

A photograph of three children in winter clothing. On the left, a girl with blonde hair wears a colorful striped knit hat and a matching scarf. In the center, a child with dark curly hair is seen from the back, wearing an orange jacket. On the right, another child wears a pink knit hat and a grey jacket. The background is a soft-focus outdoor scene with trees.

2022

Corporate Responsibility Report

reima

Responsibility Highlights

REIMA'S CLIMATE TARGETS APPROVED BY SCIENCE-BASED TARGETS INITIATIVE:

We will cut our per product (scope 3) emissions by over

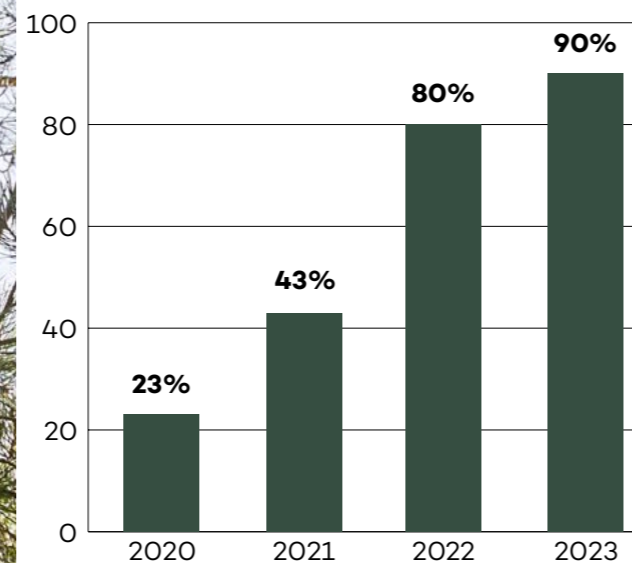
**50%
by 2030**

We will cut our own operations' (Scopes 1-2) emissions by

**90%
by 2030**

PROGRESS ON MORE SUSTAINABLE CLOTHING

Share of sustainable styles
in Reima clothing



SUSTAINABILITY IN 2022 CLOTHING

96%

Certified organic cotton

100%

Recycled polyester wadding in all styles starting autumn 2022

65%

of synthetic main materials include minimum half recycled fibers

CREATING VALUE FOR STAKEHOLDERS

100%

finished goods factories audited

Happy families: direct-to-consumer channels'

NPS 85

Reima x WWF:

We donated **100,000** Euros to protecting nature

4,5/5

Staff satisfaction

We launched a repair service in collaboration with **Menddie**

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Moi, Dear Friend!

It's again time to take stock of the previous year. 2022 started with some hope of defeating the COVID pandemic and a return to a sense of normalcy. However, the world was quickly hit with the shocking news of the Russian invasion into Ukraine. As all of Europe rallied to support Ukrainians, many businesses faced tough decisions.

For us at Reima, too, it was apparent we could not continue operating in Russia. We closed down our own retail stores and ecom store. The Russian subsidiary was put for sale in spring and the divestment to a new local owner was agreed in late 2022. The withdrawal was completed in early 2023 with the closing of sales of the Russian subsidiary to a new local owner. I want to thank our former colleagues for their years of dedicated service.

The courage and perseverance shown by our Ukrainian partners in the midst of war continues to amaze us. We were moved to support Ukrainian families throughout 2022, including through financial donations of over 60,000 Euros to UNICEF's Ukraine emergency fund, and through donating thousands of pieces of warm clothing to aid organizations supporting refugee families.

Despite the tough year in Europe and the lockdowns in China, Reima sailed through the stormy 2022. We launched revamped online stores in North America and Japan and opened a new branch of our Asia Headquarters in Sri Lanka. Reima products once again earned numerous industry awards and mentions in top listings for kids' outerwear.

I am really grateful and proud of Reima's staff for keeping up the great work and always keeping in mind our mission to champion an active childhood. Despite the challenges, our employees' job satisfaction remained at a remarkably high 4,5/5. Your grit and mutual respect and support make Reima so successful year after year.

I am particularly pleased that we have kept reaching our ambitious sustainability goals. Our carbon emissions reduction targets were approved by the Science Based Targets initiative and we are improving the sustainability of our products every year. Our new sustainability strategy sets the bar higher again, because kids deserve a clean planet to play on.

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.

Let's continue to take care of each other and stay active!

Sustainably yours,

Elina Björklund

Chief Executive Officer



Report summary

Reima has continued to make huge strides in sustainability, despite several years of global upheaval. In fact, we believe that in times of great uncertainty, doing the right thing is the surest way to stay the course. We have consistently followed through on our sustainability promises, and have now renewed both our sustainability strategy as well as sustainability targets.

This report is published at the crossroads of two sustainability strategy periods. Therefore, at the beginning, we will introduce our new sustainability strategy and goals for 2023–2026, and our current status in relation to the goals. As the reporting period, 2022, falls within the previous sustainability strategy period, we also report on our previous goals, and whether we fulfilled them, or were on track to fulfill them, by the end of the year.

In 2022, the share of more sustainable clothing and accessory styles in Reima collections rose to 80%, and in 2023 will be 90%. This includes styles with a main material that is bluesign® approved, recycled polyester or polyamide, organic cotton, or RWS® certified wool. The increase is also reflected in the share of more sustainable materials by weight, which in 2022 was a third of all materials used in clothing, accessories and footwear. This is around four times their share in 2021. That includes all purchased materials, including, for example lining fabrics, insulation materials and shoe soles.

Reima's climate work also advanced, as our Science Based Targets (SBT) commitment was signed at the beginning of 2022, and our emissions reduction targets were approved by Science Based Targets

initiative at the very beginning of 2023. According to SBTi, our goal is in line with limiting global warming to 1.5 degrees Celsius or less. Reima has committed to reducing our per product emissions by 51.6%, and own operations emissions by 90% by 2030 from a 2021 base year.

In 2022, we reached our longstanding goal of 100% social compliance audits in Tier 1, i.e. finished goods factories. We continued to publish our factory lists both for Tier 1 as well as Tier 2 (fabrics and trimmings).

We again collaborated with many wonderful organizations that shared our values and passions. A particular highlight in 2022 was our Reima x WWF collection, which was launched in Early Autumn 2022. The animal print styles were made with more sustainable materials, and 2 Euros from each sold piece was donated to WWF's nature conservation work. The campaign ended in January 2023 with the donation of 100,000 Euros to WWF International and offices in campaign countries.

Staff satisfaction remained at a high 4,5/5 level and engagement at 82% throughout the year. This was despite some layoffs that were made towards the end of the year for cost saving reasons in both Finnish and Chinese HQs.

Our products and services won six industry and consumer awards internationally. The Net Promoter Score (NPS) globally rose to a record high 85, meaning the vast majority of our consumers are extremely likely to recommend us to their friends.

Reima Group's responsibility reports are published annually, and the reporting period for this report is the calendar year 2022. We practice the basics of CSR reporting, e.g. stakeholder analysis and 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 has been prepared in reference to GRI standards.



Sissi Penttilä
Corporate Social
Responsibility Specialist



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 families. Reima's products are available in approximately 50 countries across the world. Reima employs around 350 people globally. Reima Group's headquarters are in Vantaa, Finland and Shanghai, China.

FINANCIAL PERFORMANCE

Reima Group had a strong financial year 2022 despite the uncertain market conditions. The Group's revenue increased by 4.3% to 153.8 million Euros. The strongest growth was seen in North America, where revenue increased by 34% in 2022. Wholesale drove much of the growth through an increase in pre-orders and a strong rouble. Direct-to-consumer sales decreased as Reima closed its own stores and e-commerce store in Russia. The COVID-19 pandemic impacted mainly revenue in own retail stores in China due to lockdowns.

Reima sells its products and services through a number of wholesale partners and directly to consumers. Wholesale has historically been Reima's largest sales channel, and it includes third party retailers such as specialty stores, e-tailers and department stores. Direct-to-consumer business consists of Reima's own retail stores that at the

end of 2022 were located in the Nordic countries and China, and e-commerce stores serving around 40 countries globally. Direct-to-consumer also includes marketplaces where Reima sells its products directly to consumers, solution sales such as the Reima Baby Box, and new businesses. Stores operated by franchise partners are included in the direct-to-consumer figures.

Reima's global operations continued to expand in 2022. Developing digital operations in the most important markets was a key focus area during the financial year. Reima opened a new ecommerce store in Rakuten marketplace in Japan. Without the impact of Russia, Reima's own retail network decreased by three stores during 2022, and the franchise partner store network increased in total by one store. At the end of 2022, Reima had 36 own stores and 24 franchise partners stores.

WITHDRAWAL FROM RUSSIA

During spring 2022 Reima suspended its operations in Russia and Ukraine due to Russia's invasion of Ukraine. The Russian subsidiary was put for sale in spring and the divestment to a new local owner was agreed in late 2022. As of February 2023, the sale of Reima's Russian subsidiary to a new local owner, and therefore Reima's withdrawal from Russia, has been completed.

