

image
wear

SUSTAINABILITY REPORT

20
22

Better working days!

Image Wear is Finland's leading workwear supplier and is renowned across.

The Group includes the parent company, Image Wear Oy, and Image Wear AS, which operates in Estonia

The family company was founded in 1959

In 2022, we employed a total of 286 (272) people, of which 132 (118) were in Finland and 154 (154) in Estonia

The turnover of the Group in 2022 was 30.2 (25.7) M€. Pre-tax profit was approximately 1.3 M€.

EMPLOYEES
2022

In Finland:	132
In Estonia:	154



*Figures for 2021 in brackets

The value chain of our operations extends to several countries. The products are designed, planned, and partly also cut in Finland in Tampere and Lieto, the materials and accessories come from Europe and Asia, and the sewing work and the rest of the cutting work are done either in our own factories in Estonia or subcontracted in Europe or Asia. We store the finished products in Tampere and deliver from there to customers or our stores.

We serve our customers through 18 Image Wear workwear stores and webshop in Finland and Estonia. In addition, major customers are served by our key account managers and our customer service team.

We manufacture products for almost all industries and jobs. We offer our customers services to extend the life cycle of products. In Aarre service the work clothes of the customer's employees circulate from one user to another, and in Kierre® service old work clothes are recycled into Cliff composite products through our Dutch partner CLS-TEX International.



YOU WON'T BELIEVE

image
wear

HOW OFTEN YOU COME ACROSS OUR PRODUCTS.



Better Working Days!



Image Wear's operations are guided by:
sustainability, professionalism and development.

Guidelines for sustainable business operations

Our sustainability principles (Code of Conduct) are based on the operating principles of the UN Global Compact. We are committed to following the valid legislation and international treaties, we respect the UN Declaration of Human Rights, the minimum requirements set by ILO agreements, and the article 32 of the UN Convention on the Rights of the Child. We conduct our business ethically and honestly, we do not offer or accept any improper payment or consideration used for enticing acts against lawful, honest, and ethical business practices. The due diligence requirement and the application of the due diligence principle are not mentioned separately in the operating principles, but we strive to implement these principles in our business. Our operating principles can be read in their entirety on our website.

Our entire staff as well as all our suppliers and subcontractors commit to act in accordance with these principles by signing the operating principles at the start of the employment contract or cooperation agreement. The operating principles have been prepared by the responsibility group and approved by the management group. The operating principles are reviewed with each new employee at the time of signing the employment contract. When we introduced them in 2017, we reviewed them with the staff, and everyone signed the operating principles. The persons responsible for procurement go through the Supplier's Code of Contact document with new suppliers before signing them.

Our operations are managed by a board consisting of two owners and two external members. The chairman of the board is one of the owners.

The board evaluates its operations annually with a self-assessment and the operation of the company's different areas using the corporate scorecard.

The CEO participates in board meetings and manages operational activities together with the management team. The sustainability work is led by our responsibility director, who is also a member of the management team. The board sets the long-term strategic goals and, together with the management team, forms from them the goals, intermediate goals, and metrics of the strategy period (3–5 years) and the most important strategic tasks. Sustainability goals are part of the group strategy.

The board and management team discuss the risks of the company's operations and the environmental and human rights risks that may arise from the operation in separate meetings once a year, and the members of the management team report on the risks in their area of responsibility to the meetings of the management team and the board. The views of various stakeholders are brought to the attention of the board in the reports of the members of the management team and through the CEO, who is a member of the YTN (joint negotiating committee for cooperation procedures). The administrative structure is described in the table on page 50. The board does not have separate committees.

We are happy to receive questions or comments about our sustainability report:

Kati Tukiainen
kati.tukiainen@imagewear.fi



Our sustainability work is based on the following principles:

- We are involved in creating better workdays through working with our customers and partners.
- We are developing environmentally sustainable solutions and are striving to be carbon neutral in our own operations by 2025.
- We believe in partnership, open dialogue, and transparency with our stakeholders.

Our mission is to make everyday life easier for professionals.

Sustainability reporting in Image Wear

The aim of the sustainability report of Image Wear is to increase the awareness of customers, cooperation partners and other stakeholders about the sustainability work of Image Wear and to report on progress and new development targets during the reporting year. We publish the report annually, and this 2022 sustainability report is the eighth successive report. For the second time, we also report Image Wear's carbon footprint, calculated with the Open CO²net calculator.

The structure and content of our report follows the sustainability programme we updated in 2018.

Our sustainability reporting covers all our operations in Finland and In Estonia, and our store network to the extent that the information is available. The reporting corresponds to the scope of the group's financial reporting.

In addition to the indicators for our sustainability programme, we report for the first time in accordance with the GRI (Global Reporting Initiative) standards with reference to level to improve the reliability of our reporting. At the end of the report, there is a GRI index, which contains the locations of the data and additional information. Third Rock Finland Oy's experts have checked that the report has been made in accordance with the GRI reporting guidelines.

VISION

Better working days!

OUR VALUES ARE

**SUSTAINABILITY
PROFESSIONALISM
DEVELOPMENT**

Greetings from CEO

For us at Image Wear, our vision Better Working Days is the basis of every working day. We want to be involved in creating better working days to the users of work clothes, to our customers, to our partners and of course to each other. In addition, we want better working days for the entire planet through our environmental goals. This vision is woven into our strategic sustainability goals.

There was turbulence in 2022. At the beginning of the year, the corona pandemic still affected our operations in the form of illnesses and travel restrictions. Russia's attack on Ukraine, which started right after, hampered the supply chains still recovering from the corona virus and was reflected both in the extended delivery times of materials and supplies, and in the rise in prices. Transportation costs increased, freight times became longer, and we had to switch to air freight on a few occasions to serve our customers as promised. This increased our carbon footprint, and transportation is now the biggest source of emissions in our operations.

In the fall, inflation, and rising electricity prices, as well as discussions about possible interruptions in electricity distribution, further increased costs, and some of our long-term subcontracting partners in the Baltics ceased all operations.

At the same time, demand in the security and healthcare sectors increased. Together, these caused challenges related to delivery times and delivery reliability. Even better forecasting and planning of orders and deliveries are an important part of both reducing emissions and our goal of being a reliable partner for our partners and customers.

On the other hand, we were able to act in accordance with our goals as a responsible corporate citizen by helping Ukrainians through Save the Children, by delivering our products to them, and by employing Ukrainian seamstresses. The desire to help was visible in the actions of both the staff and customers, and in working with stakeholders.

The cornerstone of our operations are high-quality and durable products. Extending the product life cycle, and responsible recycling at the end of their life cycle are strategically important aspects of our sustainability work.

To develop our circular economy business, we participated in the Product as a Service (PaaS) pilot funded by Sitra together with Turku and Lahti universities of applied sciences. In the pilot, we studied and improved the Työvaatelainaamo rental service concept launched in 2021. In the service, customers rent the work clothes they need for as long as they want and return them to the laundry for re-renting.

In December 2021, we received information that Business Finland has granted funding for the joint development project of the Telavalue collaboration network. We participate in this with our own project, where we study the recycling of clothes at the end of their life cycle into composite products. The project started on February 1, 2022, and will continue until the beginning of 2024.



"We want to be involved in creating better working days to the users of work clothes, to our customers, to our partners and of course to each other."

At the end of 2022, we applied for and were accepted into the 'Circular Design - Path towards Circular Economy' training program. It is focusing on building design expertise for the development of business based on the circular economy. The programme is led by the Ministry of Environment and coordinated by Design Forum Finland and Ethica Ltd. Other partners are VTT (Technical Research Centre of Finland), the Finnish Environment Institute SYKE, the innovation fund Sitra, Frankly Partners, Milton and Alice Labs. The pilot program is being implemented throughout 2023.

We also started updating the long-term strategic sustainability goals with the owners and the board. We will continue our work during 2023 with the aim of creating even better working days.

I am especially happy that our strategic project in developing management and improving the well-being of our staff has brought results. The employee recommendation index (eNPS) increased in both measurements of 2022. We still have a way to go to our goal of eNPS = 20, but the direction is right.

Wishing you
good working days

Jari Lepistö

A handwritten signature in black ink, appearing to read 'Jari Lepistö', written in a cursive style.

CEO

Strategic corporate sustainability at Image Wear

We created Image Wear's first sustainability programme in 2015, which systematised our work to reduce environmental impact, promote sustainable procurement and increase the well-being of employees. The sustainability programme has also increased the understanding of what strategic sustainability in our industry means and what kinds of perspectives it opens for us.

In 2018, we updated our sustainability programme and defined business-oriented priorities and goals for our sustainability work. The strategic sustainability aspect of our industry is primarily focused on the circular economy and the business models based on it.

In 2019, we combined our sustainability goals with a new strategy for our business up to 2022. At the same time, we refined some indicators of corporate responsibility work. At the beginning of 2023, we updated the group's long-term strategic goals and refined the sustainability goals. This report still uses the 2022 sustainability goals.



