

Acne Studios

Sustainability report

FY 2024/2025



Contents

Introduction	4
Our approach to sustainability	6
Sustainability strategy	9
Our collections	11
— Design for longevity	12
— Preferred materials	16
— Low impact production	21
Our partners	25
— Strategic partnership	26
— Traceable supply chain	31
— Protecting workers’ rights	36
Our impact	42
— Reduced climate impact	43
— Circular packaging	53
— Towards zero waste	56
Our workplace	59

Annex 1:	
Acne Studios preferred material classification	64
Annex 2:	
Low-impact production verification tool	66
Annex 3:	
Country risk assessment tool	67
Annex 4:	
Social supplier timebound action plans	68
Annex 5:	
Social country risk assessment for tier 4	72
Annex 6:	
Detailed Climate Footprint Results FY 24/25	73
Annex 7:	
Acne Studios Circular Packaging Policy	74
Annex 8:	
GHG protocol scope 3 overview	75

Introduction

This year marks our first as a certified B Corp and reflects our continued pursuit of our long-term sustainability commitments. Reviewing our performance, we are pleased to see consistent results and positive progress in all our focus areas. A major achievement was the rollout of Digital Product Passports (DPPs) across our entire collection, enabling us to disclose traceability details and preferred material use at product level.

Key insights

Integration of our climate roadmap has been a key focus this year. With a strengthened governance structure and dedicated working groups, the roadmap is now embedded in our daily operations and business plan. By updating the base year and aligning our methodology, we can confirm a 22% absolute reduction in total Greenhouse Gas (GHG) emissions compared to our baseline. This demonstrates that our decoupling strategy is delivering tangible results alongside strong financial growth.

Our commitment to the use of preferred materials advanced significantly, with 78% of our total collection weight now consisting of preferred sources and 92% of styles containing some preferred materials. We also continued to enhance visibility in our supply chain and have achieved near-complete traceability for every production location involved in making our products and materials. For around one-fifth of our raw materials, we now have visibility down to the cotton or animal farm - a major improvement from the previous year.

Social responsibility remained strong, with Fair Wear recognising us as a leader for the eleventh consecutive year. 75% of our orders were placed with factories paying living wages or national Collective Bargaining Agreement (CBA) levels. Feedback collected from our product suppliers showed that 97% view Acne Studios as a reliable business partner, reflecting that our goal to foster long-term, strategic partnerships is succeeding.

Finally, we continued to advance circularity by focusing on product longevity. All product and design teams participated in workshops on designing for longevity, advancing the lifecycle thinking from the earliest design stages. At the same time, our commercial and quality teams streamlined global repair services, reinforcing our commitment to extending our product's life span.

Digital Product Passport (DPP)

The launch of our DPP across the full collection represents an important step forward in data transparency. This initiative required several updates to our PLM systems and routing processes. Through the DPP, we now disclose the country of origin, preferred material use, and other relevant product data, aligning with French AGECL legislation and preparing for upcoming EU requirements. This digital infrastructure not only aims to enhance consumer trust but also strengthens our internal readiness for future regulatory developments.

Progress Challenges

Despite strong progress, we also faced certain challenges and strategy adjustments. We decided to postpone making our Double Materiality Assessment (DMA) as the timeline for CSRD legislation shifted, and we decided to pause our project exploring alternative business models such as resale. Our extended climate screening also revealed that emissions from new store constructions are significant and need to be included in



our climate strategy going forward. Within our Preferred+ strategy, we experienced slower progress in sourcing regenerative wool and a drop in the share of recycled materials. Our low-impact production process tool was updated but it remains complex to implement broadly across all categories. These experiences have reaffirmed the importance of building long-term, strategic partnerships with our material suppliers.

Outlook

Looking ahead, we remain committed to further integrating sustainability across all areas of our business. As a B Corp, we are dedicated to balancing business success with social and environmental impact, and we aim to strengthen this commitment across our global operations as we prepare for recertification next year. As part of this process, we will complete our DMA and consolidate our existing policies and stakeholder engagement strategy. This year marks the final time we report under our current framework.

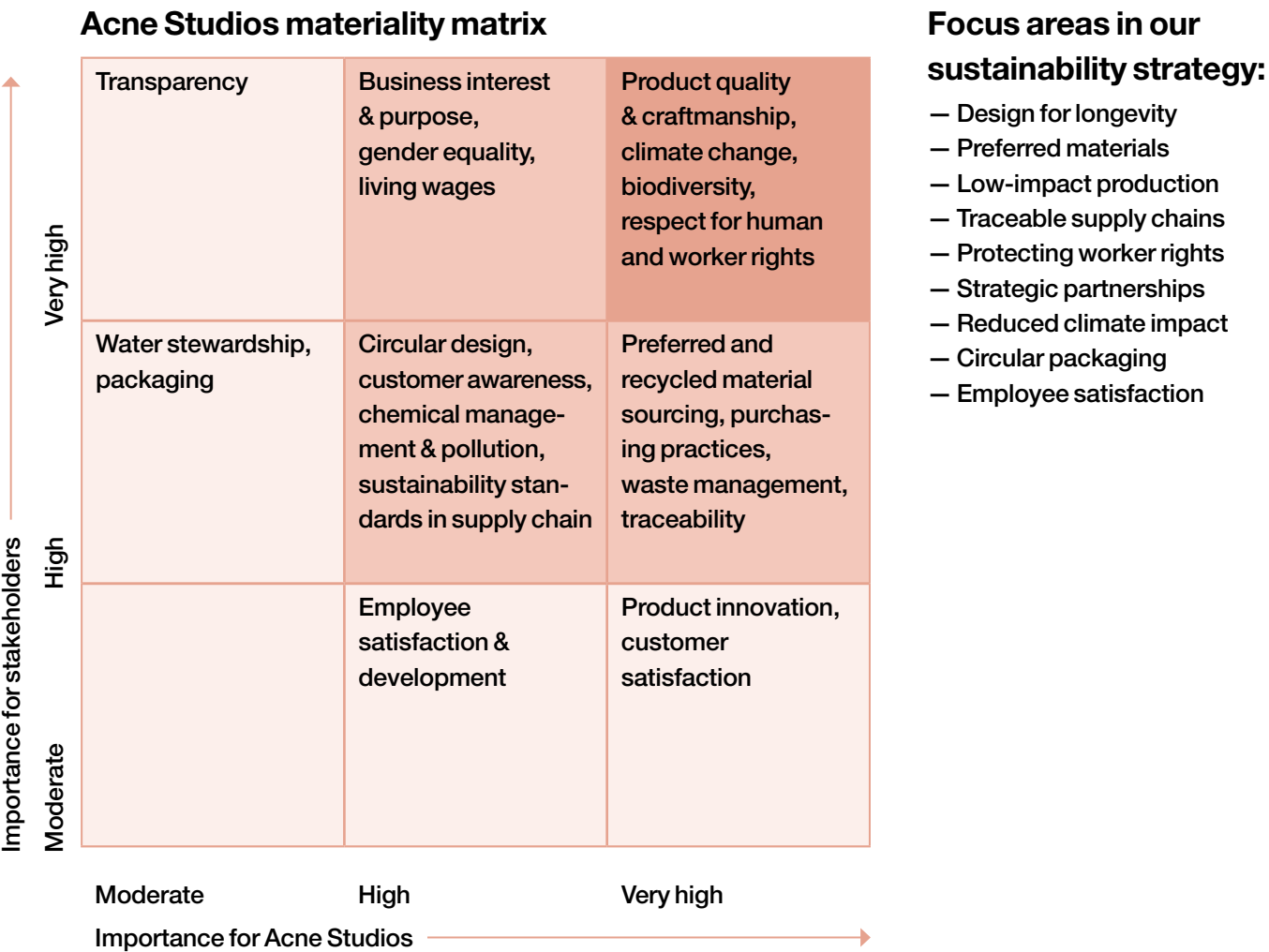
From next year, our sustainability reporting will align towards the European Sustainability Reporting Standards (ESRS). As we continue our journey as a purpose-driven B Corp, we look forward to further deepening our understanding of how to balance business performance with benefits for people and the planet.

Our approach to sustainability

Our fundamental mission is to be a luxury house significant for our times. We are now in more challenging and unpredictable times than ever. There is an urgency to reduce global GHG emissions and to end the rapid loss of biodiversity. Global political instability requires us to have a more holistic approach to our business strategies, one that is firmly anchored in our beliefs and values. Significant for our times means for Acne Studios to be courageous and creative within the planetary boundaries, and to put sustainability at the core of what we do.

Materiality assessment

To define Acne Studios sustainability strategy and key priorities, we continuously evaluate the sustainability challenges that are most relevant for our industry, our stakeholders, and our business operations in a materiality assessment. This is done by creating a list of relevant issues throughout our value chain based on interactions with stakeholders and major industry benchmarks. We select and prioritise these topics based on their impact on our economic, social and environmental performance, and their level of importance for society and our stakeholders. The result of the materiality analysis is integrated into our sustainability strategy and the importance of issues is reflected in the ambitions of our long-term targets.



Stakeholder engagement

Many people and organisations influence or are influenced by the choices we make as a company. The ‘stakeholder interactions chart’ shows our most important stakeholders and how we interact with them. Our stakeholders are not limited to those listed; we also maintain contact with educational bodies, students, trade associations and media. Our cooperation with other brands, civil society and policy makers is often part of our involvement in multi-stakeholder industry initiatives. Our stakeholders’ input on environmental, social and governance issues is key to continuously refine our sustainability priorities.

Collaboration in multi-stakeholder industry initiatives is an effective way to stay up to date on developments, share knowledge, exchange points of views, and ultimately to change the industry for the better. The input from these initiatives is an important contribution to our continuous materiality assessment. This overview lists all industry initiatives we take part in and the focus areas they relate to.

Stakeholder interactions	
Consumers	In store communication, social media engagement, newsletter information and customer service.
Wholesale Partners	Dialogue on sustainability strategy and progress, regular verification of product communication.
Colleagues	Seasonal CEO meeting, internal workshops and intranet.
Suppliers	Worker complaints procedure, supplier audits and management & worker trainings.
Business partners	Dialogue on sustainability strategy and progress, and surveys.
Industry initiatives	Digital and in person meetings, industry group roundtables, surveys and partner collaborations.
Other brands	Collaboration in mutual projects and Information sharing.

Industry initiatives & memberships	Focus areas
B Corp Certification	All
Fédération de la Haute Couture et de la Mode (FHCM)	All
Teko – Sveriges Textil och Modeföretag	All
Swedish Shoe Environmental Initiative (SSEI)	All
SFA Learning & Innovation Network	Legal compliance
Textile Exchange	Preferred materials Traceable supply chains
Good Wool Collective	Preferred materials
Fair Wear Foundation (FWF)	Protecting workers’ rights Traceable supply chains
Italy Fashion Working Group (IFWG)	Protecting workers’ rights
Scandinavian Textile Initiative for Climate Action (STICA)	Reduced climate impact
STICA+	Preferred materials Low impact production
Leather Working Group (LWG)	Low impact production Traceable supply chains
Chemical Group at Rise	Low impact production

Sustainability governance

This year, we have strengthened the governance around our sustainability commitments to further clarify ownership across the key focus areas we aim to prioritise. As part of this effort, we have launched a Sustainability Steering Group within our management team. This group will meet at least two times per year to review progress, align priorities and allocate necessary resources. The steering group provides feedback to the Board of Directors at least annually and receives input from them on the company’s overall sustainability direction. To support the steering group and drive implementation, we have identified key areas, each with a dedicated action group or cross-functional collaboration:

- B Corp Certification: A working group with our sustainability, people, and finance teams is responsible for coordinating efforts related to our B Corp certification and ensuring alignment with our broader sustainability approach.
- Climate Roadmap: Senior representatives from key departments form our internal *Climate Steering Group* together with separate working groups. It oversees the implementation of our climate reduction targets.
- Product & Design (P&D) Sustainability: Led by our Chief Product Officer in collaboration with the sustainability team, this group focuses on driving progress within our product development process and supply chain – areas that represent the majority of our environmental and social targets.
- Retail Sustainability: A newly established area aimed at formalising our sustainability efforts within retail operations and development, with the goal of strengthening our B Corp commitments and reducing the climate impact when developing new stores.
- Sustainability Communication: Anchored within the marketing and communication department, this focus area ensures that our sustainability efforts are communicated consistently and transparently in line with legal and B Corp commitments.

- Reporting and Compliance: A finance, legal, and sustainability team led collaboration to ensure reporting in line with legal requirements and relevant standards. This area also supports proactive compliance with emerging sustainability-related regulations.
- People Engagement: A collaboration between worker representatives and the people and management team to actively address employee feedback, strengthen workplace culture, and ensure a safe, inclusive, and supportive environment.
- Data Management: With the growing importance of sustainability data, our IT department has become crucial in supporting sustainability-related projects. This includes allocating resources and capabilities for data handling and analysis.



Sustainability strategy

Creative manifesto

The baseline for our sustainability strategy is our creative manifesto. It represents our shared values and defines a set of principles which are guiding us towards our sustainability targets.

Progress through creativity

- **Design lasting icons.** Create desirable products that stand the test of time with considerations for their entire life cycle.
- **Create with impact in mind.** Choose quality materials and solutions consciously to minimise environmental impact.
- **Strive for progress together.** Build partnerships with suppliers that share our sustainability values for people and nature.
- **Be curious and honest.** Implement a culture of transparency and learning within our supply chain and towards our customers.
- **Act on climate.** Adapt our business model to reduce the carbon footprint across our operations in line with climate science.



Progress overview

Our sustainability strategy is built around four core pillars: our collections, our partners, our impact and our workplace. Within these, we have targets across ten focus areas, all working together to drive our vision for creativity.

The strategy is designed to enable a transparent verification, both internally and externally, on the result of each target. Below table presents this year’s key progress towards our long-term targets as well as the result from the previous year.

Key progress overview FY 24/25				
	Focus	Long-term target	Key progress FY 22/23	Key progress FY 24/25
Our collections	DESIGN FOR LONGEVITY	100% of our collection designed according to our longevity principles by FY 30/31	Conducted a wardrobe study on product use patterns and created a design for longevity evaluation tool	Held longevity workshops with all employees in the product and design department and launched global repair kit for all stores
	PREFERRED MATERIALS	100% use of preferred raw materials in our collection by FY 26/27	70% of our collection made in preferred raw materials and launched new preferred+ material strategy	78% of our collection made in preferred raw materials and 92% of styles made with at least some preferred material
	LOW-IMPACT PRODUCTION	100% use of low impact processes in production by FY 26/27	20% of collection made with low-impact processes and over 70% of production covered by our supplier environmental questionnaire	35% of products made with low-impact processes and 60% made with at least one low impact process
Our partners	STRATEGIC PARTNERSHIPS	>50% of order value with suppliers that share our sustainability ambition by FY 26/27	35% of order value with product suppliers scoring high in our sustainability evaluations, and implemented responsible business conduct policy	40% of orders at product suppliers scoring high in our sustainability evaluations, and 97% of supplier states Acne Studios is a reliable business partner
	TRACEABLE SUPPLY CHAINS	100% traceable supply chain down to raw materials by FY 26/27	100% tier 1 and 91% tier 2 traceability aswell as 67% tier 4 country of origin verification, all documented in new PLM set-up	100% tier 1, 99% tier 2, 38% tier 3 and 18% tier 4 traceability, and launched Digital Product Passports
	PROTECTING WORKERS’ RIGHTS	100% monitoring of workers’ rights across our supply chain by FY 26/27	Leader in social responsibility as verified by Fair Wear and 68% orders at factories paying living wages or above national CBA levels	Leader as verified by Fair Wear, 99% of supply chain monitored by new social questionnaire and 75% payment above living or CBA wages to workers
Our impact	REDUCED CLIMATE IMPACT	50% absolute reductions of scope 1, 2 & 3 emissions by FY 30/31 vs. FY 20/21	Reduced total GHG emissions with 16% to base year FY 20/21	Reduced total GHG emissions with 22% to base year 7% to previous year and launched climate steering group
	CIRCULAR PACKAGING	Circular packaging across all our operations by FY 26/27	54% of Acne Studios packaging made in recycled paper and introduced reuse of returned e-com packaging	63% of Acne Studios packaging made in recycled materials and introduced FSC logo and promotional license for our packaging
	TOWARDS ZERO WASTE	Reducing, reusing and recycling of waste across all our operations by FY 26/27	–8% annual net stock balance of pieces produced vs. sold and created strategy for left-over fabrics	93% of facilities recycle their main waste, opened warehouse for leftover fabrics and measured circularity performance at our fashion shows
Our workplace	PEOPLE ENGAGEMENT	Enable employee engagement score above 80% by 2028		77% of employees claims to feel positively engaged with Acne Studios

Our collections

We are what we create, from our women’s and men’s ready-to-wear, to our iconic denim, footwear, and leather goods. Every decision we make when designing, producing and presenting our collections should be taken with sustainability in mind. We want to create lasting icons through intentional ‘Design for Longevity’, by choosing preferred materials and by using low-impact production processes. The following pages provide information on how we achieve this.



Design for longevity

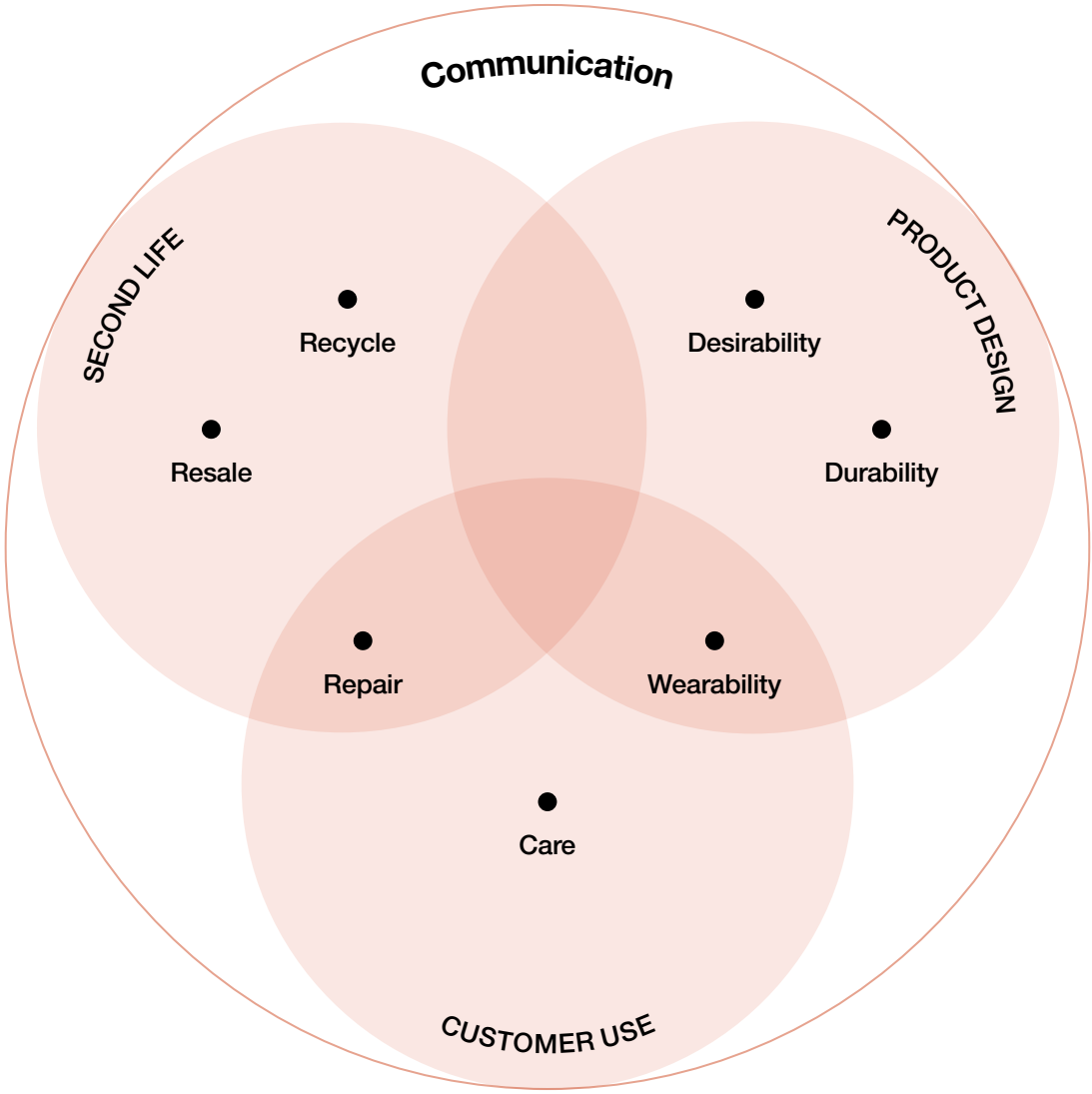
Target: 100% of our collection designed according to longevity principles by FY 30/31

Key progress: Performed longevity workshops with all employees in P&D and launched global repair kit for all stores

Ensuring longevity of our products is the most important action to reduce our environmental impact. Designing for longevity means to consider the entire lifecycle of a product, including how it is used, cared for, repaired, passed on, reused and, ultimately, recycled at the end of its life.

Our current way of working offers a solid foundation. We create products that are highly desirable to our customers, we carefully choose our materials and constructions, and we have strong quality control processes in place. However, to capture and enable longevity in the entire lifecycle of our products, we need to strengthen and include more considerations.

We have developed design for longevity principles with topics and questions that should be considered when we create our products. By embedding these principles in our processes and by increasing our understanding of customer behaviour, we aim to secure that our products are fully designed for longevity.



