Sustainability report 2025

Sievi

CONTENTS

This report features the most relevant information about Sievi's sustainability work carried out in 2025.
The report was prepared in accordance with the VSME framework. The VSME index can be found on page 42.

SIGNIFICANT ACHIEVEMENTS IN CORPORATE RESPONSIBILITY IN 2025

We improved our EcoVadis rating from Silver to Gold.

100% of our leather suppliers have joined the Leather Working Group, which promotes environmentally friendly practices in the leather supply chain. We are also a member of the LWG.

We managed to reduce the number of work-related accidents to six, the company's best result in more than 30 years.

We launched **FastX® DFlex safety footwear**, which incorporates next-generation SuperCritical (SCF) material in the sole. The manufacturing process requires fewer chemicals and is material-efficient thanks to its recyclability in production.

-88%

The introduction of a heat recovery system has reduced annual oil consumption at the Sievi factory by 88% compared to annual consumption before the system was implemented.

We conducted 20 supplier audits during this reporting period.

We have calculated the product-specific carbon footprint for 36 models.

We have automated the method for calculating the percentage of recycled material we use and developed new product information management tools that can be used in carbon footprint calculations.

Of all the material we used, 12.2% was recycled.

Sievin Jalkine Oy in numbers 2025

80.4
M€
turnover

13
M€
salaries and renumeration paid

2.2
M€
pension contributions and other indirect labour costs

2.9
M€
income taxes

399
employees

95.4%
purchases audited

6.07
kWh
electricity consumed per pair of footwear 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 (NACE 15200). 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. In an industry typically dependent on long production chains, we want to offer products manufactured in Finland as an alternative. The Group's business activities also include the parent company's investment operations.

The Sievi Group's turnover in 2025 was EUR 225 million. The prolonged downturn in the construction industry in the 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 2025, Sievin Jalkine Oy's turnover was EUR 80.4 million, compared to EUR 85.4 million in 2024. The company's net operating profit was EUR 14.5 million in 2025 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 2025 financial year, Sievin Jalkine Oy employed a total of 399 people (366 in production roles and 33 in clerical roles). In 2024, the company had 423 employees (397 in production roles and 26 in clerical roles). Approximately 65% of the company's employees are women and 35% are men. The average age of 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 extensive experience, technological innovations, use of quality materials and excellent craftsmanship ensure that the highest possible standards are maintained and that our products can be worn with confidence.

As a family-owned company, we are committed to running the business sustainably and developing our operations over the long term. Our environmental management system has been in use since 1997. We were the first footwear manufacturer in Europe to be certified under the ISO 14001 standard for environmental management systems. We are committed to responsible practices throughout our value chain. In 2025, EcoVadis, the globally recognised sustainability assessor, awarded Sievi a gold medal. This result puts Sievi in the top 5% of companies assessed in the past 12 months and improves on the company's silver medal from the previous year.

We have drawn up a roadmap to reduce our emissions and aim to achieve net zero Scope 1 and 2 emissions by 2035. For Scope 3 emissions, our target for 2035 is to reduce emissions by 15% per footwear pair manufactured. To achieve these targets, we have invested in a heat recovery system that has reduced average annual oil consumption at the Sievi factory by 88%. Material development plays a significant part when it comes to Scope 3 emissions, as the greatest environmental impact of our operations comes from the raw materials used in manufacturing. We have managed to increase the proportion of recycled materials we use to 12.2%.

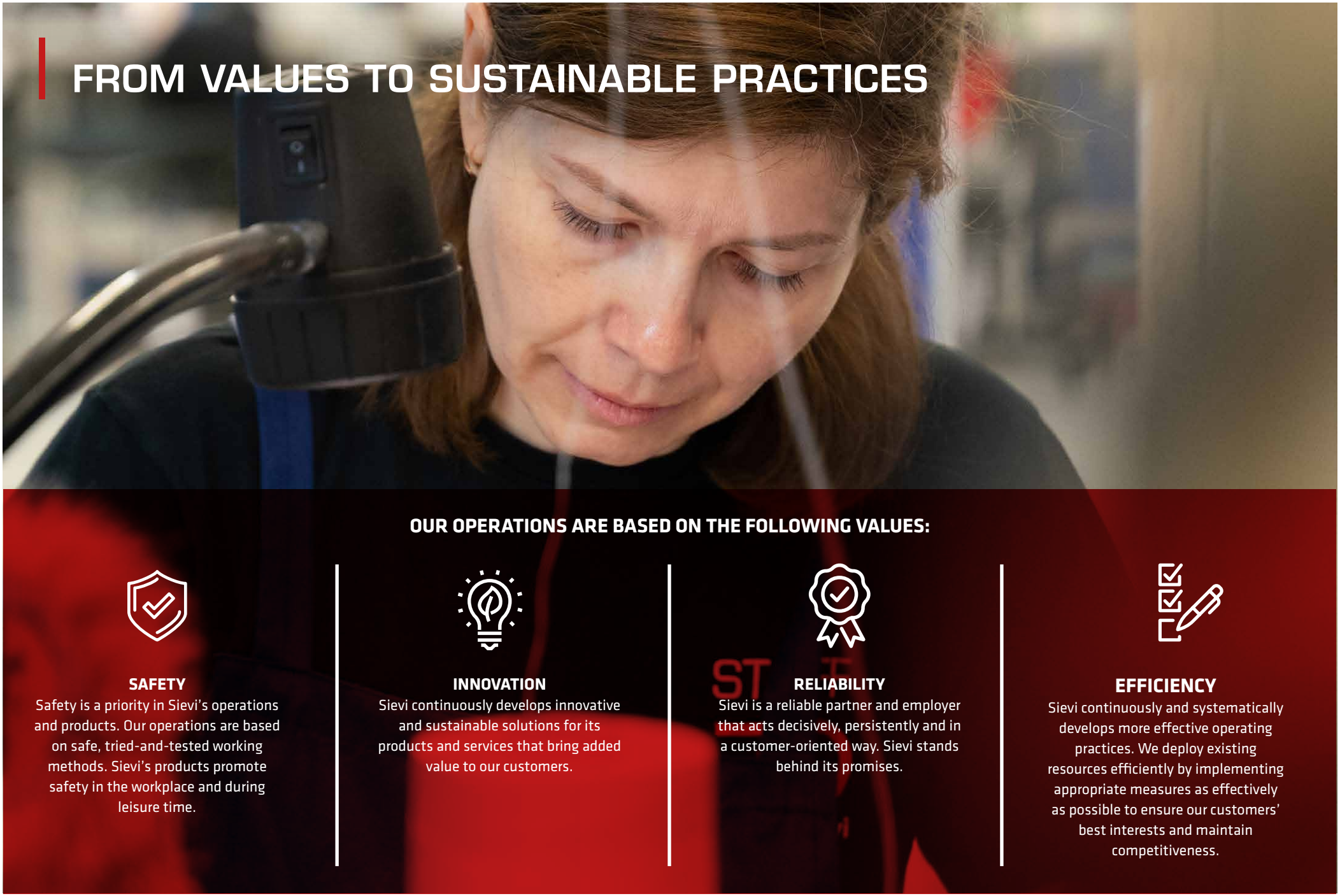
Responsible and long-term cooperation with our suppliers is a prerequisite for our success. We have been conducting supplier audits since 1991 and are further developing our auditing operations. In 2025, we carried out a total of 20 audits. No social responsibility-related deficiencies were detected.

We are also pleased to have achieved our target of 100% of our leather suppliers being members of the Leather Working Group, which promotes sustainable practices in leather production. We joined the LWG in 2023.

