

Sustainably designed and responsibly manufactured footwear

Sustainability report 2023–2024



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This report features the most relevant information about Sievi's sustainability work carried out during 2023–2024. It was prepared in accordance with the VSME framework. The VSME index can be found on page 41.



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Sievi was awarded a silver medal in the EcoVadis assessment



Customer survey results: Sievi is seen as a forerunner in responsibility in the safety footwear market.



Overall, 83% of our leather suppliers have joined the Leather Working Group, which promotes environmentally friendly practices in the leather supply chain. Sievi also became a member during the 2023-2024 period.



SIGNIFICANT ACHIEVEMENTS IN CORPORATE RESPONSIBILITY 2023-2024



Our EcoTech range maximises the use of recycled materials.

We have increased the proportion of recycled materials in our footwear production to 12%. Our use of recycled materials has increased by almost 80% from the previous reporting period.



We have calculated the product-specific carbon footprint for 23 models.



-85%

Thanks to a new heat recovery system, Sievi's oil consumption fell by 85% compared to the average annual consumption before the system was implemented.



We conducted 22 supplier audits during this reporting period.



We established the position of Quality and Sustainability Manager.



**Sievin
Jalkine Oy in
numbers 2024**

85.4

**M€
turnover**

13.9

**M€
salaries and
remuneration paid**

2.8

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

3.0

**M€
income taxes**

423

employees

94%

purchases audited

5.73

**kWh electricity
consumed per footwear
pair manufactured**



| Sievin Jalkine in brief

BUSINESS OPERATIONS

The family-owned Sievi Group has its roots in Sievin Jalkine Oy, a footwear company founded in 1951. Its core business is the manufacture of safety, occupational and leisure footwear as well as specialty footwear. The company also sells footwear-related accessories such as insoles and socks. The other companies in the Group are Sievi-Tools Oy and the overseas subsidiaries Sievi Ab, Sievi GmbH and Sievi AS. The Group's parent company and owners are JJJ & Sievi Marketing Oy and Sievi Marketing Oy.

The purpose of the Group's operations is to conduct profitable business by manufacturing economically, environmentally and socially sustainable footwear. We offer products manufactured in Finland as an alternative in an industry typically dependent on long production chains. The Group's business activities also include the parent company's investment operations.

The Sievi Group's turnover in 2024 was EUR 173.5 million. The prolonged downturn in the construction industry in key market areas has had a major impact on the development of the company's sales volume in recent years. The company's profitability and financial standing have remained at a good level.

In 2024, Sievin Jalkine Oy's turnover was EUR 85.4 million, compared to EUR 89 million in 2023. The net operating profit was EUR 19.7 million in 2023 and EUR 15.7 million in 2024.

SITES AND EMPLOYEES

Sievi Group's head office is located in Sievi, North Ostrobothnia. The company also operates internationally through its subsidiaries. Companies within the Group have operations in the following countries:

Finland: Sievi's head office is located in Sievi, Finland, where it also has production operations. Further production operations are carried out in Oulainen, where the Group's subsidiary Sievi-Tools Oy is also located.

Sweden: Sievi Ab is responsible for sales on the Swedish market.

Germany: Sievi GmbH operates in the German market.

Norway: Sievi AS is responsible for sales and customer service in Norway.

During the financial year 2023, Sievin Jalkine Oy employed a total of 448 people (422 in production and 26 in clerical roles). In 2024, there were 423 employees (397 in production and 26 in clerical roles). Approximately 65% of the company's employees are women and 35% are men. The average age of the staff is 43 years.

FOREWORD FROM THE CEO

Sievin Jalkine Oy is the largest footwear manufacturer in Northern Europe. We have been manufacturing footwear at our factories in Sievi and Oulainen since 1951. Our long experience, solid family ownership, technological innovations, use of quality materials and craftsmanship ensure that the highest possible standards are maintained and that our products can be worn with confidence.

We are committed to responsible practices throughout our value chain. In 2024, EcoVadis, the globally recognised sustainability assessor, awarded Sievi a silver medal for the first time. This result puts Sievi in the top 15% of companies assessed by EcoVadis in the past 12 months.

We have drawn up a roadmap to reduce our emissions and aim to be carbon neutral in our operations by 2035. Our investment in a new heat recovery system at the Sievi plant has led to a significant reduction in our consumption of heating oil: in 2024, we used approximately 7,800 litres of oil, whereas during 2010–2021, before the system was installed, we used an average of roughly 52,700 litres each year. In 2024, oil consumption was 85% lower than the average annual consumption before the system was introduced. We expect the consumption of heating oil to continue to decrease as system adjustments are optimised for the heating demands on site.

Responsible and long-term cooperation with our suppliers is a prerequisite for our success. We have been conducting supplier audits since 1991 and are further developing our auditing operations. In 2023 and 2024, we carried out a total of 22 audits. No social responsibility-related deficiencies were detected. We are also pleased that as many as 83% of our leather suppliers have joined the Leather

Working Group, which promotes sustainable practices in leather production. We joined the LWG in 2023.

Material development is a significant part of our efforts to ensure sustainability, as the greatest environmental impact of our operations comes from the raw materials used in the manufacture of footwear. We have managed to increase the proportion of recycled materials used in our footwear manufacturing by 5% compared to 2022. Emissions from materials have decreased by 14% compared to the most recent calculation, a figure achieved mainly by increasing the use of recycled materials.

I argue that emissions from cattle rearing should not be included in the calculation of the carbon footprint of leather. Leather is a by-product of the meat and food industry, i.e. it would be a waste product if not used in other industries, such as the footwear, clothing, car and furniture industries. Globally, the consumption of meat for food continues to increase as the world's population grows. From an environmental point of view, it is better to use leather than to dispose of it. Leather is also the best upper material for footwear: it is a natural product and more durable than synthetic materials.

During the reporting period, we launched a new strategy for 2024–2028 focused on strengthening our brand and market position, maintaining and developing our position as product leaders, ensuring our employees are healthy and motivated, improving the quality and efficiency of our production and making sustainability a competitive advantage. To achieve these goals, we have established a new position of Quality and Sustainability Manager.

We are confident about our future. In an ever-changing operating environment, we aim to be one step ahead of our competitors and meet our customers' expectations by offering responsibly manufactured footwear in a reliable and secure manner. Our ambition is to be the number one choice in occupational and safety footwear.

Sievi, May 2025
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's products promote safety in the workplace and during leisure time.



INNOVATION:

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



RELIABILITY:

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



EFFICIENCY:

Sievi continuously and systematically develops more effective operating practices. We deploy our existing resources efficiently by doing the right things as well as possible to ensure the best interests of our customers and maintain competitiveness.



A SUSTAINABLE SET OF VALUES

Sievi footwear combines quality, comfort, cutting-edge technology and first-class materials. We invest in durable materials, versatile protective properties and a product range that caters for all work and weather conditions.

Our safety and occupational footwear complies with the EN ISO 20345 and EN ISO 20347 standards. Our product development and material choices are based on the requirements of relevant standards and the REACH regulation. We use high-quality recycled materials in the manufacture of our products. Our choice of materials is guided by product quality, user safety and the requirements of relevant standards.

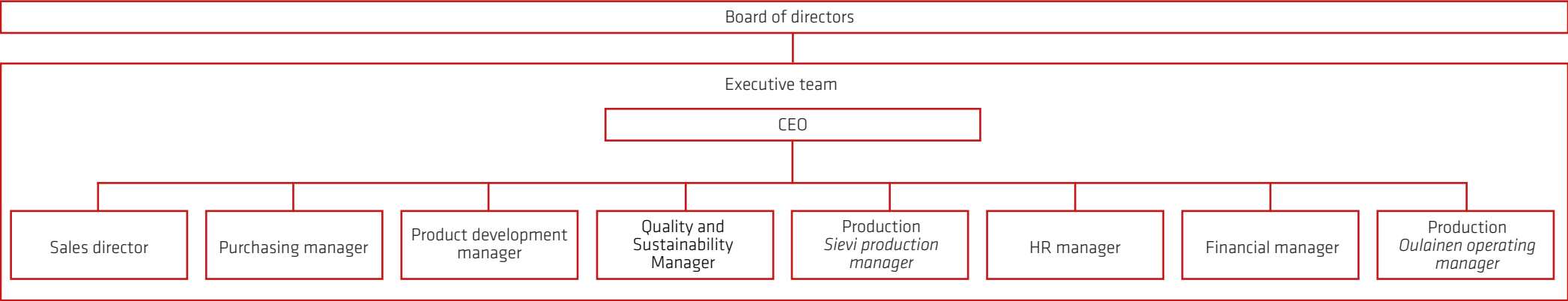
More than 90% of the footwear we manufacture consists of occupational and safety shoes and boots, which are first and foremost personal protective equipment and only purchased on a need basis. We are constantly exploring new materials and alternatives to leather, but we do not want to compromise on the durability of our products; the longer their life cycle, the less frequently shoes need to be replaced. It makes sense to spread the climate impact of a product over its useful life as this ensures the best results for both the user and the environment.



EcoVadis silver medal

We took big steps forward in our sustainability work in 2024, when Sievi was awarded the coveted EcoVadis silver medal for the first time. EcoVadis is a globally recognised sustainability assessor that evaluates companies in accordance with the principles of sustainable development. The silver medal puts Sievi in the top 15% of companies assessed by EcoVadis in the past 12 months. The EcoVadis assessment covers 21 sustainability criteria across four core themes: the environment, labour & human rights, ethics and sustainable procurement. The silver medal is a significant recognition of Sievi's commitment to responsible and sustainable business.

SIEVIN JALKINE OY’S MANAGEMENT STRUCTURE



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 Board of Directors of the Group’s parent company has six members. There are no committees on the Board of Directors or Sievi’s executive team. The members of Sievin Jalkine Oy’s Board of Directors and the executive team serve indefinite terms of office.

During the reporting period, we launched a new strategy for 2024-2028. In this period, one of our priorities is to make sustainability a competitive advantage. Since sustainability is an increasingly visible part of Sievi’s operations, it was decided to establish a new position for a quality and sustainability manager. Quality and sustainability have always been an important part of Sievi’s operations, but we wanted to clarify the process and allocate more resources for sustainability and quality efforts to ensure our role as a forerunner in matters of sustainability.

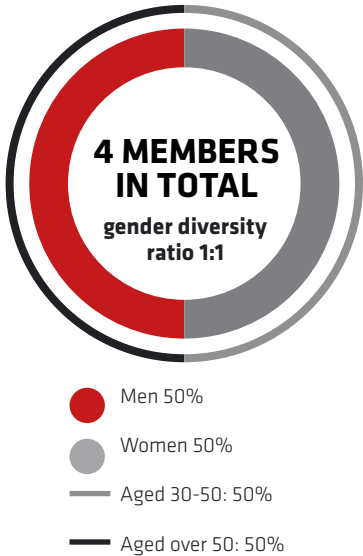
Sievin Jalkine Oy’s executive team will continue to support the CEO in assessing impacts, risks and opportunities related to sustainability. In operational terms, sustainability activities are managed by the CEO, the executive team and the sustainability manager. The executive team approves the key areas of activity with regard to sustainability, while the sustainability manager leads the implementation of these activities and reports to the management on their development.

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

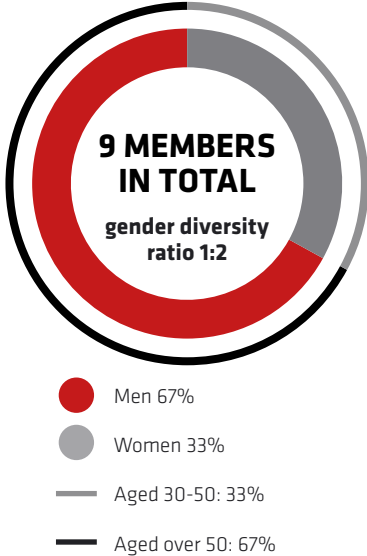
- The HR manager is responsible for the implementation and development of aspects related to staff.
- The purchasing manager is responsible for aspects related to procurement.
- The financial manager is responsible for aspects related to financial administration and associated areas.
- The production manager at the Sievi factory and

DIVERSITY IN THE BOARD OF DIRECTORS AND THE EXECUTIVE TEAM

THE STRUCTURE OF SIEVIN JALKINE OY’S BOARD OF DIRECTORS



THE STRUCTURE OF SIEVIN JALKINE OY’S EXECUTIVE TEAM



the operating manager at the Oulainen factory are responsible for aspects related to production.

- The product development manager is responsible for aspects related to product design.
- The quality and sustainability manager is responsible for the implementation and development of quality and environmental aspects.

Sustainability risk management

Business risks are assessed on a monthly basis during executive team meetings. We have identified the following business risks related to sustainability:

- Emissions related to the use of raw materials – We are responding to this challenge by developing lower-emission production processes with leather suppliers and exploring alternative materials.
- Emissions from energy use and logistics – We are addressing this challenge by improving energy efficiency in our processes. We can influence 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 and 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 domestically and from abroad and by training employees in-house through apprenticeship training with a focus on learning at work.