Acne Studios design for longevity principles

Design for longevity principles

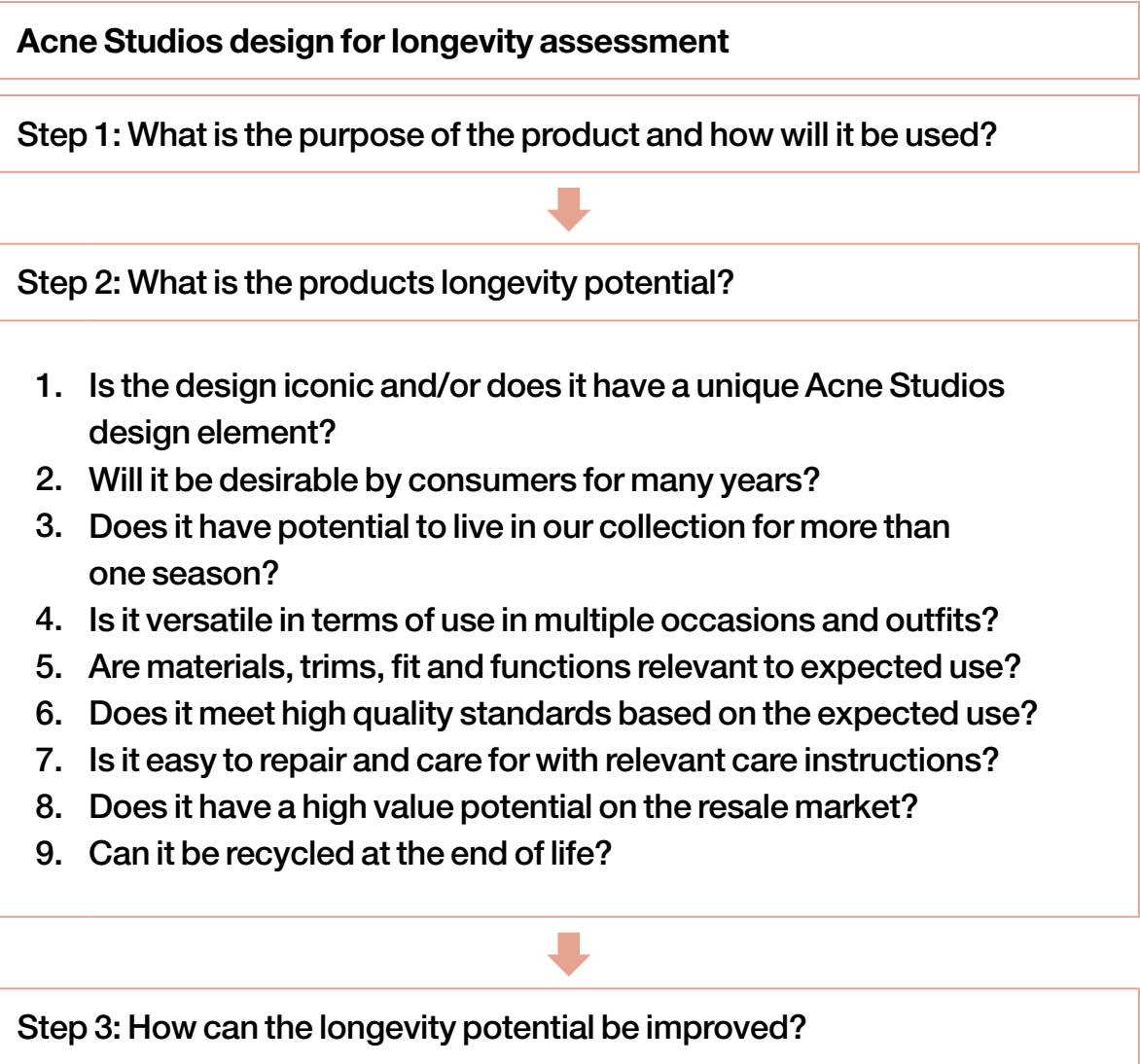
Progress	Performed longevity workshop with all employees in P&D
Next steps	Establish routines for regular product longevity assessments

This year, we organised half-day workshops in our Paris and Stockholm offices with the entire product and design team. The workshops aimed to deepen our understanding of what it means to design for longevity and to broaden our perspective to include consumer use and needs when developing new products. They also served to establish a shared understanding of our longevity principles — for example, what “versatile” and “desirable” mean, as this can vary between individuals.

During the workshops, we defined the intended purpose and typical usage of several products from our current collection and evaluated their longevity potential using nine questions from our assessment criteria. Each question was answered with a simple Yes or No, with the overall result indicating the product’s potential for longevity.

One key takeaway was that many of our products already show strong longevity potential and that these often tend to be our bestsellers. This indicates that customers are more likely to invest in products designed for long-term use. The evaluation also revealed that some products scored lower due to factors such as inadequate fit for the purpose or an overly seasonal design. These insights are valuable in guiding future design developments from both a commercial and sustainability perspective.

Looking ahead, we plan to establish routines for regular longevity evaluations throughout the product development cycle. These recurring check-ins will help ensure continuous improvement and, step by step, enable all our products to achieve high longevity potential.





Product durability

Progress 0,08% of annual customer claims share

Next steps Continue with long-term weartest evaluations

We want to assure that our products live up to our high-quality standards and can stand the test of time. We have several quality measures integrated into our development and production processes and follow up on customer feedback and claims. In terms of claims, we updated our methodology to only cover claims from customers and landed in an annual claims share of 0.08% out of the annual sales quantity, which is lower than last year.

In our extensive wear test program, hundreds of samples are wear-tested every season to gather feedback on materials, trims, and constructions before they go into production. We also include questions from our longevity assessments, for example on product versatility and desirability, to capture broader insights alongside feedback on functionality and physical durability. This year, we introduced long-term wear tests for key categories such as scarves, denim, and bags. These products will be used regularly for up to one year to assess physical durability, functionality and fit. We will evaluate the results continuously throughout next year. Our aim is to expand these long-term assessments further to strengthen our quality standards and support our ambition to design for longevity.

Care and repair services

Progress	Launched global spare parts kit in all stores
Next steps	Identify and implement global repair tool

This year, we have taken important steps to align and strengthen our global care and repair services across all sales channels and stores. In close collaboration with our Omni Client Services and Quality teams, we introduced a global spare parts kit — now available in all stores and offices — containing the most needed components and a selection of seasonal spare parts. This has significantly improved our client-facing teams’ efficiency and clarified our service offer. The kits are updated seasonally and refilled as needed to ensure fast, efficient customer support.

We also streamlined our quality claims routines by creating our first localised official warranty policy, which contributed to creating consistent guidelines across all markets. In parallel, we mapped our network of local repair shops worldwide and started to develop a repair manual to ensure that repairs meet Acne Studios’ standards. To further improve turnaround times for more complex repairs, we have nominated key repair centers in China, Japan and the US, avoiding unnecessary returns to suppliers.

To support long-term product care, we provide advice through care cards, product labels, and in-store guidance. Our online care guide, available in five languages, is also featured on our Digital Product Passport (DPP) that was launched this year. We aim to update and expand the care guide on a recurring basis, and the next update will be finalised within 2025.

For next year we are targeting to identify and implement a global repair platform, which will digitalise and enhance accessibility of our repair services, improve tracking, produce more data and insights around repairs, and offer a clearer view of the repairs and alterations we provide for our customers.

Product recyclability

Progress	> 44% of collection suitable for fibre-to-fibre recycling
Next steps	Increase recyclability and prepare for EPR legislations

Recyclability is a key parameter in our design for longevity approach. Currently we assess that at least 44% of our collection volume is technically recyclable into new fibres, which is a share similar to last year.

We define recyclable items as those made from 100% wool, cashmere, polyester, or more than 95% cotton. Products containing plastics, heavy prints, or trims that hinder recyclability are excluded. We have taken a conservative approach, as the textile recycling industry is still developing. One exception is five-pocket denim, which we include as recyclable based on industry input indicating that upper parts with trims can be separated during processing.

We welcome the EU’s Extended Producer Responsibility (EPR) directive, which we see as essential for developing the infrastructure and incentives needed to advance textile recycling. We are also a member of ReFashion in France. We recognise that recyclability depends not only on product design but also on effective collection and sorting systems. Our definition of recyclability will therefore continue to evolve as technology, legislation, and infrastructure progress.

Looking ahead, we aim to further integrate recyclability into our design for longevity evaluations, closely follow the implementation of EPR legislation in our markets, and continue our dialogue with textile recyclers to enhance the recyclability of our products.

Preferred materials

Target: 100% use of preferred raw materials in our collection by FY 26/27

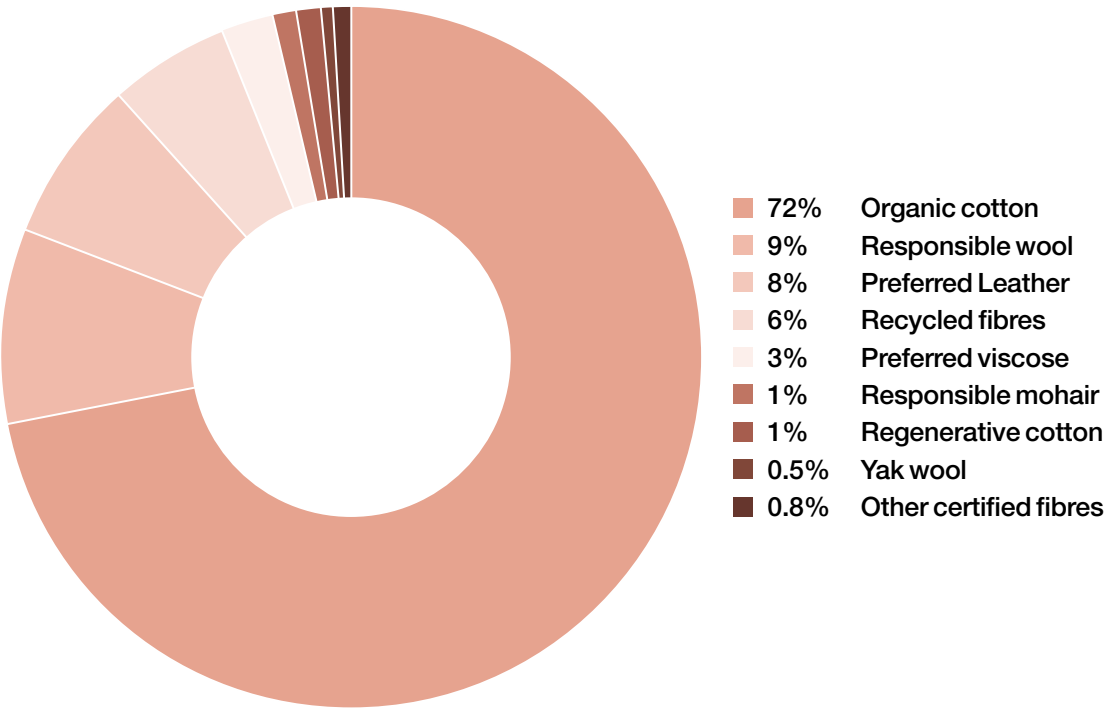
Key progress: 78% of our collection made in preferred raw materials

We carefully select each material in our collection based on its look, quality, and sustainability performance. Because raw material production has significant environmental and social impacts, we prefer those that are verifiably more sustainable in terms of biodiversity, climate, animal welfare, and human rights. Our raw material classification tool, presented in Annex 1, defines which materials we consider *Preferred* and forms the foundation of our long-term materials strategy. Over the past years, this approach has guided our sourcing decisions and supported continuous improvements in our material use.

To further strengthen our approach, we have introduced *Preferred+* to our classification tool. It represents the next step in our strategy and places special focus on reducing the climate and biodiversity impact of raw materials. We do this by prioritising innovative, regenerative and recycled materials.

Preferred Material Breakout

Share of FY 24/25 Weight (kg)



Key highlights

- 90% of cotton is certified organic
- 74% of wool is RWS certified
- 99% of mohair is RMS certified
- 90% of leather meets our preferred criteria
- 62% of viscose is FSC certified

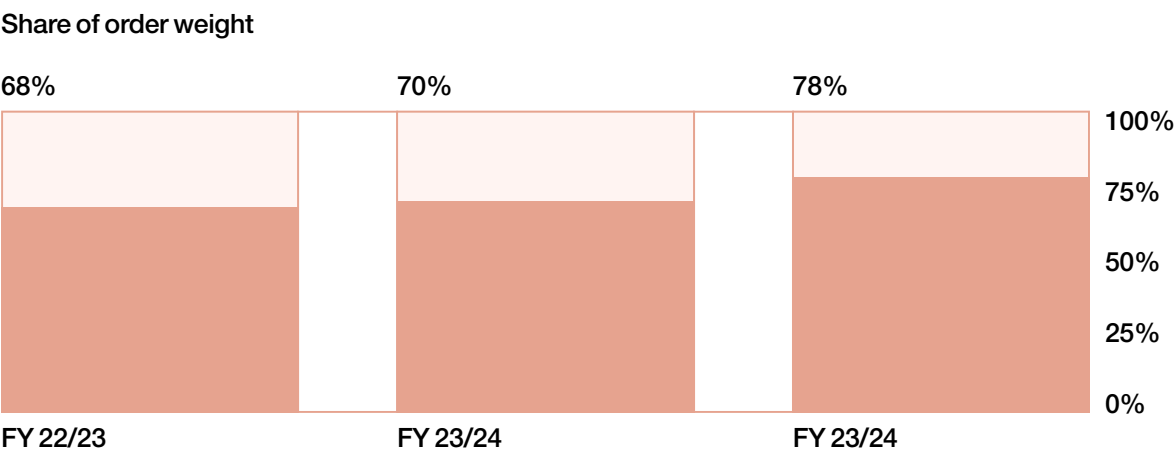
Preferred materials progress

Progress	78% of collection made in preferred materials
Next steps	Establish preferred continuity materials in our collection

The share of preferred materials increased again this year, reaching 78% of our total order weight, up from 70%. This figure is based on the combined weight of the share of preferred materials in key product components. Looking instead at styles, 92% of all styles produced this year contain at least one component with some preferred materials. These results highlight our strong commitment to prioritising preferred materials across internal teams and with our suppliers. It also reflects the success of the policy introduced last year, which ensures that all new developments are made from preferred materials unless an exception is approved by management.

We recognise that a holistic strategy is needed to reach our goal of using only preferred materials and to expand the share of preferred+ materials further. Over the past year, we set up a cross-functional working group to define the next steps for our raw material sourcing. A key part of this work, has been to explore how to make better use of continuity materials – articles that remain in our collection for multiple seasons. Adding more recycled and regenerative materials to our collection requires stability, since it involves long-term investments and commitments that go beyond a single season. Therefore, we will start to assign selected continuity materials to preferred+ projects to increase the chance of success. These preferred+ projects are explained further in the coming sections.

Preferred materials progress



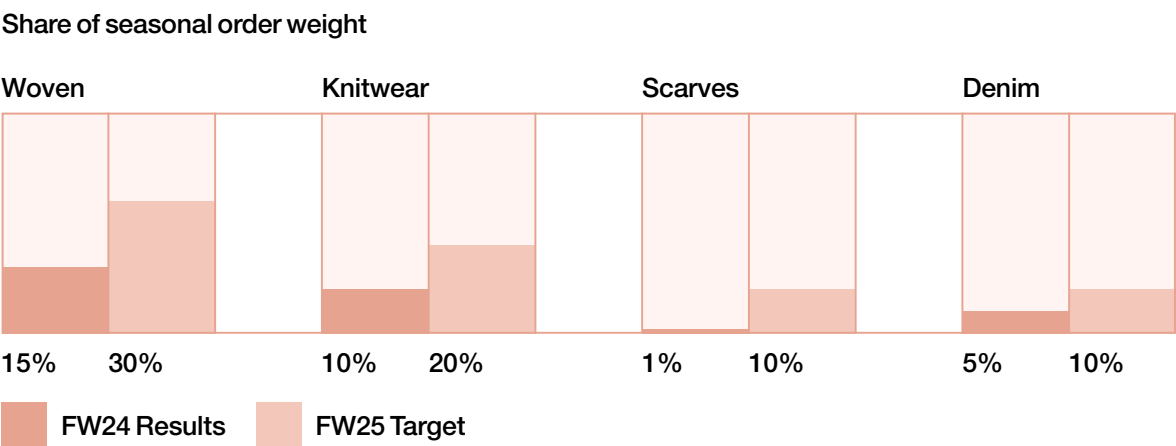
Recycled materials

Progress	Launched recycled targets for all product categories
Next steps	Start cotton fibre-to-fibre recycling project

The share of recycled materials fell from 10% to 4% this year. To reverse this trend, we strengthened our strategy and introduced seasonal recycled content targets for all product categories. The woven category, which includes outerwear and suiting, has a relatively high target. This is because recycled content is generally easier to add to woven fabrics than, for example, more loosely constructed knitwear styles. The category also includes a higher share of synthetic fabrics, which are prioritised to be made from recycled fibres.

So far, for shoes we have been able to meet the target ahead of schedule. This has been achieved by using recycled rubber, ethylene-vinyl acetate (EVA) and thermoplastic polyurethane (TPU) in the soles of several styles, including our bestselling sneakers. For other categories, significantly increasing the use of recycled materials maintains challenging, as recycling technologies are still developing and require further innovation. In the jersey & fleece category, we are collaborating with a key supplier on a fibre-to-fibre recycling project and aim to include recycled cotton from factory cuttings in next year’s collection. Through such initiatives focused on better ways of recycling, and by adding recycled materials to our list of continuity materials, we are working to meet our recycled content targets across our collection.

Recycled materials progress



Strategic wool sourcing

Progress	Introduced yak and camel as lower-impact alternatives
Next steps	Launch SFA certified cashmere and ZQRX wool

Farm practices are key to reducing the climate impact of animal fibres. When managed responsibly, farms can improve soil health, promote biodiversity and lower emissions from animal breeding. To support this, 74% of our wool is certified to the Responsible Wool Standard (RWS) that sets requirements for animal welfare and farm management. As part of our preferred+ strategy, we are going a step further by increasing the share of animal fibres with naturally lower impacts and sheep wool with verifiably lower impacts on climate and biodiversity.

This year, our design team worked to diversify the animal fibres use in our collection by exploring options less common in fashion, such as camel and yak. Yak wool currently accounts for 6% of fibres used in our knitwear, while camel wool will be introduced next year. These fibres are not linked to intensive farming and come from animals that emit less methane than sheep.

We will also introduce the first regenerative wool next year. In the FW26 season, ZQRX certified merino wool will be featured in our knitwear collection, and we have begun a pilot using ZQRX wool in our wool scarves. If successful, all these scarves will transition to ZQRX wool next year. The ZQRX standard goes beyond animal welfare and land management criteria and focuses on biodiversity, soil health, climate impact, and community wellbeing, with verified data to track positive progress. In addition, the FW26 knitwear collection will include our first Sustainable Fibre Alliance (SFA) certified cashmere, focused on environmental stewardship, herder support and animal welfare.

¹ Certified by Control Union, license number 1024001.
Only products carrying the RWS label and claim are certified.





Strategic leather sourcing

Progress 48% of leather hides with origin from the European Union

Next steps Explore opportunities to source hides from regenerative farms

Leather is classified as preferred to us when it comes from tanneries with a Leather Working Group (LWG) Gold or Silver rating, is traceable to the slaughterhouse, and originates from countries with low animal welfare risks (see Annex 1). Currently, 90% of our leather meets these criteria.

As part of our preferred+ ambition, we are assessing the environmental impact of animal farming and how to incorporate these insights into our preferred leather definition. The farming stage is critical, as it can drive climate emissions, deforestation, and biodiversity loss through ecosystem conversion and intensive agriculture. At the same time, farming practices have the potential to drive positive change when managed sustainably and with a regenerative mindset.

Around half of our hides are sourced from farms in the European Union, a region we prioritise for its strict animal welfare standards. Data from the Kering EP&L database show that EU-sourced hides also have a lower average climate impact and are less directly linked to deforestation than those from other regions. This suggests that our sourcing focus on the EU also helps reduce the environmental impacts associated with leather hides. Next year, we plan to further explore how our sourcing strategy can support emission reductions at the farming stage.

Our long-term goal is to source leather from farms that follow regenerative principles and minimise environmental impacts. Gathering farm-level information is a key step towards this ambition. This year, we introduced a questionnaire for our slaughterhouses covering social and animal welfare conditions on-site and regenerative standards at the farms they source from. Two slaughterhouses, which together supply 42% of our leather from Türkiye, have now completed this assessment. We started with a focus on Türkiye as it is the biggest source for our leather hides outside of the European Union. Next year, we aim to gather more information for our key leather articles, and identify opportunities to source hides that originate from regenerative farms.

Biodiversity strategy

Progress	Mapped strategy against the AR3T framework
Next steps	Develop water strategy within STICA+

The greatest risks in our supply chain related to biodiversity include soil health, water quality and pollution at farm level for our key raw materials cotton, leather and wool. These insights were confirmed by completing the WWF biodiversity risk filter last year and validated our choice to focus on regenerative farming methods and recycled materials within our preferred+ strategy. Building on this, we have translated these risks into concrete focus areas using the AR3T framework from the Science Based Targets Network (SBTN), which centres on Avoid & Reduce, Restore & Regenerate, and Transform. This approach reinforces our preferred+ strategy and builds on existing initiatives related to climate impact.

To further accelerate progress, we joined STICA+, a collaborative initiative uniting brands to advance action on biodiversity and water stewardship. Through this partnership, we work collectively on scoping, risk assessment, strategy development and target setting. With support of this initiative, we aim to further shape our biodiversity strategy and develop a water strategy that is focused on raw materials and closely linked with our biodiversity goals. This strategy will be aligned with the water strategy that will be developed as part of our work on low-impact production, targeting water and chemical use at material suppliers.

