



Sustainability report.

2024

FRISTADS®

Towards a net-zero future.

When this report is published, Fristads has just passed the 100-year mark – an impressive journey that began with one man with a vision to create high-quality workwear. Thanks to the foresight of our founder, John Magnuson, durability is deeply embedded in our DNA. I think he would have been proud to see us today, leading the way toward a sustainable future in the world of workwear.

As we closed the books on 2024, we had achieved one of our main goals for the year: creating a comprehensive offering of sustainable services for our customers. Through repairs and reuse, we will make our high-quality workwear last even longer. And when the garments have reached the end of their lives, we can help our customers discard them responsibly, ensuring that as many of them as possible are recycled into new products. By developing this service infrastructure, we have a new way to grow our business while reducing the environmental impact of the goods we produce. The development of our sustainability services has been years in the making and involved several of our largest customers – a testament to the power of working together towards a shared sustainability goal.

Science Based Targets initiative

We were pioneers in our industry when we launched our first environmentally declared workwear in 2019, but we don't rest on

our laurels. We have stayed committed to measuring the impact of our workwear and have set a target to reduce our CO₂ emissions by 50% by 2030 in absolute numbers. To ensure that we stay on track, our owners Hultafors Group have signed on to the Science Based Targets initiative (SBTi). In 2024, their sustainability targets were approved and validated by the SBTi, including achieving net-zero emissions by 2050. Net zero is the level at which our business doesn't emit more CO₂ than the atmosphere can absorb.

To get there, we are hard at work mapping our impact, developing climate transition plans and – most importantly – transforming our business to cut emissions. This will require us to turn every stone to both find the low-hanging fruit and make more complex adjustments to our product development process and business model. We know the road ahead will be challenging and that we may have setbacks along the way, but our commitment is unwavering. Every action we take today shapes the world of workwear of tomorrow, and we refuse to settle for anything less than true transformation. This report serves as both a record of our progress and a reaffirmation of our dedication – to our customers, our planet, and future generations.



Petra Öberg Gustafsson, Managing Director of Fristads

Content.

About Fristads and this report.

Fristads AB is a private sector company that encompasses the brands Fristads, Kansas and Leijona and is a part of Hultafors Group, which is owned by Investment Latour AB. Fristads' sustainability report is published annually. This report covers data that was collected from January 1, 2024, to December 31, 2024. Some parts of our sustainability work are guided by and coordinated within Hultafors Group. More information about the groups' sustainability initiatives can be found in Hultafors Group's Sustainability report.

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Fristads at a glance.

560
employees



1925

The year Fristads was founded by John Magnuson in Fristad, outside Borås. Headquarters in Borås, Sweden, where key backend functions are housed.

**Online shops in
Sweden, Finland,
Denmark, Austria,
Germany and
Switzerland**

More than
5,000
points of sale

FRISTADS



YEARS OF WORKWEAR

2024 net
sales in SEK.

1.5 billion

HULTAFORS GROUP

Fristads AB encompasses three brands: Fristads, Kansas and Leijona, all of which are included in our sustainability reporting. We are a part of Hultafors Group, which is owned by Investment Latour AB, since 2021.

We make premium workwear for professional users.

Workwear is – and always has been – the heart and soul of our business. From the warehouse floor and grocery store to the welding shop and construction site, our premium workwear delivers, keeping people safe and comfortable at all times. It is the needs and wants of our users that drive us to constantly improve our designs and materials. Together, we create workwear that is constantly evolving to become more durable, comfortable and sustainable.

8 sales offices
on eight
European
markets



2024 Highlights.

PFAS
FREE

Decided to phase out the few remaining garments with PFAS from our assortment.

559

Tonnes of CO2 equivalents that have been saved by updating the conventional PLU material in our high-vis workwear with the more sustainable alternatives GPLU and GSTP.



18%

Share of our products that come with an Environmental Product Declaration.



-29%



Reduction of Fristads' total CO2 emissions in 2024, compared with the base year 2022.



Launched and trained all our direct suppliers on a new due diligence strategy and program.

98%

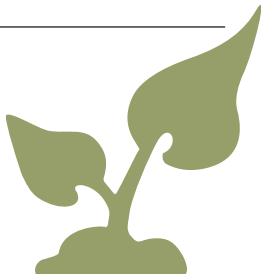


Share of our products that are OEKO-TEX® certified.



31%

Share of more sustainable, environmentally declared products and products made of recycled materials in Fristads range, up from 1% in 2020.



Developed our first products made from chemically recycled polyester, advancing our goal of closing the loop and sourcing raw materials from within our own industry.

0.03%*

Share of all sold products that were returned as claims. Of all claims, 26% were repaired and returned to the customer instead of replaced with a new product.

10,156

Tonnes of CO2 equivalents offset by Fristads using a portion of the sales from the Outdoor collection.

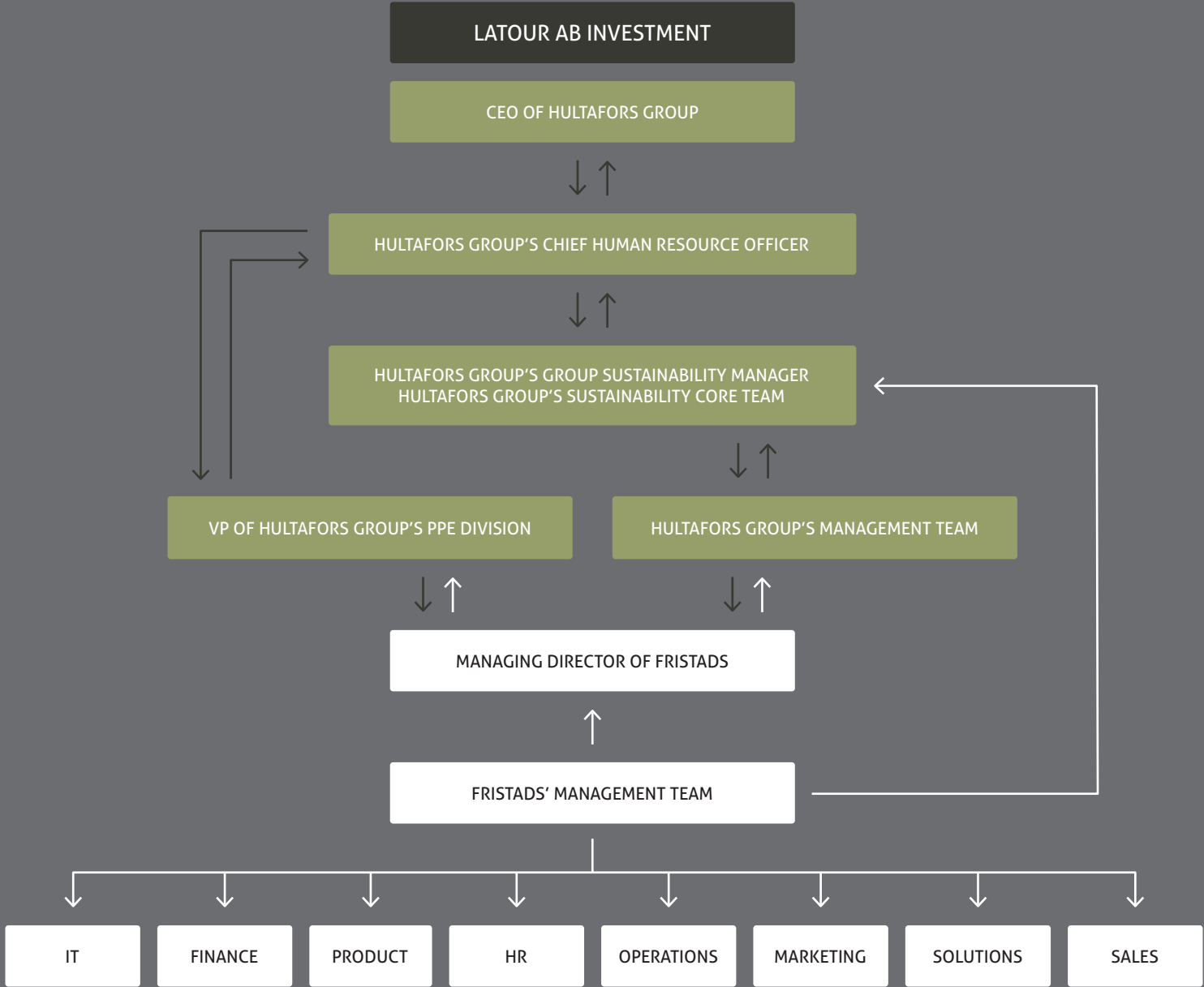


Governance.

Fristads’ management group is responsible for setting the overall sustainability strategy, actions and KPIs, and ensuring that they are known to every department and everyone working in the company, including part-time workers and consultants. Fristads’ management team follows up on the sustainability goals during monthly meetings and updates the employees quarterly. Fristads’ management group also informs the vice president of Hultafors Group’s PPE Division, to which Fristads belongs, on key sustainability issues monthly. The vice president of PPE in turn reports to Hultafors Group’s management team every month.

The Hultafors Group Sustainability Directive outlines the minimum sustainability requirements that all divisions in the Group must follow, including those regarding fair, safe and healthy working conditions, environmental responsibility and business ethics. Each division is encouraged to devise their own strategies and plans, including securing the necessary (financial and human) resources, to meet these requirements and aim for more ambitious targets than what is prescribed. The progress is summarised in an annual Sustainability Progress Report for the Group. The sustainability work at Hultafors Group is coordinated by a Sustainability Core Team, under the leadership of the Group Sustainability Manager, who reports to the Chief Human Resource Officer.

The owner of Hultafors Group, Investment AB Latour, sets minimum requirements and sustainability KPIs of its subsidiaries to follow and report.



Key policies.

All our actions are based on a set of policies, codes and certificates that are unique for our operation. These rules structure and regulate all our activities, ensuring that we act in a responsible way.



Environmental Policy.

Our Environmental Policy details our ambition to work for a long-term sustainable society, both for people and the environment. We do this by following environmental laws and regulations and by constantly looking for alternatives that reduce the negative impact of our business, without sacrificing quality or price. Our environmental work is based on our sustainability strategy and the goals are reviewed and revised as we move forward.

Quality Policy.

Our Quality Policy encompasses our goals when it comes to quality and customer satisfaction. We set ambitious targets, measure our progress and continuously work on improving our products and processes. We are receptive to our customers' wants and strive to live up to their expectations on our products and meet their needs for a smooth customer journey, from purchase to delivery.

ISO Certifications.

Fristads is certified according to the international standards ISO 9001 since 1999 and ISO 14001 since 2002. ISO 9001 requires us to work systematically with improvements of our processes and products to increase customer satisfaction. ISO 14001 sets the requirements for our sustainability work and how to minimise the environmental impact of our operations.

Latour Group Code of Conduct.

All Fristads employees receive training on the Latour Group's Code of Conduct, which encompasses the principles that govern the companies owned by Latour in relationship to employees, business partners and other interested parties. The Latour Code of Conduct provides guidelines for environmental sustainability and corporate social responsibility, including human rights, labour rights, anti-corruption and anti-discrimination.

Hultafors Group Code of Conduct and the Fristads Annex.

All Fristads employees and suppliers must sign and act in accordance with the Hultafors Group Code of Conduct, including the Fristads Annex, which details policies and procedures that are specific to our business. The Code of Conduct sets minimum requirements and defines standards for fair, safe and healthy working conditions throughout our supply chain. It also includes best practices for environmental management and animal welfare. The Code of Conduct applies throughout the whole supply chain of a Fristads product.

Safety Policy.

Development of the work environment is an integrated and natural part of Fristads and questions regarding the working environment are handled in connection with daily activities. We strive to work preventively and directly with questions and issues connected to physical safety, mental health and work environment. For us it is important to secure a safe and healthy workplace for all employees.

Privacy Policy.

The integrity of our customers is essential to us. In our Privacy Policy, which is posted on our website, we share information about how we manage our customers' personal data when they visit and shop with us. The Privacy Policy details what type of data is collected and how it is used, which cookies are saved and the rights of the customer, for example the right to be forgotten.

Our memberships.



UN Sustainable Development Goals.



Fristads' long-term sustainability efforts are based on the United Nations Sustainability Goals (SDGs)* and the 10 guiding principles on Human Rights, Labour, Environment and Anti-Corruption in the United Nations Global Compact. Our ambition is to minimise the negative impacts of our business on society and the planet, while maximising the positive impacts. We are convinced that this commitment delivers added value to our customers, employees, business partners, stakeholders throughout our supply chain and, not the least – the planet.

When we mapped our sustainability impacts in our value chain against the SDGs and carried out a risk analysis on the most relevant topics, we found that we address at least 14 of the UN's 17 SDGs. Of these, we have identified three goals that are especially relevant to our business.



Responsible Consumption and Production.

Consumption and production are closely linked, and both greatly affect the environment. For us it is important to approach more responsible production from a broad spectrum, starting with decisions on product development and garment design. We are continuously increasing the number of environmentally declared products in our range and replacing materials with more sustainable alternatives. At the same time, we never compromise on quality. Our products are made to last, which means fewer garments need to be produced in the long run. We also educate our customers on sustainability and make it easy to choose products with a smaller environmental footprint.



Climate Action.

We see it as our responsibility to take action to minimise our impact on the climate and have committed to an absolute CO₂ emission reduction target of 50 percent by 2030, compared with the base year 2022. To reach this goal, we have set clear KPIs for every department within Fristads and involved our employees in the process. By continuously evaluating our products, production, processes and logistics and always looking for alternatives with the lowest climate impact, we can reduce emissions and secure a more sustainable business.



Partnerships for the Goals.

