

2019

Corporate Responsibility Report

reima

Contents

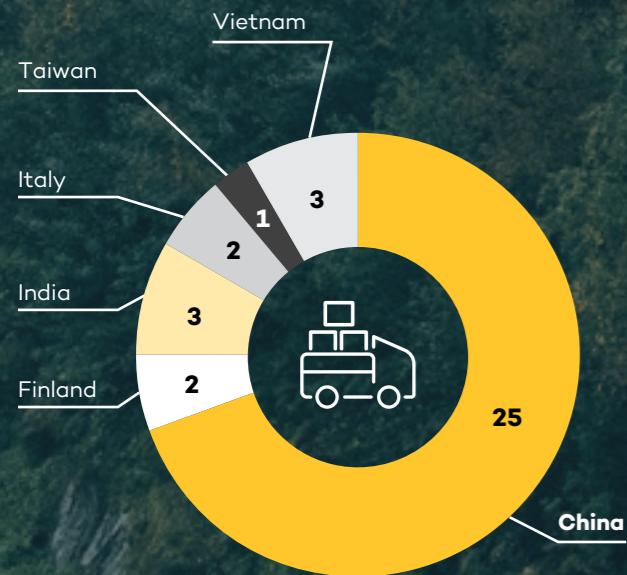
RESPONSIBILITY HIGHLIGHTS 2019	6
REPORT SUMMARY	8
LETTER FROM THE CEO	10
COMPANY INTRODUCTION	12
Financial performance	12
CSR strategy and policy	15
R&D and Sustainability	19
2019 achievements review	20
Sustainable development goals	23
PRODUCT EXCELLENCE	24
New in 2019	27
EU Product safety award	27
RSL publication	27
Anti-bite	27
A fully recyclable jacket	27
Reima Kit	28
Coffee bean shimmer	28
Materials	28
Safe chemistry	31
Repair, reuse, recycle	31
Safe and sustainable design principles	32

SUPPLY CHAIN COLLABORATION	35	COURAGE TO REACH OUT	50
New in 2019	36	New in 2019	53
Supplier list publication	36	United Nations Global Compact membership	53
Suppliers overview	36	Protect Our Winters (POW) Finland	53
Supplier selection	36	Compensate	53
Reima supplier code of conduct	36	Telaketju - Enhancing circularity in the textile industry	53
Social compliance and amfori	39	Hanken SDG project	53
Principles and results of Reima's supply chain assessments	39	Donating to save #OurSea	54
ACCORD	39	WWF green office programme	54
Environmental assessments	40	Greenhouse gas emissions	54
Reducing carbon footprint in logistics	40	Consumer and customer engagement	54
PROFESSIONAL GROWTH AND INTEGRITY	43	CONTACT US	59
New in 2019	44	APPENDIX	60
Reima's 75th anniversary	44	GRI INDEX	64
Earth hour and climate action week participation	44		
Principles and training	44		
Remote work	44		
Key Human Resources figures	46		
Codetermination negotiations	46		
Engagement	46		
GDPR training	48		
CSR training	48		
Anti-corruption policy review	48		

Responsibility Highlights 2019

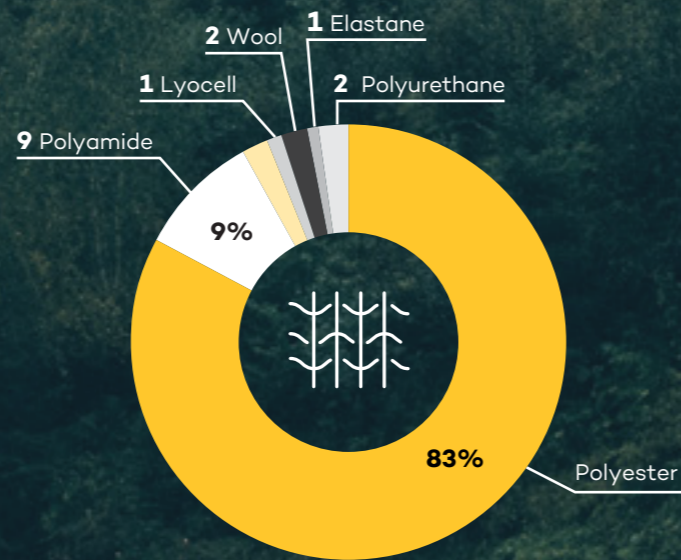


Suppliers by country



* We have published our supplier list in 2019

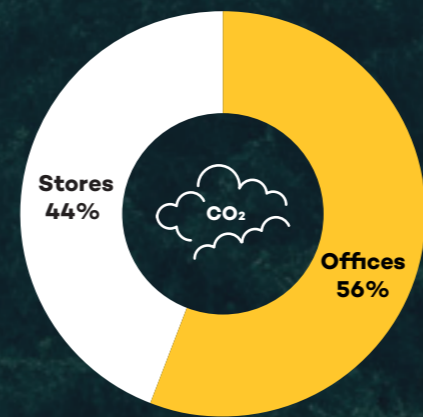
Share of materials



By 2023, we aim to have 50% of polyester and 100% of polyester wadding from recycled origins, and 20% of clothing recyclable.



CO₂e emissions from electricity 311 CO₂e t kg



* Excluding 2 offices (US & Russia and three stores in Europe)

*Our aim is to become carbon neutral own operations by 2023



SHIPMENT INCREASED BY WEIGHT IN EU IN 2019 BY

13%

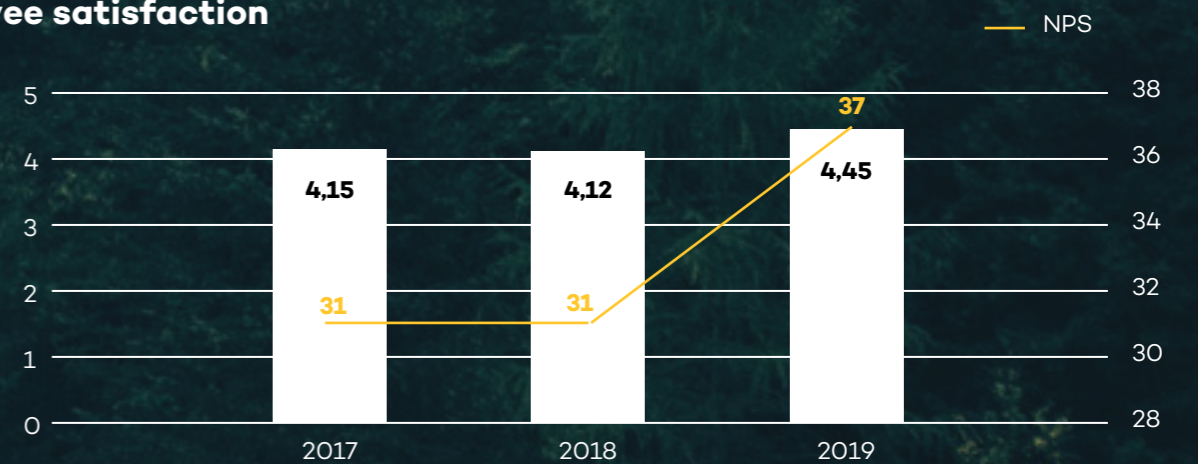
and yet



CARBON FOOTPRINT REDUCTION IN 2019 FOR EU SHIPMENTS

-5%

Employee satisfaction



Report summary

Reima is a globally leading kids' activewear brand helping children find the joy of movement in everyday life. Our Finnish heritage of over 75 years means a love for the outdoors and a connection with nature runs deep in how we operate.

Our approach to corporate responsibility is comprehensive: we champion an active childhood through ethically produced sustainable products, ensuring value creation for all stakeholders. Product sustainability starts from design and requires innovation and know-how on green technologies, ethical operations in supply chain, restricting harmful substances in material manufacturing, ending up with a commercially viable, durable product for lower impact throughout its lifecycle.

The core of our product sustainability has always been uncompromised quality and durability. Longer product use-life saves resources through reducing the need to make from scratch in the first place. In

2019, we increased the share of sustainable and certified materials in our collection. Not only that, but we increased supply chain transparency by publishing our finished goods supplier list as well as our Restricted Substances List (RSL). In implementing the RSL with the material suppliers, we have also tightened restrictions beyond regulation on several substances. Furthermore, our multistage process for ensuring product safety led to Reima winning the prestigious EU Product Safety Gold Award in the category Children's products.

It is critical to ensure our supply chain operations are ethical; our Supplier Code of Conduct (CoC) is based on international UN conventions on human and labour rights. Through our membership in amfori, we require suppliers to maintain and improve social compliance. Furthermore, Reima's own social and environmental assessments improve our dialogue with the suppliers and enable us to support them in improving where necessary. The chemical restrictions help protect the environment and workers in the supply chain, in addition to the end-users. We have completed the screening of 84% of our existing suppliers for social compliance, and maintained a 87% third-party audit

rate of finished goods suppliers in risk-countries. No significant human nor labour rights violations came to our attention through either assessment cycles, nor outside them.

We have started to measure our greenhouse gas emission footprint. The goal of accurate information gathering and gaining an understanding of our emissions profile is to be able to reduce the emissions effectively and offset reliably. Our goal is a carbon neutral own operation by 2023.

We strongly believe that success is the result of many internal and external collaborations, strategically analysing and implementing feedbacks and inputs. Feedback from customers and consumers enables us to always improve our product. Our employees' wellbeing and professional development is the driving force behind our growth. Our suppliers bring our innovations to life. Our shareholders enable ambitious innovations and expansion through trust. We are intimately intertwined with the societies we operate in, and helping maintain mutual trust and integrity. We collaborate with research organizations for new innovations and with NGOs for frank feedback on how

we can improve on ethical operation. Our ongoing co-operation with Emmy for returning Reima products and the introduction of Reima Kit strengthened our path towards circular economy.

The strategic and operational responsibility areas are lead by the corporate responsibility team with extensive support from the leadership through ISSG (Innovation and Sustainability Steering Group) and the Board of Directors. We practice the basics of CSR reporting, e.g. stakeholder analysis or materiality assessment to keep our corporate work structured and follow the GRI (Global Reporting Initiative) standards for reliability. An external expert from Ratkaisutoimisto Vinha has checked that this report follows the GRI reporting guidelines.

Dr. Shahriare Mahmood
R&D & Sustainability Director

Letter from the CEO



Reima had an exceptional 2019. We turned our focus towards responsibility in an unprecedented way and got ready to ramp up our efforts going forward. We created a new, ambitious sustainability roadmap, which was approved by our Board of Directors in October. Our sustainability efforts went hand in hand with the continuing revenue growth of 15%.

Climate change is threatening the future of our children. The textile industry as a whole has had a year of reckoning in this regard. At Reima, we have always invested in designing and making durable, functional children's wear, not fast fashion, and we continue to encourage our consumers to reduce, reuse and recycle their clothing. In the coming years we will increasingly invest in reducing our climate impact, through energy efficiency, greener energy solutions and reliable offsetting schemes.

Our innovations are focused on accelerating circularity in the textile industry. This year's circularity superstars are the award-winning Voyager jacket - which is the first of its kind in kidswear - and its sibling, the lightly insulated Kulkija. They are designed for both endurance and recycling; while most technical wear has too many different materials and finishings to be recycled back to polymers, on these jackets all layers, and even the waterproofing are 100% polyester, making recycling at scale feasible. We will even help Reima families recycle the jackets, to ensure they end up in textile processing. This is the future of functional kidswear.

We champion an active childhood to raise a generation ready for the world to come. Because time is one of the most precious resources families have, we've launched Reima Kit, a subscription-based kids' clothing service, to ensure families will always have the right gear for adventures, without ever needing to worry about the inconvenience of shopping. What's more, the service includes support for reselling outgrown gear, which is both convenient and sustainable.

The future is also increasingly transparent and networked. That is why we have joined the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative, to enhance our commitment to human and labour rights, respect for the environment and anti-corruption measures in our operations. We continue to support the Global Compact and are deeply committed to the initiative and its principles. In this report we also outline our Sustainable Development Goals (SDGs) focus areas. In addition to the UNGC, we look forward to continuing fruitful collaborations within amfori, with national and international NGOs, and of course our suppliers and customers.

