

OUR:TOMORROW Sustainability Report 2025



AXEL ARIGATO

Founded in Sweden in 2014, by Albin Johansson and Max Svärth, Axel Arigato is intrinsically grounded in culture, community and craft. Driven by curiosity, we have consistently connected our approach to the rhythm of what is happening in the wider world, looking to a contemporary society for both purpose and inspiration. We present diverse collections of elevated and wearable footwear and ready-to-wear, fusing together Scandinavian minimalism with unexpected, contemporary design.

We are committed to fostering connections beyond the conventions of commerce – creating global real-world moments of curiosity, community and entertainment.



***Axel Arigato is not a real person
- but embodies meaningful,
human connection***



Our 2025 Highlights

1 Achieved a **-35% absolute reduction in CO2 emissions from our baseline year of 2023, and a -17% reduction YoY**
See OUR:CLIMATE chapter for further essential context

2 Achieved a **-30% reduction per unit of good sold, from our baseline year of 2023**
See OUR:CLIMATE chapter for further essential context

3 **100% of our stores and offices run on renewable sources (market-based)**
Hitting our target to achieve this by end of 2025

4 **Conducted 314 Life Cycle Assessments in 2025**
That's over 1000 LCAs done on our products since 2023 making up >90% of our mix

5 **Launched a global footwear bring-back scheme to give our shoes a second chance**
Working in partnership with Fast Feet Grinded

6 **Ran a full company visit to see our footwear factories in Portugal**
Proudly connecting our people to our products

“2025 demanded clarity. Ours is simple: we exist to connect. This year has presented significant challenges in an unsettled global moment, shaped by conflict, fractious politics, trade tariffs, economic uncertainty, and an accelerating climate crisis. We do not view these realities as background noise. They are the context in which we operate - and the reason our commitments matter.

At AXEL ARIGATO, that's why now more than ever, we believe in the power of connection. To culture, to creativity, and to one another. In times of division, connection becomes resilience. In uncertainty, it becomes optimism.

Throughout 2025, we focused on creating memorable and transformative experiences and products that bring people together – moments that spark dialogue, inspire creativity, and build belonging. This is a people-powered brand, and our progress is driven by our teams, partners, and community.

We're moving in the right direction: embedding long-term thinking into daily decisions, advancing our sustainability efforts, and strengthening responsibility across our value chain. Whether it's finding ways to reduce our emissions, improving our material choices, strengthening supply chain transparency, or investing in community initiatives is embedded long-term into daily decision-making. We call this OUR:TOMORROW; it's how we build resilience in an unpredictable world. There is always more to do, but our momentum is real.

We also look excitingly to the future as we welcome our new CEO, Frédéric Serrant, who joins the company with 17 years of global experience. As my role transitions to Executive Chairman, I feel more hopeful than ever at this moment of growth and change for our brand.

In the face of these times, our original spirit remains: to challenge the industry and be a force for change. We're proud that people power our brand and that purpose guides our path. The rest, we build together.



