



New Wave
GROUP

Sustainability Report 2020

New Wave Group

contents

01 - Introduction 3

<i>Highlights 2020</i>	3
<i>CEO statement</i>	4
<i>Business context</i>	6
<i>Sustainability goals</i>	10



02 - Towards a sustainable profitability 13

<i>Social responsibility in a global supply chain</i>	14
<i>Sustainable and eco-friendly options</i>	19
<i>Quality and product compliance</i>	24
<i>Partnerships</i>	25
<i>Transportation for a sustainable climate</i>	28

03 - About the Group 32

<i>Vision and values</i>	33
<i>Organization and governance</i>	34
<i>Value chain</i>	36

04 - About the report 38

<i>Materiality analysis</i>	38
<i>Stakeholders</i>	39

05 - GRI index 40

<i>The auditor's report</i>	46
<i>Contact</i>	47

Highlights 2020

More digital meetings, less business trips and decrease of printed sales material.

The corona pandemic accelerated a digital transformation. More digital meetings, less business trips and a decrease of printed sales material.

Significant increase in the amount of products with sustainability attributes.

Several initiatives in the subsidiaries for reuse of cartons and reduction of unnecessary plastics.

Continued good development for the eco-labeled brand Cottover.



Updated Restricted Substance List for chemicals in products and production (August 2020).

Updated Test Manual for quality and chemicals.



CEO statement

“The past year was obviously characterized by the pandemic. Our companies and operations have struggled with stunted sales, cost savings and efficiency improvements. Short term, it has also affected our work with sustainability where we have paused some forward-looking projects.”



But we have not been forced to back down. We have succeeded in maintaining a high minimum level in line with policies and values. Despite turbulent times and lost sales, we have not deviated from sustainability. Rather the opposite.

In the wake of the pandemic focus on sustainability and the demand for products with sustainability attributes has grown. Instead of a setback in the sustainability work, perhaps we got the breathing break we needed to adjust and meet a greater demand for products where sustainability is built-in. During the year, we saw a large increase in the number of products with sustainability attributes in the companies – and more will come!

At the same time, perhaps the most obvious change was an accelerated digital transformation where physical meetings have been replaced by digital solutions, business trips have been reduced and the printed sales material has been minimized. It has been normalized to interact with customers, suppliers and colleagues in a virtual way. It is not the only way forward – I still see the relationship-building physical meetings as very important – but a larger proportion of virtual meetings are definitely here to stay as the pandemic has shown that it works.

Going forward, we will need to restart some projects and investments in the sustainability work. Especially related to an increased focus on circularity and the

development of products that, for example, enable reuse of the material and where as little as possible goes to waste when the product is worn out. This is also about working with the customers and spreading the knowledge so that the products are used and handled properly.

With hopefulness I look forward to 2021 and the development of our sustainability work. In the long run, I'm more convinced than ever that we will succeed in adjusting instead of canceling.

Our organization has, not at least through its fantastic work in 2020, shown that we can tackle most scenarios in a good and flexible way. Our challenges are complex, but the high ambitions and solid work described in this report keep me inspired and positive about the future.


Torsten Jansson
CEO

Trademarks








Corporate

Sports & Leisure

Gifts & Home Furnishings

Business context

How New Wave Group works with sustainability and what areas we focus on are interrelated with our business context and the questions that are highly valued by our stakeholders. Below, we address areas that characterize our work, all directly or indirectly linked to the global goals for sustainable development.



THE CORONA PANDEMIC LEAVES DEEP MARKS

The corona pandemic leaves deep marks both globally and locally and is affecting people, communities and businesses around the world. Our responsibility for sustainability in all aspects has become even more apparent. We simply cannot go back to where we were before COVID-19, with societies vulnerable to crises. The pandemic has brutally reminded us of the price we pay for weaknesses in health systems, social security and public services. In the light of the corona pandemic, Global Goals for sustainable development may have become more important than ever.

GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

In 2015, world leaders agreed to 17 goals for

a better world by 2030. These goals have the power to end poverty, fight inequality and stop climate change. With its 17 goals and 169 targets, this is the most ambitious agreement for sustainable development the world leaders have ever adopted. The Global Goals unite the countries in the world through a universal agenda and demand that all countries – rich and poor – act both nationally and globally to achieve the goals by 2030. Guided by the goals, it is now up to all of us, governments, businesses, civil society and the general public to work together to build a better future for everyone. In Sweden, the government's ambition is to become world-leading in sustainable fashion production and consumption.

For New Wave Group, all 17 sustainability goals are important and we try to influence them in a positive direction, either directly or indirectly. The goals are strongly interconnected, but we consider our business can make more significant contributions to four of them, as seen to the right.



In Sweden, the government's ambition is to become world-leading in sustainable fashion production and consumption, which requires commitment from business, civil society and the general public.



We consider our business can make more significant contributions to four of the Global Goals:

Example of how New Wave Group contributes to the Global Goals towards sustainable development:



08 - DECENT WORK AND ECONOMIC GROWTH

Ensure good working conditions, both within the Group and in the global supply chain (page 14).



12 - RESPONSIBLE PRODUCTION AND CONSUMPTION

Develop as sustainable products as possible (page 19) and actively spread knowledge and information about sustainable consumption.



13 - CLIMATE ACTION

Choose transportation with eco-friendly fuels and improved vessels (page 28).

As the world today is more interconnected than ever and the Global Goals can only be realized through partnerships and cooperation, the most crucial goal is Goal 17 – Partnerships for the goals. Civil society alone cannot solve the challenges facing the world, neither can nations nor the business sector. Partnerships are thus a prerequisite, a tool for achieving the other 16 goals. Therefore, New Wave Group is committed

to several global partnerships on issues and challenges that require cooperation at a higher level than individual companies.



17 - PARTNERSHIPS FOR THE GOALS

Partnerships such as amfori BSCI, FLA, Accord on Fire and Building Safety in Bangladesh, Clean Shipping Index and Mistra Future Fashion.

SUSTAINABILITY FROM A LIFE CYCLE PERSPECTIVE

With an increasing world population and a growing middle class, in combination with unsustainable human consumption patterns, we consume more of the nature's resources than the planet is capable of. In order to meet the challenges we must use resources more responsibly and move towards a circular economy.

This is not just about recycling and re-use but also efficient use of resources throughout the entire life cycle of a product. Often you get stuck in discussions about pros and cons of specific materials. But from a life cycle perspective, it becomes clear that one must assess the product's impact on humans and the environment throughout its life cycle – from raw material to use, reuse and recycling – in order to determine any benefits from a sustainability perspective. However, regardless of what the analysis shows, one fact remains: Increasing the longevity of products is the most important thing we can do in order to cope with the environmental strain caused by a linear industry. For example, did you know that according to a study made by Mistra Future Fashion, you can halve a garment's environmental impact if used twice as many times? Therefore, it is our responsibility to create high quality products to enable longevity and at the same time introduce more sustainable and eco-labeled options in our offer.

SUSTAINABLE CONSUMPTION

The purchasing decisions of us consumers affects ourselves and other people, animals, nature and the entire ecosystem and determines our children and grandchildren's opportunities for a good future. Therefore, it is important to consume in a sustainable way. Much power lies with the consumers and their choices, but in order to achieve more sustainable consumption that contributes to sustainable development, all actors in society must help out. The business sector must contribute to phasing out harmful products and making environmental friendly products attractive and more accessible. Sustainable consumption should be the norm and all consumers should

have the opportunity to consume sustainably.

Reports from around the world show that there are billions of people looking for more conscious offerings. Broadly speaking, one in four customers is actively looking for offerings that contribute to a more sustainable development. Consumer two and three are not looking for themselves, but also want to be able to shop more ethically and responsibly. Only consumer number four is uninterested, but still happy if the product subsequently turns out to have added values in terms of sustainability.

With trends as a growing conscious middle class, higher expectations on corporate responsibility and increased knowledge about the effects of consumption on people and planet, this suggests that the market will grow more.

At New Wave Group, we focus on creating eco-friendly offers, for example through the brand Cottover. We want to help our customers to make conscious purchases as we are convinced that the customers' purchasing decisions and consumption are crucial to being able to drive sustainable development in the long term.

CLIMATE CHANGES

Two degrees Celsius. That is the planet boundary for global warming. The temperature is rising faster than predicted and it is due to our emission of greenhouse gases. Global warming has catastrophic consequences, such as global meltdown of glaciers, elevated sea levels, more floods, storms and forest fires, and extreme temperatures are becoming increasingly common. The poorest and most vulnerable people on our planet are suffering hard, partly because of threatened food production. In addition, important species, habitats and entire ecosystems are threatened.

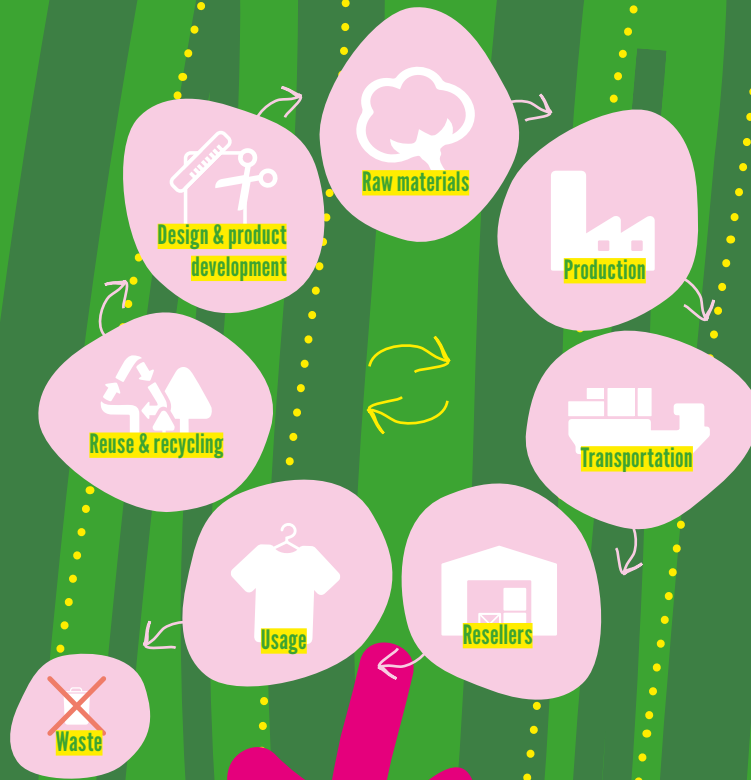
Combustion of fossil fuels accounts for the biggest contribution to global warming. Thus, the transportation sector plays a vital part in the fight for our climate. For New Wave Group, transportation and logistics is a key question and we are determined to take our responsibility and take actions to reduce our climate impact.