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

Sievi, May 2026
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

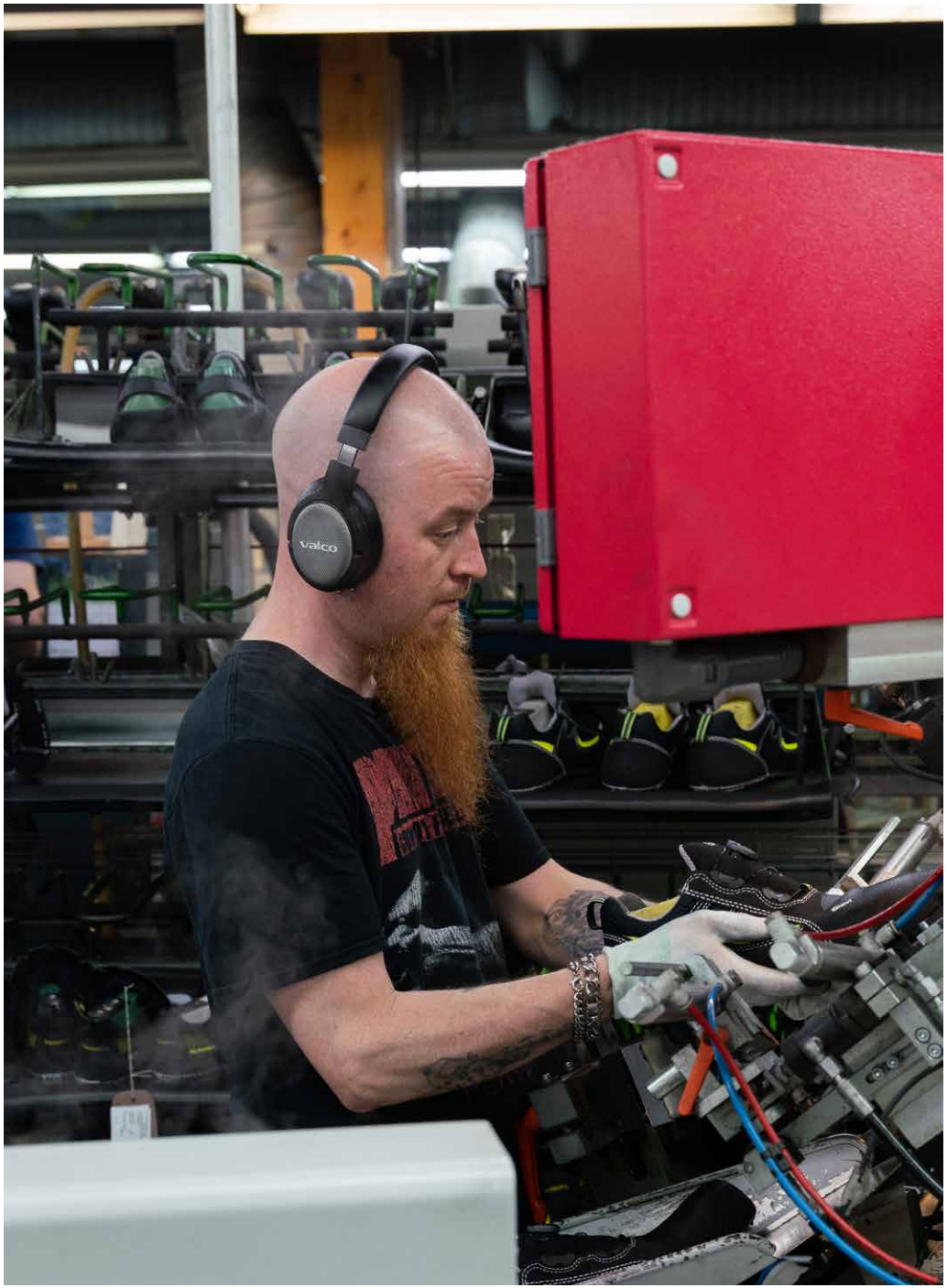
Sievi continuously develops innovative and sustainable solutions for its products and services that bring added value to our customers.

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 existing resources efficiently by implementing appropriate measures as effectively as possible to ensure our customers' best interests and maintain competitiveness.



EcoVadis gold medal

In 2025, Sievi was awarded the EcoVadis gold medal. This rating is an improvement on the previous year, when Sievi was awarded a silver medal. EcoVadis is a globally recognised sustainability assessor that evaluates companies in accordance with the principles of sustainable development. The gold medal puts Sievi in the top 5% of companies assessed 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 gold medal is a significant recognition of Sievi's commitment to responsible and sustainable business.

A SUSTAINABLE SET OF VALUES

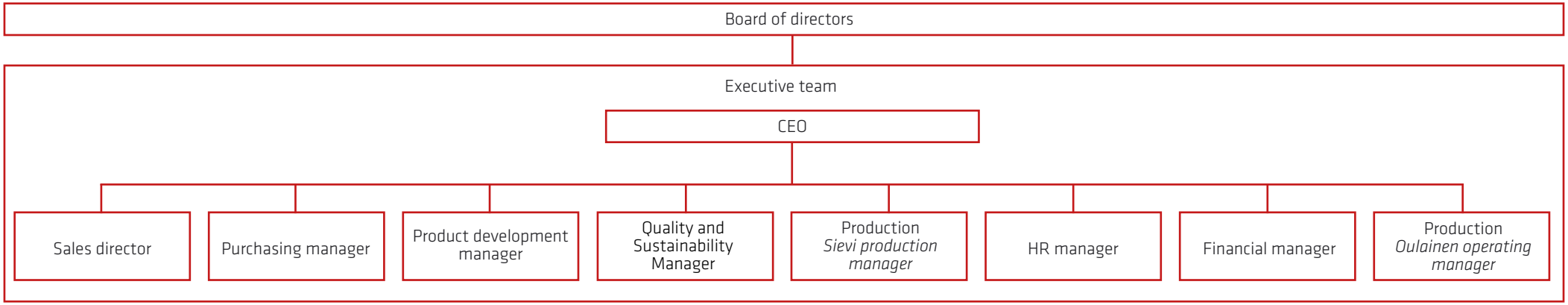
Sievi footwear combines quality, comfort, cutting-edge technology and first-class materials. We invest in durable materials, versatile protective properties and a product range that caters for all work and weather conditions.

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.

Our company's quality management system is ISO 9001 certified. The system directs our operations, and we take a customer-focused, systematic approach to quality development. We reinforce our quality management with AQAP-2110, a NATO quality assurance standard. In addition, our operations are lead with ISO 14001 standard. Our certified environmental management system seeks to secure customer satisfaction, a clean and healthy environment and optimal use of raw materials, water and energy. It also aims to minimise emissions and waste and promote the use and recycling of renewable natural resources. Matters related to health and safety, and occupational healthcare are managed in accordance with the requirements of the standard ISO 45001.

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.

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.

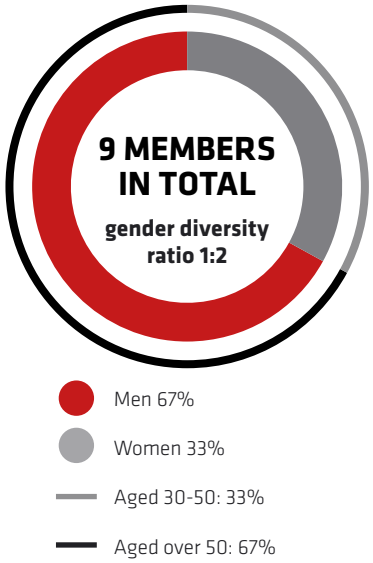
The members of the executive team oversee sustainability aspects, objectives and results within their areas of responsibility:

- 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 sales director is responsible for aspects related to sales and marketing.
- The production manager at the Sievi factory and 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.

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



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 have been able to respond to the challenge by assessing the emissions and chemical content of various raw materials and seeking more environmentally friendly alternatives.
- 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.
- Risks related to corporate social responsibility – We have addressed risks related to corporate social responsibility in our supplier network by favouring long-term relationships and monitoring suppliers' compliance with our sustainability principles. In our own production, risks are managed through the management system, the collective agreement and legislation.

The management of sustainability risks is discussed in more detail in the sections on environmental responsibility and social responsibility.

STRATEGY

During the 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

We are a Finnish manufacturer with factories located in Sievi and Oulainen. In addition to the products we manufacture in house, we offer occupational footwear sourced ready-made from specialist manufacturers. These products differ from Sievi's other products in terms of their manufacturing technology. Most of our occupational footwear models and all our safety shoes and PU boots are made at Sievi factories. 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.

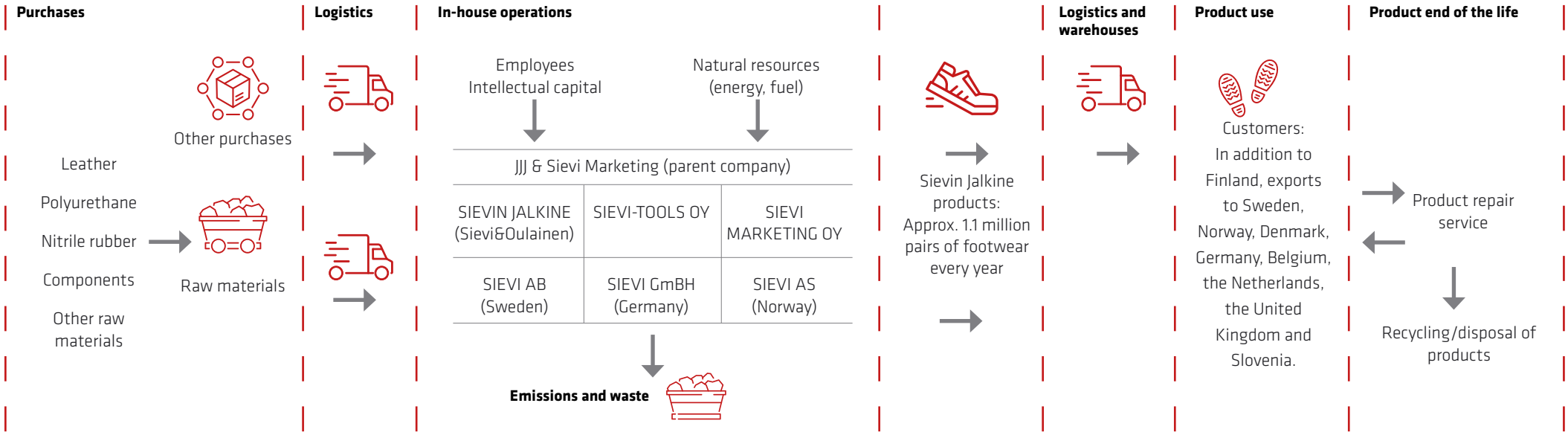
We mainly source our leather, the main upper material we use, from European suppliers that acquire their rawhides from European sources. Some of our components come from outside Europe, and some of the materials we require are purchased partially processed.

