

# SUSTAINABILITY REPORT

## 2022

**AXEL ARIGATO**

001.	ABOUT AXEL ARIGATO	001.1 001.2 001.3 001.4	A Word from our CEO Our Story Vision and Strategy Highlights for 2022
002.	GOVERNANCE	002.1 002.2 002.3 002.4 002.5	Internal Structure Stakeholders Policies and Standards Groups We Are Working With Sustainable Development Goals
003.	OUR COMMUNITY	003.1 003.2 003.3	Axel Arigato Talks Events Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	004.1 004.2 004.3 004.4 004.5	Production Risk Analysis Chemicals Traceability Product Design
005.	WAREHOUSING AND TRANSPORT	005.1 005.2	Transportation Packaging
006.	EMISSION MAPPING 2022	006.1 006.2	STICA BCOME
007.	LONGEVITY OF PRODUCTS	007.1 007.2 007.3	Xchange Repair Reuse and Recycle
008.	EMPLOYEE	008.1 008.2 008.3	Our Mission Local Community Engagement Whats did our ofice look like 2022
009.	APPENDIX	009.1	Sustainable Development Goals

001.1 A Word from our CEO  
001.2 Our Story  
001.3 Vision and Strategy  
001.4 Highlights for 2022

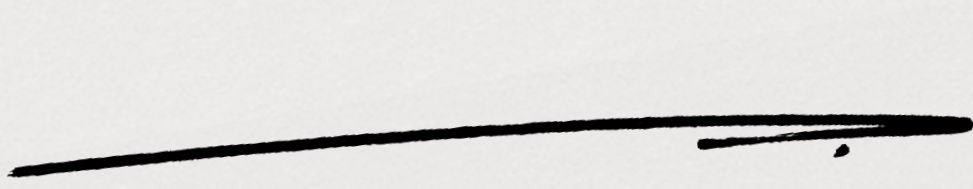
984.809 PX

01

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

1 THE PURPOSE OF  
THIS REPORT.

The Axel Arigato Sustainability report is created each year for our customers, colleagues, business partners, and shareholders. The annual report outlines the sustainability milestones of the last 12 months, the challenges we have faced, and the goals and opportunities that lie ahead for 2023. We hope this report offers a valuable insight into our dedication and commitment regarding matters of sustainability within our brand.



A limitation on the information provided in the report exists.

The data provided in this report enters into two different categories: Part of the data covers the seasonal distribution, Spring-Summer and Autumn-Winter 2022 (designated by SS22 and AW22). Other data covers the calendar year 2022, from January to December.

We have aimed to be as transparent as possible when writing this report for the reader to fully understand the information.

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

# 1. A WORD FROM OUR CEO

Dear Readers,

Looking back on the last twelve months, and the variety of global impacts that have imprinted on the way in which we conduct business day-to-day, this past year has necessitated innovation, perseverance, and partnership in order to build a future-proof organization. Categorized by all-time highs, and remarkable lows, 2022 forced us re-evaluate every aspect of our business and create flexible structures within our operations and wider business strategy.

As global supply chains experienced unprecedented delays, transportation costs inflated, and costs of raw materials surged, our direct-to-consumer approach allowed us to circumvent these growing challenges. Since inception, our Drop of the Week model has been devised as a methodology for staying connected to our customers, and the changing needs of the consumer landscape. Over the last year, for each of the 52 drops, we have worked directly with our suppliers to ensure overproduction is reduced, and products are delivered on time, and efficiently. Furthermore, as the vast majority of our products are, and have always been, produced in Europe it has significantly helped us navigate the last 12 months whilst ensuring our emissions are kept low.

With increased attention and legislation, the fashion industry is one that requires urgent evolution. We view this as an opportunity for enhanced collaboration, where all stakeholders are required to take greater responsibility and ensure that, together, we produce under more responsible practices and become more conscious-minded in our decision-making and efforts. For us, this will mean providing more transparency and options for the end customer and product life cycle, as well continuous innovation when it comes to materials and production.

WE PRIDE OURSELVES IN  
SCALING THE BUSINESS  
IN A SUSTAINABLE WAY,  
AND WE WILL CONTINUE  
TO CHAMPION THIS  
THROUGHOUT THE EVER-  
CHANGING TIDES OF THE  
FASHION INDUSTRY.

This year, our collective efforts will be for the benefit of community and for our planet, and together we are committed to creating change.

*Albin Johansson*

Albin Johansson  
CEO & Co-Founder

984.809 PX



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

2 OUR STORY

When Axel Arigato launched in 2014, the response was immediate, and the brand swiftly gained traction from fans worldwide. During the first year of business, the brand attracted customers from over 100 countries and received over 800K followers across social media. Subsequent collections, including entry into the women's footwear market in June 2015 and the launch of the first ready-to-wear collection in March 2017, added to the company's streak of success, with increased global sales and extensive press recognition. Axel Arigato's vision is to create the present, shape the future, and inspire generations – an all-encompassing goal with an emphasis on sustainability.

AS A BRAND, WE  
CONSTANTLY STRIVE TO  
EMPOWER OURSELVES  
THROUGH QUALITY  
CRAFTSMANSHIP,  
CAREFULLY SOURCED  
MATERIALS, AND INCREASED  
TRANSPARENCY WITHIN OUR  
SUPPLY CHAIN.

As a brand, we constantly strive to empower ourselves through quality craftsmanship, carefully sourced materials, and increased transparency within our supply chain. We have fine-tuned our crafting process to ensure that the factories we collaborate with and materials we source reflect a crucial goal: to reduce our carbon footprint and grow with the planet and people in mind.

The majority of our footwear is handmade in Portugal by skilled artisans, many of whom have been with us since the beginning. In terms of materials, every aspect of the shoe is taken into consideration, from the organic cotton laces to the recycled polyester linings and partly recycled rubber soles. Leather components are made using Leather Working Group-certified materials. This certification promises the environmental compliance of the manufacturing facilities regarding pollution, energy resources, and performance capabilities. Some of our textile elements are woven from SEAQUAL® YARN – a sustainable polyester thread that is made up of approximately 10% upcycled ocean plastic and 90% post-consumer PET from land sources. According to SEAQUAL INITIATIVE, for every kilo of SEAQUAL® YARN produced, an estimated 500 grams of marine litter has been cleaned from our oceans. An additional material utilized in our footwear collection is Bio-Based EVA. To create this material, sugarcane is transformed into bioethanol, which is used as a raw material in the making of the more eco-friendly EVA.

AXEL ARIGATO IN A FEW  
FIGURES 2022

- ✓ **FOUNDED IN 2014**
- ✓ **TOTAL WORKFORCE 219 – 37.5% INCREASE SINCE 2021**
- ✓ **18 STORES/PERMANENT SPACES (8 NEW IN 2022) - 45% INCREASE FROM 2021**
- ✓ **1M FOLLOWERS ON INSTAGRAM – 13% INCREASE FROM 2021**

Our ready-to-wear collection is built on persistent research to find alternative materials with a lower environmental impact, including Vegan substitutes to leather and shearling. Our jersey pieces are made in Europe using 100% organic cotton fibers sourced through channels that utilize farming practices that are kinder to the environment. In a similar way, the wool in our knitwear originates from suppliers that ensure animal welfare is taken into consideration and that the material is fully traceable throughout the entire supply chain. The cotton-denim used to craft our selection of jeans is certified by the Better Cotton Initiative, with approximately 35% of these styles incorporating 20% recycled cotton, too.

Axel Arigato is determined in its pursuit to make positive change. As a brand, we will continually strive to minimize our carbon output, ensuring that as we grow we do not apply additional pressures on the environment.

102.89 PX

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

3 VISION

Vision: Create the present, shape the future, inspire generations. By empowering ourselves with industry innovation, technological improvements, and increased transparency in our supply chain, we are creating the present, pushing the industry to shape the future, and hopefully, inspiring generations to come.

Being a part of an ever-changing world where digitalization is constant and national borders are being dissolved to build a more connected landscape, one needs to be aware of the rapid changes and become agile enough to adapt. Being a native digital fashion brand, we have always been focused on democratizing the luxury footwear industry. We have continuously propelled ourselves to be a 'people-powered lifestyle brand' through constant conversation and interactions with our community. We believe the new generation does not want brands to tell them what they should look like but to invite them into a community with like-minded people.

3 STRATEGY

Axel Arigato has always been known for the breakdown and shattering of the traditional seasonal system by introducing a system of weekly drops. Our brand serves a type of interest that is percussive, a cultural cadence rather than an industry one, and a consumer with a multi-directional identity.

The Drop of the Week model has been in place for many years and, apart from the inventory-related questions, it also helps Axel Arigato contribute to more conscious buying.

BY LAUNCHING A WEEKLY DROP SCHEDULE, WE PLACE THE CUSTOMER AT THE FOCAL POINT OF PRODUCT CREATION AND USE CONSTANT CUSTOMER FEEDBACK TO DEVELOP NEW STYLES AND IMPROVE EXISTING STYLES.

That way, we make sure that future products align with customer demand and limit dead stock.

As a brand, we aim to reconsider every part of our design and production processes and pledge to make positive changes for the betterment of the planet. Our long-term goal is to integrate sustainability into every aspect of the brand and day-to-day business. Minimizing the impact is a never-ending journey, and the goal is to continue to scale our business while reducing our emissions by 30% per item produced from 2020 until 2025 at the very least. Axel Arigato's work starts and ends with the product, developing high-quality pieces that have a lifespan of years, not seasons.

PROGRESS

Over 2022, we have begun preparation for upcoming legislation from the European Union, work which will continue into 2023. This preparation has required a reassessment of our product development and production. Through our partnerships with STICA and BCOME, we were able to gather crucial data in understanding the life cycle and emissions of each product we create. These insights have allowed us to make educated improvements within the supply chain in order to increase efficiency and transparency.

In 2023, we will continue to work on streamlining our supply chain by conducting a review of primarily our current Tier One and Two suppliers. By investing in this process, we can establish a more efficient way of working to optimize our critical paths and time to market. We believe this streamlined approach to our supply chain will offer many long-term benefits. The efficiency of the improved system should dramatically reduce the carbon miles of our products as we begin to decrease the need for air transport. It will also provide us with greater control of our supply chain so that we can ensure that all suppliers align with our brand values and code of conduct. Finally, we hope these changes will lead to a decrease in overbuying and overstocking of products.

102.89 PX

“IN 2023, WE WILL CONTINUE TO WORK ON STREAMLINING OUR SUPPLY CHAIN BY CONDUCTING A REVIEW OF PRIMARILY OUR CURRENT TIER ONE AND TWO SUPPLIERS.”

209.12PX

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

4 HIGHLIGHTS

Converted all clothing bags to 100% recycled LDPE. This change has reduced our use of virgin plastic by 5.6 tonnes in only 6 months.

For 2021, we reduced our Scope 1-2 emission per revenue by 25% from our base year.

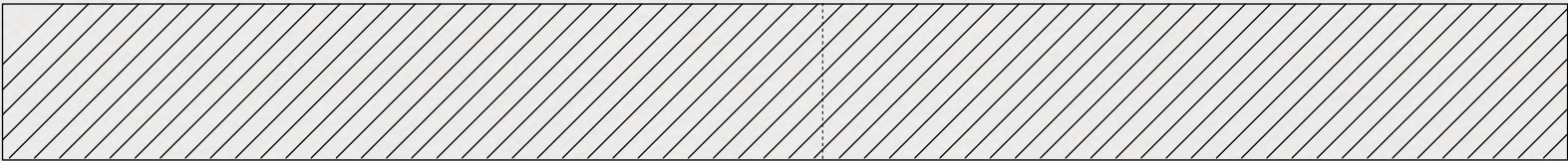
Approximately 23% of our suppliers source over half their energy from renewable sources.

46 sneaker cleaning events held in 5 cities in partnership with Vamp Sneaker Cleaners.

Launched our PETA-approved Vegan Hooper Sneaker.

Launched our puffer drive as part of our ‘WrapUp London’ initiative.

Axel Arigato Talks podcast launched with the aim to celebrate the power of community and connect listeners to inspiring people.



02

002.2 Internal Structure  
002.2 Stakeholders  
002.3 Policies and Standards  
002.4 Groups We Are Working With  
002.5 Sustainable Development Goals

984.809 PX

001. ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002. GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003. OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004. MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005. WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006. EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007. LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008. EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

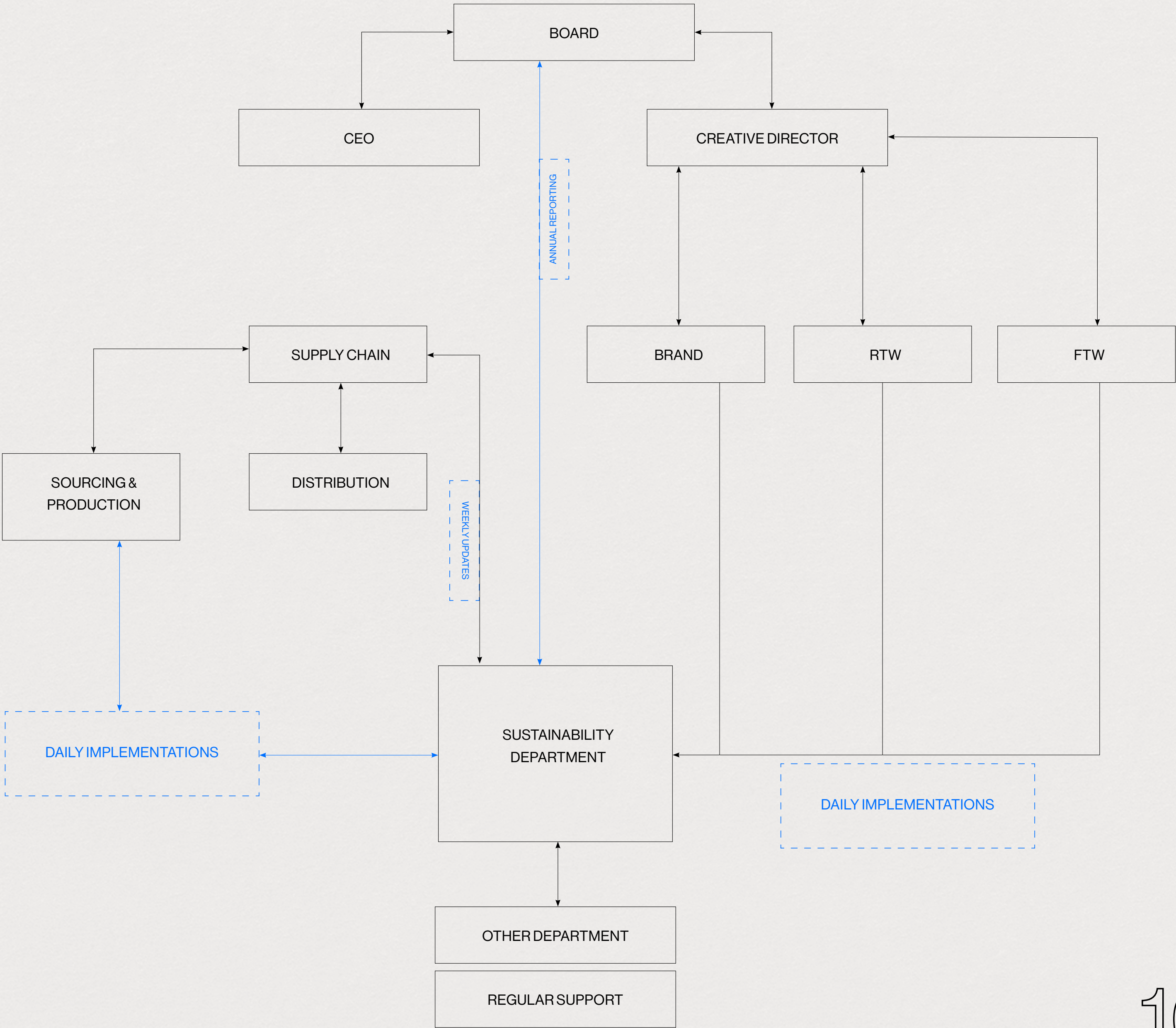
009. APPENDIX

009.1

Sustainable Development Goals

## 2. INTERNAL STRUCTURE

The Sustainability Department consists of a team of one. The responsibility is to identify sustainability risks, report them to senior management, and handle them together with relevant functions. We also identify areas and projects for improvement while supporting the creation of long-term value and fostering a culture of sustainability within the organization.



