

Board of Directors' report

The Board of Directors and CEO of New Wave Group AB (publ), 556350-0916, based in Gothenburg, hereby submit the financial statements and consolidated financial statements for the financial year 1 January 2024 to 31 December 2024.

New Wave Group is a growth company that creates, acquires and develops brands. Our brands are categorized into three operating segments: Corporate, Sports & Leisure and Gifts & Home Furnishings. The Group will achieve synergies by coordinating the design, purchasing, marketing, warehousing, and distribution of the product range. To ensure good allocation of risks, the Group will offer its products in the promo market and the retail market.

New Wave Group's competitiveness lies primarily in its strong brands, considerable expertise, high level of service, and a well-developed overall concept. Products are primarily manufactured in Asia, and to a lesser extent in Europe. Thanks to its relative size, New Wave Group has good purchasing prices and efficient logistics. The Group's most well-known wholly-owned brands include AHEAD, Auclair, Clique, Cottover, Craft, Cutter & Buck, D.A.D, J. Harvest & Frost, James Harvest Sportswear, Jobman, Kosta Boda, Orrefors, PAX, Projob, Sagaform, Seger, Tenson and Toppoint.

Sustainability Report

For many years, New Wave Group has reported on Corporate Social Responsibility (CSR) and sustainability in a separate sustainability report based on applicable GRI standards. In 2024, the company began developing its process for adapting to and implementing EU's new sustainability reporting standards, ESRS (European Sustainability Reporting Standards), under the EU directive CSRD (Corporate Sustainability Reporting Directive).

As part of this work, the sustainability reporting has been incorporated into the annual report with the ambition to align with the structure of the upcoming standard.

This year's report is prepared in accordance with the Swedish Annual Accounts Act (ÅRL) according to the older version before July 1, 2024, and covers the financial year 2024-01-01 to 2024-12-31.

General Disclosures

General basis for preparation

The sustainability report is prepared at the consolidated level for New Wave Group AB and includes all subsidiaries, which are the same as in the financial report. The report describes the sustainability work of the New Wave Group and covers matters relevant to the company's value chain, such as climate, environment, working conditions, and respect for human rights.

The content reflects aspects prioritized highly from an impact perspective and considers issues deemed significant by the company's stakeholders, combined with employees' expertise and New Wave Group's overall business strategy. This includes information on significant impacts, risks, and opportunities associated with direct and indirect business relationships both upstream and downstream in the value chain. Policies, actions, and goals primarily focus on the earlier stages of the value chain and the company's own operations, where the impact is greatest.

Greenhouse gas data points are reported according to the Greenhouse Gas Protocol, GHG Protocol. Where actual data points are not available, estimates and assessments are used. Any estimates and assessments are always described in connection with the reported data points and are regularly reviewed based on experience, changes in reporting, and improved data quality. Any recalculations of data are also described in connection with the reported key figures.

Governance

Governance, roles, responsibilities, and information management

The primary responsibility for sustainability efforts and overall strategy lies with the Board of Directors, which approves strategies, goals, and policies. The overall responsibility for targets and follow-ups lies with the Group management and the CSR and sustainability manager, who oversee the impacts, risks, and opportunities. The Group management regularly reports to the Board according to established routines. For more details on the Board's composition and working methods, see pages 42-43.

In 2024, the Board and Group management have among other things addressed significant impacts, risks, and opportunities related to climate change, environmental impact in production, and social responsibility in a global value chain.

Integration in incentive schemes

New Wave Group has established guidelines for the remuneration of senior executives, including the promotion of the company's sustainability efforts as a criterion for variable compensation. Guidelines for the remuneration of senior executives can be found on page 86.

Due diligence

New Wave Group has due diligence processes across the entire group and value chain to identify risks and impacts, both social and environmental, and to prevent, reduce, and address such issues in line with the UN Guiding Principles (UNGPs). The process includes the following activities:

- **Policy development.** *Establishing and applying relevant policies in daily operations.*
- **Identification and assessment of negative impacts.** *Through materiality analysis, stakeholder dialogues, supplier mapping, supplier visits, and risk assessment tools within the frameworks of amfori BSCI (Business Social Compliance Initiative) and BEPI (Business Environmental Performance Initiative).¹*
- **Complaints and incident handling.** *New Wave Group has a whistleblowing function enabling employees, shareholders, consultants, suppliers, and other stakeholders to safely and anonymously report misconduct. Business partners are expected to have equivalent complaints systems at the operational level.*
- **Stop, prevent, or mitigate negative impacts.** *Including capacity building, internal and external audits (by third parties) and visits, agreements and requirements, collaboration and communication with stakeholders, partnerships and networks.*
- **Follow-Up on implementation and results.** *Through internal and external audits (by third parties) and visits, documentation collection, test results and certifications, quality controls, collaboration and communication with stakeholders.*
- **Communication of actions taken.** *Through sustainability reporting, stakeholder collaboration and communication, reporting to stakeholders, presentations and lectures.*

Risk management and internal controls regarding sustainability reporting

The Group management, along with the CSR and sustainability manager, is responsible for identifying and prioritizing risk areas through a thorough mapping of the processes contributing to reporting, such as data collection, processing, analysis, and reporting. Risks include, among other things, insufficient data quality, incorrect methodologies, unclear allocation of responsibilities, and inadequate documentation.

The company has implemented system support for digitized and automated data collection from the group's subsidiaries. Additional system support aimed at improving data quality as well as traceability and transparency throughout the value chain is currently being implemented.

Furthermore, efforts are underway to expand the processes for internal controls over financial reporting to also include sustainability data and sustainability reporting. Information regarding risk management and internal control in relation to financial reporting can be found in its entirety on pages 44-46.

¹New Wave Group is a member of amfori, an international organization where companies all over the world collaborate to improve working conditions and environmental impact in production countries. For more information, please visit www.amfori.org.

Strategy

Strategy, business model and value chain

New Wave Group is a growth company that creates, acquires and develops brands and products in the corporate, sports and leisure, gifts and home furnishings sectors. Comprehensive information on the Group's business strategy, markets, and segments can be found on pages **10-39**.

New Wave Group aims to operate as sustainably as possible at all levels and in all processes. This commitment involves a continuous effort to reduce the Group's climate impact, improve social sustainability, and integrate long-term, profitable business solutions. The work is characterized by a long-term commitment and an ambition to achieve continuous improvements. Our sustainability strategy focuses on integrating sustainable practices throughout the organization with the goal of:

- A. *Maximizing our contribution to globally agreed sustainability goals.*
- B. *Creating long-term value for the company.*
- C. *Meeting the expectations of our stakeholders.*

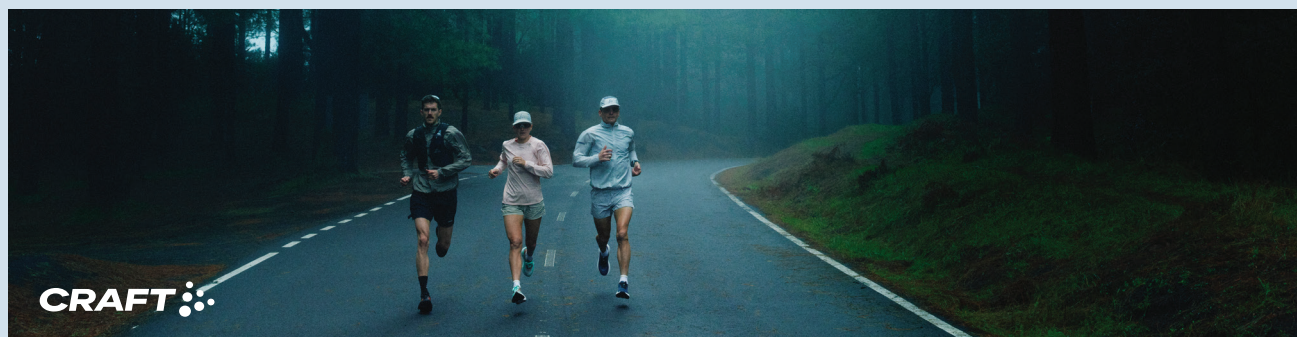
The strengths of New Wave Group lie in the design, purchasing, logistics, and marketing of our brands.

