



SUSTAINABILITY & CSR
ANNUAL REVIEW 2025



WE ARE IDEAL OF SWEDEN

At Ideal of Sweden, we believe that sustainability is essential for the future of our planet, and we are committed to doing our part in creating a better world.

We believe that by providing a motivational, safe and healthy workplace, with a fun and creative working atmosphere, we can meet any challenges and go that extra mile as a team.

We are inspired, proud of and humbled by the commitment of our stakeholders.



PEOPLE

We continue to contribute directly to goals 5, 8, 9, 10, 11 and 12. Equality (5) and decent working conditions, (10) social discrimination and economic growth (8) are important both in our production and our supply chain. Build a strong compliance (9) to promote sustainable industrialisation and encourage innovation. Responsible consumption and production (12) form the core of our practice for responsible marketing and our impact on society.



PRODUCT

Responsible consumption and production form the core of our products future, especially in this focus area. We take responsibility for the product's quality and environmental safety, we strive to develop sustainable products and offer variation of alternative that take the consumers interest into account.



PLANET

In order to work towards a sustainable future for the planet, it is crucial to prioritise goals such as access to affordable and sustainable energy (7), responsible consumption and production (12), and efforts to combat climate change (13). Recognising the impact that materials, production, and consumption have on the environment is essential, and it is therefore important for businesses and individuals to take responsibility for reducing their environmental footprint through sustainable practices.



→ 82%

Reduction in Scope 1 GHG emissions (tCO₂e) compared to 2024

→ 97%

Reduction in Scope 2 market-based emissions (tCO₂e) compared to 2024

→ 14%

Reduction in Scope 3 value chain emissions (tCO₂e) compared to 2024

IN LINE WITH OUR SUSTAINABILITY DEVELOPMENT GOALS

We at Ideal of Sweden, are committed to supporting the 2030 Agenda for Sustainable Development Goals (SDGs), as adopted by all United Nations Members. We have identified nine SDGs that are most relevant to our sustainability strategies.

To address these goals, we have organized our efforts into four key focus areas: People, Product, Planet, and Compliance. Under each focus area, we have established aspirational objectives, commitments, and targets that challenge us to continually improve and remain relevant in an ever-evolving world. Some objectives will evolve over time, while others aim to be achieved by 2028. Additionally, new objectives and goals may be added as we progress along this journey of sustainability and responsibility.

PRODUCT SAFETY

Safety is key to our sustainability strategy. We continuously improve product standards across the value chain to ensure they are customer-focused and health-conscious. We comply with legal requirements and stay updated on global regulations.

Ideal of Sweden products meet or exceed safety standards in all markets, voluntarily applying higher EU standards where necessary. We comply with EU REACH (EC) No 1907/2006 and the RoHS Directive (Directive 2011/65/EC) through regular testing and supplier compliance.

Our team conducts in-home objective user testing (HUT) to gather real-world performance data, identifying and addressing shortcomings.

As members of EcoVadis, we assess and improve our supply chain's environmental, social, and ethical practices based on international standards

USAGE OF RECYCLED MATERIAL* [WEIGHT]

| | | |
|------|---|-----|
| 2022 | → | 4% |
| 2023 | → | 37% |
| 2024 | → | 39% |
| 2025 | → | 45% |

58%

Recycled material* [WEIGHT]

Used in Ideal of Sweden
"Phone Cases"
2025



61%

Recycled material* [WEIGHT]

Used in Ideal of Sweden
"Bags"
2025



RESPONSIBLE MANUFACTURING

At Ideal of Sweden, we prioritize environmental protection, human health, and human rights. We strive to minimize our environmental footprint and carefully evaluate the impact of our operations. We are dedicated to upholding ethical standards and social responsibility. To ensure our commitment, we pursue international certifications such as SO 9001, ISO 14001, and ISO 45001, which set industry standards for quality management, environmental protection, and worker safety. These certifications help us meet regulatory requirements and uphold ethical practices.

We conduct yearly social audits with our factory partners to assess their performance in terms of social responsibility, ethical practices, and community impact. These audits promote transparency, accountability, and sustainability within our business and help identify areas for improvement.

We are continuously working to ensure ethical and responsible practices across all our factories. Our goal is for all production facilities to undergo and pass recognized social audits, such as SMETA, BSCI, or SA8000.

