



Sustainably designed and responsibly manufactured footwear

Sustainability report 2020-2022



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For the first time,
90%

of our purchases are audited.



All the pigments we use have been phthalate-free since 2020.



The use of recycled materials relative to total raw material used has increased by 4.5% in this reporting period.



SIGNIFICANT ACHIEVEMENTS IN CORPORATE RESPONSIBILITY 2020-2022



For the first time, we have included investments and equipment purchases in the carbon footprint calculation.



We calculated product-specific carbon footprints for the first time.



Our index for work-related accidents has remained well below the industry average.



Sievi's orientation and safety manuals and instructions are available in four languages: Finnish, English, Russian and parts also in Thai.



Our latest staff survey showed that both managerial work and job satisfaction were perceived as better than before.



All our leather suppliers have started the process of joining the Leather Working Group during this reporting period.



**Sievin
Jalkine Oy
in numbers
2022**

94.9

**M€
turnover**

13.7

**M€
salaries and
remuneration paid**

2.9

**M€
pension contributions
and other indirect
labour costs**

3.7

**M€
income taxes**

440

employees

90%

purchases audited

4.78

**kWh
electricity consumed
per pair of footwear
manufactured**



| Sievi – sustainable footwear production

Sievin Jalkine Oy is the largest footwear manufacturer in Northern Europe. The Sievi range includes safety and occupational footwear as well as leisure footwear. The family company was founded in 1951, and it has production facilities in Sievi and Oulainen, Finland. The headquarters is in Sievi.

Every year, approximately 1.1 million pairs of shoes are shipped from Sievi's plant to destinations worldwide. Our aim is to strengthen our position as the market leader in the Nordic countries and increase our sales in Central Europe.

Sievin Jalkine is part of the Sievi Marketing Group. In 2022, the Group's net sales stood at EUR 161 million. At the end of 2022, the Group had 537 employees.

This is Sievi's third sustainability report. The previous report was published in 2020. Our aim is to publish a sustainability report every two years, but the production of the report planned to be published in 2022 was postponed until spring 2023 due to ongoing investment projects in the company. This report covers the years 2020–2022 and the operations in both plants. It has been prepared

in accordance with the guidelines of the Global Reporting Initiative (GRI), where applicable.

Sievi invests in modern technology and prepares for the future. The company has invested EUR 17 million in the expansion of its production and storage facilities, which was completed in autumn 2022. As a result of the expansion, the area of Sievi's factories grew from 2.3 hectares to more than 2.8 hectares. The expansion allows for a significant increase in stock levels and production capacity.

Responsibility is central to the Sievi brand and its values. We want to improve occupational safety and create innovations to promote a healthier and safer workplace. Our goal is to offer our customers the most comfortable footwear on the market, but also footwear that is sustainably produced.



What are the GHG protocol and the GRI index?

The GHG protocol refers to the Greenhouse Gas protocol, which is a method developed in multi-stakeholder cooperation and emphasises standardisation and transparency in the assessment of greenhouse gas emissions in different organizations. The purpose of the GHG protocol is to create a standardised framework for measuring greenhouse gas emissions in different organisations.

The Global Reporting Initiative (GRI) is the world's most widely used standard for sustainability reporting. The purpose of the GRI index is to make sustainability reporting uniform and transparent in organisations. Sievi's sustainability report has been prepared in accordance with the GRI index, where applicable.

| Our family-owned company is based on strong values and looks to the future

Sievin Jalkine Oy is the largest footwear manufacturer in Northern Europe. We employ more than 500 people in Sievi and Oulainen, and produce approximately 1.1 million pairs of footwear every year. The market leader Sievi is known for its strong brand, appreciation of products made in Finland and continuous development of shoe manufacturing.

The core of our sustainability lies in our high-quality and safe products that are manufactured with the least possible burden on the environment. We value our skilled employees and want to offer them a safe workplace.

During this reporting period, the world has faced many crises, such as the COVID-19 pandemic, Russia's invasion of Ukraine and the resulting challenges in energy security. Sievi, however, has coped well, and our business has continued to grow. The expansion of our automated warehouse and production facilities started in spring 2020, and operations started in the new spaces in early 2023. This investment guarantees and further enhances Sievi's security of supply, and it also helps us to develop innovative and sustainable solutions for our products.

Responsible and long-term cooperation with our suppliers is essential for our success. We are proud to report that we have been conducting supplier audits since 1991 and are further developing our auditing operations. Together with our diverse sourcing network, we are working towards using more sustainable materials. Material development is significant in terms of our sustainability, as the greatest environmental impact of our operations comes from the raw materials used in the manufacture of our footwear.

The smooth cooperation we have with our suppliers is evidenced by the new recycled plastic material that we now use in our toe puff stiffeners and the eagerness of all our leather suppliers to join the Leather Working Group (LWG). The LWG supports our suppliers in working on their environmental responsibility. Collaboration and open dialogue with our stakeholders also helped us to cope with the global availability challenges caused by the COVID-19 pandemic.

In terms of our energy use, we set a goal of carbon neutrality by 2035 in our previous sustainability report. We are working towards a roadmap to reach this target during our next reporting period,

though we are already taking measures to reduce emissions. The most significant investment towards the target was the introduction of a heat recovery system at the end of 2022.

We also calculated a product-specific carbon footprint for four products for the first time. The calculation, together with our new ERP system, will help us in the development of the environmental responsibility of our footwear. We aim to launch Sievi's first collection of footwear made from recycled materials during the next reporting period.

Our sustainability efforts will not progress without highly skilled and healthy employees. THE ISO 45001 management system, our active health and safety committee and our focus on ergonomics have helped us reduce work-related illnesses and keep the number of accidents below the industry average. Accessibility of communications and high-quality management are important for our diverse workforce, and we are constantly working on these aspects.

May 2023

Juha Jokinen, CEO



From values to sustainable practices

OUR OPERATIONS ARE BASED ON THE FOLLOWING VALUES:



SAFETY

Safety is a priority in Sievi's operations and products. Our operations are based on safe, tried-and-tested working methods. Sievi products promote safety in the workplace and during leisure time.



INNOVATION

Sievi continuously develops innovative and sustainable solutions for its products and services, which bring added value to its customers.



RELIABILITY

Sievi is a reliable partner and an employer who acts decisively, persistently, and in a customer-oriented way. Sievi stands behind its promises.



EFFICIENCY

Sievi develops more effective operating practices continuously and systematically. Existing resources are used appropriately by doing the right things as well as possible, in the best interest of the customer, and in order to maintain competitiveness.



THE SIEVI BRAND STANDS FOR PRODUCTS THAT ARE:



Safe to wear and manufacture



Durable



Made from responsibly sourced materials



Manufactured with respect for human rights and the environment

SUSTAINABLY DESIGNED, RESPONSIBLY MANUFACTURED

Sievi footwear is a combination of quality, comfort, the latest technology and first-class materials. We invest in durable materials, versatile protective properties, and a contemporary and easy to use product range that caters for all work and weather conditions. Our safety and occupational footwear complies with the requirements of standards EN ISO 20345 and ISO 20347.

Our product development and material choices are made with the requirements of the relevant standards and REACH regulation in mind. Wherever possible, we use recycled materials in our production. Our choice of materials is guided by product quality, user safety as well as the requirements of the standards, which also limit the use of recycled materials to some extent.

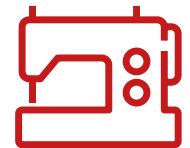
More than 90% of the footwear we manufacture consists of occupational and safety shoes and boots, which are first and foremost personal protective equipment and only purchased when needed. We are constantly exploring new materials

and alternatives to leather, but we do not want to compromise on the durability of our products: the longer its useful life, the less often footwear needs to be replaced. It makes sense to spread a product's climate impact over its useful life as this gives the best result not only for the user but also for the environment.

The production of the footwear is in our hands: our products are manufactured in our factories in Sievi and Oulainen. Our important partners are suppliers of raw and other materials as well as retailers and end users. In addition to Finland, our retail network covers export countries such as Sweden, Norway, Denmark, Germany, Belgium, the Netherlands, the United Kingdom and Slovenia. Testing facilities are also important partners for us as they ensure the quality and safety of our products.

Sievi is also a member of the following organisations:

- Association of Finnish Leather and Shoe Industries
- Chemical Industry Federation of Finland
- Confederation of Finnish Industries
- Oulu Chamber of Commerce.



Repair service prolongs the useful life of footwear

Sievi's footwear comes with a 12-month warranty, which covers manufacturing or material defects. In addition to the warranty, we also offer a repair service for our footwear. In the event of a complaint, we do not automatically offer a new pair of shoes but establish whether the product could be repaired by replacing the zip or by resoling it, for example. This extends its useful life and reduces unnecessary waste. The repair service was used 1,282 times in 2021 and 1,142 times in 2022.

KEY AREAS OF CORPORATE RESPONSIBILITY

We take our social responsibility seriously and ensure that operations at our plants are as resource and energy efficient as possible, and we choose material and component suppliers that follow the same responsible practices as we do. We operate in a labour-intensive sector, and in line with our strategy, we want to be an attractive employer. We

are committed to offering our employees secure jobs, and we expect our partners to do the same.

The aspects of responsible sourcing have long been highlighted in the footwear and textile industries. Responsible sourcing ensures that even those steps in the production process that are not in our own hands are carried out with respect for the environment and people. We have assessed sustainability aspects in the footwear and textile industry,

such as environmental impacts related to production and the sourcing of raw and other materials, as well as the realisation of human rights in our sourcing processes. Based on the assessment, Sievi's executive team has defined the company's key areas of corporate responsibility and essential aspects, which are described below.

Environmental and sustainability aspects are also important to our customers, and we also require

that our suppliers take them into account. We regularly audit our suppliers to ensure that they comply with our environmental and sustainability requirements.

SIEVI'S KEY AREAS OF CORPORATE RESPONSIBILITY 2020-2022



SUSTAINABLE SOURCING

The environmentally responsible operation of the whole value chain.

Labour and human rights in our supply chain.



ENVIRONMENTALLY RESPONSIBLE PRODUCTION

Minimum use of water in the footwear production.

Safe use of chemicals.

Mitigation of climate impacts.

Energy efficiency.



RESPONSIBILITY FOR EMPLOYEES

Health and safety.

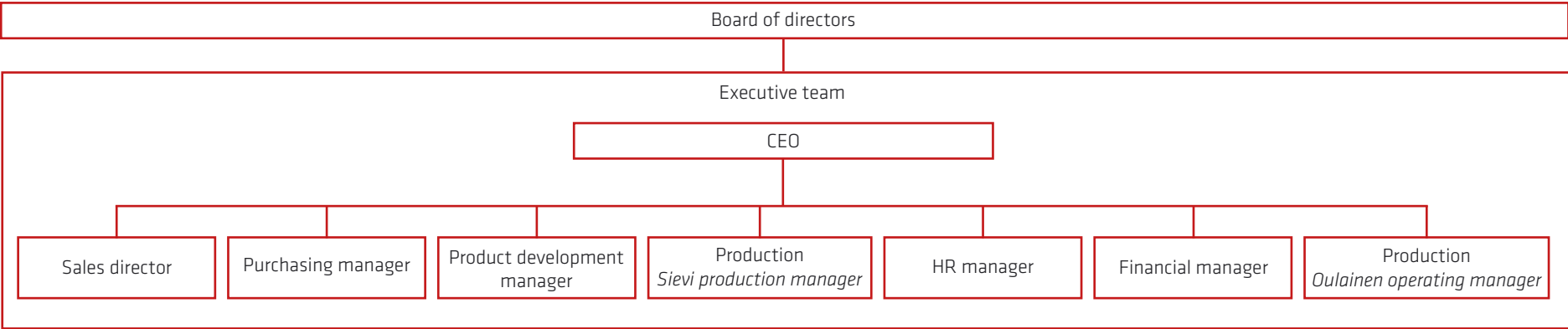
Well-being at work.

Skills and development.





SIEVIN JALKINE OY'S ORGANISATIONAL STRUCTURE



SIEVI'S MANAGEMENT SYSTEM AND SUSTAINABILITY MANAGEMENT

Sievin Jalkine Oy is managed by a four-member board. Operational activities are the responsibility of the CEO and the executive team. The chief shop steward was the staff representative on the Board during the reporting period. The Board of Directors of the Group's parent company has nine members. There are no committees of the Board of Directors or Sievi's executive team.

The terms of office of the members of Sievin Jalkine Oy's Board of Directors and the executive team are valid until further notice.

Sievin Jalkine Oy's executive team supervises sustainability activities in a comprehensive manner

and selects the people involved in the sustainability efforts. The CEO has the ultimate responsibility for business and sustainability activities. The company does not have any specific sustainability committees, organisations or directors, but related activities are managed as part of other managerial duties.

The members of the executive team oversee sustainability aspects, objectives and results within their areas of responsibility:

- The HR manager is responsible for the implementation and development of aspects related to staff and the environment.
- The purchasing manager is responsible for sustainability aspects related to procurement.
- The financial manager oversees the sustainability of financial administration and related aspects.

