



Sustainability Report 2022

NANSO GROUP

Nanso Group Sustainability Report 2022

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Nanso Group

Nanso Group is a Finnish house of brands established in 1921. Our iconic brands, Nanso and Vogue, are among the most well-known and valued labels in Finland. We believe that timeless design and more sustainable materials contribute to a sense of well-being and a beautiful everyday life.

Nanso – a true classic and beloved icon in Finnish fashion – is renowned for its unique patterns, high quality, and Finnish design expertise. Nanso operates 24 stores across Finland as well as an online shop.

Vogue is one of the most valued sock and hosiery brands in the Nordic countries, offering high-quality products that add a touch of luxury to the everyday life.

Revenue
32,5
million

Operating profit
1,6
million

Staff
134
(Average in 2022)

Number of
Nanso Stores
24
(12/22)

Actions for the Future

Sustainability has been part of Nanso Group's values and practical operations for over 100 years. Our valuable century-old heritage brings with it a broad perspective and an authentic brand story, but it also obliges us to preserve the valuable Nanso brand and its parent company's vitality.

I started as the CEO of Nanso Group in July 2022, and soon after – in the fall of 2022 – we began further clarifying the focus of our sustainability efforts. As a result of this, we established a sustainability strategy that guides our sustainability work at Nanso Group. We want to place sustainability even more prominently at the core of our company, as we believe that the demand for durable and more sustainable fashion will continue to grow in the future. We structured sustainability into three themes: products, people, and the environment.

At Nanso Group, we see every garment we produce as valuable, and we aim to create everyday favorite clothing that brings joy daily. Circular economy holds a particularly strong position in our sustainability strategy, as our products are designed to be timeless and durable both in terms of quality and style. Our high-quality products are an alternative to fast fashion. Additionally, we strive to support the longevity of our garments and prevent unnecessary disposal. We offer repair services and sell repaired Nanso garments in our stores. Through collaboration with our circular economy partners, our goal is to extend the lifespan of our garments and slow down the rapid cycle of fashion.

At Nanso Group, we are committed to continuing our long-term sustainability work for the next 100 years and beyond!

Rita Holmberg
Nanso Groupin toimitusjohtaja



Sustainability Highlights in 2022



We started a collaboration with Menddie, whose repair services we utilize for warranty repairs of Nanso products.

Garment care has a significant impact on extending the lifespan of clothing. For this reason, we added Stockholm Steamery garment care products to our selection.

In 2022, we increased the share of more sustainable materials in our collections. In Nanso, 42% of the products are made from more sustainable materials (compared to 27% in 2021), and in Vogue 18% (compared to 13% in 2021).

[Read more on page 18.](#)

We continued our collaboration with Emmy, Finland's largest second-hand service. In 2022, consumers sold 1,500 Nanso products through Emmy.



We are developing our retail chain equally across Finland to meet the needs of different regions. In 2022, we opened even 4 new Nanso stores.

We donate the proceeds of shopping bag sales at Nanso stores to the John Nurminen Foundation. In 2022, we donated a total of 9,391 euros for the benefit of the Baltic Sea. Since 2019, we have already donated over 26,000 euros to the foundation. [Read more on page 36.](#)



Vogue's Conscious Collection products are made from more sustainable materials such as ECONYL® nylon, organic cotton, and lyocell. In 2022, we sold approximately 150,000 units of the more sustainable Conscious Collection products.

Our staff is exceptionally committed and satisfied with their work, and there is an extraordinarily strong team spirit within Nanso Group. We received excellent ratings in the employee satisfaction survey.

[Read more on page 28.](#)

We donated 10,000 euros to the Finnish Red Cross Ukraine Disaster Relief Fund. With this support, the Red Cross provided help in Ukraine, including food, medicine, and shelter.

We began developing our sustainability strategy in the fall of 2022, and the Nanso Group's sustainability strategy was completed in February 2023. [Read more on page 7.](#)

Managing Sustainability

Sustainability is one of the four strategic focus areas of Nanso Group, and it is managed as part of our daily business operations. We are committed to acting responsibly, transparently, and in accordance with ethical principles.

In the fall of 2022, we began developing our sustainability efforts in a more systematic manner. The requirements of stakeholders and legislation, as well as the expectations of consumers and our own staff, strongly influenced the development of the sustainability strategy. As a result, Nanso Group's sustainability strategy and roadmap were created, outlining our actions and goals. Nanso Group's sustainability is divided into three themes that help structure our sustainability work:

PRODUCTS: Cherishing quality

PEOPLE: Caring for people near and far

ENVIRONMENT: Acknowledging and acting

PRODUCTS: CHERISHING QUALITY

Choice that lasts time

1. We design timeless and durable products and choose more sustainable materials.
2. We promote the circular economy and extend the life cycle of our products.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



PEOPLE: CARING FOR PEOPLE NEAR AND FAR

Our strength lies in people at home and afar

1. We operate transparently and strive to be a fair partner.
2. We take care of our personnel and communities.

8 DECENT WORK AND ECONOMIC GROWTH



ENVIRONMENT: ACKNOWLEDGING AND ACTING

Actions for the future

1. We commit to carbon neutrality** and reduce our emissions.
2. We use natural resources sustainably and choose resource-efficient partners.

13 CLIMATE ACTION



* Holmberg Brands Oy merged with Nanso Group Oy on December 31, 2021. The business operations that transferred from Holmberg Brands Oy terminated at the end of 2022.

**Nanso Group's own operations will be carbon neutral by 2026 (scope 1 & 2). The entire value chain of Nanso Group will be carbon neutral by 2035 (scope 1, 2 & 3).