You will find out this and so much more about our responsibility work in the pages that follow. Responsibility has always been, and always will be, an integral part of the way we do business. We want to inspire kids to explore the world freely, to help raise generations ready for the world to come.

Yours sustainably,
Elina Björklund
CEO



Company introduction

REIMA CHAMPIONS THE NEXT GENERATION OF ACTIVE, HAPPY KIDS, READY FOR THE WORLD TO COME.

Reima is the leading premium performance and active wear brand for children. Our focus is on comfortable, safe clothing for any weather and activity, enabling kids to move and explore the world around them. Recognising the current trends of kids' growing media consumption and decreasing physical activity as well as the consequent adverse effects on kids' health, we are expanding from enabling to making moving fun. Reima provides a high-quality, year-round, tip-to-toe wardrobe for active children from 0 to 12 years of age. The product range includes outerwear, mid-layers, innerwear, accessories, footwear, sunproof clothing and rainwear. Besides our main brand, Reima, we offer the Lassie brand mainly in Russia.

Today, we sell more than 7 million products annually. Our headquarter is located in Vantaa, Finland and Shanghai, China is part of HQ. Reima research and design operations are in Finland, and we source globally, concentrating on Asia. We have additional offices in Russia, Sweden, Norway, Denmark, Germany and USA.

Our main sales channel is wholesale, both online and offline. Reima gear is available at e-tailers, countless department stores and specialised retailers globally. In addition, the Group had 50 own retail stores and 41 franchise stores in seven countries at year-end 2019, and an online store www.Reima.com serving 38 countries. Reima offers baby packages globally online through www.finnishbabybox.com as well as solution sales to businesses.

All our operation and our corporate responsibility work is based on our values: excellence, courage,

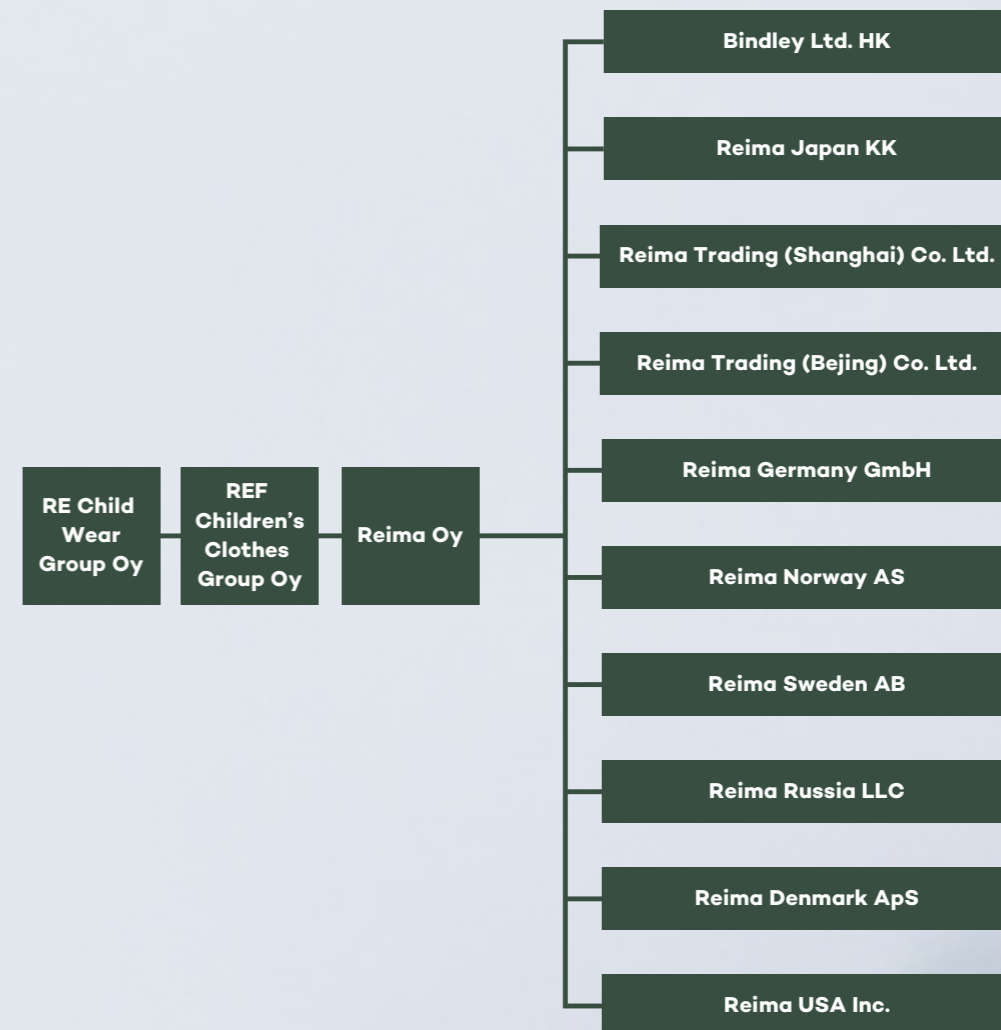
collaboration, integrity and joy. Our highest priority is providing an excellent product. We can only do that, if we work collaboratively and take risks to innovate courageously. We need joy to be able to provide it to kids, and integrity, so that all our stakeholders can always trust us.

FINANCIAL PERFORMANCE

Financial stability and solid growth are the foundations of Reima's sustainability. Our excellent financial performance and growth affect various stakeholders positively, as they make Reima a reliable employer, a credible choice for investors, and a sustainable organization. On the other hand, our sustainable business practices support our strong growth. Our innovative products and business strategy have enabled us to enter new markets. The net sales in all the geographical areas and different sales channels have grown significantly in recent years, which is illustrated in a table on the next spread. Reima has established good practices for both operational and financial risk management, including currency risk management.

Each year, the Group CEO shares with the staff the priorities and the management approach, which has been evaluated by the Board of Directors. Reima has a clear financial target which is aligned with its business strategy. Although the responsibility concerning the financial performance remains with the CEO, CFO and the Board of Directors, the targets and results are also shared openly with the employees.

Reima group structure



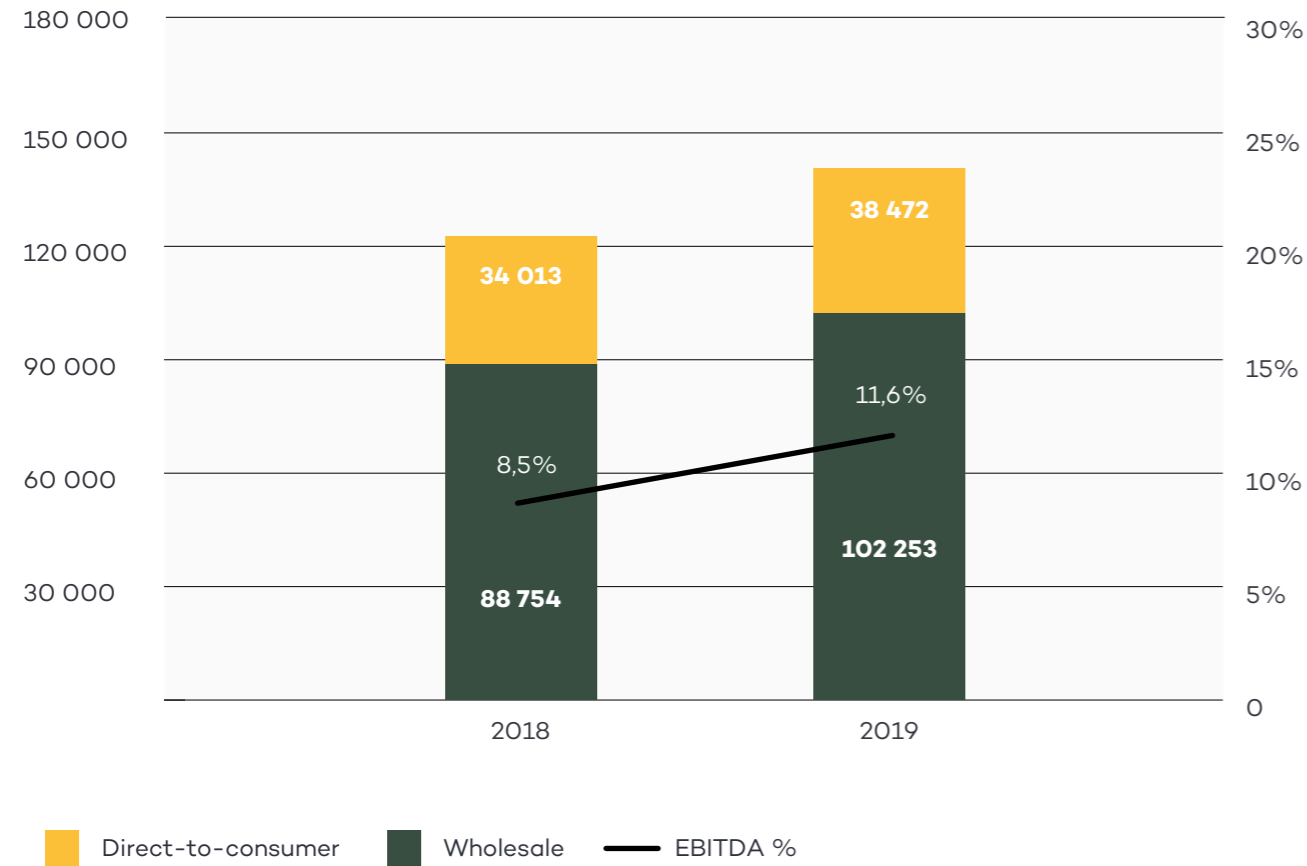
Net Sales, thousand Euros

NET SALES	2018	2019
Wholesale	88 754	102 253
Direct-to-consumer	34 013	38 472
TOTAL	122 766	140 725

In 2019, Reima adopted International Financial Reporting Standards (IFRS). Earlier the reporting was done according to Finnish Accounting Standards (FAS). In addition to 2019 financials, comparison figures for 2018 were prepared according to IFRS.

KPMG conducts an audit of the company annually in accordance with good auditing practices in Finland and in compliance with the international standards in auditing. The audit comprises interim and year-end audits and focuses on both the financial information and control environment, and in 2019 with special focus on transition to IFRS. A standard audit report is issued as a result.

Net sales



CSR STRATEGY AND POLICY

Responsibility towards societies and individuals, as well as the environment, has always been a key aim in our operations. In 2019, we conducted a critical review of our material assessments. This resulted in a broader, more inclusive view of issues to consider in our responsibility framework: Reima champions an active childhood to help raise a generation ready for the world to come. To protect that world and future generations, we will ensure **our products are sustainable from cradle to grave, made in a socially and environmentally sustainable supply chain, while creating value for all stakeholders.** Our responsibility work is rooted in the foundations formed by our values – excellence, collaboration, courage, integrity and joy.



1. WE DESIGN HIGH-QUALITY PRODUCTS THAT LAST FROM ONE CHILD TO ANOTHER

Because product lifecycle impacts are at the core of our product sustainability work, sustainability starts at the drawing board. Timeless design is about making clothes that kids and parents will enjoy and that last year after year, from one user to another. This also requires durability, especially in outerwear, which we test with industrial-level sandpaper tests. Chemical and physical safety have always been a priority for us, and our processes for ensuring chemical and physical safety beyond regulations earned us the first ever European Product Safety Gold Award 2019 (highest achievement) in the category children’s products. In material choices, we select recycled and other environmentally-friendly materials when they meet our durability criteria – because a reused product is always the most environmental choice. Because technical wear is also notoriously challenging for textile recycling, we innovated a mono-material wind- and waterproof mid-season jacket, Voyager, to ensure easy recycling. We will also help Reima consumers recycle the jacket after its been used up by several happy kids. This is yet another step towards increasing circularity in the textile industry. To pilot the recycling of Voyager, we’re participating in Telaketju2, a project and a consortium for increasing textile circularity in Finland. Telaketju is just one of our partnerships, however. Another important one is our collaboration with Emmy, Finland’s largest online second-hand store. Emmy installed collection boxes in our retail stores in Finland, which helped them increase their collection and sales of Reima gear, and Reima consumers gain a share of the profits. This year, Reima has launched a subscription based clothing service, Reima Kit, through which customers can also return used clothing to Emmy for resale, making recycling even easier.