Acne Studios AR3T framework strategy		
AR3T	Overall focus	Sub-focus
Avoid	No conversion of natural ecosystems	– Decoupling growth from use of natural resources – Design for longevity – Use of natural materials that guarantee no conversion (FSC) – Traceability back to tier 4 – Deforestation/conversion free commitment
Reduce	100% preferred materials by FY 26/27	– Use of natural materials that contribute to no conversion (GOTS, OCS, RAF, etc.) – Use of recycled materials
Restore & Regenerate	Increase engagement in priority sourcing areas	– Regenerative agriculture projects – Use of lower impact materials (yak, camel)
Transform	Engage in advocacy activities via our multistakeholder memberships	– Textile Exchange membership and participation in working groups (animal fibre roundtable, leather roundtable, biodiversity community of practice, regenerative agriculture community of practice) – LWG membership – Good Wool Collective membership – STICA+ membership

Low-impact production

Target: 100% use of low-impact processes in production by FY 26/27

Key progress: 35% of products made with low-impact processes and 60% made with at least one low-impact process

Production processes like dyeing, tanning, washing, and finishing inevitably have an environmental impact due to the use of energy, water, and chemicals. We are committed to reducing this impact by prioritising methods with lower environmental footprints. While more than half of our materials are produced in Europe where best available technology tends to be used, we aim to verify this transparently through reliable data or certifications.

At a minimum, all our materials must meet requirements in our Restricted Substance List (RSL), for which we continuously perform chemical lab tests to verify compliance. Additionally, we have developed a low-impact production verification guide that outlines the certifications and technologies we recognise as having a lower environmental impact.

Low impact criteria

Progress	35% of collection made with verified low-impact processes
Next steps	Continue to expand our lower-impact verification guide

This year, 35% of our collection was made using verified low-impact processes for both main material production and garment treatments, up from 20% the previous year. When reviewing products where at least one verified lower-impact process was applied, the share rises to 60% of our collection, compared with 40% the year before.

The majority of these results come from the use of organic GOTS-certified² fabrics, leather sourced from LWG-certified tanneries, and low-impact wash treatments applied to five-pocket denim. New this year is the introduction of Bluesign-certified fabrics, known for their proactive approach to chemical management, and the adoption of Indigo Flow dyeing technology that focuses on water efficiency in the dyeing of denim fabrics.

The objective of our low-impact strategy is improved management of water, energy, chemicals and waste in facilities performing wet-processes. However, the certifications and technologies we recognise as low-impact do not always cover all these aspects equally. For example, some place greater emphasis on water savings, while others focus more on chemical management. Our low-impact verification guide in Annex 2 gives an overview of the different scopes. We will continuously expand this guide to add more processes and technologies with a lower environmental footprint than average.

² Certified by Control Union, license number 1024001

LWG audited tanneries

Progress	90% of leather made at LWG Gold or Silver rated tanneries
Next steps	Work towards only using LWG certified tanneries

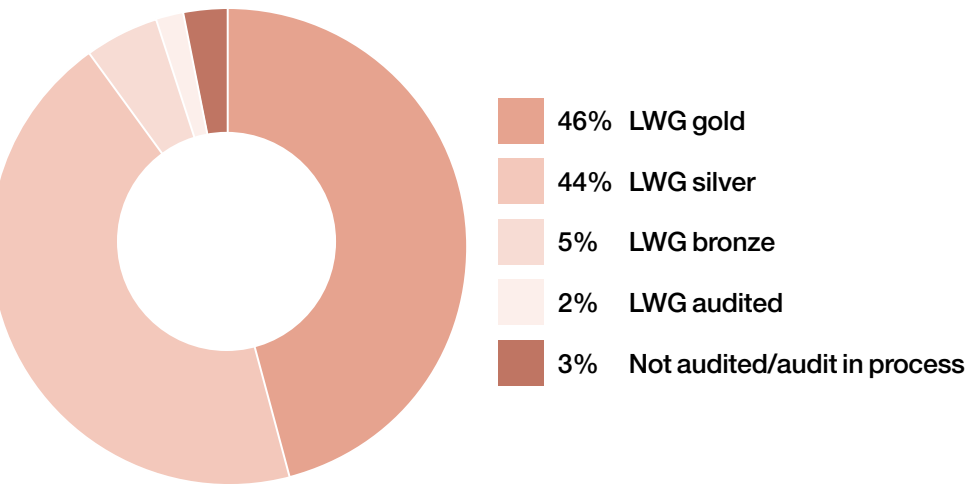
This year, we made significant progress in our leather sourcing. Today, 95% of the leather used across our collection comes from Leather Working Group (LWG) certified tanneries, with 90% of that being Gold and Silver rated, which remains our top priority. This marks a substantial improvement from last year’s 72% and reflects the strong dedication of our sourcing teams, as well as the efforts in recent years to encourage our tanneries to become certified.

The LWG is a not-for-profit organisation that promotes sustainable practices in the leather industry. Tanneries are independently audited and assessed on their environmental performance, including how they manage water, energy, chemicals, and waste. Certification also includes traceability requirements, ensuring greater visibility and accountability across the supply chain.

We have been a member of LWG since 2014, and beyond sourcing from LWG-certified partners, our membership keeps us informed on the latest research and innovation in leather production. It also allows us to actively contribute to the development of stronger industry standards. Our ambition is to maintain these high sourcing standards in the coming year — and, where possible, push them even further.

LWG certified tanneries

Share of weight in FY24/25



Low-impact certifications

Progress	Launched GOTS certified jeans and Bluesign certified fabrics
Next steps	Increase share of GOTS garment level certifications

To reduce our impact we aim to grow the share of third-party certifications across both fabric processing and finished products. This year, more than 50% of our main textile fabrics were certified at the fabric level, either by GOTS or Bluesign which is an important first step. However, our long-term goal is to increase certification at the garment level. For the GOTS garment level certification, the scope includes use of organic fibres and safer chemicals to baseline assessments of social standards.

This year, 7% of our jersey & fleece collection was GOTS certified at garment level, compared to 13% last year. The decrease reflects the complexity of completing certification in all steps in the supply chain. At the same time, we reached an exciting milestone with the launch of our first GOTS garment-certified jeans, now making up 5% of our denim collection, a step forward in fully certified, responsibly made denims. Next year, we aim to continue our efforts to increase the share of GOTS garment-level certifications, while also prioritising the increased use of Bluesign certified fabrics.

Garment treatments

Progress	67% of denim made with a low impact wash
Next steps	Introduce low-impact treatment guide on jersey & fleece

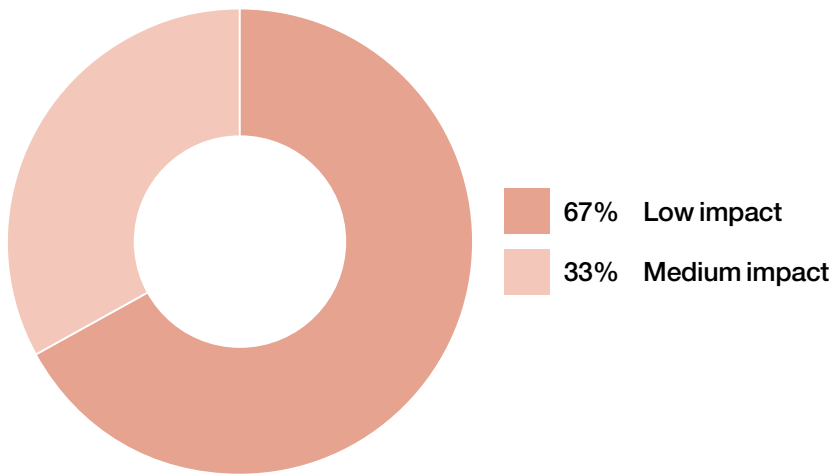
Most of our denim undergoes a garment treatment. Finishes are also applied in other product categories to achieve a certain look. For several seasons, we have been mapping the denim wash impact according to the Jeanalogica Environmental Impact Measuring (EIM) tool. Using this tool helps guide us to actively use technologies with lower impact, such as ozone- and laser treatments.

This year, 67% of our denim production volume was classified as low-impact in terms of water, energy, and chemical use, up from 50% the previous year. One contributor to this increase is the use of the trompe-l'œil (TLO) technique, which creates a printed effect that visually mimics worn looks or other characteristics without actually applying resource-intensive processes. Within our low-impact denim criteria, we also classify raw, unwashed denim as low-impact.

In the past few years, we have been aiming to create a scoring system for our jersey & fleece collections, similar to what we use for denim. This is important because these items often go through many treatments. Although the wash houses we work with for these treatments keep high environmental standards, specific data isn't fully accessible. Therefore, we teamed up with a key supplier in Portugal to create our own hands-on treatment guide for our design and development teams. Our goal is to start using this guide more structurally during next year.

Denim wash impact

Share of denim collection order weight, FY 24/25



Supplier environmental performance

Progress	Mapped supplier environmental key performance indicators
Next steps	Develop water and chemical targets strategy

To assess the environmental performance of our suppliers, we require product and material suppliers to provide data on environmental management, water, energy, chemicals, and waste. Over the past three years, almost all of our product suppliers and 76% of material suppliers, based on order volume, have provided this information.

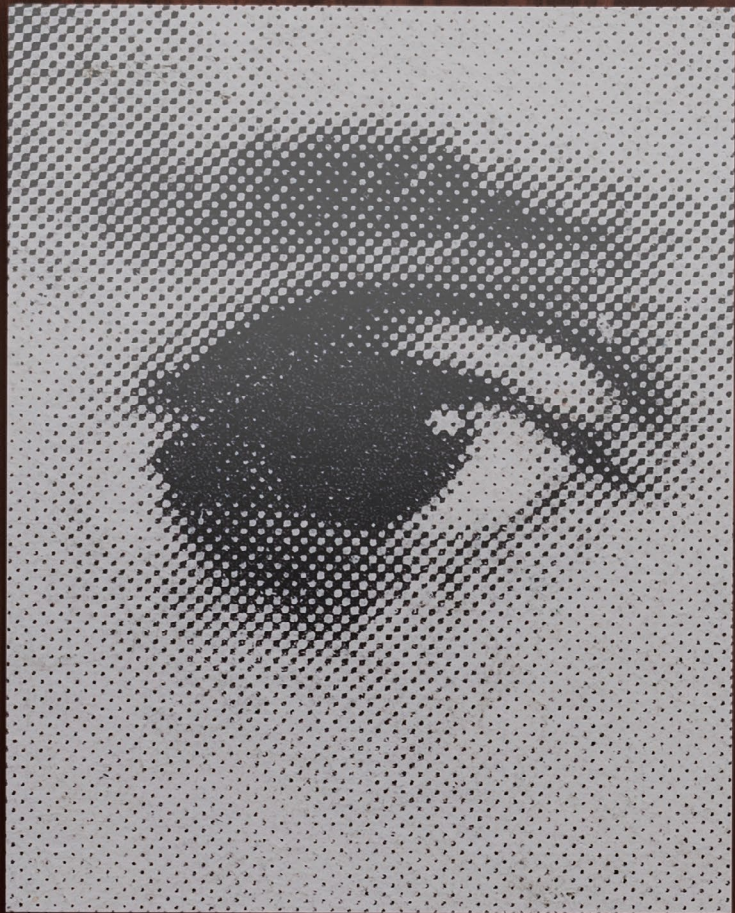
Our evaluation of tier 2 wet-processing suppliers focuses on water and chemical management, including targets, consumption reductions, and chemical safety practices such as participation in Zero Discharge of Hazardous Chemicals (ZDHC). Today more than half of our suppliers have certified environmental management systems, 73% follow ZDHC standards, and around 60% have water efficiency targets and report reductions in water use. These insights provide a good foundation for taking steps to further improvements.

Next year, we will move from monitoring to actively setting targets and implementing a strategy to further map and improve water and chemical management across our suppliers. This will be done in dialogue with our suppliers, as well as by using insights from our membership in STICA+, where we collaborate with other brands to define strategies and performance indicators for biodiversity and water stewardship.

Supplier environmental key performance indicators		
Represent total share of order volumes. Tier 2 suppliers' assessment is based on their wet-processing facilities	FY 24/25	FY 23/24
Environmental questionnaire		
Share of Tier 1 suppliers filling in questionnaire last three years	97%	96%
Share of Tier 2 suppliers filling in questionnaire last three years	76%	71%
Environmental management systems		
Share of Tier 2 suppliers reporting ISO 14001, EMAS or LWG certification	53%	–
Water		
Share of Tier 2 suppliers reporting water consumption	73%	–
Share of Tier 2 suppliers with water efficiency targets	60%	50%
Share of Tier 2 suppliers reporting reduced water consumption	59%	46%
Share of Tier 2 suppliers reporting recycling of water	8%	–
Chemicals		
Share of Tier 2 suppliers reporting participation and compliance of ZDHC standards	74%	71%
Of which, share of Tier 2 suppliers compliant to ZDHC Foundation level or higher*	13%	–
* many suppliers have not yet been requested to report ZDHC level		

Our partners

Our ability to push the boundaries of creativity and sustainability is inherently linked to the success of our partners. We prioritise building strong, transparent relationships with our suppliers so that we can work together to achieve our long-term sustainability goals. Collaborating in industry initiatives is essential to gaining expertise and adopting best practices. The following pages explain how we are fostering strategic partnerships, ensuring traceability, and protecting workers’ rights in our supply chains.



Strategic partnerships

Target: >50% of order value with suppliers that share our sustainability ambition by FY 26/27

Key progress: 40% of order value with product suppliers scoring high in our sustainability evaluation

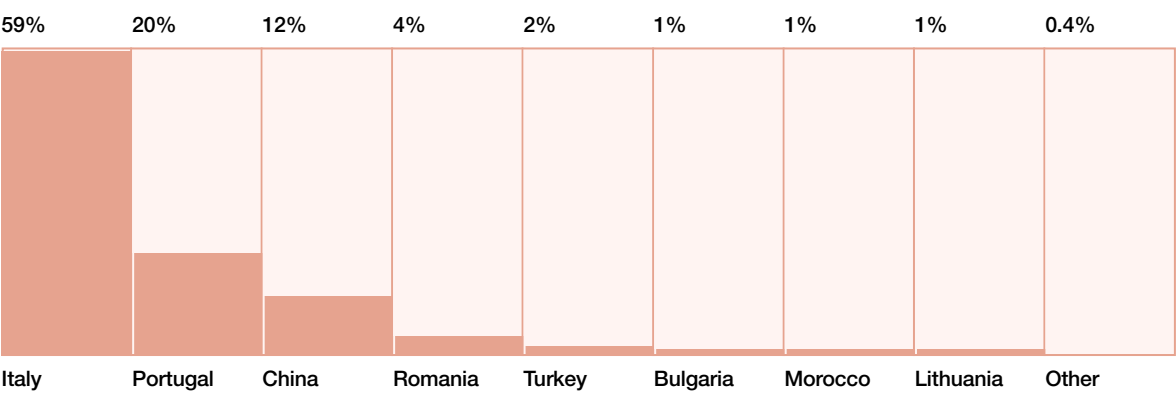
Our suppliers are integral to our success. We aim for excellence and seek to partner with suppliers that share our vision and ambitions on sustainability. At the same time, we strive to be a valuable partner for them, enabling us to achieve our common targets.

To make our collections, we work with a concentrated base of suppliers located mainly in Europe and Asia. We value long-term partnerships, with nearly all our products made by suppliers we have worked with for over five years, and 80% for more than ten years.

In addition to the suppliers producing our collections, we work with suppliers such as transport providers, 3PL warehouses, architects, marketing consultants, IT providers and many more. Like our production suppliers, these so-called business operations suppliers are expected to meet our sustainability standards. We evaluate their impact and risks by including them in our sustainability due diligence process and, when relevant, in our climate strategy.

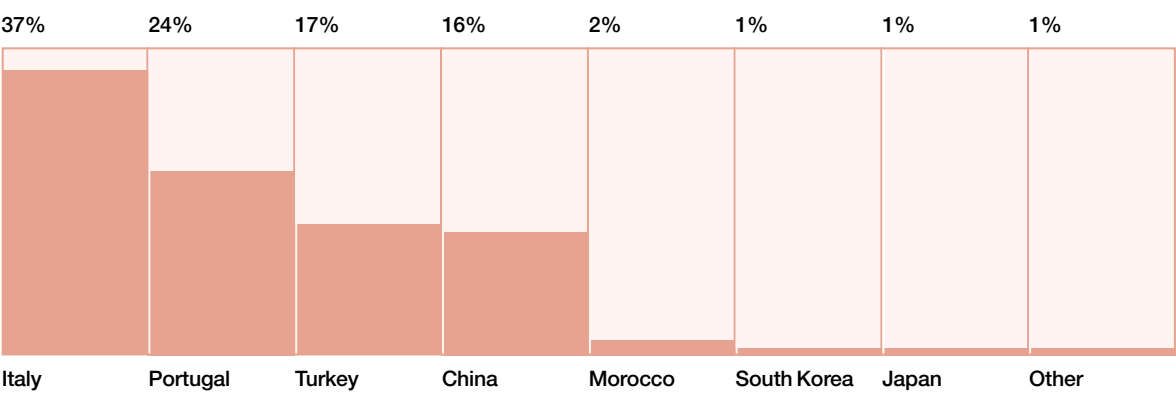
Tier 1: Product manufacturers

Country of origin based on order value



Tier 2: Material manufacturers

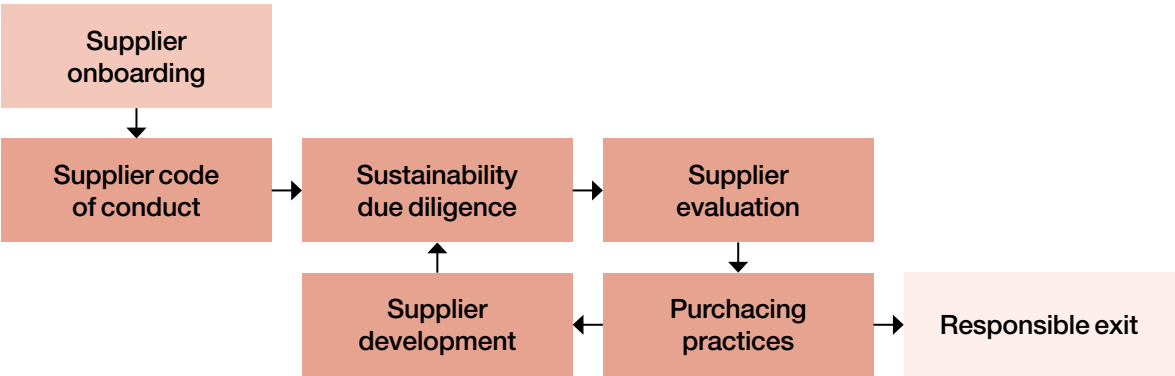
Country of origin based on order value



Strategic partnership process

We have established a process to structure our sustainability commitment with suppliers. *Our Supplier Code of Conduct* forms the foundation of all business relationships, outlining expectations on ethics, human rights, and environmental responsibility.

This is supported by ongoing *sustainability due diligence*, which help us identify risks, together with structured *supplier evaluations* that track progress and promote continuous improvement. The results of these evaluations also guide our *purchasing practices* and help us focus on long-term partnerships with high performing suppliers that share our sustainability ambition. In parallel, we run *supplier development* initiatives to build capabilities, encourage innovation, and advance sustainability performance across our supply chain.



Supplier code of conduct

Progress	Made two-way code of conduct for production suppliers
Next steps	Expand supplier code of conduct to our material suppliers

The supplier code of conduct is the first step in establishing a sustainability commitment with our suppliers. We currently have two codes in place: one for production suppliers that make our products and materials, and another for business operations suppliers providing goods and services not directly linked to our collections. Both outline expectations on business ethics, social responsibility, and environmental practices, tailored to each supplier type.

Since 2023, all significant business operations suppliers have been asked to sign our supplier code of conduct. These suppliers support multiple departments and represent various types of business relationships, and we prioritise those that collectively account for 80% of our purchases and those with long-term partnerships. In line with B Corp’s definition of significant suppliers, landlords and customs-related parties are excluded. To date, 65% of in-scope suppliers have signed the code, up from 52% last year. Next year, we plan to extend the scope to include landlords globally.

This year, we introduced a new *Production Supplier Code of Conduct* for suppliers that produce the materials and make the products in our collections. Most of the standards in the code have been communicated previously, but the new code consolidates them into one formal document. A key feature is that it is a two-way code, which not only sets out the requirements we expect suppliers to meet but also defines *our* commitments as a business partner. It clearly outlines what suppliers can expect from us, including *equal partnerships, clear communication, transparent collaboration, fair pricing, reasonable payment terms, and collaborative planning and forecasting*. The code has been shared with all product suppliers and 99% have signed it to date. Next year, we will extend it to our material suppliers and we aim to finalise and sign contracts with our key product suppliers to further formalise our partnerships and due diligence processes.

Sustainability due diligence

Progress	Started preparation for B Corp re-certification
Next steps	Perform double materiality assessment

Across our sustainability activities, we take multiple actions to identify, assess, prevent, and mitigate risks. These include biodiversity risk mapping, human rights due diligence at country, factory, and product level, and climate risk assessments of our production suppliers. We also stay informed of emerging risks through our membership in multi-stakeholder initiatives that provide updates, tools, and methodologies to support effective risk mapping and mitigation for our industry.

This year, our goal was to formalise our due diligence process and align with the Corporate Sustainability Reporting Directive (CSRD) by conducting a Double Materiality Assessment (DMA). However, due to shifts in the CSRD timeline, we decided to postpone the DMA. Instead, we focused on preparing for our B Corp recertification, which also requires formal due diligence and a robust stakeholder governance strategy.

