

A man and a woman are standing in front of a wood-paneled wall. The man is on the left, wearing a white double-breasted suit jacket over a light blue shirt and a brown patterned tie. He is looking off to the side. The woman is on the right, wearing a white long-sleeved button-down shirt tucked into a white pleated skirt, cinched with a white belt. She is also looking off to the side. The lighting is warm and soft, highlighting the textures of the clothing and the wood paneling.

Stenströms

SUSTAINABILITY REPORT

2024

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About our sustainability report

This is the sustainability report for the financial year 2024, covering AB Stenströms Skjortfabrik and its subsidiaries. Stenströms is the largest company in a group with Cimbria Holding AB as the parent company.

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 applies to our reporting, as Stenströms is required to prepare a statutory sustainability report for the 2024 financial year (ÅRL, Chapter 6, §§10–14). For that reason, this separate report forms part of the management report in the annual report of AB Stenströms Skjortfabrik for the year 2024.



2024

Our anniversary year

It is with pride that we look back and reflect on the past year. 2024 was the year Stenströms celebrated its 125th anniversary. We gathered our staff and international sales team for a five-day trip to Italy together with some of our most important partners. Many of our suppliers are, like us, family-owned companies that share our passion for quality and perfection. Being present in the factories and meeting the people behind the craftsmanship gave new insights and a sense of connection. It also lays the foundation for continued close collaboration for many years to come.

2024 was also the year we took the next important step in our sustainability work. During the year, we carried out a DMA – the double materiality assessment. It was a challenging process that now sets the tone and guides us in our continued work. We were forced to prioritize various sustainability issues and assess risks from both an environmental and financial perspective. This is also why we expanded our internal sustainability team with two new members during the year. These are resources that we will need for our next major step; to develop a more comprehensive sustainability roadmap based on the results of our DMA.

We cannot ignore the external factors that affected us during 2024, a year that was challenging on different levels. Many actors in our industry were struggling with weak profitability, longer lead times and continued high inflation in parts of Europe. Nevertheless, we must all continue to invest in sustainability efforts to reduce our environmental footprint. It is our shared responsibility and our work makes a difference.

During the spring, it became clear that the climate affects our daily operations in very concrete ways. This year's European flax harvest failed, with significantly lower yields than usual and partly lower quality. For us, as a company that exclusively sells garments made from natural materials, this resulted in reduced production, more extensive quality controls and immediate delays.

Despite a world filled with serious conflicts resulting in significant human suffering, we look to the future with confidence and feel ready to take on the challenge of moving the company forward for the next 125 years. Our business idea – to make high quality garments that last over time – is more relevant than ever before.


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 graduation, a job interview, or the fabulous party is what we want to cater to.

Who we are

Today, Stenströms is an international company that sells its products in large parts of the world, and we are one of the few shirt manufacturers offering both men’s and women’s clothing with a focus on high quality. We control the entire production process, from fabric to finished garment, from our headquarters in Sweden and via our factory in Estonia. Since 1962, we have proudly served as a supplier to the Royal Court.

What we offer

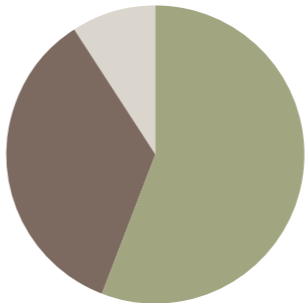
Our range includes shirts and blouses for all occasions; from the garment-washed denim shirt to the formal dress shirt and the festive blouse. Today we also offer knitwear and accessories for both women and men. Our focus is on quality in every detail, and when we design garments, we do it to make them 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 to made to measure shirts.




What we believe in

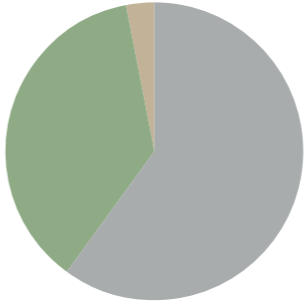
We believe in craftsmanship and choosing raw materials of the highest possible quality. We design timeless garments that last a long time. We also believe in continuity, longevity and honesty in all our relationships. It goes without saying that we support and respect our suppliers, retailers and customers,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

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 established. During the 125 years that the business has been in operation, the work of designing shirts and blouses at our headquarters in Helsingborg has continued. This is done in the same spirit that August once founded: passion, fashion and quality.



Sales		
	Nordic region	56 %
	Europe	35 %
	Rest of the world	9 %



Manufacturing		
	Eastern Europe	60 %
	Southern Europe	37 %
	Asia	3 %

60

minutes of production time per shirt

6 860 000

buttons are used in our garments

700 000

garments manufactured per year

840 000

meters of fabric are required



Our business model

Since 1899, we have built a reputation for high quality and craftsmanship. By upholding these values for 125 years, Stenströms has become a world-leading brand in premium shirting, offering timeless fashion for every occasion. Within our operations, a number of central activities take place, built on key resources sourced both internally and from our surrounding environment. These activities enable us to create lasting value for our stakeholders.

Design and product development

At Stenströms, our expertise in shirtmaking, fashion and textiles are key resources that allow us to design garments people want to wear, again and again. Since parts of the production take place in our own factory, we maintain close insight into the craftsmanship, which in turn enables us to set high expectations for our suppliers.

Careful selection of materials

One of our most essential resources is raw materials such as cotton, wool and linen sourced from nature. These are spun into yarn and woven into fabrics by trusted suppliers within our broad partner network before entering our garment production. By selecting only the finest materials that meet our strict quality standards, we ensure that our garments are made to last.

Production

Our garments are produced partly in-house and partly by around 20 carefully selected partner factories. By maintaining a consistent weekly production volume throughout the year, we offer stability that allows our partners to plan ahead. This continuity also means that the same skilled individuals sew our garments year after year, and together with our standardized production methods, this ensures consistently high quality.