THE STRUCTURE OF SIEVIN JALKINE OY'S BOARD OF DIRECTORS



- Men 100%
- Women 0%
- 100% aged over 50

THE STRUCTURE OF SIEVIN JALKINE OY'S EXECUTIVE TEAM



- 6 men (75%)
- 2 women (25%)
- 4 aged 30-50 (50%)
- 4 aged over 50 (50%)

- The implementation of sustainability efforts in production is the duty of the production manager at the Sievi factory and the operating manager at the Oulainen factory.
- The product development manager is responsible for the sustainability aspects in product design.

The executive team has internally assessed Sievi's sustainability risks. Our goal is to evaluate how Sievi's risks will relate to general risks in the footwear manufacturing industry by the time our next sustainability report is published, and we will also seek to identify the risks related to different areas in the supply and production chains in more detail.

We are committed to continuous improvement

We are committed to the requirements of the quality management standard ISO 9001, the occupational health and safety management standard ISO 45001 and the environmental management standard ISO 14001 and to developing our operations in accordance with the requirements of these standards. The occupational health and safety management standard ISO 45001 emphasises proactive and systematic planning, management, assessment and improvement of operations. A standards-based enterprise resource planning system covers all of the company's operations.

We have agreed on quality, environmental and safety policies for our company. These policies are approved by the CEO, and they are provided to our stakeholders on request. They are also communicated through our website and other channels. Our staff receive policy training in connection with work orientation. In accordance with our safety and environmental policies, we take safety and environmental issues into account so that we can ensure strict compliance with laws, regulations

and obligations related to the workplace and the environment.

Our safety and environmental policies aim to:

- ensure a high level of customer satisfaction
- maintain a clean and healthy working and living environment
- build an increasingly competitive business
 - by taking employees' health and safety at work into account
 - by continuously monitoring and optimising the use of raw materials, energy and water
 - by minimising emissions and waste
 - by using renewable resources and promoting recycling of materials whenever this is financially justified.

COOPERATION WITH STAKEHOLDERS

Active dialogue between Sievi and our stakeholders is an important element of our successful cooperation. The main stakeholders of Sievi are:

- customers
- employees
- authorities
- suppliers
- test facilities
- occupational health care
- labour market organisations, such as the Association of Finnish Leather and Shoe Industries and the Chemical Industry Federation of Finland.

The importance of stakeholders has been assessed on the basis of the extent to which each group influences or can influence Sievi's operations, and also on the basis of the extent to which we influence or can influence a particular stakeholder.

We ensure effective communications by being an active participant and by taking into account different points of view and stakeholders. Communications aim to identify the views and expectations of our stakeholders regarding our company's operations and the sustainability of our operations. We want to hear any concerns our stakeholders may have so that we can respond to them in the best possible way.

It is through active dialogue with our suppliers that we have managed to reduce the risk of lack of availability and improve efficiency by centralising material purchases. Centralisation has also led to savings in transport costs and enabled us to optimise transport by road. Cooperation with our suppliers has helped us to achieve improvements in quality and technologies. It is easier to customise products and expand our product range when suppliers know our needs.

Cooperation and communication have also led us to be more aware of our suppliers' processes, the origin of raw materials, and our suppliers' supply and subcontracting chains. Providing sales forecasts to our suppliers has ensured availability and more flexible delivery times, as they have been able to prepare for pressure in production in advance. It is also easier to make changes to operations and operating methods when we work closely with our suppliers.

As part of the cooperation and communication between our employees and the company, at the start of 2023 we introduced an internal whistleblowing channel. Our employees can use the channel to anonymously report their concerns or suspected problems in our activities. External stakeholders, such as local residents and consumers, can report environmental issues to the municipality's environmental inspector. No environmental reports



Active cooperation promotes responsible sourcing

Responsible sourcing is based on long-term cooperation with our suppliers – we have worked with many of our suppliers for decades. Engaging with suppliers promotes technical developments in products and increases proactive operations. We explore new recycled materials and work on product development with our suppliers. Close cooperation also means that we can become more efficient and optimise operations such as transportation.

were submitted by the neighbours during the reporting period.

Customers' views and questions are channelled to us as customer feedback. We can be contacted through our office email address info@sievi.com. The same email address can also be used to ask for information about our sustainability activities, objectives and results.

We conducted an extensive retailer survey in 2022, which aimed to assess elements such as retailers' purchase processes, factors affecting purchase decisions and Sievi's success in various areas. The survey was used as the basis when we began to explore development ideas related to security of

supply, innovation activities and sustainability work. We aim to carry out a survey among the end users of our products in 2024.

Customer feedback is also systematically monitored at the executive team level. Monitoring provides us with information about the reasons why customers send us feedback, and we are able to respond to those reasons in our operations. Monitoring also covers any deviations in our administrative operations. Our target is to have deviations in quality in less than 1% of delivered products; in 2020–2022, this level was 1.01% on average. The figure also includes administrative errors, such as human errors in order entries. Other feedback is handled process-specifically by the persons in charge and, if necessary, by the CEO or the executive team.

Stakeholder concerns and areas of interest, communication channels and our company's responses are described to the right.

STAKEHOLDER COMMUNICATIONS

Stakeholder	Concerns and areas of interest	Communication channels and methods	Sievi's response to concerns and areas of interest
Customers	<ul style="list-style-type: none"> Sustainability aspects in the supply chain 	<ul style="list-style-type: none"> User training Complaints 	<ul style="list-style-type: none"> Assessment of complaints Product development and enhancing our knowledge in environmental and social responsibility issues Supplier cooperation Suppliers joining the Leather Working Group SA8000 certificate for major suppliers that operate outside Europe ISO certificates
Employees	<ul style="list-style-type: none"> Well-being at work Health and safety Quality of managerial work Management of factors that increase hazards and workload Cleanliness and ergonomics of the working environment Maintaining and improving one's professional skills 	<ul style="list-style-type: none"> Staff survey Occupational health and safety committee Whistleblowing channel Observations about safety issues and near miss events Initiatives Occupational health care surveys 	<ul style="list-style-type: none"> Development of supervisory operations Introduction of the 5S method to maintain and develop cleanliness and good order Measures and instructions related to occupational hygiene and ergonomics in collaboration with occupational health care services Introduction of an initiative system Training and job opportunities within the company
Suppliers	<ul style="list-style-type: none"> Certifications are expensive for small businesses Development of recycled materials takes time Continued cooperation 	<ul style="list-style-type: none"> Trade fairs Audits Product development cooperation Training courses Internal communications 	<ul style="list-style-type: none"> Exploring new recycled materials Suppliers joining the Leather Working Group Long-term supplier relationships
Authorities	<ul style="list-style-type: none"> An inadequate risk assessment point was found in the accident and safety form Increased number of environmental requirements 	<ul style="list-style-type: none"> ISO audits Inspections by the Regional State Administrative Agency Reporting on the use of chemicals, for example 	<ul style="list-style-type: none"> Updating the accident and safety form Recovery of waste heat Enhancing one's knowledge in environmental and social responsibility issues
Test facilities	<ul style="list-style-type: none"> Product safety 	<ul style="list-style-type: none"> Testing of products Testing of raw materials 	<ul style="list-style-type: none"> Development of products and product testing
Occupational health care	<ul style="list-style-type: none"> Supporting employees' ability to work and well-being at work Supporting health and safety 	<ul style="list-style-type: none"> Visits to sites Occupational health care surveys Health and safety cooperation (e.g. measuring noise, biomonitoring) 	<ul style="list-style-type: none"> Active communications with the occupational health care services Collaboration in the planning of occupational health care operations
Labour market organisations	<ul style="list-style-type: none"> Safeguarding the industry's interests Labour market services for the company's needs 	<ul style="list-style-type: none"> Meetings of the boards of the organisations Committee work Other meetings 	<ul style="list-style-type: none"> Active participation in various organisations' operations, e.g. in boards and various committees

ETHICAL PRINCIPLES IN BUSINESS OPERATIONS

Sievi's Code of Ethics and Supplier Code of Conduct are based on the principles of the UN Global Compact framework, which, in turn, are in line with the following universal principles:

- The United Nations Universal Declaration of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The UN Rio Declaration on Environment and Development
- The UN Convention against Corruption.

Our cooperation with our suppliers is based on transparency and fairness. We do not accept corruption or unfair business practices. We are committed to responsible practices in line with our ethical guidelines. We expect our suppliers to comply with our Supplier Code of Conduct that complies with the Sievi Code of Ethics.

Common ethically acceptable practises strengthen the reliability of Sievi's operations and promote the transparency of our operations in relation to all our stakeholders - customers, staff and the surrounding society. We act in accordance with our environmental policy, and we are obliged to report to the authorities on our use of groundwater and emissions of volatile organic compounds (VOCs).

RISK MANAGEMENT

The assessment of business risks is on-going, and the risks are assessed monthly during executive team meetings. We have identified the following business risks related to sustainability aspects:



Sievi Code of Ethics

Sustainable and ethical practices are essential for Sievi.

Our Code of Ethics can be found on our website.

Read more: Sievi Code of Ethics

- Emissions related to the use of leather. We are responding to this challenge by developing lower-emission production processes with leather suppliers and by exploring alternative materials.
- Emissions from energy use and logistics. We are addressing this challenge by improving energy efficiency in our processes. We can influence the amount of emissions generated by logistics operations through our choice of transport methods.
- Challenges related to the use of recycled materials. We are tackling this challenge through product development, cooperation with material suppliers and by exploring and testing new materials.
- Labour availability. We have been able to meet this challenge by recruiting skilled employees from both Finland and abroad and by training employees in house with a master-apprentice-type training, in which the focus is on learning at work.



SIEVI'S PRINCIPLES OF RESPONSIBLE SOURCING:



**Cooperation
with suppliers**



**Transparency and
fairness**



**Suppliers commitment
to Sievi's sustainability
principles and practices**



**Country of origin data
available for materials**



**Raw materials are
safe and comply with
EN standards**



**Systematic
auditing of supplier
responsibility**

Responsible sourcing

Sievi's responsible sourcing is based on supply chain operations that are environmentally responsible as well as on labour and human rights that apply in the entire supply chain. These matters are managed through the principles of responsible sourcing defined by Sievi. The principles have not changed during the reporting period.

We source leather, which is our main material, mainly from European suppliers that acquire their rawhides from European sources. However, some of our components come from outside of Europe, and some of the materials we require we purchase partially processed.



1.1 million pairs of footwear

Sievi manufactures approximately 1.1 million pairs of footwear a year, and every pair is packed in a shoe box. Our focus on recycled materials extends to packaging.

Average amount of recycled materials in packaging materials:

- Shoe boxes 35%
- Insole packaging 94%
- Master cartons 36%

All cardboard in our packaging can be recycled.

Based on data provided by the manufacturers.

Sievi had 206 approved suppliers at the end of the reporting period, of which 129 were active. By active suppliers we refer to those with whom we had placed an order in the previous 18 months. Responsible sourcing and its development are based on long-term collaboration, which has continued for decades with many suppliers. Our corporate responsibility activities involve monitoring the quality and origin of the raw and other materials we use and the sustainability of the supply chain. Our sourcing network includes a variety of suppliers, from small local companies to global corporations. All of our suppliers are required to act responsibly and comply with our requirements.

Sievi's supplier sustainability principles are based on the principles of the UN Global Compact (UNGC) and are in line with Sievi's values and ethical guidelines. We require that all Sievi suppliers from whom we make purchases to the value of at least EUR 20,000 every year sign these sustainability principles. All nine of our new suppliers signed Sievi's sustainability principles during this reporting period. We also require that all suppliers provide us with information concerning the country of origin of their materials.

We also aim to have suppliers from whom we make purchases to the value of at least EUR 15,000 per year commit to our sustainability principles during the next reporting period. Suppliers who fall below this annual purchase threshold are mainly Finnish suppliers of one-off purchases. Finnish suppliers accounted for 16.4% of all our purchases in 2022. Signing our sustainability principles is a prerequisite for becoming an approved Sievi supplier and also serves as the basis for our supplier audits. Other quality- and sustainability-related criteria for new suppliers are the quality of their products, previous reference customers, attention to

environmental issues, and, for suppliers operating outside Europe, reliable evidence of the state of corporate responsibility in their company.

The requirements we set for suppliers correspond to the environmental and social responsibility risks identified in our value chain, which we aim to prevent by committing our suppliers to sustainability principles, transparent collaboration and audits. Our guidelines apply to all employees of our suppliers and require proper investigation of any negligent actions or reports brought to the attention of the company's management as well as corrective measures.

We have identified potential environmental risks and challenges in our value chain, on the basis of which our sustainability principles require that our suppliers:

- comply with laws, regulations and obligations related to the environment and nature;
- optimise the use of raw materials, energy and water;
- minimise the amount of waste (UNGC 7);
- promote the recycling of materials and the use of renewable resources where possible (UNGC 9).

We have identified potential social and ethical risks in our value chain, on the basis of which our sustainability principles require that our suppliers:

- treat all employees equally in accordance with the Universal Declaration of Human Rights (UNGC 1);
- take care of the well-being and safety of their employees;
- do not accept any form of discrimination or harassment in the workplace (UNGC 6);



Recycled materials as part of responsible sourcing

Since the previous sustainability report, Sievi has increased the use of recycled materials by 4.5% in relation to the total volume of raw materials used in 2019. During this reporting period, one of the most significant innovations at Sievi was the introduction of Fortum Circo®, recycled plastic developed in Finland, in the toe puff stiffeners for our occupational footwear. Fortum Circo is made from household plastic packaging waste, and Sievi tested it for a year before approving it for use so that we could ensure its durability in various conditions. Sievi hopes to be able to adopt more solutions made from recycled materials in the future.



