



2025
Sustainability report

CELLBES
OF SWEDEN

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Introduction



CEO Statement

Being a modern fashion company means not only creating products our customers love – it also means taking greater responsibility for the future society and the planet we leave behind. At Cellbes, sustainability work is a natural part of our operations and a central part of our mission: “To empower women in a sustainable, inclusive and inspiring way”.

Our ambition is clear: to continue creating high-quality products with long lifespans — while also continuing to reduce emissions throughout the entire value chain. Our main focus is the transition to sustainable materials, as this is where our greatest climate impact occurs. This makes a difference, as our 2025 emissions meet the reduction targets we have set in alignment with the Paris Agreement.

A key part of our progress is built on close collaborations. Our membership in STICA and participation in several of its working groups show how smaller companies can drive development by joining forces.

Transparency and traceability in our supply chain remains a top priority. Social responsibility throughout the supply chain is essential. Long-term relationships based on trust are also key, allowing us to support suppliers’ environmental efforts through training, energy mapping and guidance in the transition to renewable energy.

Within our organisation we place great emphasis on creating an inclusive culture where people can grow, feel secure and contribute fully. Cellbes strives for a workplace free from harassment and discrimination and continuously works to prevent and address mental health concerns and stress. Through our core values – Be Brave, Strive Forward and Work Together – we work daily to develop both the organisation and the people within it.

I would like to extend my warmest thanks to all colleagues, suppliers and partners who, with commitment, knowledge and determination, continue to drive our sustainability work forward.

With pride, we present our Sustainability Report for 2025.

A handwritten signature in black ink, which appears to read 'Charlotte Nordén'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Charlotte Nordén
VD, CELLBES AB

ABOUT THE REPORT

This is the ninth sustainability report from Cellbes AB (org. no. 556540-2152). The most recent report was published in April 2025.

The sustainability report is published annually and follows Cellbes' financial year, which is the calendar year. This sustainability report covers sustainability work during 2025 and applies to Cellbes AB and its subsidiaries.

The report is submitted in accordance with the Swedish Annual Accounts Act and is available at cellbes.se.

"Cellbes strives to affirm women's self-esteem in a way that is sustainable, inclusive, and inspiring."



About Cellbes

Cellbes AB was founded in 1954 with headquarters in Borås, Sweden. Since the beginning, our vision has been to empower women in a sustainable, inclusive and inspiring way. We take pride in creating comfortable clothing with good fit across a wide size range. We encourage conscious consumption where quality and long product lifespans are central. As an e-commerce company, Cellbes offers clothing,

footwear and home decorations to customers in Sweden, Denmark, Norway, Finland, Estonia, Latvia, the Czech Republic, Poland, Germany and the Netherlands, and reaches Austria and Belgium through partners such as Zalando. In 2025 we expanded our European presence by launching cellbes.com, now reaching a total of 18 countries.

Cellbes focuses on in-house design complemented by external brands. The company has two subsidiaries: Cellbes AS in Norway and Consortio (Shanghai) Trading Co., Ltd in China with a purchasing office in Shanghai.

EMPLOYEES: 79
CUSTOMERS: 598 000
TURNOVER: 584 MSEK

**Organisation**

The Board of Directors of Cellbes AB is the company's highest governing body. It consists of six members who hold the overall responsibility for internal control and risk management. The Board establishes business objectives and strategy, ensures that adequate controls are in place to secure compliance with laws and regulations, and that important policies are followed. It is also responsible for the sustainability report and for ensuring that follow-up of sustainability work takes place continuously at board meetings.

The strategic sustainability work is led by the Sustainability Manager together with the management team, where regular reviews and follow-ups are conducted. The Sustainability Manager is part of Cellbes executive management team.

The practical sustainability work involves all employees at Cellbes. Each department manager is responsible for the sustainability issues relevant to their department and drives this work with support from the sustainability department. A dedicated sustainability representative is also placed at Cellbes Shanghai office.

Engagement across the entire organisation—and ensuring that sustainability is a natural part of everyday work—is essential for long term and successful sustainable development.



Cellbes value chain

1. PRODUCT DEVELOPMENT

An important part of product development is the choice of materials, where our focus is on creating high quality products and create long garment lifespans. We strive to develop items that become wardrobe favourites. During 2025, we continued our work to replace conventional materials with alternatives that have a lower climate impact in order to meet our climate targets. Every garment must earn its emissions.

2. PRODUCTION

The majority of Cellbes production takes place in Asia, where our manufacturing has the greatest environmental impact.

To minimise our emissions and ensure good working conditions, Cellbes has established detailed agreements (Code of Conduct) that our suppliers are required to sign.

Cellbes is a member of Amfori, where we collaborate with other member companies to set requirements for suppliers and jointly work towards improvements. Since 2019, Cellbes has also been a member of STICA, the Scandinavian textile industry's climate action initiative.

3. TRANSPORT

Because most production takes place in Asia, transport distances are long. Goods are primarily shipped by sea from the production countries. When purchasing from countries closer to Sweden, goods are instead transported by truck.

4. WAREHOUSING AND SALES

Goods are stored in our own warehouse in Borås, located in the same building as our head office. From there, they are distributed to customers mainly by truck and, for certain routes, by sea. At our warehouse we work actively to optimise space, sort waste, and reduce energy consumption. We strive for the highest possible packing efficiency in both parcels and transport flows. We also work to minimise the number of returns.

5. USE

Cellbes vision is for our garments to be used for as long as possible. We therefore continuously improve product fit and quality. We guide our customers on how to wash and care for their garments in the most sustainable and environmentally smart way.

Risk Analysis and Risk Management

Risks in our own operations

Risk management within our own operations is a central issue for ensuring a sustainable work environment and long term success. Within the organisation, there is awareness of risks related to undue influence—such as bribery or nepotism—which can lead to decisions being made on incorrect grounds and the company's interests being compromised. To prevent this, we have implemented a clear anti corruption policy and established guidelines and a whistleblowing function. These measures help ensure that irregularities can be detected and addressed at an early stage, strengthening our internal control and transparency.

We have also identified risks related to harassment and discrimination. Responsible leadership is crucial—managers must create conditions for a safe environment where everyone feels confident raising concerns and reporting issues. Our clear policy sets out zero tolerance for all forms of discrimination and harassment. We work actively to train managers and employees in these areas to create an inclusive and respectful work environment.

Stress and mental health challenges are additional risk factors, particularly considering the fast pace and constant changes within our industry. To address this, we provide continuous information about support resources and encourage employees to seek help when needed. Occupational health services offer counselling, and we monitor the work environment regularly to prevent long term ill health.

Our pulse survey tool is a valuable resource for continuously monitoring health, stress levels and

workload across teams and the whole organisation. HR and managers can quickly identify deviations and take action at an early stage. We use this data proactively to develop initiatives and methods—such as targeted workshops or training sessions—that address the specific needs of each team. This strengthens both preventive efforts and our ability to respond quickly to changes in risk levels.

Another important insight is the value of fostering open dialogue about risks. When employees feel safe raising concerns and suggestions for improvement, the chances of detecting and addressing potential threats early increase. By regularly reviewing and updating our policies and tools, we enable proactive rather than reactive risk management.

Risks in the production chain

We use the Amfori ESG Risk Compass when assessing risk levels in our production countries in the areas of governance, social conditions and environmental impact. Countries with high or very high risk require closer monitoring and preventive measures. The risk level determines the extent of follow up and due diligence needed.

The foundation of our risk management in production is our Code of Conduct and supplier agreements, which specify our requirements and guidelines for suppliers. The Code of Conduct includes expectations regarding corruption, safety, human rights, wages, working hours and discrimination—areas also covered by Amfori's Risk Compass. Our agreements also include requirements related to animal welfare, chemical content and chemical management.

To ensure compliance with our Code of Conduct, we are members of Amfori. As a relatively small company working with many different factories, it is highly beneficial for Cellbes to be part of a well established system with clear requirements and routines. Factories with strong results are inspected every second year, while those with weaker results are inspected annually.

Inspections are conducted both announced and unannounced, increasing the reliability of the results. Today, all our factories are inspected and approved

by Amfori. To ensure that corruption does not occur among laboratories or inspection companies we work with, we only hire accredited firms with established policies, routines and compliance with current standards.

Further information on how we manage risks in the production chain follows in this report.





Highlights & key figures 2025

EMISSIONS 2025

Our total emissions for 2025 amounted to 6312 tons CO₂e, equivalent to 3.15 kg CO₂e per produced garment. This is a 56% reduction compared with our base year.

Read more on page 21.

NEW GOALS FOR SUSTAINABLE MATERIALS

In 2025 we set the following goals:

100% sustainable polyester & viscose by 2030

100% sustainable cotton by 2035

Read more on page 28.

SUSTAINABLE MATERIALS

Sustainable materials 2025:

Polyester 44%

Viscose 82%

Cotton 35%

Read more on page 29.

AMFORI RATING A

One of our largest factories in Bangladesh achieved rating A in its social compliance audit — a factory we have worked with for more than 15 years, progressing from a former D rating.

Read more on page 48.

SHARE OF CERTIFIED SUPPLIERS

59 % av våra leverantörer har en eller flera produktcertifieringar.

Read more on page 30.

ACCORD

Cellbes has signed the International Accord and the Bangladesh Safety Agreement.

Read more on page 55.

RENEWABLE ENERGY IN PRODUCTION

Seven of our sewing factories have purchased Energy Attribute Certificates (EACs), certifying that their electricity comes from renewable sources.

Read more on page 24.

Environmental Impact



The Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a central part of Agenda 2030, adopted by the UN member states in 2015. The SDGs consist of 17 goals aimed at achieving economic, social and environmental sustainability. Achieving these goals requires strong commitment from individuals, companies and nations.

Cellbes has selected the goals where we see that our operations have a significant impact and where we can contribute to positive development. We have chosen ten goals in total, with three of them serving as our primary focus areas, while the remaining goals support these. Together, they form the foundation of our sustainability strategy.



The 17 Sustainable Development Goals include a total of 169 targets. We have chosen to focus on 16 of them.

Cellbes sustainability strategy

To clarify, manage and prioritize our sustainability work, we have developed a sustainability strategy. It is closely linked to the goals we have chosen to focus on based on the UN's global goals.



