the end of the year. The majority of these were women.

Permanent employees	Total	Men	Women
	53	20	33
20 – 29 years	7	5	2
30 – 39 years	16	6	10
40 – 49 years	11	3	8
50 – 59 years	11	5	6
> 60 years	8	1	7



Permanent employees	Total	Men	Women
	84	2	82
20 – 29 years	10		10
30 – 39 years	15	1	14
40 – 49 years	20		20
50 – 59 years	18		18
> 60 years	21	1	20



## Policy Documents

All policy documents and guidelines concern the employees within Stenströms operations in Helsingborg. The documents are reviewed annually by the Personnel Council consisting of the company's CEO, all department managers and HR representatives. The latest review revealed no need to update existing policy documents.

- Personnel handbook
- Alcohol and drugs policy
- Health and safety policy
- Privacy policy
- Policy on the use of IT
- Equality policy
- Policy against victimization and harassment
- Human Resources policy
- Pension policy
- Stress policy
- Whistleblowing policy

## Social conditions and human rights

The Code of Conduct defines the expectations of Stenströms suppliers. The Code is based on a number of international conventions: the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact. Stenströms active suppliers are expected to sign the Code of Conduct, which they have also confirmed through Worldfavor.

The Code of Conduct also includes additional areas: specific protection of the environment, traceability within production, handling of confidential information, and assessment of performance at work.

In the event that any employee suspects or discovers violations of Stenströms internal policy documents or the Code of Conduct, a report is made via the company's whistleblower function, which was established in December 2023. The report is anonymous and handled by an external third party.

The Code of Conduct addresses the following overarching areas of human rights, all of which are linked to specific conventions:

- Health and safety
- Discrimination, diversity and equality
- Employment
- Fair remuneration and benefits
- Working hours
- Right to union affiliation and collective bargaining
- Forced labor
- Child labor

## Anti-corruption policy

Stenströms work is carried out in accordance with ethical guidelines and the company opposes all forms of corruption and bribery, both within its own operations and at the supplier level. The guidelines are set out in the company's Code of Conduct. Through the established whistleblowing function, both the company's employees and stakeholders within its value chain can report suspicions related to corruption.

## Environment

Stenströms most significant environmental impact comes from the company's energy consumption, primarily for electricity and heating.

\* In 2023, 136 MWh of the total energy consumption of 280 MWh corresponded to energy generated from Stenströms own solar cell plant, which was commissioned in April. The estimated annual energy production is 243 MWh.

Energy usages	2023	2022
District heating, total	627 MWh	627 MWh
Stenströms headquarters	426 MWh	398 MWh
Factory in Estonia	201 MWh	207 MWh
Electricity, total	519 MWh	495 MWh
Stenströms headquarters	280 MWh*	246 MWh
Factory in Estonia	239 MWh	249 MWh