2. WE WORK FOR IMPROVING SOCIAL AND ENVIRONMENTAL RESPONSIBILITY IN OUR VALUE CHAIN

Ethical manufacturing is a prerequisite for a sustainable product. To ensure respect for human and labour rights in our supply chain, Reima is a member of amfori, a leading global business association for open and sustainable trade. Our aim is that all Reima suppliers in amfori-defined risk-countries have an up-to-date third-party social compliance audit and 75% of them are amfori BSCI audited. Because we also want to build a fruitful and trustful collaboration with our suppliers, we seek to cultivate long-term business partnerships with them, most of which last over five years. To emphasize our commitment to continuous development of responsibility in the supply chain, we have a supplier code of conduct, as well as regular social and environmental compliance assessments. The assessments help us get to know our suppliers better, and also ensure we are not solely reliant on third-party audits.

Nominating the material suppliers helps us ensure both the quality of our products as well as control and reduce environmental impacts. Material suppliers are subject to our Restricted Substances List requirements, which we monitor through environmental audits. In the coming years we will focus even more on calculating and reducing the carbon footprint of our products.

3. WE ARE COMMITTED TO ETHICAL BUSINESS PRACTICES AND DELIVERING BENEFITS TO ALL STAKEHOLDERS

Reima has five crucial stakeholders: consumers and customers, employees, suppliers, communities and shareholders. The previous paragraphs have



described how we deliver value to consumers and suppliers in particular. Employee welfare and personal development are key to a sustainably functioning operation. We measure employee satisfaction and commitment in regular surveys, and supervisors are mandated to conduct personal development and follow-up discussions to ensure employees have control over and feel content with their career development.

Reima's anti-corruption policy was reviewed in 2019 and a comprehensive, mandatory anti-corruption online training will be made available to the employees. We take corruption extremely seriously and are focusing our efforts on prevention, while ensuring processes are in place to handle potential suspected cases. In addition to the anti-corruption training, we engage staff through sustainability trainings and workshops.

In addition to financial value, we have formalised our commitment to ethical operations and delivering value to the communities in which we operate through becoming a signatory of the UN Global Compact and commitment to the Sustainable Development Goals (you can read more about their importance in our work in the following section). Dialogue with independent NGOs such as Finnwatch and Eetti (Association for Ethical Trade) is a valuable feedback mechanism for us, for continuous improvement of social and environmental responsibility.

Our financially responsible operating model ensures maintaining our value for shareholders. Additionally,

increasing our efforts on sustainability throughout our operations helps ensure we are relevant and an industry leader also in the future.

On the next page you can explore our 2019 targets and achievements, and after that our goals for 2020 and 2023.

R&D AND SUSTAINABILITY

Reima's "Innovation and Sustainability Steering Group (ISSG)" oversees the corporate responsibility activities and officially approves plans and action points. The steering group consists of the heads of different functions, usually leadership team members, to ensure company-wide understanding of and agreement on sustainability work. The Reima CEO chairs the ISSG and the Director of R&D and Sustainability facilitates the steering group meetings. The group convenes four times a year. The planning and implementation of daily corporate responsibility work is lead by the Director of Sustainability, supported by their team, and in collaboration with other functions as necessary for effective implementation.

The review and reprioritization of material topics, informing the subsequent new sustainability strategy and roadmap 2020-23 was undertaken by the corporate responsibility team. Our recent expansions into new markets as well as our significant financial and operational growth have stimulated a corresponding expansion in sporadic stakeholder engagement. Below we expand on what our sustainability principles mean in practice.

2019 ACHIEVEMENTS REVIEW

The 2019 Reima sustainability targets and program were very comprehensive and ambitious. While we were committed to each target, it became evident throughout the year that some projects we had more influence over, and therefore could impact more directly with our own efforts, than others. This shows in what was achieved fully, and where we fell short.

We have reached a good NPS, although not quite our extremely high goal. Our second-hand partnership with online store Emmy continued steadily, but in order to have a bigger impact globally, we also need to consider other means of encouraging reuse.

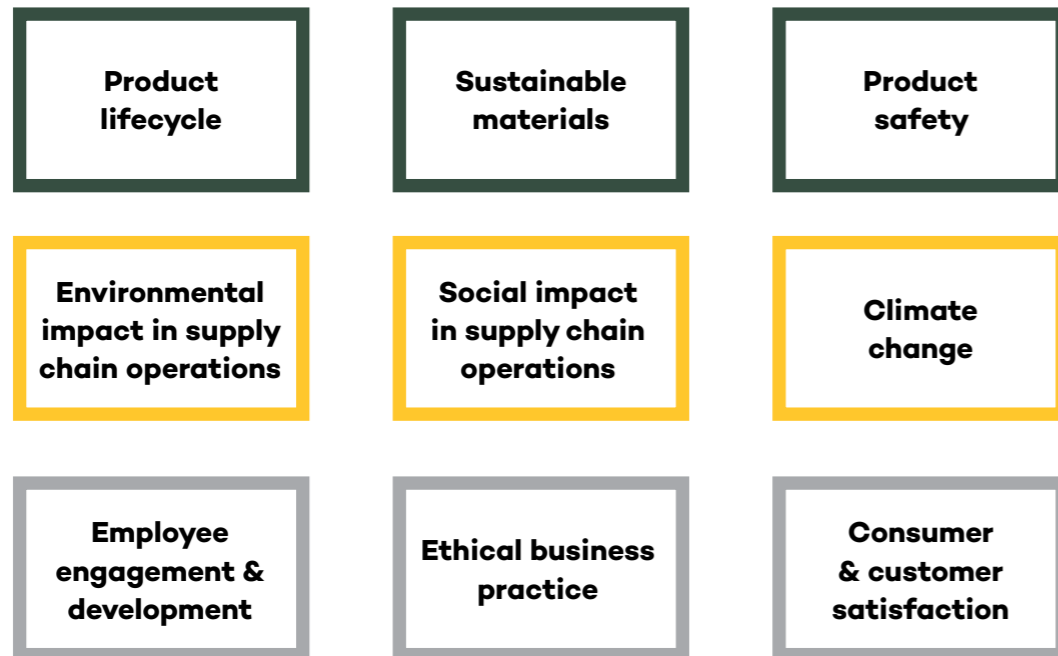
We have successfully initiated product Lifecycle Analysis (LCA), but the primary data that we received from the manufacturers was missing some production stages, and the ones for which data was provided was deemed insufficiently reliable. Because we have projects in the pipeline related to product carbon footprint, we decided to focus solely on that and created a product carbon footprint calculator based

on desk research. The calculator is to be reviewed by a third-party. The environmental assessments of material manufacturers were scheduled for late in the year, but had to be rescheduled to 2020.

The anti-corruption training was overtaken by two other priorities: revision of the anti-corruption policy itself, and a broader CSR and sustainability training. The latter took priority because it was seen as the necessary first step to mainstreaming sustainability throughout the organization's operations. The anti-corruption training will be a natural next step, among other planned thematic trainings.

Similarly to the LCA study, the main obstacle for our baseline study for Reima Green Office initiative, was data gathering. In some locations the data on e.g. waste management, or energy use does not exist, building management will not provide it, etc. However, we managed to collect most of the crucial information and will continue data gathering throughout 2020.

Reima's sustainability priorities 2019 onwards



OUR 2019 RESPONSIBILITY GOALS AND ACHIEVEMENTS

AGENDA	ACTION POINTS	ACHIEVEMENT LEVEL
PRODUCT		
Product safe for kids & free from known & possible harmful chemicals.	Extend Reima's product safety requirement beyond regulation by 2019.	In 2019 we won Gold in the EU Product Safety Award 2019 for designing products that are not only safe to use but also enhance the wearer's safety.
Improving product recyclability.	Introduce mono-material concept by 2020.	We are introducing two monomaterial technical jackets, a shell and a lightly insulated one in 2020.
Timeless design to improve consumer satisfaction & promote product second life.	Raising NPS to over 70 & doubling the number of products sold second-hand through our partners in 2019.	The NPS for the whole 2019 was 55 – a 13-point improvement from 2018 - and Reima branded sales on Emmy increased by 3%.
SOCIAL RESPONSIBILITY		
Promoting human rights & social accountability throughout operations & in community relations.	We will promote at least one new strategic measure to improve the consideration of human rights & social accountability within amfori BSCI during 2019.	Through our amfori Members' Advisory Council membership we have worked to enhance transparency and impact assessment within amfori as well as in member brands' supply chains.
Supply chain engagement & control for fair practices.	Assess all major suppliers in Tier-II besides continuing assessments for Tier-I suppliers located in amfori defined risk countries in 2019.	We continued to ensure the majority of tier-I suppliers had an up-to-date third-party audit, but were unable to conduct environmental audits in Tier-II yet.
Business ethics & HR practices for preferable work place.	GDPR training for all staff. Creating online anti-corruption training for staff.	GDPR training was executed successfully, however, the anti-corruption policy review delayed the training, which will be implemented in 2020 instead.
ENVIRONMENT		
Controlling & eliminating harmful chemicals in production.	Implement & publish updated comprehensive "Restricted Substance List (RSL)" by the end of 2019.	The RSL was published as planned.
Reduction of carbon footprint.	Conducting Reima offices green practice baseline study in 2019.	We successfully gathered approximately half of the data we requested from the offices. The good news is that the data gathered was in the most important categories, i.e. energy use and business flights.
Minimizing waste & maximizing recycling in product lifecycle.	Conduct a product Lifecycle Analysis (LCA) project to establish baseline in 2019.	The initial primary data from the manufacturers was insufficiently reliable, which led us to develop our own product carbon footprint calculator instead. However, it doesn't take into account other kinds of waste and water contamination.



SUSTAINABLE DEVELOPMENT GOALS

Reima is committed to the UN's Sustainable Development Goals, created to make our shared world better for everyone. Although our operations touch nearly all the goals one way or another, we've narrowed our focus to the five most crucial ones explained below.



WE CHAMPION AN ACTIVE CHILDHOOD, whatever the weather. Sufficient physical activity increases the likelihood of better health outcomes both in childhood and later on.



EVERYBODY IN OUR VALUE CHAIN DESERVES FAIR COMPENSATION FOR THEIR LABOUR, on time, and respect for their human and labour rights. It starts with fair remuneration practices for our employees. Our finished goods suppliers are third-party audited for social responsibility, and we conduct our own social compliance assessments every other year. As part of amfori, we work to improve the social responsibility of global supply chains beyond our own.



TEXTILE AND APPAREL MANUFACTURING USES A LOT OF WATER. It's our responsibility to ensure that it's used proportionately and responsibly, so that the wastewaters aren't contaminated. Reima's Restricted Substances List limits the use of chemicals in manufacturing, and we assess our fabric suppliers with a focus on environmental compliance. Our products are also designed so they can be washed less, helping to conserve freshwater also in the use phase.



CHILDREN NEED TO BE CLOTHED PROPERLY. BUT DOES THE SEASONAL GEAR HAVE TO BE BRAND NEW EVERY YEAR? And what happens after a jacket's been adventured to shreds? Reima has always designed for durability, and now we've started working on recyclability, too. To keep the clothing in use for as long as possible, we partner with second-hand stores and charities, offer a repair kit including the most common Reima spare parts, as well as a popup service for in-store repairs.



CLIMATE CHANGE MAKES THE FUTURE LIVES OF KIDS INCREASINGLY UNCERTAIN. Reima's first steps in mitigating our climate impact are offsetting our own operations' carbon footprint for 2020, and promoting the reuse of our gear through partnerships. We also have a roadmap for getting to full carbon accounting and expanding our offsetting program annually for unavoidable emissions.

Product excellence

Our products are always non-toxic and safe to use. Our products are durable so they can be used by several kids, saving resources. We help care for, reuse and recycle our products.

In this chapter you will find out about our sustainable product design principles, at bout how we won the EU Product Safety Award 2019, our newest product innovations as well as about our material selection process.