We believe that by combining our efforts with others we can make a bigger change and strive to work with partners both in the public and private sector. We cherish the opportunity to participate in collaborative research projects to accelerate innovation in our industry and develop solutions that can help optimise our operations. It is together with our customers that we develop and scale new sustainability solutions. And as active members of several organisations that work to reduce the environmental impact of textile production, we often share our own knowledge and expertise with others in the field.

Taking the lead of sustainability in the world of workwear.

We are committed to driving innovation, staying ahead of legislation and engaging our entire organisation in safeguarding the environment both for present and future generations. By setting ambitious standards, we aim to lead the industry on sustainability and inspire others to follow.

Fristads' environmental work is based on our sustainability strategy, which guides our actions in three areas: our supply chain, our products and services, and our workplace. We have also integrated our sustainability work as a strategic business goal and in our vision, Every professional dressed for a sustainable performance. We want our entire organisation to be characterised by environmental thinking and for all employees to engage in our sustainability work. Therefore, every department at Fristads has its own sustainability goals that are linked to our overall goals and KPIs. Each sustainability target is owned by a person in the organisation and tied to specific actions throughout the year. The department targets are followed up quarterly to hold ourselves accountable and ensure that we are on track. We also continuously train our employees on sustainability issues relating to our business. In other words: At Fristads, sustainability is everybody's business.



Name: Heleen Westerhoff

Title: Solutions Director Benelux

What was the most important sustainability goal that your department worked on in 2024?

Our goal was to scale the production of garments made with closed-loop material from used workwear in our certified recycling process. Since we have the yarn available, we can easily make any light-knit fabric from it and start up smaller projects.

What actions did you take to achieve it and how did it go?

We offered closed-loop garments in several tenders and added new polo shirts made of our circular material to existing collections for our larger customers. As a bonus, one of them chose to keep the fabric undyed, after seeing how nice it looked with traces of the old garments in the recycled material – the fabric is really telling a story. Everybody in the textile industry knows the impact of dyeing, so it only makes sense for us to offer an undyed option. We also added a couple undyed sweatshirts as catalogue products.

Name: Jenny Ottosson

Title: Production Planning & Administration Manager VAS Department

What was the most important sustainability goal that your department worked on in 2024?

We set out to create a safety stock and a clear forecast to optimise our manufacturing process to reduce the risk of raw material going out of stock unexpectedly, forcing us to make emergency purchases.

What actions did you take to achieve it and how did it go?

We introduced a kanban (just-in-time) production and purchase system to improve our ability to plan our purchases and ensure that we have the right fabrics on stock. Now we can combine orders and choose more sustainable shipping methods. Regarding transfer and labels, we have also begun to take more control to make sure we have the right safety stock and minimum order quantity. We can already see that we have reduced number of orders.



Name: Frida Lindström

Title: Raw Material Developer

What was the most important sustainability goal that your department worked on in 2024?

We have been working on many sustainability goals in our team. For me, one of the most important points during 2024 was the continued work on phasing out PFAS from our products.

What actions did you take to achieve it and how did it go?

We have been working with the PFAS phase-out for many years and in 2024 we took the decision to phase out PFAS from all our materials, including flame-retardant materials. We have been working to secure the quality and certification levels on PFAS-free flame-retardant materials to make sure we offer our customers safe and more sustainable garments. It is important to keep the high quality, the protection levels, and the longevity of the material when making this kind of change. We have successfully done that and are now ready to implement the PFAS-free solutions in our flame-retardant garments.

Name: Robin Wistemo

Title: Key Account Manager

What was the most important sustainability goal that your department worked on in 2024?

It was undoubtedly to launch our full offering of circular services, Repair, Reuse and Recycle on all Fristads markets, providing our customers with sustainable solutions for their damaged, used and worn-out workwear.

What actions did you take to achieve it and how did it go?

This work has been ongoing since 2023, when we started several pilot projects with some of our larger customers and built the initial infrastructure. In 2024, we made the necessary updates to our IT systems, held in-house trainings and finally rolled out the offering on a global scale at the end of the year. The successful launch is the result of a team effort, where our customers have actively participated and improved on the process along the way.



Working better together as a team.

We are a workplace where employees are empowered to perform and be engaged in our sustainability work. By contributing as individuals, our employees enable us to grow as an organisation. Our employees' individual achievements are measured and followed up through annual performance reviews, where we focus on how to improve together as a team. Additionally, our managers are responsible for connecting the company's strategic goals to individual goals, to make all employees aware of how their work contributes to the overall objectives of the company.

We care deeply about the work environment of our employees and are proud to say that we have a very productive relationship with the local unions, actively encouraging our employees to get involved to make their voices heard.

We are Fristads.

As a large, international company with offices in multiple countries, we are always working on strengthening our team spirit and internal communication. In 2024, we launched We are Fristads – regular get-togethers where different departments introduce themselves to the rest of the company. The initiative came about as a way to get to know each better, increase the understanding of how different departments work and uphold our company culture. Ten sessions were held over the course of the year, both at the headquarters in Viared, Borås, and online with our colleagues elsewhere in Europe. All departments and employees have been invited to participate in the initiative, which will continue through May 2025.

Benchmarking our engagement.

We measure employee engagement monthly and quarterly through the employee satisfaction survey Peakon. Engagement is measured on a scale from 1 to 10 and shows the average rating on questions related to how likely employees are to recommend Fristads as a place to work, how likely they are

to stay and how satisfied they are in general with working at Fristads. In 2024, the average engagement score was 7.8, down from 8.1 in 2023, with a participation rate of 84%. The results of the employee engagement surveys are followed up by the managers of each department.

Our Core Values.

Our workplace culture builds on our four core values: Passion, Performance, Simplicity and Togetherness.

PASSION

We are passionate about our products, our company and our customers. We challenge ourselves and each other to grow and improve. We are proud of what we have achieved in the past and excited about the future. What we do today, we can do better tomorrow.

PERFORMANCE

We seek excellence in everything we do and take pride in our high-performing products and people. We give constructive feedback, lift each other up and celebrate our achievements. Our desire for success is greater than our fear of failure. We try, fail, learn and go the extra mile to win.

SIMPLICITY

We strive to streamline our operations and never make matters more complicated than necessary. Our customers' needs are always front and center, and we continuously work to improve our customer journey. We communicate clearly, honestly and informally at all times.

TOGETHERNESS

We work together with our customers to help them succeed and prosper. We take responsibility for ourselves and each other, and strive towards common goals. Together, we focus on sustainability and help safeguard the environment for present and future generations.



An inclusive workplace culture for the win.

At Fristads, we value our leadership culture and are always striving to improve the way we manage our team and our business. We believe in leading by example and use our strategic goals and leadership principles as guidelines in our daily work. To elevate our leadership, our managers go through the GROW program, which aims to build an inclusive culture based on our company vision, business strategy and leadership principles.

In 2024, we continued our GROW education with a two-day workshop for managers within Fristads, Kansas and Leijona. The workshop focused on how we can provide the right conditions for our employees to create the best possible customer journey and how we can ensure that we have the right competence to handle future challenges and possibilities.

Benchmarking our leadership.

To ensure that our leadership is on the right track, we measure our managers' performance quarterly through the employee satisfaction survey Peakon, using six questions that pertain specifically to leadership. In 2024, the

average score was 8.1 out of 10, which was unchanged from 2023. Our Human Resources department continually follows up scores below 7 with the department manager.

Equality and diversity at Fristads.

Diversity and equality are key to Fristads and we strive to ensure equal treatment in our organisation, regardless of gender, age, ethnic and cultural background, class, sexual orientation, gender identity, gender expression or physical ability. We view our differences as an asset in all parts of our business and integrate gender equality and diversity in our planning, decision making, implementation and follow up. Our work is guided by an action plan for gender equality and diversity and each manager is responsible for ensuring that nobody is discriminated against when it comes to working conditions, salary and recruitment. It is also detailed in

our Code of Conduct. We have a zero-tolerance policy on discrimination and harassment; deviations are registered in our management platform Canea and can also be reported through our whistleblowing system Whistle B.

We measure our work on equality and diversity against certain KPIs that are followed up monthly and annually, using employee statistics, Peakon and individual performance reviews. We have a KPI of having at least 50% women in our management team and aim for the gender distribution of our department managers to reflect our employees, which are 60% female.

Menopause support.

As a workplace dominated by women, many of whom are middle-aged, we invited experts to hold a presentation about the causes, symptoms and treatments for menopause. The presentation was mainly targeted to

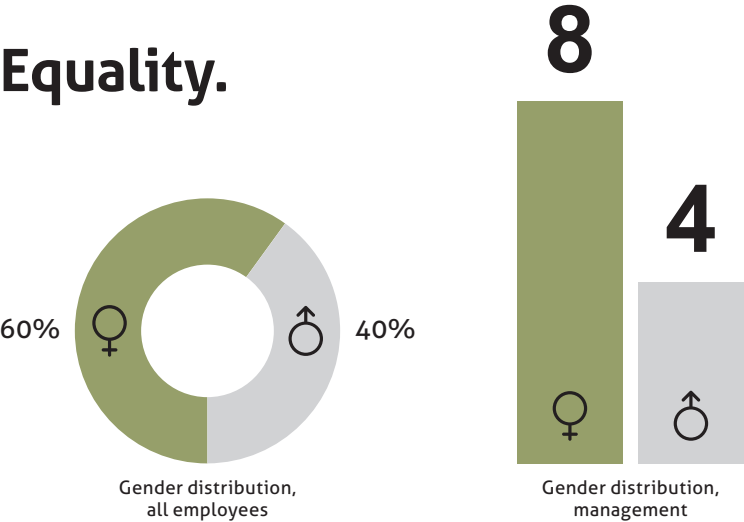
our female employees and managers with female employees in their teams. Raising awareness about menopause is in line with our overall goals for social sustainability and an inclusive workplace.



Keeping track of our social performance metrics.

We are committed to ensuring fair treatment of our own employees as well as the workers in our supply chain. These are some of our most important KPIs and results for social sustainability at Fristads, Kansas and Leijona for 2024.

Equality.



Fair wages and an ethical workplace.

Zero-tolerance on child labour.



cases reported
(Target: 0 cases)

No discrimination or harassment.



cases reported
(Target: 0 cases)

Wage levels according to national living wages.*



pay according to national living wage levels
(set by wageindicator.org)*
(Target: 100% of Fristads entities pay wages according to the national living wage levels)

Our Code of Conduct is known throughout the organisation.



finalised training
(Target: 100% of all employees trained on the Code of Conduct)

Peakon scores.

Ratings performed on a scale from 1 to 10.

Average engagement score.



(Target: 8.0)

Average leadership score.



(Target: 8.3)

People of all backgrounds are treated fairly at Fristads.



(Target: 8.5)

12 * Where national living wages are applicable. In countries such as Sweden, Finland, Denmark, no national living wage standards are set, wages are paid according to collective labour agreements.

Third year of wartime production in Ukraine.

In November 2024, the team at Fristads' Ukrainian factory Stritex passed a somber milestone: one thousand days of war with Russia. Despite enduring extraordinary challenges, the Ukrainian team is still standing strong and keeping the factory running under circumstances that are anything but normal.

In the third year of Russia's war on Ukraine, major cities have been under relentless attack, with missile strikes targeting energy infrastructure, hospitals, businesses, universities, and homes. While the exact death toll is not known, every Stritex employee has been directly affected – whether a family member has been killed or wounded or is at the front lines. Amid the anguish of war, the workers try to maintain a sense of normalcy and purpose.

The city of Stryi, near Lviv, where Stritex is located, has largely been spared the worst attacks. However, air raid sirens occasionally interrupt the workday, prompting employees to seek safety in the factory's purpose-built shelter in the basement. Periodic power outages during August and September added to the strain, but thanks to a generator that Fristads purchased for the factory in 2024, production continued with minimal disruptions.

Despite these challenges, Stritex has maintained a consistent production flow, mostly focusing on Fristads' more complex multinorm garments. In 2024, the factory also produced a special collection designed for Fristads' 100th anniversary.

"The most difficult part is the uncertainty – the fact that we don't know what will happen next. Everybody hopes for the best. All wars end someday, and we hope ours will end very soon. But it is also important that peace is made on terms that are acceptable to Ukraine, because that is what so many of our people have died for."

Galina Kreminets, CEO of Stritex

Navigating a challenging labour market.

Due to the war, many Ukrainians have been uprooted from their homes and others have left the country to avoid mobilisation, taking their families with them. At the same time, the relative safety of the Lviv region has attracted an influx of companies, increasing competition for a limited workforce. This transient labour market continues to present significant challenges for Stritex, but the team is actively working to address the issues. To mitigate the impact, Fristads has increased production capacity at other facilities.

Fristads acknowledges that the role of wartime employer necessitates a new level of corporate and social responsibility. This includes financial assistance for those who have been mobilised to serve in the war and for workers whose close family members have been injured or killed.

Long-term commitment.

The war has not changed Fristads' long-term commitment to remain in Ukraine and expand the production. Having a strong hub in Eastern Europe is strategically important for Fristads and the area has only become more attractive after the Covid-19 pandemic caused widespread delays for shipments on the Asia to Europe route. Should Stritex' management team at some point decide that it is too dangerous to keep the factory open, a contingency plan developed by Fristads' global task force will go into effect. Keeping the employees and their families safe is, and always will be, our first priority.



Code of Conduct and long-term partnerships: the key to sustainable supply chains.

The Hultafors Group Code of Conduct, including the Fristads Annex, is the foundation of our social and environmental sustainability work. It is a non-negotiable requirement that applies to the entire value chain of a Fristads product, including our own facilities, suppliers and subcontractors. The purpose of the Code of Conduct is to provide fair, safe and healthy working conditions throughout our supply chain and to ensure that we are not complicit with any violations of human rights or environmental regulations.

