



2020

CORPORATE RESPONSIBILITY REPORT

reima



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Responsibility Highlights 2020



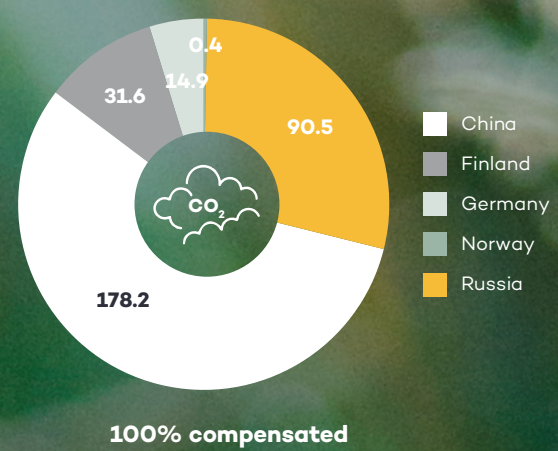
Product sustainability as share of collection and purchases 2020



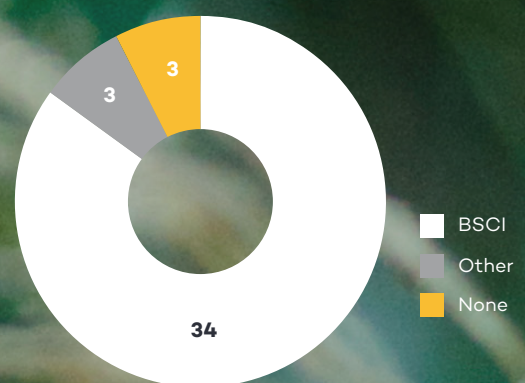
SS20 – Spring/summer 2020 collection AW20 – Autumn/winter 2020 collection



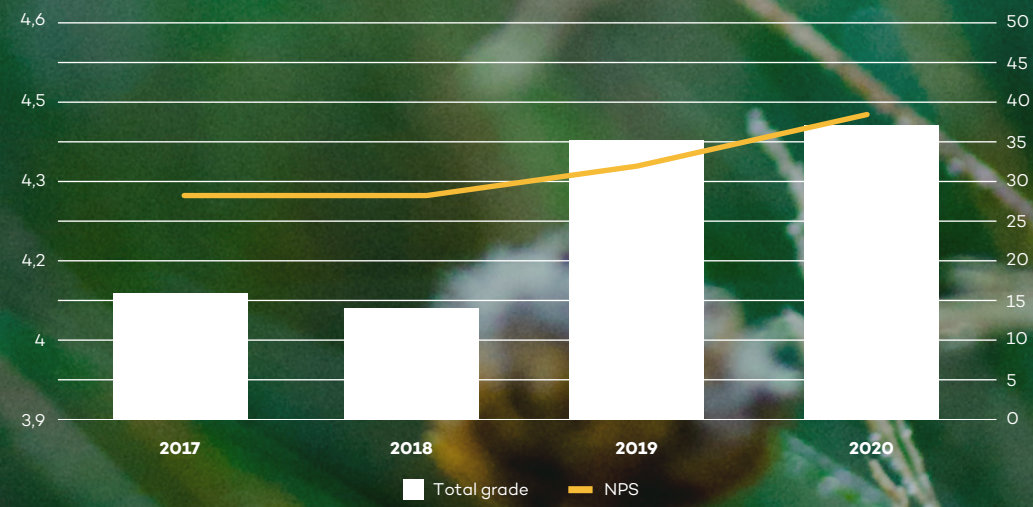
Reima's own carbon emissions 2020 by operating country, 315 tonnes CO₂e



Social compliance status of factories (number of suppliers)



Employee satisfaction survey summary



Letter from the CEO

Moi, dear friend!

How to summarise a historic year like 2020?

As the world turned upside down, many things we took for granted disappeared or transformed beyond recognition. People have had to face hardship and seemingly unending uncertainty. On the flip side, for many the past year has highlighted the importance of family, friends and community in a way that is unprecedented in modern times.

Another silver lining – we believe – is that many also discovered or rediscovered their love of the outdoors and nature. And not just the great outdoors in faraway locations: adventures now start at your own doorstep. In some ways, we have all started seeing the world a bit more like kids. When we are forced to focus on what is right in front of us, we begin to appreciate the small, everyday wonders the world has to offer. This is what Reima is, and has always been, all about. And in 2020, we continued to champion an active childhood to raise a generation ready for the world to come. If anything, this year made this mission clearer than ever.

I wish to extend a very special thank you to the whole Reima staff for pulling through this tough year. Despite the abrupt changes and uncertainty, your “sisu” – grit, perseverance – has been tangible. Most importantly, our employees have supported each other, truly embodying the Reima values of integrity, courage, collaboration, excellence – and yes, even joy. This community spirit shows in this year’s record-high employee satisfaction results.

Our commitment to provide a clean planet for kids to play on has not changed. We have kept working towards our sustainability goals, and I am happy to say we have mostly met or exceeded our goals for the year.

I am especially proud of the progress we have made in finding sustainable materials for our collections, without compromising on the renowned Reima quality.

We continue to support the United Nations Global Compact (UNGC), the world’s largest corporate sustainability initiative. We are deeply committed to it and its principles on human and labour rights, respect for the environment and anti-corruption measures in our operations.

Spring is a time of renewal and hope. We look forward to this year with a fresh appreciation for nature and each other. What could be more important?

Sustainably yours,

Elina Björklund
Chief Executive Officer



Report summary

Reima made important progress in sustainability in 2020. We fulfilled almost all our responsibility promises for the year and are on track to reach all our 2023 goals.

Almost a quarter of our styles were made using sustainable materials, such as bluesign® approved materials, recycled polyester and organic cotton, and they represented almost a fifth of our clothing purchases. We became a bluesign® system partner. 93% of our suppliers were audited satisfactorily for social compliance, despite the challenges posed by COVID-19. We launched our monomaterial collection which is designed for easy recycling, and the monomaterial winter jacket Kulkija won the Scandinavian Outdoor Kids Award for the environmentally friendly innovation. We also tested the recycling of the monomaterial products.


Our own operations' climate footprint was 315 tonnes of carbon dioxide, which we will offset in full with Finnish partner, Puuni, through reforesting municipal wasteland. This will mean 2020 is Reima's first carbon neutral year. However, much work remains in measuring our complete carbon footprint including the supply chain, which we will do in 2021. We also continued to work on our product footprint calculations in 2020, in preparation for consumer-facing climate initiatives in 2021.

Although the uncertainties brought on by the global pandemic forced a sudden shift to remote work, Reima's staff satisfaction rates were higher than ever. In accordance with our new talent management program, nearly all staff members had a personal development and feedback discussion with their superiors. We were also able to continue providing trainings online, and 67% of Reima staff took the anti-corruption training, and 50% the sustainability training.

Our products and services won seven industry and consumer awards internationally. The Net Promoter Score (NPS) was a record high 73, meaning the vast majority of our consumers are extremely likely to recommend us to their friends.

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.

Sissi Penttilä
Corporate Social Responsibility Specialist



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.

Company introduction

Reima is a globally leading brand in kids’ activewear. It is known for its award-winning innovation and high-quality clothing. Reima offers a ‘tip-to-toe’, year-around collection for active kids age 0 to 12 years. In addition to outdoor and innerwear clothing, the offering includes a wide range of accessories, footwear as well as solutions and services for kids.

Reima’s products are available in over 70 countries across the world. The most important markets are Russia and Finland, followed by other Nordic countries, Germany and China. Reima employs around 500 people.

FINANCIAL PERFORMANCE

Reima Group had a stable financial year 2020 despite the uncertain market conditions. The Group’s net sales amounted to 122.3 MEUR (140.7 MEUR) during the financial year. Net sales decreased in wholesale but increased in direct-to-consumer business, which made already 34% of total net sales in 2020. Changes in currency exchange rates and production cuts, which Reima made as precautionary measures against the pandemic, had a negative impact on net sales. Despite this, cash flow from operations improved significantly.

