

2018

New Wave Group
Sustainability Report

NewWave
G R O U P

2018



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NOTABLE EVENTS 2018

Increased number of products with sustainable attribute, increased share of factories that have been audited by third party and a substantial reduction of emissions from transportations - all are examples of that New Wave Group's work with sustainability is starting to pay off!

- **Heavy reduction of emissions from transports.**
- **Increased amount** of products with sustainable attribute.
- Increased share of factories in risk countries that have been **audited by third party.**
- Increased demand for the eco-labeled brand **Cottover.**
- **CSR Tuesdays with New Wave Group** – lecture series for retailers and employees within the Group.
- **Online training** on CSR and Sustainability for employees.
- Updated chemicals **Restricted Substance List** (February 2018).
- Big buy of **spun dyed polyester** for several of the subsidiaries.
- **Transition Accord on Fire and Building Safety in Bangladesh** came into force June 1st 2018.
- Project on **improved packaging solutions** for long-distance transport.
- In May 2018, the **Kosta Safari Park** opened, which enables many smart sustainability solutions for the Kosta destination such as reduced food waste from Kosta's restaurants and locally produced and climate-smart raw materials.

CEO STATEMENT

“What makes the biggest difference is how we operate our daily business.”

New Wave Group believes in sustainable growth. It is important for us to adapt business solutions that are financially profitable, but also sustainable from a social and environmental perspective. For us, it is about long-term thinking and to balance economic aspects with environmental and social in all decisions, both minor and major. A good economic growth is a prerequisite for influencing and pursuing sustainable development. At the same time, I'm convinced that the reverse applies – that sustainability leads to innovation, new business and a profitable business model also in the future.

The objectives are to maximize our contribution to globally agreed goals for sustainable development, create long-term value for the Group and at the same time take stakeholders' expectations into account. Another important aspect is also to actively spread knowledge and raise awareness about sustainable consumption and sustainability aspects in the production of textiles and other goods. In this way, the Group can contribute to global goals for sustainable development while ensuring a good dialogue with customers and other stakeholders.

Risks are an inevitable part of New Wave Group's business. Constant adjustments are required to meet the customers'

growing demands for transparency and sustainability, as well as changes in legislation. Our ambition is to constantly be at the forefront and what makes the biggest difference is how we operate our daily business.

Therefore, we have identified three focus areas which we believe are the most important in order for New Wave Group to integrate sustainability with our core business: Sustainable products, Sustainable production and Sustainable distribution.

This is the second year New Wave Group issues a Sustainability Report. During the year, we have shown an increase in the amount of products with sustainable attribute, increased share of factories in risk countries that have been audited by third party and heavy reduction of emissions from transport, a result of focused efforts that I'm very proud of!

In this year's report we have taken the next step and have put our sustainability efforts in a broader context within the framework of the 17 global sustainability goals. As in previous year, we have chosen to report with support from GRI Standards, Global Reporting Initiative's latest guidelines.

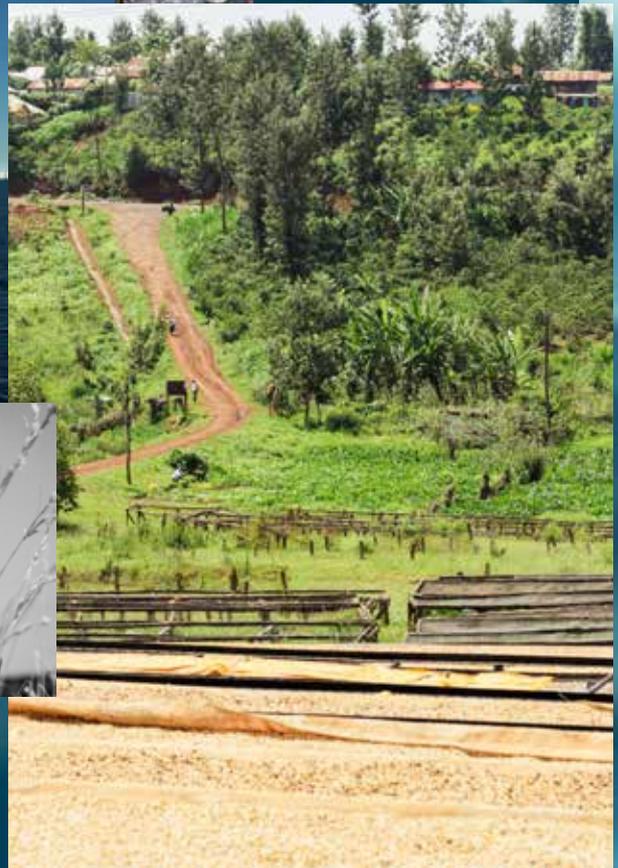
Welcome to read more about our journey towards a sustainable growth!



TORSTEN JANSSON
CEO



Photo: Peter Falkrygg



TRADEMARKS IN FOCUS

CORPORATE*



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



* The segment Corporate Promo has been renamed to Corporate.

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36

FAIR AND GREEN TEXTILES

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



8

Example: Ensure good working conditions, both within the Group and in the global supply chain (page 28).

12

Example: Develop as sustainable products as possible (page 24) and actively spread knowledge and information about sustainable consumption.

13

Example: Choose transportation with eco-friendly fuels and improved vessels (page 32).

17

Example: Partnerships such as amfori BSCI, FLA, Accord on Fire and Building Safety in Bangladesh, Clean Shipping Index and Mistra Future Fashion.



THE GLOBAL GOALS
For Sustainable Development

BUSINESS CONTEXT

How New Wave Group works with sustainability and what areas we focus on are interrelated with our business context and the questions that are highly valued by our stakeholders. Below, we address areas that characterize our work, all directly or indirectly linked to the global goals for sustainable development.

GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

In 2015, world leaders agreed to 17 goals for a better world by 2030. These goals have the power to end poverty, fight inequality and stop climate change. With its 17 goals and 169 targets, this is the most ambitious agreement for sustainable development the world leaders have ever adopted. The global goals unite the countries in the world through a universal agenda and demand that all countries – rich and poor – act both nationally and globally to achieve the goals by 2030. Guided by the goals, it is now up to all of us, governments, businesses, civil society and the general public to work together to build a better future for everyone.

In Sweden, the government's ambition is to become world-leading in sustainable fashion production and consumption.

For New Wave Group, **all 17 sustainability goals are important** and we try to influence them in a positive direction, either directly or indirectly. The goals are strongly interconnected, but we consider our business can make more significant contributions to four of them. The illustration to the left shows examples of how we can contribute to the different goals.



In Sweden, the government's ambition is to become **world leading in sustainable fashion production and consumption**, which requires commitment from business, civil society and the general public.

SUSTAINABILITY FROM A LIFE CYCLE PERSPECTIVE

With an increasing world population and a growing middle class, in combination with unsustainable human consumption patterns, we consume more of the nature's resources than the planet is capable of. In order to meet the challenges we must use resources more responsibly and move towards a circular economy. This is not just about recycling and reuse but also efficient use of resources throughout the entire life cycle of a product. **Increasing the longevity of the products by prioritizing quality and optimizing the length of use is the most important thing we can do in order to cope with the environmental strain caused by a linear industry.** For example, did you know that if an average garment could stay in use three times longer than today, its carbon footprint can be reduced by 65% and the water use by 66%?

For New Wave Group, it basically means to produce high quality products to enable longevity and introduce more sustainable and eco-friendly options in our offer.



SUSTAINABLE CONSUMPTION

It is unlikely that anyone wants to destroy the climate and contribute to bad working conditions in developing countries. Yet, this is the negative side of today's consumption. In almost every purchase decision, the customer is forced to choose between the value of the product and their own values. It does not have to be that way. Today, reports from around the world show that there are billions of people looking for more conscious offerings. Broadly speaking, one in four customers is actively looking for offerings that contribute to a more sustainable development. Consumer two and three are not looking for themselves, but also want to be able to shop more ethically and responsibly. Only consumer number four is uninterested, but still happy if the product subsequently turns out to have added values in terms of sustainability. With trends as a growing conscious middle class, higher expectations on corporate responsibility and increased knowledge about the effects of consumption on people and planet, this suggests that the market will grow more.

At New Wave Group, we focus on creating eco-friendly offers, for example through the brand Cottover. We want to help our customers to make conscious purchases as we are convinced that the customers' purchasing decisions and consumption are crucial to being able to drive sustainable development in the long term. The customer votes with his or her wallet on the products and companies they want to support and thus become successful in the market.

CLIMATE CHANGES

Two degrees Celsius. That is the planet boundary for global warming. The temperature is rising faster than predicted and it is due to our emission of greenhouse gases. Global warming has catastrophic consequences, such as global meltdown of glaciers, elevated sea levels, more floods, storms and forest fires, and extreme temperatures are becoming increasingly common. The poorest and most vulnerable people on our planet are suffering hard, partly because of threatened food production. In addition, important species, habitats and entire ecosystems are threatened.

Combustion of fossil fuels accounts for the biggest contribution to global warming. Thus, the transport sector plays a vital part in the fight for our climate. For New Wave Group, transportation and logistics is a key question and we are determined to take our responsibility and take actions to reduce our climate impact.

We **consume more** of the nature's resources than the planet is capable of.