STRATEGY

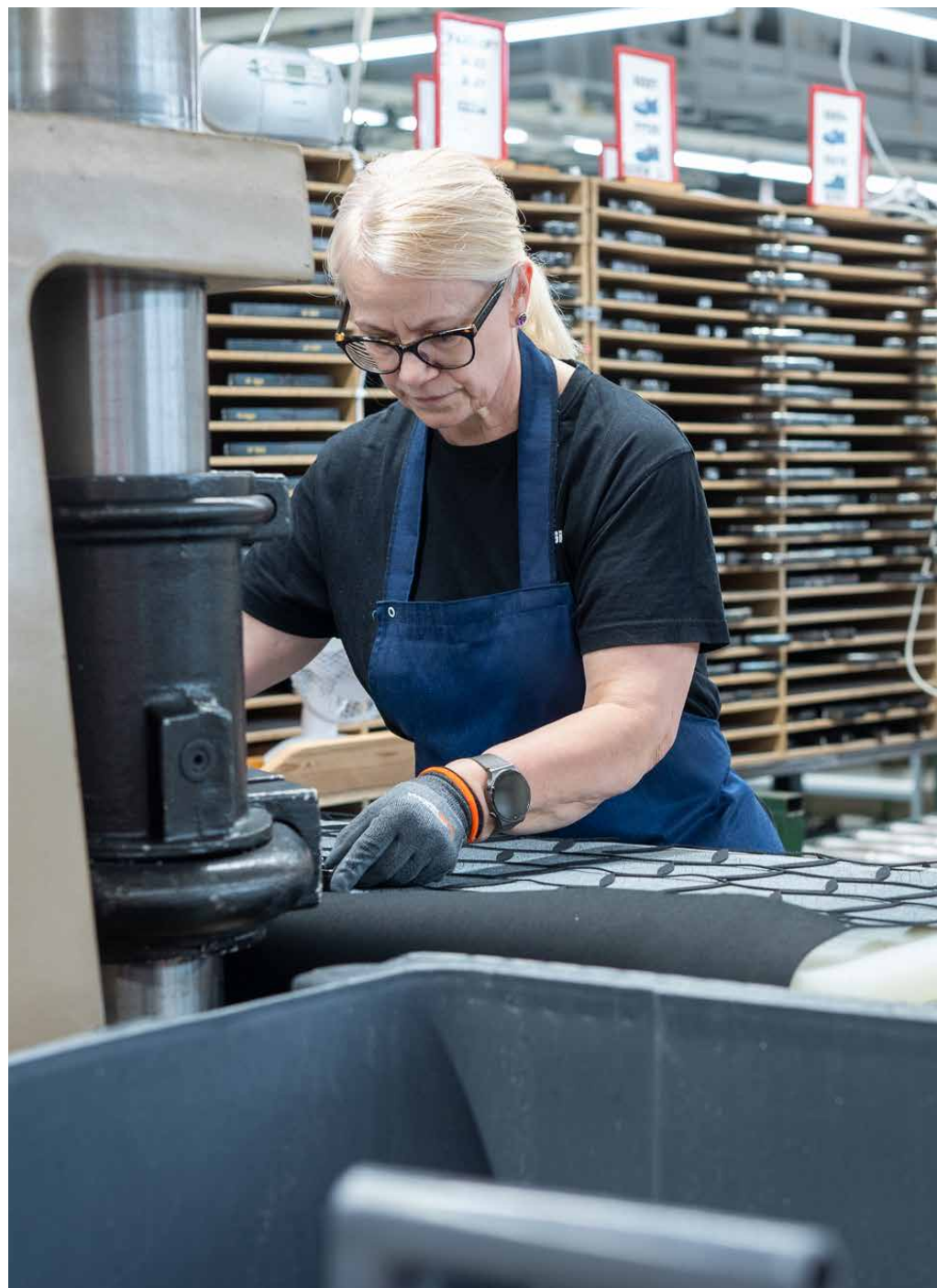
During the new strategy period 2024–2028, our focus is on strengthening our brand and market position, maintaining and developing our product leadership, ensuring our employees are healthy and motivated, improving the quality and efficiency of our production and making sustainability a competitive advantage.

A responsible corporate culture and ensuring the profitability of operations are key factors in Sievi's business. Our goal is to use materials efficiently, promote circular economy and reduce the release of emissions into the atmosphere. Our long-term success is ensured through responsible resource management, including using raw materials more efficiently and promoting the reuse of materials. These measures are particularly important in a manufacturing industry as they reduce the negative environmental impacts of operations and improve the sustainability of production.

Climate and biodiversity are important aspects of sustainability in Sievi's business and investment activities. Environmental risk management and preparedness for sustainability risks support Sievi's long-term success. Proactive risk management helps the company adapt to events such as changes in weather conditions caused by climate change and changes in the availability of production materials. Maintaining competitiveness in a changing operating environment requires long-term sustainability efforts and continuous reduction of greenhouse gas emissions.

Sievi's most important resources are its employees, and those of companies throughout the value chain, and its customers. Employee health and safety is a key factor for business continuity. Employee well-being, coping at work and job satisfaction are important competitive and success factors in the manufacturing industry.

We maintain customer satisfaction by guaranteeing high product quality and adhering to relevant standards for safety and occupational footwear. The expectations of stakeholders, including customers, are met through active product development and innovation.



VALUE CHAIN

The production of our footwear is in our hands: our products are manufactured in our factories in Sievi and Oulainen. Our key partners are suppliers of raw and other materials as well as retailers and end users. Outside 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.

We mainly source our leather, the main upper material we use, from European suppliers that acquire their rawhides from European sources. Some of our components come from outside Europe, and some of the materials we require are purchased partially processed.

In 2024, the three countries that supplied the most raw materials were Italy, China and Germany. Overall, 94% of our suppliers were based in the EU, and the countries that supplied the greatest value of materials, in euros, were Italy, Finland

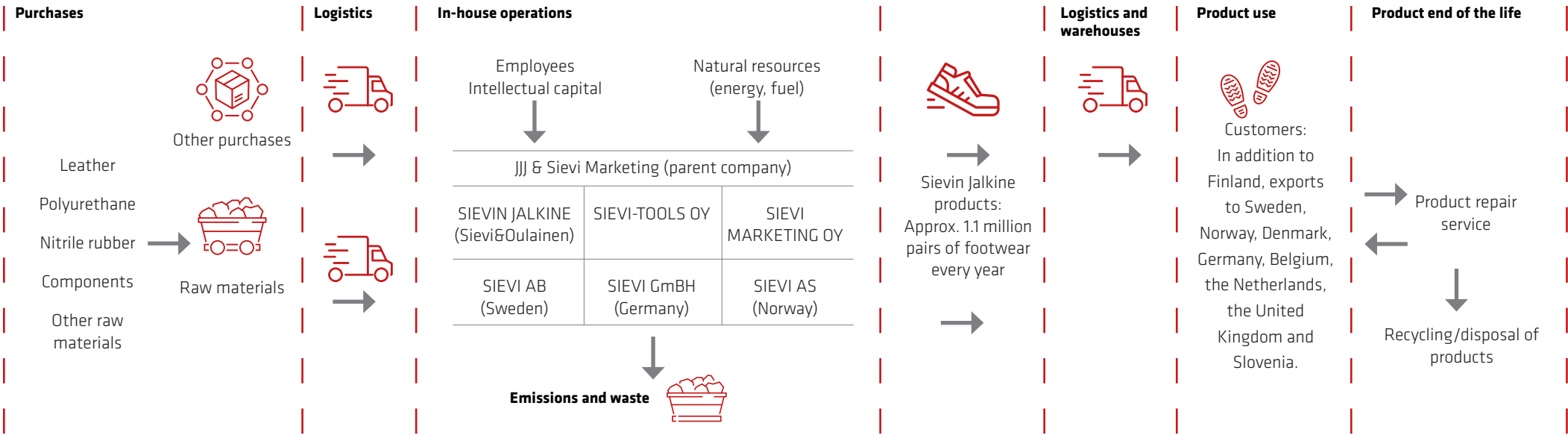
and Germany. In 2024, Sievi had a total of seven suppliers from outside Europe. These suppliers mainly supply components and lining materials.

Of our supplier countries, Brazil, India, China and Türkiye are risk countries according to the amfori BSCI Country Risk Classification. We conduct audits to ensure that our suppliers adhere to our principles of sustainable sourcing. These principles and how we ensure the sustainability of our purchases is outlined in the section *Sustainability principles for suppliers*.

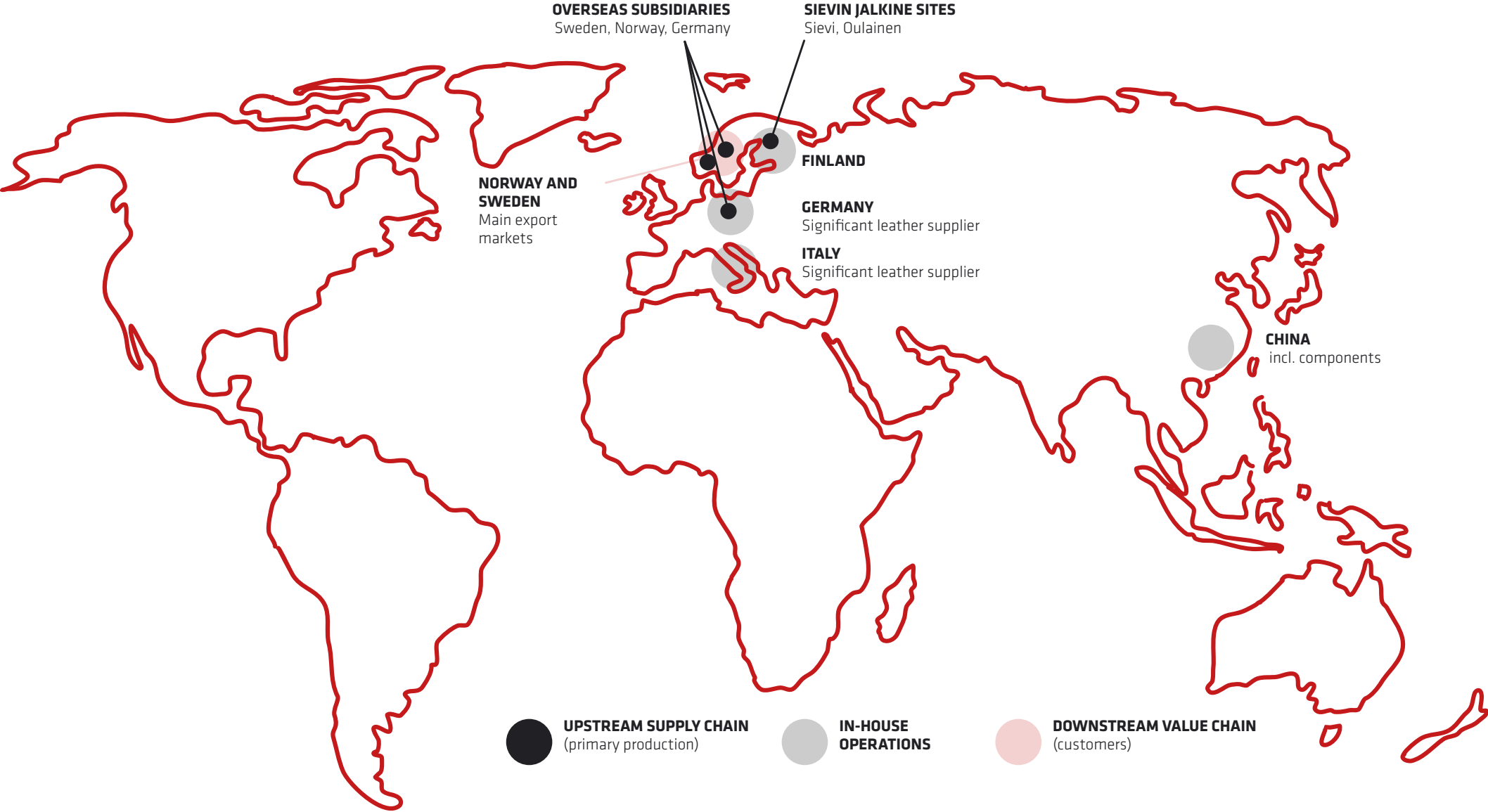
Sievi had 147 approved suppliers at the end of the reporting period, of which 123 were active in 2024. Active suppliers are those with whom we placed an order during the year in question.

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 GROUP’S VALUE CHAIN FROM PROCUREMENT TO THE END OF THE LIFE CYCLE:



SIEVI'S GLOBAL VALUE CHAIN



STAKEHOLDERS AND DIALOGUE WITH STAKEHOLDERS

Active dialogue between Sievi and our stakeholders is a prerequisite for successful cooperation. Our main stakeholders:

- customers
- owners
- employees
- local communities
- 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 relative importance of our stakeholders has been assessed on the basis of the extent to which each group influences or can influence Sievi's operations, as well as the extent to which we influence or can influence a particular stakeholder.

We ensure effective communications by being an active participant and taking into account different stakeholders and points of view. Through our communications, we aim to identify the views and expectations of our stakeholders regarding our company's operations and their sustainability. 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 unavailability 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 production pressures in advance. It is also easier to make changes to operations and operating methods when we work closely with our suppliers.