KEY GOALS FOR 2020 AND 2023

PRIORITY	2020 TARGET	2023 TARGET
Product safety	Bluesign® partnership and certified materials	Over 50% of materials bluesign® approved
Sustainable materials	GOTS certification for organic cotton	100% cotton GOTS certified
Sustainable product lifecycle	Piloting recycling of mono-material jacket	20% of clothing is recyclable





NEW IN 2019

EU PRODUCT SAFETY AWARD

Reima won first prize for product safety in children's products in the EU. The jury praised Reima for going beyond legal requirements, designing kidswear that's not only safe to use, but adds extra protection whatever the weather. For dark winters, there's outdoor gear with reflective details; for the summer, ultraviolet protection with Reima Sunproof range, and Anti-Bite wear.

RSL PUBLICATION

Reima is committed to offer high quality products that are produced safely. We test products extensively for harmful substances, but it's difficult to ensure chemical safety without restricting the use of dangerous substances in the manufacturing itself. The extensive list of restricted substances applies to all materials, components, trimmings and other materials used in and for Reima products and other brands of the Reima Group. We share the knowledge about chemical safety for humans and the environment, with our partners. As we operate in many different countries and their requirements can differ, we integrate all the chemical requirements into our RSL. The list is also aligned with bluesign® requirements as we have recently become a bluesign® system partner and intend to rapidly expand our share of bluesign® approved materials in our collections. Material suppliers are obliged to agree and ensure the conformance with Reima RSL in order to be approved by us.

ANTI-BITE

In 2018, Reima developed an anti-mosquito finishing for selected materials by using a plant-based innovative formulation. The finishing is not harmful for the kids, unlike permethrin, which is more commonly used by the performance wear industry. The anti-mosquito products were launched in 2019. The award-winning innovation inspired us to work further and we have developed an even better solution for protecting children from both ticks and mosquitoes. We named

it Anti-bite. Anti-bite is chemically so safe it can be used even for babies (from 6 months onwards). It has a repellent effect on the mentioned bugs and is effective for other insects, too. Fewer bites reduces the risk of bug-born illnesses such as malaria and Lyme disease.

A FULLY RECYCLABLE JACKET

The Reimatec jacket Voyager is Reima's first ever high-performance product made of one single material which is the first of its kind for children. Apart from the unavoidable bit of metal in the zipper lock, everything in the product is polyester. This means the jacket can be easily and completely regenerated into polymers for new products. Reima will close the loop between production, active use and recycling, as long as the jacket is handed back to Reima for recycling at the end of its life.

Durable garments are a great tool for fighting the climate crisis: Another child reusing the Voyager jacket will save as much CO₂ as it would take to produce a new garment. The high quality and classic design of the Voyager jacket ensure it has enough value to be resold and reused by several children. To enable successful takeback at the end of the product's life, each jacket has a unique ID. With the ID, consumers can register and track the journey of the jacket. After the first jackets have been handed down to their next users, visitors can see the journey of each jacket starting to be plotted out on the Reima registration web site.

Although the Voyager jacket is mono-material, Reima has not compromised on its functional features. The smooth, flexible 3-layer shell fabric boasts a water pillar of 12 000 mm and very good breathability (8000 g/m²/24 h), and even the seams are taped to be waterproof – all this without using other synthetic fibres than polyester. On the fabric surface, there is a fluorocarbon-free polymer finishing treatment that repels water and dirt. It enables washing at lower temperatures with less detergent, and quicker drying, all of which contribute to saving energy, water and chemicals during the hopefully very long life of the jacket.

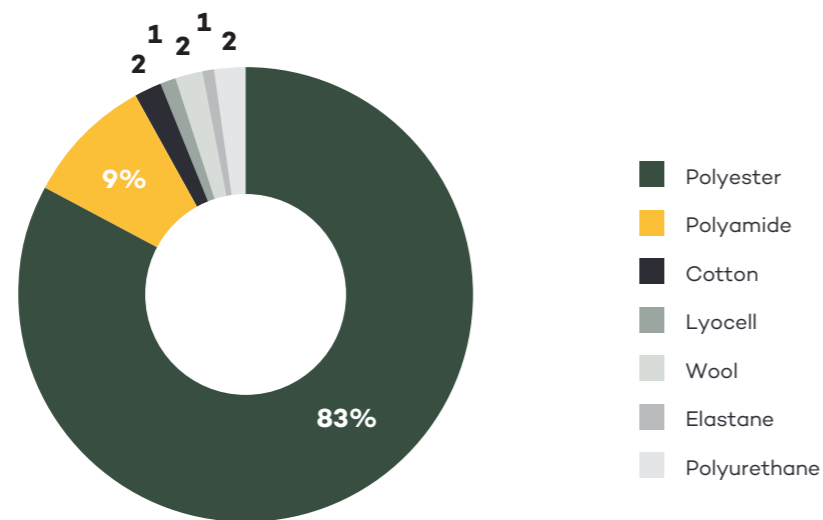
REIMA KIT

Reima Kit is a subscription-based clothing service that we started piloting in Finland in 2019 and launched in February 2020. Reima Kit includes three expertly chosen packages of outerwear and accessories in spring, autumn and winter. Consumers can return the product and get up to 50% of the selling price through Emmy. By making reselling easier, we're helping extend the use-life of Reima clothing, which is currently the most effective way of reducing the environmental impact of our clothing.

COFFEE BEAN SHIMMER

Research and development at Reima are a regular process. In this approach, we have recently developed a heat-storing coffee bean shimmer jacket which offers three functionalities. These are rapid heating and heat storage, antistatic and antibacterial properties. The material is produced in a very innovative way. Small particles of ground coffee are carbonized at a very high temperature. They will form honeycomb hole structures, which after grinding are about 300-500 nm in size. These are evenly distributed throughout the fibre and have super absorbent surfaces that heat up quickly. When heat enters, it can't easily get out. This causes the heat storage effect.

Share of materials 2019



MATERIALS

Reima is known for high quality performance clothing that keep children safe and comfortable in harsh and unpleasant weather conditions. The high quality Reima products demand high performance materials of greater durability. Our principle focus is to ensure the performance. We choose environmentally preferable material only if it performs as intended, because this helps ensure products are in use for longer, and therefore help save resources by reducing the need to buy new ones as often. We work with our partners to increase the share of good-quality materials from recycled and organic origin. We are aiming for 50% recycled origin in synthetics and 100% GOTS certified cotton by 2023.

The technical performance materials are usually synthetic and most of the materials we use is polyester (PES). We gradually increased the share of PES compared to other synthetic material like Polyamide (PA), because it is easier to recycle. For the same reason, we have also reduced the use of blended materials. We also started to reduce the use of elastane, because of the known challenges for recycling with the present technologies. Polyester includes innovative fibres like Coolmax® and Thermolite®. Although the share of natural fibres





REIMA'S CONTRIBUTION TO STANDARDIZATION

Reima participates in and contributes to various national and international product safety and standardization groups. We are a member of the Finnish Standardization Association (TEVASTA), participate in TEVA (Finnish Standardization follow-up group), SIS (Swedish mirror committee of CEN/TC 248/WG 20 Safety of children's clothing) and National mirror committees of CEN/TC 248 Textiles and textile products (WG 20 Safety of children's clothing and WG 34 Risks in the sleeping environment).



MADE TO LAST! DID YOU KNOW?

Up to 50% of clothing's environmental impact comes from the use-phase. On average a piece of clothing is used for only a few months.

By using clothing for 3 months longer, or handing it to another kid, you can reduce its environmental impact by up to 40%.

is small, we are gradually increasing the share of cellulosic and biodegradable materials. The share of different fibres used in apparel is presented in the graph (excluding accessories and shoes).

SAFE CHEMISTRY

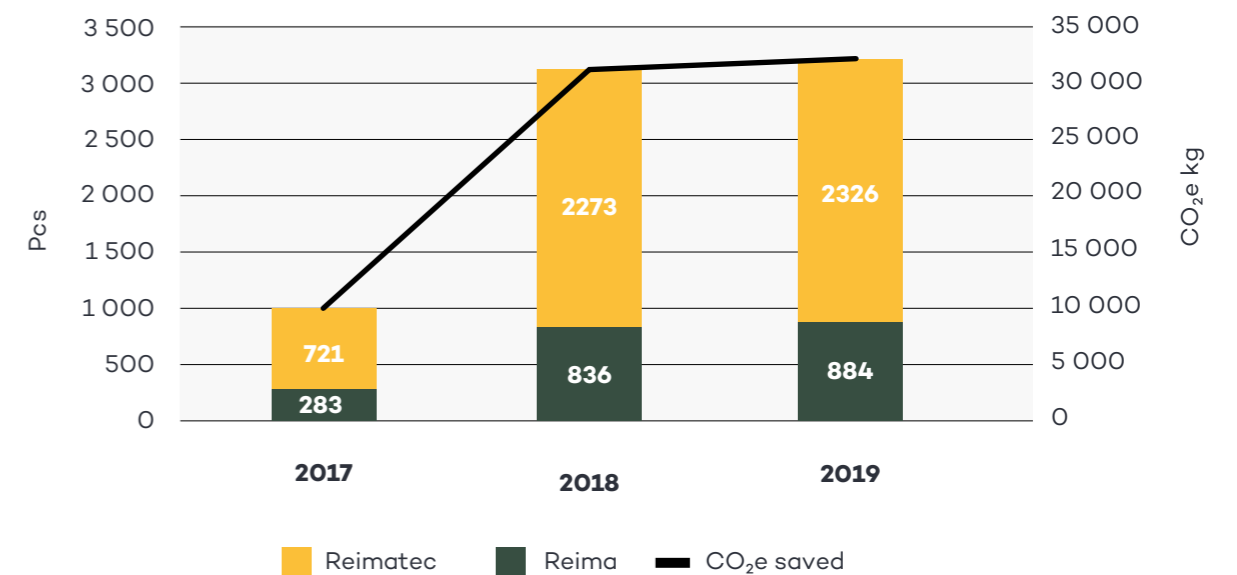
Reima offers innovative products to consumers regularly. Most of them are manufactured using different chemically intensive processes. Therefore, safe chemistry and environmentally friendly processes are the base for our R&D. We spent a long time looking for sufficiently reliable and safe formulations for our "Anti-Bite" collection. We have been also working deeply to replace the C8 chemistry and eventually to use CO. It was not easy as C8 chemistry provides the best performance and our clothes are made to perform. Our PFC free materials are produced in PFC-free manufacturing lines to avoid contamination. We banned many chemicals beyond normal regulatory limits. We are eliminating the use of optical brighteners for the next to skin products. We are continuing our work on finding better chemicals.

REPAIR, REUSE, RECYCLE

Reima helps families repair, reuse and recycle in three ways:

1. Reima is made to last. Reima gear is extra durable, to enable kids to adventure carefree.
2. Reima helps with repairs. Because accidents do happen, we offer a Repair Kit to help you fix the most common damage, like tears, or worn foot loops. In some of our European stores, we also have a biannual pop-up repair service.
3. Reima helps you recycle. We help families pass on gear that they no longer have use for. In the USA and China, we donate them to a charity that supports children in need, and in Finland they're resold and the original owner gets a share of the selling price. In 2020, we're also piloting recycling our clothing back into fibers.

Reima sold through Emmy and CO₂e saved



SAFE AND SUSTAINABLE DESIGN PRINCIPLES

Chemical safety: Safety is the foremost priority for Reima products, so it is crucial to not only comply with regulations but to exceed them. Our Restricted Substances List (RSL) defines our chemical safety framework for material manufacturing.

- We do not use nanomaterials in our materials and products. They can be toxic and bio accumulative and their impact on human health and especially children is still underexamined and tested. E.g. nanosilver, the most common nanotech in textiles, can be toxic to aquatic life.
- Our clothing and accessories products are free from PFCs (perfluorinated carbons) since 2017 and our highlight and popular shoe styles will be PFC-free, too, starting in 2020. None of our products contain PFOA (Perfluorooctanoic acid).
- PVC was banned in Reima products over a decade ago due to phthalates. In textile industry, phthalates can be used in PVC materials, in printing and in manmade leather. Phthalates are known hormone-disruptors that can be absorbed through the skin.

Physical and mechanical safety is critical for protection against injury and even deaths. We follow several regulations and recommendations to ensure the best safety features on our products.

- Appropriate and safely designed cords and drawstrings are critical for prevent strangulation and fraying.

- We avoid any unnecessary decoration on our products, but when included, we are stringent about ensuring the safety of straps, attached belts or sashes, toggles, loops, zip pullers and so on.