SUSTAINABILITY GOALS

New Wave Group’s corporate sustainability efforts and sustainability goals revolve around the areas where we can make the biggest difference. Below we present the goals a little closer. The goals serve as a guide and reminder of what the Group and its subsidiaries should prioritize.

PRODUCTS WITH SUSTAINABLE ATTRIBUTE

New Wave Group aims to introduce more sustainable and eco-friendly materials in our range of products. We want to increase the amount of products coming from sources and processes with extra care for people and planet (read more on page 24). Working with eco-labels and certifications is an important part of our work with sustainability. It is a tool to help our customers to identify the best performing products in terms of social and environmental responsibility.

Measuring the amount of certified products would have been a clear way of reporting the amount of sustainable products. However, we think it is important to also highlight products which for example are made of more environmental friendly materials where certifications are not always available. This applies in particular for the hardline products where the selection of eco-labels and certifications is very limited. Therefore, when measuring the amount of sustainable products we use our own indicator “products with sustainable attributes”.

We base our classification of the products on established industry practices. The development is moving forward and the list of more materials and processes we see today as more sustainable will be updated and adjusted over the years.

Textile products with sustainable attribute include products with one or more of the following labels, materials or processes: The Nordic Ecolabel, GOTS, Oeko Tex, Fairtrade, recycled polyester, spin dyed polyester, EXP 4.0 treated wool and Primaloft® Black insulation Eco. Oeko Tex is by far the most represented attribute and accounts for more than 90 % of the products with sustainable attribute.

Hardline products with sustainable attribute include products with one of the labels TUC GS or FSC. Also included are crystal products from Orrefors Kosta Boda made of so-called “eco-crystal” that are free from lead and arsenic, which is unfortunately still common in the industry.



		2017	2018	Goal	Comments
Products with sustainable attribute	Textile products	835*	964*	90% year 2025	Number of active products
	Hardline products	384*	397*	50% year 2025	

* New Wave Group has around 8,000 active products (color/size excluded). Around 50% are textile products and 50% are hardline products.

FACTORIES AUDITED IN RISK COUNTRIES

We are aware of the responsibility that comes with sourcing goods in countries with different legal standards and labour conditions. New Wave Group strives to continuously improve working conditions in the global supply chain (read more on page 28). An important tool is third party audits. **Our goal is to include all our suppliers in amfori BSCI or an equal monitoring system and that the audit should result in a good grade.** The number of audited factories is increasing every year.



		2014	2015	2016	2017	2018	Goal	Comments
Factories audited in risk countries	% of total number of factories in risk countries	-	-	-	59%	67%	90 % year 2020	Risk countries according to amfori BSCI's definition
	% of purchasing volume from factories in risk countries	-	-	-	86%	85%	95% year 2020	
	% of purchasing volume from purchasing offices	52%	70%	80%	92%	92%	100% year 2020	

EMISSIONS FROM TRANSPORTATION

New Wave Group shall participate in fighting for reduced climate impact and seize every opportunity to **reduce greenhouse gas emissions from our business operations.** Priority areas are primarily where we have direct impact by transportation and logistics (read more on page 32). Since air freight has the highest emissions of greenhouse gases, we have a zero vision for this transportation. During 2018, the emissions from transportation were heavily reduced as a result of less number of shipment with improved fill rate.



		2014	2015	2016	2017	2018	Goal	Comments
CO²e (t)								
Air		2511	1586	1767	1790	1236	Zero vision for air freight. Cleaner fuel and vessels.	Long distance transportations between Asia and Europe
Sea		1857	1762	2501*	7852**	3804		
Freight (t)								
Air		338	187	218	234	154		
Sea		11080	9783	4460*	11484**	11457		

* During 2016, New Wave Group signed a new transportation agreement for shipments between Asia and Europe. Due to this reason, the data from 2016 is not comparable with previous years, as methods and arithmetic deviates. Reported data refers to the period August-December 2016.

** Not comparable to 2016 as the reported data refers to the period August-December 2016.

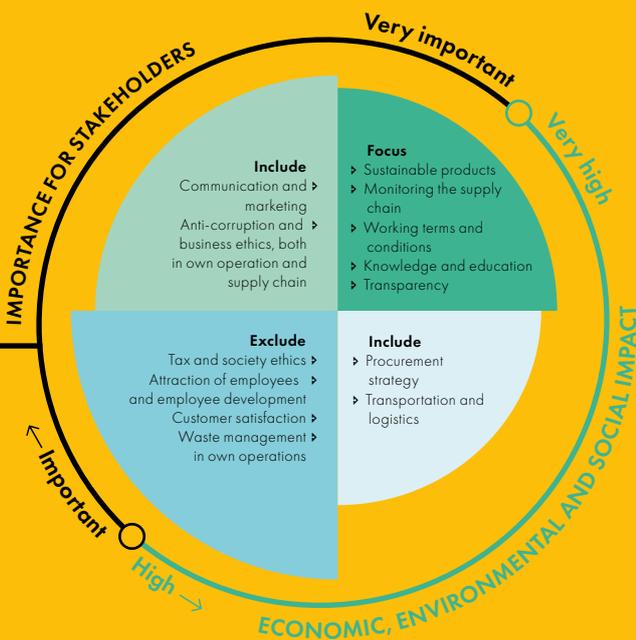
ABOUT THE REPORT

This is the New Wave Group Sustainability Report that summarizes the work with sustainability within the Group during the fiscal year 2018. The report has been developed by the Sustainability Department of New Wave Group. The Board of Directors and the Group Management have been involved in the process. Data collection and compilation has been made on Group level while the CEO of each subsidiary has been responsible for reporting. Reported data and key figures are based on

2018 activities, unless otherwise stated. As in previous year, we have chosen to report with support from GRI Standards, Global Reporting Initiative's latest guidelines. Still a lot of work and data collection remain in order to be able to fully report according to GRI's principles. The ambition is to continuously improve and develop both our work with sustainability and reporting.

MATERIALITY ANALYSIS

The content in the report reflects the questions that are most important for New Wave Group on Group level and has been prioritized high by our stakeholders.



The expectations of the stakeholders in combination with the knowledge of our employees are guidelines for how we work with sustainability. By being responsive to the expectations, we can continue to develop in the desired direction. The materiality analysis includes, among other things, the result of surveys filled in by three of our key stakeholders: shareholders, customers and employees.

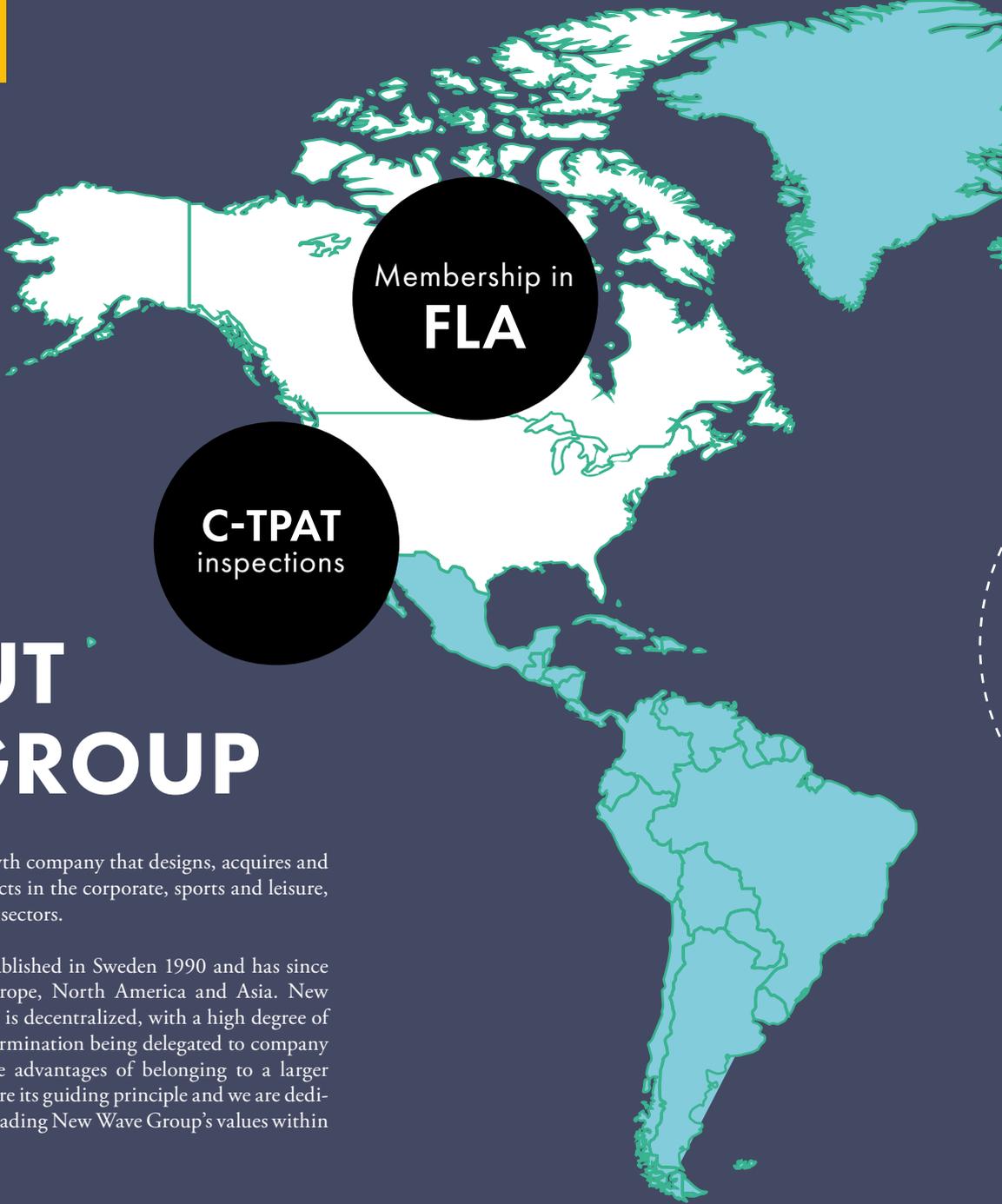
We have also taken into consideration the sustainability questions most important for New Wave Group in terms of business strategy and competitiveness. A key question for our stakeholders is New Wave Group's efforts to create sustainable products where quality, design and compliance with regulations, as well as good environmental performance and social conditions throughout the supply chain are taken into account.

