

D A N I E L W E L L I N G T O N

Daniel Wellington
556878-5937

Sustainability Report 2024

DANIEL WELLINGTON

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1. THIS IS DANIEL WELLINGTON

In this sustainability report, you will find details about Daniel Wellington's sustainability strategy, future ambitions, and key actions from the past year. The report covers significant sustainability activities for Daniel Wellington AB and its subsidiaries from January 1 to December 31, 2024.

Our commitment to maintaining a long-term sustainable business remains unwavering. Sustainability is integral to our business strategy, and we continuously strive to deepen our understanding of the company's impacts. Launching our first sustainability strategy in 2018 was a crucial first step. Since then, we have diligently worked to implement our plan and integrate sustainability into all aspects of our operations. In 2024, we developed an updated strategy to address the evolving internal and external value chain. Additionally, we revised our approach to ensure readiness for CSRD reporting.

We recognize that there is still much work ahead and numerous questions to address, particularly how to transition from a linear setup to a circular approach and how to adapt our business model to implement scientifically supported sustainable solutions. While we do not have all the answers and acknowledge the challenges ahead, we are committed to doing our best to achieve our goals. With hard work, determination, and passion, our ambition is always to improve.

OUR BUSINESS MODEL

Daniel Wellington is a global watch and accessories brand; our products are sold in almost every country in the world. The brand represents aspirational yet affordable luxury. Our designs are timeless, elegant, and minimalist. Many of our watch straps are interchangeable, giving consumers the flexibility to adjust their style to every occasion.

The company was established in 2011 in Sweden and presently operates its global headquarters in Stockholm, with an additional five local offices strategically located worldwide. Currently, the Daniel Wellington group consists of 16 subsidiaries. From an operational standpoint, the Daniel Wellington group is organized in a channel-led structure. The structure maximizes efficiencies and enables us to leverage core competencies across the group while minimizing overlapping responsibilities and layers.

The brand is marketed primarily through digital channels, and social networks. In total, we have over 4.4 million followers on Instagram, with a large community of active followers that engage in featuring their Daniel Wellington products.

The products are manufactured by suppliers in China and the watch movements are produced in Japan. We have a team located in Hong Kong and China working full-time with our suppliers to ensure that our quality standards are being consistently fulfilled.

Products are sold through numerous sales channels both online and offline: on our website and other online marketplaces, as well as through Daniel Wellington branded retail shops and independent distributors. The last years, we have increased focus on our distributor network and accelerated the transition from owned and operated DW stores to a franchised model in collaboration with key market distributors. These changes will enable us to expand our reach and better meet the needs of our customers, while also streamlining our operations for greater efficiency and profitability.

In the past years, Daniel Wellington has undergone a significant shift in its business model, transitioning from sporadic product releases to a structured seasonal approach. We now unveil new collections in

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spring and autumn, allowing for longer planning cycles. This change enables us to streamline our operations, optimize resource use, and reduce waste.

In 2023, we transitioned to a "Make to Order" model for our distributor partners, which constitutes a significant portion of our sales volume. Under this approach, distributors provide forecasts detailing their anticipated demand for our products. We then tailor our production to meet these specific requirements, producing only the quantities requested by our partners. By sharing inventory management and risk assessment with distributors, we have streamlined our operations and reduced inventory throughout the supply chain.

This proactive production approach ensures that our resources are allocated more effectively, leading to a reduction in both environmental impact and write-offs. We continued using this model in 2024 and are satisfied with the results. While this transition represents a fundamental change in our business model, it underscores our ongoing commitment to sustainability and responsible business practices.

KEY FIGURES 2024

1. 830 M SEK turnover
2. Largest sales regions include Asia and Europe
3. 1,5 million products sold
4. Products shipped to 135 countries
5. 155 employees

BRAND VISION

We envision a world where watches and accessories are more than just luxury items, seamlessly blending into daily life to express your style. With meticulous attention to detail in every product we design, we aim to evoke a sense of empowerment and authenticity for each member of community.

Daniel Wellington has a long-term view of the business, so we are not interested in making compromises for short-term growth. Our aim for the company is to have a sustainable and successful future by respecting people and operating within the planetary boundaries.

The same thinking goes into the products we create. The timeless design allows them to be used and loved for a long time.

2. UPDATED SUSTAINABILITY STRATEGY

In 2024, we developed a new sustainability strategy to ensure we stay aligned with our ambitions and the evolving sustainability landscape. This update was driven by our commitment to continuous improvement and a need to focus on the areas where we can make the most impact.

Our sustainability journey began in 2018 when we launched our first sustainability strategy. Since then, we have made significant progress, but the world—and the expectations on businesses—have changed. To ensure our strategy remains relevant and impactful, we have established overarching ambitions for 2030, guiding our efforts towards running a long-term sustainable business within our planet's limits.

As a foundation for the updated strategy, we conducted a Double Materiality Assessment (DMA) in accordance with the Corporate Sustainability Reporting Directive (CSRD). This assessment has helped us identify our most material sustainability topics, both in terms of our impact on the world and how sustainability-related risks and opportunities affect our business. With this knowledge, we can direct our efforts where they matter the most.

To further strengthen our strategic approach, we have also developed an illustration of our value chain. This allows us to better understand our operations and their broader impact, helping us identify opportunities for improvement and collaboration across the supply chain.

Our updated sustainability strategy builds on the progress we have made so far while ensuring that our ambitions remain relevant, actionable, and aligned with global sustainability goals.

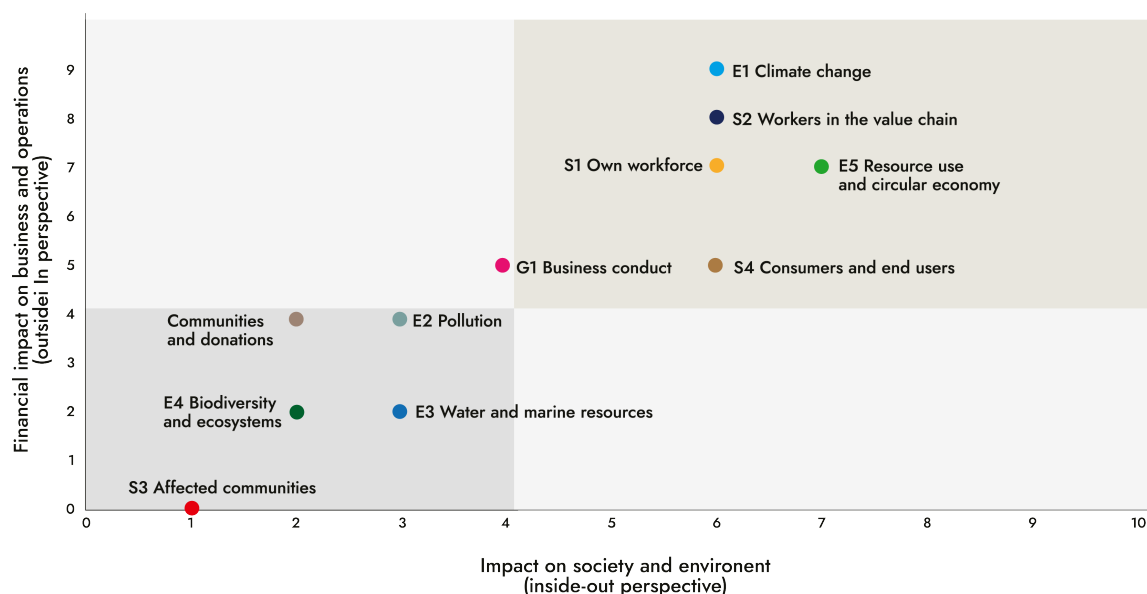
DOUBLE MATERIALITY ASSESSMENT

Our materiality assessment helps us prioritize sustainability topics based on their impact on the world and their relevance to our business. The topics in the highest-scoring zones are those we will actively report on and integrate into our strategic priorities.