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 for exploring development ideas related to security of supply, innovation activities and sustainability work. We conducted a follow-up survey in 2024 for reference data, which included a greater focus on sustainability. Respondents considered it important that partners adhere to sustainable operating principles and regulations. Retailers and end users expect concrete measures on environmental issues. According to the survey, Sievi is seen as a forerunner in sustainability in the occupational and safety footwear sector, with 32% of respondents considering Sievi to be more responsible than other operators in the sector.

Customer feedback is also systematically monitored at the executive team level. Monitoring

provides us with information on common areas for customer feedback, to which we can respond in our operations. Our target is to have deviations in quality in less than 1% of delivered products; in 2023–2024, the deviation rate was roughly 1% on average. This figure also includes administrative errors, such as human errors in order entries. Other feedback is handled according to process area by the responsible member of staff and, if necessary, the CEO or executive team.

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
- Leather Working Group
- Finnish Work Safety Association STYL
- Finnish Work

Stakeholder concerns and areas of interest, communication channels and our company's responses are described in the table on next pages.



STAKEHOLDERS AND DIALOGUE WITH STAKEHOLDERS

STAKEHOLDER	SIGNIFICANCE TO SIEVI'S BUSINESS OPERATIONS	CONCERNS AND AREAS OF INTEREST	COMMUNICATION CHANNELS AND METHODS	RESPONSE TO CONCERNS AND AREAS OF INTEREST
Customers	Customers are Sievin Jalkine Oy's key stakeholder. The company's turnover and market position are directly impacted by how many it has, consumer behaviour and consumer commitment. Through its products, Sievin Jalkine can nudge customer behaviour toward sustainable choices.	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 increasing 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
Owners	Our owners play a key role in the strategic planning and development of the Sievi Group. Since it is a family business, their long-term commitment ensures continued investment and responsibility, supporting the company's competitiveness and success into the future.	<ul style="list-style-type: none"> - Return on investment - The Sievi brand - Committed employees - Continuity of the business 	<ul style="list-style-type: none"> - The Board - The executive team 	Owner involvement in operational activities
Employees	Employees are the company's most valuable resource and key to its success. Skilled and committed staff ensure high-quality production and continuous innovation. The Sievi Group's staff policy emphasises employee well-being, safety and continuous skill development, which strengthen the company's competitiveness.	<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 - Maintenance and development of professional skills 	<ul style="list-style-type: none"> - Staff survey - Occupational health and safety committee - Internal 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 SS 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
Occupational healthcare	Maintaining employees' well-being and ability to work.	<ul style="list-style-type: none"> - Supporting employees' ability to work and their well-being - Promoting health and safety 	<ul style="list-style-type: none"> - Visits to sites - Occupational health care surveys - Health and safety cooperation (e.g. noise monitoring, biomonitoring) 	<ul style="list-style-type: none"> - Active communication with occupational health-care services - Collaboration in the planning of occupational health-care operations
Suppliers	The suppliers within our supply chain are key stakeholders and an essential part of the company's business operations, as purchases directly affect the continuity of the company's operations, production costs and product quality. The availability, quality and ethical production of raw materials and other materials determine the company's ability to fulfil its promises to its customers and maintain responsible business operations.	<ul style="list-style-type: none"> - Certifications are expensive for small businesses - Development of recycled materials takes time - Continued cooperation - Fulfilment of contractual obligations - Receiving payments 	<ul style="list-style-type: none"> - Trade fairs - Audits - Product development cooperation - Training courses - Internal communications - Whistleblowing channel 	<ul style="list-style-type: none"> - Exploring new recycled materials - Suppliers joining the Leather Working Group - Long-term supplier relationships

STAKEHOLDERS AND DIALOGUE WITH STAKEHOLDERS

STAKEHOLDER	SIGNIFICANCE TO SIEVI'S BUSINESS OPERATIONS	CONCERNS AND AREAS OF INTEREST	COMMUNICATION CHANNELS AND METHODS	RESPONSE TO CONCERNS AND AREAS OF INTEREST
Machine and equipment suppliers	Equipment suppliers are an important part of the supply chain, as the machines and production equipment they supply have a direct impact on the company's production capacity, efficiency and quality management. The functionality and continuous development of technology determine the company's competitiveness and ability to react to changes in the market.	<ul style="list-style-type: none"> - Continued customer relationship and cooperation - Compliance with Sievi's sustainability requirements 	<ul style="list-style-type: none"> - Machine and equipment user training and support - Machinery and equipment trade fairs 	Collaboration with long-term suppliers
Labour market and other organisations	In terms of ESG factors, Sievi has an indirect relationship with labour-market and other organisations. The factors relate to matters such as the regulation of working conditions, the development of terms of employment and legislative changes related to corporate social responsibility. The company's direct influence on these organisations is limited since interaction mainly takes place through general regulation of the industry and market conditions.	<ul style="list-style-type: none"> - Safeguarding the industry's interests - Labour market services to meet the company's needs 	<ul style="list-style-type: none"> - Meetings of the boards of the organisations - Committee work - Other meetings 	Active participation in various organisations' operations, e.g. in boards and various committees
Test facilities	Testing facilities are important partners for Sievi as they ensure the quality and safety of our products. By cooperating with testing facilities, Sievi is able to ensure compliance with legislation and contractual obligations as well as relevant standards. Certification bodies issue certificates for materials and footwear.	Product safety	Testing of products and raw materials	Development of products and product testing
Authorities	The influence of authorities on the Sievi Group's operations is primarily related to regulation, licensing practices and industry supervision. Engagement with authorities is focused on ensuring the basic prerequisites for conducting business operations, such as acquiring permits and ensuring compliance with relevant regulations.	<ul style="list-style-type: none"> - Quality management - Workplace risks, occupational health care, and health and safety - Environmental protection 	<ul style="list-style-type: none"> - ISO audits 9001, 45001, 14001 - Inspections by the Regional State Administrative Agency - Reports to the authorities (for example on the use of chemicals) 	<ul style="list-style-type: none"> - Updating the accident and safety form - Recovery of waste heat - Increasing knowledge in environmental and social responsibility issues - ISO 9001, 45001 and 14001 certified systems that steer management performance
National working group on standardisation, footwear/ working group on ISO/CEN standardisation, footwear	The working groups monitor the standardisation of footwear in Europe and across the world. By participating in the working group's activities, we obtain the greatest benefits from the footwear standards and can influence their development.	Standards for occupational and safety footwear that ensure high quality and benefit customers	Working group meetings	Active participation in working groups
Local community	Workforce	<ul style="list-style-type: none"> - Employment and livelihood - Labour availability - Comfortable and safe living environment 	<ul style="list-style-type: none"> - Cooperation with the authorities - Hearings 	<ul style="list-style-type: none"> - The goal is to offer employment - The aim is to collaborate

Key areas of corporate responsibility

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, and ensuring human rights are respected in our sourcing processes. Based on the assessment, Sievi's executive team has defined the company's key areas of corporate responsibility and other essential considerations, which are described in the table next.

KEY AREAS OF CORPORATE RESPONSIBILITY 2023-2024



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.

We take our responsibility seriously, so we ensure that operations at our plants are as resource and energy efficient as possible and choose material and component suppliers that follow the same responsible operating principles 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.

Aspects of responsible sourcing have long been highlighted in the footwear and textile industries. Responsible sourcing ensures that all steps in the production process, including those done by third parties, are carried out with respect for the environment and people.

Environmental and sustainability aspects are also important to our customers, and we require that our suppliers take them into account. We regularly audit our suppliers to ensure that they comply with our environmental and sustainability requirements.

In spring 2025, we performed a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). The following were identified as double material issues:

- E1 Climate change
- E4 Biodiversity and ecosystems
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers and end users
- G1 Business conduct

The most significant sustainability issues identified were related to our own workforce and workers in the value chain, consumers and end users, climate change and business conduct. Water and marine resources or pollution were not identified as financially material to Sievi. The double materiality assessment process deepened our understanding of the company's environmental and social impacts and, in particular, the risks that climate change poses to our business. Tightening

legislation that may increase costs due to reporting requirements and a pressure to reduce emissions were identified as essential transition risks related to climate change.

We aim to take these results into account in the development of our sustainability efforts and will share more details about them in the next reporting period.

ENVIRONMENTAL LIABILITY

In our operations we comply with laws, decrees, regulations and obligations related to the environment and nature in line with our ethical guidelines. We optimise our use of raw materials, energy and water and minimise the amount of waste we produce. We promote the recycling of materials and the use of renewable resources where possible.

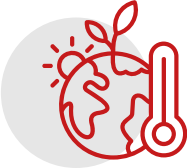
Our operations meet the requirements of the ISO 14001 standard for environmental management systems. Sievi was the first footwear manufacturer in Europe to be granted

this certificate, as far back as 1997, and it covers both Sievi plants. We continuously identify environmental considerations in accordance with our own environmental system and based on the processes of the ISO 14001 standard. We have identified the environmental risks associated with the use of chemicals and the climate impacts and water consumption associated with the use of leather as the most significant environmental aspects in our production processes. The transportation of products and materials and the heating of our facilities are also significant sources of environmental emissions.


Climate change mitigation

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. Our main market is Europe. Both our raw materials and finished products sometimes travel long distances. Most of Sievi's carbon footprint is generated outside the company's own operations: approximately 60% of our carbon dioxide emissions come from raw and other materials,


THE FOLLOWING WERE IDENTIFIED AS DOUBLE MATERIAL ISSUE




E1
Climate change




E4
Biodiversity and ecosystems




E5
Resource use and circular economy




S1
Own workforce



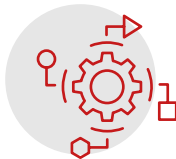
S2
Workers in the value chain



S3
Affected communities



S4
Consumers and end users



G1
Business conduct

A double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive (CSRD).

i.e. from our suppliers. The main factor is our use of leather, which is the most commonly used raw material for the uppers in our footwear. We use leather because it is a superior surface material in terms of its durability for occupational and safety footwear. The leather we use is a by-product of the meat and food industry.

Operating principles

Sievi's long-term policy regarding climate efforts is to achieve zero Scope 1 and Scope 2 emissions, i.e. direct emissions and emissions from purchased energy, by 2035.

Sievi's energy-efficiency system is based on the EES+ energy-efficiency standard, and it is integrated into the ISO 14001 environmental management system. Sievi has signed the Confederation of Finnish Industries' Energy Efficiency Agreement for the chemical industry and is committed to the goals therein.

We have identified the following ways to improve our energy efficiency:

- 1) Reducing and using waste heat
- 2) Replacing oil with a more energy-efficient alternative in our heating system
- 3) Optimising and maintaining the compressed air system
- 4) Using energy-efficient lighting solutions

We are also committed to the following principles to reduce emissions from the value chain, i.e. Scope 3 emissions:

Product development

- We calculate product-specific carbon footprints and develop products that have the lowest possible carbon footprint without compromising their quality or safety.
- We aim to reduce the carbon footprint of our current products through material choices and greater energy efficiency.

- We look for opportunities to increase the amount of recycled materials used in our products and packaging.
- We select materials that ensure the longest possible useful life for our products.

Transport

- Where possible, we choose sea freight and seek to reduce the share of air freight in our transport logistics.

Resource efficiency

- We minimise the amount of waste from materials.
- We optimise the use of leather.
- We aim to recycle more waste generated in production.
- We repair products where possible.
- We are actively involved in the development of systems to recycle products.

Activities related to resource efficiency are described in more detail in the section *Materials, waste and circular economy*.

We aim to reduce carbon dioxide emissions from purchases by buying materials and components from suppliers that adhere to the same sustainability policies as Sievi. By regularly communicating with our suppliers, we aim not only to minimise our climate impacts and risks but to contribute to positive developments in the raw materials market. Our environmental requirements for suppliers are described in the section *Materials, waste and circular economy*.

Action

Carbon footprint calculation 2023–2024

Sievi's total emissions in 2023 were 20,494 tonnes of carbon dioxide equivalent (tCO₂e). In 2024, total emissions were 17,641 tCO₂e. The decrease in total emissions is mainly due to a decrease in volume, a shift in production to lighter footwear models, increased use of lower emission materials and re-

TARGETS

Targets 2023–2024	Results	Targets 2025
Achieving zero Scope 1 and 2 emissions by 2035 The base year for the target is 2021 and the base value is 662 tCO ₂ e	Scope 1 emissions in 2023: 145 tCO ₂ e 2024: 138 tCO ₂ e (67 tCO ₂ e decrease from 2022.) Scope 2 emissions in 2023: 170 tCO ₂ e 2024: 162 tCO ₂ e (154 tCO ₂ e decrease from 2022.)	Scope 1: Reducing the use of light fuel oil and improving the energy efficiency of our production facilities Scope 2: Improving energy efficiency Achieving zero Scope 1 and 2 emissions by 2035 Conducting an assessment of the heat recovery system for the Oulainen factory
Working on a roadmap to reduce Scope 1 and 2 emissions	The roadmap for Scope 1 and 2 emissions has been completed. Work on the roadmap for Scope 3 has started.	Further work on the roadmap for Scope 3
Electricity consumption 4 kWh/pair of shoes	2024: 5.73 kWh/pair of shoes 2023: 4.95 kWh/pair of shoes	Less than 4 kWh/pair of shoes

RESULTS OF CARBON FOOTPRINT CALCULATIONS (tCO₂e)

	2021	2022	2023	2024	
Scope 1 emissions	224	205	145	138	Energy generated on site, vehicles controlled by the company
Scope 2 emissions (location-based)	438	316	170	162	Purchased energy
Scope 3 emissions	19,323	23,330	20,179	17,360	Other indirect emissions such as purchases and travel
Total greenhouse gas emissions	19,986	23,851	20,494	17,669	Location-based calculation
Emission intensity (tCO ₂ e/MEUR)	227	251	230	210	

cycled materials and a reduction in the share of air freight in transport logistics.