STAKEHOLDERS AND IMPORTANT QUESTIONS

The most important stakeholders for New Wave Group are the ones that are most affected and/or affect our business to a large extent. We strive for a continuous dialogue to ensure good relationships and understand their expectations.



Stakeholder groups	Stakeholders	Channels for communication	Important questions
Shareholders Decides on the aims of the business and influence the approach New Wave Group take to other stakeholders.	<ul style="list-style-type: none"> ▶ Funds and financial institutions ▶ Private shareholders 	<ul style="list-style-type: none"> ▶ Annual General Meeting ▶ Individual meetings ▶ Stock analysis ▶ Surveys 	<ul style="list-style-type: none"> ▶ Tax and social ethics ▶ Product quality ▶ Attraction of employees and employee development ▶ Communication and marketing
Customers Affects New Wave Group's revenue and brand perception	<ul style="list-style-type: none"> ▶ Promo distributors ▶ Retail ▶ End consumers 	<ul style="list-style-type: none"> ▶ Customer surveys ▶ Market Advisory Board ▶ Individual meetings ▶ Social media 	<ul style="list-style-type: none"> ▶ Product quality ▶ Strong brand in light of sustainability ▶ Origin and transparency ▶ Monitoring of the supply chain ▶ Provide information to support purchases of sustainable products ▶ Knowledgeable staff
Employees Implement and develop operational work within New Wave Group	<ul style="list-style-type: none"> ▶ All employees in all subsidiaries ▶ Consultants and clients 	<ul style="list-style-type: none"> ▶ Daily interaction ▶ Staff meetings and performance reviews ▶ Employee surveys 	<ul style="list-style-type: none"> ▶ Customer satisfaction and product quality ▶ Performance reviews and feedback ▶ Working terms and conditions ▶ Equality ▶ Knowledge and education ▶ Monitoring of the supply chain ▶ Anti-corruption and business ethics
Suppliers Produce and influence the impression of New Wave Group's products	<ul style="list-style-type: none"> ▶ External suppliers in Asia and Europe 	<ul style="list-style-type: none"> ▶ Buying offices ▶ Individual meetings ▶ Supplier audits (internal and third party) 	<ul style="list-style-type: none"> ▶ Long-term business relationships ▶ Anti-corruption and bribes ▶ Working conditions, terms, health and safety ▶ Chemicals
Society Sets the outside expectations on New Wave Group	<ul style="list-style-type: none"> ▶ Interest groups and organizations ▶ Partners ▶ Politicians ▶ Policy makers 	<ul style="list-style-type: none"> ▶ Lectures at seminars and other events ▶ Memberships in industry organisations ▶ Individual meetings 	<ul style="list-style-type: none"> ▶ Product quality ▶ Chemicals ▶ Anti-corruption and bribes ▶ Democracy ▶ Origin and transparency ▶ Monitoring of the supply chain ▶ Eco-labels and certifications



Membership in
FLA

C-TPAT
inspections

ABOUT THE GROUP

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate, sports and leisure, gifts and home furnishings sectors.

New Wave Group was established in Sweden 1990 and has since gradually expanded in Europe, North America and Asia. New Wave Group's organization is decentralized, with a high degree of independence and self-determination being delegated to company management, but with the advantages of belonging to a larger group. The Group's values are its guiding principle and we are dedicated to upholding and spreading New Wave Group's values within the Group.

2 605 employees

52%
women



34% women in leading positions

48%
men



66% men in leading positions

< 30 years: 19%
30-50 years: 54%
> 50 years: 27%



SEK 6 291 million
Net sales 2018

Sales activities in own subsidiaries

Own purchasing offices
Shanghai (China), Dhaka (Bangladesh),
Ho Chi Minh City (Vietnam),
Bangalore (India)

VISION AND VALUES

New Wave Group's organization is decentralized with a lot of entrepreneurial spirit. The Group's values are its guiding principle, no matter which subsidiary, business segment or country. We are dedicated to upholding and spreading New Wave Group's values within the Group.

VISION

All business segments and brands have their own visions and business concepts. Although they may differ in some parts, all subsidiaries are gathered under an overall vision of building world leading brands and world leading suppliers in each business segment. Read more about the visions of each business segments in the Annual Report.

001

Most things are still undone

No matter what has been achieved by us or others in the past, there is always more to be done. Pursue constant growth.

002

There are no limits

Neither national nor cultural, religious, performance or any other limits. If you feel you have reached one, try to find a way round.

004

If you make a mistake, learn from it

Everyone makes mistakes, but if we learn from them we can improve ourselves as well as the company.

003

Constant improvements

Everything can be improved - always!

005

Be happy!

Your mood affects people around you and they deserve a smile.

006

See the opportunities and not the problems

Every problem is actually a opportunity in disguise, and that is what you should focus on.

010

Treat customers the way you want to be treated when buying something privately

Our brands are never better than our performance. New Wave Group is a service company.

016

We have committed ourselves to conduct the business responsibly

Sustainability and long-term thinking shall characterize the decisions we make, big and small. Do not take shortcuts that risk damaging people, the environment or the company. Perform your work with respect and care!

007

Agera nu

Tomorrow may be too late.

011

Always be 100 percent loyal towards the company.

008

A dollar saved is a dollar earned

To earn a dollar we must sell for ten dollars.

012

Use common sense and good judgement.

013

Always think: what is my contribution towards improving the company?

014

Always be honest

Never lie, neither to your colleagues nor superiors or customers, regardless of the objective.

009

Hard work gives result.

015

Knowledge

We should always strive to have the highest competence and knowledge in the business we operate in.



ULRICA MESSING

Chairman of the Board

Astrid Lindgrens Värld

Vice Chairman of the Board

Wallenstam AB

Member of the Board

Länsförsäkringar Fond

Member of the Board

Port of Gothenburg

ANDERS FERBE



Previous Chairman of the Board IF Metall

Member of the Board Business Sweden

Chairman of the Board Statens Valideringsdelegation

Investigator SOU Statligt stöd vid korffidsarbete

Lay judge Södertörns Tingsrätt



MIKAEL KARLSSON

Researcher at KTH Royal Institute

Lecturer environmental science Karlstad University

Senior Partner and Advisor, 2050 Consulting

Member of the Board in the Swedish Forest Agency

Member of the Board Insynsrådet vid Kemikalieinspektionen

Member of Kärnavfallsrådet



ANNI SANDGREN

CSR and Sustainability Manager New Wave Group

ORGANIZATION AND GOVERNANCE

The overall responsibility for strategies, goals and follow-ups lies with the Group Management and the CSR and Sustainability Manager. The operational responsibility is decentralized to the subsidiaries and their respective CEO's.

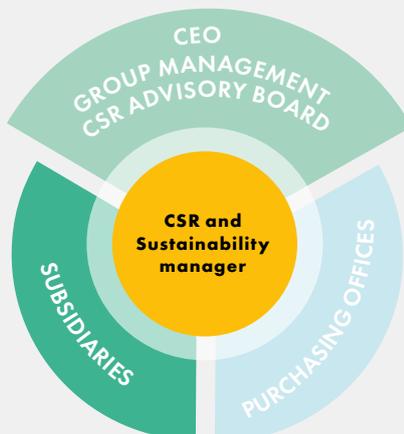
CODE OF CONDUCT, POLICIES AND GUIDELINES

New Wave Group shall conduct business in accordance with good business practice and high ethics in all relationships with different stakeholders. The foundation of the work is the values of New Wave Group and the Code of Conduct (read more about the Code of Conduct on page 29). We strive to work preventively as much as possible and apply the precautionary principle.

In addition to the Code of Conduct, New Wave Group has the following policies and guidelines: Anti-corruption policy with guidelines for bribery and corruption, CSR and environmental policy, Handbook for employees, Financial policy, IT policy and Communication policy.

SUSTAINABILITY BOARD

New Wave Group has established an expert panel on social and environmental topics. The purpose of the board is to give feedback, critique and suggestions on our work with sustainability. It is a forum for dialogue and a great opportunity to get qualified advice from true experts within sustainability. Topics that have been discussed in the Sustainability Board are sustainable public procurement, young workers protection and strategic communication.