QUESTION!

What do you think one should consider for a more sustainable consumption?

- ✓ Invest in high-quality products (to enable long life-span). See the value of the product and the work behind it.
- ✓ Follow care instructions.
- ✓ Consider which transportation to use when purchasing the product.
- ✓ Ask producers for more information about their sustainability work. Support brands you think are doing a good job.
- ✓ Enable further use of the product by providing it to resellers/second hand.

- Anni Sandgren,
CSR and Sustainability
Manager, New Wave Group



INCREASED REQUIREMENTS FOR TRANSPARENCY AND REPORTING

With what is happening in the public debate with an increased focus on sustainability challenges, expectations and requirements on companies are also increasing. This is not at least seen through legal requirements such as mandatory sustainability reporting in the EU, energy mapping in large companies in Sweden and more strict requirements in public procurement. It is clear that sustainability reporting is a driving factor for companies' sustainability work and that the business sector is an important piece of the puzzle to meet the Global Goals for sustainable development.

A next step in the European Commission's action plan

for sustainable growth involves an adaptation to a common sustainability taxonomy for financial actors, the so-called EU Taxonomy. The Taxonomy is a tool to classify which investments are environmentally sustainable or not. The purpose is to ensure that the financial sector have common guidelines for which investments are to be called environmentally sustainable. In the long run, this means that the financial investors will place higher requirements on the non-financial companies, such as New Wave Group, on the degree of sustainability in the companies based on the Taxonomy. New Wave Group will be required to report from the financial year 2021 and has begun work on reviewing how our reporting and policies are affected and whether we have the data needed.

Sustainability goals

New Wave Group’s corporate sustainability efforts and sustainability goals revolve around the areas where we can make the biggest difference. Below we present the goals a little closer. The goals serve as a guide and reminder of what the Group and its subsidiaries should prioritize.

PRODUCTS WITH SUSTAINABILITY ATTRIBUTES

New Wave Group aims to introduce more sustainable and eco-friendly materials in our range of products. We want to increase the amount of products coming from sources and processes with extra care for people and planet (read more on page 19). Working with eco-labels and certifications is an important part of our work with sustainability. It is a tool to help our customers to identify the best performing products in terms of social and environmental responsibility.

Measuring the amount of certified products would have been a clear way of reporting the amount of sustainable products. However, we think it is important to also highlight products which for example are made of more environmental friendly materials where certifications are not

always available. This applies in particular for the hardline products where the selection of eco-labels and certifications is very limited. Therefore, when measuring the amount of sustainable products we use our own indicator “products with sustainability attributes”.

We base our classification of the products on established industry practices. The development is moving forward and the list of materials and processes we see today as more sustainable will be updated and adjusted over the years. In 2020, there was a clear shift towards recycled fibers, where recycled polyester is most represented.

Textile products with sustainability attributes include products with one or more of the following labels, materials or processes: The Nordic Ecolabel, GOTS, Oeko Tex, Fairtrade, recycled polyester, spin dyed polyester, EXP 4.0 treated wool recycled polyamid. Oeko Tex is by far the most represented attribute and accounts for more than 90 % of the products with sustainability attributes.

Hardline products with sustainability attributes include products with one or more of the following labels and materials: FSC, recycled polyester, recycled rubber, bio based plastics, biodegradable and compostable plastics, soy wax and recycled glass. Also included are crystal products from Orrefors Kosta Boda made of so-called “eco-crystal” that are free from lead and arsenic, which is unfortunately still common in the industry.

In 2020, we were glad to see a significant increase in the amount of products with sustainability attributes, which indicates that much are happening in the companies and that demand is increasing.



		2017	2018	2019	2020	Goal	Comments
Products with sustainability attributes	Textile products*	835	964	1036	1178	90% year 2025	Number of active products
	Hardline products*	384	397	461	664	50% year 2025	

* New Wave Group has around 8,000 active products (color/size excluded). Around 50% are textile products and 50% are hardline products.

We constantly strive toward having all factories in risk countries undergo a valid third-party audit with good grades.

THIRD-PARTY AUDITED FACTORIES IN RISK COUNTRIES

We are aware of the responsibility that comes with sourcing goods in countries with different legal standards and labour conditions. New Wave Group strives to continuously improve working conditions in the global supply chain (read more on page 14). An important tool is third-party audits to follow up the implementations of our Code of Conduct. Our goal is to include all or suppliers in amfori BSCI, FLA (Fair Labor Association) or an equal monitoring system and that the audits should result in good grades.

For the purchasing offices, we began measuring the amount of third-party audits in 2013 when New Wave Group became

member of the amfori BSCI. At that time, 52 % of the purchases were made through factories that had undergone third-party audits. In 2017, we broadened the scope and included purchases both through the purchasing offices and also the subsidiaries' own sourcing (not made through the purchasing offices). For 2020, the following goals were set for third-party audits of factories in risk countries: 90 % of total number, 95 % of purchasing volume and 100 % of purchasing volume through purchasing offices.

We can conclude that we stepped forward, but did not reach all the way. For the total number of factories in risk countries, the challenge lies primarily in the purchases made

outside the purchasing offices, when the orders are often smaller and non-recurring. With the corona pandemic there has also been some challenges with delayed and rescheduled audits. This includes the audit of a factory that accounted for a high purchase volume, which significantly affects the target figures.

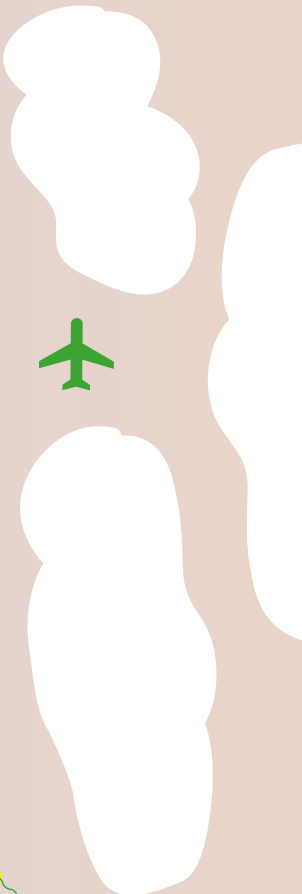
We constantly strive for that all factories in risk countries should have a valid third-party audit with good grades. In the 2019 Sustainability Report we therefore choose to rephrase the goal to that 100% of our factories – irrespective of the figure is based on the number of factories or purchasing volume – should have a valid third party audit in 2025.

The Global Goals



		2016	2017	2018	2019	2020	Goal	Comments
Third-party factories audited in risk countries	% of total number of factories in risk countries	-	59%	67%	77%	81%	100% year 2025	Risk countries according to amfori BSCI's definition
	% of purchasing volume from factories in risk countries	-	86%	85%	90%	80%*		
	% of purchasing volume from purchasing offices	80%	92%	92%	96%	85%		

* The decrease is mainly due to one factory with high purchasing volume whose audit was delayed and rescheduled to 2021 due to the corona pandemic.



EMISSIONS FROM TRANSPORTATION

New Wave Group shall participate in fighting for reduced climate impact and seize every opportunity to reduce greenhouse gas emissions from our business operations. Priority areas are primarily where we have direct impact by transportation and logistics (read more on page 22). Since air freight has the highest emissions of greenhouse gases, we have a zero vision for this transportation.

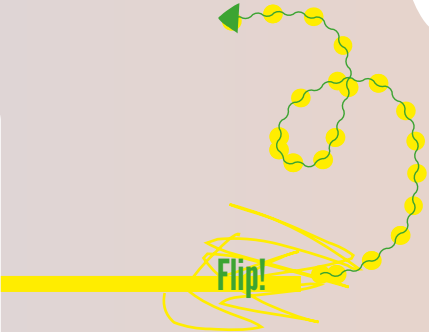
In the 2019 Sustainability Report, we also started to report weight data for long-distance transport between Asia and North America. However, emissions data are not reported as the subsidiaries use different carriers, which implies that detailed accounting methods differ between the subsidiaries' reporting and is thus not comparable.



CO2e (t)		2017	2018	2019	2020	Goal	Comments
		Air	Sea	Air	Sea		
Asia - Europe	Air	1790	1236	1154	-*	Zero vision for air freight. Cleaner fuel and vessels.	Weight data for long distance transportation between Asia and North America.
Freight (t)	Air	234	154	183	30		
Asia - Europe	Sea	11484	11457	10357	5468		
Freight (t)	Air	-	-	86	26		
Asia - North America	Sea	-	-	4574	2932		

* Supplier has not been able to present accurate data.

Flip!



02 - Towards a sustainable profitability

New Wave Group believes in sustainable growth. It is important for us to adapt business solutions that are financially profitable, but also sustainable from a social and environmental perspective. The objective is to minimize any negative impact and at the same time maximize the positive effects. We work for sustainable development that maximizes our contribution to globally agreed sustainability goals, creates long-term value for the company and at the same time takes stakeholders' expectations into account.

In this section, we will describe more about how we work with focus on the areas where we believe that our operations can make a significant difference. This includes everything from how we work with social responsibility in the global supply chain and how we think about materials and eco-labels – to product responsibility, quality, transport and the importance of partnerships in different contexts.

For us, it is not just about reporting what we do, but it is also about spreading knowledge and raising awareness about sustainable consumption and sustainability aspects in the production of textiles and other goods.

In this way, the Group can contribute to Global Goals for Sustainable Development while ensuring a good dialogue with customers and other stakeholders.

QUESTION!
What will the development of the sustainability work look like in a few years?

I think we will see continued increased demand on companies to take responsibility for a sustainable society and that products are produced in a more responsible way. Transparency throughout the whole supply chain and more information about origin, quality and content are key factors in having customers' trust in the future.