- Small parts and sharp edges can be injurious for small kids. We follow CPSIA requirements (USA) and other relevant standards.

Animal origin materials from responsible source only

- We do not use real fur as there are synthetic alternatives available to clothing kids warmly and fashionably without harming animals.
- We use only certified mulesing-free wool. Mulesing is a painful removal of strips of skin from a sheep's backside, resulting in scar tissue that doesn't grow wool.
- The down we use is produced according to the Responsible Down Standard (RDS). The Responsible Down Standard aims to ensure that down and feathers are only produced as a by-product of food-production, and that the waterfowl are treated humanely, i.e. they are not force-fed, nor live-plucked.
- We do not use real leather in our clothing. Leather does not have the qualities essential for the kind of functional clothing we make, and fake leather is just as good for decorative purposes.





Supply chain collaboration

We only do business with socially and environmentally responsible firms. We support our partners in improving their business practices. We are transparent about where and how our products are made.

In this chapter you will find out about our supplier base in 2019, our principles for selecting suppliers and human rights screening, about our membership in international social compliance programs and our logistics' greenhouse gas emissions.

KEY GOALS FOR 2020 AND 2023

PRIORITY	2020 TARGET	2023 TARGET
Social responsibility in supply chain operations	All tier 1 suppliers audited & certified	All suppliers score in the top 75% in both BSCI audits and Reima assessments
Environmental impact in supply chain operations	Public disclosure of material suppliers list	100% material traceability in supply chain

NEW IN 2019

SUPPLIER LIST PUBLICATION

In the interest of increasing transparency, we published our full first tier supplier list on our website for the first time this year. We will continue to update the list annually to provide more detailed information about the suppliers in the interest of our stakeholders.

SUPPLIERS OVERVIEW

The foundation for social and environmental responsibility in the supply chain is Reima's Code of Conduct (CoC). It reflects our commitment to safeguarding human rights and improving working practices. Reima's own assessment scheme for the direct suppliers is based on the CoC as a regular follow-up of progress and for enabling collaboration on improvement when necessary. The CoC was updated in 2019.

In 2019, we purchased from 36 suppliers, 31 of which were in amfori-defined risk countries. 98% of the purchase volume was from the risk countries. Among the 31 suppliers, 87% are BSCI (81%), SA8000 or WRAP audited.

In 2019, 39% of our suppliers were assessed within our own compliance program, in addition to the 36% of suppliers audited in 2018. Our aim is to have an up-to-date compliance assessment of all of our suppliers by the end of 2020.

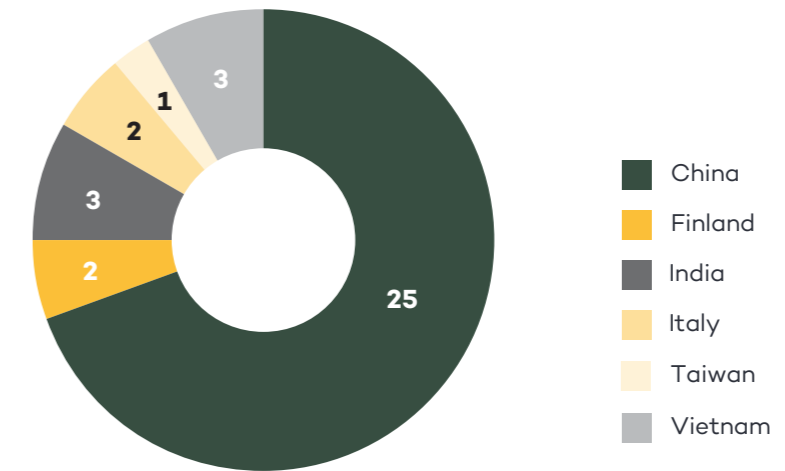
SUPPLIER SELECTION

In order to execute Reima's sustainability agenda successfully, we are rather choosy in our supplier selection. In general, we work in long-term relationships with suppliers, but due to our continuous growth and increased offerings, we need to search for new suppliers. Reima has a well-established formal process for supplier-selection, which has been followed for a long time with only minor revisions. We have strengthened the capability analysis followed by the selection phase where we verify the capability for quality and CSR.

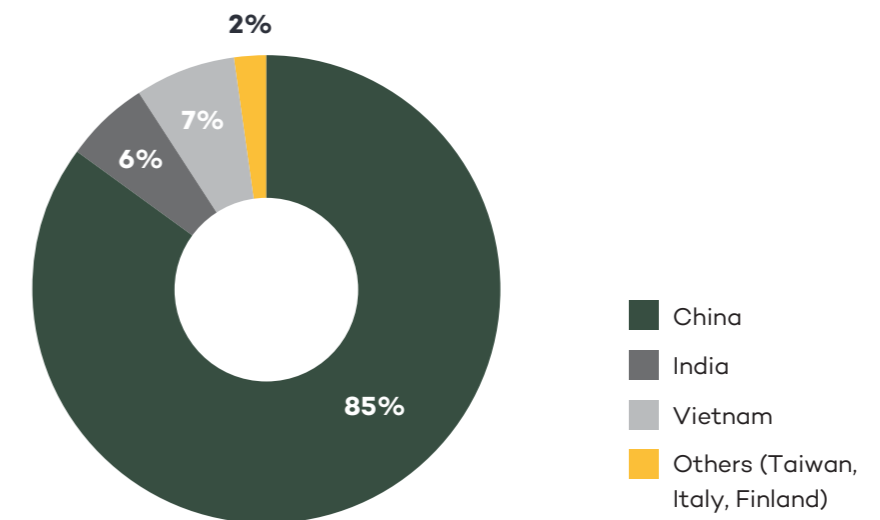
REIMA SUPPLIER CODE OF CONDUCT

Through the Reima's supplier code of conduct (CoC) we share our view on human and labor rights and social and environmental responsibility. To be our supplier, a factory must agree with the principles and to follow and implement them. The Code is based on International Labour Organization (ILO) conventions and United Nations (UN) guiding principles on business and human rights. This helps ensure that the relevant international conventions, e.g. concerning the ban on forced or child labour, are respected even in countries which have not ratified all ILO conventions, such as China and India.

Suppliers by county



Supplier countries by share of purchase volume



* Purchases of over 10 000 euros per year.

Supplier selection process



SOCIAL COMPLIANCE AND AMFORI

Reima is a member of amfori, the world's leading business association for open and sustainable trade. Reima joined amfori in 2010, as we found amfori BSCI's (Business Social Compliance Initiative) compliance system and commitment of the members to be practical for maintaining and improving social performance in the supply chain. The BSCI mandates an annual third-party audit for regular progress assessment (or every two years for high performing suppliers). The audits allow us to identify any meaningful gaps, which is important for Reima to work on further with the partners. The auditor interviews the factory management and workers and assesses the working conditions. Reima's supplier code of conduct is aligned with the principles of BSCI. While we accept also the other social audit schemes like SA8000 or WRAP, we encourage suppliers to join BSCI.

Reima's membership in amfori goes beyond compliance audits. We want to contribute meaningfully to improving social compliance in supply chains. Therefore, we network with the Finnish representation and participate in different project groups. Furthermore, Reima's Sustainability Director was elected a representative in amfori's global Member Advisory Council (MAC) in 2018 for a two-year term. We find it a great opportunity to contribute to the improvement of social compliance and human rights beyond the organization by providing strategic direction within amfori BSCI. MAC represents the 2300+ member organizations around the globe.

PRINCIPLES AND RESULTS OF REIMA'S SUPPLY CHAIN ASSESSMENTS

Reima's mission of enabling an active childhood is possible only through ensuring fair practices and preventing harm in the supply chain. We assess the suppliers regularly to get to know their operations and processes more personally, beyond the third-party audits (e.g. BSCI, SA8000). This familiarity also facilitates working with the suppliers on areas of improvement. In case misconduct comes to our attention through the assessment, we support the supplier in fixing the issue. This way we also take

responsibility for buying from trustworthy suppliers. Simply discontinuing the business relationship wouldn't help fix the wrongdoing.

Reima assessments cover six different performance areas. It is important for us that our suppliers follow the supplier Code of Conduct. We check that working conditions are decent, crucially that working hours are legal without forced overtime, and compensation is reasonable and sufficient. We have a zero-tolerance policy on child and forced or bonded labour and have not encountered any issues or suspicions of these. Furthermore, our quality inspectors, who visit the factories often, also watch out and report if they suspect any violations of zero-tolerance policies in particular. We believe that freedom of association is necessary for collective expression of worker grievances. All the audited suppliers in 2019 had a formal procedure for worker organization. The audits also ensure that the working environment is safe and we provide guidance where we find any risk, even small. Our suppliers' social performance was satisfactory (average scores 7 out of 10) in 2019 according to our observance. Our effort on improving social performance will remain as priority in 2020 too. Our general inspections of infrastructure and installations at the factories haven't detected any high risks that would require further investigation.

ACCORD

The official ACCORD program for fire and building safety in Bangladesh ended in 2018 and a transition Accord was signed to continue its work from June 2018 onwards. Reima took part in the original Accord signed in 2013 in the aftermath of the Rana Plaza collapse and signed the Transition Accord to continue supporting the work for improving fire and building safety. We didn't have suppliers in Bangladesh at the time, but decided to keep our membership for two reasons. Firstly, we want to keep supporting such good initiative and we might consider new partners there. For new supplier selection, ACCORD verification will give us confidence about the fire and building safety, thus workers' safety.



ENVIRONMENTAL ASSESSMENTS

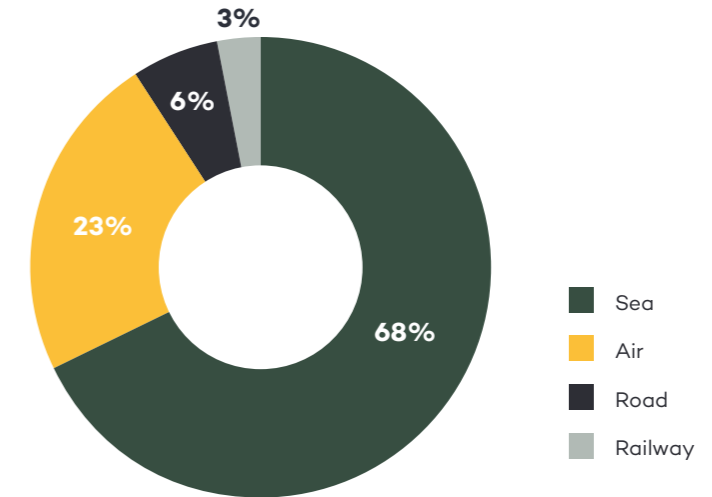
Material manufacturing causes the major share of the environmental impact of the textile supply chain. It is also directly related to the chemical safety of the products, the occupational safety of the workers in the factory as they are exposed to different chemicals, and environmental protection in the manufacturing area. The environmental impact is produced through water and air pollution, as well as the solid waste generated. Although we often choose the most environmentally friendly method in manufacturing, it doesn't guarantee the elimination of these problems. We believe that safe chemistry is the basis for the environmental integrity for the sake of product safety and human health. Besides restricting the use of harmful chemicals through Reima RSL in our material manufacturing, we take several additional measures. In addition to testing finished materials for chemical traces, we also use certified materials, e.g. bluesign®. We have launched a Reima environmental assessment program for material suppliers in 2017-2018. Within the pilot program our major material suppliers were assessed. We are planning to take expand the program in 2020. We are additionally aiming to complete our partnership with bluesign®.

REDUCING CARBON FOOTPRINT IN LOGISTICS

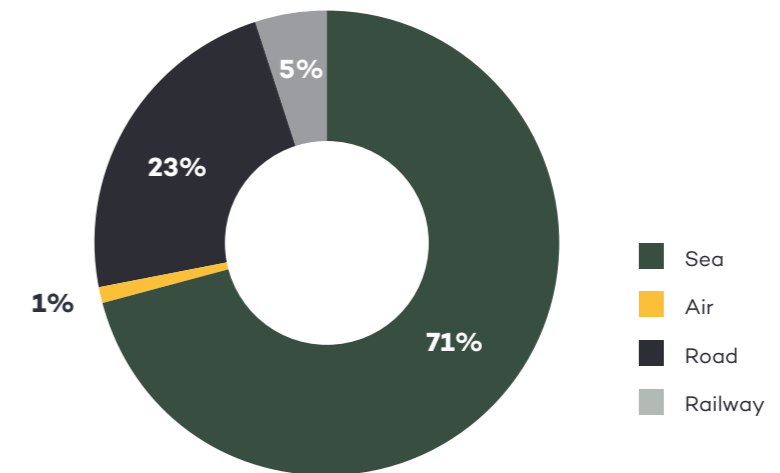
We have reported part of our logistics carbon footprint in 2018 CSR report. The idea was to start following the carbon footprint we produce in logistics and to reduce it. However, due to some difficulties in data collection and for comparability, we have restricted the logistics data to our logistics to, from and within Europe.