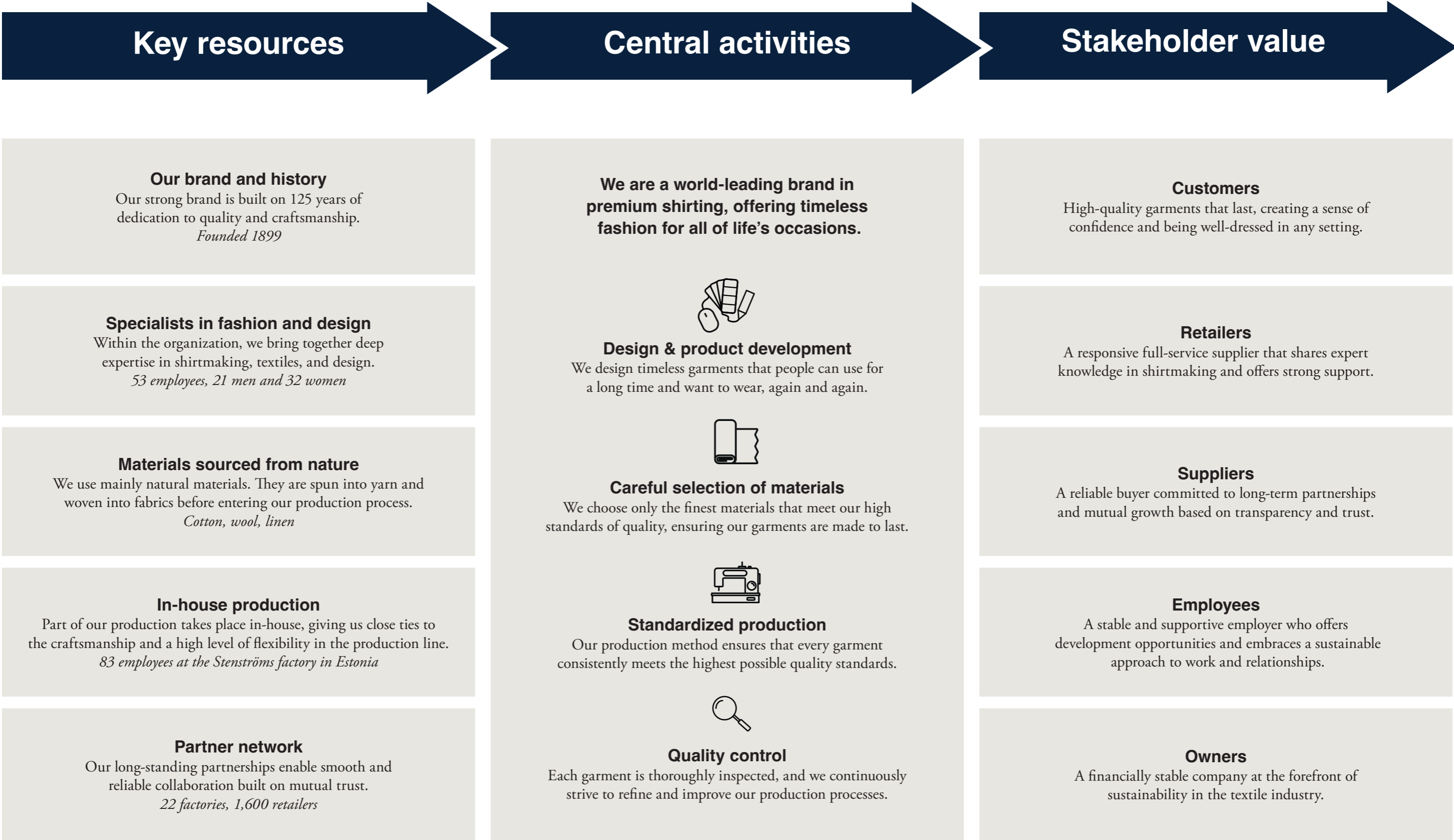
Quality control

Every garment is carefully packed and thoroughly inspected at our own warehouse facility in Helsingborg. Since each piece carries our name, the look, feel and overall experience are essential to upholding our reputation and the trust of our customers. Through our extensive retail network, we also gain valuable insights into how our garments are worn, which combined with our own evaluations and quality controls, help us continuously refine and improve the way we work.

Stakeholder value creation

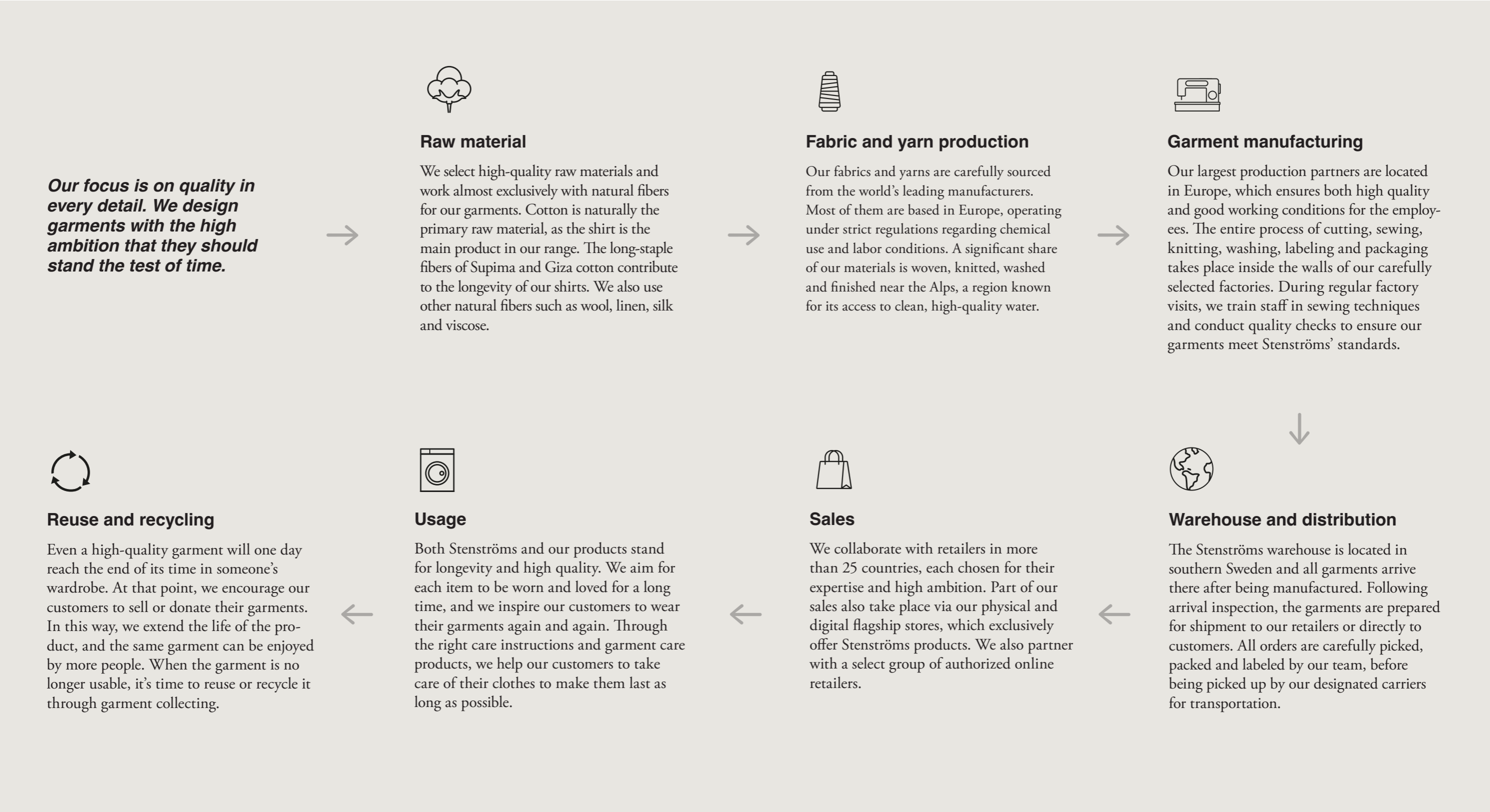
Our operations generate meaningful value for all our stakeholders. For those who wear our garments, we offer high-quality products with timeless style, creating a sense of confidence and being well-dressed in any setting. For our retailers, we are a responsive partner providing a complete concept, supported by our expertise in shirtmaking. For our suppliers, we are a reliable buyer committed to long-term relationships and mutual development. As an employer, we have a sustainable view of work, and we care deeply about the growth and well-being of our employees. Together, these values contribute to a financially stable company that leads our industry in offering high-quality products, and of which our owners can be proud.

Our business model cont.