Group Net Sales / MEUR

153.8

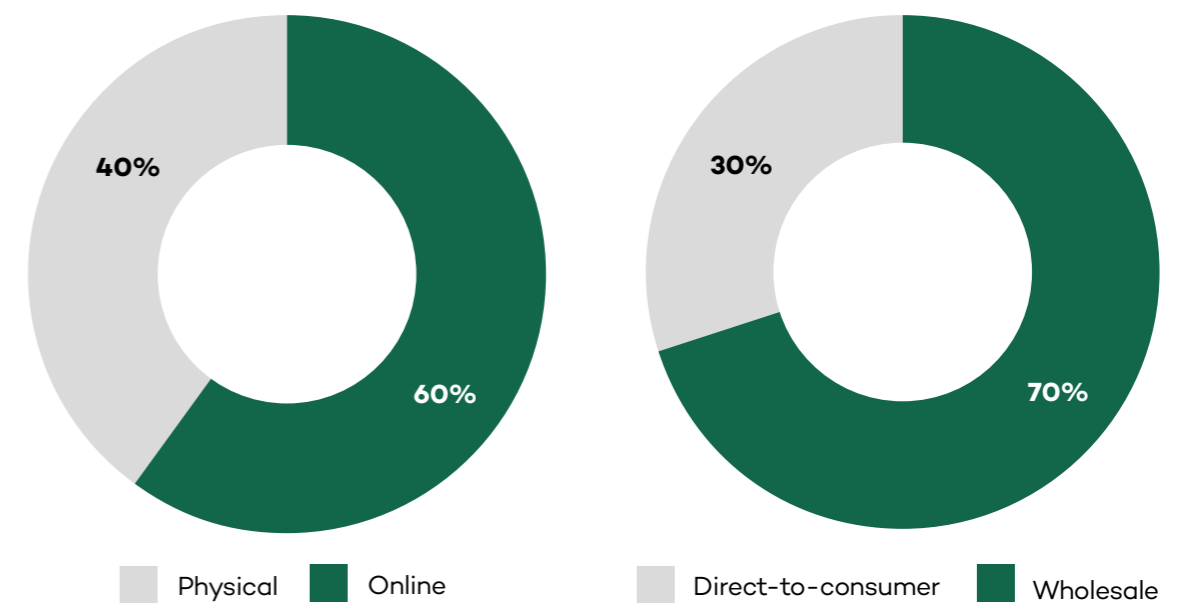
(147.7 MEUR)

Adjusted EBITDA / MEUR

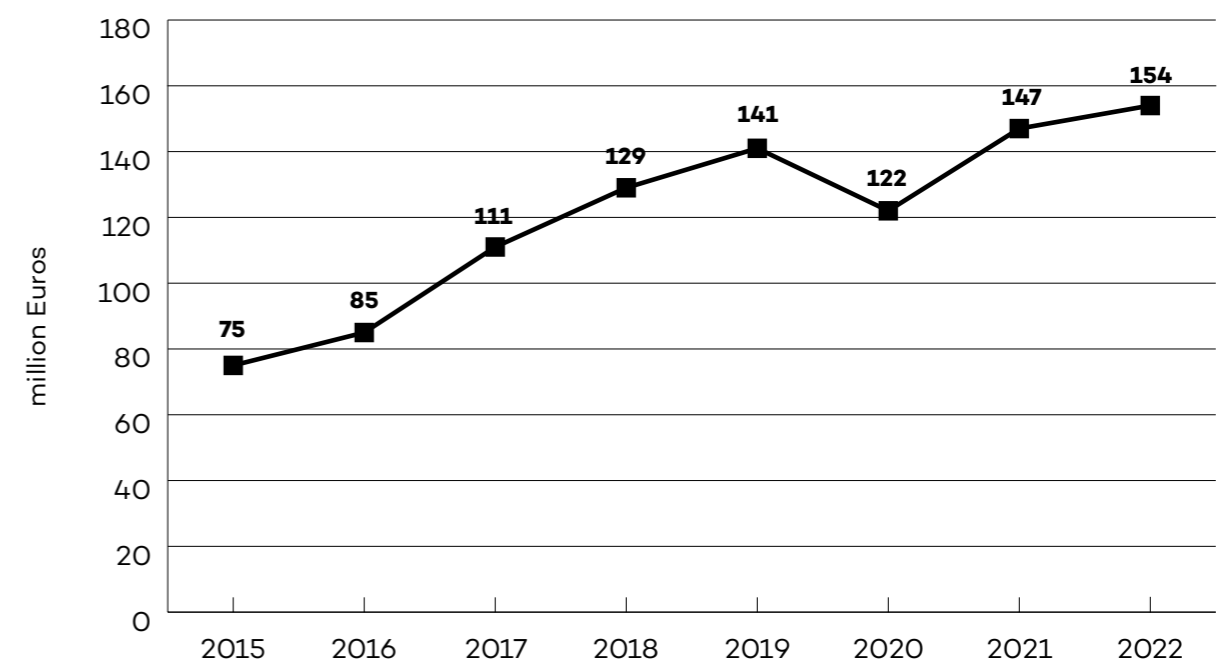
38.1

(20.5 MEUR)

NET SALES BY CHANNEL 2022



NET SALES 2015-2022



**CORPORATE RESPONSIBILITY STRATEGY
2023-2026**

Sustainability is at the heart of Reima's strategy and business model. Our sustainability strategy reflects this, including all our stakeholders (employees, consumers, suppliers, shareholders and communities), and with particularly ambitious goals for all our most material topics based on sustainability: product quality, products fit for purpose, and product design for circularity and long life. The business strategy sets out the high level goals and priorities, the sustainability strategy allows us to focus on operationalizing them in the context of sustainability.

In 2022, we reviewed and renewed our corporate responsibility strategy for the period of 2023 to 2026. The review process started with a materiality assessment, which included an analysis of our twenty largest wholesale customer's sustainability priorities, as well as a smaller social media survey of our consumers, and broader survey with our staff members. As this was a strategy review rather than a full strategy overhaul, we did not conduct a

stakeholder assessment of sustainability priorities with all stakeholders.

The materiality matrix presented on the next page here was set up initially based on the CSR team's analysis combined with Reima's Innovation and Sustainability Steering group's comments. It was then adjusted based on the stakeholder assessment results. Finally, it was discussed and approved by the Leadership Team.

Most of the identified focus areas and topics were already included in the previous sustainability strategy (2019-2023). Climate action has become its own sustainability pillar, while previously it was under responsible supply chain. It was separated to underline the significance of climate action to our operations.

The materiality assessment was then organized into a new visual foundation for Reima's sustainability work, presented here. You can read more about our material topics in the thematic chapters in this report, as well as from our [company site](#).

**REIMA'S SUSTAINABILITY
FRAMEWORK**



Responsible
value chain



Sustainable
products



Climate
action



Commitment to
all stakeholders

**Mission:
Championing
an active
childhood**



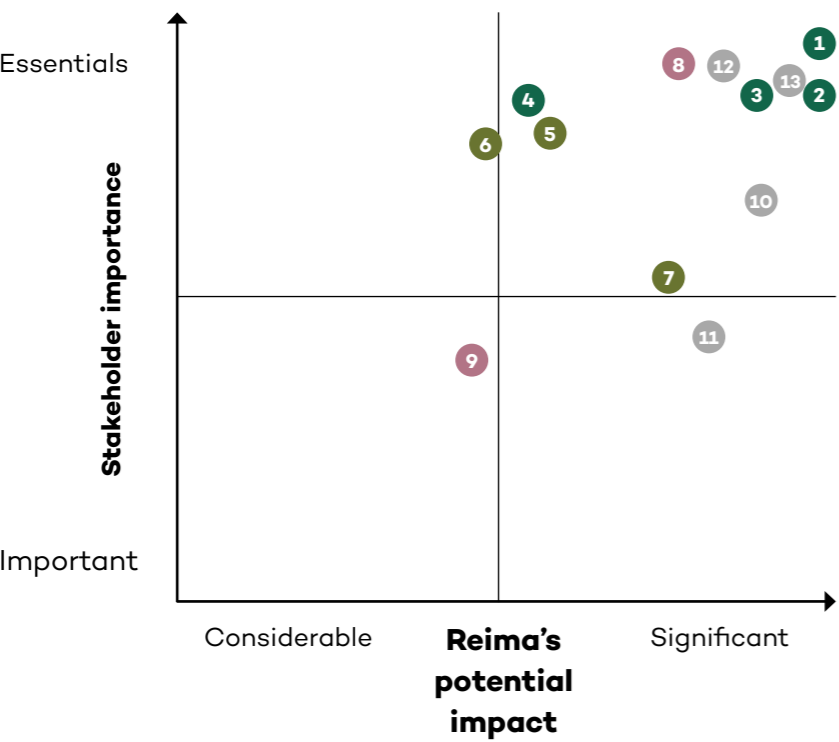
**WHAT'S NEW IN THE NEW
SUSTAINABILITY FRAMEWORK**

As there are only a handful of changes in the new strategy, in addition to the aforementioned elevation of climate action into its own thematic pillar, we will briefly outline the additions here. Further discussion on them will be in the following chapters. The new focus areas which arose in the materiality assessment are:

- in sustainability pillar sustainable product: sustainable use,
- in sustainability pillar responsible supply chain: fair remuneration,
- in sustainability pillar climate action: biodiversity, and
- in sustainability pillar commitment to all stakeholders: diversity, equity and inclusion (DEI).

We believe companies need to take seriously the longevity and the lifecycle of their products, which is why we have introduced sustainable use as a focus area. Fair remuneration is a significant human rights issue in textile industry supply chains and as such we also want to address it. Companies likewise need to take responsibility for the rapid biodiversity loss globally; the reason we have included it under climate action is that it is estimated that accelerating climate change is textile industry's biggest contribution to biodiversity loss (followed by freshwater use, salinization and contamination). Diversity, equity and inclusion (DEI) need to be taken seriously in any modern organization that wants to ensure the wellbeing and personal success of its staff, as well as its own success.

MATERIALITY ASSESSMENT 2022



SUSTAINABILITY PILLAR	FOCUS	IDENTIFIED TOPICS
Sustainable product	1. Product safety	Chemical & physical safety, safety enhancing features
	2. Sustainable use	Quality, durability and easycare
	3. Sustainable materials	Recycled, organic, innovative, certified and safe materials
	4. Circularity	Second hand, repairs, rental, recycling
Responsible supply chain	5. Human and labour rights	Respect for human and labor rights throughout supply chain
	6. Fair remuneration	Fair remuneration in supply chain
	7. Sustainable logistics	Sustainable shipping and packaging
Climate action	8. Climate impact	Carbon footprint, SBT, offsetting
	9. Biodiversity	Measuring and reducing environmental impact
Commitment to all stakeholders	10. Employee well being and development	OHS, healthy work culture, value based leadership
	11. Diversity, equity and inclusion (DEI)	DEI in own operations, and communication and marketing
	12. Financial responsibility	Creating economic value for all stakeholders
	13. Ethical conduct	Anti-corruption, respect for rule of law

NEW SUSTAINABILITY TARGETS

With an updated strategy come of course updated sustainability goals. Our highlighted key sustainability performance indicators are listed in the table on the next pages thematically. Please note that in the thematic chapters we will still review our progress against the old sustainability strategy targets.

Sustainable product

We are close to reaching our goals of only using certified down (RDS) and wool (RWS). Therefore, we have removed these as product targets in the new strategy period, but they will remain in our sustainable design principles. You can read more about our sustainable design principles in the final chapter on sustainability governance and principles.

Responsible supply chain

As we are now regularly publishing and updating our supplier lists, we have removed this as a separate target. We will continue our transparency practice of publishing our Tier 1 (sewing and compiling) & 2 (fabric and trimmings manufacturing) supplier lists, which you can find at our company website.

Climate action

The 2026 targets are milestones on our way to the Science Based Targets (SBT) commitments for 2030: 90% reduction in Scope 1&2 emissions, and 51.6% reduction per product compared with 2021 figures.