Our Code of Conduct is based on multiple international standards and reference documents concerning working conditions and human rights, including:

- The 10 guiding principles of the UN Global Compact
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights to Work
- The UN Convention on the Rights of the Child
- amfori BSCI (Business Social Compliance Initiative)

Fristads' products are manufactured in our own factory in Ukraine and in partner factories in Asia, Africa and Europe. In every country where we operate, we strictly adhere to

applicable labour laws and collective agreements. By signing our Code of Conduct, our suppliers commit to fostering employer-employee dialogue and recognise the right of employees to form and join trade unions, or similar associations of their own choosing, and to bargain collectively. We have zero tolerance for child labour, forced labour and shortcomings in occupational health and safety. Additionally, our Code of Conduct prohibits discrimination of any legally protected classes, encourages employers to pay a living wage and mandates responsible management of emissions, chemicals and waste.

Building long-term partnerships.

We believe that the best way to secure social and environmental sustainability in our supply chains is to develop strong, long-term partnerships with large strategic suppliers. Through stable, long-term collaboration, we minimise the risk of non-compliance with our Code of Conduct while fostering a better understanding of our quality and sustainability expectations. In 2024, 70% of our spending was concentrated among just five Tier 1 producers, some of which work exclusively with Fristads. We are also working continuously on optimising our supplier portfolio to meet our business needs, reducing the number of complementary suppliers.

Transparency in our supply chain.

We categorise our suppliers of fabric, trims and finished garments as strategic, tactical and complementary, depending on their role in our supply chains. All our strategic and tactical approved Tier 1 and Tier 2 direct suppliers are required to sign our purchasing agreements to declare their supply chain responsibilities and disclose information on their supply chain partners in their supplier profile on Worldfavor for further compliance assessment. According to our purchasing agreement, unauthorised subcontracting is prohibited under any circumstance.

We are continuously collecting more information about suppliers beyond Tier 2 to ensure that we meet the requirements of the EU Forced Labour Regulation, which will be enforced in 2027. Tier 1 suppliers manufacture finished garments for Fristads, while Tier 2 suppliers provide fabrics and trims. Tier 3 producers manufacture fibres and yarn, using raw materials from Tier 4 producers.

Norwegian Transparency Act.

Upon our customers' request, we shared non-competitive supply chain information and supplier audit results with our customers timely in accordance with the Norwegian Transparency Act.

Supplier training key to due diligence compliance.

The EU Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD) introduce requirements for companies to identify, report and address adverse human rights and environmental impacts across their operations and supply chains, both within and beyond Europe. Additionally, the CSDDD mandates large companies to implement a climate transition plan aligned with the Paris Agreement, targeting climate neutrality by 2050.

In response to this harmonised legal framework, Fristads launched a new due diligence strategy and program in 2024, building on work that began in 2023. The program aims to ensure that our due diligence processes comprehensively cover all partners in our supply chain, to identify, prevent and mitigate actual and potential adverse human rights and environmental risks. Additionally, it provides an opportunity for us to enhance transparency and traceability in our supply chain as well as align our sustainability goals with our suppliers.

Supplier training.

In 2024, we distributed our updated supplier manual on due diligence to all direct suppliers. We conducted a series of in-person and web-based training sessions for suppliers and sourcing associates in Sweden, Hong Kong, and the Netherlands. To further promote awareness, our Code of Conduct is displayed as a poster in English and the local language at production facilities, informing employees of their rights. Moving forward, this training will be a mandatory part of onboarding for all new suppliers to ensure alignment with our values and standards.

Hultafors Group anti-corruption policy.

According to the OECD due diligence guideline for multinational companies, corruption and bribery are considered having adverse human rights and environmental impacts. For this reason, Hultafors Group has a zero-tolerance policy for all forms of corruption, including extortion, embezzlement and bribery. During our due diligence supplier trainings, we shared our anti-corruption policy and informed our suppliers that any forms of corruption are forbidden under any circumstance. All suppliers are recommended to include an anti-corruption policy in their employee manuals or management system.

7

Number of Fristads quality controllers working in China, Laos, Bangladesh & Pakistan.

Ongoing staff education.

As part of our continuous education program, we provided training for quality inspectors to enhance their ability to identify compliance issues during factory visits. Inspectors are required to complete a post-training assessment before conducting monitoring inspections. During factory visits, inspectors allocate time to observe conditions and ask clarifying questions as needed before completing their reports. These signed reports are submitted to the CSR team within 72 hours for review, ensuring timely oversight of compliance across our supply chain.

100% 

Share of Fristads' supplier managers and sourcing associates that received training on our supplier due diligence strategy in 2024.

78% 

Share of our suppliers that attended our training events in June, August and November, accounting for 76% of our total spending value of 2024.

Keeping track of our ethics metrics.

As a global company with more than 25,000 people working in our supply chains, and garment production in multiple countries in Asia, Africa and Europe, Fristads is committed to increasing sustainability in our production. These were some of our most important KPIs and outcomes for ethical business practices and production at Fristads, Kansas and Leijona for 2024.

Sustainability questionnaire in Worldfavor platform completed by registered direct suppliers, all tiers.

93%

(Target: 60%)

Sustainability questionnaire in Worldfavor platform completed by registered indirect suppliers.

97%

(Target: Annual plan to increase scope of risk assessment)

Suppliers that confirmed posting Fristads' Code of Conduct in their factories.

88%* 

(Target: 100%)

Definitions:

Direct supplier: The entity is part of Hultafor's Group's (HG) supply chain and appears in HG's finance systems.

Indirect supplier: The entity is part of HG's supply chain but does not appear in HG's finance systems.

Supplier audits conducted in 2024, 60% at Tier 1 suppliers and 40% at suppliers beyond Tier 1.

72 

Confirmed zero-tolerance issues identified in audited suppliers' factories.

0 

amfori BSCI.

Fristads is proud to be a member of amfori, an organisation that offers the Business Social Compliance Initiative (BSCI) providing companies with a standard to assess and improve social and environmental conditions in their supply chains. The amfori BSCI standard follows the International Labour Organisation (ILO) core conventions, the Universal Declaration of Human Rights and the 10 guiding principles of the UN Global Compact. amfori BSCI implements the principal international labour standards protecting workers' rights, with the goal to guarantee ethical working conditions for all workers.



International Accord agreement.

Fristads has signed the International Accord on Health and Safety in the Garment and Textile Industry, furthering our commitment to the original 2018 Bangladesh Accord. Through the agreement, Fristads commits to the health and safety work already undertaken in Bangladesh and to the expansion of the principles to other countries. All our suppliers are required to have undergone Accord remediation. As part of our commitment to the Bangladesh Accord, we report any approved garment and textile suppliers located in Bangladesh to the organisation for monitoring of their fire safety and building safety compliance. In case of any critical findings, we will alert our sourcing associates in Sweden and supplier in Bangladesh to clarify and confirm the situation before working out a contingency plan to minimise the impact. The Accord agreement was created in the aftermath of the Rana Plaza tragedy in which more than 1,000 garment workers died when a sewing factory collapsed.

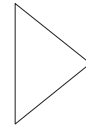
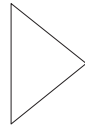
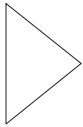


How we ensure compliance in our supply chains.

Whistleblowing process.

In line with the EU Whistleblowing Directive, Fristads has established a whistleblowing policy and procedure. Employees and external stakeholders in our supply chain can anonymously report suspected or actual violations of our Code of Conduct by scanning a QR code available on our website. The code is linked to Whistle B, an external and independent whistleblowing system. Fristads encourages reporting of violations of our Code of Conduct and is committed to ensuring that whistleblowers are not disadvantaged,

discriminated, or traceable. If a report of misconduct is filed, a dedicated team from Hultafor Group will lead the investigation to address the issue, along with the supplier management.



1. Risk assessment.

All potential Fristads suppliers go through a risk assessment before being onboarded. The risk related to governance in sourcing countries is based on the Worldwide Governance Indicators from the World Bank. The countries' risk level is assessed in six areas and depending on how they score, countries are classified as either 'low risk' or 'high risk'. Citizens' rights and freedoms, political stability, government effectiveness, rule of law and control of corruption are some of the indicators that are measured and analysed on an annual basis.

2. Onboarding.

New suppliers must be informed of Fristads' onboarding process and requirements. This includes creating a supplier profile and filling out required due diligence questionnaires on the third-party platform Worldfavor. The supplier must also upload signed copies of Fristads' Code of Conduct and Restricted Substances List (RSL) to the platform and renew them annually. If the supplier is not able to demonstrate compliance with our Code of Conduct by presenting a valid social audit report, they must conduct an amfori BSCI audit to meet our onboarding requirements. Any suppliers with actual adverse human rights or environmental violations or suspicious critical noncompliance issues identified in the audit reports will be on hold for onboarding, until the identified issue has been resolved.

3. Ongoing support and training.

Fristads' CSR team works closely with our quality control team to monitor suppliers' compliance during the production of Fristads orders. We have also developed a new training program for our sourcing associates and approved suppliers, to ensure that they are up to date on forthcoming EU due diligence regulations. Providing ongoing support and training is an important step to prevent violations of our Code of Conduct, human rights and environmental obligations in our supply chain.

4. Third-party factory audits.

To ensure that our suppliers live up to our requirements, we audit factories against the amfori BSCI and other established standards through mandatory third-party audits. We adapt the BSCI audit benchmarks, ILO forced labor indicators and CSDDD annex to evaluate supplier's compliance performance. Fristads' suppliers can be audited at any time, but typically every or every other year. Occasionally, we send an auditor to the approved suppliers to carry out enhanced due diligence to ensure suppliers' compliance in case of any noncompliance issues reported.

5. Remediation plans and follow-up.

Deviations that occur during a factory inspection must be corrected through a remediation plan and followed up with a new audit or desktop review. The purpose of the remediation plans is to constantly improve working conditions and environmental standards at the factories. We have developed KPIs to monitor the progress of any noncompliance issues identified in a factory audit; suppliers failing to achieve the KPIs will be red-flagged and escalated to their supplier managers for further discussion. New suppliers will be pending for onboarding and existing suppliers will not receive any new Fristads orders until critical noncompliance issues have been rectified and the results reported.

A holistic perspective on workwear.

At Fristads, we use a Life Cycle Assessment (LCA) to help us determine areas that can be improved from a sustainability perspective.

For every new garment that is produced, we consider the impact it has on the environment and what we can do to minimise the negative effects. All Fristads departments are guided by the LCA, as it provides the framework for our environmental work.

Our LCA includes six areas: Design, Material and production, Facilities, Transports, Users and Close the loop.



LCA objectives.

Design

- Increase the durability of the product through design.
- Design garments with reuse and recycling in mind.
- Choose more sustainable materials first.
- Use digital tools and 3D modelling.
- Strive for zero waste by repurposing materials.
- Focus on the end user – user tests and collaborations with customers to ensure functionality, fit and durability.

Material and production

- Use materials and techniques with a smaller environmental footprint.
- Create life cycle assessment of products (EPD).
- Manage chemicals responsibly.
- Require suppliers to submit environmental self-assessment.
- Decrease emissions from production.
- Eliminate the use of virgin plastics in packaging.
- Minimise textile waste from our own production.

Facilities

- Reduce the amount of emissions from electricity consumption, heating and cooling.
- Use energy from renewable sources.

Transports

- Reduce CO₂ emissions per kilo shipped garments.
- Use ocean freight instead of air freight whenever possible.
- Increase use of High-Capacity Transports.
- Optimise and consolidate deliveries.
- Make to order.

Users

- Ensure customer satisfaction by making high-quality products.
- Engage users in product development and wearer trials.
- Help users make conscious choices about workwear.
- Provide care instructions to ensure every garment is used to its full potential.

Close the loop

- Grow and develop our full sustainable services offer.
- Expand global recycling infrastructure.
- Engage customers and dealers in close the loop solutions.
- Develop more circular products.
- Always offer more sustainable products in business tenders.

Shaping the future of sustainable design.

At Fristads, we know that sustainable workwear starts with smart design. Every choice we make – from fabrics and trims to digital tools – matters when reducing our environmental footprint. In 2024, we continued our efforts with a focus on innovation, circular thinking, and building sustainability into every step of the design process.

Fristads is systematically reviewing the assortment with the goal of finding potential improvements from a sustainability standpoint. That means considering whether a conventional material can be switched out for a more sustainable alternative or unnecessary metal trims can be removed. As of the end of 2024, approximately 85 percent of all active products had been scrutinised from a sustainability perspective.

Building more sustainable products.

For new products, it is routine for Fristads to choose the most sustainable material and trims. This is achieved by placing more sustainable materials, such as recycled polyester and zippers made of recycled plastic, in the palette that the technicians choose from first when they start to “build” the garment. Only if they can’t find what they need in the first group, they may proceed to the next one. This way, choosing a more sustainable option becomes a natural part of the workflow.

We are constantly working on optimising garments for repair and reuse, for example by facilitating easy zipper repairs. This work is a delicate balancing act, where quality must never be compromised.

“Durability is our top priority. We can’t make it easier to recycle a garment if that means it will have a shorter lifespan.”

Anastasios Lappas, Head of Design and Innovation.



Waste less, use more.

Every clothing manufacturer ends up with surplus material at some point, and at Fristads, we see this as an opportunity for innovation. The design team regularly identifies creative ways to repurpose leftover fabrics – whether from discontinued products, existing stock or excess production runs. Some of this available fabric is transformed into unique, limited-edition collections of just a few hundred garments. Other surplus fabrics are strategically incorporated into new designs, such as details on hoods, loops, or pockets. By using existing material, we reduce waste and the need for virgin resources.