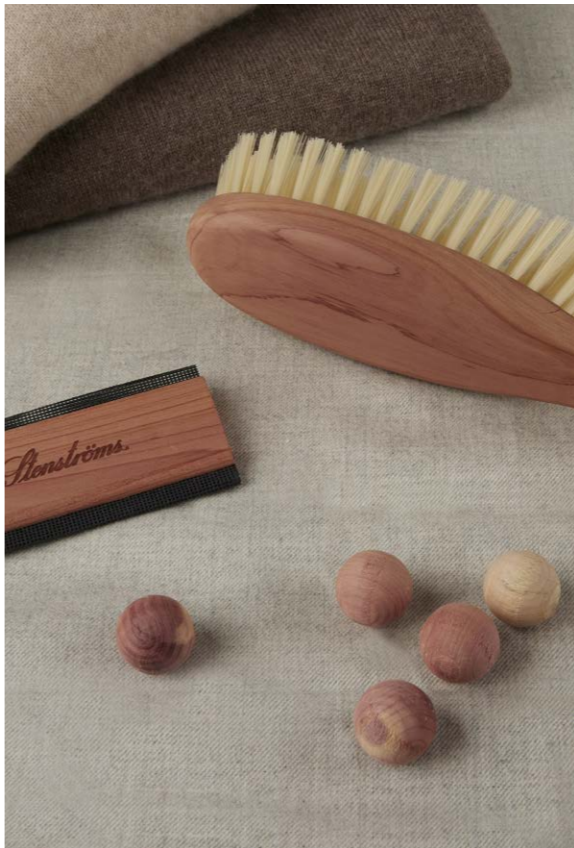
Our value chain

Stenströms value chain illustrates all stages of the manufacturing process, where natural fibers are refined into high-quality garments and then, after being worn and appreciated for many years, eventually are either reused or recycled. By applying care and craftsmanship throughout the process, we take responsibility for our environmental and social impact, and create value for our stakeholders at every step.



Our impact along the value chain

Below are the stages in our value chain where we have identified the most significant impact on people and the environment.



Raw material

The choice of raw materials has a major influence on the product's total climate footprint. Today, our materials consist entirely of virgin fibers, which are resource-intensive from an environmental perspective. For example, cotton cultivation requires significant water use. We are therefore exploring ways to increase the use of materials with a lower climate impact. Social conditions in the upstream textile supply chain also remain a key focus in our industry, and increasing transparency is a priority.

Garment manufacturing

During the design stage, many decisions are made that affect the total environmental impact of a product and ultimately its recyclability. Our philosophy of designing and producing high-quality garments with longevity in mind reduces the demand for new virgin fibers and lowers the strain on the environment. However, the ability to design for circularity will become increasingly important as the producer responsibility regulations become stricter, and we are therefore exploring this together with our suppliers.

Warehousing and distribution

The logistics of raw materials and finished garments between factories, warehouses, stores and end customers involve road, rail, sea and air. Emissions from these modes of transport contribute to environmental impact at various levels. Accurate climate data could help us gain a full understanding of our impact and identify where targeted improvements are most needed.

Usage

How a garment is cared for plays a key role in how long it lasts and how soon it may need to be replaced. While this largely lies beyond our direct control, we actively support our customers through education to prolong the lifespan of their garments. By doing so, we aim to postpone the point of disposal and reduce the strain on the environment.

Reuse and recycling

Like the rest of the fashion industry, we face the challenge of establishing long-term solutions for circular flows of textile materials. Our global presence means our garments are worn by customers in many countries, each with a different recycling infrastructure, making it challenging to develop scalable and sustainable product take-back systems. We are therefore exploring possible partnerships that support reuse and recycling, while at the same time avoiding increased transportation that results in environmental impact.

Highlights 2024



Environmentally certified facility

Moved parts of our headquarters into a building certified according to Miljöbyggnad Silver, recognized for low energy consumption, healthy indoor environments and responsible material choices.



Enhanced quality control

We now have a Quality Controller on-site at our largest production units. By ensuring quality early in the production process, we minimize returns and complaints.

Improved ergonomics

An ergonomic review of our head office spaces, sewing studio and warehouse was conducted, which led to customized solutions for our employees.

125-year anniversary

Celebrated with a business trip to Italy, where we visited some of our suppliers. We strengthened our relationships and gave everyone the chance to study all the details of the materials and processes behind our garments. We now look forward to bringing our philosophy of sustainable craftsmanship into the future.

Double materiality assessment

Provided important insights that are now shaping the future of our sustainability work. Through this project, we identified our most significant impact on people and the planet, both in the short and long term.

New packaging

Developed a wider range of box sizes that are well suited for our products. This way, we optimize the transport space and reduce the volume of air sent when shipping to customers and retailers.

New shipping methods

Transported some of the freight from our suppliers using rail, instead of by air or sea. Our largest shipments to the U.S. and Canada were also sent by boat instead of by air.

Shirt Academy

Staff from several Swedish retailers visited our headquarters in Helsingborg. The training program covered our brand, design philosophy, production and material selection.





Global context and industry trends

The fashion and textile industry is undergoing a period of profound change. Rising geopolitical pressure is reshaping global trade, while new legislation and shifting style preferences are redefining the fashion sector. At Stenströms, we believe it's crucial to stay closely attuned to these developments and understand how they influence the industry's dynamics and opportunities. We must evolve with the times in which we operate, while remaining firmly grounded in our commitment to quality, timeless design and sustainable craftsmanship.

Global uncertainty

Geopolitical tensions and growing protectionism among several of the world's nations result in a more uncertain landscape for global markets. Tariffs and other trade barriers are being introduced, reshaping logistics patterns and supply chains. For the fashion and textile industry, this will likely mean more complex material flows and increased production costs.

During our 125-year history, Stenströms has weathered many political shifts and global crises. This has strengthened our ability to manage uncertainty and adapt to change. As the world becomes more volatile globally, demand is rising for transparency and local production. Consumers want to know where and how their garments are made, placing higher expectations on stable, traceable supply chains. At Stenströms, we have always valued long-term partnerships and have built close, lasting relationships with our suppliers over the years. With production mainly located in Europe, the distance between idea and finished product is shorter. This gives us better control over our value chain and makes us less vulnerable to disruptions in global trade flows.

An industry in transition

The EU textile strategy is bringing major shifts to the international fashion and textile scene. The goal is for the industry to become sustainable and circular by 2030, a transformation that will require stricter regulations covering areas such as chemical use, waste management and beyond. This shift brings both challenges and opportunities, especially for a sector with a significant environmental footprint.

At Stenströms, we welcome this shift. Clearer guidelines and expectations that encourage innovation and push the industry to rethink its business models are steps in the right direction. For us, it's a chance to further develop our operations and support consumers with more sustainable choices. We continue to invest in high-quality materials, timeless design and responsible production, while strengthening our ability to navigate the road ahead.

The new role of the shirt

One of the most notable style shifts in recent years has been the changing role of formalwear. Once a staple of office attire, the business shirt is now being challenged in many professional settings by a more relaxed look. The classic white shirt has, for many, been replaced by a T-shirt under the blazer, which naturally impacts the global shirt market.

For Stenströms, where the shirt is our core product, this trend presents a challenge. A more casual aesthetic demands that we adapt, without compromising on our heritage. Meeting these new preferences requires a careful balance between staying true to what makes Stenströms unique and responding to the growing demand for more informal garments. We continue to develop our collection, while upholding the high quality and craftsmanship that define our brand.