Regarding biodiversity and nature preservation, we are still at early stages of understanding Reima's nature impacts fully. We do know that climate change is the textile industry's single biggest pressure on nature, and therefore our main focus for the time being is decreasing our carbon footprint as quickly as possible.

Commitment to all stakeholders

Regarding employee engagement, Pulse surveys are our employee wellbeing surveys conducted 2-3 times a year online globally. We measure engagement by the percentage of people who say they see themselves as still working for Reima in three years.



KEY PERFORMANCE INDICATORS 2026

	KPI	2022 SITUATION	2026 TARGET
Sustainable product	Synthetic materials clothing & accessories: Share of styles containing minimum 50% recycled fibers (main material and lining)	65%	100%
	Footwear styles containing recycled materials	17%	50%
	Share of recycled fibres of total synthetics by weight (clothing & accessories)	42%	80%
	Natural fibres clothing & accessories: organic or recycled cotton	95%	100%
	Safety: Product recalls for safety reasons	Zero	Zero
	Safety: 100% of synthetic wadding and lining, as well as Reimatec fabrics are bluesign® approved	Wadding & (main) lining 100%, Reimatec 38% in AW22	100%
	Reuse: Our outerwear is used by several kids	>80% ¹ (Europe+US)	>80% (Global)
	Quality: Product reclamations in direct-to-consumer channels	0,28%	<0,1%
Climate action	Carbon footprint reduction in supply chain / scope 3:	Analysis of baseline beginning	25% reduction per piece
	Carbon-neutral own operations through reduction and offsetting	100%	100%

	KPI	2022 SITUATION	2026 TARGET
Responsible supply chain	Social compliance audits: All Tier 1 suppliers and sub-suppliers have an up-to-date audit	100%	100%
	All shipping and consumer packaging containing recycled materials	71% (all packaging starting from early autumn 2022)	100%
	Tier 1 suppliers representing 80% of purchase volume have a living wage program	Information not available yet	100%
	Tier 1 suppliers representing 80% of purchase volume meet living wage level according to social compliance audit	11/20 (55% of 2023 suppliers)	70%
Commitment to all stakeholders	Anti-corruption training taken by % of staff	> 66%	100%
	Employee engagement in Pulse surveys	> 80%	> 80%
	Ethics & Anti-corruption: Global whistleblowing mechanism	Mechanism to be launched in 2023	Global
	Global Diversity, Equity and Inclusion (DEI) policy and training	Policy to be published in 2023	> 80% staff trained

¹ As measured in consumer surveys online.



CORPORATE RESPONSIBILITY GOVERNANCE

Reima’s Code of Conduct is the foundation of our commitment to human and labor rights, environmentally sound operations, good business relations, conducting ourselves with integrity, and respecting the law as well as our competitors. All Reima employees are expected to commit to the Code, and it is part of our Mandatory learning Category in our internal training hub, Reima Academy, which you can read more about in the Stakeholders chapter.

As with other topics of strategic value for the company, Reima’s Board of Directors has ultimate decision-making power, as well as continuing oversight over sustainability and social responsibility. In 2022, Reima’s Board of Directors approved the new Sustainability strategy for 2023–26, outlined above.

Reima’s Leadership Team, chaired by the company CEO, is responsible for strategic decisionmaking on 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 Chief Business Development Officer chairs the ISSG. The group convenes four times a year. The planning and implementation of daily corporate responsibility work is led 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 Innovation and Sustainability Steering Group (ISSG) and the Leadership team having executive decision-making power, 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 own employees’ 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 Customer experience team (especially concerning support for the repair, reuse and recycling of Reima products).

To strengthen the governance of ethical conduct Reima is setting up internal and external whistleblowing channels and procedures in the spring of 2023. These channels and procedures will help us identify and investigate potential cases of misconduct fairly. Whistleblowers will always be protected from retribution in any form such as dismissal, degradation, and other forms of discrimination.

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 below. Please see our [website](#) for more information.



Sustainable products

For Reima, product sustainability means that the product is safe, durable, and made from more sustainable materials. We ensure safety with chemical restrictions in the supply chain, bluesign® approved materials, as well as good design principles such as detachable hoods for physical safety. We measure the durability and quality of fabrics with standardized tests and select the best quality trimmings. We have a specified list of more sustainable materials that have been selected for their environmental benefits in the supply chain.

These criteria for sustainable products are chosen and measured, because the most sustainable product is one that is fit for purpose, and therefore in use for as long as possible, as well as made respecting the environment. Material production causes Reima's biggest impact on the environment and shifting material choices to more sustainable options has been a huge focal point in the past few years. In this chapter we delve deeper into what we

mean by more sustainable materials and what that shift has meant in practice.

It is also our responsibility to promote the sustainable use of Reima products, including, for example, their repair and passing them on to the next child. The longevity of our products is also ensured by quality assurance.

Research and design (R&D) are at the heart of Reima's innovative kidswear. It is also essential to furthering our sustainability aspirations, by looking for more sustainable materials, and testing and collaborating with research organizations, among other things.

You can read more about where and how our products are made in the next chapter on supply chain. For a comprehensive list of our sustainable design principles, please see the Appendix.

RESPONSIBLE REIMA THEME	GOAL 2023	ON TRACK 2022?
Sustainable product	75% bluesign® approved materials in outdoor styles	Yes, achieved! 76% of main materials in outdoor clothing in 2022 collections
	50% of synthetic main fabrics made with a minimum of 50% recycled fibers	Yes, achieved! 65% of main materials in 2022 collections
	100% certified organic cotton	Yes, well under way, 96% of styles with cotton made with certified organic cotton in 2022

We modified our footwear goals, as there was insufficient evidence as to the exact environmental benefits of water-based glues in footwear.



SUSTAINABLE USE

Reima has always been known for the quality and longevity of its products. Although many people know that Reima gear can be worn by many kids, it's also our duty to support families in taking good care of their Reima products and to encourage them to pass them on.

This is why we have decided to include sustainable use as a new thematic topic in sustainability. We will measure this by how many people say they pass their Reima outerwear to a second kid/user, and how often. Currently we stand at around an 80% reuse rate for outerwear in Europe and North America, and our goal is to reach 80% globally by 2026. These figures are based on Instagram surveys, which reached a relatively narrow audience. In the future, we intend to conduct to gain more responses. We support the reuse rate of Reima wear by reminding people to pass them on, by providing care and repair products, and by partnering with organizations for resell and repair, such as Emmy and Menddie in Finland. We will increase these efforts in other markets in the coming years.

PRODUCT QUALITY AND SAFETY

Product safety is non-negotiable for us, which is why our newest sustainability performance indicator for this focus area is zero product recalls due to safety issues. In 2022, we indeed had no product safety recalls. We also update our Restricted Substances List (RSL) annually, which sets out Reima's chemical safety requirements for products. It is aligned with the bluesign® system and goes above and beyond EU's REACH regulations. Reima's RSL is freely available on our [company website](#).

Reima is also renowned for its quality, which we ensure by good design, careful material selection and testing, working with trusted supply chain partners, as well as with material certificates. We

test the fabrics for durability (Martindale test), pilling as well as functional properties such as water-proofness. The Martindale rub test requirements demonstrate our commitment to quality: The results are measured every 5,000 rubs, and for example our best snowsuits have a Martindale value of 80,000. Reima's required minimum values vary by age group and price point, but across these categories, for jackets the minimum value is 15,000 and for shell and wadded trousers 30,000.

Only products that don't get a lot of hard use, such as baby snowsuits (when the baby mostly just lies in the pram or in a carseat), can have lower Martindale values than these.

Finally, we want to help families keep Reima gear in good condition for longer and offer detailed care instructions, as well as hand-picked care products and Reima's own repair kit. In 2022, we introduced the care label QR code to provide better care instructions more conveniently for families.

Of course, things don't always go to plan and sometimes faulty products slip through our quality inspection. Our reclamations percentage in direct-to-consumer (DTC) channels was 0.28% in 2022. It is reasonable to assume that this figure represents wholesale channels as well.

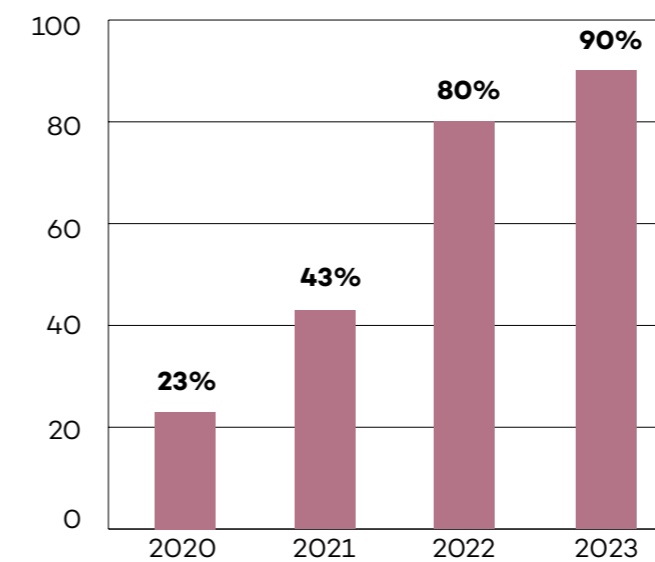
MORE SUSTAINABLE MATERIALS

In recent years, Reima has made a remarkable shift towards more sustainable materials in all our collections: in 2022, 80% of our clothing and apparel styles fulfilled one or more of the sustainability criteria listed below. In 2023, this figure will grow to 90%¹. You can see how this figure has grown since 2020 in the chart.

At Reima, a sustainable main material fulfills one of these requirements:

- bluesign®-approved (chemical safety)
- polyester/polyamide is at least 50% recycled origin
- cotton is 100% organic
- wool is Responsible Wool standard® (RWS) certified

The share of more sustainable styles in Reima collections



Of course, the share of clothing styles with a sustainable main material is only a part of the story, since many Reima items also have an insulation material and lining, for example. There's also footwear. While the figures above show Reima's commitment to making our collections as a whole more sustainable, it is also instructive to compare the amounts of different materials or fibers bought and used in Reima products. In 2022, the more sustainable materials represented a third of our total material use by weight, including all

clothing and footwear. In the chart on p.27 you can see how we have increased the use of recycled synthetics in only a year

Certified products

In 2022, we launched our first GOTS and RWS certified products. Altogether there were seven of these certified organic cotton and responsible wool styles. A certified product means that every producer and manufacturer in the product's supply chain is certified within the same system.²

In 2023 we will launch our first-ever bluesign® certified products. One of these, the Osteri jacket, already won ISPO and Scandinavian Outdoor awards for a kids' product, so it's not only sustainable but an all-around fantastic outdoor product.