Albin Johansson
Founder – Axel Arigato

Where We Operate

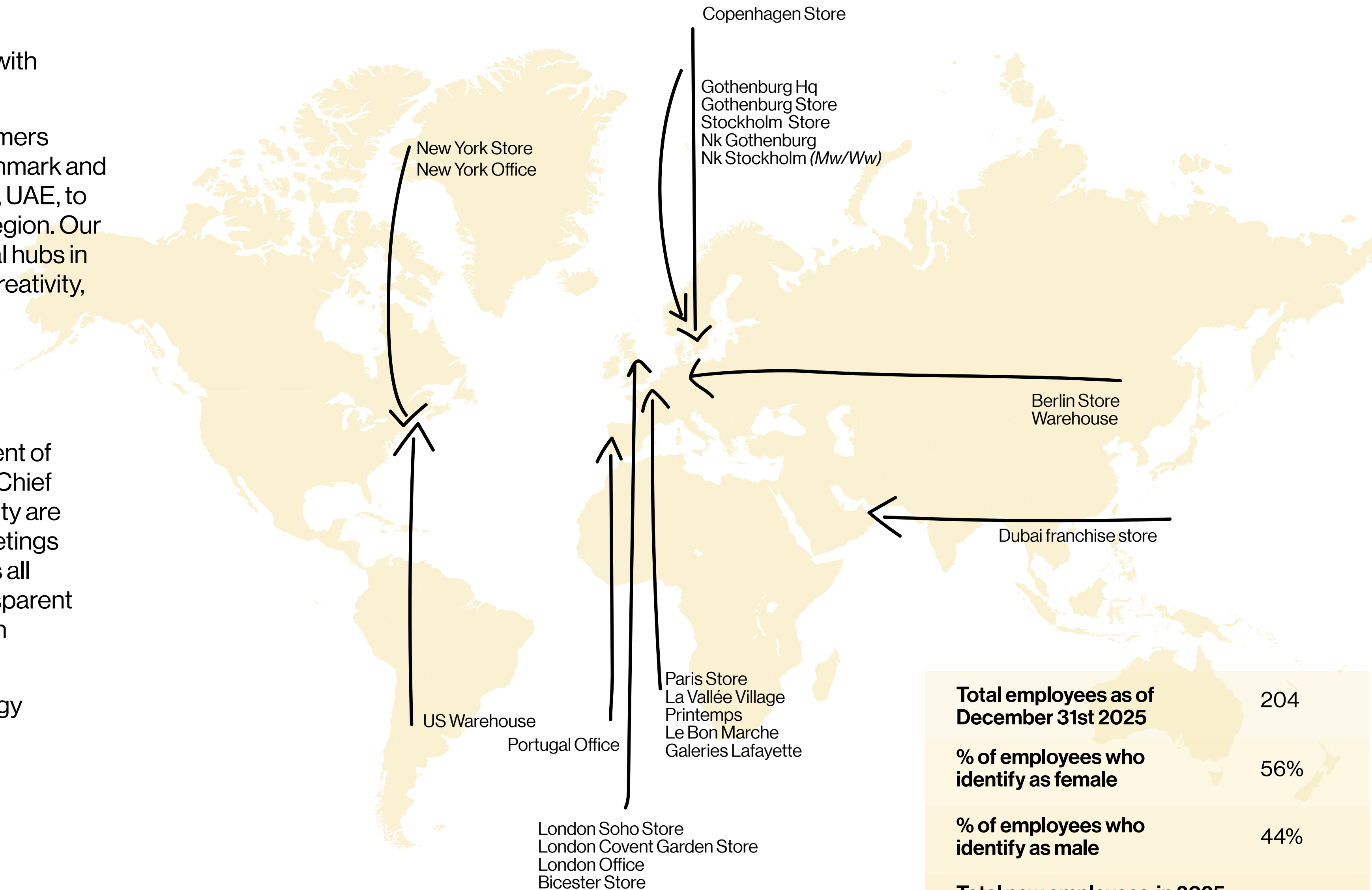
Axel Arigato is headquartered in Gothenburg, Sweden, with offices in London and Portugal.

We operate 10 stores and 6 concessions, serving customers across 6 countries – Sweden, UK, France, Germany, Denmark and the USA. In 2025 we opened our first franchise in Dubai, UAE, to bring Axel Arigato to a whole new market in the EMEA region. Our stores are more than just a retail space – they are cultural hubs in vibrant cities. Designed as a space for connection and creativity, it's where our community comes together.

Our Structure

The Sustainability team moved to the financial department of Axel Arigato in early 2025, now reporting directly to the Chief Financial Officer. Responsible Business and Sustainability are regular topics at both internal Executive Committee meetings and at the Board Level. Our Board of Directors oversees all matters of ESG, including our reporting, ensuring a transparent and accurate overview of commitments and progress on Sustainability matters.

We continue to approach the OUR:TOMORROW strategy collaboratively, working together across our whole organization to help drive forward the mission.



Total employees as of December 31st 2025	204
% of employees who identify as female	56%
% of employees who identify as male	44%
Total new employees in 2025 (permanent and fixed term)	65
Executive Team gender split	2 women, 5 men

*Built on curiosity,
driven by connection*



OUR:TOMORROW

At Axel Arigato, we aim to create the present, shape the future and inspire generations. Committed to building a positive platform for all, we are laying down the blueprint for a more sustainable *tomorrow*.

The **OUR:TOMORROW** mission is business-wide, and we separate the work into three main areas:

- OUR:CLIMATE**
- OUR:CREATIONS**
- OUR:COMMUNITY**

These pillars are underpinned by the ever-changing **OUR:COMPLIANCE**, focused on ESG legislation in the territories we trade in.

Through this work, we aim to measure and minimize our impact on the environment, the people, the animals and the future, while ensuring that we are always serving our diverse, creative community. This is core to the ethos of Axel Arigato's Sustainability mission.



Material Topics

In 2024-2025 we conducted our Double Materiality Assessment in partnership with 2050 consultancy, aligned with the requirements of the CSRD. This process helped us evaluate ESG topics most relevant to Axel Arigato – considering both our impacts on the world around us and the potential financial implications for the business.