Fast & slow fashion

Today's fashion is marked by extremes. On one end, ultra fast fashion is accelerating with rapid production cycles and low-cost garments. On the other, we see a growing movement toward slow fashion, centered around quality, sustainability and timeless design. At Stenströms, we have always focused on making garments that stand the test of time, both in terms of quality and style.

A Stenströms shirt is a long-term addition to your wardrobe, made to be worn and loved over time. Today, we already stand apart through our minimal use of synthetic fibers, which make up less than 2% of our materials and well below the industry average. As we move forward, our focus remains on natural fibers and finding more sustainable sourcing and production methods. For us, creating timeless garments with care for people and planet isn't a trend – it is part of our philosophy.



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 refers to our philosophy that guides us in everyday work, the products we offer and our relationships with the world around us. With this as our starting point, we aim to create attractive products that people want to use for a long time and feel confident wearing, again and again. We call this Sustainable Craftsmanship.

Developing our sustainability platform

Much is happening at Stenströms, as well as 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 industry is expected to be sustainable and circular, as a result of extensive new legislation within the textile sector. As both the textile strategy and comprehensive reporting requirements under CSRD* will have a major impact on how our industry relates to sustainability, we are advancing our sustainability efforts by setting a clearer strategic direction and structure for our future priorities.

In 2024, we therefore carried out a double materiality assessment to identify our most significant impact on people and the environment. As part of the process, we evaluated the risks and opportunities linked to our business operations, both short and long term. The results of the assessment are used to further develop our sustainability platform, providing greater clarity on how we should act responsibly, both within and beyond our organization. Stenströms strategic sustainability platform is grounded in our view of quality and built around three key focus areas: our philosophy, our products, and our relationships. Each area includes the material sustainability topics identified through our double materiality assessment.



Our philosophy

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

Our ambition is to make a positive difference at all stages and based on careful quality assurance throughout 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 our journey and being transparent about how we work, we want to make sure that people feel confident wearing our products, knowing they have been manufactured responsibly.



Our products

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

For us, quality means creating timeless designs, taking pride in the craftsmanship of making the garments and our conscious selection of materials. Together, this enables the garments to be worn on many occasions and passed down to future generations. We also play a role in teaching our customers about garment care and inspiring them to use their garments in different ways to activate their wardrobe.



Our relationships

Our good relationships with the outside world are essential for our business and our ability to offer high quality products that people want to use. Here, we look at quality through cooperation with our suppliers, the relationships with our retailers and customers, but also our commitment to society. During our 125-year journey toward becoming 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 operate and impact the world around them, from environmental concerns to the treatment of their employees. 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.

* The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that was implemented in Swedish law as of July 2024. 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

Just as quality means that a garment can be used for a long time, quality in our organization means having 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.

For the next 125 years

Stenströms, like many other fashion and textile companies, is on a journey of transformation. Together, we must all contribute to a more sustainable industry by ensuring that our strategy and business model are aligned with a better future.

In 2024, Stenströms celebrated its 125th anniversary and we now look forward to carrying our philosophy into the future. Based on our values, we create a safe and supportive work environment where everyone should feel welcome in the Stenströms family. We are careful with how we use our shared resources and through long-term partnerships built on trust and responsibility, we strive to make a positive difference throughout our value chain. In this way, we become a company that you enjoy working for, that you want to do business with, and choose to buy products from.

In line with the increased information requirements that our stakeholders place on us, internal development work is currently underway to map and improve how we manage our impact on the world around us. We see it as an obligation to take our social and environmental responsibility, both within our own operations and in our supply chain. As a respected player in the industry, we are well-positioned to influence how our garments are manufactured and handled in a sustainable way.

Quality throughout 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. 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. We currently do not keep formal records of our supplier visits, but we aim to implement a standardized structure for documentation over the next years.

In addition to our physical visits, we also carry out annual digital data collection. For the third year in a row, we are gathering information from our suppliers about the social and environmental impact arising in connection with the manufacture of our products. The information requirements cover areas such as business ethics, working conditions, resource use, water consumption and animal welfare.

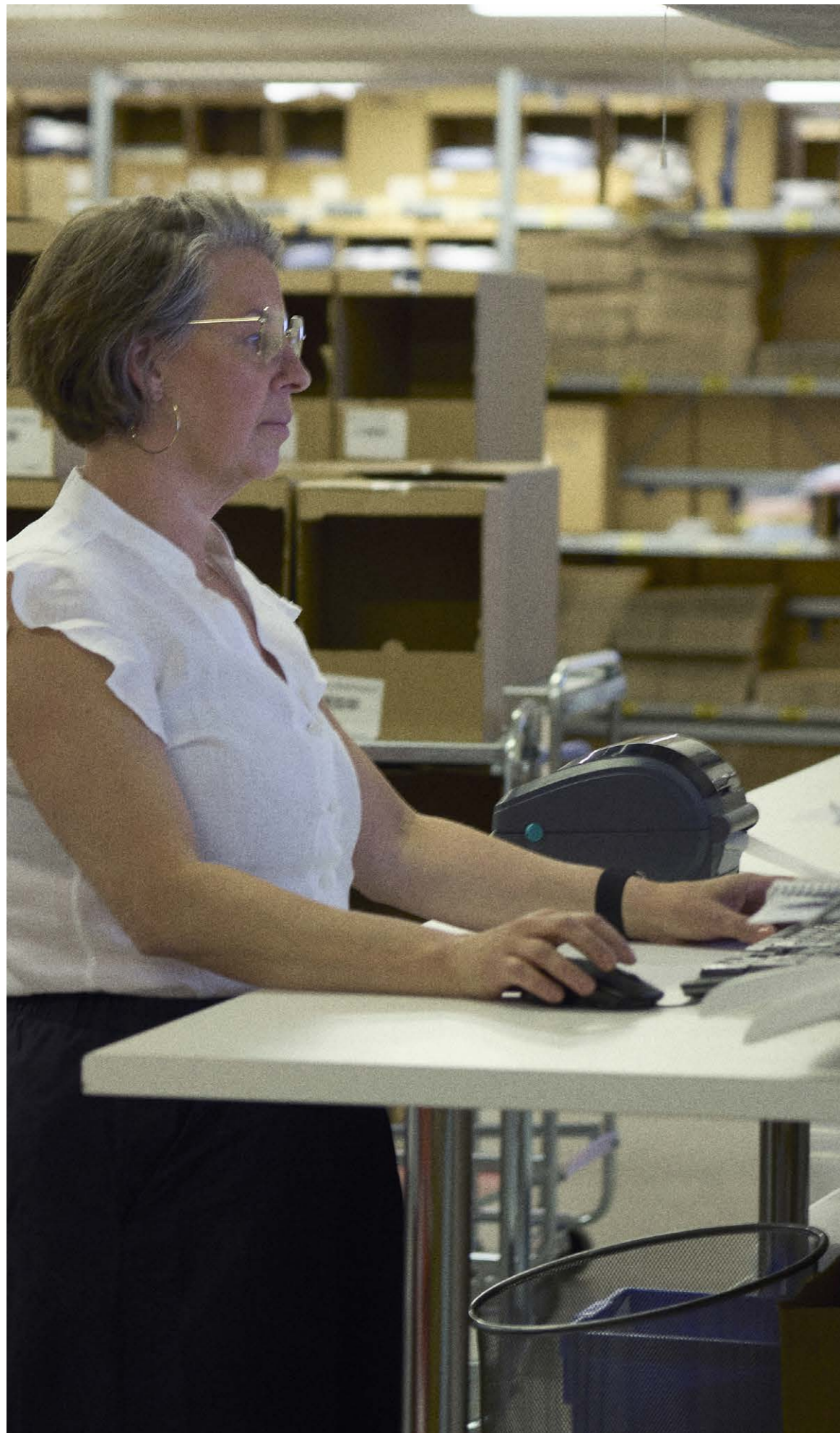
As a customer of our suppliers, we are in a good position to set requirements for how our raw materials are sourced and produced. However, given our size from a global perspective, we have limited influence to drive our suppliers' sustainability work and development. The fashion and textile industry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

