# Climate Statement 2025

Bergans


2050
Fast forward - together

# Executive Summary

## The assignment:

This project aims to produce climate calculations for the financial year 2025. By conducting this analysis, Bergans can identify its emission hotspots and ensure that future decisions are made in an informed way.

## Key results:

- Bergans' **total emissions** for FY2025 amounted to 8 287 $tCO_2e$ (decrease with 4% compared to 2024).
- Bergans have **reached their scope 1 and 2 emission target** with a 60% decrease since the base year 2018. Bergans are not on track to meet their scope 3 targets since there has been an increase in emission by 9% since the base year.
- **Purchased goods and services** (Scope 3.1) is the largest emission category (83,5% of total emissions). Emissions from manufacturing of materials (tier 2–4) decreased 10%, mainly due to reduced wool content, which carries one of the highest emission factors in the material portfolio
- **Transport emissions** (Scope 3.4) represent 7% of total emissions and increased 27% from last year, a change driven by higher air freight volumes for inbound goods and samples.

## Implications:

- Purchased materials dominate the emission profile and represent the single most important lever for reducing the total footprint.
- The increase in air freight requires structured action — a shift toward sea freight would have a significant near-term impact.
- Tier 1 supplier data quality is high, providing a strong foundation for targeted engagement on renewable electricity, particularly in Bangladesh and China.

## Recommendations:

- Maintain the reduction in high-impact materials, reverse the decline in recycled content share (from 20% to 17%), and increase use of dope/solution dyeing where possible.
- Engage key Tier 1 suppliers in Bangladesh and China on renewable electricity adoption — prioritize Kido Dhaka and Sambu Vina as immediate actions.
- Build a reduction roadmap that maps the gap to Bergans' climate targets, models the impact of key interventions (modal shift, recycled content, supplier renewables), and assigns cost and feasibility to prioritize action.
- Extend supplier data collection to Tier 2 fabric mills and yarn spinners to reduce reliance on generic Higg factors and improve Scope 3.1 accuracy ahead of incoming DPP requirements.

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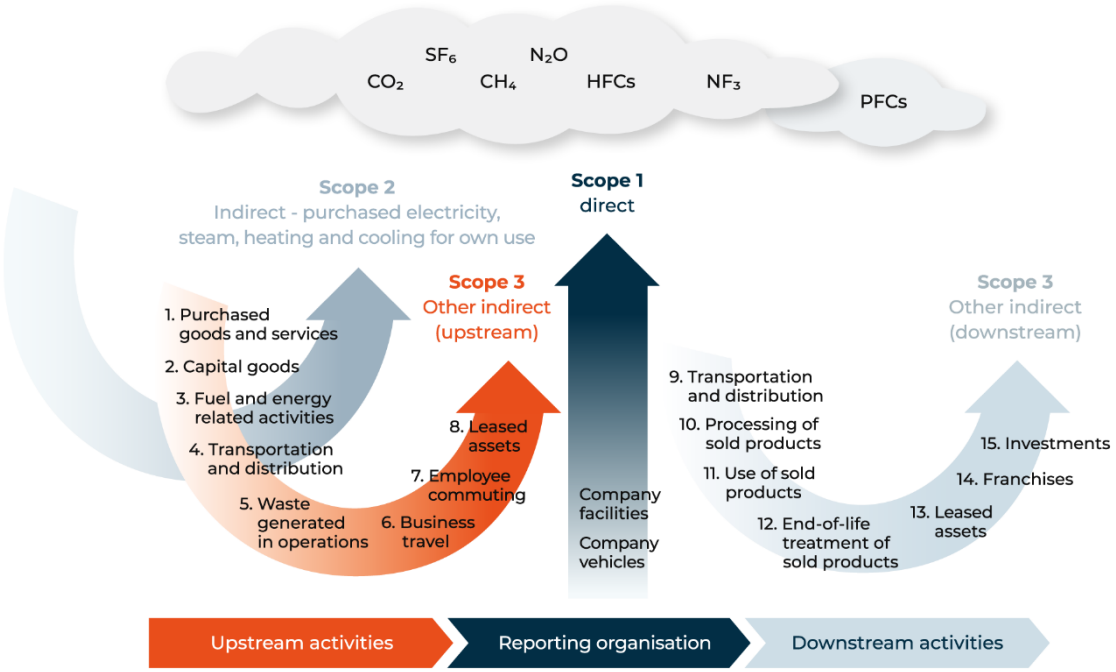
# Introduction