Major changes occur from the increase of sea shipment by 62% and reduction of air shipment by 61% to Europe in 2019 compared to 2018. At the same time both rail shipment and road transport reduced considerably. Although our aim is to reduce air shipments as this is the most carbon-intensive shipping method, we also try to increase the portion of sea shipment where possible. We are working on comprehensive carbon accounting to plan for meaningful impact.

Share of CO2e emission by different transportation modes in EU in 2019



Share of weight shipped in different modes in EU IN 2019



SHIPMENT INCREASED BY WEIGHT IN EU IN 2019 BY

13%

AND YET

CARBON FOOTPRINT REDUCTION IN 2019 FOR EU SHIPMENTS

-5%

Professional growth and integrity

We invest in our employees and support their professional growth. We are committed to ethical business practices and delivering benefits to all stakeholders. We acknowledge and learn from mistakes.

In this chapter you will find out about our key human resources policies and figures, trainings, Reima's 75th anniversary, our employee satisfaction survey and staff commitment to environmental events.

KEY GOALS FOR 2020 AND 2023

PRIORITY	2020 TARGET	2023 TARGET
Employee engagement	Employee satisfaction in survey >80%	Employee satisfaction in survey >80%
Continuous development	Development discussions for 90% and personal development plan for 50% of office staff	Development discussions and personal development plan for 100% of office staff
Ethical business practices	100% of the office staff pass e-learning training on anti-corruption and code of conduct	100% of staff passed e-learning training on anti-corruption and internal code of conduct

NEW IN 2019

REIMA'S 75TH ANNIVERSARY

As Reima turned 75 in 2019, we celebrated with a gala dinner in October, with over 200 guests including Board members, office staff and key customers. The evening featured fantastic musical performances by Ida Elina, as well as a light-hearted interview with the Chairman of the Board and company history highlights, including a surprise singalong to an old Reima commercial tune. In addition the anniversary was celebrated with personnel in all our offices and stores.

EARTH HOUR AND CLIMATE ACTION WEEK PARTICIPATION

Reima staff took part in Earth Hour week by going vegetarian for the week. 26 HQ staff members took part in the spring campaign. Instead of participating in the global climate strike in September, our Finnish offices held a climate coffee, where we decided on climate actions with the staff. We came up with one fun staff challenge to encourage a more climate-friendly lifestyle: challenge staff were challenged to switch to more climate-friendly commuting (public transport, cycling, or walking) or diet (vegetarian or vegan) for the following week. For each participant, Reima donated 10 Euros to WWF's climate projects. Altogether 52 people, or 25% of the staff of the Finnish offices participated, ending up in a 520 Euro donation to WWF.

PRINCIPLES AND TRAINING

Reima is committed to constantly developing not only our product but also how we work together as an organization. We support staff ambitions to grow their expertise and skillset. We are very strict

about conducting business legally and ethically. Fair and equal pay is an important principle to us, not to mention adhering to minimum wage legislation. Employee agreements are managed at a national level due to differences in legislations. In Finland and Nordics, all employees below senior pay level are covered by collective bargaining agreements. We have an equality and non-discrimination policy, the implementation of which we follow regularly.

We want to encourage all staff to share knowledge and successes with each other and get together every two weeks for a half an hour Reima Café to hear internal news and learnings, and sometimes for a little training session. The Cafés are live-broadcast to all offices and recorded and shared online afterwards.

We offer training and skills updates opportunities for staff. As agile is a core method for us, by the end of 2019, more than half of our office staff in Finland have participated in ReimAgile training sessions. With IT, we offer easy-access online trainings on Microsoft Office programs through Wistec Online, and our designers got specialised training in the use of design programs. Teams can attend trainings or webinars based on the need assessed by their team leader. In the sections below you can read more about our 2019 GDPR and CSR trainings.

All Reima office staff have performance and career development reviews with their supervisors twice a year, whereby also individual level bonus targets are agreed on together, in line with company financial targets. The employee benefits, including the bonus system, are the same regardless of contract type.

REMOTE WORK

Reima staff are allowed to work remotely regularly, and many make use of this opportunity. This helps save resources by reducing commuting, and also increases flexibility for the worker.

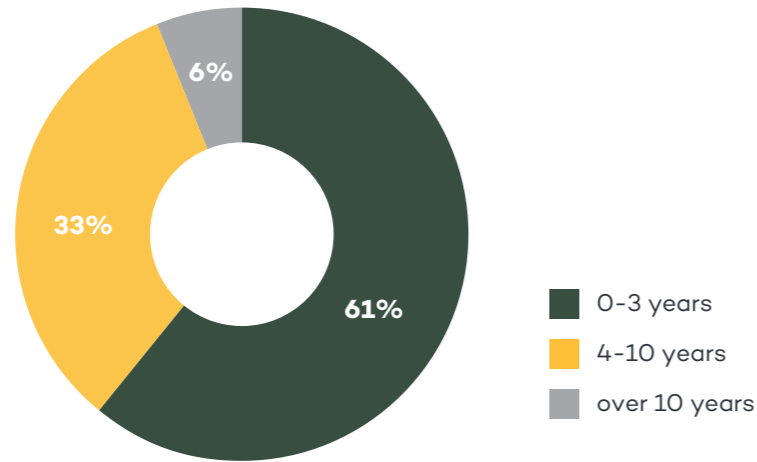


Reima CEO Elina Björklund giving a speech



The 75th anniversary gala was held in the heart of Helsinki, at the historic and beautiful Valkoinen Sali. The event was carbon neutral.

Employment duration, office



KEY HUMAN RESOURCES FIGURES

Reima employed 477 staff members globally at the end of 2019. Of these, 83% were women, 17% men, compared with 84% and 16%, respectively, in 2018. It is typical of the textile and fashion industry. Of the eight-person leadership team, three are women and five men. 52% of staff worked in our offices and 48% in stores, compared to 53% and 47% in 2018.

62% of personnel have permanent contracts and 38% fixed term. The relatively high share of fixed term contracts is due to Chinese legislation, whereby first two employment contracts are always fixed term, even if the intention is to employ permanently. Excluding China, 93% of employees have permanent contracts and 7% fixed term. 84% work full-time and 16% part-time.

We offer occupational health care for all employees. In 2019 there was only one, low-impact incident reported at one of our Finnish stores.

In line with our mission, we encourage our employees to be active, both in and out of office. During the working day, employees can use for example the Cuckoo Workout application for exercise breaks. For the free time, we offer an activity benefit, to support an active lifestyle.

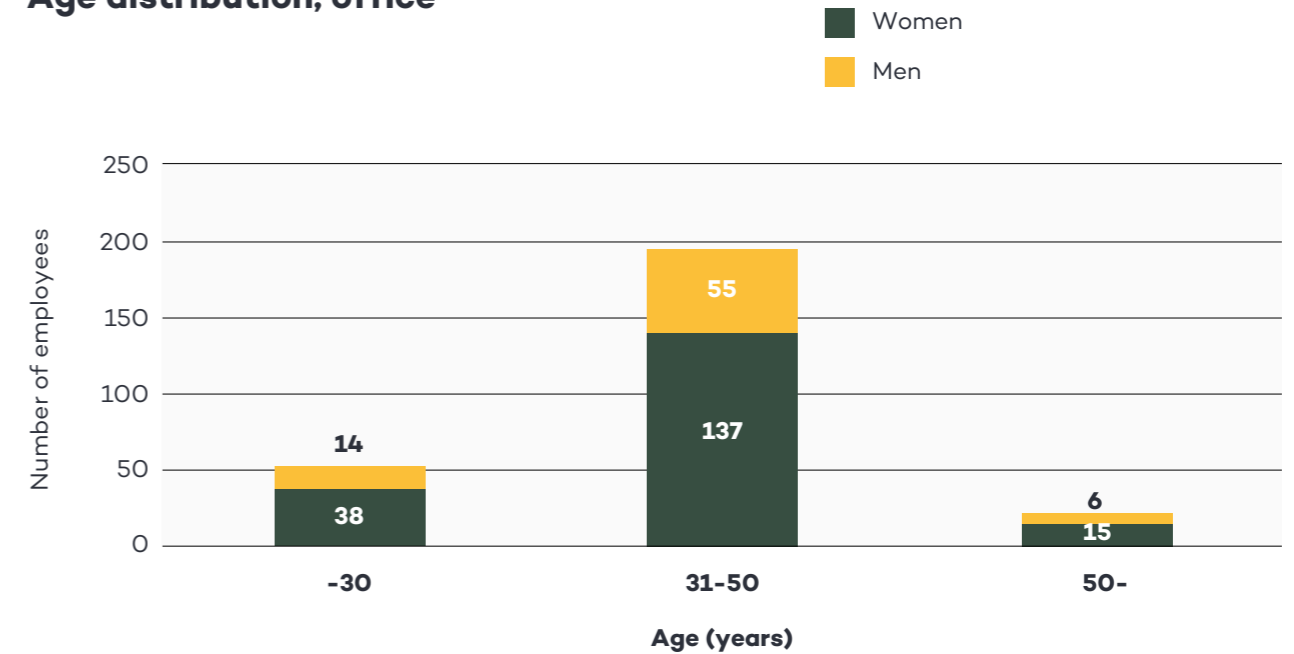
CODETERMINATION NEGOTIATIONS

In early 2019, we restructured the company to better serve the needs of our customers and for our global presence. The restructuring involved opening a new European cluster office in Vantaa and closing a support office in Tampere, Finland. As part of the restructuring, our Shanghai office became part of our headquarters and some functions were moved there. The closing of the Tampere office in Finland affected 40 employees, some of whom relocated to Vantaa HQ.

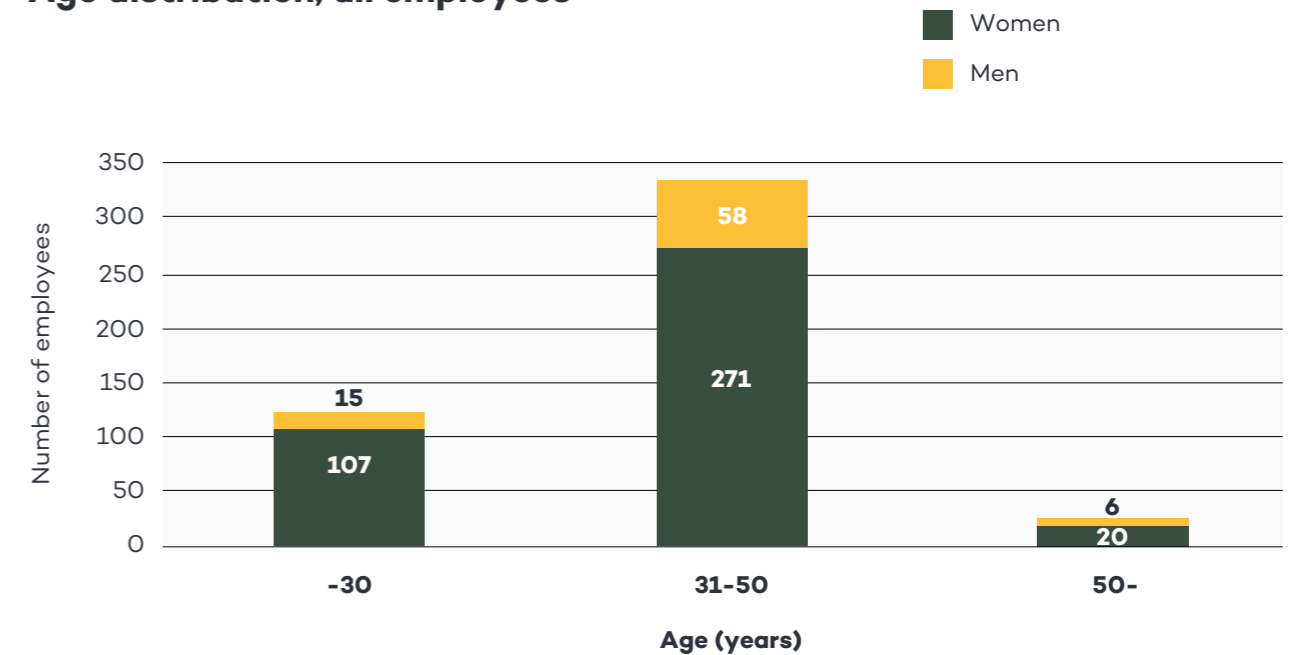
ENGAGEMENT

We conduct regular employee satisfaction surveys to office staff. This is a crucial tool for us to understand employee engagement and commitment, and to gain

Age distribution, office



Age distribution, all employees



anonymous feedback on mood, culture, teamwork and leadership. The results of the survey in 2019 were the best ever: 70% said they could see themselves working at Reima in three years, with an overall satisfaction score of 4.45 out of 5.