MORE SUSTAINABLE SHOES

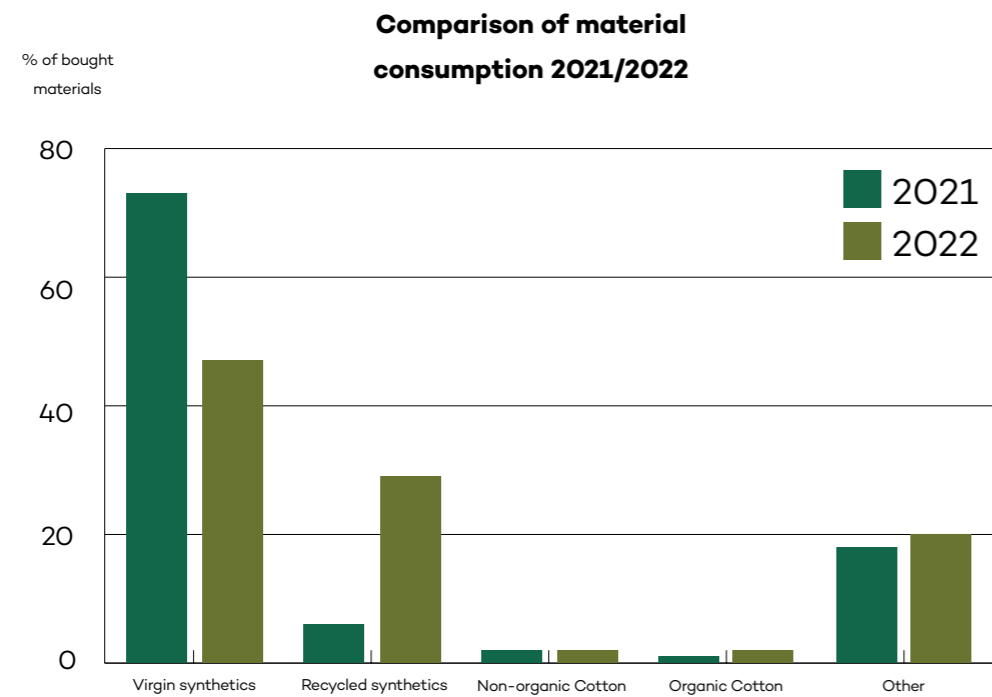
Kids spend a lot of time on their feet, which is why ergonomics is a particularly important aspect of footwear sustainability. We have improved designs in all footwear and especially the smallest sizes to allow for a natural gait, but also enough support especially for bigger kids' feet to move freely on varying surfaces.

In addition to this, our main goal in footwear sustainability is to increase the share of recycled materials. To ensure this, we are developing our footwear supply chain to reach a similar maturity level to clothing and accessories. We are in the process of finding and nominating and increasing the share of Tier 2, i.e. materials suppliers, in addition to Tier 1 footwear manufacturers.

¹ This includes the Reima branded clothing and accessory styles and purchases of our spring-summer, autumn and winter 2022 collections, as well as items included in the Reima Baby Box collection and solution sales packages in 2022 and Reima items included in the 2022 maternity package of the Social Insurance Institution of Finland (KELA).

50% is recycled origin, it is considered sustainable. If a t-shirt is 95% cotton and 5% elastane and all of the cotton is organic, it is considered sustainable.

² We also use certified materials and fabrics in most of our other styles, but they cannot be certified because one or more link in the supply chain is uncertified.



The category "Other" includes wool, rubber compound (footwear), polyurethane, EVA (footwear), elastane, acrylic, lyocell, leather, hemp and down. The main reason the Other category grew year on year was the growth of the share of footwear and relative growth in rubber compound consumption.

RESEARCH & DESIGN: INNOVATING SUSTAINABLE SOLUTIONS

Reima is always looking for the most exciting and sustainable new material innovations for our collections. Collaboration with like-minded organizations is key to providing cutting-edge childrenswear. Our key R&D highlights from 2022 are participating in the Telavalue project on textiles circular economy, testing the recycling of our monomaterial jacket, and conducting microplastics shedding tests on our fabrics.

The vision of Telavalue (Value chains for sustainable production, use and cycles of Textiles) is to solve sustainability and waste problems related to current textile system through circular economy. Telavalue is Business Finland Co-Innovation project which consists of the public research project and six company projects. Reima's main goal is to learn more about textile recycling and to ensure our products are increasingly easy to recycle as a result of project learnings.

In 2022, Reima tested the recycling of our monomaterial jacket in collaboration with Swedish research institute RISE. The idea of the test was to assess whether the monomaterial product would behave in a normal chemical recycling process and whether the resulting plastic would be reuseable in real world applications. Although the recycled material required an extra purification step to reach a similar color to similar raw-material, overall the test successfully confirmed the Reima monomaterial products' recyclability.

Finally, we are proud to say that in a wash test of five Reima fabrics, representing a wide range of fabric types from different seasons and functionalities, resulted in overall good (low) microplastic shedding. In the previous year (2021) we additionally tested two other fabrics with similarly good results.



Climate action

Climate change is one of the biggest threats facing humanity, and we are accelerating our climate action program. The big news is that Reima’s Science-Based Targets (SBTs) have been validated by the Science Based Targets initiative (SBTi). Reima was the first Finnish clothing company to sign a commitment to SBT in 2022 and our goals were validated in January 2023. By 2030, Reima will decrease Scope 1 and 2 emissions by 90% and Scope 3 emissions from purchased goods and services and upstream transportation and distribution by 51.6% per product, compared to the 2021 base year.

This chapter will mainly report on our carbon footprint from 2022, and how it compared to our 2021 footprint. Additionally, as the textile industry is causing most pressures on natural systems globally through climate change, we also include biodiversity as a theme under climate action. You can read more about our participation in a Science-Based Targets for Nature (SBTN) pilot here as well.

RESPONSIBLE REIMA	GOAL 2023	ON TRACK 2022?
Commitment to all stakeholders	Climate-neutral own operations and commitment to Science-Based emissions reduction targets	Yes, achieved! Our own operations are climate neutral through a carefully-selected offsetting scheme and our SBT goals were accepted in early 2023



CARBON FOOTPRINT

In 2022, Reima's total carbon footprint was 37,323 tonnes of CO₂e in total. Of this, 221 tonnes, or 1% were our own operations, i.e. Scope 1 and 2, and 37 102 tonnes, or 99% Scope 3 emissions. Compared to 2021, our total emissions decreased by 9%.

Own operations (Scope 1-2)

In 2022, the emissions from Reima's own operations were 221 tonnes of CO₂e, as compared to 357 tonnes in 2021. The decrease is mostly explained by declined energy use in Reima's stores in Russia and China. All Reima stores in Russia were permanently closed in March, as Reima decided to withdraw from the Russian market. In China, the stores were affected by COVID lockdowns.

However, some reductions can be attributed to actual improvements in Reima's operations as well. More stores in Europe started using renewable energy, and the company cars emitted less than the previous year. The company car policy was updated with stricter emission limits in 2020, and all new cars leased in 2022 were either hybrid or electric vehicles. In 2022, 74% of Reima's scope 1 and 2 emissions were caused by energy use in stores and offices, and 26% by fuels used in company cars.

To further reduce these emissions, Reima plans to increase the use of renewable energy and regularly review the company car policy. When choosing renewable energy is not possible – either because Reima can't choose the energy provider, like in some malls or shop-in-shops, or renewable energy is not available – Reima plans to purchase Renewable Energy Certificates (RECs) to reach its target of 90% emissions reduction by 2030.

Reima has compensated for the emissions from its own operations since 2020. The emissions caused in 2022 will be offset by investing in high-quality carbon capture projects chosen by Compensate, Reima's carefully selected climate compensation partner. Reima will tell more about the compensation projects on its [company website](#) during spring 2023.

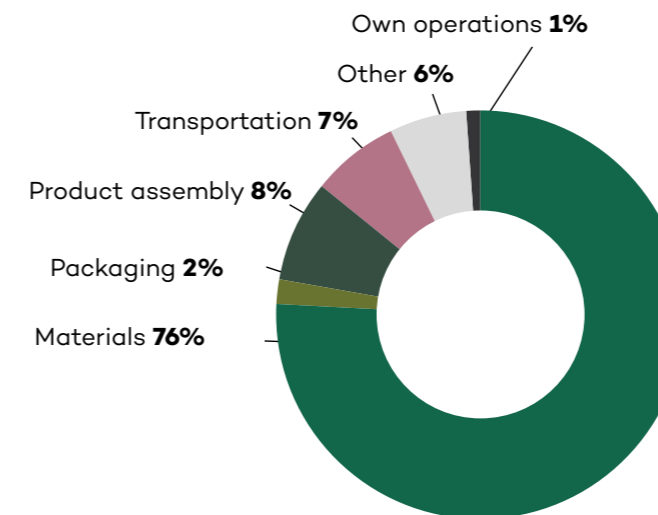
Products and supply chain (Scope 3)

Other indirect emissions – or scope 3 emissions – account for 99% of Reima's carbon footprint. These emissions are caused in different stages of the value chain. Reima has calculated these emissions since 2020, following the world's most widely used carbon accounting standard, the GHG protocol.

Scope 3 emissions are generally harder to control and measure than scope 1 and 2 emissions. Reima is constantly developing its calculations to reflect the full value chain more accurately. Some adjustments were made to the 2021 carbon footprint analysis after the publication of the 2021 report, based on the comments we received from the Science Based Target initiative's technical experts in the target validation phase. The refined 2021 numbers are included in the table on page 35 and these emissions are also considered in the 2022 analysis, for accurate comparability.

The GHG Protocol divides scope 3 emissions into 16 categories. Like for most brands that don't own the production facilities, the category Purchased Good and Services is the biggest source of emissions for Reima, accounting for 90% of Reima's total carbon footprint in 2022. This includes the materials used in our products and packaging, as well as the services we buy from our suppliers – i.e., the cutting, sewing, and assembling of our products.

Share of greenhouse gas emissions by source



Within the Purchased Good and Services category, a vast majority of emissions is caused by the production and processing of fabrics and other materials. For the carbon footprint analysis, we measure the consumption of materials by weight. This consumption includes the fabrics, yarn, and insulation used in Reima and Lassie clothing, and the outsole, insole and lining materials used in Reima and Lassie footwear.