Through workshops with internal stakeholders, we evaluated both the impact our organization has on sustainability factors and how sustainability risks and opportunities influence us. This resulted in a longlist of impacts, risks, and opportunities (IROs), which were mapped to the European Sustainability Reporting Standards (ESRS) topics. Based on scoring, we identified our most material topics, which form the foundation of our updated strategy.

The results of the DMA are presented in the following visual. The topics in the top-right box represent those that are double material, meaning they are both highly impactful in terms of our sustainability impact on the world and financially significant in how they affect our business performance and long-term resilience. Additionally, the topics in the boxes on the left are not classified as double material, but we have chosen to report on them due to their importance to our business and stakeholders.

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IMPACT-BASED APPROACH & MATERIALITY-DRIVEN SUSTAINABILITY STRATEGY

Our sustainability efforts are guided by a data-driven and materiality-based approach. We set ambitious targets informed by international frameworks, such as the Paris Agreement, and continuously assess our most material impacts to ensure meaningful progress.

Recognizing the complexity of sustainability challenges, we acknowledge that collaboration is essential to drive meaningful change. We are committed to working with partners across our value chain to find innovative and sustainable solutions. By mapping our value chain, we have gained deeper insights into our operations and their broader impact, enabling us to take a more proactive and informed approach to sustainability.

Our impact-based approach ensures that we concentrate our efforts on areas where we can make the most significant difference, continuously pushing ourselves to improve and adapt to the evolving sustainability landscape.

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, continue to serve as an important global framework for our sustainability work. These goals call on businesses, governments, and civil society to take action on critical global challenges such as poverty, inequality, and climate change.

As part of our updated strategy, we have revisited our alignment with the SDGs to ensure our focus areas reflect our most material sustainability impacts. We remain committed to contributing to the SDGs, with particular emphasis on:

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- Goal 5: Gender equality – Promoting diversity, equity, and inclusion within our workforce and ensuring fair treatment across our value chain.
- Goal 7: Affordable and clean energy – Supporting the transition to renewable energy by purchasing renewable energy certificates (RECs) for non-renewable energy consumption.
- Goal 8: Decent work and economic growth – Ensuring fair working conditions and supporting responsible business practices across our value chain.
- Goal 12: Responsible consumption and production – Advancing circularity, responsible sourcing, and sustainable product design.
- Goal 13: Climate action – Reducing our carbon footprint and aligning with science-based climate targets.
- Goal 17: Partnerships for the goals – Strengthening collaboration with industry partners, suppliers, and stakeholders to drive collective impact.

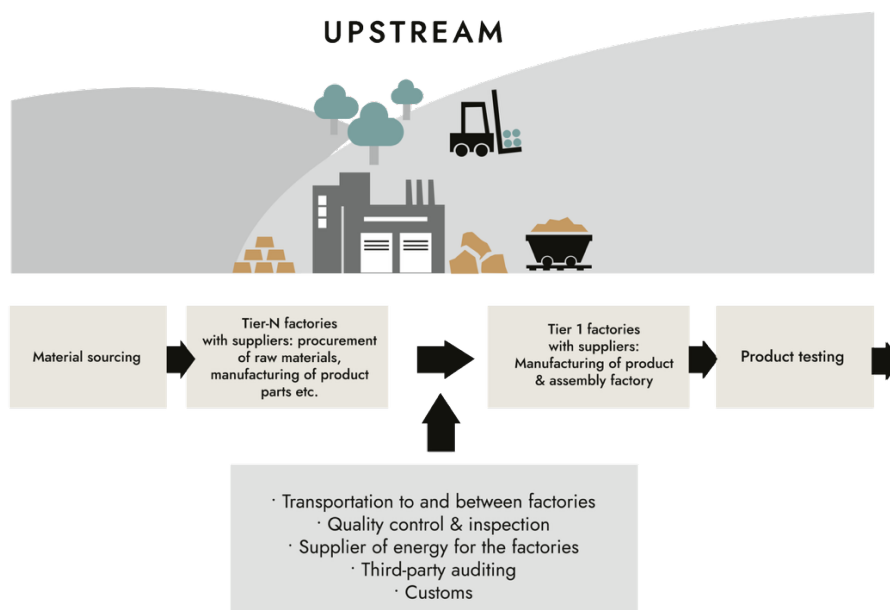
Through our sustainability efforts, we also support additional SDG targets across our operations and partnerships.

OUR VALUE CHAIN & ESG COMMITMENTS

Daniel Wellingtons value chain pictured as a whole.



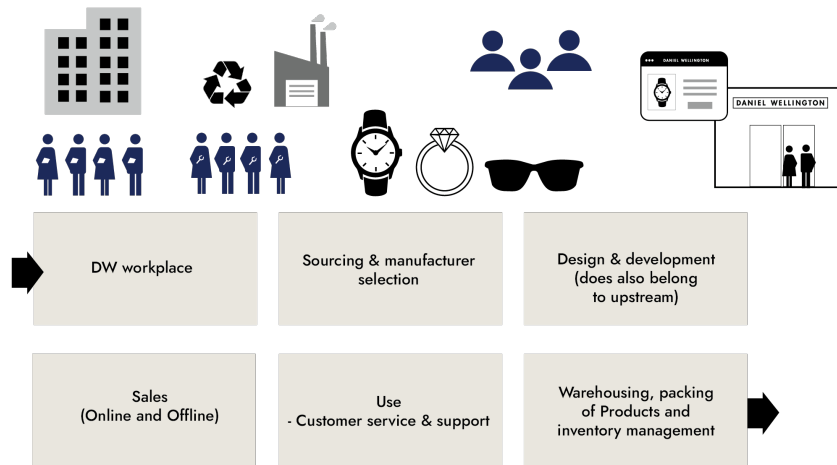
Daniel Wellingtons value chain with focus on upstream actions.



Daniel Wellingtons value chain with focus on our own operations.

