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WE ARE IDEAL OF SWEDEN

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

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

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

LETTER FROM CEO

At Ideal of Sweden, 2024 was a year of clarity, consolidation, and meaningful progress. We took a big step towards full-year profitability - a milestone made possible through tough decisions, renewed commercial focus, and a team that never lost sight of the vision. While the year brought external challenges, it also confirmed that we are on the right path.

The global environment continued to be defined by high inflation, geopolitical unrest, and a rising cost of living. These realities have shaped consumer behaviour across all our markets and challenged us to adapt—quickly and smartly. We responded by refining our assortment, reducing complexity, and reinforcing our commitment to offering strong value for money. At the same time, we enhanced our digital and wholesale channels to ensure that Ideal of Sweden remains relevant, accessible, and desirable to our customers.

We also made significant strides in sustainability. In 2024, Ideal of Sweden became an official signatory to the Science Based Targets initiative (SBTi). We have committed to reducing our Scope 1 and 2 greenhouse gas emissions by 42% by 2030, using 2020 as our baseline, and are actively working to measure and reduce our Scope 3 emissions. This is not just a statement—it reflects our belief that climate change is the defining challenge of our generation, and that businesses must take tangible action now.

Across our operations, we continued our journey toward reduced impact. We continue to increase the use of recycled materials in our products, took more cardboard out of our packaging, and made further steps to strengthen environmental and social standards across our supply chain. These changes may seem small in isolation, but they are building blocks of a more sustainable business model—one that combines growth with responsibility.

Internally, we also focused on building the kind of culture that sustains performance. We rolled out a new “Way of Working” to encourage collaboration and agility across teams, and we have embedded a culture of accountability and transparency at every level of the business. Our people are Ideal of Sweden’s greatest asset, and investing in their growth and engagement remains a top priority.

As we look to 2025, our ambition is clear: continue the path to profitable growth, scale our efforts in sustainability, and solidify our presence in key Northern European markets through strong wholesale partnerships and ecommerce.

I am proud of the progress we have made this year—and even more excited about what lies ahead. Together, with our team, our partners, and our customers, we are building a more resilient, focused, and responsible Ideal of Sweden.



A stylized, handwritten signature in black ink, which appears to read 'Th. Raun'.

Thomas Raun
CEO



STAKEHOLDERS

An essential part of reaching our sustainability goals is working together with others and to have a close relationship with our stakeholders is key to create value and advance in our journey towards a more sustainable future. Our key stakeholder groups consist of:

Customer Our customers are the core of our business and to meet and exceed their expectations is one of our top priorities.	Suppliers In our global business, we work with suppliers and service providers all over the world. We are working together to minimize the environmental footprint of our operations and to make sure that all workers have fair and equal working conditions.
Employees Our colleagues at IDEAL are our most important asset and the heart of the business. Every employee plays a crucial role in shaping a more successful and thriving business.	Investors We are accountable to our investors for our sustainability progress. Through our investors, we are a part of a bigger community of companies. This is an important forum for us to share insights and discuss challenges.

It is of great importance to us to keep an open and transparent dialogue with our stakeholders in different forums. A lot of information and documentation related to our sustainability work can be easily accessed on our website. In addition, we are continuously reporting on sustainability KPIs to our investors and wholesale partners.

RECAP FY24

Numbers of employees:	46
Number of website visitors 2024:	14 087 669
Number of wholesale doors:	10 000

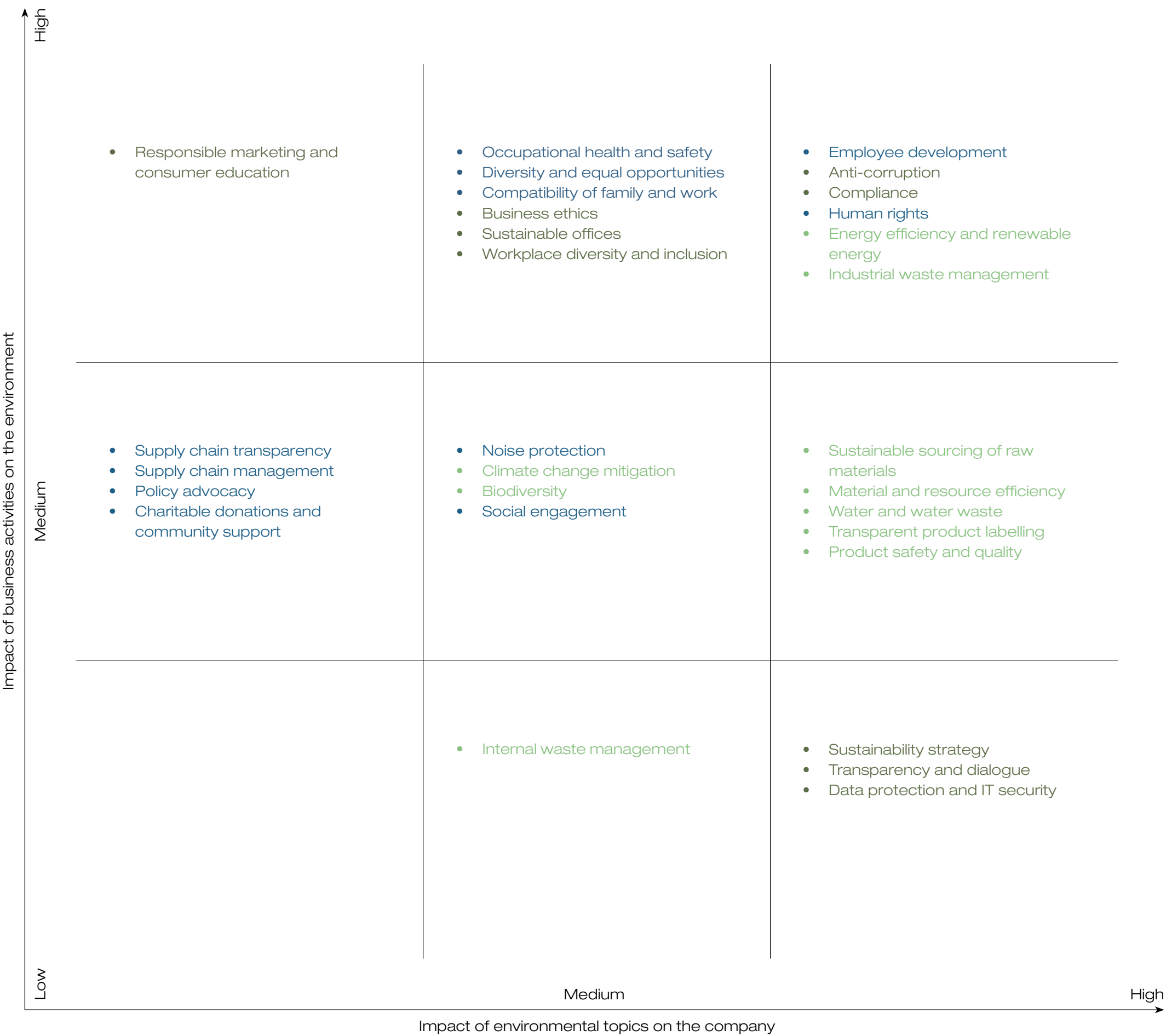
DOUBLE MATERIALITY ASSESSMENT

When we use the term double materiality, we either refer to topics that reflect Ideal of Sweden’s potentially significant economic, environmental and social impacts or to topics that substantially influence the assessments and decisions of stakeholders in what the GRI Sustainability Reporting Standards define as material topics. In the materiality matrix, topics are rated according to their priority for us as a brand and their importance to our stakeholders, helping us focus our activities where we can make the most significant impact and where our attention and resources are most needed.

The assessment includes surveys and dialogues with our internal and external stakeholders, including Ideal of Sweden’ Senior Managers across various functions, all employees, investors, retailers, NGOs, and industry associations.

The outcome of this assessment concluded 30 topics:

- Social
- Environment
- Governance



SUSTAINABLE DEVELOPMENT GOALS 2030

Ideal of Sweden’s sustainability work further aims to support the 2030 Agenda for Sustainable Development, adopted by all United Nations Member states in 2015. The 17 Sustainable Development Goals (SDGs) are at the heart of the agenda - designed to steer governments and businesses towards a more sustainable future for both people and the planet.

We measure progress against our set targets and KPIs which are supervised through our internal governance mechanisms. We plan to communicate our progress against set objectives annually in our sustainability report and on our website.

Our latest materiality analysis highlights the most significant sustainability topics for our internal and external stakeholders and was used to select which SDGs Ideal of Sweden will contribute to through our initiatives. Our contribution corresponds to the following goals.

	Human rights – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		Achieve gender equality and empower all women and girls
	Renewable energy – Ensure access to affordable, reliable, sustainable and modern energy		Equal work – Promote inclusive and sustainable economic growth, employment and decent work for all
	Compliance – Build resilient infrastructure, promote sustainable industrialisation and foster innovation		Equal life – Reducing inequalities within and among countries
	Recycling – Make cities inclusive, safe, resilient and sustainable		Impact reduction – Ensure sustainable consumption and production patterns
	Carbon footprint – Take urgent action to combat climate change and its impacts		

SUSTAINABILITY STRATEGY GOALS 2028

Ideal of Sweden’s sustainability strategy covers four focus areas: People, Product, Planet and Compliance. Company-wide policies and initiatives support each focus area. The aspirational objectives, commitments and targets we have set under each focus area were designed to continually challenge ourselves and keep our goals relevant in an ever-changing world. Some of the set objectives will be continuously evolving, some will be met by 2028, and new objectives and goals may be added along the way.

People

- Strive towards creating a diverse, inclusive and equal work environment.
- Strive to engage Ideal of Sweden employees in relevant training for the entire organisation.
- Organise a seminar/webinar on eco-design.

Product

- Strive to innovate new solutions to facilitate sustainable product development.
- Raise awareness of equipment recycling among product designers.
- Transition from plastisol print to water-based varnish.
- Increase use of ABS recycled plastic in electronic appliances to 80% by 2028.
- Integration of recycled ABS thermoplastic polymer among products containing more than 20% plastics by mass.
- Establishment of internal guidelines to introduce post-consumer recycled plastic.
- Drive the purchasing strategy to include clauses related to the incorporation of recycled plastic.
- Ensure the use of the best of the best available techniques to extend equipment life.

Planet

- Design packaging with mono-material or fiber.
- Reduce the amount of glue and adhesives. Use water soluble adhesives.
- Provide detailed information on our packaging about the material to ensure its recyclability.
- Obtaining a FSC marking.
- Reduce CO2 emission among suppliers by following up on environmental reports.

Compliance

- Continuously improve adaptation, risks and regulations to maintain a strong compliance program, leadership, accountability structures and working culture.
- Enhance supplier relationship management.

SUSTAINABILITY GOVERNANCE

Ideal of Sweden AB is a privately owned Swedish lifestyle brand operating in the retail and e-commerce industry. Founded in 2013, our headquarters are located in the heart of Stockholm. Our products are available directly to customers via our own e-commerce platform, as well as through retailers and partners worldwide. Ideal of Sweden specializes in delivering cases and accessories to meet all your mobile lifestyle needs, offering Scandinavian quality and innovative solutions.