More detailed results of the emissions calculations for 2021-2024 are presented in the table Greenhouse gas emissions in accordance with the VSME reporting standard.

Scope 1 and 2 emissions

Our direct emissions come from our on-site oil heating and vehicles. These account for less than 1% of our total emissions. Our emissions and heating oil consumption in 2023-2024 decreased from 2022. Our factories in Sievi and Oulainen use light fuel oil to heat the production facilities. The heat recovery system installed at the Sievi factory has significantly reduced the use of fuel oil and associated emissions. Heating is discussed in more detail in the section *Energy consumption*.

Emissions from purchased energy come from electricity consumption. These account for less than 1% of our total emissions. Electricity consumption in 2024 was slightly higher than in 2022, while less electricity was consumed in 2024

than in 2023. Finland switching to renewable energy sources in electricity generation has contributed to the decrease in Scope 2 emissions.

Scope 3 emissions

The largest proportion of our emissions come from Scope 3 emissions, i.e. indirect emissions in the supply chain, which is typical for industrial production. Raw materials are Sievi's largest source of emissions: in 2023-2024, they accounted for about 60% of the emissions from all operations. At Sievi, the emissions from materials include primary production, processing and logistics associated with purchased materials up to the tier 1 producers. For 2023-2024, we collected our most comprehensive data from tier 1 suppliers.

Material emissions decreased by 14% between 2022 and 2023. Emissions have been reduced by increasing the use of recycled raw materials. In the case of metals in particular, recycled raw materials are significantly more environmentally friendly than secondary raw materials. In 2024, emissions from materials fell by a further 18%, which is mainly explained by a decrease in volume.

We updated the emission factor for leather in 2024. The updated emission factor was determined by combining the life-cycle calculations provided by our leather suppliers, the Higg index MSI score and the results of studies on leather production and scientific publications. The new emission factor is just under half of the old emission factor. We updated the emission factor for leather to align with that of the European standard EN 16887: 2017, which sets the product category rules for the carbon footprint of leather. The emission factor that we used previously attributed a significantly larger share of primary production to leather than the standard does. In connection with updating the emission factor, we recalculated the emissions for 2021-2022 with the updated emission factor to ensure comparability. Leather accounts for about 25-28% of our total emissions.

The best sole material in terms of meeting the requirements of safety footwear standards is currently polyurethane. Measured in kilograms, polyurethane is the raw material that we use most, and it accounts for approximately 7-8% of our total greenhouse gas emissions. Our footwear

is sold in corrugated cardboard packaging, which is included in our material emissions. We also use other non-renewable materials in our footwear, such as plastic-based fibres and metals, which have their own climate impacts.

After raw materials, the following are our largest sources of emissions:

- other purchases (16-19%)
- logistics (8%)
- employee commuting (5%)
- end-of-life treatment of sold products (4%)

Air freight accounts for most of the emissions from logistics. In 2023-2024, emissions from logistics were significantly lower than in 2022 due to the reduction of the use of air freight. Emissions from employee commuting were calculated for the first time using a staff survey, and these emissions turned out to be significantly higher than calculations from previous years, which were based on average emissions. Emissions from end-of-life treatment of sold products have been taken into account in the calculation as a new category since 2023.



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.

Product-specific carbon footprint

We are one of the first manufacturers of safety and occupational footwear to calculate carbon emissions per pair of shoes produced. So far, we have calculated the carbon footprint for a total of 23 products. These calculations allow us to choose more climate-friendly materials as they help us to understand and identify the significance of material choices in a product's carbon footprint.

A product's carbon footprint is most affected by the materials used in its production, with production itself (logistics, energy, waste) being another significant source of emissions. In addition, our carbon footprint calculations assess emissions from the end-of-life treatment of our products. Emissions from administration, investments and the resale and use of products are excluded from the calculation. There are no significant differences between different models of footwear in terms of emissions from their production and disposal.

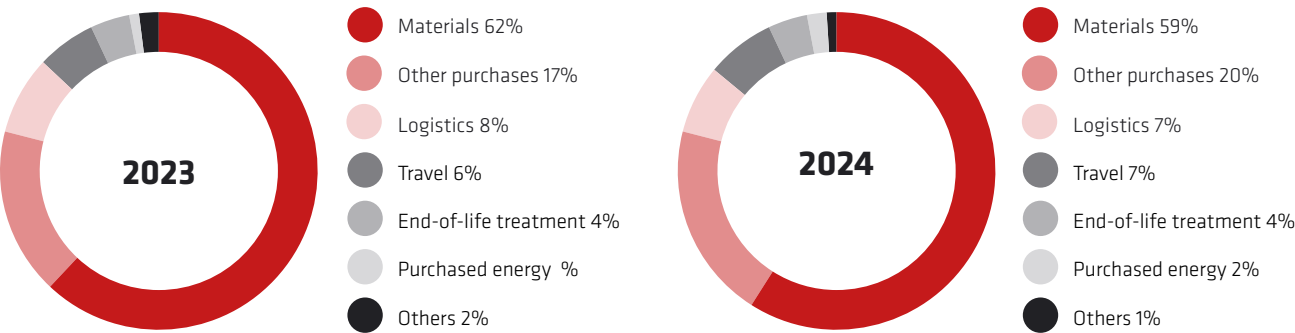
The differences in emissions between products are mainly caused by the different raw materials used. The carbon footprint of leather footwear is larger than that of footwear made entirely of synthetic materials. However, due to its durability, leather is the best available material for safety footwear: leather footwear is thought to last approximately twice as long as footwear made of synthetic materials.

In terms of the quality requirements and material choices for its products, Sievi follows the EN ISO 20345 and EN ISO 20347 standards. The footwear we manufacture is first and foremost personal protective equipment and only purchased on a need basis. We are constantly exploring new materials and alternatives to leather but we do not want to compromise on the durability of our products. It makes sense to spread a product's climate impact over its useful life as this ensures the best outcomes for both the user and the environment.

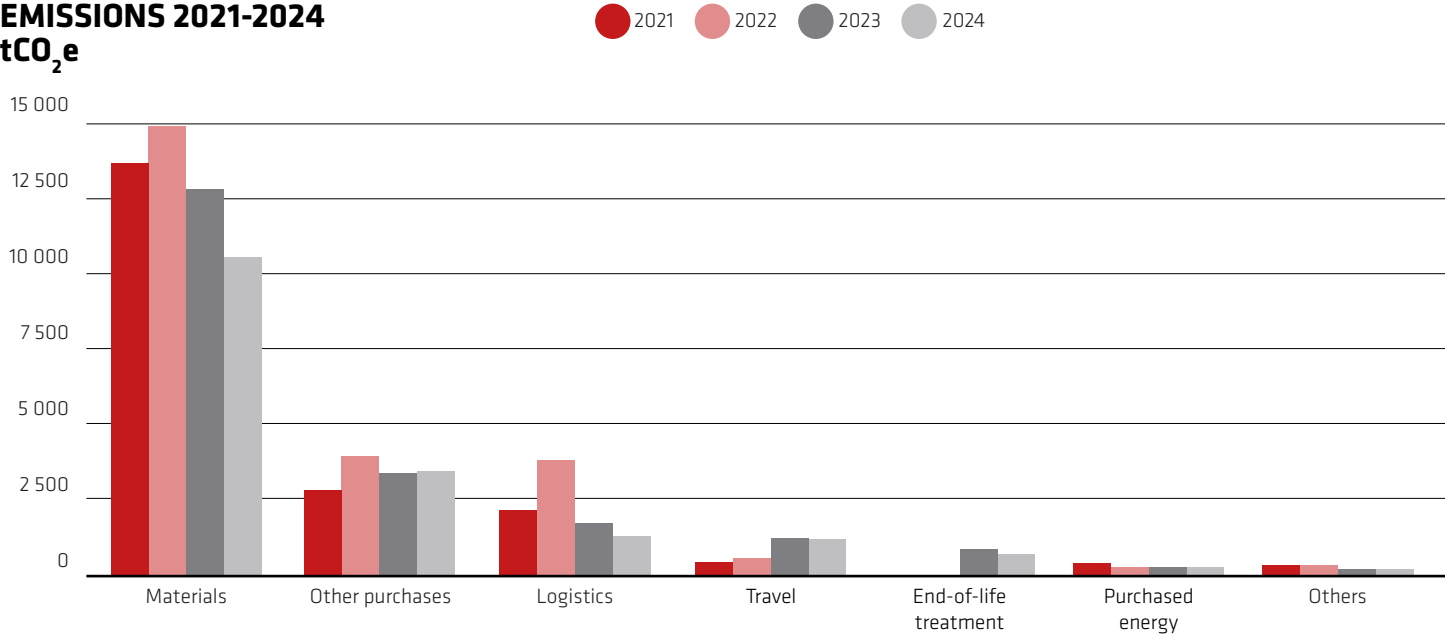
Our model-specific emissions have decreased for products made using leather, mainly due to the update to the emission factor for leather (see section *Scope 3 emissions*). Emissions from all models have decreased, especially as a result of

the use of more climate-friendly logistics. Energy emissions have also decreased due to reduced oil consumption and a transition to cleaner methods of electricity generation in Finland.

CARBON FOOTPRINT BY EMISSION SOURCE

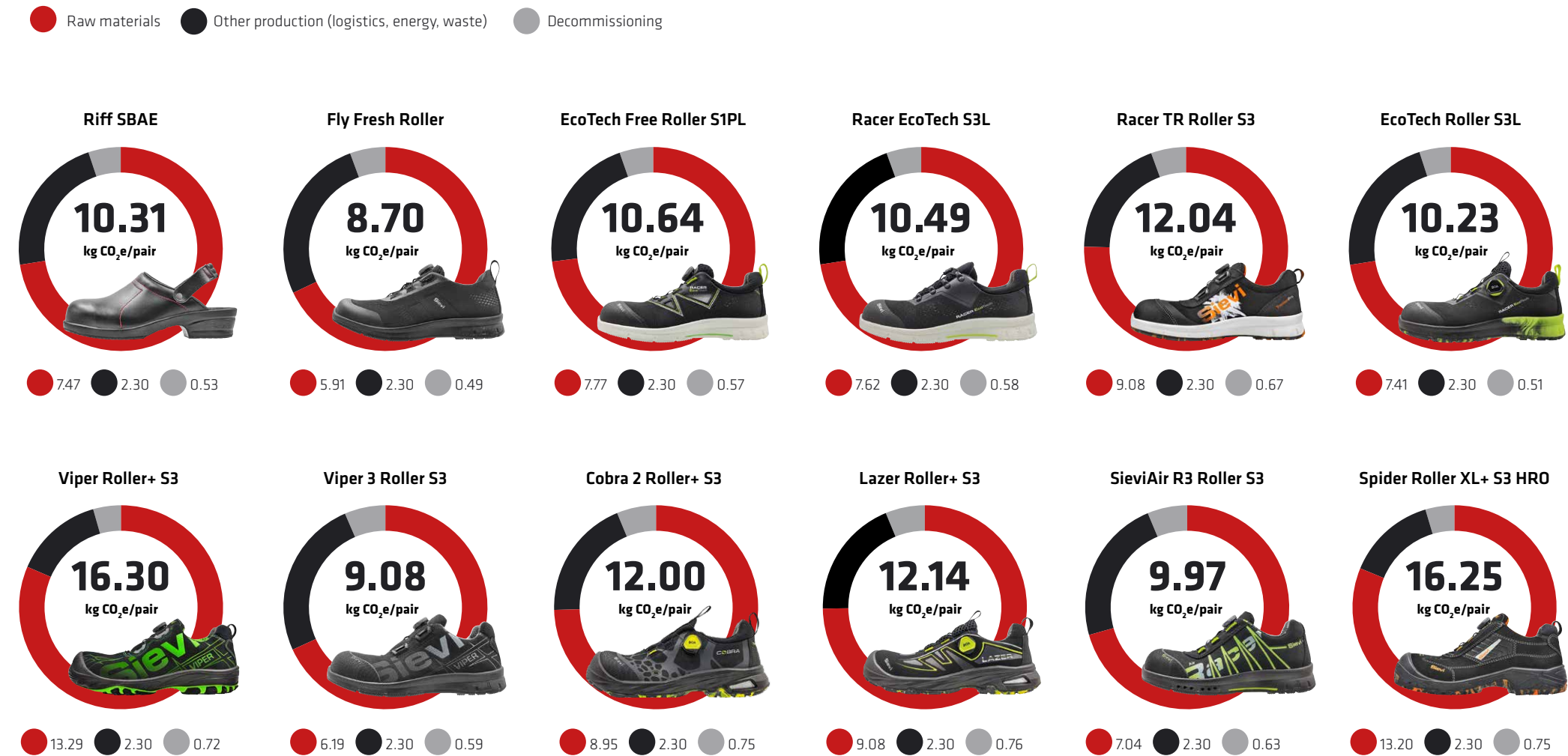


EMISSIONS 2021-2024
tCO₂e



CALCULATION OF THE PRODUCTS' CARBON FOOTPRINT

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



A regular sneaker emissions about 14 kg of CO₂. (Source: <https://runrepeat.com/eco-sneakers-research>)
Beef burger 3.4 kg CO₂. (Source: <https://www.hesburger.fi/vastuullisuus/hiilijalanjalki-hyvitetty/hiilijalanjalki-hyvitetty--tuotteet>)
Mobile phone 58.5 kg CO₂ eq./pc. The coefficient is based on the estimated emission coefficient of Apple smartphones. (Source: Anthesis Group 2014)
Laptop 155.6 kg CO₂ eq./pc. The assumed weight of the device is 3.2 kg. (Source: Ecoinvent 3.1.2014)