Strengthening people's health & well-being

- Marketing and products that are inclusive and empowering for women.
- Ensuring that our products are free from harmful chemicals.
- Create an inclusive workplace that promotes mental health.



Protecting human rights and decent labour conditions

- Work responsibly and long term with our suppliers.
- Work only with audited and approved factories
- Maintain good business ethics throughout the value chain.
- Work towards a good working environment for our employees.
- Ensuring gender equality for our employees.
- Ensure a working environment free from harassment and discrimination



Promoting sustainable consumption and production

- Reducing our greenhouse gas emissions.
- Increase the share of sustainable material in our products.
- Guiding our customers towards more sustainable choices.
- Explore circular business models.
- Support our suppliers development towards sustainable production
- Reduce consumption of paper, plastic and packaging, and use recycled or renewable materials as much as possible

Cellbes climate work

The Paris Agreement entered into force in 2016 and aims to limit global warming by reducing greenhouse gas emissions. The goal is to keep the temperature increase well below 2°C and to pursue efforts to limit it to 1.5°C.

At Cellbes, we are committed to reducing our absolute greenhouse gas emissions to the extent required by scientific consensus to meet the global 1.5 degree target.

We measure and report our greenhouse gas emissions in accordance with the GHG Protocol, the most widely used international standard. By dividing emissions into direct (Scope 1) and indirect (Scope 2 and 3) categories, we gain a clear picture of where emissions originate. This provides transparency and enables comparisons between different companies.

For Scope 1 and 2, where 2018 is our base year, the target is to reduce emissions by 50% between 2018 and 2030. For Scope 3, with 2020 as the base year, emissions must be reduced by 42% between 2020 and 2030.

In Scope 3, we have chosen to include the following categories:

- Purchased goods and services
- Upstream transport and distribution
- Packaging materials
- Waste
- Fuel- and energy related activities
- Business travel
- Employee commuting
- Capital goods



STICA – The Scandinavian Textile Initiative for Climate Action

To effectively reduce the climate impact caused by textile production, collaboration is essential. In 2019, we therefore joined STICA. Through this partnership, we learn from each other and establish requirements and guidelines for how we can measure and reduce our climate footprint throughout the value chain.

Change and improvement can happen more quickly when companies that have come further share knowledge with those at earlier stages. We also have a greater chance of achieving real change when we set the same type of requirements for suppliers and transport partners.

Cellbes is represented in STICA's working groups for China, Bangladesh and India. In one of the subgroups for China, Cellbes holds the chair position. Since 2024, Cellbes has also participated in the working group for Data Collection and Reporting. During the year, STICA's working groups focused on supplier training, energy efficiency in factories, and exploring opportunities to support suppliers in their transition to renewable energy.

Climate Action Plan

A requirement from STICA is that, in addition to having emission reduction targets, we must also develop a plan describing how these reductions will be achieved. Cellbes has formulated a Climate Action Plan outlining the actions that provide the greatest potential for us to reduce our emissions:

- Renewable energy in production – through our collaboration in STICA's working groups, guide and encourage our suppliers in their climate transition.
- Sustainable materials – replace conventional materials with lower impact alternatives, such as recycled or organic fibres.
- Avoid overproduction – carefully assess which products we launch and in what volumes, from a climate impact perspective.
- Long lasting quality – strive for products with high quality and long lifespans; every garment must earn its emissions.

Read more in the report about how we address these issues related to the environmental impact of our products and production.

CEMASys

Climate Calculations

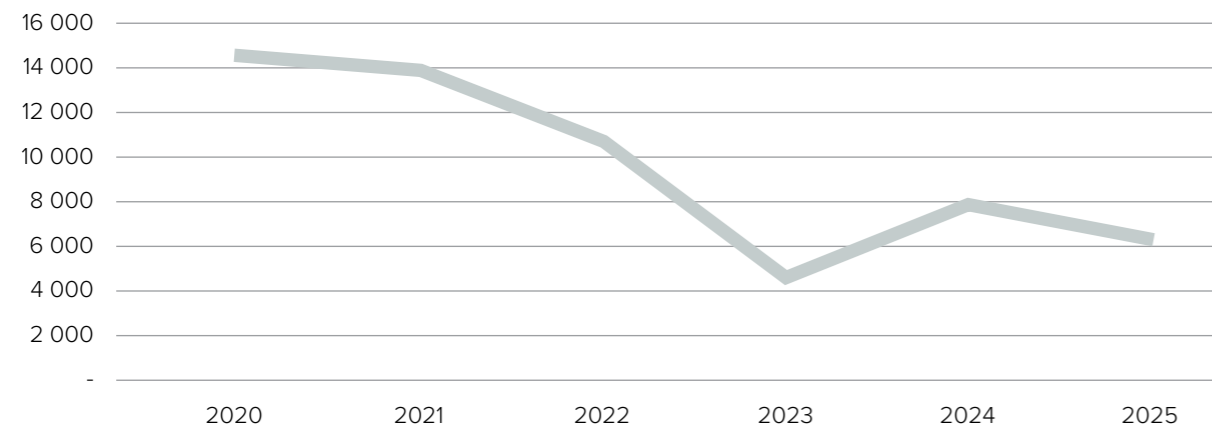
Our climate calculations are carried out in cooperation with our partner CEMAsys, a specialised sustainability consultancy that provides system solutions and expert support for more than 800 companies. The collaboration with CEMAsys ensures that our methods and the figures we report are accurate.

Greenhouse gas emissions	Base yr (tCO ₂ e)	2025 (tCO ₂ e)	Goal 2030	Outcome 2025
Scope 1 & 2 (base yr 2018)	122	29	-50%	-76%
Scope 3 (base yr 2020)	14 315	6 283	-42%	-56%
Total		6 312		

Our total Scope 1–3 emissions for 2025 amounted to 6,312 tons CO₂e. For 2024, total emissions were 7,793 tons CO₂e, which equals a 19% reduction in 2025 compared with the previous year. Compared with our 2020 base year, emissions have decreased by 56%.

We continue to meet the levels required to stay aligned with the Paris Agreement.

Emissions development CO₂e



The chart shows the development of Cellbes total greenhouse gas emissions from 2020 to 2025.

To enable comparison between years with varying production volumes, we have also decided to report emissions per produced garment. As we have a growth ambition that may increase production volumes in coming years, we will monitor this figure closely and continue working to limit emissions, supported by our Climate Action Plan.

Emissions/garment

2020	2021	2022	2023	2024	2025
8,23 kg CO ₂ e	5,07 kg CO ₂ e	4,26 kg CO ₂ e	3,27 kg CO ₂ e	3,86 kg CO ₂ e	3,15 kg CO ₂ e

SCOPE 3, Emissions per category	
Purchased goods and services	5 483
Tier 1 (sewing)	476
Tier 2 (yarn and fabric)	603
Tier 3-4 (fibre, raw material)	4228
Packaging	169
Support & operational services	7
Transport and distribution	669
Employee commuting	92
Business travel	25
Waste	5
Capital goods	4
Fuel and energy related activities	6



Environmental impact of the production

”Renewable energy in production – through our collaboration in STICA’s working groups, guide and encourage our suppliers in their climate transition.”

84% of our emissions originate from the production of our goods. The largest share comes from the manufacturing of raw materials and fabrics, including dyeing and printing (Tier 2–4). The remaining share comes from sewing and assembly (Tier 1).

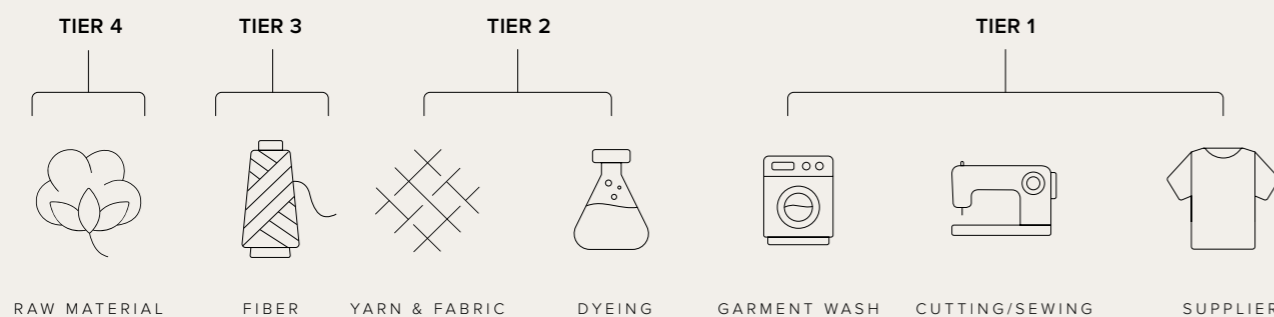
In 2025, emissions from production (Tier 1–4) amounted to 5,307 tons CO₂e, compared with 6,227 tons CO₂e in 2024.

Primary activity data forms the basis of our emissions calculations. We have collected primary activity emissions data from Tier 1 factories (sewing), covering 84% of total order volume, and from Tier 2 factories (fabric and yarn production), covering 50% of order volume. For the remaining volumes, country specific emission factors are applied. Increasing the share of high quality primary activity data is essential for improving accuracy and tracking performance over time.

In Tier 1 (Sewing Production) emissions decreased by 12% in 2025. This reduction is primarily due to several sewing factories switching to electricity from renewable energy sources, resulting in lower climate impact.

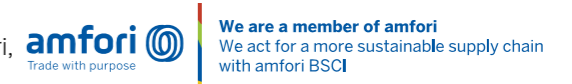
In Tier 2 (Fabric and Yarn Manufacturing) emissions decreased by 49%. This is largely explained by factories reducing their use of natural gas and instead choosing energy sources with lower emissions. Due to limited availability of primary activity data, emissions from Tier 3–4 are calculated using secondary data and standardized emission factors. Emissions decreased by 7% compared to the previous year.

These emission trends have a significant influence on our total footprint. We will continue to prioritise material choices and energy and fuel consumption in production.