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 own local operations. Our greatest environmental impact comes from energy use and in 2024 we continued working on the measures identified in our 2022 energy review, aimed at reducing our consumption and transitioning to fossil-free energy sources. Among the actions taken, we switched to LED lighting in the last remaining areas of our warehouse and office facilities in Helsingborg. Thanks to the solar panel installation on the roof of our headquarters, which was commissioned in 2023, we have shown in 2024 that we can be self-sufficient in electricity during parts of the year, and during the summer months we have been able to distribute surplus power to the local electricity network.

In our factory in Estonia, heating is provided via district heating, and for several years a control system has been in place that distributes the heat based on production. Lighting is regulated based on how the premises are used. We are also looking into the possibility of installing a solar panel system at the factory.





Our philosophy cont.

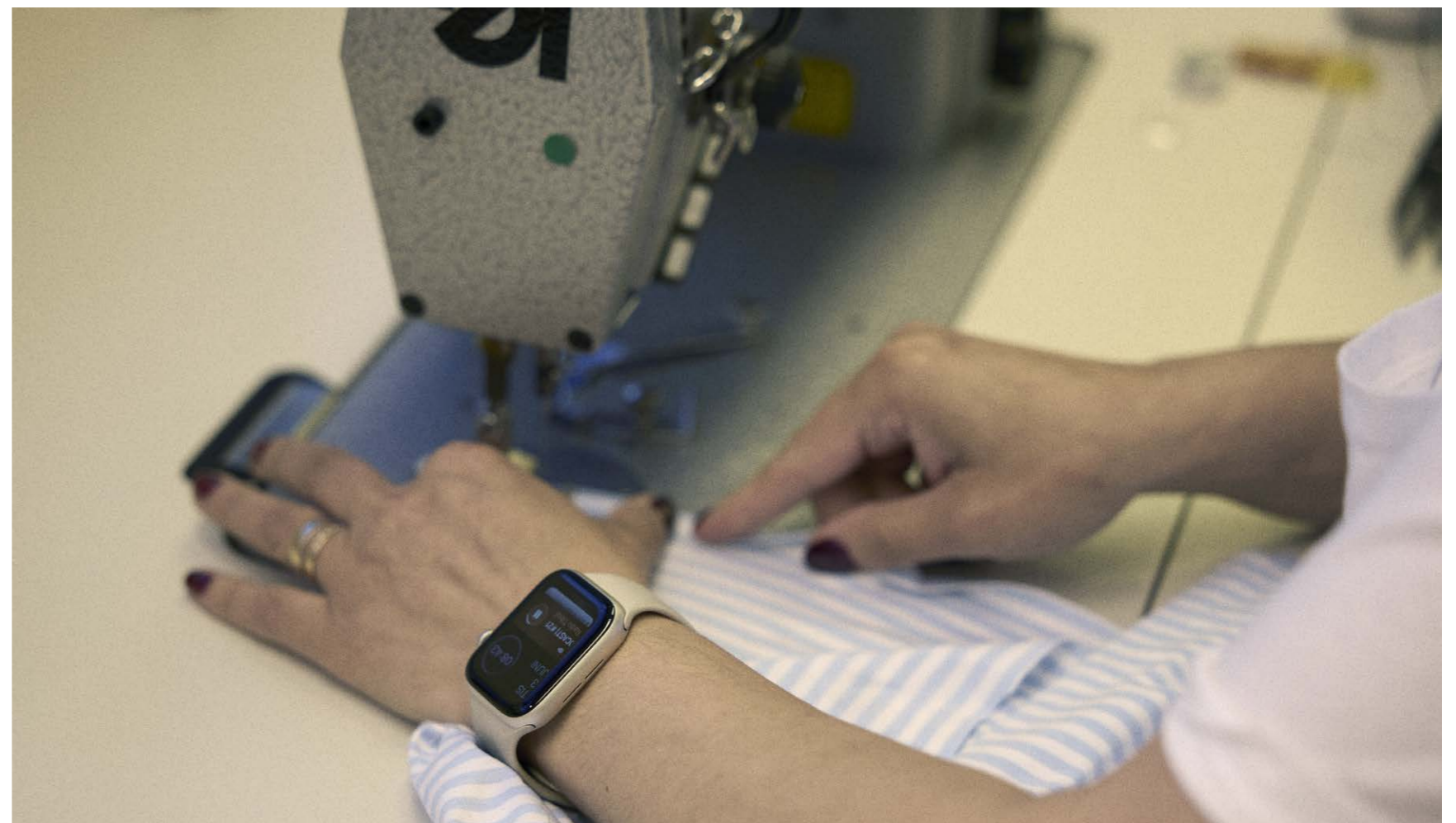
A safe and developing workplace

Stenströms employs 53 people with an average age of 44, of whom around 60 percent are women. Our employees play an important role in Stenströms' success. There is a strong sense of pride within the organization, largely based on a feeling of participation and community, where everyone sees the value of each other's work. To support this, several policy documents and guidelines have been established to ensure that Stenströms remains a workplace where people feel safe and have the opportunity to grow. All policies are reviewed annually by our human resources council, which ensures that the documents are up to date.

It is important for us to promote good working conditions and to prevent accidents and illness at work. To counter these risks, regular work environment inspections are carried out in both office and warehouse spaces. The focus is on both the physical and psychological working environment, reviewing aspects such as ergonomics and work safety equipment. In 2024, a more comprehensive ergonomic review was carried out for warehouse and office areas at the head-

quarters in Helsingborg, and individual adjustments were made to improve the work environment. Staff training sessions were also held on ergonomics, cardiopulmonary resuscitation (CPR) and fire safety, both in theory and practice. To promote the health of our staff, all employees are offered an annual wellness allowance, and every two years they have the opportunity for a health check-up with a doctor on site. As inspiration, we also run a company-wide health and activity campaign for 4–6 weeks each year, which has been highly appreciated.

Our own factory in Elva, Estonia, with just over 80 employees, has been manufacturing our shirts for more than 30 years and is part of our health and safety management. A local health and safety officer is present on site, and the factory's nearby location allows us to make regular visits to follow up. Fire safety, workstations, ergonomics and individual work rotation are regularly reviewed to minimize repetitive strain and prevent injuries.





Our products

The quality mindset is reflected in our choice of materials, every stitch and every design detail. First and foremost, the product we develop must be made to last and comfortable to wear, both for major events and in everyday life. The same principles also guide 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 versatility of our products places high demands on tailoring skills and precision. At Stenströms, pride in craftsmanship runs through every thought and idea that goes into the development of a garment, driving us to make the right choice at every step. This applies to everything from design and material selection, to sewing, button choices and labeling.