*Sievi's carbon footprint has been calculated in accordance with the global GHG (Greenhouse Gas) protocol

CALCULATION OF THE PRODUCTS' CARBON FOOTPRINT

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

● Raw materials ● Other production (logistics, energy, waste) ● Decommissioning



A regular sneaker emissions about 14 kg of CO₂. (Source: <https://runrepeat.com/eco-sneakers-research>)

Beef burger 3.4 kg CO₂. (Source: <https://www.hesburger.fi/vastuullisuus/hiilijalanjalki-hyvitetty/hiilijalanjalki-hyvitetty--tuotteet>)

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Laptop 155.6 kg CO₂ eq./pc. The assumed weight of the device is 3.2 kg. (Source: Ecoinvent 3.1.2014)

*Sievi's carbon footprint has been calculated in accordance with the global GHG (Greenhouse Gas) protocol



Leather and climate

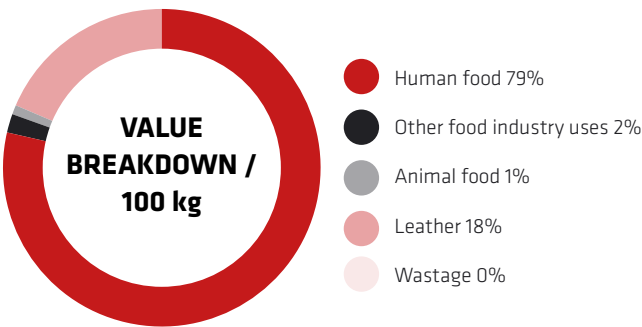
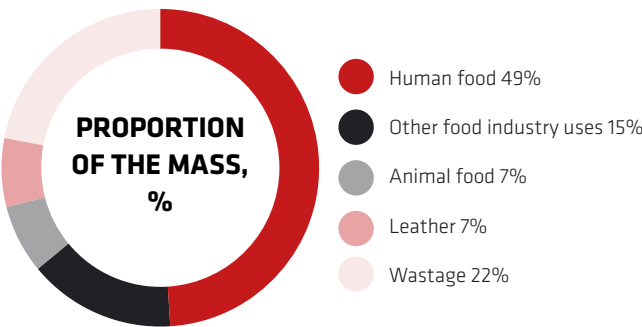
Most of the leather that Sievi uses comes from Germany and Italy. We recommend that all our leather suppliers join the international Leather Working Group, which provides and maintains audit protocols for the environmental performance of leather manufacturers and promotes sustainable practices. Currently, 83% of our leather suppliers are members of the LWG, and our goal is for our remaining suppliers to join the LWG by the end of 2026. The use of leather is the largest source of emissions in Sievi's production chain and, consequently, Sievi's greatest environmental risks are related to our leather suppliers. The figure below shows the proportion and price of raw materials obtained from a cow based on statistics from 2020. Meat accounts for 79% of the total value gained from the entire animal and is the main product 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 – 85% – is caused by the rearing and slaughtering of animals. Several other aspects of leather production are therefore also critical to our 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 rights in the workplace. According to UNIDO recommendations, assessments of the environmental impact of leather can be limited to the point of slaughter onwards.

The emission factor for leather that we use aligns with the European standard EN 16887: 2017 that sets the product category rules for the carbon footprint of leather. The calculation method

determines leather's share of primary production emissions. We are actively exploring alternative materials that are less harmful to the environment. However, the requirements for safety footwear, in particular the specifications for durability, impose significant restrictions on the use of different materials. Leather is the most durable material for 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

HEATING OIL CONSUMPTION



2023
-79%

2024
-85%

ENERGY CONSUMPTION (MWh)

	2023	2024
Total renewable energy consumption (MWh)	0	0
Total non-renewable energy consumption (MWh)	5,689	5,414
Purchased electricity (MWh)	5,157	4,909
Self-generated energy (light fuel oil, MWh)	532	505
Total energy consumption (MWh)	5,689	5,414

Energy consumption

Our total energy consumption decreased slightly from 2022 to 2023 and again in 2024.

The heating of Sievi's factories and warehouses consumes a significant amount 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. Fuel oil consumption varies, as the need for heating depends on the temperature in the winter, which varies year by year.

The facilities have heat recovery systems in place that can be used to reduce the consumption of fuel oil. The heat recovery system installed at the Sievi plant in 2023 has significantly reduced the use of fuel oil. The system became fully operational in 2024. Thanks to the system, oil consumption at the Sievi plant decreased by 79% in the first year and 85% in the second year.

We use energy-efficient and supply-safe groundwater to cool our facilities. This district

cooling system is a comparatively climate-friendly technology that is now becoming more widely used.

Our electricity consumption target is less than 4.0 kWh per pair of shoes manufactured. In 2024, our consumption was 5.73 kWh/pair, and in 2023 it was 4.95 kWh/pair. The heat recovery technology requires more electricity than heating generated using oil, which partly explains the increased electricity usage per pair of shoes. Our domestic water is also heated using electricity instead of oil. However, electricity is a cheaper and cleaner method of heating than oil.

Sievi's energy production is currently divided as described in the table Energy consumption.

Action plans:

Climate roadmap

We started to develop a climate roadmap in 2024 to help us achieve our climate goals. We planned measures to reduce Scope 1 and Scope 2 emissions and identified reducing the use of light fuel oil

and improving energy efficiency as key measures. We also started planning measures for Scope 3 emissions, i.e. emissions from the value chain.

We will continue to work on our climate roadmap in the new reporting period.

Metrics

Sievi's carbon footprint calculations have been conducted according to the Greenhouse Gas Protocol. We apply the operational control approach as the boundary. Our organisation's emissions calculations cover all Scope 1 and 2 emissions as well as all Scope 3 emission categories identified as relevant to our operations. We report our total emissions under the location-based approach. For location-based calculations, the emissions of purchased electricity are calculated using the average emission factor of the Finnish national grid. Market-based calculations, on the other hand, consider electricity production on the basis of guarantees of origin. In accordance with the VSME standard, we report emissions using both location-based and market-based methods. For emission

calculations, we primarily use the location-based method, as it gives a more realistic picture of our climate impact. According to experts, guarantees of origin do not increase new carbon-free energy production but are rather an accounting measure comparable to offsetting.

Sievi carried out its first carbon footprint calculation in 2019. The first calculation covering the entire value chain, against which the development of emissions could be compared, was conducted in 2021.

MATERIALS, WASTE AND CIRCULAR ECONOMY

Operating principles

Long-term priorities and policies for environmental responsibility in production processes:

- We are extending the life cycle of our footwear and aim to find new recycling opportunities for surplus materials.
- We offer a warranty and repair service for all shoes that 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 maintain a high level of chemical safety, minimising the use of environmentally harmful chemicals in the production chains for the shoes that we manufacture.
- We aim to make our production as water efficient as possible by working with our suppliers to minimise the water footprint of Sievi footwear.

Circular economy principles

We are actively exploring alternative materials for the manufacture of footwear that are less harmful to the environment. However, the requirements for safety footwear, in particular the specifications for durability, impose significant restrictions on the materials that can be used. Leather is the most durable material for safety footwear, and the useful life of leather footwear is therefore also longer than that of footwear made of other materials.

We have surveyed the availability and usability of recycled materials as raw materials for our products, and we use recycled materials where possible. However, the safety 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.

To extend the useful life of our footwear and reduce unnecessary consumption, we offer a 12-month warranty for the footwear we manufacture, which covers manufacturing and material defects. In addition to the warranty, we offer a repair service for our footwear. In the event of a complaint, rather than automatically offering a replacement pair of shoes we establish whether the defective product could be repaired by replacing the closure system or through resoling, for example.

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 possible and we ensure that materials that are unsuitable for recycling and reuse are disposed of safely.

We monitor cardboard, paper, metal and hazardous waste volumes, and we aim to minimise waste and loss of process materials. We also use invoices and statistics maintained by our waste collection company to monitor waste volumes.

Minimising the use of environmentally harmful chemicals

We maintain a high level of chemical safety by minimising the use of environmentally harmful chemicals. We monitor chemicals that pose the greatest potential environmental risks if released into the environment and waterways via wastewater for rinsing, which would result in contamination and have a negative impact on organisms.

We regularly have materials used in our production tested in accordance with our plan by an accredited testing and research institute. We also have materials tested for banned and allergenic chemicals. The use of chemicals from the user-safety perspective is described in the section *Product safety*.

The raw material certifications required by product standards are carried out every year, and any certificates that are due to expire are updated in a timely manner.

Reducing the water footprint

In terms of Sievi's value chain, water consumption is especially high in the leather manufacturing process and the rearing of animals. In cooperation with our leather suppliers, we aim to reduce the water footprint of the leather we use and, consequently, the footwear 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. Much of the leather we use is produced in Italy, a country with a high risk of droughts.

We aim to purchase leather from European suppliers that have joined the Leather Working Group (LWG) initiative. Water use is included in the LWG's auditing process. Data on the amount of water used by suppliers is currently collected every two years. The LWG Leather Manufacturer audit assesses the use of freshwater per unit of leather produced, and the scoring rewards the use of water that is recycled.

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.

Supplier environmental assessment

The environmental sustainability of purchases is governed by Sievi's Supplier Code of Conduct. With

regard to environmental issues, the principles therein cover issues such as optimising the use of raw materials, energy and water, minimising waste and promoting the use of renewable resources.

We have identified potential environmental risks and challenges in our value chain. On this basis, and in line with our sustainability principles, we 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); and
- promote the recycling of materials and the use of renewable resources where possible (UNGC 9).

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, which, in turn, align with the UN Rio Declaration on Environment and Development. The principles also determine the requirements for the implementation of labour and human rights, which are described in the section *Supplier social assessment*.

Our suppliers' performance on environmental issues is assessed through regular audits. Our suppliers are also required to monitor the environmental responsibility of their own suppliers. The most significant environmental issues that come up in audits are usually related to energy consumption and water use in leather factories.

Overall, 83% (14/16) of our leather suppliers have already joined the Leather Working Group. The organisation provides and maintains audit protocols for the environmental performance of leather manufacturers and promotes sustainable practices. Sievi has also joined the LWG. In doing so, we reinforce our commitment to responsible processes throughout the footwear manufacturing

value chain and obtain up-to-date information on key impact areas in the leather supply chain, such as the environmental impacts of factories, chemical management and working conditions, as well as on issues related to deforestation and animal welfare in line with the sustainable development goals. We recommend that all our leather suppliers join the international Leather Working Group.

- When selecting materials, we also follow these principles:
- We only allow woollen products made from mulesing-free wool.
 - The leather used in our leather products must be a by-product of the meat industry.

ACTION

2023-2024 key measures

In 2024, our average leather consumption was 1.77 sq. ft/pair, compared to 2.09 sq. ft/pair in 2022. In 2006, the first year for which we compiled statistics, our leather consumption was 2.67 sq. ft/pair. It should be noted that the amount of leather Sievi uses is affected by not only internal choices but also orders submitted by organisations such as the Defence Forces, which usually require that footwear is made from leather.

In 2024, 99.4% of our leather was purchased from European suppliers that use European rawhides.

Increasing the use of recycled materials

Assessing the availability and usability of recycled materials, testing them and introducing them into production is an ongoing process. The product-specific proportion of recycled materials used was assessed in 2023 and 2024.