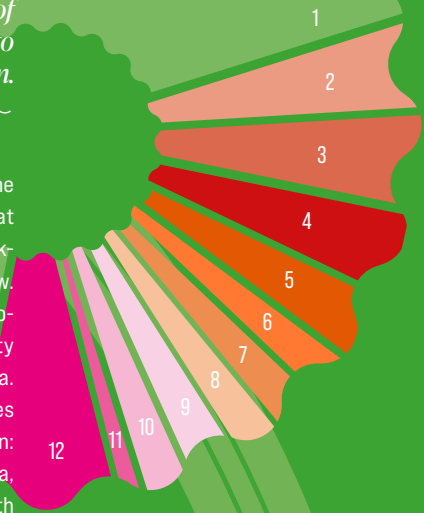
- Anni Sandgren,
CSR and Sustainability
Manager, New Wave Group

Social responsibility in a global supply chain

New Wave Group shall work to ensure that we, our suppliers and partners respect human rights and international conventions for good labor conditions. This means actively setting requirements and supporting suppliers as well as ensuring that resources are deployed where they are needed to comply with the New Wave Group Code of Conduct. Here we will tell you more about our work to improve working conditions in the global supply chain.

NEW WAVE GROUP'S PRODUCTION COUNTRIES

Based on number of factories.
Previous year in parentheses.



PRODUCTION COUNTRIES

1. China 67% (71%)
2. Bangladesh 4% (4%)
3. India 4% (3%)
4. Poland 4% (1%)
5. Netherlands 3% (1%)
6. Portugal 2% (2%)
7. Vietnam 2% (3%)
8. Pakistan 2% (3%)
9. Turkey 2% (3%)
10. Germany 2% (1%)
11. Myanmar 1% (1%)
12. Other countries 7% (6%)

OUR PRODUCTION COUNTRIES

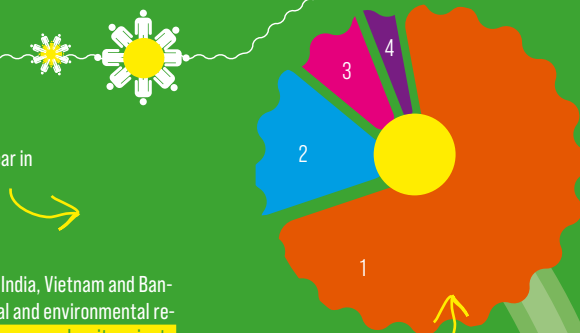
Most of our products are produced by external suppliers, mainly located in Asia. We are aware of the responsibility that comes with sourcing goods in countries which have not come as far as Sweden when it comes to working conditions and environmental issues. Many challenges in developing countries can be related to poverty and lack of welfare systems. We always aim to have an open dialogue with our suppliers to discover potential issues in time. Having good suppliers is key for our business and we depend on their business operations as much as they depend

on ours. Hence, we care about the situation on the factory floor and that the suppliers are treating their workers with respect and according to law.

In 2020, New Wave Group had production in 34 countries. The majority of the factories are located in China. 85 % are located in risk countries according to amfori BSCI's definition: Bangladesh, Bulgaria, Cambodia, China, Egypt, Ethiopia, India, South Korea, Myanmar, Pakistan, Romania, Sri Lanka, Taiwan, Thailand, Turkey and Vietnam.

DISTRIBUTION PER PURCHASE OFFICE

Based on purchasing volume, previous year in parentheses.



PURCHASING OFFICES

1. China 73% (65%)
2. Bangladesh 16% (19%)
3. Vietnam 8% (11%)
4. India 3% (5%)

LOCAL PRESENCE

Our own four purchasing offices in China, India, Vietnam and Bangladesh are an important part of our social and environmental responsibility in the supply chain. **Local presence makes it easier to visit, support and train our suppliers in sustainability questions.** The biggest strength of New Wave Group is that we have our own CSR staff on site working full time with these tasks. Based on purchasing volume, approximately 80 % of the Group's purchases in risk countries are made through the buying offices.

3

QUESTION!
What are the advantages of being a member of amfori BSCI?

The membership comes with many advantages. The harmonization helps us to create transparency and precision in our supplier requirements. At the same time, we minimize costs and administration related to

the monitoring process for both members and suppliers. Through amfori BSCI we can request an audit and share the reports with other members. Co-operating with other brands further improves our ability to implement changes, as we will

have a stronger voice together. More and more companies are realizing that common challenges are best handled with joint forces.

- Anni Sandgren,
CSR and Sustainability Manager, New Wave Group

Together the members of amfori BSCI reach out to approximately 30 000 unique suppliers worldwide.

CODE OF CONDUCT

New Wave Group's Code of Conduct is a policy which contains requirements such as minimum wage, working hours, prohibition of child labor and several other requirements from the ILO Conventions and the UN Declaration of Human Rights.

The Code of Conduct summarizes what we expect from our suppliers when it comes to social and environmental responsibility. We have adopted the Code of Conduct of amfori BSCI (Business Social Compliance Initiative). Companies all over the world are working together, using the same Code of Conduct, meaning that more than 2 000 companies have

adopted the code. Together we reach out to approximately 30 000 unique suppliers worldwide.

As a member of amfori BSCI, New Wave Group is obliged to implement and follow up the Code of Conduct through third-party audits of our suppliers.

amfori BSCI

amfori BSCI is a global initiative for companies all over the world committed to improve working conditions in the supply chain.



THIRD-PARTY AUDITS

In addition to internal audits, the monitoring of the Code of Conduct is made through third-party audits. An amfori BSCI audit is performed by professional auditors, accredited by SAAS (Social Accountability Accreditation Services). Our goal is to include all our suppliers located in risk countries in amfori BSCI or an equal monitoring system and that the audit should result in a good grade.

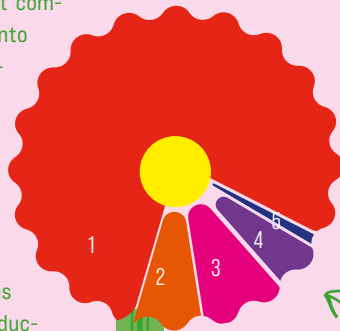
An amfori BSCI-audit results in an overall grade between A-F to summarize the supplier's performance. The audit takes into account the actual working conditions as well as management systems and policies established to ensure a systematic work. In total, 13 different areas are assessed, corresponding to the requirements in the Code of Conduct. The most common grade is C, which can be translated into "Acceptable". There are usually some non-compliances that must be handled, but the labor conditions do not violate the Code of Conduct or pose an immediate threat to workers' health and safety. Common non-compliances could be excessive overtime work or lack of documentation. To address such issues requires dedication and the ability of production planning. It is important to have a long-term perspective and work for continuous improvements.

country with a focus on structural, electrical and fire safety. The Accord has brought important changes that would not otherwise have been possible in such a short period of time, but still a lot of work remains. Therefore, a new agreement has been developed that entered into force in May 2018 when the first accord expired. New Wave Group signed the new agreement in November 2017 which expires in May 2021. The Accord directly affects two million workers, making it one of our most important social responsibility projects.

Read more on www.bangladeshaccord.org

GRADES FROM THIRD-PARTY AUDITS

1. 77% (76%) Improvements needed (BSCI C)
2. 9% (9%) Outstanding and good result (BSCI + B, SA8000)
3. 7% (5%) Other (WRAP, QCA, UL, WCA, ESEP)
4. 5% (5%) SMETA
5. 2% (1%) Insufficient (BSCI D)

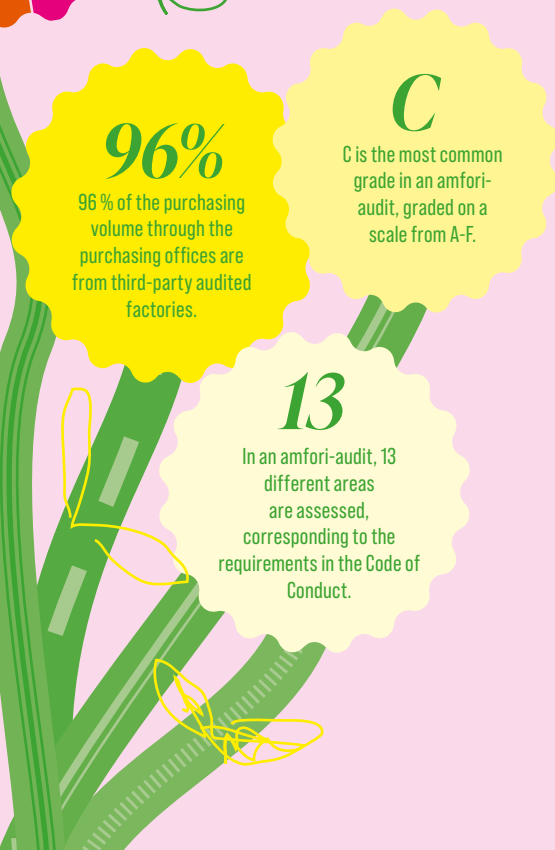


OWN PRODUCTION UNITS

New Wave Group owns a few production units. The glasswork in Kosta supplies Orrefors and Kosta Boda with premium utility and art glass. Seger has its knitting factory in Röhshult where the production has been based since the company was founded in 1947. In Poland, Toppoint has a printing unit for pens and mugs and in Denmark our subsidiary Dahetra owns a facility for embroidery and transfer printing. In North America, AHEAD and Cutter & Buck have some production in terms of embroidery. In-house production has the benefit of direct influence, which gives us even better opportunities to work with sustainability.

ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

In 2014, New Wave Group signed the Accord on Fire and Building Safety in Bangladesh, a legal agreement between buyers of Bangladeshi garments and factory owners to work together for safe factories in the





AUDITS AND VISITS DURING THE CORONA PANDEMIC

The spread of COVID-19 has had a big impact on our contracted suppliers, for example with factory closures and changed order backlogs as a result. This affects workers throughout the global supply chain. During the year, it has been difficult to visit and follow up on our suppliers according to our normal routines and we have had to find other ways to support the factories.

In April, amfori BSCI communicated guidelines on responsible purchasing practices during the corona pandemic. As emphasized by amfori BSCI: "Responsible purchasing methods are the only way to ensure that business relation-

ships and operations can be strengthened in times of crisis - and at the same time protecting human rights." To the best of our ability, New Wave Group follow these guidelines.

In addition, we have communicated guidelines with generally recognized measures to our factories to ensure a safe working environment for workers and to prevent the spread of COVID-19. For those auditors who conduct audits, amfori BSCI has also included guidelines for identifying any irregularities that have occurred as a direct result of COVID-19.