Towards better working days

I made
your
clothes

image
wear



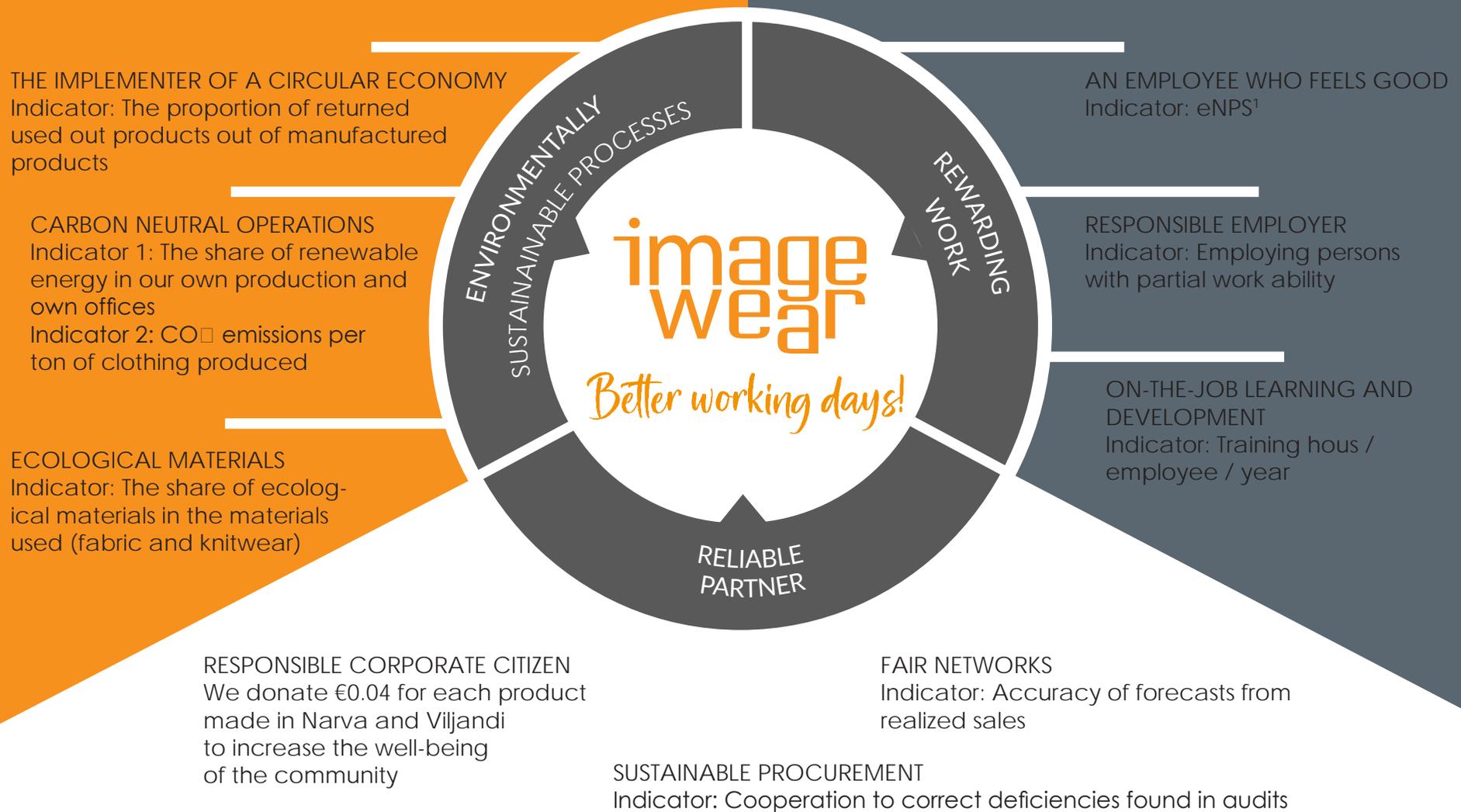
Top themes of our strategic corporate responsibility

- We create better working days in collaboration with our customers and partners
- We facilitate the acquisition, maintenance and recycling of our customers' workwear and offer them sustainable solutions.
- We value our employees and provide them with a safe workplace, a developing work community and pleasant working conditions.
- We enter fair deals with suppliers and subcontractors.
- We ensure through audits that our suppliers and subcontractors are also fair to their employees and the environment.
- We are a non-discriminatory, equal workplace and are developing a culture of inclusion for the entire group.
- We contribute to building the well-being of the communities in which we operate.
- Our responsibility work is integrated into our business.

In our opinion, the company's success is based on the principles of circular economy, i.e., climate-resistant, and resource-saving business.

In the future, we want to be a company that genuinely does good and meet the expectations of our customers and society.

ENVIRONMENTALLY SUSTAINABLE PROCESSES



¹ Employee Net Promoter Score (eNPS) is an internationally comparable recommendation index, in which employee answers questions on a scale of 0-10: How likely would you recommend this company as a workplace to a friend or colleague?

License to work!



STRATEGIC TOPIC	MISSION	INDICATOR	2022 GOAL	2022 RESULT	2025 GOAL
Rewarding work	An employee who feels good	eNPS	0	-4	20
	Responsible employer	Employing persons with partial work ability	9 persons	34 persons	40 persons
	On-the-job learning and development	Training hours / employee / year	We will define the indicator and the goal when we get the training hours into the HRM system in 2023.		
Reliable partner	Fair networks	Accuracy of forecasts from realized sales	70% of forecasts are correct	86% of forecasts are correct	70% of forecasts are correct
	Sustainable procurement	Cooperation to correct deficiencies found in audits	50% of deficiencies corrected	0% (We did not follow up)	50% of deficiencies corrected
	Responsible corporate citizen	Donation to a local community	We donated gift cards for books to the children and grandchildren of the Narva and Viljandi staff.		
Environmentally sustainable processes	The implementer of a circular economy	The proportion of returned used out products out of manufactured products	30 %	4 %	30 %
	Carbon neutral operations	The share of renewable energy in our own production and premises	100 %	72 %	100 %
		CO ₂ emissions per ton of clothing produced	No goal	31,24 kg CO ₂ -ekv	Not defined
	Ecological materials	The share of ecological materials in the materials used (fabric and knitwear)	No goal	0,8 %	5 %

An ecological material is defined as one that is produced while saving natural resources, the material can be recycled again, contains recycled, bio-based, or sustainability-certified fibres.



Rewarding work

We want to be a good workplace for current Image Wear employees and an attractive employer for job seekers. We create a multi-valued work community and develop a culture of inclusion for the entire group.

We believe that meaningful work is the most important building block of well-being at work. The meaningfulness of the work increases when the employee knows and recognizes his/her own role as part of the work community and can fulfil himself/herself in his/her work. The feeling of significance is increased by the experience of the value of the work.

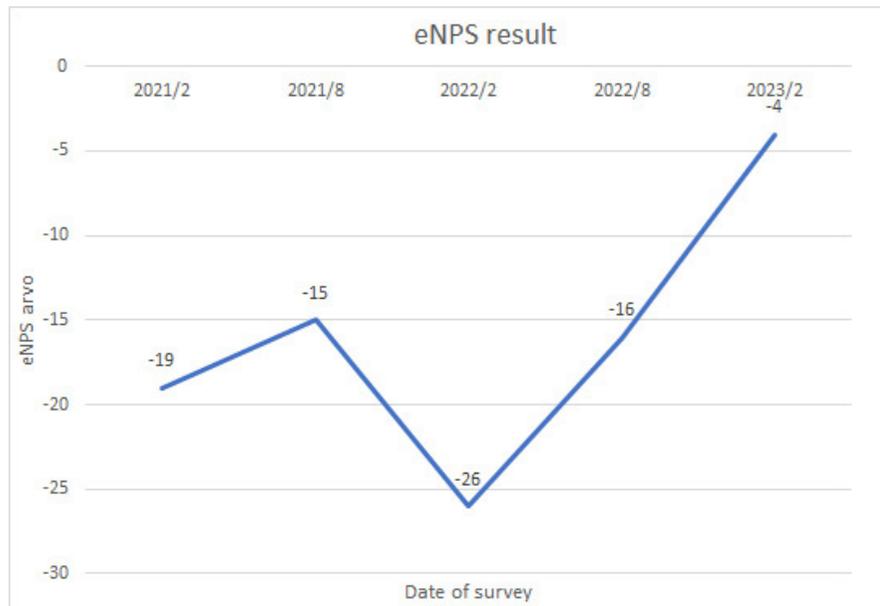
We encourage our employees to maintain and develop their professional skills both through training and learning on the job. We ensure that all Image Wear employees have equal opportunities for training.

"We believe that meaningful work is the most important building block of well-being at work."

An employee who feels good

Indicator: eNPS

Result: The result of the survey conducted in February 2023 was -4.



In 2021, we introduced the eNPS recommendation index to determine the willingness of our employees to recommend Image Wear as a workplace. We always conduct the survey in February and repeat it in September. Improving the well-being of our employees is a strategic development task for us, and we are off to a good start. We defined the principles of good management from the end of 2021 and developed management and supervisory work in cooperation with Sitomo throughout 2022. We create a culture of a brave organization.

The results have improved from the low point in 2022, and the result curve has started to rise. Our goal is for the eNPS index to be zero at the end of 2023, meaning there would be an equal number of promoters and detractors.

The COVID 19 pandemic continued to affect our operations in early 2022. From the perspective of sustainability, the pandemic had the most effect on not being able to visit the subcontractors.

Remote work also continued until autumn 2022. The rest of the year was done with a hybrid model, where all remote workers had to be at the office at least two days a week.

Well-being at work and job satisfaction

In addition to the employee recommendation index (eNPS), we are mapping out a new method for the implementation of a n employee well-being survey.

We have implemented an occupational health and safety management system. We comply with all official occupational health and safety regulations and legislation, and our purpose is to prevent identified occupational health and safety risks. In addition, we increase work well-being and extend working careers with the help of the system. Our partner Mehiläinen offers statutory occupational health care, and we use the OP risk management application for occupational safety. In the application, we record all risks in accordance with occupational safety and health articles based on occupational safety walks and risk surveys.

We identify work-related hazards and assess risks routinely and non-routinely. We operate in accordance with statutory requirements. The occupational safety and health committee visits all premises at least once a year, and supervisors are usually involved in the inspection. Mehiläinen also makes workplace visits and points out different types of potential risk locations. We record all observed defects and try to correct them as soon as possible. If necessary, we make tickets for property maintenance and inform the necessary parties about them.

In assessing risks and identifying them, we use not only the employees' special skills and long work experience, but also reports from supervisors, the occupational safety manager, and occupational safety representatives. We strive for multi-disciplinary teams that know how to assess risks based on real situations. We use a QR code to make risk observations, which takes the information directly to the risk management system, and the occupational health and safety manager monitors these notifications. All Image Wear employees are covered by the occupational health and safety management system.

In the ISO9001 audits of our quality management system, we ensure the quality and continuous improvement of the risk assessment processes.

Dangers and dangerous situations can be reported either proactively as a risk observation or as a Near-miss report. Risk observation can be done with a QR code, via a web address or via a link on the home page of the SharePoint content management system. From all of these, information is directed to the same risk management application. Near-miss situations that have already occurred can be reported by sending the information by e-mail or by calling a supervisor, who will forward the matter to the occupational health and safety manager with possible own comments.



Better working days!

The report can also be made using a paper form, which is delivered to the supervisor. The form can be found printed on bulletin boards and in SharePoint. Everyone has the right to move to other tasks if the situation requires it - this is how we ensure the well-being of employees.

Based on our reports and safety observations, the most common risks in 2022 were slipping in the yard area, tripping, or falling, and events related to the handling of goods, such as scratches and bumps. Currently, work-related risks are especially tripping and bumping into the edges of shelves caused by hurry and stress.