Next year, we will continue this work by conducting a DMA to assess global sustainability risks and impacts, both on our business and from our activities. This will also result in an action plan to address sustainability risks at our business operations suppliers and formalising our stakeholder governance process in line with B Corp requirements.



Supplier evaluation and development

Progress	40% of orders at suppliers scoring high on sustainability
Next steps	Introduce joint action plans for suppliers

Our product and material suppliers are evaluated annually on development, production, quality and sustainability performance. For sustainability, product suppliers are assessed on the topics *communication, production set-up & transparency, environmental, social and climate performance*. Material suppliers are not assessed on communication and production set-up due to our more indirect relationship with them and are instead evaluated based on *preferred material* use and have stricter requirements on environmental performance during wet processes. This process supports our long-term goal of having more than half of our orders with suppliers that share our sustainability ambition and e.g. rated as high performers. It also serves as a tool to guide sourcing decisions toward these suppliers.

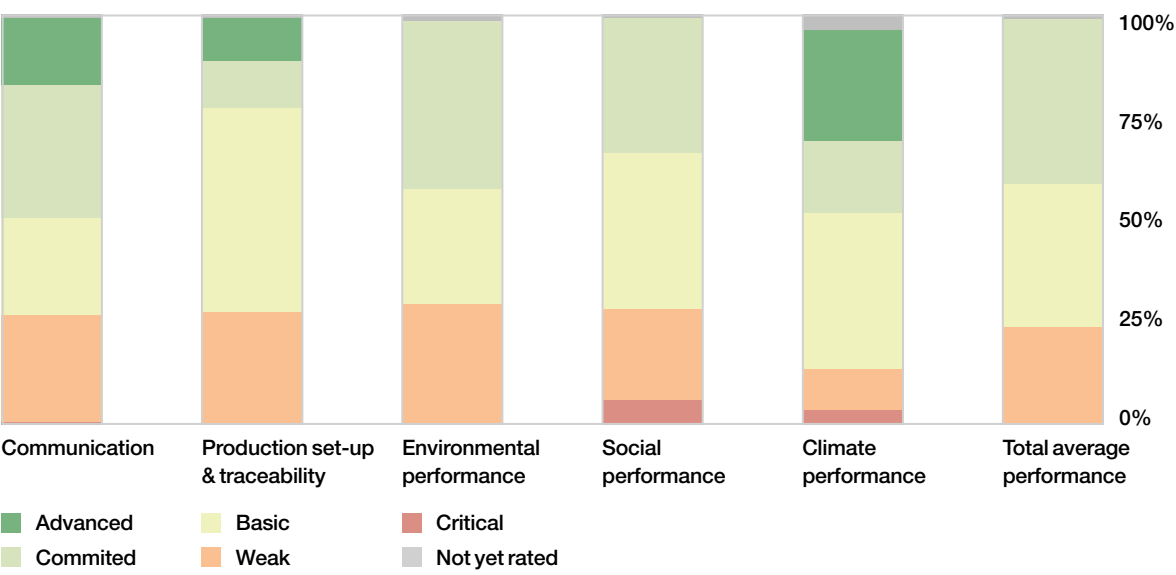
Currently, 40% of our order value comes from product suppliers (tier 1) rated as high performers in sustainability, up from 35% last year. These suppliers score 4 or higher on average, showing strong commitment across their own and subcontractors’ operations. The increase reflects our focus on partnering with high performers, and improved climate results as more suppliers adopt renewable energy.

Material suppliers (tier 2) perform well in traceability, preferred materials, and environmental practices, though collecting complete environmental data from them remains challenging. We have not yet published an overall score for material suppliers, as we are planning to strengthen assessment criteria further next year.

To continue improving our suppliers’ performance, sustainability-focused timebound action plans are in place with key suppliers that need improvement. Next year, we plan to further align and simplify the scoring process across departments. We will also introduce joint timebound action plans, created with our sustainability, development, production and quality teams together, which will be shared with suppliers and used to guide improvement at suppliers.

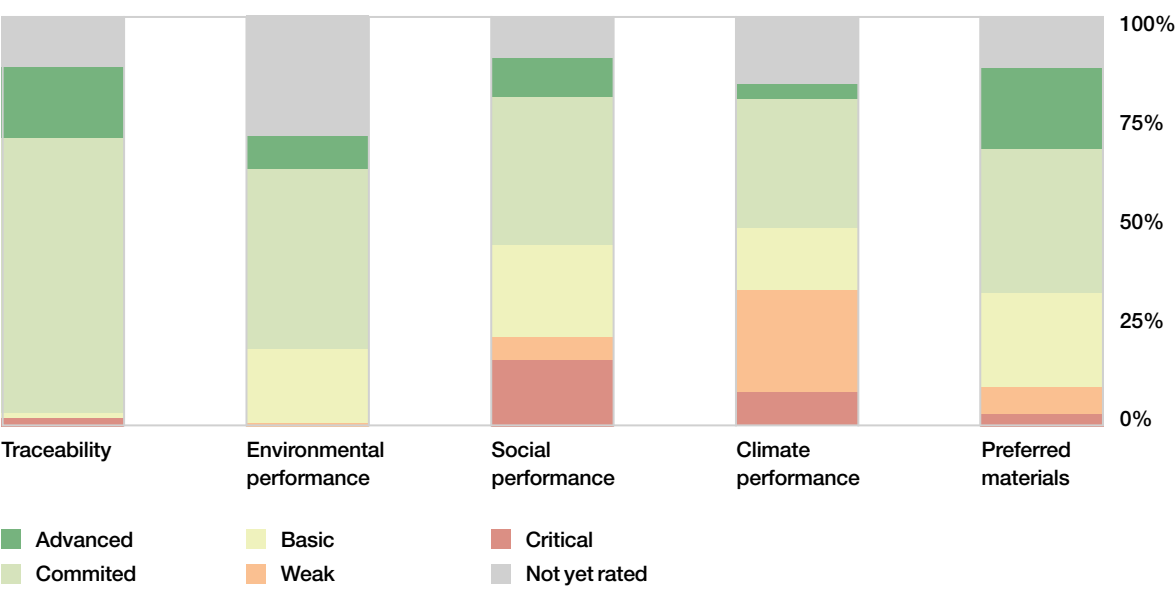
Tier 1 supplier sustainability performance

Share of order value FY 24/25



Tier 2 supplier sustainability performance

Share of order value FY 24/25



Purchasing practices

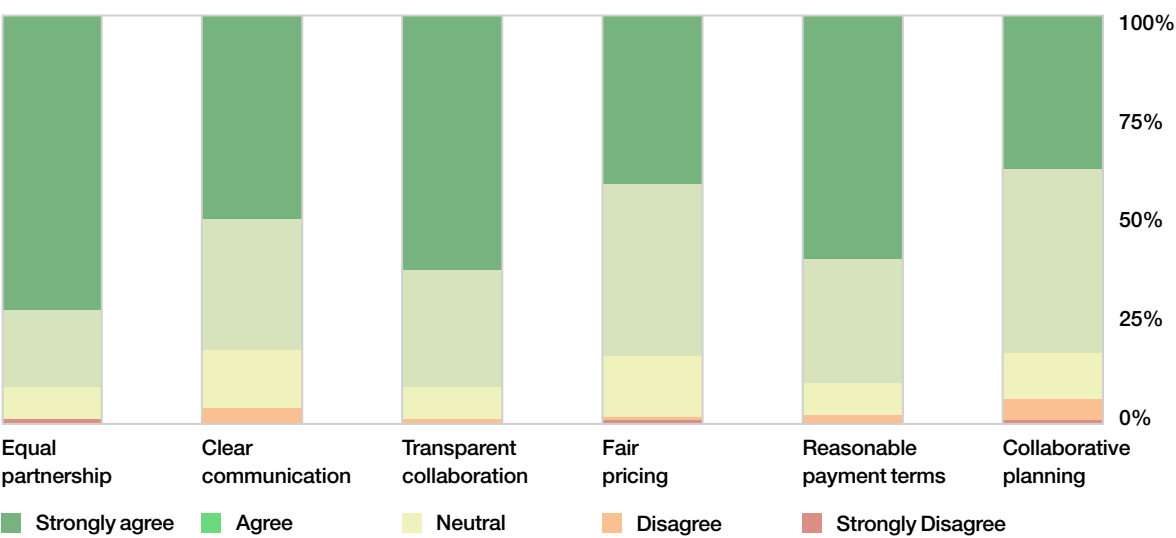
Progress	96% of suppliers consider Acne Studios a reliable partner
Next steps	Follow up on supplier feedback with internal departments

Together with the launch of our *production supplier code of conduct*, we invited our suppliers to complete a survey about their experience working with Acne Studios. Since the code includes a section with our commitments to responsible purchasing practices, the survey focused on the same areas: *partnership*, communication, *collaboration*, *pricing*, *payment terms*, and *planning & forecasting*. Suppliers rated their satisfaction using both scales and open-ended questions. We received positive feedback on the survey, reflected in a strong participation rate, with 80% of suppliers completing the survey.

The results showed high supplier satisfaction with partnership, collaboration, and payment terms, and provided insights to further strengthen pricing, communication, and planning & forecasting. Overall, Acne Studios is recognised as a reliable and stable business partner, with whom suppliers feel heard and confident being transparent with. Areas for improvement include more coordinated communication across departments and better planning and forecasting of development timelines. Next year, our internal departments will analyse the survey results and define follow-up actions. We will also integrate the findings into the stakeholder engagement process for our planned DMA. This process involves all our stakeholders and aims to understand how people may be impacted by our operations.

Supplier Survey Results

Supplier register FY 24/25



Traceable supply chain

Target: 100% traceable supply chains down to raw materials by FY 26/27

Key progress: 100% tier 1, 99% tier 2, 38% tier 3 and 18% tier 4 traceability

Having a good understanding of our full supply chain is the basis of our sustainability strategy. We are working towards full traceability of all steps involved in making our collections. Our ultimate target is to have a documented overview of all production locations throughout all tiers in our supply chain from product manufacturing (tier 1), material production (tier 2), raw material processing (tier 3) down to raw material sites, such as cotton farms (tier 4). This is essential to be able to evaluate and minimise our social and environmental risks and to ensure that our sustainability standards are met. Prioritising traceability is also driven by customer demands and upcoming legislation.

Supply chain traceability progress

Tier 1	Tier 1.1	Tier 2	Tier 3	Tier 4
100% Traceability	100% Traceability	99% Traceability	38% Traceability	74% Country traceability 18% Farm traceability
				
Product assembly 49 Suppliers 145 factories	Supporting processes 122 factories	Material production 187 Suppliers 487 factories	Raw material processing	Raw material creation
i.e. cutting, sewing, garment knitting & linking, shoe assembly	i.e. garment dyeing, washing, printing, embroidery	i.e. weaving, tanning, fabric knitting, yarn spinning for garment knitting, fabric or yarn dyeing	i.e. yarn spinning for fabric weaving, wool scouring, pre-tanning, slaughterhouse, ginning	i.e. farming, material extraction, forestry



Supply chain traceability

Progress	Reached full tier 1 and 99% tier 2 traceability
Next steps	Define tier 3 traceability strategy

This year, we have achieved close to full documented traceability of all suppliers involved in producing our products and materials including subcontractors. As part of our Fair Wear membership, we have always maintained 100% traceability at tier 1, covering all direct suppliers and their production locations, including subcontractors for assembly and supporting processes. For tier 2, we achieved close to full traceability of tier 2 production locations including subcontractors with 99%. The remaining 1% represents small-volume orders with limited leverage to push suppliers for this information.

Since most of our materials are made in Europe, production is spread across small, specialised facilities. Before we began mapping tier 2 data, we defined the production steps that are part of the tier 2 scope and shaped this into a template for suppliers to complete. This detailed template helped ensure that we receive information on all production steps involved in the making of our materials and resulted in the high level of traceability in tier 2 that we have today. We began this process in 2022, and it has since become a standard part of our production workflows. Next year, we will develop such templates to start collecting tier 3 data, most likely by asking our tier 2 suppliers to engage with their own suppliers. This approach is already in place for our leather supply chain, where we have started working together with tanneries to collect slaughterhouse data on our behalf. Through this collaboration, we achieved 65% leather traceability down to the slaughterhouse this year.

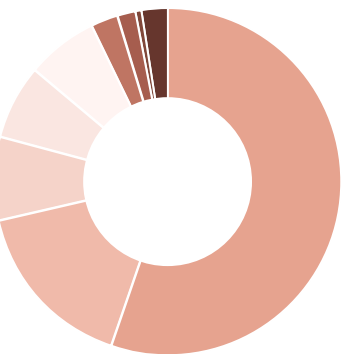
Raw material traceability

Progress	Achieved 74% country and 18% farm traceability
Next steps	Launch traceability project for cellulosic fibres

Our ultimate goal is to achieve traceability back to the raw material production stage, enabling us to identify all farms and companies involved at this level. As a first step, we require information on the country of origin for all natural and animal-based materials and, where possible, for other materials as well. We have verified traceability down to the country of origin of the farms for 98% of our cotton, wool, and leather use, and we collect country of origin information for other fibres as well. In total, this information covers 74% of our total material use. It feeds into our risk analyses and strategies on climate, biodiversity and human rights. In preparation for the upcoming deforestation legislation, we will focus on improving traceability for cellulosic fibres made from wood next year. Currently, 62% of our viscose fabric is FSC certified but this certification does not automatically provide information on the country of origin.

Region of origin: Cotton

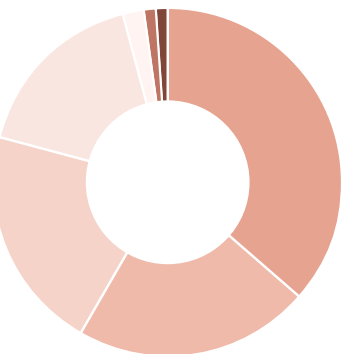
Share of FY24/25 order weight



- 55% Turkey
- 16% India
- 8% Africa
- 7% Rest of Asia
- 7% North America
- 3% Rest of Europe
- 2% South America
- 0.5% APAC
- 2% Unknown

Animal region of origin: Wool

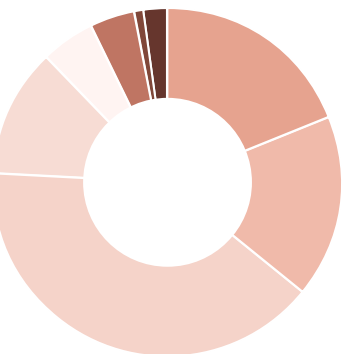
Share of FY24/25 order weight



- 37% South Africa
- 22% New Zealand
- 21% Australia
- 17% South America
- 2% Europe
- 1% Asia
- 1% Unknown

Animal region of origin: Leather

Share of FY24/25 order weight



- 19% Turkey
- 17% Netherlands
- 40% Rest of Europe
- 12% North America
- 5% APAC
- 4% Africa
- 1% Asia
- 2% Unknown

We made significant progress on farm level traceability of our raw materials this year. We have mapped the farm names and address for part of our cotton, leather and all our yak fibres, adding up to 18% of the total material use. Farm traceability for cotton used in our denim, grew from 8% to 51 %. Many of our denim mills operate with vertically integrated production, sourcing cotton directly from farmers. This close relationship enables them to provide accurate origin information. Next year, we aim to expand our farm traceability efforts for cotton to other categories and will increase our farm traceability in animal fibres via our regenerative wool projects and newly certified cashmere. For leather, traceability to farms increased from 3% to 11 %. Leather traceability remains challenging due to its opaque supply chains, but we expect to continue to get better insight via our slaughterhouse questionnaire.

Traceability data management

Progress	Improved PLM data management for DPP
Next steps	PLM upgrade that includes fibre traceability

This year, we further enhanced the routing tool in our Product Lifecycle Management (PLM) system, which allows us to record all production locations and production steps that are part of the manufacturing of our materials and products in PLM. Suppliers inform us about their production set-up via templates, which are sent to our production teams and uploaded into PLM. We have now enabled automatic uploads of this information to save time and reduce errors. With this data in PLM, we can automatically generate aggregated overviews of our suppliers, supplier data and order values. This facilitates more efficient analysis needed to track sustainability progress.

We will continue to improve our traceability and sustainability data processes. A PLM upgrade is scheduled for next year, during which we plan to digitise the supplier onboarding process within PLM, integrate price and open costing data through our supplier portal, and expand the Bill of Materials (BOM) to include raw material inputs, allowing for the storage of more detailed certification and traceability information.

Transparency

Progress	Launch of Digital Product Passports (DPP) for all styles
Next steps	Include DPP product details in our global online store

A key achievement this year is the launch of our DPP, available on all products as of the FW25 collection. Each item now features a QR code linking to a landing page offered in five languages. The page provides transparent information on the countries where key tier 1 and tier 2 production steps take place, as well as details on preferred materials, certifications, and product care. It also highlights our Fair Wear and B Corp commitments. The product data comply with French AGECE legislation, as it includes information on recycled content and microfibre release where applicable.

The development of the DPP has been a year-long project involving several internal stakeholders and external service providers. We hope that it will engage customers to learn more about our products. In addition to providing transparency on production countries through our DPP, we also share more detailed supplier information on the Open Supply Hub (OSH). At present, details are published for 82% of our Tier 1 production locations. Prior to publication, we seek approval from each supplier, which is why not all locations are currently disclosed.

Next year, we aim to launch the same product details featured on the DPP landing page on our global online store. We will regularly review our DPP set-up to ensure it meets upcoming legal standards. At the same time, we will look for opportunities to include additional product information that is relevant to share with our customers. As part of these ongoing improvements, we plan to update the product care details next year.





Protecting workers’ rights

Target: 100% monitoring of workers’ rights across our supply chain by FY 26/27

Key progress: Leader in social responsibility as verified by Fair Wear and 75% payment above living or CBA wages to workers

Our goal is to develop and produce our collections in collaboration with partners who share our passion for creating desirable products responsibly and ethically. Since 2008, we have been a member of Fair Wear, a multi-stakeholder initiative dedicated to improving working conditions in the fashion industry. Through this membership, we are committed to ensuring that everyone involved in making our products works under fair and safe conditions.

At the heart of this commitment is our *Code of Labour Practices* that is part of our Supplier Code of Conduct and forms the foundation of how we monitor compliance with these standards.

Each year, Fair Wear evaluates our performance through its Brand Performance Check, and we are proud to have been recognised as a leader in social responsibility for more than a decade. While our main responsibility lies with our product suppliers, we also recognise that risks can occur beyond the tier 1. Therefore, we identify and prioritise potential risks to workers in our supply chain and determine steps to prevent or fix them.

Acne Studios code of labour practices process

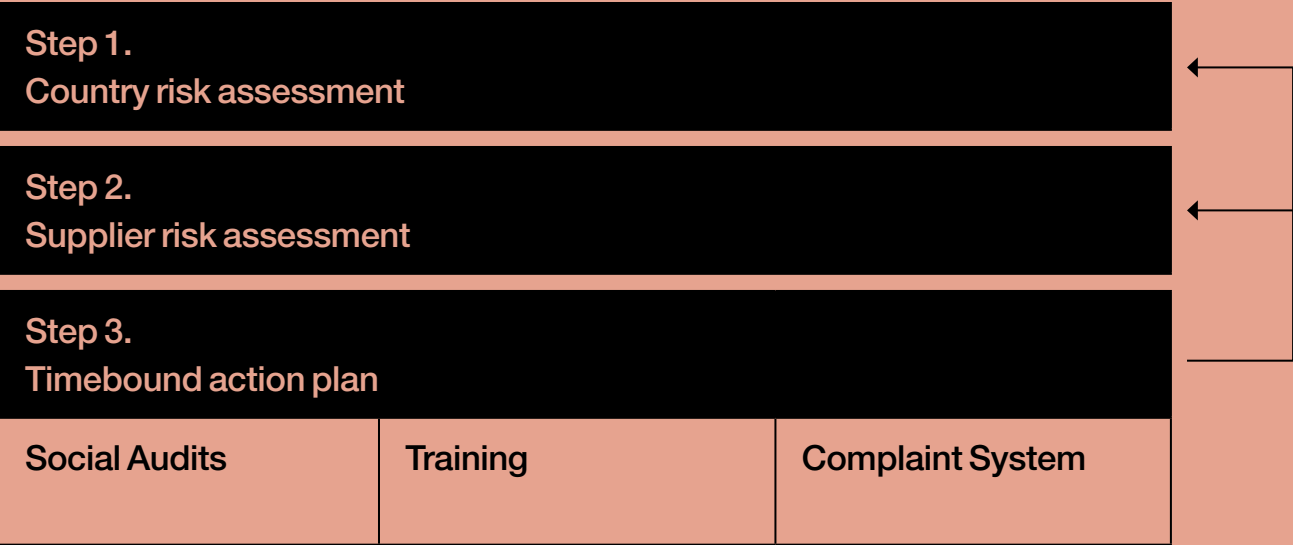
 1 Employment is freely chosen	 2 Freedom of association & the right to collective bargaining	 3 No discrimination in employment	 4 No exploitation of child labour
 5 Payment of a living wage	 6 Reasonable hours of work	 7 Safe and healthy working conditions	 8 A legally binding employment relationship

Supply chain monitoring

This year, we collaborated with 49 product suppliers, down from 61 last year, reflecting our efforts to further streamline our collection and supply chain. Together, these suppliers collaborate with 267 factories: 145 handle product assembly processes such as cutting, sewing, knitting, and shoe assembly (tier 1), while 122 perform supporting processes like printing, embroidery, and washing (tier 1.1). Over 95% of our orders are placed in Italy, Portugal, China, Romania, and Türkiye, with additional production in Lithuania, Bulgaria, Morocco, Tunisia, Albania, the UK, and France.