"Kappa" by
Kosta Boda.

**KOSTA
BODA**
SWEDEN 1742

ORREFORS KOSTA BODA

Orrefors Kosta Boda has been working actively with environmental questions since the 1970's. The glassworks in Kosta was among the first in the world to create crystal glass without lead and arsenic, which challenged a whole industry. Orrefors Kosta Boda's aim is to become the world's most sustainable company in glass production, where focus is on renewable energy, water in the production process, emissions, chemicals and glass waste from production.

In recent seasons, Orrefors Kosta Boda has developed several exciting products made from glass waste from the production in Kosta, something that gives a unique character because of color shifts and small bubbles in the glass that may occur. In 2020, the "Kosta Pot" and "Kappa" were designed. "Kosta Pot" has the shape of a crucible, which is the refractory container where the glass is melted into liquid glass mass. The pot has been decorated with a molded stamp and is signed Kosta Glasswork. "Kappa" is designed by Mimmi Blomqvist and got its name from the "bubble" that spills over the edge of the mold during manufacturing.

SEGER

The Seger factory in Röhshult, Sweden, has for a long time invested in a greener production process. The work to recycle and reduce waste is an on-going part of the daily environmental efforts. In terms of sustainable materials, Seger for example uses Bamlana from bamboo fiber and EXP 4.0 treated merino wool. In 2017, Seger completely switched to energy from wind power in the production, coming from wind power plants just a stone's throw away from the factory.

They are also very diligent in reusing cartons from suppliers. In the first half of 2020 alone, 237 cartons were reused to send products to customers' stores.

2017

Seger switched to entirely wind powered energy during 2017.

237

That is how many cartons that were reused for shipping in the beginning of 2020.



Sustainable and eco-friendly options

New Wave Group aims to introduce more sustainable and eco-friendly alternatives in our range of products.

We want to increase the amount of products coming from sustainable sources and processes. In this section we mention the benefits with choosing third-party certified products and gives some examples of products developed with extra care of people and planet.

THIRD-PARTY CERTIFICATIONS OFFER CREDIBLE GUIDANCE

Today, there is a jungle of labels and certifications of so-called sustainable and eco-labeled products. It is often difficult to know what they actually mean while the inflation of symbols and labels dilutes the third-certifications that make this serious and professional. Fundamentally third-party certifications – i.e. meaning that sustainability requirements are reviewed by an independent party that verifies that the requirements are met – are a way of offering credible guidance for both manufacturers and consumers through their labels. Each certification puts its mark, its guarantee, on the product meeting set criteria. In addition, they add value to the product and signal a built-in responsibility - which customers today increasingly demand. Probably because they add value and that they can be a competitive advantage, many companies develop their own certifications and logos that in different ways should signal a more sustainable choice. However, the problem is that it is difficult for customers and consumers to be able to examine what requirements the products actually meet. When we developed the brand Cottover, it was therefore very important for us to lean on recognized third-party certifications that cover the entire production chain, for both us and our customers to feel reliance.



QUESTION!
Why should you buy third-party certified products?

As a customer, it is difficult to know what you are actually buying and how a product has been manufactured. A third-party certification provides credible guidance for both the producer and the customer that a product meets specific requirements. It helps the customer to make a more sustainable choice and support suppliers who invest in environmentally friendly practices and better working conditions.

- Anni Sandgren, CSR and Sustainability Manager, New Wave Group

The sustainability requirements are reviewed by an independent party to make sure requirements are met.



ORGANIC COTTON

Conventionally grown cotton accounts for about 25 % of global use of pesticides. Chemical pesticides are harmful to wildlife and plants and also for those who work with it. It also leaks into drinking water and poisons the soils. To be allowed to call the cotton organic, it is required that it is cultivated without any chemical pesticides or artificial fertilizers. Organic farming may result in poor harvests and requires more work. It can be good to have in mind when comparing prices and wondering why there is a price difference between organic cotton and conventionally grown cotton with chemical fertilizers and pesticides. Examples of brands that offer garments and products in organic cotton are Cottover, Clique, Craft and Sagaform.



SPUN-DYED POLYESTER

The biggest environmental impact in the life cycle of clothes and textile derives from the fiber processing and wet treatments. Normally, this requires huge amounts of water, chemicals and energy. Spun dyed polyester is a way to add color to polyester fabric in a much improved way. Instead of soaking fabric or yarn in water with dyestuffs, the color pigment is added into the polymer melt. Thus, the color pigments become an embedded part of the fiber prior to

extrusion. Not only does this eliminate the need for a conventional wet dyeing process – saving approximately 60 % energy and water – it also results in excellent quality properties such as improved color fastness.

Garments made out of spun dyed polyester are available among our brands AHEAD, Clique, Craft, Projob, Cutter & Buck and Printer.

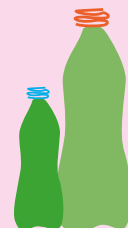


A WIDE ASSORTMENT OF PRODUCTS CERTIFIED WITH STANDARD 100 BY OEKO-TEX

Oeko-Tex is the world's most recognized and independent product label for all types of textiles tested for harmful substances. Garments with the Oeko-Tex-label have been successfully tested for chemicals that pose a health risk, and therefore contribute to an effective consumer protection, taking into consideration both REACH and non-regulated substances. Within our brand Clique, more than 80 % of the assortment is certified by Oeko-Tex. A wide assortment of Oeko-Tex certified workwear can also be found at ProJob and Jobman.

RECYCLED POLYESTER

In recent years, there has been a noticeable shift towards more products made from recycled materials and fibers such as recycled plastics, aluminum, leather, cotton and rubber. The material that is most represented in the New Wave Group product range is recycled polyester and more specifically rPET, which stands for "recycled PET". RPET comes from plastics that has already been used for packaging, such as PET bottles. The plastic is sorted, cleaned



and ground into flakes and then transformed so it can be reused as a new product or as a new fiber for yarn and fabrics in polyester garments. Products in recycled polyester can be found at Toppoint, Cutter & Buck, Craft, J. Harvest, Sagaform and Derby of Sweden.

It's not just clothes that can be adapted to the environment!



OUR AMAZING GLASS!

Garments are just one example of materials that could decrease its environmental impact. Another important material is glass. Glass affects the environment in several ways and historically, many substances have been used that are harmful to the environment. Orrefors Kosta Boda has conducted active environmental work for a long time and has been world leading in its ambition to create crystal glass without lead and arsenic. This glass is sometimes referred to as "eco-crystal", but in Kosta Glassworks it is simply the material used for the entire glass manufacture in Kosta. The quality and environmental management system in the production unit in Kosta is certified according to ISO standards and waste heat from the glassworks is delivered to the district heating network in Kosta. Also, in recent years several products made from recycled waste glass from their own production have been developed.



EXP 4.0 MERINO REWOOLTION

Wool is a fantastic material and more sustainable in itself than most other textile fibres. It is a 100 % biodegradable and renewable fibre, valued for its natural water- and soil repellence. Unfortunately, the processing of wool includes steps with negative environmental impact. The process of one ton of wool treatment requires approximately 0.5 ton of chlorine, several other industrial chemicals and huge amounts of water.

EXP 4.0 is a modern technology of wool that requires fewer chemicals and uses up to 50% less water than older treatments.

EXP 4.0 is the first wool treatment that meets stringent requirements of eco-labels such as GOTS. Our brand Seger obviously chose to knit its Sense and Everyday socks in EXP 4.0 treated wool.

Organic & Fairtrade

The cotton used by Cottover is both organically produced and has contributed to better economic and social conditions for farmers.

COTTOVER

New Wave Group's flagship when it comes to eco-labeled garments is the brand Cottover, which was launched in 2015 together with the subsidiary Textilgrossisten Hefa. Cottover is one of our largest investments in third-party certified products and we are very proud of the collaboration with as many as four independent certifications in textiles: The Nordic Swan Ecolabel, Fairtrade, GOTS and Oeko Tex. Together, the eco-labels cover the biggest sustainability challenges in the manufacturing of textiles. All garments have as low environmental impact as possible and full traceability all the way back in the supply chain. The cotton is organic, which means



PET-bottles

The polyester used by Cottover is recycled from used PET-bottles.

it is grown without chemical pesticides and fertilizers, and Fairtrade-certified which ensures fair economic and social conditions for the cotton farmers. The polyester is recycled from old PET-bottles and as the collection is certified by the Nordic Swan Ecolabel this means, among other things, that we meet the most stringent chemical requirements on the market. The garments have also been independently quality tested in order to pass the requirements of Nordic Swan Ecolabel.

4

Cottover collaborates with four independent certifications within textile.

Certifications Cottover collaborates with

**Basic garments
in organic
cotton by
Clique.**



CLIQUE

Clique is one of New Wave Group's biggest brands and is mainly associated with a wide collection of classic basic garments and accessories – products that are always useful. Clique has a large assortment of Oeko-Tex certified garments – over 80 % of the product range. During 2020 a collection of basic garments in organic cotton and recycled polyester was launched. The collection has become very popular, which paves the way for more and more products with sustainability attributes in the product range.



80%

Over 80% of Clique's product range is certified by Oeko-Tex.

cottoVer
people & planet



Nordic Swan ecolabel

Takes the products' environmental impact throughout the whole life cycle into account. Strict chemical and quality requirements.



GOTS

GOTS-certified textiles are always made of organic cotton and if applicable, recycled polyester. Guarantees full traceability and puts social requirements on all actors in the supply chain.



Fairtrade

When you buy Fairtrade cotton, producers who grow the cotton are given the opportunity to improve their finances and their working conditions.



OEKO-TEX

Guarantees that the finished product does not contain any harmful and hazardous chemicals.

Quality and product compliance

New Wave Group shall consistently provide products and services that meet or exceed the requirements and expectations of our customers. To ensure the quality of our products, we work closely with our suppliers and perform both quality and chemicals testing.



Chemicals are present in our everyday-environment, but do not automatically imply a hazard.

QUALITY CONTROL AND INSPECTIONS

New Wave Group's procurement strategy is to purchase directly from the suppliers, without intermediaries that reduce our control of the supply chain. Being represented on site with sourcing offices enables us to have a close partnership with our suppliers and to actively monitor the flow of goods and quality. We have employed quality controllers that continuously visit factories to ensure the highest product quality. We have also invested in our own, in-house quality labs where we have equipment for conducting a variety of quality tests, such as for shrinkage, color fastness and pilling.