The most significant risks are the danger of tripping and occasional excessive workload. There are special risks in certain jobs, for example, there is loud noise in our embroidery factory, from which employees must be protected with adequate hearing protection, and occupational health arranges hearing tests for them at certain intervals. Risk factors include chemicals and e.g., forklifts. We carry out chemical monitoring, and all chemicals' use notices are available. The necessary permits and orientation training are required for the use of large machines. Due to the challenging corona years, we have also started to recognize psychosocial risks. We instruct our employees, e.g., to maintain social relations with colleagues and to take breaks from work during the working day. First aid training emergency EA (8 h) or EA1 is attended by about 5 % of the personnel, one person from each team, more from larger teams.

The occupational safety and health committee consists of three people and is chaired by the occupational safety and health manager, including the occupational safety and health commissioners in accordance with the occupational safety and health supervision act.

The committee meets at least four times a year. Group members attend occupational health and safety training as needed.

The occupational well-being group consists of seven members of different teams, and the group is led by the HR manager. The group meets about six times a year.

We use ePassi, and we donate €200 to all employees in the passport to use during the year for sports, culture, and wellness services. ePassi can be used to pay e.g., ophthalmologist or laboratory services. In addition, a masseuse visits our office in Tampere during the working day to offer massaging services one or two days a month.

Employees dismissed during change negotiations are offered statutory support functions, such as the opportunity to participate in employment-promoting coaching or training. We inform people of all new job openings approx. 4–6 months, as defined by the re-employment obligation. If necessary, we adjust the work tasks of those approaching retirement age - work tasks can be lightened or changed, the employee can also work a shortened workweek or workday.

Measures to increase well-being at work and job satisfaction

The corona pandemic has caused challenges for well-being at work. We have tried to support the staff even more, and we have openly discussed coping and different forms of support to improve coping.

Responsible employer

Indicator: Employing persons with partial work ability

We fulfil our statutory obligations to employers and act fairly and ethically in accordance with our company's principles of responsibility. However, we do not think this is sufficient for being a responsible employer. That is why we are working to build a more diverse and pluralistic work community. One of our ways is to develop recruitment processes to ensure that the person's skills and experience are in focus, and that other factors do not influence the recruitment decision.

In addition, we strive to offer work opportunities for persons with partial work ability and people from different backgrounds who can bring new perspectives to our work community. This is important not only because of our social responsibility, but also because a more diverse work community can be more efficient and innovative. We strive to go beyond the statutory obligations and do more as a responsible employer. People with partial work ability may include persons recovering from a serious illness and persons with disabilities, as well in Finland, also persons employed on social grounds.

We cooperate with various educational institutions and offer students internships, e.g., in warehouse work, sewing and customer service. In 2022, there have been seven trainees, four TET trainees (work practice program) and two on-the-job learners, a total of 13 people. With an apprenticeship contract, we train new experts for us (currently two people).

In assembling Cliff benches, we have a social enterprise Tampereen Sarka as our partner. Sarka is an employer in the intermediate labour market, which offers periods of employment to people in a difficult labour market position and, to a limited extent, to persons outside the labour market. Sarka's employees assemble the benches, unless our customers want to use their own, local social enterprises.

Result 2022: We employed 6 persons with partial work ability in Finland and 27 people in Estonia. In the case of Estonia, the increase in the number is explained by the fact that the definition of people with partial work ability was refined to comply with Estonia's own labour legislation.

Goal 2023: At the group level, we employ 35 persons with partial work ability.



"We strive to go beyond statutory obligations and do more as a responsible employer."

On-the-job learning and development

Indicator: Training hours / employee / year

In our company, on-the-job learning takes place through work and practice, doing various work tasks alone and together with colleagues. By working, we learn from mistakes and find possible areas for development. However, to maintain and improve professional skills, it is important to participate in trainings and courses that offer new perspectives and skills for work. Learning and development is a significant part of self-realization and the meaningfulness of work, developing professional skills brings more self-confidence and experiences of success at work.

To ensure equal opportunities for our employees to participate in training, we track and record training information. Based on the entries, we discuss training needs in development discussions and agree together whether there is a need for additional training. We record mandatory trainings in our HRM system, and we also maintain voluntary trainings in the training register, such as internal IW SisKo trainings. In the next few years, we will supplement the HRM system with voluntary training information piece by piece.

We have held several internal trainings for Image Wear employees (SisKo) in 2022, e.g., about the TITO (order-delivery) process, ERP system, Power BI, and sustainability. In addition, we held mandatory rescue and fire extinguishing training for all employees. General trainings in 2022 were EA1 and Safety equipment qualification trainings. In addition, our employees have participated in several trainings of Finnish Textile and Fashion, and the "Forecasting and utilization of future knowledge in the clothing industry" training of LAB University of Applied Sciences.



Reliable partner

The picture below shows our value chain. During 2022, we investigated the environmental and social impacts of the value chain as well as the risks involved and how we strive to prevent risks.



The negative effects of our operations and the biggest human rights and environmental risks are at the beginning of the supply chain, in the production of fibre and yarn, and in subcontracting in high-risk countries. We can influence the risks by using established partners and by telling them in advance about our future needs. We also reduce risks by auditing suppliers.

At the moment, we do not have a separate reporting channel through which our partner's employees could also report potential human rights violations. When our employees visit subcontractors or suppliers to check quality, production or agree on cooperation, they fill out the buyer's check list form. With the help of the form, we can compile the human rights and occupational safety observations concerning different partners.

When creating quality and environmental systems, we have identified the most important stakeholders in the business environment: customers, subsidiaries, environmental partners, subcontractors, material and service suppliers, and personnel. The goal of our stakeholder work is to map and identify stakeholders' expectations so that we can respond to them in the best possible way.

We have collected various requests from our customers for more responsible products and services, and we use them as a basis

for product and service development. There is still no operating model for gathering the wishes of other stakeholders.

According to amfori BSCI's risk country index, we count countries below 60 points as risk countries. The information is based on the latest classification published by amfori BSCI in December 2022.

We have studied the risk of using child labour based on the ILO's Child labour, global estimates 2020, trends and the road forward report. According to the study, the largest number of child labour and children in dangerous jobs is in Africa. Part of the cotton in our production chain comes from Africa, so we have identified it as the highest risk of using child labour. However, our material suppliers have assured with their own Code of Conduct that child labour is not used in their production chains. Every time someone from Image Wear visits a manufacturing site or a supplier, they fill out the Buyer's checklist. With this method, we aim to prevent and mitigate negative effects on occupational health and safety in our supply chain.

We have studied the use of forced labour through the 2018 Modern slavery report, and the highest risk for forced labour in our own production chain is in Pakistan.

1 ILO Child labour, global estimates 2020 report: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_800278.pdf

2 2018 Modern slavery report: <https://cdn.walkfree.org/content/uploads/2023/04/13180410/GSI-2018-05-Regional-Findings.pdf>



In 2022, we did not manufacture anything in Pakistan, but we use cotton from there in our products. We prevent the use of forced labour in that our fabric suppliers have signed their own Supplier Code of Conduct and prohibit the use of forced labour in their own production chain.

Careful planning of orders and deliveries ensures that our partners can act fairly and responsibly in their own work communities. We ensure the correctness of forecasts for each product and customer.

Our suppliers are committed to the same responsible practices as ourselves. We work in cooperation with them to inculcate responsible practices at all levels of the supply chains.

We participate in promoting the well-being of communities in localities where we have opportunities to influence. We started this activity in Narva, Estonia in 2019 and we are mapping new targets in our operating locations in Estonia, i.e., in Viljandi in addition to Narva. About 150 Image Wear employees work at our own factory in Narva and about 15 at the Viljandi sewing room.

"We prevent the use of forced labour in that our fabric suppliers have signed their own Supplier Code of Conduct."

Fair networks

Indicator: Accuracy of forecasts from realized sales

During 2022, things that affected deliveries and supplier cooperation were e.g., the war in Ukraine, the changes in the subcontracting network, the rise in transportation costs and the changes in our own operating system and organization.

We strive to reduce the risks in the production chain by anticipating operations and forecasting our orders to both fabric suppliers and subcontractors. We ensure smooth deliveries to our customers in cooperation with our suppliers and subcontractors. With this, we aim to ensure that our suppliers can plan and prepare their work on a long-term basis.

During 2022, we brought new customers to our ERP system who did not yet have forecasts and whose operating methods were very different. We figured out good ways to predict the needs of these customers, and the investigation work will continue during 2023.

For us, the most important stakeholder group is our customers, and the delivery problems in 2022 naturally also affected our delivery reliability. We decided to also raise customer satisfaction as a new network metric, which we measure with the NPS (net promoter score). The NPS target for 2023 is 20.

The success rate for custom product forecasts was 61.2%.

In terms of forecasts for stock products, our success was 85.7%.

Total forecast (pcs): 751,627

Actual sales (pcs): 643,817

Goal 2023: 70% of forecasts are correct.

Responsible corporate citizen

Indicator: Measures taken for the benefit of the local community at the Narva and Viljandi plants, with the aim of increasing the well-being of the community. We donate €0.04 for each product made in Narva and Viljandi to promote the well-being of local community.

In 2022, we donated gift cards to local bookstores to the children or grandchildren of the entire Narva and Viljandi staff. The total value of the donation was €4,500.

Our cooperation with Save the Children and the Finnish Freshwater Foundation continued. We allocated our donation of €10,000 in its entirety to Ukrainian children through the Save the Children association. In addition to this, we delivered 945 pieces of winter clothing and tricot products to Ukraine.

Goal 2023: Measures taken for the benefit of the community of our own or our partner's location or the surrounding environment, the aim of which is to increase the well-being of the community. We donate €0.04 for each product manufactured in Narva and Viljandi to a chosen destination each year.

"In 2022, we donated gift cards to local bookstores to the children or grandchildren of the entire Narva and Viljandi staff."





Sustainable procurement

Indicator: Cooperation to correct deficiencies found in audits

During audits, we make an action plan to correct any deficiencies found. During follow-up visits, we check to see how the corrections have progressed.

Due to the exceptional circumstances caused by the COVID-19 pandemic, internal audits were still on hold in 2022. Amfori BSCI carried out the audit of our Chinese partner.