Each Stenströms shirt is made up of at least 23 precisely cut parts, assembled in no fewer than 60 distinct production steps. The collars alone undergo 25 separate stages to achieve the quality that defines a Stenströms shirt. With a few exceptions, our shirt buttons are made from natural mother of pearl, cut and finished by hand, then sewn on in two separate steps using a special wrapped neck. All of this is done to ensure they last as long as possible.

Our factory in Estonia serves as a central production hub, where partners are invited to observe in detail how each step of the process is carried out. This enables us to standardize garment production and maintain a consistently high level of quality, regardless of where manufacturing occurs.

Our products are primarily sewn, knitted, and woven using machines. While production methods have evolved over our more than 125 years in the industry, certain critical steps are still performed by hand to ensure that each garment meets our quality standards and retains its shape, elegance and comfort year after year.

The expertise of our production staff and the careful selection of materials are always essential. We value the close, long-term relationships we have built with our suppliers, rooted in our heritage and deep knowledge of craftsmanship and design, enabling us to create garments of the highest possible quality.

Timeless design

Our approach to style and timeless design is central to our brand and the premium feel we want every garment to convey. We remain traditional in our fits, targeting the style-conscious customer who should feel comfortable wearing our garments every day of the week. Choosing a timeless design also means our garments stay relevant for longer, and when paired with high quality, it allows you to wear and enjoy the same piece for many years. This, in turn, reduces the need for frequent purchases, eases the pressure on natural resources and lessens the environmental impact.

We evolve with the world around us and remain curious about how classic fashion can blend with other styles. Trendspotting is key to staying relevant as a fashion brand, which is why we attend the influential fashion fairs in Florence and Milan each year to be inspired, but also to learn how we as a fashion company can become more sustainable.

In today's fashion industry, sustainability has become one of the most important, if not the most important, issues. We welcome collaboration and knowledge-sharing with our industry peers. In this context, we're proud that our timeless design philosophy continues to stand strong. Long-lasting products that adapt to various styles and occasions form an important cornerstone for more sustainable consumption.

Sustainable material choices and processes

Thoughtful material choices have been part of Stenströms' identity since 1899. Aesthetics, comfort and durability are key priorities for our designers in their creative development of each collection. Combined with timeless design, the use of high-quality materials ensures that garments last over time and can be passed on to future generations.

While we offer the highest possible quality, the materials must meet high standards for social and environmental responsibility throughout the production process. 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 work with some of the world's leading fabric and yarn suppliers, many of whom have made significant investments in recent years to reduce their environmental footprint. They are at the forefront of textile innovation, exploring more sustainable alternatives in both production processes and dyeing techniques.





Our products cont.

We work almost exclusively with natural materials. Cotton, linen, silk and wool are some examples, though we also see promise in the growing availability of innovative and more sustainable alternatives. Cotton is the textile fiber we use most often in our products. Our shirts are primarily made from Supima and Giza cotton, whose long-staple fibers offer exceptional durability. Fabric construction also plays an important role in quality: the use of double-twisted yarn (twofold) results in a fabric that is fine, yet durable, with a smooth, luxurious feel on the skin. At the same time, this structure reduces wrinkling, which in turn limits the need for chemical non-iron finishing at the production stage.

The process of dyeing, printing and finishing textiles requires chemicals. By complying with the EU's REACH regulation, we ensure that only approved substances are used. Since our raw materials and garments are primarily produced in Europe, EU legislation naturally applies. We also extend similar requirements to our suppliers and factories outside the EU.

Water use in textile production is generally high, especially in washing, cleaning and dyeing processes. Each year, we collect data from our suppliers to build a clearer picture of water consumption and the environmental impact of our garment production. This data provides an important foundation for continued improvements throughout our supply chain.

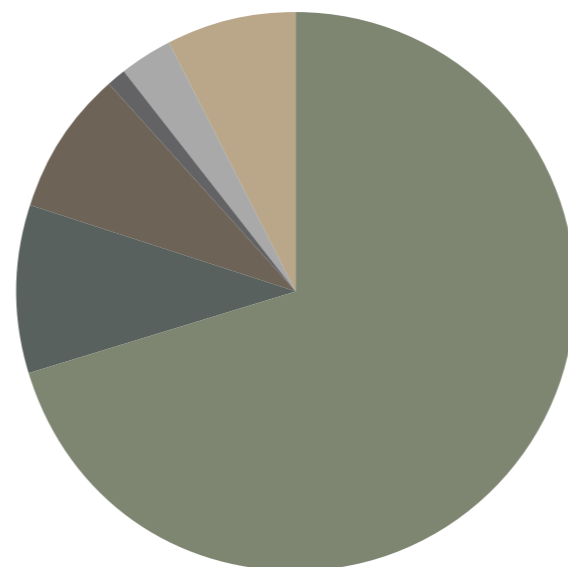
Smarter packaging solutions

We continuously review our packaging materials to identify more environmentally friendly alternatives, while ensuring that products remain protected during handling and transport. In 2024, we updated our outer packaging and introduced a wider range of box sizes. This way, each order is packed in a well-fitted box, optimizing the transport space and reducing the volume of air sent when shipping to customers and retailers.







Our bags currently consist of at least 80 percent recycled plastic and all labels, cardboard inserts and tissue paper are made from FSC-certified paper sourced from responsible forestry. We have also removed some pins and clips to enable a more sustainable folding of our shirts

Sharing our knowledge on care

Proper garment care plays an important role in extending the life of a product. As a producing brand, we have limited influence over how our garments are used and cared for, but we aim to encourage more sustainable consumption habits in various ways. We believe we can play an important role in promoting the knowledge of garment care among our employees, store staff and customers alike.



Our materials

	Cotton	70,5 %
	Linen	9,5 %
	Wool	8,5 %
	Cashmere / yak	1 %
	Silk / viscose	3 %
	Other	7,5 %



Our relationships

Since 1899, Stenströms has been part of the local community in Helsingborg. Over time, we have grown into an international company, with our products reaching people around the world. This journey would not have been possible without the trust we've earned from our many stakeholders and we carry a responsibility to nurture and strengthen these relationships.

As a manufacturing company, our connection to the outside world is naturally central to our strength and success. Retailers play a vital role in presenting our products to customers and communicating their needs and preferences back to us. At the same time, close relationships with our suppliers are essential to ensuring the consistent quality of our garments. In this way, our relationships are also partnerships, enabling us to create clothing that people truly want to wear and can enjoy for years to come.

Collaboration with suppliers

A long-term perspective is central to how we define quality and we place great value on our long-standing supplier relationships. We have worked with most of our suppliers for nearly 30 years.

By maintaining and developing these partnerships, we build trust and a sense of closeness that ultimately leads to stronger collaboration and a better understanding of each other's expectations and capabilities.

Approximately 70 percent of our production is carried out by external factories, primarily located in Europe. Thanks to careful and long-term planning, we are a reliable partner that offers continuity in our suppliers' operations. This creates a stable foundation for the relationship, allowing suppliers to better plan their capacity and retain their workforce. As a result, the same individuals are often involved in producing our garments, helping us maintain a consistently high level of quality.

We are deeply involved in how our products are made – from design to finishing – and our strong supplier relationships give us direct insight, allowing us to influence practices on site. We make regular visits to our suppliers to assess their working environment and production processes, including the health, safety and well-being of the employees. These visits primarily focus on identifying areas for improvement and in some cases, we contribute to facility investments or offer training and education for supplier staff.