Our Sustainability Goals

In the future – both in the short- and long-term – Nanso Group's strategy will be increasingly intertwined with sustainability. We aim to be an advanced and sustainable house of brands. Our mission is to create meaningful design with over 100 years of expertise.

As part of our sustainability strategy, in spring 2023, we set sustainability goals for Nanso Group together with corresponding metrics to measure their progress*. The key goals are described in the table on the following page



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THEME	GOAL	METRICS	PROGRESS
PRODUCTS: CHERISHING QUALITY	We design timeless and durable products and select more sustainable materials.		The work has progressed according to plan.
	We promote the circular economy and extend the lifespan of our products.	Emmy: sold products Menddie: repaired products Uusi Elämä: repaired products	The goal has been achieved.
PEOPLE: CARING FOR PEOPLE NEAR AND FAR	We operate transparently and strive to be a fair partner.	By 2025, all of our tier 1 suppliers located in high-risk countries will be certified under amfori BSCI (or equivalent).	The work has progressed according to plan.
	We take care of our personnel and communities.	Ongoing personnel responsibility goals: eNPS (Employee Net Promoter Score) and employee satisfaction.	The work has progressed according to plan.
ENVIRONMENT: ACKNOWLEDGING AND ACTING	We commit to carbon neutrality** and reduce our emissions.	Nanso Group's own operations will be carbon neutral by 2026 (scope 1 & 2).	The work has progressed according to plan.
		The entire value chain of Nanso Group will be carbon neutral by 2035 (scopes 1, 2 & 3).	The work has progressed according to plan.
	We use natural resources sustainably and choose resource-efficient partners.	Energy savings Carbon-neutral partners	The work has progressed according to plan.

* Our previous sustainability commitments do not reflect the new sustainability goals, so their progress will no longer be tracked.

** Nanso Group's own operations will be carbon neutral by 2026 (scope 1 & 2). The entire value chain of Nanso Group will be carbon neutral by 2035 (scopes 1, 2 & 3). These goals are based on the Greenhouse Gas (GHG) Protocol.

Explanations: The goal has been achieved The work has progressed according to plan The goal has been partially achieved. The goal has not been achieved The goal has been abandoned

UN Sustainable Development Goals

Global sustainability challenges affect us all, also in the corporate world. In the textile and fashion industry, challenges related to human rights, climate change, energy, water, and resource availability are particularly prominent. Addressing these challenges requires business-driven solutions and innovations. Nanso Group's sustainability efforts are particularly aligned with the following United Nations Sustainable Development Goals:



12. RESPONSIBLE CONSUMPTION AND PRODUCTION

- We promote sustainable textile production and manufacture products that are durable both in terms of design and quality.
- We choose more sustainable and certified materials (see Material Goals).
- We launch new circular economy services.
- We encourage consumers to extend the lifespan of products and we communicate our own environmental impact.



8. DECENT WORK AND ECONOMIC GROWTH

- We require responsible practices from all our suppliers and provide them with guidelines for sustainable business operations.
- We work together with our suppliers to improve the responsibility of production conditions.
- Our goal is to grow in a sustainable manner while preserving and creating jobs.
- We take care of the well-being and safety of all our employees.



13. CLIMATE ACTION

- We are committed to carbon neutrality*.
- We calculate our carbon footprint annually and reduce our emissions.
- We use natural resources sustainably.
- We choose resource-efficient and carbon-neutral partners.

*Nanso Group's own operations will be carbon-neutral by 2026 (scope 1 & 2).
The entire value chain of Nanso Group will be carbon-neutral by 2035 (scopes 1, 2 & 3).

Nanso Group Values

We updated our values together with the entire staff of Nanso Group. The new values reflect our hundred-year-old history, current operations, and future aspirations.

Appreciating Quality

High-quality and durable products are at the core of our operations. The products of our brands are designed to bring long-lasting joy both in terms of quality and style. We prioritize the use of high-quality and more sustainable materials in our products. Additionally, we strive to support the longevity of garments through our actions and promote a circular economy.

Valuable Heritage

We see our 100-year-old history as a valuable heritage that provides a broad perspective and an authentic brand story. For over a century, high-quality products and a caring atmosphere have been part of the Nanso Group's story. The design expertise accumulated over the century also enables an understanding of the high-quality implementation methods of our products. We view all of this as a valuable legacy that we want to cherish for future generations as well.

Genuinely Caring

At Nanso Group, we genuinely care about both people and the environment. Our strength lies in the individuals, both near and far, which is why we prioritize the well-being of our personnel and foster an inclusive work environment. We strive to be a truly transparent design house and a fair partner within our community. Being aware of the environmental challenges in the textile industry, we actively aim to be part of the solution to the climate crisis through our actions.



Long-Lasting Design

Nanso Group is known for its high-quality materials and timeless collections. Sustainability has been one of the company's core values for over 100 years. The concept of comfort may have taken on various forms over the decades, but the fundamental idea remains the same: a garment should both look and feel good.

Our products are designed to withstand the test of time, both in terms of quality and style.

Our collections are always created through teamwork, where each individual's contribution is invaluable.* All Nanso Group collections are designed with a focus on product durability, longevity, maintainability, and recyclability (to the extent possible). We only produce what we sell and do not generate excess inventory. As part of the product development process, we conduct trials and tests to ensure the quality of our products.

Considering Circular Economy in Design

- We aim to be part of transforming the fashion industry towards a circular economy.
- In spring 2023, we defined circular economy principles for design and materials as part of Nanso Group's sustainability strategy.
- Our goal is to always design and manufacture products that:
 - are made from more sustainable or recycled materials
 - can be used for a longer time, cared for, and repaired
 - have materials that can be recycled or repurposed.