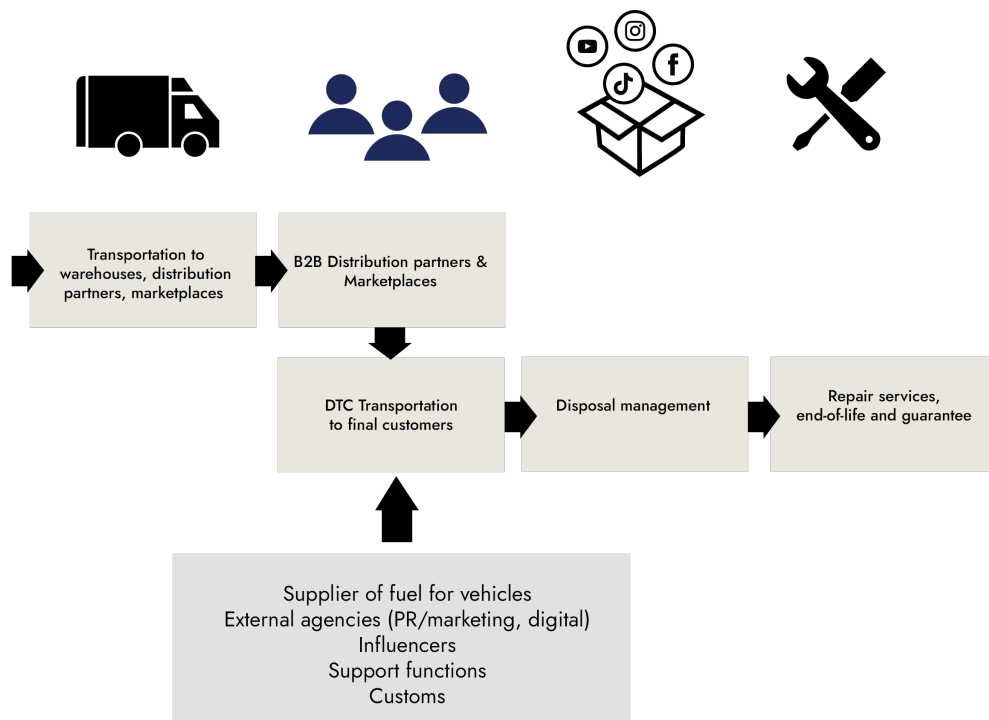
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OWN OPERATION



Daniel Wellingtons value chain with focus on downstream actions.

DOWNSTREAM



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To ensure we meet our sustainability and ethical goals, we have mapped out how Environmental, Social, and Governance (ESG) efforts are integrated throughout our value chain. This allows us to better understand where our sustainability commitments are most impactful.

Key areas of focus include:

- Environmental impact – Carbon emissions, responsible sourcing, and circularity.
- Social impact – Fair working conditions, labor rights, and diversity & inclusion.
- Governance – Business ethics, anti-corruption, and supply chain transparency.

Understanding these connections strengthens our ability to implement effective sustainability initiatives across the value chain.

3. OUR NEW SUSTAINABILITY STRATEGY: SIX PILLARS

Our updated sustainability strategy is structured around six key strategic areas, each addressing our most material sustainability topics as identified through our Double Materiality Assessment (DMA). This assessment forms the foundation of our strategy, ensuring that we focus on the areas where we can make the most impact.

Each strategic area is directly linked to a specific material topic and mapped to the corresponding European Sustainability Reporting Standards (ESRS), providing a clear framework for our efforts.

Our strategy builds on the progress we have made so far while ensuring that our ambitions remain relevant, actionable, and aligned with global sustainability goals.

We know that our targets are ambitious, but we believe this is the only way to drive meaningful change and work towards a truly sustainable Daniel Wellington.

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MATERIAL ISSUES COVERED, ESRS STANDARDS

ESRS E5	ESRS E1	ESRS S1	ESRS S2	ESRS S4	ESRS G1
1. Resources inflows, including resource use 2. Resource outflows related to products and services 3. Waste	1. Climate change mitigation 2. Energy	1. Working conditions for own workforce 2. Commitment to diversity, inclusion, and equal treatment and opportunities	1. Working conditions for value chain workers 2. Equal treatment and opportunities for value chain workers	1. Information-related impacts for consumers and/or end-users 2. Personal safety of consumers and/or end users 3. Social inclusion of consumers and/or end users + Animal welfare.	1. Corporate culture 2. Protection of whistleblowers 3. Corruption and bribery Animal welfare excluded.

DANIEL WELLINGTON STRATEGIC AREAS

ENVIRONMENTAL		SOCIAL			GOVERNANCE
A. WASTE & CIRCULARITY	B. CLIMATE ACTION	C. WORK-FORCE WELL-BEING	D. SUSTAINABLE SUPPLY CHAIN	E. RESPONSIBLE PRODUCTS	F. BUSINESS INTEGRITY
STRATEGIC END GOALS					
A fully circular model with zero waste to landfill, 100% recycled materials, and sustainable, reusable packaging, maximizing resource efficiency.	Net-zero carbon emissions through optimized logistics, minimal business travel, and 100% renewable energy use across operations	A work environment that is fully inclusive and supportive, with optimized employee well-being, integral diversity, and maximized productivity.	Complete transparency across our supply chain, rigorous third-party auditing standards, responsible sourcing practices, guaranteed fair treatment and safe working conditions for all value chain workers	Fully transparent, safe, and sustainably designed products, with a strong emphasis on product longevity, high standards for animal welfare, and responsible sourcing.	A corporate culture of integrity with robust ethical governance, including anti-corruption measures, an effective whistleblower function, and ongoing compliance through an annually reviewed Code of Conduct.
FOCUS AREAS					
Focus: Reducing waste, promoting recycling, circular economy principles, sustainable packaging, and resource efficiency. Ambitions: * Use of recycled materials * Minimize landfill use * Sustainable packaging * Reuse of product parts	Focus: Reducing carbon emissions, energy efficiency, renewable energy adoption, and climate change mitigation. Ambitions: * Optimized logistics * Reduced business travel * Renewable energy adoption	Focus: Supporting the well-being, diversity, and inclusion of employees within the organization. Ambitions: * Enhanced employee well-being * Diverse and inclusive workforce * Positive work environment and productivity	Focus: Enhanced supply chain transparency, third-party audits, and ensuring fair treatment and safe working conditions for value chain workers. Ambitions: * Full supply chain transparency * Third-party auditing * Responsible sourcing * Fair treatment for value chain workers	Focus: Sustainable product design, responsible sourcing, ethical materials, innovation in product lifecycle, sustainable packaging, and responsible production processes. Ambitions: * Enhanced product transparency * Emphasize product safety * Increase customer loyalty * High animal welfare standard	Focus: Ethical business practices, corporate culture, and employee governance and ongoing compliance with laws and regulations within the company. Ambitions: * Corporate culture * Anti-corruption & bribery * Whistleblower function * Ethical governance * Annual Code of Conduct review

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A. WASTE AND CIRCULARITY

STRATEGIC END GOALS

A fully circular model with zero waste to landfill, 100% recycled materials, and sustainable, reusable packaging, maximizing resource efficiency.

FOCUS AREAS

Focus: Reducing waste, promoting recycling, circular economy principles, sustainable packaging and resource efficiency.

Ambitions:

- Use of recycled materials
- Minimize landfill use
- Sustainable packaging
- Reuse of product parts

HIGHLIGHTS 2024

- 100% Forest Stewardship Council (FSC) certified paper and carton in our product and transport packaging.
- Recycled polyester used in all NATO straps since April 2020.
- 100% of leather from LWG certified tanneries.
- Chrome-free leather in our leather straps.
- Our collection of vegan leather bags are made of water-based polyurethane, lined with recycled microsuede.
- Our eyewear collection is crafted from bio-acetate, in line with the quality of our previous eyewear offering.
- Mother of pearl (MOP) sourced from a selection of suppliers with a sustainability focus, half of which are certified by the Marine Stewardship Council (MSC).

Current focus & commitments	Progress
Introduce gold from recycled sources	Our enduring goal is to incorporate recycled gold into our operations. Despite encountering challenges along the way, we are fully committed to persistently seeking a viable solution and will steadfastly continue with this project.
Recycled steel	In 2024, we developed a comprehensive strategy to progressively increase the use of recycled, certified steel in our manufacturing processes. This initiative is part of our commitment to sustainability and responsible sourcing. As per our plan, we have successfully integrated traceable steel into the test production of 10,000 watches. This pilot phase is crucial for evaluating the performance and quality of the recycled steel in our products. Following the successful completion of this pilot, we intend to expand the use of traceable steel across a larger portion of our portfolio, ensuring that our entire product line benefits from these sustainable practices.