During recent years, Reima has made a remarkable shift towards more sustainable materials. The change is clearly visible when comparing the consumption of different materials in 2021 and 2022 collections (see graph on page 26).

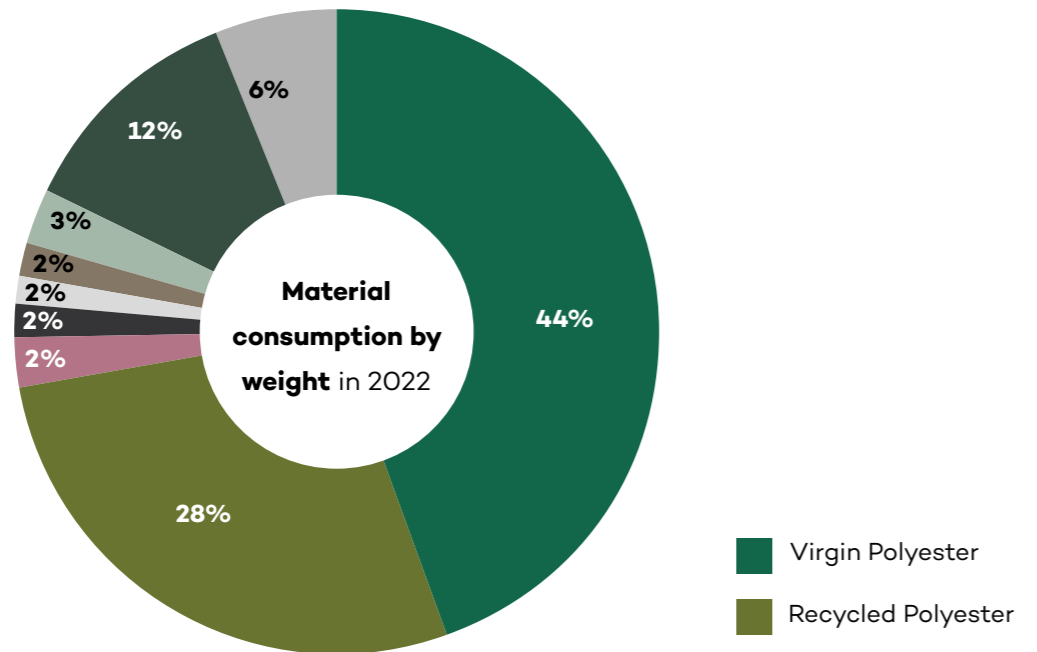
Using more sustainable raw materials – such as recycled instead of virgin synthetics – does reduce emissions, but we also need to look at how the materials are processed. For example, are the fabric mills energy-efficient and what energy sources do they use? What dyeing techniques are used? So far Reima has used industry averages (Higg Material Sustainability Index) to calculate the emissions

of material production, but we are developing our calculations and plan to start collecting primary data from selected material suppliers.

In addition to the aforementioned materials, we have now also estimated the emissions of trimmings, such as zippers and snap buttons. The estimation is based on the quantity of trimmings used, and the average emissions of that type of trimming.

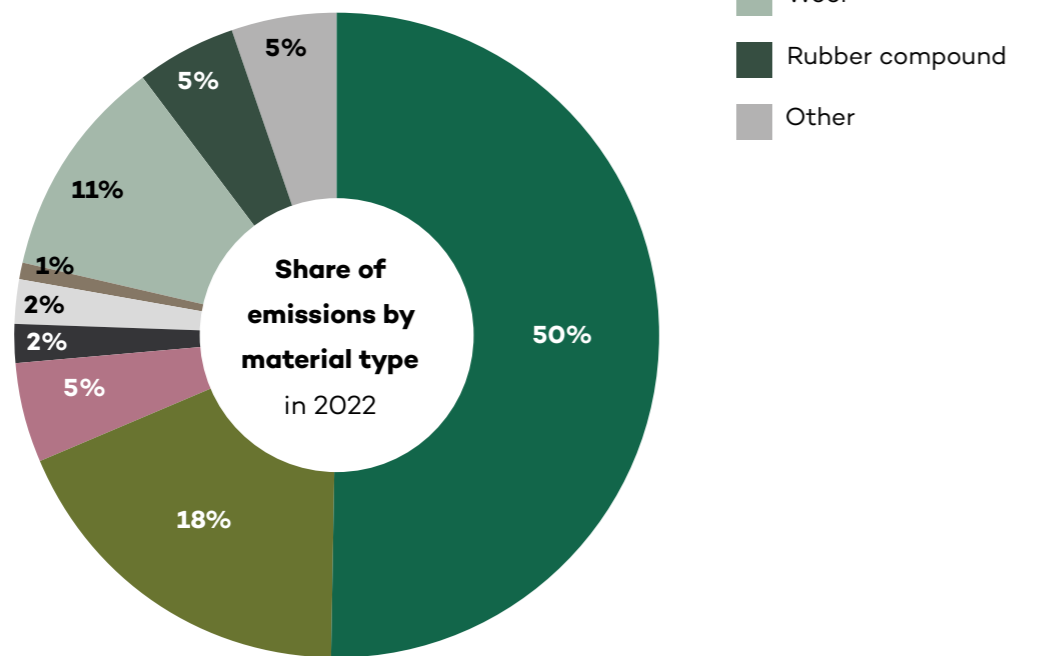
Our Tier 1 suppliers turn fabrics and other materials into finished products. We calculate the emissions of product assembly by collecting data directly from the suppliers. In 2022, this stage accounted for 8% of our total carbon footprint, and the reported supplier emissions decreased from the previous year. However, and going forward, we plan to develop the data collection process and our collaboration with suppliers to ensure data quality and to support suppliers in their decarbonization efforts.

Packaging materials include shipping packaging as well as consumer packaging. Although the emissions from packaging only account for only 2% of Reima's total carbon footprint, we are working on reducing that as well by switching to recycled materials and using fewer materials when possible.



The category "Other" includes polyurethane, EVA (footwear), elastane, acrylic, lyocell, leather, hemp and down.

Due to rounding, the percentages appear to add up to 101, but they are 100% in total.



Based on the SBTi's comments, we have now also estimated the emissions from non-production related purchased goods and services, such as marketing, IT, and consulting services. To do this, we used a spend-based method which provides a very high-level estimation and does not consider the differences between services and suppliers. We find it important to take environmental issues into account in all our purchases – whether materials for our products or cleaning services or IT equipment for our offices. However, in our carbon accounting and target setting we have decided to focus on the most relevant sources of emissions, and the non-production related purchased goods and services are excluded from our science-based target.

After Purchased Goods and Services, the second biggest scope 3 category for Reima is Upstream Transportation and Distribution, which in 2022 accounted for 7% our emissions. Our inbound logistics – from factories to warehouses – is mostly rail and sea freight, while our outbound logistics – from warehouses to customers – is mostly handled by trucks. In 2022, some air shipments were also made, as COVID lockdowns interrupted the production schedules and fast deliveries were

needed. Going forward, we aim to avoid air freight and focus on finding more climate-friendly options together with our logistics partners. Many of our logistic partners have their own science-based targets and emission reduction programs, which will also help us reduce emissions from transportation.

Put together, Purchased Goods and Services (excluding the non-production related goods and services described above) and Upstream Transportation and Distribution account for over 97% of Reima's carbon footprint. These are also the two categories that are included in Reima's scope 3 science-based target. We decided to focus on these categories in our target setting, because they are evidently the most relevant in terms of emissions, so that's where we can make the biggest difference. With some other scope 3 categories, such as End-of-life Treatment of Sold Products, the problem is also that we don't have access to primary data and therefore proving any improvements would be very difficult. That's why we decided to exclude them from our target scope and focus on the categories where we have more possibilities to measure progress.

REIMA GROUP GHG EMISSIONS

			2021 TONNES OF CO²E	2021 SHARE OF TOTAL	2022 TONNES OF CO²E	2022 SHARE OF TOTAL
Direct (Scope 1)	Fuels used	Leased company cars	59	0.1%	58	0.2%
Indirect (Scope 2)	Purchased electricity (market-based)	Total	298	0.7%	163	0.4%
		Finland	38	0.1%	30	0.1%
		Russia	101	0.2%	40	0.1%
		China	149	0.4%	84	0.2%
		Other	10	0.0%	9	0.0%
	Purchased electricity (location-based)		301		176	
Indirect (Scope 3)	Purchased goods and services	Total	37,273	91.2%	33,629	90.1%
		Materials and trimmings	31,110	76.1%	28,414	76.1%
		Packaging materials	894	2.2%	906	2.4%
		Product assembly (Tier 1 suppliers)	3,824	9.4%	2,801	7.5%
		Non-production related goods and services	1,445	3.5%	1,508	4.0%
	Energy-related activities		96	0.2%	58	0.2%
	Transportation and distribution		2,218	5.4%	2,548	6.8%
	Business travel		28	0.1%	89	0.2%
	Product end-of-life		623	1.5%	630	1.7%
	Franchises		264	0.6%	148	0.4%
Total			40,859	100%	37,323	100%





BIODIVERSITY

According to WWF, more than half of the world's GDP depends on functioning ecosystems, making biodiversity a prime business concern. At the same time, Reima, like many businesses, is working towards a better understanding of what our impact on nature and biodiversity actually are, and how we can improve. We took our first steps on this journey in 2022 in a pilot project for businesses interested in testing the Science-Based Targets for Nature (SBTN) framework.

Science Based Targets for Nature (SBTN) pilot project

During the year, Reima participated in a pilot project on Science-Based Targets for Nature (SBTN). The SBTN framework, which includes methods and resources for science-based nature targets for companies, is currently being developed by the Science-Based Targets Network. The Finnish pilot group was run by FIBS (Finnish Business & Society) and by Sitra (The Finnish Innovation Fund). The group included ten participating organizations from a variety of industries, Reima being the only company from the textiles sector.

During the project, we learned about assessing the nature impacts of our value chain, interpreting and prioritizing impacts, and setting science-based

nature targets. The participants also had a chance to give feedback about the developing guidance to the Science Based targets.

Based on the initial assessment conducted during the project, Reima's most prominent impacts are related to water and climate. This means water use and emissions to water, and greenhouse gases emitted especially during material production. To reduce our impacts, we will now focus on accelerating our climate action. Regarding water, our strict chemical restrictions, our bluesign® membership, and using certified materials helps us manage wastewater and water emissions within our supply chain. We also plan to tighten our collaboration with material suppliers (Tier 2) to better manage and reduce our overall environmental impacts.