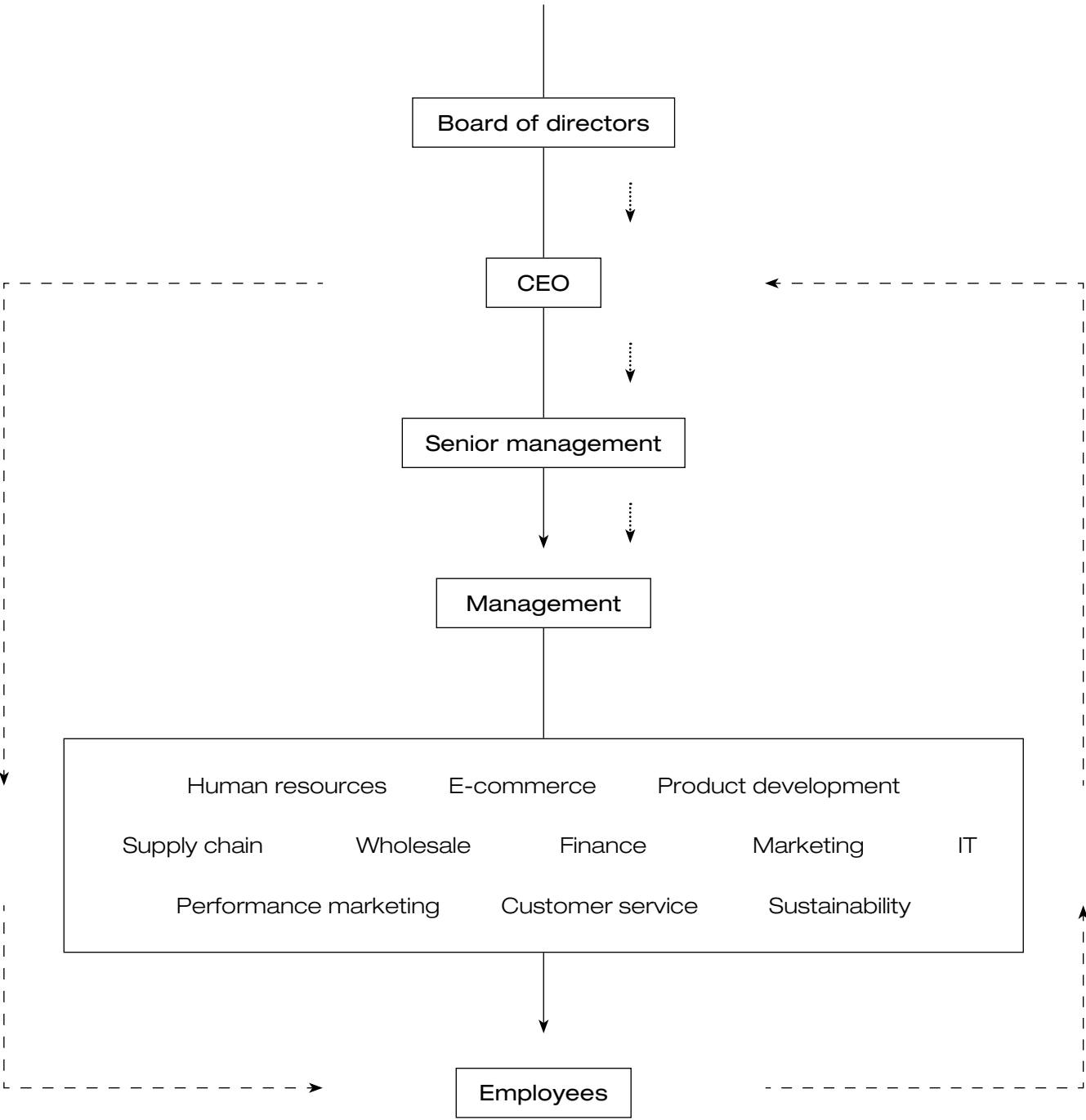
On a strategic level, we integrate sustainability goals and targets into our long-term plans and objectives. This includes setting specific targets related to reducing our carbon footprint, promoting renewable energy, and increasing resource efficiency. We also engage with stakeholders to identify additional areas for improvement and collaborate on implementing sustainable practices.

On an operational level, we strive to minimise our environmental impact by adopting sustainable practices in our day-to-day operations. This includes implementing recycling programs, reducing waste generation, and promoting employee awareness and engagement in sustainability initiatives. We also promote ethical sourcing and socially responsible practices in our supply chain.

At the executive level, we are engaging all divisions of the company to underline the importance of addressing identified risk factors related to sustainability. The Senior Management, with the support of the Sustainability Manager, responds to these risks in an efficient and effective manner. The company's adherence to sustainability principles is embedded in its risk management and compliance review, with progress and outcomes reported to the Board of Directors on a regular basis.

Ideal of Sweden's board of directors is the highest governance body and has the ultimate responsibility for accountability to the shareholders for the management of our company and business. The composition of Ideal of Sweden's board of directors consists of representatives from our shareholders as well as external board members and an external chairman of the board. The overall operational responsibility for the company is assigned to the CEO by the board of directors. The CEO and the Senior Management team regularly attend board meetings to report on the company's performance, including progress in relation to Ideal of Sweden's sustainability goals. Challenges and risks related to our sustainability journey are also highlighted to the board of directors through our risk management work which is presented to the board on an annual basis.

IDEAL OF SWEDEN



PwC- THIRD PARTY AUDITOR

We have asked PwC to oversee and endorse our report as an independent third-party auditor. PwC have objectively evaluated our CSR performance for the fiscal year 2024 and by placing the signed third-party opinion at the back of the report enhances transparency and reliability for our stakeholders to reviewing our organization's corporate social responsibility efforts.

This report describes our sustainability strategy based on our three focus areas: People, Planet and Product. This is Ideal of Sweden's fifth sustainability report, and the report covers sustainability data from 2024, with comparative figures from the year 2023. The data presented in the report has been collected during the period January 1st to December 31st of 2024. The report aims to provide a transparent overview of our progress and illustrate the challenges and risks we encounter in our sustainability journey.

The Sustainability report, together with the annual report, fulfil the requirements of the Swedish Annual Accounts Act (1995:1554). The board of directors of IDEAL bears the responsibility for the annual sustainability report.

The report has been prepared in accordance with the GRI Standards. Additional information and our GRI Index can be found in Appendix 1.

Contact:
If you would like to provide feedback or have any further questions, please contact us at sustainability@idealofsweden.com.

External Regulations	Internal documentation
The Swedish Companies Act	Articles of association
The Swedish Annual Accounts Act	Approval Policy
The General Data Protection Regulation (GDPR)	Anti-bribery, Anti-corruption and Anti-fraud Policy
	Communication Policy
	Code of Ethics
	Code of Conduct
	Employee Handbook
	Grievance Policy (Whistleblower Policy)
	Human Rights Due Diligence Policy
	Workplace Environment Policy

ECONOMIC GOVERNANCE

At Ideal of Sweden, we recognise the importance of responsible tax practices as integral to our commitment to sustainability and ethical business conduct. We have no subsidiaries, meaning that Sweden is our only country for taxation of the business profit or loss. We are registered for VAT in multiple countries and use an external firm to make sure that we follow all relevant international jurisdictions to minimise potential non-compliance issues. Our tax compliance strategy is designed to ensure full compliance with all legal requirements, including reporting obligations and payment of taxes on time.

We openly communicate our tax policies, practices, and financial information following applicable reporting standards, regulations and guidelines. We do not engage in aggressive tax avoidance schemes or strategies that could be deemed unethical or harmful to society. We maintain an open and cooperative relationship with tax authorities in all jurisdictions where we operate.

We respond promptly and transparently to any inquiries or requests for information from tax authorities. We are committed to continuously reviewing and improving our tax policies, practices, and procedures to uphold the highest standards of tax governance and accountability. Ideal of Sweden have received financial support from government twice due to the COVID pandemic when sales declines heavily. We received the equivalent amount of our previously paid taxes as a loan, and we are following the payment plans that have already been put into place.

Our tax governance framework is designed to have clear roles, responsibilities, and reporting lines to facilitate effective oversight and accountability. Our external tax advisors are engaged when more complex situations occur. We see an overall low risk regarding taxation, and we are confident that we have sufficient processes in place to identify that we are compliant.

For example, we follow closely thresholds for international VAT-registrations etc. when the business expands. We continuously review and assess our tax risk management processes to identify potential areas of exposure and implement appropriate mitigation measures.

At Ideal of Sweden, we believe in transparency and open communication with our stakeholders regarding our tax practices and policies. We provide clear and accessible information about our tax strategy, governance framework, and compliance efforts through various communication channels, including our website, annual reports, and direct engagement with stakeholders. Since Ideal of Sweden is only based in Sweden, the level of complexity is lower than multi-international companies. If we get queries internally or externally, we always try our best to answer their questions.

We are registered solely in Sweden, and we do engage in sales activities to customers in other countries. As such, we adhere to relevant reporting requirements and tax obligations in those jurisdictions, as applicable. However, formal country-by-country reporting, typically associated with multinational corporations operating in multiple countries, may not directly apply to our current business operations. Nevertheless, we remain committed to transparency and accountability in all aspects of our business, including our international sales activities, and ensure compliance with relevant regulations and reporting obligations in each jurisdiction where we operate. For applicable information regarding financial information such as primary activities in the organisation, number of employees, profit/loss, tangible assets etc. we refer to our financial annual report.

RISK MANAGEMENT

At Ideal of Sweden, we prioritise proactive risk management to identify, prevent, and mitigate both external and internal risk factors that may impact our business. This includes legal and compliance risks, along with operational, strategic, financial, and sustainability risks. We actively seek guidance from consulting firms, governmental authorities, and other experts to stay informed about emerging risks and take prompt action. Risk management is vital to ensure regulatory compliance, minimise risks, and enhance our competitiveness in the market. Ideal of Sweden has established a systematic risk identification process and implements measures to mitigate risks across the organization in line with the Board of Directors’ directives and commitment to risk management and this is reported to the Board of Directors twice a year according to established routines.



During the FY2024, Ideal of Sweden has not been involved in any dispute resolution proceedings or received any fines or non-monetary sanctions for non-compliance with laws and regulations (including environmental legislation such as GHG emissions, discharges, and waste).

In 2023, Ideal of Sweden was subject to three investigations by the Swedish Consumer Agency. The first investigation concerned our general terms and conditions on the website. We took corrective action in line with the authority’s recommendations, and the case was subsequently closed. The second and third investigations extended into 2024 and focus on the visibility of contact information on our website, as well as our marketing practices, particularly the display of price information during sales periods such as Black Week. In response to the second investigation, we made our email address more visible and are implementing a customer service phone number on our website to ensure full compliance. Regarding the third investigation, we submitted a formal response and launched an internal action plan to secure ongoing compliance. Following our measures, the Swedish Consumer Agency concluded that no further action was necessary for the third investigation, and the case has now been closed. Ideal of Sweden takes all investigations by the Swedish Consumer Agency (Sw. Konsumentverket) very seriously. Operating our business in a fair, transparent, and legally compliant manner is of the utmost importance to us.

Trust is a fundamental prerequisite for Ideal of Sweden’s sustainable success, and we are therefore committed to handling the personal data of our customers with the utmost care. How we process personal data and for which purposes is transparently disclosed in our Privacy Policy, which can be found on our website. We are constantly working to strengthen our internal routines and security measures to ensure that our customers’ data remains safe. During FY2024, we did not receive any complaints concerning breaches of customer privacy or any losses of customer data.

The number of regulations addressing sustainability related questions and their scope is increasing. In the past years, several legal initiatives relating to, for example, equality considerations (e.g. gender pay gap, Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation), plastic use, greenhouse gas emissions and human rights due diligence (e.g. Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937), have been introduced and adopted by the German and Norwegian implementation of the directives; Lieferkettensorgfaltspflichtengesetz and Åpenhetsloven.

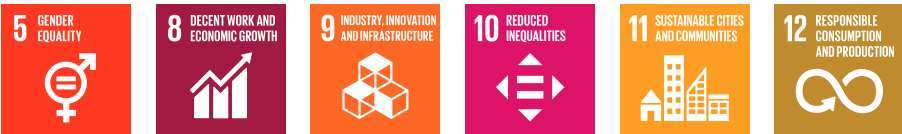
It is crucial for our company to stay informed and adapt to these regulations in order to remain compliant and ensure our ongoing commitment to sustainability and responsible business practices. This requires continuous monitoring of regulatory developments, updating policies and procedures, and implementing necessary changes in our operations to uphold legal obligations and meet societal expectations



PEOPLE

SDG’s goals for sustainable development and our engagement.

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



Progress towards the goals in 2024

- Continued focus to engage Ideal of Sweden employees in relevant training.
- Increase Supply Chain resilience through increased transparency.
- Develop a robust corporate compliance program and enhance supplier relationship management.
- Practice human rights due diligence improvements.

Risks

- Risk of violations of labour law and human rights within our supply chain.
- Risk related to staff turnover and loss of talent.

OUR PEOPLE

For all our workers with employment arrangements, we offer satisfying terms and conditions that shall be inclusive and attractive. By being attentive to the needs of our employees and to what the standard terms and conditions are in the market, we frequently evaluate our package to stay competitive and attractive. For the year 2024 our focus has primarily been to focus on a fair salary policy, comprehensive safety coverage in the form of different insurances, and opportunities for career advancement.

Level	Equality score	Women's salary in % of men's
Senior	104.6%	
Middle management	96.6%	
Non manage	98.3%	

We are committed to competitive salary practices and our salary policy is designed to be fair and consistent. The salaries are individual and can be differentiated. The company's requirements, duties, responsibilities, individual achievements/skills, and qualifications are the foundation on which the salaries are set. Ideal of Sweden, is of course committed to following Swedish regulations and practices, the minimum wage is determined by the labor market and regulated by collective bargaining. The basis for our salary setting is therefore to offer market-based salaries and equal pay for equal work.

Each year, we conduct a salary mapping process followed by the creation of a diversity plan to prevent any unjustified or discriminatory pay disparities. The results for 2024 show a positive trend, with equal pay between men and women in comparable roles. The gender pay gap, defined as the difference in average pay levels between female and male employees, stands at 3,9%. The adjusted gender pay gap is 1,7%. The remaining gap is due to differences in experience and job responsibilities.

Our full-time employees are also covered by generous safety coverage. Our occupational pension enables our employees to secure their financial future, and we offer retirement pension ITP1, as well as the option for salary exchange. Furthermore, our employees are covered by waiver-of-premium, health, occupational group life, accident, and medical insurance. Through the occupational health services, we also offer rehabilitation support and voluntary conversational therapy as a preventive health promotion service.

Thorough information and guidelines about our safety coverage, as well as how to report damage, are produced together with our external provider Swedbank and are described in our handbook and related appendices. Reporting of damage is carried out by the individuals themselves and we can therefore ensure that personal health-related information remains allowance, and parental allowance. At Ideal of Sweden, all our permanent employees are entitled to parental leave and we encourage employees to use this benefit when the opportunity comes.