→ 80%

Ideal of Sweden's suppliers have been subject to a third-party social audit verification



COMPLIANCE

At Ideal of Sweden, we strive to uphold the highest standards of transparency, social responsibility, and environmental protection. We expect all partners, including suppliers and subcontractors, to comply with our Code of Conduct, reflecting our core values. We prioritize collaboration with ethically responsible partners who adhere to laws and regulations.

We maintain a zero-tolerance stance against bribery and corruption, fostering professional, fair, and ethical business conduct. Our whistle-blower tool, established since 2021, enables anonymous reporting of any suspected misconduct, with all complaints handled seriously.

To reinforce awareness and prevention, we aim to provide anti-bribery and anti-corruption training for employees, particularly those interacting closely with partners and suppliers. Our anti-fraud, anti-corruption, and anti-bribery policies are integrated into the onboarding process for new hires, and we regularly remind employees of these policies.

HUMAN RIGHTS

As a global company, we bear the responsibility of safeguarding human rights across our entire value chain. We adopt a risk-based approach to identify and address potential human rights risks, such as forced and child labor, especially among vulnerable groups like migrant workers.

Our continuous due diligence involves systematic risk assessment, proactive measures to prevent or mitigate risks, and transparent reporting in our Sustainability Report and to investors. Should any human rights issues arise, we collaborate with stakeholders to understand root causes and drive improvement.

We rigorously assess potential suppliers to ensure they meet our standards for labor practices, environmental sustainability, and ethical conduct, thereby fostering a responsible and sustainable supply chain. We prioritize ongoing improvement through employee training, supplier capacity building, and enhanced incident management processes.

CODE OF CONDUCT

The Code of Conduct applies to our entire value chain and all our partners need to comply with our Code of Conduct. The Code is a key part of Ideal of Sweden's ethical framework and illustrates what we expect from our suppliers and business partners; it sets out minimum requirements based on applicable laws and regulations as well as demands from our stakeholders.

The Code of Code is based on international standards such as the UN's Declaration of Human Rights, the principles of the UN Global Compact and the guidelines of the ILO (International Labour Organization), OECD (Organization for Economic Co-Operation and Development), as well as national legislation.

The Code is reviewed on an annual basis and can be easily accessed by our stakeholders and business partners through our website. In addition, the Code of Conduct forms a part of our contractual agreement with our partners. In relation to our manufacturing partners, a breach of our Code of Conduct is always considered as a material breach of the agreement and entitles us to terminate the agreement with immediate effect.

HOW WE OPERATE

At Ideal of Sweden, we believe that sustainability is essential for the future of our planet, and we are committed to doing our part in creating a better world.

We ensure that our production processes are safe for the workers and have minimal impact on the environment. We work closely with our vendors to continuously improve the processes and reduce waste and emissions. Our goal is to make sure that every product we make is not only stylish and functional but also sustainable and ethical.

To further reduce our environmental footprint, we are also working on optimising our packaging. We use recycled paper and minimal plastic in our packages, and we encourage our customers to reuse or recycle them. We are also using renewable energy and are looking into how we can optimise our water consumption.

We continue to research and implement innovative packaging solutions that help us balance bringing the best value to our customers and minimising our environmental footprint. Through engaging with various stakeholders, we have acquired and shared insights and new perspectives, a strategy that will help us deliver greater value, innovation and competition. We will continue to build on our strengths, connect with our costumers in ways that are meaningful to them, and remain dedicated to innovation and continuous improvement to reduce the environmental impact of our business and meet the demands of our customers.

Scopes 1, 2 and 3 based on the Greenhouse Gas Protocol standard, which is the global standardised framework to measure the climate impact of companies and organisations.

The Protocol measures:

- Scope 1: Direct emissions from our operations
- Scope 2: Indirect emissions from the energy that we buy
- Scope 3: Indirect emissions from upstream and downstream of our value chain

| Our emissions (ton CO2-eq) | 2022 | 2023 | 2024 | 2025 |
|-------------------------------|---------------|--------------|--------------|--------------|
| Scope 1 | 12 | 5 | 2 | 0 |
| Scope 2 | 17 | 18 | 17 | 1 |
| Scope 3 | 11 040 | 5 721 | 4 730 | 4 050 |
| Overview | 11 069 | 5 745 | 4 749 | 4 051 |

OUR EMISSIONS

At Ideal of Sweden, transparency is fundamental to our sustainability journey. In 2024, we transitioned to a new data partner to ensure our reporting aligns with the highest industry standards. This methodological shift resulted in a more precise restatement of our 2024 data, leading to a calculated increase of 1641 tonnes of CO2e compared to previous estimates.