The work is coordinated by the CSR and Sustainability Manager and is conducted through ongoing dialogues and meetings with the different subsidiaries, as well as other stakeholders, based on specific topics. New Wave Group also continuously makes efforts in raising the level of knowledge in terms of sustainability and sustainability issues.



VALUE CHAIN

New Wave Group's value chain covers several steps from design and product development, to delivery and the use of the product. Every detail is important in all the hundreds of steps taken along the way.



IMPACT IN THE VALUE CHAIN

New Wave Group influences and manages different parts of the value chain to varying extent. Because of the nature of the operations, our efforts are mainly put on sourcing, production and suppliers in the global supply chain. However, some subsidiaries like Seger and Orrefors Kosta Boda have their own in-house production, where we also have direct influence.

OWN PURCHASING OFFICES

New Wave Group is never far away from the production. We have our own purchasing offices in charge of sourcing and production. Our offices are located in China, India, Vietnam and Bangladesh, consisting of approximately 200 employees.

China is our biggest country of production. In addition to our main office in Shanghai, where we have been operating since 1992, we have three minor offices in Qingdao, Xiamen and Nanchang. Our procurement strategy is to purchase directly from our suppliers and to cut intermediaries that could jeopardize our control of the supply chain. Being represented on site enables us to have a close partnership with our suppliers and to actively monitor flow of goods and quality.

4 Purchasing offices in four production countries

200 Over 200 employees

1992 Purchasing office in Shanghai since 1992

GREAT INFLUENCE

- ▶ **Subsidiaries**
 - Assortment strategy
 - Product development
 - Internal education
 - Employee development
 - Information and lobbying
 - Regular self-monitoring
- ▶ **In-house production**
 - Regular self-monitoring
 - Waste disposal
 - Choice of energy sources
- ▶ **Own warehouses and transportation**
 - Choice of facilities
 - Waste disposal
 - Choice of energy sources
 - Choice of routes
 - Choice of transportation means and fuel

LIMITED INFLUENCE

- ▶ **Suppliers**
 - Choice of suppliers
 - Agreements and terms
 - Choice of products
 - Product quality audits
 - Social and environmental audits
- ▶ **Transportation Providers**
 - Choice of transportation providers
 - Requirements on routes, transportation means and fuel
 - Regular checks and follow-ups
- ▶ **Subcontractors**
 - Agreements and terms with suppliers
 - Choice of materials
- ▶ **Customers**
 - Communication and marketing
 - Product offers
 - Loyalty programs
 - Dialogue and cooperation with interest groups

TOWARDS A SUSTAINABLE GROWTH

INFORMATION, KNOWLEDGE AND PARTNERSHIPS

A key aspect of our journey for sustainable growth is to actively spread knowledge and raise awareness about sustainable consumption and sustainability aspects in the production of textiles and other goods. In this way, the Group can contribute to global goals for sustainable development while ensuring a good dialogue with customers and other stakeholders.

LECTURES AND SEMINARS

During the year, we have organized several lectures and seminars internally as well as for customers and distributors. In spring 2018 we organized an appreciated seminar series, “CSR Tuesdays with New Wave Group”, for both resellers and employees. During five Tuesdays we held seminars with invited experts on the following themes: Introduction to REACH, chemicals in plastic materials, Eco-labelling for textiles and Fairtrade cotton, Smart transportation for a sustainable climate and Social responsibility in production.

ONLINE TRAINING

During 2017 we introduced online training for New Wave Group employees in order to raise awareness and knowledge around CSR and sustainability. During 2018 we have continued our efforts and the majority of the employees within the Group have completed the training.

PARTNERSHIPS AND NETWORKS

Many issues and challenges require cooperation at a higher level than with individual companies. There are many ways to make difference together and learn from each other. Therefore, an important mission for our Sustainability-team is to participate in different industry networks and round table discussions to share information and discuss structural problems and solutions. For example, we regularly participate in the amfori BSCI National Group, the Swedish Chemicals Group and Mistra Future Fashion. In addition to below initiatives, we also participate in the Buyers Forum in Bangladesh (organized by World Bank Group IFC-SEDF), CSR Forum in Shanghai and CCR CSR's (Save the Children's Sustainability Center in China) Virtual Youth Development Working Group.



ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

The Accord is a legal agreement to improve the safety of textile factories in Bangladesh, with focus on building construction, electrical and fire safety. The Accord includes inspections, fire safety training as well as effective remediation and renovations. The agreement was established in 2013 after the Rana Plaza disaster when a factory building collapsed.



FAIR LABOUR ASSOCIATION (FLA)

FLA is a collaborative effort of universities, civil society organizations and socially responsible companies dedicated to protecting workers' rights around the world. New Wave Group is a member through the subsidiary Cutter & Buck.



C-TPAT

C-TPAT is voluntary initiative by the American CBP (Customs and Border Protection) to build relationships that strengthen international supply chains to improve border security. CBP organizes regular visits to our suppliers for on-site inspections.



AMFORI BSCI (BUSINESS SOCIAL COMPLIANCE INITIATIVE)

Amfori BSCI is a global initiative for companies committed to improve working conditions in the global supply chain. Over 2000 members around the world are working together, using the same Code of Conduct with requirements such as minimum wage, working conditions, prohibition of child labor, bonded labor and discrimination.



CLEAN SHIPPING INDEX

Clean Shipping Index aims to impact the freight companies to use cleaner vessels and upgrade their fleet of ships in order to reduce greenhouse gas emissions and chemicals in our oceans. The organization has developed a tool in order to help companies evaluate environmental impact when selecting freight forwarders or shipping companies.



THE SWEDISH CHEMICAL GROUP

The Swedish Chemicals Group is arranged by Swerea IVF, a world leading research group with a key role in the Swedish innovation system. The purpose of the group is to share the most updated information on chemical legislations and developments and to support companies with tools to manage legal requirements and other activities in the chemical field. The group meets regularly to discuss current topics and changes legislation.



TEXTILE EXCHANGE

Textile Exchange is an international non-profit organization working for responsible expansion of the textile industry and the organic cotton production.



MISTRA FUTURE FASHION

Mistra Future Fashion is a research program with a vision of enabling systemic change leading to a sustainable fashion industry and society. New Wave Group participates in the research as a business partner.



SUSTAINABLE AND ECO-FRIENDLY OPTIONS

New Wave Group aims to introduce more sustainable and eco-friendly alternatives in our range of products. We want to increase the amount of products coming from sustainable sources and processes and help our customers to imbed social and environmental criteria in their purchasing decisions. Here are some examples of products developed with extra care of people and planet.



FAIRTRADE

When you buy Fairtrade cotton, producers who grow the cotton are given the opportunity to improve their finances and their working conditions.



GOTS

GOTS-certified textiles are always made of organic cotton and if applicable, recycled polyester. Guarantees full traceability and also put social requirements on all actors in the supply chain.



NORDIC SWAN ECOLABEL

Takes the products' environmental impact throughout the whole life cycle into account. Strict chemical and quality requirements.



OEKO TEX

Guarantees that the finished product does not contain any harmful and hazardous chemicals.

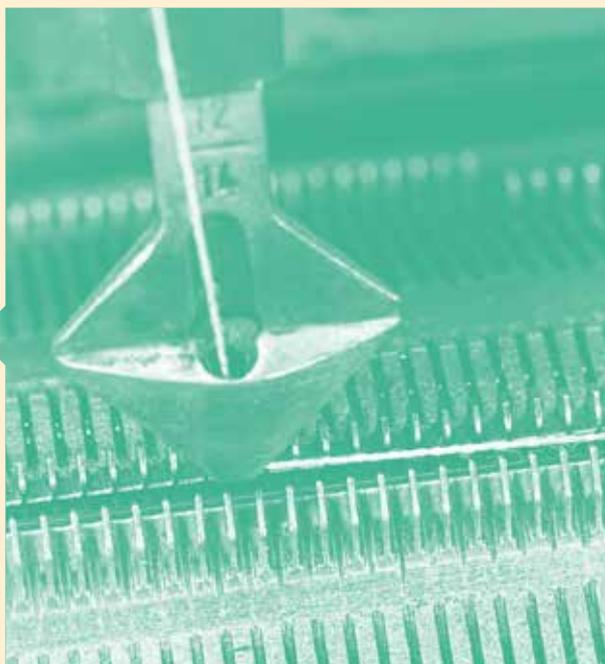
COTTOVER

In spring 2015, we launched the brand Cottover – a complete eco-labeled garment collection certified by Nordic Ecolabel and GOTS. The cotton is organic, which means it is grown without chemical pesticides and fertilizers, and Fairtrade-certified which ensures fair economic and social conditions for the cotton farmers. The polyester is recycled from old PET-bottles and we have applied social and environmental criteria throughout the whole supply chain – from raw material to finished garment. The garments have also been independently quality tested in order to pass the requirements of Nordic Swan Ecolabel. We are proud to be able to offer a complete assortment of sustainable clothing, cooperating with four different third party-certifications - Nordic Ecolabel, GOTS, Fairtrade and Oeko Tex. The certifications have all put their mark, their independent guarantee, on our garments.

cottover
people & planet

EXP 4.0 MERINO REWOOLUTION

Wool is a fantastic material and more sustainable in itself than most other textile fibres. It is a 100 % biodegradable and renewable fibre, valued for its natural water- and soil repellence. Unfortunately, the processing of wool includes steps with negative environmental impact. The process of one ton of wool treatment requires approximately 0.5 ton of chlorine, several other industrial chemicals and huge amounts of water. EXP 4.0 is a modern technology of wool that requires fewer chemicals and uses up to 50% less water than older treatments. EXP 4.0 is the first wool treatment that meets stringent requirements of eco-labels such as GOTS. Our brand Seger obviously chose to knit its Sense and EveryDay socks in EXP 4.0 treated wool.