Expanding operations globally continued in 2020. After the successful launch of our own operations in the U.S., we also took Reima operations in Canada into own hands in 2020. Developing digital operations in the most important markets was a key focus area during the financial year, and Reima opened new localized ecommerce stores in Japan and Canada.

Reima’s own retail network was strengthened during the financial year with a new store in Norway, while four stores were closed in China. At the end of 2020, Reima had 48 own stores in seven countries. The franchise store network expanded in 2020 to a new country, Lithuania.

Group Net Sales / MEUR

122.3

(140.7 MEUR)

Adjusted EBITDA / MEUR

13.6

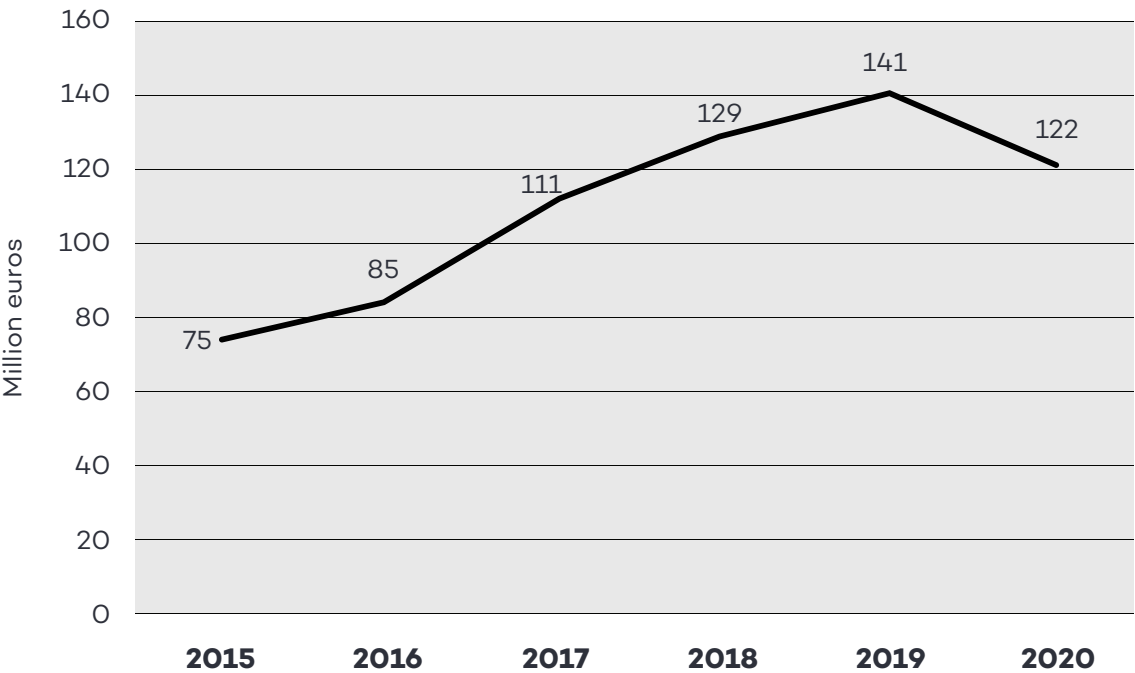
(20.1 MEUR)

Reported EBITDA / MEUR

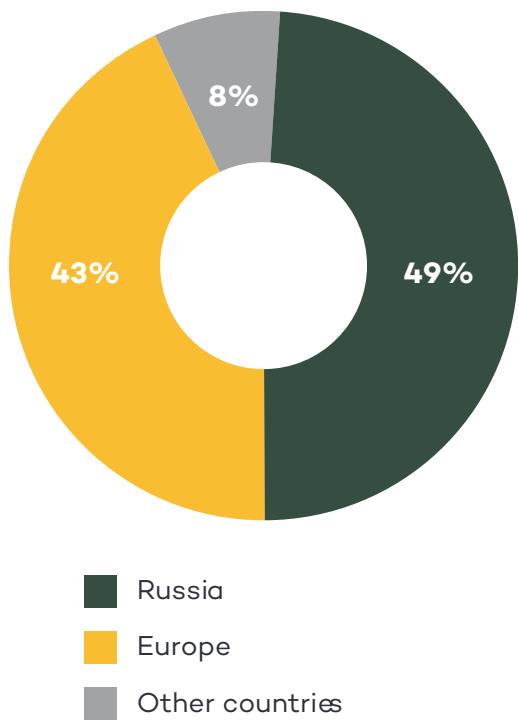
13.7

(17.0 MEUR)

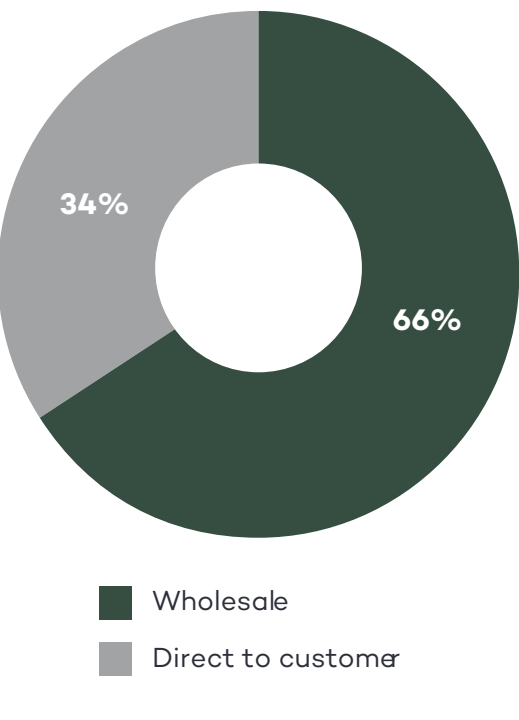
Net sales 2015–2020



2020 Net sales by market region



2020 Net sales by channel



CSR STRATEGY AND POLICY

The textile industry has in recent years been in the eye of the storm in sustainability discussions in the media. While fast fashion has borne the brunt of the critique, whether on climate change, biodiversity, social ills, or animal welfare, the textile industry as a whole is expected to take stock and action without delay.

Reima’s responsibility strategy underwent a revision process in 2019. It was based on a reassessment of Reima’s corporate responsibility matrix, the assessment itself informed by previous discussions

with NGOs, employee and consumer surveys, as well as technological advances and other developments in the industry.

The revision resulted in a foundational vision for Reima’s responsibility work illustrated below. At the heart of the vision is Reima’s mission statement: We champion an active childhood to raise a generation ready for the world to come. This ensures that our broader mission and responsibility vision are always aligned.



REIMA’S RESPONSIBILITY IN PRACTICE AND BROADER INDUSTRY CONTEXT

VISION	IN PRACTICE	ALIGNMENT WITH INDUSTRY SUSTAINABILITY TOPICS
Sustainable product	A product that is: designed to last from one child to another, safe to use, made from sustainable materials and recyclable.	Circularity (recycled raw materials and recyclable end products), reducing consumption, improving material and process choices, product safety.
Responsible supply chain	A product that is made respecting the environment and human and animal rights, packed and shipped sustainably. Origins of every item can be traced to raw materials.	Human and labour rights, animal rights, chemical safety, biodiversity, transparency, climate change.
Commitment to all stakeholders	Creating value for consumers & customers, employees, suppliers, shareholders and communities.	Human and labour rights, wellbeing and occupational health, anti-corruption, governance, diversity, climate change.

SUSTAINABILITY GOALS 2023

RESPONSIBLE REIMA THEME	GOAL 2023	ON TRACK?
Sustainable product	<ul style="list-style-type: none">• 75% bluesign® approved materials• 50% recycled origin synthetics• 100% GOTS certified organic cotton• 60% water-based glues in shoes	Yes Yes Yes Yes
Responsible supply chain	<ul style="list-style-type: none">• 100% finished goods suppliers audited for social compliance in human and labour rights• 100% fabric traceability• 100% sustainable packaging	Yes Yes Yes
Commitment to all stakeholders	<ul style="list-style-type: none">• Climate-neutral own operations and commitment to a Science-Based emissions reduction target• Employee satisfaction >80%• 100% pass rate of anti-corruption training	Yes Yes Yes

CORPORATE RESPONSIBILITY
GOVERNANCE

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 Chief Business Development Officer 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 Chief Business Development Officer, supported by their team, and in collaboration with other functions as necessary for effective implementation.