001.	ABOUT AXEL ARIGATO	001.1 A Word from our CEO 001.2 Our Story 001.3 Vision and Strategy 001.4 Highlights for 2022
002.	GOVERNANCE	002.1 Internal Structure 002.2 Stakeholders 002.3 Policies and Standards 002.4 Groups We Are Working With 002.5 Sustainable Development Goals
003.	OUR COMMUNITY	003.1 Axel Arigato Talks 003.2 Events 003.3 Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	004.1 Production 004.2 Risk Analysis 004.3 Chemicals 004.4 Traceability 004.5 Product Design
005.	WAREHOUSING AND TRANSPORT	005.1 Transportation 005.2 Packaging
006.	EMISSION MAPPING 2022	006.1 STICA 006.2 BCOME
007.	LONGEVITY OF PRODUCTS	007.1 Xchange 007.2 Repair 007.3 Reuse and Recycle
008.	EMPLOYEE P&C	008.1 Our Mission 008.2 Local Community Engagement 008.3 Whats did our office look like 2022
009.	APPENDIX	009.1 Sustainable Development Goals

2 STAKEHOLDERS

There are many internal and external stakeholders that contribute to the successful growth and development of our business. We recognize that innovation and sustainable change are only possible by initiating engagement with all stakeholders to widen our perspective and allow us to seek inspiration in unconventional places. It is only through these partnerships and collaborations that we as a brand can continue our path of sustainable growth.

This year, we hosted several events that facilitated engagement with both our internal and external stakeholders. These events aimed to listen and educate both the stakeholder and our business so we can better understand the future direction of sustainability at Axel Arigato. Through this engagement, we believe we are building a brand that makes the customer feel heard, the employees feel valuable, and our partners feel like key collaborators.

CUSTOMERS

As a people-powered lifestyle brand, it is through the lens of our community that we develop and sculpt our products. Our customers' voices are used as a foundation in our decision-making, where to open the next store or what new colorways to develop. Through our customer service, social media channels, music events and exclusive loyalty Facebook group, we can facilitate daily conversations that allow us to engage with and reflect on our customer feedback. Members of our exclusive Facebook group are part of a conversation that aims to shape Axel Arigato with other like-minded individuals that share the same passion for our brand, while also receiving exclusive benefits.

OWNER AND INVESTORS

The valued perspective of our owners and investors allows us to challenge ourselves as a business, to step beyond the boundaries of what is expected within our industry. With their support, we can continue to develop our business model with a realistic focus on sustainable growth.

BUSINESS PARTNERS

Our suppliers are valued members of the team who help us achieve the quality, durability, and transparency that we are proud of. In 2022, we further developed our supplier onboarding. This onboarding included an updated code of conduct, as well as ethical and environmental policies. We require suppliers to adhere to these policies in order to be part of the Axel Arigato team. This onboarding helps to protect the people and environment throughout our production, as well as ensure that we have the most accurate knowledge regarding our supply chain.

COLLEAGUES

In 2022, our workforce has experienced a 37.5% increase. This is a great reflection of our growth as a brand. We believe we have a responsibility to support our colleagues with necessary human resources to successfully fulfill our goals as a business. Each person brings their passion, creativity, diverse knowledge, and experience to the table. It is our responsibility to empower them with the support they need to grow and learn, both as individuals and team members.

Stakeholders Survey - Key results 2022

The opinions of our employees are integral to our success. We encourage our teams to contribute their opinions through a range of forums where they can anonymously speak their mind. At the closing of each year, we release a survey on the topic of our sustainability work. The great insights and knowledge we receive from this survey are used when beginning the next year and setting our agenda and future focus.

In 2022, we had the participation of 40% of our colleagues. Data from the survey results showed that 48% of our employees either strongly agree or agree that our sustainability strategy is clear and well-defined. However, 14% of our employees selected disagree with this statement. This data means that in 2023, there will be an increased focus on clarifying our sustainability strategy with our colleagues. By communicating our strategy in a more clear and concise way to the team, we can ensure that every employee is a key contributor to the future direction of sustainability within Axel Arigato.

“I BELIEVE THAT THE SUSTINABILITY STRATEGY AT AXEL ARIGATO IS CLEAR AND WELL-DEFINED”



When our employees were asked what they think the focus for Axel Arigato should be moving forward, it became evident that there are three main areas that require our focus in 2023. Respondents highlight the importance of increasing the longevity of our products, the increased use of sustainable materials, and a commitment to human rights throughout our supply chain. This feedback will be integral in shaping our sustainability strategy for 2023 as we reassess our goals and KPIs for the coming year.

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009.

APPENDIX

009.1

Sustainable Development Goals

3 POLICIES AND STANDARDS

We have a range of policies and standards in place to ensure that the people we work with uphold our values throughout the supply chain. Our external policies are updated on an annual basis and it is mandatory that our suppliers adhere to them. Our internal policies are integrated into the brand to facilitate an inclusive and safe working environment for all individuals.

External Policies	
Code of Conduct	Requires compliance on the following topics: <ul style="list-style-type: none"><li>- Discrimination</li><li>- Decent working hours</li><li>- Living wages</li><li>- Health &amp; safety</li><li>- Sanitary infrastructure</li><li>- No child labor</li><li>- No precarious employment</li><li>- No forced labor</li><li>- Anti-bribery &amp; corruption</li></ul>
Environmental Policy	Requires compliance on the following topics: <ul style="list-style-type: none"><li>- Climate &amp; air quality</li><li>- Impact on water resources</li><li>- Use of chemicals</li><li>- Waste, re-use &amp; recycling</li></ul>
Ethical Sourcing	Requires compliance on the following topics: <ul style="list-style-type: none"><li>- Animal sourcing principles (including leather, animal hair, down and feathers, cotton, exotic skins, endangered species, and wood and paper.)</li></ul>

Internal Policies:	
Work Environment Policy	A strategic policy to prevent ill-health and accidents at Axel Arigato. The objective of this policy is to create a workplace that is physically, psychologically, and socially healthy for all of our employees.
Policy Against Harassment & Victimization	The objective of this policy is to create a work environment that is free from micro-aggressions, master suppression techniques, and violations. It discusses the importance of prevention and quick and clear action, as well as indicates methods of reporting.
Policy on Equal Rights & Opportunities	The objective of this policy is to create an environment where every individual feels safe, heard and respected, and knows about the brand's zero tolerance for discrimination. It outlines acts of responsibility, prevention, and penalties.
Remote Work Policy	We believe that real magic happens when we get the opportunity to work in the same space, and that time spent together is an important ingredient for creativity, innovation, and our company culture. However, we also believe a hybrid solution better supports work-life balance

001. ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002. GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003. OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004. MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005. WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006. EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007. LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008. EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009. APPENDIX

009.1

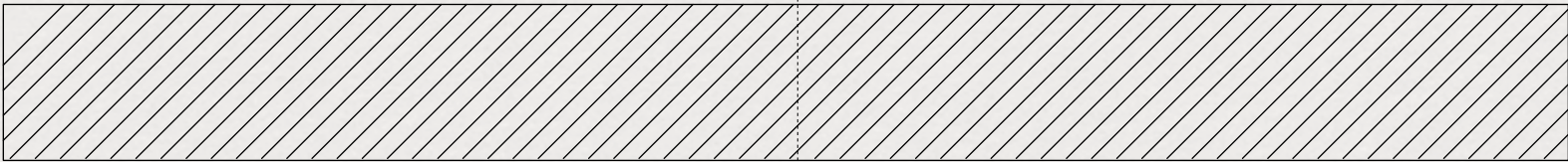
Sustainable Development Goals

5

SUSTAINABLE  
DEVELOPMENT GOALS  
(SDGS)

The Sustainable Development Goals established by the United Nations in 2015 serve as a clear framework for developing our strategy and roadmap. Below you can see the main actions and goals that we have identified as our focus points throughout our business model.

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
POLICIES AND STANDARDS					5.1			8.5 8.7 8.8		10.3 10.4							
MATERIALS AND PRODUCTION			3.9			6.3		8.5 8.7 8.8				12.2 12.4		14.1			
TRANSPORTATION							7.2										
PACKAGING															15.2		
STICA												12.6	13.2				17.16
BCOME												12.2	13.2				
PRODUCT END OF LIFE												12.5					
EMPLOYEES					5.5			8.3		10.3 10.4							



003.1 Axel Arigato Talks  
003.2 Events  
003.3 Highlights of 2022 Events

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009.

APPENDIX

009.1

Sustainable Development Goals

3.

OUR COMMUNITY

1

AXEL ARIGATO  
TALKS PODCAST

The Axel Arigato Talks Podcast was launched in 2022 as a new media stream for the brand to connect with its global audience. With a focus on storytelling, authenticity and the power of connection, Axel Arigato Talks has welcomed guests hailing from the worlds of music, climate activism, art and gender studies to share their experiences. Episodes are published fortnightly on major streaming platforms as well as the brand's YouTube and social media channels.'

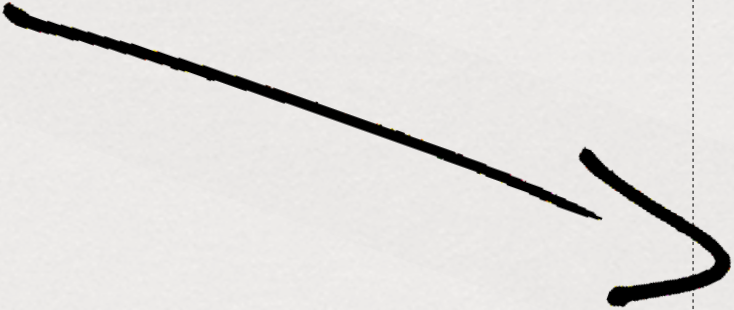


2

EVENTS

Axel Arigato has always existed as a people-powered brand. This meant that in 2022, our team organized a total of 108 diverse events to help us get to know our local communities. Throughout the year, we hosted a variety of panels that allowed our community to engage with experts in the creative industry. We also launched our Sneaker Cleaning Church in partnership with Vamp Sneaker Cleaning. In 2022, we hosted 46 of these sneaker cleaning events in 5 different cities and plan to continue this service into 2023 with expansion into new locations.

This year, we also collaborated with our community to drive global change. Between March 2022 and April 2022, we utilized our events to drive awareness and support for the crisis in the Ukraine. For every person that attended each of our events, we pledged a donation to the UNHCR on their behalf. In total, we hosted 22 events with 2,700 guests in attendance. We are proud of all the work we have done this year and we aim to be equally as involved with our local communities moving into 2023.



	KEY EVENT HIGHLIGHTS
JANUARY	Copenhagen Fashion Week. Fashion and Sustainability Conversation Sneaker Cleaning Church in 2 locations
FEBRUARY	SS22 Styling sessions with Nicco Torelli. Sneaker Cleaning Church in 3 locations
MARCH	International Women's Day HON panel talk. International Women's Day x Foundation FM in store Workshop International Women's Day panel talk with Jelassi, L1NA and Mona Masrour Sneaker Cleaning Church in 3 locations
APRIL	Axel Arigato Nights @ Cavendish Hotel Radio Activation Earth Series Xchange Market in Paris, Munich and London Sneaker Cleaning Church in 5 locations
MAY	Axel Arigato Nights @ Cavendish Sneaker Cleaning Church in 5 locations
JUNE	Sneaker Cleaning Church in 4 locations
JULY	London Pride event Sneaker Cleaning Church in 5 locations
AUGUST	Sneaker Cleaning Church in 3 locations
SEPTEMBER	Sneaker Cleaning Church in 5 locations
OCTOBER	Hosted Body and Soul Soothing Activities for World Mental Health Day Sneaker Cleaning Church in 3 locations
NOVEMBER	Collaboration with Rinse France to create 'The Academy' talent program. Sneaker Cleaning Church in 3 locations
DECEMBER	Puffer exchange initiative for those in need WrapUp London. Sneaker Cleaning Church in 5 locations

001.	ABOUT AXEL ARIGATO
001.1	A Word from our CEO
001.2	Our Story
001.3	Vision and Strategy
001.4	Highlights for 2022
002.	GOVERNANCE
002.1	Internal Structure
002.2	Stakeholders
002.3	Policies and Standards
002.4	Groups We Are Working With
002.5	Sustainable Development Goals
003.	OUR COMMUNITY
003.1	Axel Arigato Talks
003.2	Events
003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION
004.1	Production
004.2	Risk Analysis
004.3	Chemicals
004.4	Traceability
004.5	Product Design
005.	WAREHOUSING AND TRANSPORT
005.1	Transportation
005.2	Packaging
006.	EMISSION MAPPING 2022
006.1	STICA
006.2	BCOME
007.	LONGEVITY OF PRODUCTS
007.1	Xchange
007.2	Repair
007.3	Reuse and Recycle
008.	EMPLOYEE P&C
008.1	Our Mission
008.2	Local Community Engagement
008.3	Whats did our office look like 2022
009.	APPENDIX
009.1	Sustainable Development Goals

3 HIGHLIGHTS OF 2022 EVENTS



Our Fashion & Sustainability Conversation hosted during Copenhagen Fashion week facilitated discussion around the importance of sustainability within the fashion industry. Leading industry experts were invited as panelists and we partnered with GrowingTrees to plant a tree on behalf of every person that attended.



Hosted three International Women's Days events in three different cities. The events aimed to celebrate and empower women in the creative industry.



Nights @ Cavendish. 3 weeks of curated programs of exhibitions, musicians, and performances open to the public. For every guest that attended Nights, we donated to UNHCR.



Hotel Radio Activation. Collaboration with Hotel Radio Paris to facilitate a recycling and cleaning drive of 'La Seine de Paris'.



Our London Soho Retail Store hosted the Axel Arigato London Pride event in collaboration with Not A Phase. For every guest that attended, we donated to Not A Phase, a charity that supports the lives of trans + adults across the UK.

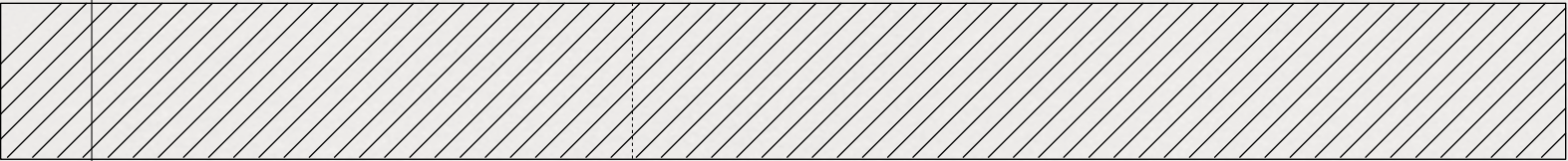


In Paris, Munich and London, we had our first Earth Series Xchange market. This multifaceted event brought the power of community, sustainability, and resale to life.