To calculate Bergans' climate statement, the Greenhouse Gas Protocol (GHG Protocol) has been used, which is the most recognised global standard for calculating greenhouse gas emissions from a company's operations. The calculations have been carried out according to the three associated standards: The Corporate Standard, The Corporate Value Chain (Scope 3) Standard and Technical Guidance for Calculating Scope 3 Emissions.

According to the GHG Protocol, an activity's emissions must be reported in three scopes (see below), where:

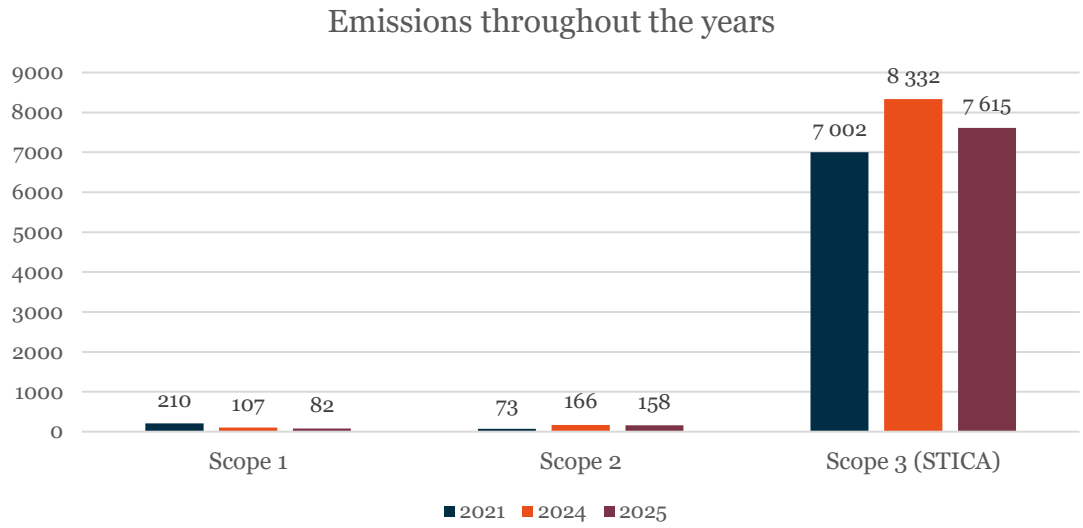
- Scope 1 represents direct emissions from the operations.
- Scope 2 includes indirect emissions generated during the production of purchased electricity, district heating, cooling, and process steam.
- Scope 3 comprises other indirect emissions, both upstream and downstream in the value chain, arising from activities such as purchased travel, transportation, production of purchased goods and services, and commuting trips of employees.