In addition to the ISSG- and the Leadership Team having executive decision-making power over

human rights and environmental topics, the day-to-day oversight and execution of work related to human and labour rights at Reima is largely the responsibility of the CSR team, the human resources team (especially concerning staff human and labour rights), and the sourcing team (especially concerning human and labour rights in the supply chain). In terms of labour rights, freely elected personnel representatives in the company are also in a key and protected position.

The day-to-day oversight and execution of work related to environmental protection and climate action is largely the responsibility of the CSR team, the product and R&D team (especially concerning material and supplier selection and collaboration) and the marketing and customer experience team (especially concerning support for the repair, reuse and recycling of Reima products).

SUSTAINABLE DEVELOPMENT GOALS

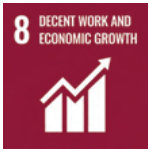
Reima is committed to the UN’s Sustainable Development Goals, created to make our shared world better for everyone. Although our operations touch nearly all the goals one way or another, we’ve narrowed our focus to the five most crucial ones explained below.



Our mission is to inspire kids to be active, whatever the weather. Sufficient physical activity increases the likelihood of better health outcomes both in childhood and later on.



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. We are also a bluesign® system partner. Our products are designed so they can be washed less, helping to conserve freshwater in the use. phase, too.



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 in our own stores and offices. 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.



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 we now have a collection of monomaterial clothing designed for easier recycling, 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. In 2021 we will conduct a comprehensive carbon accounting project in line with the Greenhouse Gas Protocol, which will enable us to align with the Paris Climate Agreement through a commitment to a Science Based Target for carbon emission reductions.

Product excellence

NEW IN 2020

Reima’s product sustainability took a big leap in 2020: the share of sustainable styles and purchases was multiplied in all collections, to the effect that in total almost a quarter of the year’s styles were more sustainable, and they represented almost a fifth of the year’s purchases. We became

a bluesign® system partner at the beginning of the year. Reima’s monomaterial products were launched and their recycling was piloted (more on that in the final chapter). Furthermore, our footwear sustainability roadmap was revised to be more precise and ambitious for the coming years.

KEY GOALS FOR 2020

PRIORITY	2020 TARGET	PROGRESS
Product safety	Bluesign® partnership and certified materials	Success! We became a bluesign® system partner in January 2020 and of our AW21 outerwear, 14 styles (11%) have a bluesign® -approved main material (some more include a bluesign® approved recycled wadding or lining)
Sustainable materials	GOTS certification for organic cotton	Success! Over 50% of the cotton we use is GOTS certified
Sustainable product lifecycle	Piloting recycling of mono-material jacket	Success! We piloted the recycling with our project partner VTT as part of the Telaketju2 project



IN 2020 WE WERE ON TRACK TO REACH OUR 2023 PRODUCT AND MATERIAL GOALS:

50%

RECYCLED ORIGIN POLYESTER

reaching 20% of styles in 2021 collections

75%

BLUESIGN®-APPROVED MATERIALS

reaching 10% of styles in 2021 collections

100%

GOTS CERTIFIED COTTON

reaching 50% of innerwear styles in 2021

100%

RWS CERTIFIED WOOL

reaching 10% of innerwear styles in 2021

MATERIALS

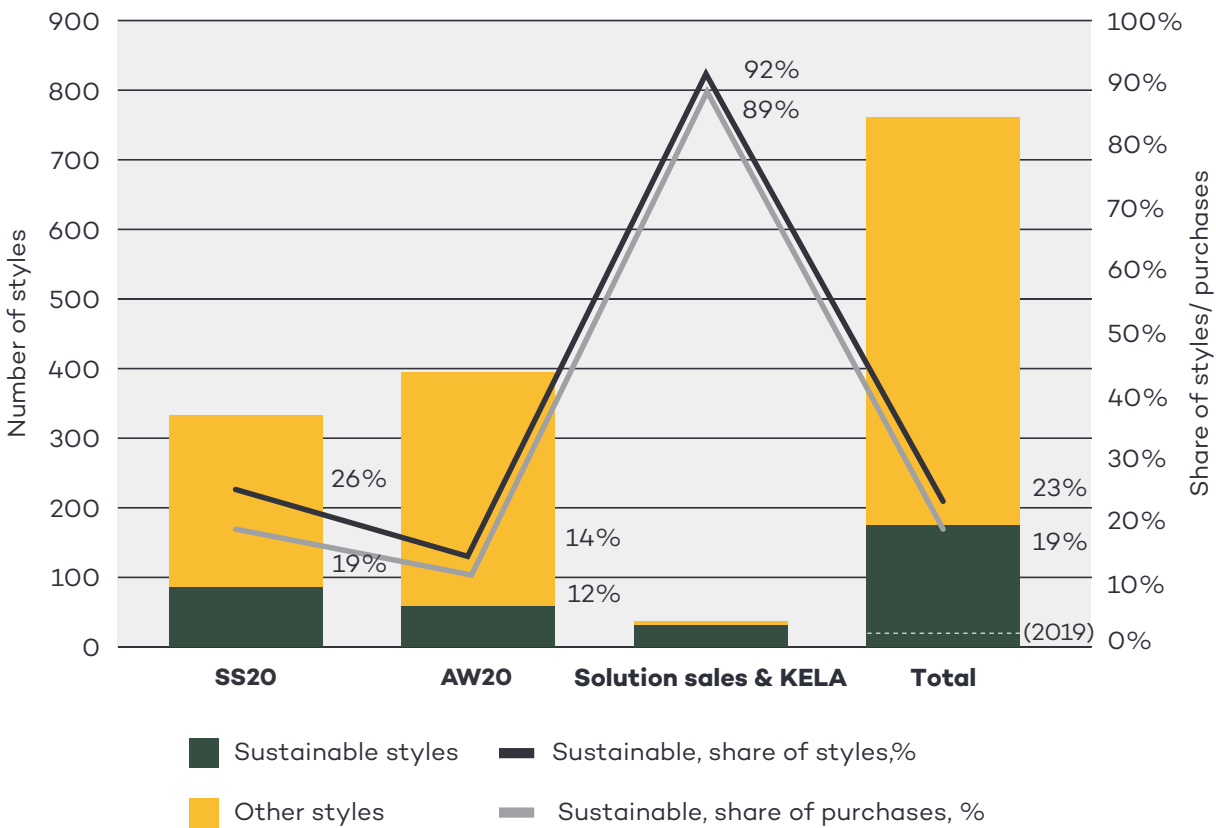
Reima Product team’s efforts in greening our clothing collections is really starting to show in our seasonal material choices, as well as purchases.

In 2020¹, 23% of styles were more sustainable, meaning it fulfilled one of these requirements: the main fabric was bluesign®-approved, its polyester was at least 40% recycled, cotton 100% organic, or wool Responsible Wool Standard® (RWS) certified, it contained a minimum of 30% of lyocell, or the clothing was made from our specially-designed monomaterial for easier recycling. These sustainable styles represented 19% of our total 2020 purchase volume².

With the material sustainability goals on track, we also reviewed our footwear sustainability roadmap in 2020. We now have more relevant and more actionable sustainability promises and goals for footwear. These are:

- Using only Leather Working Group (LWG) certified leather in our footwear: This applies already to our 2021 footwear collections, and onwards. LWG certified leather is a by-product of meat-production, and chrome-free. It is also treated and tanned using environmentally-friendly methods.
- 50% of shoe styles containing recycled materials by 2023. In 2021 we are at 5% and our 2022 target is 25%.
- 60% of shoes made with only water-based glues by 2023, and already 40% by 2022. This will improve the chemical safety of shoes for the wearer, the shoemaker and the environment.
- We continue to commit to a 100% PFC-free shoe collection by 2022. In 2021, we will reach 84%.

