

UN Global Compact – Communication on Progress

March 28th 2022

With this letter I confirm that Touchpoint Oy continues to support the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption.

We are committed to and working on making the initiative part of the business strategy, culture, and day-to-day operations of our company, and engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Sustainability is at the core of Touchpoint Oy's business model, and we have recognized the following SDG's as areas with the highest development possibilities for us:

- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation, and infrastructure
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

You can read about our actions and plans related to the SDG's on the following pages.

Touchpoint has also integrated the Ten Principles of the United Nations Global Compact as part of our Code of Conduct. It is of a must for us that also our business partners work in ethical ways and in manners that respect humanity, environment, local laws, and regulations and do their best in contributing to the society in positive ways.

In the following pages you can read about the progress we have made during the past 12 months. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Ms. Noora Salohoja  
CEO  
Touchpoint Oy

# TOUCHPOINT

Sustainable Workwear

## Background

Touchpoint Oy operates in the area of sustainable workwear and related services. Our operations include sales, marketing, product development as well as production and logistics coordination and planning. We have subcontracted the manufacturing of our products to suppliers in Europe (Estonia, Latvia, and Ukraine) and Asia (Vietnam). We also purchase branded textiles and accessories from other well-known manufacturers/importers to complement our own workwear collection. Touchpoint is a majority shareholder in Rester Oy, which operates a plant in Finland for recycling and processing end-of-life textiles.

In the end of 2020, we built our own tool for monitoring the performance of our main suppliers (manufacturers, fabric, and trims suppliers as well as brand suppliers). Simultaneously we also developed an internal process for annual supplier evaluation. We are planning to introduce all our main suppliers to our Code of Conduct, which addresses the Ten Principles of the United Nations Global Compact. Already in 2021, four of our suppliers signed and approved our CoC.

One of our big milestones in 2021 was to obtain ISO 9001 and ISO 14004 certifications. This also shows that we are committed in managing our company with high quality and effort on continuous development, both in terms of quality management system and environmental aspects of the business.

## Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

In the Touchpoint Code of Conduct it is stated that all business partners shall support and respect the protection of internationally proclaimed human rights and make sure not to be complicit in human rights abuses. Touchpoint has zero tolerance for any discrimination based on race, nationality, sexual orientation or gender, religion, age, or personal characteristics.

Despite the pandemic, Touchpoint's own personnel has continued to visit our production places regularly, whenever travel restrictions have permitted this. We are committed to making sure that our production partners work according to local laws, regulations, and ethical ways. For this, we drafted in 2021 our own Audit form that we will take into use at all active (6-7) production places throughout the year 2022.

Touchpoint has already worked for years with one supplier in Ukraine. Despite the turmoil and Russian attack to Ukraine, we are committed in supporting our Ukrainian supplier as long as possible.

## Measures:

- Internal training on Touchpoint Code of conduct is arranged on a yearly basis
- Increasing the number of suppliers that have signed the Touchpoint Code of Conduct: In 2021 already four of our suppliers signed and approved our CoC.
- Touchpoint's own supplier audits will be conducted according to annual plan. One of our main production places was already audited by us in autumn 2021.

## Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

In our Code of Conduct we require our business partners to respect the ILO Declaration on Fundamental Principles and Rights at Work and The Ten Principles of the United Nations Global Compact.

Labour conditions (safety and working conditions, overtime etc.) of our supply chain are also checked by our own personnel while visiting the production places and conducting the Touchpoint Audit at the production premises.

Concerning Touchpoint's own personnel, we have a Committee for occupational safety and health administration. We have built a culture of open communication and everyone in the company has the possibility to speak out possible concerns, development possibilities etc. According to our process we conduct an anonymous employee satisfaction questionnaire twice every year, and we go through the results together. All the employees have access to health care, and we sponsor sports and cultural benefits for each employee with permanent job contract. Starting from 2021 each employee has also been entitled to an annual budget for participating in courses / training that supports their professional skills.

## Measures:

- Internal training on Touchpoint Code of Conduct is arranged on a yearly basis
- Increasing the number of suppliers that have signed the Touchpoint Code of conduct: In 2021 already four of our suppliers signed and approved our CoC.
- Touchpoint's own supplier audits will be conducted according to annual plan. One of our main production places was already audited by us in autumn 2021.
- Annual employee satisfaction surveys

## Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Touchpoint acknowledges the environmental challenges our planet is facing, specifically from the global textile sector point of view. Touchpoint is committed to sustainable development by designing products (as much as possible) from recycled and environmentally friendly materials, and by designing and selling products that last time, are of high quality and designed for user groups in question. Environmental aspects are considered in everyday operations and in communication with our partners in the supply chain. In our Code of Conduct we request our business partners to act according to The Ten Principles of the United Nations Global Compact and the Rio Declaration on Environment and Development. This means that we and our business partners shall take a precautionary approach to environmental challenges as well as take general responsibility in progressing environmental issues.

In 2021 we launched our *Take-back service* to our customers: this means that they can return the same amount of end-of-life textiles to us as what they have bought as workwear. The end-of-life textiles are processed at *Rester*, which is the biggest waste textiles processing plant in the Nordics. Touchpoint is the majority owner of Rester. Major investments in the plant were made already a couple of years ago, and finally in October 2021 the plant started operating and processing end-of life textiles. The end product of Rester can be used in many industries (construction, hygiene products, textiles etc.) and we are working with a fabric producer to eventually be able to close the loop and produce suitable fabric for workwear of the fiber coming out of Rester. With our contribution and collaboration with different partners we aim to make the textile industry more sustainable, and to keep the precious raw materials circulation as long as possible.