Our monitoring process follows a risk-based approach in line with the OECD Human Rights Due Diligence guidance. It consists of three steps, starting with an assessment of the risks linked with our production countries and our suppliers’ characteristics such as the regions in which they operate, the processes they execute, the type of workers they employ and audit results. Based on these assessments, we develop tailored, timebound action plans that include social audits and trainings to prevent and mitigate potential risks. Outcomes from these actions then feed back into our country and supplier risk assessments to ensure they reflect the most up-to-date situation.

Acne Studios monitoring process



Supply chain characteristics								
Country overview	Product categories	Order value	No. of direct suppliers		No. of factories	No. of workers	Audited <3 yrs (%)	Trained <3 yrs (%)
Italy	Denim, Bags & Accessories, Scarves, Shoes, Knitwear, Woven & Leather outerwear	59%	28		141	3,519	64%	97%
Portugal	Jersey & Fleece	20%	6		52	3,083	17%	0%
China	Woven, Knitwear	12%	7		27	1,933	95%	88%
Romania	Woven	4%	1		7	921	46%	87%
Türkiye	Leather outerwear	2%	2		3	537	74%	100%

Supplier risk mapping

Progress	99% of suppliers covered by new social questionnaire
Next steps	Implement questionnaire for agents and subcontractors

To stay focused on the most relevant and urgent human rights risks, we regularly update our country and supplier risk assessments. Using our country risk assessment tool, we evaluate risks based on legislation, ratification of human rights conventions, and reports from international organisations and NGOs (see Annex 4). This year, we expanded the assessment to include gender and migrant worker risks and updated scores for Bulgaria, Italy, Romania, Tunisia, and Türkiye. We also cross-checked our results with public indices such as WJP, Civicus, ITUC, and the *Global Gender Gap Report 2024* to ensure consistency.

We also expanded our supplier risk assessment approach this year by integrating data from a new questionnaire. This questionnaire is tailored to the production country and collects data on the workforce, management, production setup and policies related to the eight labour standards in our code of labour practices. So far, 43 out of 49 suppliers that together

cover 99% of our orders have completed it, and all new suppliers will complete it as part of their onboarding process going forward. We are also developing a questionnaire specifically for agents and subcontractors, as they face different risks that require tailored questions. Next year, these will be integrated into our onboarding process and risk assessments as well.

By collecting such detailed and tailored data from direct suppliers, subcontractors and agents, we gain a clear and comprehensive understanding of our suppliers’ social performance and risks across our supply chain. Below table shows the indicators for Freedom of Association (FoA) and gender, two crucial indicators within our risk assessment. It shows in which countries factories have a strong implementation of Freedom of Association (>75%) and those where women are well represented as worker representatives or in supervisor roles, relative to their share of the workforce. Based on these and other insights coming from our supplier data, we develop *timebound action plans* for all production locations where the risk profile requires this. These action plans describe appropriate follow-up measures such as audits and trainings to prevent, mitigate and remediate identified risks (see Annex 4).

Supplier performance on FoA and gender							
	Freedom of Associaton (FoA) Indicators				Gender Indicators		
Production country	Factories with grievance mechanisms (%)	Factories with trade unions (%)	Factories with CBAs (%)	Factories with worker reps (%)	Female workers (%)	Female worker representatives (%)	Female supervisors (%)
Italy	83%	3%	87%	29%	51 %	29%	56%
Portugal	65%	30%	82%	92%	66%	92%	55%
China	89%	N/A*	N/A*	54%	65%	54%	42%
Romania	88%	0%	41 %	75%	82%	75%	43%
Türkiye	100%	0%	0%	36%	32%	36%	35%

*The set-up of trade unions and CBAs is different in China, so these indicators are marked as N/A

Supplier audits

Progress	95% of suppliers in China audited
Next steps	Increase involvement of worker reps in audit follow-up

Social audits are key to verify the labour standards at our suppliers and a crucial part of our supplier action plans. They are conducted by Fair Wear auditors and, in Italy, by The Reassurance Network (TRN). Audits assess compliance with our labour standards through document checks, on-site inspections, and confidential worker interviews.

Over the past three years, most non-compliances identified during audits relate to health and safety, living wages, and reasonable working hours, as illustrated in the pie chart. Findings range from urgent issues requiring immediate action to minor non-compliances. On average, factories have around 10 findings per audit, however, fewer than 10% of these findings classified as urgent. All findings are addressed through Corrective Action Plans (CAPs), targeted projects, and training.

This year, we conducted five audits in China at knitwear and woven suppliers. As overtime remains a recurring challenge in China, four audits focused on wages and working hours only. One supplier underwent its first full Fair Wear audit. Four of these audits were accompanied by a representative of Acne Studios’ sustainability team and even though we always communicate to suppliers that we value honesty over perfection, the factories showed records that did not accurately reflect real overtime practices. Through open dialogue, suppliers explained that pressure from brands to achieve perfect audit results often leads to presenting polished records. After clarifying our approach, we were able to review the real records that did show overtime and collaboratively developed timebound action plans. As part of this, we followed up on the CAPs, organised follow-up trainings, and held regular status update calls to track progress.

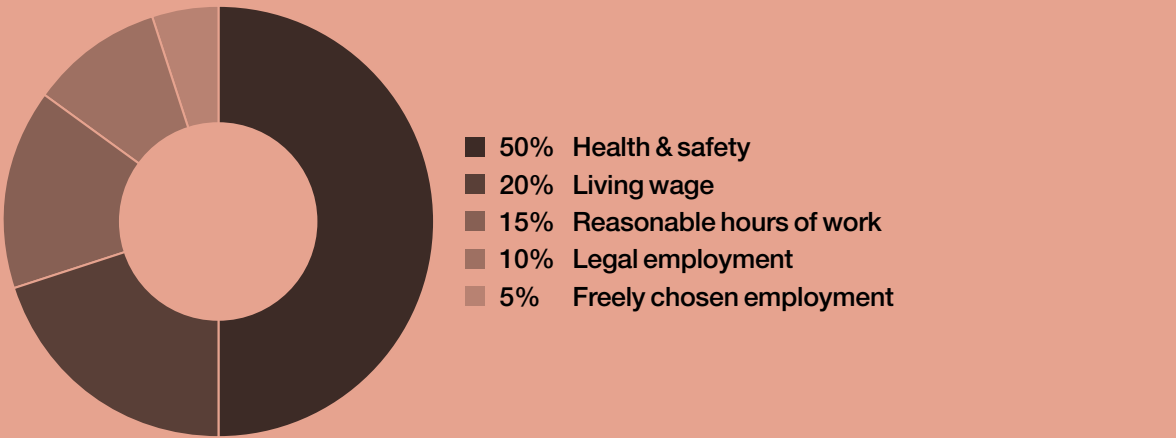
For our Italian production, we audited three denim factories and a Tunisian subcontractor of our Italian shoe supplier. The denim factories were rated higher risk due to employment of migrant workers and their location in Southern Italy where wages are generally lower. The audits confirmed good health and safety standards and wages in line with Collective Bargaining Agreements (CBAs), though one subcontractor requires improvements

to ensure clear contracts and payslips. The Tunisian subcontractor was audited because this country has a higher risk profile. While results were generally positive, the audit identified the need for new elections for worker representatives and full compliance with CBA wage levels. To support improvement, we invited the facility to a Fair Wear webinar on labour standards and human rights risks in Tunisia, including regulatory requirements on worker representation and wages. To reduce audit fatigue, we also collect and follow up on audit results done by other organisations. In Portugal, identified as low risk, we do not conduct our own audits but focus on traceability while reviewing third-party audit outcomes.

Next year, we plan to audit in Türkiye, Romania and Italy. In Italy, we will prioritise our main denim wash house and facilities with a higher risk profile due to their use of recruitment agencies to hire workers. We also aim to involve worker representatives more actively during audits and follow-up activities to ensure workers’ perspectives are integrated throughout the process.

Most common urgent findings

From audits conducted by Acne Studios in the last 3 years



Payment of living wages

Progress	75% of orders at factories paying living or CBA wages
Next steps	Scale up wage survey for workers in Italy and Portugal

This year, 75% of our order value was purchased from factories paying a living or Collective Bargaining Agreement (CBA) wage, up from 68% last year. We are committed to ensuring workers receive fair, timely and consistent pay, guided by the Anker methodology³ and Fair Wear Wage Ladder. In Italy and Portugal, where no living wage benchmarks exist, we assess whether suppliers pay nationally negotiated CBA wages.

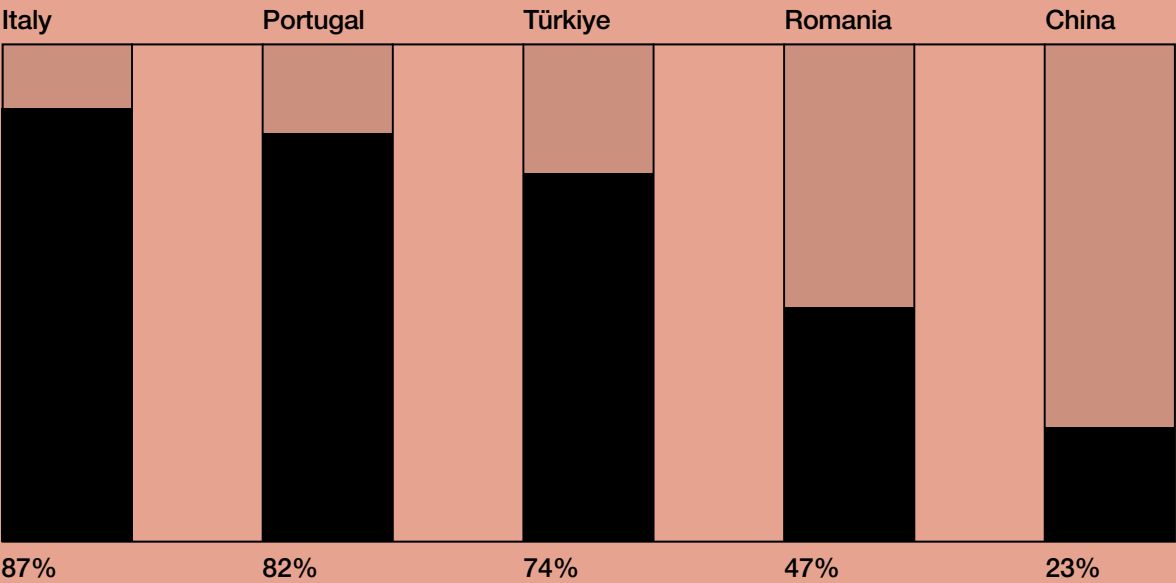
Since a large share of our factories in Italy and Portugal follow CBAs, we focused this year on evaluating whether such wages provide a decent standard of living. Together with an Italian expert organisation, we developed and distributed a worker survey after a worker training session at several of our denim factories in Italy. On average, workers indicated they would need a 63% wage increase to afford their standard of living. These findings are based on a small sample of 27 workers and have not been adjusted for family composition or contract type. However, they do suggest that wage levels require further investigation. Next year, we plan to expand the survey to include more workers in Italy and Portugal to obtain more representative and reliable results for further action.

³The Anker Methodology is a method for calculating a living wage by estimating the cost of a decent standard of living for a typical household.

We also requested open costing from suppliers in woven, knitwear, denim, and leather outerwear categories. Of these suppliers, 73% provided open costing with a transparent breakdown of costs for product components and materials, labour, overhead and margins. While nearly all suppliers share labour costs with us, only a few also provide labour minutes that are essential to assess whether our prices enable payment of living wages. So far, we have trained all our suppliers in Türkiye and our three biggest suppliers in China on wage management and for the calculation of labour minutes, and we will continue supporting suppliers to include labour minutes in open costing next year.

Share of factories that pay a living wage or CBA wage

Top 5 production countries based on order value



Trainings and dialogue

Progress	73% of suppliers took part in training in the last three years
Next steps	Extend worker training in Italy and Portugal

Building knowledge and awareness among workers and management is essential to ensuring that our labour standards are consistently applied in practice. Training is therefore a key part of our activities. We provide external training through Fair Wear and other external partners, tailored to supplier risks and needs. 73% of our supplier base participated in such trainings in the last three years.

This year, all Italian suppliers were invited to a three-part online training organised through the Italy Fashion Working Group with other member brands. Topics included subcontractor management, EU regulations, and the importance of traceability for Digital Product Passports. Twelve suppliers, representing 97% of our Italian order value, participated. In addition, follow-up trainings were held in China and Italy based on audit findings. In China, Fair Wear training sessions for workers and management focused on labour rights awareness and production planning to prevent overtime. In Italy, a full-day onsite training covered all denim factories and wash houses of our main denim supplier. 57% of workers participated, and 92% of those rated the training as good or very good. Next year, we plan to expand these worker trainings to other suppliers in Italy and Portugal.

In addition to external sessions, our sustainability team provides training as well. For new suppliers, we developed an onboarding training programme on our code of labour practices. This year, three sessions were held for management and sustainability representatives of newly onboarded suppliers, who extended the training to their workers and subcontractors. The training is also used as a refresher for existing suppliers when needed. Internally, Acne Studios employees who frequently visit factories receive training on our labour standards and how to assess conditions during supplier visits. Sessions were held at our Stockholm HQ and for our production office in Italy.

Human rights due diligence

Progress	Created a social questionnaire for material suppliers
Next steps	Develop a social strategy for material suppliers

Human rights due diligence for our product suppliers is conducted through our Fair Wear membership. To expand our scope to the rest of the supply chain, we are now strengthening our due diligence processes for material and raw material suppliers further upstream. These tiers often present higher risks due to lower visibility and less direct engagement, making them a key focus of our ongoing human rights work.

As a result of our traceability efforts, we now have visibility of all factories involved in the production of our materials. This year, we developed a detailed digital questionnaire for these suppliers. Its structure and content are similar to the onboarding questionnaire used for our product suppliers but adapted to reflect the risks and characteristics of material suppliers. From next year, the questionnaire will be rolled out to our main material suppliers and integrated into the onboarding process for new ones. It will help us gain deeper insights into the social performance and risks in tier 2. We will use these results to develop a social strategy for this tier and determine the monitoring and remediation activities needed across this part of the supply chain.

For tier 4, the stage where raw materials are produced, our focus remains on increasing traceability back to the farm. This will enable us to assess risks in our supply chain using the tier 4 country risk assessment on human rights and working conditions that we developed last year for our main raw materials (see Annex 5).

Our impact

Everything we do affects the environment, and we aim to manage that impact responsibly across all our operations. We carefully select materials and suppliers and consider how we run our facilities, marketing events, sales, and transportations. Reducing our climate impact is a key focus, alongside moving towards zero waste and adopting a circular approach to packaging. These areas guide how we use resources efficiently, limit GHG emissions, and ensure materials are reused and recycled. The following chapters describe our strategies, the actions we are taking, and the progress we have made in each of these areas.



Reduced climate impact

Target: 50% absolute reductions of scope 1, 2 & 3 emissions by FY 30/31 vs. FY 20/21

Key progress: Reduced total emissions with 22% to base year and 7% to last year

We are committed to reduce our climate impact in line with science-based targets and the Paris Agreement. To do our part in keeping global warming below 1.5°C, we have set an ambitious goal for 2030 to reduce our annual emissions across our direct operations and supply chain (Scope 1, 2 & 3) by 50% as compared with the baseline FY 20/21. This commitment is guiding our course for progress and we measure the carbon impact of our activities every year according to the GHG protocol. Since 2019, we have been an active member of STICA, the Swedish Textile Initiative for Climate Action, where we, together with other brands, collaborate to find climate solutions for our industry and where we jointly report the progress publicly every year.



2030 climate roadmap

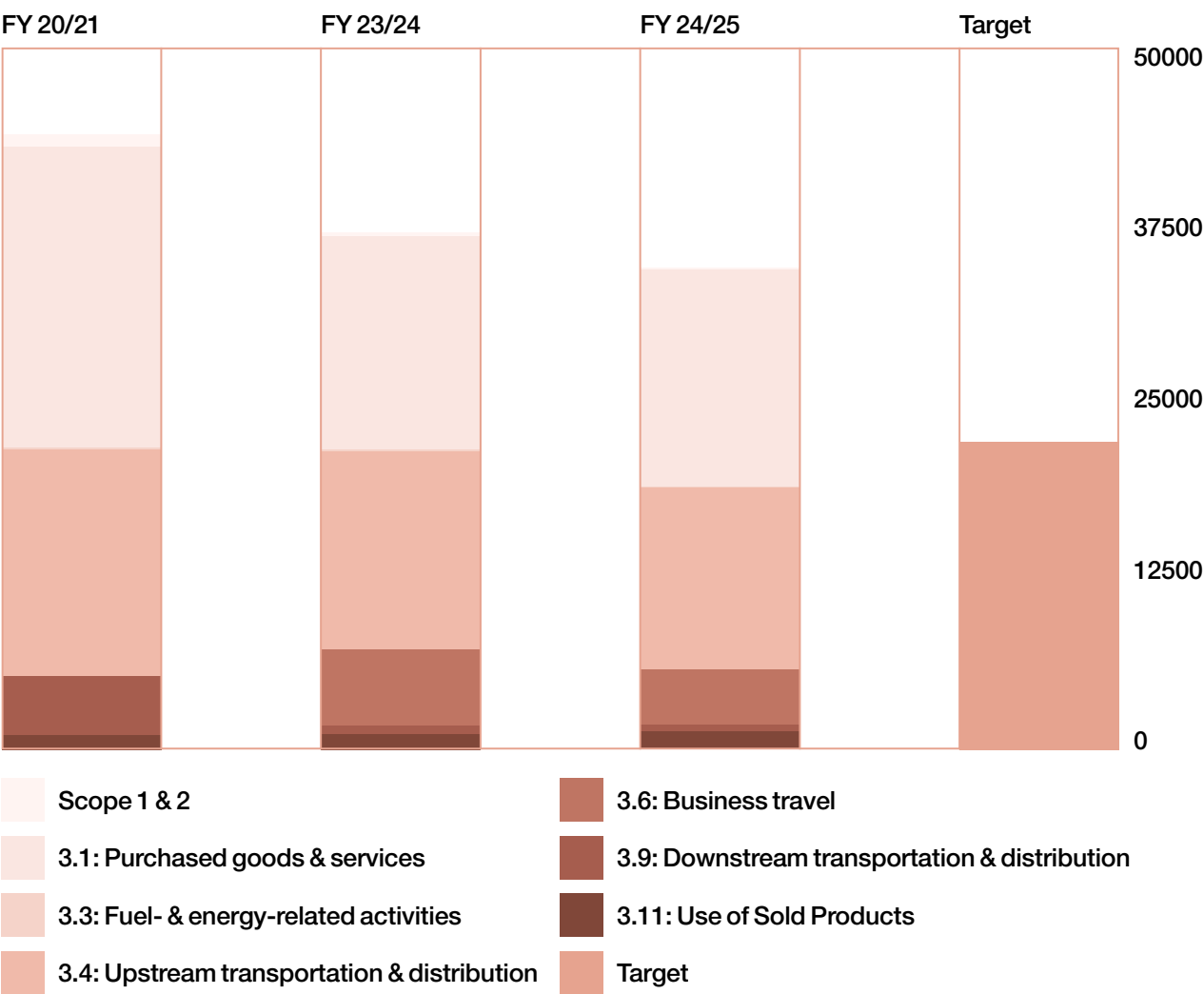
Progress	Reduced emissions with 22% to base year and 7% to last year
Next steps	Integrate retail development emissions in climate roadmap

This year, we reduced our total emissions with 7% compared to last year resulting in a total reduction of 22% compared to the base year (FY 20/21). This includes emissions in Scope 1, 2 and 3 in the GHG protocol. We are pleased to see that despite the slight increase in total production volumes compared to last year, we remain on track to reach our 2030 climate target. The improvements are mainly driven by lower emissions from transportation, raw material production, and business travel. For details on emissions across our operations, see Annex 6.

A strong focus has been placed on our climate roadmap this year, particularly on internal governance and methodology updates. Key actions included launching an internal climate steering group, conducting an extended climate screening, and updating the base year. The updates reflected both methodological changes — driven by improved data quality — and the inclusion of additional Scope 3 categories. As a result, the base year emissions increased, leading to a greater reported reduction compared to last year’s climate roadmap results.