The project gave us valuable insights and deepened our understanding on how our operations affect nature. We will keep following the development of the SBTN framework, and we look forward to seeing more detailed guidance especially for the apparel

Responsible supply chain

Reima’s supply chain is where at least half the magic happens. We have longstanding partnerships especially with our biggest suppliers, who make the Reima quality our customers know and trust. To simplify a little, Reima’s supply chain consists of Tier 1, or the finished goods suppliers (which typically sew clothing, or compile footwear), Tier 2 or the materials and trimmings suppliers, and Tier 3 and beyond are yarn and fiber producers. We are well-acquainted with the first two Tiers. We strive for long-term relations with our Tier 1, or finished goods suppliers, and in apparel we nominate our Tier 2, or material and trimmings suppliers, to ensure we get the world-class quality of materials we need. As an increasing share of our materials are certified, such as Global Recycling Standard (GRS) recycled polyester, the traceability and origin of products all the way down to raw material level is improving.

We are committed to human and labour rights in the supply chain, and our suppliers sign our supplier Code of Conduct (available on our website), which is aligned with the BSCI code of conduct. Therefore, regardless of which auditing system the supplier is audited in, they agree to the same principles as all our suppliers. In addition to the social compliance audits, many Tier 1 and Tier 2 suppliers have environmental certificates.

In 2022, for the first time, we reached 100% audit coverage for our Tier 1 suppliers. This will continue to be our goal every year. As part of our bluesign® system partnership, we also mapped out all our Tier 2 suppliers for fabrics, achieving full fabric traceability. We published both our Tier 1 and our Tier 2 factory lists and will continue to update them annually.

RESPONSIBLE REIMA	GOAL 2023	ON TRACK 2022?
Responsible supply chain	100% finished goods suppliers audited for social compliance in human and labour rights	Achieved! All our finished goods suppliers were audited for social compliance in 2022
	100% fabric traceability	Achieved 100% for clothing and accessories, footwear still worked on
	100% more sustainable shipping packaging	Yes, starting from early autumn 2022, all cardboard and plastic shipping packaging is minimum 50% recycled content



DIRECT SUPPLIERS

In 2022, Reima’s Tier-1 manufacturing included 47 factories, including a handful of sub-suppliers. In addition to these, Reima used two supply chain agents in China. Around 20 of the biggest suppliers represent around 80% of purchase volume. In the chart you can see a geographical breakdown of all our factories. On average, Reima has worked with these suppliers for over seven years. We believe a strong working relationship is based on mutual trust, which is best built through a steady collaboration.

91% of our Tier-1 factories were in amfori-defined risk countries. However, all of them were audited for respect of human and labor rights, and the breakdown of those results can be seen in the other chart. Although almost all factories got an A in 11/13 performance areas, the two performance areas that caused the overall result C were “social management system” and “decent working hours”. These results are often correlated, as workers’ overtime hours can be caused e.g. by lack of sufficient planning by factory management. Reima will continue open discussions with our suppliers on improving the working conditions in particular in our Tier-1.

Many Tier 1 suppliers participate in a number of environmental and social sustainability initiatives, or certifications. For example, eight of our Tier 1 suppliers use the Higg Facility Environmental Module (FEM) for environmental management.

As a brand member of amfori, we very much look forward to onboarding the new amfori Code of Conduct, and welcome the launch of the amfori Speak for Change program. The latter is a supply chain grievance mechanism designed to provide a channel and a fair process for supply chain

workers to report rights violations. The grievance mechanism will allow (in Reima’s case factory) workers to report grievances anonymously, which will be investigated by an independent third party. The factory’s customer brands are responsible for taking up the issue with factory management and ensuring the complainant is treated with fairness and the problem is solved. The countries the program will launch in in 2023 are Vietnam, Bangladesh, Cambodia, India and Turkey.

In 2022, for the first time, we reached 100% audit coverage for our Tier 1 suppliers. This will continue to be our goal every year. As part of our bluesign® system partnership, we also mapped out all our Tier 2 suppliers for fabrics, achieving full fabric traceability. We published both our Tier 1 and our Tier 2 factory lists and will continue to update them annually. In 2022, we also hired a new sourcing team in Sri Lanka to work closely with our South Asian suppliers .

Fair remuneration

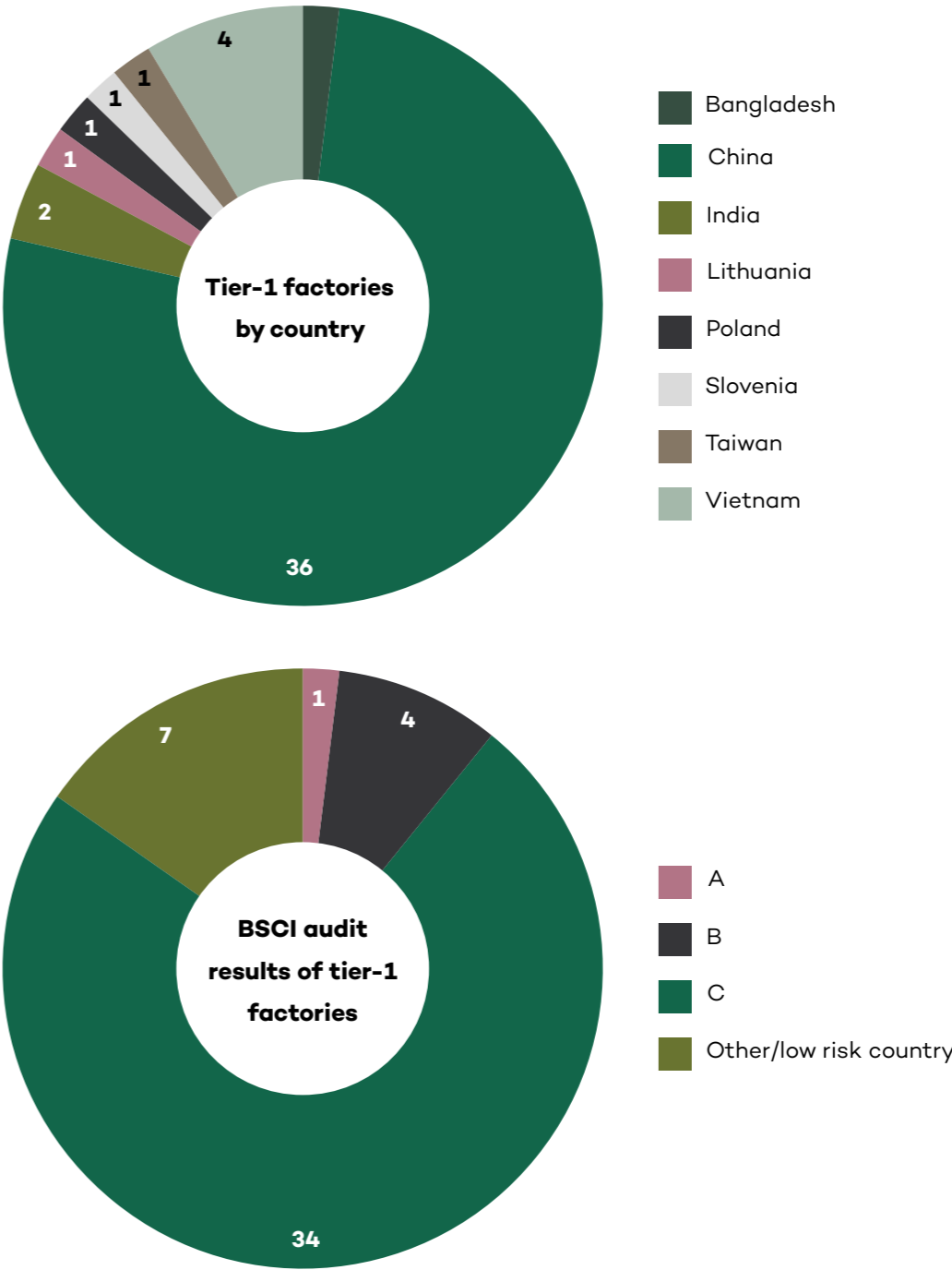
The topic of fair remuneration, commonly also known as living wages, has become an increasingly urgent question in the textile industry. The right to a sufficient wage to provide a dignified life for oneself and one’s family is enshrined in the Universal Declaration of Human Rights, as well as numerous other international conventions on human and labour rights. Unfortunately far too often, this basic right is not met in the textile industry today.

This is why Reima, too, has adopted new fair remuneration targets for Tier 1 factories for the upcoming strategy period. Currently, 11 out of our 20 (55%) largest suppliers by purchase volume (in 2023) pay a living wage to workers. By 2026, we aim

to increase this to 14/20 (70%) suppliers and have a 100% of the 20 largest suppliers with a living wage program.

These figures are based on third-party audits, such as BSCI. The BSCI auditors use either the Global Living Wage Coalition (GLWC) benchmark to determine the factory’s local living wage level, or,

if it is unavailable, the auditor calculates the living wage based on the same Anker-methodology. While we recognise that audit reports are not flawless sources of data for living wages, especially when the topic is still new to many auditors, they are a good starting point for our own living wage program and discussions with the suppliers.



MATERIAL AND TRIMMINGS SUPPLIERS

Reima has around 90 material and trimming suppliers (including sub-suppliers), mostly in China. Having Tier 1 and 2 suppliers close to each other helps avoid shipping the materials unnecessary distances. As with Tier 1 suppliers, we have worked with our most important Tier 2 suppliers for many years. Our fabric traceability (we know where the fabrics come from) has been high due to us nominating most fabric suppliers ourselves, and in 2022 we reached 100% traceability for clothing and accessories materials. We are still working on reaching the same for all footwear.

As part of our bluesign® system partnership, we are working on aligning our supply chain more closely with bluesign® as well. Although so far only a handful of our suppliers are in the bluesign® system themselves, our newly revised Reima Restricted Substances List (RSL) is aligned with bluesign® requirements so that we will expect at the minimum the same level of chemical safety from all suppliers. Additionally, nine Tier 2 suppliers use the Higg FEM (Facility Environmental Module) assessment tool. Although the final, compilation

phase of the manufacturing process is the most labor-intensive, and therefore the most susceptible to rights infringements, labor and human rights audits of Tier 2 are also a positive signal of suppliers' commitment to standards. Of our Tier-2 factories, ten (11%) had a valid BSCI audit in 2022.

PACKAGING

In 2022, we made several sustainability updates to our packaging. Firstly, we updated packaging instructions so that the polybags used to protect products in shipping need to be made from minimum 80% recycled plastic, and to use shipping boxes made from recycled cardboard, and where recycled is supplemented with virgin fibers, they should be FSC certified..