During the year 2024, eight employees took parental leave, of which six were women and two were men.

At Ideal of Sweden, we strongly believe in personal and professional development. Wwe conduct an annual Employee Performance Review. Our EPR is a crucial process that enables the organisation to assess and provide feedback on an employee's job performance. We measure an employee's strengths, areas for improvement, and overall contribution to the organisation. EPR is an ongoing process and a tool for personal and professional growth. It is an opportunity for the employee to highlight achievements that can lead to promotions.

All full-time employees are offered an EPR, this year our data shows that 98% have completed theirs. The dropouts we can see, are employees who have chosen to end their employment, are on parental leave, or have just started their employment, where similar discussions take place during a trial period follow-up.

WORK ENVIRONMENT AND WELLNESS

We are proud of our organisation which consists of 46 full-time employees of different ages, backgrounds, cultures, and experiences. Together we encourage a diverse and safe company culture with no room for any type of discrimination based on diversity, religion, gender, sexual orientation, age, national origin, or disability.

The safety and well-being of our employees and consultants alike fall under our responsibility. Ideal of Sweden therefore trains and educates new consultants within our health & safety guidelines and policies. We are proud that no work-related injury, ill health, or incident of discrimination has been reported during the year 2024.

*IDEAL OF SWEDEN DELIVERS MOBILE LIFE ESSENTIALS FOR PEOPLE TO
MOVE ANYWHERE AND ANY WAY THEY WANT – ALWAYS CONNECTED,
ALWAYS PROTECTED AND ALWAYS IN STYLE.*

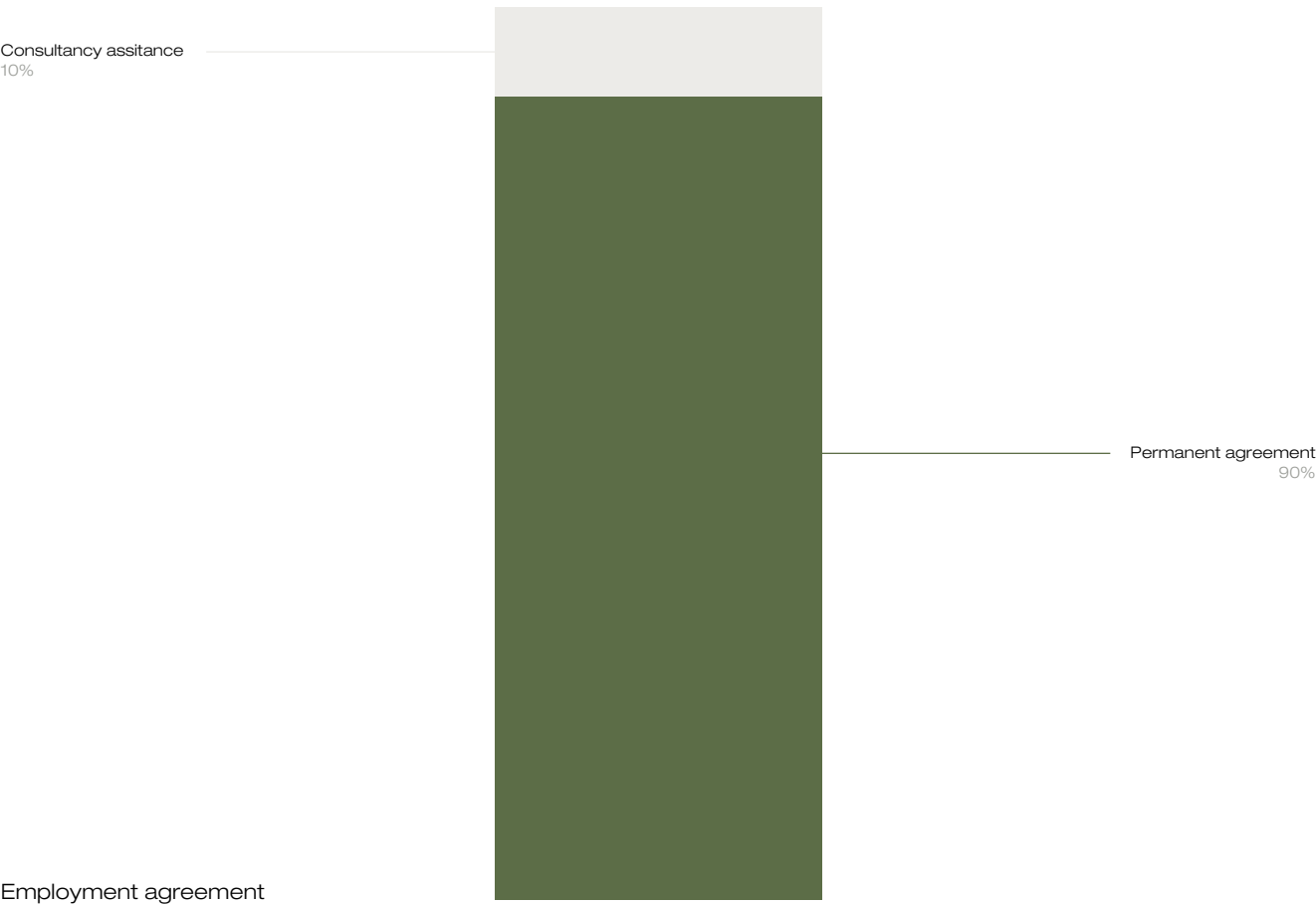
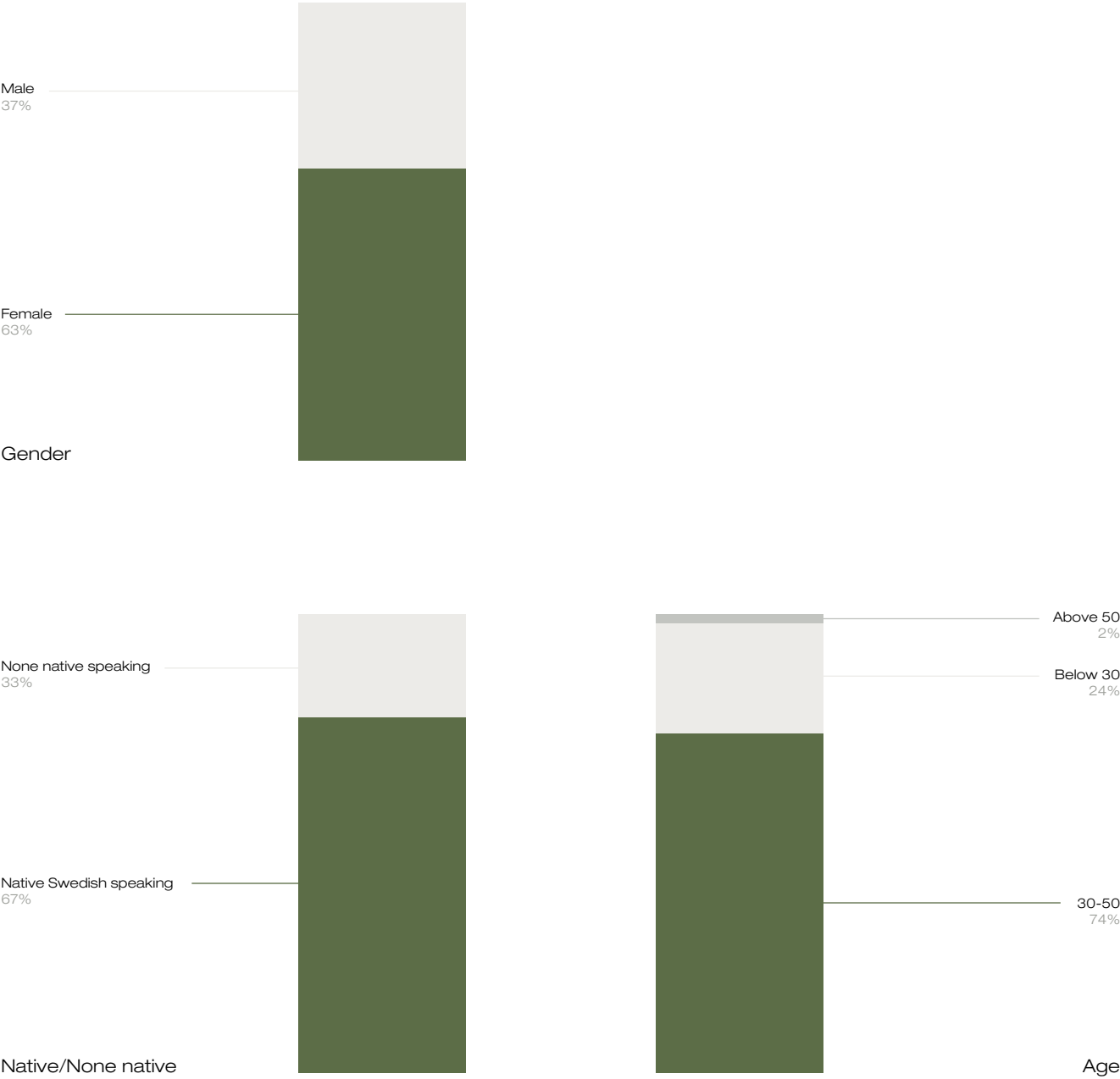
We use different methods to investigate within our work environment to ensure we reach all parts of the organisation and to assess all types of risks. Most importantly, our employees have the possibility to share any type of feedback anonymously through &frankly monthly surveys, or personally by sending in a report by using WhistleB, our external whistleblowing mechanism. Furthermore, we strongly promote transparency and open communication, and our employees have the possibility to raise any concerns directly to their manager during the annual Employee Performance Review or the monthly individual meetings. Valuable insight is also secured through administrative processes such as office safety inspection, the annual salary mapping, and evaluating HR data such as sick leave absence.

Based on our risk assessment we frequently take preventive measures, to ensure a healthy and sustainable organisation. We support work-life balance by offering flexible working hours and a hybrid policy of home and office working. To ensure high productivity we constantly improve our use of our general tools to enable cross-functional project management and communication. Furthermore, all individuals at Ideal of Sweden have the possibility to take part in a physical Town Hall on a monthly basis to receive important company information or possible implementation of significant operational changes, shared by the organisation’s Senior Management team.

To ensure we encourage a diverse and safe environment with high productivity we educate and train new individuals within occupational health and safety during the onboarding. The program is mandatory, and the individual shall confirm they have taken part in our company policies, such as workplace environment, non-discrimination & harassment, communication, and rehabilitation policy. The program also consists of training within the use of our general tools and in case of emergency guidelines. We frequently evaluate and improve our methods, and in 2023, the company invested in a new HR system that enables us to streamline processes and leverage AI and integrations to provide easy access to guidelines and company information. We continue to actively use and develop this system to enhance efficiency and support our employees.

OUR PEOPLE’S DEMOGRAPHICS

At Ideal of Sweden, we prioritise creating a positive and inclusive work environment, valuing and respecting the unique contributions and perspectives of our diverse team. We are committed to equal opportunities for career growth, fair pay, and a safe working environment free from discrimination. Sustainability is a shared responsibility, and we encourage all employees to actively participate in our initiatives through open collaboration and dialogue.



The year 2024 presented both opportunities and challenges for our organization. Faced with various internal and external factors, the necessity for change became evident, enforcing us to take decisive action. With evolving market demands and shifts in customer consumption patterns, we undertook a comprehensive review of our internal processes and skill sets. By the close of the reporting period, our staff turnover rate stood at 22%. This significant figure is attributed to the centralization and outsourcing initiatives implemented to lay the groundwork for future growth and success. However, amidst these challenges, we embraced the opportunity to enrich our collective knowledge, by welcoming 5 new employees into our organization.

Given that we are not bound by any collective agreement, we regularly assess our working conditions and have appointed a safety representative in accordance with union guidelines to ensure stability and protection for our employees. A mutual long-term commitment between Ideal of Sweden and our staff is essential in fostering a robust and secure organization. We are pleased to announce that by the end of the reporting period, 90% of our workforce held permanent positions, while only 10% were employed on temporary contracts, such as consultancy assignments.

HUMAN RIGHTS

As a global company, we have a great responsibility in protecting human rights and to diminish all human right related risks throughout our value chain. Our work to ensure that no human rights are violated within our operations is conducted through a risk-based approach. The first step is to identify human right related risks, such as forced labour and child labour throughout our supply chain, particularly in relation to vulnerable groups such as migrant workers.

Our continuous due diligence process ensures that we systematically identify and evaluate risks and impacts in our operations. We then take proactive measures to prevent or mitigate these risks, and follow up on the effectiveness of these measures. We also prioritise communication and reporting to our key stakeholders through our Sustainability Report and by reporting relevant KPIs to our investors. If any human right related issues are identified, we will seek to address and understand the root of the violations and work with relevant stakeholder groups to drive improvement and remedy the identified violations appropriately.

We conduct assessments to ensure that potential suppliers meet our high standards for labor practices, environmental sustainability, and ethical business conduct. This allows us to mitigate potential risks and make informed decisions, ultimately contributing to a responsible and sustainable supply chain.