Climate roadmap progress overview

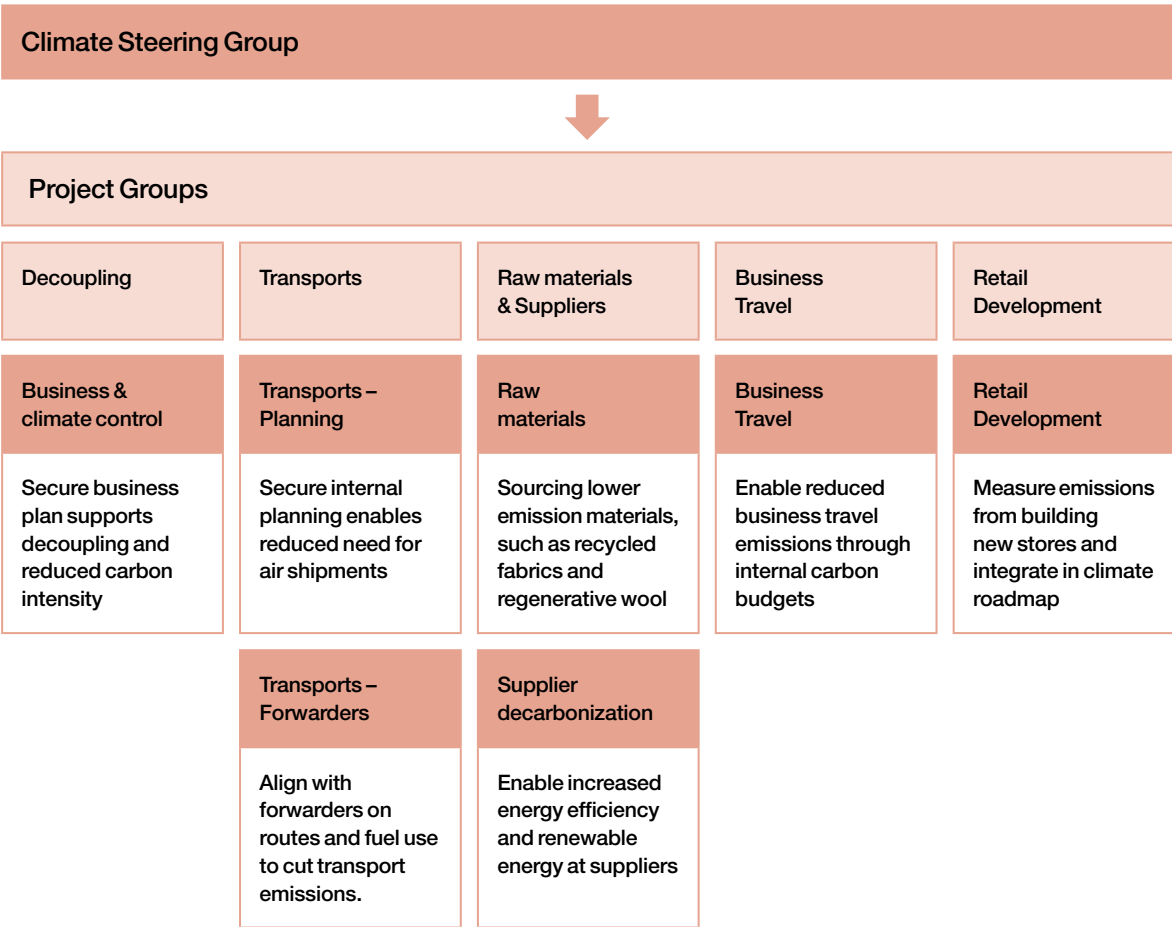
Climate target progress overview FY 24/25



Climate steering group

Two years ago, we finalised our climate roadmap, outlining the actions needed to meet our 2030 climate target. The key areas driving most of our reductions include decoupling financial growth from use of natural resources, reducing air shipments and travel, prioritising recycled and low-emission animal-based materials, and increasing renewable energy use in our supply chain.

This year, we launched a ‘climate steering group’ to integrate climate governance across the organisation. For each key area, a project group was formed, consisting of a target owner — either a director or a member of the management team — and a project manager who works alongside employees from relevant departments. Each group is responsible for setting sub-targets, defining internal budgets, and identifying initiatives to reduce emissions. The target owners and project managers from all project groups together make up the climate steering group, which meets regularly to review progress and drive the work forward. The climate steering group also specifies annual targets that are incorporated in our business plan and performance reviews with relevant employees.



Extended climate screening

Since the base year, changes have taken place in our operations. To ensure our annual climate reports capture our full impact, we completed a climate screening covering all scope 3 categories in the GHG Protocol. The screening was partly based on activity data, while emissions for the *Purchased goods and services* and *Capital goods* categories were estimated based on financial spending.

The screening revealed that retail development — particularly store construction and maintenance — and, to some extent, IT and marketing generate significant emissions that should be included in our annual climate report. However, these emissions were estimated based on total spend, which was difficult to break down. In contrast, our current purchased goods and services emissions from production are calculated using detailed activity data, such as material use and supplier energy consumption. Including the spend based emissions now would not allow for accurate comparisons.

Given that retail development indicated a key share of our total emissions, we will refine our calculation methodology next year to provide more precise estimates. These updated emissions will be included in the FY 25/26 climate report and integrated into our climate roadmap, including specified actions and targets.

Additional conclusions based on the screening are that we have expanded the climate report with two new emission categories; *Use of sold products* and *Downstream transportation*. For the remaining scope 3 categories, the impact is either minor (<1 %) or not applicable, and will therefore not be evaluated on a yearly basis. For overview of GHG protocol scope 3 categories status see Annex 8.

Improved data quality and update of base year

We are continuously improving data quality by capturing more actual data and refining estimations. When improvements are made we adjust emissions and evaluate if a recalculation of the base year is necessary to maintain comparability. This year, significant impacting updates were made to the scope 3 categories: *Upstream transportation & distribution*, *Purchased goods & services* and *Business travel*. In total, this led to an increase of emissions in the base year with 36% from 32,000 ton to 44,000 ton.

- **Upstream transportation & distribution:** Our key carrier updated their methodology to better represent actual transport routes and fuel consumption. This led to increased emissions which triggered a recalculation of the base year and last year's emissions through estimated alignment with the new methodology.
- **Purchased goods and services:** As of this year we use more accurate product weights and include more detailed production waste data, such as cutting efficiency for our production emissions. This updated methodology lead to increased emissions and has been applied to the base year and last year's report to improve comparability.
- **Business travel:** The emissions from business travel in the base year was heavily effected by the pandemic and global travel restrictions. To align with SBTi guidance on using a representative base year, we increased these emissions based on our travel levels the year before and after the pandemic, relative to our number of full-time employees.



Scope 1 & 2 emissions

Progress	Reduced emissions by 79% to base year and 26% to last year
Next steps	Implement regional strategies for renewable energy

Scope 1 & 2 account for 0.6% of our total emissions, covering energy use in stores, offices, warehouses, and fuel for company vehicles. This year, we achieved a 26% reduction in Scope 1 & 2 emissions compared to last year, resulting in a 79% reduction compared to the base year.

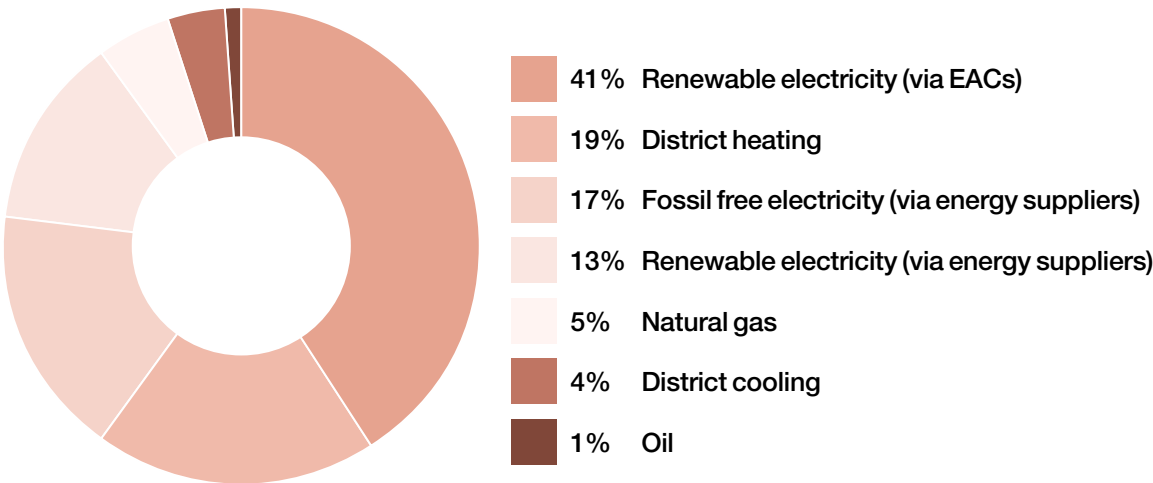
The main driver for the reduction is our strategy to source renewable electricity. Electricity represents over 70% of our total energy consumption and is used for multiple purposes, including lighting, equipment, heating and cooling. A considerable share of our electricity is renewable or fossil-free, sourced directly through our energy suppliers, while the remaining share of electricity is covered by renewable Energy Attribute Certificates (EACs). We follow the GHG Protocol and RE100 standards, prioritising solar and wind power, regional sourcing* and applying an age restriction (sites not older than 15 years) to support new renewable technologies and production.

As part of our upcoming B Corp recertification, we will review and implement requirements related to our retail operations across Europe, the US, APAC, and China. We also aim to develop more market-specific sourcing strategies for renewable electricity purchases, with South Korea prioritised due to the limited availability of EACs in the market.

*Exception for stores in South Korea where Chinese certificates are used, representing 3% of total electricity consumption.

Energy sources in own operations

Climate target progress overview FY 24/25, tCO₂e



Our climate accounting follows the market-based approach, allowing us to include the climate benefits of our renewable electricity purchases. In accordance with the GHG protocol we also report on our emissions according to the location-based approach, which applies the average national grid mix.

Scope 1 & 2 emissions	
Market-based 160 tCO ₂ e	Location-based 1 270 tCO ₂ e

Decoupling use of natural resources

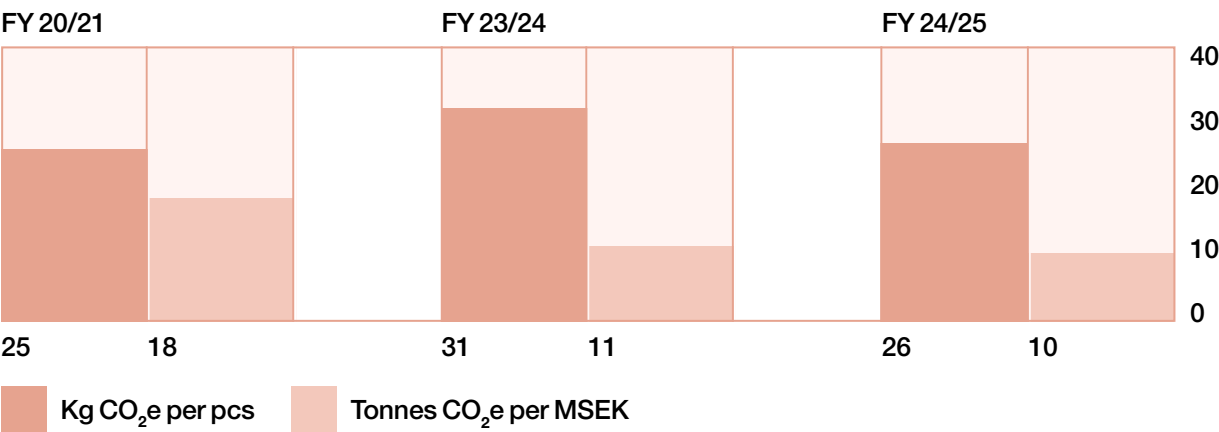
Progress	Reduced carbon intensity per MSEK with 48% to base year
Next steps	Secure alignment with business plan and climate roadmap

We aim to grow our business in a way that continuously decouples our financial growth and profitability from the use of finite natural resources. This strategy is well established in our business plan and since the base year, we have decreased the number of pieces sold whilst still increased our turnover. This has lead to a 48% of reduction of carbon intensity per MSEK. The same intensity reduction is not yet achieved per piece, mainly due to a shift in our product mix. However, carbon intensity per product is prioritised in other parts of our climate strategy, for example when it comes to raw materials and supplier decarbonisation.

Decoupling is the single most important action in our climate roadmap. Our working group on Business and climate control is responsible for aligning business plans with the roadmap, including forecasts on sales volumes, category mix, and markets. For the first time, our new three-year business plan includes estimated volume change per product concept. These forecasts are providing valuable input for all other climate working groups that are affected by volumes, such as those working on reducing raw material and transport emissions. Continuous alignment and integration of our business plan and our climate roadmap will remain a focus for next year.

Carbon Intensity

Overall results FY 20–25



Reducing transport emissions

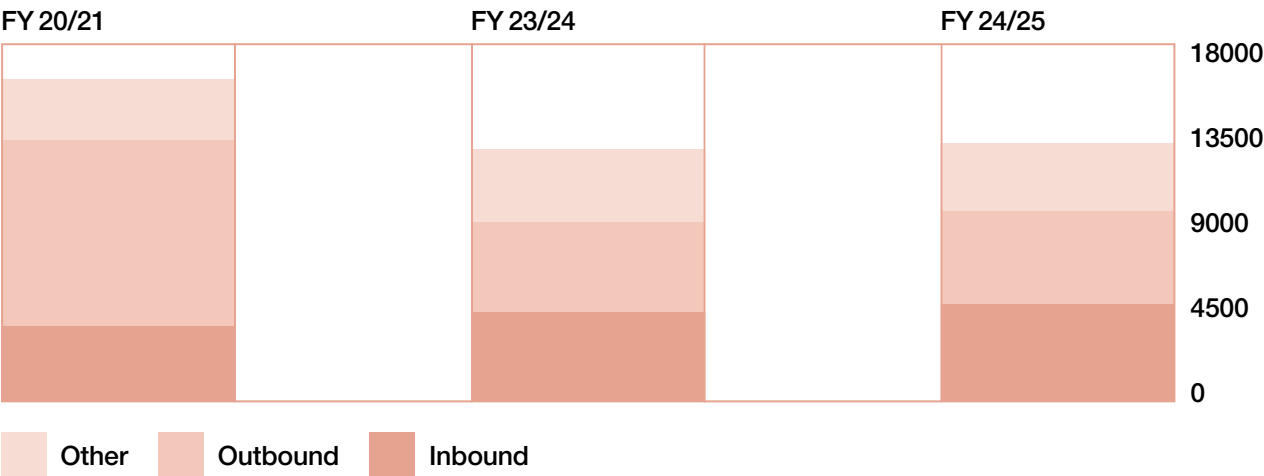
Progress	Reduced emissions by 20% to base year and 9% to last year
Next steps	Define strategy and launch KPIs for reduced air shipments

Transportation account for 38% of our total GHG emissions, originating mostly from Upstream transportation and distribution, including storage at our third-party warehouses while Downstream transportation and distribution only represent a minor share*.

This year, emissions from upstream transportation and distribution decreased by 9% compared to last year and by 20% since the base year, driven by lower transported volumes and structural improvements in our distribution setup. One key action has been to localise our product distribution for the APAC regions, for both store fulfillment and e-commerce customers, supported by new 3PL warehouses in Japan and South Korea. In some regions, stores also serve as small-scale fulfillment hubs, further improving last-mile efficiency. These structural changes enable more efficient long-distance shipments in our inbound flow, and more local, short-haul deliveries, leading to a net reduction in transport-related emissions.

Upstream transportation and distribution

GHG emissions per transport type, tCO₂e



*Downstream transportation and distribution represent 4% of total transport emissions, including a share of transportation to wholesale customers and online marketplaces not already included in our own transport.

As air freight accounts for around 97% of total transport emissions**, this remains our primary focus area. To strengthen our efforts in reducing air freight further, we have formed a cross-departmental working group including representatives from our commercial, supply chain and production departments. The group’s main objective will be to define and launch a strategy and KPIs for reducing air shipments. A key priority will be to align production planning and order placement routines, ensuring a balanced approach between fixed orders, repeat orders, and Never-Out-of-Stock (NOS) products. This will enable a more efficient supply chain setup that supports both operational reliability and emission reduction goals.

Transport emission targets FY 25/26		
Reduce total emissions from transports with 10% compared to last year.	Reduce share of inbound air shipments and specify detailed reduction targets for coming years.	Implement climate reducing solutions with key forwarders, eg. exploring routes and SAF investments.

**According to the STICA guidelines a Radiative Forcing index (RFI) of 2,7 is added for all air freight emissions.

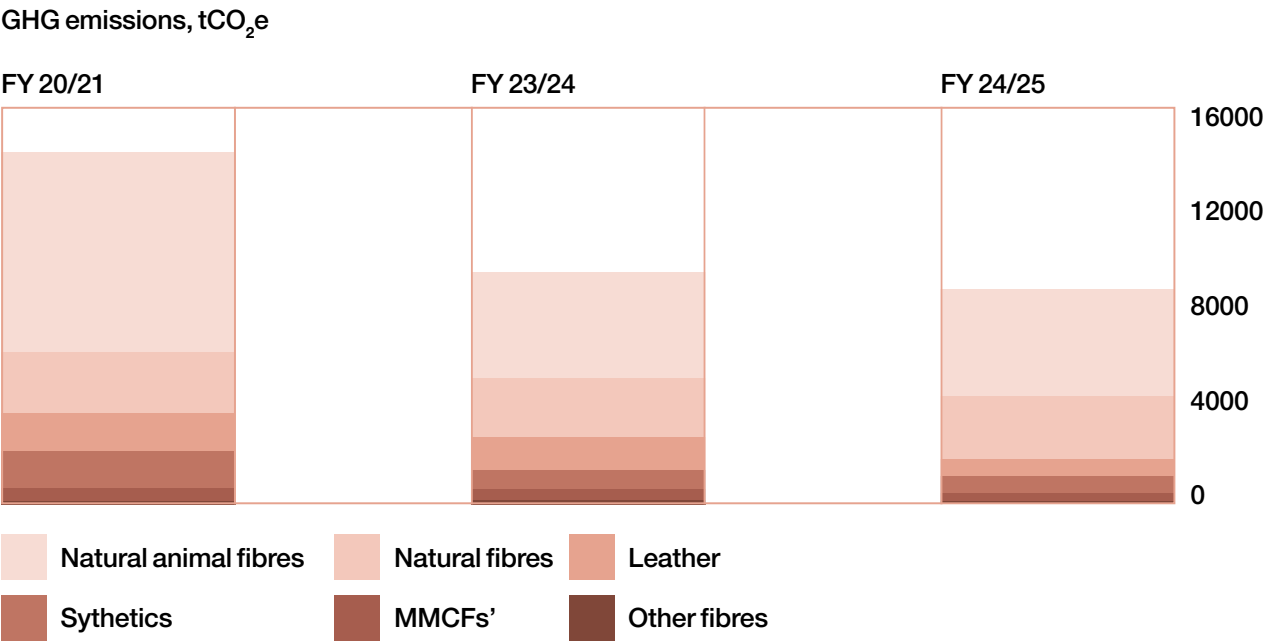
Lower-impact raw materials

Progress	Reduced emissions by 35% to base year and 2% to last year
Next steps	Improve data quality of emissions factors for raw materials

Raw materials* account for 27% of our total GHG emissions, with most emissions coming from natural or animal-based materials such as cotton, wool, and leather. This year, emissions from raw materials decreased by 2%, despite an increase in total sourced weight. The increase in material weight was mainly driven by higher use of cotton, which has a lower climate impact than animal-based materials. The reduction is also linked to an updated emission factor for calf leather, which represents the majority of our leather sourcing. Emissions are estimated using global average values from the Higg MSI database.

Since last year, we have included Land Use Change (LUC) emissions based on fibre origin. Next year, we will set a separate Forest, Land and Agriculture (FLAG) target to align with the Science Based Targets initiative (SBTi) requirements.

Raw materials, Tier 3–4



*Includes raw material production and processing (tier 3-4)

We believe in high-quality, long-lasting products and materials, and wool and leather play an important role in our collections. However, they also generate high emissions. This highlights the need to find lower-impact alternatives that meet our quality standards. Within the raw materials working group, recycled and regenerative wool and low-impact leather are therefore key focus areas. See our Preferred Materials chapter for more details.

Going forward, a key priority will be to improve the data quality of our emission factors for raw material sourcing. Since we source raw materials consciously, we want the climate impact to be accurately reflected, capturing benefits from regenerative farming practices and regional variations. This will enable us to take our sourcing strategy a step further by integrating climate parameters into decision-making. In the long term, we aim to either receive actual emission data from farms or as a minimum, adopt country-specific factors.

Raw material emission targets FY 25/26		
Increase share of recycled materials	Increase share of regenerative wool	Create strategy for low emissions leather
Key focus: Synthetics, wool, cotton	Key focus: Scarves, knitwear	

Decarbonising at suppliers

Progress	18% of electricity in tier 1 and 2 from renewable sources
Next steps	Reach 50% of renewable electricity at tier 1 suppliers

Product manufacturing (tier 1) and material production (tier 2) – including transport within and between production facilities – account for 16% of our total GHG emissions. Emissions are assessed using activity data provided by suppliers and their supporting facilities, collected through our environmental questionnaire. This year, 85% of supplier-related emissions were based on reported data, up from 75% last year, reflecting improved data quality and stronger supplier engagement.

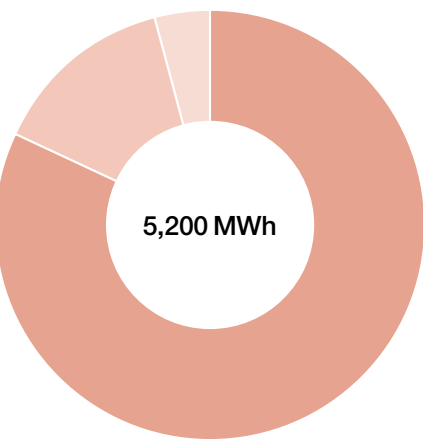
Emissions from our suppliers increased by 6% compared to last year but remain 17% lower than the base year. These year-on-year variations are influenced by several factors, including changes in production volumes affecting efficiency and energy use per unit, fluctuations in energy grid mixes, and differences in product types, volumes, and finishing processes.

To minimise variations and further reduce emissions, we are focusing on increasing the share of renewable energy across our supply chain. This year, 17% of the electricity consumption in our product manufacturing processes (tier 1) came from renewable energy sources. Next year, we aim for at least 50% of the electricity used in tier 1 to come from renewable sources — a key target within our Supplier decarbonisation working group.

Beyond renewable electricity, phasing out fossil fuels used for heat, steam, and power is critical to achieving deeper emission reductions. Such transitions often require substantial investment from suppliers to upgrade existing systems and technologies. This year, one of our Italian suppliers took part in a decarbonisation programme with the Apparel Impact Institute (Aii), identifying key opportunities to improve energy efficiency and cut emissions. Building on this, we plan to expand our collaboration next year by engaging at least two additional material suppliers in a joint climate project with Aii.