By exploring a range of key metrics through both a physical and financial perspective, we were able to strengthen our understanding of where we have the greatest responsibility, and where the most meaningful opportunities for progress exist. The assessment also ensured our priorities reflect the voices of both internal stakeholders and our wider community.

The outcomes of this work have informed and strengthened our OUR:TOMORROW strategy, with material topics integrated across our three main pillars — OUR:CLIMATE, OUR:CREATIONS, and OUR:COMMUNITY. These focus areas include, but are not limited to, climate change adaptation and mitigation, resource inflow and outflow and circularity, our internal workforce, safeguarding worker rights across the value chain, and governance topics such as anti-bribery and anti-corruption.

We will continue to build on these insights in the years ahead, evolving our approach as expectations, impacts, and regulations progress.

We are always delighting in the small details that make our world beautiful. Everything we do is a reflection of our passion.



OUR:CLIMATE



The **OUR:CLIMATE** pillar of our strategy aims to minimize the negative impact Axel Arigato has on the natural world. Carbon remains our current focus, and our work in this pillar centers largely around measuring and reducing our GHG emissions in alignment with the GHG protocol. Since 2023, we have partnered with Vaayu who supports us in our mission to decarbonize tomorrow.

Our Carbon Footprint

We are pleased to report a -35% reduction in our absolute carbon emissions in 2025 compared to our base year of 2023, which equates to a -30% reduction per unit of good sold. This represents a meaningful advancement towards our goal of a more sustainable tomorrow. However, it is important to consider the context behind these reductions. This chapter will provide a more detailed analysis of the underlying factors contributing to this year's outcome.

Targets

In early 2025 we confirmed our Carbon Reduction targets that we are now working towards:

Scope 1 & 2: We aim to have a 42% absolute reduction in CO2 emissions by 2033

Scope 3: We aim to have a 40% reduction in CO2 emission per unit of goods sold by 2033

When developing our climate strategy, we conducted a very comprehensive analysis of the target-setting options available under the Science Based Targets initiative (SBTi), including both absolute reduction targets and physical or economic intensity-based approaches.

Following careful consideration, we have chosen to pursue a physical intensity target, as it best reflects the ambitious growth trajectory of our business while ensuring a meaningful and measurable reduction in emissions per unit of output. Despite seeing very strong absolute reductions results since our baseline year, taking a physical intensity approach will enable us to scale responsibly whilst still reducing our carbon emissions per unit of goods sold. Importantly, our selected target remains fully aligned with the SBTi methodology and contributes to the overarching objective of limiting global temperature rise to 1.5°C.

OUR CARBON FOOTPRINT ^{tCO2e}	2023 BASE YEAR	2024 RESULTS	2025 RESULTS	2025's % change from base year - absolute	2025's % change from base year - per unit of good sold
Scope 1	139	109	127	-9%	
Scope 2 Location Based	52	56	65	+25%	
Scope 2 Market Based	96	42	9	-91%	
Scope 3	29,282	22,981	19,141	-35%	-30%
Total (market based)	29,517	23,132	19,277	-35%	-30%