AMFORI

Since 2018, Cellbes has been a member of Amfori, a leading global initiative working to promote social (Amfori BSCI) and environmental (Amfori BEPI) responsibility in supply chains. Together with other member companies, we can exert far greater influence than we would be able to on our own.



Read more about Amfori BSCI (Business Social Compliance Initiative) in the chapter: *Social responsibility in production.*

AMFORI BEPI

Cellbes works with Amfori BEPI (Business Environmental Performance Initiative) to follow up and prioritise environmental work in our supply chain. BEPI is a tool and a platform that helps factories understand and improve their environmental performance and reduce their climate impact.

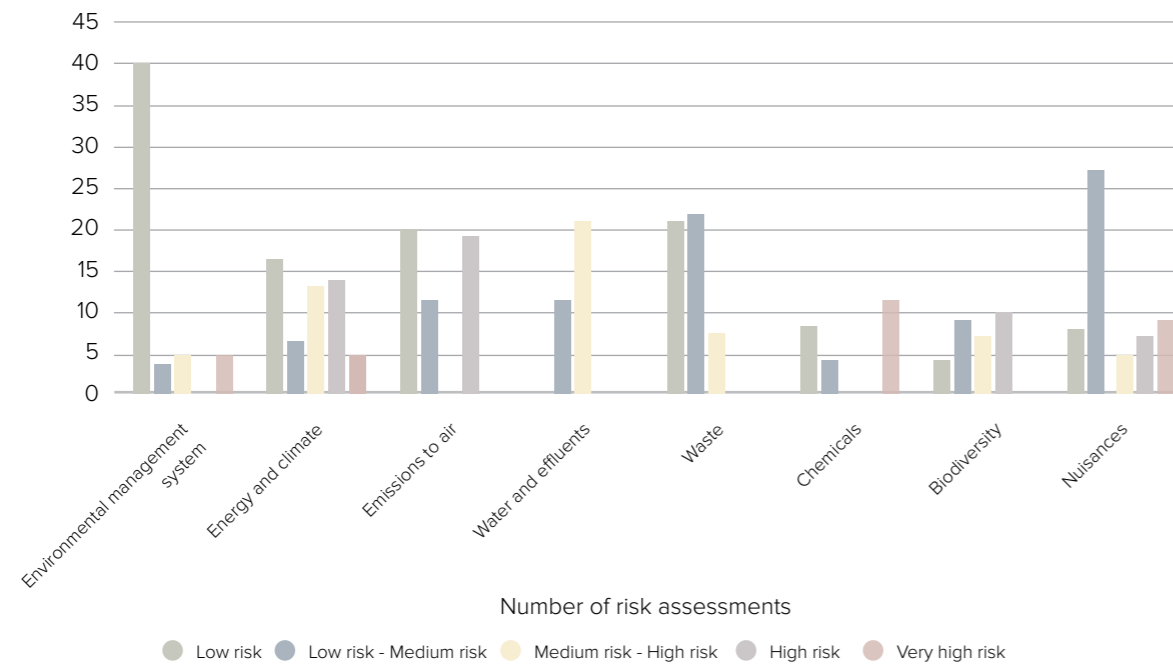
Within Amfori BEPI, we encourage our factories to carry out risk assessments. These assessments identify environmental risks and define which actions need to be taken. Since the start in 2023, 62% of our sewing factories (Tier 1) have completed their risk assessments. Several fabric and yarn factories (Tier 2) that are members of Amfori have also carried out corresponding work.

BEPI’s risk assessment covers eight areas, where risk levels range from low to high. Higher risk scores are often due to factories lacking sufficient measurement or control within the assessed area.

The analysis shows that while many factories have established environmental management systems, several risks continue to be identified in other areas. The factories that have completed their risk assessments can maintain closer dialogue with us and also gain access to training via Amfori’s platform to strengthen their competence and gradually reduce their climate impact.

In the area of energy and climate, more factories need to carry out energy audits and develop action plans with clear targets to reduce greenhouse gas emissions and ensure systematic energy work. This work is carried out both through Amfori’s training tools and through our collaboration in STICA’s working groups, where we actively contribute to pushing progress forward

Risk assessment result Amfori BEPI 2025



The chart shows the results for each assessment area for our sewing factories (Tier 1) and fabric and yarn mills (Tier 2) that have completed the risk assessment in Amfori BEPI.

Amfori BEPI audit at factory

Factories can also be audited by a third party through BEPI to verify their measurements and report their results. Based on the factories' risk assessments in BEPI, we choose to conduct an on site audit at those factories and in those areas with higher risk, and which we consider essential for reducing our climate impact in the production stage. Through the audit, factory management receives support in developing their work in these areas, and we are able to maintain an ongoing dialogue about improvements.

Cellbes had one of our largest factories in China undergo an audit in 2025, focusing on environmental management systems, climate impact, and energy efficiency.

A selection of the factory's actions following the BEPI audit:

- The factory must strengthen its work within energy, climate, and environmental management in line with internationally recognised standards, and develop clear routines for collecting, quality assuring, and communicating energy consumption data, both internally and externally.
- The factory needs to continuously improve its energy efficiency through annual internal or external energy audits, as well as identify opportunities to replace fossil energy with more sustainable alternatives.
- The factory must also set science based targets to reduce its greenhouse gas emissions.
- The factory needs to have established routines for weighing and recording all waste generated in the operations. This ensures high data quality and traceability, and enables analysis of waste flows over time to drive improvements.



We previously conducted an audit at a factory in Bangladesh in 2024, and this factory has since achieved significant environmental improvements.

Water consumption per produced garment has decreased by 29% from 2024 to 2025. This result was achieved through the installation of water meters, increased information-sharing and training efforts for staff.

Energy consumption also shows clear improvements. Diesel use has decreased by 37% between 2024 and 2025, mainly due to fewer

power outages and therefore reduced need for backup generators. Although this is partly due to a more stable power grid, the factory has also succeeded in reducing its own electricity use by 47%. This is partly the result of regular inspections and maintenance of machinery, as well as the installation of energy efficient LED lighting.

Overall, these results show that the factory is working effectively and long term to reduce its resource consumption and strengthen its sustainability efforts.

Environmental impact of the products

”Sustainable materials – replace conventional materials with lower-impact alternatives, such as recycled or organic fibres.”

Of our total emissions, 77% originate from fibre and fabric production (Tier 2–4), equivalent to 4,831 tons of CO₂. In 2024, the corresponding figure was 5,706 tons of CO₂, meaning a reduction of 15%. To reach our climate targets, Cellbes continuously works to replace conventional materials with alternatives that have a lower climate footprint, such as recycled or organic options.

New goals for sustainable materials

To clarify our ambitions and accelerate the transition to sustainable materials, we introduced new KPIs in 2025. These sharpen our material targets and specify the actions we prioritise.

CELLBES GOALS FOR MATERIAL USE:

100% sustainable viscose & polyester by 2030

100% sustainable cotton by 2035

*Sustainable materials include certified materials, trademark fibres from Lenzing, and traceable organic or recycled fibres

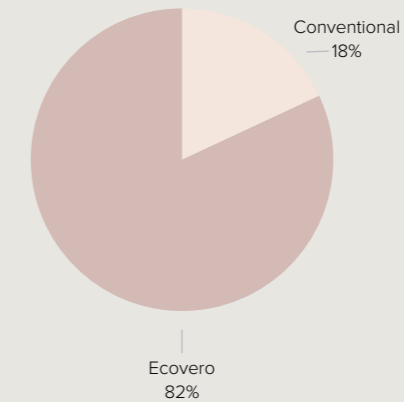
Certified materials

To reach our goals for sustainable materials, we primarily work with third party certifications. A third party certification means that an independent body verifies that specific requirements are met – related to product, processes, raw materials and working conditions. Audits are carried out by accredited inspection bodies, ensuring reliability, transparency and full traceability.

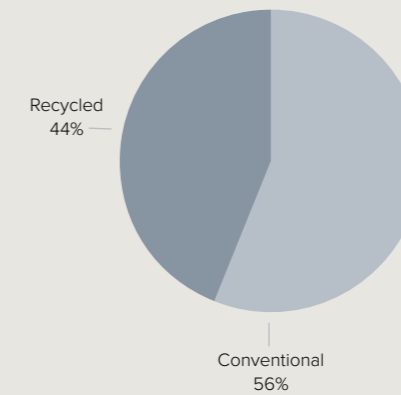
To certify a garment, suppliers must be certified at every stage of the supply chain, from fibre to Cellbes. Today, 59% of our suppliers have one or more certifications.

Outcome 2025

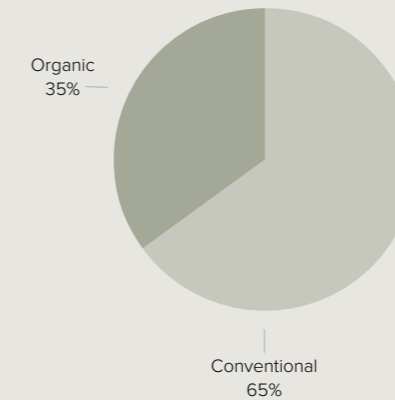
Viscose



Polyester



Cotton



The charts show the breakdown of conventional and sustainable materials at the fiber level for our most commonly used fibers.



Cellbes is certified by Control Union for the following standards:



Global Organic Textile Standard (GOTS)

A product labelled with GOTS meets the requirements for the entire production chain - from fibre to end product. GOTS is the world's leading textile processing standard for organic fibres that includes both ecological and social criteria. A GOTS-certified garment contains at least 70% organic material. Certified by Control Union, licence number 1031663.



Global Recycled Standard (GRS)

Products certified to the Global Recycled Standard (GRS) contain recycled materials that have been verified at every stage of the supply chain, from source to end product. In addition, social, environmental and chemical criteria related to the process are required. Certified by Control Union, licence number 1031663.



Recycled Claim Standard (RCS)

The Recycled Claim Standard (RCS) verifies recycled material and traces it from source to end product. Certified by Control Union, licence number 1031663.



Organic Content Standard (OCS)

The Organic Content Standard (OCS) verifies organically grown material and traces it from fibre to final product. Certified by Control Union, licence number 1031663.