The products are primarily manufactured in Asia, with a smaller portion produced in Europe.

To stay close to the manufacturing of the products we source, New Wave Group has its own purchasing offices in Asia, which manage daily communication with our suppliers. In line with our strategy, purchases are made directly between us and the supplier without agents or intermediaries. This approach creates the best conditions for close collaboration and better control over purchasing prices, quality, production flows, and sustainability challenges.

Through our value chain – the entire chain of activities required to create, manufacture, market, sell, deliver, and use our products – the company interacts with countless individuals, communities, ecosystems, and other companies around the world.

Create	Produce	Transport	Market	Sell	Deliver	Use	Waste
<ul style="list-style-type: none"> - Design and product development - Choice of material - Quality and product lifespan 	<ul style="list-style-type: none"> - Raw materials - Environmental impact - Energy use - Supplier relationships - Working conditions and human rights - Water usage and biodiversity 	<ul style="list-style-type: none"> - Transportation-mode - Eco-friendly fuels - Improved and cleaner vessels - Filling rate 	<ul style="list-style-type: none"> - More sustainable offers - Eco-labels and product certifications - Product and customer information 	<ul style="list-style-type: none"> - Customer relationships - Employee engagement 	<ul style="list-style-type: none"> - Efficient transportation - Quality of delivery - Climate- and environmental impact - Safety 	<ul style="list-style-type: none"> - Product and customer information - Claims handling - Reuse - Recycle 	<ul style="list-style-type: none"> - Waste management



Stakeholders

New Wave Group engages regularly in dialogues with stakeholders to ensure that their interests and views are considered when developing or make changes to our sustainability strategy

and associated targets. Stakeholders' views are included in routine reporting to Group management and the board.

Stakeholder group	Stakeholders	Channels for communication	Important questions
Shareholders Decides on the aims of the business and influence the company's direction	<ul style="list-style-type: none"> - Funds and financial institutions - Private shareholders 	<ul style="list-style-type: none"> - Annual General Meeting - Individual meetings - Stock analyzes 	<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"> - Distributors (within Corporate sales channels) - 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 - Sustainable products and circularity - Origin and transparency - Monitoring of the supply chain - Provide information to support purchases of more 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 - Collective agreement 	<ul style="list-style-type: none"> - Customer satisfaction and product quality - Performance reviews and feedback - Working terms and conditions - Equality and diversity - Knowledge and education - Anti-corruption and business ethics
Suppliers Produce and influence the impression of New Wave Group's products	<ul style="list-style-type: none"> - Suppliers involved in the manufacturing of products, the majority in Asia - Service providers, for example property owners, cleaners and transporters - Other business partners, for example in administration, communication and marketing services 	<ul style="list-style-type: none"> - Purchasing offices - Individual meetings - Supplier audits (manufacturing suppliers) 	<ul style="list-style-type: none"> - Product quality - Long-term business relationships - Anti-corruption and business ethics - Working terms and conditions, health and safety - Chemicals and product safety - Energy use and sources
Society Sets the outside expectations on New Wave Group	<ul style="list-style-type: none"> - Interest groups and organizaions - Collaboration partners - Politicians - Policy makers - Trade unions 	<ul style="list-style-type: none"> - Lectures, seminars and other events - Memberships in industry organizations - Individual meetings - Collective agreement 	<ul style="list-style-type: none"> - Climate impact - Sustainable products and circularity - Origin and transparency - Chemicals and product safety - Anti-corruption and business ethics - Working terms and conditions, health and safety - Monitoring of the supply chain

Disclosures on the materiality assessment process

Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, New Wave Group began developing its materiality analysis process to comply with CSRD/ESRS, which focuses on significant impacts and sustainability-related consequences of our operations and value chain.

In the initial step, a list of sustainability topics and subtopics was created, based on ESRS1, as a framework for defining the analysis plan. For each subtopic, an overview was compiled of the impacts on people and the environment associated with New Wave Group's activities and value chain, as well as the risks and opportunities for each sustainability topic.

Using categorization into four levels - low, medium, high and very high, the impacts were assessed in terms of scale, scope, and irremediability to determine severity and likelihood. An impact was deemed material if the company has an actual or potential effect on people or the environment related to that impact. An impact is also considered material if it triggers financial effects on the company that are likely to influence its future revenues.

The assessment primarily focused on impacts, risks, and opportunities upstream in the production of textiles and other products, where we see the greatest impact. Most of New Wave Group's products are manufactured by external suppliers, commissioned by us, and located mainly in Asia. These suppliers often operate in countries characterized by challenges such as poverty and inadequate welfare systems, which increase the risk of negative impacts in several sustainability areas.

In Sweden, some glass production occurs through Orrefors Kosta Boda AB, as well as glass pellets for glass manufacturing through Glasma AB. This production is deemed significant primarily concerning issues related to pollution and is therefore addressed under the section on pollution.

For climate-related risks and opportunities, a climate scenario analysis was conducted. More detailed information on significant impacts, risks, and opportunities is provided under the reporting of respective sustainability areas.

To verify the results, dialogue was conducted with key stakeholders such as ESG experts within our organization, customers, industry peers, and networks in which New Wave Group participates. The assessment is also based on external reports, legislation, and frameworks. Identified material impacts, risks, and opportunities were discussed and approved by the management team and the Board of Directors.

Environmental information

EU taxonomy

Work has been done to map economic activities and/or sectors that could be classified as environmentally sustainable in accordance with the EU Taxonomy, a classification system establishing a list of environmentally sustainable economic activities. New Wave Group works systematically for sustainability and continuous improvement in the industry we operate, but our conclusion is that the Group currently has no financial activities or sectors to report as aligned with the Taxonomy.

Currently, the EU Taxonomy Climate Delegated Act does not cover sectors in which New Wave Group operates. Economic activities for our industry are therefore not classified as Taxonomy-eligible with regard to the first two environmental objectives - climate change mitigation and climate change adaptation. Neither has New Wave Group identified other material (non-business related) activities considered to be eligible for CapEx and OpEx reporting according to the regulation.

Accounting principles

Total turnover corresponds to net sales in the Group's income statement in the financial report. CapEx corresponds to expenditures for tangible fixed assets in the Group's cash flow for the year. OpEx corresponds to our external costs and personnel costs in the Group's income statement for the year.