We constantly aim to improve our due diligence processes, arrange in-depth training of our employees as well as capacity building with the suppliers, and to implement an improved incident management process. During 2024, we did not have the opportunity to offer any training in relation to our Human Rights Due Diligence Policy within the company.

COMPLIANCE

At Ideal of Sweden, we are committed to operating our business with respect to the highest standards of transparency, social responsibility, and environmental protection. We expect all our suppliers, subcontractors and partners to comply with our Code of Conduct and to uphold our core values and principles.

We strive to collaborate with partners who adhere to high ethical standards and comply with all applicable laws and regulations in their respective countries. Our goal is to ensure that our supply chain operates in a responsible and sustainable manner and we demand from our suppliers to replicate the standards described in our Code of Conduct further down their own supply chains. We have a zero-tolerance approach to any form of bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business relationships. Our Code of Conduct clearly states that we do not tolerate bribery, anti-competitive, fraudulent, or corruptive activities from our business.

Since 2021 we have a whistle-blower tool with a third-party partner to ensure compliance with the EU whistleblowing directive. All our employees, as well as workers in our factories and other partners and stakeholders, can anonymously report any suspicion of misconduct or unethical actions. Any complaints reported are handled with the utmost seriousness. During 2024, we did not receive any grievances or complaints.

Furthermore, to manifest that Ideal of Sweden keeps this subject top of mind, we strive to introduce trainings on anti-bribery and anti-corruption for our employees. The relationships between our suppliers and us, suppliers and sub-suppliers, between us and our distributors and resellers, and between the distributors/resellers and their respective customers are exposed to the most significant risk for anti-competitive behaviour, corruption and bribery. Therefore, it is of great importance that the employees working closely with these partners (e.g. the product development team and sales team) can recognise when such events occur. All our employees, business partners and other third party partners are encouraged to report any concern or violation related to bribery or corruption through our whistle-blower tool.

In addition to the Code of Conduct, Ideal of Sweden has an anti-fraud, anti-corruption and anti-bribery policy in place, which is included in the onboarding process for all new employees. We regularly remind the organisation about all our policies (including the anti-fraud, anti-corruption and anti-bribery policies) and where to find them. However, during 2024, we did not have the possibility to train our employees, consultants and other relevant stakeholders in these topics. Our hope and ambition for the coming years are regularly offer training about anti-fraud, anti-corruption and anti-bribery for all employees. During 2024, no incidents of corruption have been reported or confirmed. Neither have any employees been dismissed or contracts been terminated as a consequence of corruption. Ideal of Sweden has not been involved in any legal cases regarding corruption during the year.

THE CODE OF CONDUCT

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

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

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

THE CODE OF ETHICS

Ideal of Sweden's Code of Ethics summarises our core values and fundamental principles and includes guidelines that all employees are expected to comply with. The purpose of the Code of Ethics is to prevent unethical acts and behaviour within the organisation and to ensure that our business is conducted in a consistently legal and ethical manner.

The Code of Ethics is one of the most important parts of our Staff Handbook, which is presented to all new employees during the onboarding process. The code is accessible to all employees through our internal intranet and all employees must confirm that they have read and understood the code.

The Code of Ethics is based on the UN Guiding Principles on Business and Human Rights and the UN Global Compact and reviewed on an annual basis.



PRODUCT

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



Progress towards the goals in 2024

- We have removed the metal plate from our printed cases starting with the iPhone 16 (2024) model. This change was made to reduce the variety of materials used in our products and to simplify the recycling process.
- We are actively working towards incorporating a higher percentage of recycled materials into our products.
- We are actively working to incorporate materials sourced from PCR (Post-Consumer Recycled) material into our products.
- We commit to reducing environmental harm by substituting input materials with less hazardous or toxic alternatives, wherever possible.

Risks

- Brand-related risks leading to reduced sales.
 - Gap between research results and consumer perception.
 - Political decisions (CSRD, ESGs)
 - Challenges in the supply chain limit the availability of raw materials.
-

CREATE VALUE

In 2024, we introduced our cellulose acetate phone case.

To create a sustainable pearlescent effect in our Pearlished Case design, we did extensive research to find responsibly sourced natural materials, and we chose cellulose acetate.

Cellulose acetate is made from natural cellulose sources, such as wood and cotton pulp, through a chemical process that transforms them into a smooth, flexible plastic used in various products.

The raw cellulose acetate is first pressed into hard sheets under high pressure. These sheets are then cut into small pieces and mixed with colored dyes. The colored pieces are heated and molded into a large, patterned block of acetate. Afterward, the block is sliced, smoothed, and polished multiple times to achieve a shiny, pearlescent effect. Finally, the material is cut and fitted into the case frame.

Each case is truly one-of-a-kind, as the melting and pressing design process ensures that no two cases are exactly alike.



CONNECTED: WE DESIGN OUR PRODUCTS TO FIT YOUR PERSONAL LIFESTYLE AND ALL THE DIFFERENT OCCASIONS THAT COME WITH IT.

PROTECTED: OUR WORK REFLECTS THROUGH OUR CORE. WE DESIGN TO KEEP YOUR PRODUCT PROTECTED, SAME AS WE MAKE SURE THE ENVIRONMENT AND WORK CONDITIONS ARE PROTECTED THROUGH THE WHOLE SUPPLY CHAIN.

STYLE: WE DESIGN OUR PRODUCTS TO BE MODULAR, SO YOU CAN MOVE WITH THE EVER CHANGING TIDES OF STYLE AND FASHION.

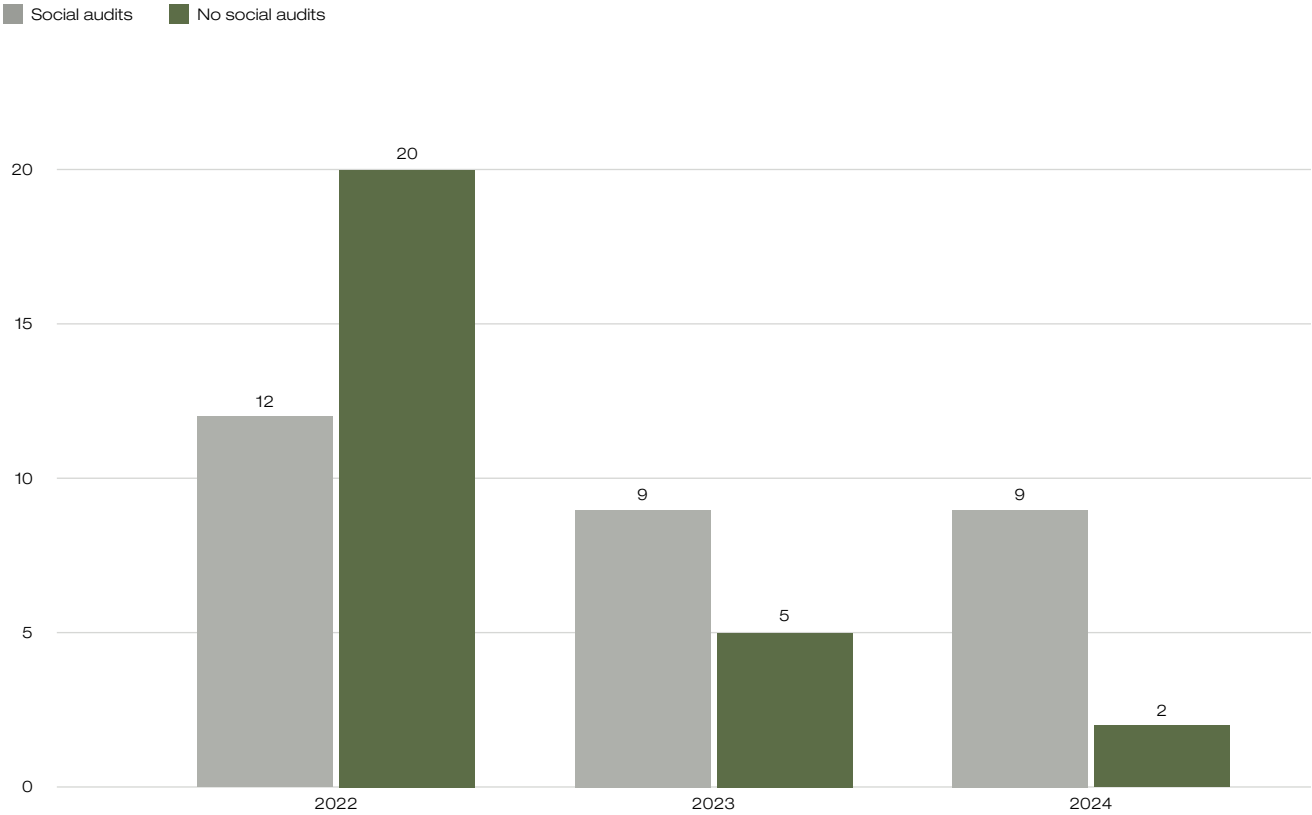
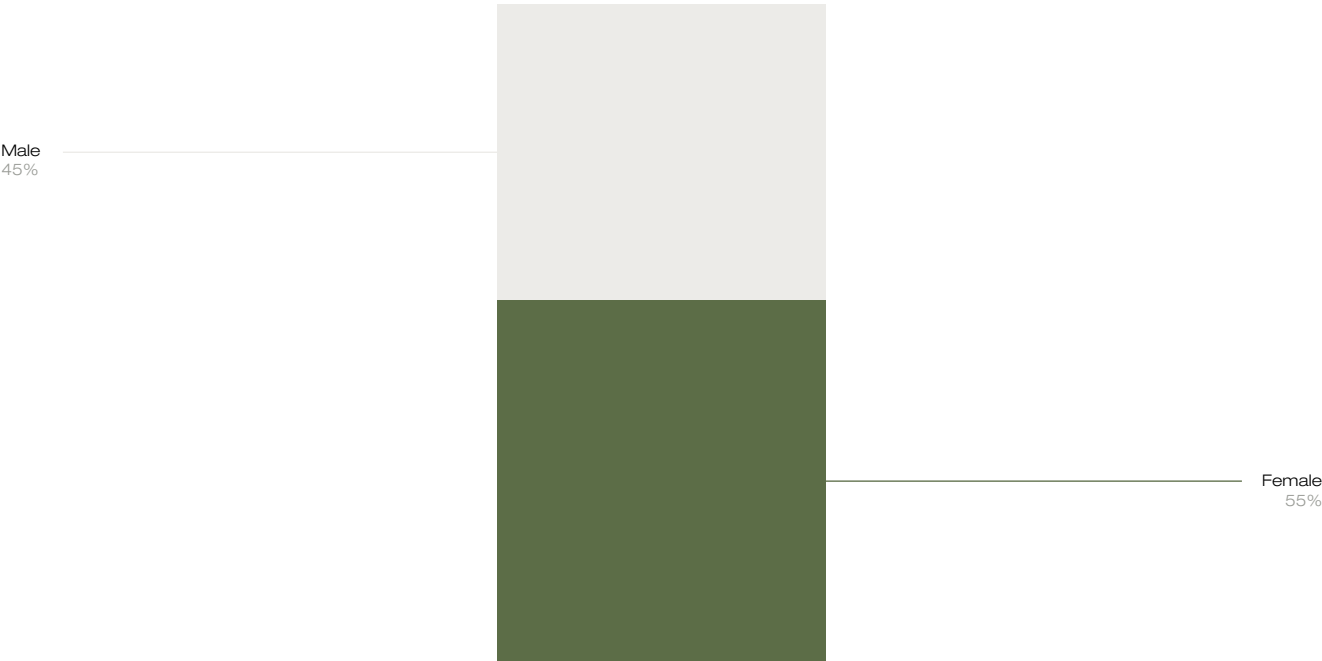
RESPONSIBLE MANUFACTURING

At Ideal of Sweden, we recognise our responsibility and the importance of protecting the environment, human health, and human rights. Hence, we prioritise the preservation of ecosystems impacted by our operations. We are committed to minimising our negative impact on the environment by carefully evaluating the potential consequences of our business activities.

We will continue to reflect on our operations to ensure that our business practices prioritise the protection of people, the environment, and its surrounding ecosystems. We believe that businesses have a critical role to play in preserving the planet, and we are committed to playing our part.

We pursue international certification like ISO 9001, ISO 14001, and ISO 45001. These certifications define quality management systems that meet industry standards and to protect workers and help businesses meet regulatory requirements in manufacturing, work ethics, healthcare, human rights, safety laws and service providers.

We strive to source raw materials close to our manufacturing sites to reduce emissions from raw material transportation. By the end of 2024, we had 8 suppliers (11 factories) in China, and approximately 1500 people worked in our suppliers’ factories, with a minimum age of 18. Of all workers, 55% are women, and 45% are men.



We assess yearly and enhance our work regarding social audits with our factory partners and assess their performance in terms of social responsibility, ethical practices, and community impact. These audits go beyond standard financial reports to analyse the company’s relationships with employees, customers, stakeholders, and the environment, helping to identify areas for improvement and ensure compliance with ethical standards and regulatory requirements. Conducting social audits can promote transparency, accountability, and sustainability within a business, driving positive change and enhancing reputation among both consumers and investors.