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Shift to chrome-free leather	Our long term commitment has been introducing chrome-free leather for all upcoming watch strap releases. We've already begun this shift, converting our leather options to chrome-free alternatives. 2024 our total chrome-free leather consumption was 94%.
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IMPACTFUL MATERIAL CHOICES

In our materiality assessment, we concluded that the choice of materials has a significant impact on our footprint. Our ambition is that all our materials should be either renewable (like paper and cardboard) or part of a circular system (re-using recycled plastics that can be recycled again). To achieve this, we need to take full responsibility for our purchases, including complete transparency on the materials we are using and where they come from. It is important that we reduce our resource consumption by improving our product design, production process and overall transportation methods. The work to improve our sourcing demands and material traceability is ongoing. We are gradually increasing the scope and our knowledge about our supply chains for leather, metals, packaging materials and other components.

In 2020 we introduced a new material commitment where we clarified our existing requirements on specific materials as well as our ambitions going forward. The commitment covers key raw materials such as leather, gold, plastics, and wood-based products. As we deepen our knowledge, we will continue to add relevant requirements and challenge our ambitions.

In the following summary of our material usage during 2024 we can see that the total material volume has decreased while the use of plastic has reduced simultaneously. Looking at packaging, we manage to transport products with 90% of renewable materials while continuing to source for alternatives in remaining 9,7% of plastic packaging such as polybags and bubble wraps.

PRODUCTS – 41 tonnes

Metal	77,8%
Plastic	4,2%
Glass	7%
Brass	4,4%
Leather	4,7%
Zinc	0,1%
Rubber	0,3%
Ceramic	0,2%
Battery	0,6%
Others *	0,6%

* Mother of pearl, gold, epoxy and cubic zirconia stones.

PACKAGING - 206 tonnes

Paper and board	90,0%
Plastic	9,7%
Metal	0,3%

GOLD

Daniel Wellington's product line features various items plated with gold. As part of our annual due diligence, we rigorously ensure that the gold used is responsibly sourced and free from conflict.

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In 2024, we once again received assurance from our plating factories regarding the sourcing of the gold used in our products, confirming that it did not originate from mines in the Democratic Republic of the Congo (DRC) or its neighboring regions. Furthermore, our diligent research successfully traced the gold back to a conflict-free mine. Throughout 2024, a total of 9,8 kg of gold was used in Daniel Wellington products.

LEATHER

The leather supply chain is of paramount importance to us. The leather utilized for our watch straps is sourced from tanneries located in Italy. It's a prerequisite for all our tanneries to hold certification from the Leather Working Group (LWG).

LWG certification signifies a commitment to minimizing the environmental footprint of the tanning process. Consequently, these tanneries prioritize energy efficiency, water conservation, the use of superior chemicals, and the proper management of solid waste and effluents.

A few years ago, we embarked on a journey to minimize the environmental footprint of our watch straps. As a pivotal step in this endeavor, we committed to adopting chrome-free alternatives starting in 2020. We have already effectively replaced most of our leather offerings with chrome-free alternative. 2024 our total chrome-free leather consumption was 94%.

VEGAN LEATHER

In 2023, we introduced vegan leather handbags, aligning with our commitment to sustainability and ethical practices. This significant action not only reaffirms our dedication to ethical fashion but also results in a notable reduction in our carbon emissions. By opting for vegan leather, we minimize our reliance on traditional leather production methods, notorious for their environmental impact. Simultaneously, we responsibly offer genuine leather products sourced from suppliers meeting strict environmental and ethical standards, aiming to minimize environmental impact while harmonizing material innovation with our brand's heritage and customer expectations. This balanced approach caters to diverse preferences, blending innovation with tradition. Our goal is to ensure our products align with our values and customers' expectations while prioritizing sustainability and quality.

MOTHER OF PEARL

In our continuous pursuit of sustainability, we are reviewing our approach to sourcing MOP. We place great importance on ensuring that the MOP used in our products is sustainably sourced. One effective measure we employ is partnering with fisheries certified by the Marine Stewardship Council (MSC). MSC certification signifies strict adherence to responsible fishing practices and sustainable seafood sourcing standards, aligning with our values of environmental stewardship and ecosystem preservation.

We are proud to report that 50% of our current suppliers hold MSC certification, reflecting our dedication to sustainable sourcing practices. However, we acknowledge the importance of extending this commitment across all our sourcing channels. Our overarching goal is to transition all MOP sourcing to fisheries that guarantee the sustainability of their operations. This proactive step reinforces our commitment to environmental responsibility and ensures the preservation of marine ecosystems for future generations.

PAPER AND CARDBOARD

Daniel Wellington does not want to contribute to deforestation. As a result, we have set a target for all our paper and cardboard to be sourced from credibly certified or recycled sources. As part of this commitment, we conducted an initial mapping of our consumer box supply chain in 2018. During 2019,

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we worked closely with our suppliers to achieve FSC-certification of their facilities as well as for the purchased raw materials. Since 2020 all our purchased paper and cardboard comes from FSC-certified sources.

	2019	2020	2021	2022	2023	2024
Paper & cardboard from FSC-certified sources	27%	100%	100%	100%	100%	100%

PLASTIC

Over the years, we've been proactive in reducing our plastic usage in packaging. Our commitment to sustainability drives us to persist in this effort, while simultaneously ensuring that any remaining plastic originates from recycled sources and is recyclable after use. By using recycled plastic that can be recycled again, we're contributing to a circular economy and minimizing waste.

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B. CLIMATE ACTION

STRATEGIC END GOALS

Net-zero carbon emissions through optimized logistics, minimal business travel, and 100% renewable energy use across operations.

FOCUS AREAS

Focus: Reducing carbon emissions, energy efficiency, renewable energy adoption, and climate change mitigation.

Ambitions:

- Optimized logistics
- Reduced business travel
- Renewable energy adoption

HIGHLIGHTS 2024

- Reduced our carbon footprint by 81% since our base-year 2017.
- Adopted seasonal releases, improving efficiency, reducing waste, and minimizing environmental footprint.
- Shifted to a 'Make to Order' model for distributor partners, reducing excess inventory, streamlining operations, and enhancing efficiency.
- Purchased renewable electricity matching 100% of the electricity used in our operations.
- 98% landfill-free waste from our warehouse.

Current focus & commitments	Progress
Review and optimize our roadmap to ensure it aligns with our sustainability objectives and adapts to the evolving climate action landscape.	In 2024, we have refined our roadmap to align with sustainability goals and anticipate sharing updates in the next sustainability report.
Roll-out no waste to landfill target for all DW operations (warehouses, retail and offices)	Daniel Wellington continues its commitment to minimizing landfill waste. Our dedication to sustainability drives ongoing efforts to optimize waste management and increase recycling. We remain steadfast in our pursuit of a future with zero landfill waste.

CLIMATE ROADMAP

The climate crisis is a serious threat to the world. We recognize that Daniel Wellington impacts the climate in a multitude of ways throughout the product value chain: from the raw materials we choose to the factories producing our products, to our operations/freight and the product end-of-life.

Our approach to managing our climate change impact is based on three steps:

- 1) Measure our full life-cycle impact,
- 2) Reduce emissions with a focus on the largest measured emissions first,
- 3) Compensate for unavoidable emissions.