Assessment of eligibility and alignment

Based on the analysis conducted, neither total turnover, CapEx, nor OpEx are considered to fall within the scope of the Taxonomy. Consequently, no Taxonomy-aligned activities have been reported.

Percentage of Taxonomy-eligible activities as share of

Turnover	0%
CapEx	0%
OpEx	0%



Proportion of turnover from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%														0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
-		0	0%														0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0%														0%		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		9,528.7 MSEK	100%																
TOTAL		9,528.7 MSEK	100%																



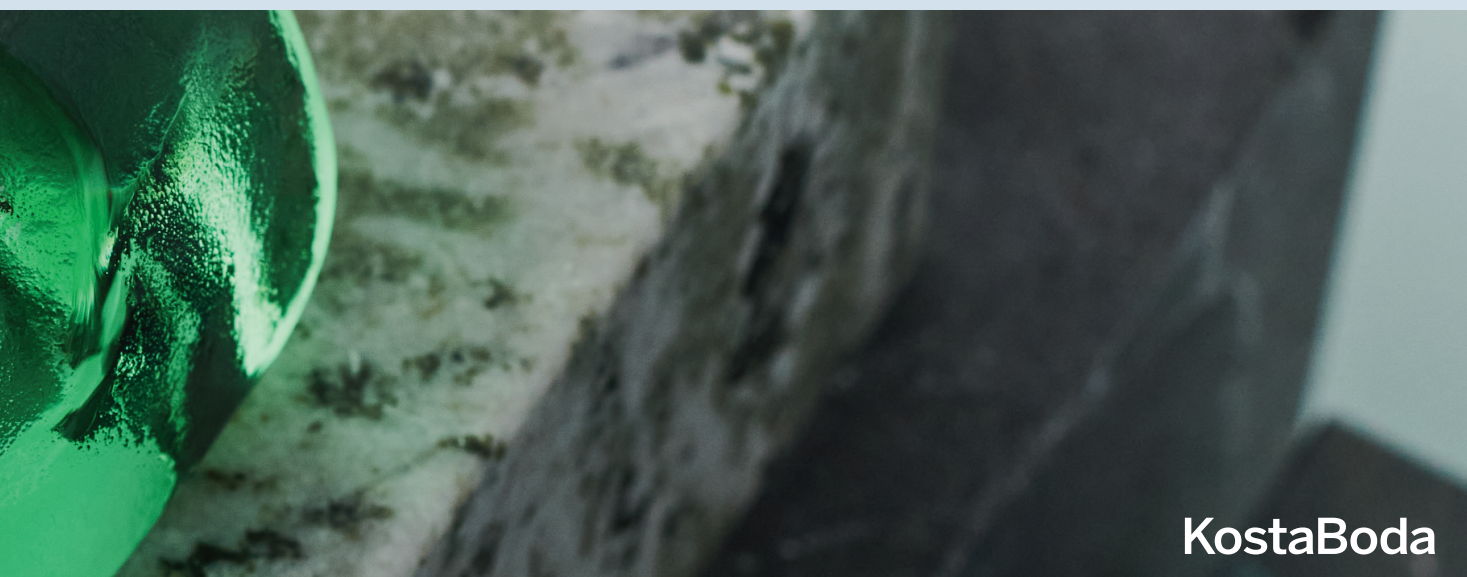
Proportion of CapEx from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2024

Financial year 2024	2024	Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%														0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
-		0	0%														0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		0	0%														0%		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		309.7 MSEK	100%																
TOTAL		309.7 MSEK	100%																



Proportion of OpEx from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%														0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
-		0	0%														0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0	0%														0%		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		3,179.3 MSEK	100%																
TOTAL		3,179.3 MSEK	100%																



KostaBoda

Row	Nuclear energy related activities	
1.	"The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle."	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	"The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades."	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



Climate change

Material impacts, risks and opportunities

New Wave Group's business model and strategy – which is based on creating, acquiring and developing brands and products – implies a significant climate impact, mainly linked to emissions from the production of textiles and other products upstream in the supply chain. This impact is mainly related to the use of fossil fuels and emissions of greenhouse gases in the manufacture and processing of raw materials and products.

A smaller but still important part of the climate impact occurs during transportation of products, both upstream and downstream, as well as from company cars, purchased energy for own offices and warehouses, and from the use and waste phase of the products. In addition, packaging and waste

management in the distribution chain can contribute to additional emissions.

A general challenge/risk is access to, and management of, data and information to be able to measure and report relevant information.

Risks and opportunities linked to climate change can be divided into transition risks and physical risks. The main identified risks and opportunities are described on the next page, analyzed using scenario analysis in the short term (one to three years), medium term (within ten years) and long term (within thirty years).

Category of climate-related risks and opportunities		Transitional risk/ Physical risk/ Opportunity	Description of risks and opportunities linked to scenarios*
Market and technology shifts	Reduced market demand for higher carbon products commodities	Transitional risk	<p>In an IEA NZE (Net Zero Emissions) scenario with a rapid transition, increased awareness of climate change is expected to increasingly influence customers to choose products and services with lower climate impacts from companies with high trust levels. At the same time, climate-related legislation is expected to increase, driving product development and new technologies that will also become more accessible. Since fossil fuels remain an important energy source in many production countries, this will collectively lead to increased demands on, and support for, our suppliers during the transition. This, combined with higher production costs and investments in developing more sustainable materials for our products, presents both challenges and opportunities.</p> <p>The financial effects primarily involve interest rate risks, currency risks, and liquidity and credit risks if changes in external conditions lead to financial uncertainty and instability.</p> <p>Staying at the forefront with a more sustainable and transparent customer offering represents an opportunity to attract more customers and generate new revenue streams by developing circular business models.</p>
	Shift in customer behaviour	Transitional risk/ Opportunity	
	Increased demand for energy-efficient, lower-carbon products and services	Opportunity	
	New technologies available at competitive cost	Opportunity	
Reputation	Shift in consumer preferences	Transitional risk/ Opportunity	<p>In an IEA NZE scenario with increased awareness of climate change, there are also risks of eroded trust and negative impact on the perception of the company's brand if we fail to meet communicated goals and actions. However, this also represents a significant opportunity if we meet and exceed the expectations of customers and other stakeholders, including financiers.</p> <p>Risk of impairment of intangible assets, such as goodwill and brand value.</p>
	Opportunity to enhance reputation and brand value	Opportunity	
	Increased stakeholder concern	Transitional risk/ Opportunity	
	Risk of loss of trust and confidence in management	Transitional risk	
Policy and legal	Increased input/operating costs for high carbon activities under regulated markets	Transitional risk	<p>In an IEA NZE scenario with a rapid transition, general transition risks such as legislation, carbon taxes, or import tariffs on manufactured products will affect overall production costs. Failing to meet emissions reduction targets or comply with various sustainability standards could also lead to fines. This represents both a risk and an opportunity, depending on the Group's ability to phase out fossil fuels in the supply chain and transition to more sustainable products.</p> <p>Increased costs for reporting (e.g., CSRD, Taxonomy, ESPR, etc.) are anticipated.</p>
	Enhanced emissions/reporting obligations	Transitional risk/ Opportunity	
	Mandates on and regulations of existing products and services	Transitional risk/ Opportunity	
	Mandates on and regulations of existing production processes	Transitional risk/ Opportunity	
Physical risks	Chronic climate-related hazards such as changing patterns for temperature, wind, water and solid mass.	Physical risk	<p>In an IPCC SSP5-8.5 scenario with a slow transition, the increased physical risks of climate change will increasingly impact the availability of raw materials and resources such as water and energy, with consequences for where and how clothing and other products can be produced. Extreme and acute weather events may also disrupt production and distribution. Price increases and shortages of traditional raw materials are expected, especially for cotton, which New Wave Group heavily relies on.</p> <p>Risk of impact on tangible assets (primarily properties) as a result of physical consequences.</p>
	Acute climate-related hazards such as heat wave, wildfire, cyclones, heavy rain, flood, avalanche and landslide.	Physical risk	