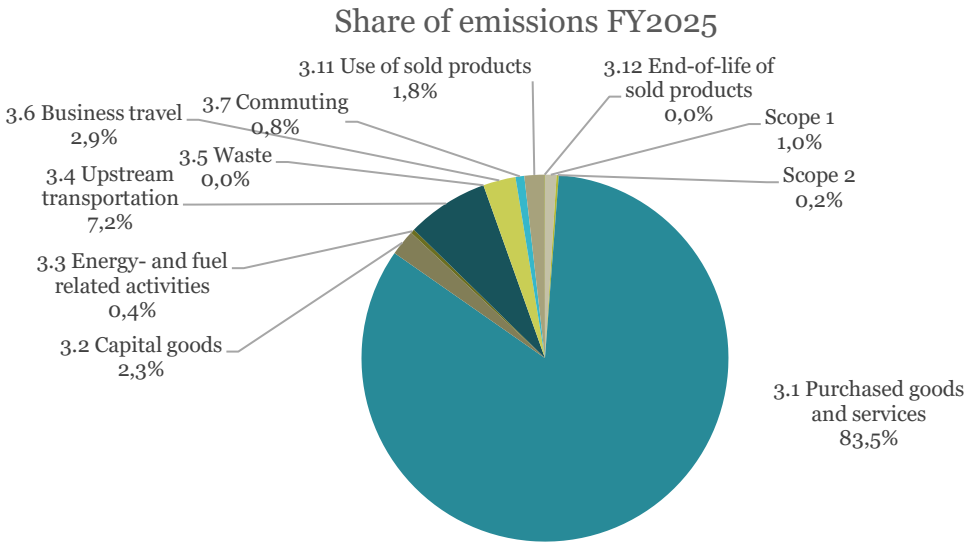
# Result

## Overview

For the fiscal year 2025, the total amount of greenhouse gas emissions for Bergans are 8 287 $tCO_2e$, of which 82 $tCO_2e$ are attributed to scope 1, 158 $tCO_2e$ to scope 2, and 8 047 $tCO_2e$ to scope 3 (see Figure 1). This year, a full GHG screening has been performed for the first time which means that the scope has been expanded compared to previous years. The graph below therefore shows only the STICA scope in order to present comparable emissions.




The share of emissions from the full screening of all scope 3 categories is presented below. As seen in the graph, the original STICA categories account for the largest share of emissions. Please see Bergans' emission calculation software Emission Twin for further results.



# Analysis

## Scope 1 – Direct Emissions

Emissions from company cars decreased by 20% (61,0 to 48,6 $tCO_2e$), reflecting the ongoing transition to electric vehicles — fuel consumption fell from 19 200 to 11 013 litres. Natural gas consumption at the German office and warehouse in Norderstedt remained unchanged due to limited data availability.

## Scope 2 – Purchased Energy

Norwegian facilities use hydro power with Guarantees of Origin (GoO), resulting in near-zero market-based electricity emissions. German and Dutch facilities use residual mix electricity (EF ~810 $gCO_2e/kWh$), which drives most of the Scope 2 footprint. Total electricity consumption decreased by 7,2%, with the central warehouse in Norderstedt contributing the largest reduction (-21%). Common areas at HQ Asker (211 960 kWh, covered by GoO) were added to the 2025 inventory and also updated for 2024 and the base year.

## Scope 3.1 – Purchased Goods and Services

This is the largest emission category and the single most important lever for reducing the total footprint. Tier 2–4 material emissions decreased by 10%, with a corresponding material weight reduction of 7%.

The dominant driver of the emissions reduction is the change in material composition, and specifically the significant reduction in wool. In 2024, wool accounted for 14% of total material weight; by 2025 this had dropped to 7%, which is a reduction of more than 50% in absolute weight. Wool carries a very high emission factor, often twice that of polyester, making the shift away from wool disproportionately impactful relative to its share of total material weight.

Polyester remains the largest single material by volume at 29%, down from 31% in 2024. The overall average emission factor across tier 2–4 materials is 16 kg $CO_2e/kg$ in 2025 compared to 17,5 kg $CO_2e/kg$ in 2024, reflecting the improved material mix.

One area to monitor closely: the share of recycled materials declined from 20% to 17% of total material weight. As recycled inputs carry significantly lower emission factors than virgin alternatives, maintaining and growing this share is a key long-term lever for this category.

Trims emissions decreased by 24%, consistent with the lower overall material volumes. Packaging emissions remained on the same level despite a 19% volume reduction, due to changes in material mix following the removal of hangtags (previously a significant source of recycled paper) and an increase in plastic packaging.

## Scope 3.1 – Tier 1 supplier

Questionnaires have been collected for 23 reporting facilities across 16 suppliers, with 5 additional non-reporting facilities estimated using average values and country-specific emission factors — 28 facilities and 21 suppliers in total, covering 816 087 purchased pieces. Reporting

facilities account for 97,8% of emissions and 98,4% of purchased pieces, reflecting high data quality.