PROGRESSIVE CHEMICAL WORK

Chemicals are present in our everyday-environment, but do not automatically imply a hazard. In fact, chemicals are needed to live the life we do. However, it is important with adequate knowledge to handle chemicals in a correct and safe manner. New Wave Group invests a lot of time and resources in a progressive approach to chemicals.

New Wave Group is a member of the Swedish Chemicals Group by RISE. We receive the most updated information on legislation and research on chemicals, which supports our active work to reduce and replace chemicals in accordance with the best available techniques. All New Wave Group suppliers must follow the requirements stated in our Restricted Substance List (RSL). The list has been designed

in accordance with legislations such as REACH (European Union chemical legislation) and other industry recommendations and standards. As a result, our requirements sometimes are stricter than the applicable legislation. The RSL is continuously updated and communicated to our suppliers.

We conduct sample testing to ensure that our requirements are being respected and adhered to. Every year, we conduct about 300 different chemical lab tests, including textile products as well as products made out of plastic or ceramic. A lab test is never a guarantee of a product's chemical content, but an important tool for us to get an indication of product compliance and maintaining a systematic approach regarding chemicals. We also benefit from product labels such as the Oeko-Tex label. Follow-up and control of routines also take place in connection with inspections by authorities.

We conduct sample testing to ensure that our requirements are being respected and adhered to.

amfori BSCI

is a global initiative for companies committed to improve working conditions in the global supply chain. Over 2 000 members around the world are working together, using the same Code of Conduct with requirements such as minimum wage, working conditions, prohibition of child labor, bonded labor and discrimination.

(Read more on p. 15)

The Board for sustainable product media

is a Swedish network of committed actors who share a sustainable vision for the product media industry. The network is a hub for knowledge, discussions and information. The initiative was formed in 2018 by Marknadsbyrå, Master Design, New Wave Group, Olsson & Co, Wackes and Sandryds.

Clean Shipping Index

aims to impact the freight companies to use cleaner vessels and upgrade their fleet of ships in order to reduce greenhouse gas emissions and chemicals in our oceans. The organization has developed a tool in order to help companies evaluate the environmental impact when selecting freight forwarders or shipping companies.

(Read more on p. 29)

The Accord on Fire and Building Safety in Bangladesh

The Accord is a legal agreement to improve the safety of textile factories in Bangladesh, with focus on building construction, electrical- and fire safety. The Accord includes inspections, fire safety training as well as effective remediation and renovations. The agreement was established in 2013 after the Rana Plaza disaster when a factory building collapsed.

(Read more on p.16)

amfori



ACCORD



CTPAT



Textile Exchange

is an international non-profit organization working for responsible expansion of the textile industry and the organic cotton production.

CTPAT

is a voluntary initiative by the US CBP (Customs and Border Protection) to build relationships that strengthen international supply chains to improve border and cargo security. CBP organizes regular visits to our suppliers for on-site inspections.

FLA

is a collaborative effort of universities, civil society organizations and socially responsible companies dedicated to protecting workers' rights around the world. New Wave Group is a member through the subsidiary Cutter & Buck.

The Swedish Chemicals Group

is arranged by RISE IVF, a world-leading research group with a key role in the Swedish innovation system. The purpose of the group is to share the most updated information on chemical legislations and developments and to support companies with tools to manage legal requirements and other activities in the chemical field. The group meets regularly to discuss current topics and changes to legislation.

Partnerships and networks

Many issues and challenges require cooperation at a higher level than with individual companies. There are many ways to make a difference together and learn from each other. Therefore, an important mission for our Sustainability-team is to participate in different industry networks and round table discussions to share information and discuss structural problems and solutions.

For example, we regularly participate in the amfori BSCI National Group and the Swedish Chemicals Group. In addition to the above initiatives, we also participate in the Buyers Forum in Bangladesh (organized by World Bank Group IFC-SEDF) and CSR Forum in Shanghai.



Teamwear 2021

The upcoming Teamwear collections will be made of entirely recycled materials.



Fuseknit Comfort

Craft's most sold base layer collection made of recycled polyester.



The Essence

The Essence is part of Craft's investment to increase the amount of sustainable materials in the product range.



Re:Craft

The mini collection in collaboration with Textile & Fashion 2030, made of leftover Craft products.



Kosta safaripark

Kosta safaripark, one of the destinations that can be visited in Kosta, uses food waste from the restaurant to feed its animals.



CRAFT

Sustainability plays a central role for Craft when developing functional sports clothing designed to last over time and withstand tough environments and weather conditions. Craft is driven by a sustainable mindset in the entire design process – developing high-quality products that do not need to be replaced as often.

In recent seasons, Craft has successfully launched several products developed with more sustainable materials and processes.

For example, Craft's most sold base layer collection "Fuseknit Comfort" and the training collection "The Essence" are made of a recycled polyester fabric. Several products in spun-dyed polyester have also been launched – a technique that completely eliminates the need for conventional wet treatments when dyeing. Furthermore, in 2021, new collections for Teamwear and Craft Corporate will be entirely made of recycled materials. The goal is for all products placed on the market to be more sustainable in one way or another.

It is not just the products that are being improved, in 2020 Craft also renewed its product packaging so that they are now made from recycled materials only. The ambition is to phase out all unnecessary plastics throughout the production chain.

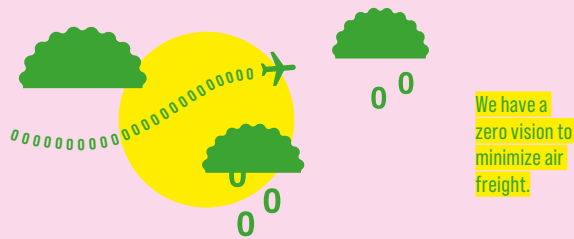
Another exciting forward-looking project that was implemented in 2020 was the launch of the mini-collection Re:Craft. The collection was developed in collaboration with Textile & Fashion 2030 and consisted of unique garments made from leftover Craft products that were redesigned and remade. Long live innovative design!

DESTINATION KOSTA AND KOSTA BODA ART HOTEL

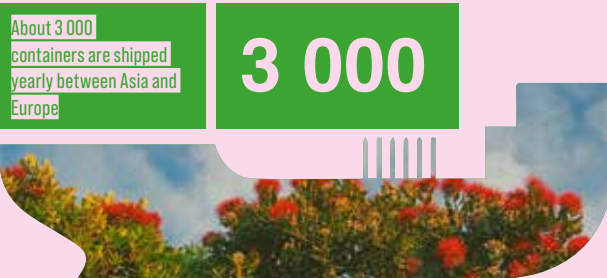
The operations within New Wave Group are not just about production and sales of consumer goods – in Kosta we also run hotel operations, various events that revolve around the destination and our own safari park. Kosta Boda Art Hotel is a business with many smart sustainability solutions. To name a few, the hotel has water reduction in the taps, reuse 80 % of the pool water (the 20 % they have to refill is heated with the heat from what is drained), and empty the garbage without replacing the plastic bags. The restaurants put great emphasis on good food and locally produced ingredients. It is a given to use Swedish vegetables, buy bread from the bakery on the other side of the street and take care of food waste that can be given as food to the animals in the Kosta Safari Park.

Transportation for a sustainable climate

The transportation sector plays a vital part in the fight for our climate as fossil fuel accounts for the biggest contribution to the greenhouse gas effect. For New Wave Group, transportation and logistics is a key question. We are determined to seize every opportunity to reduce greenhouse gas emissions from our business operations.



We have a zero vision to minimize air freight.



New Wave Group depends on a well-functioning distribution network. Hence, transportation and logistics must be efficient and sustainable to meet our requirements. Most of New Wave Group's transportation consists of ocean container shipments between Asia and Europe, resulting in an average of 3 000 containers per year. For long-distance shipments, air freight and ocean freight are usually the only available transport modes. Air freight results in significantly higher emissions of greenhouse gases. Therefore, we have a zero vision to keep air freights to an absolute minimum, for example only very urgent deliveries that may be crucial for large business agreements.

EFFICIENT ROUTINES

New Wave Group has two main strategies to decrease our environmental impact and to cut our emission of greenhouse gases. First of all, we strive to streamline our own logistics and operations. Within New Wave Group, we club together as much of our shipments and cargo

as possible. Effective routines reduce the environmental footprint as well as the financial cost for our company. Hence, we consider sustainable distribution as a natural part of our journey towards a more sustainable company.

QUESTION!

How does shipping affect the marine environment?

The exhaust gases from the large ship engines often contain high levels of acidifying and fertilizing sulfur, nitrogen oxides and other dangerous particles. Also, the release of oils and chemicals into the ocean and the leakage of toxic substances from boat watercolor is unfortunately still a reality. Therefore it is important that we try to influence the carriers we work with.

- Anni Sandgren, CSR and Sustainability Manager, New Wave Group



IMPROVED ENVIRONMENTAL PERFORMANCE

Our second strategy is to influence the carriers that we are cooperating with. Since air freight has such a significant climate impact, perhaps the challenges within the shipping have not been given so much attention in many companies' environmental work. But shipping also has its problems, mainly related to emissions, pollution and garbage from the vessels. The biggest impact from an environmental point of view can be achieved by investments in eco-friendly fuels and vessels with improved fuel- and energy efficiency.

New Wave Group is therefore a member of Clean Shipping Index [CSI]. Clean Shipping Index was founded in 2007 with the aim to impact the carriers to use cleaner vessels and upgrade their fleet of ships. Through the CSI database we have direct access to data on emissions and the environmental performance of a high number of ships. In this way, we can help to create market incentives for environmentally improved vessels. The future of global trade will depend on clean transportation to address the climate challenge.

Clean Shipping Index



Clean Shipping Index is an initiative aiming to impact the carriers to use cleaner vessels and upgrade their fleet of ships.

now

Cutter & Buck has reduced its air freight imports from 18 % to just 0,29 %

2017

Cutter & Buck reduces their air freight by half

2015

Cutter & Buck launch the objective "We Hate Air Freight"

2014

Cutter & Buck is dependent on air freight

CUTTER & BUCK

The year was 2014 and the life-style brand Cutter & Buck based in Seattle, USA, was reliant on air freight as a critical component of its supply chain, ensuring just in time arrival of fabrics and trims in manufacturing countries, and for finished goods at their final destination. With a focus on cash flow, and on minimizing leftover fashion products, Cutter & Buck was stuck with only hard choices to make, and utilizing air freight had been part of the fashion strategy for as long as anyone remembered.