We are continuously working to ensure ethical and responsible practices across all our factories. Our goal is for all production facilities to undergo and pass recognized social audits, such as SMETA, BSCI, or SA8000. We remain committed to fostering fair, safe, and respectful working conditions throughout our supply chain.

To ensure the quality and integrity of our products, we conduct regular on-site inspections—either through self-inspections performed by our suppliers or by engaging an independent third-party inspection company acting on our behalf. Every shipment is thoroughly checked, and the results are reviewed before the products are approved for delivery.

We adhere to internationally recognized inspection standards (AQL 2.5 for major and 4.0 for minor defects, General Inspection Level II), unless otherwise specified. If any defects are identified, they are either removed or replaced prior to shipment. When the number of defects exceeds acceptable limits, the manufacturer is required to conduct a full quality check of the entire production batch. Once corrective actions are implemented, a re-inspection is carried out.

To prevent future quality issues, we also perform root cause analyses and collaborate closely with suppliers to implement effective corrective measures.

In 2024, we carried out 37 pre-shipment inspections with the support of an independent third-party inspection company to uphold our commitment to high product quality across all shipments.

PRODUCT SAFETY

Safety is an integral part of our sustainability strategy, and we continuously introduce improvement measurements to secure our product standards across the whole value chain. Our aim is to ensure that all of our products are not only customer-focused in terms of functionality but also from the perspective of human health and safety. To ensure that our products consistently comply with legal and regulatory requirements in all markets where we operate, we continuously monitor and assess relevant legislation and stay updated on global regulatory developments.

As part of our commitment to responsible chemical management across the value chain, we regularly carry out risk assessments and perform random product testing to detect any harmful substances. While no non-compliances have been identified to date, we are fully prepared to implement a Corrective Action Plan (CAP) should any issues arise, ensuring swift resolution and continuous improvement.

All products released under the Ideal of Sweden brand follow at least the minimum of the existing product-specific national and international regulations for each market where our brand is present. In markets where lower safety regulations apply, Ideal of Sweden voluntarily applies higher safety standards as those established by the European Union. For instance, we ensure that our products are compliant with the EU REACH regulation (EC) No 1907/2006 via quarterly testing our products at third-party facilities that report back via a formal declaration. We work closely with our suppliers to implement sustainable production practices and ensure responsible sourcing. As part of this commitment, our suppliers only source from sub-suppliers that are EU REACH compliant, helping to reduce the use of hazardous substances and promote safer, more environmentally friendly production. Our chargers and power banks are compliant with the RoHS Directive (Directive 2011/65/EC) that aims to reduce the risks to human health and the environment by replacing and restricting hazardous chemical substances in electrical and electronic equipment. The Directive aims to improve the prospects of sustainable recycling of material waste from such equipment at products’ end-of-life.

Our product team also performs in-home user testing (iHUT) and uses the products just the way our customers would in their day-to-day lives. This methodology enables us to get real-time data on how well the products will do when they are be used in the real world, and what their shortcomings are.

We are also proud members of EcoVadis, providing us sustainability ratings and performance improvement tools for global supply chains. Its platform assesses suppliers’ environmental, social and ethical practices. EcoVadis ratings are based on international sustainability standards, including the Global Reporting Initiative, ISO 26000 and the United Nations Global Compact principles.

VALUE CHAIN

01. Product development

- Possibility of influence: High
- Develop options for compliance of consumers wishes.
- Innovation of products that create essential function.
- Increase recyclable products.

02. Purchase

- Ability to influence: Medium
- Contribute to customer awareness by openly working toward climate goals.
- Improve our financial and environmental impact by reducing packaging and optimising transports.

03. Production

- Ability to influence: Medium
- Continuously work on Human Rights Due Diligence.
- Keep improving our work with quality (ISO 9001) and environment (ISO 14001) management.
- Workplace health and safety management (ISO 45001).

04. Partners

- Ability to influence: Low
- Supplier evaluation and follow-ups of external criterias such as safety, quality, working environment and sustainability.
- Nominating material and manufacturing in as close vicinity to each other as possible to minimise GHG emissions.

05. Consumer

- Ability to influence: High
- Marketing high quality products responsibly for good transparency.
- Offering wide product range for our customers.
- Improving our branding and packaging solutions with minimal environmental impact.

RESPONSIBLE SOURCING

Responsible sourcing is a critical requirement for our business, with growing importance to our stakeholders, including investors and customers. Our purchasing team is working in line with the principles set out in our Corporate Responsibility and Sustainability Policy and ensures that our suppliers adhere to strict social and environmental responsibility standards and that raw materials purchased fulfill the necessary quality and safety specifications.

At Ideal of Sweden, we believe in creating high-quality and long-lasting products that meet our customers' needs while reducing our environmental footprint. Our commitment to durability and quality goes hand in hand with our aim to make our products affordable and accessible to everyone.

To uphold these standards, we have implemented strict quality control measures throughout our production process. We work closely with our suppliers to ensure that the materials used meet our high expectations for both quality and longevity. All our products undergo thorough testing to ensure they meet or exceed industry standards for safety, performance, and durability.

In addition, we actively encourage our suppliers to explore innovative materials and technologies that support the development of more sustainable and long-lasting products.

By focusing on durability and quality, we aim to reduce waste, extend product lifespans, and promote more conscious consumption—supporting a more sustainable future for all.



MATERIAL PORTFOLIO SPLIT

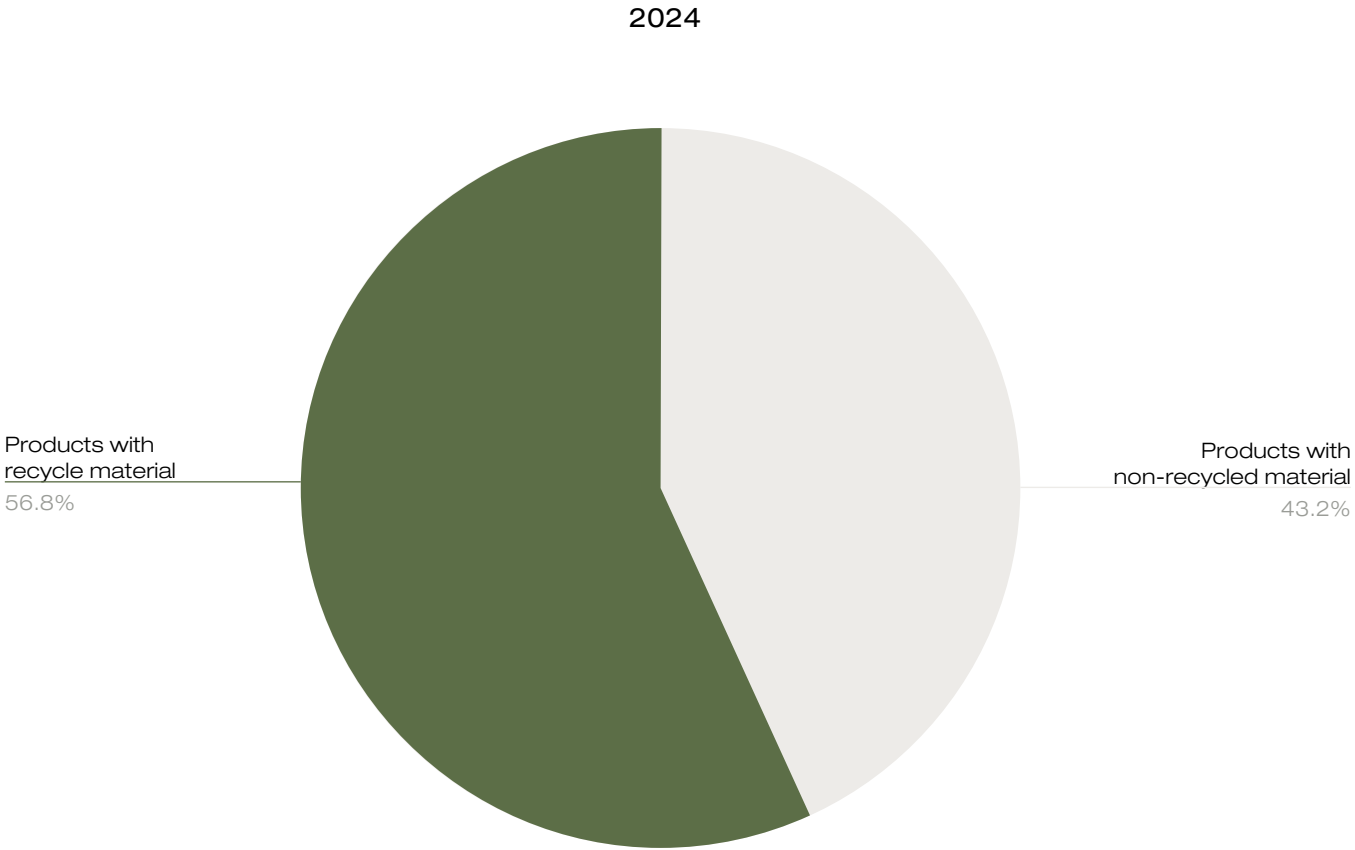
Recycled materials form a substantial part of our preferred strategy. Within this strategy, we aim to increase the share of recycled materials and continuously explore better, more efficient ways of recycling. This approach is essential in reducing our dependence on virgin resources and advancing toward a circular economy.

Our dedication to using recycled materials underscores our commitment to creating a greener future. By establishing this mindset, we prioritize high-quality and durable materials with a lower environmental impact. In doing so, we are not only making strides in developing more sustainable products but also contributing positively to environmental conservation.

Balancing functionality, aesthetics, and sustainability, our design and development team is empowered to create innovative, environmentally friendly solutions that support circularity. Innovation is at the core of our company, and one of our key goals is to source certified recycled materials that meet third-party standards. Over the past year, we have made exciting progress in accelerating the use of more sustainable materials across our product range.

We focused on selecting durable materials that offer greater traceability and transparency while minimizing environmental impact compared to conventional alternatives. As a result, our raw material choices present a valuable opportunity to reduce our greenhouse gas emissions and further our sustainability goals.

In 2024, this progress was even more significant, with over half of our designs developed incorporating recycled content. This marks a key step forward in our journey to becoming a more sustainable brand.

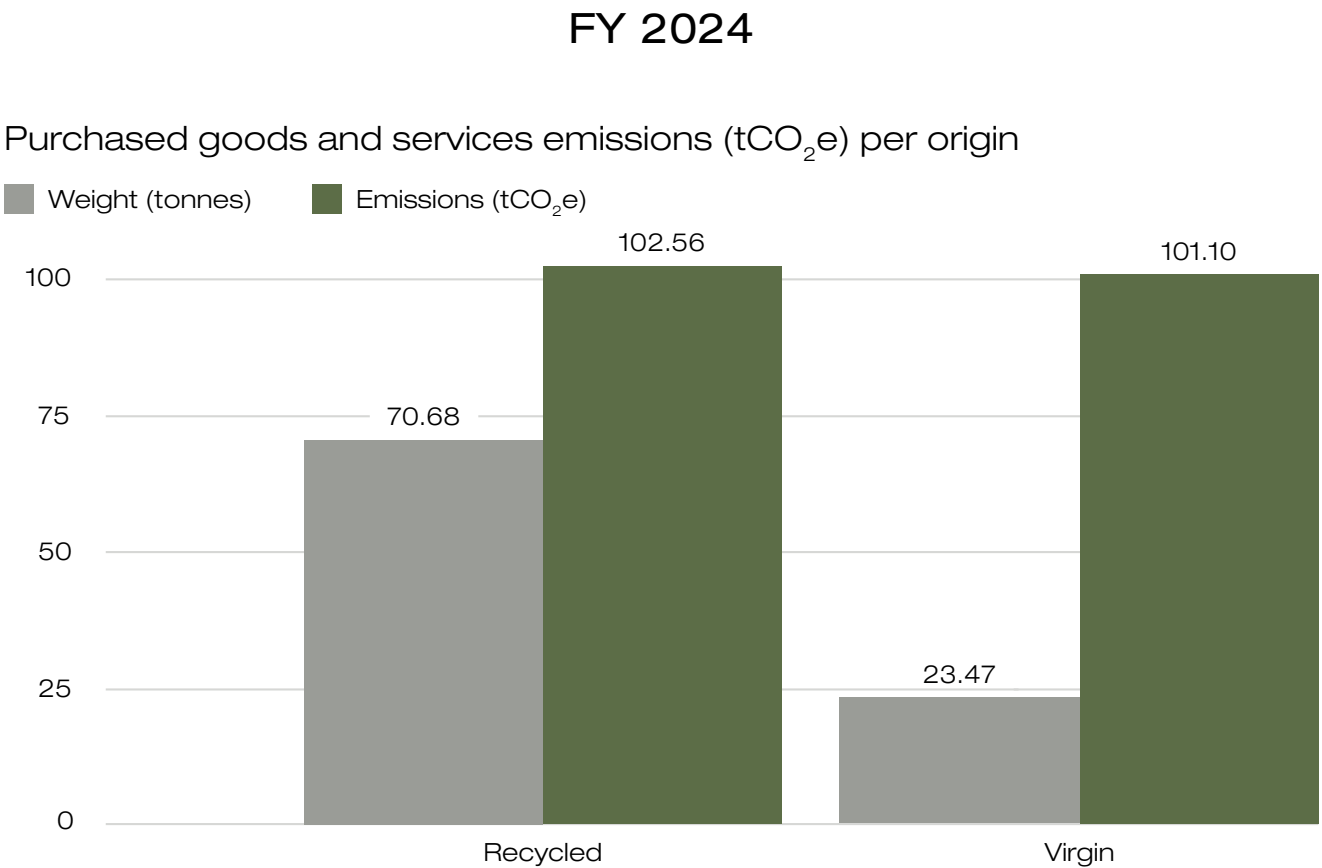


RESPONSIBLE MATERIAL

Non-recyclable materials are those that cannot be processed or remade into new products, leading to their disposal in landfills or incineration. Recyclable materials can be collected, processed, and reused to make new products, reducing the strain on natural resources and the environment.