In 2025, the four countries that supplied the greatest volumes of raw materials were Italy, China, Finland and Germany. Overall, 70% of our suppliers were based in the EU, and the countries that supplied the greatest value of materials, in euros, were Italy, Finland and the United States. In 2025, Sievi had a total of seven suppliers from outside Europe, mainly supplying components and lining materials.

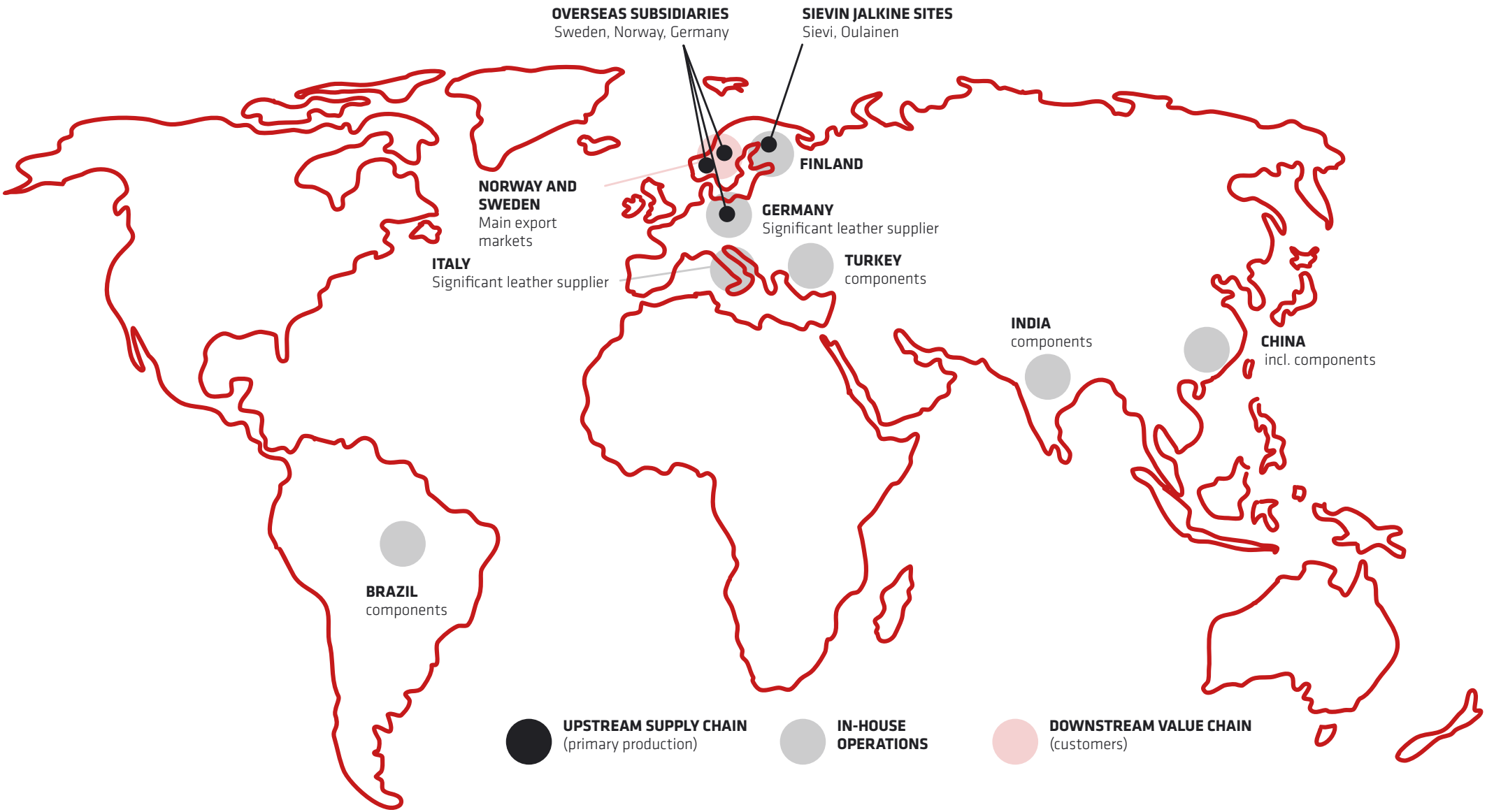
Of our supplier countries, Brazil, India, China and Türkiye are defined as 'risk' countries according to the amfori BSCI Country Risk Classification. We conduct audits to ensure that our suppliers adhere to our principles of sustainable sourcing. These principles and the steps we take to ensure the sustainability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

Sievi had 152 approved suppliers at the end of the reporting period, of which 121 were active in 2025.

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



SIEVI'S GLOBAL VALUE CHAIN



Active suppliers are those with which 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 our 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 policies.

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. No retailer survey was conducted in 2025; the next survey is scheduled to be carried out next year.

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 2025, we outperformed this target. 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
- British Safety Industry Federation, BSIF
- Chemical Industry Federation of Finland
- Confederation of Finnish Industries
- Finnish Work
- Finnish Work Safety Association STYL
- Leather Working Group
- Oulu Chamber of Commerce
- SATRA

Stakeholder concerns and areas of interest, communication channels and our company's responses are described on the following 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 most important stakeholder group. The number of customers, their purchasing behaviour, and their level of engagement have a direct impact on the company's revenue and market position. Through its products, Sievin Jalkine can influence and support customers in making more sustainable choices.	Sustainability aspects in the supply chain Product safety Product availability Quality	Customer service User training Complaints Sustainability communication Marketing Whistleblowing channel	Customer satisfaction Product development Sustainability work Sustainability report Leather Working Group EcoVadis Supplier audits ISO 9001, ISO 14001, ISO 45001, AQAP-2110
Owners	Our owners play a key role in the strategic planning and development of the Sievi Group. As a family business, long-term commitment ensures continued investment and sustainability focus, supporting the company's competitiveness and success into the future.	Return on investment The Sievi brand Committed employees Continuity of the business	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.	Well-being at work Health and safety Quality of managerial work Management of Occupational Hazards and Work-Related Strain Factors Cleanliness and ergonomics of the working environment Maintaining and enhancing professional competence	Personnel survey Occupational health and safety committee Internal whistleblowing channel Safety and near-miss observations Initiatives Occupational health care surveys	Development of supervisory operations Introduction of the 5S method to maintain and develop cleanliness and good order Measures and instructions related to occupational hygiene and ergonomics in collaboration with occupational health-care services Introduction of an initiative system Training and job opportunities within the company
Occupational healthcare	Maintaining employees' well-being and ability to work.	Supporting employees' ability to work and their well-being Promoting health and safety	Occupational health service workplace visits Occupational health care surveys Health and safety cooperation (e.g. noise monitoring, biomonitoring)	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.	Certifications are expensive for small businesses Development of recycled materials takes time Continued cooperation Fulfilment of contractual obligations Receiving payments	Trade fairs Audits Product development cooperation Training courses Internal communications Whistleblowing channel	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.	Continued customer relationship and cooperation Compliance with Sievi's sustainability requirements	Machine and equipment user training and support Machinery and equipment trade fairs Whistleblowing channel	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.	Safeguarding the industry's interests Labour market services to meet the company's needs	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.	Quality management Workplace risks, occupational health care, and health and safety Environmental protection	ISO audits 9001, 45001, 14001 Inspections by the Regional State Administrative Agency Reports to the authorities (for example on the use of chemicals)	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	Employment and livelihood Labour availability Comfortable and safe living environment	Cooperation with the authorities Hearings	Aim is to offer employment opportunities Committed to collaboration

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 below.

KEY AREAS OF CORPORATE RESPONSIBILITY

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.