Scope 1 & 2

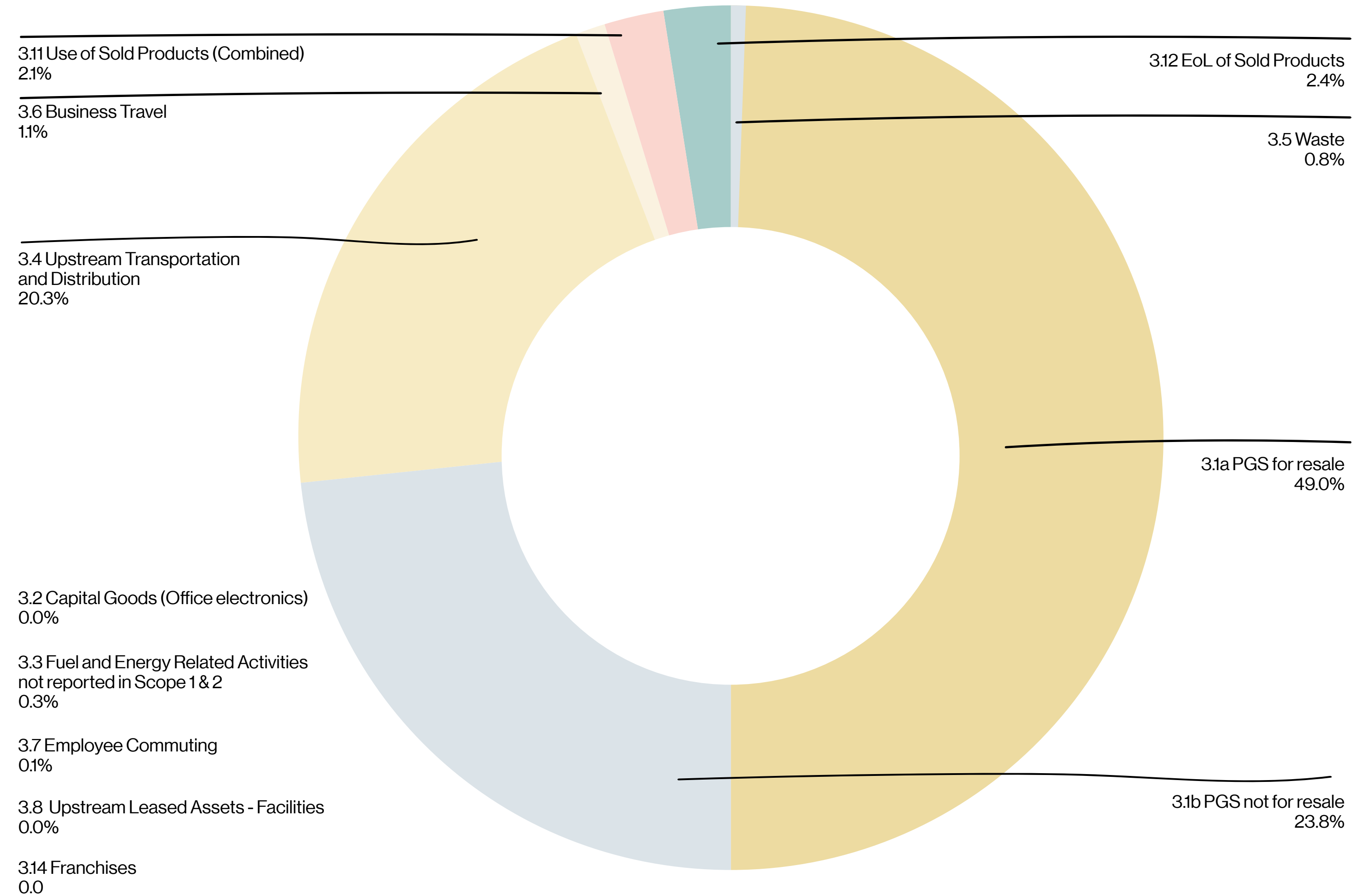
Scope 1 and 2 emissions currently account for approximately 1% of our total carbon footprint. While relatively small in proportion, these emissions represent the area over which we have the greatest operational control. These scopes are directly linked to the energy consumption of our owned and leased assets, including stores and offices. We measure Scope 2 emissions using both the location-based and market-based approaches in line with the Greenhouse Gas Protocol. However, for the purposes of our target-setting and reporting, we reference the market-based figures, which reflect our actual procurement choices and efforts to source renewable energy.

We saw incremental increases in our absolute Scope 1 emissions YoY, but a positive decrease of -9% from our baseline year which was driven largely due to changes in our store portfolio since 2023. In Scope 2, we focus our efforts on marketplace emissions, as it is within this category that our work to improve our renewable energy sourcing is captured. We are very pleased that 100% of our offices and stores source renewable energy, which has resulted in us seeing a 92% decrease in emissions in this category from our baseline year of 2023. Sourcing renewable energy in 100% of our stores and offices was a core 2025 target for us, which we are delighted to have met.

Scope 3

Scope 3 remains to be the largest area of our corporate carbon footprint, making up around 99% of our carbon emissions. In 2025, we saw a -35% absolute decrease in carbon emissions from the base line year of 2023, and a -17% absolute decrease from 2024. We also saw a -30% decrease in emissions per unit of good sold, from our base line year of 2023. This demonstrates positive progress from both an absolute and intensity perspective, putting us in a very solid position as we look towards our 2033 targets.

The main drivers behind the decrease in emissions are improvements to our data quality, the sourcing of more lower impact materials and processes, increases in renewable energy used by our suppliers, more efficient logistic flows, lower volume of goods created vs our base year, and changes to Vaayu's emission factors that are used to calculate results.



Purchased Goods and Services

Purchased Goods and Services is the biggest area of impact in our Scope 3 Carbon Footprint, making up a substantial 73% of our emissions in this category. We split the category into for-resale (products) and not-for-resale (business operations), which represents 49% and 24% respectively. We continue to focus our decarbonisation efforts on Purchased Goods and Services for resale, as it is the area which we have more direct control over.