SPUN DYED POLYESTER

The biggest environmental impact in the life cycle of clothes and textile derives from the fibre processing and wet treatments. Normally, this requires huge amounts of water, chemicals and energy. Spun dyed polyester is a way to add color to polyester fabric in a much improved way. Instead of soaking fabric or yarn in water with dyestuffs, the color pigment is added into the polymer melt. Thus, the color pigments become an imbedded part of the fibre prior to extrusion. Not only does this eliminate the need for a conventional wet dyeing process – saving approximately 60% energy and water – it also results in excellent quality properties such as improved color fastness. Garments made out of spun dyed polyester are available among our brands Craft, Projob, Cutter & Buck and Printer.

A WIDE ASSORTMENT OF OEKO TEX

Oeko Tex is the world's most recognized and independent product label for all types of textiles tested for harmful substances. Garments with the Oeko Tex-label have been successfully tested for chemicals that pose a health risk, and therefore contribute to an effective consumer protection, taking into consideration both REACH and non-regulated substances. Within our brand Clique, more than 80 % of the assortment is certified by Oeko Tex. You can also find Oeko Tex-certified work wear from Projob and Jobman.

OUR AMAZING GLASS!

Garments are just one example of materials that could decrease its environmental impact. Another important material is glass. Glass affects the environment in several ways and historically, many substances have been used that are harmful to the environment. Orrefors Kosta Boda has conducted active environmental work for a long time and has been world leading in its ambition to create crystal glass without lead and arsenic.

This glass is sometimes referred to as "eco-crystal", but in Kosta Glassworks it is simply the material we use for the entire glass manufacture in Kosta.

A PROGRESSIVE WORK WITH CHEMICALS

Chemicals are present in our everyday-environment, but do not automatically imply a hazard. In fact, chemicals are needed to live the life we do. However, it is important with adequate knowledge to handle chemicals in a correct and safe manner. New Wave Group invests a lot of time and resources in a progressive work with chemicals.

RESTRICTED SUBSTANCE LIST

New Wave Group is a member of the Swedish Chemicals Group. We receive the most updated information on legislation and research on chemicals, which supports our active work to reduce and replace chemicals in line with best available technique.

All New Wave Group suppliers must follow the requirements stated in our Restricted Substance List (RSL). The list has been designed in accordance with legislations such as REACH (European Union chemical legislation) and other industry recommendations and standards.

As a result, our requirements sometimes are stricter than the applicable legislation. The RSL is continuously updated and communicated to our suppliers. Last update was made in February 2018.



300

approximately 300
lab tests are con-
ducted by New Wave
Group annually.



4 kg

this much
chemicals can
be required for
production of
1 kg textile.



TOPPOINT



TESTING AND INSPECTIONS

We conduct sample testing to ensure that our requirements are being respected and adhered to. Every year, we conduct about 300 different chemical lab tests, including textile products as well as products made out of plastic or ceramic. A lab test is never a guarantee of a products chemical content, but an important tool for us to get an indication of product compliance and maintain a systematic work regarding chemicals. We also benefit from product labels such as the Oeko Tex label (read more on page 25).

Follow-up and control of routines also take place in connection with supervisions by the Swedish Chemical Agency. During 2018 they conducted a project with focus on promotional products.

Our subsidiary Toppoint had eleven products controlled. In two of the products (foldable headphones and a foldable desk lamp) too high levels of lead was found in the solder joint, despite own sample tests showing the opposite.

The articles have been removed from the assortment and the Swedish Chemicals Agency has closed the case.

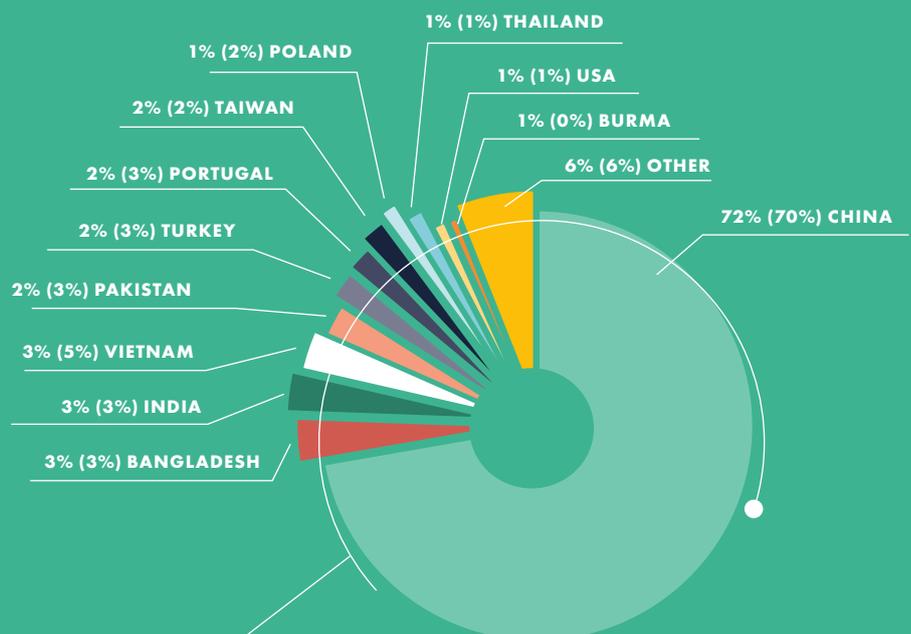
SOCIAL RESPONSIBILITY IN A GLOBAL SUPPLY CHAIN

How a product has been produced and under what social circumstances is an important matter. Here we will tell you more about our work to improve working conditions in the global supply chain.

OUR PRODUCTION COUNTRIES

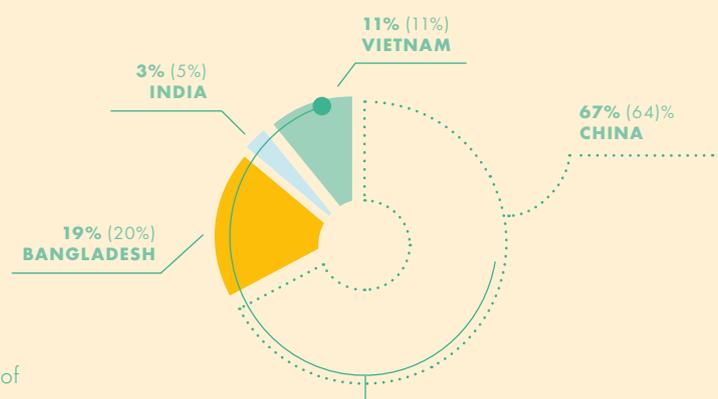
Most of our products are produced by external suppliers, mainly located in Asia. We are aware of the responsibility that comes with sourcing goods in countries which have not come as far as Sweden when it comes to working conditions and environmental issues. Many challenges in developing countries can be related to poverty and lack of welfare systems. We always aim to have an open dialogue with our suppliers and discover potential issues in time. Having good suppliers is key for our business and we depend on their business operations as much as they depend on ours. Hence, we care about the situation on the factory floor and that the suppliers are treating their workers with respect and according to law.

In 2018, New Wave Group had production in 35 countries. The majority of the factories are located in China. 95 % are located in risk countries according to amfori BSCI's definition: Bangladesh, Bulgaria, Burma, Cambodia, China, The Philippines, Honduras, India, Indonesia, Macedonia, Malaysia, Pakistan, Romania, Sri Lanka, South Korea, Taiwan, Thailand, Turkey and Vietnam.



NEW WAVE GROUP'S PRODUCTION COUNTRIES

Based on number of factories.
Previous year in parentheses.



LOCAL PRESENCE

Our own four purchasing offices China, India, Vietnam and Bangladesh are an important part of our social and environmental responsibility in the supply chain. Local presence makes it easier to visit, support and train our suppliers in sustainability questions. The biggest strength of New Wave Group is that we have our own CSR staff on site working full time with these tasks.



80%

Based on purchasing volume, approximately 80 % of the Group's purchases in risk countries are made through the buying offices.

DISTRIBUTION PER PURCHASE OFFICE

Based on purchasing volume, previous year in parentheses.



Co-operating with other stakeholders is a key activity to improve our ability to implement changes, as we have a stronger voice together.

LINDA NIE

Works as CSR Manager in China. Linda has over 10 years' experience with social sustainability.

CODE OF CONDUCT

New Wave Group's Code of Conduct is a policy which contains requirements such as minimum wage, working hours, prohibition of child labor and several other requirements from the ILO Conventions and the UN Declaration of Human Rights.