Secondly, we cut paperboard use in hangtags by over 50% by reducing the number of hangtags per product from 2-3 to just one hangtag. We succeeded in this by including only the basic information about the product on the tag and by adding a QR code for digital access to all information.



Commitment to all stakeholders

In line with the Business Roundtable, we commit to creating value to all stakeholders; consumers and customers, employees, suppliers, communities and shareholders. In this chapter we focus especially on employees, consumers and how we work with third parties to support good social and environmental causes.

Our employee satisfaction continued at a very high level of 4,5/5 in 2022. We launched a special learning hub for Reima employees, called Reima Academy, which will help supervisors with onboarding, as well as serve as a focal point for anyone looking

to update their skills or knowledge. We also participated in a Creative Work Life project, from which we gained insights into how to improve creative problem solving in the organization.

We partnered with Emmy and Menddie to extend the lifecycle of our products through resale and repairs.

We collaborated with WWF on a beautiful back-to-school collection, and ended up donating 100,000 euros to them. We also made significant donations to UNICEF's work in Ukraine.

RESPONSIBLE REIMA THEME	GOAL 2023	ON TRACK 2022?
Commitment to all stakeholders	Employee engagement >80%	Achieved for year 2022: 82%
	100% of staff completed online anti-corruption training	No, at the end of the year only around 2/3 of staff had completed the training.

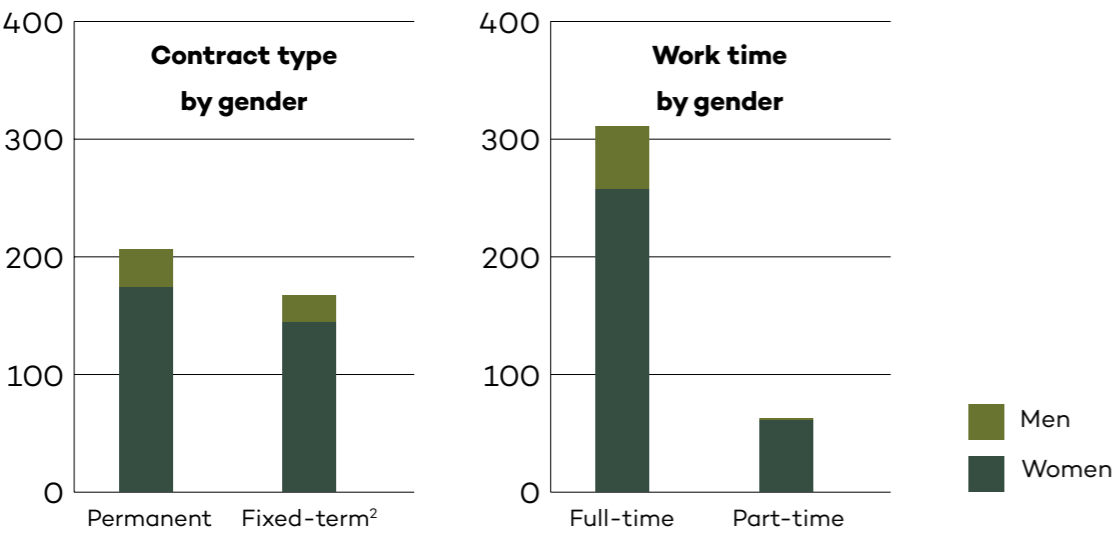
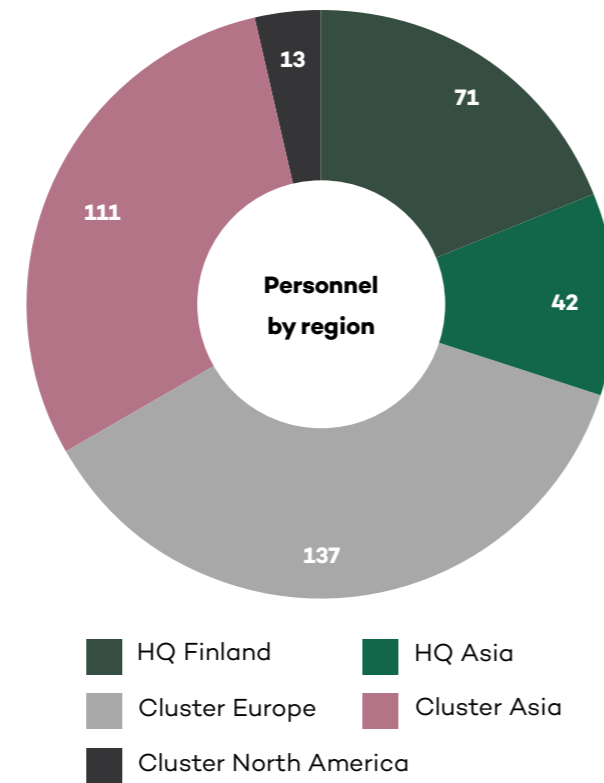


EMPLOYEES

Reima's people are Reima's heart and soul. Our products are outstanding and our overall customer experience fantastic because of them, and their passion for our mission and drive to make it a reality amazes year after year. While recent years have hardly been easy on anyone, there's always mutual support both within and across teams to weather the storms.

As noted previously, the 2022 attack on Ukraine resulted in Reima's decision to pull out of the Russian market. As Russia was a significant market for us, this has resulted in a noticeable drop in staff numbers compared to the previous year.¹ Within a year, Reima has gone from a total headcount of a little under 500 to 374. At the end of the year, the 374 global personnel translated into full-time equivalents (FTEs) was 340 globally. The difference is mainly caused by store personnel in Europe. Reima only occasionally uses substitute staffers e.g. to cover for unexpected sickleave in our own

stores. These substitutes are not directly employed by Reima, but they do have work contracts with a temp agency, and are remunerated according to the same principles as regular staff.



¹ Although the sale of Reima's subsidiary in Russia was not completed until January 2023, for all intents and purposes, Reima Russia's staff have ceased to work for the Reima Group already in 2022, as our retail stores and ecom store were closed in March 2022.

²Fixed-term footer-teksti: In China all employment contracts are fixed term for the first few years, after which they are changed to permanent.



Remuneration

All employees are entitled to an annual bonus. The payment of the bonus depends on Reima as a whole reaching predetermined performance targets. You can read about management remuneration in the Appendix.

Ongoing learning and trainings in sustainability and ethics

In 2022, we launched Reima Academy, a centralized learning hub for Reima personnel. The Academy is initially divided into three sections: Onboarding, Mandatory and Additional, each of which has further thematic subsections with the relevant trainings and materials. The Academy is intended to facilitate finding useful trainings and information, as well as to streamline the onboarding of new staff members. The Academy has been extremely well-received: it helps ensure everyone gets the same information at onboarding. Both supervisors and staff members are impressed with how much information and trainings are now easily discoverable through the Academy.

Reima Academy's Mandatory trainings include compliance, as well as sustainability. In addition, we make tailored online sustainability trainings of each season for our retail staff. We continue to follow the progress on our one-time online Anti-corruption training and by the end of 2022, 70 % of our office staff and 66% of total staff had taken it. This is a slight decrease from the previous year. As the Anti-corruption training is now more clearly marked as a compulsory training in the new Onboarding section of Reima Academy, we expect these figures to rise in the coming year.

Well-being and occupational health and safety

Our goal is to enable an active and happy childhood for all children so they can then grow up into healthy adults. To make that happen, we also need a healthy and happy staff. To ensure this, we offer a range of tools from flexible working hours, to workout breaks and to training managers in leadership skills. We measure our progress with biannual Pulse surveys in which we ask range of questions on employee satisfaction and wellbeing. Information workers' psychosocial load can sometimes get quite high, and we offer tools and encourage staff to manage their time use and wellbeing at work, such as the Cuckoo app, which features break exercises, mindfulness etc. There was only one work-related accident reported in 2022, which did not lead to serious injury.

Staff satisfaction

The Pulse wellbeing and work satisfaction survey is conducted online 2-3 times a year a year for all our offices. It consists of questions concerning well-being, leadership, teamwork and engagement.¹ 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. Our most important metric is staff engagement ("I can see myself working at Reima in three years' time"), as this captures a number of factors ranging from wellbeing to subjective experience of career prospects. The engagement rate rose somewhat from the previous year to 82% (78%), surpassing our goal of above 80%. Additionally, the employee Net Promoter Score (eNPS) measures how likely the employee is to recommend Reima as a place to work.² It was a very impressive 39.

4.5/5

Average staff satisfaction 2022

39

Average eNPS 2022

82%

Share of staff who see themselves working for Reima in three years (engagement)

Diversity, Equity and Inclusion (DEI)

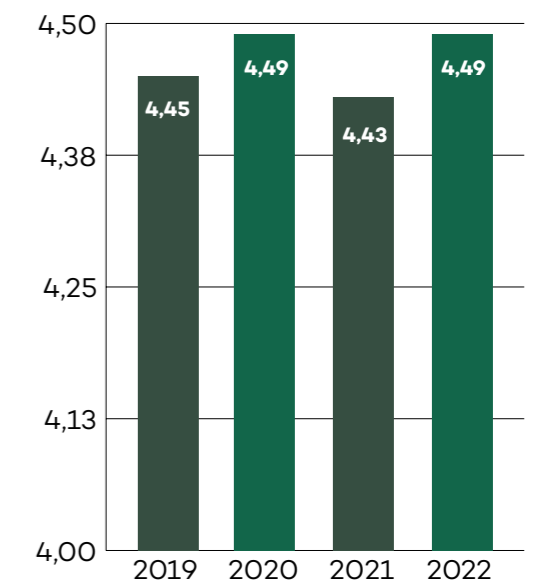
Diversity, Equity and Inclusion means that staff and leadership include people with varied backgrounds and views, that they all have fair access and opportunities, and that they feel a sense of belonging at Reima. We are committed to non-discrimination in recruitment and management.

In accordance with our legal obligations in Finland, we conducted a Diversity and Non-discrimination survey in 2021. It showed over 80% personnel feel Reima is an inclusive place to work with equal opportunities for all. A little under 20% had

observed discrimination directed at themselves or a colleague, to do with appreciation for their function or work, opinion, and workload. Although no allegations of serious misconduct came to light, we have work to do in making everyone feel respected, included and appreciated. We have now published instructions on how to recognise inappropriate behavior, discrimination or harassment, and how to intervene in it and/or report it.