Planning for 2023 audits and supplier and subcontractor visits is starting, and we hope to get back to the normal pace of auditing.

During 2022, there were no incidents related to non-compliance with laws or regulations.

Goal 2023: 100% of the suppliers are pointed out about the shortcomings related to the realization of working life rights and the progress of their correction is monitored.

Quality of operations

In 2017, we introduced a quality management system that complies with the requirements of the SFS-EN ISO 9001:2015 standard, and currently our system also considers the requirements of ISO 13485:2016 for the necessary parts. Our quality management system is a means of developing our quality and improving our customer focus. With the help of the system, we maintain our competitiveness and ensure that our services and products meet the requirements and expectations of our customers. We have the ISO 9001:2015 quality management system certificate, which shows commitment and readiness to ensure the delivery of high-quality services and products to customers. Our high-quality operations ensure reliable products and services, with the help of which we have achieved the trust and loyalty of our customers and long-term partnerships.

1. Use of high-quality materials: high-quality materials are used in the production of work clothes, so that they are durable, comfortable, and safe to wear.
2. Professional design: we can offer our customers versatile options for different needs.
3. High-quality production: we produce work clothes with high quality and efficiency, ensuring that the products meet our customers' requirements and standards. We manufacture high-quality, safe, and durable work clothes that are intended for use in various work environments and conditions.

4. Reliable deliveries: we deliver the ordered products on time and as agreed, and our customers can be confident that they will receive the products they need at the right time.
5. A reliable partnership: Image Wear and our customers have a strong and lasting relationship where both parties can trust each other. Customers may depend on the continued availability of certain products and services. In this case, we must be able to respond to customer needs quickly and flexibly, which requires a commitment to customer needs. A reliable partnership also requires open and honest communication, where we are open and transparent about the quality of products and services.
6. Quality of services: our professional and expert customer service creates trust among customers. We make sure that our customer service is of high quality and fast.



ISO 14001 -Certificate

We have been granted the ISO 14001 Environmental Certificate on 28.9.2017.



ISO 9001 -Certificate

We have been granted the ISO 9001 Quality System Certificate on 28.9.2017.

Membership of organizations



Finnish family business

We are proudly a Finnish family business, and we want to highlight this clearly.



Association for Finnish Work

As a member of Association for Finnish Work, we are committed to the principles of sustainable work.



Tampere Chamber of Commerce and Industry

We are a member of Tampere Chamber of Commerce and industry.



Reliable partner

We handle the obligations of the Contractor's Obligations and Liability Act through the Reliable Partner service.



Finnish Service Key Flag

Association for Finnish work awarded Key Flag to our workwear service in 2019.



Federation of Finnish Enterprises

We are a member of the Federation of Finnish Enterprises.



Climate Partner in the Tampere region

We are part of Tampere's climate partners in promoting the region's common goal of being carbon neutral by 2030.



Design from Finland

The Association for Finnish Work awarded the Design from Finland mark to our workwear, patient, and senior clothing in 2019.



Rinki

We are a member of Rinki packaging recycling.



Carbon Neutral Textile Sector 2035

We are involved in the Carbon Neutral Textile Sector 2035 commitment



Finnish Textile & Fashion

We are a member of Finnish Textile & Fashion, the employer organization of the textile and clothing industry.



STYL

We are a member of Finnish Work Safety Association STYL.



Finnish Freshwater Foundation

We support the activities of the Finnish Freshwater Foundation in improving the state of fresh waters.

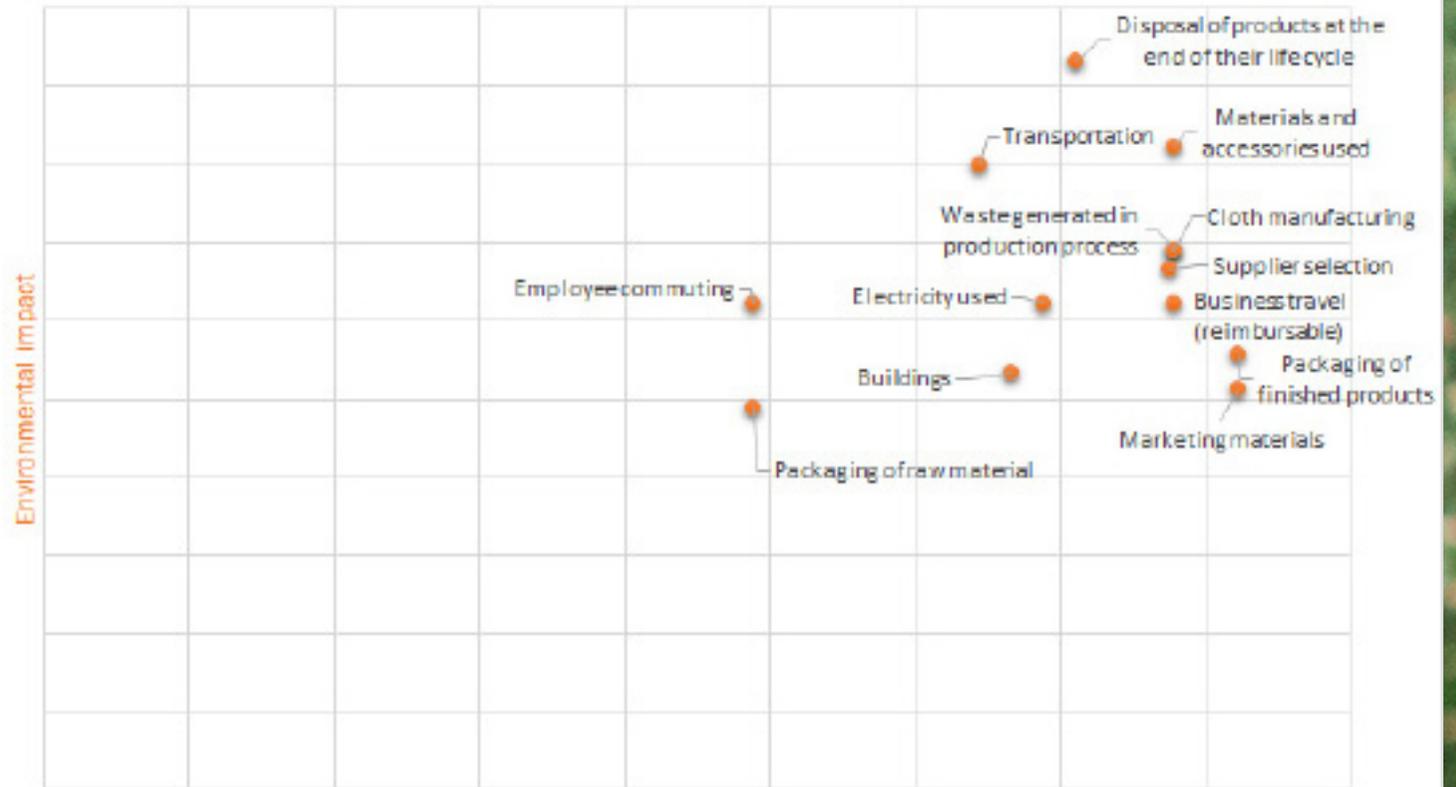


amfori BSCI

As a member of amfori BSCI, we are committed to improving the conditions in the production plants of our supply chain.



Review of environmental impacts of Image Wear's operations



Possibilities to prevent environmental impacts

Environmentally sustainable processes

As part of the ISO 14001 environmental system, we have looked at the environmental impacts of our operations and what kind of influence we have on them. Based on this review, we have chosen as our most important environmental goals the extension of the life cycle of products (an implementer of the circular economy), carbon-neutral operations and increasing the use of ecological materials.

The implementer of a circular economy

Sustainability is at the heart of our operations: We focus on manufacturing products that serve their users for as long as possible. We manufacture products that are durable and long-lasting for their users. We extend the life cycle of the clothes we manufacture by recycling them from one user to another where possible. The clothes that are returned to us are used as materials in the production of new products.

The life cycle of a piece of clothing to be transparent

We also promote operating models based on the circular economy in cooperation with other actors in the field. We developed the traceability tool to some extent, but since the EU digital product passport requirements are still missing, we decided to wait for the requirements to be clarified. We are involved in two projects in which we study the digital product passport and aim to get the necessary information into our own systems. In addition, we are in Finnish Textile and Fashion Responsibility influencer group, which aims to influence the EU-level definition of the product passport.

Used workwear for recycling

We participated in the Sitra-funded (Finnish Innovation Fund) PaaS-pilots (Product as a Service) project, where, together with researchers from LAB University of Applied Sciences and VTT (Technical Research Centre of Finland), our own staff, partners and three pilot customers, we studied the service path of Työvaatelainamo rental service by means of service design and tried to solve its challenges. After the project, one of the pilot customers adopted the service and together with them we have further developed the service path to be smoother.

During 2022, we also developed our Aarre service, where clothes circulate from one customer to another within the company. The service has two models:

- employees of the client company choose either new or used clothing from the offer.
- we automatically send primarily used clothing from the warehouse and, if there is no suitable size, we send a new garment to the customer.

During 2022, we repaired
645 (486) products and
thus extended the life
of the clothes.

*Figures for 2021 in brackets.

Indicator: The proportion of returned used out products out of manufactured products

7,600 kg was used as Cliff composite products.

For reuse 395 pcs or $0.2 \text{ kg} * 1,489 \text{ pcs} = 298 \text{ kg}$

Result 2022: Result 2022: We purchased and manufactured a total of approximately 1,134,570 products in 2022. One piece of clothing weighs an average of 0.2 kg, so in total, we bought and manufactured 227,000 kg of products. We directed 7,679 kg to recycling, so the realisation was 3.3%.

During 2022, we collected a total of approximately 10,000 kg of used clothing from customers; however, due to logistical problems, it could not yet be sent for recycling. The clothes are waiting in our warehouse, and we will deliver them for recycling again as soon as possible. These garments already collected have not been considered as recycled in 2022.

The figure for 2022 includes 7,600 kg of products collected during 2021, which were delivered to our partner in the Netherlands for recycling in November 2022.