Total Tier 1 emissions for FY2025 amount to 740 tonnes $CO_2e$, up from 702 tonnes in FY2024 (+5,4%). Emissions per purchased piece increased slightly from 0,89 to 0,91 kg $CO_2e$/pcs. In total for Tier 1, emissions from electricity dominates at 659 $tCO_2e$ (89%), followed by fuel at 76 $tCO_2e$ (10%) and transport at 5 $tCO_2e$ (0,7%). The renewable electricity share across reporting facilities is 15%, with an average carbon intensity of 0,6 kg $CO_2e$/kWh.

When assessing the emissions per production-country in Tier 1, Bergans' suppliers in Bangladesh are responsible for 290 $tCO_2e$ (39% of Tier 1 emissions) which is highest share. Bergans' suppliers from Bangladesh are closely followed by suppliers located in China responsible for 38% of tier 1 emissions. Furthermore, suppliers from Vietnam are responsible for 16% of the Tier 1 emissions, Myanmar 5%, and Turkey 1%. All other countries combined account for less than 1%.

The most significant structural change versus FY2024 is the exit of North Shore NSG (89 $tCO_2e$ in FY2024) and the large volume increase at Kido Dhaka, from ~2 000 to 162 830 pieces. As emission intensity per piece remained stable at around 1,6 kg $CO_2e$/pcs, the increase is attributable solely to higher purchase volumes. Kido Dhaka now accounts for 267 $tCO_2e$, or 36% of total Tier 1 emissions.

Sambu Vina has stopped buying renewable electricity certificates and have instead increased their capacity of their installed solar panels. However, this mean that the reported renewable electricity fell from 98% to 40%, driving a nearly 20-fold increase in emission intensity (0,04 → 0,73 kg $CO_2e$/pcs) and a jump from 4 to 41 $tCO_2e$. K and K also increased significantly (36 → 55 kg $CO_2e$/pcs), primarily because fewer pieces were reported against a similar shipped weight, inflating the per-unit allocation. ZKG Luxley Mensa rose 41% due to reduced production volume with stable electricity consumption, and Fashion Flying and Flexfit saw minor increases.

On the positive side, Yangzhou reduced by 50% (1,5 to 0,8 kg $CO_2e$/pcs) through a ~66% reduction in electricity per kg produced. Viva Vina (-43%) and Kido Vinh (-43%) also improved substantially, the latter aided by an increase in renewable electricity share from 0% to 6%. Further reductions were achieved at Kido Yangon (-19%), Northman (-19%), Pantera (-21%, having phased out diesel), and Shepherd (-23%).

## Scope 3.2 – Capital Goods

Capital goods emissions totalled approximately 185 $tCO_2e$, based on spend-based emission factors. Construction investments in Norway were the main contributor followed by electronics and IT. These figures are investment-driven and may vary significantly between years.

## Scope 3.4 – Upstream Transportation and Distribution

Total transport emissions increased by approximately 27% (461 to 588 $tCO_2e$). The main drivers are inbound air freight (340,9 to 421,2 $tCO_2e$) and sample air freight (58,9 to 91,0 $tCO_2e$ via DHL, with RFI 2.7 applied). This suggests a higher reliance on air freight for inbound shipments compared to the previous year.

Outbound road freight also increased, likely reflecting higher sales volumes. Train freight appears in the outbound inventory for the first time.

### Scope 3.6 – Business Travel

Total flight emissions decreased by 4,5%. 2025 data is sourced at entity level from Visma expense reports, representing a slight methodology change and providing greater granularity than the estimated counts used in 2024. Hotel stays decreased by 18%. Train travel, taxi, and bus travel are now reported at entity level for the first time, improving inventory completeness.

### Scope 3.11 – Use of Sold Products

Use-phase emissions reflect energy consumed by customers through washing and garment care. Results vary significantly by market: Germany has a much higher electricity emission factor (396,2 $gCO_2e$/kWh) compared to Nordic markets (59 $gCO_2e$/kWh). Pants and jackets are the largest contributors by volume.