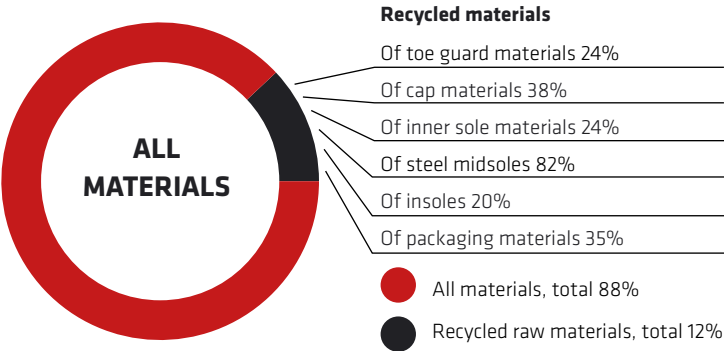
The proportion of recycled materials used has increased from the previous reporting period. In 2020, the proportion of recycled materials used

TARGETS

Targets 2023–2024	Results	Targets 2025
We will assess the recycling rates of our raw materials in more detail and aim to design a collection of footwear made from recycled materials	With the system update, we can monitor the recycling rates of raw materials in real time. A Racer EcoTech® range made from recycled materials was launched 2023.	Increase the use of recycled materials and develop new products for the Racer EcoTech® range
The use of recycled raw materials by Sievi will be assessed and listed, and new potential applications are explored.	The product-specific proportion of recycled materials used was assessed in 2023 and 2024.	Continuous assessment, testing and introduction into production
Waste: less than 300 g/pair of shoes Hazardous waste: less than 3.5 g/pair of shoes	Waste: 2024: 410 g/pair 2023: 378 g/pair Hazardous waste: 2024: 6.9 g/pair 2023: 4.1 g/pair	Waste less than 300 g/pair Hazardous waste less than 3.5 g/pair of shoes
		To test durable water-repellent treatments that are free of PFAS and find alternatives for substances that include PFAS
We will assess the use of water by supplier and leather type	In our leather suppliers' reports in 2019, the use of water ranged from 60 to 98 litres/m²	No target: the manufacture of footwear only requires a small amount of water, and the use of water is mainly limited to the ovens in the lasting rooms, so we decided to focus on measuring the use of water in relation to leather and tanning.
100% of our leather suppliers will be members of the Leather Working Group by the end of the reporting period	83% of our leather suppliers have joined the LWG.	100% of our leather suppliers to be members of the Leather Working Group by the end of 2026

was 7% and during 2023-2024 it was 12%. More detailed figures are shown in the table *The use of recycled materials*.

RECYCLED MATERIALS 2023–2024



Waste

At the Sievi and Oulainen plants, the most significant carbon dioxide emissions from waste come from mixed waste, which is incinerated for energy generation. 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 our waste collection company to monitor waste volumes. Waste represents an indirect climate impact from the use of raw materials, which is why it is important that it is minimised.

Our waste management operations are based on a hierarchy of waste: we avoid waste and raw material loss, direct materials and production side streams for reuse and recycling whenever possible and ensure that waste that is unsuitable for recycling and reuse is 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 also monitor the number of returned products, which was approximately 1% 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 are sorted as mixed waste and used in energy production. Materials that are relevant in terms of emissions are not disposed of: we donate unwanted materials, such as leather and lining, to academic programmes for footwear design and manufacturing.

Between 2023 and 2024, we generated less cardboard waste than in 2022, while the amount of hazardous waste and metal waste produced increased significantly compared to 2022. Hazardous waste is collected in containers and, when these are full, sent for further treatment. The recorded amount of hazardous waste produced varies from year to year because the volume is recorded for the year in which it is disposed of. The same applies to metal waste.

We initiated separate collection of plastic waste at the Sievi plant in 2024 and at the Oulainen plant in January 2025. The volume of plastic waste will be monitored on an annual basis, and we will set a target for reducing the amount of waste produced.

Chemicals

During 2023-2024, PFI carried out tests on our production materials as planned.

All new textile materials were tested for the following substances according to the PFI test proposal:

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

Action plans 2025-2026

We will continue to test recycled materials when they are financially viable and meet quality requirements.

The primary objective for 2025 is to test durable water-repellent treatments that are free of PFAS and find alternatives to materials and substances that include PFAS.

We aim to continue testing VOC-free release agents when production conditions allow for their use.

We will continue our LWG membership and apply new information acquired:

- The LWG published the Life Cycle Assessment LCA (Measuring the Environmental Impact of Leather) in December 2024. The report is a comprehensive assessment of the environmental impact of leather production for 50 distinct products across six product families. We will study the publication in more detail in 2025.
- The LWG is developing a new standard and working on increasing the transparency of water-usage data, which is why we have chosen to monitor the LWG's reporting instead of continuing our own assessment.

Racer EcoTech range made from recycled materials

We launched the Racer EcoTech® safety footwear at the 2023 A+A, the world's largest trade fair for workplace safety, security and health. The design of the Racer EcoTech® safety footwear range is based on the principle of increasing the use of recycled materials and finding new solutions for the safety shoe manufacturing process that have less impact on the environment. Some elements of the range, such as the tongue and heel tab, are made entirely from recycled materials.

The Racer EcoTech® footwear range was brought to market in January 2024, and the shoes immediately generated great interest among our customers. The range particularly appeals to customers who have set clear environmental and sustainability targets for their operations. In addition to the Racer EcoTech® range, we have launched the SieviGreen concept, which makes it easy for our customers to find products made from recycled materials. It gives our customers a clear overall picture of the recycled materials used in specific products, as well as recycling rates.



Metrics

We act in accordance with our environmental policy, and we are required to report to the relevant authorities on our use of groundwater and emissions of volatile organic compounds (VOCs).

WATER CONSUMPTION (M³)

	2023	2024
Water withdrawal	35,674 m³	40,892 m³
Water withdrawn at sites located in areas of high water-stress	0 m³	0 m³
Water consumption	39,320 m³	44,052 m³

Emissions to air

EMISSIONS/POLLUTANT (KG)

	2023	2024
VOCs	6,544 kg	6,100 kg

Circular economy metrics

WASTE

	2023	2024
Waste-to-energy	393,760 kg	351,622 kg
Cardboard and paperboard	68,890 kg	64,295 kg
Paperi	3,696 kg	3,608 kg
Metal	44,047 kg	44,908 kg
Hazardous waste	4,228 kg	5,945 kg
Recycled waste	23.5%	25.3%

Raw materials

USE OF RECYCLED MATERIALS

	2023	2024
Volume of recycled raw materials	269,898 kg	219,221 kg
Proportion of recycled raw materials in all materials	12%	12%



SOCIAL RESPONSIBILITY

In line with our Code of Ethics, we treat all our employees in accordance with the International Declaration of Human Rights. We ensure the well-being and safety of our employees and do not tolerate any form of discrimination or harassment. We respect each other's privacy and employees' right to freedom of association. We also expect our suppliers and other partners to comply with laws and human rights as well as our company's ethical guidelines.

Key areas of our corporate social responsibility include health and safety, employee well-being, responsible procurement and product safety.

Safe workplace

Principles

Key areas and long-term policies

- We maintain a high level of occupational safety. Sievi Jalkine is a safe employer.
- We maintain and promote our employees' well-being at work. People are healthy. We maintain and strengthen staff motivation.
- Sievi Jalkine employees have the requisite skills and expertise. We maintain the professional skills of our current employees and, if necessary, provide training for new employees. Sievi Jalkine is an attractive employer.

The Code of Ethics

In accordance with Sievi's Code of Ethics, we treat all our employees equally. The Code is based on the principles of the UN Global Compact framework, which, in turn, aligns with the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

We promote non-discrimination and equality in accordance with the Non-discrimination Act and the Act on Equality between Women and Men. As stated in our Code of Ethics, we do not tolerate

any form of discrimination or harassment in the workplace and we oppose forced and child labour.

Our staff receive training on ethical guidelines in connection with work orientation.

As part of the cooperation and communication between employees and the employer, we introduced an internal whistleblowing channel at the start of 2023. Our employees can use the channel to anonymously report concerns, potential incidents of harassment and suspected issues in our activities. During 2023-2024, no reports were submitted through the internal whistleblowing channel.

Occupational health and safety management

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. 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 a health and safety officer and a health and safety representative. Employees can report hazards or risks using our accident and safety report form. We hope to maintain open communications about any potential risks, but employees can also submit a report through the internal whistleblowing channel, either giving their name or remaining anonymous.

Temporary workers, who accounted for 4% of Sievi's total staff in 2023 and 1% in 2024, are not covered by Sievi's statutory occupational health services but are part of the occupational health and safety management system under the ISO 45001 standard. Temporary agency workers are covered by the statutory services, such as occupational health-care services, provided by the recruitment partner.



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

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 in our workplaces. It is updated every year, and the annexed non-discrimination and equality plan is assessed at the same time. A health and safety committee, which consists of both employee and employer representatives, reviews the plan and proposes changes if necessary. The results of periodic staff surveys are taken into account when the plan is updated. The health and safety manager represents the employer in health and safety-related cooperation. The duties of the health and safety manager include:

- assisting the employer in acquiring information about health and safety issues
- assisting the employer in cooperation with employees and health and safety authorities
- assisting the employer in cooperation with occupational health-care services and other health and safety experts

- organising and maintaining cooperation between the employer and employees
- developing cooperation on health and safety issues in the workplace.

The goals of Sievi's activities concerning health and safety and maintaining staff's ability to work:

- have no work-related accidents
- maintain a rate of work-related accidents below the industry average (accidents/million working hours)
- maintain a sick leave rate below the industry average (2023: 5.6%)
- maintain an early retirement rate of 0/year
- maintain an employee turnover rate of less than 10%
- Have at least one safety observation per employee submitted each year
- hold health and safety committee meetings 4 times a year
- undertake internal health and safety inspections at least once a year/department

Interaction between the employer and employees
Both of Sievi's factories have a health and safety committee that convenes four times a year. All staff representatives on the committee have completed the required health and safety training. The committee is responsible for developing cooperation, disseminating instructions and advice, and monitoring development.

The effectiveness of health and safety measures is assessed using an occupational accident index and by monitoring 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.

We conduct an employee survey every year. We use the survey to monitor the level of staff commitment and assess the state of health and safety, equality and managerial work. Employees can take the survey anonymously. The latest

survey was carried out in 2024. 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 chief shop steward represents the entire staff in cooperation negotiations. The orientation programme for new employees includes a section on the trade union, in which the chief shop steward describes the trade union and its activities.

Results of the employee survey:

	Target	Result 2023	Result 2024
Employer Net Promoter Score (eNPS)	positive	-14	-17
Motivation (scale 0-5)		4.0	4.0
Job satisfaction (scale 0-5)		3.9	3.9
Health and safety in one's job (scale 0-5)		not surveyed	4.5
Overall assessment of managerial work (scale 4-10)		8.2	8.4

Targets 2023–2024	Results	Targets 2025
Rate of work-related accidents below the industry average (The 2021 average was 27.5.)	2023: 28.5 2024: 27.1	Rate of work-related accidents below the industry average (The 2023 average was 23.5.)
Employee turnover rate of less than 10%	2023: 13.3% 2024: 10.5%	Employee turnover rate of less than 10%
Below-average rate of sick leave for industrial employees, 5.7% (EK statistics 2020)	2023: 8.1% 2024: EK statistics have not been published yet.	Below average rate of sick leave for industrial employees, 5.6% (EK statistics 2023)
Early retirement rate: 0 (including semi-retirement due to disability)	2023: 4 2024: 2	Early retirement rate: 0 (including semi-retirement due to disability)
Disability benefit category target: 4 or below	2023: 3 2024: 3	Disability benefit category target: 4 or below
Observations on safety issues: 1 observation/employee/year	2023: 24 2024: 113	Observations on safety issues: 1 observation/employee/year

Targets

Our goal is to be a safe workplace. We measure this by monitoring the number of accidents and sick days and their causes. We also monitor the number of safety observations made.

We did not achieve our target for work-related accidents, i.e. there were more accidents than the industry average. These were minor accidents that resulted in average sick leave of 2.7 days. There were no serious accidents in the workplace during the reporting period.

The employee turnover rate was close to the target in 2024. We fell short of the target in early retirements, but the difference to previous years was insignificant. All early retirements were due to non-work-related reasons.

The target for the disability benefit category was achieved.

We are still far from our target on safety observations, but a record number of observations were submitted in 2024. The main reason for this was the health and safety event organised last autumn, which aimed to make health and safety efforts more visible and to encourage employees to participate in improving safety.

Action

Hazard and risk prevention

On the basis of the risk assessment and the workplace survey, we have assessed the risks and stress factors in our production operations, which we aim to address by improving our working environment and tools, encouraging job rotation and cooperating with the occupational physiotherapist on a monthly basis.

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
- Strain injuries

Of these, the most likely and serious risks are accidents and repetitive strain injuries.

If necessary, the risk profile of tasks is reassessed during the health and safety 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.

A weekly 5S inspection is organised in every department at both factories to check issues related to health and safety, cleanliness and good order. Any shortcomings detected in the rounds are recorded using the inspection form. Supervisors in each department are responsible for rectifying the deficiencies detected. The management team monitors the inspection results on a monthly basis.

The aim is to increase staff commitment to safety matters by encouraging everyone to be observant so that hazards and problems can be eliminated and the working environment improved.

Our main means of preventing risks from materialising is offering a comprehensive induction to new employees. Department supervisors are responsible for organising inductions in accordance with the set induction programme. This includes a section on health and safety, which is delivered by the health and safety manager. To simplify 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 relevant to the new role. 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 inductions, we work to prevent risks and strain factors through close cooperation with the occupational health-care services and the health and safety committee. If an employee 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, conducted during working hours. Employees can also be referred to occupational health-care services if required and are informed about the services available to them. Our occupational health-care service provider changed at the start of 2025 and services were expanded to cover new medical treatments and medical imaging services, for example.

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

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 over the long term, they are referred for occupational rehabilitation, allowing them to train for a new profession or 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.