Our first ever puffer exchange occurred. This initiative meant that the public could bring in their old puffers (no matter the brand) to our store in exchange for a 15% Axel Arigato discount. The collected puffers were then donated to WrapUp London to be distributed to people in need that winter.

004.1 Production  
004.2 Risk Analysis  
004.3 Materials and Sourcing  
004.5 Traceability  
004.6 Product Design



02

O

4

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009.

APPENDIX

009.1

Sustainable Development Goals

# 4. MATERIALS AND PRODUCTION



219

ORGANISATION

37.5% Increase



10K+

PEOPLE IN SUPPLY CHAIN



SOLD TO

160+

COUNTRIES

37.5% Increase

	Suppliers
01	Portugal
02	Vietnam
03	Turkey
04	China

	Retails
01	United Kingdom
02	France
03	Germany
04	Sweden
05	Denmark

	Offices
01	United Kingdom
02	Portugal
03	Sweden

	Warehouses
01	Sweden



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

1 PRODUCTION

Axel Arigato, like many other brands within the Fashion Industry, does not own any factories but instead works to create long-term partnerships with manufacturers that share the same commitment to sustainability. Many of our manufacturers have been with us from the start and the trusting relationships we have established have proved essential in developing understanding of our supply chain.

DURING 2022, WE OPENED A PORTUGAL SOURCING OFFICE WITH 5 EMPLOYEES. THIS OFFICE HELPS US DEVELOP A LOCAL PRESENCE AND A DEEP UNDERSTANDING OF THE MARKET AND CHALLENGES IN THE SUPPLY CHAIN. OUR LOCAL STAFF WILL CLEARLY SUPPORT US IN DEVELOPING AND DELIVERING PREMIUM, HIGH-QUALITY PRODUCTS.

For 2023, our focus will be to continue this path. We will become clearer in our expectations of our business relationships by launching a supplier website so that new and current suppliers are always up to date on our focus and how we would like to work. We will also continue to develop our supplier base strategy and get a more in-depth understanding about our different tiers and full supply chain.

TIER ONE (DIRECT)  
SUPPLIER BASE

During the year, we have worked on a consolidation of production markets. This allows us to work more proactively and build our knowledge regarding challenges and opportunities in our existing market. It also means we can ensure proper due diligence. Portugal remains our primary production market and we want to continue this production trend into the future. For us, it is important to have partners that share our vision. This means, in 2023, as our brand continues to grow, we will continue to work hard to find and retain partners who share our values.

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009.

APPENDIX

009.1

Sustainable Development Goals

2 RISK ANALYSIS

To move forward in a positive, sustainable direction, we have worked on a risk assessment of our supply chain and organization. Some key areas have been highlighted by this work and are summarized in the following table. All mentioned risks are addressed in this report.

Area	Identified Risks	Action
CHEMICAL MANAGMENT	The mishandling of hazardous chemicals in production and the misuse in products	We have developed a chemical restriction list according to guidance from Teko Environmental group, RISE chemical group and government legislation. In production, we favour suppliers in Europe due to the European Union's strict regulations when it comes to chemical management. We are constantly testing our products either through our suppliers or in our newly developed Axel Arigato testing facility.
ANIMAL WELFARE	Unnecessary harm done to animals in the supply chain	We have an ethical sourcing policy in place for our suppliers and production. We require our suppliers to have certification that ensures animal welfare. For example, the Responsible Down Standard, Leather Working Group and Responsible Wool Standard.
TRANSPORTATION	Availability and inflation	We are overcoming limitations according to availability and inflation by conducting a review into our Tier 2 supplier base. We will then set a strategy and a way of working for adding new suppliers.
AIR POLLUTION, WATER POLLUTION	Pollution during material extraction, production, and transportation	We aim to opt for materials that are extracted in an efficient way and have certifications to ensure this process. We work in partnership with STICA and BCOME to calculate our emissions throughout the supply chain so we can work to reduce them. As a business, we try to avoid unnecessary transportation. In our sourcing, we favour certified factories (ISO 14001).
ENERGY MANAGEMENT	Energy waste	We have been working with our suppliers to implement renewable energy and increase energy efficiency. Our warehousing facility is now partly run on solar energy. We favor transport options that have carbon neutral programs.
WASTE – END OF LIFE	Products ending up in landfill	Invite customers to repair, recycle, and donate through Axel Arigato initiatives such as our puffer jacket drive. The establishment and development of our resale platform Xchange to give our products a second life. Provide a free of charge sneaker cleaning service to customers to prolong the lifespan of our sneakers.
COUNTRIES CLASSIFIED AS RISK	Potential social and environmental risks	There is a strong auditing and control plan in place throughout our supply chain. Implementation of our Code of Conduct for all suppliers.
CORRUPTION AND BRIBERY	Corruption in the supply chain, falsified certificates, or reports of biased purchasing	Our purchasing policy works to ensure that we do not source from facilities that are involved in corrupt activity. We follow a mandatory Code of Conduct when onboarding suppliers. There is an Ethical sourcing policy that ensures people throughout our supply chain are protected.
GROWTH AND HIGH RATE OF NEW RECRUITMENTS	High workload, onboarding, and introduction process	There is an internal health and wellness strategy that gives employees access to mental health services within the workplace. Digitalization of many processes results in improved efficiency. There is now mandatory training for managers and the launch of a “buddy system” to assist new employees' introduction.
EQUAL RIGHTS AND OPPORTUNITIES	Diversity, Equality, and Inclusion needs to be present at all levels	We have updated our internal policy on equal rights and opportunities. There is a mandatory training course for all employees in equal rights and opportunities. Implemented a trial for unconscious bias training for recruiting managers with the hope of this training course becoming mandatory in 2023. We conduct an annual equal pay analysis and act accordingly.

001.	ABOUT AXEL ARIGATO	001.1 A Word from our CEO 001.2 Our Story 001.3 Vision and Strategy 001.4 Highlights for 2022
002.	GOVERNANCE	002.1 Internal Structure 002.2 Stakeholders 002.3 Policies and Standards 002.4 Groups We Are Working With 002.5 Sustainable Development Goals
003.	OUR COMMUNITY	003.1 Axel Arigato Talks 003.2 Events 003.3 Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	004.1 Production 004.2 Risk Analysis 004.3 Chemicals 004.4 Traceability 004.5 Product Design
005.	WAREHOUSING AND TRANSPORT	005.1 Transportation 005.2 Packaging
006.	EMISSION MAPPING 2022	006.1 STICA 006.2 BCOME
007.	LONGEVITY OF PRODUCTS	007.1 Xchange 007.2 Repair 007.3 Reuse and Recycle
008.	EMPLOYEE P&C	008.1 Our Mission 008.2 Local Community Engagement 008.3 Whats did our office look like 2022
009.	APPENDIX	009.1 Sustainable Development Goals

Chemicals

One of the largest concerns with footwear production is the use of hazardous chemicals in the creation of the product. We have provided our suppliers with the Restricted Substances List (RSL) and chemical testing guidelines. The RSL and chemical testing standard are always updated in compliance with developing regulations. We require all our suppliers to comply with REACH, European legislation, POP's, Proposition 65 in California, and the Canadian environmental protection (CEPA). To be updated on upcoming and ongoing legislation, we are members of Teko's environmental group and, in 2022, became members of RISE Chemical Group. The standards are related directly to the final customer's health and environmental preservation. It also aims to protect the life of the workers at factories. To make sure the suppliers are strictly following regulation and our requirements, we perform due diligence testing, both on final products and at the production stage.

WE PRODUCE MANY OF OUR PRODUCTS IN EUROPE AND ARE THEREFORE UNDER THE EUROPEAN REGULATION REGARDING CHEMICALS. THIS DOES NOT MEAN THAT WE ARE SAFE AND CLEAR OF CONTROVERSIAL SUBSTANCES. WE STILL DO A THOROUGH ASSESSMENT WHEN SIGNING SUPPLIERS BOTH INSIDE AND OUTSIDE OF EUROPE, MAKING SURE THAT THEY COMPLY WITH OUR CHEMICAL REQUIREMENTS.

During 2023, our goal is to focus on having PFAS-free water-repellent treatment on our puffer jackets. This will be in line with coming regulation. Over the coming year, we will work with our suppliers to find the best possible solution for this.

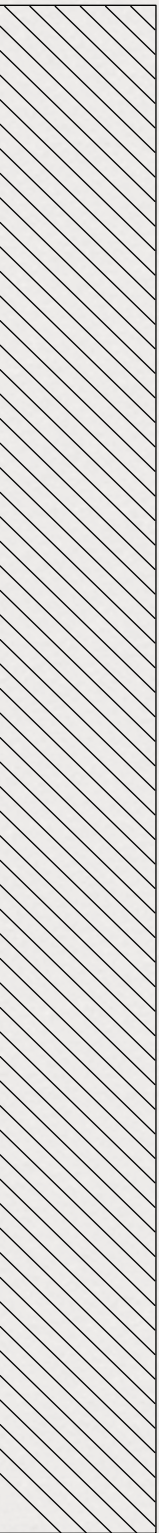
1 - Go for it	2 - Okay	3 - Avoid	Other sustainable alternatives
Recycled cotton GRS GOTS certified cotton Organic cotton from Regenerative agriculture	Organic cotton	Conventional cotton	Tencel™ Modal (by Lenzing) Kapok fibers
Recycled wool	Alpaca Yak Certified wool Merino RWS Cashmere GCS Mohair RMS only Organic wool GOTS	Conventional Merino Conventional Cashmere	
Recycled silk	Organic Peace silk Ahimsa silk	Conventional silk	Tencel™ Lyocell Ecovero™
Recycled linen/hemp Organic linen/hemp	Conventional linen/hemp		Bamboo Linen
Recycled polyester GRS E.g SEAQUAL® Recycled polyamide GRS E.g Econyl, Q Nova	Bio-based synthetic fibers Elastane if for structural needs	Virgin polyester & Virgin polyamide Elastane as main component	
Ecovero™ (by Lenzing)	FSC Certified viscose	Viscose / Rayon	
Tencel™ Lyocell (by Lenzing) SeaCell™	Lyocell		
Metal Free or Vegetable tanned leather Recycled leather	Certified leather LWG	Conventional leather	Leather alternatives with a high content of natural material Pinatex™, Apple skin, Mushroom, Grappe, Banana
-	Recycled PU	Virgin PU	Recycled leather
Recycled down	Certified down RDS. Recycled filling	Conventional down Polyester filling	Kapok padding

001.	ABOUT AXEL ARIGATO	
001.1	A Word from our CEO	
001.2	Our Story	
001.3	Vision and Strategy	
001.4	Highlights for 2022	
002.	GOVERNANCE	
002.1	Internal Structure	
002.2	Stakeholders	
002.3	Policies and Standards	
002.4	Groups We Are Working With	
002.5	Sustainable Development Goals	
003.	OUR COMMUNITY	
003.1	Axel Arigato Talks	
003.2	Events	
003.3	Highlights of 2022 Events	
004.	MATERIALS AND PRODUCTION	
004.1	Production	
004.2	Risk Analysis	
004.3	Chemicals	
004.4	Traceability	
004.5	Product Design	
005.	WAREHOUSING AND TRANSPORT	
005.1	Transportation	
005.2	Packaging	
006.	EMISSION MAPPING 2022	
006.1	STICA	
006.2	BCOME	
007.	LONGEVITY OF PRODUCTS	
007.1	Xchange	
007.2	Repair	
007.3	Reuse and Recycle	
008.	EMPLOYEE P&C	
008.1	Our Mission	
008.2	Local Community Engagement	
008.3	Whats did our office look like 2022	
009.	APPENDIX	
009.1	Sustainable Development Goals	

4 TRACEABILITY

Traceability is crucial in ensuring social and environmental compliance throughout the supply chain. During 2022, we continued to work with BCOME, who assisted us in mapping the supply chain in order to calculate our carbon impact per product. This has meant a significantly wider understanding of our products and has highlighted the disparity in our knowledge between the footwear and the ready-to-wear supply chains. This disparity can be explained by the spatial distribution of each supply chain. Our footwear products are mainly produced in Europe where Axel Arigato has a local presence. The majority of the footwear materials are sourced in Portugal and Italy, and only a limited number of raw materials are sourced from outside of Europe. However, our ready-to-wear supply chain is dispersed on a global scale, along with our source locations for cotton and recycled polyester fibers. This geographical distance indisputably complicates the mapping of supply chains.

For 2023, we see a continued focus in understanding our different Tiers of the supply chain and how they interact. Moving forward, we need to align our work with new legislation and market practice, which will allow us to map out the complexities of the supply chain with greater precision.



20912PX



20912PX

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

5 PRODUCT DESIGN

In 2022, our design teams sought to create collections with longevity and waste reduction in mind. This meant that many adjustments had to be made to our design process. For example, a goal of 2022 for the footwear product design team was to utilize existing outsole molds in new designs. This allowed the team to design updated products whilst also increasing the longevity of the outsole molds that have already been created and used in previous collections. Moving into 2023, this design decision will lead to a reduction of waste in the prototyping phase of our products.

This year, we also reviewed how development samples were being shipped, both regarding the use of internal boxes and single-use plastic. We wanted to reduce waste by reinventing our shipments with our supplier base. We have therefore implemented a rule with our suppliers that prohibits the use of plastic in shipments and specifies that all samples should be wrapped in tissue for protection instead. The use of box dividers has also meant a reduction in boxes used for internal shipments as we can now ship double the number of samples within one carton.

MATERIAL LIBRARY

COTTON

Whilst a natural fiber, conventional cotton raises multiple concerns regarding the chemical use in agricultural stages, alongside the conditions of workers in the cotton fields and supply chain. In 2020, as a response to these concerns, we decided to focus on increasing our use of organic cotton fibers in our collections. In 2022, this journey continued with our focus on using Better Cotton Initiative (BCI) and Global Organic Textile Standard (GOTS) certified cotton.

DURING 2022, COTTON ACCOUNTED FOR 42% OF OUR TOTAL MATERIAL WEIGHT IN CLOTHING AND 67% IN OUR SHOES. 83% OF THIS COTTON USED HAS BEEN MANUFACTURED WITH EITHER BCI, GOTS OR RECYCLED CERTIFIED FIBERS. MOVING INTO 2023, WE AIM TO INCREASE THIS PERCENTAGE OF BCI AND GOTS-CERTIFIED FIBERS BY SWAPPING OUT CONVENTIONAL COTTON IN AS MANY PRODUCTS AS POSSIBLE

GOTS-certified cotton is a certification that guarantees the organic origin of the fiber and ensures compliance with traceability management, social and human rights, and environmental practices.

The Better Cotton Initiative is a membership-based sustainability program that aims to assist cotton communities in implementing better practice to protect and restore the environment. To sell Better Cotton, farmers must meet requirements for a Better Cotton license and work with the organization to continue education regarding better practice.