*Nanso Groups brands have been awarded the Design from Finland mark, which indicates that the product has been professionally, responsibly, and user-centeredly designed in Finland.



GOAL:
We design timeless and durable products and select more sustainable materials.



nanso



"To me, sustainability means enjoying life without excessive environmentally burdensome consumption. To me it stands for moderation and beauty. At Nanso, this is reflected in the fact that the clothes we design are of high quality and durable, both in terms of their quality and style. I hope that Nanso products are ones that people enjoy, take care of, and want to cherish for a long time.

We have always paid special attention to the sustainability and ethics of our materials and production. In my opinion, the clothing industry should consider issues related to sustainability. Fortunately, there is an increasing availability of more sustainably produced and certified materials.

Our mission is to design products for Nanso which have the longest possible lifespan. High-quality products remain in use and can be re-sold for a long time. We prepare for material recycling by reducing the amount of elastane and increasing the use of mono-materials. It is also important to consider the reparability of the product and provide customers with solutions for it."

Noora Niinikoski
Head of Design, Nanso

“When designing Vogue collections, in addition to aesthetics, it is important to me that the tights are long-lasting and durable, and that consumers can trust their quality. In Vogue, this is reflected in carefully selected high-quality yarns and special technological expertise in knitting.”

Mapping out more responsible materials is one of the cornerstones of the design process. Close collaboration with manufacturers enables the development of new, innovative products. Our manufacturers are familiar European family businesses with whom we cooperate seamlessly. We also take pricing into account to ensure that Vogue products, which are made from more sustainable materials, are accessible to everyone.

Recycling tights is challenging due to the high amount of elastane, and no solution has been found yet. However, we closely monitor recycling advancements and explore options for further utilization of tights material.”

Eevaliina Frigren

Head of Design, Vogue and Nanso Home



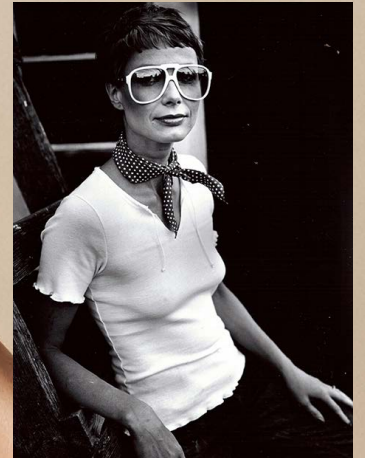
ICONIC HOSIERY BRAND EST. 1934

vogue

CASE: The journey of Tasku t-shirt from the field to the wardrobe staple

During its more than a hundred-year history, Nanso has become well-known for its clothing made of jersey fabric. T-shirts have always held a particularly important position in the collection. Our archives contain images of t-shirts dating back to the 1950s.

Nanso's head designer, Noora Niinikoski, wanted to create a perfect timeless classic t-shirt model that withstands use and time. The TASKU t-shirts are manufactured in Turkey, in the factory of our long-term partner, using organic cotton-elastane knit fabric.



The TASKU t-shirts are produced through the following steps.

DESIGN
Helsinki, Nanso's
Head Office

**THE ORIGIN OF
COTTON**
Turkey (GOTS)

YARN SPINNING
Uçak Tekstil,
Izmir, Turkey

**MATERIAL KNITTING AND
DYEING**
Mayteks Orme Sanay
ve Ticaret A.S.,
Manisa, Turkey

**PATTERN MAKING,
CUTTING AND
SEWING**
Dofa Tekstil,
Izmir, Turkey

FREIGHT
Truck transport,
Varova

**WAREHOUSE AND
DISTRIBUTION FOR
SALES**
Pennala Logistics
Center, Finland

USE
The TASKU t-shirt is
ready for years of use



More Sustainable Materials

The fiber production of textiles constitutes a significant portion of the product's environmental impact. Through material choices, we can influence the emissions and durability of the product's entire lifecycle. Our goal is to increase the use of more sustainable materials in the collections of all three brands.

At Nanso Group, we take responsibility not only for the longevity and quality of our products but also for what happens to them after they are no longer in use. Alongside their long lifespan, considering the recyclability of textiles is an important part of designing collections in line with the principles of a circular economy. In the future, we will increase the number of products made from mono-materials and reduce the proportion of elastane in material blends.



More Sustainable Materials That We Prefer

- More sustainable cotton: GOTS, BCI, Fair trade
- Recycled materials
- Organic materials
- Fibers that consume fewer natural resources (e.g., water), such as linen and hemp
- More sustainable cellulose fibers (e.g., TENCEL™ and LENZING™ ECOVERO™)
- Material innovations (e.g., Infinna, Spinnova)
- Certified animal fibers (e.g., RMS, RWVS, and RAS)
- FSC-certified cardboard

Materials We Do Not Use

- Cotton from regions with human rights risks (e.g., Uzbekistan and China's Xinjiang Uyghur Autonomous Region)
- Flax from Belarus
- Mulesed merino wool
- Non-certified mohair
- Angora
- Real fur
- Down

Criteria for Selecting Animal-Derived Materials

Part of our sustainability efforts involves considering animal rights. We always strive to choose certified animal-derived fibers whenever they are available. In Nanso's 2022 collection, animal-derived fibers (wool, mohair, alpaca) accounted for 3.7% of all fibers used, and 70% of these were certified (RMS, RAS, RWVS). This percentage will increase in future collections.

At Nanso Group, we never use angora, non-certified mohair, down, or wool produced using the mulesing method. These fibers are associated with risks of animal rights violations and unnecessary suffering for animals.