For 2025, we are pleased to report a total emissions reduction of 681 tonnes compared to the restated 2024 baseline.

This progress is primarily driven by two key areas within Scope 3.1: Purchased Goods and Services. The reduction stems from operational optimizations, including lower OPEX-related emissions through the termination of specific service agreements, as well as improved supply chain efficiency. Specifically, we have seen slightly lower inbound volumes to our warehouses while successfully increasing the proportion of recycled materials within our product range.

By streamlining our operations and focusing on resource efficiency, Ideal of Sweden is ensuring a more sustainable and responsible path forward



ENERGY

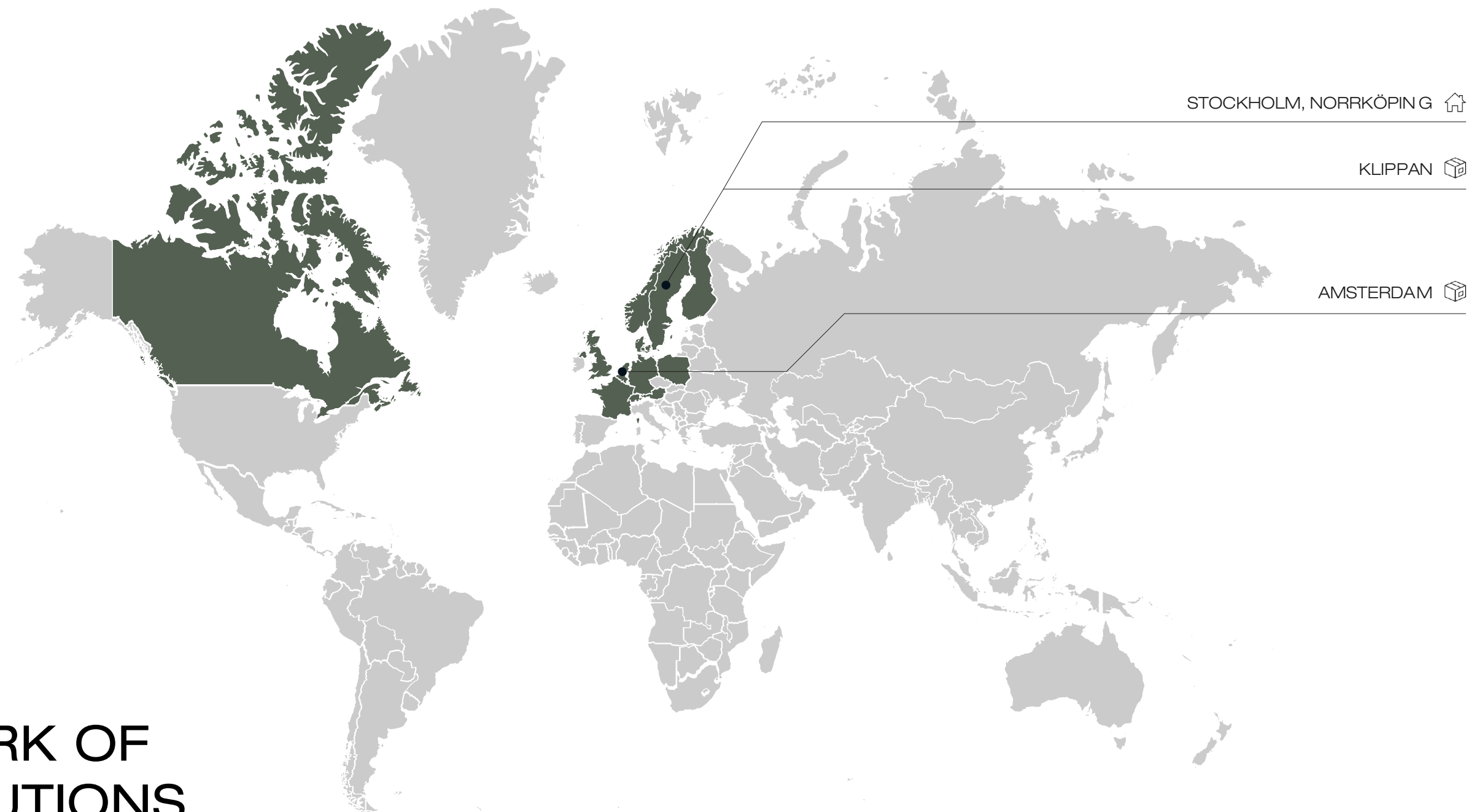
At Ideal of Sweden, we believe energy efficiency is crucial in reducing our impact on the climate and creating a sustainable future.