To concretize our commitment to climate neutrality, we established a climate roadmap in 2020, aiming for an 85% reduction in emissions by 2030 compared to our base year of 2017. As we reflect on our

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progress in 2024, we are pleased to announce that we have achieved a significant reduction of 81%. While this marks a commendable milestone, it also indicates the necessity of updating our roadmap for the remaining period until 2030. In 2024, we dedicated time and resources to revising and refining our future roadmap, ensuring its alignment with our sustainability objectives and the evolving landscape of climate action.

While we have made significant progress, we recognize there's more to be done. Challenges lie ahead, and we are committed to finding solutions as we approach 2030. Our aim is to minimize reliance on climate compensation, reserving it for unavoidable emissions only. Our roadmap focuses on four key areas: energy, products, business travel and freight, with identified projects for emissions reduction. Through collaboration and innovation, we are confident in our ability to achieve our sustainability goals.

CLIMATE FOOTPRINT

The first assessment of Daniel Wellington's climate change footprint was conducted for 2016. Our ambition is to cover the full life-cycle emissions of our products, including the impact from raw materials used, emissions from our factories, our warehouses, offices, retail operations, all product transportation, and business travel. We have continuously worked to improve data accuracy and add previously missed data sources. Changes due to this make year-on-year comparisons not fully representative. When earlier assumptions have been shown to be inaccurate, we have updated the data also for previous years. For a more detailed methodology, please see the section About this report.

CO₂ emissions incl. renewables per area

Products (life cycle impact)	52,0%
Freight	28,3%
Business travel	6,5%
Energy (Offices, warehouses & retail)	12,9%
Other (Waste & retail interiors)	0,3%

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	2017	2018	2019	2020	2021	2022	2023	2024	Unit
Total emissions, including renewables (market-based)	13,650	11,780	9,680	6,680	6,680	2,890	2,520	2,650	ton CO ₂ e
Emissions per revenue (market-based)	5.2	4.6	3.7	3.1	3.6	2.5	2,8	3,2	ton CO ₂ e / M SEK
Emissions per product (market-based)	3.7	3.1	3.1	2.4	2.6	1.8	1,6	1,7	kg CO ₂ e / product
Total emissions (location-based)	13,650	12,900	11,900	8,360	7,830	3,400	2,850	3,040	ton CO ₂ e

Emissions per scope	
Scope 1	0%
Scope 2, including renewables	2%
Scope 3, including renewables	98%

Emissions have been categorized into three scopes as defined by the Greenhouse Gas Protocol. Emissions are shown according to the market-based approach, including purchases of renewable energy. With a location-based approach, Scope 1 accounts for 0%, Scope 2 for 2% and Scope 3 for 98% of emissions.

Scope 2 includes energy consumption from Daniel Wellington's offices, retail stores, and a warehouse.

Scope 3 emissions include cradle-to-grave impacts from the production of purchased material, including both products we sell and retail furnishing, upstream and downstream freight, business travel, and energy use in third-party warehouses.

According to our 2024 carbon inventory, Daniel Wellington's climate impact increased by 5% compared to 2023, even when accounting for renewable energy use. This year, we expanded the scope of our reporting to include monobrand stores. While these stores are not owned by Daniel Wellington, they exclusively sell our products and therefore contribute to our overall emissions.

Despite the year-over-year increase, we have achieved an 81% reduction in emissions compared to our 2017 baseline. One factor contributing to this long-term reduction is a 6% decrease in the number of products sold in 2024 compared to 2023, which directly correlates with lower energy consumption and emissions from production and distribution.

The product life-cycle-impact in 2024 remains consistent with that of the previous year, 2023, indicating a stable climate footprint. This metric is directly correlated with the volume of products sold, emphasizing the significant environmental impact of our product line.

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Freight emissions increased by 13% compared to the previous year, primarily due to the following factors:

- Growth in sales to distant markets, particularly Australia and South Africa, has significantly extended the average shipping distance per order. These long-haul routes, especially when served by air freight, have a disproportionately large carbon footprint.
- Reliance on air freight remains a major contributor. Although our products are small and lightweight, air transport emits approximately 500 grams of CO₂ per metric ton-kilometer, compared to 10–50 grams for sea freight. This means even modest increases in air-shipped volume can lead to substantial emissions growth.

In 2024, our business travel increased by 46% compared to 2023, yet it is 87% less compared to 2017. The surge in travel can be attributed to post-pandemic recovery and the resurgence of face-to-face interactions. However, our reliance on virtual meetings has also increased, driven by efficiency gains and sustainability considerations. This fluctuation reflects the evolving nature of business practices. Recognizing the environmental impact of business travel, we have maintained our reduced travel pattern even as post-pandemic restrictions ease.

We have purchased traceable renewable electricity to align with the energy consumption of all our offices, warehouses, and retail stores. We try to purchase energy from the market where the energy was consumed. However, when not possible, we increase the purchases from other markets to compensate. Guarantees of Origin (GOs) were used for Europe and International Renewable Electricity Certificates (RECs) for other parts of the world. In 2024, our renewable energy portfolio was a mix of hydropower and solar energy with 28 to 72% ratio.

	2018	2019	2020	2021	2022	2023	2024
Renewable electricity purchases of use in own operations	99%	100%	100%	100%	100%	100%	100%

WASTE

In alignment with our steadfast commitment to a circular business model, we persist in our pursuit of achieving 0% landfill waste. During 2024, we continued to implement this target in warehouses and offices worldwide. Most of the waste generated from both our own facilities and third-party warehouses is now diverted from landfills, and we remain committed to further reduce any waste still being directed to landfills.

Beyond our operational waste, we are equally dedicated to ensuring responsible disposal practices for our products and packaging. We recognize our responsibility to educate and empower consumers in recycling efforts.

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C. WORKFORCE WELL-BEING

STRATEGIC END GOALS

A work environment that is fully inclusive and supportive, with optimized employee well-being, integral diversity, and maximized productivity.

FOCUS AREAS

Focus: Supporting the well-being, diversity, and inclusion of employees within the organization.

Ambitions:

- Enhanced employee well-being
- Diverse and inclusive workforce
- Positive work environment and increased productivity

HIGHLIGHTS 2024

- Job description update for all roles
- 50% of Global executives are women.
- ALVA LABS Team development sessions to increase understanding of each personality and how to benefit from that in collaborations

Current focus & commitments	Progress
Engagement Survey	We will continue with a bi-monthly engagement survey to collect data-driven insights, enabling us to make informed decisions and take effective actions to improve our workplace.

Daniel Wellington's success is fueled by a global workforce of 155 employees (at the end of 2024). Our people are what make us successful. Attracting, developing, and retaining the greatest talents with the right expertise is, quite simply, crucial for our survival.