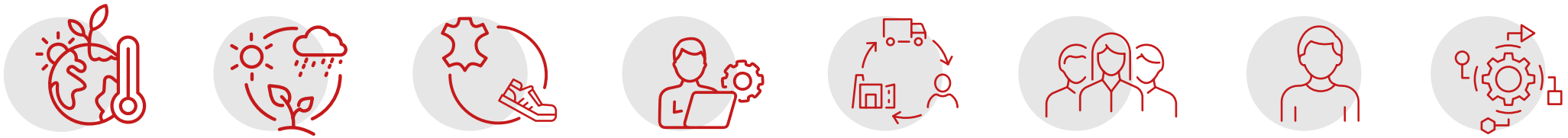
Identified sustainability issues and the development of related sustainability work are described in section 3.1 Environmental liability (E1, E4, E5), section 3.2 Social responsibility (S1, S2, S3 and S4) and section 3.3 Corporate governance (G1).

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.

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

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

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. We have calculated Sievi's carbon footprint since 2019. The calculation provides concrete information on our environmental impact, helps us identify our most significant sources of emissions and supports our climate efforts. 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, i.e. from our suppliers. Our policies related to climate change mitigation are publicly available in the form of our sustainability report, as communicated on our website and other channels.

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. With regard to tackling Scope 3 emissions, we are still at an early stage in our efforts and our data in this area is not yet complete. We are continuing to collect more detailed information from our suppliers on raw materials and their targets for emissions reductions. A large proportion of Scope 3 emissions arises from the use of leather and is thus very difficult to reduce. Leather has a high emission factor but is still the best option for certain applications in terms of durability, and in some cases the only option. Our target by 2035 is to reduce our Scope 3 emissions by 15% per footwear pair manufactured.

We have put measures in place to reduce our Scope 1 and Scope 2 emissions and 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

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 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

TARGETS

Targets 2025	Situation in 2025	Targets 2035
Scope 1: Reducing the use of light fuel oil and improving the energy efficiency of our production facilities Scope 2: Improving energy efficiency.	Scope 1 emissions in 2025: 98 tCO_2e. Base year 2021: 224 tCO_2e. Scope 2 emissions in 2025: 122 tCO_2e. Base year 2021: 438 tCO_2e.	Achieving zero Scope 1 and Scope 2 emissions, i.e. direct emissions and emissions from purchased energy, by 2035: • phasing out the use of oil • phasing out the use of vehicles with internal-combustion engines
Conducting an assessment of the heat recovery system for the Oulainen factory	Based on our assessment, a heat recovery system at the Oulainen factory would not deliver the same benefits as at the Sievi factory as the amount of waste heat produced is significantly lower.	Geothermal and district heating are under assessment.
Further work on the roadmap for Scope 3.	Roadmap completed. Scope 3 emissions in 2025 16,712 tCO_2e. Base year 2021: 19,323 tCO_2e	15% emission reduction target for Scope 3 kg CO_2e/pair by 2035.
Electricity consumption 4 kWh/pair of shoes.	2025: 6.07 kWh/pair of shoes.	Less than 4 kWh/pair of shoes.

Resource efficiency

- We minimise the amount of waste from materials
- We optimise the use of leather
- We repair products where possible
- Our aim is to purchase leather from leather manufacturers in Europe that are members of the Leather Working Group
- We actively seek circular-economy solutions for both manufacturing processes and end-of-life treatment

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

Sievi's total emissions in 2025 were 16,931 tonnes of carbon dioxide equivalent (tCO_2e). In 2024, our total emissions were 17,641 tCO_2e. The reduction in total emissions was mainly due to a reduction in production volumes. More detailed results of our emissions calculations for 2021–2025 are presented in Table Greenhouse gas emissions in

accordance with the VSME reporting standard. The base year for Sievi's carbon footprint calculation is 2021. It provides the reference point against which we compare future developments.

Scope 1 and 2 emissions

Emissions from own operations (Scope 1 and 2)

Base year 2021 **-67 %** Target **-100 %** in 2035

Our direct emissions come from our on-site oil heating and vehicles. These account for less than 1% of our total emissions. Our own operational emissions (Scope 1 and 2) have decreased by 67% compared to the baseline year 2021. In 2021, they totalled 663 tCO_2e, while in 2025 they were 220 tCO_2e. Our emissions and use of oil heating decreased in 2025 compared to 2024. The 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 section *Energy consumption*.

Emissions from purchased energy come from electricity consumption. These account for less than 1% of our total emissions. Electricity consumption in 2025 decreased compared to 2024. Finland switching to renewable energy sources of electricity generation has contributed to the decrease in Scope 2 emissions.

Scope 3 emissions

As typical for industrial production, Sievi's greatest sources of emissions are within Scope 3, i.e. indirect emissions in the supply chain. The most significant of these is raw materials, which accounted for 60% of emissions from all operations in 2025. At Sievi, material emissions include primary production, processing and logistics associated with purchased materials up to tier 1 producers. For the 2025 calculation, emissions data was further refined using information collected from suppliers. Material-related emissions decreased by 4% between 2024 and 2025, mainly due to lower production volumes and, in particular, reduced consumption of polyurethane and packaging materials.

We updated our 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 measurement aligns with that of European standard EN 16887: 2017, which sets the product category rules for the carbon footprint of leather. Leather accounts for about 27% of our total emissions.

Measured in kilograms, polyurethane is the raw material that we use most, and it accounts for approximately 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 (21%)
- logistics (8%)
- employee commuting (5%)
- end-of-life treatment of sold products (4%)

Emissions from other purchases include, for example, equipment purchases and investments. These emissions increased slightly from 2024. Air freight accounts for the majority of emissions from logistics, which decreased slightly from 2024. Emissions from employee commuting were calculated using a staff survey, and the responses were scaled to present estimated emissions for the workforce as a whole. Emissions decreased from 2024, partly explained by the selection of respondents and a change in wording in the survey. Emissions from the end-of-life treatment of sold products decreased due to lower production volumes.

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

GREENHOUSE GAS EMISSIONS (tCO_2e)

	2021	2022	2023	2024	2025
Scope 1 emissions	224	205	145	138	98
Scope 2 emissions (location-based)	439	316	170	162	122
Scope 2 emissions (market-based)	-	-	2,862	2,724	2,594
Scope 3 emissions	19,263	23,330	20,179	17,369	16,712
1. Purchased goods and services (incl. 2. Capital goods)	16,416	18,783	16,160	13,954	13,598
2. Capital goods	-	-	-	-	-
3. Fuel- and energy-related activities	-	-	111	105	93
4. Upstream transportation and distribution	2,202	3,818	1,724	1,309	1,276
5. Waste management	147	155	175	159	160
6. Business travel	89	128	147	178	176
7. Employee commuting	409	445	968	914	759
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	648
13. Downstream leased assets	-	-	13	8	1
14. Franchises	-	-	-	-	-
15. Investments	-	-	-	-	-
Total greenhouse gas emissions (location-based)	19,925	23,851	20,494	17,669	16,931
Emission intensity(tCO_2e /MEUR)	226	251	230	207	211

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.