RECYCLED POLYESTER

In our 2022 footwear collection, 69% of all polyester used was recycled. The year also saw a continuation of our puffer jacket collection, which meant an ongoing reliance on polyester. However, our team was committed to reducing our use of virgin polyester by increasing our use of Global Recycled Standard (GRS) certified polyester in our products. We are now proud to say that 100% of our puffer jackets from AW23 are made from recycled polyester. Moving into 2023, we aim to make similar progress with our remaining outerwear products by eliminating virgin polyester from the collection entirely. We also plan to update the dust bags used as protection for our footwear styles by removing all virgin materials and committing to 100% recycled polyurethane.

Global Recycled Standard (GRS) is a full product and supply chain standard that guarantees the origin of recycled material according to ISO 14021. It uses a third-party audit scheme to ensure compliance with traceability management, social and human rights, and environmental practices.

RECYCLED FEATHERS

Our highest priority is to create garments that withstand the test of time due to excellent quality, durability, and comfort. This led us to the decision to use real duck down as a filling material for our puffer jacket. Duck down has unbeatable insulation abilities and gives the garment a more natural, lofty feel. However, our concern regarding the treatment of the animal in this process was of high priority. To reduce our reliance on virgin duck down, and to simultaneously meet our Ethical Sourcing and Animal Welfare policy, we continued to source recycled duck down from Europe. Our recycled down is certified by both GRS for its recycled origin and Responsible Down Standard (RDS) because it is completely traceable, and the well-being of animals is guaranteed. Past work we have undertaken in partnership with STICA and BCOME discovered that recycled feathers used as insulation and padding are more than 75% less impactful in terms of carbon emissions when compared to conventional polyester padding.

The Responsible Down Standard (RDS) aims to protect duck and geese that are used in the production of down. It works to incentivize the industry to treat animals in a humane manner and allows companies to trace their products and make certified claims.

WOOL

We consider wool to be a fantastic material, partly because of its natural properties of insulation, but also due to the luxurious look and feel. Wool use accounts for 18% of our ready-to-wear collection, making it difficult for us to meet the Minimum Order Quantity for certified wool. We continue to work with this textile and seek future opportunities to source more sustainable fibers through our manufacturing partners.

OUTSOLES

Our collaboration with BCOME in 2021 taught us that our PU footbeds have a massive impact on our annual CO2 emissions. This has pushed us to explore alternative footbed opportunities in 2022 through a process of in-depth testing. It is important to us that this sustainable alternative does not result in a sacrifice of comfort, quality, and durability of our products. However, if all testing proves these standards have been met, we aim to introduce a new footbed into our range in 2023, with the ambition of transitioning 100% of our footbeds into this sustainable alternative in 2024.

The outsoles for our footwear are currently produced in Portugal. We value having a local presence when it comes to the Portuguese production, however, there are also many limitations associated with this sourcing decision. The limited technological capability of our current outsole production has proven to be restricting when it comes to experimenting with

sustainable alternatives for our outsoles. This has led us to explore Asia production in 2023 due to their scope for new technologies. Their technological advancements will give us the opportunity to develop our soles to include natural and FSC-certified rubber.

SEAQUAL®

SEAQUAL® polyester was introduced into our footwear collection in 2021 through the Genesis Vintage Runner. In 2022, our aim was to increase the usage of SEAQUAL® polyester across our entire footwear range. We achieved this goal by increasing the overall use of recycled polyester within footwear, with SEAQUAL® MARINE PLASTIC accounting for 57% of this recycled polyester.

SEAQUAL® INITIATIVE works in collaboration with local communities to facilitate ocean clean-ups worldwide. Currently, SEAQUAL® INITIATIVE works with NGOs, fishermen, and authorities to help clean our oceans and collect waste, such as marine litter, from our beaches, ocean floors, rivers, and estuaries. The waste material is then sorted according to its composition at approved facilities. The plastic fibers are cleaned and transformed into SEAQUAL® MARINE PLASTIC. SEAQUAL® INITIATIVE has saved 200 tons of marine litter by recycling it into SEAQUAL® MARINE PLASTIC. We believe that using SEAQUAL® polyester for our footwear products has a very positive impact.

CONTINUE ON NEXT PAGE

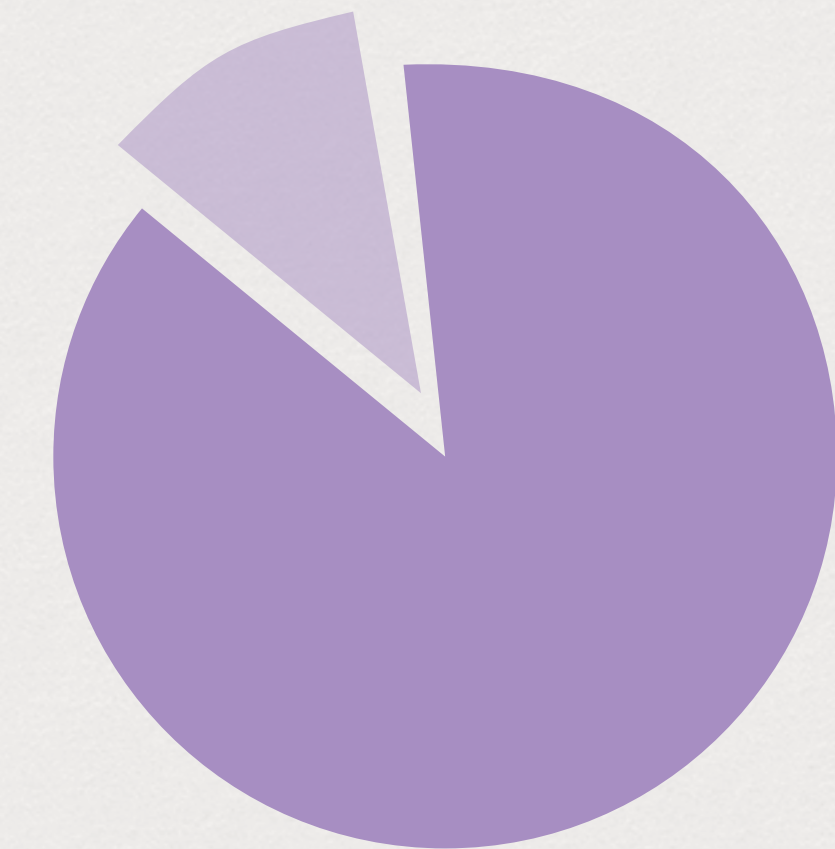
001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

## LEATHER

Exhaustive testing has proven that leather can create products of high quality and durability, which ensures a longer lasting product. This means that within the fashion industry, leather is deemed as a luxury material and is thus highly sought after. As a brand built on footwear, we have a responsibility to select quality leather that has minimal impact on the environment and people during its production.

TO ENSURE THIS, WE HAVE COMMITTED TO SOURCING ALL LEATHER FROM LEATHER WORKING GROUP (LWG). BY REFINING AND REDUCING OUR LEATHER SUPPLY BASE IN 2022, WE HAVE BETTER CONTROL AND VISIBILITY OVER HOW OUR LEATHER IS PROCESSED. OUR GOAL MOVING INTO 2023 IS TO SOURCE 100% OF OUR LEATHER FROM GOLD-RATED, LWG-CERTIFIED TANNERIES.

We have strict requirements for the sourcing of hides, taking into consideration their origin and the care given to the animals. This is why we have made the conscious decision to not use exotic leathers in our collections. Instead, to achieve the look and feel of exotic leathers, we use complex embossing techniques. Overall, our progress for 2022 show that our team is moving towards our target of sourcing 100% gold-rated, LWG-certified leather.

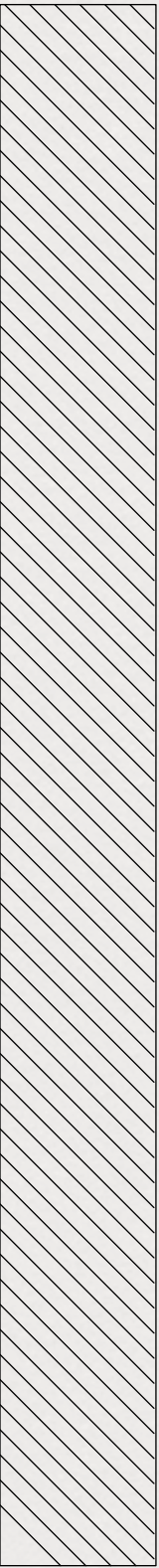


LWG Certified Gold Tanneries

LWG Certified (Other)

The above graph shows the percentage of leather sourced from LWG Certified tanneries according to volume of leather purchased in 2022.

The Leather Working Group is a membership organization for brands, suppliers, leather manufacturers, and other stakeholders within the leather manufacturing industry. The auditing program certifies leather manufacturing facilities based on their environmental compliance regarding pollution, energy resources, and their performance capabilities with producing high-quality leather and offering a fully traceable supply chain. Finally, the Leather Working Group ensures that the working conditions in the production facilities are ethical and socially compliant.



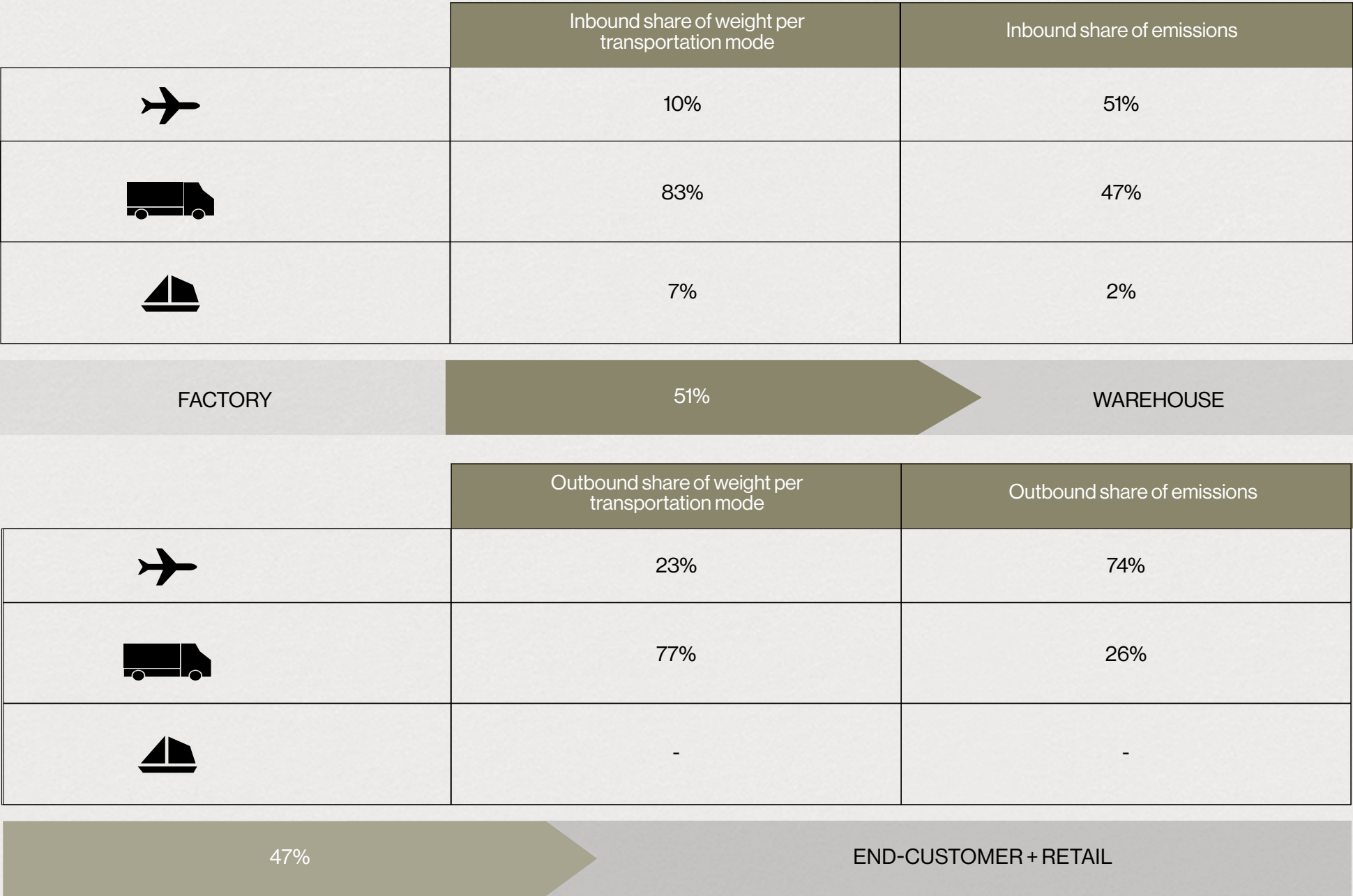
0051 Packaging  
005.2 Transportation

001.	ABOUT AXEL ARIGATO	
001.1	A Word from our CEO	
001.2	Our Story	
001.3	Vision and Strategy	
001.4	Highlights for 2022	
002.	GOVERNANCE	
002.1	Internal Structure	
002.2	Stakeholders	
002.3	Policies and Standards	
002.4	Groups We Are Working With	
002.5	Sustainable Development Goals	
003.	OUR COMMUNITY	
003.1	Axel Arigato Talks	
003.2	Events	
003.3	Highlights of 2022 Events	
004.	MATERIALS AND PRODUCTION	
004.1	Production	
004.2	Risk Analysis	
004.3	Chemicals	
004.4	Traceability	
004.5	Product Design	
005.	WAREHOUSING AND TRANSPORT	
005.1	Transportation	
005.2	Packaging	
006.	EMISSION MAPPING 2022	
006.1	STICA	
006.2	BCOME	
007.	LONGEVITY OF PRODUCTS	
007.1	Xchange	
007.2	Repair	
007.3	Reuse and Recycle	
008.	EMPLOYEE P&C	
008.1	Our Mission	
008.2	Local Community Engagement	
008.3	Whats did our office look like 2022	
009.	APPENDIX	
009.1	Sustainable Development Goals	

## 5. TRANSPORTATIONS

Considering the supply chain, the major concern and most significant source of pollution is transportation. It makes up a substantial portion of the company's carbon emissions and has a direct effect on our environmental impact. Our tight supply chain, predominantly within Europe on both inbound and outbound transportations, ensures short distances that can easily be serviced via the most pollution-efficient mode of transport.

Below is a breakdown of our transportation methods and their respective share of emissions for 2022, split between inbound and outbound.



Air freight increased substantially in 2022. This is a negative development compared to 2021, for which we take full responsibility. The increase is due to inefficient internal processes, delays in our Asian production, and general supply chain disruptions in boat freight, forcing us to fly the goods. While external factors have played a big part in this, we could have mitigated much of the increase by planning our supply chain more effectively. This is something that we have worked hard on this year, to ensure the trend does not continue in 2023.

Just like in 2021, we offset 100% of outbound transportations from our website, and the majority of transport for our retail and wholesale business, by utilizing the many projects that our transportation services engage in for sustainable development. We aim to work exclusively with transportation companies offering carbon compensation programs for our online shipments to make up for the unavoidable emissions generated by them.

Our largest transporter, which stands for approximately 40% of our outbound shipments only does transports on our behalf through their offsetting program. This includes all our distribution channels, ranging from retail, wholesale, and online, to all return shipments back to our warehouses. We have utilized this program since June 2020 which has taken the form of wastewater treatment, landfill gas destruction, reforestation, and more.