Nanso Group's Materials Used in 2022

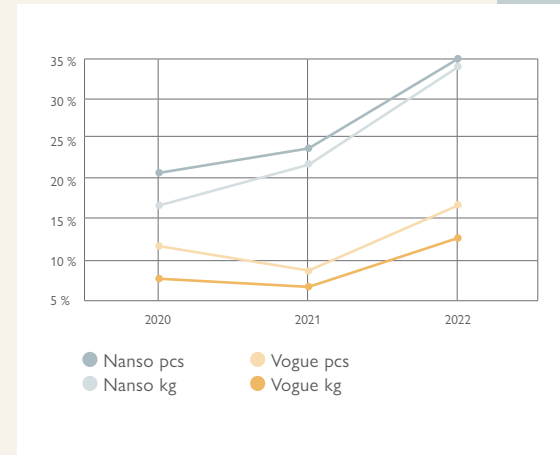
Nanso

In Nanso's 2022 collection, cotton continued to play a significant role. Cotton accounted for 50% of all fibers by weight, of which 24% was more sustainable cotton (GOTS-certified, BCI-certified, or recycled). We witnessed a great increase in the proportion of more sustainable materials, with 34% of the collection's weight and 35% of the pieces being made from more sustainable materials. In terms of purchasing value, the figure rises to 42%. The adoption of more sustainable LENZING™ ECOVERO™ viscose and certified animal fibers contributed to this growth.

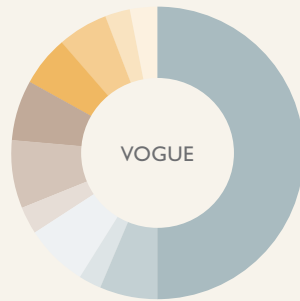
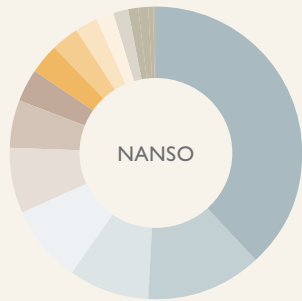
Vogue

In Vogue's 2022 collection, polyamide was the most used material, as it is the primary material for tights alongside elastane. The growth of more sustainable materials in the Vogue brand was more moderate but upward. The proportion in terms of purchasing value was 18.4% of all fibers used in the collection, compared to approximately 12.9% in the previous year 2021.

The Proportion of More Sustainable Materials: Nanso & Vogue



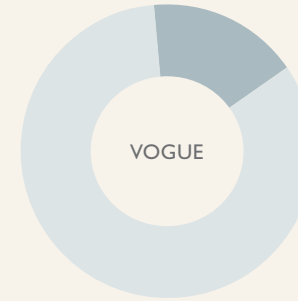
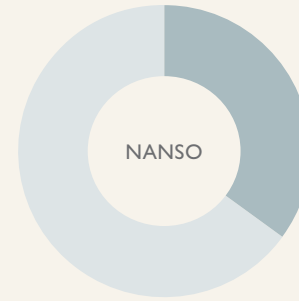
Used Materials 2022 (%)



- Cotton 38,3%
- Cotton Modal 12,6%
- Linen 8,9%
- Organic Cotton 8,7%
- Polyester 7,1%
- LENZING™ ECOVERO™ 5,3%
- Wool and Wool Blends 3,7%
- BCI Cotton 3,2%
- Cotton Bamboo 3,1%
- Recycled Polyester 2,5%
- TENCEL™ 1,9%
- Elastane 1,7%
- Others 3%

- Polyamide 50,1%
- Econyl 6,3%
- Recycled Polyamide 2,7%
- Cotton 6,9%
- Organic Cotton 3%
- Elastane 7,5%
- Acrylic 6,6%
- Wool 5,8%
- Cotton Viscose 5,5%
- Polyester 2,8%
- Others 2,9%

The Proportion of More Sustainable Materials



- More sustainable materials 35%
- Conventional materials 65%

- More sustainable materials 17%
- Conventional materials 83%

Nanso Group's Material Goals

Our brands, Nanso and Vogue, are inherently different in nature and product types. Therefore, the materials they use and the availability of more sustainable materials differ from each other.

We divide our material goals into four categories:

- materials we do not use
- materials we accept
- materials we prefer
- brand-specific goals for increasing the use of more sustainable materials

WE DO NOT USE	WE ACCEPT	WE PREFER	GOALS
Cotton (e.g., Uzbekistan and China's Xinjiang Uighur Autonomous Region)	Conventional cotton	Certified cotton (GOTS, BCI) Organic cotton & in-conversion cotton Recycled cotton Oeko-Tex	NAN: By 2028, 75% of the cotton we use will be more sustainable cotton (certified, organic, recycled) VOG: By 2025, 90% of the cotton we use will be more sustainable cotton (certified, organic, recycled)
	Conventional viscose, modal, and bamboo viscose	Lyocell LENZING™ ECOVERO™	By 2028, 75% of the cellulosic fibers we use will be more sustainable (certified, organic, recycled)
Linen from Belarus or Russia		Linen (and hemp) Certified linen (GOTS, European Flax) Organic linen Recycled linen	We will continue to favor linen in our collections. We will expand the variety of linen quality.