Electricity in Tier 1 & 2

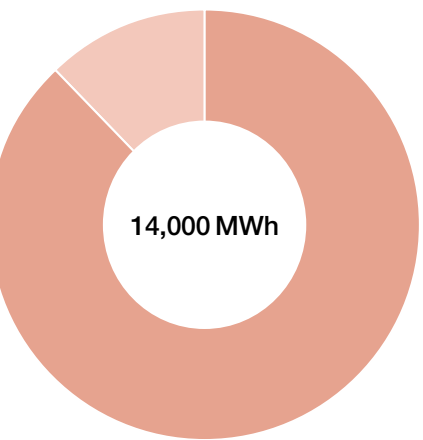
Share of consumption in FY 24/25



- 82% Electricity (residual mix)
- 14% Renewable electricity (RECs)
- 4% Renewable electricity (own solar panels)

Fuels in Tier 1 & 2

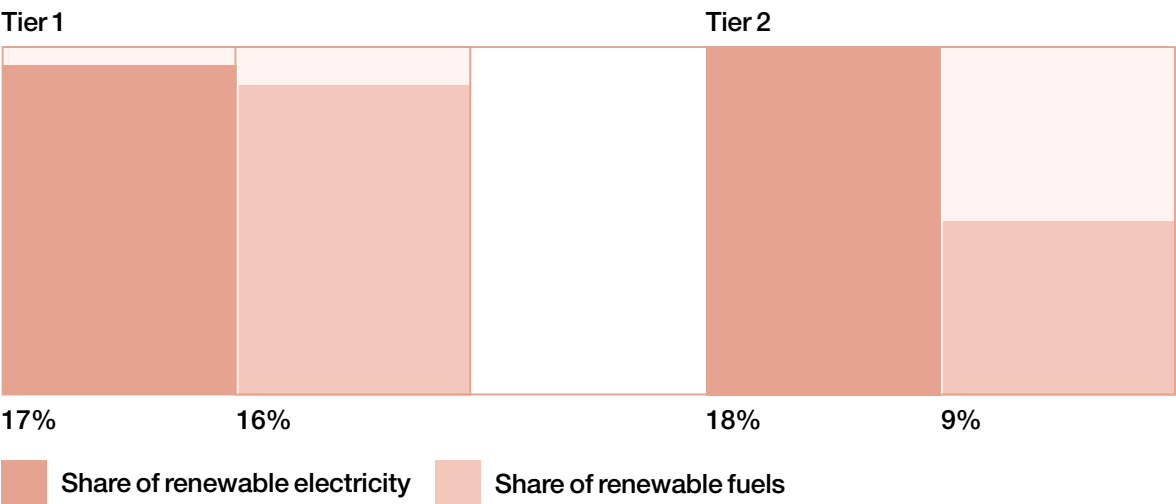
Share of consumption in FY 24/25



- 88% Fossil fuels
- 12% Biobased fuels

Renewable energy share Tier 1 & 2

Share of energy consumption, kWh



Supplier decarbonization targets FY 25/26	
50% renewable electricity in product manufacturing processes.	Engage two material suppliers in a joint climate project in collaboration with Aii.

Business travel

Progress	Reduced emissions by 28% to last year, +17% to base year
Next steps	Launch internal carbon budget for travels

GHG emissions from business travel account for 11 % of our total emissions, with air travel as the main contributor. This year, we had a 28% reduction in emissions compared to last year, mainly driven by cuts in travel budgets across all departments. However, emissions remain 17% higher than in the base year.

As a key focus to address air travel emissions, and to reach our target to reduce emissions from business travel with 30%, we will for next year introduce a carbon emission budget to complement the financial travel budget. The focus will be on our main emitting departments; Marketing, Commercial and Product & Design (P&D).

Business travel emission targets FY 25/26	
Reduce emissions from business travel with 30%across whole organisation compared with FY 24/25	Introduce carbon emission budget for Marketing, Commercial and P&D in addition to their financial travel budget

Retail development

Progress	Completed climate screening on retail development
Next steps	Integrate retail development in climate roadmap

Emissions from constructions and maintenance of our stores are not yet captured in our climate report. During the extended climate screening this year, they were assessed as significant based on spending; from 18% of our total emissions in the base year to 32% last year. These figures are approximate, as it was difficult to accurately separate and attribute costs to specific activities, such as architectural services versus the use of construction materials Therefore, we decided to wait to include these emissions until we have more representative data. Next year, a key priority will be to improve data quality and fully integrate emissions from retail development into our climate roadmap, including the definition of clear reduction actions and targets.

Retail development emission targets FY 25/26	
Integrate retail development into our climate roadmap.	Include total emissions in climate footprint report FY 25/26.

Circular packaging

Target: Circular packaging across all operations by FY 26/27

Key progress: 63% of Acne Studios packaging made in recycled materials and introduced FSC™ logo and license

Across our operations and sales, packaging protects and enhances our products. We have implemented a circular approach for all types of packaging — from those used in shipping and distribution to product and sales packaging. Each branded package is designed with desirability and durability in mind, encouraging extended use and reuse before being recycled. To guide our packaging strategy we have an Acne Studios Circular Packaging Policy that specifies the considerations and rules we have for the design, materials, production and operations around packaging to work towards closing the loop of our packaging flows. See Annex 7.



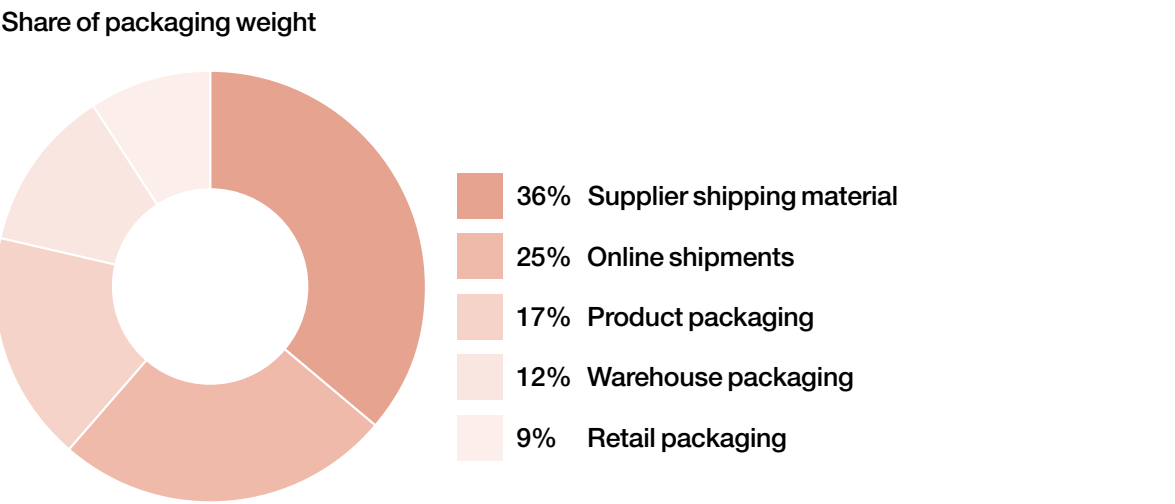
Circular design

Progress	Implemented circular packaging handbook
Next steps	Legal review of our packaging handbook

This year, we have created an internal packaging handbook that defines how our packaging policy should be implemented across all operations, from design considerations to warehouse practices. In terms of circular design, this means limiting unnecessary packaging use, ensuring that our packaging is recyclable, and that it is labelled in accordance with legal standards. When reviewing total packaging volumes across all different operations, we can see that the total packaging use, around 470 tons, has decreased by 2% compared to the previous year.

For consumer-facing packaging, such as product packaging, online shipment materials, and retail shopping bags, the average amount of packaging used per product sold is around 200 grams. We will continue to identify opportunities to make our packaging use even more efficient. Next year, we will also continue our ongoing review to ensure all packaging complies with legal labelling standards across all our markets.

Package use per operation



Circular materials

Progress	63% of packaging made in recycled materials
Next steps	Continue to implement FSC logo on all packaging

Our main priority is to use as high of a share of recycled materials as possible. This year, 63% of the total weight of our own developed packaging articles was made in recycled materials. This includes articles such as shopping bags, shoe boxes, tissue paper and online shipping packaging, but also protective articles such as dust bags and dress covers that all are now fully made in recycled cotton. This is an improvement since last year, where the recycled share was 54% and our aim is for it to increase even more.

This year we hold a FSC promotional license and introduced the FSC logo on our packaging. Most of our virgin paper was FSC certified before, but now we want the packaging to be labelled as such as well. We will continue to implement this during next year for the remaining packaging articles and for new developments.

All our branded Acne Studios packaging is plastic-free with very few temporary exceptions. However, we still use plastic polybags to protect our products during distribution. A project this year was implementing polybags made in recycled plastics. The majority of our product suppliers have started to place orders with our nominated supplier and we will continue to phase in this new shipping requirement next year.

Circular production

Progress	Regional production of all online shipping boxes
Next steps	Introduce regional production of recycled silk paper

A cornerstone in our circular packaging ambition is to select suppliers with high enviromental standards placed in the right location. As part of our policy, all suppliers must sign our supplier code of conduct and confirm compliance with our Packaging Restricted Substance List (RSL). We aim to accurately estimate packaging needs before ordering to avoid leftovers, especially when we introduce new articles. This year, discarded packaging weight was 1,2 tonnes, representing 0,5% of annual packaging orders.

Another ambition is to strive for local production in order to reduce emissions from long-distance transports. This year, we introduced local production for Japan’s online shipment boxes which means we now have regional production for all of these boxes. The key supplier for our shopping bags, gift boxes and also our pink online shipment bags has production in China and Indonisia from where it is distributed globally. We aim to keep this partnership while continuing to use boat shipments to minimize the environmental impact. An initiative for next year will be to source silk paper regionally and at the same time increase its recycled content.

Circular operations

Progress	Recycling available in all warehouses
Next steps	Pilot to introduce reusable pallet wrapping

Circular operations involve packaging optimisation, reuse and recycling of packaging at our warehouses. All our warehouses in Sweden, China, Japan and South Korea have established recycling of plastics, cardboard and paper. For the US warehouse, the waste is sorted by an external waste provider. In terms of reuse of packaging our warehouse in Sweden is continuously evaluating how we can reuse packaging and are today reusing some of our articles from return shipments. Next year we are aiming to streamline the policies and guidelines of reuse but also policies on packaging optimisation across all our warehouses. When analysing our waste streams, we have also noticed that the highest share of plastic waste originates from plastics used to wrap pallets. Therefore, we would like to run a pilot next year to introduce reusable pallet wrapping, for example with nets.

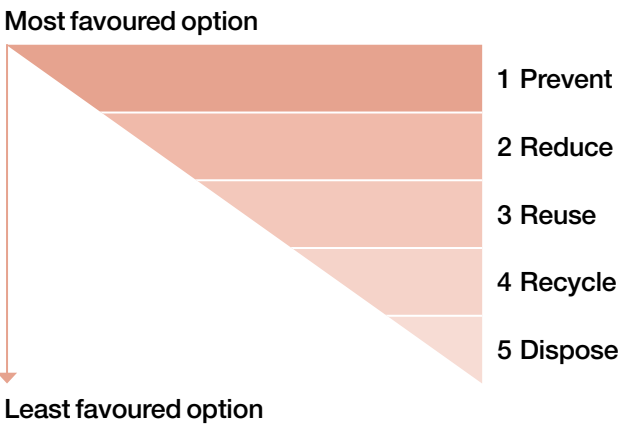
Towards zero waste

Target: Reducing, reusing, and recycling of waste across all operations by FY 26/27

Key progress: 93% of facilities are recycling their main waste streams and opened a warehouse for leftover fabrics

We aim to work towards zero waste across all our operations. From the development and production of our collections, the running of our stores, offices, and warehouses and during sales in regards to preventing unsold products and from organising events. We have a zero-waste policy that follows waste hierarchy, where we should primarily prevent and reduce waste and, consequently, reuse and recycle in all our key operations. The aim of this policy is to validate the waste management activities that we already have in place as well as define the future actions needed in the journey towards zero waste.

Our priority towards zero waste



Stores, offices and warehouses

Progress	>90% of our facilities recycle their main waste streams
Next steps	Create facilities policy and a guide for store developments

This year we opened 16 stores and closed 5. In total, we are now operating 90 facilities around the world including stores, warehouses and offices. More than 90% of these have a set-up to sort and recycle their main waste streams. Our ambition is to achieve this at all our facilities and that all facilities have a zero-waste plan to continuously make improvements. We also want all facilities to report on annual waste and recycling volumes as this is recommended within our B Corp certification. A challenge to achieve this is that we do not own our facilities and we depend on our landlords’ capabilities and willingness to make changes. Other challenges are differences on waste and recycling infrastructure in certain markets.

Our goal this year was to set up an internal working group to drive progress on waste and recycling in our stores, but limited time and resources prevented us from doing so. We will instead take action next year as part of our B Corp recertification preparations. This will include launching a facilities sustainability policy and a sustainability policy for when we are developing and constructing new stores to support more consistent and sustainable practices across all facilities.

Development and production waste

Progress	Opened warehouse for leftover fabrics
Next steps	Update our strategy for ‘continuity articles’

This year, we have taken several steps to strengthen the management of leftovers from our design, development, and production processes. A key milestone was the opening of a warehouse for leftover fabrics. By centralising leftover materials, we aim to improve visibility and create opportunities to reintroduce them into our collections. We estimate that approximately 12,6 ton of materials remained after the SS25 and FW25 seasons, excluding continuity and carry-over materials that will be used

in future collections. This is a small increase to last year and represents 2,7% of our total material order volume. We have also continued our collaboration with our partner Weturn to whom 14,000 meters of fabric was resold. Majority of this fabric will be sold on the market and around 6% was sent for recycling.

In terms of leftovers from our development phase, such as prototypes, samples, and sample fabrics, we have different waste-prevention measures including for example the use of virtual sampling to reduce the need for physical samples. In addition, we donate leftover fabrics and trims from our Stockholm and Paris atelier to design schools to support creative reuse and education.

During the year, a working group has met regularly to discuss how to improve internal processes on leftovers, both in terms of data mapping and how to increase the use of leftovers in upcoming seasons. This group will continue to meet next year and expand its focus to update our strategy on ‘continuity materials, which we see is key to prevent leftovers and to establish strategic partnership with our material suppliers.

Supplier waste

Progress	83% of suppliers state they recycle cutting waste
Next steps	Launch pilot on fiber-to-fiber recycling of denim waste

Our ambition is to encourage recycling of waste generated during garment manufacturing and where possible, enable it to be recycled into new fibres. According to our supplier surveys, 83% of our garment suppliers state that they have processes in place to recycle their production waste such as defects and fabric cut-offs. However, we know that the majority of that is downcycling or sometimes also energy recovery and only a small share is fibre-to-fibre recycled. Over the past years, we have engaged with our jersey & fleece suppliers, given they predominantly use cotton which is suitable for fibre-to-fibre recycling. Last year our two main jersey & fleece suppliers claimed that 95% and respectively 47% of their cutting waste was recycled into new fibres. Next year, we will launch a pilot on arranging fibre-to-fibre recycling of denim waste together with our Italian suppliers.

Sales and excess inventory

Progress	2% ‘net sales to production balance’ during last three years
Next steps	Reduce average tier 3 stock levels to >3%

This year, we had a net sales to production balance of 13%, meaning we produced more pieces than we sold. Last year, the balance was -8%. However, as our financial year ends in the delivery period, it is more relevant to look at the longer trend. Over the past three years, the net balance landed at 2%, corresponding to around 90,000 more pieces produced than sold. We use two key indicators to track and reduce excess inventory. The net balance shows how well production volumes align with sales, while the share of tier 3 stock reflects how much of our total inventory includes products that are challenging to sell.

During the year, we have focused on defining our inventory and off-price strategy, as well as mapping the product lifecycle across sales channels. After seasonal markdowns in our regular stores, products move through three stages in our off-price channels. The last stage, or tier 3, represents products that remain unsold after passing through our own outlets, AcneArchive.com and selected external outlet partners during a period of more than two years. We still aim to find a purpose for these products, but they require more special attention or solutions.

We never send tier 3 stocks to incineration or landfill; instead, we are collaborating with different off-price partners or offer sales to employees through our warehouse store. We are also considering redesigning actions such as print and other treatments to upgrade the design to resale. A smaller part is donated to charity or sent for fibre recycling. This year, tier 3 stock accounted for approximately 4% of our average monthly inventory. Our goal for next year is to bring it to under 3%. In addition, we will conduct research to identify responsible solutions for unsold products for all our regions, in line with the EU Waste Directive.

Events and fashion shows

Progress	>30% circular material use and >90% reuse/recycling of waste
Next steps	Benchmark our impact and set strategy for improvements

For our SS25 and FW25 shows, more than 30% of the set and scenography materials were circular — rented, reused, or made from recycled sources — and at least 90% of all materials were enabled to be reused or recycled after the events.

We began strengthening sustainability practices at our events in 2022, with a particular focus on our fashion shows. This includes selecting event partners with strong sustainability commitments and assessing the environmental and social impacts of our shows using the eco-design tool developed by the Fédération de la Haute Couture et de la Mode (FHCM). Through this tool, we evaluate key factors such as climate emissions, circular material use, and working conditions. In 2023, we expanded our efforts by partnering with Muto to promote the reuse and recycling of event settings, giving these materials a second life.

Since adopting the eco-design tool, we have gradually improved the quality and scope of the data we capture. We are now ready to take the next step: working with FHCM to benchmark our results against industry peers and identify targeted opportunities for further improvement.

Our workplace

Our people are our company’s greatest asset. Attracting and retaining talent from all over the world and bringing the best out of our people is crucial to delivering on our strategic priorities. Our ambition is to be the employer of choice for people who want to work in a progressive and dynamic part of the luxury fashion industry.



We employ around 1000 people globally across 15 countries. We have offices in Stockholm, Paris, Empoli, New York, Shanghai, and Tokyo and operate stores in 15 countries. Approximately 300 employees are based in our Stockholm HQ and almost 600 employees work in our stores.

Evolving leadership and company culture

We believe that a shared company culture is key to empowering people and thereby driving both business and personal growth. An authentic culture is also critical to attracting and retaining talent, especially in today’s competitive landscape.

Our four company values represent a shared set of guidelines and norms that we all must adhere to. We have worked systematically to define, communicate, and implement these values. In 2021 we launched our values and have since then conducted several values sessions for all employees and managers since the start. In 2024, we launched the Leadership Lab, a comprehensive leadership programme designed to continuously develop our leaders and equip them with the skills to effectively coach and lead their teams in accordance with our culture and values. Throughout 2025, we have sustained this initiative by providing in-house coaching for all managers and, where appropriate, select employees. We intend to carry the Leadership Lab forward into 2026, with a few adjustments to further enhance its impact.

In addition, we have integrated our values in all core people processes to ensure they are a concrete framework for how we work together and become an integral part of how we attract and retain talent.

In our new Talent and performance process 2025, we have introduced new competencies against which employees and managers are evaluated, closely aligned with our core values to emphasise the importance of behaviours.

Employee engagement index and leadership index

Measuring employee engagement is a way to check the temperature of our company. It is also an indicator of how connected and committed our people are to our organisation. Our employee engagement tool aims to provide insights and feedback to drive change and strategy implementation.

We made the decision in 2024 to reduce survey frequency to avoid survey fatigue. This change aims to improve overall experience and accessibility for employees. Therefore, in 2025 we launched this new approach.

As part of our ongoing efforts to track and enhance workplace satisfaction, we are now measuring Employee Engagement as a key KPI.

The current engagement score stands at 77% with a target of reaching 85%. The participation rate reached 78% 2025.

In detail, the purpose with the Employee engagement KPI is to:

- Listen to our employees and enable them to share constructive feedback.
- Empower managers with insights to improve collaboration and performance and to ensure wellbeing and motivation.
- Provide management with key insights to develop our people and organisation to achieve our strategic priorities.

New HRM system, onboarding experience, recruitment system and digital references

Acne Studios implemented a new onboarding process in last financial year for a better and more consistent experience for new employees. This new process includes a values session for new employees, to ensure that they are aware of and act in accordance with our values. We have also launched a new recruitment system and a new testing tool for our candidates for a better employee journey and a more sustainable recruitment process. In addition to this new system, we have implemented a digital reference check tool for a higher validity and unbiased reference check.

Acne Studios implemented a new onboarding process in previous year for a better and more consistent experience for new employees.



Acne Studios apprenticeship program

Acne Studios initiated a new apprentice program in 2023. The program is 6 months long and starts in spring and fall. It offers an opportunity for students and recent graduates to apply their knowledge in a professional working environment and establish themselves in the fashion industry. The program combines on-the-job trainings with related practical and theoretical learning sessions within our product and design department. All apprentices have a mentor that supports them throughout the program and some of the apprentices are later employed. We have found a strong approach at HQ and see opportunities to further develop it and share best practices with the Paris office.

The programme has become very popular with hundreds of applicants every year. In our evaluation surveys with feedback from participants, we are proud of received excellent ratings.

Providing a safe work environment

The safety and wellbeing of our people is first our priority. We work hard to proactively identify and mitigate risks and improve our work environment. In Sweden, where our HQ is based, we have a structured process in place that is centered around close collaboration with employee-appointed safety representatives. The process includes organised fire drills and appointed safety representatives on each floor. We offer Health & Safety trainings, including CPR, through an external provider to all employees in our Stockholm HQ. To date, we have trained 140 employees in CPR and we have since increased the number of defibrillators across our facilities.