By opting for recyclable materials, we can close the loop on the consumption and waste cycle, ensuring that valuable resources are not sent to landfill but instead are utilized in a more sustainable manner. This proactive choice can contribute significantly to reducing environmental impact and preserving natural resources for future generations.

At Ideal of Sweden, we choose to use recyclable materials promotes a more sustainable and eco-friendly approach to resource management.



PRODUCT USE-PHASE

Longevity is one of the primary considerations in developing our product range, from the choice of raw materials to manufacturers, and product actual use.

At Ideal of Sweden, we have a selection of products that can be mixed and matched so that our customers can update the look of their already owned products and by so extend their use phase.

On our website <https://idealofsweden.com/care-guide>, we also provide a product care-guide for our customers. In doing so we hope to inspire our customers to extend the product use and reduce the impact of disposal.

RESPONSIBLE MARKETING AND CUSTOMER EDUCATION

At Ideal of Sweden, our goal is to provide accurate information to our customers while upholding ethical standards and promoting our products in a responsible manner. We strive to be transparent, comply with relevant laws and regulations, and ensure that our marketing and communication activities align with our values and commitments.

We always aim to make our marketing inclusive and to embrace diversity by including individuals of diverse looks, ages, gender and cultural backgrounds in our campaigns.

In 2024, Ideal of Sweden began a collaboration with Bower, a Swedish recycling app that rewards consumers for properly sorting their packaging. Much like Sweden's successful deposit system for bottles and cans, the goal is to make sustainable actions easier and more rewarding for consumers, but for all packages.

While many of the packages are designed with recyclability in mind, design alone is not enough. Without consumer engagement, packaging can often end up in the wrong bin, reducing the chances of the material being reused and closing the loop. This is where Bower plays a vital role, helping to bridge the gap between intention and action. Through this partnership, we want to make it easier for our customers to do the right thing. Once a customer receives their phone case and unpacks it, they can scan the outer packaging using the Bower app. After sorting their waste as usual and confirming their recycling location, they are rewarded for their effort points that can be redeemed for money, used for coupons, or be donated to charity.

Together with Bower, we aim to empower our consumers to take responsibility and turn everyday waste into something of value. Our journey together has just begun, but it marks an important step in our ambition to support circular practices and reduce our environmental impact





PLANET

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



- Progress towards the goals in 2024
- Maintain recyclable packaging.
 - Introduce green and sustainable office practices.
 - Achieve CO2 emission reduction through the whole value chain.
 - To procure most electricity from renewable sources through the whole value chain.
 - Increase Supply Chain resilience through increased transparency.

- Risks
- Climate impact regarding access to raw materials.
 - Disruptions in transport and production due to extreme weather.
 - Financial implications and other risks due to climate change.
 - Not acting on the climate crisis, deforestation or the threat to biodiversity can affect customer relations and attractiveness for investors.

HOW WE OPERATE

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

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

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

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

OUR EMISSIONS

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

The Protocol measures:

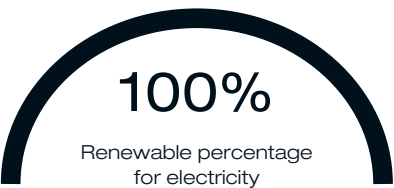
- Scope 1: Direct emissions from our operations
- Scope 2: Indirect emissions from the energy that we buy
- Scope 3: Indirect emissions from upstream and downstream of our value chain

Our emissions (ton CO2-eq)	2020	2021	2022	2023	2024
Scope 1	16.08	14.42	11.62	5.37	1.87
Scope 2	0.00	0.00	17.01	18.40	16.91
Scope 3	32,605	32,073	11,040	5,721	3,089
Overview	32,621.08	32,402.42	16,276.62	7,767.77	3,107.78

ENERGY

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

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



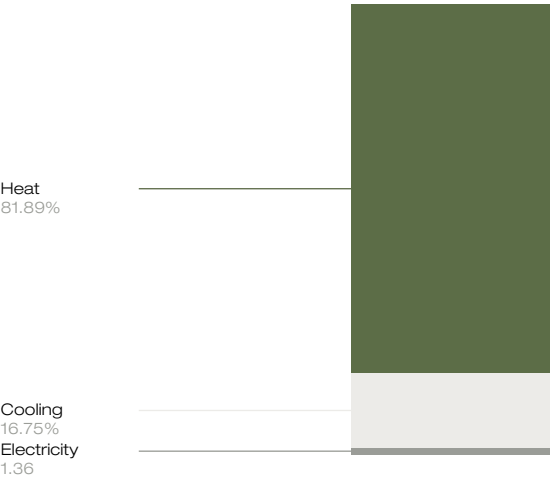
Our offices use 100% renewable electricity, and our Nordic warehouse 100% renewable energy sources (hydroelectric power).

SCOPE 2

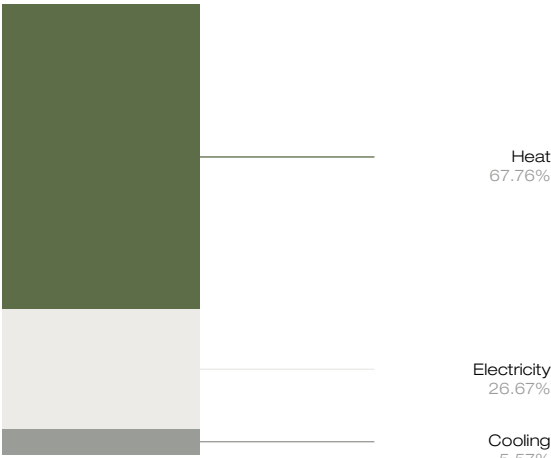
Scope 2 emissions come from district heating in our offices and stores.

Scope 2	Energy (kwh)	Energy (tCO ₂ e)
Office	424,409.870	16.69

Scope 2 emissions % per category



Scope 2 energy % per category



CLIMATE

Since implementing the Greenhouse Gas Protocol standard in 2020, Ideal of Sweden has been able to effectively track and evaluate our carbon emissions in all areas. This serves as a foundation for our climate strategy to reduce our carbon footprint in accordance with the Paris Agreement's objectives, with the ultimate goal of limiting global warming to below 1.5°C above pre-industrial levels.

We apply a hybrid approach that combines both activity data and spend data, enabling a comprehensive assessment of emissions across Scopes 1, 2, and 3. In addition to this, we integrate supplier-specific data whenever possible to increase the accuracy of our calculations. By incorporating supplier data from the majority of logistics partners, we are able to provide a more precise and credible estimation of emissions in the scope 3 category Upstream Transportation and Distribution.

In 2024, the Purchased Goods and Services category was assessed using a hybrid method, combining activity-based and transaction-based input data. Similarly, emissions in the Upstream Transportation and Distribution and Business Travel categories were calculated using the same hybrid approach.

The calculation formula for the spend-based method of the CO2e emissions for purchased goods or services applied was the sum across purchased goods or services: $\sum (\text{value of purchased good or service (\$)} \times \text{emission factor of purchased good or service per unit of economic value (kg CO2e/\$)})$. CO2e expresses that other relevant greenhouse gases besides CO2, such as CH4, N2O, HFCs, PFCs, SF6, and NF3, are taken into account by transferring their global warming potential in the equivalence to CO2's global warming potential.

We recognise the importance of accurately measuring our carbon footprint and are constantly seeking ways to improve our calculation methods, particularly for companies with limited control over their production processes. We are transitioning to activity-based data, which will provide a more detailed and comprehensive understanding of our carbon footprint by considering specific product purchases and relevant factors. This will enable us to have a more accurate assessment and take targeted actions to reduce our environmental impact.

SCOPE 3

The hybrid method we are using to calculate GHG emissions combines activity data and spend data, allowing us a comprehensive assessment of emissions across Scopes 1, 2, and 3.

Category	2020 tCO ₂ e	2021 tCO ₂ e	2022 tCO ₂ e	2023 tCO ₂ e	2024 tCO ₂ e
Purchased goods and services	27.31	27.51	8.80	3.13	1.43
Upstream transportation and distribution	5.27	4.54	2.20	2.32	1.47
Business travel	17.48	18.85	32.71	26.40	31.11
Waste	1.49	3.30	0.04	8.99	3.38

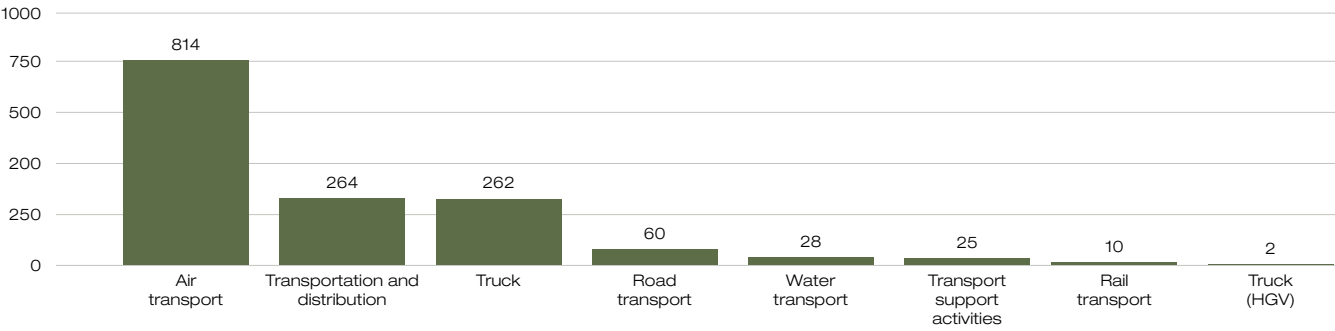
Category	2023 tCO ₂ e	2024 tCO ₂ e
Employee commuting	16.32	10.89
Downstream transportation and distribution	0.59	9.95
End of life	4.28	1.83

LOCAL DISTRIBUTION

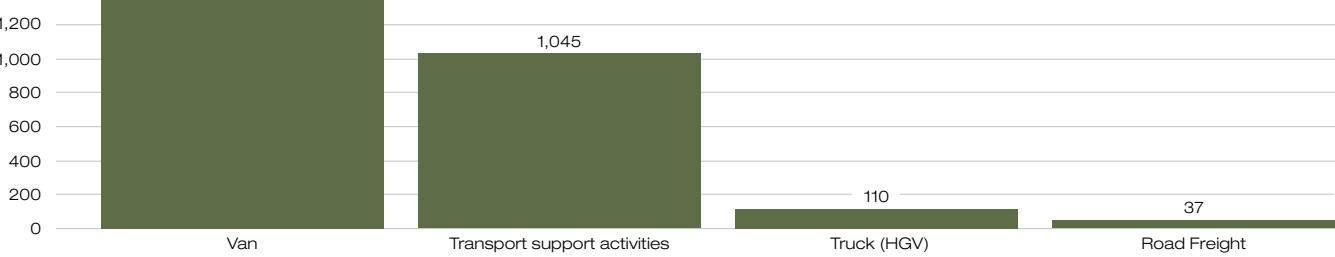
By optimising our last-mile deliveries, we at Ideal of Sweden aim to reduce carbon emissions and minimise the environmental impact of our operations, through business-to-business partners and e-commerce sales channels. We are committed to finding innovative and sustainable solutions to ensure our customers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

By implementing these strategies, we were able to minimise the carbon footprint of our shipping operations and contribute to a more sustainable and eco-friendly approach. Through partnerships and thoughtful selection of transportation modes, we have successfully reduced environmental harm while still ensuring reliable and efficient deliveries to our customers. Using electric vehicles or alternative fuel vans for longer distance in-country deliveries and transport parcels on foot, by e-bike or through non-emissive and shared delivery systems in urban centres.