RDS - Responsible Down Standard

The Responsible Down Standard (RDS) certifies down and feathers based on animal welfare requirements and traces them from farm to end product. Certified by Control Union, licence number 1031663.



Responsible Wool Standard (RWS) & Responsible Mohair Standard (RMS)

The Responsible Wool Standard (RWS) and the Responsible Mohair Standard (RMS) describe and certify animal welfare and land management practices in wool/mohair production and trace the certified material from farm to final product. Certified by Control Union, licence 1031663.



Trademark fibres

When sourcing viscose, we choose LENZING™ ECOVERO™ whenever possible. For lyocell and modal products, we choose TENCEL™ Lyocell and Modal from LENZING™.

Organic cotton & recycled polyester

In 2025, we used a small share of traceable but non-certified organic cotton and recycled polyester. These materials come from certified factories, and Cellbes collects Transaction Certificates (TCs) for verification. If the sewing factory chooses to become certified, these products could also be certified in the future.



LENZING™ ECOVERO™ are trademarks of Lenzing AG

LENZING™ ECOVERO™ fibres are produced with at least 50% less carbon emissions and water consumption compared to generic viscose. LENZING™ ECOVERO™ fibres are made from controlled or certified wood sources.

In summary, we count the following as sustainable materials: third party certified fibres, trademark fibres from Lenzing, traceable organic and recycled materials.



TENCEL™ är varumärken för Lenzing AG TENCEL™

TENCEL™ Lyocell and Modal fibres are produced with at least 50% less carbon emissions and water consumption. TENCEL™ Lyocell and Modal fibres are made from controlled or certified wood sources.

Chemical content

During the manufacturing process of a textile product, many different types of chemicals are used with the purpose of finishing the product. Among other things, chemicals are used to give the fabric its colour or to give the product a specific property.

However, some chemicals may pose risks to both the environment and factory workers in the country of production, as well as to end users and the environment in the countries where the products are sold. Therefore, responsible chemical management is a must for Cellbes. Our suppliers are continuously informed of new requirements that are developed based on international and European legislation.

Our products must not contain substances at levels that are prohibited under current legislation. In addition, we do not allow our products to contain substances that are listed as candidate substances in the European chemicals regulation REACH.

In 2022, we developed our own RSL (Restricted Substances List) with the aim of being able to adapt the requirements to new sales markets and tightened or amended legislation. Our RSL is updated annually and sent to our suppliers for signature.

Membership in Kemikaliegruppen

As part of our chemical and sustainability work, Cellbes has for many years been a member of Kemikaliegruppen, a network run by RISE (Research Institutes of Sweden). Within Kemikaliegruppen, more than 100 member companies, research actors and authorities cooperate on chemical issues within the textile industry.

Kemikaliegruppen provides us with guidance in the latest knowledge in chemical and environmental matters and provides practical tools to prevent the occurrence of unwanted chemicals in our garments



Chemical Assurance

To ensure that our suppliers comply with legislation and that our products do not contain prohibited chemicals, spot tests are carried out on selected products every quarter. The selection of products is based on a risk analysis, Chemicals Due Diligence, which among other things takes into account the suppliers' previous results, whether the supplier or the product is new, and whether the product is assessed as a risk product.

In 2025, we carried out chemical testing on 91 articles.

PFAS Movement

PFAS is a collective name for close to 5,000 chemicals. In textiles, the substances are used to make products dirt- and water-repellent. PFAS are often referred to as "forever chemicals" since they do not break down naturally and are bioaccumulative.

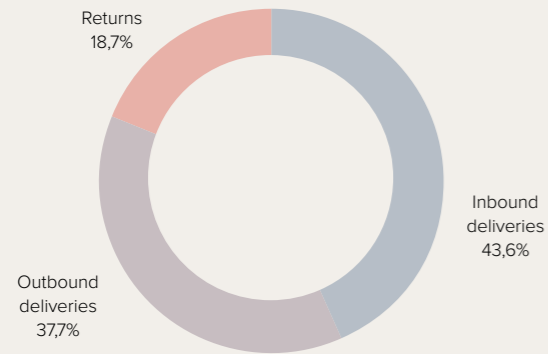
The environmental organisation ChemSec's initiative PFAS Movement brings together companies that have decided to phase out PFAS from their own production and supply chains, an initiative that Cellbes has signed.



Environmental impact from transport and distribution

During 2025, emissions from our transports amounted to 669 tons of CO₂e, compared with 1,191 tons in 2024. This is a 44% reduction, primarily due to decreased use of air freight.

Share of emissions from transports, ton CO₂e



The chart above shows the distribution of emissions in 2025 between inbound deliveries (from supplier to warehouse), outbound deliveries (from warehouse to customer), and emissions caused by returns.

Inbound transport

Because the majority of global textile production takes place in Asia, transport distances are long. Cellbes' goods are mainly shipped by sea from production countries in Asia, which is both cost efficient and has a lower environmental effect. Cellbes' goal is to use sea freight as much as possible, and to use air freight only in exceptional cases. We have succeeded in keeping air freight levels very low over recent years, with 2024 as an exception. In 2025, we returned to low levels, with only 90 tons of transport emissions originating from air freight.

In 2025, Cellbes changed transport partner to Geodis. We look forward to the benefits this will give in our sustainability work, such as better visibility and improved opportunities for consolidated shipments.

Outbound deliveries

Customer orders are packed at our warehouse in Borås and distributed to our customers primarily by truck.

Most of our sales are through e commerce in Sweden, the Nordic countries, Germany and CEE, but we also have B2B sales to selected stores in Sweden, Finland and Greece. Since 2022, we also sell through Zalando in Sweden, Denmark, Finland, Germany and the Netherlands. In 2025, we further strengthened our European presence with our own site in the Netherlands and the launch of cellbes.com.

Together with our distribution partners, we continuously add new delivery options with lower emissions, making it easier for customers to make climate conscious choices.

Cellbes has joined the "Industry Agreement for Fossil Free Delivery", which aims to provide clarity for consumers about what a fossil free delivery entails.

We strive to pack goods so they take up as little space as possible during transport to customers. The majority of our products are therefore shipped in plastic bags — currently about 86%, with the remaining part sent in corrugated cardboard boxes. Our goal is that all packaging should be recyclable, and our plastic packaging today is made from 100% recycled LDPE.

Returns

The large number of returns is today a well known issue in online fashion purchases. To help reduce the number of returns, we charge a fee for return shipping. We also work to provide the customer with the clearest possible information about the product. Product information, size information and measurement charts are continuously developed, as these are important pieces in lowering the return rate.

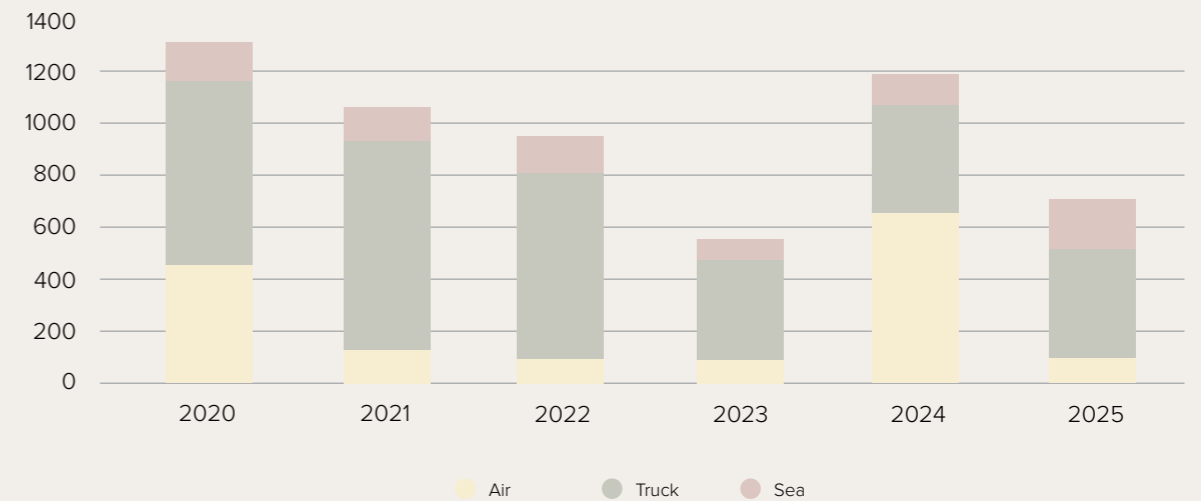
In 2025, Cellbes moved its return handling from Estonia back to Sweden, a change we are proud and pleased to have been able to implement. In

addition to the positive effect on costs and lead times, CO₂ emissions from transport between Estonia and Sweden are also reduced.

Cellbes has therefore ended its collaboration with the subcontractor in Estonia that previously handled our returns. We continue to work with our partners in the Czech Republic and Norway, who still handle a smaller share.

Cellbes does not discard any returns, except when products are seriously defective. In 2025, 2.4% of returns were defective. These products are sold as second quality items or donated to charity.

Total emissions from transports CO₂e



During 2025

- 1,0699,99 parcels we sent to our customers
- 335,111 parcels were returned by our customers
- 23,53% of the products were returned

Product quality and durability

”Long lasting quality – strive for products with high quality and long lifespans; every garment must earn its emissions.”

Our ambition is for our garments to become our customers wardrobe favourites. To achieve this, an excellent fit and high quality are required, which are our top priorities when we develop our products. Garments that are not used have been produced unnecessarily, still with the same environmental impact. Therefore, we want Cellbes products to be used frequently and for a long time.

52% of the items we sell are recurring products that appear in our collection every year. These products are especially appreciated by our customers and have stable demand. This gives us good opportunities to achieve consistent quality and enables us to minimise overproduction.

We strive for each garment to achieve the longest possible lifespan. Garments that do not withstand long term use become waste more quickly.

Quality assurance is therefore an important part of sustainability at Cellbes.

Quality assurance throughout the entire product development process

To ensure our quality, tests are carried out on our products at every stage—from product development to receipt at the warehouse.

Quality assurance begins already at the idea stage. We perform preventive tests on new materials in order to filter out, at an early stage, those that do not meet our requirements. Extensive fittings and sample checks take place throughout the process to ensure that fit and execution are as intended.