By focusing on reducing emissions from district heating, we can significantly contribute to mitigating climate change and creating a more sustainable energy system. This can be achieved by implementing technologies such as renewable energy sources, waste heat recovery systems, and improving insulation and efficiency of heating networks. These actions are crucial for transitioning into a low-carbon future and ensuring a healthier planet for future generations.

→ 100%

Renewable percentage
electricity

Our offices use 100% renewable electricity, and our Nordic warehouse 100% renewable energy sources (hydroelectric power).



NETWORK OF DISTRIBUTIONS

By optimising our last-mile deliveries, we at Ideal of Sweden aim to reduce carbon emissions and minimise the environmental impact of our operations, through business-to-business partners and e-commerce sales channels. We are committed to finding innovative and sustainable solutions to ensure our customers receive their orders in an eco-friendly manner.

TIER 1: CORE MARKETS

Sweden, Germany*, Netherlands*, Norway*, Finland, Switzerland, Denmark, Austria, France, Poland, Belgium, UK, Canada**

TIER 2: Emerging & Global

Japan, South Korea, UAE, Australia and 50+ additional countries with lower individual volumes.

**Main distribution markets*

PRODUCT DISPOSAL

At Ideal of Sweden, responsible product lifecycles are a high priority. Our ambition is to balance trend-forward design with a clear commitment to resource management and regulatory diligence.

We adhere to the WEEE Directive (2012/19/EU) for electronics and the Battery Directive (2006/66/EC) (BATT), ensuring that electrical waste and batteries are managed through authorized national systems. We also adhere to the Packaging and Packaging Waste Directive (94/62/EC) (PACK), focusing on the recovery and recycling of all shipping and product materials.

As the regulatory landscape evolves, we are proactively preparing for the Packaging and Packaging Waste Regulation (PPWR). Our teams are currently reviewing material efficiency and recyclability to ensure we meet these upcoming standards well in advance.

By collaborating with industry consultants, we aim to reduce our footprint and help our customers make informed choices. Our goal is to ensure that every Ideal of Sweden product is disposed of in a way that supports a more circular and sustainable future.

Our 2025 end-of-life analysis utilizes a weighted geographic model. By mapping our sales volume against the specific national recycling infrastructures of our main markets we have determined that 49.9% of our total material weight is diverted into closed-loop recovery systems. This approach provides a more precise reflection of our environmental footprint than general EU averages, acknowledging the high performance of the waste management systems we support through our national registrations.



End of life treatment
[weight]

→ 49.9%

Closed-loop

→ 45.0%

Combustion

→ 5.1%

Open loop

COMMUNITY ENGAGEMENT

We believe in the freedom of personal expression and that everyone should be treated equally. We stand firmly against any form of discrimination based on sexual orientation or gender expression. For some time now, we've had the honor of working alongside Regnbågsfonden, championing their incredible mission of promoting love, acceptance, and equality for all. Regnbågsfonden works to establish full human rights and democratic freedoms for LGBTQIA+ individuals, particularly in regions where they face discrimination, harassment, or persecution by authorities, police, or religious institutions. The foundation also collaborates with other organizations and provides financial support to advance this cause.

As part of our 2025 partnership, Ideal of Sweden donated 3 EUR per product sold under this campaign. As a result, over 100 000 Swedish Crowns was contributed to support the vital work of Regnbågsfonden.



BRÖSTCANCERFÖRBUNDET

In addition to our work for equality, we are supporting women's health and the fight against breast cancer.

This year, we launched a dedicated "Awareness Collection" in close collaboration with Bröstcancerförbundet.

This collection was designed to raise both awareness and vital funds for research and support for those affected. For every article sold from this special assortment, we donated 3 EUR directly to the foundation.

We are proud to share that this initiative generated 75,000 SEK, contributing to the essential work of advancing breast cancer research and providing support to patients and their families.