GDPR TRAINING

In 2018 we revised our data security code to align with the EU's General Data Protection Regulation in 2018. To ensure compliance internally, we made an online training available to all employees in our European offices and stores. 56% of employees had successfully completed the training in 2019.

CSR TRAINING

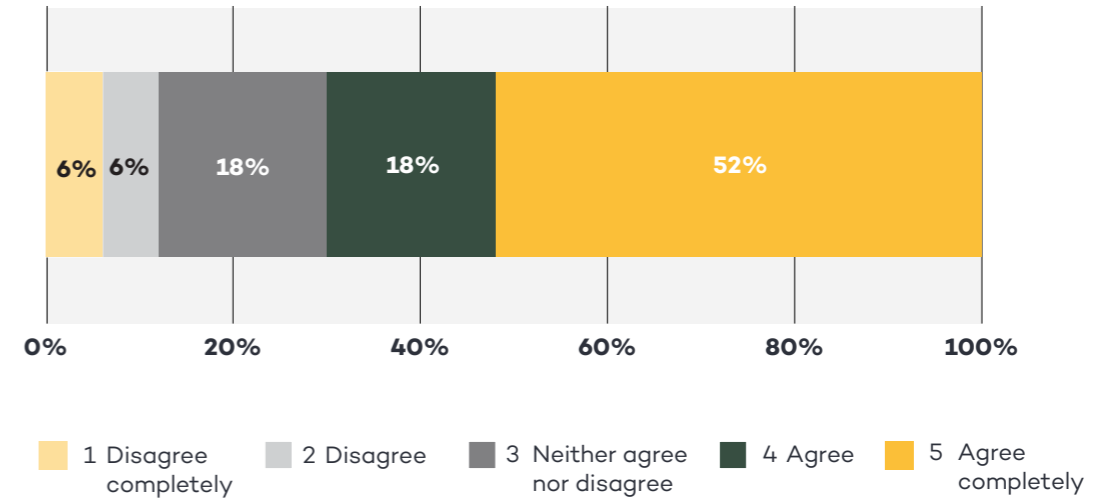
We started corporate responsibility workshops for HQ staff in 2019. The workshops facilitate idea-generation by employees themselves, in addition to providing information on Reima's existing responsibility priorities and programmes. We've collected the best ideas generated and presented in the workshops and have reviewed the new strategic responsibility priorities against them, to ensure our commitments are in alignment with our employees' ideas. 50% of HQ staff participated in the corporate responsibility workshops in 2019.

ANTI-CORRUPTION POLICY REVIEW

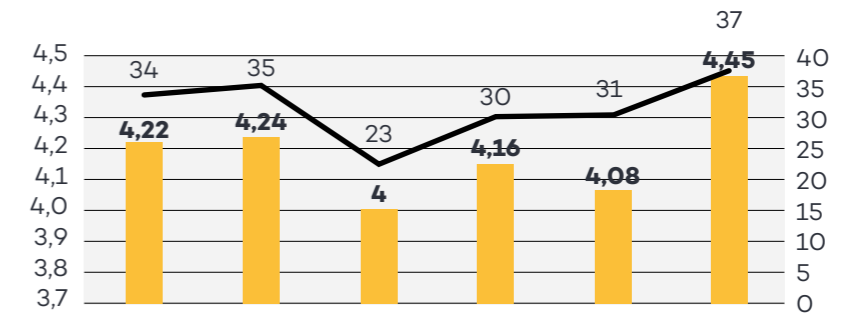
In 2019, we revised the Reima anti-corruption policy to be more comprehensive and easier to understand. The new one will be accompanied by an online training made available to all staff members in 2020. The revised anti-corruption policy has a clarified gift policy including a register for gifts and hospitality exceeding 50 euros in value, and a better-defined process for reporting suspected instances of anti-corruption. The policy and training are designed to ensure effective prevention and handling of potential cases of corruption, in accordance with the UN Global Compact principles and best practices outlined by e.g. Transparency International.

Employee commitment

"I can see myself working at Reima in three years"



Employee satisfaction survey



	Jan -17	May -17	Oct -17	Mar -18	Jun -18	Nov -19
Total grade	4,22	4,24	4,0	4,16	4,08	4,45
Employee Net Promoter Score	34	35	23	30	31	37

Courage to reach out

We are committed to ethical business practices and delivering benefits to all stakeholders. We participate in organizations, networks and projects that facilitate information sharing on industry best practices, and are mutually beneficial in making a better world for the generations to come.

In this chapter you will find out about our membership in various international and national networks, projects and other collaborations for the benefit of the societies we operate in, as well as about our customer and consumer engagement.

KEY GOALS FOR 2020 AND 2023

PRIORITY	2020 TARGET	2023 TARGET
Consumer satisfaction	NPS target in own ecommerce 70	NPS target in own ecommerce 80
Climate change	Carbon compensation of scope 1 & scope 2 emissions	Carbon neutral own operation and compensation beyond scope 1 & 2 *

* we are aiming to compensate carbon footprint we produce from business travel and logistics





FUR-FREE RETAILER

Reima participated in Animalia's screening of *Inside fur*, a documentary about the fur industry in Norway in November 2019. We made a statement on our ongoing commitment to being a fur-free brand.

NEW IN 2019

UNITED NATIONS GLOBAL COMPACT MEMBERSHIP

The United Nations Global Compact is the world's largest network of businesses that are committed to improving human and labour rights, environmental protection and anti-corruption measures in their processes. Reima's membership emphasizes our commitment to these goals, and this report details those improvements in practise.

PROTECT OUR WINTERS (POW) FINLAND

Climate change is threatening a vital part of Nordic cultural heritage: snow play. We ran a petition together with Protect Our Winters (POW) Finland to get snow play onto the UNESCO world heritage list. The petition gained 20 822 signatures, and was presented to Finland's Minister for Culture and Sport in February 2020.

COMPENSATE

As part of our climate action we started a collaboration with Compensate Foundation in Finland. Compensate's mission is to make consumers aware of their own climate footprint and to help individuals offset their emissions effortlessly, reliably and efficiently. We're currently calculating and verifying our products' footprints, so we can offer customers the option of offsetting their purchases at the moment they buy them. Compensate directs all funds directly into verified carbon credit projects, focusing on reforestation and forest conservation projects. So, if you buy a

jacket, for example, you can choose to compensate its emissions, and then your funds will ensure trees will either be planted, or trees that would otherwise have been chopped down, won't be, and can continue to absorb carbon from the atmosphere. Either way, this helps neutralize the emissions caused by making a new jacket for you to buy in the first place.

TELAKETJU - ENHANCING CIRCULARITY IN THE TEXTILE INDUSTRY

Telaketju is a public-private collaboration network focused on textile recycling; developing the collection, sorting and refining processes of end-of-life textiles. Reima joined the second phase of Telaketju which started in May 2019. The Telaketju 2 project is about building sustainable business models in the circular textile economy. The project includes pilots on e.g. improving material efficiency, lengthening material and product life, as well as textile recycling. The network consists of three public research institutions and 26 companies and other organizations. Reima's focus in Telaketju's second phase is on the recycling pilots, whereby we can make recycling easier for our consumers. Through the project we also hope to learn how we can better take recyclability into account in our design processes.

HANKEN SDG PROJECT

In addition to often collaborating with academic institutions on R&D projects, for second consecutive years we've collaborated with the Hanken School of Economics (Helsinki). In 2019, a group of Masters students reviewed the relevance of SDGs to Reima's operations, producing a thorough report which served as a basis for our SDG selection.

DONATING TO SAVE #OURSEA

As the idea of registering a garment is new to most of us, Reima wants to promote this possibility and the circular thinking that comes with it by offering a special deal: For each recyclable Voyager jacket registered, Reima donates 10 euros to save the Baltic Sea. For 10 euros we can remove 40 kilograms of toxic blue-green algae from this unique and vulnerable sea, helping marine life thrive and letting kids living around the Baltic swim in cleaner water. The money will be donated to the John Nurminen Foundation through the #OurSea campaign organized by Moomin Characters Ltd.

WWF GREEN OFFICE PROGRAMME

Reima offices in Finland have been part of the WWF Green Office program since 2018. As part of the program, we conduct a staff survey on their energy and paper saving, waste and recycling, business travel and peer motivating. The total score reflects our green office practises and progress in total. On the right you can a chart of our results for 2018 and 2020 . Our total score grew from 71 to 73,8 out of a 100. We made the most significant gains in substituting business travel with teleconferencing, decreasing per person travel abroad and enjoying more plant-based lunches. We had no similarly large decreases, but we drove a little less economically when commuting (a 0,27 point decrease). Our goal was to beat the national Green Office average, which, unfortunately we did not manage to do as the national average was 75. However, we aim to do better next time!

GREENHOUSE GAS EMISSIONS

Climate change is a serious threat to the world and it will affect children the most. Reima takes climate change very seriously, which is why we have now started

collecting data on our own greenhouse gas emissions and are creating a roadmap to carbon neutrality. In the chart you can see Reima's own operations' purchased (or so-called scope 2) greenhouse gas (GHG) emissions from 2019. Our scope 2 emissions consist of GHG emissions from electricity use in our offices and stores, as heat and air conditioning are included in the rent. Because the energy companies mostly do not provide our emissions figures, and the electricity supply comes from a national or regional grid, we have used a location-based approach to the reporting. In other words, we have calculated the emissions based on our total use (MWh) within a country multiplied by the country's emissions intensity factor (kg of CO₂e per MWh) as reported by the International Energy Agency. In 2019 Reima used 729 MWh of electricity, amounting to 311 tonnes of GHG emissions. The total excludes electricity use by one office in Moscow, three stores in Europe and an office in the US, because of unavailable data.