ENGAGEMENT SURVEY

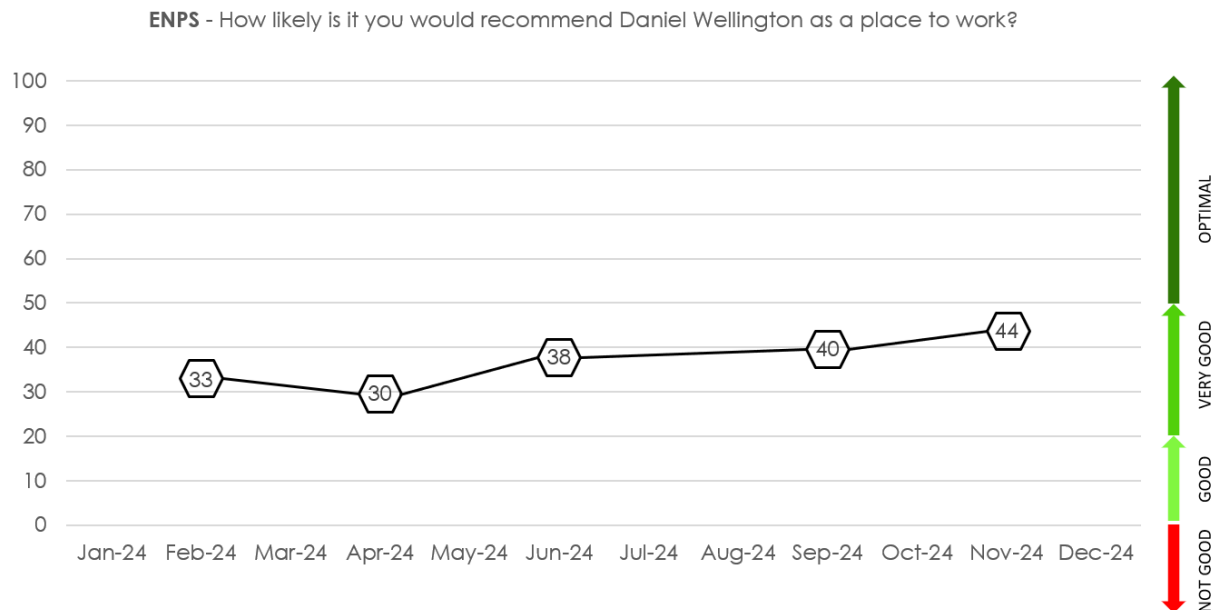
We strive to have highly engaged co-workers in our organization. To be able to reach this ambition and make sure we are an attractive workplace, we conduct bi-monthly Engagement Surveys.

We follow the results on Departmental, Regional, and Global levels. After each round, the results are analyzed and workshopped between HR and Managers to set relevant actions for each department.

The main KPI that is followed is based on eNPS (employee Net Promoter Score) for the question "How likely is it you would recommend Daniel Wellington as a place to work?". A score above 0 shows that you have more Employees who would recommend you as an Employer, than those who would possibly discourage others from working with you. It can be said that a value between 0-20 is Good, a value between 20 and 50 is Very Good, and anything above 50 is optimal. Values between minus 100 and 0 suggest challenges, often requiring direct action plans.

In all our Survey rounds during 2024 the result showed we were in the "Very good segment".

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TRANSPARENCY

To increase our transparency, we continued to develop our monthly physical (and digital) Townhalls to all employees, where our CEO, in a transparent manner, shares financials and news about what is currently going on in our business. The global goal steering is also an important part of the meeting, clearly showing all employees the progress towards the business goals.

TALENT DEVELOPMENT

"We believe that learning occurs anywhere, anytime, as an everyday journey integrated into people's daily activities." Our learning strategy is rooted in this principle, aiming to reach employees through an excellent digital workplace at the right time and place. With the landscape evolving rapidly, especially accelerated by the pandemic in 2021, our focus is primarily digital. Supporting employees in enhancing both hard and soft skills to become better versions of themselves will be crucial for our future.

In 2024, we developed and updated our Growth Talk Template for all employees and leaders to focus more on Growth and Development. All employees and leaders should conduct a yearly Growth Talk with their Managers and set clear objectives/goals to support professional development.

FLEXIBLE WORK SET-UP

We don't believe in a 'one size fits all' approach, as we recognize that all employees have different needs. This is why we now have permanented our "Hybrid Office Setup". We believe that a higher degree of flexibility will lead to better outcomes, as our employees and teams have more control over how, when, and where they do their work. How often an employee should be on site in the office is decided between the closest manager and employee according to the department's needs.

DIVERSITY & EQUALITY

Gender equality is a priority for Daniel Wellington. Our ambition is to have an even gender distribution (at least 40:60 of either gender) by all our managers. The executive team consists of 50% women and 50% men.

REORGANIZATION

Daniel Wellington has continuously downsized the organization since 2022, to better be suited for the future. In 2024, Daniel Wellington moved the warehouse from Uppsala, Sweden to a third-party Partner

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in the Netherlands. This move resulted in a redundancy situation where around 20 employees were redundant. Daniel Wellington has also continued to exit markets and countries where own-operated stores, have closed. The organizational size decreased from 220 employees at the start of the year to 155 employees at the end of the year, 2024.

Gender share Daniel Wellington Global Organisation, 31 December 2024

Total employees	
Women	63%
Men	37%
Managers	
Women	60%
Men	40%
Executive Team	
Women	50%
Men	50%

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D. SUSTAINABLE SUPPLY CHAIN

STRATEGIC END GOALS

Complete transparency across our supply chain, rigorous third-party auditing standards, responsible sourcing practices, guaranteed fair treatment and safe working conditions for all value chain workers.

FOCUS AREAS

Focus: Enhanced supply chain transparency, third-party audits, and ensuring fair treatment and safe working conditions for value chain workers.

Ambitions:

- Full supply chain transparency
- Third-party auditing
- Responsible sourcing
- Fair treatment for value chain workers

HIGHLIGHTS 2024

- Engaged in ongoing collaboration with our suppliers through Sedex SMETA initiatives.

Current focus & commitments	Progress
Audit all tier 1 suppliers on the social parameters outlined by SMETA (Sedex Members Ethical Trade Audit) on a regular basis.	Our objective is to conduct SMETA audits regularly for all tier 1 suppliers in China in line with our sustainability objectives. We are continuously enhancing our auditing procedures to maintain the integrity of our supply chain and align with our sustainability goals. Looking ahead, we are committed to ensuring that these audits are conducted consistently, aiming to achieve our objectives in the upcoming year.
Audit all suppliers, including those beyond tier 1, on the social parameters outlined by Sedex SMETA, and continue to deepen our knowledge and use our leverage to promote change further down the supply chain.	Consistent updates on subcontractors are essential for Daniels Wellington's suppliers. Additionally, our internal team will continue their routine visits to key tier 2 and 3 suppliers, as they have traditionally done, to ensure heightened supervision and accountability across the supply chain.

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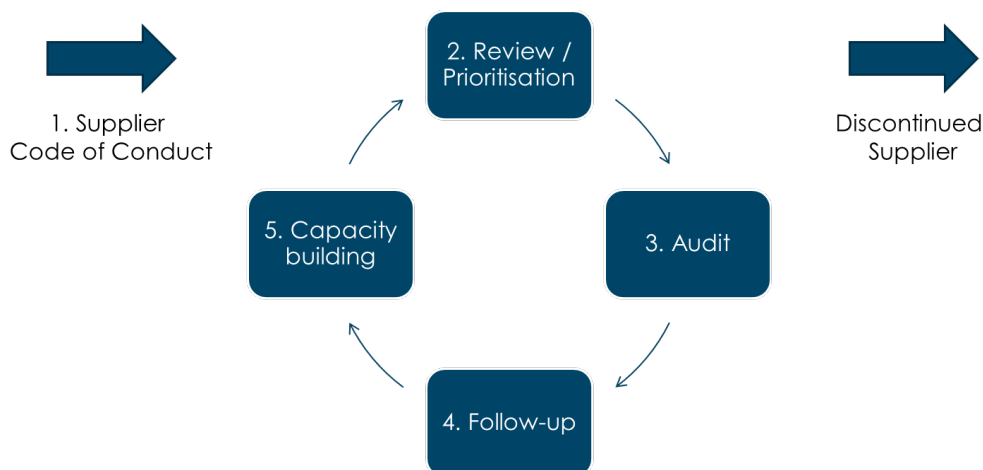
ETHICAL SUPPLY CHAIN COMMITMENT

We have a responsibility towards all the people touched by our operations. Our ambition is that all the jobs created in our supply chain should contribute positively to society. The working environment should be safe, and people need to be able to live and support their families on a regular worker's wage.