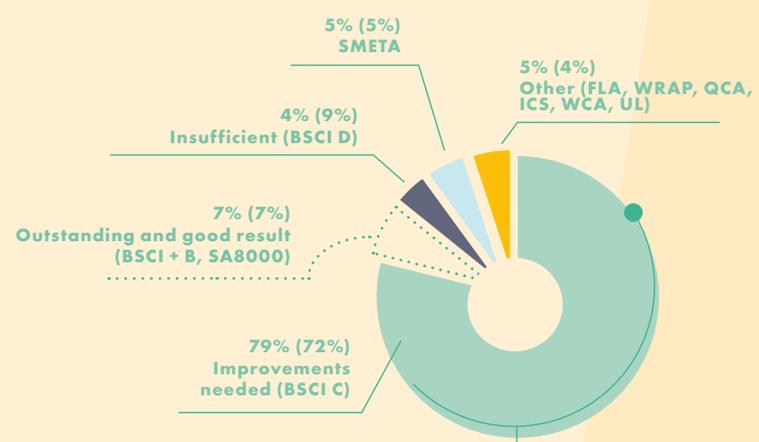
The Code of Conduct summarizes what we expect from our suppliers when it comes to social and environmental responsibility. We have adopted the Code of Conduct of amfori BSCI (Business Social Compliance Initiative). Companies all over the world are working together, using the same Code of Conduct, meaning that more than 2 000 companies have adopted the code. Together we reach out to approximately 30 000 unique suppliers worldwide.

AMFORI BSCI



Global initiative for companies committed to improve working conditions in the supply chain.

- The Rights of Freedom of Association and Collective Bargaining
- Fair remuneration
- Occupational health and safety
- Special protection for young workers
- No bonded labor
- Ethical business behavior
- No discrimination
- Decent working hours
- No child labor
- No precarious employment
- Protection of the environment



COMMON NON-COMPLIANCES

Common non-compliances include excessive overtime work and lack of documentation. To address such issues requires dedication and the ability of production planning.

FACTORIES AUDITED IN RISK COUNTRIES

Based on number of factories. Previous year in parentheses.

C is the most common grade in an amfori-audit, graded on a scale from A-F.

C

In an amfori-audit, 13 different areas are assessed, corresponding to the requirements in the Code of Conduct.

13

92% of the purchasing volume through the purchasing offices are from third party audited factories.

92%

THIRD PARTY AUDITS

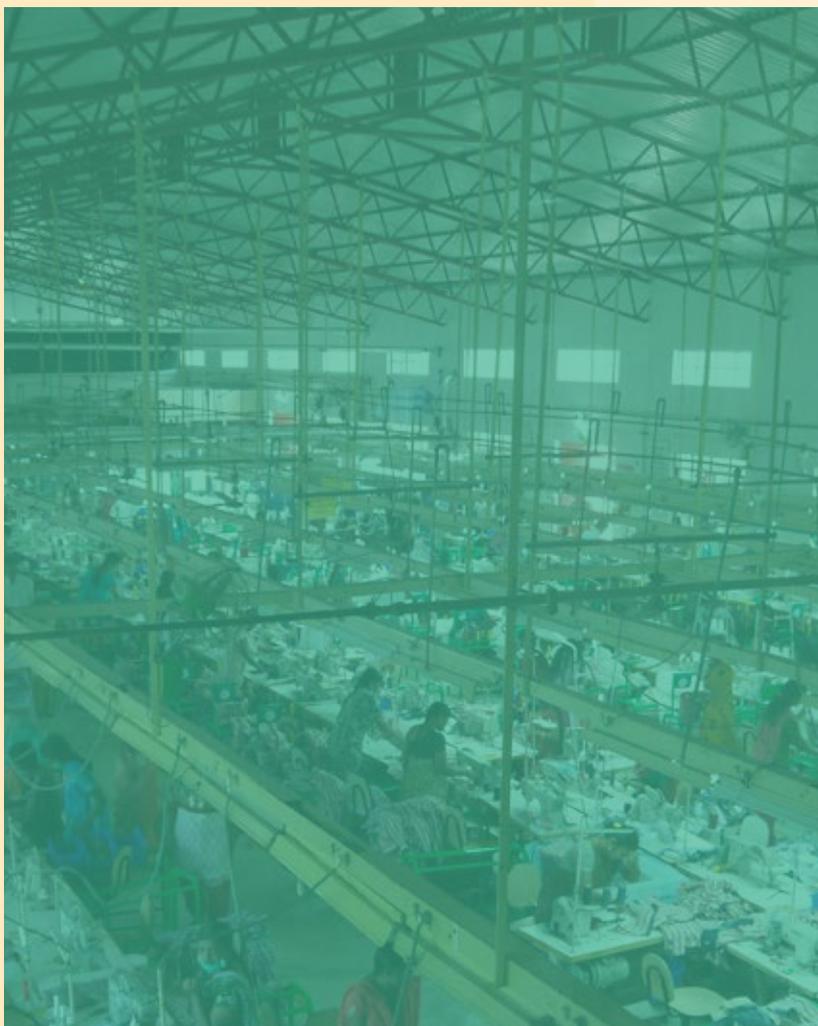
In addition to internal audits, the monitoring of the Code of Conduct is made through third party audits. An amfori BSCI audit is performed by professional auditors, accredited by SAAS (Social Accountability Accreditation Services). Our goal is to include all our suppliers located in risk countries in amfori BSCI or an equal monitoring system and that the audit should result in a good grade.

An amfori BSCI-audit results in an overall grade between A-F to summarize the supplier's performance. The audit takes into account the actual working conditions as well as management systems and policies established to ensure a systematic work. In total, 13 different areas are assessed, corresponding to the requirements in the Code of Conduct. The most common grade is C, which can be translated into "Acceptable". There are usually some non-compliances that must be handled, but the labor conditions do not violate the Code of Conduct or pose an immediate threat to workers health and safety. Common non-compliances could be excessive overtime work or lack of documentation. To address such issue requires dedication and the ability of production planning. It is important to have a long-term perspective and work for continuous improvements.

During the year, one zero tolerance case has been reported. The infringement relates to "Unethical Business Behavior" at one of our suppliers in China. During ongoing amfori-audit the accredited auditor reported an attempt of bribery from a factory representative. Within 24 hours, a meeting was held with affected stakeholders, including New Wave Group, in order to discuss how the case would be handled. The parties agreed on a focused training initiative.

IN-HOUSE PRODUCTION

New Wave Group owns a few production units. The glasswork in Kosta supplies Orrefors and Kosta Boda with premium utility and art glass. Seger has its knitting factory in Röhshult where the production has been based since the company was founded in 1947. In the Netherlands, Toppoint has a printing unit for pens and mugs and in Denmark, our subsidiary Dahetra owns a facility for embroidery and transfer printing. A similar embroidery unit can be found in the U.S where we have our subsidiaries Paris Gloves and Cutter & Buck. In-house production has the benefit of direct influence, which gives us even better opportunities to work with sustainability.



WORK IN PROGRESS

Work in progress at one of our suppliers in Bangladesh. Bangladesh is the world's second largest producer of garments and textiles and an important sourcing country for New Wave Group.

Many people associate Bangladesh with poor working conditions, poverty and the building collapse of Rana Plaza in 2013, which is the textile industry's worst accident ever with 1 129 dead and many injured. With the collapse in mind, the importance of the textile industry for the country is often overshadowed. However, the fact is that the textile industry is the engine in Bangladesh's economic development and has lifted millions of people out of extreme poverty. As export business and production grows, GDP per capita rises, poverty decreased and living standards improve. European brands play a key role, both being active in the country and by working for increased rights for textile workers.

ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

In 2014, New Wave Group signed the Accord on Fire and Building Safety in Bangladesh, a legal agreement between buyers of Bangladeshi garments and factory owners to work together for safe factories in the country with focus on structural, electrical and fire safety. The Accord has brought important changes that would not otherwise have been possible in such a short period of time, but still a lot of work remains. Therefore, a new agreement has been developed that entered into force

in May 2018 when the first accord expired. New Wave Group signed the new agreement in November 2017. The Accord directly affects two million workers, making it one of our most important social responsibility projects.

Read more on www.bangladeshaccord.org

ACCORD
on Fire and Building Safety in Bangladesh

TRANSPORTATION FOR A SUSTAINABLE CLIMATE

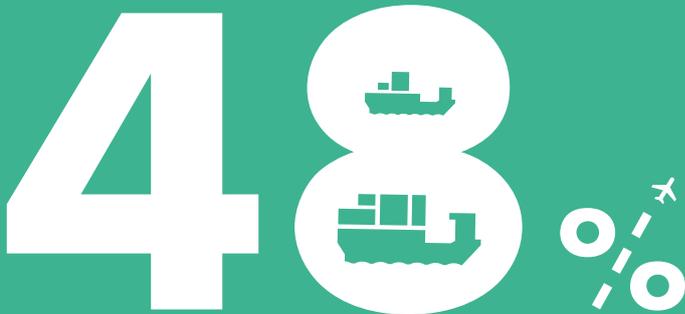
The transport sector plays a vital part in the fight for our climate as fossil fuel accounts for the biggest contribution to the greenhouse effect. For New Wave Group, transportation and logistics is a key question. We are determined to seize every opportunity to reduce greenhouse gas emissions from our business operations.