Picture: Fortum

- respect each other's privacy and confidentiality of personal information;
- respect employees' right to freedom to associate (UNGC 3);
- combat forced and child labour (UNGC 4, 5);
- expect that their own suppliers and other partners also comply with laws and human rights (UNGC 2).

AUDITS ENSURE HIGH QUALITY AND SUSTAINABILITY

We carry out supplier audits in accordance with our annual audit plan. Auditing potential new suppliers is also a part of this process.

The elements examined in the audit have been determined on the basis of the suppliers' sustainability principles and the key areas of Sievi's corporate responsibility. Environmental and social responsibility aspects that are in line with the sustainability principles are listed on page 19 and are carefully assessed in the audits. The audits also include aspects related to the safety and quality of raw materials, human resources and risk management as well as sustainable trading practices. Matters related to staff well-being are also an essential part of Sievi's audits. Issues related to quality are dealt with in the audits and also with suppliers both proactively and in connection with any complaints about quality. Complaints are reviewed annually by the management.

We have selected suppliers for our audits on the basis of the scope of our cooperation, the uniqueness of their product and potential risks related to pricing and availability. We aim to audit at least all of our major suppliers every five years. Major suppliers are those whose sales to us exceeded EUR

100,000 in the previous year. With regard to leather, we have expanded the audit further in the value chain and have also audited a raw materials supplier to one of our major leather suppliers. We will continue to do so when major suppliers have significant suppliers further down the supply chain. We aim to minimise emissions from transport by planning audits in advance, for example by making them coincide with visits to international trade fairs. We can also use remote access to conduct audits if necessary.

Supplier audits are mainly carried out by our own employees. All our employees who carry out audits have basic training in auditing. We carry out audits ourselves because we want to learn about our suppliers' processes, opportunities and problems, as well as assess their operating conditions and strengthen our cooperation. We also want to observe any developments in quality and operations.

We work together with selected independent auditors where necessary and especially if the supplier or plant to be audited is located far away. If any sustainability-related deficiencies are detected in an audit carried out by ourselves or an independent auditor, corrective measures are agreed on at the audit, and the implementation of these measures is verified according to an agreed schedule.

One supplier relationship was terminated due to underperformance in financial and social responsibility during the reporting period. This constitutes 0.8% of Sievi's active suppliers. It was not a supplier located outside Europe classified as a high-risk supplier. We did not terminate any supplier relationships due to environmental requirements. An audit conducted by a third party in 2020 also found a few deviations in a non-European supplier's operations related to risk man-

agement and staff safety training. This supplier represents 11% of all non-European suppliers. The supplier took the appropriate corrective measures as agreed, and this was verified during a re-audit in 2021.

Developing audit practices and audit training

Due to the COVID-19 pandemic and the travel ban, most of the audits planned for 2020–2022 will be carried over to the next reporting period, 2023–2024. Audits for the previous reporting period were carried out remotely, using a camera connection, which was found to be practical and reliable. We will continue to perform remote audits unless there are special reasons to carry out an audit on site. We intend in particular to perform remote audits of suppliers that are small or based in locations that are difficult to visit. We did not find any shortcomings in the audits carried out in Europe during this reporting period.

Our buyers' audit training covers the basics of carrying out audits to the extent referred to in the standard ISO 9001:2015. The audit training addresses issues such as the principles of risk-based supplier monitoring and methods that can be used in the implementation of such monitoring. Since

2020, we have required our suppliers to monitor their suppliers to ensure their commitment to environmental and social responsibility.

Risks of international operations

Our audits have found that our European partners deal with areas related to child labour, occupational health and safety, freedom of association, working hours, remunerations and management systems in an appropriate manner.

Sievi has a total of seven suppliers from outside Europe, which is less than 5% of all Sievi's suppliers and accounts for 19% of annual purchases. These suppliers mainly supply components and lining materials. It has been established that non-European suppliers have potential risks related to child labour, forced labour or other working conditions due to issues such as the political system, civil society liberties or freedom of expression in the country in question.

To minimise risks, we require that our non-European suppliers primarily hold the SA8000 social accountability certification; two of Sievi's most significant suppliers based outside Europe currently have this certificate. Alternatively, suppliers can demonstrate that they fulfil the criteria



90% of our purchases were audited in 2022

We systematically assess our suppliers' responsibility. Our audits examine our suppliers' performance in production, quality and environmental issues as well as elements such as the basis of their sustainable trading practices. Audits are primarily carried out by our employees, which makes it possible to monitor the development of our suppliers' activities.

of the standard SA8000 in another, reliable way. Three non-European suppliers have submitted a third-party audit report compliant with the standard SA8000. Audits are carried out regularly and Sievi has checked the reliability of the auditing bodies. Our own audits of these suppliers have focused on quality and practices. Two non-European suppliers committed to Sievi's sustainability principles will be audited by Sievi itself if they continue to be among our major suppliers in the next reporting period.

The table to the right lists the ratings for our suppliers' locations in the World Bank's country risk classification. The risk assessment rates risks related to issues such as political efficiency, freedom of association and corruption. Risk countries are those with a rating under 50.

WORLD BANK COUNTRY RISK ASSESSMENT

Turkey	37.4
Brazil	43.9
China	45.2
India	47.6
The United States	77.5

THE GUIDING PRINCIPLE IN SOURCING RAW MATERIALS IS ALWAYS SAFETY

Safety and occupational footwear account for 90% of Sievi's production. These product groups com-

ply with safety and occupational footwear standards, and no deviations from these were identified during the reporting period. We demand that our raw materials meet EN standards, which is an indication of the basic level of safety. We require the relevant certificate for all materials that comply with EN standards. We also test materials for banned and allergenic chemicals to make sure that our materials are safe for our staff, users and the environment.

A new safety footwear standard, EN 20345, was published in 2022, and has not been harmonised yet but can be used to test materials. We have started testing raw materials in accordance with the new standard. No safety deviations were found in material testing during the reporting period.

Product-related safety risks are also prevented by processing and examining all customer feedback received by Sievi and, if necessary, taking corrective measures in the production process.

We ensure the safe use of our footwear by providing manufacturer's instructions and information with our products and customer training. Manufacturer's instructions and information complies with the PPE regulation and specifies the safety features of our footwear and user activities that affect safety.

THE JOURNEY OF SIEVI'S SUSTAINABLE SOURCING

2016

A plan for sustainable sourcing is drawn up.
The first supplier audit is carried out using the sustainable sourcing plan.

2017

Sustainability principles for supplier are established
The official supplier audit form is drawn up.
SA8000 certificates are awarded to the largest suppliers outside Europe.

2018

All pigments except black are phthalate-free.
Five leather suppliers join the Leather Working Group.
100% of suppliers whose annual sales to us exceed EUR 20,000 have signed Sievi's sustainability principles.

2020

All pigments are phthalate-free.
For the first time, 90% of our purchases are audited.
The audit form is updated with sections on monitoring in-house supply chain.

2022

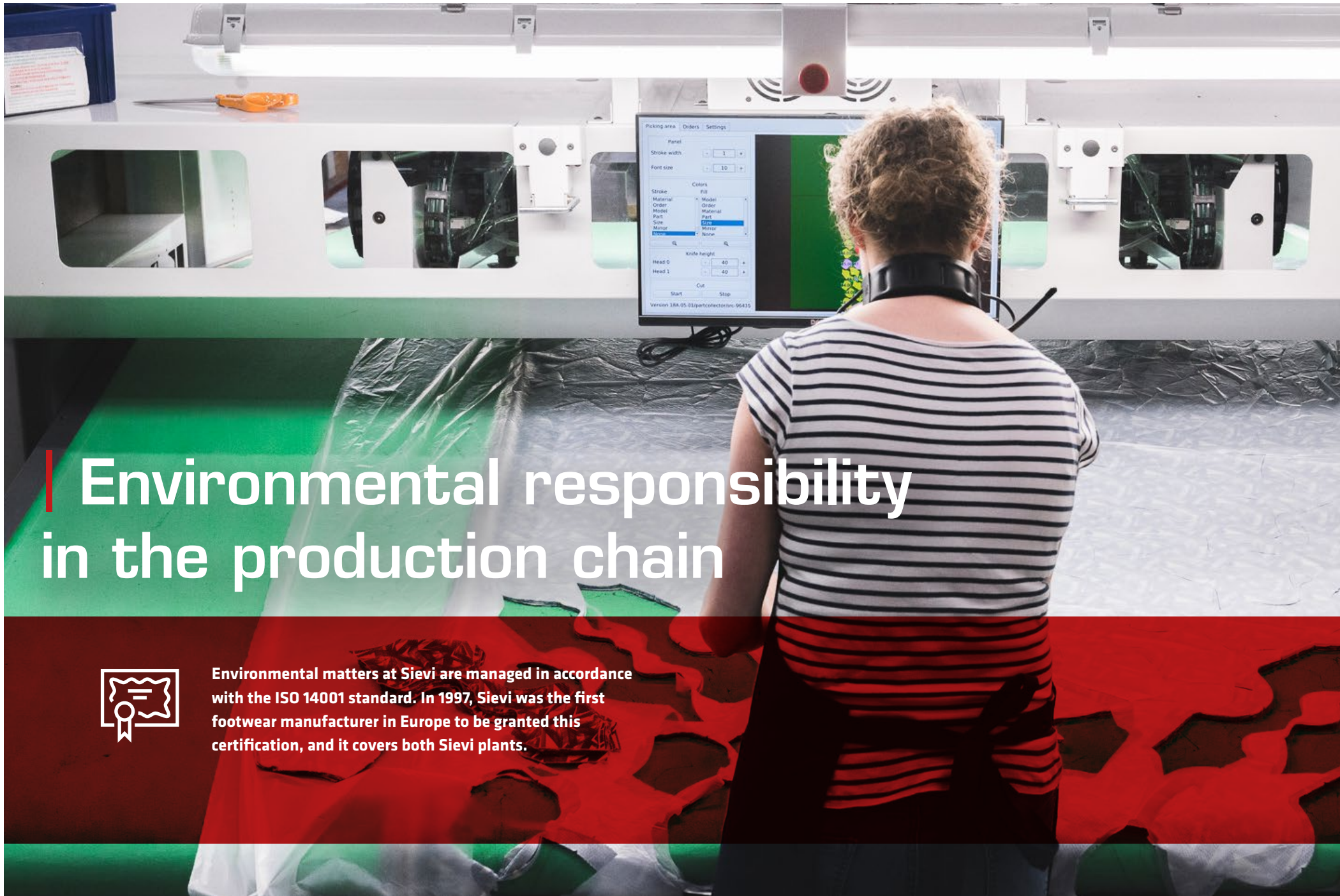
Eight leather suppliers have joined the Leather Working Group.
All other leather suppliers are also in the process of joining LWG.

KEY AREAS AND LONG-TERM POLICIES OF RESPONSIBLE SOURCING

Key area	Long-term policies
The environmentally responsible operation of the whole value chain.	<ul style="list-style-type: none"> We extend the life cycle of our shoes and recycle the materials used in them for other purposes. We offer a warranty and repair service for all of the shoes we manufacture. We minimise leather waste in our manufacturing processes. We are increasing the use of recycled materials in the manufacturing of our shoes. We minimise the use of environmentally harmful chemicals in the production chains for the shoes we manufacture.
We respect labour and human rights in our supply chain.	<ul style="list-style-type: none"> Through the use of a separate auditing system we ensure that our partners adhere to international and national agreements concerning human and labour rights. We develop our auditing practices and our Supplier Compliance Auditing checklist on the basis of our experiences and feedback. We require that our suppliers sign Sievi's sustainability principles for suppliers.

RESPONSIBLE SOURCING RESULTS IN 2020-2022 AND TARGETS FOR 2023-2024

Targets 2020-2022	Results 2020-2022	Targets 2023-2024
Each year, we will check that all those existing suppliers whose annual sales to us exceed EUR 20,000 have signed our sustainability principles.	100%	Each year, we will check that all those existing suppliers whose annual sales to us exceed EUR 15,000 have signed our sustainability principles.
We plan to carry out 11 audits in 2020 in accordance with our audit plan. Some parts of the rounds of audits will start again. Due to the COVID-19 pandemic, most of the audits planned for 2020 are expected to be postponed until 2021.	2020: 0 audits 2021: 1 audit 2022: 1 audit.	We will conduct 18 audits during the next reporting period.
Our aim is for 90% of our purchases to be audited by the end of 2020. Some parts of the rounds of audits will start again. Two of our suppliers will be audited by an independent auditor.	2020: 92% 2021: 86% 2022: 90%.	90% of our purchases will be audited within five years.
We encourage our suppliers to innovate and explore new solutions with us, including the use of recycled fibres in the manufacture of linings and felts.	The use of recycled materials has increased by 4.5% relative to the total consumption of raw materials since 2019, and existing suppliers have developed their ranges of recycled materials.	The use of recycled raw materials by Sievi will be assessed and listed, and new potential applications are explored.
		100% of our leather suppliers will be members of the Leather Working Group by the end of the reporting period.