In 2024, we collaborated with customers on several projects to explore whether new products could be developed using existing materials. Finding the right match requires creativity but is well worth the effort. In one successful project, material from a discontinued product was used for a pocket in a winter jacket.

Leveraging technology for change.

Fristads stays on top of new technology to reduce the environmental footprint of the products already at the design stage. In 2024, approximately 50 percent of the developed products were designed with the help of 3D computer modeling. This cuts down on the amount of product samples that need to be sewn and shipped. We also continued to expand our digital fitting library, which contains a certain number of standard fits for different garments and material qualities. This makes Fristads garments with similar style fit more uniformly, in turn making it easier for the customer to find a great fit and reducing the risk of returns.

Eight sustainable design principles for Fristads.

The design principles are integrated into all steps of the production system, from idea to manufactured garment. By being transparent in each step, we enable all involved to contribute their input and thereby ensure continuity and consistency throughout the process.

- 1** Always aim to increase the durability of the product through design; durability should be a design goal.
- 2** Design the garments with re-use and recycling in mind.
- 3** Use materials that have a lower environmental impact such as non-toxic, more sustainably produced or recycled materials that require less energy to process.
- 4** Always aim to use local resources: materials should come from nearby producers.
- 5** Always strive to use environmentally sound techniques.
- 6** Use manufacturing methods that are energy efficient.
- 7** Embrace digital tools that can help cut down on samples and unnecessary transports.
- 8** Use available material by incorporating it in new collections in creative ways.

50%

Share of Fristads garments that were developed using 3D design technology during 2024



Transitioning to more sustainable materials.

Most of Fristads' products are made of polyester and cotton due to the high performance and durability of these materials, giving the clothes higher quality and longevity. In addition, we use materials that have special properties or work as reinforcement in the garments, for example polyamide and modacrylic. We carefully choose the materials and trims for our workwear based on the performance, durability and environmental impact of the finished garment. As a part of our environmental work, we are exchanging the materials in our collections for more sustainable alternatives, for example by swapping regular cotton for organic cotton or regular polyester for recycled polyester. This transition is ongoing, with the goal of having 50% of our styles contain more sustainable materials by 2025. We are both transitioning the materials in our catalogue products and developing customised, more sustainable collections for several of our larger customers.

Commitment to high quality.

Fristads' ambition to use more recycled content must never be allowed to compromise our high quality, since a less durable garment has a greater impact on the environment in the long run. Our workwear must withstand repeated use in tough conditions and endure laundry at high temperatures without compromising performance. To ensure that the materials live up to our quality requirements and retain their durability, we test abrasion resistance, tear strength,

tensile strength, pilling propensity, dimensional change, colour fastness, shrinkage and more in our own lab as well as through wearer and industrial wash trials (read more on page 28).

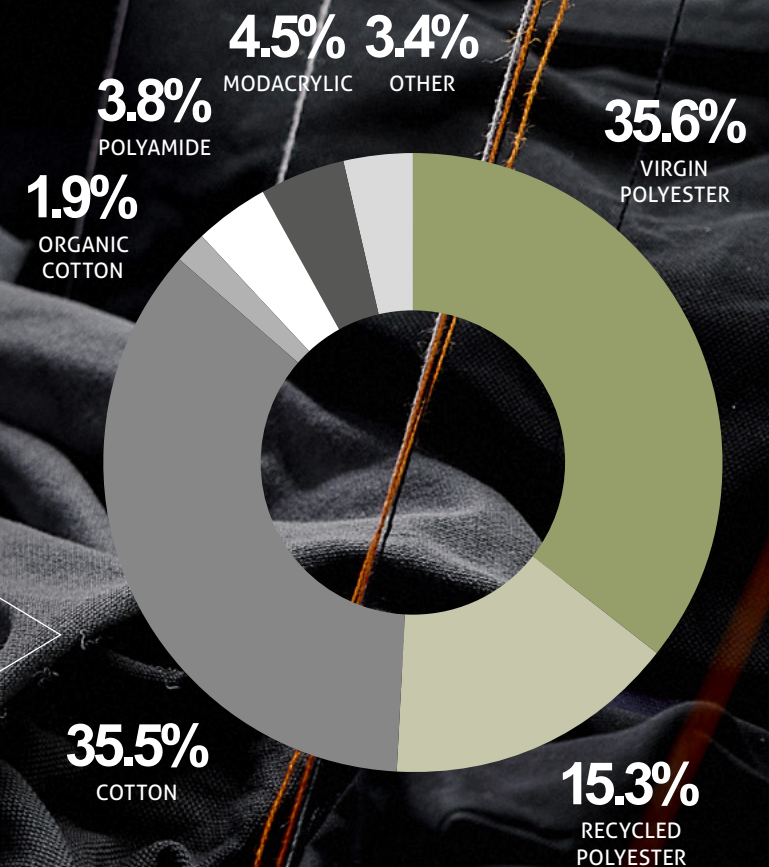
Better Cotton.

Fristads is committed to improving cotton farming practices globally with Better Cotton, an organisation that promotes a holistic approach to cotton farming and help farmers around the world produce cotton that is better for themselves, their communities and the environment. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however, the farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source.' As of the end of 2024, our Better Cotton volumes amounted to 15% of our total cotton usage.



2024 fibre usage

Diagram shows shares of purchased fabrics.



Committed to responsible chemical management.

In the textile industry, chemicals are used to process raw materials and added to finished products to give garments specific functional properties and properties for certain certification requirements. We have extensive knowledge about chemicals and have worked with OEKO-TEX® certification since 1997, ensuring that our garments are free from harmful chemicals. Naturally, the chemical levels in our garments always comply with EU regulations and our standards are often more stringent than required. We actively manage the use of chemicals through our social and environmental compliance programme, as well as through specific chemical compliance programmes.

Fristads is actively phasing out PFAS.

Fristads supports the movement to eliminate the use of the "forever chemicals" PFAS. We have successfully phased out PFAS from all products, except for a few flame-protected garments. In 2024, we initiated the process of phasing out PFAS from these products as well.

Fristads has worked for several years on developing PFAS-free alternatives that meet the required quality standards and in 2023 we developed our first PFAS-free collection of workwear certified according to EN 13034, with protection

against two water-based chemicals, sulphuric acid and sodium hydroxide. Currently, we only use PFAS in certain flame-retardant garments protecting against oil-based chemical splashes, such as butanol and O-xylene. There is no PFAS-free alternative that fully protects against these chemicals but considering the toxic and long-lasting nature of PFAS we think it is essential to phase out PFAS from these products as well.

After carefully evaluating the settings where our multinorm workwear is typically used, we are confident that our PFAS-free alternative finishes meet the needs of our customers. To minimise waste and ensure that already produced material and garments are used to their full potential, the phase-out will be incremental.



What are PFAS?

PFAS are a group of thousands of manmade synthetic substances that are very difficult to break down. Many are also harmful both to the environment and human health. PFAS are used in a range of common household products, cosmetics and food packaging, as well as in waterproof and dirt and oil-repellent clothing.



Chemical Compliance Programme.

Together with our partner SGS, we run a Chemical Compliance programme that educates our suppliers about chemical management practices. We also continuously test the materials and products at our partner factories. No harmful chemicals were detected in the tested products during Fristads' annual random chemical testing in 2024.



The Fristads Restricted Substance List (RSL).

We are compliant with existing EU regulations regarding chemical use. Additionally, all Fristads products must be in compliance with our Restricted Substance List (RSL), which is continuously updated. We also ensure compliance with the SVHC (Substances of Very High Concern) Candidate List. Our suppliers must sign the RSL twice yearly through the Worldfavor platform. Read more about Worldfavor on page 45.



Swedish Chemicals Group.

Fristads has been a member of the Swedish Chemicals Group, which is run by the research institute RISE, since 2007. The group fosters collaboration and knowledge-sharing to promote best practices for chemical management across industries. It also helps members stay up to date on legal updates and provides tools for communicating chemical management requirements to suppliers.

OEKO-TEX® certified for 27 years.

We have worked with OEKO-TEX® certification since 1997 and as of the end of 2024, 98% of our catalogue products were OEKO-TEX® Standard 100 certified. Each year, we collect all OEKO-TEX® certificates from our suppliers, check their validation and ensure that the construction and composition of the garments and materials match every purchased component. In 2024, we received our 27th renewal of certificate Ö 97-055 according to STANDARD 100 by OEKO-TEX®, Appendix 4, Product Class II.

98%

Share of Fristads' products that are OEKO-TEX® certified.

On January 1, 2024, OEKO-TEX® updated their classification system to reflect a ban on the intentional use of PFAS in products certified according to the OEKO-TEX® Standard 100. The new limit value for total fluorine is 100 mg/kg for products with this certificate. After this change, Fristads has three different types of OEKO-TEX® certifications:

- Ö 97-055 for products that meet OEKO-TEX® Standard 100
- SE 23-310 for products that meet OEKO-TEX® Standard 100 and contain more than 20% recycled material
- SE 23-311 for PPE products containing PFAS

We certify our products on the garment level. For garments with the Ö 97-055 and SE 23-310 certificates, this means that every component of the product, including every thread, button and other accessories, has been tested for harmful substances and deemed harmless for human health. Only companies that fulfil this complete product certification are allowed to use the OEKO-TEX® STANDARD 100 label in their products and marketing. The SE 23-311 certificate is only applicable to PPE products where PFAS are required to ensure the safety of the user and no equivalent material without PFAS is available. We currently only have a few products certified according to SE 23-311 and are actively phasing out PFAS in these products as well.

OEKO
TEX®



Cutting down on plastic, one bag at a time.

Yarn and fabrics remain the foundation of Fristads' production, but we also use materials like cardboard and plastic for packaging finished products. While some packaging is necessary to protect the products from dust and dirt during storage and transit, we are continually working to optimise our use of packaging materials. Two of our strategic goals are to minimise the quantity of packaging materials used and to adopt more sustainable materials whenever possible for the packaging that can't be eliminated. In 2024, our efforts in this area started to bear fruit.

At the beginning of the year, we completed the transition to bags made from 100% recycled plastic, sourced from a Swedish supplier. This replaced our previous bags, which contained 80% recycled plastic, with a more sustainable alternative. Additionally, we introduced a smaller bag size and removed the handles, reducing the amount of plastic per order. As expected, these adjustments resulted in a reduction of approximately 27% in overall plastic use for product transport packaging during 2024. Moreover, it eliminated virgin plastic from the bags used to ship products from our warehouse.

For packaging used for transports from our partner factories to the warehouse, we continue to replace individual garment wraps with master poly bags whenever feasible.

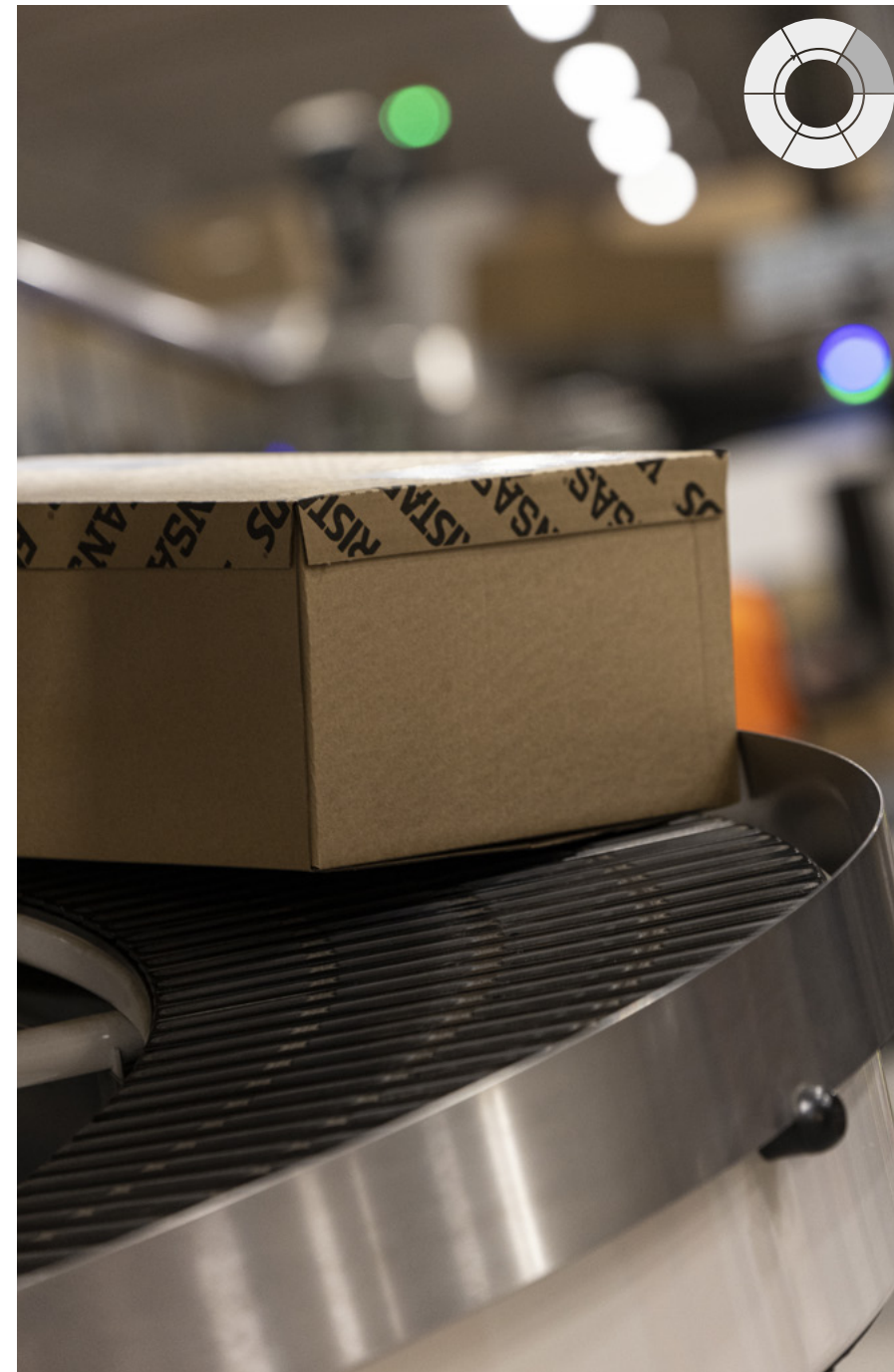
These efforts are part of our ongoing commitment to minimise unnecessary plastic use and ensure that we are reducing our environmental impact at every step.