### Scope 3.12 – End-of-Life Treatment of Sold Products

Total end-of-life emissions are approximately 4 $tCO_2e$. The majority by volume goes to textile recycling. However, a small landfill fraction generates over three times the emissions of the much larger recycled volume. Minimizing landfill remains a high-leverage action in this category. It should be noted that the shares of end-of-life treatment are based on estimates and average recycling rates in each country.

# Next steps

## Measures to reduce emissions

Based on the results of this climate report, Bergans should focus on the following measures to reduce emissions in the upcoming year. The recommendation is based on where Bergans has its largest emission sources and the greatest influence.

#### Tier 1 Supplier Manufacturing

With Bangladesh and China representing 77% of Tier 1 emissions and the overall renewable electricity share at just 14,5%, the primary lever is accelerating green electricity adoption in these two markets. Prioritize engaging Kido Dhaka (36,1% of total emissions) and Sambu Vina as the two most impactful near-term actions. A supplier-facing target for renewable electricity share, combined with annual verification, would provide a structural framework for reducing emission intensity across the supplier base over time.

#### Material Composition (Scope 3.1)

Going forward, the focus should be on systematically replacing virgin high-impact materials with recycled or lower-emission alternatives. The decline in recycled content share — from 20% to 16,5% — is a trend that needs to be reversed. Setting explicit targets for recycled content by material type and working with tier 2–4 suppliers to expand availability of certified recycled inputs, would directly reduce emissions in the largest category in the inventory.

#### Transport and Logistics (Scope 3.4)

The 27% increase in transport emissions is primarily driven by air freight, both inbound and for samples. A structured modal shift program — prioritizing sea freight for inbound goods and consolidating sample shipments — would have a significant impact. Setting an internal policy or

target for maximum air freight share of total inbound tonkm would help anchor progress year over year.

**Facility Energy – German Operations**

Norwegian facilities are effectively decarbonized on a market-based basis through GoO. The remaining Scope 2 footprint is concentrated in Germany (residual mix EF ~0,81 kg$CO_2$e/kWh), particularly the central warehouse in Norderstedt. Procuring renewable electricity certificates (EACs/GOs) for German facilities, or transitioning to a green tariff, would substantially reduce Scope 2 emissions at relatively low cost. The warehouse alone accounts for the majority of the addressable Scope 2 footprint.

## Recommendations for long-term Strategic Climate Action

Looking forward, Bergans could take its sustainability work even further. Some recommendations for future steps include:

**Traceability beyond Tier 1**

With a strong Tier 1 data foundation already in place, the natural next step is to extend data collection into Tier 2 — fabric mills and yarn spinners — where material production emissions are significant and largely unverified. Prioritize the largest Tier 1 suppliers by volume, starting with Kido Dhaka, and map their key Tier 2 suppliers as an entry point. Direct outreach to high-volume fabric mills, requesting primary energy and production data, would reduce reliance on generic MSI Higg emission factors and improve the accuracy of total Scope 3.1 calculations. As Tier 2 coverage grows, it also creates a natural basis for aligning material weight data between supplier reporting and the material inventory used for Tier 3–4 calculations — a step that will increasingly matter as Digital Product Passport (DPP) requirements come into effect.

**Digital Product Passport (DPP)**

Upcoming ESPR/DPP requirements will increasingly require product-level traceability of materials, processes, and environmental performance. To prepare, assess how current product data and calculation methods align with these requirements and identify key data gaps. Strengthening primary data collection—especially from tier 1 and tier 2 suppliers—will be essential to meet expected accuracy and verification standards. Improved material traceability and a more unified data structure will support future DPP integrations. Early engagement with suppliers is recommended to ensure they can provide updated, verifiable information needed for compliance.

**Reduction Roadmap**

While the emissions inventory provides a clear picture of where emissions originate, it does not on its own answer the more pressing question: what will it actually take to reach Bergans' climate targets? A dedicated reduction roadmap would map the gap between current emissions and future targets, model the impact of specific interventions — such as modal shift in logistics, increased recycled content, or supplier renewable electricity adoption — and assign indicative cost and feasibility to each. This turns the inventory from a reporting exercise into an actionable roadmap, making it significantly easier to prioritize investments, set supplier requirements, and communicate progress credibly to stakeholders.