Environmental responsibility in the production chain



Environmental matters at Sievi are managed in accordance with the ISO 14001 standard. In 1997, Sievi was the first footwear manufacturer in Europe to be granted this certification, and it covers both Sievi plants.

PRINCIPLES OF ENVIRONMENTAL RESPONSIBILITY IN SIEVI'S PRODUCTION CHAIN

We continuously identify environmental aspects in accordance with our own environmental system and on the basis of the standard ISO 14001 process. We have identified the environmental risks caused by the use of chemicals and the climate impacts and water use caused by the use of leather as the most significant environmental aspects in our production processes. The transportation of products and materials as well as heating of our facilities also cause significant environmental emissions.

CLIMATE IMPACTS AND CARBON FOOTPRINT

A carbon footprint is a figure that describes a company's or a product's impact on the environment. Sievi's carbon footprint has been calculated in accordance with the global GHG (Greenhouse Gas) protocol, i.e. it is a standardised carbon footprint calculation and uses the operational control approach. The calculation was carried out using the location-based method. All Scope 1 and Scope 2 emissions were included in the calculation. Scope 1 emissions refer to emissions from the company's own operations (direct emissions), and Scope 2 emissions refer to emissions from purchased energy. Scope 3 emissions take into account the most significant emissions from production operations, which include raw materials, logistics, waste, travel and other significant emissions from administrative operations.

Emissions from the sale, use and disposal of products have been excluded from the calculation.

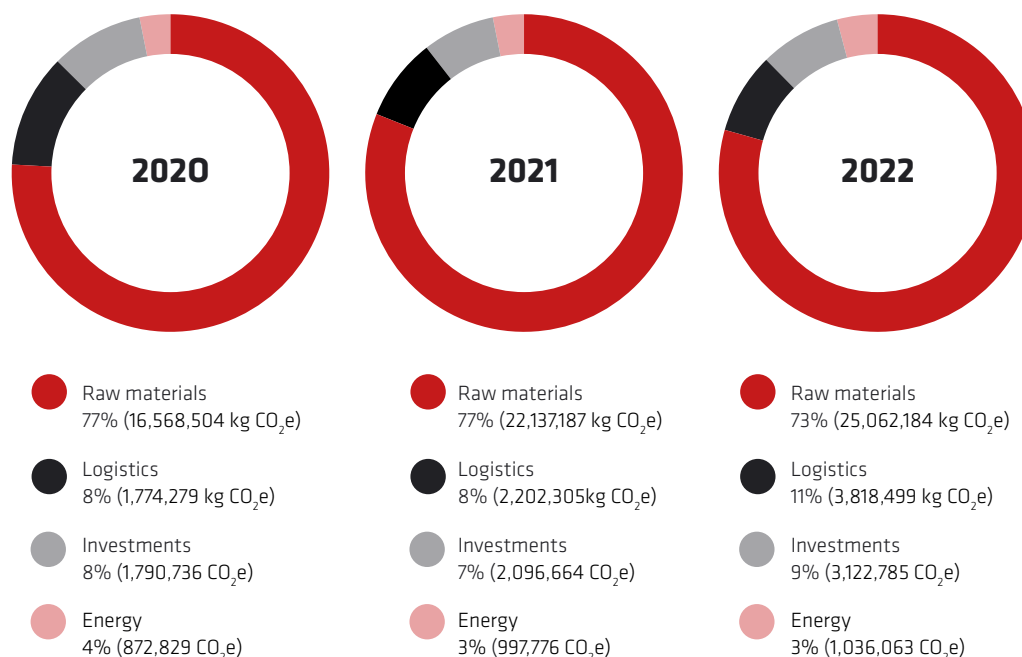
The greatest uncertainties in data collection are related to investments and equipment purchases, which have been calculated using an emission factor in euros.

We operate globally. Even though our production takes place in Finland, we source a significant proportion of raw materials, components and materials from international suppliers. The long-standing labour shortage in Finland has also forced us to source raw materials that are further processed and components from the international market. Our main market is Europe. Both raw materials and finished products sometimes travel long distances.

Sievi's first carbon footprint calculation in 2019 covered the value chain of Sievi's products from the production of raw materials to the finished products delivered to customers. The scope of the calculation for the years 2020–2022 was widened, taking into account sources of emissions in more detail and also including investments and equipment purchases. It has been the case for Sievi's calculations for every year that logistics emissions have included both the transport of raw materials to Sievi's factories and the transport of finished products to retailers.

Total emissions in 2019 were 22,452 tonnes of carbon dioxide equivalent (CO₂e), and raw materials accounted for 82% of emissions. The table to the right shows the carbon calculation results for the past reporting period. The increase in total emissions was mainly caused by the increase in production but also by the investments made, the increase in sales of leather products relative to other products and the widening of the scope of the calculation. Emissions in 2020 and 2021 also reflect the impact of the COVID-19 pandemic:

THE BIGGEST SOURCES OF EMISSIONS DURING THE REPORTING PERIOD



RESULTS OF CARBON EMISSION CALCULATIONS BASED ON KNOWN GREENHOUSE GAS EMISSIONS (SCOPES 1, 2 AND 3)

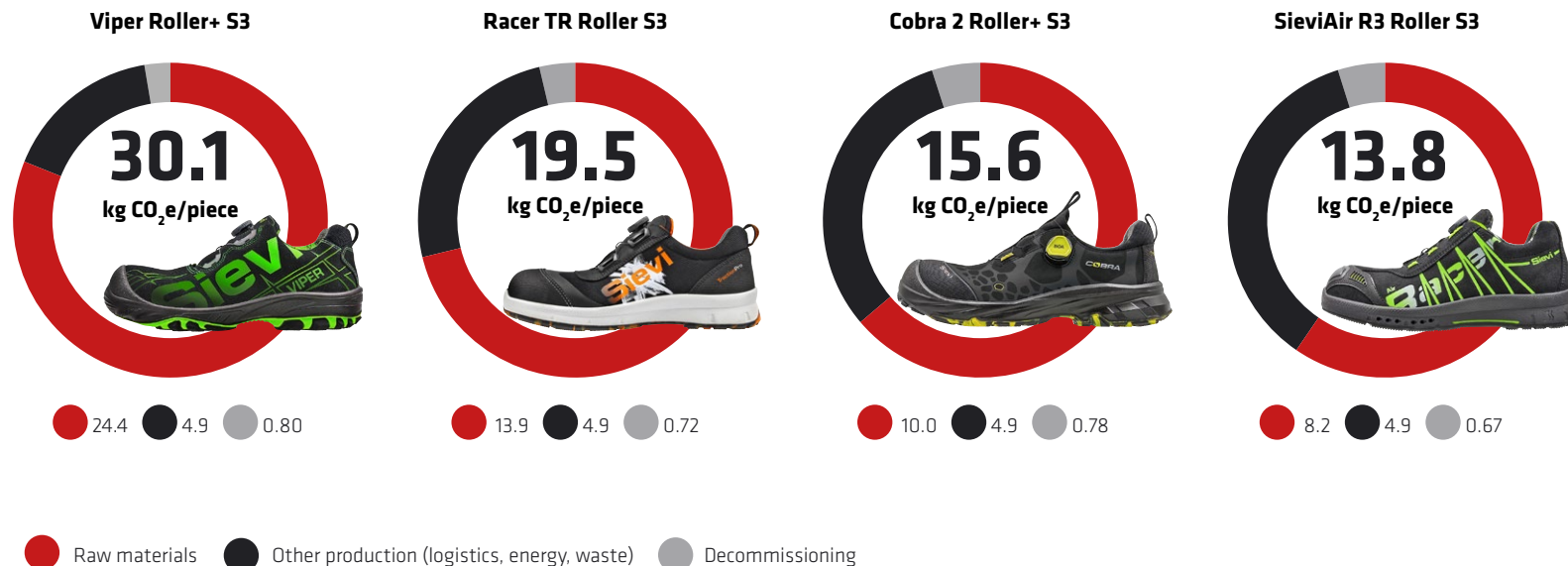
GHG Protocol	2020	2021	2022	Unit	Details
Scope 1	192.0	224.1	204.7	tCO ₂ e	Energy generated on site, vehicles controlled by the company.
Scope 2	742.1	773.7	831.4	tCO ₂ e	Energy purchased.
Scope 3	20,479.4	27,861.2	33,117.1	tCO ₂ e	Other indirect emissions such as the supply chain, travel and administration.
Total emissions	21,413.5	28,859.0	34,153.2	tCO ₂ e	
Emission intensity, turnover	288	327	360	g CO ₂ e	Scope 1–3. Does not include emissions from investments and equipment purchases.
Emission intensity per pair of shoes	22	26	30	g CO ₂ e	Scope 1–3. Does not include emissions from investments and equipment purchases.

Right material choices reduce carbon footprint

We have calculated product-specific carbon footprints for the first time for this report. We selected four safety footwear models for comparison; they differ from each other especially in terms of the materials used. Raw materials explain the biggest differences in the carbon footprint of these products: leather footwear has a considerably larger carbon footprint than footwear made entirely of synthetic materials. Due to its durability, leather is, however, the best available material for safety footwear since leather footwear is thought to last approximately twice as long as footwear made of synthetic materials. Leather is, however, a significant factor in the climate impact of our products, which is why we are constantly researching alternative materials.

CALCULATION OF THE PRODUCTS' CARBON FOOTPRINT

Total emissions per pair of shoes, unit kg CO₂e/piece



emissions from travel were particularly low in those two years, while we had to rely on air cargo more than usual. In 2022, it was possible to carry out international trade fair operations and audits once again, which increased business travel and related emissions.

Typical of industrial production, Sievi's biggest emissions come from Scope 3, i.e. indirect emissions in the supply chain. Raw materials, especially leather, are Sievi's biggest sources of emissions: in 2022, they accounted for 73% of emissions from

all operations. The decrease in the relative proportion of raw materials is mainly caused by the expansion of the scope of the calculation and the size of the investments made. After raw materials, the biggest emissions have come from logistics, investments and the energy consumption in production plants (page 21).

Carbon footprint of products

Sievi calculated the carbon footprint of four different products using 2022 data (table above). The products' main sources of emissions are the same

as the sources of emissions in the overall production: raw materials and production (logistics, energy, waste). In addition to these, the products' carbon footprint calculation assessed emissions from decommissioning. Emissions from administration, investments as well as resale and use of the products were excluded from the calculation.

In terms of different models of footwear, there are no significant differences in emissions from their production and disposal. The differences in the products' emissions are mainly caused by the

different raw materials used. The main material of the Viper Roller+ is leather. The upper materials of the Racer TR Roller and Cobra 2 Roller+ are made of leather and microfibre, while the SieviAir R3 Roller is made of fully synthetic materials.

Sievi is guided by the standards EN ISO 20345 and EN ISO 20347 and the quality requirements for its products in its choice of materials. The footwear we manufacture is first and foremost personal protective equipment and only purchased when needed. We are constantly exploring new materials



Leather and climate

Most of the leather that Sievi uses comes from Germany and Italy. We have recommended that all 13 of our leather suppliers join the international Leather Working Group, which aims to provide and maintain audit protocols for environmental performance of leather manufacturers and to promote sustainable practices. Eight, or 60%, of our leather suppliers are already members of the working group, and the five remaining suppliers are currently in the process of joining it. One of our largest leather suppliers published its first Global Reporting Initiative (GRI) report for 2019-2021.

The use of leather causes the biggest emissions in Sievi's production chain and, consequently, Sievi's biggest environmental risks are related to our leather suppliers. The table below shows

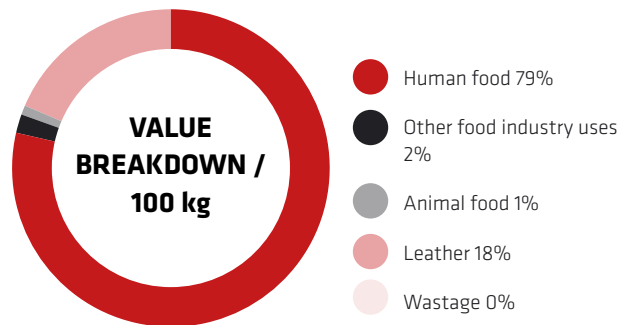
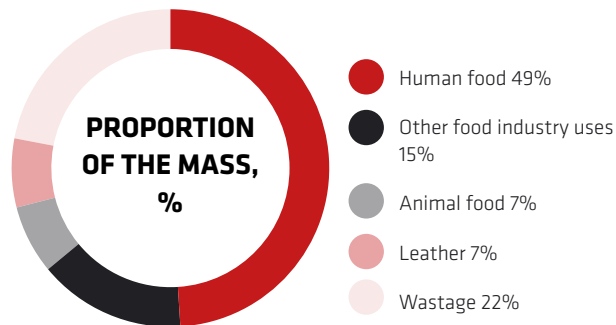
the proportion and price of raw materials obtained from a cow based on 2020 statistics. Meat from a cow account for 79% of the total value gained from the entire animal and is the main element in livestock farming. The leather we use in Sievi's products is always a by-product of meat production.