Zooming in on Purchased Goods and Services for resale, we saw a minor 6% increase in absolute emissions YoY, which was driven by a range of reasons including FW25's Ready-to-wear material mix containing a significant amount of wool, which is one of our highest emitting materials. We also produced more footwear styles with our partner in Vietnam – which typically carry higher carbon footprints than our Portuguese factories due to the distance travelled between factory and our warehouse in Germany. Despite the small increase in absolute emissions, we are pleased to report that we saw record levels of renewable energy sourced from our factory base and more primary data accessible than ever before.

A large percentage of the absolute emission reductions in Scope 3 came from Purchased Goods and Services not-for-resale, which saw a -35% decrease YoY and a -38% decrease from our base year. This section of our footprint typically covers emissions generated from areas such as our tech partnerships, consultants, marketing and events. Decreases in this part of our footprint were a direct result of reduced business spending on services, and improvements to our data management systems.

Logistics and Operations

Running an efficient logistics network is imperative to our brand's success. Emissions generated from Upstream Transportation and Distribution made up 20% of our Scope 3 carbon emissions this year. Comparing our emissions YoY, we achieved a -12% absolute decrease in carbon when compared to 2024. Savings in this category can be directly correlated to decreases in our overall number of shipments made, and our continued commitment to shipping as little as possible by air.

Returns make up a significant quantity of our deliveries, so reducing the rate of return is a core focus of ours. As well as optimizing our consumer facing information such as care guides, product descriptions and specialist fit guides per style, we also took steps to introduce technological solutions to further our efforts.

One example of this is our partnership with eComID, a pre-purchase size recommendation tool that guides shoppers toward the right fit before they buy. By helping shoppers make better size decisions upfront, we aim to reduce return-related emissions at source, a step that benefits both our customers and our shared tomorrow.

Water, Waste, Biodiversity

In 2025 we saw good progress in our waste management systems in our offices and stores, delivering a -50% reduction in CO2 emissions in this category YoY. As well as ensuring all of our bins are accurately labeled across our offices and stores, we have also put in place a system to recycle our prototype waste via our partnership with Fast Feet Grinded.

When it comes to big topics of water and biodiversity, we are pleased to report that the development of our strategies is underway. In 2025 we conducted the WWF Risk Assessment in both areas, giving us insights into where our hotspot areas may lie. The next step is for us to establish our targets and action plans, which we will be working on in the upcoming year.



*Elevated classics with
minimalist Swedish design*



OUR:CREATIONS focuses on our products. Our aim is to create beautiful, timeless pieces that are crafted from durable and premium materials. Due to the cadence of our designs and releases, this section of our 2025 report covers two collections – FW25 and SS26, including carryover styles for each season.



Creative

Our FW25 collection, 'Did you See?', pushed the boundaries of texture, colour, proportion, and perception, delivering footwear and ready-to-wear pieces that aimed to captivate and visually entertain. SS26, titled 'Green Space' looks at the contradiction of man-made natural spaces, and how we shape and arrange our environments, creating natural spaces that are designed and constructed rather than organically generated.

"Part of the new vision I want to bring to AXEL ARIGATO is based on careful curation. Working with artists and designers that I have long admired allows us to create worlds that will be regular in forthcoming campaigns."

Deep Dive on Products

Understanding and reducing the impact of our products remains central to our OUR:CREATIONS strategy. Since 2023, we have carried out PEF-aligned Life Cycle Assessments (LCAs) twice per year, in partnership with Vaayu. We have assessed over 1000 products to these standards. In 2025 alone we conducted 314 LCAs which enables us to not only inform both our annual corporate carbon footprint reporting and our internal seasonal analysis, but also helps us to identify hotspots and track progress over time. We also share top-level insights with customers through the product description pages on our website.

The average carbon emissions per shoe in 2025 was 21kg CO₂e which is slightly lower than 2024. This saving in emissions can largely be linked to changes in product mix, including the increasing popularity of low-profile sneaker silhouettes like our Tact, Slow and Daze styles. As lower-profile shoes typically use fewer materials and have a lower overall weight, resulting in a lower footprint per pair.



Our Material choices

We pride ourselves on crafting beautiful products using premium materials. Before each season, we review the material libraries used across our categories, working to strike the right balance between craftsmanship, performance and sustainability considerations

Footwear makes up approximately 80% of our product mix, making it our most significant category. Leather (including nubuck and suede) remains our most commonly used material, and we source 100% of our leather from Gold or Silver Leather Working Group (LWG) certified tanneries. LWG is an internationally recognised organisation that assesses environmental practices within the leather supply chain. In partnership with our suppliers, we carry out rigorous testing to ensure our leathers meet our durability and quality requirements, supporting long-term wear and product longevity.