Our relationships cont.

125-year celebration with supplier visits

As part of Stenströms' 125th anniversary, a five-day trip to Italy was organized for employees, agents and distributors. The purpose was to strengthen the collaboration with key suppliers and give all participants deeper insights into the production and craftsmanship behind our garments.

The journey began with a visit to the Albini Group in Bergamo, a family-owned company founded in 1876 and one of our most important shirt fabric suppliers. Albini manufactures fabrics in Italy as well as in several other European countries. Their portfolio includes renowned brands such as Albini, Thomas Mason, and Albiate. Stenströms has enjoyed a long-standing partnership with Albini Group, including the development of the exclusive linen fabric "Swedish Linen" used in our solid linen shirts for men. This partnership is grounded in shared values of quality and long-term commitment.

Albini is actively engaged in sustainability initiatives and has implemented closed-loop water systems for yarn dyeing. The company is certified according to OEKO-TEX Standard 100, participates in the Better Cotton Initiative (BCI) and works with UNIDO in Egypt to support sustainable cotton farming.

On site, company representatives introduced the business, followed by a guided tour of the factory. During the visit, we followed several stages of production – from yarn dyeing and loom setup to fabric weaving. We also explored their extensive fabric archive, dating back to the company's founding, which serves as inspiration for our future collections.



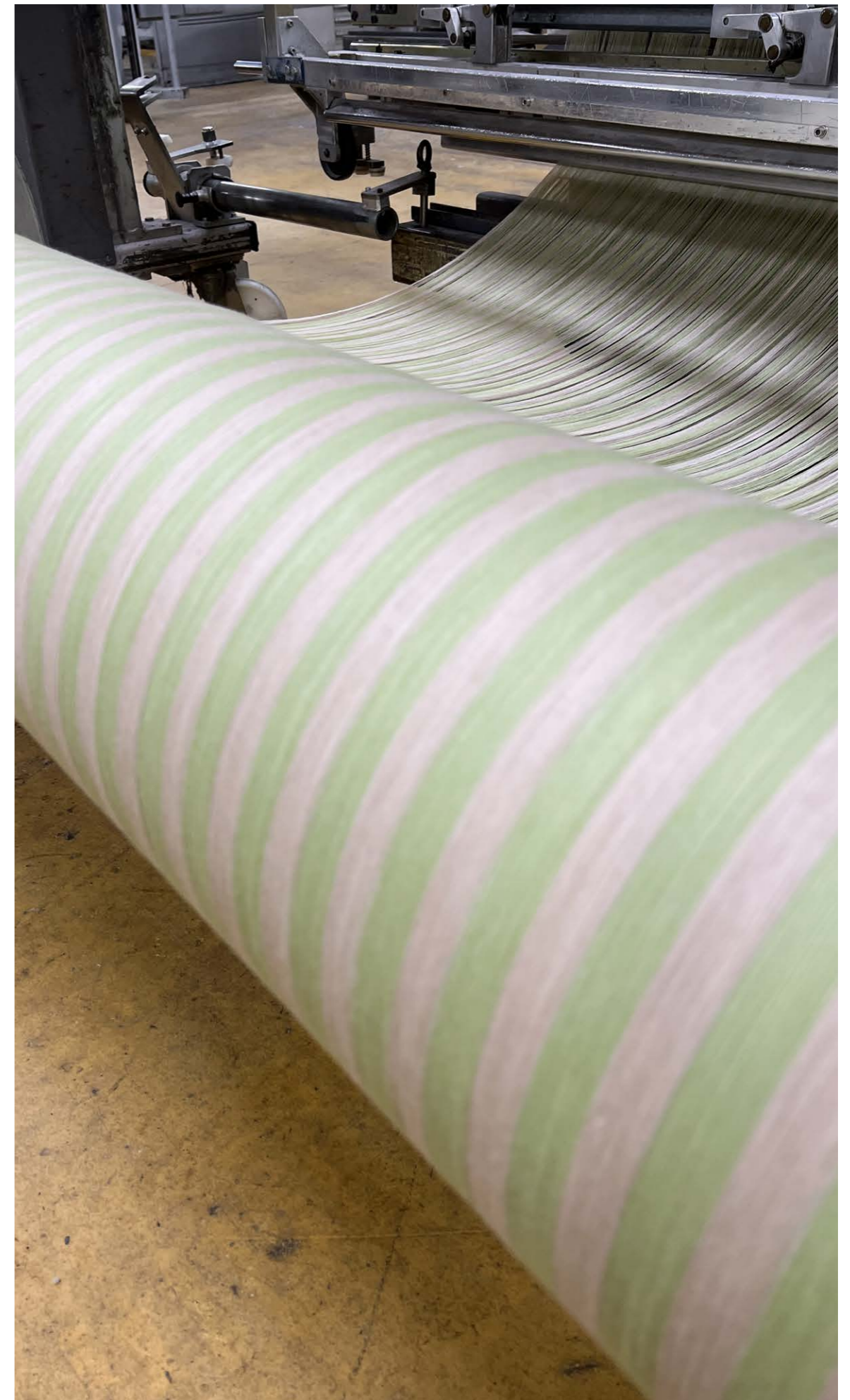
Next, we visited Gritti Group, a leading producer of mother of pearl buttons headquartered in the Bergamo area. Celebrating its 100th anniversary in 2024, the company specializes in premium buttons as well as buckles and other details made from horn, wood and leather. The visit included a company presentation and a guided tour of the production site, showroom and warehouse. Gritti operates in modern modern facilities and has invested in solar energy to optimize its energy use.

Product development is central to Gritti's operations, and leftover materials from production are reused into new items. Each mother of pearl button is hand-cut using a specialized tool and carefully polished before the holes are drilled according to customer specifications. Buttons can also be dyed in selected colors. During the visit we had the chance to see how the Stenströms buttons were made and how they were carefully sorted by thickness and shape. Watching the details of the production process gave insight into why a hand-crafted mother of pearl button can cost nearly ten times more than a simple plastic alternative.

The third supplier we visited was Zegna Baruffa, another long-time partner and family-owned company. Since its founding in 1850, Zegna Baruffa has specialized in producing high-quality wool yarns used in Stenströms knitwear. The company is committed to sustainability and offers yarns that are traceable throughout the value chain. In 2024, it launched a project to replace all lighting with LED and install a solar panel system to reduce its environmental footprint.

Our visit included a presentation and a tour of the production facility in Borgosesia, where we followed the entire production process from dyeing to finished yarn. We saw how loosely wound yarns are dyed in large vats, dried via an overhead rail system, and then wound onto cones for further use in external knitting factories. It is a carefully designed production line from raw wool to finished yarn. One of the most exciting moments during the visit was seeing our selected yarns for future collections being brought to life through the dyeing process.

The visits to Albini Group, Gritti Group and Zegna Baruffa deepened our understanding of how our suppliers operate and reaffirmed our shared values of quality, sustainability and long-term partnerships. The initiative was greatly appreciated by our team and reinforced our belief in the importance of close supplier relationships.





Our relationships cont.

Relationships with retailers

Just like our supplier partnerships, our relationships with retailers are characterized by closeness and long-term collaboration. Stenströms retailers are often privately owned clothing stores with a genuine interest in and deep understanding of quality garments. As they interact with our customers on a daily basis, they serve as important ambassadors and representatives of the Stenströms brand. We meet with our retailers several times a year to listen to their insights, follow up on their work, and present our latest collections.