The most significant part of climate emissions from leather – up to 85% – is caused by the rearing and slaughtering of animals. Several other aspects of leather production are, therefore, also critical to corporate responsibility, such as the rearing conditions of animals, emissions from the production chain as well as health and safety and other issues related to workplace rights. According to UNIDO recommendations, the assessment of the environmental impact of leather can be limited to start from

slaughtering. For the purposes of transparency, our calculation includes a proportion of emissions from animal rearing equal to the value of leather, even though this multiplies the carbon footprint of our raw material purchases. We believe that this is a responsible and transparent way to operate.

We are actively exploring alternative materials that are less harmful to the environment. However, the requirements for safety footwear and, in particular, the specifications for durability impose significant restrictions on the use of different materials. Leather is the most durable material in safety footwear, and the useful life of leather footwear is, therefore, also longer, which means that the footwear needs to be replaced less often.

PROPORTION OF THE VALUE GAINED FROM A COW BY CONSUMER PRODUCT 2020



Price EUR/kg	
Human food	3.36
Other food industry uses	0.27
Animal food	0.25
Leather	5.50
Wastage	0.00



and alternatives to leather but we do not want to compromise on the durability of our products. We aim to develop a way to collect data on the life cycle of our products so that we will be able to verify how our choice of materials affects the life cycle. It makes sense to spread a product's climate impact over its useful life as this gives the best result not only for the users but also for the environment.

Carbon neutral in our use of energy by 2035

We have clarified the target we set in connection with our first carbon footprint calculation in our 2019 report. Our goal is to be carbon neutral in terms of Scopes 1 and 2, i.e. in our use of energy, by 2035. With our more accurate carbon footprint calculations carried out during this reporting period, we decided to work on a roadmap that takes emissions from transportation into account as part of the total so that we can reach the target during the next reporting period.

Work on recycled materials continues

The means with the most potential for reducing emissions from production operations is the use of recycled materials and the recyclability of our own products. We aim to launch a collection of footwear made of as much recycled material as possible during the next reporting period. Recycling safety footwear is currently challenging due to the numerous components and materials involved, but we are actively monitoring developments in recycling and circular economy operations globally.

We have been reviewing the availability and usability of recycled materials as raw materials for our products for a long time. The proportion of recycled material used in our insoles has increased during the reporting period, and we have found a new recycled material for toe puff stiffeners produced by a Finnish supplier. However, the safety

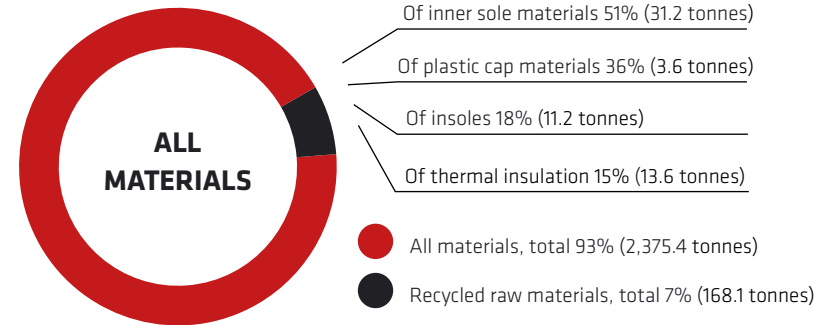
Goals for the future

Sievi's goal is to be carbon neutral in terms of energy use by 2035. During the next reporting period, Sievi will implement a more detailed roadmap to help it to achieve this goal.

Sievi also aims to launch its first collection of footwear made from recycled materials during the next reporting period. The collection will consist of footwear manufactured using as much recycled material as possible. We will also continue to actively explore the potential of using recycled materials and monitor how the recycling of safety footwear develops.



RECYCLED MATERIALS 2022

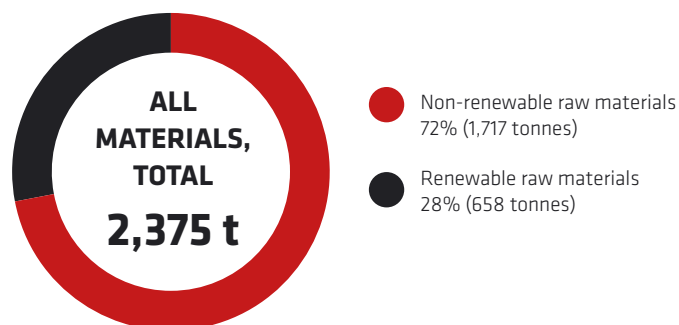


requirements set by EN standards for safety and occupational footwear restrict the use of recycled leather, for example. So far, recycled leather has not met the requirements for tear strength, water penetration or water absorption.

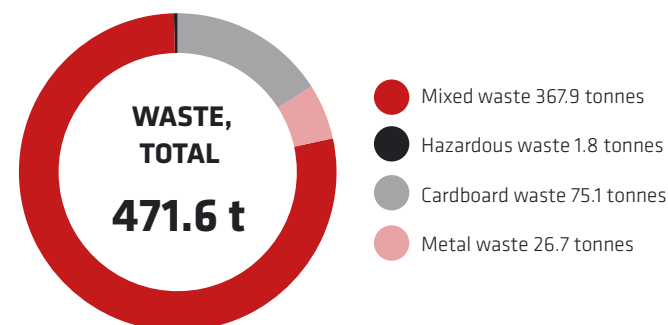
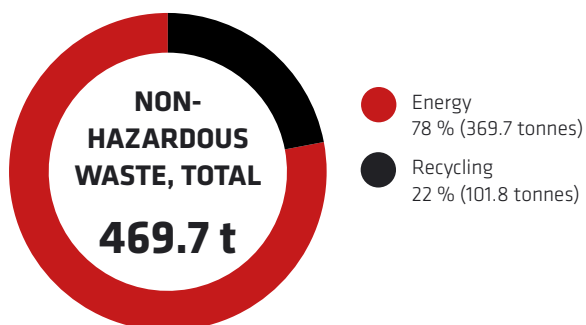
In 2023 – after the end of this reporting period – Sievi started the process of joining the Leather Working Group, which aims to reduce the environmental impact of the leather industry and to promote methods that reduce the burden on the environment.

In addition to increasing the use of recycled materials, we have tried to reduce the amount of leather used in each pair of shoes and the amount of waste by organising a training course held by an external expert in 2020 and 2022. The course was attended by staff from purchasing and product design teams as well as from warehouses and production teams in Sievi and Oulainen. The participants were taught how to check and classify leather and how to use a leather stretching machine.

RAW MATERIALS



VOLUMES OF WASTE 2022



We will continue to evaluate new suppliers and work with our existing partners to increase the use of recycled materials in the next reporting period. Our priority is to develop uses for recycled materials with our existing suppliers.

We invested in a new ERP system in 2022. It helps us to assess the proportion of recycled materials that Sievi uses in more detail. The more accurate data will be used as a basis for designing new uses for recycled materials.

The current proportion of recycled materials used by Sievi can be seen above.

WHERE DO EMISSIONS IN THE FOOTWEAR PRODUCTION CHAIN COME FROM?

Raw materials

Most of Sievi's carbon footprint is generated outside the company's own operations: approximately 73% of our carbon dioxide emissions come from raw and other materials, i.e. from our suppliers. The main factor is leather, which is the most important raw material for our footwear and a superior sur-

face material in safety and occupational footwear. Emissions and, hence, raw materials are the source of Sievi's most significant climate impacts. Climate impacts have indirect effects globally through climate change, such as the increase in extreme weather events. We regularly communicate with our suppliers not only to minimise our climate impacts and risks, but also to contribute to positive developments in the raw materials market. Close cooperation with suppliers and regular audits are important measures in the attempt to minimise environmental risks in the supply chain.

We have used both research sources and data from audits at Sievi's material suppliers to determine the emission factor of leather. We closely follow international research on the subject, and we update our calculation model on the basis of both research and new audits. However, the emission factor of leather has not changed significantly since 2019.

The best sole material in terms of meeting the requirements of the safety footwear standard is currently polyurethane. Measured in kilograms, polyurethane is, indeed, our most important raw

material (more than 40%), but it accounts for just over 5% of our greenhouse gas emissions. Our footwear is sold in corrugated cardboard packaging, which is included in our material emissions.

We also use a lot of non-renewable materials in our footwear, such as plastic-based fibres and metals, which have their own climate impacts (table above). Plastics can currently be recycled easily to make insole and lining materials, for example.

Waste

At the Sievi and Oulainen plants, the highest carbon dioxide emissions from waste come from mixed waste, which is turned into energy by incineration. We monitor cardboard, metal and hazardous waste volumes, and we aim to minimise waste and loss of process materials. We also use invoices and statistics maintained by the waste collection company to monitor waste volumes. The impacts of waste are indirect climate impacts from the use of raw materials, which is why it is important to minimise waste. Our waste management operations are based on a hierarchy of waste: we avoid waste and raw material loss, we direct materials and production

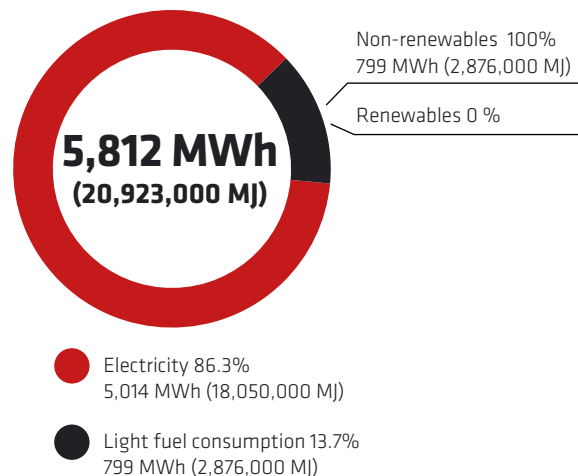
side streams for reuse and recycling whenever this is possible, and we ensure that batches unsuitable for recycling and reuse are disposed of safely.

Raw materials are our biggest source of emissions, and we do our best to generate as little material waste as possible. We monitor the number of returned products, which has been approximately one percent of the total production volume during the reporting period. Approximately 15% of returned products can be repaired and returned to our customers. Used products that cannot be repaired go to mixed waste and are used in energy production.

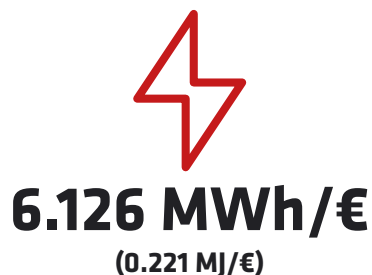
Materials that are relevant in terms of emissions are not disposed of: we give unwanted materials, such as leather and lining, to students of the footwear industry. Unwanted materials are also sold to staff and third parties. Sievi's waste is recycled and incinerated by a third party.

In 2022, waste accounted for one percent of Sievi's total emissions. We have also managed to reduce hazardous waste by approximately 40% during

ENERGY CONSUMPTION



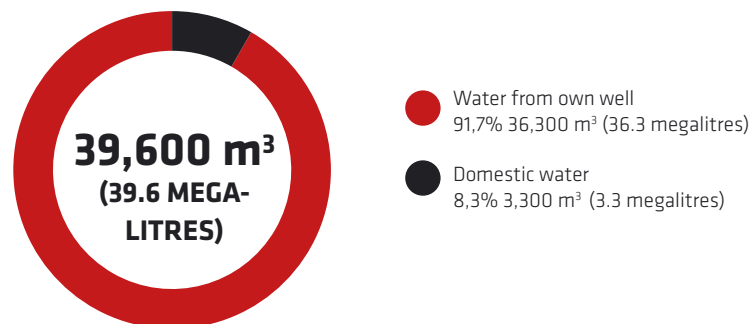
ENERGY INTENSITY, TURNOVER



FUEL OIL CONSUMPTION AND HEAT RECOVERY

	2021	2022
Heat recovery	-	180,000 kWh (648,000 MJ)
Fuel consumption	847,000 kWh (3,049,200 MJ)	799,000 kWh (2,876,400 MJ)
Fuel consumption in relation to turnover	0.010 kWh/€ (0.035 MJ/EUR)	0.008 kWh/€ (0.03 MJ/EUR)

WATER CONSUMPTION



the reporting period. The volumes of waste that Sievi generates are itemised on page 25.

Energy consumption

The heating of Sievi's factories and warehouses consumes a lot of energy. In addition to fuel and electricity, we use heat pumps for heating, and we also utilise waste heat from compressors. The fuel we use is light fuel oil. We use energy-efficient and supply-safe groundwater for cooling. It is a relatively climate-friendly technology that is only becoming more common and is known as district cooling.

We started to install a waste heat recovery system for our injection moulding machines in late 2022 with the aim of reducing the consumption of light fuel oil used for heating. The effects of the modification can be seen in table Fuel oil consumption and heat recovery. Energy consumption is directly in line with Sievi's production volumes, which is why we have estimated the impact of the heat recovery system on fuel consumption in relation to turnover. Due to the heat recovery system, fuel consumption in relation to turnover has decreased by 0.002 kWh per euro in 2022 on the whole compared to 2021. The consumption of fuel oil will decrease significantly in the next reporting period when the system is fully in operation.