Product-specific carbon footprint

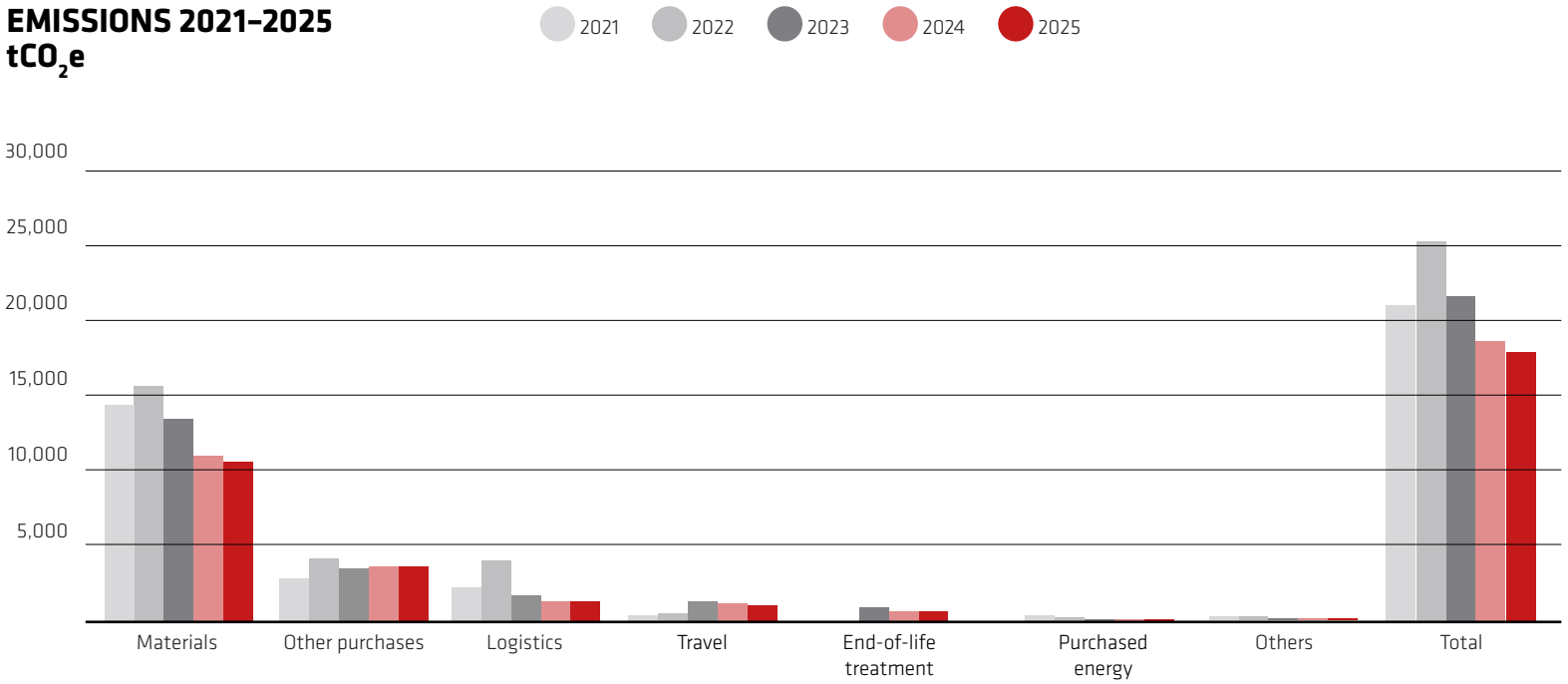
We are one of the first manufacturers of safety and occupational footwear to calculate carbon emissions per pair of shoes produced. So far, we have calculated the carbon footprint for a total of 36 products. These calculations allow us to choose more climate-friendly materials as they help us to understand 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. Our product-specific carbon footprint calculations were also conducted according to the Greenhouse Gas Protocol.

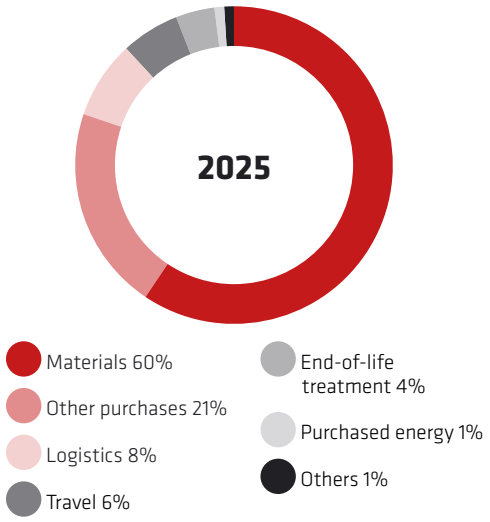
The carbon footprint of leather footwear is larger than that of footwear made entirely of synthetic materials. Leather is, however, the most durable material for safety footwear: material tests and customer feedback show that leather footwear lasts approximately twice as long as footwear made of synthetic 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.

We managed to reduce model-specific emissions in 2025 from the previous year. Emissions of all models were reduced as a result of lower emissions from logistics and energy. Energy emissions were decreased due to reduced oil consumption and the transition to renewable energy in Finland.

EMISSIONS 2021–2025 tCO_2e



CARBON FOOTPRINT BY EMISSION SOURCE 2025



CALCULATION OF THE PRODUCTS' CARBON FOOTPRINT

Total emissions per pair of shoes, unit kg CO_2e/piece*

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

Bare 1

1.30 | 8.70 | 0.35

Bare 2

1.84 | 8.70 | 0.39

Riff SBAE

7.32 | 2.20 | 0.53

Fly Fresh Roller

5.83 | 2.20 | 0.49

Neo Dflex

1.55 | 8.70 | 0.41

Neo Dflex BW Roller

1.76 | 8.70 | 0.41

Neo Dflex BW Slipin

2.37 | 8.70 | 0.40

FastX Dflex S3S

8.48 | 2.20 | 0.83

FastX Dflex Roller S3S

8.68 | 2.20 | 0.65

FastX Free Dflex Roller S1PS

8.90 | 2.20 | 0.65

EcoTech Free Roller S1PL

7.66 | 2.20 | 0.57

Racer EcoTech S3L

8.57 | 2.20 | 0.64

A regular sneaker emissions about **14 kg of CO_2**. (Source: https://runrepeat.com/eco-sneakers-research)
Beef burger 3.4 kg CO_2 (Source: https://www.hesburger.fi/vastuullisuus/hiilijalanjalki-hyvitetty/hiilijalanjalki-hyvitetty--tuotteet)
Mobile phone 58.5 kg CO_2 eq./pc. The coefficient is based on the estimated emission coefficient of Apple smartphones. (Source: Anthesis Group 2014)
Laptop 155.6 kg CO_2 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 CO_2e/piece*

A regular sneaker emissions about **14 kg of CO_2**. (Source: https://runrepeat.com/eco-sneakers-research)
Beef burger 3.4 kg CO_2 (Source: https://www.hesburger.fi/vastuullisuus/hiilijalanjalki-hyvitetty/hiilijalanjalki-hyvitetty--tuotteet)
Mobile phone 58.5 kg CO_2 eq./pc. The coefficient is based on the estimated emission coefficient of Apple smartphones. (Source: Anthesis Group 2014)
Laptop 155.6 kg CO_2 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 CO_2e/piece*

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

Racer EcoTech H S3L

9.26 | 2.20 | 0.68

Sievi Roller High XL+ S3

12.85 | 2.20 | 0.83

Lazer Roller High+ S3

9.94 | 2.30 | 0.77

Roller High+ S3

12.35 | 2.20 | 0.80

Zone 2 High+ S3L

12.18 | 2.20 | 0.78

AirGo 5 roller H XL S1P

7.70 | 2.20 | 0.76

Hiker Roller XL+ S3

13.49 | 2.20 | 0.78

Cobra GT RollerH+ S7

11.00 | 2.20 | 0.83

Rescue TR Roller+ S3

18.94 | 2.20 | 0.96

Alaska Roller XL+ S3

22.53 | 2.20 | 0.97

AL Hit 6 XL+ S3HRO

16.58 | 2.20 | 0.87

Light Boot Olive S5

6.64 | 2.20 | 0.98

A regular sneaker emissions about **14 kg of CO_2**. (Source: https://runrepeat.com/eco-sneakers-research)
Beef burger 3.4 kg CO_2 (Source: https://www.hesburger.fi/vastuullisuus/hiilijalanjalki-hyvitetty/hiilijalanjalki-hyvitetty--tuotteet)
Mobile phone 58.5 kg CO_2 eq./pc. The coefficient is based on the estimated emission coefficient of Apple smartphones. (Source: Anthesis Group 2014)
Laptop 155.6 kg CO_2 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

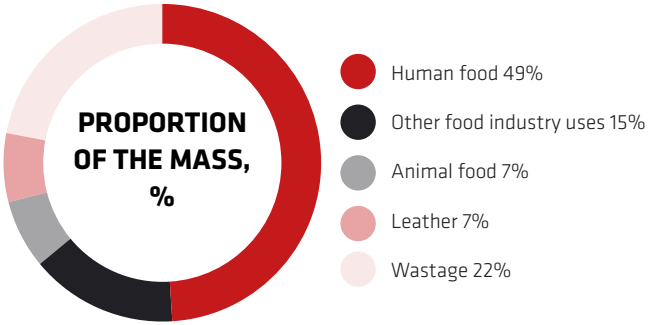
Use of leather

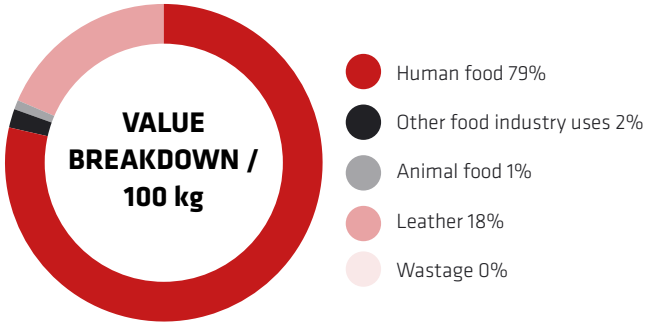
Most of the leather that Sievi uses comes from Germany and Italy. We recommend that all our leather suppliers join the international Leather Working Group, which provides and maintains audit protocols for the environmental performance of leather manufacturers and promotes sustainable practices. As of 2025, 100% of our leather suppliers had joined the LWG. 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. Leather's share of primary production emissions is determined by the calculation method. We are actively exploring alternative materials that are less harmful to the environment. However, the requirements for safety footwear and, in particular, the specifications for durability impose significant restrictions on the use of different materials. Leather is a very durable material for safety footwear and for this reason footwear made of leather has a longer wear life meaning it doesn't need to be replaced as often.