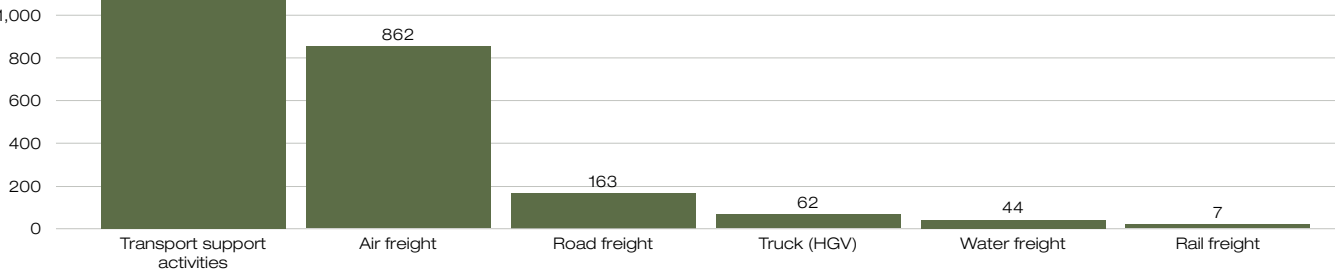
Upstream transport tCO₂e FY 2024
Upstream transport emissions (tCO₂e) by top 10 modes



Upstream transport tCO₂e FY 2023
Upstream transport emissions (tCO₂e) by top 10 modes



Upstream transport tCO₂e FY 2022
Upstream transport emissions (tCO₂e) by top 10 modes

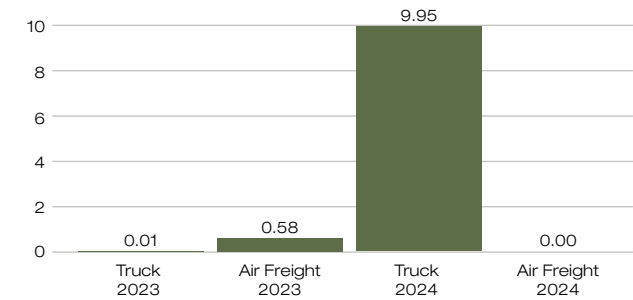


GLOBAL DISTRIBUTION

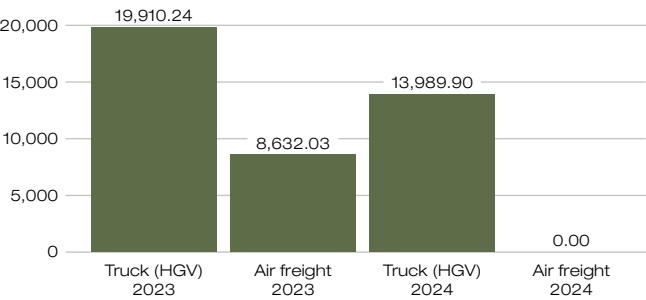
To increase the sustainability of the entire Ideal of Sweden value chain, we need to rely on a high performing and reliable logistics system. Enhanced sustainability revolves around optimising our distribution systems and existing transport infrastructure as well as introducing more sustainable packaging and reducing packaging waste. This comprehensive evaluation allows us to identify areas where we can minimise waste, reduce our carbon footprint, and ensure efficient movement of goods throughout our supply chain. By implementing responsible distribution practices, we strive to prioritise sustainability, reduce costs, and enhance the overall effectiveness of our distribution system.

By leveraging third-party global warehousing, fulfilment, and distribution partner services, combined with careful forecasting and tracking, we are able to effectively manage our inventory levels and allocate products to the most optimal distribution locations. Additionally, thanks to the implementation of the AI-driven supply chain management system, RELEX, we can continue to optimise production and distribution more effectively, resulting in improved efficiency and accuracy, both now and going forward.

Dowstream transport emissions (tCO₂e) per mode



Dowstream transport distance (km) per mode



In order to create a more responsible distribution system, our focus is on optimising transportation options to minimise emissions. This involves increasing the utilisation of sea and rail transportation and reducing our reliance on air freight. We are also making strides in product launch planning, to further enhance the sustainability of our distribution process.

Network of distributons

2024:

- AE
- AM
- AU
- BE
- BH
- CA
- CH
- CN
- CW
- CZ
- DE
- DK
- DO
- EC
- EE
- EG
- FI
- FR
- GE
- GH
- GR
- IE
- IQ
- IS
- JP
- KW
- LT
- LV
- LY
- NL
- NO
- NZ
- QA
- SA
- SE
- SK
- TR
- UK
- US
- UY
- UZ
- VE
- ZA



PARCELS

To further enhance our capabilities at Ideal of Sweden, we also invested in technology and automation in our fulfillment centers, enabling us to streamline operations and reduce order processing times. These investments have not only improved our overall customer experience but have also allowed us to scale our operations effectively to meet growing demand. Since 2020 we can carefully forecast and plan the flow of our goods with the help of an AI-driven supply chain management system. So far, we have improved sustainable warehousing practices, business and environmental performance, while also benefiting from improved efficiency and cost savings. As a result, we have achieved higher customer satisfaction rates and increased profitability.

By strategically selecting production locations and optimising warehouse capacities, as well as implementing proper inventory planning and allocation, we have successfully improved the utilisation of space, reduced waste, and minimised the carbon footprint associated with our warehousing activities. This proactive approach has been vital in our commitment to reduce the environmental impact of our warehousing operations.

Plastic waste continues to be a significant global challenge. At Ideal of Sweden, we believe that one of the most impactful ways to reduce waste is by rethinking our product packaging. That's why we are actively working to eliminate unnecessary plastic and minimize the resources used throughout our product manufacturing and distribution processes.

Our journey began in 2022 with the development of more sustainable packaging solutions. In 2023, we introduced packaging made with responsibly sourced paper and removed components such as the PET (Polyethylene Terephthalate) window, polyester ribbon, and plastic blister. We also replaced the magnetic closure with a paper flap, significantly reducing the number of materials used.

In 2024, we took this commitment even further by updating the packaging design for new products and beginning the transition to replace all packaging for our core assortment. The new packaging is smaller in size to eliminate excess material and now consists entirely of paper sourced from responsible forestry. These updates not only reduce material usage but also improve shipping efficiency by lowering the overall weight and volume of our packages.

Through these initiatives, we continue to take meaningful steps toward a more sustainable and resource-efficient future.

We have also switched to 100% recycled plastic bags (LDPE) in 2022, and 100% recyclable paper envelopes produced domestically with thin, strong durable material in 2024. In our central warehouses in Sweden and the Netherlands, we operate with one of the most sustainable packing machines in the industry. The machine's automatic carton packaging system creates dynamic cardboard boxes from corrugated fanfold, assisting us in decreasing our environmental impact and increasing packaging productivity and efficiency through automation. This way, we can avoid using plastic materials and ensure that shipped parcels take up minimum space, reducing shipment waste and air. Our warehouse in Germany uses 100% recycled cardboard/paper boxes since 2022 and our Swedish warehouse uses 50% recycled cardboard/paper boxes for the packaging machine orders.

SUSTAINABLE PACKAGING

Ideal of Sweden, we have significantly enhanced the sustainability of our parcels by focusing on two key areas, packaging and transportation efficiency. We have implemented measures to reduce waste by incorporating a higher percentage of recycled materials in our parcel packaging. This has resulted in a more environmentally friendly approach, as well as promoting a more responsible use of resources. These efforts reflect our commitment to sustainability and a desire to reduce the company's impact on the environment.

In our central warehouses in Sweden and the Netherlands, we operate with innovative and sustainable packaging machines. The machines use an automatic carton packaging system that creates dynamic cardboard boxes from a continuous corrugated fanfold, which improves the efficiency of the packaging process. This technology is one of the most sustainable in the industry and reinforces the company's commitment to environmental protection and sustainability.

With these machines, Ideal of Sweden is establishing itself as a leader in sustainable packaging solutions, by using a minimum amount of corrugated material, avoiding the use of plastic materials and ensuring that shipped parcels take up minimum space in the transport network.

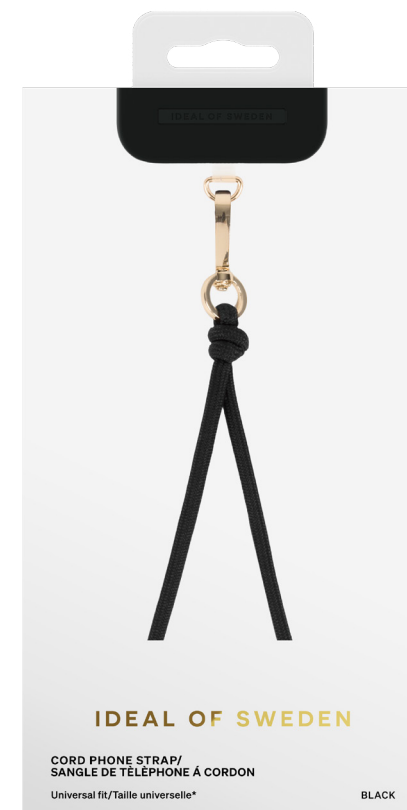
Our company has implemented on-pack recycling labels to support customers in correctly disposing of recyclable materials. We strive to promote sustainable behaviours by encouraging the reuse of packaging materials in e-commerce returns. This method significantly reduces the amount of single-use packaging as well as paper waste because most of the packaging and pre-printed labels simply end up in the waste bin.

To increase the sustainability of the entire value chain of our products, we need to rely on a high-performing and reliable logistics system. Therefore, enhanced sustainability revolves around optimising our distribution systems and transport infrastructure, introducing more sustainable packaging, and reducing packaging waste.

Before



After



WASTE GENERATED IN OPERATIONS

As reported by the World Bank, without urgent action, global waste might increase by 70% on current levels by 2050. Our ambition is to establish good waste management systems that are essential to building a circular economy. We have a long and complicated way to go; nevertheless, we aspire to find more environmentally and socially responsible ways to reduce operational and consumer waste.

By prioritizing the establishment of effective waste management systems and promoting a circular economy, we can work towards reducing waste generation and improving sustainability. While the journey may be challenging, the pursuit of environmentally and socially responsible waste reduction strategies is essential for a more sustainable future.

Packaging

We formed a partnership with the FTI organisation in 2021 and, on 1 November 2023, with the newly formed NPA organisation, to ensure that our packaging meets industry standards and is environmentally responsible. Our commitment to sustainable practices is reflected in every aspect of our business, and our partnership with NPA and Swedish Naturvårdsverket further solidifies our dedication to creating a positive impact on both the environment and our customers.

We are also aligning with PACK through the Landbell Group, a leading provider of environmental and waste management services, specialising in packaging. This collaboration ensures that we not only comply with regulatory requirements but also work towards minimising our environmental footprint. With access to their global network and knowledge, we are confident in our ability to achieve our sustainability objectives and contribute to the development of a circular economy.

End of life weight (%) top 6



PRODUCT DISPOSAL

At Ideal of Sweden, we are committed to maintaining traceability across our entire supply chain in the years ahead. We also strive to educate our stakeholders on responsible consumption and the proper disposal of our products.

Additionally, Ideal of Sweden is a member of organizations that focus on producer responsibilities for packaging, electrical and electronic equipment, and batteries.

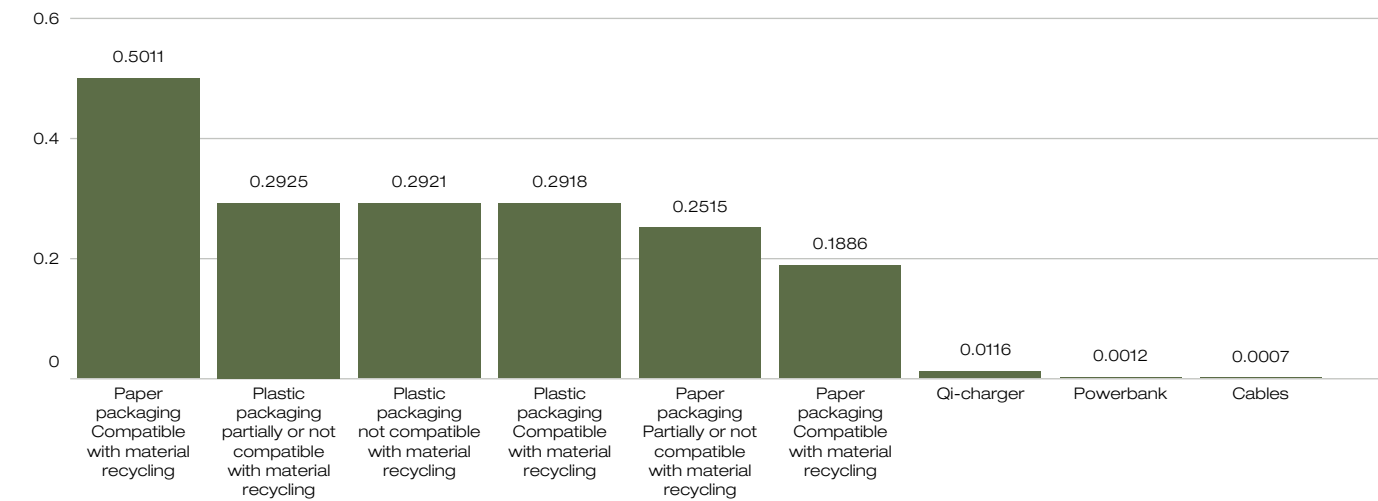
We are in accordance with the EU WEEE Directive on waste electrical and electronic equipment (2002/96/EC) and register with national authorities in several key European countries. All the products that are subject to the WEEE Directive fulfil the WEEE marking requirements

We also formed a partnership with the FTI organisation in 2021 and, on November 1st, 2023, with the newly formed NPA organisation, to ensure that our packaging meets industry standards and is environmentally responsible. Our commitment to sustainable practices is reflected in every aspect of our business, and our partnership with NPA and Swedish Naturvårdsverket further solidifies our dedication to creating a positive impact on both the environment and our customers.