WE DO NOT USE	WE ACCEPT	WE PREFER	GOALS
	Conventional synthetic fibers	Recycled and certified synthetic fibers Bio-based synthetic fibers	NAN: By 2028, 95% of the synthetic fibers we use will be more sustainable (certified, recycled) VOG: By 2028, 40% of the synthetic fibers we use will be more sustainable.
	Elastane	Bio-based elastane	We monitor the development of elastane and transition to recycled options when available. We reduce the use of elastane in blends.
		Innovative cellulose-based fibers, e.g., Spinnova, Infinna, Circulosa	We monitor the development of these fibers and transition to their use when commercially available.
	Wool	Certified wool (RWS) Recycled wool	NAN: By 2023, 100% of the wool we use will be more sustainable (RWS or recycled) VOG: By 2028, 50% of the wool we use will be more sustainable (RWS or recycled)
Mulesed Merino	Mulesing-free Merino		100% of the Merino we use is mulesing-free.
	Alpaca	Certified alpaca (RAS)	NAN: By 2023, 100% of the alpaca we use will be more sustainable (RAS) VOG: By 2028, 50% of the alpaca we use will be more sustainable (RAS)
	Non-certified Mohair	Certified Mohair (RMS)	NAN: By autumn 2023, 100% of the Mohair we use will be more sustainable. VOG: Not in use.
	Conventional leather	Certified leather	
	Down		We prefer more sustainable Sorona insulation instead of down.
	Angora		
	Real fur		

CASE: More Sustainable Packaging

The purpose of packaging is to protect our products so that they reach our customers in perfect condition. We have been exploring the development of more sustainable packaging materials and researching less burdensome alternatives.

For instance, Nanso's poly bags are made of 100% recycled plastic, and the material used for our online store's delivery bags consists of 40% recycled plastic and 60% virgin plastic.

NANSO'S PACKAGING

- care labels made from recycled polyester
- hang tags made from FSC-certified cardboard
- product packaging plastic bags made from recycled plastic

VOGUE PACKAGING

- product packaging made from FSC-certified cardboard
- some of the product packaging plastic bags are made from recycled or biobased plastic

Key Considerations for the Further Development of Packaging

- We aim to reduce packaging materials and waste across the board
- We will explore the use of corrugated cardboard packaging possibilities
- NANSO: We will investigate the removal of unit package inserts and consider replacing hook bags with regular bags.
- VOGUE: We will strive to increase the use of recycled plastic and reduce the overall plastic usage.



Circular Economy at Nanso Group

The circular economy is an essential part of Nanso Group's sustainability strategy. Maximizing the lifespan of our garments is a crucial aspect of our sustainability efforts, and our products are designed to be durable and long-lasting both in terms of quality and style. Circular economy and consideration of recyclability are taken into account right from the design phase.

We extend the lifespan of our products through warranty repair services and by offering garment care products. Additionally, we are developing a second-hand concept in our stores and redirecting used Nanso products through our partners for resale. We continuously explore circular economy opportunities, and in the spring of 2023, we will begin integrating circular economy principles into our design process.



Emmy

As the concept of circular economy gained momentum, in 2020, we chose Emmy as our trade partner for second-hand buying and selling services. The collaboration aims to provide customers with a convenient way to resell their old clothes and, at the same time, reduce the environmental impact throughout the lifecycle of garments.

Customers can bring their clothes for resale to Nanso stores, where the items are then forwarded to Emmy to be sold on their behalf. If desired, customers can redeem the sales proceeds with Nanso gift cards, and Nanso offers an additional 10% increase to the sales value. This service is available in all Nanso stores.

Longer lifecycles with garment care

We see all the products we produce as valuable, which is why we want to encourage our customers to take good care of them. For this reason, we have added easy-to-use Stockholm Steamery garment care products to our selection.

Menddie

At Nanso, we take a comprehensive approach to the entire lifecycle of our products, and integrating repair services was a natural step. For our product warranty repairs, we partnered with Menddie repair services. In accordance with the Consumer Protection Act, the warranty repair applies to products that have been in use for less than 12 months.

The process is simple: After contacting Nanso's customer service, the customer receives a warranty repair order and a shipping activation code via email. The customer then sends the item in need of repair to Menddie through Matkahuolto, free of charge. Menddie repairs the product, and the fixed product is returned to the customer in approximately one week.

The Menddie partnership continued with the launch of the "Uusi elämä" (New Life) collection in the spring of 2023. In the New Life collection, returned garments are repaired and given a new life in selected Nanso stores.

CASE: Vogue Conscious Collection

The Vogue Conscious Collection consists of more responsibly produced tights, leggings, and socks, combining not only more sustainable materials but also high quality and comfort.

The collection was initially launched with products made from ECONYL® polyamide, but it has since expanded to include other sustainable materials such as lyocell and organic cotton. The products are designed in Finland and manufactured in Italy, Serbia, and Turkey.

ECONYL® polyamide is made from plastic waste, such as fishing nets, and textile waste, found from the oceans. The use of recycled polyamide not only reduces the use of virgin natural resources but also lowers carbon dioxide emissions by up to 80% compared to conventional, virgin oil-based polyamide.

In the Vogue brand, the use of more sustainable materials significantly increased in 2022 compared to the previous year. The percentage of responsible materials used in terms of units reached 16.5%, and in terms of euros, it reached 18.4%. In 2021, the corresponding figures were 9.3% and 12.9%, respectively.



“We are particularly pleased that we didn’t have to compromise on the quality. Conscious Collection products are genuinely luxurious and offer top-level comfort. I believe that many will find staple products from the collection for a more sustainable wardrobe.”

Maria Ylisiurunen
Vogue Business Director



Principles of Sustainable Production

We follow the principles of [amfori BSCI](#) in our procurement practices, aiming to improve working conditions in international supply chains. We have been a member of amfori BSCI since 2008.

We always strive to build sustainable partnerships, through which we encourage and guide our suppliers in their sustainability efforts. In March 2023, we joined [amfori BEPI](#), with the hope that it will enable us to better address environmental issues in our value chain.