Our activities to promote workplace health are based on wide-ranging cooperative efforts that involve human resource management, line management, 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 promoting health, preventing illnesses and accidents, maintaining a safe working environment and promoting employees' health and their ability to work and function throughout their career. All permanent 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. Provision of appropriate occupational health-care services for agency workers, as described in the Act on the Contractor's Obligations and Liability when Work is Contracted Out, is ensured by means such as reporting by the contractor.

Work in production mainly involves repetitive tasks, which puts a strain on the hands in particular. The aim is to prevent absence due to illness primarily

by investing in good work ergonomics and encouraging job rotation. If necessary, workstation ergonomics can be rectified with the help of an occupational physiotherapist.

We also test the materials we use for banned and allergenic chemicals to make sure they are safe for our staff, users and the environment. More information on testing is available in the section *Product safety*.

Corrective measures

In the case of an accident, an investigation is carried out to determine the causes and agree on corrective measures. If an employee feels that their job puts them at risk, they must inform their supervisor or the health and safety officer. 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 health and safety officer 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 health and safety officer or a health and safety representative if necessary. We comply with whistleblower and non-discrimination legislation when dealing with in-house reports.

Development of well-being and motivation

One of the strategic focus areas for the reporting period was the development of staff well-being and motivation. 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, providing clear objectives for the work and unambiguously defining areas of responsibility and authority.

The occupational physiotherapist can 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 for recreational activities for our employees every year, and staff representatives decide how these funds are used; examples include joint activities, such as cycling and kayaking trips and concerts outside of working hours. Every employee also has an Epassi, which they can use to pay for sports and well-being and cultural services of their choice in their free time. Information about the available services takes into account language requirements and accessibility.

Equality

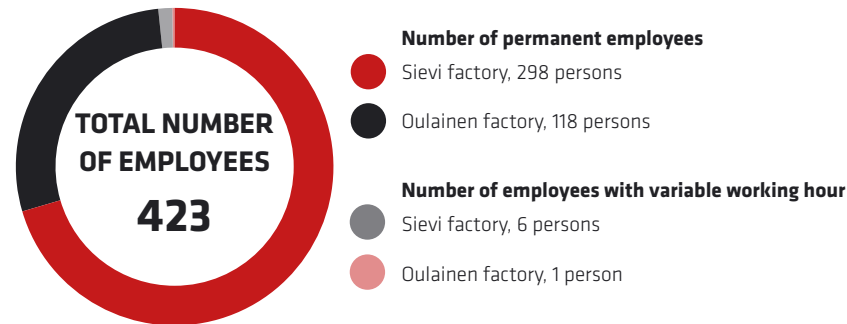
Recruiting skilled employees from Finland has been a challenge for quite a while. There is very little or no vocational training in the sector available in Finland, which has led us to recruit more foreign employees who already have relevant experience, e.g. sewing, in recent years. New employees are not required to speak Finnish as we already employ speakers of many languages, which has also made it possible to provide interpreting services to support the integration process. Having an interpreter helps ensure equality when employees join the company.

Sievi and our partner staffing service companies have worked together to offer integration services and networks to foreign employees to make their everyday lives easier.

We have used staffing service companies to support recruitment processes since 2006. The employees they refer are employed by Sievi as temporary agency workers. Temporary agency workers are equal 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. We aim to hire temporary

TYPE OF EMPLOYMENT CONTRACT

Number of employees by contract type and by site (31/12/2024)

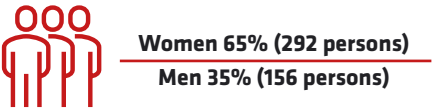


In 2024, the peak number of temporary agency workers at any one time was eight at the Sievi factory and four at the Oulainen factory. All temporary employees became full-time Sievi employees during the year in question.

GENDER DISTRIBUTION

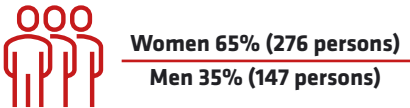
Number of employees by gender

2023



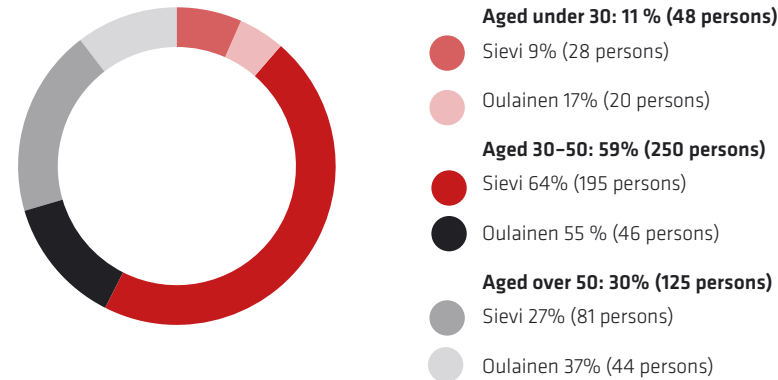
Total number of employees 448

2024



Total number of employees 423

AGE DISTRIBUTION OF EMPLOYEES



agency workers as Sievi employees after six months of temporary work. During the reporting period, there were 14 temporary agency workers who did not continue to work at Sievi following their temporary employment.

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.

Skills development

Our goal is to continuously develop employees' skills. The professional skills of our staff are supported and developed through regular guidance and training events. Since no training in the field is available in Finland, we train new employees in-house with apprenticeship-style training. Onboarding of new employees is carried out in accordance with our induction programme. Supervisors have their own induction programme. All new supervisors also complete a training programme, which includes a comprehensive assessment of supervisory work and the preparation of a personal development plan.

2023-2024 key measures

A wellness campaign was organised for staff in 2023, which encouraged employees to take up physical and well-being activities. In total, more than 10,000 activities were completed, and more than 32 million steps were taken during the campaign.

In 2024, we organised a health and safety event for the first time, which aimed to introduce employees to safety and health-operating models and key people involved and to encourage the entire staff to take part in safety and health activities.

We also implemented an exercise break project in 2024 to revamp the instructions for exercise breaks and produced a guide on recovery techniques for our employees. The aim was to encourage employees to participate more actively in exercise break activities. Employee experiences were measured using Firstbeat measurements and questionnaires during the project; as a result, the number of musculoskeletal disorders was reduced among employees who participated in the project.

To support their well-being, employees are provided with a service that allows them to confidentially discuss mental health issues with

a professional over video meetings. During the reporting period, supervisors were offered training on the management of workplace health and well-being as well as modern managerial work.

Based on the results of the employee surveys conducted in 2023 and 2024, these are some of the measures we have taken:

- We have improved the order and cleanliness in the work environment.
- We have improved access to occupational health-care services.
- We have made the initiative system more transparent and developed the ways that employees are rewarded for their initiatives.
- We have introduced regular departmental meetings.
- We have acquired new information displays for our production facilities.

Action plans

- We have expanded the cover of occupational health-care services since the beginning of 2025.
- We will continue to carry out our employee surveys in 2025.
- We are updating our early support model.

Metrics

The figures specify individual numbers of employees on the last day of 2023 and 2024.

Coverage of the collective bargaining agreements and remuneration

All Sievi employees are covered by collective bargaining agreements. Salaries are determined in accordance with the collective agreement. Temporary agency workers receive the same pay as Sievi's permanent employees. The pay gap between male and female employees has not been assessed.

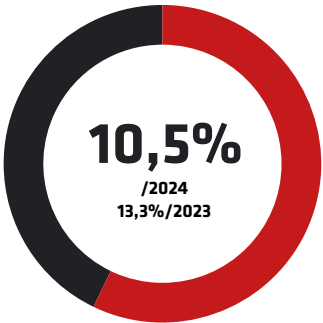
Training

No data on the number of training hours per employee is available for the reporting period.

Severe negative human rights incidents

No human rights violations against Sievi's workforce were observed during the reporting period.

EMPLOYEE TURNOVER RATE DURING THE REPORTING PERIOD



Number of employees who left

- 2023: 60 persons
- 2024: 45 persons

This figure includes employees who left voluntarily, who left due to termination of employment and who retired.

OCCUPATIONAL SAFETY AND HEALTH STATISTICS

	2023	2024
Number of work-related deaths	0	0
Number of work-related accidents	20	18
Accident frequency	5,7	5,4
Number of sick days caused by accidents	20	85
Number of work-related health problems (occupational diseases)	1	1

Work-related accidents include incidents that resulted in an absence of at least one day. The accident frequency is calculated using the following formula: (number of accidents/number of hours worked) x 200,000.



Supplier social assessment

Operating principles

A key aspect of social responsibility in our supply chain is ensuring, through the use of a separate auditing plan, that our partners adhere to international and national agreements concerning human and labour rights.

Social responsibility in the supply chain is defined through Sievi's supplier sustainability principles, which are based on social and ethical risks identified in the value chain.

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);
- 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); and
- require that their own suppliers and other partners also comply with laws and human rights (UNGC 2).

In terms of human rights, the principles cover matters such as good working conditions, health and safety precautions and anti-discrimination and anti-harassment measures. The principles are in line with Sievi's values and ethical guidelines, which, in turn, align with the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The corporate sustainability principles also cover clauses on environmental responsibility, which are described in the section *Materials, waste and circular economy*.

Our guidelines apply to all our suppliers' employees and require proper investigation of any negligent actions or reports brought to the attention of the company's management as well as corrective measures. The agreement obliges our suppliers to comply with laws and human rights also with regard to their suppliers.

Sievi's reporting channel (info@sievi.com) is available to suppliers who have concerns related to the supply chain. Supply chain workers may also report labour and human rights violations through the channel.

Non-European suppliers

In addition to agreeing to our responsibility principles, we require suppliers that operate outside Europe to provide reliable evidence of the state of corporate responsibility within their company. It has been established that non-European suppliers present 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, non-European suppliers are subject to a corporate responsibility risk

assessment and are primarily required to hold an SA8000 social accountability certification. SA8000 certification covers issues such as forced and child labour, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, compensation and management systems, for example. The certification system is monitored by Social Accountability Accreditation Services (SAAS).

Alternatively, suppliers can demonstrate that they fulfil the criteria of the SA8000 standard by providing other reliable evidence, such as by presenting a SMETA audit report.

Two of Sievi's most significant suppliers based outside Europe currently have SA8000 certificates. The largest of our other non-European suppliers have provided Sievi with third-party audit reports.

Suppliers located in Türkiye and Brazil have been asked to obtain SA8000 certifications or equivalent, such as amfori BSCI membership or a SMETA audit report, during 2025-2027. While no shortcomings in corporate social responsibility have been flagged for these suppliers, both are considered risk countries. The supplier factory

Targets 2023–2024	Results	Targets 2025
We will conduct 18 audits during the next reporting period.	2023: 7 audits 2024: 15 audits	2025: 23 audits 2026: 6 audits (estimate, to be specified).
90% of our purchases will be audited within five years.	In 2024, 94% of the volume of our purchases (in euros) was audited.	85% of the volume of our purchases (in euros) will be audited every year.
NEW TARGET		Our suppliers located in Türkiye and Brazil are encouraged to obtain SA8000 certification or similar by 2027.

in Brazil has been audited by a third party until present, while the supplier factory in Türkiye was audited by Sievi in 2019 and will be audited again in 2025.

Below are listed the ratings for countries where our non-European suppliers are located as per the amfori BSCI Countries' Risk Classification in January 2024. The risk assessment rates risks that are related to issues such as political efficiency, freedom of association and corruption. Risk countries are those with a rating under 60.

Risk countries:

- Türkiye 32.7
- Brazil 40.0
- China 41.2
- India 47.8

Low risk countries:

- The United States 78.0

Action

Supplier audits

We audit our suppliers regularly to ensure that the requirements of our sustainability principles are met.

The elements examined in the audits have been determined on the basis of the suppliers' sustainability principles and the key areas of Sievi's corporate social responsibility. During the audits, we check whether the supplier is aware of Sievi's ethical guidelines and sustainability principles and investigate aspects of corporate social responsibility regarding issues such as working hours, child labour, slave labour, discrimination, freedom of association and compensation. We also assess whether the supplier monitors corporate social responsibility among its own suppliers, at least with regard to direct suppliers (tier1). By monitoring our suppliers, we ensure that they comply with laws, operating principles and agreements.

Suppliers are audited on the basis of certain criteria, which include the scope of cooperation agreements, uniqueness of the product supplied and possible risks related to pricing and availability and/or other issues that come up in the annual risk assessment. Particularly in countries outside Europe, we focus on monitoring our suppliers' compliance with the sustainability principles.

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

We aim to audit our major suppliers every five years. Major suppliers are those from whom our annual purchases exceed EUR 100,000. In 2024, 94% of the volume of our purchases in euros was audited. Our suppliers may also be requested to complete a self-audit form.

We may also audit tier 2 suppliers if significant operators in the supply chain are located in the geographic vicinity of a supplier we are auditing.

If any deficiencies are detected in an audit carried out either by ourselves or a third-party auditor, we intervene immediately and require that the supplier take corrective measures by an agreed deadline. We also actively monitor the implementation of these measures.

We develop our auditing practices and our Supplier Compliance Auditing checklist based on our experiences and feedback.

Supplier audits are mostly carried out by members of our own procurement team as we want to learn more about our suppliers' processes, capacities and problems, assess situations of our suppliers and deepen our partnerships. All employees who carry out audits have basic training in auditing. Our buyers' audit training covers the basics of carrying out audits to the extent referred to in the ISO 9001:2015 standard.