Across selected styles such as Orbit, Dice and parts of our Clean 90 range, the rubber outsole contains 20% recycled rubber. This recycled content is pre-consumer, meaning it is recovered from manufacturing waste from the factory floor, and reintroduced into the production process.

In 2025, we introduced 10% Algae Bloom into the EVA midsole of selected footwear produced with our one factory in Vietnam, including for Genesis Neo, Satellite and Clay styles. We also have bought in a new lining to our mix which is a blend of Bamboo and recycled polyester. Looking to 2026, we will continue to explore lower-carbon alternatives to our insoles, which we hope will pass our testing requirements so we can include them in future collections.

Our FW25 and SS26 ready-to-wear collections, which together make up around 20% of our product mix, are intentionally lean in size. We produce small runs of styles, in some cases fewer than 100 pieces, helping us manage volumes

carefully and reduce the risk of overproduction. Cotton remains our most used fibre across ready-to-wear, primarily within jersey and denim, as well as select outerwear styles. Our jersey continues to be made from organic cotton fibres and produced in Portugal with two long-standing suppliers. Where conventional cotton is used, particularly within denim and outerwear, we work with suppliers to uphold the standards outlined in our responsible material and environmental policies.



As part of our commitment to lower-impact sourcing, we are currently working on a multi-stakeholder project to strengthen how we internally substantiate material-related sustainability claims. Whilst we do source a range of other premium materials across both Footwear and Ready-to-wear, we are taking a considered approach to ensure that anything we communicate is aligned with evolving expectations and regulations. As we progress this work, we will continue to explore opportunities to introduce lower-impact material innovations across our collections.

Our Value Chain

Our business is built on a small and trusted supplier network, who we regularly connect with throughout all stages of the production cycle. Our Tier 1 factory base is made up of six footwear suppliers and ten core ready-to-wear suppliers, which fluctuates slightly dependent on the season.

We have direct relationships with 100% our Tier 2 footwear partners, which typically include tanneries, outsole manufacturers, lining suppliers, laces and insoles. On ready-to-wear, we also have visibility on nearly 100% of all tier 2 suppliers across our FW25 and SS26 collections, with a remaining few on trims where our Tier 1 factory sources locally. We are working on expanding this down to Tier 3 onwards, to get a great understanding of where processes for our materials occurred.

Building and maintaining this level of insight is only possible through long-term collaboration and regular on-the-ground engagement, both from our head office teams and our local Portuguese office which visits our footwear factories on a weekly basis. In 2025, we continued to prioritize transparency and traceability across our supply chain, ensuring we are actively strengthening how we map, monitor and work with the suppliers and partners that support our collections. Every year our suppliers complete two self-assessment questionnaires, giving us insights into their facilities and helping us to trace the supply chain of each SKU. During regular supplier visits, we are then able to verify the content of the SAQs with our partners. Further to this, all facilities must be able to provide an in-date social due diligence audit with agreed corrective action plans, which we will monitor throughout the year.

Complimentary to our important supplier relationships, we have also continued to strengthen our policies and expectations across the value chain. This includes ongoing updates and communication of our core requirements, ensuring our standards remain aligned with evolving regulations and best practices. All suppliers are monitored to comply with our Supplier Code of Conduct, Responsible Sourcing Policies, and our Restricted Substance List, supporting a shared commitment to responsible production across our network.



This year, we brought our global teams closer to the product journey through an all-staff trip to Portugal, which included visits to both a Tier 1 supplier and a Tier 2 outsole supplier. Creating space for teams to see the craftsmanship, processes and people behind our products reinforces the value of long-term partnerships, whilst helping to strengthen internal understanding of how our products are made, from development through to final production.



Circularity

2025 was a strong year for the advancement of our circular strategy, marked by the launch of our new bring-back scheme across all Axel Arigato full-price stores. This initiative enables customers to return their much-loved Axel Arigato shoes in exchange for a 10% discount, encouraging responsible end-of-use behaviour. Returned products are handled responsibly in the back end; wherever possible shoes are repaired and prepared for resale, donated to local charities, or if items have truly reached the true end of their life they are then recycled.

We work in partnership with Fast Feet Grinded to ensure all shoes at end of life are recycled responsibly. This includes the recycling of unwearable prototypes that cannot be sold through our sample sales.

Alongside this, we continued to expand initiatives that promote product longevity, including our Sneaker Cleaning Church. This monthly event offers customers the opportunity to restore and refresh their sneakers, in store, for free. In 2025 we also expanded this service to our Gothenburg HQ, giving our employees the opportunity to extend the life of their own Axel Arigato shoes through professional sneaker cleaning. Finally, we also updated our care guides and material disclaimers, which now provides clearer information on how to care for your Axel Arigato products. Together, these initiatives help keep our products in circulation for as long as possible.