We are committed to optimising our leather use, from the product design stage onwards, to minimise leather consumption and the amount of waste generated during manufacturing. We monitor the percentage of leather saved in cutting and have set a 3% savings target.

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

Energy consumption

Our total energy consumption decreased from 2024 to 2025. 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 factory fell by 88% in 2025 compared to the average annual consumption before the system was implemented.

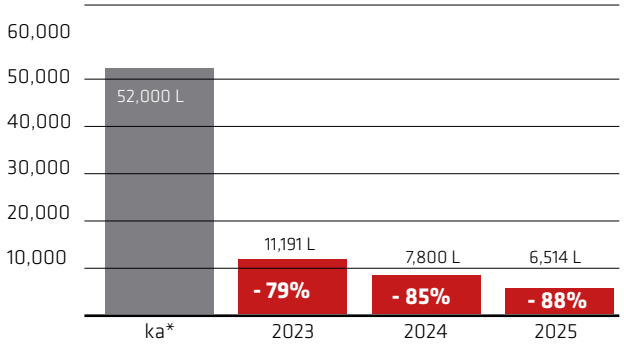
We use energy-efficient and supply-safe groundwater to cool our facilities. This district cooling system is a comparatively climate-friendly technology that is now becoming more widely used.

Our electricity consumption target is less than 4.0 kWh per pair of shoes manufactured. In 2025, our consumption was 6.07 kWh/pair; in 2024 it was 5.84 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. As the majority of consumption relates to the heating of properties, the fall in production volume also increased the electricity usage per pair (kWh/pair) as it was distributed across a smaller number of pairs of footwear.

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

HEATING OIL CONSUMPTION

*Average annual consumption before the implementation of the heat recovery system.



ENERGY CONSUMPTION (MWH)

	2023	2024	2025
Total renewable energy consumption (MWh)	0	0	0
Total non-renewable energy consumption (MWh)	5,689	5,414	5,024
Purchased electricity (MWh)	5,157	4,909	4,675
Self-generated energy (light fuel oil, MWh)	532	505	348
Total energy consumption (MWh)	5,689	5,414	5,024

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.

Our policies related to materials, waste and circular economy are publicly available to all stakeholders, and we communicate them through our website and other channels in the form of our sustainability report.

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 a very durable material for safety footwear, and the useful life of leather footwear is, in our experience, 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 for banned and allergenic chemicals, for example, in accordance with a plan drawn by the German testing and research institute PFI (Prüf- und Forschungsinstitut Pirmasens). 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 industry, the main impacts of water use are water withdrawal and water pollution. The greatest demand for water use arises in the manufacture of the raw materials used in footwear.

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 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. The LWG also audits chemical management practices to prevent harmful substances from entering waterways.

The textile manufacturing process also consumes large amounts of water (particularly during dyeing and finishing), and the chemicals used may harm the environment if they enter waterways. For this reason, we have included water use in our supplier audit process.

Manufacturing footwear does not require much water in itself. In our in-house production processes, water is mainly used to cool 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.

As of 2025, 100% of our leather suppliers are members of 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.

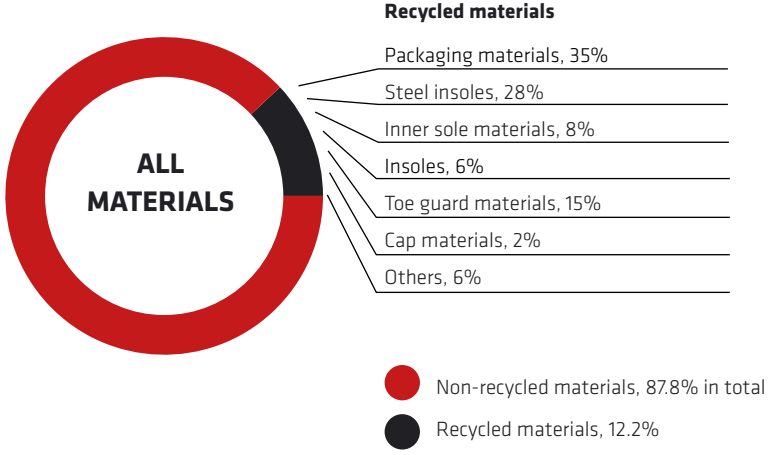
When selecting materials, we also follow these principles:

- 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.
- Our raw materials do not contain any conflict minerals: tin (Sn), tantalum (Ta), tungsten (W) or gold (Au).
- Biocidal products and microplastics are not used.

TARGETS

Targets 2025	Results	Targets 2035
Increasing the use of recycled materials. Developing new products for the Racer EcoTech® range.	With the system update, we can monitor the recycling rates of raw materials in real time. The Racer EcoTech® range, made from recycled materials, was launched 2023 and updated in 2025.	Exploring new recycled materials.
Exploring new low-carbon materials and increasing their use.	Sievi DualFlex+® flexible midsole made from SCF material.	Exploring new low-carbon materials and increasing their use.
Sievi's use of recycled raw materials will be assessed and listed and new potential applications explored.	In 2025, 12.2% of the materials we used were recycled. The equivalent figures were 12% during 2023-2024 and 7% in 2022.	Assessing, testing and introducing new materials into our production is an ongoing process.
Calculating the use of recycled materials by product.	The proportion of recycled materials has been calculated for the entire collection; the average for the catalogue models is 13%.	Increasing the proportion of recycled materials used in products.
Waste less than 300 g/pair Hazardous waste less than 3.5 g/pair of shoes.	Waste 2025: 386 g/pair. 2024: 410 g/pair. Hazardous waste 2025: 4.1 g/pair. 2024: 6.9 g/pair.	Waste less than 300 g/pair. Hazardous waste less than 3.5 g/pair of shoes.
Testing PFAS-free durable water-repellent treatments and finding alternatives to PFAS.	We have switched to a number of PFAS-free materials and are continuing to identify new potential material substitutes.	All materials to be PFAS-free; regular testing of PFAS to be included in the testing plan.
		Assessment of supplier water consumption.
100% of our leather suppliers will be members of the Leather Working Group by the end of the reporting period.	100% of our leather suppliers are members of the LWG.	100% of our leather suppliers will be members of the Leather Working Group.

RECYCLED MATERIALS 2025



ACTION

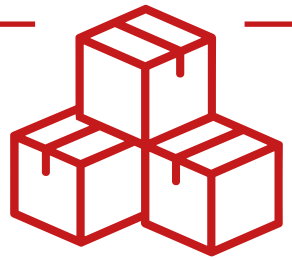
Reducing the use of leather

In 2025, our average leather consumption was 2.01 sq. ft/pair, compared to 1.77 sq. ft/pair in 2024. 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. Leather footwear was manufactured for the Defence Forces in 2025.

In 2025, 100% of the leather we used was purchased from European suppliers that mainly used European rawhides.

Increasing the use of recycled materials

In 2020, the proportion of recycled materials used was 7%. The figure was 12% for 2023–2024 and 12.2% for 2025. Assessing the availability and usability of recycled materials, testing them and introducing them into production is an ongoing process. More detailed figures are shown in the table The use of recycled materials. We also monitor the proportion of recycled materials used by product. The product-specific proportion of our use of recycled materials has been assessed since 2023. Information about the proportion of recycled materials used is based on raw-material compositions and the proportions provided by suppliers.



Recycled materials in packaging

Every pair of shoes made by Sievi is packed in a shoe box.
We have taken the use of recycled materials into account in our packaging.

Average amount of recycled materials in our packaging materials:
- **Shoe boxes, 21%**
- **Insole packaging, 94%**
- **Master cartons, 40%**

based on data provided by the manufacturer.

The proportion of recycled material is not the only factor that determines the environmental sustainability of packaging. Overall carbon footprint is also affected by a product's weight, the production technology used and transport. The carbon footprint of our packaging decreased between 2024 and 2025.
We aim to minimise the carbon footprint of our packaging without compromising performance. In addition, we minimise our use of packaging by packing products as compactly as possible.

All cardboard in our packaging can be recycled after use.

SuperCritical

We launched Sievi's next-generation FastX® DFlex safety shoe at the A+A trade fair in 2025. It features the Sievi DualFlex+® flexible midsole, which uses a next-generation SuperCritical (SCF) foam midsole material. SCF resembles EVA in its properties and appearance but is more durable than EVA, making it better suited to safety and occupational footwear. The emission factor of the SuperCritical material is significantly lower than that of EVA. The SuperCritical process does not use chemical blowing agents that release volatile organic compounds (VOCs). The material is also very light compared to polyurethane and rubber, reducing carbon dioxide emissions from transport.

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.