All items are tested for colour fastness, shrinkage, skewing/twisting and nickel content before sewing production starts. This allows us to correct any quality deviations at an early stage, which benefits both suppliers, our planning and the environment.

In 2025, we continued to develop our quality assurance to specifically evaluate durability and lifespan. Where relevant we tested abrasion resistance, tear/tensile and the durability of zippers.

The tests are carried out primarily at third party laboratories in our supplier countries, but can also be performed by our quality department at the head office.

Quality inspections

To ensure that production follows our previously established requirements—and to detect any defects before delivery—checks of the finished order are carried out.

At the head office, we inspect shipment samples ahead of every delivery. For certain selected orders, a Final Random Inspection (FRI) is also performed. During such an inspection, a larger number of products from the finished, packed order are reviewed on site at the factory by an independent quality inspector. This covers garment measurements, labelling, tags, stitching and packaging.

The quality department, together with the purchasing department, selects which orders are

to undergo an FRI. Large orders, new factories, or orders from factories where we have previously identified quality deficiencies are examples of reasons an order is selected.

In 2025, 148 inspections were carried out, corresponding to 14% of our orders in 2025.

When a shipment arrives at our warehouse in Sweden, random samples are taken from the delivery for further control. This helps us detect any mishaps during transport. Should any deviation be discovered, we can most often remedy it locally in Borås.

TÜV Rheinland

TÜV Rheinland is our partner for quality tests, chemical tests and FRI inspections of our products

before they leave the factory. TÜV Rheinland is a world leading provider of testing services and has laboratories in all our production countries.

Customer experience and wear tests

The quality department and customer service naturally work closely together at Cellbes. For our products truly to become the customer’s favourites, it is important to follow up on her experience of quality and fit. Here, customer service and the dialogue with the customer are important sources of information.

Since 2024, we made a selection of products available at our headquarter for our employees to borrow and wear. One of the purposes of which was to evaluate the quality of the garment during use.





Environmental impact in our own operations

Emissions from our operations at the office and warehouse account for only 0.8% of Cellbes total greenhouse gas emissions. Still, our goal is for them to be as low as possible and to save resources wherever we can.

Energy & heat

CO₂ emissions from energy and heating in our own operations amounted to 29 tons in 2025, a reduction of 11% compared with the previous year. To contribute to the production of renewable energy, solar panels have been installed on the roof of our warehouse in Borås since 2024.

Waste management

The most important step in sustainable waste management is to minimise our resource consumption—e.g., paper and plastic—and thereby our waste. We aim to ensure that the materials we use come from sustainable sources, for example recycled raw materials. For waste handling in warehouse operations, we collaborate with STENA Recycling, and our waste is source separated and recycled to the greatest extent possible. Our largest waste stream from the warehouse is corrugated cardboard. In 2025, 92% of Cellbes' waste from warehouse and office was recycled.

Textile waste – such as sample garments and fabric swatches – is also always recycled. However, we ensure that all sample garments and other surplus textile material are first put to use. Garments are sold as second quality or donated to charity via our partner Human Bridge. Only unusable garments are sent for recycling.

In total, waste accounted for 5 tons CO₂e in 2025.

Sustainability IT

In 2025, Cellbes moved its server operations to Microsoft Azure Sweden Central. The migration enables a significantly more sustainable IT environment and reduces our climate footprint in several ways. Microsoft's data centres in Sweden are built for high energy efficiency, with modern solutions such as liquid cooling and optimised heat recovery. Operations in Azure Sweden Central are powered by 100% renewable energy through Swedish wind and hydropower agreements.

Cellbes also collaborates with Inrego for the re use and refurbishment of IT equipment, which helps extend the lifespan of our hardware and reduce the need for new production.



Social responsibility



Social responsibility in our own operations

2025	Number of employees	Managers at Cellbes	Managers at Cellbes + EMT	Executive Management Team (EMT)
♀	78%	78%	71%	63%
♂	22%	22%	29%	38%
< 30 years	9%	0%	0%	0%
30–50 years	80%	78%	53%	25%
> 50 years	11%	22%	47%	75%

Core values and organisational culture

Cellbes' culture is shaped by our core values: Be Brave, Drive Forward, and Work Together. We believe that all employees are involved and engaged in both strategic decisions and everyday work. Our values serve as a compass for how we interact with one another and how we act in order to reach both individual and collective goals.

During the year, we have clearly seen how these values contribute to strengthening cohesion and creating success, regardless of the challenges we have faced.

To ensure that Cellbes' core values continue to generate the positive impact we have seen so far, it is crucial that they are continuously anchored at all levels — from management to every employee — and that they function as a foundation in employee dialogues, follow up and salary reviews, as well as throughout the organisation's many project and development processes. Enabling new employees to encounter and understand the values early — for example through mentorship or value based workshops — helps to further develop and strengthen the culture.

The brand work initiated in 2024 has further reinforced the anchoring of our core values during 2025. Not least through the way the implementation process has been carried out — as evolution rather than revolution; we continue to develop and become even more distinct in how we communicate and live our values.

Overall, it is clear that our core values serve as the glue that holds Cellbes together and drives us forward toward shared goals. When the values are linked to concrete performance and results, engagement increases, and expectations for each individual become clearer. Psychological safety within the organisation is not only a prerequisite for employees to take initiative — it is also a catalyst for innovation and sustainable collaboration.

Diversity

Cellbes actively works to promote diversity and gender equality. Diversity is a natural and essential part of Cellbes' development and success. By bringing together employees with different experiences, perspectives, and backgrounds, we continuously open new doors to creative solutions and smarter ways of reaching our goals.

We strive together to create a transparent working environment where each individual has the opportunity to contribute based on their unique experiences, regardless of background or gender.

Differences in job roles often reflect the breadth of the organisation and the fact that different functions require different competencies and experiences. Diversity creates dynamism and contributes to a broader palette of perspectives and solutions for the organisation. As our work has become more project based, it is crucial to encourage collaboration across departments so that every employee's unique contribution is utilised, the workplace continues to

develop, and the company continues to deliver on its goals.

Cellbes is a stable organisation that promotes internal career development when opportunities arise. In recruitment, competence and alignment with our core values are at the centre. Although 2025 did not involve many job advertisements, the few we published received significant interest and many applications. Applications came mainly via LinkedIn and the Swedish Public Employment Service, channels that ensure visibility and accessibility for all job seekers. The table below shows the gender distribution among applicants, allowing us to monitor how our strategic decisions influence statistics over time

	2023	2024	2025
♀	75%	73%	71%
♂	22%	24%	25%
Other	3%	3%	4%

Policy work and annual cycle

Cellbes conducts at least one annual review of existing policies to ensure that they meet current needs. These needs are guided by Cellbes' circumstances and requirements, such as legal changes, regulations, and directives.

We have, among other things, a policy against abusive conduct with an accompanying action plan for preventing and managing such situations, as well as policies for alcohol and drugs, work environment, and rehabilitation.

Cellbes also has a routine and policy for whistleblowing, along with an external reporting channel.

When developing and revising policies, the management team, HR, and relevant departments collaborate. Working together with colleagues who have expertise in each area ensures high quality in all policies.

In 2025, preparatory work for a war and crisis

plan was carried out to assess how the company could safeguard its operations under different risk scenarios and how transitions could be made based on available resources. Going forward, the work focuses on continuous risk assessments (RSA) and reducing risks and consequences as much as possible. Increasing organisational awareness is an important part of this work.

Pay equity analysis

The annual pay equity analysis aims to address any unjustified wage differences related to gender and also enables Cellbes to review wage levels for different groups and roles at comparable responsibility levels. In 2025, routines related to the EU Pay Transparency Directive were also developed to meet the new expectations and requirements placed on Cellbes as an employer — such as recruitment processes and the use of pay equity analysis for salary spans and averages.

Cellbes' pay policy is gender neutral and aims to prevent gender related wage differences or other benefits from arising. The annual analyses provide strong oversight of current salary structures and create prerequisites for equal pay development across the organisation.

Any wage differences between genders that cannot be explained by objective factors have previously been addressed and will continue to be corrected when identified. Those who participated in the 2025 analysis contributed with knowledge, information and insights to best reflect the organisation



Work environment, organisation and employees

At Cellbes, we take the work environment very seriously, which is evident in how we adhere to our routines, policies, and guidelines. Managers and employees have regular monthly one to one meetings as well as annual development, follow up, and salary discussions.

Safety representatives and HR collaborate through safety rounds and the safety committee. We act together on findings and create action plans where needed. It is truly inspiring to see how engaged and involved our employees are in work environment efforts.

Cellbes uses a monthly pulse survey as the primary tool for assessing the work environment. This helps us quickly identify and address risks related to workload, roles, and stress. We also work proactively against abusive conduct and other factors affecting health, engagement, and motivation. Pulse surveys are supplemented by quarterly team reviews.

We have a clear division of responsibility where managers with personnel responsibility are assigned work environment tasks. The employer ensures they have the right knowledge and distributes tasks as close to the operations as possible.

Many employees appreciate being able to exercise or move during the workday. As an employer, we see clear benefits in terms of well being and work life balance.

The office group, established when moving to the new office in 2022, has ensured that necessary improvements could be made — such as new office chairs, optimised workspaces, and blinds to reduce screen glare.

Remote work remains a valued complement that provides flexibility and accessibility for both employees and the company. We continue to see it working well depending on each role's needs. Remote work is voluntary, but the general guideline is to work from the office at least three days a week or as required by operations.

Cellbes also offers additional workplaces for employees through satellite offices in Gothenburg and Stockholm. We value our strong sense of community at Cellbes, and the culture we have built together makes meeting each other essential.

During the year, we arranged several activities where we meet in various contexts — such as joint breakfasts, fika with semlor, a summer event on the outskirts of Gothenburg, our anniversary lunch with our warehouse partner, and a festive Christmas celebration.

Continuous pulse measurement

As previously mentioned, Cellbes measures the work environment using a pulse survey tool and an associated routine. Employees answer eight questions each month. Managers receive a team report and discuss results with their teams quarterly. Each employee has access to their individual results profile via their personal login.