Optimised cardboard boxes.

Large orders and pallet deliveries are currently shipped to our customers using cardboard boxes made of 55% recycled fibre and 45% virgin fibre, sourced from FSC certified material. Due to trees' ability to sequester carbon over their lifetime, the "cradle-to-gate" climate impact of each cardboard box is -17 grams CO₂e, with the lid contributing 0 grams. To maximise efficiency, we use a packing machine that adjusts the box size to its contents. The machine automatically scans the height of the content and cuts and folds the sides of the box to eliminate dead space and the need for filling material.

The Army fold – smart packaging for our Green products.

When we launched our environmentally declared collection Fristads Green in 2019, we introduced the Army fold – a special folding technique that eliminates the need for individual packaging. The method is still used for most Fristads Green products today, although plastic packaging is necessary to protect some products, especially Personal Protective Equipment, such as high-vis garments.





Saving energy in our own facilities.

Greenhouse gas emissions from Fristads' own operations and facilities – those reported under Scope 1 and 2 of the Greenhouse Gas Protocol – account for only a small portion of our total footprint. Nevertheless, we remain committed to identifying and implementing energy-saving measures across all our markets.

To cut emissions from fuel combustion, we have fully transitioned our company-owned vehicle fleet to electric or hybrid-electric models, a process completed in January 2024. At our main office in Viared, we have installed 16 charging stations, including two designated for customers and visitors. These stations are freely available to our employees for both company-owned and private vehicles. We also have charging stations at our offices in Odense, Denmark, and Breda, the Netherlands.

At our Viared office, we have enhanced our monitoring of electricity, district heating, ventilation, cooling, and water usage. By tracking real-time data, we can identify peak consumption patterns and make informed decisions to optimise efficiency. This proactive approach not only reduces our environmental impact but also makes our operations at our headquarters and warehouse more sustainable and cost-effective.

The image shows a close-up, low-angle shot of a white building facade. The word "FRISTADS" is mounted on the wall in large, black, three-dimensional block letters. A registered trademark symbol (®) is visible to the right of the letters. The building is set against a bright blue sky with scattered white clouds.

Smarter logistics for a more sustainable future.

Fristads' production is largely based in Asia, Africa and Eastern Europe, which means effective transport planning and management are crucial to achieving our climate goals. To minimise emissions, we prioritise direct ocean freight to the port of Gothenburg for products manufactured at our partner factories. Goods produced in our own production facilities in Eastern Europe are transported by land. Air freight is only used as a last resort – such as during significant supplier delays or global supply chain disruptions, like those experienced during the Covid-19 pandemic. Even in such cases, we favour alternatives like train or sea-air solutions to lessen environmental impact.

Collaboration is at the heart of our logistics strategy. We work closely with both garment producers and freight carriers to optimise container use, avoiding partial loads wherever possible. For goods from European producers, we consolidate shipments to maximise transport efficiency on land. Additionally, land transports from the port of Gothenburg to our warehouse in Viared increasingly use High-Capacity Transport (HCT) vehicles.

Consolidating shipments to optimise distribution.

Most of our sales take place in Europe, and each order is packed and distributed from our central warehouse in Sweden. Our distribution is handled mainly via land transport, unless the customer specifically requires express shipment. To further reduce the number of transports, we work together with our customers to set up weekly shipments and consolidate orders. In 2024, we accelerated the work to consolidate deliveries by going through all the customers in our database and recategorising them to prevent unnecessary partial deliveries. As a result, the number of customers who are approved for partial deliveries decreased by 88%.

Air transports.

Fristads aims to keep air transports at a maximum of 2% of total shipments. In 2024, however, we unfortunately missed our target, with air transport reaching 4.42%, compared to 1.41% in 2023. Several factors contributed to this increase, including prolonged sea freight lead times caused by the conflict in the Middle East, which has disrupted shipments via the Suez Canal. Additionally, the relocation of some garment production required air freight to meet customer demand. We are closely monitoring sea freight lead times and have implemented measures to reduce reliance on air transport, such as increasing safety stock levels.

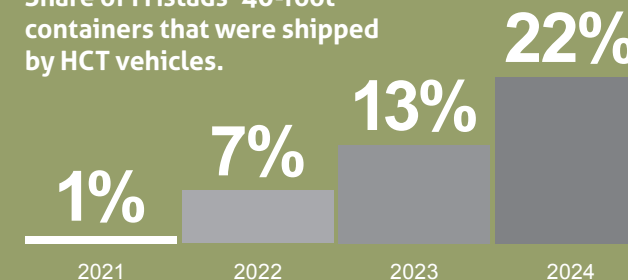


Leveraging HCT transports.

In 2024, Fristads shipped 33 40-foot containers with HCT deliveries from Gothenburg to the warehouse in Viared, up from 19 in 2023. This number represents 22% percent of the total share of transports and is expected to grow, with the near-term goal being to receive weekly deliveries with HCT. In the long term, Fristads envisions all transports from Gothenburg to Viared to be carried out by HCT.

HCT vehicles are a little over 32 metres long and comprise two 40-foot or 45-foot containers, which is significantly larger than standard lorries and semi-trailers. Since HCT vehicles can carry more goods, they use less fuel per per cubic metre of cargo, reducing the number of vehicles needed on the roads. Research through the Autofreight project, in which Fristads has participated since its inception in 2022, indicates that the emissions from road transports can be reduced by 30% when using HCT as opposed to standard vehicles.

Share of Fristads' 40-foot containers that were shipped by HCT vehicles.



Sustainability starts with durability.

Fristads was founded on the idea that choosing high quality workwear pays off in the long run and it is our most prized principle to this day. We want our users to be able to enjoy their garments as long as possible, not only because it is more cost effective but also because the longer a garment is worn, the smaller its environmental impact will be over time. In short – our products are made to last.

ISO certification.

We have been certified according to ISO 9001:2015 since 1999, which requires us to work systematically with improving the quality of our products and processes. The goal of our quality work is to optimise customer satisfaction and ensure that every garment is used to its full potential. This work is ongoing and characterises every facet of our production process:

Construction and material.

At Fristads, durability is a design goal, and the lifespan of the product is always considered when a new product is created or an existing one is updated. We always aim to use the best possible materials in our products and only replace a conventional material with a more sustainable one if the quality is on a par.

Testing.

We conduct quality tests in our in-house laboratory as well as external tests by accredited labs. We also test our products in industrial laundry, washing them as many as 50 times before certifying them to ensure durability and longevity. As a final step, new and modified products are subjected to user trials before going into production. (Read more about testing on page 28.)

Suppliers and quality controls.

We develop long-term business relationships with our suppliers, to ensure that they fully understand and work according to our stringent quality standards. Our team of seven quality controllers in China, Laos, Bangladesh and Pakistan work closely with the suppliers to safeguard the workmanship and ensure optimal quality for any given product. We have strict requirements for what we accept as a minor deviation and the material, technical specifications and seams are continuously checked during production to minimise the risk of quality issues. To make our strategic suppliers take greater responsibility for the quality of the products, we have trained them in making the final inspection before the products are shipped from the factory. If the products pass the supplier's initial inspection, Fristads' team of quality controllers make random controls,

either in Asia, Eastern Europe or Borås to catch deviations before they reach the end user. Through these rigorous quality controls, we prevent products from being rejected at a later stage.

Claims department.

We are proud of our thorough testing process and low rate of claims. At the same time, we know that there will always be aspects of our products that can be improved. Our customers and end users are key to this effort. When our customers point out mistakes or deviations from our quality standards, we make sure to identify the problem quickly and to learn from it. All Fristads customers, including business customers, have 36 months to file a product claim. Claims are followed up using an internal quality assurance system to understand the cause of a deficiency and prevent it from recurring.

0.03%*

Share of sold products that were returned as claims in 2024.

Putting Fristads' workwear to the test.

The quality of the fabrics and functionality for the user are both important factors that can make or break the longevity of a garment. That is why testing is an important part of Fristads' product development. Whenever we develop a new product or update an old one with a new fabric or function, it goes through a rigorous testing process. Materials and garments can be tested at our in-house laboratory and/or by external partners, as well as through user trials.

One of the first steps in the development of a new product or updating of an existing one, is to source high-quality materials. For over 30 years, we have had our own laboratory in Borås, Sweden, where the physical properties of raw materials, garments and trims like taped seams can be tested in a conditioned environment and in accordance with relevant international standards. The conditioned environment is key to get comparable results, since textile fibres behave differently in a dry versus a humid climate.

We complement the tests at our own lab with tests at external labs and industrial laundry tests. Having an in-house lab allows us to safeguard the quality of our materials and conduct our own, customised tests to simulate certain conditions. It also helps us understand the test results that we receive from external labs, since we are able to analyse the effects on the fabric thoroughly.

Mechanical properties.

Many of the products in our range are subjected to heavy wear and tear, which puts significant demands on the mechanical properties of the fabric. At our laboratory, we test abrasion resistance, tear strength and tensile strength to ensure that the materials match our requirements for the product. These tests stress the fabrics to see how much they can withstand before they break. Other tests focus on pilling and fuzzing propensity, verifying that the fabric surface is retained within a set tolerance level even after hours of use. This is important since a garment that looks worn out may be discarded prematurely.

Colour, washing and water repellent properties.

Workwear is typically washed frequently and at high temperatures, which requires the garments to withstand dimensional change and have good colour fastness. At Fristads' lab, materials are tested to ensure that shrinkage, colour fastness and spirality, i.e. the twisting of the garment, are within set tolerances and that the colour does not significantly change or bleed onto other garments when washed. We also test fabrics for resistance to surface wetting, by using a spray rating tester.



Fristads' user trials – step by step.

As a complement to the laboratory tests, Fristads regularly conducts user trials before clearing a product for production. The user trials take place at the final stages of a rigorous product development process and ensure that the garments will live up to our users' expectations and function as intended at the workplace. They also give the users a chance to participate in the product development and give us valuable feedback on the functions of the products.

The process may vary slightly depending on the garment. When we develop a new product, a new material or new functions, for example a detachable nail pocket, the tests are more thorough than when a new pair of pirate trousers are developed based on an existing pair of trousers. Recently, many garments have been tested because the material has been swapped for a more sustainable alternative, for example recycled polyester.

"We need to make sure that our garments not only perform well in a lab environment, but also in real life. Our users are the experts of their own work environment and needs. That is why our user trials are so important."

Lisa Rosengren, Sustainability & Raw Material Manager at Fristads



The seven steps of Fristads' user trials:

- 1** Fristads' product development department talks to stakeholders in different industries to see what their needs are.
- 2** The product development team assigns the task of developing a single new garment or an entire collection to the design department and specifies which needs must be met.
- 3** Fristads' designer draws sketches and enters them into a 3D tool to create a virtual garment sample, which can be changed to see how the fit is affected if a seam is changed, or a pocket is added.
- 4** Fristads creates samples that are sent out to the test pilots. Sometimes they get different versions of the garment, to test if a certain function should be included or not.
- 5** When the trial period is up, the product development team contacts the test pilots to collect feedback on the garment.
- 6** Depending on the users' feedback, the designers may adjust the material, function or fit of the garment.
- 7** When all the modifications have been made and samples of the new garment have been approved, it is ready for production.

Breaking new ground on circular production.

One of the most pressing challenges of the textile industry is closing the loop on the production, to cut waste and keep discarded clothing out of landfills and incinerators. Today, our recycled fibres are mainly sourced from mechanically recycled polyester from PET bottles, but to truly close the loop on our production we need to use waste from our own industry. Fristads has long been driven by the hidden potential of worn-out workwear and keeps exploring ways of incorporating recycled fibres into new products.

Chemically recycled polyester from workwear.

In 2024, we scaled up our efforts to close the loop by developing our first products made of chemically recycled polyester, a collection of advanced craftsman trousers, shorts and service trousers. The recycled material in the products is certified through the Recycled Content Standard, an international standard that sets requirements for tracking and verifying the recycled content of a product throughout the supply chain.

"Chemically recycled polyester is not new, but there are relatively few fabrics on the market. The performance and comfort are the same as for virgin polyester, so we want to put this material on the map by putting it in our most advanced products for the pickiest users."

Lena Bay Højland, Product Director at Fristads



The garments are OEKO-TEX® certified at the garment level, ensuring that they are free from harmful substances and safe for human use.

The chemically recycled polyester in Fristads' products is made using both pre-consumer waste, for example leftovers from production, and post-consumer textile from used clothing that has been turned in for recycling. Through chemical processes, the polyester fibres are broken down to their original building blocks (monomers), which allows them to be repolymerised into new polyester. Chemically recycled polyester is an attractive option for premium workwear production, since it has good dyeability and the quality is equal to that of virgin polyester.

Mechanically recycled polyester from workwear.