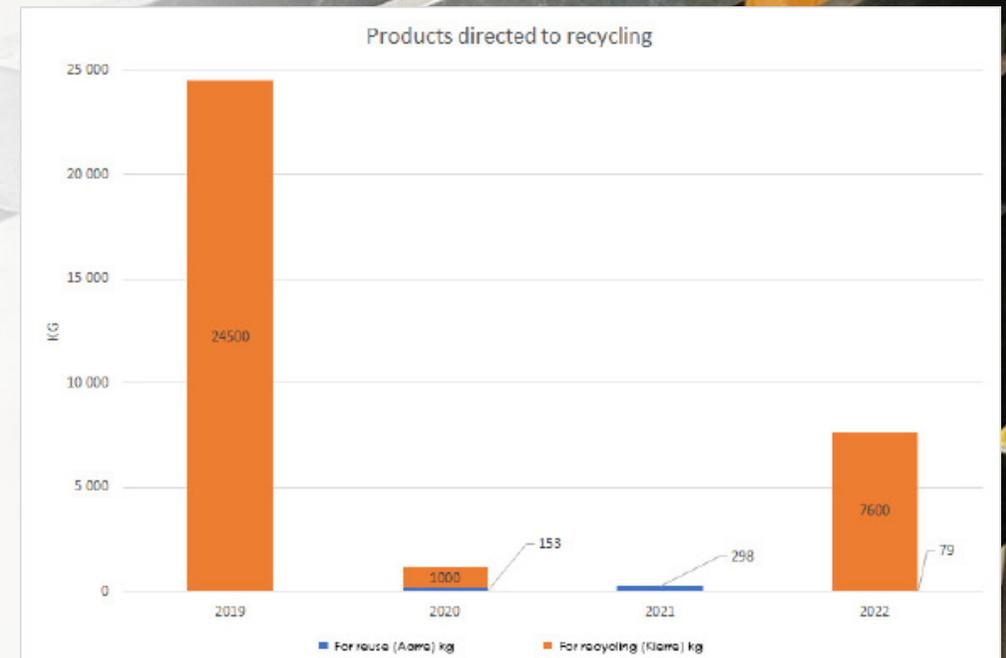
2022 purchased and manufactured 227,000 kg

for recycling 7,679 kg 3.3 %

(Aarre 2020 = 153 kg ja 2021 = 298 kg, 2022 = 79 kg)

Goal 2023: 30% (50%)* of the manufactured products end up in recycling either through us or otherwise, for example through the customer.

Goal 2025: 70% (95%)* of the manufactured products end up in recycling either through us or otherwise, for example through the customer.



*Figures for 2021 in brackets.

Carbon neutral operations

Indicator: Share of renewable energy in our own production and premises.

Indicator: CO₂ emissions per ton of clothing produced.

Our goal is to be carbon neutral in our own operations by 2025. By our own operations, we mean our Finnish operations as well as our own production in Estonia. We are achieving this goal by, among other things, switching to the use of renewable energy in our production and facilities, and by minimising emissions from transportation and mobility. In addition, we compensate for those emissions that we cannot avoid.

The electricity we use in Finland already comes from renewable sources, except for the electricity in three stores. In our company cars, we have partially switched to an electric car fleet; our five company cars include three fully electric cars, one hybrid and one diesel-powered car.

We started negotiations on acquiring solar panels for the Narva plant, and the plans will be refined during 2023.

Energy efficiency: in 2019, we have carried out an energy audit with AX-Suunnittelu Oy on properties in Tampere (Yrittäjänkatu 20 and 24) and carried out the suggested replacements of fluorescent lamps with LED lamps as the lamps have been used up. The next inspection will be done in 2023.

Energy consumption in 2022

Energy type	Renewable	Non-renewable	Total
Fuels/diesel	0 MJ (0 liters)	5.76 GJ (149 liters)	5,76 GJ
Electricity	3433,32 GJ (953,6 MWh)	1608,12 GJ (446,7 MWh)	5,041,44 GJ
Heating	0 MJ (0 MWh)	4625,02 GJ (1284,7 MWh)	4625,02 GJ
Total	3433,32 GJ	6238,90 GJ	9672,22 GJ

All information has been obtained from electric utilities in Finland and Estonia.

"Our goal is to be carbon neutral in our own operations by 2025."

*Figures for 2021 in brackets.

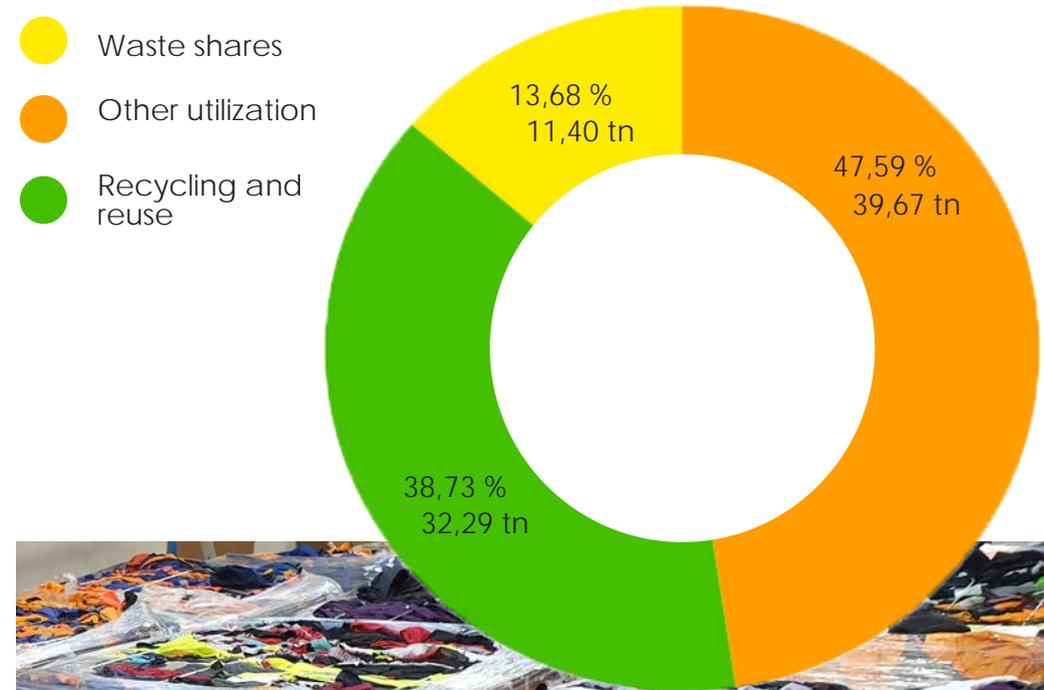
Waste generation in our operations

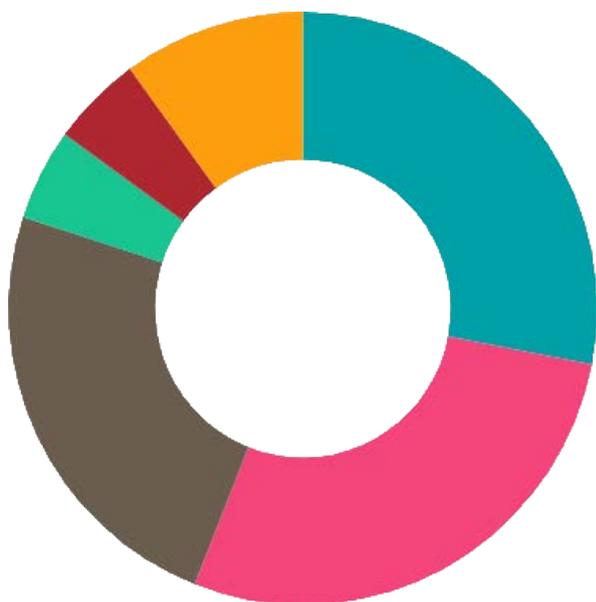
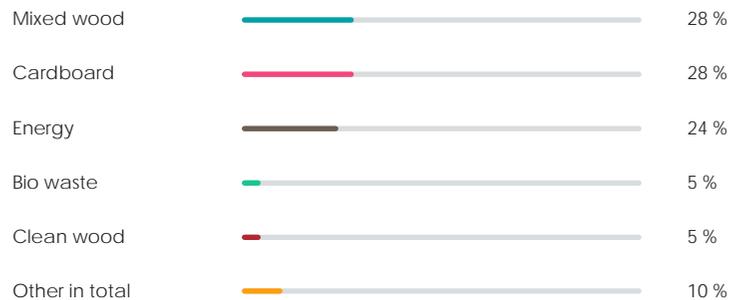
The waste generated in our production process is mainly cutting waste. With automatic cutters, the fabrics are cut so that there is a layer of paper underneath, the required number of fabric layers, i.e., sheets, and thin plastic on top of these. With the help of the plastic and the suction of the cutting table, the fabrics stay in place during cutting. Currently, this waste is used for energy, but we are looking for solutions to recycle it. Other waste from our operations mainly consists of packaging waste from fabric, accessories and purchased products (plastic, wooden pallets, and cardboard) and paper waste from offices.

Only chemicals used in machine maintenance and screen printing and fluorescent lamps are hazardous waste. Their amount from the waste collection is very small (5 kg/2022).

All waste is sorted. Sorting instructions have been trained for the staff and can be found in the internal communication channel. We reuse cardboard boxes for store and customer deliveries. We use RePack transport bags for shipments between stores. Pallets made of Cliff recycled composite are used between the Narva factory and the Tampere warehouse.

We monitor the amount of waste, the recycling rate and the utilization ratio with L&T's Environmental Net software.





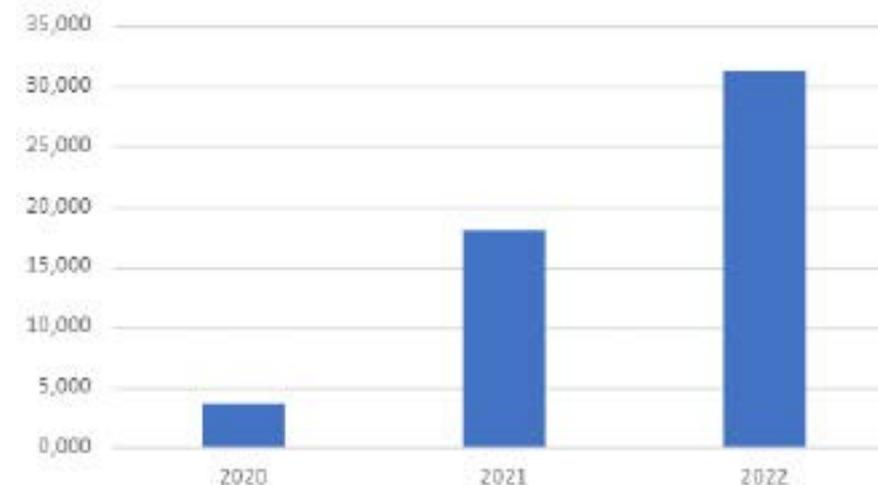
We have joined the Carbon Neutral Textile 2035 Commitment launched by the Finnish Textile & Fashion. The commitment provided us with a carbon footprint counter tailored to the textile industry. The web-based counter is based on the Greenhouse Gas Protocol standards (GHG Protocol). DNV has validated the calculation methods of the used counter and the data collection process. The CO₂e coefficients are based on the GWP values of the IPCC assessment reports, which are based on a 100-year time span.