Our Criteria for Supplier Selection

We collaborate only with partners who align with Nanso Group's values and sustainability criteria. We have strict criteria for initiating partnerships and aim for long-term collaboration with our partners. All Nanso Group's partners must commit to adhering to:

1. Nanso Group's Code of Conduct
2. Nanso Group's Purchase Agreement
3. amfori BSCI's principles

Code of conduct

We require our suppliers to commit to Nanso Group's Code of Conduct, which prohibits the use of harmful chemicals, child labor, forced labor, and discrimination, among other principles. Nanso Group's Code of Conduct was updated in the spring of 2023 to align with our sustainability strategy and meet the demands of our stakeholders.

Approved Audits

For tier 1 suppliers in high-risk countries, we require compliance with our social responsibility criteria. As part of these criteria, we also accept the following third-party audited certifications or programs:

- [amfori BSCI](#)
- [Sedex SMETA](#)
- [SA 8000](#)
- [Fair Labour Association](#)
- [Fair Wear Foundation](#)
- [WRAP](#)

Of Nanso's tier 1 suppliers in high-risk countries,

97%

are BSCI audited (2022)

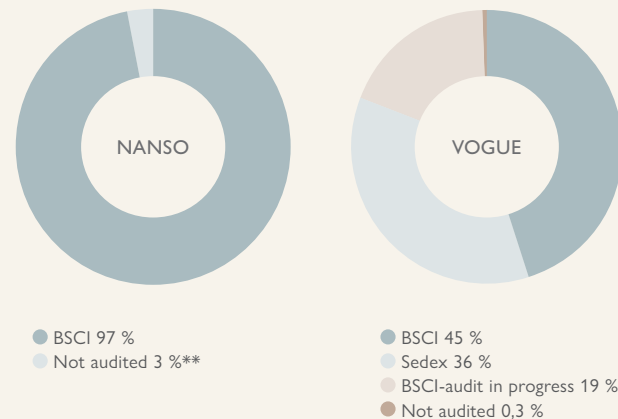
Of Vogue's tier 1 suppliers in high-risk countries,

81%***

are BSCI or Sedex audited (2022)

GOAL 2025:
All tier 1 suppliers located in high-risk countries will be amfori BSCI (or equivalent) certified.

Percentage of Audited Suppliers in High-Risk Countries



** Trial order, collaboration was not continued.

***The remaining tier 1 suppliers in high-risk countries for Vogue are currently undergoing BSCI audits, so the figure will be 100%.

The Countries of Origins of Our Products

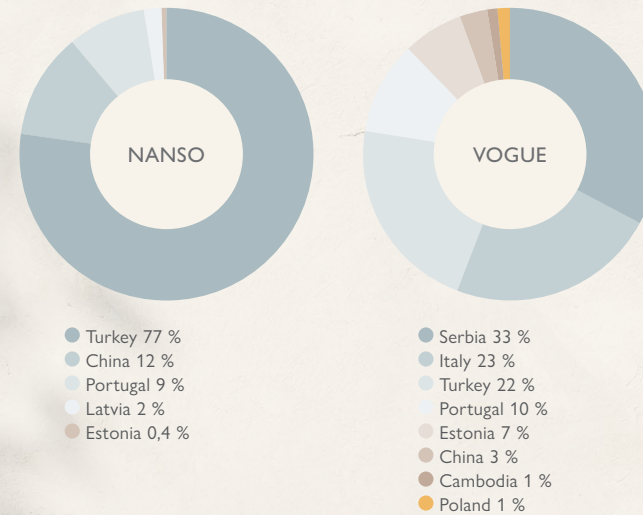
Nanso Group is a genuinely transparent Finnish design company. For us, transparency means knowing our product supply chain and publishing this information on our website. We have been publishing the lists of Nanso and Vogue's suppliers since 2020. We are further enhancing

transparency and in the spring of 2023, we commit to the [Transparency Pledge](#), which promotes transparency in the fashion industry.

Transparency guides our operations

- Nanso Group is committed to transparent operations.
- Product-specific information for the country of manufacture can be found on our website.
- We have been listing our TIER 1 suppliers on our website since 2020.
- In the spring of 2023, we will also add information about TIER 2 suppliers to Nanso and Vogue's websites: suppliers' subcontractors and material suppliers.
- The listings will be updated once a year.

The Countries of Origins



Nurturing a Strong Team Spirit

At Nanso Group, we have a sincere desire to make everyday life beautiful and comfortable. Honesty and authenticity also create a fantastic work environment. An essential part of Nanso Group's corporate culture is treating everyone equally, fostering a strong team spirit, and cultivating a pleasant work atmosphere where work is fostered with joy.

Nanso Group has an exceptionally strong team spirit, we enjoy working and do meaningful work together. We care for our colleagues, trust our supervisors, and treat everyone with equality. We strive to maintain and cherish these strengths in the future.

The office staff at Nanso Group participate in development discussions every six months, where individual goals and skill development are defined for each employee. In the stores, development discussions are held annually.

Employee satisfaction at an excellent level

Employee satisfaction is regularly measured, and employees are actively engaged in the development of their work and sustainability initiatives. We conduct an annual employee satisfaction survey. The results of the survey conducted last fall are outstanding. Overall, Nanso employees are highly satisfied with their work and the work atmosphere. The average score for work enthusiasm was 4.1, which is excellent on a scale of 1-5.