*New Wave Group have focused on two scenarios:

Scenario IEA Net Zero Emissions by 2050, NZE

In this scenario of rapid transition - primarily in the short term (one to three years) and medium term (within approximately ten years) - the world succeeds in drastically reducing greenhouse gas emissions through a series of far-reaching measures, including legislation, taxes, and significant changes in consumption patterns and lifestyles. Emissions align with limiting the temperature increase by 2100 to under 1.5 degrees Celsius.

Scenario IPCC SSP5-8.5

In this scenario of accelerating temperature increases, with risks primarily in the long term (within approximately thirty years), the world fails to reduce greenhouse gas emissions. Legislation and taxation are expected to play a less prominent role. Physical risks are assumed to increase in scope. Challenges related to mitigating climate change dominate. Growth in the global economy is driven by the exploitation of fossil fuels and energy-intensive lifestyles.

Policies and guidelines related to climate change mitigation and adaptation

New Wave Group's CSR and environmental policy governs how we address issues related to climate change, including mitigation and adaptation. The focus is on integrating sustainable practices into our core processes. This includes increasing knowledge (internally and externally) on sustainability matters, improving energy efficiency, transitioning to renewable energy, efficient use of natural resources, using more preferred fibers and materials in products, and advancing chemical management efforts.

As part of supplier audits, we also apply the Codes of Conducts for amfori BSCI and amfori BEPI. The amfori BSCI Code of Conduct includes the principle of "Protection of the Environment", which requires environmental management systems. This is further reinforced in the amfori BEPI Code of Conduct, which also requires efficient management practices for energy use and emissions. These codes of conduct are signed by manufacturing suppliers as part of the business agreement.

Actions and resources related to climate change

Design, product development, and choice of material

Design and product development are the first steps toward creating sustainable products - whether clothing or crystal art glass. Our products are designed to enable a long lifespan, which is the most important step in reducing the environmental burden caused by a linear industry. Research shows that extending the active lifespan of a garment by two, i.e., using the garment twice as many times compared to the average, reduces its climate impact by **49%** (Mistra Future Fashion, 2019). To enable a long lifespan, quality and timeless design are essential aspects of product development.

Regarding choice of material, there is no simple or universal answer to which fibers or materials are the most sustainable. All materials have advantages and disadvantages from a sustainability perspective, with quality being the most central aspect. Regardless of the material, we have a responsibility to use resources as wisely as possible. A key part of transitioning to a more sustainable industry is developing products and packaging using preferred materials and/or smarter manufacturing processes.

Risk assessment and actions in the supply chain

Extending the lifespan of products by two and producing them using renewable energy results in a combined reduction in climate impact of **67%** (Mistra Future Fashion, 2019). Energy, therefore, is a critical area for reducing emissions across the Group. A significant focus is placed on energy use and energy sources among our suppliers. Different countries and suppliers have varying access to renewable energy sources and required investments. Currently, much of the effort involves raising the issue in discussions to explore possibilities and include suppliers in training on emissions and energy use.

New Wave Group benefits from its procurement strategy as dialogues are conducted directly with manufacturing suppliers, without agents or intermediaries. In many cases, fabrics are also purchased directly, where a significant part of the impact lies due to the large amounts of energy, water, and chemicals used in production. Thus, the company has good opportunities for direct influence on critical processes.

Furthermore, we have started working with amfori BEPI for environmental risk assessments of suppliers. This framework helps us identify key environmental issues in the supply chain to effectively locate and manage potential risks.

Education and knowledge sharing

Adding to extended product lifespans and renewable energy in production, if consumers walk or take the bicycle to stores instead of driving, this results in a total reduction in climate impact of **78%** (Mistra Future Fashion, 2019). This underscores the need for broader systemic change among both producers and consumers. New Wave Group plays an active role in spreading knowledge and information on sustainable consumption, incorporating this as a natural part of collaboration and communication with stakeholders, including through internal and external training and lectures.

Transport and logistics

Most New Wave Group's transports is container-based sea freight between Asia and Europe. For goods traveling long distances, shipping by boat or air is often the only option. Air freight contributes the highest greenhouse gas emissions, so its use is limited to situations where it is absolutely necessary, such as urgent deliveries critical to major business agreements.

Key measures include reviewing logistics, creating efficient routines, and planning purchases well in advance. The Group strives for consolidated shipping among its companies so that shipping containers are always optimally filled during transport. We are also meticulous about choosing partners and work only with well-known transporters that are considered to be at the forefront of sustainability efforts, for both sea freight and land transport.

Challenges in shipping include emissions, pollution, and waste from vessels. The most significant environmental gains can be achieved through better fuels and ships with improved environmental performance. New Wave Group is therefore a member of the Clean Shipping Index. Founded in 2007, the Clean Shipping Index has developed a tool to help companies evaluate different vessels based on their environmental performance. Through a database, we gain access to measurable data, such as emissions and chemical pollution from different vessels. The purpose is to create market incentives for shipping companies to improve their environmental efforts.



Implementation of system support

To improve the measurability and reporting of data related to emissions, resource flows, and increased reporting requirements, significant work is underway to review data flows and system support. This includes rolling out PLM systems (Product Lifecycle Management) and implementing systems for traceability and transparency in the value chain.

Targets related to climate change mitigation and adaptation

Products with sustainability attributes

An essential part of New Wave Group's efforts to mitigate climate change is transitioning to more preferred materials and/or smarter manufacturing processes. New Wave Group has chosen to measure this through an internal indicator, "products with sustainability attributes". Product classifications are based on established industry practices. The list of

materials and processes deemed preferred is updated and adjusted continually over time.

Textile products with sustainability attributes include products with one or more of the following certifications, materials, or environmentally smart processes: GOTS (Global Organic Textile Standard), Oeko-Tex, Fairtrade, recycled polyester, solution-dyed polyester, and recycled polyamide. Oeko-Tex is by far the most widely represented. So called "Hardline products" with sustainability attributes include products with one or more of the following certifications or materials: FSC (Forest Stewardship Council), recycled polyester, recycled rubber, sugarcane-based plastic, and recycled glass. This category also includes crystal products from Orrefors and Kosta Boda, made from crystal free of lead and arsenic.

Products with sustainability attributes*		2024	2023	2022	2021	2020	Target	Comments
		2,402 (69%)	2,190 (63%)	1,703 (49%)	1,525 (44%)	1,178 (34%)	90% year 2025	Number of active products
		1,362** (40%)	795 (23%)	768 (22%)	738 (21%)	664 (19%)	50% year 2025	

*New Wave Group has around 7,000 active products (size/color not included) for sale in the Group. About 50 % are textile products and 50 % are hardline products. Reported percentages should be viewed with caution as the number of active products is an estimate due to challenges in consolidation at Group level. Target formulation is under revision to clarify the focus on new products having one or more sustainability attributes. Today, target fulfillment is a challenge due to many old products in stock.