Product sustainability as share of collection and purchases 2020



¹ This includes the clothing and accessory styles and purchases of our spring-summer and autumn-winter 2020 collections, as well as items included in the Reima Baby Kit collection and solution sales packages in 2020 and Reima items included in the 2020 maternity package of the Social Insurance Institution of Finland (KELA).

² Compared with 2019, this is around a ten-fold increase. However, the figures are not entirely comparable, as the 2019 purchase volumes were calculated based on purchased metres of fabric and the 2020 volumes based on spend in Euros.

SS20 – Spring/summer 2020 collection AW20 – Autumn/winter 2020 collection

”

In case something does break by accident, we offer a Reima Repair Kit with tools and instructions on how to fix the most common wears and tears.



REPAIR, REUSE, RECYCLE

The apparel industry is known to be resource-intensive. The best way to slow down, and reduce its environmental impact is to lengthen the time a piece of clothing is in use. Reima has always had strict quality standards to ensure our clothing can be passed from kid to kid. For example, we have extremely high requirements for the Martindale values of our outerwear fabrics³.

In case something does break by accident, we offer a Reima Repair Kit with tools and instructions on how to fix the most common wears and tears. The Kit includes a multi-use reflective and waterproof quick-fix patch silicone footloops, elastic band with buttonholes which can be used on the waist or as a footloop, as

well as buttons and snap buttons. When conditions permit, we will resume arranging our popular Repair Days in Reima stores where families can bring their Reima gear for quick fixes.

You can read about our collaboration with Emmy on encouraging the resale of Reima clothing in the “Courage to Reach Out” chapter.

Given the challenges in recycling performance wear, we are especially proud of our future-proof monomaterial collection. You can read more about testing their recycling as part of in the “Courage to Reach Out” chapter.

³ The Martindale rub test is standardized and is used to test a fabric's abrasion resistance. It runs in intervals of 5,000 cycles, so a Martindale value of 80,000, which our Stavanger overall has, means the fabric can be rubbed at least 80,000 times with something akin to sandpaper before the fabric gives in.

SAFE AND SUSTAINABLE DESIGN PRINCIPLES

1. 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 and we prefer bluesign® compliant material suppliers.

- 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 in 2020, 50% of our shoe styles were PFC-free. 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.

2. 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 preventing strangulation and fraying.⁴

- 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.

3. Animal origin materials from responsible sources 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.
- We only use Responsible Down Standard (RDS) certified down and feather. RDS aims to ensure that they 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 only use real leather in footwear when it is functionally the best choice for the style. Any leather we use is Leather Working Group (LWG) Certified, which means it is a by-product of food production and treated and dyed in an environmentally friendly manner.

⁴ The European standard EN 14682:2014 specifies the most extensive requirements for cords and drawstrings, and in specific cases where other standards like GB 31701:2015 are more stringent, we follow the more stringent option.





Supply chain collaboration

NEW IN 2020

Although COVID-19 threw a curveball at global supply chains, our collaboration with our manufacturing partners continued throughout the year. As we have not been able to travel internationally for visiting suppliers, our Shanghai HQ staff have played an even more indispensable role than before in ensuring quality and the continuation of trusted partnerships.

Despite the difficult year, we also managed to increase the share of social compliance auditing in finished goods factories to 93% (84%). Reima’s representation on the amfori Members Advisory Council ended, but we actively participated in the Working Group on the amfori Supply Chain Grievance Mechanism.

KEY GOALS FOR 2020

PRIORITY	2020 TARGET	PROGRESS
Social responsibility in supply chain operations	All tier I suppliers audited & certified	Almost! 93% of our Tier-I suppliers have an up-to-date social compliance audit (it’s quite a success in a pandemic year)
Environmental impact in supply chain operations	Public disclosure of material suppliers list	We didn’t reach our target yet, but are working hard to publish the list in 2021

PRINCIPLES

HUMAN AND LABOUR RIGHTS

Reima is committed to upholding ILO Conventions on labor and human rights, including but not limited to labour standards on working hours, UN Global Compact's principles, as well as the UN Guiding Principles on Business and Human Rights, throughout our own operations and supply chain. These rights include but are not limited to the right to freedom of association, the right to collective bargaining and the rights not to be subject to forced labour or child labour or discrimination in respect of employment and occupation or their health and safety.

Reima assesses human rights risks as part of the CSR and Sustainability materiality assessment every 2-3 years when the Sustainability Strategy is reviewed. As part of the materiality assessment, the likelihood and severity of human and labour rights violation risks are assessed with particular consideration for the geographical location of factories, subcontracting, the vulnerability of workers and communities and social compliance audit performance.

Reima stands with those seeking to defend their own or others' human and labour rights, and will not tolerate nor contribute to threats, intimidation nor attacks (physical nor legal) against human rights defenders related to our operations or supply chain.

ENVIRONMENTAL PROTECTION

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, the bluesign® partnership helps us continually improve the chemical safety of our fabric and trimming production.

In 2017-18, we launched a Reima environmental assessment program for material suppliers. Within the pilot program our major material suppliers were assessed. We will continue developing and using the assessment program as soon as it is possible to travel to manufacturing sites again. Until then, we rely on certified and approved materials and manufacturers, e.g. with proof of Oeko-tex® and bluesign® approval.

SUPPLIERS OVERVIEW

In 2020, Reima bought finished goods from 40 factories, of which 39 were in amfori-defined risk countries. In accordance with our supplier Code of Conduct, our aim was that all suppliers would have an up-to-date social compliance audit; eventually, 93% did. Given the challenges and limitations the pandemic caused for auditing for much of the year, we are happy that this was nonetheless an increase from the previous year's figure of 84%.

AMFORI MEMBERSHIP

Reima has been a member of amfori, the world's leading business association for open and sustainable trade, since 2010. We are committed to amfori's vision for better and fairer trade, and especially the 11 principles laid out in the amfori BSCI (Business Social Compliance Initiative) Code of Conduct. Reima and amfori's work is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) as well as a commitment to work towards the UN Sustainable Development Goals (SDGs).

The amfori BSCI Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global

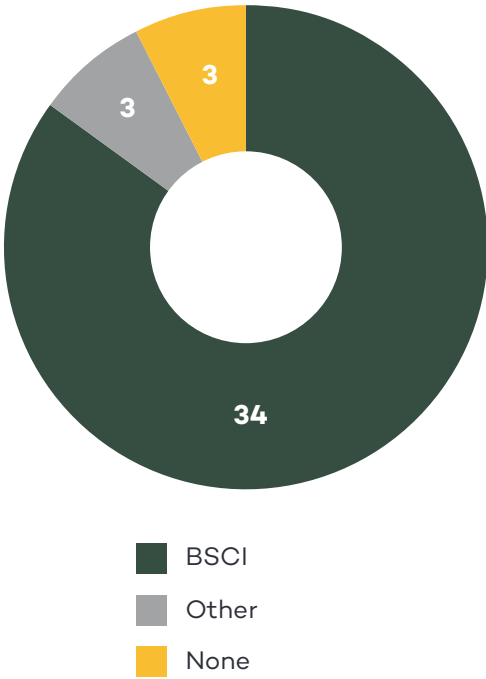
Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improving working conditions in the supply chain.

Between 2017-2020 Reima's R&D and Sustainability Director was an elected member of the amfori Members' Advisory Council, which provides the amfori Board with expert strategic guidance from a business perspective. In 2020 Reima has also actively participated in amfori's working group developing a supply chain grievance mechanism, in the interest of ensuring an effective and just access to remedy for all supply chain workers.

ACCORD AND RMG SUSTAINABILITY COUNCIL

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. On 1st June 2020 the functions of the Accord Office in Bangladesh transitioned to a newly established labour-brands-industry company called the RMG Sustainability Council (RSC). The RSC inherited all operations of the Accord Office in Bangladesh; and will continue with factory inspections, remediation monitoring, and workplace programs. Reima's engagement with the initiative continues in the interest of upholding the Occupational Health and Safety and good labour practices in the Bangladeshi textile industry.