New Wave Group depends on a well-functioning distribution network. Hence, transportation and logistics must be efficient and sustainable to meet our requirements. Most of New Wave Group transportations consist of container shipments between Asia and Europe, resulting in an average shipment of 3 000 containers per year. For long-distance transportations, freights by air or by sea are usually the only available transport mode. Air freights have the highest emissions of greenhouse gases. Therefore, we have a zero vision to keep air freights to an absolute minimum, for example at very urgent deliveries that may be crucial for large business agreements.

EFFICIENT ROUTINES

New Wave Group has two main strategies to decrease our environmental impact and to cut our emission of greenhouse gases. First of all, we strive to streamline our own logistics and operations. Within New Wave Group, we club together as much of our shipments and transports as possible. It reduces the environmental footprint as well as the financial cost for our company. Hence, we consider sustainable distribution as a natural part of our journey towards a more sustainable company. Among other things, we have during 2018 introduced a project on improved packaging solutions for long distance transportation.

48 %



Emissions from air freight and shipping were reduced by 48% during 2018 as a result of less number of shipments with improved fill rate.

3 000



About 3 000 containers are shipped yearly on an average.



Photo: Peter Falkrygg

IMPROVED ENVIRONMENTAL PERFORMANCE

Our second strategy is to influence the transportation providers that we are cooperating with. Because the freight has such a significant climate impact, perhaps the challenges within the shipping have not been given so much space in many companies' environmental work. But shipping also has its problems, mainly related to emissions, pollution and garbage from the vessels. The biggest impact from an environmental point of view can be achieved by investments in eco-friendly fuels and vessels with improved fuel- and energy efficiency.

New Wave Group is therefore a member of Clean Shipping Index (CSI). Clean Shipping Index was founded in 2007 and aim to impact the freight companies to use cleaner vessels and upgrade their fleet of ships. Through the CSI Database we have direct access to data on emissions and the environmental performance of a high number of ships. In this way, we can help to create market incentives for environmentally improved vessels. The future of global trade will depend on clean transportation to address the climate challenge.



Clean Shipping Index is an initiative aiming to impact the freight companies to use cleaner vessels and upgrade their fleet of ships.

CO₂, carbon dioxide, contributes to a global warming and climate change. **SO_x** are sulfur oxides and **NO_x** are nitrogen oxides that are harmful to the human respiratory system and causes overfertilization.



Illustration: Clean Shipping Index

THE GOOD EXAMPLE

New Wave Group's sustainability efforts are historically closely linked to the purchasing offices and the production of primarily textile products in Asia. But within the Group, there is a much more extensive work going on than that. Here are some examples from different subsidiaries.



SEGER

The Seger factory in Röshult, Sweden, has for a long time invested in a greener production process. The work to recycle and reduce waste is an on-going part of the daily environmental efforts. In terms of sustainable materials Seger for example uses Bamlana from bamboo fibre and EXP 4.0 treated merino wool.

2017

In 2017, Seger completely switched to energy from wind power in the production, coming from wind power plants just a stone's throw away from the factory.



1970

Orrefors Kosta Boda has been working actively with environmental questions since the 1970's.

KOSTA BODA
SWEDEN 1742



ORREFORS KOSTA BODA

The glasswork in Kosta was among the first in the world to create crystal glass without lead and arsenic, which challenged a whole industry. In 2018, lead has started to be phased out in all production units. In 2007-2008, heating oil was replaced with biofuel-based district heating, which resulted in a 1 700 ton reduction of CO2 emissions. The glasswork in Kosta is ISO-certified for both quality and environmental management.



KOSTA BODA ART HOTEL SWEDEN



KOSTA BODA ART HOTEL

Kosta Boda Art Hotel is a business with many smart sustainability solutions. To name a few, they have water reduction in the taps and do most of the cleaning with water and not chemicals. The guests only have access to the spa after check-in, which reduces laundry. The restaurants put great emphasis on good food and locally produce ingredients. It is a given to use Swedish vegetables, buy bread from the bakery on the other side of the street and take care of food waste that can be given as food to the animals in the Kosta Safari Park.

KOSTA LODGE OCH THE SAFARI PARK

The activities around Kosta Lodge revolve around wildlife and nature. The Lodge works closely with both marine biologists and biotope experts and for the fish in the local area to have a better chance of reproduction. Also own fish is farmed, not medicated with antibiotics, which can be served to the guests at the Lodge. In the nearly 200 acre of land, the park protects wild animals that can stroll freely in their natural environment. Good control is kept on the animal populations while protecting endangered species. Food waste from various restaurants in Kosta is taken care of and used as animal food in the park. In addition, the safari park offers the possibility of locally produced, climate smart, meat to be served at the restaurants. The animals live their lives and are put to death in their natural environment, which means they are not exposed to unnecessary stress during transportation.

TO BE CERTIFIED

The hotel has begun the process to become environmentally certified.



2018

In May 2018, the Kosta Safari Park opened, which enables many smart sustainability solutions.



GRI INDEX

GRI Standard 2016
Sustainability Report (SR)
Annual Report (AR)

General Disclosure	Disclo- sure	Disclosure/Title	Comment	Page
Organization profile				
GRI 102: Standard Disclosures 2016	102-1	Name of the organization	New Wave Group AB.	
	102-2	Activities, brands, products, and services		SR p.14-15, AR p. 10-35
	102-3	Location of headquarters	Gothenburg.	
	102-4	Location of operations		AR p.14-15
	102-5	Ownership and legal form		AR p.38
	102-6	Markets served		SR p.14-15, AR p.14-15
	102-7	Scale of the organization		SR p.14-15
	102-8	Information on employees and other workers		SR p.14, AR p.80
	102-9	Supply chain		SR p.19
	102-10	Significant changes to the organization and its supply chain		AR p.57-58
	102-11	Precautionary Principle or approach	We apply the precautionary principle in our environmental work and have adopted a preventative approach with the substitution of hazardous chemicals.	
	102-12	External initiatives	Amfori BSCI, Fair Labour Association, C-TPAT.	
	102-13	Membership of associations	Amfori BSCI, Bangladesh Accord on Fire and Building Safety, Swedish Chemicals Group, Clean Shipping Index, Textile Exchange, Mistra Future Fashion, CCR CSR (Save the Children).	SR p.23
Strategy				
	102-14	Statement from senior decision-maker		SR p.4
	102-15	Key impacts, risks, and opportunities		SR p.8-9, AR p. 94-98
Ethics and integrity				
	102-16	Values, principles, standards, and norms of behavior		SR p.16-17, 29
	102-17	Mechanisms for advice and concerns about ethics	Sustainability Board.	SR p.38
Governance				
	102-18	Governance structure		SR p.18, AR p.39-45
	102-22	Composition of the highest governance body and its committees		AR p.52
	102-23	Chair of the highest governance body		AR p.52
	102-24	Nominating and selecting the highest governance body		AR p.40
	102-32	Highest governance body's role in sustainability reporting	Reviewed by all the relevant members of the executive management team and CEO.	

Stakeholders and stakeholder engagement				
GRI 102: Standard Disclosures 2016	102-40	List of stakeholder groups		SR p.13
	102-41	Collective bargaining agreements	All employees in Sweden are covered by collective agreements. Other countries follow the guidelines of collective agreements.	
	102-42	Identifying and selecting stakeholders		SR p.12
	102-43	Approach to stakeholder engagement		SR p.13
	102-44	Key topics and concerns raised		SR p.13
Reporting				
	102-45	Entities included in the consolidated financial statements		AR p.114-115
	102-46	Defining report content and topic Boundaries		SR p.12
	102-47	List of material topics		SR p.12
	102-48	Restatements of information	Any restatements of information are always described in connection with the reported key figures.	
	102-49	Changes in reporting	Any changes in reporting are always described in connection with reported methods.	
	102-50	Reporting period	Refers to fiscal year 2018.	
	102-51	Date of most recent report	28 March 2018.	
	102-52	Reporting cycle	Yearly.	
	102-53	Contact point for questions regarding the report	Anni Sandgren, CSR and Sustainability Manager.	SR p.43
	102-54	Claims of reporting in accordance with the GRI Standard		SR p.12
	102-55	GRI content index	Consists of this index.	
	102-56	External assurance	The report has been reviewed by an external auditor, who confirms that the report complies with applicable legal requirements for sustainability reporting.	SR p.42