We have also begun to produce some garments made of mechanically recycled textile waste from one of our customers in the Netherlands. Producing garments from mechanically recycled closed-loop fibres is a complex process that requires close attention to quality, and we are constantly working on refining our techniques. To ensure that the quality of the product is not compromised, we currently use 15% closed-loop material in our circular products, but we expect this share to increase in the future. By producing workwear from recovered textile, whether mechanically recycled from our own waste or chemically recycled from other sources, we reduce the demand for virgin polyester and at the same time help eliminate excess textile waste.

These are some of the milestones we have hit so far:

2021

Through a joint pilot project with a Dutch customer, we develop our first circular product, a polo shirt made partially from discarded garments.

2022

Fristads' closed-loop recycling process in the Netherlands is certified, making us the first clothing producer in the region that can guarantee the chain of custody of closed-loop raw materials for a specific customer.

2023

We develop a sweatshirt made of 15% discarded polo shirts, our first circular product to be launched to a broad audience.

2024

In the Netherlands, Fristads offers closed-loop garments in several tenders and grows the range of circular products. We also develop our first collection of workwear made of chemically recycled textiles.



Closing the loop: Fristads launches circular service on all markets.

In Fristads' history, 2024 will stand out as the year we became the first workwear company to introduce a comprehensive circular service offering across all markets. Called Sustainability as a Service, this initiative encompasses Repair, Reuse and Recycling. The goal is to reduce emissions and waste by ensuring that every garment we produce is used to its full potential and responsibly managed at the end of its life.

Developed in collaboration with several large dealers and customers, the circular service offering was refined through pilot projects. These pilots allowed us to test workflows, identify potential flaws, and assess the costs of managing discarded garments. With these insights, we enhanced our IT systems and financial models to enable a seamless rollout on a larger scale.

Managing used workwear responsibly.

In 2024, we reached a significant milestone by launching our Repair, Reuse and Recycle services across all markets – well ahead of EU's new regulations on Extended Producer Responsibility. We also trained our sales team to support these services and appointed an in-house service coordinator to facilitate the process for our customers.

Our circular services make it easier for customers to manage used workwear responsibly while reducing their climate footprint. They also benefit by receiving tangible data that they can incorporate in their own sustainability reporting. By the end of 2024, the full circular offering was available to all contract customers, with Repair and Recycle services accessible to our dealers.

"I'm extremely proud that we were the first workwear company to launch a comprehensive sustainable service offering on all our markets. With these solutions in place, our customers can make the most of their workwear, while reducing their environmental footprint."

Petra Öberg Gustafsson, Managing Director of Fristads



Recycling according to Fristads.



2.4

Tons used workwear collected for recycling by Fristads' customers in Sweden, Denmark and Benelux.

When workwear can no longer be repaired or reused, recycling is the final step. The EU has a clear goal to reduce textile waste and increase the recycling of clothing, and as of January 1, 2025, it is the responsibility of the producers to pay for the end-of-life management of textiles. Fristads has been working proactively to be a part of the solution long before the new legislation was adopted and has developed both an open-loop and a closed-loop recycling flow for our customers and dealers.

Two ways of recycling workwear.

In the open-loop flow, used workwear is collected and processed into raw material for other products, for example insulation for the automotive industry, lining of drainage pipes and as fibre reinforcement in composites. Any workwear can be collected for recycling, including clothing made by other brands, as long as the garments are dry and reasonably clean. Once the clothing has been

collected, it is evaluated, sorted and processed in our recycling partner's facilities. Processing the materials into other products is always the first choice, however, recycling textiles is challenging and garments that are too complex or contaminated to be recycled are used as fuel for energy production. Our recycling partners are constantly working on refining their techniques to increase the share of collected workwear that can be recycled.

Our open-loop recycling flow started with a few pilot projects with selected customers in 2022 and has now been rolled out on all our European markets for those of our customers who wish to opt in. We collect used workwear both from individual customers and small businesses through selected dealers, and from our large direct customers. In 2024, Fristads collected 2.4 tons of workwear for open-loop recycling from customers in Sweden, Denmark and Benelux. In the Netherlands, the Fristads

market that was first to introduce open-loop recycling, 48 dealers are currently collecting used workwear.

In the certified closed-loop flow, used Fristads' workwear is collected from one of our customers, shredded in a recycling facility and made into new textile fibres. The fibres are then used to make new clothes. The closed-loop flow is currently only used in the Netherlands, where garments made of circular material has been adopted by several Fristads customers (read more on page 40).

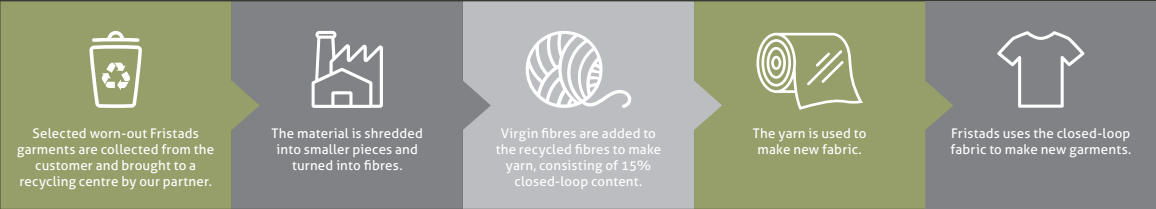
Tracking the recycling data.

All data on the amount of clothing that has been collected and how it is repurposed is shared with the participating customers. The data gives the customers tangible statistics on their environmental record, which can be communicated both in their sustainability reporting and to the end consumer.

Fristads' open-loop recycling system.



Fristads' closed-loop recycling system – mechanical.



Climate goals & commitments.

Fristads is committed to taking real and meaningful action on global climate change. Our goal is to decrease our CO₂ emissions by 50% by 2030, in line with the UN target to limit global warming to 1.5°C to avoid the worst effects of climate change. To get there, we, via our owner Hultafors Group, joined the Science Based Targets (SBTi) initiative in 2023. The SBTi helps companies set science-based targets to reduce emissions and counter the climate crisis, with the goal to achieve global net-zero emissions by 2050.

In 2024, Hultafors Group's climate targets were officially validated and approved by the SBTi, confirming our commitment to climate action. Having these targets approved by the SBTi gives us a clear roadmap to achieving our goals, as well as accountability while we implement our climate transition plans across our organisation.

Reporting in Scope 1, 2 and 3.

Fristads' climate statement includes all emissions in Scope 1 and 2. Greenhouse gas emissions in Fristads' value chain are reported in Scope 3 and are categorised according to the GHG Protocol in 15 different categories. Not all categories are included in Fristads' reporting, for example waste management, employee commuting, downstream transportation and distribution, end-of-life treatment of sold products, and land related emissions.

Based on actual data.

In order to reduce our emissions, we need to understand where they originate from and base our actions on data. As part of developing an Environmental Product Declaration (EPD) for clothing, we have collected detailed climate data directly from our suppliers. This supplier-specific data generates more accurate results than averages and estimates within the diverse textile industry, which includes everything from fast fashion to workwear. With most of our main product categories now featuring products with EPDs, the amount of actual data from our production has grown significantly and the calculations in the Sustainability Report are now primarily based on actual activity data from our operations.

Scope 1

Definition

Refers to direct emissions from company-owned and controlled resources. Includes combustion of fuels in facilities and vehicles, cooling agent leakage from facilities and emissions from industrial processes and on-site manufacturing.

Target

50% decrease 2030
(Base year 2022*)



Scope 2

Definition

Refers to indirect emissions from the generation of purchased energy by utility providers. Includes consumption of electricity, district heating and district cooling.

Target

50% decrease 2030
(Base year 2022*)



Scope 3

Definition

Refers to indirect emissions that occur upstream and downstream in a company's value chain and are not included in scope 2. Includes purchases of goods and services from suppliers, such as raw materials and transports, as well as waste and products' end of life.

Target

50% decrease 2030
(Base year 2022*)



Our climate action in numbers.

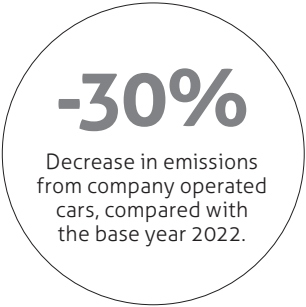
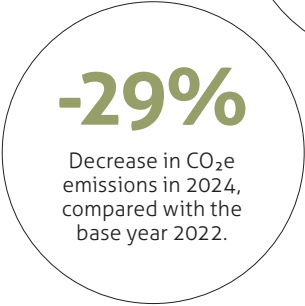
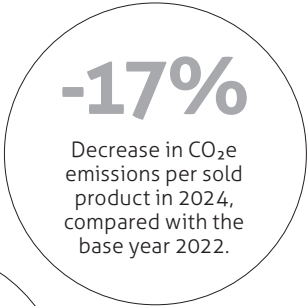
Fristads emitted 38,854 tonnes of CO₂e in 2024, which is a decrease by 29% compared with the base year 2022*. Most of Fristads' emissions – 98.2% – occurred in Scope 3, where the largest share is found in the Purchased goods and services category, causing 33,221 tonnes, or 86%, of the total emissions. This was followed by the category Transport and distribution at 4,802 tonnes of CO₂e, or 12%.

The emissions from the Purchased goods and services category increased by 28% compared with 2023. While the number of purchased products was similar, we purchased more heavier garments in 2024, which has likely added to the increase in emissions year over year. The heavier and bulkier garments also contributed to a 101% increase in emissions from the Transport and distribution category, as did greater reliance on air transport. In 2024, 74% of our emissions from Transport and distribution came from air freight. Disrupted shipments via the Suez Canal as well as the relocation of capacity from our factory in Eastern Europe to a supplier in Madagascar contributed to the increase in air transport.

Meanwhile, the emissions from Fuel use for own heat or electricity production has decreased by 60%. This sharp decline can be attributed to the use of actual data for the fuel consumption this year, while previous years the fuel consumption had been estimated. The emissions from Company operated cars have decreased by around 30% compared to 2022 and 2023, due to an increased usage of electrical and hybrid vehicles. On the other hand, the category

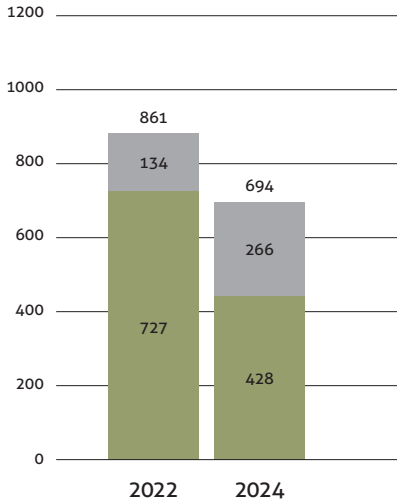
Energy use within facilities increased by 3%, mainly because fewer facilities reported using renewable energy in 2024.

Our CO₂e emissions per sold product are down by 17% compared with the base year, while emissions per full-time employee have decreased by 19%. We have also seen a reduction in CO₂e emissions per net revenue (tonnes of CO₂e/MSEK) by 30% since 2022.

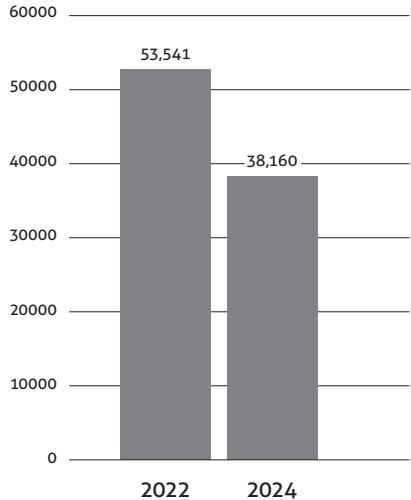


Emissions in tonnes CO₂e.