The proportion of recycled material in Racer EcoTech® models is almost twice that of other catalogue models.

Waste

Sievi's waste is recycled and incinerated by a third party. In 2025, we generated less cardboard waste and hazardous waste than in 2024, while the amount of metal waste increased significantly compared to 2024. Hazardous waste is collected in containers and sent for further treatment when full. The recorded amount of hazardous waste we produce varies from year to year because the volume is recorded for the year of disposal. 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 collected was 2,700 kg in 2024 and 8,440 kg in 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

In 2025, 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.

New leather types and leathers included in sample books used in stores were also tested for chromium VI. In addition, new leather types and leisure shoes were tested for chrome VI.

In 2025, we replaced some materials that contain PFAS, which are used, for example, to enhance the water-repellent properties of upper textiles and threads. Since PFAS degrade slowly and are harmful to public health and the environment, we asked manufacturers to provide alternatives that are safer for the environment, and we tested such alternative materials extensively in 2025. We have made it our policy to introduce PFAS-free materials as soon as is viable, i.e. when the materials meet the requirements of the EN standard. We are still in the process of replacing some materials. PFAS are persistent organic pollutants (POPs), and we now test for them as part of our regular material testing programme.

Action plans 2026–2027

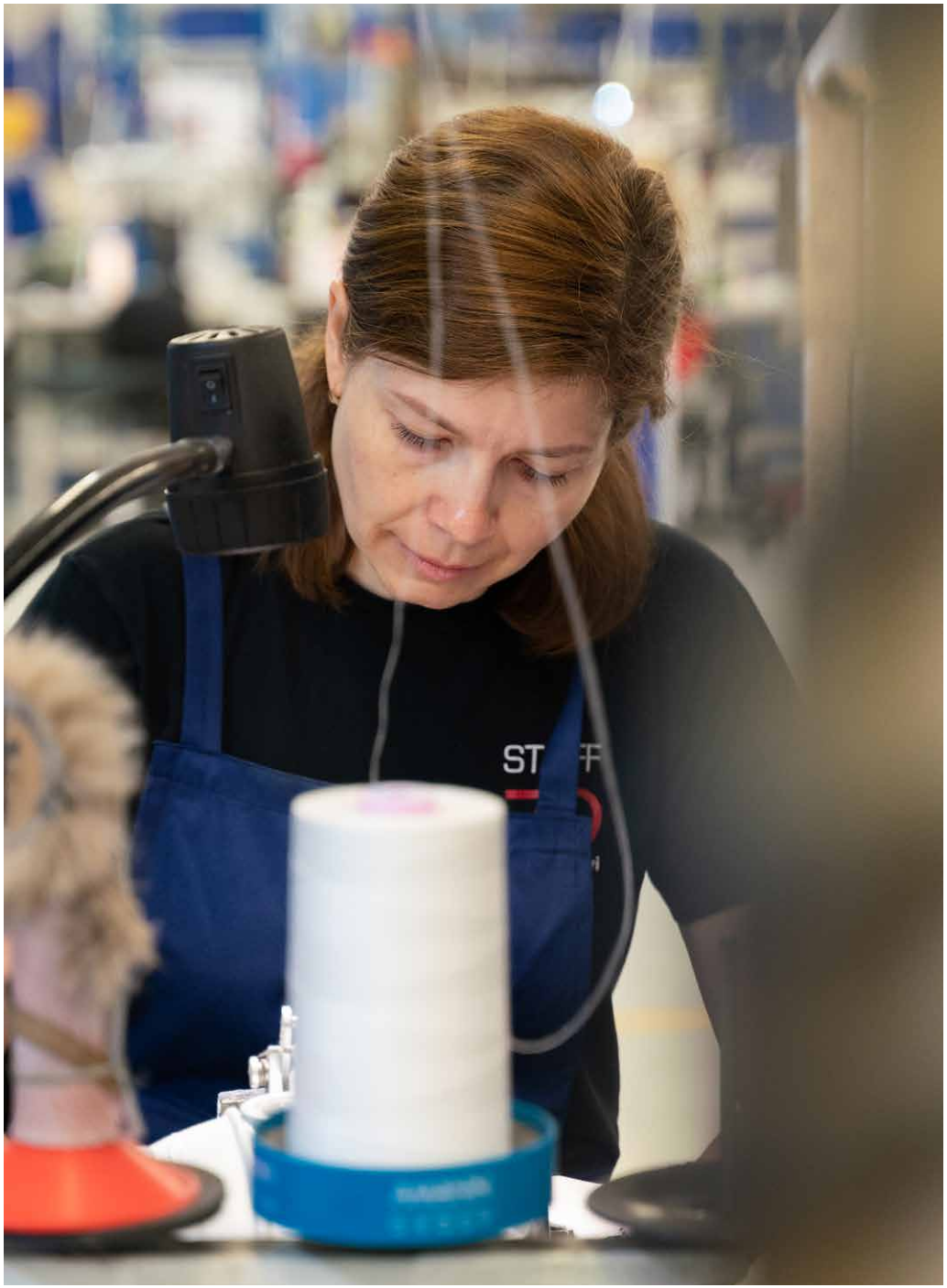
We will continue to test recycled materials when they are financially viable and meet quality requirements.

Our primary objective is to replace materials containing PFAS in 2026.

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 we acquire.

We will collect information from suppliers on greenhouse gas emissions and basic data for our carbon footprint calculations. Our aim is to send a sustainability survey to our suppliers in 2026 covering their energy and water consumption and emissions reduction targets.



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

WATER CONSUMPTION (m³)

	2023	2024	2025
Water withdrawal	39,320 m³	44,052 m³	33,511 m³
Spring water	35,674 m³	40,892 m³	30,643 m³
Communal water	3,646 m³	3,160 m³	2,868 m³
Water withdrawn at sites located in areas of high water-stress	0 m³	0 m³	0 m³
Water consumption	3,646 m³	3,160 m³	2,868 m³

Emissions to air

EMISSIONS/POLLUTANT (KG)

	2023	2024	2025
VOCs	6,544 kg	6,100 kg	4,940 kg

Circular economy metrics

WASTE

	2023	2024	2025
Waste-to-energy	393,760 kg	351,622 kg	297,340 kg
Cardboard and paperboard	68,890 kg	64,295 kg	54,722 kg
Plastic	0 kg	2,700 kg	8,440 kg
Paper	3,696 kg	3,608 kg	2,992 kg
Metal	44,047 kg	44,908 kg	69,930 kg
Hazardous waste	4,228 kg	5,945 kg	3,148 kg
Recycled waste	23.5%	25.7%	31.9%

Raw materials

USE OF RECYCLED MATERIALS

	2023	2024	2025
Volume of recycled raw materials	269,898 kg	219,221 kg	197,920 kg
Proportion of recycled raw materials in all materials	12%	12%	12.2%

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

Operating principles

Key areas and long-term policies

- We maintain a high level of occupational safety. Sievin Jalkine is a safe employer.
- We maintain and promote our employees' well-being at work. People are healthy. We maintain and strengthen staff motivation.
- Sievin 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. Sievin 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. Our ethical principles are publicly available and communicated through our website and other channels in the form of our sustainability report.

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. No reports were submitted through the internal whistleblowing channel in 2025.

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.

Our ethical principles are public to all stakeholders, and they are communicated through our website and other channels.

Temporary workers 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.

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 (2024: 4.9%)
- maintain an early retirement rate of 0/year
- maintain an employee turnover rate of less than 10%
- have fewer than 1 safety observation/employee/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 2025. 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.

Results of the employee survey

	Target	Result 2023	Result 2024	Result 2025
Employer Net Promoter Score (eNPS)	positive	-14	-17	-8
Motivation (scale 0-5)		4.0	4.0	4.1
Job satisfaction (scale 0-5)		3.9	3.9	4.0
Health and safety in one's job (scale 0-5)		not surveyed	4.5	4.5
Overall assessment of managerial work (scale 4-10)		8.2	8.4	8.5

Targets 2025	Results	Targets 2026
Below industry average rate of work-related accidents (The 2023 average was 23.0)	2023: 28.5 2024: 27.1 2025: 3.4	Same as previous: Below industry average rate of work-related accidents (The 2024 average was 22.5)
Employee turnover below 10%	2023: 13.3% 2024: 10.5% 2025: 8.8%	Same as previous.
Below average rate of sick leave for industrial employees, 5.6% (EK statistics 2023)	2023: 8.1% 2024: 5.0% 2025: EK statistics have not yet been published.	Same as previous: Below average rate of sick leave for industrial employees, 4.9% (EK statistics 2024).
Early retirement: 0 (including semi-retirement due to disability).	2023: 4 2024: 2 2025: 2	Same as previous.
Disability contribution category target: 4 or below	2023: 3 2024: 3 2025: 5	Same as previous.
Observations on safety issues: 1 observation/employee/year	2023: 24 2024: 113 2025: 165	Same as previous.
Positive eNPS	2023: -14 2024: -17 2025: -8	Same as previous.