In addition to offsetting our outbound emissions, we have initiated several linehaul (a fixed and dedicated transport line) projects. The utilization of linehails ensures that we minimize inefficient transportation routes and maximize the fill-rate of our trucks to ship as little air as possible. We currently offer linehaul solutions to the United Kingdom and Germany from our warehouse in Sweden.

To limit transportation distances, and especially air-bound shipments, we are planning to expand our warehouse infrastructure in 2023. We aim to open a warehouse that gives us closer proximity to the European market which accounts for 83% of our sales. This also limits the transportation distance to our main manufacturing country, Portugal, compared to supplying goods directly to our Swedish warehouse. Additionally, these extended warehouse logistics will provide us with developed linehaul solutions to eight different countries within Europe.

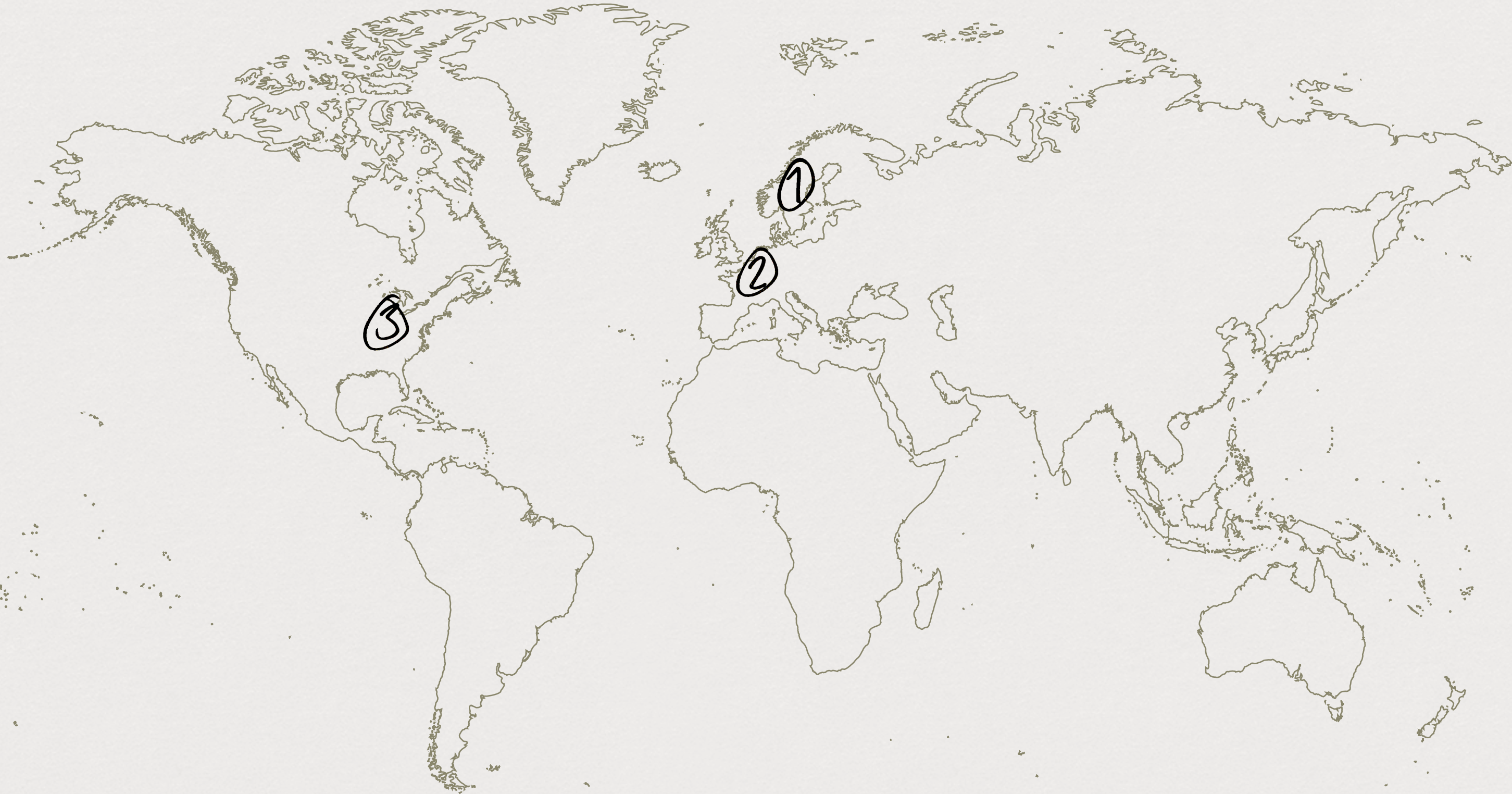
001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

We are also exploring warehousing opportunities in the USA to assist our ambitious expansion plan for North America. While providing a better service for both direct consumers and wholesale accounts, it will also relieve the emissions-heavy air transports currently being made from Sweden. Instead, goods will be serviced to the warehouse from Europe by boat with the last stretch being carried out by truck, decreasing our emissions substantially.

As for our current warehouse in Sweden, we have successfully pushed our logistics partner to utilize excess roof space for solar panels which feed directly to the operations of the warehouse. The solar panels cover 5,000 square meters, which is the limit before a company legally becomes an electricity producer.

THE PANELS GENERATE 20%  
OF THE ENTIRE ELECTRICITY  
CONSUMPTION AND SAVE  
142,000 CO2E EMISSIONS  
PER YEAR.

- ① Sweden
- ② Germany
- ③ Illinois



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

2 PACKAGING

At Axel Arigato, we see the packaging as an added value to our products. We want our packaging to be as protective and as sustainable as possible whilst creating a special unwrapping experience for our customer. We are constantly working towards offering responsibly sourced and recycled packaging. Our biggest goal is that the customer keeps our packaging and reuses it for traveling or storage, for example. This is why we offer dust bags with our shoes and non-woven garment bags for elevated pieces.

For our SS23 ready-to-wear collection, we started adding disclaimers to sensitive garments. We want to make sure the garment is treated with care to prolong its lifespan.

IN 2022, WE ALSO STARTED USING RECYCLED LDPE BAGS WHICH LED TO THE REPLACEMENT OF 199.6 VIRGIN LDPE BAGS WITH RECYCLED MATERIALS.

This change has reduced our use of virgin plastic by 5,6 tonnes in only 6 months. Our goal is to not only switch to more sustainable packaging but also to reduce the amount of packaging used where possible. We analyzed our poly bag sizes regarding the space needed to fit our garments. By reducing three of our poly bag sizes, we saved 7306m2 of plastic.

Currently, our dust bags are made from virgin Polyurethane and recycled Polyethersulfon. In the future, we strive to offer a dust bag made from 100% recycled materials. Our goal is for our recyclable non-woven bag to be reused by the customer, providing further protection during storage and transport, and therefore increasing the longevity of the garment.

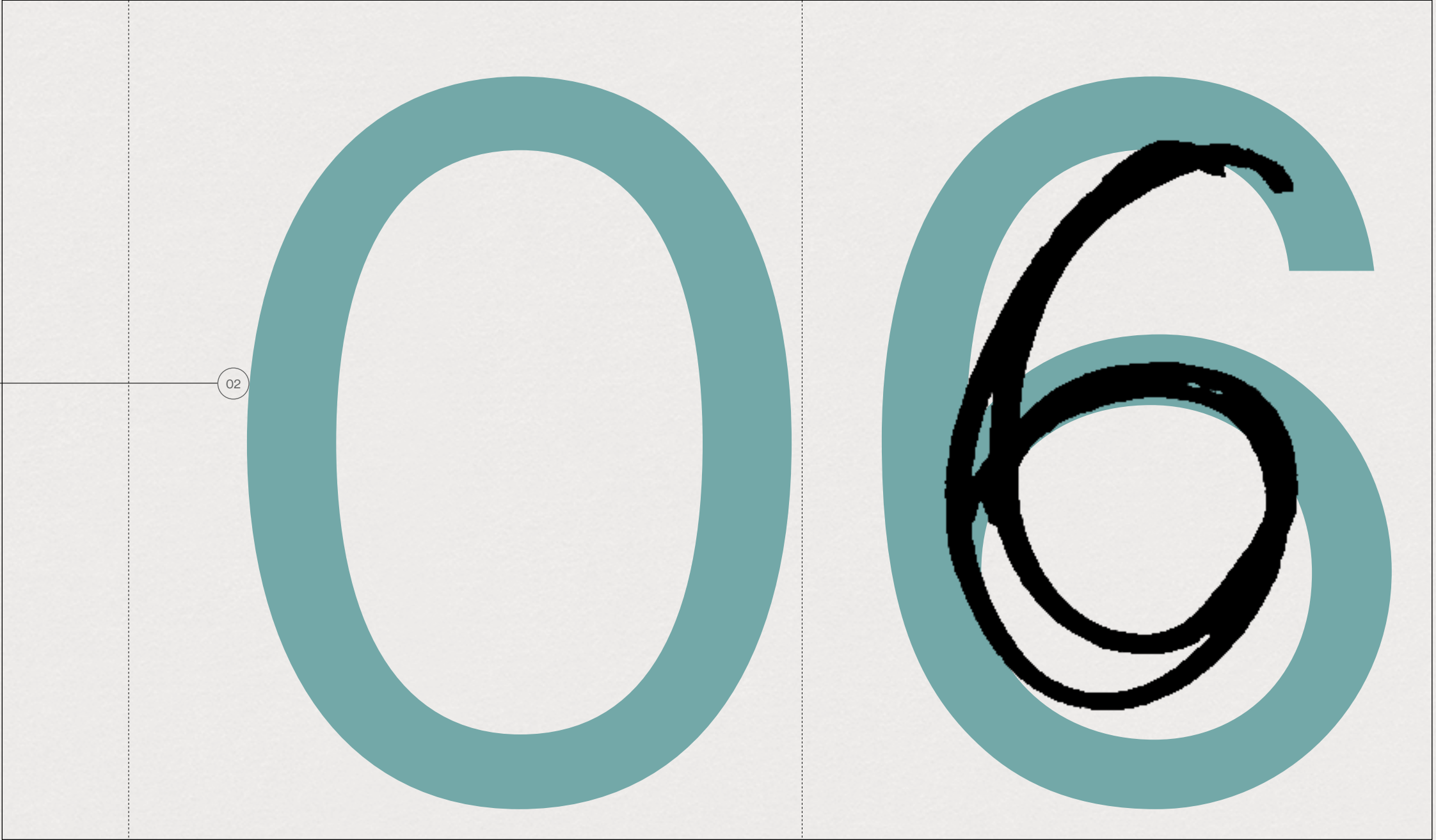
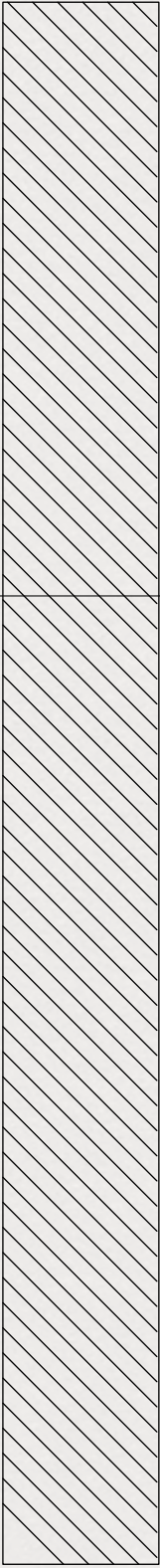
	Product	Main Components
Footwear	Shoe Box	Recycled Cardboard and FSC certified Paper Coating
	Tissue Paper	FSC Paper
	Dust Bag	Main Fabric: 100% Polyurethane, Lining: 100% Recycled Polyethersulfon

	Product	Main Components
Ready-To-Wear	Shoe Box	100% Recycled Polyester
	Tissue Paper	100% Recycled LDPE
	Dust Bag	FSC Paper + Cardboard,

	Product	Main Components
Online Packaging	Cartons	Recycled Cardboard, FSC Certified

	Product	Main Components
Retail Stores	Shopping Bags	FSC Paper Recycled Polyester Handle
	Tissue Paper	FSC Paper
	Garment Hangers	FSC Wood

The Forest Stewardship Council (FSC) is a certification that has established standards that ensure responsible forest stewardships. The certification sets common guidelines for forestry that is environmentally appropriate, socially beneficial, and economically viable.



006.1 STICA  
006.2 BCOME

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

009.

APPENDIX

009.1

Sustainable Development Goals

## 6.EMISSION MAPPING 2022

Minimizing our impact is an ongoing commitment. Through partnerships with STICA and BCOME, we can create more accountability within the fashion industry and work together to find solutions that minimize impact and foster a more sustainable industry. This year, we recalculated and updated our base year to 2020. This means we will now measure our sustainability progress against our data from 2020.

### 1 STICA

We follow the Greenhouse Gas Protocol methodology, which means we cover Scopes 1, 2, and 3: our own emissions and energy use, as well as emissions from the full supply chain. For 2021, we managed to collect 99.2% and in 2022, this increased to 99.7% actual data'. This is important for our ongoing work to truly understand our own unique supply chain and not rely on estimated industry data. Entering the third year of climate accounting, we have updated our reporting time frame. In this report, we discuss climate data for both 2021 and 2022. This is due to previous years' data being trailing which, if included, would cause inconsistencies in the overall annual reporting of the company.

In 2022, Axel Arigato produced 12,691 tons of CO2e. This is an increase of 4,361 tons of CO2e compared to 2021. Since the base year, 2020, emissions have increased by 214% and 8,646 tons of CO2e. This dramatic increase reflects the exponential growth we have experienced as a business. Since our base year, we have nearly tripled the amount of products sold. As a brand that is continuously growing, it was important for us to set intensity targets, which focus on the reduction of emissions comparative to our business growth. An example of an intensity target is the reduction of emissions per revenue or product.

Despite our intensity targets, the results showed that our emission output from 2020 to 2022, in comparison to our growth, will not be sufficient if we are to meet our KPIs set for 2030. There is an urgent need for action as we continue to exponentially grow as a brand. Supply chain visibility, efficient transport options, and critical design choices will be essential for us to successfully meet our goals.

We will, in this report, include both 2021 and 2022 climate data. This is due to previous years' data being trailing and we would need to have consistency with the overall annual reporting of the company.

Total Emissions (ton/co2e)	2020	2021	2022
	4,045	8,331	12,691

Our 2021 report was presented to us in July 2022. STICA's analysis highlighted our progress from the previous year and indicated where we needed to allocate focus for future improvements.

Due to global political circumstances and, to some extent, poor internal planning, our transport emissions increased by 266% from the year before. The first action was to implement a gate-keeper function to understand the process of transportation and ensure the use is limited. The second action was to implement an internal Distribution Standard, where we needed to define a more climate-efficient alternative.

Scope 1	Scope 2	Scope 3
Company-operated cars Refrigerant leakage	Electricity consumed in offices, stores and warehouses  District heating consumed in offices, stores and warehouses	Purchased goods and services (representing tier 1-4 and packaging materials)  Transportation and distribution (upstream and downstream)  Energy (electricity, heat and fuels) consumed in third party warehouses, concession stores and other facilities  Fuel and energy related activities cotton

0.1%

0.8%

99.1%

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

The results from the analysis of our 2022 supply chain data highlighted areas where we have been successful in reducing emissions, and areas that require our focus moving forward. Notable successes of 2022 compared to base year include a decrease of 25% in Scope 1 & 2 emissions (per net revenue) and a decrease of 15% in energy usage (per Axel Arigato facility).