Strengths we will continue to cherish

- Employees have positive interactions at work (4,6)
- Working with immediate supervisors is pleasant (4,5)
- Employees can act in line with the company's values and culture in their work (4,5)
- The workplace has a caring atmosphere (4,4)
- All employees are treated equally regardless of age, race, gender, physical attributes, etc. (4,4)
- Meaningful work is done within the company (4,3)
- The employer genuinely cares about the well-being of the employees (4,2)

Job satisfaction

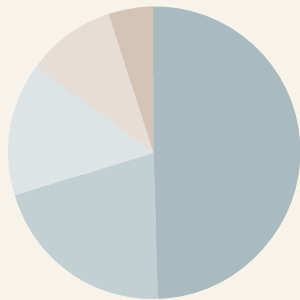
4,1

= excellent

Aspects to develop next

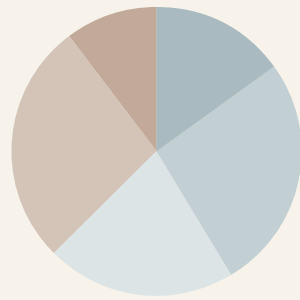
- Regular feedback on work performance
- Planning of tasks in advance and focusing on one task at a time
- Improving and developing operations compared to competitors.

Duration of employment



- Less than 2 years 50 %
- 2-5 years 21 %
- 6-10 years 15 %
- 11-20 years 10 %
- Over 21 years 5 %

Age distribution of employees



- Less than 25 years 15 %
- 26-35 years 26 %
- 36-45 years 21 %
- 46-55 years 27 %
- Over 56 years 10 %

Average duration
of employment
5
years

eNPS*
53%
= excellent
(in 2021 the score was 36 %)

The average age of
employees is
40
years
(average)

Of all the staff
97%
are women

*Employee Net Promoter Score (eNPS) is a recommendation index, where employees respond on a scale of 0-10 to the question: "How likely are you to recommend the company as a workplace?". A score that exceeds 20 is considered an excellent result.

Aiming for Carbon Neutrality

Nanso Group's aim is to be a part of the solution to the climate crisis and support Finland's government's carbon neutrality target. We joined the [STJM's Carbon Neutral Textile Industry 2035 commitment](#) in the spring of 2023..

The purpose of the commitment is to support companies in their climate efforts and help achieve carbon-neutral operations. We have access to a tailored emissions calculator for the textile industry, and we receive training on climate-related topics. Our carbon footprint is described on the following page.

We can impact emissions by choosing more sustainable materials, collaborating with environmentally responsible partners, and communicating good practices.

We divide the carbon neutrality goal into our operations emissions (scopes 1 & 2) and the entire value chain's emissions (scopes 1, 2 & 3).



GOAL 1: OUR OPERATIONS ARE CARBON NEUTRAL BY 2026

Nanso Group's own operations will be carbon neutral by 2026 (scope 1 & 2). The goal includes our direct emissions (scope 1) and purchased energy emissions (scope 2).

GOAL 2: OUR ENTIRE VALUE CHAIN IS CARBON NEUTRAL BY 2035

The entire Nanso Group's value chain will be carbon neutral by 2035 (scopes 1, 2 & 3) in line with the Finnish government's targets. We will offset the emissions that we cannot directly reduce through our own operations.

96,5%

of the climate impact in the Finnish fashion industry comes from scope 3 emissions*

88%

of our emissions are caused by material production.

*Source: Suomalaisen tekstiili- ja muotialan globaalit ilmastovaikutukset (Global Climate Impacts of the Finnish Textile and Fashion Industry), [STJM](#).

Nanso Group's Carbon Footprint 2022

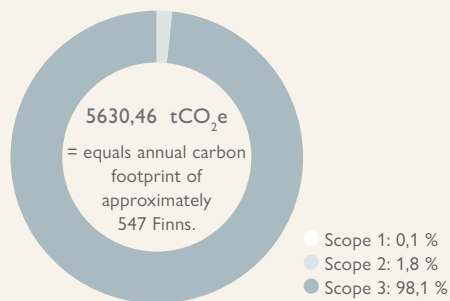
We calculated Nanso Group's carbon footprint using STJM's Carbon-Neutral Textile Industry 2035 commitment calculator. We calculated direct carbon dioxide emissions from our own sources (scope 1), indirect emissions from energy procurement (scope 2), as well as other indirect emissions resulting from different company activities (scope 3).

The majority (98%) of Nanso Group's carbon footprint comes from scope 3 emissions. The most significant insight from the calculation was that approximately 88% of our emissions stem from the materials we use. The transportation of our products also has a substantial impact on our emissions. This reinforces our commitment to continue focusing on increasing the proportion of more sustainable materials.

The second-largest source of emissions was product transportation to the factory or warehouse, followed by packaging materials as the third-largest contributor.

All the electricity we purchase is 100% renewable energy (hydropower). Due to the nature of our operations, the calculation does not include our company's mixed waste volume (retail spaces in shopping centers, where it is challenging to assess our own waste contribution), business travel, and the use and maintenance of textiles. Moving forward, calculations will be conducted annually, and Nanso Group's carbon footprint will be reported in our sustainability report.

Distribution of Carbon Footprint



SCOPE	EMISSIONS	t CO ₂ e	PROPORTION
Scope 1	Energy production fuels	0	0 %
	Vehicle fuels	3,85	0,1 %
Scope 2	In-house electricity consumption	103,82	1,8 %
Scope 3	Threads, fabrics, and knits	4937,7	87,7 %
	Packaging materials	112,09	2 %
	Transportation to the factory or warehouse	376,47	6,7 %
	Transportation to customers	96,53	1,7 %
	TOTAL SUM	5630,46	

The calculation is based on the principles of the Greenhouse Gas (GHG) Protocol, taking into account:

- Our own operations' direct emissions (Scope 1)
- Emissions from purchased energy (Scope 2)
- Indirect emissions related to the supply chain (Scope 3) as applicable.
- Store electricity consumption has been calculated as an average of the stores' typical electricity usage, as data for some leased retail spaces was unavailable.