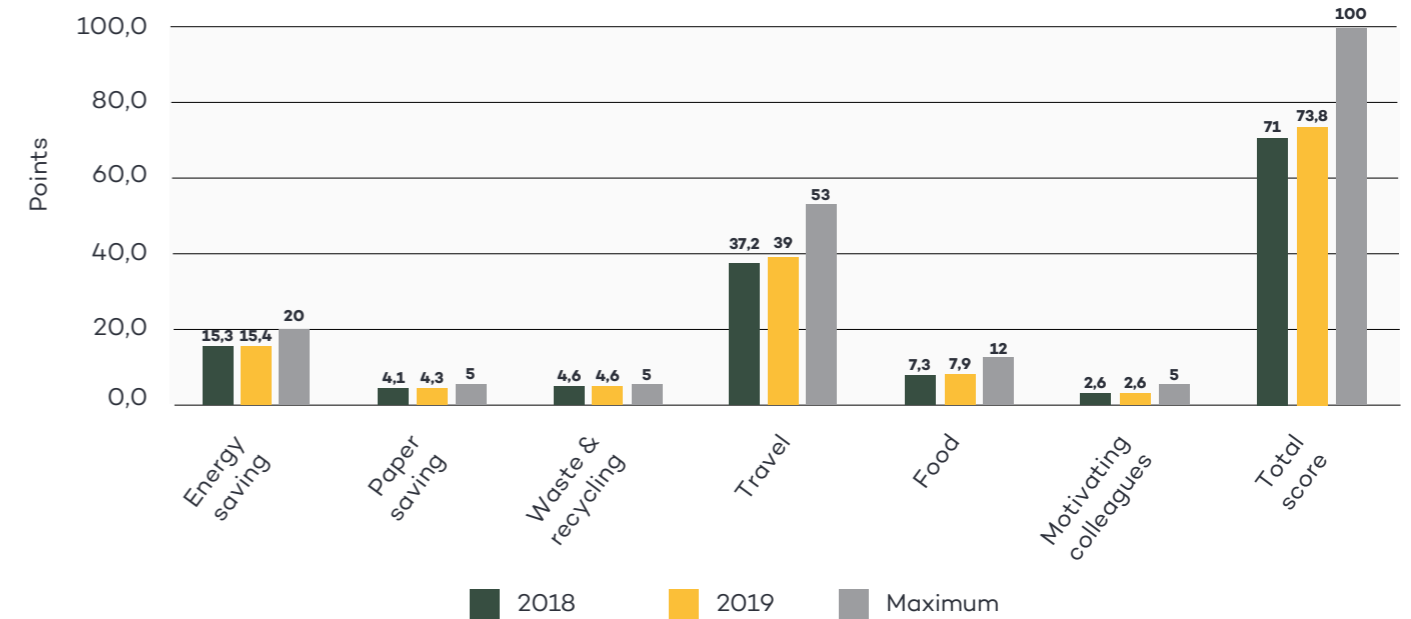
Our European offices, including HQ staff, reduced flying by 7% compared to 2018 despite growth in net sales. However, our CO₂e emissions from flying grew by 0,5 tonnes.

CONSUMER AND CUSTOMER ENGAGEMENT

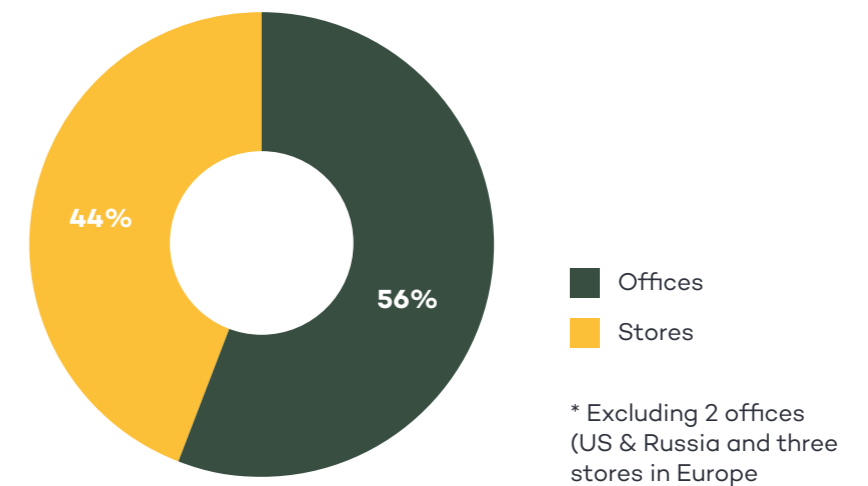
Frank, collaborative relationships with our wholesale customers are an especially fruitful feedback mechanism for us. This dialogue helps us improve both our products and operations.

Customer service online and in retail stores is our primary form of contact with our consumers. Online privacy and data security continued to be big topics in 2019, and while we had a handful of queries about our data management from consumers, we experienced no breaches and no requests to erase personal data as per the GDPR.

WWF Green office survey results




CO₂e emissions (t kg) from electricity use total 311 CO₂e t kg 2019



We measure consumer satisfaction with a Net Promoter Score (NPS) survey sent to webstore customers in Europe, Russia and North America. Of these, only Europe's survey was live for all of 2019, and had an NPS of 50. Russia was live for the second half of the year with an NPS of 76. North America was live for December, with the maximum NPS score of 100. Because there were more European entries than others, the 2019 global average was 55. Our goal is to raise this to 70 in 2020.

As before, we have also continued engaging Reima consumers through Reima Lab, an online survey platform. In May 2019, we asked consumers about their views on social and environmental responsibility and about communication them. Our key learning points were that especially at the point of purchase, certificates and familiar concepts, such as organic cotton, can impact their views. However, when looking for information about a clothing firm's responsibility, our consumers' top interest is social compliance; that the clothes are made ethically and in factories with third-party audits.



COMMUNICATION ON PROGRESS	This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.
	We welcome feedback on its contents.

Contact us

If you have any questions about this report, or any other matters related to sustainability, we are always happy to answer and discuss.



SHAHRIARE MAHMOOD
R&D and Sustainability Director

+358 43 824 2469
Shahriare.mahmood@reima.com



SISSI PENTTILÄ
CSR Coordinator

Sissi.Penttila@reima.com

Appendix

TABLE: KEY COMMUNITIES AND NETWORKS

ORGANISATION	TYPE	LOCATION	ADDITIONAL INFORMATION
Association for Finnish Work (Suomalaisen työn liitto)	Not-for-profit	Finland	We hold the 'Design From Finland' label for Reima, Lassie and Finnish Baby Box brands.
Finnish Textile and Fashion (STJM)	Trade association for the textile industry	Finland	The trade association that negotiates collective labour agreements on behalf of Reima. Also a valuable source of industry information and networks.
Fashion and sport commerce association	Trade association for fashion and sporting goods	Finland	Valuable source of industry information and networks.
World Wildlife Fund (WWF)	Not-for-profit	Finland, global	The Green Office program helps us improve the environmental performance of our own offices in Finland.
Business Finland and Ecom Growth Network	Government-led export-promotion organization	Finland	We've been an active member of the eCom growth network since its beginning, and in 2018 Business Finland awarded Reima as the "International company of the year".
amfori	Global business association for better trade	Global	Reima's Director of R&D and Sustainability is an elected member of the Member Advisory Council (MAC) of amfori 2018-2020.
Scandinavian outdoor group	Business network	Nordics	A joint venture for promoting Scandinavian outdoor brands. Reima's Sales Director was appointed as a board member in 2017.

ORGANISATION	TYPE	LOCATION	ADDITIONAL INFORMATION
European Outdoor Group's It's Great Out There Coalition (IGOT)	Business network	Europe	Coalition for promoting an active and outdoorsy life
Swedish Standards Institute (SIS)	Governmental agency	Sweden	We participate in working groups concerning standardization development for children's clothing.
TEVASTA	Association for Textile Standardization	Finland	We participate in working groups concerning standardization development for children's clothing
ACCORD	Public-private partnership	Bangladesh	A venture to improve the fire and building safety in the Bangladesh textile industry.
FIBS	Not-for-profit	Finland	Leading Corporate Responsibility network in Finland
Telaketju	Network	Finland	Public-private coalition for the development and promotion of circularity in the textile industry
Eetti (Association for ethical trade)	Not-for-profit	Finland	A key association promoting ethical supply chain operations and sourcing practices
Finnwatch	Not-for-profit	Finland	A key association promoting ethical supply chain operations and sourcing practices

TABLE: STAKEHOLDER SUSTAINABILITY COMMUNICATION

STAKEHOLDER GROUP	INTERACTION	KEY SUSTAINABILITY TOPICS
Consumers	Website, social media, in-store, on product (hangtags and care labels), email, customer service, events, ReimaLab, ReimaWeather, ReimaGO	Product safety, product materials and recyclability, reuse, repair and recycle, product second-life, joy of movement, supply chain integrity, data protection
B2B key customers	One-on-one meetings, catalogues, on-demand information provision	Product safety, product features and recyclability, durability
Employees	Reimasters trainings, Reima Café, HR wellbeing events and tools, surveys, intranet and slack, email, performance reviews	Employee wellbeing and satisfaction, non-discrimination and fair HR practices, training and ethical operations, commitment to environmental goals
Shareholders	Meetings, reports	Regulation-compliance in all areas of operations (finished product, manufacturing, data protection, labour)
Suppliers	Negotiations before starting collaboration, factory visits, quality control visits, social compliance/ environmental assessments.	Human and labour rights and occupational safety (tier-I suppliers), chemical and occupational safety and environmental management (tier-II)

UNITED NATIONS GLOBAL COMPACT PRINCIPLES ADDRESSED IN THIS REPORT

HUMAN RIGHTS	CHAPTER	SUBCHAPTER
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Supply chain collaboration	Suppliers overview
Principle 2: make sure that they are not complicit in human rights abuses.	Supply chain collaboration	Suppliers overview

LABOUR RIGHTS	CHAPTER	SUBCHAPTER
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Supply chain collaboration; Professional growth and integrity	Suppliers overview; Principles and training
Principle 4: the elimination of all forms of forced and compulsory labour;	Supply chain collaboration	Suppliers overview
Principle 5: the effective abolition of child labour; and	Supply chain collaboration	Suppliers overview
Principle 6: the elimination of discrimination in respect of employment and occupation.	Professional growth and integrity	Principles and training
ENVIRONMENT	CHAPTER	SUBCHAPTER
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Product excellence; Supply chain collaboration	New in 2019; Materials; Safe chemistry; Repair, reuse, recycle; Safe and sustainable design principles; Environmental assessments
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Supply chain collaboration, Courage to reach out	Environmental assessments; New in 2019; WWF green office programme; Greenhouse gas emissions
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Product excellence, Supply chain collaboration	New in 2019; Environmental assessments
ANTI-CORRUPTION	CHAPTER	SUBCHAPTER
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Company introduction, Professional growth and integrity	2019 achievements review; Principles and training

GRI INDEX

102 - GENERAL DISCLOSURES			REPORT PAGE
ORGANIZATIONAL PROFILE			
102	1-7	Reima; size, business and structure	12-14
102	8	Employees and other workers	46-47
102	9	Supply chain	36-37
102	10	Significant changes to the organization and its supply chain	12; 46
102	11	Precautionary approach	17; 32; 39-40
102	12	External initiatives	23; 53
102	13	Membership of associations	60-61
STRATEGY			
102	14	Message from the CEO	11
102	15	Key impacts, risks, and opportunities	8-9
ETHICS AND INTEGRITY			
102	16	Values, principles, standards, and norms of behavior	12; 19; 36
GOVERNANCE			
102	18	Governance structure	12-13
102	20	Executive-level responsibility for economic, environmental, and social topics	17
STAKEHOLDER ENGAGEMENT			
102	40	Reima's stakeholders	19; 62
102	41	Collective bargaining agreements	44
102	42-44	Stakeholder engagement	19; 53; 56; 62

REPORTING PRACTICE			
102	45	Entities included in the financial statements	13; 15
102	46-47	Report content and material topics	15-19
102	48-52	Information about the report	8-9
102	53	Contact point for questions regarding the report	59
103 - MANAGEMENT APPROACH			REPORT PAGE
103	1-3	The management approach of material topics	17-21
200 - ECONOMIC			REPORT PAGE
ANTI-CORRUPTION			
205	2	Communication and training about anti-corruption policies and procedures	19-20; 48
300 - ENVIRONMENTAL			REPORT PAGE
MATERIALS			
301	1	Materials used	28
301	2	Recycled input materials used	28-31
301	3	Reclaimed products	31
EMISSIONS			
301	1	Materials used	28
301	2	Recycled input materials used	28-31
SUPPLIER ENVIRONMENTAL ASSESSMENT			
308	1	Suppliers that were screened using environmental criteria	36; 40

400 - SOCIAL			REPORT PAGE
OCCUPATIONAL HEALTH AND SAFETY			
403	7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39-40
403	9	Work-related injuries	46
TRAINING AND EDUCATION			
404	1	Trainings	44; 48
404	2	Programs for upgrading employee skills	44
404	3	Employees receiving regular performance and career development reviews	44
DIVERSITY AND EQUAL OPPORTUNITY			
405	1	Diversity of governance bodies and employees	46-47
SUPPLIER SOCIAL ASSESSMENT			
414	1	Suppliers that were screened using social criteria	36-39
CUSTOMER HEALTH AND SAFETY			
416	1	Assessment of the health and safety impacts of product and services	17; 27; 31-32
MARKETING AND LABELING			
417	1	Requirements for product information and labeling	32



**CORPORATE
RESPONSIBILITY REPORT**

reima