Social compliance status of factories (number of suppliers)



As part of amfori, Reima is committed to

- The right of freedom of association and collective bargaining
- No discrimination
- Fair remuneration
- Decent working hours
- Occupational health and safety
- No child labour
- Special protection for young workers
- No precarious employment
- No bonder labour
- Protection of the enviroment
- Ethical business behaviour



Professional growth and integrity

NEW IN 2020

In the interest of creating fulfilling career tracks, we rolled out a personal development planning program in 2020. The aim is to offer lucrative career tracks within Reima, tailoring training and development to serve the employee's career goals. Additionally, the company's leadership principles were defined, and subsequently presented at our annual Strategy Day. They have since been discussed in detail with all supervisors in one-on-one meetings. Almost all office employees had development discussions with their supervisors, supporting employees' control over their work, helping with career planning, and helping those in leadership positions manage their teams better.

Like all companies, Reima's operations were affected by the COVID-19 pandemic. Although many functions were able to shift to remote work, retail was impacted to varying

degrees by the local regulations and restrictions. Part of Reima's stores across Europe, Russia and China were forced to shut doors from a few weeks to up to 3 months. In Finland, Reima held codetermination negotiations in March which resulted in temporary layoffs for all staff in the country, including the leadership team. Thanks to agile crisis management, extended layoffs were avoided. Similar actions took place in Reima's other units globally.

Despite the uncertainties and changes in work modes caused by the pandemic, our employee satisfaction survey results rose to a record high. We have worked hard to create a truly global and cross-functional company culture, and the transparency of decision-making was increased in 2020's exceptional circumstances. For the first time ever, the annual strategy day and both sales meetings were held online, which made them accessible to all staff.

KEY GOALS FOR 2020

PRIORITY	2020 TARGET	PROGRESS
Employee engagement	Employee satisfaction in survey >80%	Success! Engagement reached 82% in the survey in November. NPS was the highest ever, at 43, and overall satisfaction grade was 4,4/5
Continuous development	Development discussions for 90% and personal development plan for 50% of office staff	Success! Over 99% of active office staff had a one-on-one development discussion.
Ethical business practices	100% of the office staff pass e-learning training on anti-corruption and code of conduct	Getting there! 67% of global office staff passed the e-learning. The training was made available in English only in October, and in Russian and Chinese in December, so considering the short availability, this was a high percentage.



PRINCIPLES AND TRAINING

Given that Reima’s success depends on its employees, it is vital that they obtain skills and knowledge relevant to their work. One-on-one development discussions help employees and supervisors discuss individual training needs. Additionally, we offer a wide range of IT trainings on MS Office programs, and regular internal trainings on our collection highlights, accessible online at the employee’s convenience.

We also have thematic trainings and workshops. For example, sustainability was a key theme in 2020, and we continued and improved on the sustainability trainings started in 2019. By the end of 2020, 130 people, or over half of all office staff, have participated in a sustainability training either online or in person, compared with 62 employees in 2019.

ANTI-CORRUPTION

Reima takes corruption extremely seriously, and there is a company-wide zero-tolerance policy on all forms of bribery and corruption. To communicate this as clearly and effectively as possible to all staff, Reima’s Anti-bribery and anti-corruption policy was revised in 2020. It was also made available

throughout the organization in the employees’ three most-spoken languages: English, Russian and Chinese. Staff were encouraged to read the policy and then take a short online training to confirm they were familiar with the policy in applicable situations. By the end of year, 67% of Reima’s global office staff had passed the online training.

KEY HUMAN RESOURCES FIGURES

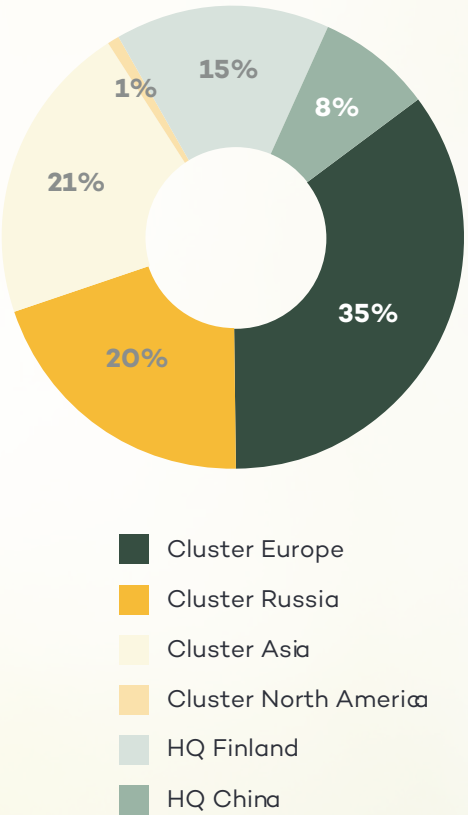
Reima’s year average staff numbers grew to 476 employees globally in 2020. Of all employees, 86% were women and 14% men⁵. A little over half of our staff, 52%, work at our offices and 48% in retail. Reima’s global operations can be seen in the staff distribution charts.

Reima’s leadership team at year end consisted of seven people, of who: four are women and three men, and three are 50 years old or over and four between 30–49.

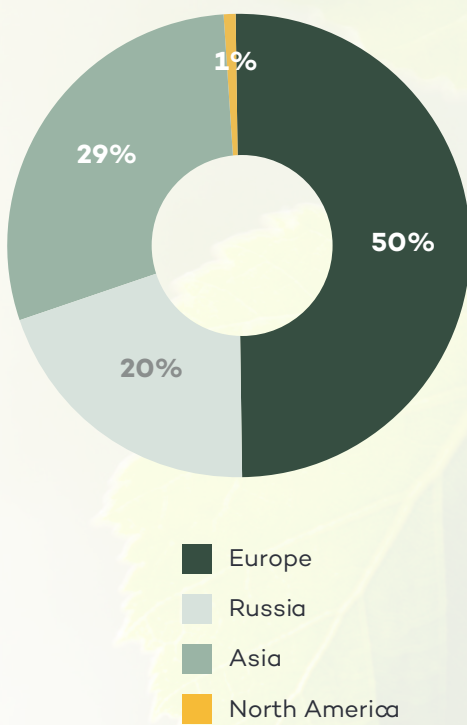
For a more detailed picture of Reima’s staff profile, such as contract types and employment length, you can see the tables and figures in the Appendix.

⁵ No staff officially identified as non-gender-binary or other.

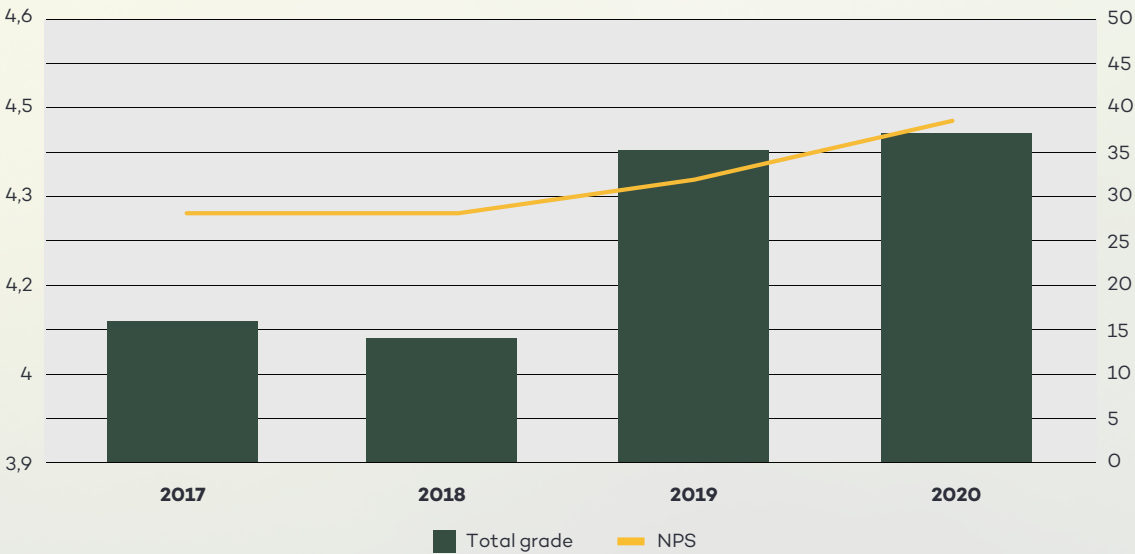
Staff distribution by office



Staff distribution by region



Employee satisfaction survey summary



STAFF SATISFACTION SURVEY

We are proud that despite the challenging year, Reima’s employee survey results continued to improve. The survey is conducted globally, usually twice a year, with questions concerning well-being, leadership, teamwork and engagement⁶. Each question or statement can be answered 1-5 (1 disagree completely, 5 completely agree), and the average of the results is the total score out of five. The average for 2020 was a record high 4,48, with results ranging by operating country between 4 and 4,79.