Beginning in 2015, Cutter & Buck determined that the only way out was to start with an entirely new objective: could they eliminate air freight in the supply chain?

Cutter & Buck launched the objective "We Hate Air Freight". First, it was determined that disciplined fabric consolidation could help, with the result of reducing air shipments of raw materials. Next, by ordering sooner, and by trading upgraded freight on late orders for product discounts, Cutter & Buck could make further progress. The air freight had halved by 2017, but challenges remained.

The traditional and seasonal fashion industry just did not have enough time in it to avoid the use of air freight.

The only way to achieve zero air freight, was to align its development, production and market strategies.

Thus Cutter & Buck combined the production volume of its corporate business with its in-stock model, and its retail business. All products would now launch to consumers, retailers, and corporate customers at the same time, when they first were received in stock.

Cutter & Buck has achieved a class leading development timeline of ten months, creates no "prebook" samples that need to be air-freighted, and relies entirely on sea freight for its fabrics and finished goods. Over the five years of this effort, Cutter & Buck has reduced its air freight imports from 18 % to just 0.29 %.



*would it be possible to
entirely eliminate
air freight in the
supply chain?*



03 - About the Group

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate, sports and leisure, gifts and home furnishings sectors.

New Wave Group was established in Sweden 1991 and has since gradually expanded in Europe, North America and Asia. New Wave Group's organization is decentralized, with a high

degree of independence and self-determination being delegated to company management, but with the advantages of belonging to a larger group. The Group's values are its guiding principle and we are dedicated to upholding and spreading New Wave Group's values within the Group.

6,098.8
sek million net sales 2020

Own purchasing offices
Shanghai (China), Dhaka (Bangladesh),
Ho Chi Minh City (Vietnam), Bangalore
(India)

Sales activities
in own subsidiaries

2,064
employees

women
 men

employees

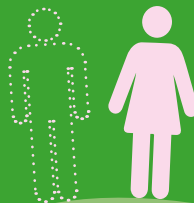
49%

51%

employees in leading positions

33%

67%



< 30 years: 19%
30-50 years: 54%
> 50 years: 27%

Vision and values

New Wave Group's organization is decentralized with a lot of entrepreneurial spirit. The Group's values are its guiding principle, no matter which subsidiary, operating segment or country. We are dedicated to upholding and spreading New Wave Group's values within the Group.

NewWave
G R O U P

VISION

All operating segments and brands have their own visions and business concepts. Although they may differ in some parts, all subsidiaries are gathered under an overall vision of building world-leading brands and world-leading suppliers in each operating segment. Read more about the visions of each operating segment in the Annual Report.

016
"Sustainability and long-term thinking shall characterize the decisions we make, big and small."

001
Most things are still undone.
No matter what has been achieved by us or others in the past, there is always more to be done. Pursue constant growth.

002
There are no limits.
Neither national nor cultural, religious, performance or any other limits. If you feel you have reached one, try to find a way round.

003
Constant improvements.
Everything can be improved - always!

004
If you make a mistake, learn from it.
Everyone makes mistakes, but if we learn from them we can improve ourselves as well as the company.

005
Be happy!
Your mood affects people around you and they deserve a smile.

006
See the opportunities and not the problems.
Every problem is actually an opportunity in disguise, and that is what you should focus on.

007
Act now.
Tomorrow may be too late.

008
A dollar saved is a dollar earned.
To earn a dollar we must sell for ten dollars.

009
Hard work gives results.

010
Treat customers the way you want to be treated when buying something privately.
Our brands are never better than our performance. New Wave Group is a service company.

011
Always be 100 percent loyal towards the company.

012
Use common sense and good judgement.

013
Always think: what is my contribution towards improving the company?

014
Always be honest.
Never lie, neither to your colleagues nor superiors or customers, regardless of the objective.

015
Knowledge.
We should always strive to have the highest competence and knowledge in the business we operate in.

016
We have committed ourselves to conduct the business responsibly.
Sustainability and long-term thinking shall characterize the decisions we make, big and small. Do not take shortcuts that risk damaging people, the environment or the company. Perform your work with respect and care!

Organization and governance



The overall responsibility for strategies, goals and follow-ups lies with the Group Management and the CSR and Sustainability Manager. The operational responsibility is decentralized to the subsidiaries and their respective CEO's.

CODE OF CONDUCT, POLICIES AND GUIDELINES

New Wave Group shall conduct business in accordance with good business practice and high ethics in all relationships with different stakeholders. The foundation of the work is the values of New Wave Group and the Code of Conduct (read more about the Code of Conduct on page 15). We strive to work preventively as much as possible and apply the precautionary principle.

In addition to the Code of Conduct, New Wave Group has the following policies and guidelines: Anti-corruption policy with guidelines for bribery and corruption, CSR and environmental policy, Handbook for employees, Financial Risk policy, Information policy, IT policy and Data Breach policy.

SUSTAINABILITY BOARD

New Wave Group established in 2015 an expert panel on social and environmental topics. The purpose of the Board is to give feedback, critique and suggestions on our work with sustainability. It is a forum for dialogue and a great opportunity to get qualified advice from true experts within sustainability. Topics that have been discussed in the Sustainability Board are sustainable public procurement, young workers protection and strategic communication. In 2020, the Sustainability Board had an ongoing dialogue, but no physical meeting.



1

CREATE

- ✓ Design and product development
- ✓ Choice of material
- ✓ Quality and product life-span

2

PRODUCE

- Raw materials ✓
- Usage of chemicals ✓
- Supplier relationships ✓
- Working conditions and human rights ✓

3

MARKET

- ✓ Sustainable offers
- ✓ Eco-labels and product certifications
- ✓ Product and customer information

4

SELL

- Customer relationships ✓
- Employee engagement ✓

5

DELIVER

- ✓ Efficient transportations
- ✓ Quality of delivery
- ✓ Climate- and environmental impact
- ✓ Safety

6

USE

- Product and customer information ✓
- Reclaims ✓

VALUE CHAIN

New Wave Group's value chain covers several steps from design and product development, to delivery and the use of the product. Every detail is important in all the hundreds of steps taken along the way.

IMPACT IN THE VALUE CHAIN

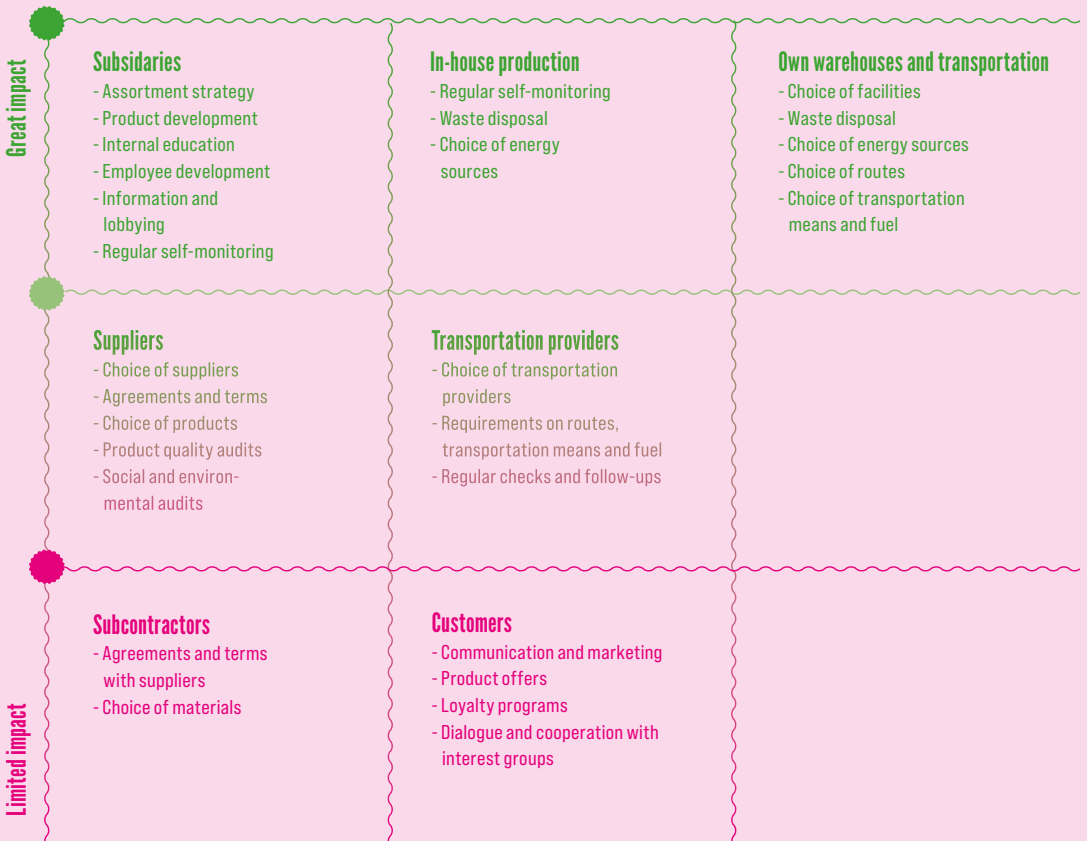
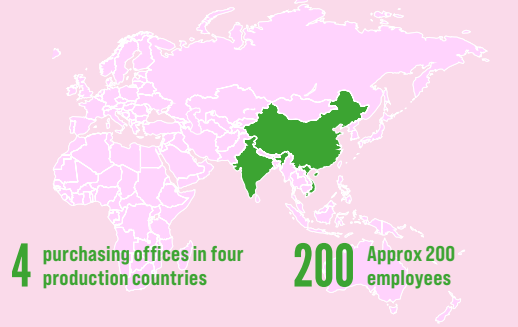
New Wave Group influences and manages different parts of the value chain to varying extent. Because of the nature of the operations, our efforts are mainly put on sourcing, production and suppliers in the global supply chain. However, some subsidiaries like Seger and Orrefors Kosta Boda have their own in-house production, where we also have direct influence and greater impact.

operating since 1992, we have three minor offices in Qingdao, Xiamen and Nanchang. Our procurement strategy is to purchase directly from our suppliers and to cut intermediaries that could jeopardize our control of the supply chain. Being represented on site enables us to have a close partnership with our suppliers and to actively monitor flow of goods and quality.