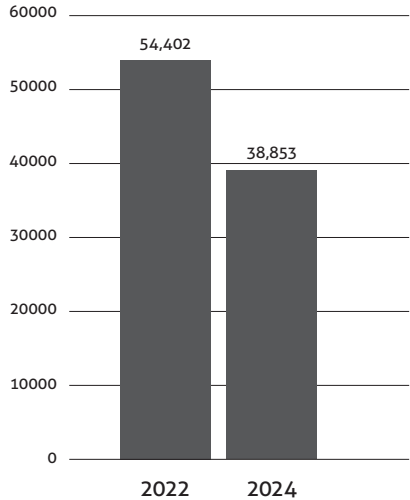
Scope 1 Scope 2



Scope 3

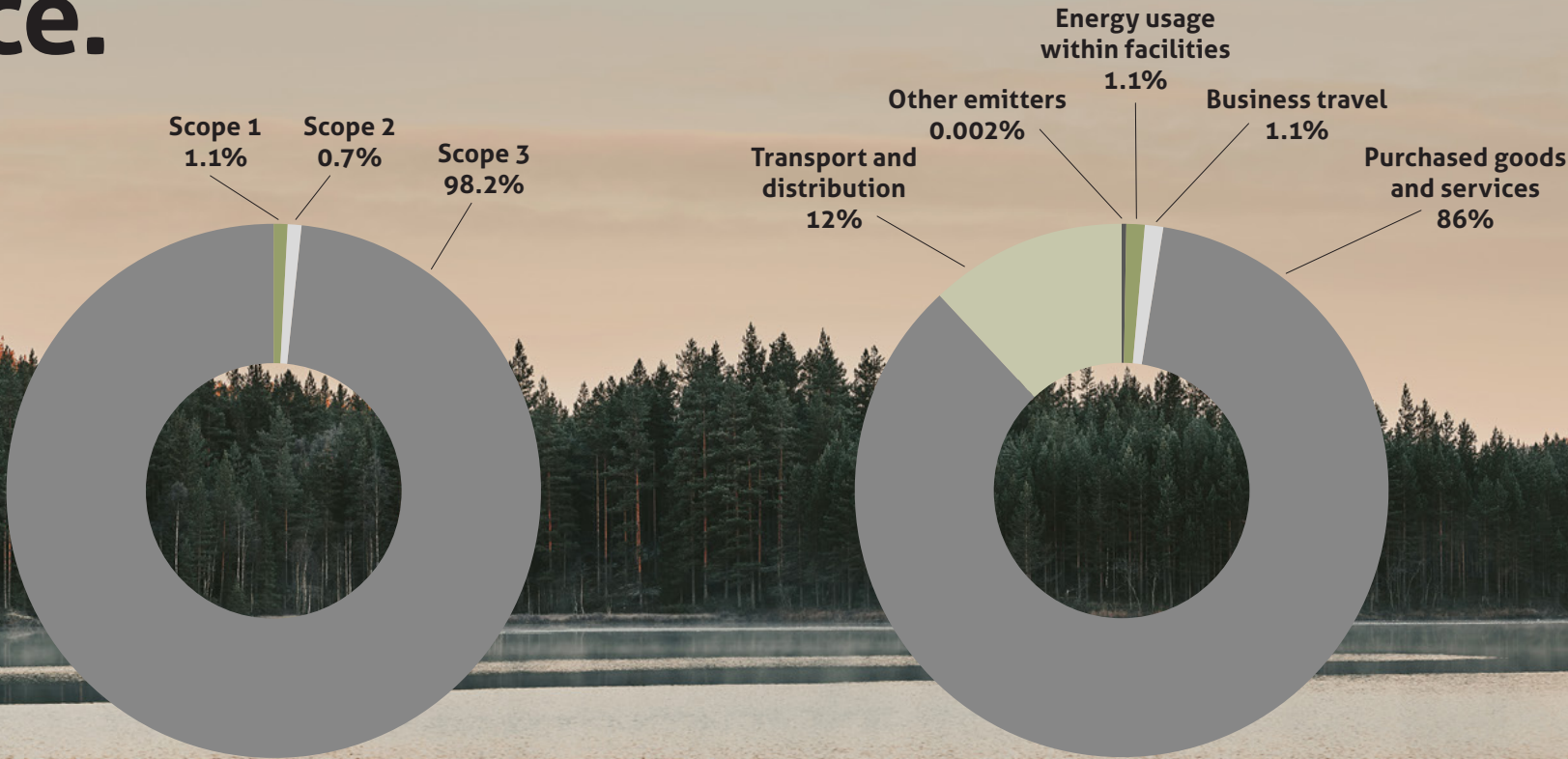


Total



34 * In 2023, Fristads' owner Hultafors Group joined the Science Based Targets initiative, which required us to change our base year to 2022. Previously, we used base year 2018 for Scope 1 and 2 and 2019 for Scope 3.
** Due to an error in the calculations of the 2022 CO₂ emissions in Scope 2, this figure was reported as 123 tonnes in the 2022 Sustainability Report.

Key climate metrics at a glance.



Emissions per scope

Share of emissions per category

Next steps to curb emissions.

We are determined to stay on top of our sustainability work and ensure that we hit our science-based targets. Going forward, these are some of the actions we are taking:

Increase share and sales of products with EPD or more sustainable materials.

Since a vast majority of our emissions emanate from the production of our workwear, this is where we need to focus most of our efforts. By transitioning our product range to environmentally declared products and products made of more sustainable materials, we can shrink the environmental footprint per product, which will also reduce emissions overall.

Intensify the sustainability work in our supply chains.

We will work actively with our suppliers and provide support in their transition to renewable energy sources, optimisation of production processes, and reduced energy consumption.

Choose suppliers with ambitious sustainability goals.

We will continue to consolidate our suppliers, only keeping those with the most ambitious sustainability goals, for example logistics partners using renewable energy.

Develop and scale up our sustainable service offer.

With a comprehensive sustainable service offer now in place, ensuring that our products are used to their full potential just got easier. We will continue to help our customers and partners reduce their impact by scaling up our sustainability services. While end-of-life disposal of our products is currently not a part of our climate reporting, having this system in place makes us well prepared for including this data in the future.

Use more sustainable transport methods.

We will continue to ramp up the use of High-Capacity Transports and take action to keep our air transports under 2%, in line with our target.

Push for more renewable energy.

We aim to further reduce fuel and electricity consumption in our own facilities. We also work to increase the share of electricity from renewable sources in our own facilities, as well as the share of the total energy use that is covered by renewable energy certificates.



Making a difference with Fristads Green.

As part of our work to lead the industry on sustainability, we aim to minimise the environmental impact of our products. We do this by growing our range of Fristads Green garments, which come with an Environmental Product Declaration and have a smaller water and carbon footprint than their conventionally produced counterparts. By the end of 2024, just over 18% of the products in our range had an EPD.

Here, you can see how the Global Warming Potential and Water Scarcity Footprint of a Fristads Green jacket in our Forsbo concept for the industry segment compare with a conventionally produced jacket.

Water Scarcity Footprint.

The combined environmental impact of the water consumption generated by the production of a garment, converted to H₂O equivalents.

Global Warming Potential.

The total amount of greenhouse gases emitted during the production of a garment, converted to CO₂ equivalents.



Conventional

Green jacket 4930 GWM		Jacket 4555 STFP	
Water Scarcity Footprint (H ₂ O eq.)	32,900 litres	Water Scarcity Footprint (H ₂ O eq.)	42,650 litres
Global Warming Potential (CO ₂ eq.)	10.2 kg	Global Warming Potential (CO ₂ eq.)	15.03 kg
Total savings with Fristads Green:			
Water Scarcity Footprint (H ₂ O eq.) (Equivalent to 122 showers*)	9,750 litres	Global Warming Footprint (CO ₂ eq.) (Equivalent to driving 24 km**)	4.83 kg
			

REACT

Broadening the scope of our sustainable offering.

Climate change is the greatest challenge of our time and at Fristads we are tackling the issue from multiple angles – from developing more sustainable materials and production methods to creating the infrastructure necessary to take care of our products when they have reached their end of life. We call all these efforts React, since they represent the ways that we respond to the climate crisis and encourage our customers to make more environmentally conscious choices about workwear.

React involves six different areas where we are trying to make a difference. The first three – Reduce, Rethink and Reform – encompass our efforts to develop more sustainable products. The last three – Repair, Reuse and Recycle – focus on our new sustainable service offer to extend the products' lifespan.



Reduce

Our environmentally declared products.



Rethink

Products made of closed-loop fibres.



Reform

Products made of more sustainable fabrics.



Repair

Facilitating repairs to extend the life of workwear.



Reuse

Giving discarded workwear a second chance.



Recycle

Finding new uses for old garments.



Our environmentally declared products.

Reduce encompasses our environmentally declared products, produced in a way that minimises the impact on the environment. Each garment comes with an EPD, an Environmental Product Declaration that is third-party verified and shows the garment's total impact on the environment, from construction and material choices to waste and transports.

Measuring is knowing.

Fristads, with the help of the Swedish governmental research institute RISE, was the first company to develop an EPD for clothing in 2019. Ever since, we have continued to add products with EPDs to our range, with the goal to offer environmentally declared garments in every product category. So far, we have produced Fristads Green garments for craftsmen and the service and industry sector, as well our high-vis and cold, wind and rain product segments. In 2024, we added a new industry product concept, Forsbo, where most of the products have an EPD.

What is an EPD?

An EPD measures the climate and environmental impact of a garment through a life cycle assessment covering four main areas: construction, material, production and delivery. The EPD is based on the standard ISO 14025 and is controlled and verified according to the requirements of the International EPD® System. The EPD certificates and reports can be downloaded from the individual product pages at fristads.com.

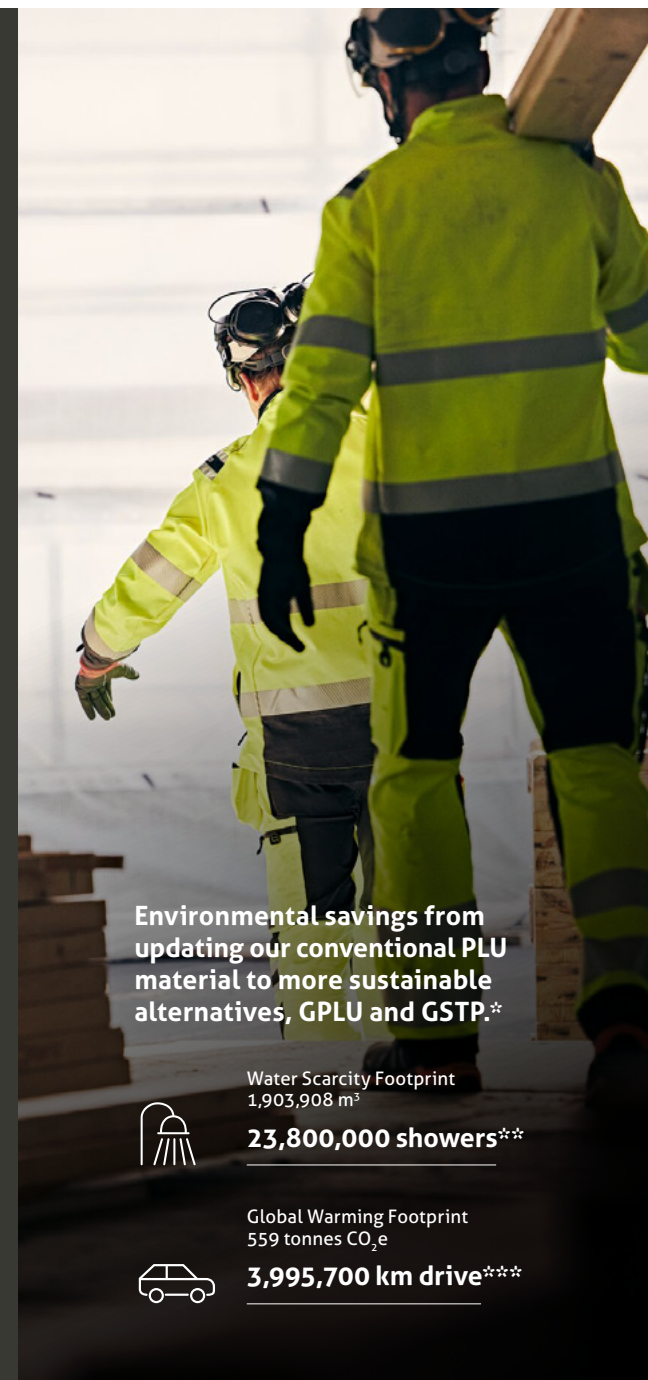


Green leaf.

Fristads Green garments with an Environmental Product Declaration have a hangtag with a green leaf to set them apart from the rest of our range and make it easier for our customers to make environmentally conscious choices when it comes to workwear. The green leaf can also be found next to the products on our website and on the actual garment.

Calculate the environmental impact of workwear.

Green Calculator is an online tool that collects data for our Fristads Green garments with an Environmental Product Declaration, along with comparable products from our conventional product ranges. By choosing which workwear you are currently using or would like to purchase, as well as the number of employees of the company, you can easily calculate the environmental impact of the garments. You are also able to see how much the CO₂e emissions and water consumption can be reduced by choosing Fristads Green products. Green Calculator is used by Fristads' partners, direct customers and end users, but also by our own sales team as an educational tool to increase awareness of the environmental footprint of workwear.



Environmental savings from updating our conventional PLU material to more sustainable alternatives, GPLU and GSTP.*

Water Scarcity Footprint
1,903,908 m³



23,800,000 showers**

Global Warming Footprint
559 tonnes CO₂e



3,995,700 km drive***



Products made of closed-loop fibres.

Rethink encompasses our products made of used workwear that has been collected, processed and turned into new fabrics. By reusing the textile fibres from used clothing for new products we lower the demand on virgin materials and reduce waste. The old workwear can be processed either through mechanical or chemical recycling and added to our products without compromising our stringent quality standards.

Green plant.

Fristads garments with closed-loop, or circular, materials have a hangtag with a green plant, to set them apart from the rest of our range and make it easier for our customers to make environmentally conscious choices when it comes to workwear. The green plant symbol can also be found next to the products on our website and on the actual garment.

Dutch customers choose closed-loop workwear.

Fristads in the Netherlands has long been in the vanguard for developing and scaling our circular workwear offering. Mail service provider PostNL and public transport company HTM are two of the customers that have embraced workwear made partly from recycled textile waste.

The Netherlands was an early adopter of EU's Extended Producer Responsibility (EPR) for textiles, implementing the legislation in July 2023. According to the country's mandatory targets for producers, 50 percent of all used clothing should be prepared for reuse or recycling by 2025 and of that, 25 percent should be recycled into new textile products. Fristads has followed the implementation of the EPR legislation closely and started working on circular workwear solutions well in advance of the implementation, in 2021 (read more on pages 30-32).

Certified recycling process.

HTM, a public transport company in the Hague region is the latest company to adopt Fristads' circular offering for their more than 2,000 employees. HTM's latest collection, which was developed in 2024, features a polo shirt made partly from recycled material from used Fristads workwear. The circular material is produced in a certified chain of custody process and helps cut waste and emissions, as well as reduce the demand for virgin materials. To increase the environmental savings even further, the company has opted to use an undyed fabric.

Another Fristads customer, the Dutch mail service and logistics company PostNL, has been using closed-loop material in their navy-coloured polo shirts since 2021. In 2024, they decided to expand their collection with a polo shirt in navy and orange, increasing their impact even further.