In 2020 we joined SEDEX, one of the world's leading platforms for companies to manage and improve working conditions in the supply chain. The platform should support our suppliers in meeting not only Daniel Wellington's requirements, but also those of other brands, reducing the need to duplicate audits.

OUR SUPPLIERS

Daniel Wellington's supplier base is mainly located in China. To manage the sustainability impacts and risks associated with our supply chain, we have set up a five-step process to help us prioritize and focus our actions.



At a minimum, our suppliers should follow the local laws of the country where the business is conducted. In addition, our Supplier Code of Conduct sets the minimum requirements for how we expect our suppliers to act. All our direct product suppliers have signed the code. See section *[Our Guiding Policies]* for more details on the Supplier Code of Conduct.

Once the supplier has signed the Supplier Code of Conduct, they are part of our audit program. We plan and prioritize our work based on input such as the supplier spend, the product type, and the previous history with the supplier. All audits were semi-announced conducted by qualified third-party audit firms. The work with improving issues found during audits is ongoing, and we continue to see progress in terms of e.g. working hour controls. Following each audit, dedicated Daniel Wellington staff work together with the suppliers on improving the identified areas. Sustainability is an important part of the suppliers' performance reviews.

Going forward, we will continue to support our suppliers and strengthen our processes and controls.

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E. RESPONSIBLE PRODUCTS

STRATEGIC ENDS GOALS

Fully transparent, safe, and sustainably designed products, with a strong emphasis on product longevity, high standards for animal welfare, and responsible sourcing

FOCUS AREAS

Focus: Sustainable product design, responsible sourcing, ethical materials, innovation in product lifecycle, sustainable packaging, and responsible production processes.

Ambitions:

- Enhanced product transparency
- Emphasize product safety
- Increase customer loyalty
- Product longevity
- High animal welfare standard

HIGHLIGHTS 2024

- Made repair services available to our customers via our repair partners.
- Material sustainability & compliance review completed for all the new launches.

Current focus & commitments	Progress
Ensure that repair services and battery exchanges are accessible to consumers across all markets.	In response to the diminishing presence of our physical stores and the resulting inability to offer in-store repairs, we have developed a solution to ensure our customers can still access repair services for their products. We now efficiently guide them to our authorized repair partner stores, thus ensuring their convenience and satisfaction are prioritized.
Continuously improving our product testing routines in close collaboration with our suppliers.	We continued to roll out the new product testing routine to all our suppliers. All new suppliers are connected to the test program from the start.
All new products and materials should undergo complete sustainability and compliance review.	All new products and materials have undergone rigorous examinations, considering both sustainability and compliance factors, affirming our dedication to environmental stewardship and regulatory standards.

DESIGN

Design is at the heart of Daniel Wellington's product philosophy. We always strive for perfection in our products, creating designs that we believe will stand the test of time. As part of the development, we study the materials and processes used, ensuring we review everything from a quality and sustainability perspective. We aim to exceed the consumers' expectations by offering affordable products with the highest possible quality, produced with care for the environment and respect for the people that are touched. By doing this, we hope to build a stronger brand and, in the end, create more loyal customers.

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QUALITY AND PROLONGING PRODUCT LIFE

Our goal is to create products that not only have a timeless design but that also function for many years. The quality requirements on our suppliers and materials are high, and we are continuously improving the products. Results from our quality inspections and warranty issues from customers are monitored regularly to make sure that we pick up on potential problems as early as possible.

Our watches are designed with replaceable parts, ensuring easy replacement in case of damage. We extend repair services through our trusted network of repair store partners. This commitment not only facilitates product longevity but also enhances customer satisfaction.

REVIEW OF NEW PRODUCTS

Sustainability is embedded in Daniel Wellington's product philosophy as well as in our new product development process. This means that all new products and materials undergo complete sustainability and compliance review. All products launched in 2024 were assessed both with a desktop study and following lab tests to ensure that they meet our requirements for being safe for the consumer, produced responsibly, and with our Material Commitment in mind.

SAFE PRODUCTS

It is essential that all our products are safe to use for our consumers. To ensure that the products do not contain any dangerous chemicals that may harm human health or the environment, we follow the strictest legalization in our markets and apply the precautionary principle. Regular tests of our products are conducted by independent testing houses to verify compliance.

In 2020 we started implementing an improved test process with our suppliers that was rolled out to all suppliers in 2021. The process strengthens the connection between the AFIRM Restricted Substance List (AFIRM RSL) which was launched in 2019, and all the products in our assortment.

The stainless steel used in our products, including the watch case, watch straps, and jewelry, is 316L. The NATO straps are made from recycled polyester, and the leather comes from cows. To ensure that our leather is high quality, we use a few selected tanneries in Italy. None of the materials should under normal use cause any allergic reactions.

IP AND ANTI-COUNTERFEITING

At Daniel Wellington, we work actively and diligently with protecting our intellectual property ("IP") and taking anti-counterfeiting measures. This includes to oversee, manage and defend the company's worldwide IP rights and specifically to protect and control the use of the company's trademarks and designs, which are of great value and importance to the company.

In recent years, it has become apparent that Daniel Wellington products are attractive to copy. This implies several problems, e.g. counterfeits being of poor product quality, which may result in potential health and safety issues for the consumers buying and using counterfeits. In addition, the sale and production of counterfeit products is often linked to other types of crimes such as money laundering, tax evasion and labor exploitation, and feed a shadow economy controlled by criminal organizations. Counterfeit products are more likely to be manufactured in non-compliance with environmental laws and standards. To manage these problems, and ensure that the company's rights are respected and consumers are protected, we work actively to combat counterfeiting. This work comprises both preventive and corrective measures and Daniel Wellington collaborates with e.g. digital marketplaces, customs, police departments, prosecutors, and other law enforcement agencies worldwide. Further, we

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are also collaborating with other brands and organizations with the shared interest of combatting counterfeiting and illicit trade.

Over the past years our anti-counterfeiting measures have led to seizures of over 500,000 fake products globally and the take-down of almost 1,200,000 contested e-commerce ads. The preventive and corrective measures, as well as the collaborations with relevant organizations and authorities, have enabled Daniel Wellington to contribute to the process of combating the problems that the counterfeit market gives rise to.

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F. BUSINESS INTEGRITY

STRATEGIC END GOALS

A corporate culture of integrity with robust ethical governance, including anti-corruption measures, an effective whistleblower function, and ongoing compliance through an annually reviewed Code of Conduct.

FOCUS AREAS

Focus: Ethical business practices, corporate culture, and employee governance and ongoing compliance with laws and regulations within the company.

Ambitions:

- Corporate culture
- Anti-corruption & bribery
- Whistleblower function
- Ethical governance
- Annual Code of Conduct review

HIGHLIGHTS 2024

- A revised Code of Conduct
- New whistleblower function

Current focus & commitments	Progress
Code of Conduct revision during 2024	CoC was revised and 100% of DW personnel participated to the training during early 2025.