Training and advice on current issues related to climate change and emissions accounting will also be provided to companies that have joined the commitment.

We fully compensated the emissions from air freight, business travel and transportation for customers in 2022 through a partner. Compensable accumulated 80 000 kg CO₂-eq.

Result 2022: 31,24 kg CO₂-eq / Tons of clothing produced

CO₂ emissions / tons of clothing produced



Emissions in total 7,089.67
(2021: 4,144.42) tons CO₂eq,

which corresponds to the annual carbon footprint of 688 (378) Finns.

The most important reasons for the increase in emissions are the 2020–2021 more detailed emissions calculation (scope 3 emissions are better included), the increase in transport emissions caused by air freight and the addition of the carbon footprint of Posti Green transports to the calculation. Previously, Posti compensated the emissions itself.

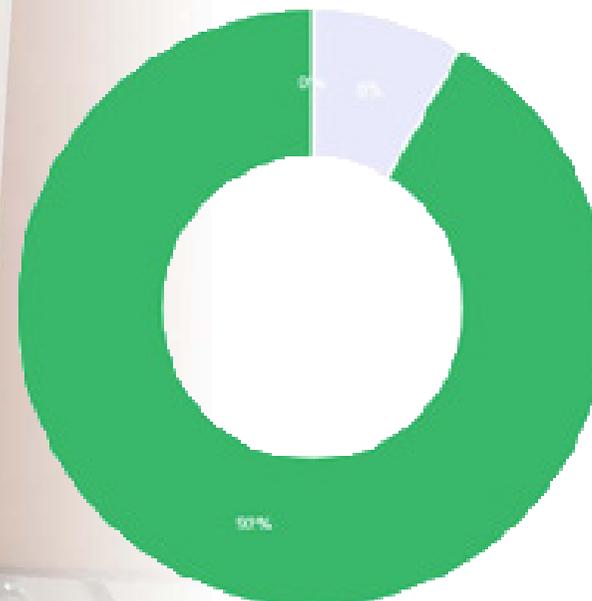
Result 2022: The share of renewable energy in own production and offices was 68% (53%).

We received no information about Estonia, 100% in Finland.

Goal 2025: We are carbon neutral in our own operations.

Description of calculation and results

Emissions in total 7 089,67 (4 144,42) tonnia CO₂eq, which corresponds to the annual carbon footprint of 688 (378) Finns.



- Scope 1: Own emission sources
- Scope 2: Purchased energy
- Scope 3: Value chain / Purchasing

Scope 1 = 0,48 (0) tons

Scope 2: 588,73 (578,0) tons
CO₂eq (8 % of total emissions)

Scope 3: 6500,46 (3 566,4) tons
CO₂eq (92%)

*Figures for 2021 in brackets.



Emissions included in the 2022 calculation:

Scope 1 emissions

We included the company's van diesel fueling emissions. The information was completely missing from the 2021 calculation

Scope 2 -emissions

Tampere and Lieto are included, as well as other stores except Lahti, Seinäjoki and Turku (in 2021 most of the stores were missing). In addition to Narva, the Viljandi plant is now included in terms of electricity and district heating.

In Finland, we only use renewable energy. As the energy distribution in 2022 was not yet clear when the calculation was made, we have evenly divided the energy used in the meter between hydropower, solar power, and wind power. In Estonia, we have used the average electricity emission factor. The emission factor for district heating production in Tampere and the emission factor for district heating produced in Estonia with natural gas has been used for district heating. For electricity and district heating, the OpenCO2.net calculator only considers CO2 emissions, not other gases.

Scope 3 -emissions

Yarns, fabrics and knitwear: The 2022 calculation includes the carbon footprint of the fabrics and knitwear we use, which is calculated through the fibre content of the fabrics and knitwear. We have included all the fabric meters used during 2022 and we divide them into fibres according to the percentages of the composition, and we convert the meters into kilograms according to the fabric's running meter weight.

We have compiled the total amount of fibres used in the table (see the table below), and the amounts of the following fibres have been used in the calculator: acrylic, elastane, recycled polyester, Lyocell*, polyamide, polyester, cotton, recycled

cotton*, wool and viscose. (* there were no marked ones in the 2021 count). For fibres, emissions increased by 31% compared to the previous year. The reason for the increase is that the kilos of fibre used also increased by 31 %.

For the time being, we are unable to calculate the emissions of the materials used for the products that we buy or manufacture so that the supplier acquires all the materials used for the product. These purchased products accounted for 31% of the products purchased during 2022.

Packaging materials: We count the kilos of cardboard, plastic, and wooden packaging (pallets) we use.

Transport to factory or warehouse:

The calculation includes: ship, train and air freight, and road freight to and from factories / subcontracting, as well as transportation to customers. In customer transport, which Posti compensated until 2021. In the calculation for 2022, the emissions have been calculated in accordance with the emission data received from Posti and added to our own calculation. Transport emissions rose by more than 2,000 tons. Most of this is due to the increase in air transport (+1,142%) and sea freight (+40%). The data of two transport companies, which we could not find out, are missing from the calculation.

Waste transport and treatment:

We have used the carbon footprint obtained from the supplier. Incl. Tampere + following stores: Joensuu, Rovaniemi and Tuusula. The amount of Narva mixed waste is entered into the counter. No information was received from Viljandi.

Business travel:

Includes passenger-kilometres by car, boat, plane, train, taxi, and bus, as well as hotel stays. The calculation for 2021 did not include boat trips.

Ecological materials

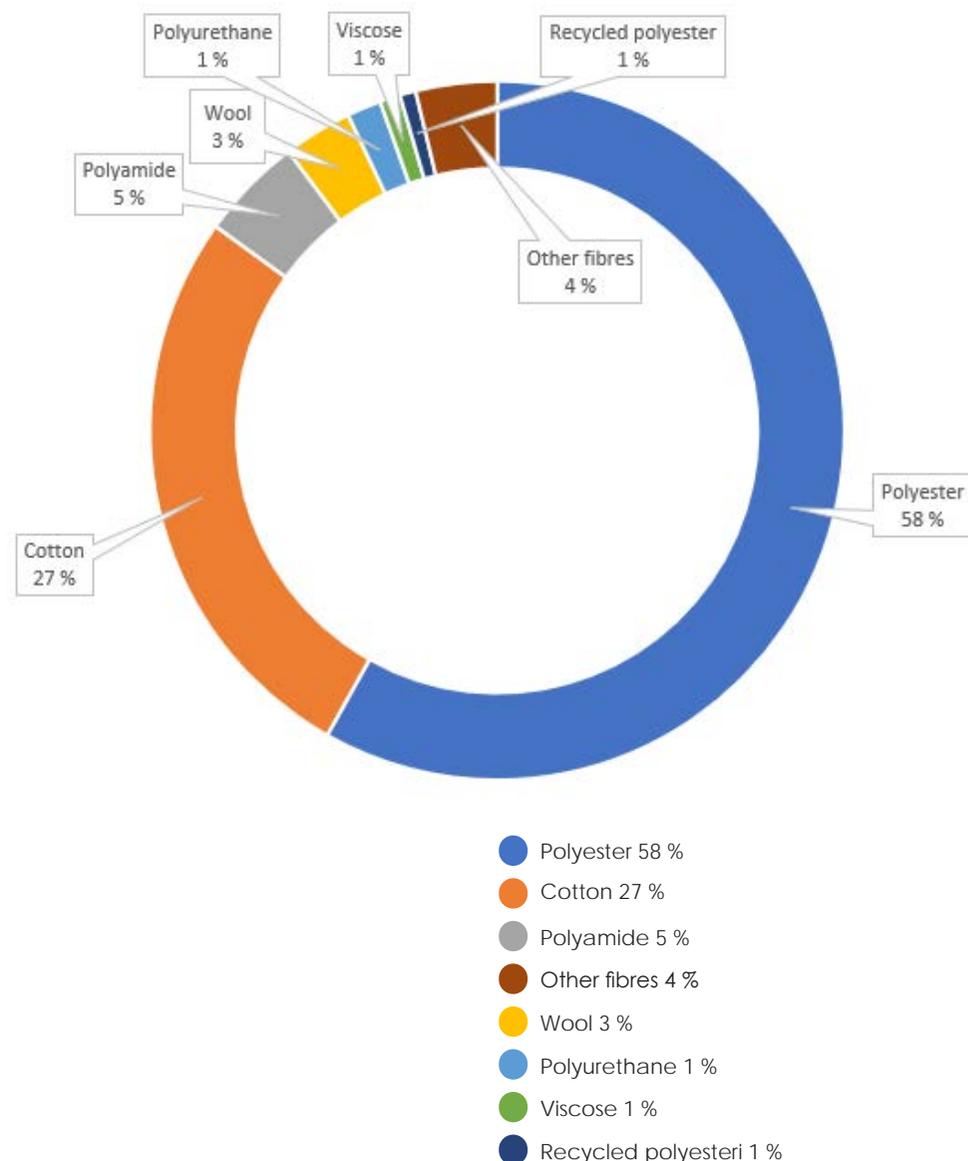
New indicator: The proportion of ecological materials / Materials used (fabric and knitwear)

Result 2022: recycled polyester accounts for 0.8% (0.5%) of all materials and 1.3% (0.8%) of the polyester fibre used. In addition to this, we changed the material of some of our purchased products to recycled polyester.

During the year 2022, we bought and manufactured a total of approximately 1,134,570 products. One garment weighs 0.2 kg on average, so in total we bought and manufactured 227,000 kg of products. We used a total of 833,000 meters of fabric (approx. 254,000 kg). These fabric meters were converted to fibres used according to composition and weight. Renewable (natural) fibres were 31% of all fibres used (cotton, wool, viscose). The rest of the fibres were non-renewable. It has not yet been possible to make this calculation for purchased products.