Fristads' first catalogue product made of closed-loop material – an undyed sweatshirt – demonstrates how using old garments to create new ones can significantly reduce environmental impact. With an Environmental Product Declaration, the sweatshirt reveals a 56% reduction in water scarcity footprint and a 44% lower global warming potential compared to a conventional alternative.*

"It's taken many years to develop our closed-loop recycling flow, but now that we have both a good supply of circular fibres and a light-knit product that we know is durable, the process is easy to replicate for other customers."

Hugo Vedder, Product Specialist at Fristads





Products made of more sustainable fabrics.

Reform encompasses our products made of more sustainable fabrics such as recycled polyester, organic cotton and plant-based materials, or by using more sustainable techniques. We are continuously replacing conventional materials in our existing products with more sustainable alternatives, and they are always our first choice when developing new products. Naturally without compromising the durability and quality of the final product.

Green square.

Fristads garments with more sustainable materials have a hangtag with a green “square,” or zigzag pattern, to set them apart from the rest of our range and make it easier for our customers to make environmentally conscious choices when it comes to workwear. The green square can also be found on the actual garment.

Making sustainability the fabric of our workwear.

The majority of Fristads’ climate emissions stem from the materials and services required to produce our garments. This makes the transition to materials with a smaller carbon footprint a key priority in our sustainability efforts. Our journey began in 2019 with the launch of our first workwear collection featuring an Environmental Product Declaration (EPD). Seeing the environmental benefits of switching to more sustainable materials, we started to systematically substitute the fibres in more of our products, even those without EPD.

From 1% to 31% of catalogue items in five years.

In 2020, only 1% of our styles were made using more sustainable materials, including garments with EPD. Today, that number has risen to 31%, with a target of reaching 50% by 2025. This progress was kick-started by the launch of two environmentally declared high-visibility collections in 2022. The garments in these collections feature innovative materials: GPLU, made from organic cotton and recycled polyester sourced from PET bottles, and GSTP, made from biobased fibres and recycled polyester. Both collections are entirely PFAS-free, further aligning with our sustainability goals.

Since the launch of the high-vis collections, our strategy has been for more sustainable materials to be our first choice whenever we develop new garments, whether they have an EPD or not. This, in combination with the systematic phasing out of older high-vis garments made of our PLU material and shifting sales to more sustainable alternatives, has helped us significantly reduce the environmental impact at the production stage – cutting water usage, lowering CO₂ emissions, and eliminating PFAS contamination.

“When we developed two new high-vis collections, we wanted materials with a smaller environmental footprint. Our customers committed with us and together, we moved the sales from the old high-vis collection to the two new ones.”

Lena Bay Højland, Product Director



Repair

Facilitating repairs to extend the life of workwear.

Even high-quality workwear can get damaged during work, especially when the garments are worn as long and used in as harsh conditions as ours. By offering repairs for our customers, we can breathe new life into damaged workwear instead of discarding the garments and buying new ones. Through our Repair service we fix minor damages and replace buttons or broken zippers, so that the life of the garment can be extended.

Small repairs, large impact.

The largest climate impact of workwear comes from the production of new fabrics and garments. By encouraging customers to use our Repair service, we can significantly reduce the need for new garments and, in turn, lower their environmental footprint.

At Fristads' Value-Added Service (VAS) department in Borås, Sweden, our seamsters and seamstresses have long repaired garments as part of our claims process. Whenever a damaged garment can be fixed and returned to the customer, that is always our first option, with replacement as the second.

With the launch of our full circular service offering in 2024, we have expanded repair opportunities to include garments not covered by claims. The service is a convenient complement for those of our customers who don't have their own repair solutions through local tailors. By offering a service that is fast, easy and reasonably priced, we hope to inspire more customers to embrace the potential of repairs.

Beyond the VAS department in Borås, where we handle repairs for Swedish and Danish customers, we've extended the Repair service to some of our largest markets. By partnering with local tailors in the Netherlands, Austria, Germany, and Finland, we've made it easier for customers across Europe to access repair services. Currently, these services are offered exclusively to dealers and contract customers, with trousers, jackets, and other heavier items being the most suitable for repairs.

26%

Share of all claims that were repaired and returned to the customer instead of replaced with a new product.

Garments that were repaired in 2024:



194
ZIPPERS



170
BUTTONS



77
SEAMS



Giving discarded workwear a second chance.

Discarding garments that are still fully functional does not make sense from an economic or environmental point of view and it definitely has no place in circular workwear production. That is why we are collaborating with our customers and other partners to reinvent the way we handle returns and preworn workwear, making sure that it can be used again.

Securitas makes the most of every garment.

Long-time Fristads customer Securitas was one of the first to try out our circular solution Reuse, which launched on a large scale in 2024. Reuse extends the life of workwear that still has potential, for example garments that have been used by seasonal employees.

The work to implement a Reuse solution for Securitas was accelerated last year, when the company updated their workwear collection. Sustainability was a key focus in the development of the new collection, with garments made from durable recycled polyester and organic cotton. To reduce the environmental impact of the new collection even further, the company embraced Fristads' complete circular offering and phased out the old garments incrementally. During this transition period, Fristads'

Reuse service made it possible to keep the old garments in rotation while the new collection was introduced. The service will continue with the new collection, helping Securitas breathe new life into old workwear.

By collecting used workwear and reconditioning it, we prevent garments from being discarded before they are worn out, which reduces waste, curbs emissions and decreases the demand for new material. Currently, the Reuse service is offered exclusively to contract customers. In addition to Reuse, Securitas has also chosen to use Fristads' circular sustainability services Repair and Recycle. Read more about Repair on page 42 and Recycle on page 44.

"It is particularly inspiring to work with a customer like Securitas, who shares our commitment to sustainability and sees the potential in reducing the environmental footprint of workwear."

Robin Wistemo, Key Account Manager at Fristads.

How Fristads' Reuse service works:

- 1** The customer collects used garments from their employees and prepares them for shipment.
- 2** Fristads coordinates the pickup of the packages and arranges the shipment to our Reuse partner.
- 3** The garments are sorted at the Reuse partner's facility. Items deemed unsuitable for Reuse are sent to open-loop recycling, ensuring that the material comes of use.
- 4** Garments selected for Reuse undergo a thorough reconditioning process where the garments are cleaned, checked for damages and repaired if needed. Then they are repackaged and prepared to be restocked.
- 5** The restored garments are shipped to Fristads' warehouse for storage and reselling to the customer through their web shop.





Finding new uses for old garments.

When garments reach their end of life, we want to make sure the material comes of use. Primarily, we look for solutions where the material can be used for other types of products, like furniture padding, construction material or filling for car interiors. Efforts to collect and recycle workwear are underway on several of our markets and involve both dealers and some of our larger direct customers.

Pioneering a sustainable model for workwear recycling.

Fristads is committed to creating a sustainable model for workwear recycling, involving collaboration with key stakeholders such as dealers and end consumers. In 2024, we partnered with Ahlsell, one of our most prominent Swedish customers, to explore what motivates consumers to recycle their used workwear. The insights from the trial will guide us as we continue our transition to a circular business model.

Through Fristads' Recycle service, dealers across all our markets can collect used workwear and give it a second chance via our recycling infrastructure. Ahlsell became an early adopter of this service, launching it in three of their stores – Gothenburg, Jönköping, and Norrköping. As part of the launch, Fristads supplied Ahlsell with

collection boxes for used workwear and provided dedicated training at our Viared headquarters for the employees overseeing the recycling process.

The impact of incentives on recycling rates.

Encouraging customers to return their used garments is crucial to a successful recycling program and this trial aimed to assess if the use of incentives can boost participation. In the Gothenburg store, customers were asked to recycle their workwear as an act of goodwill, while the other two stores experimented with offering various incentives. At the end of the initial six-month trial period, it was clear that the incentives had a positive effect on recycling rates. Additionally, we noticed a large increase in volumes when Ahlsell placed collection boxes at two of their business customers in Norrköping.

The recycling program accepts heavier workwear garments, such as trousers, jackets and sweatshirts, including those from brands other than Fristads. Once collected, Fristads' Recycle partner carefully sorts the items, identifying those suitable for recycling. After the collected workwear has been processed, Ahlsell receives a detailed report outlining the total volume collected, the percentage recycled and how the material was ultimately repurposed.

Given the positive response from Ahlsell, we have decided to extend the trial indefinitely.

"Our mutual driver is to contribute to a more sustainable society by being changemakers in our industry. Just like Fristads is leading the way on sustainability on the producer side, we at Ahlsell want to be at the forefront and offer sustainable solutions to our customers."

Pia Strömstedt Söderbergh, Product Manager PPE at Ahlsell



Give your
workwear a
second chance.

FRISTADS

371

Kilos of used workwear collected by Ahlsell through Fristads' Recycle program in 2024.

Tracking our footprint.

Our sustainability work aims to minimise our environmental footprint and maximise the positive impact that our business has on the people who are involved with our organisation. But to make progress we must systematically collect data, understand our impact, set science-based targets for improvement, and measure our outcomes.

We do this with the help of several organisations and initiatives that provide the necessary tools for our social and environmental corporate responsibility reporting. Through these organisations, data becomes a catalyst for real change.



STICA

Swedish Textile Initiative for Climate Action

Since 2018, Fristads has mapped its greenhouse gas emissions as a member of the Swedish Textile Initiative for Climate Action. STICA is a joint climate initiative for Swedish textile companies that focuses on reducing greenhouse gas emissions in line with the 1.5° C pathway, as defined in the Paris Agreement. Fristads' goal is to reduce emissions by 50% by 2030 compared with the baseline year of 2022.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets initiative.

In 2024, Fristads' owner Hultafors Group passed a major milestone, as the Science Based Targets initiative (SBTi) validated and approved the company's climate targets. That means Hultafors Group, including Fristads, is taking science-backed steps to achieve their ambitious climate goals and, in the long term, become a net-zero emitter of greenhouse gases. Being a part of SBTi gives Hultafors Group a clearly defined path to reduce emissions in line with the Paris Agreement goals and ensures accountability along the way. SBTi is a partnership between CDP, the UN Global Compact, WRI, and WWF, and is part of the We Mean Business Coalition.

worldfavor

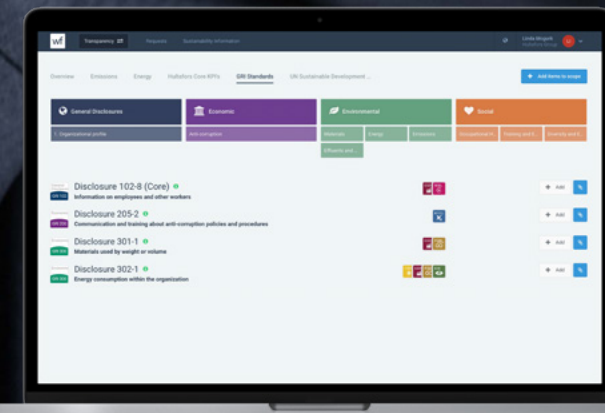
Worldfavor.

Worldfavor is an online platform that enables us to collect social and environmental sustainability data both from our own operations and our suppliers. The data helps us track and analyse our progress as we continue our work to cut our climate footprint by 50% by 2030. The Worldfavor platform is divided into two modules: Sustainability management and Sustainable sourcing. The Sustainability management module covers fuel consumption by company-operated vehicles, electricity consumption, district heating and cooling and renewable energy in Scope 1 and 2, i.e. in our own 14 facilities. The Sustainable sourcing module is used to collect and analyse social and environmental data from our suppliers and ensure that they sign mandatory agreements, such as our Code of Conduct, Restricted Substance List and verification of the origin of cotton.

ecovadis

EcoVadis

Fristads has a Silver rating from EcoVadis, the world's largest and most trusted provider of sustainability scorecards. The Silver rating is awarded to the top 6-15 % of the rated companies, with Fristads coming in among the top 10% among clothing producers. The maximum score on the EcoVadis platform is 100 and Fristads received a score of 68, which was well above the industry average of 48 at the time of our rating. EcoVadis rates companies on environmental, social and ethical risks in their operations, helping them understand the strengths and weaknesses of their sustainability work and how they can improve their practices.



Staking out a sustainable future.

In 2024, I took the helm as Sustainability Manager at Fristads, but in our organisation, working toward a more sustainable future has always been a team effort. Our work comes with great responsibility – and some challenges. Last year, the average global temperature exceeded 1.5°C above pre-industrial levels for the first time and several global records for greenhouse gas levels, air temperature and sea surface temperature were broken.

These data highlight the need for collective action – and that change must come fast. With a 29% reduction in CO₂e emissions since 2022, Fristads is on the right track. At the same time, we face a dilemma that is well known in the manufacturing business: when most of a company's emissions are associated with the production of products, growing the business usually translates into more emissions. This is where Fristads' sustainability work comes into the picture – providing a road map for keeping our company thriving both from an economic, social and ecological perspective. To succeed with this feat, we need to understand where our emissions come from, develop climate transition plans and, ultimately, cut our emissions by transforming our business.

This will require going after the low-hanging fruit as well as reviewing more complex processes, such as product development and production, even finding new, circular

business models. As we get ready to update our transition plan, it is all hands on deck, with all Fristads departments working on their targets and reporting regularly on their progress.

Naturally, sustainability is not just about climate change; it is also about keeping our air, soil and water clean. To that end, we made the landmark decision last year to incrementally phase out PFAS from all products in our range, including our flame-retardant garments. This decision comes at the heels of a years-long search for PFAS-free alternatives and after careful analysis of our users' needs. We now have a collection of PFAS-free workwear certified against chemical splashes in our range and look forward to eliminating these "forever chemicals" from our product range once and for all.

Fristads aims to take the lead on sustainability and want to drive real change in the workwear industry, but it is not a solo venture. By joining forces with our customers, suppliers and partners in the years to come, we can continue making meaningful progress together.

Lisa Rosengren, Sustainability & Raw Material Manager



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