We aim to minimise emissions from transport by planning audits in advance, for example by coordinating them with visits to international trade fairs. We can also use remote access to conduct audits if necessary.

We work together with selected independent auditors where necessary, especially if the supplier or plant to be audited is located far away.

No human rights violations or other deficiencies related to corporate social responsibility were detected in our audits during 2023-2024.

Key measures for the reporting period 2023-2024

- Updated supplier audit training was conducted in October 2024 by a third-party instructor. The training covered responsible supplier assessments in practice, including principles, objectives, implementation, the use of the data collected, the requirements of ISO standards and EU directives regarding sustainability in the supply chain in terms of environmental, social and governance factors.
- Due to the COVID pandemic and the travel ban, most of the audits planned for 2020-2022 were carried over to 2023-2024. Two audits were carried out during 2020-2022. We carried out 7 audits in 2023 and 15 in 2024.
- In 2024, significant investments were made in software for the procurement team and IT projects related to raw material storage and inventory to improve and maintain efficiency and security of supply.

Plan for 2025-2026

- We will verify that all suppliers have submitted a signed copy of our sustainability principles. We require new suppliers to sign and comply with the principles.
- We will provide all suppliers with updated and amended supply chain sustainability principles.
- Analyses of sustainability aspects is an

important part of our ongoing interaction with our suppliers. The practice is clarified with each purchase order, regardless of the supplier.

- We will develop our audit forms, focus on supply chain monitoring among at least our tier 1 suppliers and explore IT-related risks.
- We will know the country of origin for 100% of our materials (continuous).
- LWG collaboration (continuous)
- Carbon footprint calculations (continuous)



Product safety

Operating principles

Safety and occupational footwear accounts for 90% of Sievi's production. These product groups comply with the safety and occupational footwear standards, i.e. meet the requirements of EN 20345, EN 20347 or EN 20349 standards. The standards include requirements for properties such as slip protection, waterproofness and nail-penetration protection.

The new EN 20345 standard for safety footwear was published in 2022 and entered into force in June 2022. All Sievi products certified after 1 January 2023 have been tested in accordance with the new EN ISO 20345:2022 standard.

We require the relevant certificate for all materials covered by EN standards, which is why we ensure that the raw materials we use also meet quality and safety requirements. We test new raw materials and update expiring certificates every year. When selecting new suppliers, we always assess their ability to deliver high-quality and safe materials in accordance with relevant safety and occupational footwear standards.

We also have every type of leather that we use in the manufacture of safety and occupational footwear tested for chromium VI, a strong allergen, whenever it is tested for compliance with the EN standard. We also test all leather used in our casual footwear on our own initiative, and we

regularly test materials for banned and allergenic chemicals to make sure that our materials are safe (so-called innocuousness testing).

Most of the banned chemicals 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 besides allergic reactions. 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.

In addition, we comply with the requirements of the EU's REACH regulation.

Issues related to quality are addressed with suppliers proactively and in connection with any quality complaints. Complaints are reviewed annually by the management.

Safe use

We ensure the safe use of our footwear by providing a product description with our products and customer training. The product description complies with the Personal Protective Equipment (PPE) regulation and specifies the safety features of our footwear and user behaviours that affect safety.

We also address safety risks related to our products by processing and examining all customer feedback sent to Sievi. When deemed necessary, we take corrective measures in the production process in response to feedback.

No human rights violations against Sievi's customers were observed during the reporting period.

Action

Key measures 2023-2024

- During 2023-2024, PFI continued to test new leather types and leathers in sample books used in shoe shops for chromium VI according to the plan. In total, 35 tests were carried out. All samples met the requirements.
- We ceased the use of a mould detergent containing VOCs (volatile organic compounds) in 2024. The mould detergent in question also came with the hazard statement H360D (may damage the unborn child). We found a less harmful substance to substitute for the detergent.
- In terms of sustainable sourcing, the procurement team took part in third-party supplier audit training, which covered topics such as the requirements of ISO standards and EU directives regarding supply chain responsibility. The training is described in more detail in the section *Supplier social assessment*.

Action plans 2025-2026

- New leather types and leathers in sample books used in shoe shops will be tested for chromium VI.
- In addition to physical tests, we will test new textiles and dyes for lining materials for the following substances: chlorophenols PCP, dimethyl fumarate DMF, allergenic disperse dyes, formaldehyde in fabrics, nonylphenol ethoxylates NPEO and banned aromatic amines AZO.

CORPORATE GOVERNANCE
Ethical principles in business operations

Operating principles
Common ethically acceptable practices strengthen the reliability of Sievi's operations and that of the supply chain and promote the transparency of our operations in relation to all our stakeholders – customers, staff and wider society.

The Code of Ethics is approved by the CEO. Our ethical principles are public to all stakeholders, and they are communicated through our website and other channels.

Sievi's Code of Ethics is based on the principles of the UN Global Compact framework, which, in turn, aligns 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 employees can use our internal whistleblower channel to report their concerns or suspected issues in our activities, either giving their name or remaining anonymous. Whistleblowers are protected from reprisal. Reports submitted with the whistleblower's name will be acknowledged within 7 days of receipt. The whistleblower will be informed of any measures taken as a result of the report within three months. All reports are treated confidentially. The HR manager is responsible for handling reports.

External stakeholders, such as local residents and consumers, can report environmental issues to the municipality's environmental inspector.

No environmental reports were submitted by 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 request information about our sustainability activities, objectives and results.

Metrics
Corruption and bribery
Number of reports submitted through the whistleblowing channel

Data security
There was one data breach in 2024, which was reported to the authorities and the persons affected by the breach in compliance with legal requirements. The data breach did not have any significant consequences.

Sustainability principles for suppliers
Operating principles
Our cooperation with our suppliers is based on transparency and fairness. Sievi aims to be a reliable and responsible partner for suppliers. Responsible sourcing and development are based on long-term collaboration, which has continued for decades with many suppliers.

We expect our suppliers to comply with our Supplier Code of Conduct, which coheres with the Sievi Code of Ethics. By signing up to the supplier sustainability principles, our suppliers commit to the principles of environmental and social responsibility as well as to ethical practices and fighting bribery. Principles regarding the environment are described in more detail in the section Materials, waste and circular economy and social responsibility in the section Supplier social assessment.

CORRUPTION AND BRIBERY

	2023	2024
Cases of corruption and bribery	0	0
Fines for violations of anti-corruption and anti-bribery laws	0	0

NUMBER OF REPORTS SUBMITTED THROUGH THE WHISTLEBLOWING CHANNEL

	2023	2024
Number of reports submitted through the whistleblowing channel		
internal	0	0
external	0	0
Reports related to ethical principles in business operations		
internal	0	0
external	0	0

DATA SECURITY

	2023	2024
Confirmed data breaches	0	1

We require all Sievi suppliers established before 2021 from whom we make purchases to the value of at least EUR 15,000 every year, and all new Sievi suppliers as of 2021, to sign up to Sievi’s ethical principles or commit to their own similar principles. In 2024, these commitments covered 99.6% of the value of our material purchases (2023: 99.3 %). Suppliers who fall below this annual purchase threshold are mainly Finnish suppliers for one-off purchases. Finnish suppliers accounted for 16.4% of all our purchases in 2022. In 2024, Finnish suppliers accounted for 20.2% of our purchases in euros. Our suppliers are regularly audited to ensure that the criteria are met.

We also require that all suppliers provide us with information concerning the country of origin of their materials. We verify this information every year. During 2023-2024, all materials were checked for their country of origin in the ERP system.

Action

Supply chain risk assessments
Supply chain risks and potential risks are assessed every year. Risk assessments are carried out for raw materials, for each country and for individual suppliers. Risk is also assessed in connection with purchases and audits.

When selecting new suppliers, we always assess their ability to deliver high-quality and

safe materials in accordance with safety and occupational footwear standards and check their financial background. Risk assessments regarding purchases cover the sustainability of our suppliers’ operations, any potential reputational damage, human rights, fundamental labour rights and environmental responsibility in general.

The same criteria are also assessed for each supplier before conducting a supplier audit. If concerns about risks related to responsibility or environmental issues arise for any supplier, we aim to address the risks through our audit.

Supplier risk assessments also evaluate risks of data breaches and cyberattacks, which have been identified as significant among our suppliers. Efforts have been made to reduce these risks by including data-related practices in our supplier audits. We will be paying closer attention to this issue during audits in the future by asking to see suppliers’ data security instructions for staff as well as reports on their data breach risk assessments. The supplier risk assessment also evaluates the risk of corruption, but this has not been an issue among our suppliers.

Audits are described in more detail in section *Supplier social assessment*.

TARGETS

Targets 2023–2024	Results	Targets 2025
Each year, we will check that all existing suppliers from whom our annual purchases exceed EUR 15,000 have signed our sustainability principles. Each year, we will check that all existing suppliers from whom our annual purchases exceed EUR 15,000 have signed our sustainability principles.	100%.	Each year, we will check that all existing suppliers from whom our purchases totalled over EUR 15,000 have signed our sustainability principles.



GREENHOUSE GAS EMISSIONS (tCO₂e)

	2021	2022	2023	2024
Scope 1 emissions	224	205	145	138
Scope 2 emissions (location-based)	438	316	170	162
Scope 2 emissions (market-based)	-	-	2,862	2,724
Scope 3 emissions	19,323	23,330	20,179	17,360
1. Purchased goods and services (incl. 2. Capital goods)	16,416	18,783	16,160	13,954
2. Capital goods	-	-	-	-
3. Fuel- and energy-related activities	-	-	111	96
4. Upstream transportation and distribution	2,263	3,818	1,724	1,309
5. Waste management	147	155	175	159
6. Business travel	89	128	147	178
7. Employee commuting	409	445	968	914
8. Upstream leased assets	-	-	-	-
9. Downstream transportation and distribution	-	-	-	-
10. Processing of sold products	-	-	-	-
11. Use of sold products	-	-	-	-
12. End-of-life treatment of sold products	-	-	882	742
13. Downstream leased assets	-	-	13	8
14. Franchises	-	-	-	-
15. Investments	-	-	-	-
Total greenhouse gas emissions (location-based)	19,986	23,851	20,494	17,669
Emission intensity (tCO ₂ e/MEUR)	227	251	230	210



| Principles of reporting

This report has been prepared for the first time using the voluntary reporting framework for SMEs (VSME), developed by EFRAG, and the VSME Comprehensive Module. The Comprehensive Module contains the information described in the Basic Module as well as more detailed information about issues such as emissions reduction targets. The Comprehensive Module also guides companies on describing their strategies, business models and sustainability initiatives as well as practices and policies for moving towards a more sustainable economy.

The information to be reported has been selected on the basis of the key areas of corporate social responsibility determined by Sievin Jalkine. Paragraph B7 38 C (annual mass-flow of relevant materials used) is not included in the report due to the sensitivity of the information and confidentiality obligations. This report is consistent with Sievin Jalkine Oy's financial statements and annual report.

This report covers the years 2023–2024. Sievi publishes its sustainability report every two years and financial statements every year. Sievi's operations are well established and, as a medium-sized family business, change is evaluated from a long-term perspective. For this reason, the company feels that it is more relevant to report on sustainability issues every two years.

SIEVI'S POLICIES, PRACTICES AND TARGETS FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY

	Sustainable development policies, practices and future initiatives (yes/no)	Targets set (yes/no)	Descriptions of policies, practices and targets (report section)
Climate change	Yes	Yes	Climate change mitigation
Pollution	Yes	Yes	Materials, waste and circular economy
Water and marine resources	Yes	No	Materials, waste and circular economy
Biodiversity and ecosystems	No	No	-
Circular economy	Yes	Yes	Materials, waste and circular economy
Own workforce	Yes	Yes	Safe workplace
Workers in the value chain	Yes	Yes	Supplier social assessment
Affected communities	No	No	-
Consumers and end users	Yes	Yes	Product safety
Business conduct	Yes	Yes	Ethical principles in business operations, Sustainability principles for suppliers

REQUEST FOR INFORMATION		PARAGRAPHS	SECTION(S) IN THE REPORT	PAGE NUMBER
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C1	Strategy: business model and sustainability – related initiatives	47	From values to sustainable practices: Strategy, Value chain	7, 10, 11
B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	26	Key areas of corporate responsibility	16
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	48	Key areas of corporate responsibility: Environmental liability, Social responsibility, Corporate governance	17, 29-30
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B3	Energy and greenhouse gas emissions	29, 30, 31	Climate change mitigation: Metrics	17-22, 24
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B4	Pollution of air, water and soil	32	Materials, waste and circular economy: Metrics	25
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B7	Resource use, circular economy and waste management	37	Materials, waste and circular economy: Operating principles	25
		38 a-b	Materials, waste and circular economy: Metrics	28
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SOCIAL METRICS				
B8	Workforce – general characteristics	39, 40	Safe workplace: Metrics	33
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C6	Additional own workforce information - human rights policies and processes	61	Safe workplace: Operating principles	29-30
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B11	Convictions and fines for corruption and bribery	43	Ethical principles in business operations: Metrics	37
C9	Gender diversity ratio in governance body	65	Management system and sustainability management	9-10



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