There they can follow their development and receive tips on how they can create change themselves. HR mainly monitors results at the organisational level, using the coming slides. We want everyone to feel well, experience engagement, and achieve the team's goals satisfactorily.

The tool gives HR a comprehensive overview of the organisation's well being and engagement over time, as well as insights into what influences the results. Therefore, it is an important support in our ongoing work with the psychosocial work environment.

Cellbes is proud to offer health promoting activities for employees. Every week, an instructor leads pilates sessions, and we offer joint lunch walks or runs twice a week.

Segment	Engagement	eNPS	Response rate	Feedback and communication	Autonomy	Sence of purpose and involvement	Workload	Health	Workspace and tools	Learning and development	Goals and achievement of goals	Strategy, vision and culture	Working relationship to manager	Working relationship to colleagues
Cellbes	4,3	45	86%	4,2	4,1	4,4	4,3	4	4,2	4,4	4,4	4,5	4,5	4,5
Cellbes	0	2	4	0	0	0,1	0	0	0	0,1	0	0	0	0

The image above shows segments on the left, meaning Cellbes' organisation. The drivers being measured are shown in the vertical headings. The top row in the heatmap is based on Cellbes' overall results from how our co-workers responded to the questions in the latest survey. The bottom row shows the organisation's trend development.

This material gives us a clear overview of areas that may need to be highlighted. We can easily follow up by clicking on each driver to see the related questions and identify areas with lower ratings. HR suggests appropriate actions and supports the initiatives that may need to be carried out.

Occupational health services

Cellbes encourages all employees to take walks and short movement breaks during the workday. We also share tips on ergonomically beneficial working positions, with the goal of maintaining high awareness of ergonomics and health. Our managers are well informed about when external support should be involved through occupational health services. The most common support we use occupational health services for is counselling, generally to proactively reduce the risk of prolonged sick leave.

Cellbes has had a strong collaboration with occupational health services for several years. We feel confident in our preventive work, our assessment methods, and the measures we implement to prevent and address health problems. We have identified groups with higher short term sickness absence, and our managers actively work with them in accordance with our adjustment routines, follow up routines for repeated short term absence, and/or rehabilitation policy — with HR supporting where needed. Short term sickness absence is just under 1% for the full year 2025 — a positive development indicating that our routines and follow up support attendance and benefit the organisation overall.

Collective agreements

All white collar employees at Cellbes are covered by collective agreements signed between Svensk Handel and Unionen. A local union club is present on site and, in close collaboration with HR, follows well established routines for everything from cooperation and risk assessments to negotiations. A shared, public annual cycle gives the organisation good conditions for both transparency and efficiency.

Two safety representatives are present, one of whom also serves as chair of the local club. This contributes to engaged and well informed discussions, where commitment and efficiency characterise the processes. The focus is always on jointly creating the best possible outcomes for Cellbes and its employees.

2025	Office employees	2024	Office employees
Short term absence	0,98	Short term absence	1,26
Work related incident	1	Work related incident	0
Reported incidents	0	Reported incidents	0

Leadership and self Leadership

Over the years, our DISC strategy has clearly proven valuable, particularly because many employees appreciate the forums as a positive and stimulating part of everyday work.

DISC theory is based on human behaviour and categorises behaviour into four styles. The analysis gives individuals a clearer picture of their own actions and communication style, forming a solid foundation for understanding themselves and others.

The strategy has contributed to increased understanding of individual differences and improved respect for different ways of thinking and acting — all of which benefit the work climate. It has become clear that the strategy not only strengthens a more positive culture, but also promotes the development of insight and understanding — factors essential for effective collaboration toward shared goals.

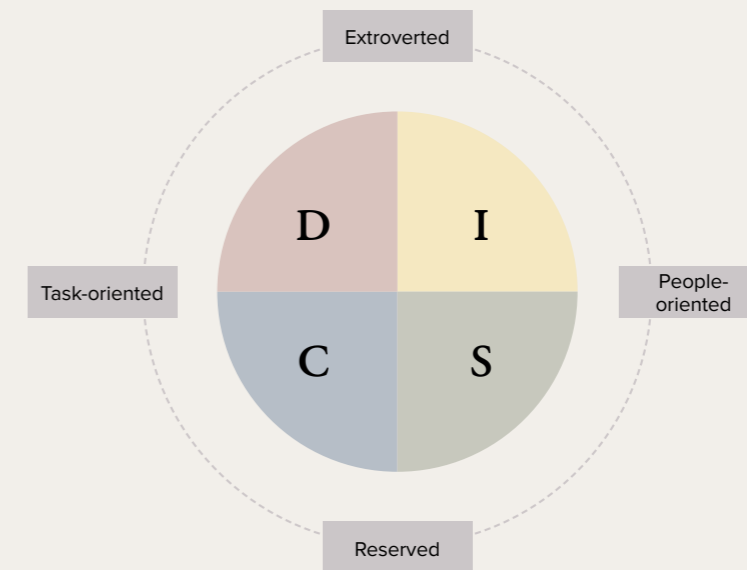
Another important aspect is that everyone who has completed the DISC assessment has also received

relevant training. This ensures that the insights are not a one off event, but something we can carry with us and use in everyday situations and challenges. In this way, DISC insights become not only theoretical, but practical tools that help us navigate different situations and relationships at work.

During 2025, we have also carried out several important training initiatives to further strengthen competence and leadership within the organisation. Project management training has been offered to both current and future project managers, with a focus on self-leadership and tools for psychological safety, which strengthens our project managers' ability to lead a project group in a sustainable and effective way.

Additional training that have been carried out:

- Work environment training, 2 days, for managers and our work environment representatives
- Monthly leadership meetings for managers (with responsibility for personnel)
- DISC training
- CPR training



Social responsibility in production

The majority of our production is located in Asia, with China as the main production country. Other production countries are Bangladesh, India, Pakistan, Türkiye and Estonia. The chart shows the distribution of order value per production country for Cellbes' own production.

Suppliers

Cellbes does not own any factories but collaborates with independent textile producers in Europe and Asia. The basis for being able to influence working conditions and environmental issues at the suppliers is to maintain good cooperation and strong, long-term relationships. This is something we strive for and work with continuously.

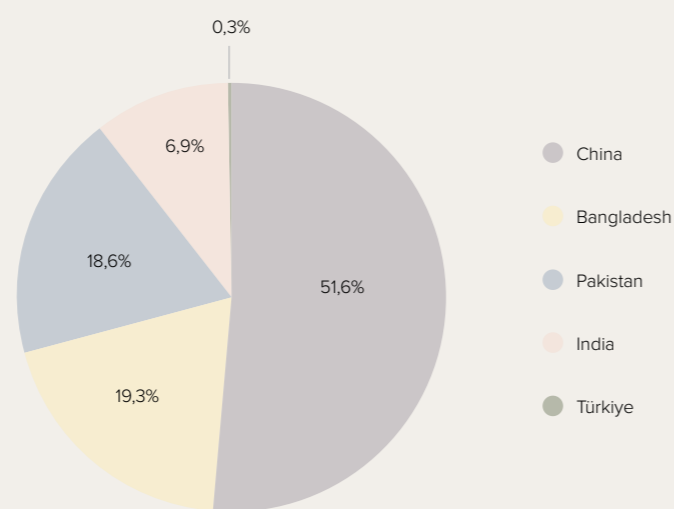
A large part of our production is in China, and therefore we have chosen to have a production office in Shanghai. Being present close to many of our suppliers significantly strengthens both cooperation and communication.

Cellbes works to consolidate the supplier base and limit the number of suppliers. This gives us better

control and a closer collaboration with the suppliers we choose to work with long-term.

Before we begin cooperation with a new supplier, we require detailed information about the supplier's factories and subcontractors, production chain, and valid certificates and third party audit results. We also require all new factories to be members of Amfori and to have at least a C rating at the audit, or alternatively be certified according to SA8000. The supplier must also carefully review and sign our supplier agreement, our so called Supplier's Guide. This agreement includes, among other things, our Code of Conduct and animal welfare policy, as well as our quality and chemical requirements

Production countries 2025



To ensure responsible and effective social work, we use Amfori's ESG Risk Compass to support the identification, assessment and follow-up of risks in our production countries. Pakistan, Bangladesh, China, Türkiye and India are all assessed as countries with high to very high risk in several areas, which means these countries require extra control, preventive measures and closer follow-up.

Factories

The textile industry's value chain is complex, and we invest significant efforts in achieving transparency. We have mapped and have full information regarding the factories that sew our products (Tier 1), as well as the factories that produce fabrics and yarn, and carry out dyeing and printing (Tier 2).

Since September 2021, we have published and made our Tier 1 factories public. From 2023 onwards, we apply the same transparency to all our Tier 2 factories. Tier 2 is the most environmentally and climate impacting part of the textile production chain, which is why it is important for us to follow up and continuously learn more about this part.

It is Cellbes that decides which sewing factory (Tier 1) is used for an order. All approved sewing factories are registered in our order system, and the purchasing department must always link each order to a specific production unit, which significantly increases our control and traceability. The information also helps us prioritize our work with social responsibility and climate impact in the factories.

Transparency pledge

Transparency Pledge is a coalition of human rights and labour rights organisations that, together with global trade unions, work to increase transparency in supply chains in the clothing and footwear industry.