## Contact 2050

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# Appendix

## Methodology

### Control Approach

Companies have different legal and organisational structures. The GHG Protocol therefore requires a control approach to be determined, either the *operational control approach* or the *financial control approach*. The allocation of greenhouse gas emissions in scope 3 is affected by the chosen control approach and is therefore important to report.

For Bergans' climate statement, the **operational control approach** is used. This means that greenhouse gas emissions are classified as direct emissions when the activity gives rise to emissions during use, for example when leasing vehicles or operating in rented premises.

### Method for Scope 2

According to the GHG Protocol guidelines for scope 2, emissions from electricity consumption are calculated using either a location-based method or a market-based method. For Bergans's climate accounts, the **market-based method** is used.

### Scope and Limitations

Bergans's climate statement includes all emissions in scope 1 and 2. Greenhouse gas emissions in Bergans's value chain are reported in scope 3 and are categorised according to the GHG Protocol in 15 different categories.

*Table 1. Included and excluded scope 3 categories.*

| Scope 3 category | | Category for Bergans [Excluded, Included, Not relevant] |
|---|---|---|
| **3.1** | Purchased goods and services | Included |
| **3.2** | Capital goods | Included |
| **3.3** | Upstream fuel and energy-related activities not included in scopes 1 and 2 | Included |
| **3.4** | Upstream transportation and distribution | Included |
| **3.5** | Waste management | Included |
| **3.6** | Business travel | Included |
| **3.7** | Employee commuting | Included |
| **3.8** | Upstream leased assets | Not relevant |
| **3.9** | Downstream transportation and distribution | Not relevant |
| **3.10** | Processing of sold goods | Not relevant |
| **3.11** | Use of sold goods | Included |
| **3.12** | End-of-life treatment/disposal of sold goods | Included |
| **3.13** | Downstream leased assets | Not relevant |

| | | |
|---|---|---|
| **3.14** | Operation of franchises | Not relevant |
| **3.15** | Operation of investments | Not relevant |

### Methodological Changes

For this year, Bergans' scope was extended to include a screening of all 15 scope 3 categories. The screening was only done for the reporting year; neither the previous year nor the base year was updated. The screening also included the calculation of FLAG emissions for purchased materials.

Higg MSI has updated their assumptions behind the raw material for nylon and polyester which has resulted in large differences. To counteract the methodology change, which would have a large effect on Bergans' emissions, last year's emission factor was used for nylon and polyester fabric.

A previous error regarding Bergans' energy consumption was discovered and updated for year 2024 and as well as the base year.

## Detailed methodology

### Scope 1 & 2

Scope 1 and 2 were calculated using, to the greatest extent possible, actual activity data, such as kilowatt hours or kilometres. The emission factors used in the calculations come from the Swedish Transport Administration (Trafikverket), The Swedish Energy Markets Inspectorate (Ei), IEA and AIB European residual mixes. Assumptions in scope 1 and 2 often include estimates for electricity, heating and refrigerant leakage. Where no activity data was available for energy consumption, estimates for different facility types from the Swedish Energy Agency (Energimyndigheten) or data from previous reporting period were used.

### Purchased goods and services

The category purchased goods and services consists of a data collection representing the emissions from suppliers in tier 1, another separate data collection and calculation for material to cover tier 2-4 and trims, as well as a calculation for packaging materials.

Bergans has collected actual data from 23 suppliers in Tier 1. The total emissions for each supplier are computed using the suppliers' reported data on electricity usage, and fuel consumption. The emissions from reporting suppliers are attributed to Bergans according to the products acquired from each supplier. Subsequently, these emissions are distributed among each supplier's factories based on the reported number of products purchased by Bergans.

For non-reporters, average values of apparel suppliers were used for electricity consumption (kWh/unit), fuel consumption, and packaging consumption. The average values from 2022 were used so that any changes in the suppliers' values would not affect the total emissions. Together with the country-specific electricity grid mix, this resulted in the emission values for non-reporters.