OWN PURCHASING OFFICES

New Wave Group is never far away from the production. We have our own purchasing offices in charge of sourcing and production. Our offices are located in China, India, Vietnam and Bangladesh, consisting of approximately 200 employees.

China is our biggest country of production. In addition to our main office in Shanghai, where we have been



04 - About the report

This is the New Wave Group Sustainability Report that summarizes the work with sustainability within the Group during the fiscal year 2020.



MATERIALITY ANALYSIS

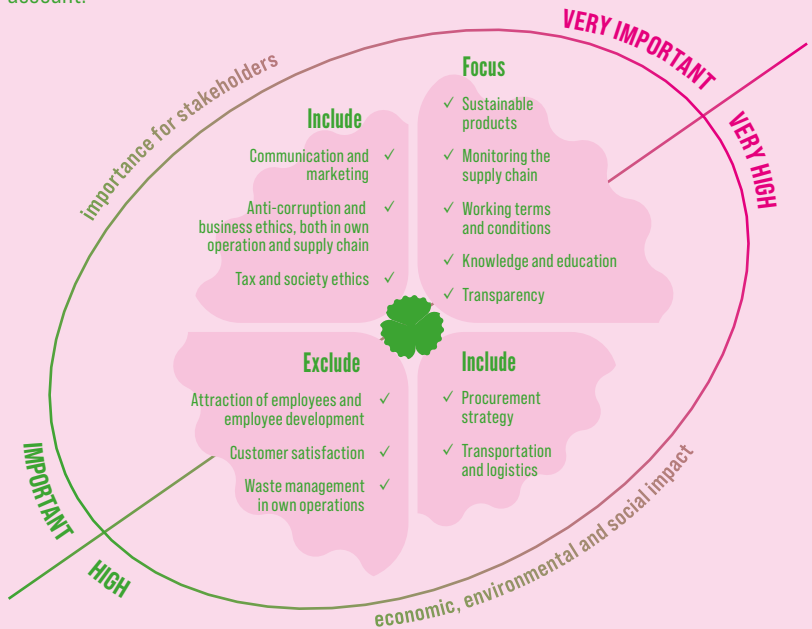
The expectations of the stakeholders in combination with the knowledge of our employees are guidelines for how we work with sustainability. By being responsive to the expectations, we can continue to develop in the desired direction. The foundation for the materiality analysis was laid in 2017 through surveys and in-depth interviews with three of our key stakeholders: shareholders, customers and employees. We also took into account the sustainability questions most important for New Wave Group in terms of business strategy and competitiveness. Since then, minor updates have been made from an impact perspective. Annually we also summarize the questions that have been brought to the table in ongoing dialogues with our stakeholders. A key question for our stakeholders is New Wave Group's efforts to create sustainable products where quality, design and compliance with regulations, as well as good environmental performance and social conditions throughout the supply chain are taken into account.

The Sustainability Report is a part of the Board of Directors' Report in the Annual Report for New Wave Group for the period January 1, 2020 to December 31, 2020.

The content of the report reflects the questions that are most important to New Wave Group at Group level and that have been given high priority by our stakeholders.

The report has been developed by the Sustainability Department of New Wave Group. The Board of Directors and the Group Management have been involved in the process. Data collection and compilation has been made on Group level while the CEO of each subsidiary has been responsible for reporting.

Reported data and key figures are based on 2020 activities, unless otherwise stated. As in previous year, we have chosen to report with support from GRI Standards, Global Reporting Initiative's latest guidelines. Still a lot of work and data collection remain in order to be able to fully report according to GRI's principles. The ambition is to continuously improve and develop both our work with sustainability and reporting.



STAKEHOLDERS AND IMPORTANT QUESTIONS

The most important stakeholders for New Wave Group are the ones that are most affected and/or affect our business to a large extent. We strive for a continuous dialogue to ensure good relationships and understand their expectations.



Stakeholder groups	Stakeholders	Channels for communication	Important questions
Shareholders Decides on the aims of the business and influence the company's direction.	Funds and financial institutions ✓ Private shareholders ✓	Annual General Meeting ✓ Individual meetings ✓ Stock analyzes ✓ Surveys ✓	Tax and social ethics ✓ Product quality ✓ Attraction of employees and employee development ✓ Communication and marketing ✓
Customers Affects New Wave Group's revenue and brand perception	Promo distributors ✓ Retail ✓ End consumers ✓	Customer surveys ✓ Market Advisory Board ✓ Individual meetings ✓ Social media ✓	Product quality ✓ Strong brand in light of sustainability ✓ Origin and transparency ✓ Monitoring of the supply chain ✓ Provide information to support purchases of sustainable products ✓ Knowledgeable staff ✓
Employees Implement and develop operational work within New Wave Group	All employees in all subsidiaries ✓ Consultants and clients ✓	Daily interaction ✓ Staff meetings and performance reviews ✓ Employee surveys ✓	Customer satisfaction and product quality ✓ Performance reviews and feedback ✓ Working terms and conditions ✓ Equality ✓ Knowledge and education ✓ Monitoring of the supply chain ✓ Anti-corruption and business ethics ✓
Suppliers Produce and influence the impression of New Wave Group's products	External suppliers, for the majority in Asia ✓	Purchasing offices ✓ Individual meetings ✓ Supplier audits (internal and third-party) ✓	Long-term business relationships ✓ Anti-corruption and bribes ✓ Working conditions, terms health and safety ✓ Chemicals ✓
Society Sets the outside expectations on New Wave Group	Interest groups and organizations ✓ Partners ✓ Politicians ✓ Policy makers ✓	Lectures at seminars and other events ✓ Memberships in industry organisations ✓ Individual meetings ✓	Product quality ✓ Chemicals ✓ Anti-corruption and bribes ✓ Democracy ✓ Origin and transparency ✓ Monitoring of the supply chain ✓ Eco-labels and certifications ✓

GRI index

General Disclosure	Disclosure	Disclosure/title	Comment	Page
Organization profile				
GRI 102: Standard Disclosures 2016	102-1	Name of the organization	New Wave Group AB.	
	102-2	Activities, brands, products, and services		SR p.5, 32-33, AR p.10-37
	102-3	Location of headquarters	Gothenburg.	
	102-4	Location of operations		AR p.14-15
	102-5	Ownership and legal form		AR p.38
	102-6	Markets served		SR p.32-33, AR p.14-15
	102-7	Scale of the organization		SR p.32-33
	102-8	Information on employees and other workers		SR p.32, AR p.76
	102-9	Supply chain		SR p.36
	102-10	Significant changes to the organization and its supply chain	Board of Directors' Report.	AR p.57-64
	102-11	Precautionary Principle or approach	We apply the precautionary principle in our environmental work and have adopted a preventative approach with the substitution of hazardous chemicals.	
	102-12	External initiatives	Amfori BSCI, Fair Labour Association, C-TPAT.	
	102-13	Membership of associations	Amfori BSCI, Bangladesh Accord on Fire and Building Safety, RISE, The Swedish Chemicals Group by RISE IVF, Clean Shipping Index, Textile Exchange, CCR CSR, The Board for sustainable Product Media.	SR p.21
Strategy				
102-14	Statement from senior CEO			SR p.4
102-15	Key impacts, risks, and opportunities			SR p.6-9 AR p.92-100
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	Amfori BSCI Code of Conduct, Handbook for employees.		SR p. 15, 33
102-17	Mechanisms for advice and concerns about ethics	Sustainability Board.		SR p.34
Governance				
102-18	Governance structure			SR p.34, AR p.39-47
102-22	Composition of the highest governance body and its committees			AR p.52-53
102-23	Chairman of the highest governance body			AR p.52
102-24	Nominating and selecting the highest governance body			AR p.40
102-32	Highest governance body's role in sustainability reporting	Reviewed by all the relevant members of the executive management team and CEO.		

Stakeholders and stakeholder engagement

GRI 102: Standard Disclosures 2016	102-40	List of stakeholder groups		SR p.39	
	102-41	Collective bargaining agreements	All employees in Sweden are covered by collective agreements. Other countries follow the guidelines of collective agreements.		
	102-42	Identifying and selecting stakeholders		SR p.38	
	102-43	Approach to stakeholder engagement		SR p.39	
	102-44	Key topics and concerns raised		SR p.35	
	Reporting				
	102-45	Entities included in the consolidated financial statements			AR p.15
	102-46	Defining report content and topic boundaries			SR p.38
	102-47	List of material topics			SR p.38
	102-48	Restatements of information	Any restatements of information are always described in connection with the reported key figures.		
	102-49	Changes in reporting	Any changes in reporting are always described in connection with reported methods.		
	102-50	Reporting period		Refers to fiscal year 2020.	
	102-51	Date of most recent report		1 April 2021.	
	102-52	Reporting cycle		Yearly.	
	102-53	Contact point for questions regarding the report		Anni Sandgren, CSR and Sustainability Manager, anni.sandgren@nwg.se.	
	102-54	Claims of reporting in accordance with the GRI Standard		GRI standards level core.	
102-55	GRI content index		Consists of this index.		
102-56	External assurance	The report has been reviewed by an external auditor, who confirms that the report complies with applicable legal requirements for sustainability reporting.		SR p.46	

Economy	Disclosure	Disclosure/title	Comment	Page
GRI 102: Standard Disclosures 2016	103-1/2	Management Approach, 201		AR p.16-37
	201-1	Direct economic value generated and distributed		AR p.58-59
GRI 205: Anti-corruption 2016	103-1/2	Management Approach, 205	Risk for corruption can be found in our sourcing processes and in the meetings with our customers. Fundamental for the preventive work is the values of New Wave Group, the Code of Conduct and additional Group policies. During audits of suppliers there is a risk of corruption, which is a serious zero tolerance issue.	SR p.14-17
	205-1	Operations assessed for risks related to corruption	See 103-1/2.	
	205-2	Communication and training about anti-corruption policies and procedures	Communication of Code of Conduct is made to all suppliers with related agreements.	
	205-3	Confirmed incidents of corruption and actions taken	No reported incidents during the year.	
GRI 205: Anti-corruption 2016	207-1	Approach to tax	No communicated tax strategy. The Group's Finance policy includes a Tax section, governance and approach to regulatory compliance is described.	
	207-2	Tax governance, control and risk management	Description of governance body and control is included in the Group's Finance Policy. Disclosures on tax are reviewed by the Group's auditors when reviewing the financial reports.	
	207-3	Stakeholder engagement and management of concerns related to tax	The Group Finance Policy states that New Wave Group shall strive to have an open and transparent dialogue with tax authorities. Stakeholder engagement with other stakeholders such as shareholders takes place continuously.	SR p.39

ENERGY USE WITHIN THE SWEDISH COMPANIES

Within the framework of the Swedish Act (2014:266) on energy mapping in large companies (EKL), an overall energy audit for New Wave Group and its subsidiaries in Sweden was conducted during the first reporting period, which covered the years 2016-2019. The result showed that New Wave Group in Sweden used a total of 27.000 MWh. Of these, own production (primarily glass production but also textiles) accounted for about 40 %. Furthermore, detailed energy audits was carried out for the significant energy users Glasma AB, Seger Europe AB, Kosta Glasproduktion AB and Kosta Boda Art Hotel AB. The next reporting period runs between 2020-2023 and includes a new overall energy audit and follow up of how the significant energy users has worked with the audits from the previous reporting period and what actions have been taken. Reporting of the overall audit to the Swedish Energy Agency will take place in March 2021.