Additionally, the Net Promoter Score (NPS) measures how likely the employee is to recommend Reima as a place to work⁷. Our NPS, too, reached a record high in 2020: 45, with results varying between operating country between 6 and 78.

OCCUPATIONAL HEALTH AND SAFETY

There are no major health risks associated with any of the functions at Reima. There was one work-related accident reported in 2020. The accident required medical attention, but did not lead to serious injury.

⁶ E.g. “My supervisor makes it possible for me to succeed in my work”, “I am enthusiastic about my work”, “Our unit strives to find continuously better ways of working” and “I can see myself working for Reima in three years”.

⁷ The NPS answer range is 0-10, with those who answer 9 or 10 called “promoters”, and those who answer 0-6 “detractors”, and those in between “passives”. The NPS score is calculated by deducting the percentage of detractors from the percentage of promoters, thereby ranging between -100 and 100.





Courage to reach out

NEW IN 2020

In terms of collaborations, 2020 was a year of expansion for Reima. As part of the Telaketju2 project and network, we piloted the recycling of our first-ever monomaterial jacket, Voyager. Reima is partnering with Finnish start-up Puuni to compensate our own carbon footprint of 315 tonnes of CO2 through foresting municipal wasteland. We worked with Compensate Foundation to develop a credible carbon footprint calculation method for our products. In an

effort to boost circular economy as well as support families in need, Reima donated all our year's clothing samples to second-hand shop Emmy, donating all sales proceeds to Save the Children Finland. An additional 15,000 items from previous seasons were donated to Hope, a charity that supports struggling families around Finland. Our products and services won seven industry and consumer awards and our consumer Net Promoter Score (NPS) was a record high 73.

KEY GOALS FOR 2020

PRIORITY	2020 TARGET	PROGRESS
Consumer satisfaction	NPS target in own ecommerce 70	Success! Our NPS score improved to 73 globally. This was a huge improvement, up 19 points, from the previous year
Climate change	Carbon compensation of scope 1 & scope 2 emissions	Yes, we will offset the 315 tonnes of emissions with Puuni



264

TONNES OF CO₂e

Emissions reduction from flights from moving two global sales meetings online in 2020.

Equivalent to

84%

of our own annual carbon emissions.

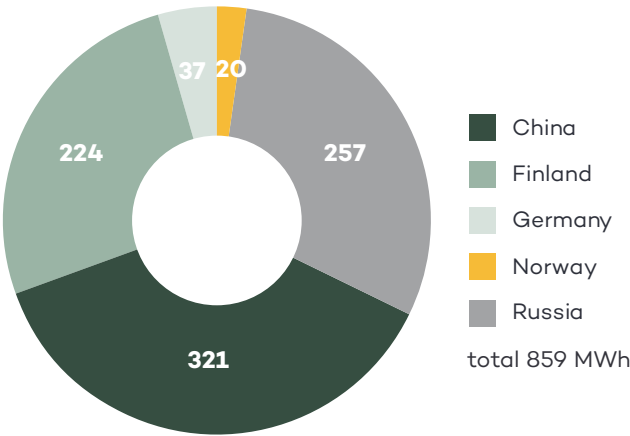
CLIMATE IMPACT

As climate change and climate science advance, we are taking further steps to improve our knowledge on Reima’s own carbon footprint and to reduce our impact. Below you can see our own carbon footprint for 2020. The figures include energy consumption in our offices and stores globally in accordance with Scope 2 of the Greenhouse Gas (GHG) Protocol⁸. The figure is not entirely comparable to 2019, where we relied on estimates for the energy consumption of our Russian stores, and could not obtain data for the Russia office. Therefore, it is impossible to say whether the four tonnes of carbon dioxide from 311 tonnes of CO₂e to 315 tonnes means an actual increase in emissions at all. We will offset these emissions fully with a Finnish partner Puuni, who leases and reforests municipal wasteland, which makes it a carbon sink.

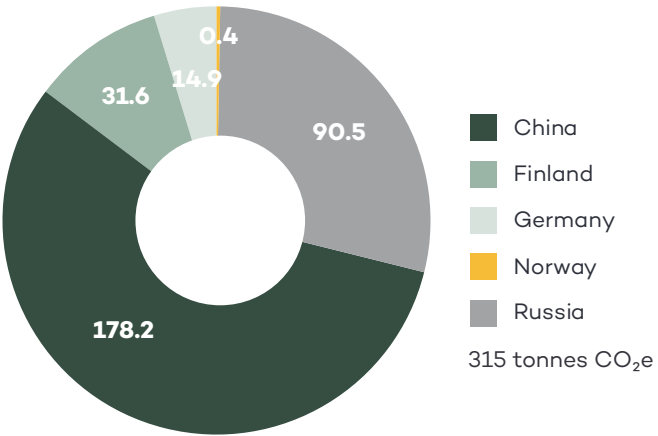
In 2020, we continued to develop our product carbon footprint calculator in collaboration with Compensate Foundation. The calculations and their underlying data were reviewed and deemed as an adequately accurate basis for compensating individual product’s carbon footprints by Positive Impact Oy. The calculator will enable future product compensation projects.

2021 will be a pivotal year for Reima’s climate work, as we will conduct a full carbon footprint analysis in accordance with the Greenhouse Gas Protocol (GHG Protocol). This will enable us to identify our most urgent and impactful climate actions, and to commit to ambitious climate targets in line with the Paris Climate Agreement and Science Based Targets Initiative (SBTI).

Electricity use by country 2020 MWh



Reima’s own carbon emissions 2020 by operating country, t CO₂e



⁸These figures exclude our Asia cluster offices in Beijing and Shanghai as well our North America office, as they do not pay directly for their energy consumption, and therefore those emissions are considered Scope 3 under

the GHG Protocol, and outside of own operations. Data missing for three European stores (Finland, Sweden and Germany), for which the emissions were also not estimated. Reima does not have Scope 1 emissions.

TELAKETJU2 – COLLABORATING FOR A CIRCULAR FUTURE

As part of the circular textiles Telaketju2 project, the recycling of Reima’s monomaterial jacket Voyager was piloted. The tests were run by Senior Scientist Eetta Saarimäki at VTT (national scientific research institute). As composite plastic, the material formerly known as Voyager was successfully moulded into these flexible staffs (pictured). Thanks to this research, we can proceed with further tests on the material.



WWF GREEN OFFICE PROGRAMME

Reima offices in Finland have taken part in the World Wildlife Fund's (WWF) Green Office program since 2018. As part of the program, we conduct a staff survey annually on their energy and paper saving, waste and recycling, business travel and peer motivating. As of this writing, we have not yet conducted the survey for 2020.

EMMY – SELLING AND BUYING SECOND-HAND REIMA EASIER THAN EVER

At Reima, we believe in creating long-lasting, durable clothes that can be passed down and reused, diminishing the clothing industry’s overall impact on the environment. Many families in Finland, consider sec-

ond-hand clothing (and other items) to be the best option. There’s a vibrant second-hand economy for selling and buying used items, but thanks to Emmy, this process is easier than ever. Sellers drop their used items at an Emmy collection box, and Emmy takes care of the rest. Once the items are sold in the online store, the seller receives their share of the profit. Reima supports this process by hosting Emmy collection boxes in our retail stores, with campaigns reminding people to clean out their wardrobes of outgrown kids’ clothing for the coming season, and by offering a free Emmy shipping bag with every Reima Kit, so you can get rid of old clothes sustainably when you receive the new ones.