For tier 2-4, calculations were done based on the total weight of materials in Bergans's products. Emission factors for materials are from the Higg MSI database 2025 and 2024. The emission factors were adapted to account for if the material is for example recycled or organic. If a material was not included in the Higg MSI database, a similar material or an average company-

specific material factor was used. A waste factor based on 8,74% was added to account for Tier 1 waste. The factor is based on the reported average from Bergans's Tier 1 suppliers.

For packaging and trims, calculations were done by using the total weight of materials. Emission factors are from the Higg MSI database 2025, and these were adapted to account for if the material is recycled.

There is an on-going debate in the industry regarding MSI Higg and its factors. These factors are retrieved from LCAs and databases and are thus not the actual production emissions for Bergans's own factories and fibre production. In some cases, these LCAs have been performed on local environments but have a global application, so the representativeness regarding the factors in the MSI Higg varies. Comparing materials in MSI Higg could therefore give a hint on the climate impact but to make decisions on preferred materials 2050 recommends that a more thorough material comparison is made. When communicating the results from these calculations publicly, make sure you follow MSI Higg's Communication Guidelines regarding what may and may not be communicated.

### Transportation and distribution

Emissions from transportation and distribution are primarily based on actual emission data provided by the carrier, secondly by calculations based on provided information about transported weights and distances. Emission factors used for the calculated emissions are gathered from the Network of Transport Measures (NTM).

### Fuel and energy related activities

Fuel and energy related activities are calculated using the activity data for electricity and heating in all facilities and fuels used for company-operated vehicles. Emission factors for calculations are from the Swedish Transport Administration (Trafikverket), The Swedish Energy Markets Inspectorate (Ei), IEA and AIB European residual mixes.

### Business travel

Emissions from business travel are calculated by using the best available activity data and emission factors. The emission factors come from DEFRA, NTM, Trafikverket and are sometimes calculated by Bergans' business system Visma.

All emissions for flights are adjusted for RFI 2,7 according to STICA's current guidelines.

The activity data can come from many different sources, thus resulting in highly varying data quality. Data directly from service suppliers, such as Taxi Stockholm or SJ, is seen as high quality, whereas spend data from multiple varying sources requires more estimations in the calculations.

## Screening methodology

### FLAG

Bergans' FLAG emissions have been calculated for the first time this year, meaning that emissions from forest, land and agricultural activity have been separately reported. FLAG emissions consist of two sections, land-management emissions as well as land-use-change emissions. The land management emissions have been included in previous year's calculations; however, they have not previously been separately reported. The emissions from land-management stem from the raw materials acquisition for natural materials. As for example, the

fuel consumption from vehicles and machinery used on a farm. Land-use-change emissions are emissions related to land-related conversions made by human activities. These emissions have been calculated with country-specific emission factors from FAOSTAT.

### Other purchased goods and Capital goods

Financial data has been collected to calculate Bergans' emissions from other purchased goods and services. Emission factors from Exiobase have been applied, adjusted for inflation and currency conversion. Note that purchased services have not been included in the analysis; these calculations should therefore be updated to reflect the full picture.

### Waste

Waste volumes for Bergans' offices and stores have been extrapolated based on available data. Emission factors from DEFRA have been applied, with the assumption that all waste is either material recycled or sent to energy recovery.

### Use-phase of sold goods

Use-phase emissions are calculated based on the Product Environmental Footprint Category Rules (PEFCR) for apparel, using PEF default parameters for washing behaviour (frequency, temperature distribution, drying and ironing habits) per product category. Energy consumption per washing and drying cycle is sourced from the Higg PM Methodology. Where available, company-specific product weights are used in place of PEF defaults. The total lifetime energy consumption is converted to emissions using a country-weighted electricity emission factor.

### End-of-life of sold goods

End-of-life emissions are calculated based on the total weight of sold garments and packaging (paper/cardboard and plastic), disaggregated by sales country. Country-specific waste treatment rates — share going to landfill versus recycling or energy recovery — are sourced primarily from the European Environment Agency, supplemented by the Global Waste Index 2024 (Sensoneo) and the World Bank What a Waste database. Emissions are calculated separately for each waste stream and treatment pathway.