Our goal is to provide environmentally sustainable alternatives for all product categories and increase the number of these alternatives annually. By environmentally sustainable alternatives, we mean, for example, materials made of recycled material and sustainability-certified materials. We progress one fabric quality at a time: all products using the fabric in question will be replaced with a more ecological alternative as soon as one is available. We are closely following the discussion about recycled polyester made from plastic bottles.

Fiber distribution of fabric meters cut during 2022





Circular product design

In circular product design we consider the entire life cycle of the product. In planning, we try to minimize the use of materials, energy, and water consumption, and we think about emissions. We design the products so that they are easy to maintain and repair, and the components are easy to recycle.

The most important thing in our product design is designing the product to be as long-lasting and versatile as possible.

This promotes sustainable development and environmental protection by reducing the need to manufacture new products and the environmental burden generated during the product's life cycle, especially waste, when fewer products must be disposed of and replaced with new ones.

Our product development staff participated in the Circular economy planning workshops led by LAB University of Applied Sciences, where the goal was to focus on the challenges of product development from the point of view of the clothing as a service concept.



"High-quality products last longer in use, which reduces the need to manufacture new products."

Product quality

Product quality is important in environmentally sustainable processes. High-quality products last longer in use, which reduces the need to manufacture new products and thus also the environmental burden caused by their manufacture. In connection with environmentally sustainable processes, product quality can also be linked to the selection of raw materials and the manufacturing process. By choosing environmentally friendly raw materials and using energy-efficient manufacturing methods that produce fewer emissions, the product's environmental load can be reduced. High-quality and durable products reduce the environmental load and promote sustainable consumption.

We certified 52 protective clothing in 2022. Our products are manufactured in accordance with the standards required for each product and use, and they always meet the requirements both in terms of materials and model requirements. All our certified products have instructions for safe use of the products. In addition, a risk assessment has been made for them and an EU declaration of conformity drawn up. About 15% of all our active products are certified products (EU-DoC with approx. 450 products). The composition of the product's main raw material is mentioned in the product information. In addition to the country of manufacture, more detailed origin information is not required for the products, but with the upcoming digital product passport, the reporting of information will become more open and regulated.

Our quality team focuses on product quality and its improvement. The group monitors customer complaints and their handling according to the process and guarantees quick and appropriate handling of complaints. We monitor the development of the number of complaints in relation to the delivered products. In 2022, we delivered 1,135,301 products and the proportion of complaints was 0.70%. Our target share is 0.60% or less of delivered pieces.

Key indicators of social responsibility

In addition to the field of force of Sustainability indicators, we report some of the key social responsibility indicators for our industry in line with the 2022 realisation. The figures apply to our Finnish offices.

Personnel information	2022	2021	2020
Finnish employees	Women / Men	Women / Men	Women / Men
Blue-collar employees	26 / 8	26 / 8	29 / 10
White-collar employees	40 / 1	35 / 2	49 / 3
Senior white-collar employees without management team	26 / 9	24 / 8	30 / 12
TOTAL	92 (81%) / 18 (19%)	85 (80%) / 18 (20%)	108 (78%) / 25 (22%)
Employees by age group	pers. / %	pers. / %	pers. / %
under 30	6 / 5	3 / 3	5 / 4
30–40	26 / 22	24 / 21	37 / 27
41–50	38 / 32	42 / 38	48 / 35
51–60	36 / 31	31 / 28	39 / 28
60+	12 / 10	11 / 10	9 / 6
TOTAL	118	111	138
Personnel by employment type and contract (employees with zero-hours contracts were not specified)			
Gender	Women / Men	Women / Men	Women / Men
Permanent	95 / 23	89 / 22	108 / 30
Total (% of all employees)	118 (90%)	111 (98%)	138 (98%)
Fixed-term 13 (10%)	8 / 5	1 / 1	3 / 0
Total (% of all employees)	13 (10%)	2 (2%)	3 (2%)
Full-time 122 (93 %)	95 / 27	86 / 22	105 / 30
Total (% of all employees)	122 (93%)	108 (96%)	139 (99%)
Part-time 9 (7 %)	8 / 1	4 / 1	2 / 0
Total (% of all employees)	9 (7%)	5 (4%)	2 (1%)
Country	Finland / Estonia	Finland / Estonia	Finland / Estonia
Permanent	118 / x	111 / x	138 / x
<u>Fixed-term</u>	13 / x	2 / x	3 / x
Full-time	122 / x	108 / x	139 / x
Part-time	9 / x	5 / x	2 / x

The average duration of employment is

10,8 years

(11,7 years 2021)

x = From Estonia, we did not receive detailed figures based on employment for 2022.

Employee turnover in Finland

In 2022, total personnel

29 %

(incl. temporary and fixed term)

(In 2021, total personnel 24% (incl. temporary and fixed term), permanent personnel 9%.)

The figures are reported as full-time employees (FTE) and are always compiled annually at the end of May, around the middle of the reporting period. Variations in the number of employees during the reporting period and between reporting periods are not significant.

Total number of sick days

1288 (882 / 670) of the working days of the whole year.
In 2022 4.3% of all working days were sick days.
Average 10.9 (7.6 / 5.1) working days / employee.

Number of work accidents

4 (5 / 2) kpl
The number of deaths caused by work-related accidents 0.
The number and ratio of serious work-related accidents (excl. fatalities) 0.

All employees are included in the scope of accident reporting, and the risks are the same for the organization's own employees as, for example, temporary workers. All work accidents have happened to the organization's own employees in 2022.

In 2022 permanent personnel

10 %

Better working days!

* Figures for 2021 and 2020 are in brackets





Average salary

Men 3,163 (2,929 / 2,896)* € / month and women 2,795 (2,831 / 2,756)* € / month
 Averages calculated without salaries of members of the management team.

Salaries	2022	2021	2020
Monthly salaries	4 340 000	4 153 969	4 056 530
Hourly wages	722 668	691 149	666 579
TOTAL	5 062 668	4 844 836	4 723 109
Side costs	2 075 694	1 986 383	1 936 475
TOTAL	7 138 362	6 831 219	6 659 584

Coverage of collectively negotiated collective agreements

Situation 12/2022: 63.55% 12/2021: 65.25%, 12/2020: 64.2%

Senior white-collar employees are not covered by the collective agreement. The collective agreement for white-collar employees applies to senior white-collar workers as applicable, e.g., holiday pay, general raises and all paid holidays correspond to white-collar employees' collective agreement.

Development interviews (% of total staff)

About 63% (70% / 92%) of the interviews in 2022 were reported to the Human Resources Department. Development interviews will be held until the end of March.

*Figures for 2021 and 2020 are in parentheses.

The audit systems used by the company are amphori BSCI as well as own auditing. The number of partner companies audited and the results of audits: In 2022, due to the COVID-19 pandemic, it was possible to carry out only one own audit.

Production sites by country

Share of products from high-risk countries

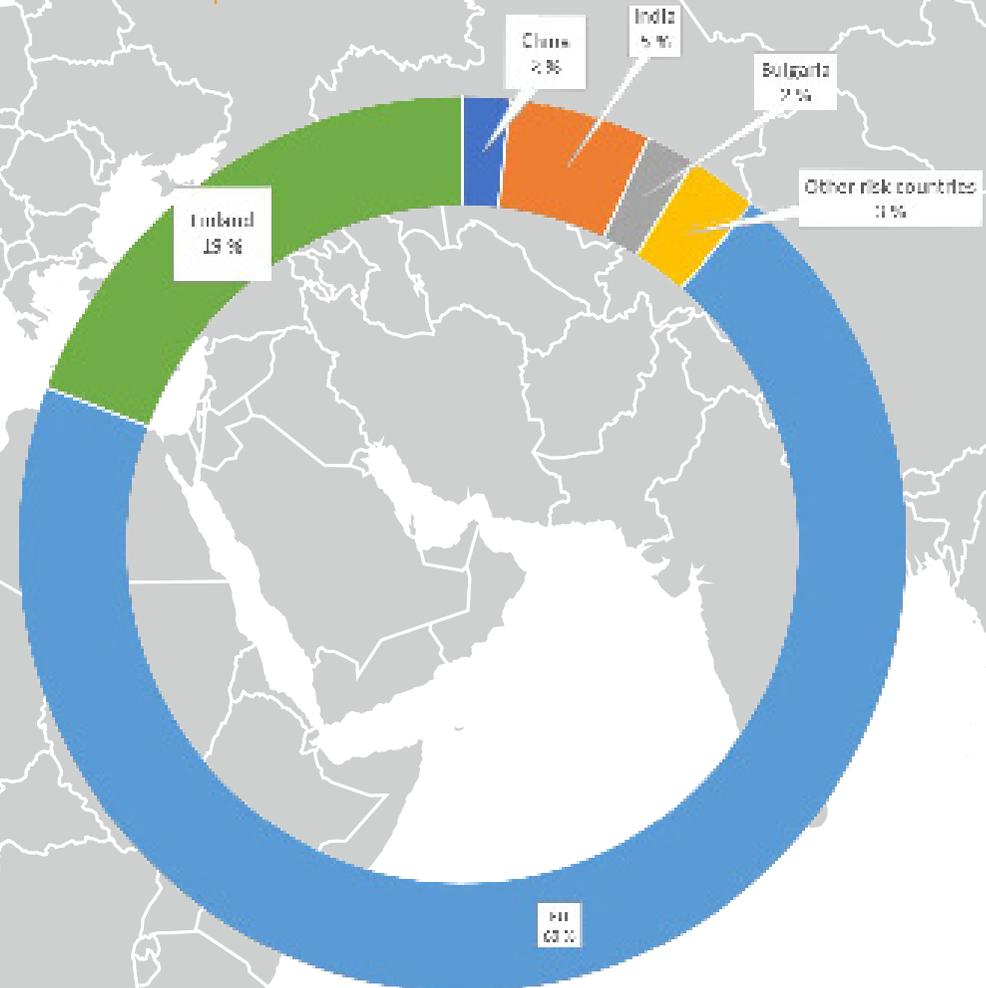
11 %

Share of products from high-risk countries (India 5% / China 2% / Bulgaria 2% / Other high-risk countries 3%)

89 %

of invoicing comes from low-risk countries (EU 61%, Finland 19% / Estonia 3% / Other countries in total

Production sites of purchased and manufactured products 2022



Identification and management of essential topics

We have identified the essential topics of our operations through the review of environmental impacts carried out in the ISO14001 environmental system and in discussions held in cooperation with professionals who have had influence in the textile industry for a long time. Third Rock Finland Oy's Sari Kuvaja has also helped in the work of identifying essential topics.