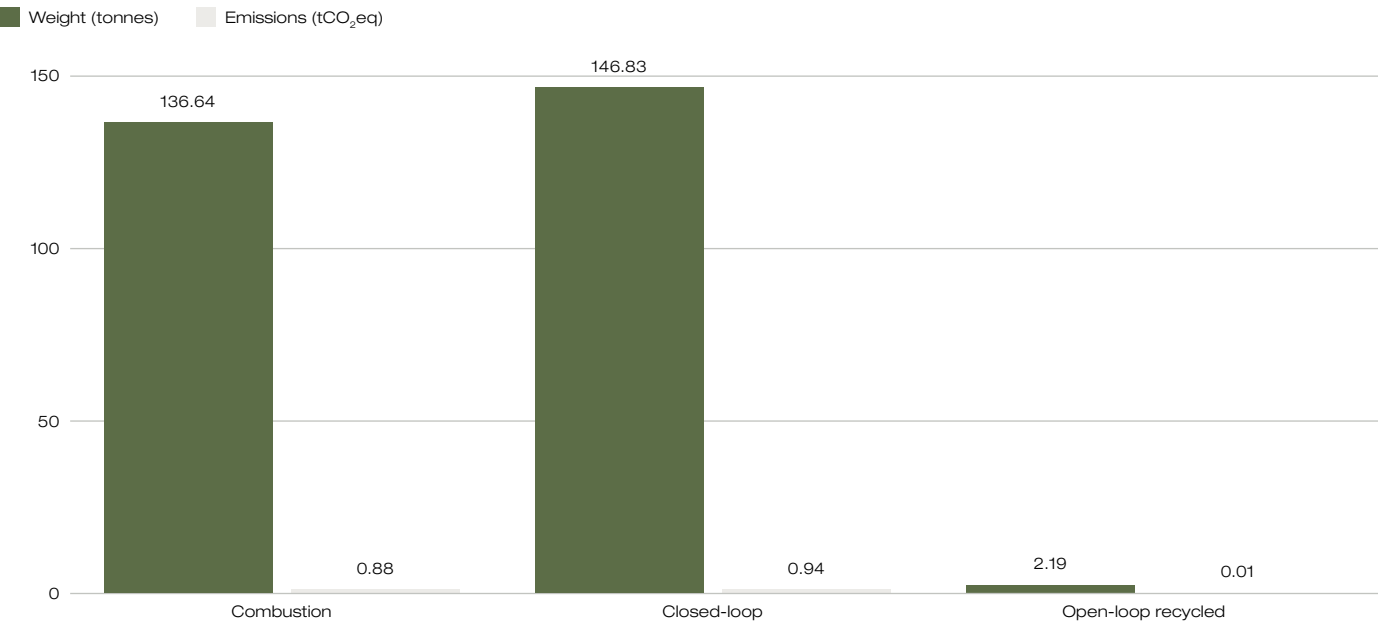
WEEE and batt directives

At Ideal of Sweden, we are in accordance with the WEEE directive, Directive (2002/96/EC), focused on waste from electrical and electronic equipment, aiming to prevent or reduce the adverse impacts of electrical and electronic waste through measures to protect the environment and human health. As technology advances, the life cycle of electronic devices becomes shorter. Older models get replaced with new ones and become electronic waste, and when misplaced or disposed of properly, they pose an environmental risk. We are conducting our business in accordance with the EU WEEE Directive and have registered waste collection with national authorities. Furthermore, we have added the crossed-out wheeled bin symbol to the relevant product labels in accordance with the directive.

End of life emission - Waste type (tCO₂e) FY 2024



End of life treatment method (tCO₂eq) LY 2024





PHILANTHROPY

COMMUNITY ENGAGEMENT

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

As part of our 2024 partnership, Ideal of Sweden donated 50 Swedish Crowns for every product sold under this campaign. As a result, over 100 000 Swedish Crowns was contributed to support the vital work of Regnbågsfonden. We also proudly sponsored the "Regnbågsgala" with 50 000 Swedish Crowns, celebrating Regnbågsfonden's first-ever gala event—an important milestone in raising both funds and awareness for everyone's right to be themselves.



CHARITY FUNNEL

Through our collaboration with Charity Funnel, we made it easy for customers to support meaningful causes directly at checkout. This service allowed customers to donate 1 Euro/10 Sek to a selected organization of the month, offering a simple and transparent way to give back. Thanks to this initiative, our customers collectively donated 12 000 Sek in support of various charities. With Charity Funnel, 100% of all donations go directly to the chosen organizations, making giving both effortless and impactful.



PwC- PRONOUNCEMENT



Auditor's report for companies preparing the statutory sustainability report separate from the annual accounts

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in iDeal of Sweden AB, corporate identity number 556889-7994

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, as per date as our electronic signature
Öhrlings PricewaterhouseCoopers AB

Sandra Lindvall
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

APPENDIX 1 – GRI glossary

GRI 2: GENERAL DISCLOSURES

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
2-1	Organizational details	Sustainability approach	p. 5, 10,
2-2	Entities included in the organization's sustainability reporting	Sustainability approach	p. 19
2-3	Reporting period, frequency and contact point	Sustainability approach	p. 19
2-4	Restatements of information	Sustainability approach	p. 19
2-5	External assurance	Sustainability approach	p. 18
2-6	Activities, value chain and other business relationships	Sustainability approach and Product	p. 10, 43
2-7	Employees	People	p. 28
2-8	Workers who are not employees	People	p.27
2-9	Governance structure and composition	Sustainability approach	p. 17
2-10	Nomination and selection of the highest governance body	Sustainability approach	p.16
2-11	Chair of the highest governance body	Sustainability approach	p. 16
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability approach	p. 16-17
2-13	Delegation of responsibility for managing impacts	Sustainability approach	p. 16-17
2-14	Role of the highest governance body in sustainability reporting	Sustainability approach	p. 16-17
2-15	Conflicts of interest	Sustainability approach	p. 16
2-16	Communication of critical concerns	Sustainability approach	p.16
2-17	Collective knowledge of the highest governance body	Sustainability approach	p.16
2-18	Evaluation of the performance of the highest governance body	Sustainability approach	p. 16-17
2-19	Remuneration policies	-	-
2-20	Process to determine remuneration	-	-
2-21	Annual total compensation ratio	Sustainability approach	p. 6-7
2-22	Statement on sustainable development strategy	Sustainability approach and People	p. 6, 14-15, 33
2-23	Policy commitments	Sustainability approach	p. 18-19
2-24	Embedding policy commitments	Sustainability approach	p. 18-19
2-25	Processes to remediate negative impacts	Sustainability approach	p. 18-19
2-26	Mechanisms for seeking advice and raising concerns	Sustainability approach	p. 18-19
2-27	Compliance with laws and regulations	Sustainability approach	p. 18-19
2-28	Membership associations	Sustainability approach	p. 18-19
2-29	Approach to stakeholder engagement	Sustainability approach	p. 10
2-30	Collective bargaining agreements	People	p. 26

GRI 3: MATERIAL TOPICS- DISCLOSURE

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
3-1	Process to determine material topics	Product	p. 44-51
3-2	List of material topics	Product	p. 44-51
3-3	Management of material topics	Product	p. 44-51

APPENDIX 2 – GRI glossary

TOPIC STANDARDS- ECONOMIC

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
201 Economic Performance			
201-1	Ratios of standard entry-level wage by gender compared	People	p. 26
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability approach	p. 20-21
201-3	Defined benefit plan obligations and other retirement plans	People	p. 26
201-4	Financial assistance received from government	Sustainability approach	p. 20-21
202 Market precence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	People	p. 26-27
202-2	Proportion of senior management hired from the local community	People	Approximately 50%
203 Inderect economic impacts			
203-1	Infrastructure investments and services supported	Planet	p. 58-69
203-2	Significant indirect economic impacts	Planet	p. 58-69
204 Procurement Practices			
204-1	Proportion of spending on local suppliers	Product	p. 44
205 Anti-corruption			
205-1	Operations assessed for risks related to corruption	Sustainability approach	p. 16, 20-21, 22-23
205-2	Communication and training about anti-corruption policies and procedures	Sustainability approach	p. 12-13, 19, 33,
205-3	Confirmed incidents of corruption and actions taken	Sustainability approach	p. 33
206 Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability approach	p. 33
207 Tax			
207-1	Approach to tax	Sustainability approach	p. 20-21
207-2	Tax governance, control, and risk management	Sustainability approach	p. 20-21
207-3	Stakeholder engagement and management of concerns related to taxt	Sustainability approach	p. 20-21
207-4	Country-by-country reporting	Sustainability approach	p. 20-21
301 Materials			
301-1	Materials used by weight or volume	Product	p.44-45
301-2	Recycled input materials used	Product	p. 44-49
301-3	Reclaimed products and their packaging materials	Product and Planet	p. 44-49, 66-69

TOPIC STANDARDS- ENVIROMENTAL

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
302 Electricity and Heating			
302-1	Energy consumption within the organization	Planet	p. 54-55
302-2	Energy consumption outside of the organization	Planet	p. 54-55
302-3	Energy intensity	Planet	p. 54-55
302-4	Reduction of energy consumption	Planet	p. 54-55
302-5	Reduction in energy requirements of products and services	Planet	p. 54-55
303-1 to 5	-	We are looking into how we can influence water consumption.	p. 26
304 Biodiversity			
304-1 to 5	-	-	-
305 Emissions			
305-1	Direct (Scope 1) GHG emissions	Planet	p. 54-55
305-2	Energy indirect (Scope 2) GHG emissions)	Planet	p. 54-55
305-3	Other indirect (Scope 3) GHG emissions	Planet	p. 54-57
305-4	GHG emissions intensity	Planet	p. 54-57
305-5	Reduction of GHG emissions	Planet	p. 54-57
305-6	Emissions of ozone-depleting substances (ODS)	-	-
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	-
306 Waste			
306-1	Waste generation and significant waste-related impacts	Planet	p. 66-69
306-2	Management of significant waste-related impacts	Sustainability approach and Planet	p.6-7, 12-13, 66-69
306-3	Waste generated	Planet	p. 66-69
306-4	Waste diverted from disposal	Planet	p. 66-69
306-5	Waste directed to disposal	Planet	p. 66-69
307 Enviromental Compliance			
307-1	Enviromental Compliance	Sustainability approach and People	p. 15, 16, 20-21, 22-23, 30, 33, 41
308 Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Product	p. 40-41
308-2	Negative environmental impacts in the supply chain and actions taken	Product	p. 42-43

APPENDIX 3 – GRI glossary

TOPIC STANDARDS- SOCIAL

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
401 Employment			
401-1	New employee hires and employee turnover	People	p. 31
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People	p. 29-30
401-3	Parental leave	People	p. 27
201-4	Financial assistance received from government	Sustainability approach	p. 20-21
402 Labor/Management relations			
402-1	Minimum notice periods regarding operational changes	People	p. 29
403 Occupational Health and Safety			
403-1	Occupational health and safety management system	People	p. 31
403-2	Hazard identification, risk assessment, and incident investigation	People	p. 29
403-3	Occupational health services Worker participation, consultation, and communication on occupational health and safety	People	p. 31
403-4	Worker participation, consultation, and communication on occupational health and safety	People	p. 27
403-5	Worker training on occupational health and safety	People	p. 29
403-6	Promotion of worker health	People	p. 27
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People	p. 31
403-8	Workers covered by an occupational health and safety management system	People	p. 28
403-9	Work-related injuries	People	p. 28
403-10	Work-related ill health	People	p. 28
404 Training and Education			
404-1	Average hours of training per year per employee	People	p.27
404-2	Programs for upgrading employee skills and transition assistance programs	People	p. 27
404-3	Percentage of employees receiving regular performance and career development reviews	People	p. 27
405 Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	People	p. 28
405-2	Ratio of basic salary and remuneration of women to men	People	p. 26
406 Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	People	p. 28
407 Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Product	p. 40-41
408 Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	People	p. 32-33

GRI Standard	Disclosure Title	IDEAL OF SWEDEN Fiscal year 2024 report section	Disclosure (states where to find the listed, information, locations of relevant documents, info location on our website)
409 Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Product	p. 40-41
410 Security Practices			
410-1	Security personnel trained in human rights policies or procedures	People	p.32-33
411 Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous people	People	p. 32-33
412 Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	People	p. 32-33
412-2	Employee training on human rights policies or procedures	People	p. 32-33
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	People	p. 32-33
413 Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Philanthropy	p. 72-74
413-2	Operations with significant actual and potential negative impacts on local communities	Philanthropy	p. 72-74
414 Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	People	p. 32-33
414-2	Negative social impacts in the supply chain and actions take	Product	p. 43
415 Public Policy			
415-1	Political contributions	Philanthropy	p. 72-74
416 Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Product	p. 42-43
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product	p. 42-43
417 Marketing and Labeling			
417-1	Requirements for product and service information and labeling	Product and Planet	p. 42, 58-59, 62-63
418 Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability approach	p. 22-23