We will begin in 2023 by making a DEI policy and introducing it to the whole company clearly. From then on, we will explore effective ways of enhancing DEI at work and seek to implement tools in our every day work life.

Global Personnel Survey:
Staff satisfaction score (out of 5)



¹ 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".

²The 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.

Creative Work Life 2023 project

Creativity and creative problem solving are essential to any thriving organization. This is why, in 2022, Reima participated in the Creative Worklife 2030 (Luova työelämä) project funded by The Finnish Institute of Occupational Health (FIOH). The project aimed at understanding the creative potential within organisations as well as how organisational cultures make use of individuals' creative capabilities. We received feedback on how to remove barriers to creativity and make the most of the creative potential of our teams. Additionally, every individual who took the individual creativity survey as part of the project, received a creativity report with similar personal suggestions. Reima will continue working on enhancing creativity and creative problem solving in the future. You can read more about the project in Finnish on the Marketing Association's website.

CONSUMERS

Without Reima families, there would be no Reima. That's why knowing that parents and the kids who use our products are happy with their experience with us, is one of the key metrics of our success.

In 2022, Reima's global consumer NPS in direct to consumer channels (own physical and online stores) was an incredible 85, with over 24 thousand respondents. This was even a three-point improvement compared with the previous year!

Our consumer loyalty is probably the best indicator of how much families love Reima. By the end of 2022, Reima Friends, our global Reima community, numbered nearly 795,000, with 281,000 active shoppers in Reima online stores during 2022 and a 26% retention rate.





COLLABORATIONS

Collaboration is one of Reima's top five company values. In the preceding chapters you've been able to read about how we collaborate e.g. with our suppliers. Here we wanted to take the opportunity to celebrate some of our more consumer-facing and charitable collaborations from 2022.

Reima x WWF

We launched the limited-edition Reima x WWF collection in July 2022. For every Reima x WWF item sold, we donated 2 Euros to WWF for wildlife conservation. The mini collection was carefully curated with WWF to feature only products made with more sustainable materials, especially certified recycled polyester and organic cotton. We enlisted famous nature photographer, Konsta Punkka, for the photoshoot and featured his photographs of e.g. the endangered arctic fox in the campaign materials. At the end of the campaign, Reima donated 100,000 Euros to WWF.

We also wanted to say a million thanks to all who donated with us - you're helping us protect the unique nature of our planet!

Reuse and repair

Reima is renowned for quality and durability, and we encourage people to reuse their Reima gear. We've made this easier by partnering with Emmy, Finland's largest online second-hand store. We have also made it easier than ever to buy Reima second-hand through the Reima App, which links to the Emmy store.

In 2022, we started a new collaboration with Menddie to provide a convenient repair service for Reima gear that needs a little "TLC" (tender love and care). Menddie is a postal repair service for all clothing and accessory repair needs in Finland and the UK.

Supporting Ukraine

When the war in Ukraine broke out, Reima wanted to help Ukrainian kids as best we could. In early March, our Polish warehouse delivered a batch of thousands of Reima products to a refugee centre in the town of Goleniów. Reima also donated over 13,000 pieces of baby necessities to the Finnish Red Cross. The clothes, bed sheets and hygiene items were distributed to refugee reception centers in Finland, which were receiving Ukrainian families throughout the spring. (Any unused baby items will be used at Red Cross field hospitals around the world as needed.) Additionally, we donated our proceeds from spring and autumn sample sales of thousands of products to UNICEF's Ukraine emergency fund. The sample sales were arranged in collaboration with Emmy.

We also made a Christmas donation of over 60,000 Euros to UNICEF's Ukraine emergency fund.

AWARDS 2022

Reimatec Osteri

jacket wins Scandinavian
Outdoor Award Fall-Winter
23/24 and ISPO Award 2023

Reima Megapito

winter boots win Scandinavian
Outdoor Award Fall-Winter
22/23 and ISPO Award 2022

Reimatec Tromssa

snowsuit wins Bäst I Test
kids' category in Sweden,
Norway and Denmark

Reimatec Gotland

snowsuit wins Bäst I Test
toddler category in Norway and
Denmark, reaching 2nd place
in SwedenOutdoor Award

Reimatec Trondheim

snowsuit wins Forbrugerrådet
Tænk lab test



Appendix

CORPORATE RESPONSIBILITY GOVERNANCE AND SUSTAINABLE OPERATING PRINCIPLES

In this section you can find out more about Reima's governance structure and management, as well as social and environmental principles that guide our work.

Governing bodies

The Board of Directors and the CEO's responsibility for the administration and management of the company is regulated in the Finnish Companies Act. Reima's Board of Directors is ultimately responsible for Reima's strategic direction and the implementation of its vision, including sustainability strategy and its implementation. Reima Group Oy's Board of Directors consists of a Chairperson and four members all of whom are male. They are from Italy, Germany, The Netherlands, Denmark and Finland. Three members of the Board are employees of Reima's largest shareholder Riverside Company and two are independent. The independent board members were selected for their experience and expertise in retail and consumer goods. Only the independent members of the Board are compensated for their services. In 2022, these compensations totaled 62,000 Euros.

The CEO is in charge of the day-to-day management of the Reima Group, in accordance with the Companies Act and the instructions given by the Board of Directors. Elina Björklund has served as the CEO since 2012. The CEO's compensation consists of fixed pay including taxable fringe benefits (car and mobile phone) and incentive plan which is based on the criteria set by the Board of

Directors and the CEO agreement. The retirement age is determined in accordance with the Finnish Employees' Pension Act. No complementary pension plan exists for the CEO or other employees within the company. The notice period for both parties, the CEO is entitled also to a severance pay equal to nine months' fixed salary. In case of termination of contract by the Board, the CEO is entitled to severance pay equal to nine month's fixed salary.

The Leadership Team assists the CEO in leading Reima's operations and sustainability work. Reima's leadership team, including the CEO, at year end consisted of eight people: four were women and four men, three were 50 years old or over and five between 30-49, and all eight were Finnish. The Leadership Team members' compensation consists of fixed pay and annual performance bonus, which is based on the criteria set by the Board of Directors and tied to the fulfillment of financials and sustainability targets.

Human and labor rights principles

Reima is committed to upholding ILO Conventions on labour and human rights, including but not limited to labour standards on working hours, the Universal Declaration of Human Rights and Convention on the Rights of the Child, UN Global Compact's principles, as well as following the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, 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 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.

MEMBERSHIP IN AMFORI AND INTERNATIONAL ACCORD

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 improve working conditions in the supply chain.

Reima is a signatory of International Accord, a legally binding agreement for health and safety in the garment industry. The agreement was originally signed in the immediate aftermath to the Rana Plaza accident in 2013, to improve fire and building safety in Bangladesh. Reima took part in the original Bangladesh Accord, as well as the Transition Accord in 2018. In 2021, Reima was one of the first brand signatories of the new International Accord. As a signatory, Reima continues supporting improvements in garment worker safety in Bangladesh and in other countries where International Accord may expand.

Environmental protection principles

Material manufacturing causes a major share of the environmental impact of the textile supply chain and this is also the case for Reima. 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 environmental integrity of product safety and human health. Besides restricting the use of harmful chemicals through Reima Restricted Substances List (RSL) in our material manufacturing, the bluesign® partnership helps us continually improve the chemical safety of our fabric and trimming production. Our Restricted Substances List (in English) is publicly available on our website.

Sustainable Design Principles

Safety is the foremost priority for Reima products, so it is crucial to not only comply with regulations but to exceed them.

1. Chemical safety: Our Restricted Substances List (RSL) defines our chemical safety framework for material manufacturing, and we prefer bluesign® compliant material suppliers.

a. 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.

b. Our clothing and accessories products are free from PFCs (perfluorinated carbons) since 2017 and from 2023, all of our shoe styles are PFC-free. None of our products contain PFOA (Perfluorooctanoic acid).

c. 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.

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

b. 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.

c. 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

a. We do not use real fur as there are synthetic alternatives available to clothing kids warmly and fashionably without harming animals.

b. We use only Responsible Wool Standard (RWS) certified, mulesing-free wool. RWS aims to ensure that the sheep are treated humanely. Mulesing is a painful removal of strips of skin from a sheep's backside, resulting in scar tissue that doesn't grow wool.

c. 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.

d. We only use real leather in footwear when it is functionally the best choice for the style. Any leather we use is certified, which means it is a by-product of food production and treated and dyed in an environmentally friendly manner.

REIMA GROUP STRUCTURE



Voluntary external initiatives and membership associations

INITIATIVE OR ORGANIZATION	RELEVANCE TO REIMA	GEOGRAPHIC LOCATION
Association for Finnish Work (Suomalaisen työn liitto)	Association that manages the Design from Finland label	Finland / Global (for the Design for Finland label)
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
Svensk Handel	The trade association that negotiates collective labour agreements on behalf of Reima.	Sweden
Fashion and sport commerce association (Muoti- ja urheilukauppa ry.)	Industry association for the fashion and sport retail industry	Finland
World Wildlife Fund (WWF)	The Green Office program helps us improve the environmental performance of our own offices in Finland.	Finland
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
amfori	Global business association for ethical trade, manages the BSCI social compliance program.	Global
Scandinavian Outdoor Group	Business network, A joint venture for promoting Scandinavian outdoor brands. Reima's Sales Director was appointed as a board member in 2017.	Scandinavia

INITIATIVE OR ORGANIZATION	RELEVANCE TO REIMA	GEOGRAPHIC LOCATION
European Outdoor Group	Business network. Coalition for promoting an active and outdoorsy life.	Europe
Finnish Standards Institute (SFS)	The national standardization organisation in Finland. We participate in working groups concerning standardization development for children's clothing.	Finland
Swedish Standards Institute (SIS)	Governmental agency. We participate in working groups concerning standardization development for children's clothing.	Sweden
TEVASTA	Governmental agency. We participate in working groups concerning standardization development for children's clothing.	Finland
International Accord	A governmental venture to improve the fire and building safety in the Bangladeshi textile industry.	Bangladesh
FIBS	Leading Corporate Responsibility network in Finland	Finland
Telavalue	Business Finland Co-Innovation project which consists of a public research project and six company projects.	Finland
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
Finnwatch	NGO promoting ethical supply chain operations and sourcing practices. Reima is not a member, but is in frequent dialogue with Finnwatch.	Finland
UN Global Compact	UN partnership for ethical business. Reima is a member company.	Global

Contacts

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

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¹HQ in Vantaa, Finland ²Reima Group ³Reporting annually, this report covers 2022

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