Our commitment to circularity extends beyond just products. Our construction team actively reuses fixtures and materials across multiple pop-ups and events throughout the year, reducing waste and maximising the lifespan of our physical assets. By rethinking how we use and reuse materials across our spaces, we hope customers may even begin to recognise familiar elements returning from one event to the next.

We are driven by youthful energy human connection. We bring people together and embrace diversity.



OUR:COMMUNITY



OUR:COMMUNITY truly underpins who we are as a brand. Whether it's our talented internal teams keeping the brand thriving, or the huge network of customers, partners and friends engaging with our concepts: we wouldn't be who we are today without our community. This workstream explores how we engage with everyone we work with on the various topics under ESG.

Our Events

At the heart of the Axel Arigato mission lies a belief in the power of curated moments and fostering connections through a diverse tapestry of cultural, educational and inspirational events. Our community thrives on discovering new creative, voices and expressions. They value experiences and exploration beyond just products

“Like our core footwear, creativity is a shared language,”
- Jens Werner, Creative Director.



Sneaker Cleaning Church

Our Sneaker Cleaning Churches run every month across our stores worldwide. We offer complimentary cleaning service to our community members to help extend the life of their footwear.



Rinse Academy

The Axel Arigato x Rinse FM Academy was a collaborative DJ apprenticeship program based in London designed to nurture emerging talent through free workshops, mentorship, and practical training. Led by Rinse FM residents, it bridged fashion and music, providing industry skills and performance opportunities.



Pride Party

For Pride 2025, we continued our partnership with Not A Phase – a trans-led, nationwide charity committed to uplifting and improving the lives of trans+ individuals. Brimming with energy, positivity and good vibes, we celebrated every member of the LGBTQIA+ community, with sounds by Miller Black, Talia A Darling, Shafire, Malika Green and Glade Marie.



Alvin Armstrong

A celebration of color, community, and creative exchange. This collaboration bridged Axel Arigato's minimalist design language with the expressive world of Brooklyn-based artist Alvin Armstrong.



Eris campaign

The ERIS campaign was brought to life by female creatives, including photographer Georgia Davey Smith and Motion Director Juana Wein. Their moody, modern aesthetics seamlessly align with the storytelling behind ERIS, inviting the audience to explore the 'psychological green room' of the featured musicians – a space often hidden from view.



Company summit

The 2025 all-company conference took place in Guimaraes, Portugal – the home of our footwear production. Our annual summit is an amazing chance for employees to input into the business plans for the upcoming year, connect with colleagues from around the world, get creative with two days of workshops and factory visits, and to let their hair down at the Axel Arigato Summit party!

Celebrate Openness, Connect Boldly

Connection is our foundation. Through a global network of brand ambassadors across fashion, music, art, food and culture, we build an approachable community rooted in curiosity. By offering a seat and a stage; we support their ideas, amplify their voices, and weave them into our events and campaigns – often meeting them where they are. During 2025 London Fashion week, we sponsored and organized an event at Berenjak, London, to showcase US photographer, and Axel Arigato brand ambassador, Bijan Sosnowski. Similarly, through our brand ambassador program we were able to support emerging artist Sophia Wilson to fund her latest photography project, and Yusuf Ntahilaja to host a series of pop-up chess nights with community collective Knight Club. Creating memorable experiences for our community to connect is integral to our approach to connect boldly.

Creating more inclusive spaces is something we further champion within our own in-house creative campaigns. In April 2025 we launched our new hero-product, the Eris sneaker, which was our first female-focussed launch of the year. The campaign focused specifically on giving space for female musicians, with emerging artists Ana Roxanne, Camille Jansen and Bea as prominent figures throughout. The campaign was shot by Georgia Davey Smith alongside a predominantly female crew. Later in the year, we also ran the Footnotes campaign, which saw focussed on celebrating expression at street level, showing how art, movement and design connects us all. Through this concept, we gave space to an array of emerging musicians including Tyronee Isaac Stuart and Yasemin Junqueira, and used a range of models of different ages to truly reflect our diverse community.

'We don't just make sneakers. We connect people'

- Albin Johansson, Founder

Collaborating With The Next Generation

We believe in the power of shared, collaborative experiences to nurture creativity and push the boundaries of design. Looking to the next generation of creators and brand energisers is critical – and we believe we have a role to play in their development.