However, the results also highlighted hotspots throughout the supply chain that require our attention. In Scope 3, purchased goods and services had the largest impact, accounting for 66% of Axel Arigato's total emissions. Purchased goods include all manufacturing, material and textile production and packaging materials. Within purchased goods and services, the highest impact activity was Tier 2-4 Material and textile production. The concentration of emissions when it comes to purchased goods and services accentuates the need for us to take action to reduce our overall impact. A suitable action could include a concentrated effort when it comes to choosing materials. Showing preference for sustainable textiles such as those with high-recycled content, instead of our high emitting textiles such as our virgin fibres, we would significantly reduce our emissions within the category of purchased goods and services.

Axel Arigato also experienced a 9% increase in transport and distribution emissions in 2022. This is positive compared to the 266% increase we experienced in 2021, but it still necessitates action. We expect our revised and updated linehaul solutions in 2023 to positively impact this phase of the supply chain and we hope to see a decrease in emissions for transport and distribution in 2023.



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

2 BCOME

2022 was our third year of partnership with the sustainability platform BCOME. Through our partnership, BCOME has helped us assess the life cycle of our products and gives us a broader understanding of our greenhouse gas emissions at all stages of our supply chain. This knowledge is essential in benchmarking and goalsetting for future collections. It gives us insight into best practise when it comes to production which in turn allows us to make alternative design choices to reduce our carbon footprint as a brand.

FINDINGS

The individual Life Cycle Analysis (LCA) for each of our products works to complement our findings from STICA. It allows us to understand our impact at a product level and gives us an insight into how our design choices are affecting our carbon footprint. These LCAs help us to investigate and record the full product supply chain and enable direct comparison between products. This knowledge informs decisions when it comes to selecting materials, suppliers, transport, and packaging.

Conducting an LCA for a product is a time-consuming process that involves employees from all of Axel Arigato's departments and relies on the cooperation of our suppliers. By gathering the most detailed information possible throughout a product's life cycle, we reduce the number of assumptions made during calculation, therefore ensuring the most accurate data per product.

Ready-To-Wear  
221 products assessed during 2022.  
Footwear  
146 products assessed during 2022.

The data provided to us as a result of our product Life Cycle Analysis shows that our emissions vary significantly according to ready-to-wear product. For example, our T-shirts have the lowest impact regarding carbon emissions, emitting on average 2.37kg of carbon per product. This can be largely attributed to our commitment to organic cotton as an alternative to conventional cotton.

However, our highest emitting products highest emitting products are coats, with the average style emitting 73.3kg of CO2 per product. This level of emissions is a result of the wool fibers used in the product's composition.Wool is a carbon intensive textile with roughly 50% of its carbon footprint originating from the sheep itself. These results show us that, moving forward, it is essential for Axel Arigato to explore alternative fiber options to virgin wool in order to reduce the average emissions of our coats.

The results from this year's analysis also attracted our attention to the other environmental indicators which our products had a high impact on. For example, our trousers had a significant impact at raw material level for both abiotic depletion and water scarcity. This is due to the use of synthetic fibers, such as viscose, in styles like the Willow and Jackie trousers. Synthetic fibers require significant amounts of energy and chemicals during production and therefore have a high impact at the raw material phase. Our exploration of alternative materials will need to continue into the future in order to reduce our impact in all environmental indicator categories.

Ready to Wear Category	Average kg of CO2 per Axel Arigato product
Sweaters	14.8
Hoodies	8.0
Trousers	15.06
T-Shirts	2.37
Shirts	18.95
Puffer Jackets	20.30
Coats	73.3
Jackets	42.64
Caps	5.55
Average	21.97

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

Our results for footwear showed that our average pair of shoes emits 17.04kg of carbon, compared to 15.85kg in 2021. This increase of 1.19kg of CO2 released per average pair of Axel Arigato shoes is due to a multitude of reasons. For example, the introduction of the Astro sneaker (our highest emitter of 2022) has contributed considerably to our increase in average emissions. However, this increase is also a result of higher levels of accuracy in our Life Cycle Analysis. For example, in 2021, the analysis of the Orbit sneaker included 6 textiles, whereas in 2022, it included 10. This attention to detail in our analysis process can often produce results that are not directly comparable. This is an ongoing challenge as methods of data collection and analysis continue to develop at an exponential rate. In the future, we will need to ensure greater consistency in our analyses to obtain the most accurate and, therefore, comparable results possible.

In 2022, our lowest emitting shoe was our Magma sandal, emitting 7.9kg of CO2. In comparison, our highest emitting shoe, the Astro sneaker, emits 27.7kg of CO2. The high emissions seen in the production of the Astro sneaker is a result of the product's TPU upper. TPU, when compared to alternative textiles such as the recycled polyester used in our other models, has a much higher impact when it comes to all environmental indicators.

However, both the Pyro sneaker and Magma sandal are low impact according to all environmental indicators when compared with alternative styles. This low impact can be explained by the minimal components involved in the composition of these styles. Both the Pyro and the Magma are composed of 100% EVA (10% bio-based and 90% virgin). The lack of adhesives and textiles used in the composition of these styles result in a lightweight shoe that has minimal impact in all indicator categories.

The results from the analysis of our footwear emphasize that the number of components we include in the design of our shoes will significantly increase the impact of the style according to all environmental indicators. In the future, we will need to ensure that every component included is necessary to both the design and functionality of the shoe and, if so, that all sustainable material alternatives are considered to reduce the overall impact.

Category	Average kg of CO2 per pair of Axel Arigato shoes (2021)	Average kg of CO2 per pair of Axel Arigato shoes (2022)
Orbit Sneaker	17.48	18.34
Clean 90 Sneaker	15.53	16.4
Marathon Runner	19.01	18.72
Genesis Vintage Runner	11.36	12.35
Astro Sneaker	-	27.71
Magma Sandal	-	7.91
Dice Sneaker	-	16.24
Atlas Sneaker	-	19.26
Clean 180 Sneaker	-	16.74
Area Sneaker	-	22.13
Average	-	17.04

## WHAT'S NEXT

In 2023, we aim to continue making these LCA results available online for most of our products, including products that we need to work on. This high level of transparency offers customers full awareness of their consumer impact, giving them the opportunity to make conscious purchasing decisions.

We will also use BCOME's 2022 analysis to establish internal goals throughout the brand and inform

## METHODOLOGY

The methodology used to calculate product impact is based on both the European requirements of the Product Environmental Footprint (PEF) guideline and the ISO 14040 standard. Using this complete methodology, BCOME analyzed all of the materials used for making the products and considered all of the manufacturing processes, as well as the transportation means and packaging used to carry the materials between the different suppliers. The final product impact determined using this methodology reflects the overall environmental impact of the supply chain associated with the production of this item and allows us to understand where there is room for improvement.

### Water Scarcity

Potential of water deprivation, to either humans or the ecosystem, due to water consumption in the product value chain

### Global warming

Heat absorbed by any greenhouse gas released in the atmosphere from the product value chain

### Eutrophication

Accumulation of phosphates and nitrates released by the use of pesticides, fertilizers, detergents and other chemicals in an ecosystem

### Abiotic depletion

Depletion of non-living (abiotic) resources including oil, natural gas and coal used as energy carriers.

001.

ABOUT AXEL ARIGATO

001.1

A Word from our CEO

001.2

Our Story

001.3

Vision and Strategy

001.4

Highlights for 2022

002.

GOVERNANCE

002.1

Internal Structure

002.2

Stakeholders

002.3

Policies and Standards

002.4

Groups We Are Working With

002.5

Sustainable Development Goals

003.

OUR COMMUNITY

003.1

Axel Arigato Talks

003.2

Events

003.3

Highlights of 2022 Events

004.

MATERIALS AND PRODUCTION

004.1

Production

004.2

Risk Analysis

004.3

Chemicals

004.4

Traceability

004.5

Product Design

005.

WAREHOUSING AND TRANSPORT

005.1

Transportation

005.2

Packaging

006.

EMISSION MAPPING 2022

006.1

STICA

006.2

BCOME

007.

LONGEVITY OF PRODUCTS

007.1

Xchange

007.2

Repair

007.3

Reuse and Recycle

008.

EMPLOYEE P&C

008.1

Our Mission

008.2

Local Community Engagement

008.3

Whats did our office look like 2022

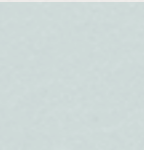
009.

APPENDIX

009.1

Sustainable Development Goals

These tables show the average impact of our products at all stages of the life cycle according to the analysis by BCOME. From this data, we can identify what stage of the life cycle poses the most significant harm to specific environmental concerns. This ensures the most efficient approach to reducing our impact at each stage of a product's life cycle. For example, it is evident that the manufacturing phase of both ready-to-wear and footwear has the biggest impact on abiotic depletion. This means that we need to understand how our manufacturing processes are using abiotic resources and find suitable alternatives that have a lower environmental impact.