It is especially important that our retailers share our values and commitment to quality, as well as possess the level of knowledge we believe is required to sell our products. To support this, we regularly offer training through our Shirt Academy, a program aimed at providing both national and international store staff with in-depth knowledge of our brand, design philosophy, production process, and material selection. In the fall of 2024, we hosted a Shirt Academy for the Swedish market, welcoming retailers from across the country to our headquarters in Helsingborg.

Supporting our customers

Stenströms speaks to the style-conscious customer, someone who places high expectations on both design and the overall experience of wearing the garment. We also see that sustainability has become an increasingly important factor. Our timeless design, high-quality standards and responsible production methods all contribute to garments that can remain in the customer's wardrobe for years. However, its everyday care is what ultimately defines whether the garment can be worn over and over again.

Even the most carefully crafted garments made from premium materials require proper care to stay in good condition. While we have little control over how garments are used after the point of purchase, we do our best to provide customers with useful information and practical advice on how to care for their Stenströms garments. As part of our ongoing efforts, our customer service team regularly receives training in textile materials to better support customers and answer their questions.

We are continually exploring new ways to engage with our customers and encourage more sustainable consumption habits. One example is the launch of a digital materials guide in 2024, offering detailed information about the textile fibers we use and their specific characteristics. We have also developed a care guide to help customers look after their garments post-purchase, released in early 2025.

Community engagement

Stenströms has a long-standing tradition of engaging with the community. Many of our initiatives stem from the commitment of our employees and owners, who share a strong belief in contributing positively to society and the lives of others.

For 125 years, Stenströms has been an integral part of Helsingborg. We are firmly rooted in the local community and have a long-standing interest in its development. For many years, we have actively contributed to the development of Drottninghög, the area where our headquarters are located, including the expansion of our operations by building a new property with an international showroom, office and warehouse.

Our engagement also extends to local schools, where employees regularly serve as mentors and contribute to vocational programs within e-commerce, textile and entrepreneurship.

Through our factory in Estonia, we have developed a close relationship with the local community. As a result, we have long supported the Ågrenska Foundation, which helps Estonian children, youth and adults with disabilities. Our owner has served on the foundation's board since 2000, the same year we purchased and donated a building to establish a center for children with disabilities and their families.

Sustainability information

Developing relevant performance indicators

The double materiality assessment conducted in 2024 identified key sustainability topics that will shape Stenströms’ continued sustainability efforts and reporting. Based on the results, further mapping will be carried out to identify information gaps in relation to current disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD). This internal process is currently underway and will eventually lead to the development of additional, relevant performance indicators. For the 2024 reporting year, Stenströms has chosen to continue collecting data based on the previous information structure and to report only on existing indicators.

ESG - data

Stenströms conducts annual data collection within its supply chain to increase transparency toward stakeholders and to ensure future alignment with disclosure requirements related to the value chain. In the initial phase, the company chose to focus its data collection on the garments it manufactures. The aim of this structure is to provide a clearer picture of how suppliers address key sustainability issues and which policies they have in place. Collecting this information also enables Stenströms to assess and manage both risks and opportunities related to sustainability across its value chain.

The information applies to the 2024 financial year and has been gathered using Worldfavor, a digital platform for ESG (Environmental, Social and Governance) data collection directly from suppliers within the value chain. The selected focus areas are based on an internal analysis of relevant sustainability topics and will be further developed in the company’s future reporting as outlined above.

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

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

Policy documents

All policy documents and internal guidelines apply to employees at Stenströms’ operations in Helsingborg. The documents are reviewed annually by the Personnel Council, which consists of the company’s CEO, all department managers and HR representatives. The most recent review found no need to update the existing policies. As part of the company’s efforts to align with the disclosure requirements of the Corporate Sustainability Reporting Directive (CSRD), Stenströms’ policy framework will be revised and expanded, including the addition of an environmental policy, which is currently not in place.

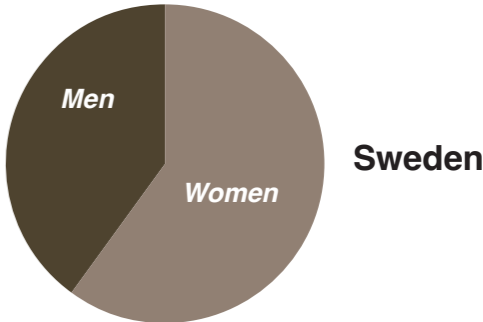
- Employee handbook
- Alcohol and drug policy
- Work environment policy
- Privacy policy
- IT usage policy
- Equality policy
- Policy against harassment and abusive behavior
- Human resources policy
- Pension policy
- Stress management policy
- Whistleblower policy

Employees

At the end of 2024, 53 people were permanently employed at Stenströms operations in Helsingborg, approximately 60 percent of whom were women.

Sweden

Permanent employees	Total	Men	Women
	53	21	32
20-29 years	8	5	3
30-39 years	17	6	11
40-49 years	10	3	7
50-59 years	11	6	5
> 60 years	7	1	6



Estonia

Permanent employees	Total	Men	Women
	83	2	81
20-29 years	10		10
30-39 years	15	1	14
40-49 years	20		20
50-59 years	18		18
> 60 years	20	1	19



Sustainability information cont.

Social conditions and human rights

The Code of Conduct defines the expectations placed on Stenströms’ suppliers. The code is based on several international conventions; the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact. All active suppliers are expected to sign the Code of Conduct, which has been confirmed for the 2024 production year via Worldfavor.

The Code of Conduct covers the following areas of human rights, each linked to specific international conventions:

- Health and safety
- Non-discrimination, diversity and equality
- Employment
- Fair wages and benefits
- Working hours
- Freedom of association and collective bargaining
- Forced labor
- Child labor

The Code of Conduct also addresses additional areas such as environmental responsibility, traceability in production, the handling of confidential information and performance evaluation.

If any employee suspects or becomes aware of a violation of Stenströms’ internal policy documents or Code of Conduct, a report should be filed via the company’s whistleblower function, established in 2023. Reports are submitted anonymously and handled by an independent third party.

Anti-corruption

Stenströms operates in accordance with ethical guidelines and maintains a firm stance against all forms of corruption and bribery, both within its own operations and across the supply chain. The company’s Code of Conduct is one document that reflects these principles. Through the company’s established whistleblower function, both employees and stakeholders across the value chain can report suspected incidents of corruption.

Environment

Stenströms’ most significant local environmental impact stems from the company’s energy use, primarily for electricity and heating.

Energy use	2024	2023
District heating, total	607 MWh	627 MWh
Stenströms headquarters	416 MWh	426 MWh
Factory in Estonia	191 MWh	201 MWh
Electricity, total	526 MWh	519 MWh
Stenströms headquarters	297 MWh*	280 MWh
Factory in Estonia	229 MWh	239 MWh

*In 2024, 161 MWh of Stenströms’ total energy consumption of 297 MWh was generated by the company’s own solar panels.

Risks and risk management

Risks related to the company’s operations are addressed in the statutory management report. However, a dedicated sustainability risk assessment has not yet been established. Instead, sustainability-related risks have been incorporated as a key element of the double materiality assessment and may be defined as a distinct area in the company’s future sustainability reporting.



Stenströms.