Together we work towards the company's vision with a winning culture that honors innovation, ownership, individual abilities, growth, and meaningful opportunities to contribute to the company's success.

At the core of our business strategy is a focus on how to attract, retain, and develop talented people from around the globe, to push boundaries and inspire them to become part of our global movement.

GUIDING PRINCIPLES

Our guiding principles are the foundation of our culture. They help define the actions needed to execute our vision and business strategy, to build a long-term successful company. The guiding principles define why people should choose and commit the best of themselves to the organization, what the employee 'deal' consists of, and provide a common point of direction for employee management.

KEY POLICIES

Daniel Wellington is committed to conducting a long-term sustainable business within the limits of our planet. We continuously work to reduce our negative environmental impact and increase the positive social benefits from our activities throughout the whole value chain.

Our work is guided by the ten principles of the UN Global Compact relating to Human Rights, Labor, Environment and Anti-Corruption. These principles form the basis of our approach to conducting business responsibly and we have integrated them into relevant internal and external policies and processes. We also want to ensure that our work supports the UN Sustainable Development Goals (SDGs).

Policies are published on our Intranet and are available to all employees.

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CODE OF CONDUCT

Our Code of Conduct contains guiding policies around employee-related matters such as gender equality, harassment, anti-corruption, bribery, and environmental principles. The Code of Conduct furthermore explains how to report potential violations. All employees must sign off that they have taken part in the training. During the onboarding of new employees, training on culture and policies are included.

DIVERSITY AND INCLUSION

Being a global organization, we embrace diversity and inclusion; it has been an essential part of our success. All aspects of the employee lifecycle should be carried out without regard to gender, race, color, religion, sexual orientation, or ethnicity. Employment, promotions, training, and compensation should always be based on merit and/or individual abilities. We are working against any form of discrimination or harassment and remain committed to ensuring diversity in all business areas.

Our management plays a vital role in managing diversity and inclusion. We want to achieve common accountability where all employees work to maintain these values. Our Global Diversity and Gender Equality Policy outlines our approach. The goal is to ensure equal opportunities and equal pay for equal work, while promoting inclusion, health, respectful interactions, and suitable working conditions.

ENVIRONMENT

Our environmental commitment outlines our ambition to continuously reduce Daniel Wellington's impact on the planet's natural systems, using resources efficiently and responsibly. To do this we need to continuously explore and deepen our knowledge internally and make sure sustainability considerations are factored into major business decisions. Decisions should be taken with a lifecycle perspective and precautionary approach in mind.

SUPPLIER CODE OF CONDUCT

Through the supplier sustainability program, we cooperate closely with our suppliers to reduce risks and impacts in our supply chain. The Supplier Code of Conduct is the first step and specifies the basic requirements and guidelines that we expect all our suppliers to follow. The document covers the respect and support for human rights as covered by the International Bill of Human Rights and the International Labor Organizations Declaration on Fundamental Principles and Rights at work, addressing freedom of association, forced labor, child labor, and non-discrimination. It also specifies zero-tolerance against corruption.

REPORTING CONCERNS

Our whistleblowing procedure offers our employees a possibility to report potential breaches of our policies confidentially. It is an important tool for reducing risks and maintaining trust in our operations by enabling us to detect and act on possible misconduct at an early stage. Whistleblowing can be done openly or anonymously, both verbal and written. The purpose of the guidelines is to encourage employees (and possibly external stakeholders) to blow the whistle on suspected misconduct without any risk of retaliation, as well as to ensure an appropriate investigation process.

During 2024, no concerns were received in our whistleblowing system.

4. ABOUT THIS REPORT

This is Daniel Wellington's eight sustainability report, and it covers material sustainability activities for Daniel Wellington AB with subsidiaries from January 1 to December 31, 2024. For full details about included subsidiaries please refer to Daniel Wellington's Annual Report for 2024 (Company registration number 556875-5937).

CALCULATION METHOD FOR CLIMATE EMISSIONS

Daniel Wellington's climate emissions are calculated according to Greenhouse Gas Protocol's guidelines, and the methodology has been reviewed by an external party. Below is information about which areas are included in each scope in our climate calculations. DEFRA has been the main source of emission factors used¹. For market-based electricity emissions, renewable energy has been counted as zero emissions. For countries where we have not managed to purchase renewable energy with a local accredited standard, average grid emissions have been used due to no residual factors being available. IEA Emission factors are used for electricity and district heating consumption when not counted as zero due to renewable energy purchases². Freight has been calculated with DEFRA when the freight provider has not calculated his own emission. When no relevant emission factor has been available in DEFRA or IEA, other independent factors have been used from LCA or climate footprint studies.

Scope 1:

As Daniel Wellington does not own any production facilities, no scope 1 emissions exist.

Scope 2:

In scope 2, emissions included is energy use in our own offices, retail stores as well as a warehouse.

Scope 3:

Cradle-to-grave impacts from the production of purchased material, including the products we sell, freight and business travel, using an RFI factor of 1.9 for air freight and travel. Energy use in third-party warehouses and third-party but fully DW branded stores.

STAKEHOLDER INVOLVEMENT

Our ambition is to regularly consult both internal and external stakeholders, enabling us to take their opinions and perspectives into consideration to help guide us in our choices. Important stakeholder groups include customers, influencers, employees and management, suppliers, distributors, NGOs, our owner and society.

Employee engagement surveys are conducted regularly, ensuring we get regular input from our employees. As part of the strategy development, a more detailed survey was held where management and employees were asked to rank the most relevant sustainability areas for themselves and Daniel Wellington. The results included being a fair employer, focusing on health & wellbeing, working with responsible suppliers, and reducing climate change impacts. We continuously encourage our employees to contribute with their ideas to help us fulfill our sustainability goals.

Research shows that corporate responsibility is increasing in importance for consumers worldwide. increasing amount of consumers see this as something brands are expected to do. We conduct regular market analyses, through surveys and focus groups, to understand what our current and potential

¹Defra (2019). UK Government GHG Conversion Factors for Company Reporting

²IEA (2019), Emission Factors

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customers see as important product and brand attributes. Quality and sustainability are two areas included. The outcome of these surveys shows that design is one of the top areas for choosing our brand. However, high up on the list is also the importance of our products being durable and made with high-quality materials.

We see an increase in requests from our distributors where they want to ensure that we as a brand meet their sustainability requirements. The information requested includes details regarding our products and specific materials or quality reports, as well as information about how our products are made, including our supplier sustainability management.

We are following the development of EU legislation of Corporate Sustainability Reporting Directive (CSRD) and how we can meet the new reporting requirements.

Daniel Wellington's owner and board have stated the ongoing importance of sustainability. It is our responsibility to do the right thing and help the company be better prepared to achieve long-term profitability.

ORGANIZING FOR SUSTAINABILITY

Sustainability is an important part of the company strategy, and the Global Executive team monitors progress on regular basis. All parts of the business set sustainability-related targets and actions. We are continuously working to integrate sustainability into our everyday work. The board has approved the sustainability strategy and receives regular updates on how we are achieving our targets. Sustainability is also a regular topic during meetings with the Global Executive team.

Thank you!

If you have any questions or comments about the report, please contact our Sustainability & Product compliance manager:

Henrik Tuomas

henrik.tuomas@danielwellington.com

We appreciate your feedback.