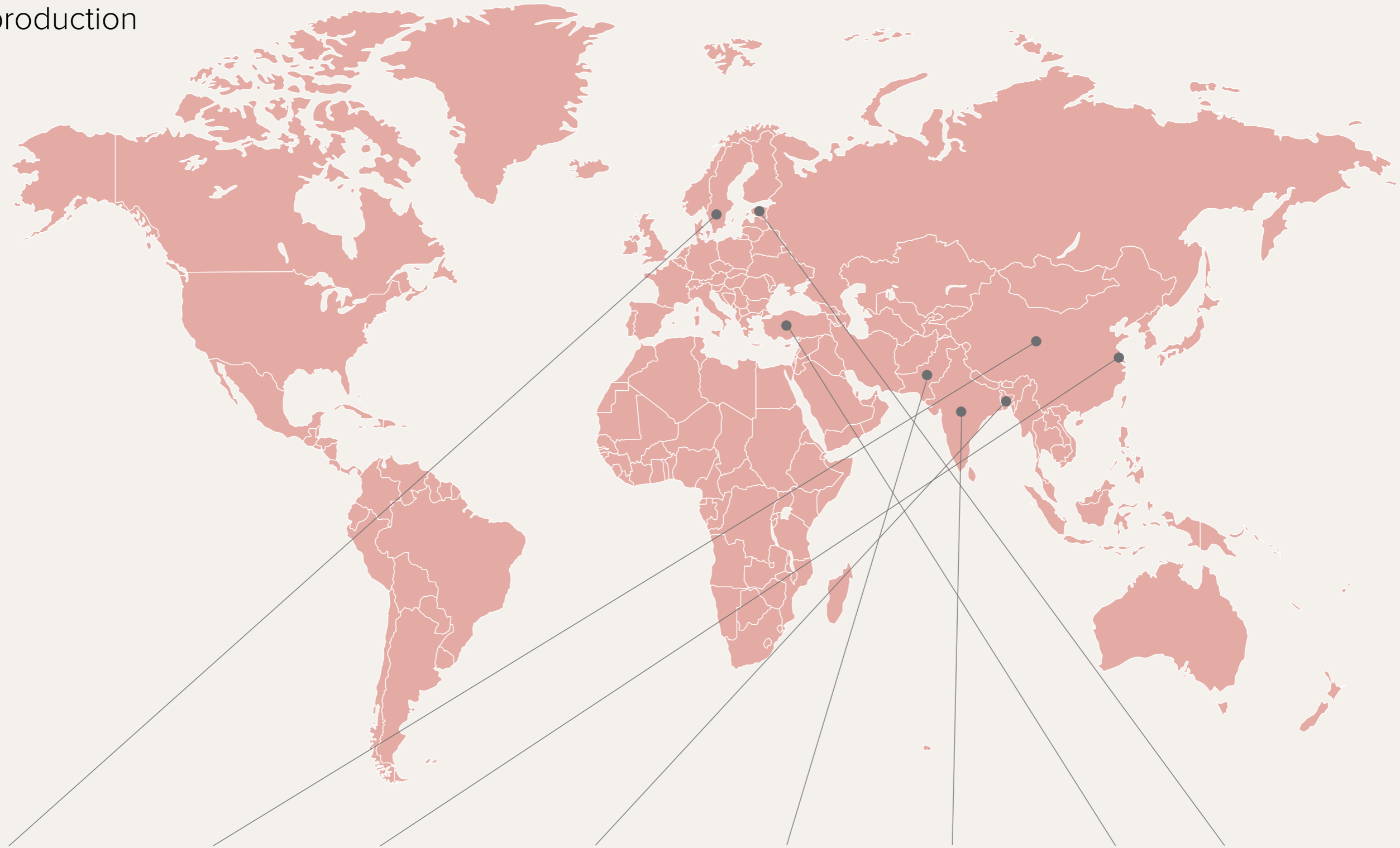
Transparency Pledge encourages clothing and footwear companies to commit to increased transparency in their manufacturing chain.

Transparency in a company's manufacturing chain makes it easier for the company to cooperate with civil society to identify, assess and avoid actual or potential negative impacts on human rights. This is a critical step that strengthens a company's due diligence regarding human rights.

Cellbes signed the Transparency Pledge in 2023 and publishes our Tier 1 factories (sewing factories) and Tier 2 factories (fabric and yarn factories) on our website. We have also published our Tier 1 factories on Open Supply Hub. To ensure openness and up to date information, we update this data twice a year.



Cellbes production countries



Country	Role	Number of suppliers	Number of factories
Sweden Borås	Head office	-	-
China	-	26	31
China Shanghai	Sourcing office	-	-
Bangladesh	-	4	10
Pakistan	-	4	5
India	-	7	7
Türkiye	-	1	1
Estonia	-	1	1



Amfori

Since 2018, Cellbes has been a member of Amfori, a world leading initiative that works for social (Amfori BSCI) and environmental (Amfori BEPI) responsibility in the supply chain. Together with other member companies, we can influence to a much greater extent than if we acted alone. All of our sewing factories (Tier 1) are connected to Amfori BSCI or have an SA8000 certification.

Amfori BSCI

To ensure that the requirements of Amfori BSCI are met, we ensure that sewing factories undergo continuous audits based on the guidelines. The audits are carried out by independent third party auditors.

According to Amfori's guidelines, a full audit takes place every two years and can be semi announced or unannounced. Semi announced means the factory knows an audit will take place within a certain time period, while unannounced means the factory does not know when the audit will be carried out.

A factory audit usually includes:

- Opening meeting with factory management
- Walk through of the factory to check working environment and employees
- Review of documentation
- Interviews with managers and workers
- Closing meeting with factory management and establishment of an action plan

The factory is graded according to Amfori's 13 assessment areas, with individual grades from A to E. These sub grades are then compiled into a final grade.

Grade A – Excellent

Fabriken har inga eller endast mindre avvikelser från koden.

Grade B – Good

Fabriken har endast mindre avvikelser från koden och inga avvikelser på kritiska frågor.

Grade C – Acceptable

Fabriken har inga avvikelser på kritiska frågor och uppfyller minst hälften av alla granskningskrav.

Grade D – Insufficient

Fabriken har en eller flera avvikelser på kritiska frågor.

Grade E – Not acceptable

Fabriken har kritiska avvikelser från koden, vilket kräver omedelbar uppföljning och åtgärder.

Zero Tolerance

If a Zero Tolerance issue is discovered, immediate measures are required. All business partners of the factory are informed and a joint meeting is held to correct the problems. Zero Tolerance may concern issues such as child labour, forced labour, unethical behaviour, corruption and bribery. At Cellbes, we are very committed to ensuring that such issues do not occur and take violations of this kind very seriously.

After an audit, the results are documented by the external auditor and published in Amfori's database, where they are visible to the companies using the supplier. The database enables information to be shared with other member companies, which in turn leads to suppliers being influenced more effectively together.

Goals and results

Since 2024, we require the factories we work with to have an overall grade of at least C. If a factory falls below this level, we provide extra support and assistance and request a follow up audit.

In 2025, we increased the share of sewing factories with the highest grades A and B to 37%, compared with 28% the previous year.

The largest share, 63%, has a final grade of C. One reason many factories land at this level is that relatively many receive remarks regarding working hours. Reasonable working hours and overtime is one of Amfori's assessment areas and a common issue, especially in China. The issue of overtime

is difficult to resolve, but we strive to maintain a constructive dialogue with our suppliers.

In Amfori's platform, Cellbes also registers fabric and yarn factories (Tier 2) that are members of Amfori. This enables us to follow up their results from BSCI audits, and none of these currently have a grade below C. As we have a large share of fabric and yarn factories that are not members of Amfori, we are working to increase the number. The results from the factories' audits are also divided into 13 separate assessment areas. The factories receive grades for each part, which clarifies which areas need to be prioritized in improvement work.

No discrimination

Assessing whether there is a risk of discrimination is an important assessment area during an Amfori audit. This also includes examining whether sexual violence or gender based harassment occurs, which is an elevated risk in the textile industry, especially for female workers.

Factory management must document how they follow up and prevent discrimination and harassment. Management must be able to show that they comply with Amfori's Code of Conduct and that complaints can be submitted without risk of retaliation.

Of our sewing factories (Tier 1) and fabric and yarn factories (Tier 2) that are members of Amfori, 90% have the higher grades A and B in the assessment area No Discrimination. None of the factories have a grade lower than C.

To strengthen our preventive work, 64% of our sewing factories carried out training on gender equality and zero tolerance against violence and harassment via Amfori's platform during 2025. This initiative is part of our long term commitment to promote a safe and inclusive working environment in the supply chain.

Living wages in the production chain

The minimum wage is set by law in each production country, but unfortunately it does not always

correspond to a so called living wage. A living wage is calculated to cover all basic needs such as food, housing, healthcare, childcare/schooling and some savings for unforeseen expenses.

All our factories must pay at least the legal minimum wage, which is checked during Amfori audits. Mapping of wages at our Amfori connected factories (Tier 1 and Tier 2) shows that 32% pay a living wage (overtime not included) or higher, while 68% still pay below the established living wage. The largest wage gaps between legal minimum wage and living wage are found in Pakistan and Bangladesh.

We support Amfori's work to promote living wages and choose suppliers who take the issue seriously.

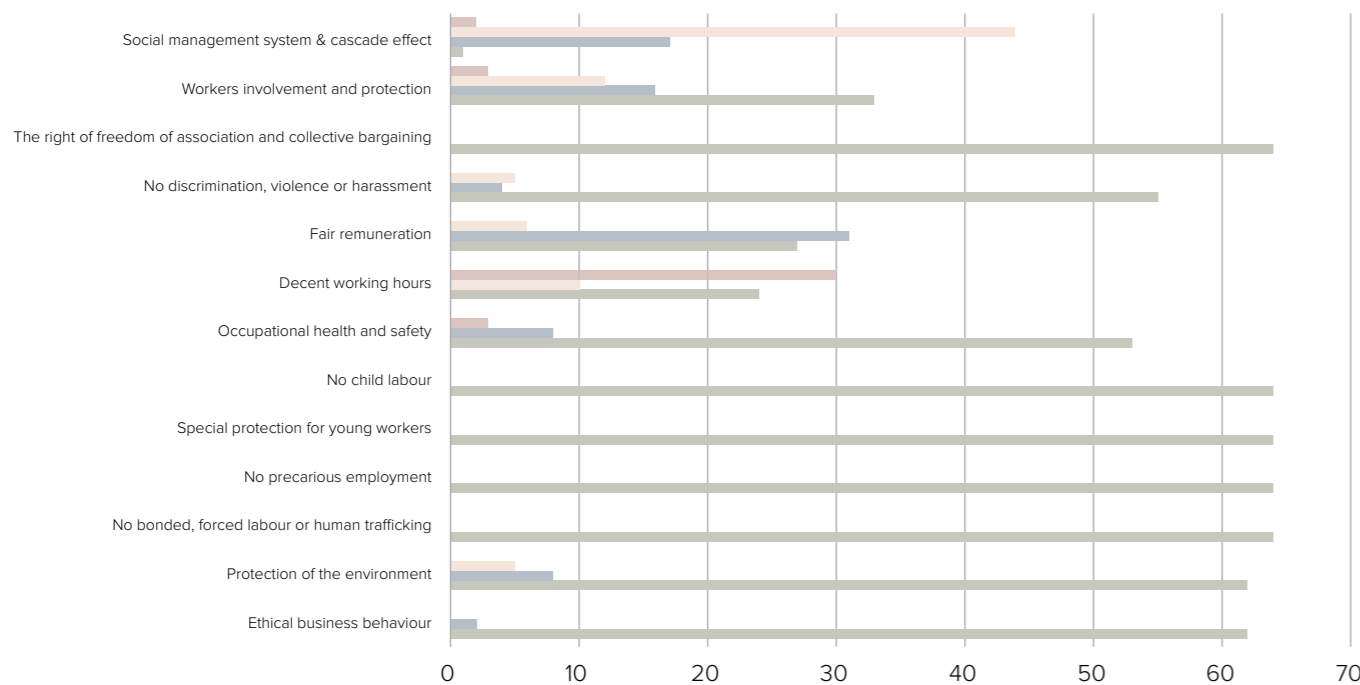
Accord

Cellbes has signed The International Accord and The Bangladesh Safety Program.