Sievi's energy efficiency system is based on the ETJ+ energy efficiency standard, and it is integrated into the ISO 14001 environmental management system. Sievi is committed to achieving the goals set in the Confederation of Finnish Industries' Energy Efficiency Agreement for the chemical industry. Sievi has also set an energy saving target of achieving less than 4 kWh per pair of shoes produced (4.78 kWh in 2022).

Sievi's energy production is currently divided as described in the chart to the left.

Water consumption

Particular sources of water consumption are the leather manufacturing process and the rearing of animals. In cooperation with our leather suppliers, we aim to reduce the water footprint of leather production and, consequently, of the footwear that we manufacture. The heavy use of water by our suppliers has an impact on biodiversity, and it also comes with social risks associated with water scarcity, especially in arid regions. Italy, where much of the leather we use is produced, is a country with a high risk of droughts.

All of our leather suppliers are either members or are in the process of joining the international Leather Working Group, which aims to create and maintain environmental auditing practices for leather factories and promote environmentally sustainable methods, including those related to water consumption. Water use is part of the



Recovering waste heat to save energy

During this reporting period, Sievi has improved its energy efficiency, and the first installation works on the heat recovery system were carried out in autumn 2022. The system managed to recover 180,000 kWh of waste heat in late 2022 alone. The heat recovery system will significantly reduce the use of fuel oil, but the more noticeable effects will become obvious during the next reporting period when the system is fully operational.

Leather Working Group's auditing process, which determines the amount of water used by suppliers. In 2019, our suppliers' water consumption ranged between 60 and 98 litres/m². Our goal is to assess the use of water by supplier and by leather type during the next reporting period. After examining the current situation, we will be able to assess the impacts and risks related to water consumption, then set our goals and take action.

In our own production processes, a significant source of water consumption is the cooling of indoor air in the summer. The water used for cooling is taken from groundwater reservoirs through our own well, and the annual volume of water we use has been assessed by the ELY Centre. Excessive use of groundwater could lead to the depletion of groundwater resources. Sievi's annual consumption of well water remains well below the limit set by the ELY Centre, which means that Sievi's operations do not harm groundwater resources.

MATERIAL SAFETY IS ENSURED THROUGH TESTING

To ensure full compliance of environmental obligations throughout our production chain, we ensure that the raw materials we use meet quality and safety requirements. Every new raw material covered by the EN standard requirements must have a corresponding EN report for product certifications. We also test materials for banned and allergenic chemicals in house to make sure that our materials are safe for our staff, users and the environment. We have found a phthalate-free alternative to black pigment during the reporting period, which means that all pigments used by Sievi are phthalate-free.

Our production materials are regularly tested at the German test and research institute PFI (Prüf- und Forschungsinstitut Pirmasens) in accordance with an agreed plan. During the reporting period, a total of 26 tests were carried out on new types

of leather to identify the possible presence of chromium VI, a highly allergenic element. We also test every type of leather that we use in the manufacture of safety and occupational footwear for chromium VI whenever the leather is tested for compliance with the EN standard. We also test all leather used in our casual footwear on our own initiative. No chromium VI was found in the leather during the reporting period. We also test our other materials regularly for banned or allergenic chemicals.

Most of the chemicals that are banned and that we test for would pose risks to workers and users, including allergic reactions. Studies show that phthalates may also cause other adverse health effects in users in addition to allergic reactions. The chemicals that we monitor would cause the greatest potential environmental risks if they spilled into the environment and waterways with water used for rinsing; they would affect other organisms and cause contamination.

In 2022, we launched tests in accordance with the new EN 20345 standard for safety footwear. During the reporting period, no banned or allergenic substances were found in the lining and surface materials that we use.

The lining materials were tested for the following substances according to the PFI test proposal:

- chlorophenols
- dimethyl fumarate
- disperse dyes
- formaldehyde
- nonylphenol ethoxylates
- banned aromatic amines

The surface materials were tested the following substances, as applicable:

- short-chain chlorinated paraffins
- PAHs
- lead and cadmium residues
- allergenic disperse dyes
- banned aromatic amines



ENVIRONMENTAL RESPONSIBILITY IN PRODUCTION PROCESSES: LONG-TERM PRIORITIES AND POLICIES

Key area	Long-term policies
We aim to make our footwear production as water-efficient as possible.	We are working with our suppliers to minimise the water footprint of Sievi footwear.
We maintain a high level of chemical safety.	We will minimise the use of environmentally harmful chemicals in the production chains of the shoes we manufacture.
We are a climate friendly manufacturer of footwear.	We will reduce the greenhouse gas emissions of our transportation operations.

ENVIRONMENTAL RESPONSIBILITY RESULTS IN 2020-2022 AND TARGETS FOR 2023-2024

Targets 2020-2022	Results 2020-2022	Targets 2023-2024
We will assess the use of water by supplier and by leather type.	All our suppliers are in the process of joining the Leather Working Group. This will help us to achieve our goal of assessing the use of water, but the development efforts will continue in the next reporting period.	We will assess the use of water by supplier and by leather type.
We will set targets for reducing emissions from transportation when we draw up an action plan to reduce Sievi's carbon footprint.	Drawing up a roadmap will be postponed until the next reporting period.	With our more accurate carbon footprint calculations, we decided to work on a roadmap during the next reporting period to reduce Scope 1 and 2 emissions, which include emissions from transportation as part of the total.
We will calculate Sievi's carbon footprint and continue to assess the most significant sources of emissions. We will explore the possibility of calculating the carbon footprint of some of our products. We will draw up a plan for the reduction of carbon emissions by the end of 2022.	We calculated the carbon footprint of four products while we were calculating our carbon footprint in 2022. The use of leather is the most significant source of emissions in our operations.	We will assess the actual recycling rates of our raw materials in more detail and aim to design a collection of footwear made of recycled materials.
We will test the heavy metal content of leathers in catalogue models. We will explore alternative tanning methods for leathers in casual models. We will continue to test black phthalate-free pigments and aim to replace the black pigment in 2020.	Leathers in sample books were tested and no heavy metals were found. All our pigments are phthalate-free.	
Waste less than 300 g/pair.	2020: 507 g / 1.9 g 2021: 452 g / 1.7 g 2022: 450 g / 1.7 g	Waste less than 300 g/pair.
Hazardous waste less than 3.5 g/pair of shoes.		Hazardous waste less than 3.5 g / pair of shoes.
We will assess energy consumption / pair of shoes.	2020: 4.78 kWh / pair of shoes 2021: 4.52 kWh / pair of shoes 2022: 4.78 kWh / pair of shoes	4 kWh / pair of shoes.



Safe workplace

SIEVI'S PRINCIPLES OF SAFE PRODUCTION OPERATIONS



Fair management and good information flow affect employee well-being and the atmosphere throughout the entire work community.



We work continuously to implement and maintain conformity and equality in the Sievi Marketing Group.



At Sievi, health and safety matters are managed in accordance with the ISO 45001 standard requirements.

People sustainability at Sievi focuses on health and safety and employee well-being as well as their competence and development. Skilled and committed employees are the cornerstone of Sievi's operations.

In addition to the ISO 45001 standard, our health and safety action plan is an important tool for the development of safety and well-being at work. It is updated every year, and the need to update its annex, the non-discrimination and equality plan, is assessed at the same time. A health and safety committee that consists of representatives of both employees and the employer reviews the plan and proposes changes to it if necessary. The results of periodic staff surveys are taken into account when the plan is updated.

Both of Sievi's factories have a health and safety committee, and they meet four times a year. All staff representatives on the committee have completed the required health and safety training. The health and safety committees play an important role in promoting interaction between the employer and employees in matters related to health and safety. The aim is to enhance the staff's commitment to safety matters by encouraging everyone to be observant so that hazards and problems can be eliminated and the working environment improved.

The committee is responsible for developing co-operation, distributing instructions and advice, and monitoring the implementation of the plan. According to the health and safety action plan drawn up in 2022, Sievi's health and safety objectives are:

- to proactively seek to eliminate health and safety hazards from the workplace and from work practices;

- to monitor any changes in staff well-being, in terms of both physical and mental health;
- to offer guidance and advice to employees in their job, not forgetting health-related issues and potential hazards at work.

The effectiveness of health and safety measures is assessed using an occupational accident index and by monitoring employee turnover, sick leave and the duration and reasons for sick leave, the number of early retirements, the disability benefit categories and the number of safety observations made by employees.

The measures taken during the reporting period included:

- Purchases to improve cleanliness, safety and ergonomics
- Ergonomic surveys of workstations carried out by an occupational physiotherapist
- Occupational hygiene measurements and biomonitoring
- Periodic inspections of equipment
- Staff survey in 2020

Sievi introduced an in-house whistleblowing channel in accordance with the new Whistleblower Directive in early 2023. Reports about safety and well-being still mainly come from observations or through the health and safety organisation.

FOCUS ON HEALTH AND SAFETY

Health and safety issues are managed and assessed in accordance with the ISO 45001 standard, which replaced the OHSAS 18001 system in 2021. In compliance with the standard, an in-house health and safety inspection is carried out in every department at both Sievi factories every year,



which is attended by the employer's representatives as well as the occupational safety and health representative and a deputy representative. If necessary, tasks are reassessed for their risks during the inspections. Risks are also investigated and assessed when working methods are changed substantially, in the event of an accident or a near miss, or when new, different tasks are introduced. Employees can report hazards or risks using our accident and safety report form. We would like to have open communications about any potential risks, but employees can also submit a report through the whistleblowing channel, either giving their name or anonymously.

If there is an accident, an investigation is carried out to determine the causes and to agree on corrective measures. If an employee feels that their job is dangerous, they must inform their supervisor or the occupational health and safety representative. Under the Occupational Safety and Health Act, employees have the right to refuse any tasks that they consider dangerous. It is the employer's responsibility to eliminate any hazards that prevent work from being carried out. The occupational health and safety representative also has the right to suspend work that poses an immediate and serious risk to employees' lives or health. Every accident is reported, and the accident investigation always involves the employee who reported the accident, the department supervisor and the health and safety manager, as well as the occupational health and safety representative or a deputy representative if necessary. We comply with whistleblower and non-discrimination legislation when we deal with in-house reports.

Our activities to promote workplace health are based on wide-ranging cooperative efforts that involve human resource management, line man-

agement, the health and safety committee and occupational health care services. Under the obligations of the Occupational Safety and Health Act and the Occupational Healthcare Act, the priorities of the activities include the promotion of health, prevention of illnesses and accidents, maintaining a safe working environment and promoting employees' health and their ability to work and function throughout their career. All Sievi employees are covered by these occupational health care services. Temporary agency workers are covered by the statutory services, such as occupational health care services, provided by the recruitment partner. The provision of appropriate occupational health care services as described in the Act on the Contractor's Obligations and Liability when Work is Contracted Out is ensured by means such as a report by the contractor.

Our main means of preventing risks from materialising is to offer a proper induction to new employees. Department supervisors are responsible for organising inductions in accordance with a set induction programme. To ease the process, all new employees are provided with an induction and safety guide, which is also available on site. The progress of every new employee is recorded on a step-by-step basis during the induction period. When an employee's duties change, they are always familiarised with their new role and the safe use of any machinery, equipment and chemical substances that the new role involves. The induction process includes a feedback session to assess its quality and usefulness. Fire training and first aid courses are also regularly organised for our employees.

In addition to induction, another way we work to prevent risks and strain factors is by cooperating with the occupational health care services and the health and safety committee. When an employee

ACCIDENTS 2020-2022

	2020	2021	2022
All accidents (number)	18	20	18
Hours worked	623,374	662,246	704,666
Accident rate (calculated on the basis of 1,000,000 hours)	28.9	30.2	25.5
Accidents that resulted in sick leave (number)	10	15	13
Accidents that resulted in sick leave longer than 4 days (number)	5	5	7
Sick days caused by accidents	46	80	165

becomes incapable of working or has an accident, they are referred to the occupational or general-health care services without delay. The factors that led to the incident are investigated and rectified. The statutory occupational health care services provided by Sievi include initial and periodic health screenings as well as monitoring and supportive services related to fitness to work during their working hours, and employees can be referred to occupational health care services if required, and they are informed about the services available to them.

Working with the occupational health care services and the health and safety committee, we have identified the following health and safety risks and significant stress factors in our production operations:

- Exposure to solvents and isocyanate
- Noise
- Accidents
- Repetitive strain injuries

Of these, the most likely and most serious risks are accidents and repetitive strain injuries. Our goal is to be a safe workplace, and this is what we strive for by running our operations in accordance with the ISO 45001 standard. We measure the achieve-

ment of our goal by means such as monitoring the number of accidents and sick days and their causes. We also monitor the number of observations about safety issues made.

Our accident rate has mainly remained below the industry average, while the number of sick days due to accidents has increased. The reason for this has been sick leave caused by individual accidents. In 2022, one relatively long period of sick leave was caused by accidents, which increased the number of sick days to an exceptionally high level. Most accidents have been minor, and there have been no serious accidents at work during the reporting period. No accident resulted in death or serious or long-term injury.