Additionally, in 2021 we have done big investments in enhancing our LCA- and carbon footprint calculations. In 2021 with the help of a partner we calculated the carbon footprint of a healthcare workwear set (blouse and pants), according to ISO 14067:2018 standard. This calculation gave us more information on which areas of the product life cycle we should concentrate in making the footprint smaller. It also helps the customers to understand f.ex. the importance of material choices and forecasting.

In March 2022 we have also finalized the calculation of Touchpoint Oy:s carbon footprint: this includes Scope 1&2 emissions according to the GHG protocol. We have committed in becoming carbon neutral in 2022, which means this year we will compensate the annual emissions of our company. Simultaneously, we will start including Scope 3 into our calculations, piece by piece. We aim to publish our

footprint calculations with Scope 3 partly included in our next year's Sustainability report.

Touchpoint has also started working on a small carbon neutral workwear collection. Our target is to publish this collection in 2023.

When visiting and auditing suppliers Touchpoint is also taking note on the environmental aspects of the production unit (waste management, energy efficiency etc.). We strive for open 2-way communication in making sure our suppliers understand our environmental goals and help them to make improvements in their own operations accordingly.

Measures:

- Amount of end-of-life textiles received from our customers to Rester. In 2021 this was more than 100.000 kg.
- In 2021 we increased the use of recycled materials in our products from 5% to 8% (compared to 2020). Our aim is to significantly increase the use of recycled materials in 2022.
- Calculating our own CO2 footprint in 2021. For 2022 our goal is to be carbon neutral in our own operations.
- Increasing the number of suppliers that have signed the Touchpoint Code of Conduct: In 2021 already four of our suppliers signed and approved our CoC.
- Touchpoint's own supplier audits will be conducted according to annual plan. One of our main production places was already audited by us in autumn 2021.
- In 2021 Touchpoint was successfully ISO 14001 certified. Annual re-audits will help to affirm the quality level we operate with is according to this standard.

## Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In our Code of Conduct Touchpoint states that we together with our business partners shall follow the Ten Principles of the United Nations Global Compact and work against corruption in all its forms, including extortion and bribery. Additionally, we do not permit participation in corruption, money laundering, or payment of bribes or trading in influence in relation to business partners, government officials or employees. Also, our own personnel are instructed not to exchange personal gifts with clients and business partners, excluding minor gifts of *low* value.

Measures:

- Increasing the number of suppliers that have signed the Touchpoint Code of conduct: In 2021 already four of our suppliers signed and approved our CoC.

Next you can find our policies and activities with regards to SDG:s.

## **SDG 8: Decent work and economic growth**

As stated above in sections “Human rights” and “Labour” we have developed our own process for monitoring the conditions in our supply chain. Naturally we also study any 3<sup>rd</sup> party audit reports done at our production places. With 2-way discussions and our Code of Conduct we aim to make sure that all our business partners work according to the Ten Principles of United Nations Global Compact and the ILO’s Declaration on Fundamental Principles and Rights at Work.

We make sure that we follow local regulations and good practices what comes to our own personnel. Additionally, we enable our personnel to continuously develop their professional skills.

Touchpoint Oy’s goal is to contribute to making the textile industry more sustainable, and simultaneously to grow the business for sustainable workwear and processing/re-use of end-of-life textiles, to keep the valuable textile raw-materials in circulation. Already, by having invested in Rester Oy we have contributed to building a new company and creating new jobs in Finland in waste textile processing and management.

## **SDG 9: Industry, innovation and infrastructure**

As mentioned above, Rester Oy has been a notable strategic investment for Touchpoint. This means we have contributed to building a new kind of circular plant, with the aim of creating a new type of industry in Finland around textiles recycling and re-use. We continuously develop our services to our customers to better meet their needs. Thus, new innovations/infrastructure and service models shall be introduced in the upcoming years.

## **SDG 12: Responsible consumption and production**

As a workwear supplier, we do not produce to stock but rather conduct individual productions based on the concrete needs of our customers. We design products to last time: it is common for workwear to be in use 3-6 years. With long-lasting supplier relations, we strive for superior production capabilities and good product quality. We have tools in place for supplier monitoring and auditing. We educate our customers in taking good care of their garments, so that their workwear can stay in use for a long time. Furthermore, we educate our customers and general public (f.ex. in LinkedIn and our web pages) on how to conduct more sustainable decisions in textile procurement, use and textile waste management.

## **SDG 13: Climate action**

As described in section “Environment”, we have taken it seriously to tackle climate change and to become aware of our own climate impact. In 2021 our concrete measure was to calculate the carbon footprint of one of our workwear sets, giving us more information on where we have the biggest possibilities to make positive impact. Additionally, in 2021, as also described above, Rester started to operate and process end-of-life textiles (waste otherwise ending up to incineration) to be re-used as raw material in different industries. In 2021 our customers already delivered more than 100.000 kg of end-of-life textiles to Rester. This material can then be re-used in various industrial sectors as raw material.