Economy	Disclosure	Disclosure/Title	Comment	Page
GRI 102: Standard Disclosures 2016	103-1/2	Management Approach, 201		AR p.16-36
	201-1	Direct economic value generated and distributed		AR p.58-59
GRI 205: Anti-corruption 2016	103-1/2	Management Approach, 205	Risk for corruption can be found in our sourcing processes and in the meetings with our customers. Fundamental for the preventive work is the values of New Wave Group, the Code of Conduct and additional Group policies. During audits of suppliers there is a risk of corruption, which is a serious zero tolerance issue.	SR p.28-31
	205-1	Operations assessed for risks related to corruption	See 103-1/2.	
	205-2	Communication and training about anti-corruption policies and procedures	Communication of Code of Conduct is made to all suppliers with related agreements.	
	205-3	Confirmed incidents of corruption and actions taken		SR p.30
Environment	Disclosure	Disclosure/Title	Comment	Page
GRI 301: Materials 2016	103-1/2	Management Approach, 301	Decisions regarding materials are decentralized to the subsidiaries. New Wave Group aim to introduce more sustainable and eco-friendly materials in our range of products.	
	Own indicator	Products with sustainable attribute		SR p.10
GRI 302: Energy 2016	103-1/2	Management Approach, 302	The direct energy consumption occurs mainly in own production, where we have direct influence, and real estate energy. Other significant parts of energy consumption are upstream in our suppliers' factories and also downstream, for example, by washing garments. Therefore, we work to reduce our own consumption, focus on manufacturers' environmental work through audits, and advise customers on care instructions for garments.	
GRI 305: Emissions 2016	302-1	Energy consumption within the organization	Significant energy users in Sweden.	SR p.39
	103-1/2	Management Approach, 305	Significant climate impact comes from freight transportation between Asia and Europe. Therefore, we are actively working to create effective routines and to influence the transportation providers we cooperate with.	SR p.11, 32-33
	305-1	Direct (Scope 1) GHG emission	Company Cars.	SR p.39
	305-3	Other indirect (Scope 3) GHG emissions	Transport providers.	SR p.11
	305-5	Reduction of GHG emissions	Zero vision to minimize air freight, create efficient routines and influence the transportation providers we are cooperating with to use cleaner vessels.	SR p.32-33
GRI 308: Supplier Environmental Assessment 2016	103-1/2	Management Approach, 308	New Wave Group works with other actors in the industry to gain an understanding of the environmental impact in the supplier chain, and how we through requirements and development projects can contribute to improvements.	
	308-2	Negative environmental impacts in the supply chain and actions taken.	An assessment of new suppliers, as well as ongoing assessments of existing ones, are conducted. To some extent, environmental requirements are included in the amfori BSCI audits, but are also included in our internal audits.	

DETAILED ENERGY AUDITS

Within the framework of the legislated energy audit for large companies in Sweden, an overall energy audit was conducted during 2017 for New Wave Group AB and its subsidiaries in Sweden. The result showed that New Wave Group in Sweden uses a total of 27 000 MWh. Of these, own production (mainly glass production but also textile) accounts for about 40 %. During 2018 detailed energy audits was conducted for the significant energy consumers Glasma AB and Seger Europe AB. The result showed that Glasma use a total of 2 114 MWh/year and Seger 1 003 MWh/year. Remaining for the last part of the reporting to the Swedish Energy Agency are Kosta Glasproduktion AB and Kosta Boda Art Hotel that will report its figures during 2019.

COMPANY CARS

With a large number of travelling salesmen, company cars are a natural part of New Wave Group's business. Like many other business decisions, the choice of company cars is decentralized to the subsidiaries. Several of the companies have car policies including the aim of using more environmental friendly alternatives.

Number of company cars 2018	361		
	Diesel fuel	Gasoline fuel	Hybrid
Number	333	22	6
Kilometres	1 177 239 0	54 956 0	21 500 0
Litre*	529 758	32 974	-
Emissions CO2 (t)**	1 490	88	-

* The calculations are made with standard values on milage and fuel type. The standard values are derived from "vägledning energikartläggning i tillverkande industri, Energiläget 2015 Energimyndigheten", and are the same values as in the legislated energy audit conducted by the Swedish subsidiaries.

** The calculations are based on the average emission data for the fuel sold in Sweden during 2017/2016, which is the latest available.

Social	Disclosure	Disclosure/Title	Comment	Page
GRI 403: Occupational Health and Safety 2016	103-1/2	Management Approach, 403	New Wave Group AB and all subsidiaries have a legal responsibility and direct impact on the employees working environment. Depending on the activity (office, warehouse, production etc.), specific risk assessments and action plans are made. (For the work with health and safety at suppliers, see GRI 414.)	
GRI 404: Training and Education 2016	103-1/2	Management Approach, 404	The responsibility for regular evaluation, career development and education lies on the respective company within the Group.	
	404-1	Average hours of training per year per employee	Based on the estimations from the companies, the average number of training hours (internally and externally) per year and employee is 13 hours.	
GRI 405: Diversity and Equal Opportunity 2016	103-1/2	Management Approach, 405	Diversity, gender equality and anti-discrimination are a fundamental principles of the Code of Conduct.	
	405-1	Diversity of governance bodies and employees	Currently, only by gender.	SR p.14, AR p. 80
GRI 407: Freedom of Association and Collective Bargaining 2016	103-1/2	Management Approach, 407, 408, 409	Freedom of association and collective bargaining, no child labor and no forced labor are fundamental principles in the Code of Conduct. The Code of Conduct is followed up through third-party audits, internal audits and factory visits.	SR p.28-31
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	An increased risk of limited association freedom of association and collective bargaining lays in the product supply chain, in particular factories and subcontractors in risk countries.	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	An increased risk for incidents of child labour lays further down in the supply chain, where the control is limited. In order to gain more knowledge, education and advice on how children and young people are affected in the global supply chain, New Wave Group is a part of CCR CSR's (Save the Children's Sustainability Center in China) Virtual Youth Development Working Group.	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	An increased risk of forced or compulsory labor lays in the product supply chain, in particular factories and subcontractors in risk countries.	
GRI 414: Supplier Social Assessment 2016	103-1/2	Management Approach, 414	The assessment of social aspects of supplies is a challenge, not just for us but for the entire industry. All suppliers acknowledge the Code of Conduct as part of the Business Agreement and an assessment of social aspects must be done before the first purchase order. The assessment is done either through self-assessment, an internal audit or a third-party audit (amfori BSCI or equivalent). Our goal is to include all our suppliers located in risk countries in amfori BSCI or an equal monitoring system.	SR p.28-31
	414-1	New suppliers that were screened using social criteria		SR p.30
	414-2	Negative social impacts in the supply chain and actions taken		SR p.30
	Own indicator	Percentage of Bangladesh suppliers who conducted fire and safety inspections under the Accord on Fire and Building Safety in Bangladesh	100% of New Wave Group's suppliers in Bangladesh have conducted fire and safety inspections under the Accord on Fire and Building Safety in Bangladesh.	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	100% of New Wave Group's products are assessed for health and safety improvements, for example in the case of chemicals.	
	Own indicator	Voluntary requirements	New Wave Groups Restricted Substance List is on many points more extensive than legal requirements.	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	New Wave Group base requirements on current legislation and industry standards/agreements regarding information and labeling.	
	417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents reported during the year.	

Apparel and footwear sector supplement	Disclosure	Disclosure/Title	Comment	Page
	AF1	Code of conduct content and coverage		SR p.29
	AF2	Parties and personnel engaged in Code of Conduct compliance function	Own personnel and accredited auditors.	SR p.29-31
	AF3	Compliance audit process		SR p.30
	AF4	Grievance mechanisms	Fundamental principle in our Code of Conduct.	
	AF5	Capacity building	Trainings initiated by New Wave Group as well as training within the context of amfori BSCI and the Accord on Fire and Building Safety in Bangladesh.	
	AF6	Polycys for supplier selection, management and termination	Termination of cooperation with a supplier may occur if a zero tolerance issue reveals (child labor, serious health and safety risks, substitution of subcontractor without prior approval and refusal to be audited) are detected, but if we identify non-compliances, we prefer to develop an action plan in order to bring the supplier back to an acceptable standard, rather than to end our cooperation.	
	AF7	Number and location of workplaces covered by the code of conduct	All companies and all suppliers within the Group.	
	AF8	Number of audits conducted and percentage of workplaces audited	Share of factories audited.	SR p.11
	AF9	Incidents of non-compliance with legal requirements or collective bargaining agreements on wages	Non-compliances regarding wages may occur, especially in risk countries, but are not considered as a zero tolerance issue that pose an immediate threat to the health and safety of the workers (see also AF6).	SR p.30
	AF10	Incidents of non-compliance with overtime standards	Non-compliances regarding overtime standards may occur, especially in risk countries, but are not considered as a zero tolerance issue that pose an immediate threat to the health and safety of the workers (see also AF6).	SR p.30
	AF11	Incidents of non-compliance with standards on pregnancy and maternity rights	No incidents reported during the year.	
	AF12	Incidents of the use of child labor	No incidents reported during the year.	
	AF13	Incidents of non-compliance with standards on gender discrimination	No incidents reported during the year.	
	AF14	Incidents of non-compliance with Code of Conduct.	During 2018 one zero-tolerance incident has been reported. The infringement relates to "Unethical Business Behaviour" during audit at one of our suppliers in China.	SR p.30

THIS SUSTAINABILITY REPORT IS SUBMITTED BY THE BOARD OF DIRECTORS

Chairman of the Board
Olof Persson

Members of the Board
Torsten Jansson
M. Johan Widerberg
Kristina Bellander
Mats Årjes

The Sustainability Report has been approved by the Board of Directors on April 5 2019.

THE AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the General Meeting of New Wave Group AB (publ),
corporate identity number 556350 - 0916.

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for that the statutory sustainability report has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION

A sustainability report has been prepared.

Gothenburg, April 5, 2019
Ernst & Young AB



Nina Bergman
Authorized Public Accountant

CONTACT

Do you have any questions or comments about the report?

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You can also follow our sustainability journey at www.nwg.se.

New Wave Group is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors.

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