Rewarding work	Effects	Policies and commitments	Measures	Goals and indicators	Role of stakeholders
An employee who feels good	Meaningful work is the basis of well-being at work. When everyone in the organization knows their own role in the work community and its impact on the company's operations, the set goals are achieved more easily. The effects of the work mainly focus on one's own activities.	The entire staff signs the responsibility principles. ISO9001 guides the operation. The rules of the game for good management have been agreed upon with superiors.	Leadership development - a strong and resilient organization Supervisory training Occupational welfare group	eNPS measurement twice a year Aiming for a positive result (>0) in 2023	
Responsible employer	Discrimination or ignoring certain employee groups causes mental illness and creates a negative culture in the company. A unified culture improves job satisfaction and is reflected in better service for customers.	Statutory requirements of the operating countries (Finland and Estonia) Responsibility principles for non-discrimination	Non-discriminatory recruitment Equality plan A unified corporate culture	Employing persons with partial work ability	The personnel is involved through YTN (cooperation negotiations)
On-the-job learning and development	We are workwear professionals and by staying up-to-date on the development of both our own industry and our customers' industry, we are better able to serve our customers		Encouraging education Internal trainings Initiatives, development ideas and deviations	Training hours / employee / year	Occupational health institution's protective equipment training Services provided by Finnish Textile & Fashion

Reliable partner	Effects	Policies and commitments	Measures	Goals and indicators	Role of stakeholders
Fair networks	The value chains are long in textile industry, and the risks of violations of working time legislation increase if suppliers are not given enough time to do the work. Proactive action creates trust between partners and improves operations in the value chain.	Reliable partner Supplier code of conduct	We forecast needs with customers and through that for suppliers and subcontractors. They commit to activities in accordance with the Supplier code of conduct	Accuracy of forecasts Rough procurement plan distributed to main subcontractors	Requirements of customers/quotation requests Cooperation with suppliers and subcontractors
Responsible corporate citizen	By investing in the well-being of local communities, we also affect the well-being of our own employees. A better employer image in the eyes of the local community helps in recruiting new people.		Donations for the welfare of the local community Communication		Discussion with employees/charities so that the measures hit the right target
Sustainable procurement	The textile industry's value chains are long, and the risks of human rights and environmental violations are especially prominent at the beginning of the chain. The responsibility requirements we set for our own suppliers and the cooperation with them gradually affect the entire chain. The effects of the work are particularly focused on the value chain.	UN Global Compact's principles The UN Universal Declaration of Human Rights ILO Declaration on Basic Principles and Rights at Work UN Rio Declaration on Environment and Development UN Convention against Corruption	Regular audits Buyer's check lists to be completed at each visit Supplier code of conduct Monitoring of audits	We correct 50% of the observed deficiencies related to the implementation of working life rights.	Sustainability trainings of Finnish textile and gashion industry. Trainings of Finnish Freshwater Foundation. Amfori BSCI membership and tools
Environmentally sustainable processes	Effects	Policies and commitments	Measures	Goals and indicators	Role of stakeholders
The implementer of a circular economy	With a circular economy-based business, we reduce the use of virgin materials. Extending the product's life cycle reduces the need to manufacture new products and thus emissions.		Aarre and Kierre service models and their development Työvaatelainaamo rental service model Product design according to the circular economy	30% of manufactured products end up being recycled	Customers' sustainability goals Sustainability objectives in offer requests Partners in circular economy models
Carbon neutral operations	Our operations produce greenhouse gas emissions that contribute to climate change. The effects are visible both in our own operations and in the value chain.	Carbon Neutral Textile Sector 2035 commitment	Use of renewable electricity in production Minimizing transport emissions	Carbon neutrality of own operations by 2025 Carbon neutrality of the operational chain by 2030 Carbon positivity 2035	Supplier and subcontracting cooperation Trainings of Finnish textile and gashion industry Everyday actions of the staff
Ecological materials	Increasing the use of ecological materials in our operations reduces, through our suppliers, especially impact of land use on nature and climate.		Using recycled fibers Switching to BCI cotton	5% of the materials we use are ecological materials	Requirements of customers/quotation requests Material suppliers Manufacturers of recycled fibers

Management Structure

Governing body	Members	Term of office	Other significant positions and commitments	Gender	Significant competence in sustainability	Age group	Independence	In executive position	Stakeholder group
Board of Directors Image Wear Oy	Janne Vettenranta	2002-present	Owner, chairman of the board	Man		over 50	Working in company	X	Owner
	Anne Leskelä	2002-present	Board professional	Woman	EU regulation	over 50	Independent		
	Timo Hammar	2002-present	Board professional	Man		over 50	Working in company		
	Kati Tukiainen	2002-present	Owner, chairman of the board	Woman	Sustainability in textile industry	over 50	Independent	X	Owner
Board of Image Wear AS	Kati Tukiainen	2002-present	Owner of parent company	Woman	Sustainability in textile industry	over 50	Working in parent company		Owner
	Janne Vettenranta	2002-present	Owner of parent company	Man		over 50	Working in parent company		Owner
	Pekka Vettenranta	2002-present		Man		over 50	Independent		
Management team	Jari Lepistö	2002-present	CEO	Man		over 50	Working in company	X	Sr. white-collar empl
	Aleksi Heikkilä	2002-present	Business unit director Security	Man		30-50	Working in company	X	Sr. white-collar empl
	Erkki Pesonen	2002-present	Business unit director major clients and Stores	Man		30-50	Working in company	X	Sr. white-collar empl
	Petteri Lindman	2002-present	Business unit director Health	Man		30-50	Working in company	X	Sr. white-collar empl
	Anne Koivunen	2002-present	COO	Woman		yli 50	Working in company	X	Sr. white-collar empl
	Riikka Roslin	2002-present	Product development manager	Woman		30-50	Working in company	X	Sr. white-collar empl
	Satu Aalto	2002-present	Financial manager	Woman		over 50	Working in company	X	Sr. white-collar empl
Kati Tukiainen	2002-present	Sustainability director	Woman	Sustainability in textile industry	over 50	Working in company	X	Sr. white-collar empl	



License to work!

Code	Indicator	Location in report	Additional information
2-1	Organizational details	p. 3-4	
2-2	Entities included in the organization's sustainability reporting	Sustainability reporting in Image Wear p.8	
2-3	Reporting period, frequency and contact point	Guidelines for sustainable business operations p.7 Sustainability reporting in Image Wear p.8	The reporting period for both financial and sustainability reporting is the same (January 1, 2022-December 31, 2022). This report was published on June 8, 2023.
2-5	External assurance		This sustainability report is not verified.
2-6	Activities, value chain and other business relationships	p. 3-4	No changes compared to the previous year.
2-7	Employees	p.3 Key indicators of social responsibility p.44-45	
2-9	Governance structure and composition	Guidelines for sustainable business operations p.7	There are no committees/committees in the board. There are no underrepresented social groups in the board.
2-12	Role of the highest governance body in overseeing the management of impacts	Guidelines for sustainable business operations p.7	
2-13	Delegation of responsibility for managing impacts	Guidelines for sustainable business operations p.7	
2-22	Statement of sustainable development strategy	Greetings from CEO p.10	
2-24	Embedding policy commitments	Guidelines for sustainable business operations p.7	
2-27	Compliance with laws and regulations		There were no instances of non-compliance with laws and regulations in 2022.
2-28	Membership associations	p. 31	
2-30	Collective bargaining agreements	Key indicators of social responsibility p.46	
3-1	Process to determine material topics	Management of essential topics p.48	
3-2	List of material topics	Management of essential topics p.48-49	
3-3	Management of material topics	Management of essential topics p.48-49	
301-1	Materials used by weight or volume	Environmentally sustainable processes p.34 Ecological materials p.40	
301-2	Recycled input materials used	Ecological materials p.40	
301-3	Reclaimed products and their packaging materials	Environmentally sustainable processes p.34	
302-1	Energy consumption within the organization	Carbon neutral operations p.35	No cooling or steam was used in the operation, and no electricity was sold outside the company. One liter of diesel is 38.66 MJ. (1 Source: Statcan). One MWh is 3,600 MJ.

306-1	Waste generation and significant waste-related impacts	Waste generation in our operations p.36	
306-2	Management of significant waste-related impacts	Waste generation in our operations p.36	L&T manages waste sorting and recycling according to the contract and legislation.
308-1	New suppliers that were screened using environmental criteria		New suppliers were not screened using environmental criteria.
403-1	Occupational health and safety management system	Well-being at work and job satisfaction p.19-20	
403-2	Hazard identification, risk assessment, and incident investigation	Well-being at work and job satisfaction p.19-21	
403-5	Worker training on occupational health and safety	Well-being at work and job satisfaction p.21	
403-6	Promotion of worker health	Well-being at work and job satisfaction p.21	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reliable partner p.25	
403-9	Work-related injuries	Well-being at work and job satisfaction p.21 Key indicators of social responsibility p.45	The accident and injury rate (ratio) is not reported because the working hours could not be retrieved from the company's systems.
404-2	Programs for upgrading employee skills and transition assistance programs	Well-being at work and job satisfaction p.21 On-the-job learning and development p.24	
404-3	Percentage of employees receiving regular performance and career development reviews	Key indicators of social responsibility p.46	
408-1	Operations and suppliers at significant risk for incidents of child labour	Reliable partner p.25-26	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Reliable partner p.25-26	
414-1	New suppliers that were screened using social criteria		New suppliers were not screened using social criteria.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no instances of non-compliances with regulations and/or voluntary rules regarding the health and safety impacts of products and services in 2022.
417-1	Requirements for product and service information and labeling	Product quality p.43	Legislation does not require Image Wear to label the product's environmental or social impacts or instructions for its disposal or discarding.
417-2	Incidents of non-compliance concerning product and service information and labeling		There were no instances of non-compliances with regulations and/or voluntary rules concerning product and service information and labelling in 2022.

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