The International Accord promotes a safe and healthy textile and garment industry through safety inspections, training programs and a grievance mechanism for workers.

The Bangladesh Safety Agreement is a legally binding agreement between clothing brands and trade unions to ensure worker health and safety in Bangladesh's textile and garment industry.

Audit result per assessment area in Amfori BSCI



The chart shows the results (grades A–E, with A highest) for each assessment area for our sewing factories (Tier 1) and fabric and yarn factories (Tier 2) that are members of Amfori.

Total number of inspections
 ● Rating A ● Rating B ● Rating C ● Rating D ● Rating E



Governance



Anti-corruption work

Anti-corruption in our operations

We are well aware that there are risks of corruption. Therefore, we have deepened our work to highlight and clarify these risks, so that we can further increase internal awareness. We are pleased to say that Cellbes has no reported cases of corruption, something we are very proud of. We focus on spreading knowledge about what corruption entails, which areas are covered, and what is actually meant by bribery.

Just as one should not click on unknown links, one should be cautious and react when someone offers something to gain an advantage in order to influence one's decisions.

As previously mentioned, we review our policy on bribery, corruption and undue influence annually to ensure it is updated and relevant.

To counteract corruption, we work in project groups where several people share responsibility. When selecting external suppliers, we always consider multiple options. Collected quotations are first reviewed by the project group and then passed on to the management team for decision. In this way, we reduce the risk of any individual co-worker being exposed to undue influence.

Cellbes' head office is located in a small town with a strong business community. Since most co-workers live here, it is common that many have personal relationships and an established network. We are aware of the risk of favouritism, but we feel confident in our preventive and well considered working methods and our strategic decision making process.

Anti-corruption in the production chain

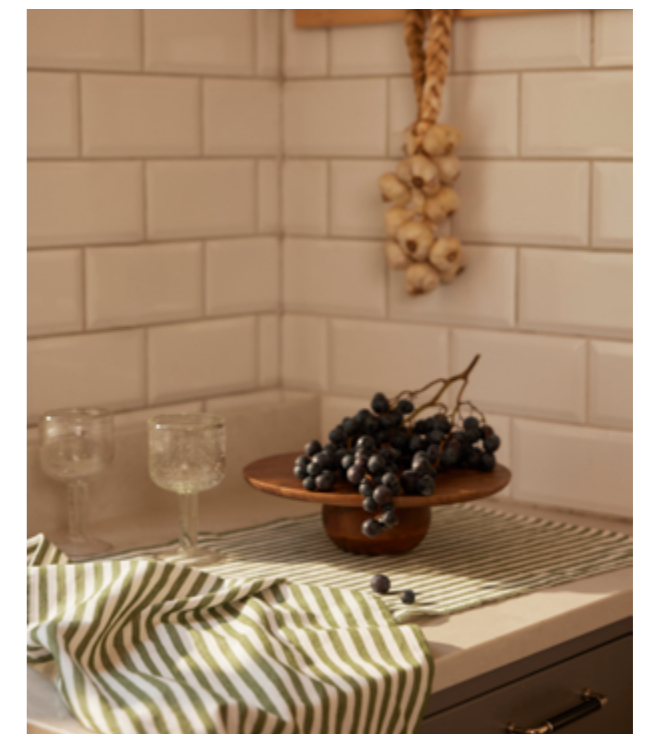
A part of Amfori's Code of Conduct, Ethical Business Behaviour, focuses on corruption. To be considered a socially responsible factory according to Amfori, it is required that social policies are established and that operations are conducted with transparency.

Fraud and misrepresentation in the supply chain can lead to both inadequate and defective products. These measures ensure that corruption, extortion, embezzlement, bribery or falsified information do not occur.

During an audit of this area, auditors assess whether the factory can prove that it has developed policies and actively takes measures to prevent corruption. The auditor also evaluates the factory's level of knowledge and how it works to inform and educate employees.

In our audit results for Ethical Business Behaviour, we include all sewing factories as well as the fabric and yarn factories that are members of Amfori. In this assessment area, grades range from A to E, with A being the highest. In the previous year, some fabric and yarn factories had a grade C, but for 2025 the factories have received grades A (97%) or B (3%). This is a clear improvement and a step towards our goal of full compliance with our ethical guidelines.

Despite these advances, we still see improvement potential, particularly in training on business ethics, as audits show that some employees lack sufficient knowledge of ethical standards.



Whistleblowing

Whistleblowing function in our operations

We have identified that there may be concern among our co-workers about raising suspicions or irregularities, especially in cases involving superiors. To strengthen compliance with our policy and make it easier to report potential cases, we introduced an anonymous reporting channel in 2021 where co-workers can safely provide information. Our whistleblowing function operates through an external system designed for this purpose, ensuring that we comply with applicable laws and that the whistleblower's identity is protected.

We follow clear guidelines for whistleblowing. The policy clarifies which situations can be reported, how the process works, what protection is provided for the reporter, and which roles within the organisation are responsible for handling incoming cases. We also describe how case management is conducted and what is expected of both internal investigators and whistleblowers throughout the investigation.

Finally, it is self evident to us that no one within Cellbes – whether co-workers, consultants or board members – should accept bribes or contribute to undue influence. Our policy is clear, and we feel confident that we have an effective reporting pathway and well anchored guidelines.

In 2025, no whistleblowing cases were received.

Whistleblowing function in the production chain

Cellbes is committed to ensuring that workers in the factories are treated with respect and have a safe and secure working environment. Through Amfori Speak for Change, employees in factories producing for Cellbes are given the opportunity to use an independent whistleblowing and investigation mechanism.

Speak for Change is a whistleblowing function for receiving and handling complaints from workers negatively affected by Amfori members or their business partners. The function offers multiple contact channels – telephone, online form or chat app – adapted to local needs (language, accessibility etc.), allowing workers to express themselves anonymously.

If Amfori assesses a complaint as valid, all members linked to the affected factory are immediately called to a meeting. An independent case handler is appointed, and a corrective process begins.

Speak for Change is available in several of the countries where Cellbes has production and will be introduced in the remaining countries in the coming years. Since we also register the fabric and yarn factories that are Amfori members, they are likewise included in the Speak for Change programme.

Cellbes has not received any whistleblowing cases in its supply chain during 2025.

Code of conduct

By being a member of Amfori, all members commit to following a shared Code of Conduct and continuously work to disseminate and implement it among their suppliers.

Our Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, Children's Rights and Business Principles, UN Guiding Principles on Business and Human Rights, OECD Guidelines, UN Global Compact and the International Labour Organisation (ILO). All suppliers must sign our Code of Conduct, demonstrating that they take responsibility and work to uphold human rights, good working conditions and respectful treatment of workers.

The Code of Conduct covers several important human rights issues. For example, business partners may not discriminate against or exclude individuals based on gender, age, religion, race, social background, sexual orientation, ethnicity and so on. Child labour and forced labour are strictly prohibited, and workers must receive fair compensation that is sufficient to support themselves and their families.

The code of conduct includes the following requirements:

- The right to freedom of association and collective bargaining.
- Fair remuneration.
- Health and safety must be taken into account in the workplace.
- Prohibition of child labour and special protection for young workers.
- Prohibition of forced labour.
- Ethical business behaviour.
- Prohibition of discrimination.
- Decent working hours.
- No precarious employment.
- Protection of the environment.

Products of animal origin

Cellbes is committed to animal rights and considers animals' health and well being to be essential throughout the production process. Our animal welfare policy is included in our Supplier's Guide, which all suppliers must sign.

Our suppliers must comply with national and international laws concerning animal rights, and Cellbes products may not contain materials from endangered species. Farmers and all handlers must adhere to the Five Freedoms for Animal Welfare developed by the EU Farm Animal Welfare Council / World Organisation for Animal Health (OIE).

As we have taken a stand against the use of real fur in our products, we have signed the Swedish organisation Djurens Rätt's Fur Free List, which is part of the international Fur Free Alliance (FFA).

We have the following requirements for materials of animal origin:

- Down and feathers used in Cellbes products must come from birds raised for meat production. They may not come from force fed birds or birds that have been live plucked. All virgin down and feathers must come from farms certified according to the Responsible Down Standard (RDS).
- Leather and skins in Cellbes products must be by products of the food industry.
- No real fur may be used.
- Wool may not come from animals that have been handled or sheared in ways that could harm them. Wool in Cellbes products is certified according to the Responsible Wool Standard (RWS) or Responsible Mohair Standard (RMS).
- Mulesing: Wool may not come from farms that practice mulesing, a procedure performed on sheep to prevent flystrike.
- Angora: Rabbit fur is not permitted in Cellbes products.
- We do not allow the use of corals or shells from species listed by CITES or IUCN as endangered. If pearls are used, only cultivated pearls are permitted.
- No bones or horns from animals are used for our products.
- Materials or ingredients tested on animals are not permitted.



CELLBES

OF SWEDEN

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