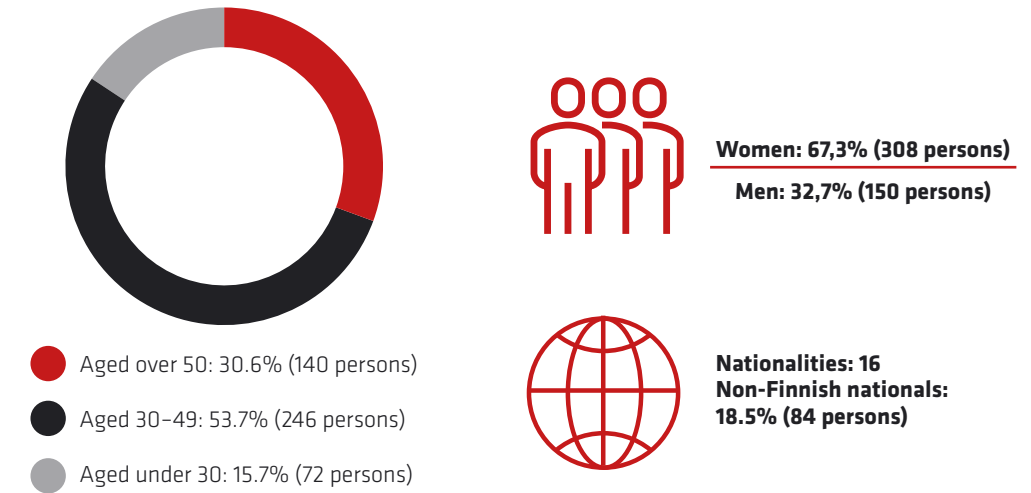
The table above shows Sievi's accident statistics. Most of the incidents were injuries to the hands or were caused by slipping. The statistics include all Sievi employees and temporary agency workers.

The most common reason for sick leave at Sievi is repetitive strain injury in the hands. Other identified risks did not cause illnesses. Work in production mainly involves repetitive tasks, which puts a strain on the hands in particular. The aim is to

SIEVI STAFF

	2020	2021	2022
Permanent employees at the Oulainen plant	117	118	131
of which full-time	112	113	126
of which part-time	5	5	5
Temporary agency workers at the Oulainen plant	0	0	1
Oulainen (total)	117	118	132
Permanent employees at the Sievi plant	292	295	309
of which full-time	283	286	300
of which part-time	9	9	9
Temporary agency workers at the Sievi plant	1	6	17
Sievi (total)	303	301	326
Permanent Sievin Jalkine employees, total	419	413	440
Temporary agency workers at Sievin Jalkine, total	1	6	18

THE STRUCTURE OF THE ENTIRE SIEVIN JALKINE WORKFORCE



prevent absence due to illness primarily by investing in good work ergonomics and encouraging job rotation. These measures might have contributed to the decrease in the number of sick days due to hand-related conditions; this number was reduced by approximately 50% in 2022 compared to 2021.

Sievi did not reach its target in terms of the total number of sick days during the reporting period. The increase in the number of sick days was mainly caused by the COVID-19 pandemic and the subsequent flu season.

Sievi uses an early intervention model, which is triggered by a significant number of sick days and the management's concern about the decline in an employee's fitness to work. The model can be used to identify any deterioration of an employee's well-being so that they can be referred to the right service if necessary.

The goal of the occupational health care services is to support supervisors in the management of employee well-being so that any signs of deteriorating well-being can be detected early. If an employee becomes less fit to work, the ergonomics of their workstation is checked, and arrangements can be made to lighten their workload if necessary. If an employee's ability to work deteriorates substantially and in the long term, they are referred to occupational rehabilitation, which allows them to train for a new profession or to move to another job through a work trial. To support our employees' fitness to work, we regularly organise Kela-supported rehabilitation sessions, for which our employees can apply.

In our view and experience, employee occupational well-being can be best ensured by providing all employees with the role and workstation best suited to them, by providing clear objectives for the work, and by unambiguously defining areas

of responsibility and authority. On the basis of the risk assessment and the workplace survey, we have assessed the risks and stress factors in the production operations that we aim to prevent by means of improving the working environment and tools, encouraging job rotation and cooperating with the occupational physiotherapist on a monthly basis. The occupational physiotherapist can help us to rectify workstation ergonomics, teach employees the best working methods and instruct them on how to stay fit to work. We also organise exercise breaks at work.

We allocate funds to recreational activities for our employees every year, and staff representatives decide how these funds are used; examples include group activities, such as cycling and kayaking trips and concerts outside working hours. Every employee also has the opportunity to receive Epassi benefit, which they can use to pay

for sports, well-being and cultural services of their choice in their free time. Information about the available services takes into account our language requirements and accessibility.

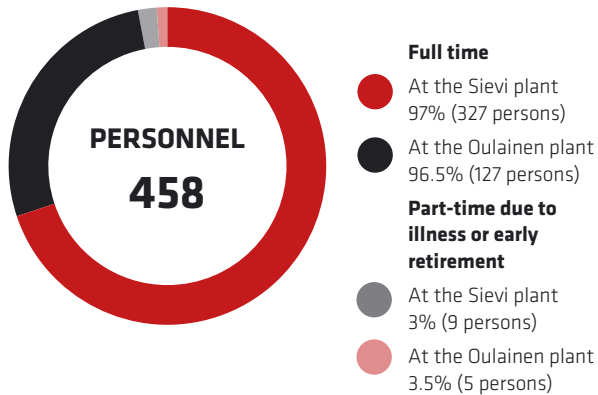
GOOD LEADERSHIP AS THE CORNERSTONE OF A GOOD WORKPLACE

The development of managerial work was the focus area of Sievi's 2017 reporting period. The most important measures taken in this area have been training courses organised for supervisors, updating the training programme for new supervisors, and drawing up a supervisors' handbook to support supervisors and to standardise practices within the company.

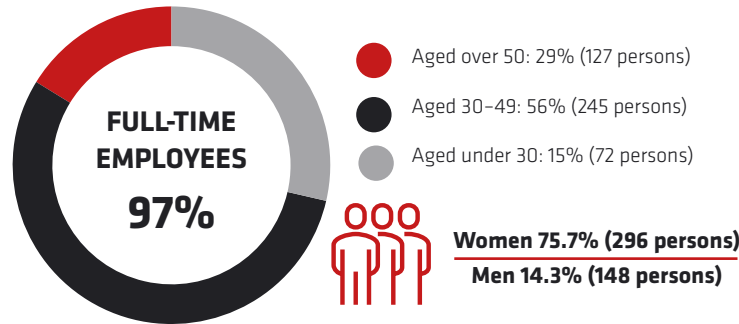
We conduct a staff survey every three years. We use the survey to monitor the level of staff

SIEVIN JALKINE STAFF STRUCTURE AT THE END OF THE REPORTING PERIOD

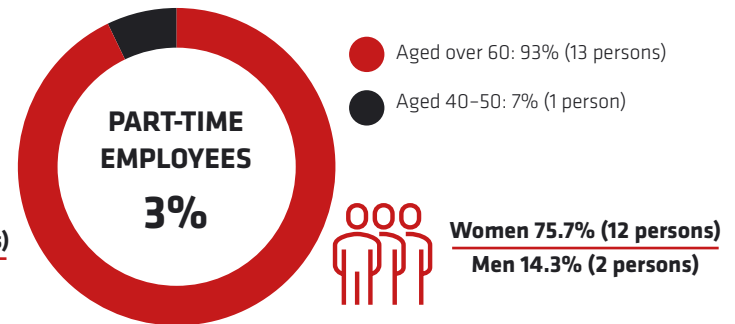
QUALITY OF EMPLOYMENT



FULL TIME



AGE DISTRIBUTION, PART-TIME EMPLOYEES



commitment and to assess the state of health and safety, equality and managerial work. Employees can take the staff survey anonymously. Between one and three areas of development were selected for each department on the basis of the results, and progress was monitored during the reporting period.

The response rate to the survey conducted in May 2020 was 62.7% at the Sievi factory and 65.3% in Oulainen. According to that survey, ten respondents had experienced harassment or inappropriate behaviour. All cases known to the employer were dealt with in accordance with Sievi's guidelines on harassment and inappropriate behaviour. Statistics for 2020-2022 are not yet available as the next staff survey will not be carried out until summer 2023.

On the basis of the 2020 results, we took measures to improve the overall comfort in the facilities

as well as ergonomics and safety, including:

- Hiring more employees at the raw material warehouse
- Purchasing equipment to facilitate lifting
- Increasing cleaning activities in more departments than before
- Offering training courses for mentors and increasing job rotation
- Improving information sharing by means such as notice boards and introducing the intranet and information displays
- Purchasing more suitable work clothes and personal protective equipment

In 2018, we introduced the 5S method into our production operations to improve cleanliness, good order and safety in the working environment. The 5S method is a model that can be used in everyday operations to assess how workplaces could be better organised and how practices could be

standardised. The 2020 staff survey showed that employees felt that they were given more of a say in the development of their workplace, which may be partly explained by the introduction of the 5S method. 5S is one of the means that employees can use to have a regular impact on their working environment and how it is developed. The aim is to train all employees to use the 5S method; a total of 68 employees were trained during the reporting period. Training courses in the 5S method continued in early 2023.

Although efforts have been made to improve the accessibility of communications, Sievi's management continues to identify areas for development. Work to improve the accessibility of communications will continue in the next reporting period. We encourage our employees to communicate their wishes and proposals to management and supervisors in the form of feedback, observations on safety

issues and initiatives. Communications can sometimes be hindered by a language barrier, as many of our foreign employees do not speak Finnish or English. Interpreters and translation applications are used for communications with our foreign employees if necessary. The most important instructions and bulletins are translated into the most common languages, and supervisors also try to ensure that everyone understands all instructions.

EQUALITY AT SIEVI

For Sievi, it is important that all employees are treated equally. We promote non-discrimination and equality in accordance with the Non-discrimination Act and the Act on Equality between Women and Men. During the reporting period, more of Sievi's induction guides and safety instructions and bulletins have been translated into other



Multinational Sievi

Sievi's global nature is not only apparent in its business operations, but also in the structure of its staff. 18.5% (84 persons) of Sievin Jalkine's employees are foreign citizens. We do not expect employees in our production operations to be able to speak Finnish, and we currently offer materials related to induction and occupational safety in four languages. Our multinational staff can also help us by offering interpretation services to new employees, thus contributing to the integration process and familiarisation with the new job.

languages in order to ensure the induction process is equal for everyone. Guides and instructions are currently available in four languages: Finnish, English and Russian, and some also in Thai.

A committed and skilled workforce is one of Sievi's key success factors. Recruiting skilled employees from Finland has been a challenge for quite a while. There is no, or very little, vocational training available in the sector in Finland, which has led Sievi to recruit more foreign employees who already have relevant experience, e.g. sewing, in recent years. Sievi and its partner staffing service companies have worked together to offer integration services and networks to foreign employees to make their everyday life easier. New employees are not required to speak Finnish as Sievi already

employs speakers of many languages, which has also made it possible to provide interpreting services to support the integration process. Having an interpreter ensures that employees are as equal as possible when they join the company.

Sievi has used staffing service companies to support recruitment since 2006. The employees they supply are employed by Sievi as temporary agency workers. At Sievi, temporary agency workers receive equal treatment to permanent employees and perform the same production-related tasks at both the Sievi and Oulainen plants. They are covered by the collective agreement just the same as Sievi's permanent employees are. The aim is to hire temporary agency workers as Sievi employees after six months of temporary work. The number of temporary agency workers who did not continue to work at Sievi was 15 during the reporting period. Temporary agency workers receive the same pay as Sievi's permanent employees. They also participate in the company's recreational activities and are entitled to the same staff benefits with the exception of Epassi. Temporary agency workers are included in all statistics in this report that are related to Sievi's staff.

The staff structure at Sievi's sites and the factories in Oulainen and Sievi at the end of each year of the reporting period can be found on page 33.

All Sievi employees are permanent and have been hired to work full-time. All our employees are currently in permanent employment. Factors that lead employees to work part-time include reduced ability to work, parental leave and semi-retirement. All our employees receive the same benefits and statutory services. Employees in Sievi's production are mainly paid on a piece-rate basis, which enables them to influence the level of their earnings and monitor their development.

PEOPLE SUSTAINABILITY: LONG-TERM POLICIES

Key area	Long-term policies
We maintain a high level of occupational safety.	Sieviin Jalkine is a safe employer.
We maintain and promote our employees' occupational wellbeing.	People are healthy. We maintain and strengthen staff motivation.
Sieviin Jalkine's employees have the requisite skills and expertise.	We maintain the professional skills of our current employees and, if necessary, provide training for more employees. Sievin Jalkine is an attractive employer.