In the graph you can see the Reima clothes sold through Emmy in the past few years, as well as our (conservative) estimate of how much carbon emissions those second-hand purchases have saved compared with if they had been new products⁹.

CONSUMER AND CUSTOMER ENGAGEMENT

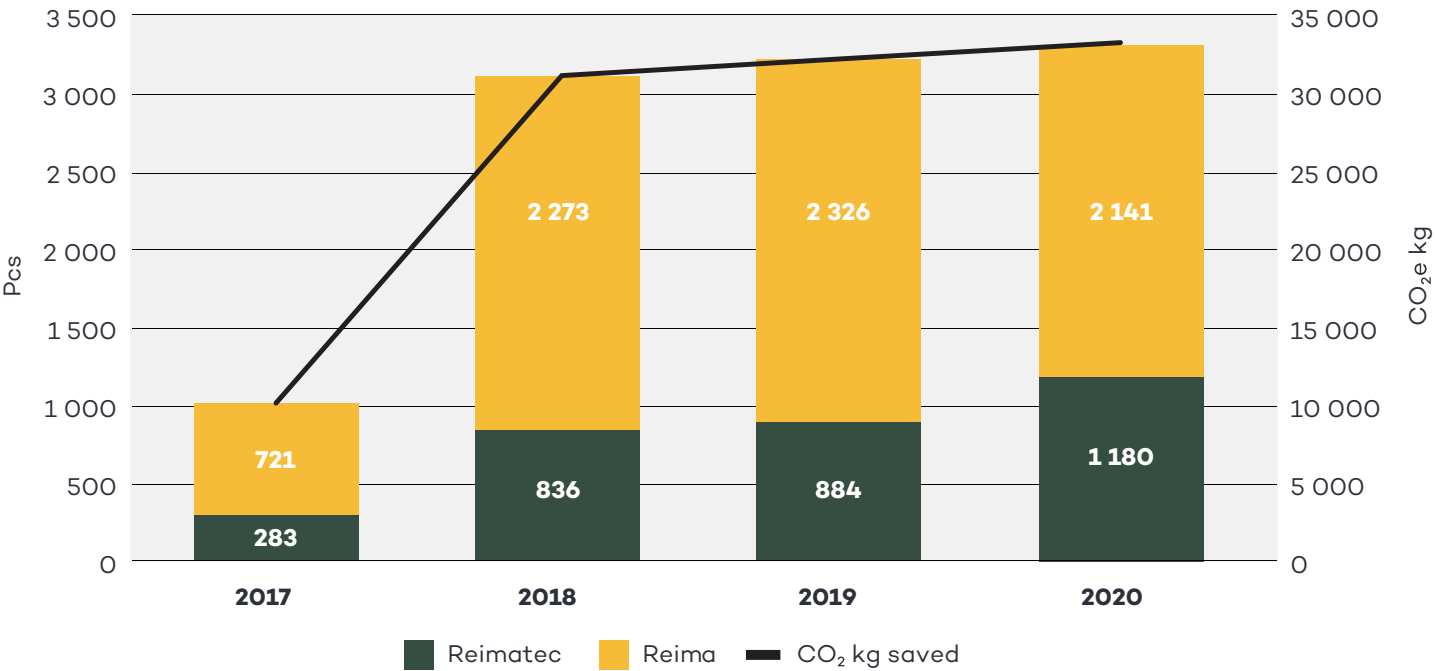
In 2020 we continued to engage Reima consumers both online and offline, through our stores, customer service, social media channels, loyalty program Reima Friends, Reima Lab and Reima Weather App.

Reima Lab is our consumer survey platform for Reima fans where they can earn points towards vouchers by answering surveys on a range of topics from design preferences to product care habits. Reima Weather App supports parents with daily clothing challenges as well as provides inspiration and tips for games and family activities.

We measure consumer satisfaction especially through ecommerce feedback tools, which allow us to combine quantitative and qualitative measures. We analyse these results e.g. by engagement phase (e.g. purchase, delivery or product use), to gain a 360-degree understanding of consumers’ preferences and experience with Reima’s services and products.

⁹ Reima clothing’s carbon emissions range from less than a kilo to over 34 kg, and most products sold through Emmy are at the larger end of emissions, as many of them are heavy winter styles. We’ve settled on the conservative estimate of 10 kg CO₂ saved per resold item to ensure the positive climate impact is not overstated.

Reima second-hand product sales through Emmy, PCS and CO₂ kg saved



73

Global Ecommerce Net Promoter score 2020

1.6 million

Number of people engaged with Reima globally through Reima Friends, different brand social media channels and Weather App

PETITION TO SAVE SNOWPLAYS

Snowplay is an essential part of Finnish children’s cultural heritage and its existence is threatened by advancing climate change, as polar regions heat more quickly than the rest of the planet. Togeth-

er with Protect our Winters (POW) Finland and Ruka Ski Resort, Reima ran a campaign to save snowplays by getting them onto the UNESCO Immaterial World Heritage list. As only governments can make applications for additions to the list, we petitioned the Government of Finland to act on this. Reima, Ruka and POW collected 20,830 signatures for the petition, which was presented to the Minister of Science and Culture, Hanna Kosonen on February 27th 2020.

SAVING #OURSEA WITH JOHN NURMINEN FOUNDATION

Reima joined Moomin Characters and numerous other brands in the spring of 2020, in an effort to save the Baltic Sea. The #OURSEA campaign is cleaning up the sea, helping marine life thrive and letting kids living around the Baltic swim in cleaner water.

The Baltic is the only sea Finland has direct access to. This sea is rather shallow and less salty than the bigger oceans, therefore also more vulnerable. It is a unique ecosystem with species not found elsewhere in the world, but heavily stressed by pollution from all the surrounding countries. However, as all the seas

of the world are interconnected, cleaning up this sea will also contribute to cleaning the waters of the entire world.

When a customer registers their 100% recyclable Voyager jacket at Reima.com, Reima donates 10 euros to the John Nurminen Foundation, who coordinate and execute the cleaning actions. Each 10 euros helps remove 40 kilograms of toxic blue-green algae from the Baltic sea.

AWARDS

Reima products and services continued on a winning streak in 2020. Awards are an important measure of quality and industry appraisal, as well as the value we provide consumers – especially in the case of consumer awards like Best in Test and NAPPA.



2020 – Reima Coffee Bean jackets win the NAPPA Award in the U.S.



2020 – Reima Weather App wins the Scandinavian Outdoor Award, Technology award



2020 – Reima Weather App wins German Design Award (“Winner”)



2020 – Reimatec Stavanger overall wins Best i Test field test in Norway and Denmark



2020 – Reima SS21 Anti-Bite insect-repellent hoodie Vahti wins the Scandinavian Outdoor Award



2020 – Reima Voyager jacket wins German Design Award (“Gold”, plus Special mention in Ecological design)



2020 – Reima AW20 recyclable monomaterial winter jacket Kulki-ja wins the Scandinavian Outdoor Award

Contacts

We welcome any questions or comments about this report or our sustainability work