One way we did this was through hosting a talk at our London Office by students from Central Saint Martins' Material Futures MA course. This session created space for the students to showcase their work around sustainable materials and responsible practices to our creative teams, exploring ideas spanning from bio-ink and dying practices, to carbon capturing technology in footwear design. Employees of Axel Arigato have also continued to voluntarily guest-lecture at a range on institutions, including Fashion Retail Academy and London College of Fashion, and in the summer of 2025, our Sustainability Manager was a guest-judge at the Motivez Sustainable London Finale which saw schools across London pitch sustainable innovation ideas to win a range of prizes, including gifted Axel Arigato products.

Over in Gothenburg, we continued our long-standing partnership with Mitt Livs Val – a Swedish organisation that champions inclusive hiring practices. Throughout the year, Axel Arigato employees acted as CV coaches and mentors to young people new to Sweden, supporting people to build the skills they need to enter the job market. We mirror this work within our own operations too, running internships and work shadowing opportunities for people at the beginning of their career to thrive in this space.

Our Company

As of 31st December 2025, we had a total of 204 people working across our company, down 2 people from 2024. Our gender split was 44% of people identifying as male and 56% identifying as female .

Since we were founded in 2014, our DROP values – **diversity, respect, openness and passion** – have been woven into everyday life at Axel Arigato.

In 2025 we expanded our values further, introducing four more brand attributes:

Youthful
Energetic
Approachable
Welcoming

These guiding principles reflect both where the brand has come from and its continued commitment to the future. They serve as key anchor points that help guide upcoming projects and initiatives across the business – ensuring consistency and brand excellence.



Continuous Improvement

At Axel Arigato, we believe that supporting our people is essential to building a responsible business. We are committed to creating a workplace where employees feel valued and heard. Through regular feedback channels, structured development conversations and ongoing learning opportunities, we continuously work to strengthen our internal culture and support long-term growth across the organisation.

We run quarterly anonymous employee feedback surveys to ensure all voices are heard, alongside bi-annual performance and development reviews that encourage meaningful career discussions and individual progression.

To support learning and development across the business, we offer regular training opportunities for all employees on a wide range of topics, from DE&I education to Excel skills and Swedish language lessons. We also run recurring 'Leadership Labs' for our managers, providing tools and guidance to strengthen inclusive leadership and management capabilities throughout the organisation.

In 2025, we introduced an individual employee training budget, enabling team members to pursue learning opportunities that enhance the skills and curiosity needed to thrive in their roles. Examples include designers taking still life courses to strengthen sketching techniques, or employees visiting exhibitions to gain inspiration and broaden perspectives.

To further strengthen collaboration and company culture, we bring our teams together through an annual company-wide summit. This creates an opportunity to connect across departments, reflect on progress and align on our shared goals for the year ahead.

Governing With Integrity

As outlined in our Employee Code of Conduct, Axel Arigato maintains a zero-tolerance policy against discrimination, harassment, sexual harassment, and victimisation of any kind, as well as against bribery and corruption. All employees agree to our Code of Conduct at the beginning of their employment and are routinely reminded of its content. Through clear internal processes, we work to mitigate risks of non-conformity and ensure appropriate remediation whenever needed.

We also routinely communicate to employees the wide range of policies available on our internal intranet. These include, but are not limited to, our Health & Safety Policy, Privacy Policy, Work Environment Policy, and Information Classification and Handling Policy, alongside a variety of benefit-based policies covering leave, pensions, and flexible working. In addition, we maintain a company-wide whistleblowing hotline, providing our people with a confidential and secure way to raise concerns or grievances if needed.

Embedding diversity, equity and inclusion into our governance structures is a key part of how we uphold integrity across the organisation. Our active DE&I Board works in close partnership with the People and Culture team to ensure DE&I principles are reflected throughout our workplace, culture, and decision-making, helping to create a safe, respectful and inclusive environment for all.

As we look ahead, our focus remains clear: to continue building a responsible, resilient and creative business that connects people through culture, craft and community. The progress we have made across **OUR:TOMORROW** - from advancing our climate strategy and deepening supply chain transparency, to strengthening our circular initiatives and investing in our people - marks important steps on a longer journey. Yet we know that meaningful change requires constant learning, collaboration and momentum.

The years ahead will bring both challenges and opportunities as expectations, technologies and global conditions continue to evolve. By staying curious, working closely with our partners and empowering our teams, we will continue to reduce our impact, improve our practices and create products and experiences that inspire our community. With new leadership, a growing global presence and a clear sense of purpose, we move forward with optimism - guided by the belief that connection, creativity and responsibility will shape the future we are building together.

At AXEL ARIGATO, tomorrow is not something we wait for, it is something we create together.





Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Axel Arigato AB, corporate identity number 556953-0438.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year the financial year 2025) and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB

Helena Pegrén
Authorized Public Accountant

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