** The increase is largely due to corrected figures for the number of crystal products from Orrefors and Kosta Boda made from crystal free of lead and arsenic.

Target for GHG emissions

New Wave Group has internal guidelines for GHG emissions but has not yet established publicly communicated emission reduction targets. The formulation of such targets is currently under discussion by the Group's Board of Directors and Audit Committee.

Energy consumption and mix

Energy consumption within the Group's companies primarily involves purchased energy for offices and warehouses. New Wave Group also has a smaller share of in-house production (at Kosta, Glasma, Seger, Toppoint, and Ahead), where direct energy use is more significant compared to other companies in the Group. These companies are undergoing more detailed energy mapping.

Energy consumption and mix*

	2024
Total fossil energy consumption (GWh)	25.3
Share of fossil sources in total energy consumption (%)	60%
Total renewable energy consumption (GWh)	16.9
Share of renewable sources in total energy consumption (%)	40%
Total energy consumption (GWh)	42.2

*Information about the share of fossil sources and renewable sources in total energy consumption is an average of the companies' reported estimates.

Gross scopes 1, 2, 3 and total GHG emissions

We have conducted a mapping of emissions according to the GHG Protocol using Worldfavor's emissions calculator. The mapping provides us with an understanding of our emissions,

but the availability of qualitative data, regarding calculation methods and reporting are significant challenges, which is why the presented figures include estimates.

Emissions ton CO ₂ e	2024		Comments
	Scope 1 (1% of total)	3,409	
	Company cars (owned or leased)	1,134	
	Delivery vehicles (owned or leased)	581	
	Fuel	1,694	
	Scope 2 (2% of total)	2,784	
	District heating/cooling	1,134	
	Purchased electricity	1,650	
	Scope 3 (97% of total)	267,670	
	Business travel	1,893	
	Purchased goods and services**	254,037	
	Transportation and distribution	11,740	
	Total CO₂e (t) emissions	273,863	
	Total CO₂e (t) emissions/MSEK	29	

* Emission factors in the tool have been collected from open source databases, mainly from DEFRA.

** Adjusted for purchases from other NWG companies during consolidation to avoid double reporting from intra-group transactions.

Pollution

Material impacts, risks and opportunities

For New Wave Group, air pollution is a material impact, primarily linked to upstream production of textiles and other products through the combustion of fossil fuels. This is addressed under the Climate Change section on pages 68-73.

Further, substances of concern and very high concern are material impacts due to chemical usage in the production chains for textiles and other products. Examples of such substances include fertilizers and pesticides used in cotton cultivation, dyes for fabric coloring, and other chemicals applied in production processes to achieve desired properties and performance. Depending on their properties and potential toxicity, these substances can result in emissions to water and soil, affecting living organisms both upstream and downstream.

Upstream production and downstream use of products also carries the risk of microplastic emissions, primarily due to production waste and washing of synthetic fiber clothing. However, this does not fall within the scope of being intentional additives.

In Sweden, Orrefors Kosta Boda AB produces glass products, and Glasma AB manufactures glass pellets for glass production. This entails risks of spreading metal contaminants to the surrounding environment. However, studies indicate that the majority of existing metal contamination and its potential negative effects are due to historical production rather than current industry practices.

Policies and guidelines related to pollution

New Wave Group's CSR and environmental policy establishes the framework for how the company should address pollution. It further mandates progressive work with chemicals, which includes phasing out substances suspected of having hazardous properties from production and replacing them with better alternatives, in line with good manufacturing practices.

Restricted or prohibited chemicals are compiled in the company's Restricted Substance List (RSL). This list is developed based on various national and multinational regulations and takes into account industry recommendations.

Within the scope of supplier audits, the company also applies the Codes of Conduct from amfori BSCI and amfori BEPI, which set requirements for environmental management systems and chemical handling.

Actions and resources related to pollution

New Wave Group is a member of the Swedish Chemicals Group, arranged by RISE. From the group we gain access to the latest knowledge and research on chemicals from RISE's chemists and experts. This forms the basis of the company's efforts to reduce and replace chemicals with better alternatives. New Wave Group's RSL and chemical work are based on the Chemical Group's recommendations and tools. For example, no substances classified as SVHC (Substances of Very High Concern) are allowed in concentrations exceeding **0.1%** by weight. The restrictions list is regularly updated and communicated to the company's manufacturing suppliers.

The company conducts random sample checks tested at independent laboratories to ensure that products comply with New Wave Group's requirements. Annually, approximately **300** lab tests are conducted on textiles as well as plastic and ceramic products. Products and materials intended to come into contact with food are always tested in independent laboratories. Combined with other procedures, this constitutes a systematic approach to chemical management. The company also relies on product certifications such as Oeko-Tex for textiles. Routine checks are conducted in conjunction with inspections by the Swedish Chemicals Agency.

As part of its risk assessment and mitigation efforts in the supply chain, the company works with amfori BEPI for environmental risk assessments of suppliers, where pollution and chemicals are key aspects.

At Kosta Glassworks, lead-free glass from Glasma has been in use since the late 1990s. Both Orrefors Kosta Boda AB and Glasma AB have certified environmental management systems (ISO 14001). Regular measurements of emissions to water and air are conducted and reported to the relevant authorities.

Targets related to pollution

Regarding restricted or prohibited substances in the company's products, New Wave Group aims for zero failed chemical tests. During the year, two products failed in the product

development phase due to excessive levels of lead and polycyclic aromatic hydrocarbons (PAHs). After corrective actions with the suppliers, the products passed new tests.

Pollution-related targets also tie into products with sustainability attributes, where New Wave Group aims to increase the proportion of products that limit pollution through improved manufacturing methods. Further details can be found on page **72**.

Water and marine resources

Material impacts, risks and opportunities

The largest product segment of New Wave Group is clothing and textiles. Textile production requires a significant amount of water - sometimes thousands of liters per product. This is due to water usage during raw material cultivation and textile manufacturing and dyeing processes.

The extensive water usage poses several risks, such as the depletion of local water resources in areas where water is already scarce and the pollution of marine environments due to chemical discharges and untreated wastewater from textile processes.

Policies and guidelines related to water and marine resources

As part of its efforts to mitigate climate change, New Wave Group's CSR and environmental policy identify water usage as a central environmental issue, particularly the management of wastewater from textile processes.

New Wave Group requires all suppliers generating industrial wastewater to either have or be connected to a wastewater treatment plant for restoring water quality and, in some cases, recycling and reusing water in closed systems.

Suppliers must also comply with the water management requirements outlined in the amfori BSCI and BEPI codes of conduct.