COMPANY CARS

With a large number of travelling salesmen, company cars are a natural part of New Wave Group's business. Like many other business decisions, the choice of company cars is decentralized to the subsidiaries. Several of the companies have car policies including the aim of using more environmental friendly alternatives.

	2020
Company cars	376

	Diesel fuel	Gasoline fuel	Hybrid or electric cars
Number	325	45	6
Kilometers	911 895	100 200	16 840
Litres*	410 353	60 120	-
Emissions WTW kg CO₂**	1 103 850	179 518	-

* The calculations are made with the following standard values on mileage and fuel type: 0.45 litres/10 kilometers for diesel and 0.6 litres/10 kilometers for gasoline.

** The calculations are based on the average emission data for the fuel sold in Sweden during 2019/2018, which is the latest available.

Environment	Disclosure	Disclosure/title	Comment	Page
GRI 301: Materials 2016	103-1/2	Management Approach, 301	Decisions regarding materials are decentralized to the subsidiaries. New Wave Group aim to introduce more sustainable and eco-friendly materials in our range of products.	
	Own indicator	Products with sustainability attribute		SR p.10
GRI 302: Energy 2016	103-1/2	Management Approach, 302	The direct energy consumption occurs mainly in own production, where we have direct influence, and real estate energy. Other significant parts of energy consumption are upstream in our suppliers' factories and also downstream, for example, by washing garments. Therefore, we work to reduce our own consumption, focus on manufacturers' environmental work through audits, and advise customers on care instructions for garments.	
GRI 305: Emissions 2016	302-1	Energy consumption within the organization	Energy consumption in own production.	SR p.42
	103-1/2	Management Approach, 305	Significant climate impact comes from freight transportation between Asia and Europe and Asia and North America. Therefore, we are actively working to create effective routines and to influence the transportation providers we cooperate with.	SR p. 13, 28-29
	305-1	Direct (Scope 1) GHG emission	Company cars.	SR p.43
	305-3	Other indirect (Scope 3) GHG emissions	Indirect from carriers.	SR p.12
	305-5	Reduction of GHG emissions	Zero vision to minimize air freight, create efficient routines and influence the carriers we are cooperating with to use cleaner vessels.	SR p. 28-29
GRI 308: Supplier Environmental Assessment 2016	103-1/2	Management Approach, 308	New Wave Group works with other actors in the industry to gain an understanding of the environmental impact in the supplier chain, and how we through requirements and development projects can contribute to improvements.	
	308-2	Negative environmental impacts in the supply chain and actions taken.	An assessment of new suppliers, as well as ongoing assessments of existing ones, are conducted. To some extent, environmental requirements are included in the amfori BSCI audits, but are also included in our internal audits.	

Social	Disclosure	Disclosure/title	Comment	Page
GRI 403: Occupational Health and Safety 2016	103-1/2	Management Approach, 403	New Wave Group AB and all subsidiaries have a legal responsibility and direct impact on the employees working environment. Depending on the activity (office, warehouse, production etc.), specific risk assessments and action plans are made. (For the work with health and safety at suppliers, see GRI 414.	
GRI 404: Training and Education 2016	103-1/2	Management Approach, 404	The responsibility for regular evaluation, career development and education lies on the respective company within the Group.	
	404-1	Average hours of training per year per employee	Based on the estimations from the companies, the average number of training hours (internally and externally) per year and employee is 12 hours.	
GRI 405: Diversity and Equal Opportunity 2016	103-1/2	Management Approach, 405	Diversity, gender equality and anti-discrimination are a fundamental principles of the Code of Conduct.	
	405-1	Diversity of governance bodies and employees	Currently, only by gender.	SR p.32. AR p.76
GRI 407: Freedom of Association and Collective Bargaining 2016	103-1/2	Management Approach, 407, 408, 409	Freedom of association and collective bargaining, no child labor and no forced labor are fundamental principles in the Code of Conduct. The Code of Conduct is followed up through third-party audits, internal audits and factory visits.	SR p.14-17
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	An increased risk of limited association freedom of association and collective bargaining lays in the product supply chain, in particular factories and subcontractors in risk countries.	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	An increased risk for incidents of child labour lays further down in the supply chain, where the control is limited. .	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	An increased risk of forced or compulsory labor lays in the product supply chain, in particular factories and subcontractors in risk countries.	
GRI 414: Supplier Social Assessment 2016	103-1/2	Management Approach, 414	The assessment of social aspects of supplies is a challenge, not just for us but for the entire industry. All suppliers acknowledge the Code of Conduct as part of the Business Agreement and an assessment of social aspects must be done before the first purchase order. The assessment is done either through self-assessment, an internal audit or a third-party audit (amfori BSCI or equivalent). Our goal is to include all our suppliers located in risk countries in amfori BSCI or an equal monitoring system.	SR p.14-17
	414-1	New suppliers that were screened using social criteria		SR p.16
	414-2	Negative social impacts in the supply chain and actions taken		SR p.16
	Own indicator	Percentage of Bangladesh suppliers who conducted fire and safety inspections under the Accord on Fire and Building Safety in Bangladesh	100% of New Wave Group's suppliers in Bangladesh have conducted fire and safety inspections under the Accord on Fire and Building Safety in Bangladesh.	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	100% of New Wave Group's products are assessed for health and safety improvements, for example in the case of chemicals.	
	Own indicator	Voluntary requirements	New Wave Groups Restricted Substance List is on many points more extensive than legal requirements.	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	New Wave Group base requirements on current legislation and industry standards/agreements regarding information and labeling.	
	417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents reported during the year.	

Apparel and footwear sector supplement	Disclosure	Disclosure/title	Comment	Page
	AF1	Code of conduct content and coverage	Attached poster.	SR p.15
	AF2	Parties and personnel engaged in Code of Conduct compliance function	Own personnel and accredited auditors.	SR p.14-17
	AF3	Compliance audit process		SR p.16
	AF4	Grievance mechanisms	Fundamental principle in our Code of Conduct.	
	AF5	Capacity building	Trainings initiated by New Wave Group as well as training within the context of amfori BSCI and the Accord on Fire and Building Safety in Bangladesh.	
	AF6	Policies for supplier selection, management and termination	Termination of cooperation with a supplier may occur if a zero tolerance issue reveals (child labor, serious health and safety risks, substitution of subcontractor without prior approval and refusal to be audited) are detected, but if we identify non-compliances, we prefer to develop an action plan in order to bring the supplier back to an acceptable standard, rather than to end our cooperation.	
	AF7	Number and location of workplaces covered by the code of conduct	All companies and all suppliers within the Group.	
	AF8	Number of audits conducted and percentage of workplaces audited	Share of factories audited.	SR p.11
	AF9	Incidents of non-compliance with legal requirements or collective bargaining agreements on wages	Non-compliances regarding wages may occur, especially in risk countries, but are not considered as a zero tolerance issue that pose an immediate threat to the health and safety of the workers (see also AF6).	SR p.16
	AF10	Incidents of non-compliance with overtime standards	Non-compliances regarding overtime standards may occur, especially in risk countries, but are not considered as a zero tolerance issue that pose an immediate threat to the health and safety of the workers (see also AF6).	SR p.16
	AF11	Incidents of non-compliance with standards on pregnancy and maternity rights	No incidents reported during the year.	
	AF12	Incidents of the use of child labor	No incidents reported during the year.	
	AF13	Incidents of non-compliance with standards on gender discrimination	No incidents reported during the year.	
	AF14	Incidents of non-compliance with Code of Conduct.	Common non-compliances are excessive overtime (mainly China) work or lack of documentation. No zero-tolerance incidents have been reported during the year.	

THIS SUSTAINABILITY REPORT IS SUBMITTED BY THE BOARD OF DIRECTORS

THE AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the General Meeting of New Wave Group AB
(publ), corporate identity number 556350 -
0916.

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for
that the statutory sustainability report has
been prepared in accordance with the Annual
Accounts Act.

THE SCOPE OF THE AUDIT

Our examination of the statutory sustainabil-
ity report has been conducted in accordance
with FAR's auditing standard RevR 12 The au-
ditor's report on the statutory sustainability
report. This means that our examination of
the statutory sustainability report is differ-
ent and substantially less in scope than an
audit conducted in accordance with Interna-
tional Standards on Auditing and generally
accepted auditing standards in Sweden. We
believe that the examination has provided us
with sufficient basis for our opinions.

OPINION

A sustainability report has been prepared.

Gothenburg, April 1, 2021
Ernst & Young AB


Jonas Svensson
Authorized Public Accountant



Chairman of the Board
Olof Persson

Members of the Board

Torsten Jansson
M. Johan Widerberg
Christina Bellander
Mats Årjes
Jonas Eriksson
Magdalena Forsberg

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The Sustainability Report  
has been approved by  
the Board of Directors on  
April 1, 2021.



Follow our  
sustainability  
journey on  
**NWG.SE/EN**

**CONTACT**

If you have any questions or comments on the report, contact us:

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*NewWave*  
G R O U P