WATER SCARCITY



GLOBAL WARMING

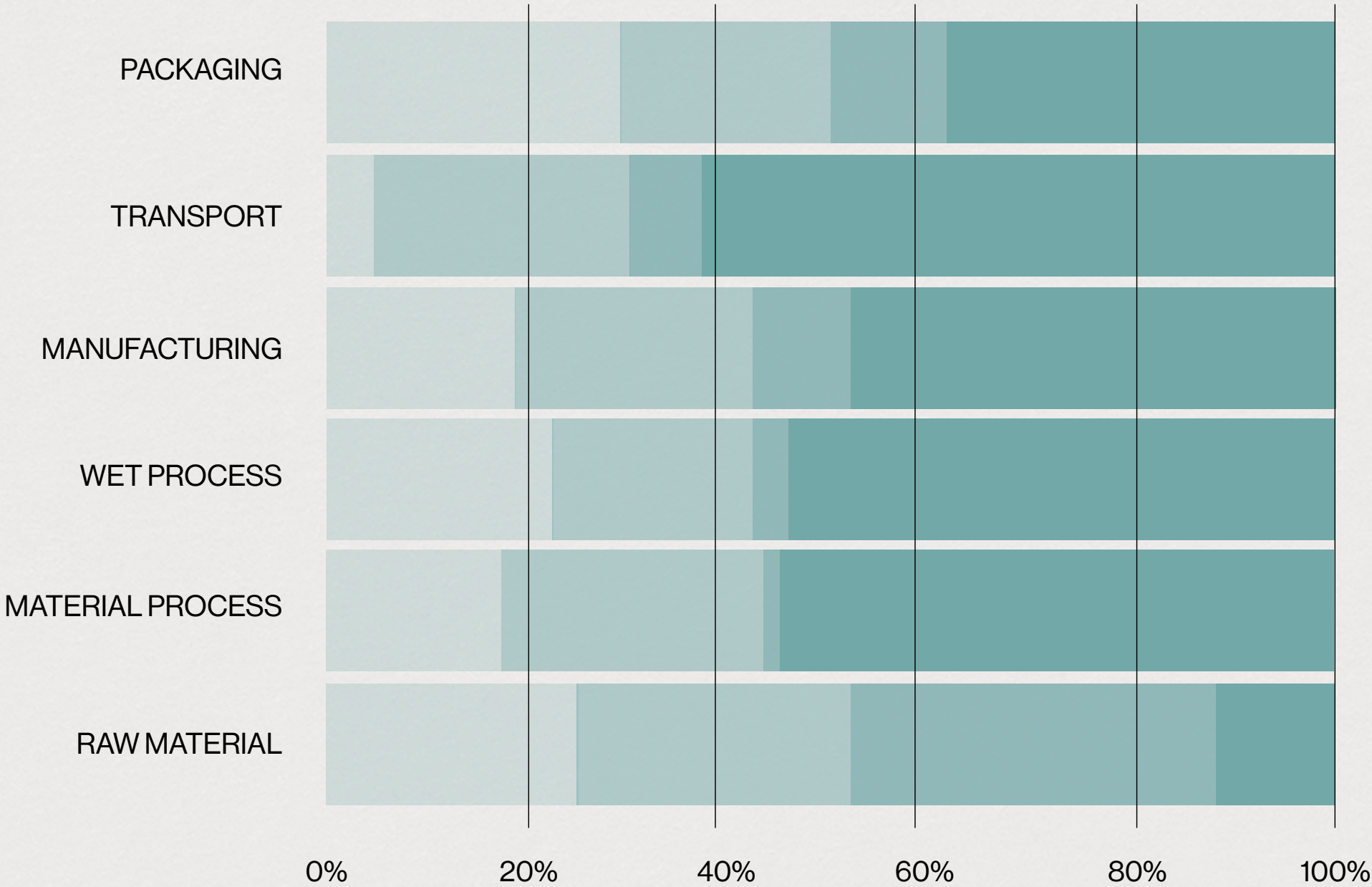


EUTROPHICATION

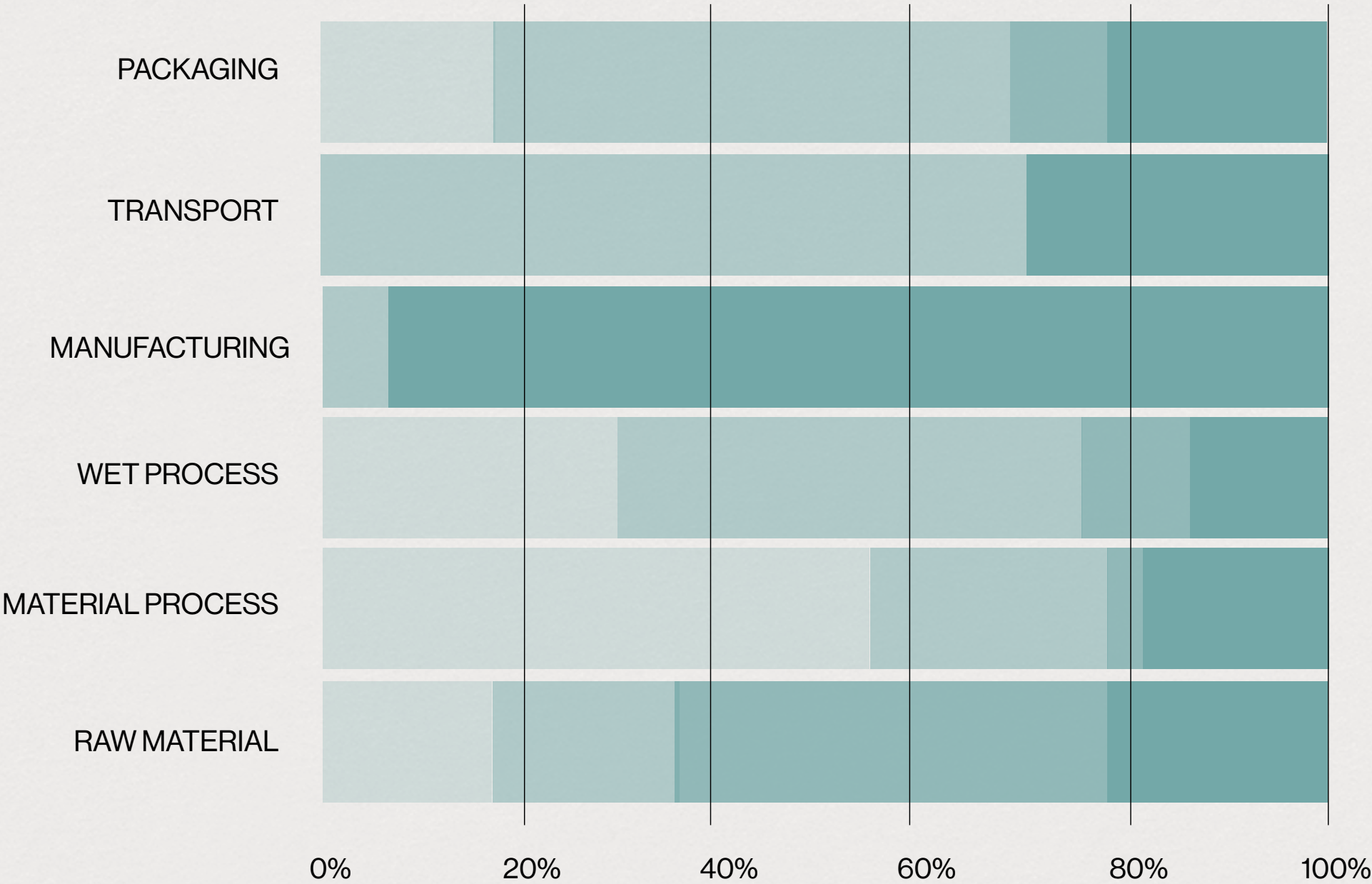


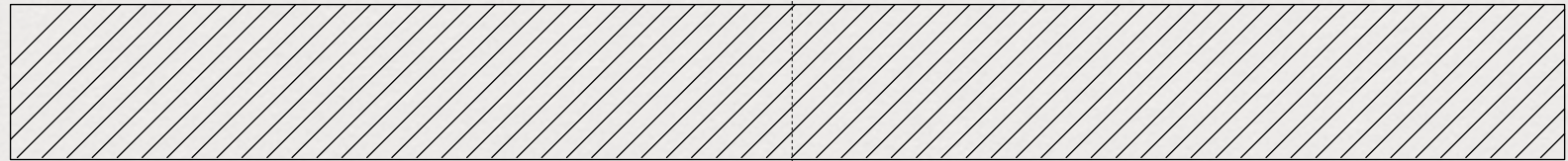
ABIOTIC DEPLETION

READY-TO-WEAR IMPACT



FOOTWEAR IMPACT





007.1 Xchange  
007.2 Repair  
007.3 Reuse and Recycle

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

## 7. LONGEVITY OF PRODUCTS

Over the past two years, as a business, we have been given the opportunity to consider and reflect on the conversation regarding waste within the fashion industry.

WE CONTINUE TO BELIEVE THAT OUR RESPONSIBILITY FOR THE PRODUCTS WE CREATE EXTENDS TO THE END-OF-LIFE PHASE. AS A BUSINESS,

WE WANT OUR PRODUCTS TO FULFILL THEIR MAXIMUM POTENTIAL IN THE USE PHASE.

In 2022, our resale platform, Xchange, continued to develop and evolve to introduce circularity into our business model and wider Axel Arigato community. However, there continues to be a lack of textile recycling technology, especially when it comes to footwear. This has meant that our goal of 'repair, reuse, and recycle' is only partly addressed through repair and reuse. Moving into 2023, we will continue to explore circular opportunities for Axel Arigato products.

## 1 XCHANGE

According to the Fashion Agenda, the fashion industry accounts for approximately 4% of emissions globally which is equivalent to the combined annual GHG emissions of France, Germany, and the United Kingdom. 30% of these emissions are associated with the use and end-of-life phase of fashion products. To reduce our contribution to these emissions, we launched our resale platform, Xchange, a little more than a year ago. The aim of Xchange was to offer a platform for our community to buy and sell their pre-loved Axel Arigato products whilst also offering exclusive access to samples and past season items. Our hope with this platform was to extend the life cycle of our products and build a community of sustainably-minded customers. However, the fashion industry is now facing a period of change due to upcoming legislation.

OUR HOPE WITH THIS PLATFORM WAS TO EXTEND THE LIFE CYCLE OF OUR PRODUCTS AND BUILD A COMMUNITY OF SUSTAINABLY-MINDED CUSTOMERS.

This means that the Xchange platform is constantly evolving to better serve the customers whilst simultaneously meeting industry policy and legislation. 2022 has been a year of evolution for Xchange, with the emergence of many new business approaches. We aim to continue this evolution into 2023. On our personal journey with the peer-to-peer concept, Xchange, we had some notable successes. Our collaborations with artists Ant Kai and Maxplore saw old sneaker styles repurposed into new, limited-edition products. These collaborations meant that we were able to resell over 100 products, and therefore save many Axel Arigato products from landfill. Nevertheless, it is important to recognise that we have also faced some challenges along the way in 2022. Selling across borders has been one of them. Customer-to-customer shipping rates are much higher than business-to-customer. In addition, due to Brexit, we were confronted with customs issues in our best-performing market, the UK. These extra costs have proven to act as a deterrent to customers who wish to resell their Axel Arigato products on Xchange. As a brand with community at the forefront of everything we do, alongside the rising cost of living that is being experienced globally, we want Xchange to be a cost-efficient and convenient option for our customers. The final challenge to be mentioned from 2022, is the missing incentive for customers to resell their Axel Arigato products on Xchange due to the extensive choice of resale platforms within the fashion industry. These challenges in the Xchange concept have forced us to re-evaluate and reinvent the platform as a whole.

What does the future of Xchange look like to us?

To overcome the above-mentioned challenges, we have explored a variety of different business models that would help us extend the life cycle of our products.

Moving into 2023, we see resale as only one aspect of our responsibility to extend the life cycle of our products. Moving forward, we aim to expand Xchange to encompass a more holistic approach with options to recycle, repair, and donate locally. The challenge of limited recycling and reuse operations is an ongoing limitation. However, we will continue to try and overcome these obstacles in 2023 and work towards a future where we can ensure that the full potential of all Axel Arigato prodcts has been fulfilled. We recognize that these projects will take time, but it is a priority for us as a brand to take responsibility for our products at the end-of-life phase.

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

2 REPAIR

Our priority is to reduce the amount of waste we produce as a business within the fashion industry. Our policy on repair has stayed consistent throughout the past two years, as we continue to believe that our responsibility to our products extends to the end-of-life phase. This is why we will always attempt to repair Axel Arigato products before we decide to replace them. This commitment begins at the point of sale, where our customers receive detailed care instructions to ensure longevity of our products through appropriate maintenance.

OUR HIGHLY DEDICATED SALES AND CUSTOMER SERVICE TEAMS ARE TRAINED IN RECOGNIZING THE POSSIBILITY OF REPAIR IN ALL AXEL ARIGATO PRODUCTS THROUGHOUT THEIR LIFE CYCLE.

Through identifying the possibility to repair and recommending professionals such as local cobblers, our teams can extend the life of our customers' well-loved products.

This year also saw the launch of our Sneaker Cleaning Church in partnership with Vamp Sneaker Cleaning. Throughout the year, there were 46 events held across 5 different cities offering our customers a free sneaker cleaning service. This service was successful in extending the life of our products and giving well-worn Axel Arigato sneakers a second life. In 2023, there will be a continuation of our Sneaker Cleaning Church, with an expansion of the service into new cities.

3 REUSE AND RECYCLE

While we recognise that donation is not an answer to a circular future at Axel Arigato, we currently use donation as a short-term solution to prevent our products from contributing to landfills. Through selective donation, we can ensure our products fulfill their full potential while simultaneously helping those in need.

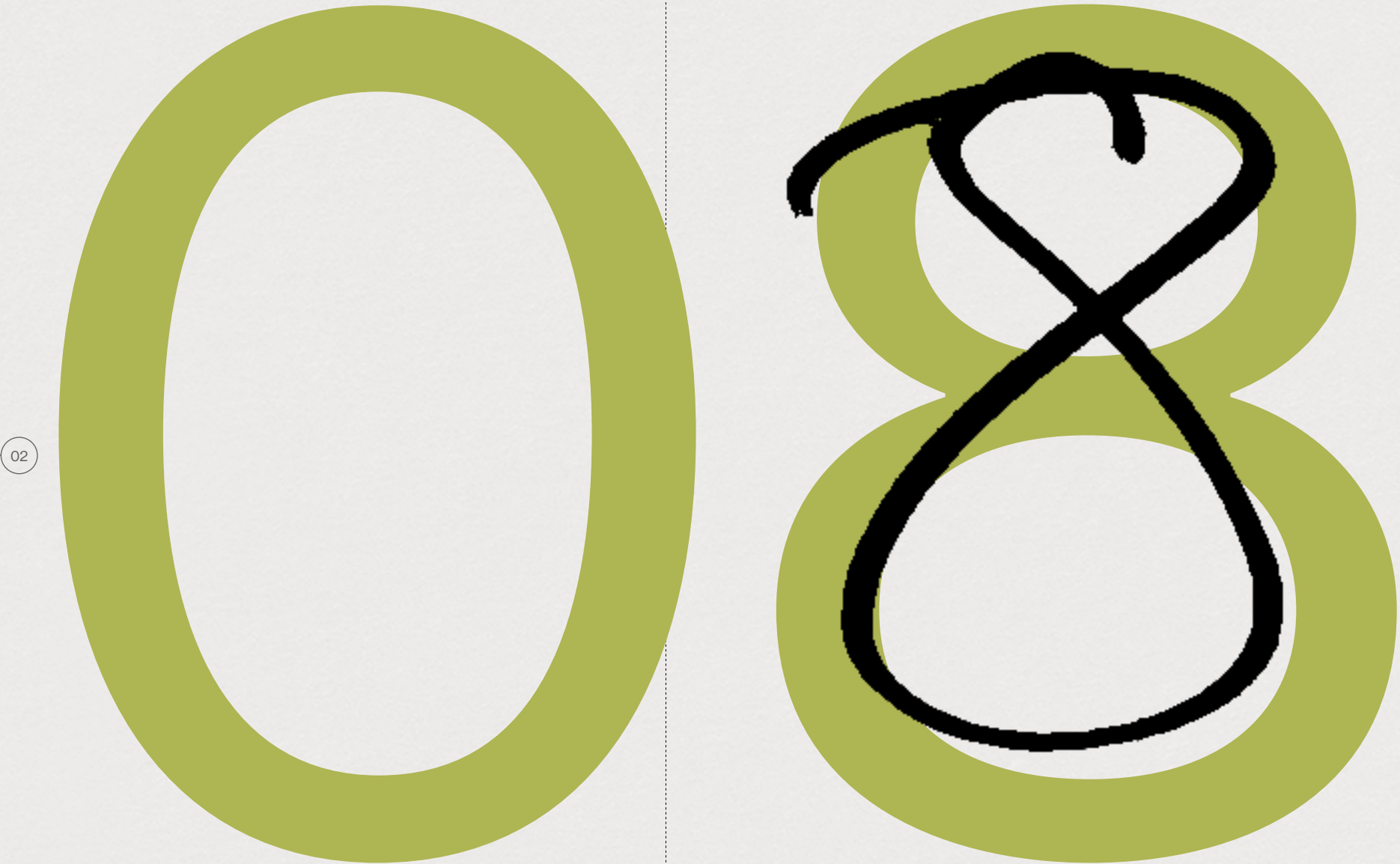
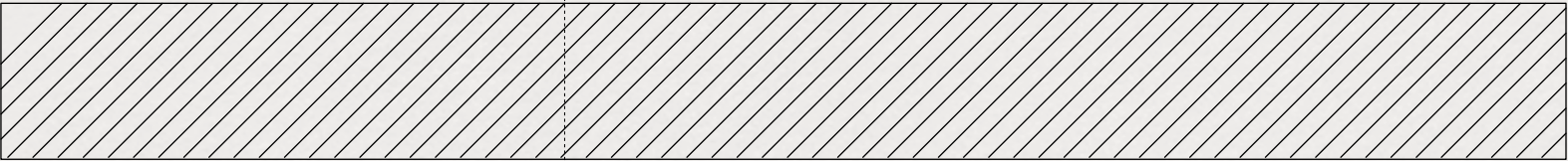
In Sweden, Axel Arigato is working with a company named Human Bridge.

“HUMAN BRIDGE IS AN AID ORGANIZATION THAT CARRIES OUT MATERIAL-RELATED PROJECTS. EFFORTS ARE MADE ANNUALLY TO AROUND 25 COUNTRIES. SOME EFFORTS TAKE PLACE IN COLLABORATION WITH OTHER ORGANIZATIONS, INCLUDING THE MEDICAL MISSION AND ERIKSHJÄLPEN.

OUR WORK CONSISTS OF COLLECTING, REPAIRING, AND SENDING OUT HEALTHCARE MATERIALS AND DISABILITY EQUIPMENT MAINLY TO COUNTRIES IN AFRICA, EASTERN EUROPE AND THE MIDDLE EAST. TEXTILES, SUCH AS CLOTHES AND SHOES, ARE ALSO COLLECTED AND GO TO DIRECT AID EFFORTS OR GENERATE INCOME FOR VARIOUS AID PROJECTS. AID, ENVIRONMENT AND SOCIAL EFFORTS ARE HUMAN BRIDGE’S CORE AREAS. THROUGH OUR WORK, WE GET TO PARTICIPATE AND MAKE A DIFFERENCE FOR BOTH PEOPLE AND THE ENVIRONMENT.” - HUMAN BRIDGE

During the last two years, Axel Arigato has been sending shoes and apparel to this aid organization. In 2021, we sent 375kg of Axel Arigato products to Human Bridge and in 2022 we sent approximately 9 times more, donating a staggering 3,587kg. The shoes sent to Human Bridge are samples in only one piece, which can be paired with other similar shoes and shipped to direct aid efforts.

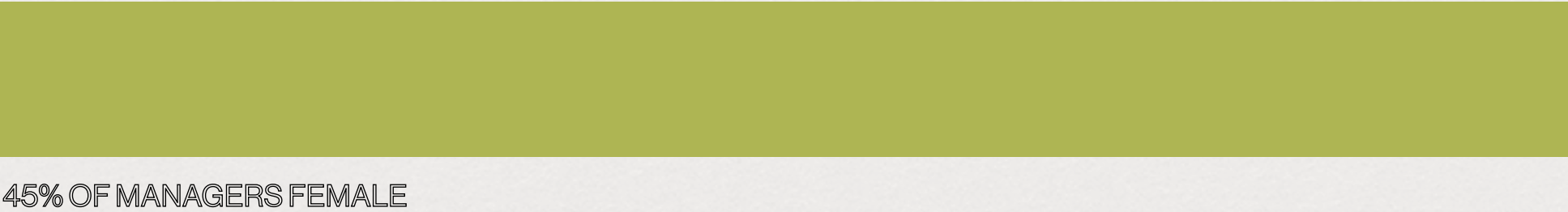
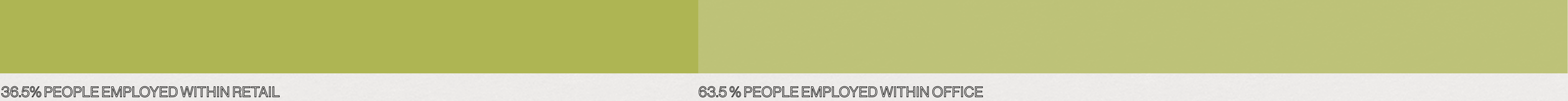
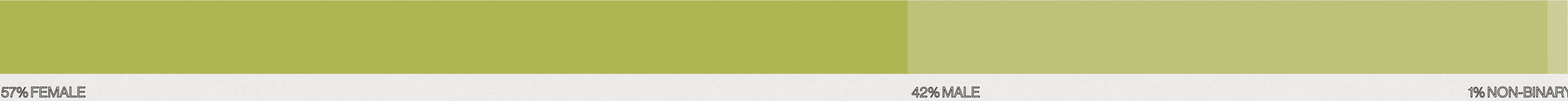
008.1 Equal Rights and Opportunities  
008.2 DROP  
008.3 Corporate Social Responsibility  
008.4 Local Community Engagement



02

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE P&C	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

1 EMPLOYEE P&C



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

## 1 OUR MISSION: A SPACE WHERE IDEAS AND PEOPLE CAN GROW.

At Axel Arigato, we believe our most important asset is our people. We pride ourselves on building a sustainable work environment based on respect and equal rights. Our long-term vision is to create a safe space where ideas and people can grow and prosper together. We want to ensure that everyone, regardless of background, is heard, valued, and respected.