Actions and resources related to water and marine resources

To reduce water usage and improve water management, the focus areas include:

- **Requirements and supplier collaboration.** *Mandating water treatment and working with suppliers to identify and implement measures that enhance water efficiency and reduce environmental impact from wastewater.*
- **New technologies.** *New Wave Group strives to increase the proportion of products manufactured with production methods that reduce water usage and minimize unnecessary washing during dyeing processes. For example, the company aims to increase the use of solution-dyed polyester, a dyeing method that saves significant amounts of water and chemicals compared to traditional techniques.*

Targets related to water and marine resources

To ensure a long-term reduction in its impact on water resources and marine environments, New Wave Group has established the following goals:

1. **Stricter Standards.** *Develop more rigorous requirements for water usage and wastewater management throughout the value chain, including enhanced environmental risk assessments and measures in the supply chain under the framework of amfori BEPI.*
2. **Increase the amount of more sustainable products.** *Gradually increase the share of products with sustainability attributes, such as solution-dyed polyester, to reduce water usage and chemical emissions, read more on page 72.*
3. **Measurable progress.** *Establish clear key performance indicators and regularly measure water impact to ensure goals are met and identify further opportunities for improvement.*

Biodiversity and ecosystems

Material impacts, risks and opportunities

New Wave Group's operations affect biodiversity, primarily through direct impacts such as climate change, changes in land and water usage at production facilities (suppliers), and pollution. The textile value chain has a particular environmental impact through activities such as raw material production, yarn production, and transportation, both upstream and downstream.

These factors can lead to negative consequences for species diversity and conditions, degraded ecosystems, and the loss of ecosystem services vital to both communities and businesses. At the same time, this presents an opportunity for New Wave Group to contribute to protecting and strengthening ecosystems through innovation and proactive efforts, creating long-term value for all stakeholders.

Policies and guidelines related to biodiversity and ecosystems

As part of its overarching climate change mitigation strategy, New Wave Group's CSR and environmental policy highlight biodiversity as a central issue strongly linked to the textile value chain. The policy emphasizes the importance of preserving ecosystem health through responsible choices at every stage of production.

Biodiversity is indirectly addressed in New Wave Group's restricted substance list and the Codes of Conduct for amfori BSCI and BEPI applied in the supply chain.

Actions and resources related to biodiversity and ecosystems

New Wave Group's impact on biodiversity is closely linked to key issues such as climate change, pollution, and water usage. Therefore, measures and resources addressing these challenges are integrated into the overall sustainability strategy.

- **Climate change.** *Reducing climate impact by increasing energy efficiency, using renewable energy sources, and lowering emissions from transportation and production (see page 70-72 for details).*
- **Pollution.** *Proactively managing chemical usage to minimize the release of hazardous substances into nature (see page 74 for details).*
- **Water usage.** *Optimizing water consumption through innovative techniques and responsible supplier choices.*

The company continues to explore new solutions and partnerships to further reduce its impact on biodiversity. Future actions include strengthening biodiversity requirements in supplier codes of conduct, increasing the use of certified sustainable materials like organic cotton and recycled textiles, and collaborating with external experts and research institutes to evaluate and enhance ecosystems in operational areas.

Circular economy

Material impacts, risks and opportunities

The transition to a circular economy holds significant potential to reduce resource usage and limit climate and environmental impacts. New circular business models, such as product rental or incentives for customers to repair and reuse, open up new opportunities. At the same time, this transition may pose risks associated with product offerings and company reputation if the company fails to keep pace with the changes, see more under climate-related risks on page 69.

Resource inflows primarily include materials for contracted manufacturing units and packaging materials like cardboard and plastic. Textile materials in cotton and polyester stands for the largest share. The main resource outflows are apparel and textiles.

Considering waste, within the company's own facilities, most waste comprises cardboard and plastic from warehouses. Further, waste is also generated downstream in the value chain after the user phase of the products.

Although the collection and recycling of textiles have increased and are expected to continue growing, significant societal challenges remain in sorting and handling textile waste effectively. This is due to material blends and the lack of advanced technical infrastructure.

By actively educating consumers about sustainability and responsible consumption, the company can encourage a more conscious purchasing process, where customers choose products based on values beyond price and style. This approach can create a more informed and engaged customer base, supporting the company's sustainability goals.

Policies and guidelines related to circular economy

New Wave Group establishes in its CSR and environmental policy that the company shall:

- ✱ *Strive to minimize the use of natural resources (direct impact) and reduce resource consumption in the production of the company's products.*
- ✱ *Manufacture products with more preferred fibers and materials - defined as those that consistently reduce impact and provide greater benefits for the climate, nature, and people compared to conventional alternatives - whenever possible without compromising quality.*
- ✱ *Manage resources responsibly and ensure that waste generated by the company's operations is handled within national recycling systems. Textile reuse and recycling should be prioritized.*

Additionally, the company has a quality program and a plastics strategy aimed at reducing plastic usage.

Actions and resources related to circular economy

Responsibility for product design, considering factors such as functionality, repairability, and recyclability, as well as transitioning to more sustainable materials, lies with each company within the group and their product development departments. In recent years, there has been a significant shift toward products and packaging made from more preferred materials such as organic cotton, solution-dyed polyester, recycled polyester, and other recycled materials, see more under “products with sustainability attributes” on page 72.

Regardless of the material used, quality remains a central focus to ensure the long lifespan of products. The Group has a strong advantage in its procurement strategy, which relies on direct purchasing from suppliers without intermediaries that could diminish influence in the value chain. The company employs its own quality controllers, who regularly visit manufacturing facilities for inspections. New Wave Group also operates its own quality laboratories, equipped to perform various quality tests, such as shrinkage, colorfastness, and pilling for textiles.

Furthermore, waste generated within subsidiaries' own facilities is managed through a combination of waste reduction, reuse, and recycling within the framework of national recycling systems.

Targets related to circular economy

Currently, New Wave Group's overarching group-wide targets are primarily related to “products with sustainability attributes” (see more on page 72).

Social information

Own workforce

Material impacts, risks and opportunities

New Wave Group's workforce primarily consists of office staff and warehouse workers at subsidiaries with warehouse operations. A smaller portion is involved in production, mainly in specific regions. The company operates under a decentralized organizational model, meaning each subsidiary is directly responsible for its employees, including working conditions and workplace environment. Key impacts and risks include:

- ✱ **Workplace environment and health.** *Office workers may face risks such as ergonomic injuries, stress, and mental health issues, particularly in demanding or fast-paced environments. Warehouse and production staff may encounter physical risks, such as heavy lifting, repetitive motions, noise, and insufficient workplace safety measures.*
- ✱ **Inequality and variations.** *Given New Wave Group's operations across multiple countries with diverse labor laws and workplace cultures, there is a risk of unequal working conditions between subsidiaries and regions. This could impact employees' perceptions of fairness and corporate culture. Lack of alignment in conditions may lead to discrepancies in access to resources such as training, healthcare, and employment benefits.*
- ✱ **Recruitment and skills provision.** *Challenges in attracting and retaining qualified personnel in a competitive global labor market. There is a risk of skill shortages in certain regions or industries, which could affect productivity and operational quality.*
- ✱ **Psychosocial factors.** *Cultural differences or communication gaps within the decentralized organization could lead to uncertainty or workplace conflicts. Expectations of high flexibility, particularly in global roles, could negatively impact work-life balance.*
- ✱ **Compliance with labor laws.** *Risk of unintentional violations of labor regulations in countries with complex or evolving legislation, potentially leading to legal and financial consequences. Ensuring consistent standards for working conditions and workplace safety can be challenging.*
- ✱ **External factors.** *Pandemics, natural disasters, or economic crises can impact workforce health, safety, and job security. Technological advancements and digitalization may require rapid adjustments and new skills, posing challenges for some employees.*

Opportunities include enhancing the employer brand and market position by offering attractive working conditions, robust internal policies, and opportunities for skill development. Additionally, implementing clearer global standards and internal frameworks for working conditions and workplace

safety could reduce regional disparities and foster a more cohesive corporate culture.