Excluded from the calculation are:

- Emissions from business travel, which will be considered in the 2023 calculation (Scope 3)
- Waste (Scope 3)
- Emissions from product maintenance and use (Scope 3)
- Catmandoo's 2022 collection shoes, due to unavailable emission data for all components in the calculator.



Environmental Impacts

Nanso Group's operations are closely linked to the environment, as both the production of our products and the availability of materials depend on natural resources. We strive to reduce our environmental impact in many ways: through circular economy solutions, focusing on product quality and longevity, selecting more sustainable materials, and optimizing the use of natural resources.

We support the protection of biodiversity through donations and campaigns, such as our collaboration with the John Nurminen Foundation (see p.XX). Our circular economy initiatives also contribute to the more sustainable use of natural resources over the long term. In the upcoming years, one of our sustainability actions is to embark on the journey of assessing Nanso Group's ecological footprint.

The packaging materials we use

	t kg
Corrugated cardboard packaging	28,7
Plastic packaging	21,8
Cardboard and paper packaging	30

CASE: Nanso Stores - Sustainability as Key Concept

Sustainability is a significant value for Nanso. This is reflected in the redesigned store concept introduced in 2020, featuring biodegradable mannequins and the use of certified materials. Neutral tones and genuine, textured natural materials create an earthy ambiance. The redesigned store concept was created by interior architect Joanna Laajisto.

Especially in our flagship stores, our aim is to utilize natural materials: FSC-certified wood for hangers and Finnish granite. However, when opening new stores, we remain flexible with existing surface materials to avoid unnecessary renovations.

We were the first in Finland to introduce mannequins made from biodegradable PLA plastic, crafted using 3D printing technology. These 3D-printed mannequins are as durable as fiberglass ones but come with lower carbon emissions. If a part of the mannequin gets damaged, only the specific broken part can be reprinted, eliminating the need to replace the entire mannequin.

Bio-degradable PLA plastic is produced through the fermentation of starch sources like corn or sugarcane. PLA plastic mannequins can be reused as biomaterial, composted in industrial facilities, or incinerated for energy recovery.



We were the first in Finland to introduce mannequins made from biodegradable PLA plastic, crafted using 3D printing technology.

Towards Carbon Neutrality with Our Partners

We strive to reduce our environmental impact by optimizing transportation and favoring low-emission and carbon-neutral logistics partners. Nanso Group's primary partner is Posti, handling domestic customer deliveries and a large portion of the online store shipments alongside Matkahuolto. Import transportations are managed by the Finnish family-owned company Varova. Export shipments (also for the online store) and courier deliveries are handled by UPS.

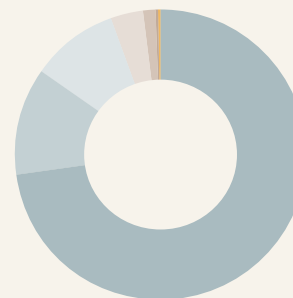
Central Warehouse in Pennala

Nanso Group's central warehouse is outsourced to Transval's logistics center in Pennala, Orimattila. The facility covers an area equivalent to 10 football fields, with Nanso Group's section accounting for 4,400 m². Transval's services are carbon-neutral. The central warehouse also incorporates energy and environmental considerations, including a hybrid heating system utilizing geothermal energy and natural gas. LED lighting and shelf lights controlled by motion sensors are also in use.

Posti's Fossil-Free Parcel Deliveries

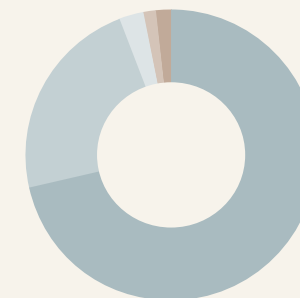
Posti aims to transition its transportation services to be fossil-free by 2030. In 2022, Posti delivered over 10 million parcels fossil-free, and this number is rapidly increasing. Posti was the world's first logistics company to have its net-zero emissions target approved by the [Science Based Targets initiative](#) in spring 2022.

Nanso Group's modes of transportation in 2022



- Domestic transportation, trucks 73,1 %
- Import transportation, trucks 11,8 %
- Import transportation, ships 9,9 %
- Export transportation, trucks 3,4 %
- Import transportation, airplanes 1,3 %
- Export transportation, airplanes 0,3 %
- Import transportation, trains 0,2 %

Transportation companies used by Nanso Group in 2022:



- Posti 71,6 %
- Varova 22,6 %
- UPS 2,9 %
- Dachser 1,4 %
- Matkahuolto 1,5 %

CASE: John Nurminen

Every year, we donate all the proceeds generated from the sales of shopping bags in Nanso stores to the John Nurminen Foundation. The foundation's goal is to preserve the Baltic Sea and its rich cultural heritage for future generations. The John Nurminen Foundation carries out tangible and effective actions for the protection of the Baltic Sea. Their work is guided by measurable results and impact.



In 2022 as well, the entire amount generated from the sales of shopping bags was donated to the John Nurminen Foundation. The donated amount was 7,906 euros, which has been utilized to improve the condition of the Baltic Sea by reducing pollution and addressing environmental issues such as eutrophication and biodiversity loss.

Additionally, in August 2022, we donated one euro from each purchased full-priced Vogue Conscious Collection product at Nanso stores to the John Nurminen Foundation. The donated amount totaled 1,485 euros.

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NANSO GROUP