TO PUT THIS MISSION INTO PRACTICE, WE HAVE INTEGRATED SUSTAINABILITY INTO PEOPLE-RELATED PROCESSES AND SYSTEMS. WE BELIEVE THAT BY INTEGRATING OUR SUSTAINABILITY INITIATIVES INTO AN ALREADY EXISTING FRAMEWORK, WE HAVE THE MOST EFFICIENT APPROACH TO ACHIEVING A SUSTAINABLE ORGANIZATION.

Some of these processes are incorporated into mandatory training and surveys in the onboarding process. This allows us to introduce new employees to our organization with an emphasis on the importance of social sustainability and equal rights. These topics have also been introduced into our off-boarding survey, to better understand our progress towards KPIs and how our employees have experienced people and culture initiatives during their time at Axel Arigato. DROP values as KPIs have also been integrated in our annual performance management process, as well as our salary criteria, ensuring we acknowledge the people taking the lead within these areas.

## BUILDING A CULTURE OF BELONGING

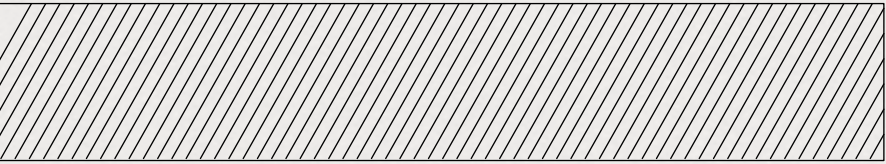
Diversity, Respect, Openness, and Passion are our four pillars that create our DROP values and epitomize the culture and community we want to represent, both internally and externally. We believe there is a natural connection between long-term growth and being value driven. At Axel Arigato, we highly value results and excellence, but we also value the way those results are achieved.

GOAL	ACTION
Inclusion/Equity	We launched a DEI (Diversity, Equity, and Inclusion) employee resource group. This team is inclusive of different departments and geographical location and will focus on one DROP-value each quarter. In the first quarter of 2023, the group will focus on diversity. By inviting our community to events, we give everyone the opportunity to learn more about each of these values in the workplace. This is our way of putting values into action.
Inclusion	One initiative we have taken this year as part of our DEI work is to introduce the use of pronouns in our HR-System and our employees' email signatures. We believe using someone's correct pronouns brings a sense of inclusivity and trust. It is a form of mutual respect, and we want everyone to feel respected in the Axel Arigato workplace.
Inclusion	Leadership is an integral part of a healthy work environment, in which people can thrive. This is why we now offer yearly training regarding healthy work environments, equal rights, and opportunities. This is part of our leadership onboarding process and in 2022, 75% of all leaders had completed this training.
Equity	We want to ensure that people are compensated fairly, and that age, gender or other personal determinants do not impact the wages of our employees. Globally, the gender pay gap is approximately 20%. This means that women doing the same job as men earn less, resulting in real-life consequences for women. Our 2022 pay analysis showed an equal pay rate median of approximately 100% across our employees in Sweden and London (which accounts for the majority of our workforce).
Equity	To achieve an unbiased recruitment process, it is essential that our leaders have the necessary training. This year, we presented an introduction to unbiased recruitment. In 2023, we are looking to implement mandatory unbiased recruitment workshops for all new leaders.

## OUR WORK IN REDUCING THE INFLUENCE OF COGNITIVE BIAS.

Axel Arigato is an equal opportunity employer and values a diverse workforce. We believe that our differences are a strength and that by bringing together our individual perspectives and backgrounds, we make magic happen. Our recruitment process is therefore competency based and we apply behavioral insights to interrupt bias. The recruitment begins with advertisements both internally and externally. These advertisements avoid long lists of 'must haves', specific university degrees, or years of work experience. We hope this encourages people from all different backgrounds to apply based on their competency. Advertisements specify that the applicants age and photo should not be included in the application process.

If the applicant meets satisfactory requirements for the role, they are then invited to a meeting and asked to undertake an assessment. Assessments are common in the recruitment industry today. The reason? To combat bias and focus on science-backed reasons for hiring a candidate that are more long term and more inclusive.



001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE	
	008.1	Our Mission
	008.2	Local Community Engagement
	008.3	Whats did our office look like 2022
009.	APPENDIX	
	009.1	Sustainable Development Goals

2 LOCAL COMMUNITY  
ENGAGEMENT

Over the course of the past year, we have had the pleasure of collaborating with various charity organizations that help young people who have newly arrived in Sweden.

*Supporting the youth*  
This charity organization specializes in helping youth and young adults who have newly arrived in Sweden. It aims to help these individuals make connections in the labor market with the hope of decreasing unemployment rates within this group. Axel Arigato has been working with the charity for a few years. Over 2022, we became involved in a variety of initiatives that allowed us to connect with young individuals and groups.

- 1 We welcomed an intern from the organization into our finance department. This has helped them gain better insight into Swedish work culture as well as hands-on experience from finance administration.
- 2 Provided a training session for a group of approximately 40 participants on the topic of "Culture within the Swedish labor market". This aimed to provide insight into the recruitment process in Sweden and included a workshop on how to apply for jobs and succeed in an interview.
- 3 We have offered "Resume review sessions" where some of our People and Culture staff reviewed the participants' CVs and Cover Letters and provided helpful tips as to how to make them more professional and attractive when applying for jobs.

3 WHAT DID OUR OFFICES  
LOOK LIKE IN 2022?

We believe that a sustainable organization for all also means creating a work environment that has a minimal carbon footprint. This year, our offices in Gothenburg and London worked hard to make some small and big changes to reduce our overall office emissions and connect us with our local communities. Whilst this work largely goes unnoticed, we think it is important to recognize how we work at an office level in order to further understand how we aim to work as a brand within the broader industry.

The London office collected faulty products from the sample sale and our London-based retail store. These products were then donated to 'We Collect, We Donate' a charity that redistributed the products to those in need.

We signed up to First Mile Recycling, which means we now recycle our coffee capsules from the office.

We donated our sofa from Carnaby Street to a Sue Ryder Charity store. The Sue Ryder foundation specializes in palliative, neurological and bereavement support.

Festive Jumper Day in our London Office encouraged employees to wear their Christmas Jumpers and donate to 'Save the Children' using a unique Axel Arigato QR code. This charity offers unique care to children based on their specific needs in over 118 countries.

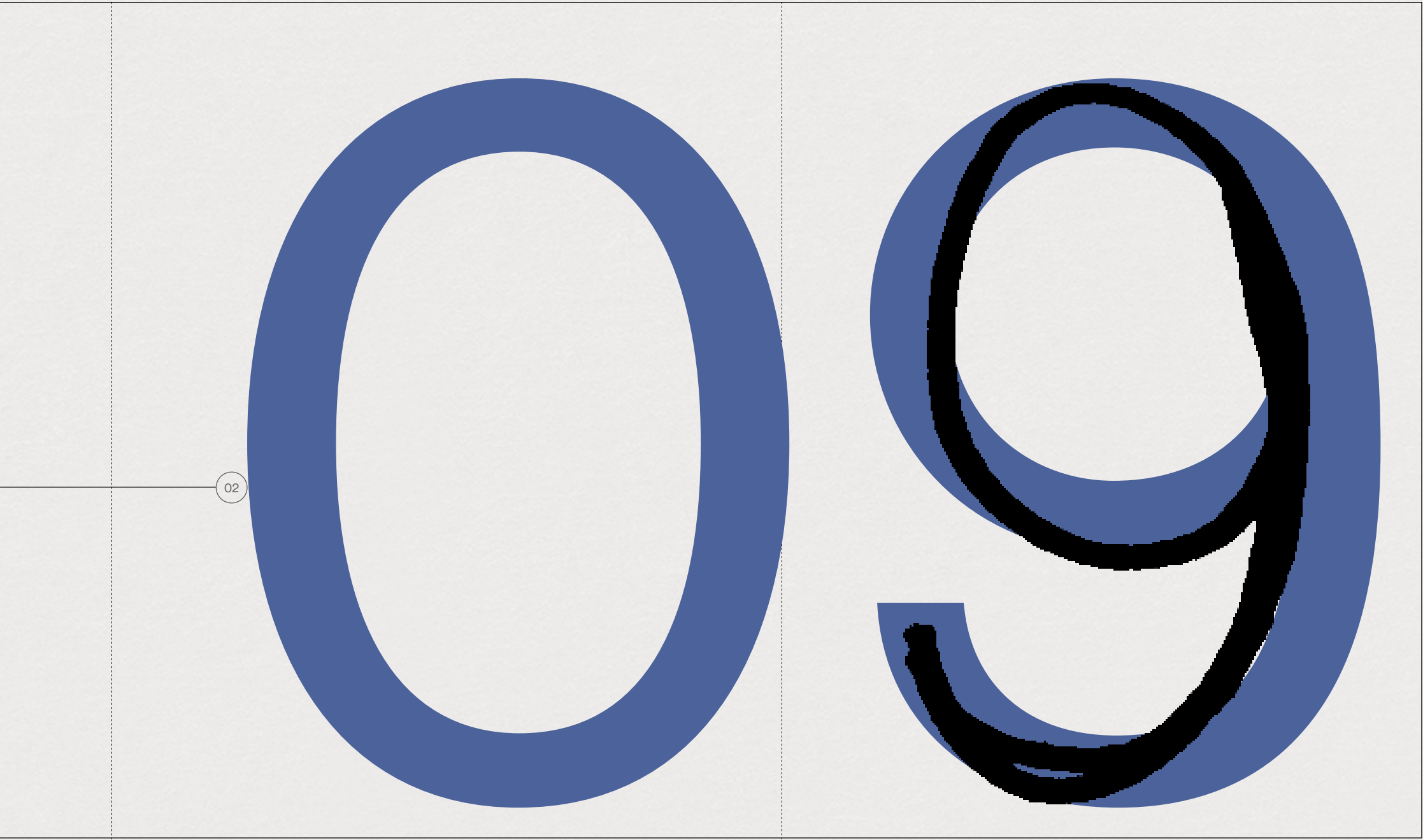
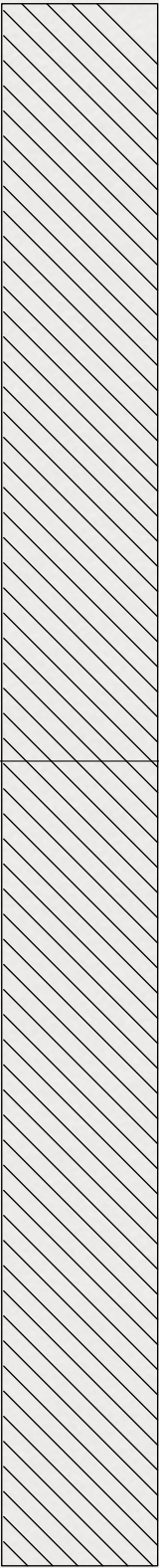
As a company, we replaced our traditional festive present at the end of year with a donation to UNHCR.

We reused faulty, odd pairs of shoes, leftover textiles, and branded accessories for an activity during our Festive Celebration. This activity divided the office into teams to create art projects, which are now displayed in Axel Arigato HQ.

We donated all sales from one of our sample sales at HQ to support Ukraine during the war. We donated 75,000 SEK, which was then doubled by the Akelius Foundation, a Swedish real-estate company.

Our new Gothenburg headquarters are BREEAM certified and Well Building certified. BRE Environmental Assessment Method is a sustainability assessment framework that encourages low impact design, carbon emission reductions, design durability and resilience, adaptation to climate change, and ecological value and biodiversity protection. Well Building is the first building standard that focuses solely on the health and well-being of people. The certification is based on the seven areas of air, light, water, sound, diet, exercise, and well-being.

In our Gothenburg headquarters, we buy our coffee beans from a local roastery called Bergstrands Kafferosteri. As of 2022, they only offer certified coffee (with certifications from the rainforest alliance, euro-leaf, fairtrade or KRAV).



009.1 Sustainable Development Goals

001.	ABOUT AXEL ARIGATO	
	001.1	A Word from our CEO
	001.2	Our Story
	001.3	Vision and Strategy
	001.4	Highlights for 2022
002.	GOVERNANCE	
	002.1	Internal Structure
	002.2	Stakeholders
	002.3	Policies and Standards
	002.4	Groups We Are Working With
	002.5	Sustainable Development Goals
003.	OUR COMMUNITY	
	003.1	Axel Arigato Talks
	003.2	Events
	003.3	Highlights of 2022 Events
004.	MATERIALS AND PRODUCTION	
	004.1	Production
	004.2	Risk Analysis
	004.3	Chemicals
	004.4	Traceability
	004.5	Product Design
005.	WAREHOUSING AND TRANSPORT	
	005.1	Transportation
	005.2	Packaging
006.	EMISSION MAPPING 2022	
	006.1	STICA
	006.2	BCOME
007.	LONGEVITY OF PRODUCTS	
	007.1	Xchange
	007.2	Repair
	007.3	Reuse and Recycle
008.	EMPLOYEE	
	008.1	Equal Rights and Opportunities
	008.2	DROP
	008.3	Corporate Social Responsibility
	008.4	Local Community Engagement
009.	APPENDIX	
	009.1	Sustainable Development Goals

## 1 UN GOALS

UN Goals  
All the 17 UN Goals are divided into sub-goals. Because we cannot be directly implicated in all those areas, we have selected specific sub-goals where we think we can act. They are presented below.

**3 Good health and well-being**  
3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination.

**5 Gender equality**  
5.1 End all forms of discrimination against all women and girls everywhere.  
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

**6 Clean water and sanitation**  
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.

**7 Affordable, reliable, sustainable, and modern energy**  
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

**8 Decent work and economic growth**  
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.  
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.  
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.  
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

**10 Reduce inequality within and among countries**  
10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard.  
10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

**12 Responsible consumption and production**  
12.2 By 2030, achieve the sustainable management and efficient use of natural resources  
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment.  
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.  
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

**13 Climate action**  
13.2 Integrate climate change measures into national policies, strategies, and planning.

**14 Life below water**  
14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, from land-based activities, including marine debris and nutrient pollution.

**15 Life on land**  
15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

**17 Partnerships for the goal**  
17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, techno- logy and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

## END NOTES

1. McKinsey & Company, & Global Fashion Agenda 2020, Fashion on Climate: how the fashion industry can urgently act to reduce its greenhouse gas emissions

<https://www.mckinsey.com/-/media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>.

2022  
**AXEL ARIGATO**