Policies and guidelines related to the own workforce

As a decentralized organization, New Wave Group's core values serve as a shared foundation (see more on page 11). A key employee-related value is encouraging initiative and learning from mistakes, reflecting a culture of entrepreneurship, self-leadership, and significant personal responsibility for time and development.

Furthermore, group-wide policies such as the Corporate Governance Policy, Information Policy, and Anti-Corruption Policy set the framework for the Group's values, business approach, and perspective on human rights.

Processes for engaging with own workforce

At the Group level, communication with subsidiaries and employees primarily occurs via email and intranet and focuses on group-wide guidelines and policies. The managing director of each subsidiary holds primary responsibility for communication with employees and addressing actual and potential impacts on the workforce. Employees are encouraged to actively participate in dialogues and propose improvements. An inclusive culture where everyone feels heard and involved is central. Direct dialogue with employees primarily occurs through:

- **Internal communication.** *Subsidiaries continuously share updates relevant to the workforce via internal channels such as newsletters, intranet, and digital platforms.*
- **Regular staff meetings.** *Subsidiaries conduct regular information meetings addressing important workforce-related issues, including workplace environment.*
- **Individual performance reviews.** *All employees have annual one-to-one meetings with their immediate supervisors regarding matters such as their work situation and skill development.*

Processes to remediate negative impacts and channels to raise concerns

New Wave Group strives to operate ethically, with high standards of honesty and responsibility. The company seeks to foster a business culture where everyone feels secure and is encouraged to act against and report misconduct.

Each subsidiary's managing director is responsible for implementing statutory responsibilities and the Group's policies related to the own workforce and taking necessary actions to address identified negative impacts.

To enable employees, shareholders, consultants, suppliers, and other stakeholders to report misconduct securely and anonymously, the company has a whistleblowing function. Learn more at <https://www.nwg.se/en/investor-relations/corporate-governance/whistleblowing/>.

Actions on handling impacts, risks, and opportunities

Risk assessments and action plans tailored to specific operations (e.g., offices, warehouses, manufacturing) are carried out for workplace environment and health. The responsibility for regular evaluations, career development, and training lies with each subsidiary's managing director.

New Wave Group's decentralized organization and global operations present both challenges and opportunities for managing workforce impacts and risks. By prioritizing equality, standardized conditions across subsidiaries, and safety standards, the company can minimize risks and strengthen its position as an attractive employer in a sustainable and global context.

To address rapid changes and new skill requirements, training, professional development, and knowledge-sharing across subsidiaries are essential. New Wave Group regularly conducts training programs and meetings to exchange expertise on specific tasks and knowledge areas within the group.

Targets related to own workforce

New Wave Group's main goals related to its workforce are:

- *To work towards an equal, diverse, and inclusive workplace.*
- *To minimize differences in working conditions across regions and ensure fair treatment of all employees.*
- *To conduct annual training and development programs for 100% of employees, including leadership training and capacity-building initiatives in digitalization and sustainability.*

Characteristics of employees

Employee by gender 2024	
Gender	Number of employees (FTE)
Male	798
Female	1 653
Total employees	2 451

The number of employees is reported in full-time equivalents (FTE) as of 31/12 2024.

Employees in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees 2024

Country	Number of employees (FTE)	Percentage
Poland	246	10%
Sweden	659	27%
USA	557	23%

Employee turnover 2024	
Employees who have left	294
Employee turnover i %	12%
Total employees	2 451

Employee turnover indicates the number of employees who have left in 2024 divided by the average number of employees in 2024. The average number of employees in 2024 is calculated as the sum of the number of employees at the beginning and at the end of the year, divided by 2.

Diversity metrics

Gender distribution management	
Male	76%
Female	24%

Company management includes people with leading positions in all subsidiaries as well as members of the group management.

Distribution of employees by age group, share %	
Under 30 years old	17%
30-50 years old	51%
Over 50 years old	32%

Workers in the value chain

Material impacts, risks and opportunities

New Wave Group operates within global value chains. There is an increased risk of negative impacts related to working conditions, equal treatment, and other labor rights upstream in the value chain, particularly in countries with production facilities that have less developed welfare systems and economic

conditions. This risk is largely due to poverty and inadequate social infrastructure.

Opportunities are primarily linked to creating local employment (the textile industry is often described as a driver of economic development in a country), capacity building, and the improvement of working conditions in countries where such changes are most needed. These improvements can result from implementing codes of conduct, setting requirements, and conducting follow-ups.

Policies and guidelines related to the workers in the value chain

Alongside New Wave Group's Anti-Corruption Policy, the company applies the amfori BSCI Code of Conduct, as a member of the amfori BSCI initiative. The Code of Conduct is based on international frameworks, including the ILO Core Conventions and the UN Declaration of Human Rights. All suppliers sign the Code of Conduct as part of their business agreements. The principles of the code include:

- ✿ *The rights of freedom of association and collective bargaining*
- ✿ *No discrimination, violence or harassment*
- ✿ *Fair remuneration*
- ✿ *Decent working hours*
- ✿ *Occupational health and safety*
- ✿ *No child labour*
- ✿ *Special protection for young workers*
- ✿ *No precarious employment*
- ✿ *No bonded, forced labour or human trafficking*
- ✿ *Protection of the environment*
- ✿ *Ethical business behaviour*

Processes for engaging with workers in the value chain

New Wave Group engages with workers in the value chain through its purchasing offices. These offices conduct internal audits, directly communicating with workers at production facilities, and coordinate annual independent audits where production units are evaluated against the Code of Conduct by third parties. Communication also occurs via phone, email, and digital platforms for business relations and other matters.

In Bangladesh, a key production country for New Wave Group, there is also ongoing dialogue with workers through inspections and measures under the International Accord for Health and Safety in the Textile and Garment Industry, which New Wave Group has signed.

Processes to remediate negative impacts and channels to raise concerns

Independent audits, or amfori audits, are conducted by professional auditors accredited by SAAS (Social Accountability Accreditation Services). An amfori audit provides a summary grade from A to F, evaluating both actual working conditions and the presence of management systems to ensure systematic compliance. Thirteen areas corresponding to the Code of Conduct are assessed. The most common grade is "C", indicating an acceptable standard with minor deviations that do not compromise worker health and safety. Common findings include overtime work and insufficient documentation. After the audit, suppliers must submit a corrective action plan for each finding.

During an audit, mechanisms for reporting grievances are also reviewed. Workers in the value chain can report directly to amfori anonymously or use the complaint function of the International Accord. Additionally, workers can report issues directly to New Wave Group through the company's whistleblowing system, details of which are available on the company's website.

Actions on handling impacts, risks and opportunities

New Wave Group's purchasing offices play a key role in promoting social responsibility within the supply chain. Local presence enables the company to visit factories more easily and support suppliers in addressing social and environmental challenges. The company employs dedicated CSR staff who focus on these efforts full-time.