We have a new partnership with Skandia Health Insurance (Hälsoslussen). This service provides both physical and mental health support to our employees for issues such as stress, work life balance, anxiety other conditions that may impact your wellbeing or work performance. All employees at HQ are welcome to contact Hälsoslussen for professional support in achieving a healthier work-life balance.

Physical activity has a significant positive impact on overall wellbeing and work performance. It can boost creativity, increase energy levels, improve focus, and more. During 2025 we've partnered with several well-known fitness studios in the Stockholm area.

Being a workplace for everyone

We aim to have an open company culture and strive to be progressive in everything we do. We are committed to diversity of all types and inclusive practices are integrated across our company values and ways of working. Our business is centred around creativity and we encourage different perspectives to make room for innovation and allow for better decision-making. All our people should be treated with dignity and respect and always feel safe, ultimately, they should feel that they can be themselves at work.

Gender diversity	2024	2025
All employees		
Women	59%	59%
Men	37%	38%
Non-binary/prefer not to say	1.1 %	1.5%
Information missing	1 %	0.5%
Managers		
Women	59%	60%
Men	40%	40%
Non-binary/prefer not to say	1 %	0%
Management team		
Women	40%	38%
Men	60%	62 %
Board of directors		
Women	29%	29%
Men	71%	71%

We will continue to integrate inclusive practices in all our core people processes to ensure fair and objective assessments across the entire employee lifecycle. We will also explore what diversity parameters we could and should measure and track across our employee base. Our ambition since many years remains that the gender diversity of our leaders should reflect the gender diversity of our employees.

Always acting ethically

In addition to physical safety, we aim to be a workplace where people feel comfortable raising their concerns about ethical issues or cases of non-compliance, without fear of retaliation. Back in 2022, we took important steps to further strengthen our work in this area by implementing an external reporting channel, 2Secure, available to internal and external stakeholders, as a complement to our internal procedures. This year, no concerns or complaints have been filed.

Acting with integrity is inherent in our company values and we expect all our employees to always act in an ethical manner. We have a zero-tolerance policy for bribery and corruption, as described in a policy document that all employees must read and confirm upon employment. In addition to defining our responsibilities in upholding ethical business practices, this policy also provides risk scenarios and guidance on how to act in case of suspicion of issues.



Annex 1

Acne Studios preferred material classification

Fiber classification tool					
Fibers	Preferred+	Preferred		Phase out	Banned
Natural fibers: Cotton Hemp Linen	Regenerative & traceable (Regenagri) Recycled (GRS, RCS)	Organic (GOTS) Organic (OCS) European Flax™ linen		Uncertified & untraceable natural fibers	
Natural animal fibers: Alpaca Mohair Wool Cashmere Down Yak Silk	Regenerative & traceable (ZQRX) Recycled (GRS, RCS)	Responsible Alpaca Standard certified (RAS) Responsible Mohair Standard certified (RMS) Responsible Wool Standard certified (RWS) Sustainable Fiber Alliance (SFA) cashmere Responsible Down Standard (RDS) Traceable animal fibers Organic (GOTS, OCS) Peace silk		Uncertified & untraceable natural fibers	Angora Mulesed wool Non-RDS down
Leather	Regenerative & traceable leather Recycled leather (GRS, RCS) Biobased leather alternatives	Preferred leather as defined in our Preferred Leather Classification Tool.		Uncertified & untraceable leather	Fur Exotic skins Leather from Brazil and Bangladesh without farm traceability
Synthetics	Mechanically recycled (GRS, RCS) Fiber-to-fiber recycled (GRS, RCS) Biobased synthetics	Chemically recycled (GRS, RCS)		Conventional synthetics	
Manmade cellulosics fibers	Made with better raw materials i.e. agricultural residues or pre/post consumer textiles: Circulose® Infinna™ Refibra® Agraloop BioFibre™	Preferred viscose (FSC certified + Canopy green button) Crailar® Monocel® Tencel® Eco Pure modal Ecovero® LivaEco by Birla Eastman Naia™ Soalon™ Triacetate Bemberg RCS Cupro		Conventional MMCFs	

Annex 1

Acne Studios preferred material classification

Leather classification tool				
	Preferred*	Good	Discouraged	Banned
Animal welfare	Low risk countries	Mid risk countries	High risk countries	Brazil, Bangladesh
Traceability	Slaughterhouse	Animal country of origin	Hide country of origin	No traceability
Tanning	LWG gold/silver	LWG bronze/audited	No LWG member	No commitment
Vegan Leather	Bio based PU	Water based PU	Solvent based PU	PVC

*Preferred leather meets the following criteria:

- Low risk countries on animal welfare: European Union, United States, Canada, Japan, New Zealand, Australia, Uruguay
- Slaughterhouse traceability: Verified traceability back to slaughterhouse
- Tanning: LWG gold/silver: Tannery is audited by LWG and reached silver or gold score
- Vegan leather: Made of biobased PU that consists of at least 30% bio-based materials (i.e., agricultural waste) combined with water based PU

Shoe classification tool				
	Preferred	Good	Discouraged	Banned
Upper	See fiber and leather classification tool			
Soles*	Natural FSC rubber Bio-based TPU/EVA Recycled TPU/EVA/rubber	EVA Water-based TPU	Petroleum-based plastics/rubber	PVC

*We consider soles sustainable if they consist of ‘preferred’ sole materials, combined with ‘good’ sole materials.

Annex 2

Low-impact production verification tool

Low impact production scope and verification			
This guide specify the certifications or technologies we accept as having a lower impact performance in terms of water, energy, chemicals and/or waste management during wet-processing of our materials or products.			
Certification/Technology	Focus	Certification Scope	Environmental Scope
LWG Gold LWG Silver	Leather	Factory-level	Water and energy reduction, chemical management and waste control in all factory processes
GOTS	Textiles	Full process from fiber to: Material-level Product-level	Organic farming, restricted chemical inputs, wastewater management & social standards across supply chain
Bluesign	Fabrics Trims	Material-level Product-level	Proactive chemical management, emissions control, resource efficiency on production processes
Indigo Flow	Denim fabrics	Material-level No certification, supplier self-declaration	Water efficiency technology used for fabric dying
Jeanalogia EIM Water < 45 l/kg Energy < 2,5 kWh/kg Chemicals < 33 points Worker's health <13 points	Denim treatments	Product-level No certification, supplier self-declaration	Substitution to lower impact techniques and methods, water, energy and chemical reductions on denim treatments

Annex 3

Country risk assessment tool

Country	Share of FOB	Risk scoring	Employment is freely chosen	Freedom of association	No discrimina- tion	No child labour	Living wage	Reasonable hours of work	Safe & healthy working conditions	Legally binding employment relationship	Gender risk summary	Migrant workers risk summary	
This country risk assessment tool evaluates social risks based on legislation, ratification of human rights conventions, reports from international organisations and NGOs*													
Italy	59%	High	High	Mid	High	Low		High	Mid	Mid	High	Mid	High
Portugal	20%	Low	Low	Low	Low	Low		Mid	Mid	Mid	Low	Low	Low
China	12%	High	High	High	Low	Low		High	High	High	Mid	Mid	High
Romania	4%	Mid	Low	High	Mid	Low		Mid	Low	Mid	Low	Mid	Mid
Türkiye	2%	High	Mid	High	High	Low		High	Mid	High	Mid	High	Mid
Lithuania	1%	Low	Low	High	Low	Low		Mid	Low	Low	Low	Low	Low
Bulgaria	1%	Mid	Low	High	Low	Low		High	Mid	Low	Low	Mid	Mid
Morocco	1%	Mid	Low	Mid	High	Low		High	Mid	High	Mid	High	Low
Tunisia	<1%	High	Low	High	Mid	Low		High	Mid	High	High	High	High
UK	<1%	Low	Low	Low	Mid	Low		Mid	Low	Mid	Low	Low	Mid
France	<1%	Low	Low	Low	Low	Low		Low	Mid	Mid	Low	Low	Low
Albania	<1%	Mid	Low	High	Low	Low		High	Mid	High	Mid	Mid	Mid

*Fair Wear country reports, publications from EU, ILO and relevant governments as well as Clean Clothes Campaign and Labour Behind the Label.

Social supplier timebound action plans

Supplier characteristics					Supplier risk assessment			Timebound action plan			
Supplier number	Country	Partnership (years)	Order value (%)	Leverage (%)*	Labour standard risks 1 = low risk, 3 = mid risk, 5 = high risk			Freedom of association	Product & sector risk factors**	Risks from social assessment***	
					Country	Gender	Migrant work				
Supplier 1	Italy	10	28,2%	29%	4	3	5	3	2	1	Agent & subcontractors to be re-trained in 2026. Supporting subcontractors to be audited. Focus area to strengthen agent's own sustainability strategy and improve workers awareness of labour standards.
Supplier 2	Italy	12	11,4%	19%	4	3	5	3	1	1	Supplier to be re-trained & audited in 2026. Follow up on subcontractor factory closure and improved wage management systems at subcontractors.
Supplier 3	Portugal	12	11,4%	14%	1	1	1	1	0	1	Supplier to be audited in 2026 and launch living wage survey.
Supplier 4	Italy	9	5,2%	63%	4	3	5	3	1	1	Supplier to be re- trained & audit new subcontractor in 2026. Investigate use of recruitment agency.
Supplier 5	China	18	5,0%	12%	5	3	5	5	1	2	Focus on remediating findings from audit on improvement on overtime and subcontractor management. Follow up on factory training and worker awareness of labour standards.
Supplier 6	Portugal	12	4,9%	15%	1	1	1	1	0	1	Focus on improved subcontractor management and improved wage management systems. Engage further on open costing.
Supplier 7	Italy	8	4,3%	26%	4	3	5	3	1	3	Supplier to be re-trained in 2026. Launch open costing with supplier in 2026.
Supplier 8	Italy	11	3,3%	20%	4	3	5	3	1	2	Supplier to be re- trained in 2026. Focus area to improve wage management systems and freedom of association at subcontractors.
Supplier 9	China	17	2,7%	25%	5	3	5	5	1	2	Focus on remediating findings from modular assessment on wages and working hours. Engage in a living wage project to increase wages for workers with other brand.
Supplier 10	Romania	10	2,2%	11%	2	3	3	5	0	0	Focus on remediation following audit with focus on gender and freedom of association.
Supplier 11	Italy	11	2,2%	14%	4	3	5	3	1	2	Investigate recruitment use of agency and improve wage management system at supplier and subcontractors.
Supplier 12	Lithuania	17	2,0%	20%	1	1	1	5	0	1	Investigate use of recruitment agency. Stabilise subcontractors and engage further with supplier on subcontractor management.
Supplier 13	Portugal	3	1,9%	2%	1	1	1	1	1	0	No audit or training planned due to low risk. Focus to receive digital questionnaire from all production locations in 2026.
Supplier 14	Italy	6	1,8%	15%	4	3	5	3	1	5	Supplier to be re- trained in 2026. Focus area to conduct trainings at subcontractors, improve freedom of association and promote gender policies.

Social supplier timebound action plans

Supplier characteristics					Supplier risk assessment			Timebound action plan			
Supplier number	Country	Partnership (years)	Order value (%)	Leverage (%)*	Labour standard risks 1 = low risk, 3 = mid risk, 5 = high risk			Freedom of association	Product & sector risk factors**	Risks from social assessment***	
					Country	Gender	Migrant work				
Supplier 15	Portugal	8	1,8%	10%	1	1	1	1	1	1	Focus on supplier conducting training to workers and implementing a Collective bargaining agreement (CBA).
Supplier 16	China	16	1,7%	3%	5	3	5	5	0	1	Focus on improved working hours and sustainability strategy with supplier. Audit planned in 2026.
Supplier 17	Italy	21	1,6%	12%	4	3	5	3	0	2	Supplier to be re-trained in 2026. Launch open costing with supplier in 2026.
Supplier 18	Türkiye	7	1,4%	10%	2	5	3	5	0	0	Focus on remediating findings from full assessment. Conduct gender & freedom of association training with other brand.
Supplier 19	Morocco	18	1,0%	7%	3	5	1	3	0	1	Supplier to be audited and trained in 2026. Focus on living wage and freedom of association.
Supplier 20	China	6	0,9%	3%	5	3	5	5	1	2	Supplier to be trained in 2026. Focus on improving overtime at the factory and implementing a sustaianbility strategy.
Supplier 21	Italy	15	0,7%	20%	4	3	5	3	0	0	Supplier to be re- trained in 2026. Focus area to resolve audit findings at subcontractors and improve subcontractor management.
Supplier 22	China	4	0,6%	4%	5	3	5	5	1	1	Focus on remediating findings from audit on improvement on overtime and subcontractor management. Follow up on factory training and worker awareness of labour standards.
Supplier 23	Türkiye	12	0,5%	3%	4	5	3	5	0	2	Audit in 2026 with a focus on gender and wages. Conduct gender & freedom of association training with other brand.
Supplier 24	China	14	0,5%	1%	5	3	5	5	1	1	Focus on remediating findings from audit on improvement on overtime and subcontractor management. Follow up on factory training and worker awareness of labour standards.
Supplier 25	Italy	11	0,4%	6%	4	3	5	3	0	1	Focus on improving stability and subcontractor management.
Supplier 26	Bulgaria	4	0,4%	2%	2	3	3	5	0	1	Audit subcontractor and focus on improving wage management systems at supplier and subcontractors.
Supplier 27	Italy	12	0,3%	7%	4	3	5	3	2	2	Supplier to be trained & audited in 2026. Focus on improved subcontractor management and wage management systems.
Supplier 28	Italy	3	0,3%	8%	4	3	5	3	0	1	Audit in 2026 and focus on improved subcontractor management.

Social supplier timebound action plans

Supplier characteristics					Supplier risk assessment			Timebound action plan			
Supplier number	Country	Partnership (years)	Order value (%)	Leverage (%)*	Labour standard risks 1 = low risk, 3 = mid risk, 5 = high risk			Freedom of association	Product & sector risk factors**	Risks from social assessment***	
					Country	Gender	Migrant work				
Supplier 29	Italy	11	0,3%	Exited	4	3	5	3	0	NA	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.
Supplier 30	Italy	7	0,2%	10%	4	3	5	3	3	NA	Focus on receiving digital questionnaire and evaluate for future audit and training plans.
Supplier 31	Italy	8	0,2%	3%	4	3	5	3	0	1	Investigate overtime at supplier and its subcontractors. Launch open costing with supplier in 2026.
Supplier 32	Italy	9	0,2%	5%	4	3	5	3	0	3	Investigate overtime and wage management improvement at supplier.
Supplier 33	Italy	7	0,1%	2%	4	3	5	3	0	1	Supplier to be re- trained in 2026. Focus area to improve subcontractor management.
Supplier 34	Italy	2	0,1%	5%	4	3	5	3	0	2	Focus on improving wage management system and evaluate for future audit and training plans.
Supplier 35	Portugal	2	0,1%	Exited	1	1	1	1	0	NA	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.
Supplier 36	UK	6	0,04%	4%	1	1	3	1	0	2	Investigate wage management system. Low risk no current audit or training plan.
Supplier 37	Italy	2	0,04%	0%	4	3	5	3	1	1	Promote implementing gender policies with the supplier and its subcontractors. Launch open costing with supplier in 2026.
Supplier 38	Italy	1	0,04%	1%	4	3	5	3	0	2	Investigate use of recruitment agency and improve wage management systems at supplier and its subcontractors. Launch open costing with supplier in 2026.
Supplier 39	Italy	9	0,03%	Exited	4	3	5	3	0	1	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.
Supplier 40	Italy	1	0,03%	6%	4	3	5	3	0	NA	New supplier focus to receive digital questionnaire and sign new Code of Conduct in 2026.
Supplier 41	Italy	3	0,03%	10%	4	3	5	3	0	2	Investigate wage management system improvements and evaluate for future audit and training plans.
Supplier 42	Italy	1	0,03%	1%	4	3	5	3	1	0	New supplier focus to sign new Code of Conduct and evaluate for future audit and training plans.
Supplier 43	Italy	1	0,02%	5%	4	3	5	3	0	1	No audit or training planned due to low risk. Investigate use of recruitment agency.

Social supplier timebound action plans

Supplier characteristics					Supplier risk assessment			Timebound action plan			
Supplier number	Country	Partnership (years)	Order value (%)	Leverage (%)*	Labour standard risks 1 = low risk, 3 = mid risk, 5 = high risk			Freedom of association	Product & sector risk factors**	Risks from social assessment***	
					Country	Gender	Migrant work				
Supplier 44	Portugal	6	0,02%	Exited	1	1	1	1	0	NA	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.
Supplier 45	Italy	2	0,01%	2%	4	3	5	3	0	2	Focus on improving wage management system and investigate recruitment agency. Improve suppliers subcontractor management.
Supplier 46	Italy	1	0,01%	2%	4	3	5	3	0	1	New supplier focus to sign new Code of Conduct and evaluate for future audit and training plans.
Supplier 47	France	6	0,0%	1%	1	1	1	1	0	0	Focus on implementing grievance mechanism at the supplier and evaluate for future audit and training plans.
Supplier 48	Italy	3	0,0%	Exited	4	3	5	3	0	0	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.
Supplier 49	China	7	0,0%	Exited	5	3	5	5	1	NA	Follow responsible exit strategy. Phased exit reducing business over time and limited impact to workers.

*Share of a supplier’s total production capacity that was used for Acne Studios orders for FY 24-25

**Risk factors from our risk assessment where we see risks related to the type of product and business relationship we have with a supplier, for example products that require manual finishing processes.

***Risks from our digital social assessment questionnaire, for example use of recruitment agency, no training to workers and no wage management system.

Annex 5

Social country risk assessment for tier 4

Tier 4 country risk assessment on human rights and working conditions	
Raw material	Focus
Cotton	India Pakistan China Central Asia Egypt Sudan
Leather	China Kenya Egypt Algeria
Wool	China

Annex 6

Detailed Climate Footprint Results FY 24/25

GHG Category & Scope	GHG emissions, tCO ₂ e Base year, FY 20/21	GHG emissions, tCO ₂ e Last year, FY 23/24	GHG emissions, tCO ₂ e This year, FY 24/25	Share of emissions, %	Change from Base year, %	Change from last year, %
Scope 1	165	193	137	0.4%	-17%	-29%
Scope 2	756	67	55	0.2%	-93%	-19%
Scope 3	42,893	36,539	34,055	99%	-21%	-7%
1. Purchased goods and services*	21,428	15,210	15,405	45%	-28%	1%
— Tier 1	2,514	1,948	2,060	6%	-18%	6%
— Tier 2	3,202	2,878	3,132	9%	-2%	9%
— Tier 3–4	14,183	9,347	9,170	27%	-35%	-2%
— Transport within production	787	242	214	1%	-73%	-12%
— Other	742	795	829	2%	12%	4%
3. Fuel- and energy-related activities	92	99	76	0.2%	-18%	-23%
4. Upstream transportation and distribution*	16,183	14,129	12,866	38%	-20%	-9%
— Air	15,286	13,569	12,340	36%	-19%	-9%
— Road	528	361	332	1%	-37%	-8%
— Sea	58	46	11	0.03%	-80%	-75%
— Rail	20	-	0,9	0.003%	-96%	
— Other incl. 3rd party warehouses	291	152	181	1%	-38%	19%
6. Business travel*	3,349	5,421	3,924	11%	17%	-28%
9. Downstream transportation and distribution**	809	574	502	1%	-38%	-12%
11. Use of Sold Products**	1,031	1,107	1,281	4%	24%	16%
Total emissions	43,814	36,799	34,247	100%	-22%	-7%

* Updated emissions compared to last year’s report for base year and last year due to improved data quality.
** New scope 3 emission categories identified as relevant as an outcome from the extended climate screening.

Annex 7

Acne Studios circular packaging policy

Circular materials

- We strive for recycled content >40% in all paper packaging
- Virgin paper packaging must always be FSC certified
- All branded packaging should be plastic free, incl plastic coatings
- All polybags should be made of recycled plastics

Circular design

- All packaging must be recyclable; therefore, we don’t mix materials
- All packaging must include material and recycling specifications
- Packaging purpose, size, construction and weight must be considered to reduce use of materials
- We strive to choose techniques that have lower environmental impact (dyes, prints, glues, finishes etc.)

Circular production

- All packaging suppliers must approve AS Supplier Code of Conduct
- All packaging must meet AS Restricted Substance List
- We strive to have localized production to reduce transport cost and emissions
- We strive to make appropriate estimations to avoid over production and left-overs
- We strive to finish available stock before launching new articles
- We strive to use packaging suppliers that use renewable energy
- All suppliers should be informed in line with AS Supplier packaging guide

Circular operations

- We strive to optimise internal packaging in terms of size and filling
- We strive to reuse packaging where possible in internal operations
- We strive for full recycling of packaging waste in internal operations

Exceptions from the circular packaging policy must be approved by Acne Studios sustainability team.

Annex 8

GHG protocol scope 3 overview

GHG protocol scope 3 categories status update	
1. Purchased goods and services	
Production emissions (tier 1-4) incl. transport within production and packaging materials	Since base year
Products and services, not sold or transferred to the consumers	Next year
2. Capital goods	Next year
3. Fuel- and energy-related activities	Since base year
4. Upstream transportation and distribution	Since base year
5. Waste generated in operations	Not included (<1 %)
6. Business travel	Since base year
7. Employee commuting	Not included (<1 %)
8. Upstream leased assets	Not applicable
9. Downstream transportation and distribution	Since this year
10. Processing of sold products	Not applicable
11. Use of sold products	Since this year
12. End-of-life treatment of sold products	Not included (<1 %)
13. Downstream leased assets	Not applicable
14. Franchises	Not included (<1 %)
15. Investments	Not applicable