PEOPLE SUSTAINABILITY RESULTS 2020-2022 AND TARGETS FOR 2023-2024

Targets 2020-2022	Results 2020-2022	Targets 2023-2024
We aim to bring the rate of work-related accidents below the industry average. (The 2018 average was 31.0.)	2020: 14.4 2021: 19.6 2022: 17.0	We aim to bring the rate of work-related accidents below the industry average. (The 2021 average was 27.5.)
Employee turnover rate of less than 10%.	2020: 9.73% 2021: 12.90% 2022: 14.40%	Employee turnover rate of less than 10%.
We will be below average in sick leave for industrial employees, 5.4% (EK statistics 2016).	2020: 8.8% 2021: 8.4% 2022: Statistics have not been published yet.	We will be below average in sick leave for industrial employees, 5.7% (EK statistics 2020).
Early retirement: goal 0 (including semi-retirement due to disability).	2020: 1 2021: 5 2022: 1	Early retirement: goal 0 (including semi-retirement due to disability).
Disability benefit category goal: 4 or below.	2020: 4 2021: 3 2022: 3	Disability benefit category goal: 4 or below.
	2020: 33 pieces / 7.9% 2021: 28 pieces / 6.7% 2022: 15 pieces / 3.3%	Observations on safety issues: 1 observation/employee/year.



| GRI index

Sievin Jalkine Oy's Sustainability Report 2020-2022 was published on June 30, 2023.
Our contact person in matters related to sustainability is Ilkka Jokinen, ilkka.jokinen@sievi.com.

The content of this report was compiled by Sievin Jalkine Oy in collaboration with Third Rock Finland Oy.

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 2: General disclosures	2-1	Organizational details	Company presentation	
GRI 2: General disclosures	2-2	Entities included in the organization's sustainability reporting	Company presentation	Sieviin Jalkine Oy submits its year-end financial statements and annual report to the Finnish Trade Register every year. The definitions in the reports are consistent.
GRI 2: General disclosures	2-3	Reporting period, frequency and contact point	Company presentation Sievi – sustainable footwear production GRI index	Sievi's sustainability report is published every two years and the financial statements every year. Sievi's operations have long been well established and, as a medium-sized family business, change is considered in the long term. For this reason, the company feels that it is more relevant to report on sustainability issues every two years. More information about the sustainability report: ilkka.jokinen@sievi.fi
GRI 2: General disclosures	2-3-C	C. report the publication date of the report or reported information;	GRI index	26.6.2023
GRI 2: General disclosures	2-4	Restatements of information		No restatements of information were made.
GRI 2: General disclosures	2-5	External assurance		The report has not been externally assured.
GRI 2: General disclosures	2-6	Activities, value chain and other business relationships	Company presentation Sustainably designed, responsibly manufactured Key areas of corporate responsibility Cooperation with stakeholders	
GRI 2: General disclosures	2-7	Employees	Equality at Sievi People sustainability results 2020–2022 and targets for 2023–2024	In staff statistics, 1 person = 1 employee (head count method).
GRI 2: General disclosures	2-8	Workers who are not employees	Equality at Sievi	In staff statistics, 1 person = 1 employee (head count method).
GRI 2: General disclosures	2-13	Delegation of responsibility for managing impacts	GOOD GOVERNANCE AND MANAGEMENT Sievi's management system and sustainability management	
GRI 2: General disclosures	2-22	Statement on sustainable development strategy	Foreword from the CEO	
GRI 2: General disclosures	2-23	Policy commitments	Ethical principles in business operations	Not all of Sievi's policies specifically commit to responsible business conduct.
GRI 2: General disclosures	2-24	Embedding policy commitments	Sievi's management system and sustainability management We are committed to continuous improvement Ethical principles in business operations	Sustainability is an overarching principle for us.
GRI 2: General disclosures	2-26	Mechanisms for seeking advice and raising concerns	Ethical principles in business operations Risk management	

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 2: General disclosures	2-27	Compliance with laws and regulations	Sievi's management system and sustainability management We are committed to continuous improvement	No incidents during the reporting period.
GRI 2: General disclosures	2-28	Membership associations	Sustainably designed, responsibly manufactured	
GRI 2: General disclosures	2-29	Approach to stakeholder engagement		
GRI 2: General disclosures	2-30	Collective bargaining agreements	Equality at Sievi	
GRI 3: Material topics	3-1	Process to determine material topics	Key areas of corporate responsibility	
GRI 3: Material topics	3-2	List of material topics	Key areas of corporate responsibility	
GRI 3: Material topics	3-3	Management of material topics	The management of each material topic is discussed in the relevant section of the report: RESPONSIBLE SOURCING ENVIRONMENTAL RESPONSIBILITY IN THE PRODUCTION CHAIN SAFE WORKPLACE	
GRI 201: Economic performance	201-4	Financial assistance received from government		No financial assistance was received from the government in 2020–2022.
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	RESPONSIBLE SOURCING	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken		No incidents during the reporting period.
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No incidents during the reporting period.
GRI 301: Materials	301-1	Materials used by weight or volume	Raw materials	
GRI 301: Materials	301-2	Recycled input materials used	Work on recycled materials continues	

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 302: Energy	302-1	Energy consumption within the organisation	Energy consumption	<p>Sieviin Jalkine did not sell electricity or any other type of energy outside the company during the reporting period.</p> <p>The energy consumption from cooling and heating is included in the consumption of electricity and fuel. These cannot be itemised. Sievi does not use steam in its operations.</p> <p>Motiva's conversion factors have been used to convert light fuel oil consumption from litres to megawatt-hours.</p> <p>The units have been converted so that 1MWh = 3.6 GJ.</p> <p>Fuel consumption data is obtained from refuelling volumes, and electricity consumption data is obtained directly from Sievi's electricity supplier.</p>
GRI 302: Energy	302-3	Energy intensity	Energy consumption	<p>Energy intensity is calculated by dividing the data in the infographic Energy consumption by the validated turnover. The figures in the infographic show the energy used in Sievi's own production facilities. Data about the amount of heat recovered is obtained from the heat recovery system in kilowatt-hours. Data about the consumption of light fuel oil is obtained from refuelling volumes.</p>
GRI 302: Energy	302-4	Reduction of energy consumption	Energy consumption	
GRI 303: Water and Effluents	303-3	Water withdrawal	Water consumption	<p>100% of the water used by Sievi comes from fresh water sources.</p> <p>The water used by Sievi does not come from risk areas (source: SYKE)</p> <p>The consumption of our own well water and of domestic water supplied by a third party is monitored by separate water meter readings.</p>
GRI 303: Water and Effluents	303-5	Water consumption	Water consumption	<p>100% of the water used by Sievi comes from fresh water sources.</p> <p>The water used by Sievi does not come from risk areas or areas affected by water stress (source: SYKE)</p>
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Climate impacts and carbon footprint	<p>All of the most common gases used for emission calculations (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) were included in the carbon footprint calculation wherever possible.</p> <p>The emission factors are mainly from the following sources: Defra, VHK 2005, Syke Envimat 2019, Ecoinvent and WWF 2017. The electricity emission factor was obtained directly from Sievi's electricity supplier, Oomi, and the logistics emission data directly from the transport companies.</p> <p>Sievi's operations do not release any significant amount of biogenic carbon dioxide emissions.</p>
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Climate impacts and carbon footprint	<p>All of the most common gases used for emission calculations (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) were included in the carbon footprint calculation.</p> <p>The emission factors are mainly from the following sources: Defra, VHK 2005, Syke Envimat 2019, Ecoinvent and WWF 2017. The electricity emission factor was obtained directly from Sievi's electricity supplier, Oomi, and the logistics emission data directly from the transport companies.</p>

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 305: Emissions	305-3	Other indirect (Scope 3) GHG emissions	Climate impacts and carbon footprint	<p>All of the most common gases used for emission calculations (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) were included in the carbon footprint calculation.</p> <p>No reliable data are available on the suppliers' biogenic emissions.</p> <p>Scope 3 emissions take into account the most significant emissions from production operations, which include raw materials, logistics, waste, travel and other significant emissions from administrative operations. Emissions from the sale, use and disposal of products have been excluded from the calculation.</p> <p>The base year for the Scope 3 calculation is 2020, when the calculation limits were set to the current ones.</p> <p>The emission factors are mainly from the following sources: Defra, VHK 2005, Syke Envimat 2019, Ecoinvent and WWF 2017. The electricity emission factor was obtained directly from Sievi's electricity supplier, Oomi, and the logistics emission data directly from the transport companies.</p>
GRI 305: Emissions	305-4	GHG emissions intensity	Climate impacts and carbon footprint	All of the most common gases used for emission calculations (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃) were included in the carbon footprint calculation.
GRI 306: Waste	306-2	Management of significant waste-related impacts	Waste	<p>Sievi's waste management is handled by a third party in accordance with the Waste Act and the Waste Decree.</p> <p>Hazardous waste: Fortum Waste Solutions Oy Cardboard: Remeon Metal: Kuljetusliike Moduvia Oy and Kuusakoski Oy</p> <p>All operators have been verified as included on the waste management register.</p>
GRI 306: Waste	306-3	Waste generated	Waste	
GRI 306: Waste	306-4	Waste diverted from disposal	Waste	<p>The amount of waste material given to staff and for training purposes, i.e. waste to be reused, has not been monitored.</p> <p>In addition to material waste, waste is not directly diverted for reuse at the moment, but is sent to waste treatment plants for recycling.</p> <p>All waste is recycled by a third party outside the Sievi premises.</p>
GRI 306: Waste	306-5	Waste directed to disposal	Waste	All waste is disposed of by a third party outside the Sievi premises.
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	RESPONSIBLE SOURCING	
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	RESPONSIBLE SOURCING Responsible sourcing results in 2020-2022 and targets for 2023-2024 Raw materials	Based on the audits, no measures were agreed on other than joining the Leather Working Group.

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 401: Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality at Sievi	All Sievi employees have exactly the same benefits regardless of the nature of their employment relationship.
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes		The collective agreement for the shoe and leather industry specifies the notice period as well as the provisions on consultations and negotiations. The notice period depends on the length of the employee's employment and is at least two weeks.
GRI403: Occupational health and safety	403-1	Occupational health and safety management system	SAFE WORKPLACE Focus on health and safety	<p>The health and safety committee is a statutory body in workplaces with more than 20 employees (The Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces, Section 38). Health and safety committees operate in accordance with the law and the collective agreement for the shoe and leather industry.</p> <p>The Occupational Safety and Health Act and the Occupational Healthcare Act oblige the employer to take care of the health and safety of employees at work by improving the working environment and work conditions as well as by preventing work-related accidents, occupational diseases and other physical or mental health hazards arising from the work or the working environment.</p> <p>Sievi's occupational healthcare services and early support model are based on activities under the Occupational Safety and Health Act and the Occupational Healthcare Act, and Sievi also complies with the occupational health and safety management system ISO 45001 standard.</p> <p>Sievi also organises and supports recreational activities that support the community and its employees' personal well-being.</p> <p>Employees on maternity leave, child care leave or study leave do not have access to the occupational health care services.</p>
GRI403: Occupational health and safety	403-2	Hazard identification, risk assessment and incident investigation	SAFE WORKPLACE Focus on health and safety	
GRI403: Occupational health and safety	403-3	Occupational health services	Focus on health and safety	
GRI403: Occupational health and safety	403-4	Worker participation, consultation, and communication on occupational health and safety	SAFE WORKPLACE Focus on health and safety	
GRI403: Occupational health and safety	403-5	Worker training on occupational health and safety	Focus on health and safety	
GRI403: Occupational health and safety	403-6	Promotion of worker health	Focus on health and safety	
GRI403: Occupational health and safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	RESPONSIBLE SOURCING	

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI403: Occupational health and safety	403-8	Workers covered by an occupational health and safety management system	Equality at Sievi	Temporary agency workers (4% of the total number of Sievi's employees) are not covered by Sievi's statutory occupational healthcare services but are part of the occupational health and safety management system under the standard ISO 45001. In accordance with ISO 45001, an in-house audit of our occupational health and safety activities is carried out every year.
GRI403: Occupational health and safety	403-9	Work-related injuries	Safe workplace	<p>Temporary agency workers are included in Sievi's accident statistics as they are thought to be part of the staff whose occupational health and safety Sievi is responsible for.</p> <p>Due to the size of Sievi, data are not itemised by risk and the duration of periods of sick leave is not reported in order to protect the privacy of our employees. The duration of all periods of sick leave has been significantly less than six months.</p>
GRI403: Occupational health and safety	403-10	Work-related ill health	Safe workplace	<p>Temporary agency workers are included in Sievi's sick leave statistics as they are thought to be part of the staff whose occupational health and safety Sievi is responsible for.</p> <p>Due to the size of Sievi, the number of cases of work-related ill health is not reported in order to protect the privacy of our employees. Occupational diseases have not resulted in deaths.</p>
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Sievi's management system and sustainability management Equality at Sievi	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Good leadership as the cornerstone of a good workplace	
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risks of international operations	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Risks of international operations	
GRI 409: Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risks of international operations	
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	RESPONSIBLE SOURCING	
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	RESPONSIBLE SOURCING Audits ensure high quality and sustainability Risks of international operations Responsible sourcing results in 2020-2022 and targets for 2023-2024	

Standard category	Code	Indicator name	Location in the report	GRI Index comment
GRI 416: Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	Audits ensure high quality and sustainability The guiding principle in sourcing raw materials is always safety	
GRI 416: Customer health and safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents during the reporting period
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling		No incidents during the reporting period.
GRI 417: Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications		No incidents during the reporting period.
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents during the reporting period.



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