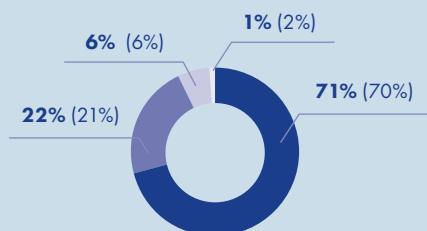
A cornerstone of the company's approach is systematic work under the amfori BSCI framework, involving implementation, monitoring, and follow-up of the Code of Conduct through both internal and third-party audits. Many challenges and opportunities require collaboration beyond the level of individual companies. Participation in industry forums and networks allows the company to share knowledge, address structural issues, and develop solutions. Key initiatives and networks include amfori BSCI and the International Accord.

Targets relating to workers in the value chain

New Wave Group's target is for all factories in high-risk countries (as defined by amfori BSCI) to undergo independent third-party audits with good grades, preferably amfori BSCI A, B or SA8000. While the purchasing offices are close to achieving this target, challenges remain for purchases made outside the offices. Such purchases are often smaller and non-recurring. The COVID-19 pandemic also presented challenges, including postponed or canceled audits.

Additional targets, such as achieving living wages and reducing overtime, are under discussion.

Third-party audited factories in risk countries		2024	2023	2022	2021	2020	Comments
	% of total number of factories in risk countries	89%	90%	88%	83%	81%	
	% of purchasing volume from factories in risk countries	92%	95%	96%	93%	80%	
	% of purchasing volume from purchasing offices	99%	99%	98%	98%	85%	



Grades from independent third-party audits. Previous year in parentheses.

- Improvements needed (BSCI C)
- Good result (BSCI A+B, SA8000)
- Accepted through SMETA, Sedex Members Ethical Trade Audit
- Accepted through WRAP, Worldwide Responsible Accredited Production

Consumers and end-users

Material impacts, risks and opportunities

The primary impacts and risks for consumers and end-users of New Wave Group's products are related to quality and the availability of information regarding product origin, composition, and waste management.

Products that fail to meet sustainability standards or are of low quality can lead to consumer dissatisfaction, potentially damaging the company's brand and reducing customer loyalty. Poor product quality can also result in higher rates of returns and complaints. Additionally, low durability and fast product wear can accelerate replacement cycles, increasing resource consumption and waste generation, which negatively impacts the environment.

Products containing harmful chemicals, such as dyes, plastic coatings, or cleaning agents, may pose health risks to consumers, including allergic reactions. Such issues could have serious consequences for the company's reputation and consumer trust.

If New Wave Group and its companies lack transparency in communicating their sustainability efforts and product origins, consumers may feel uncertain about their purchases. This can reduce trust and market share, especially as demand for sustainable options continues to grow.

The increasing demand for sustainable, ethical, and transparently produced goods presents both risks and opportunities. Adapting to this demand by investing in sustainable production, transparency, and circular business models can create a significant competitive advantage. Failure to adapt risks loss of market share and competitiveness.

Stricter regulations regarding environmental impact and sustainability, such as ESPR (Ecodesign for Sustainable Products Regulation), can pose risks if the company fails to stay informed and comply with these requirements. Non-compliance may result in fines, legal action, or reputational damage.

Policies and guidelines related to consumers and end-users

The policy directly affecting consumers and end-users is the Group's shared Privacy and Data Protection Policy. Additionally, consumers and end-users are affected by each subsidiary's guidelines and procedures for handling claims. Other guidelines indirectly affecting consumers and end-users include the Supplier Handbook, Quality Programs, the Chemical Restrictions List, and various compliance routines.

Processes for engaging with consumers and end-users

Engagement with consumers and end-users primarily occurs through:

- ✱ *Customer service at each company, available via phone and email.*
- ✱ *Social media.*
- ✱ *Product information provided in catalogs and on websites.*
- ✱ *Marketing initiatives.*

Processes to remediate negative impacts and channels to raise concerns

The subsidiaries that are owners of the respective brand and responsible for product development have clear procedures for handling deviations and claims. When problems arise, consumers and end-users can contact the seller of the product, whether through a retailer or the customer service team of the respective company.

Additionally, consumers and end-users can report issues directly to New Wave Group via the Group's whistleblowing function.

Actions on handling impacts, risks and opportunities related to consumers and end-users

Efforts are closely linked to the Group's initiatives addressing climate change (see page 70-72), resource use and circular economy (see page 76), and workers in the value chain (see page 79). These actions are rooted in increased transparency to maintain consumer trust in the future.

Targets related to consumers and end-users

New Wave Group's primary targets concerning consumers and end-users include increasing transparency and providing more accessible information about products, their composition, origin, and usage. This will be achieved through the development and implementation of digital product passports, a digital documentation that contains important information about a product's components, material, durability and recycling instructions.

Governance information

Business conduct

Material impacts, risks and opportunities

Ethical business impacts and risks are primarily associated with procurement activities in countries classified as high-risk (as per the amfori BSCI definition). These risks include incidents of corruption, bribery, and unethical business practices. Poor business ethics can negatively affect the company's reputation, customer trust, and long-term sustainability.

A significant risk lies in the possibility that suppliers or subcontractors in global supply chains may engage in corruption or violate Codes of Conducts. This can occur in areas such as labor conditions, production standards, environmental impact, or business agreements. Additionally, unethical practices like bribery or concealed payments may undermine trust among both internal and external stakeholders, potentially leading to financial losses and legal consequences.

On the other hand, prioritizing business ethics provides an opportunity to strengthen trust with customers, investors, and other stakeholders, offering a competitive advantage in the market.

Business conduct policies, guidelines and corporate culture

The Group's corporate governance framework, which shapes the corporate culture, is summarized in the Corporate Governance Policy. This policy also serves as a guiding document for other policies, including a separate Anti-Corruption Policy, which outlines principles for combating corruption.

In the supply chain, the amfori BSCI Code of Conduct is applied, as New Wave Group is a member. Further details can be found on page 78.

Management of relationships with suppliers

The company's strategy for managing supplier relationships, which considers both supply chain risks and sustainability impacts, is based on local presence and systematic efforts within the frameworks of amfori BSCI and BEPI.

The company's purchasing offices in Asia facilitate close collaboration with suppliers and continuous monitoring of production and payment flows. This reduces the risk of unethical business practices and enhances communication and mutual understanding between suppliers and the company.

More information on the amfori BSCI initiative can be found in the section "Workers in the value chain" on pages 78-79.

Prevention and detection of corruption and bribery

More details about the company's system for risk assessment, control environment, and monitoring can be found in the Corporate Governance Report on pages 44-46.

To ensure all employees within New Wave Group are aware of the principles outlined in the Anti-Corruption Policy, the management of each company within the Group is responsible for communicating the policy to all employees in a way that ensures understanding of its contents.

In the supply chain, preventive measures and detection of corruption and bribery are implemented through the adoption, review, and monitoring of the amfori BSCI Code of Conduct, along with the implementation of systems for traceability and transparency.

Incidents of corruption or bribery

During the year, no cases of corruption or bribery were reported.

Payment practices

The standard payment terms for manufacturing suppliers are 90 days. Payments are generally not delayed unless there is a significant non-compliance issue, such as a breach of the Code of Conduct or product safety standards. In such cases, payments may be withheld until the issue is resolved, in accordance with business agreements. Currently, there are no ongoing legal proceedings related to late payments.