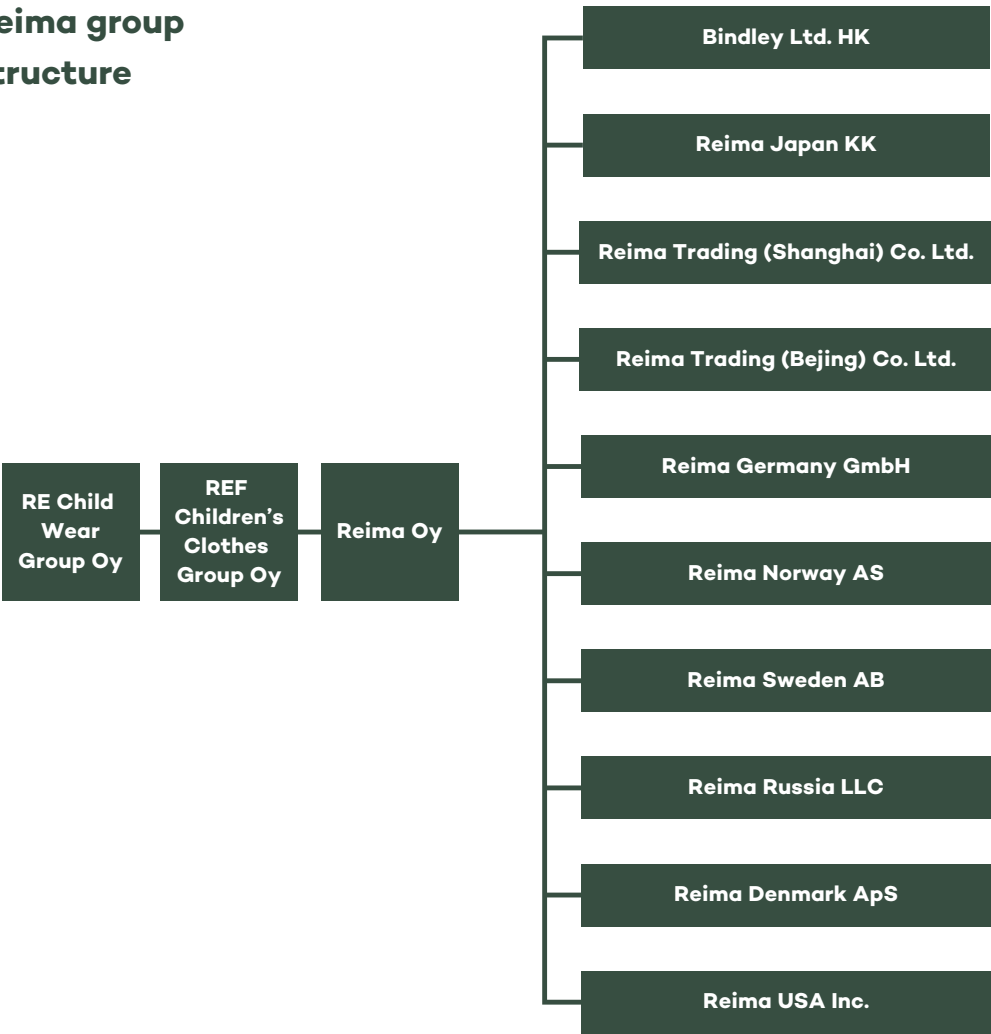
NORA MALIN
Chief Business Development Officer
nora.malin@reima.com



SISSI PENTTILÄ
CSR Specialist
sissi.penttila@reima.com

Appendix

Reima group structure



Human resources tables and charts

Note: Unless stated otherwise, these figures include all staff on Dec 31 2020, including so-called “inactive” employees who are e.g. on leave. This causes some discrepancies with our official IFRS financial reporting figures which are reported based on averages.

TABLE 1: HUMAN RESOURCES: CONTRACT TYPE

Permanent	336	67%
Fixed-term	164	33%
Total	500	
Full-time	402	80%
Part-time	98	20%
Total	500	

TABLE 2: HUMAN RESOURCES: EMPLOYMENT DURATION AMONG OFFICE STAFF

0-3 years	141	56%
4-10 years	91	36%
over 10 years	18	7%
Total	250	

In China, all staff including office staff are legally on fixed term contracts for the first few years, even if their position is de facto permanent. Excluding China figures, the rate of permanent contracts is 94% (including both office and retail staff).

TABLE 3: HUMAN RESOURCES: AGE DISTRIBUTION BY GENDER

OFFICE STAFF (NUMBER OF PEOPLE)				STORE STAFF (NUMBER OF PEOPLE)			
	-30	31-50	51-		30	31-50	51-
Women	28	140	17	Women	94	132	9
Men	10	50	5	Men	4	2	0
Total	38	190	22	Total	98	134	9
Women	74%	74%	77%	Women	96%	99%	100%
Men	26%	26%	23%	Men	4%	1%	0%

TABLE 4: HUMAN RESOURCES: TURNOVER RATE

Turnover, offices 16%	Turnover, stores 46%
---------------------------------	--------------------------------

This figure is calculated based on number of separations divided by the average number of employees ((number of employees Jan 1 + number of employees Dec 31) /2).

TABLE 5: STAKEHOLDER SUSTAINABILITY COMMUNICATION

INITIATIVE OR ORGANIZATION	RELEVANCE TO REIMA	GEOGRAPHICAL LOCATION	VOLUNTARY/ LEGALLY OBLIGATORY
Association for Finnish Work (Suomalaisen työn liitto)	Association that manages the Design from Finland label.	Finland / Global (from the Design for Finland label)	Voluntary
Finnish Textile and Fashion (STJM)	The trade association that negotiates collective labour agreements on behalf of Reima. Also a valuable source of industry information and networks.	Finland	Voluntary
Svensk Handel	The trade association that negotiates collective labour agreements on behalf of Reima.	Sweden	Voluntary
Fashion and Sports Commerce association (Muoti- ja urheilukauppa ry)	Industry association for the fashion and sport wholesale and retail companies.	Finland	Voluntary
World Wildlife Fund (WWF)	The Green Office program helps us improve the environmental performance of our own offices in Finland.	Finland	Voluntary
Business Finland	Governmental innovation and export fund. Reima participates in numerous networks and projects funded by Business Finland, and has also received direct innovation and business development funding.	Finland / Global impact	Voluntary
amfori	Global business association for ethical trade, manages the BSCI social compliance program.	Global	Voluntary
Scandinavian outdoor group Business	Business network, a joint venture for promoting Scandinavian outdoor brands. Reima's Director was appointed as a board member in 2017.	Scandinavia	Voluntary

TABLE 5 (CONTINUED)

INITIATIVE OR ORGANIZATION	RELEVANCE TO REIMA	GEOGRAPHICAL LOCATION	VOLUNTARY/ LEGALLY OBLIGATORY
European Outdoor Group's It's Great Out There Coalition (IGOT)	Business network. Coalition for promoting an active and outdoorsy life.	Europe	Voluntary
Swedish Standards Institute (SIS)	Governmental agency. We participate in working groups concerning standardization development for children's clothing.	Sweden	Voluntary
TEVASTA	Governmental agency. We participate in working groups concerning standardization development for children's clothing.	Finland	Voluntary
ACCORD	A governmental venture to improve the fire and building safety in the Bangladeshi textile industry.	Bangladesh	Voluntary
FIBS	Leading Corporate Responsibility network in Finland.	Finland	Voluntary
Telaketju	Public-private coalition and network for the development and promotion of circularity in the textile industry.	Finland	Voluntary
Eetti (Association for ethical trade)	An NGO promoting ethical supply chain operations and sourcing practices. Reima is not a member, but is in frequent dialogue with Eetti.	Finland	Voluntary
Finnwatch	NGO promoting ethical supply chain operations and sourcing practices. Reima is not a member, but is in frequent dialogue with Finnwatch.	Finland	Voluntary
UN Global Compact	UN partnership for ethical business.	Global	Voluntary

TABLE 6: UN 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	Letter from the CEO, Supply chain collaboration	Principles
Principle 2: make sure that they are not complicit in human rights abuses.	Supply chain collaboration	Principles
LABOUR		
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	Principles; Suppliers overview
Principle 6: the elimination of discrimination in respect of employment and occupation.	Professional growth and integrity	Principles and training
ENVIRONMENT		
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Product excellence; Supply chain collaboration; Courage to reach out	Materials; Safe chemistry; Repair, reuse, recycle; Safe and sustainable design principles; Environmental assessments; Climate action
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Supply chain collaboration, Courage to reach out	Environmental assessments; Telaketju2; Climate action

TABLE 6 (CONTINUED)

HUMAN RIGHTS	CHAPTER	SUBCHAPTER
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Product excellence, Supply chain collaboration, Courage to reach out	Environmental assessments; Telaketju2
ANTI-CORRUPTION		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Company introduction, Professional growth and integrity	Principles and training

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Small changes everything