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 achieved our target for work-related accidents, i.e. there were noticeably fewer accidents than the industry average. In 2025, there were only two accidents that resulted in sick leave. We were, therefore, very close to achieving our target of zero work-related accidents. There were a total of six accidents during the reporting period: the company's best result in more than 30 years. These were minor accidents that resulted in average sick leave of 1.5 days. There were no serious accidents in the workplace during the reporting period.

We achieved our target for employee turnover. We fell short of our target for early retirements, but the level remained unchanged from the previous year. All early retirements were non-work related.

We fell short of our disability contribution target by one category.

For the number of safety observations, we achieved the best result in the company's history. Even so, we remain some way off our target, but the development has been positive over the past two years. The main reason for the increased number of observations was the active role of the health and safety organisation in raising awareness of health and safety issues, including the health and safety event organised in the autumn. Improvements in the transparency of health and safety matters as well as 5S activities have also supported the development of safety at work. Employees have also been actively encouraged to take part in efforts to improve health and 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

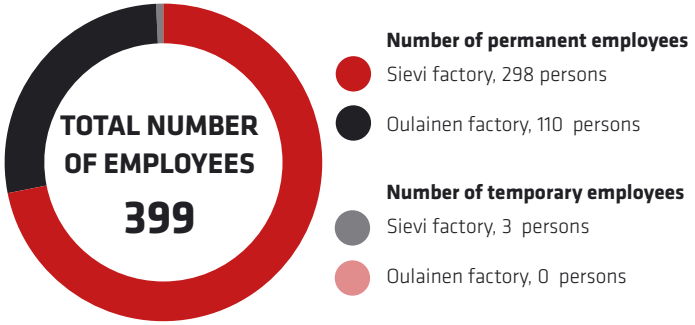
One of the strategic focus areas for the reporting period was the development of staff well-being and motivation. In our view and experience, employee occupational well-being can be best ensured by providing all employees with the role and workstation best suited to them, providing clear objectives for 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.

TYPE OF EMPLOYMENT CONTRACT

The figures specify individual numbers of employees on the last day of 2025.



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	2024	2025
Women	65% (292 persons)	65% (276 persons)	65% (259 persons)
Men	35% (156 persons)	35% (147 persons)	35% (140 persons)
TOTAL	448	423	399

AGE DISTRIBUTION OF EMPLOYEES

Aged under 30: 9% (37 persons)
Sievi 8% (24 persons)
Oulainen 12% (13 persons)

Aged 30–50: 59% (234 persons)
Sievi 62% (178 persons)
Oulainen 51% (56 persons)

Aged over 50: 32% (128 persons)
Sievi 30% (87 persons)
Oulainen 37% (41 persons)

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 agency workers as Sievi employees after six months of temporary work. During the reporting period, there were 0 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.

2025 key measures

We expanded the coverage of our occupational healthcare services and increased their availability in 2025. We also introduced digital occupational healthcare services, enabling employees to contact these services around the clock.

In 2025, we organised another health and safety event, which aimed to introduce employees to operating models and key people in our health and safety operations and to encourage the workforce as a whole to take part in health and safety activities.

Following the results of the employee survey conducted in 2025, these are some of the measures we have taken:

- We have improved order and cleanliness in the work environment.
- We have increased cooperation and communication between departments.
- We have developed supervisory work and occupational guidance.
- We have replaced machines and equipment.
- We have renovated working areas.
- We have improved internal communication, e.g. by adding content requested by staff to information screens and departmental meetings.

Action plans

- We will continue to carry out our employee surveys in 2026.
- We will update our early support model.

Coverage of the collective bargaining agreements and remuneration

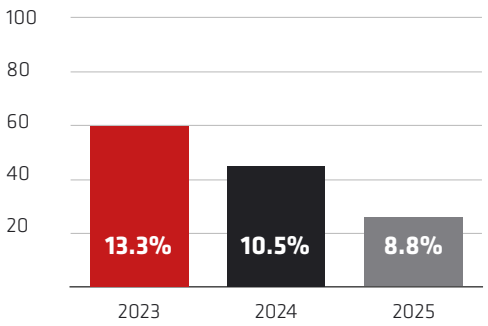
All Sievi employees are covered by collective bargaining agreements. Salaries are determined in accordance with the collective agreement. Temporary agency workers receive the same pay as Sievi's permanent employees. The pay gap between male and female employees has not been assessed.

Training

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

EMPLOYEE TURNOVER RATE

Number of employees who left



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

OCCUPATIONAL SAFETY AND HEALTH STATISTICS

	2023	2024	2025
Number of work-related deaths	0	0	0
Number of work-related accidents	20	18	6
Accident frequency	5.7	5.4	0.7
Number of sick days caused by accidents	20	85	3
Number of work-related health problems (occupational diseases)	1	1	0

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.

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

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.

The principles are publicly available and communicated through our website and other channels.

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.

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

Targets 2025	Results	Targets 2026-2027
2025: 23 audits	2025: 20 audits	2026: 22 audits 2027: 6 audits (estimate, to be specified).
90% of our purchases will be audited within five years.	In 2025, 95.4% of the volume of our purchases (in euros) was audited.	85% of the volume of our purchases (in euros) will be audited every year.
		Our suppliers located in Türkiye and Brazil are encouraged to obtain SA8000 certification or similar by 2027.

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 (tier 1). 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 2025, 95.4% 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 on the basis of our experiences and feedback.

Supplier audits are mainly 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 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 in 2025.

Procurement policy

Our procurement policy is integrated in our supply chain management and the company's ethical foundation. We updated our procurement policy in 2025 to meet our increasingly stringent sustainability requirements and objectives. We incorporated sustainability criteria for procurement processes into the policy, taking into account the basic principles of ISO 20400 Sustainable Procurement and EN ISO 26000:2020 Guidance on Social Responsibility.

Our procurement policy is founded on long-term collaboration and high ethical standards. We expect our suppliers to comply with our Code of Conduct, which covers human rights, working conditions, environmental protection and anti-corruption.

The new policy guides us towards more rigorous supplier pre-assessment and provides guidelines for risk management. The objective of the update is to ensure that our entire value chain is aligned with our objectives. We will continue implementing the policy with our existing suppliers and further improve our sustainability through active dialogue with our suppliers during the next reporting period.

We trained our entire procurement organisation in decision-making processes under the new policy in 2025.

Key measures for the reporting period 2025

- In 2025, we carried out a total of 20 audits.
- In 2025, we continued to develop IT projects related to raw material storage and inventory to improve and maintain efficiency and security of supply.
- The audit form was updated in 2025 to reflect the new procurement policy and key areas in the corporate social responsibility guidelines.
- We continued to transition to PFAS-free materials.
- As of 2025, 100% of our leather suppliers are members of the LWG.
- In 2025, the Code of Conduct signed by suppliers covered 99.9% of the value of material purchases.

Plan for 2026–2027

- We require new suppliers to sign and comply with our principles.
- Analyses of sustainability aspects is an important part of our ongoing interactions with suppliers. This practice is clarified with each purchase order, regardless of supplier.
- LWG collaboration (continuous)
- Carbon footprint calculations (continuous)
- Suppliers located in Türkiye and Brazil will be asked to obtain an SA8000 or similar social responsibility certification during 2025–2027.
- Country of origin and material composition willbe determined for all new raw materials.
- Where possible, we choose sea freight or road freight and seek to avoid air freight in our transport logistics.
- We will carry out a more detailed assessment of country risk for supplier countries and countries of origin of raw materials using various indices. Risk assessment and measures can be specified after the assessment.
- The procurement team will participate in sustainability training.
- A sustainability survey, covering issues such as energy and water use, will be sent to suppliers.
- Audits will continue in accordance with the targets in the ERP system.

Product safety

Operating principles

Our product safety principles are established in our ethical guidelines. Safety is a priority in our operations and for our products. Sievi's products promote safety in the workplace and during leisure time.

Our principles are publicly available and communicated through our website and other channels.

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 2025

- In 2025, PFI continued to test new leather types, as well as leathers included in sample books used in stores, for chromium VI according to the plan. All samples met the requirements.
- We have switched to PFAS-free materials wherever possible; the transition process is still ongoing for some materials.

Action plans 2026–2027

- New leather types and leathers in sample books used in stores will be tested for chromium VI.
- Water-repellent materials will be tested regularly for PFAS.
- 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.
- Testing VOC-free release agents.

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 staff receive training on ethical guidelines in connection with work orientation. We also expect our suppliers to comply with our Supplier Code of Conduct, which coheres with the Sievi Code of Ethics.

The executive team reviews the relationship between operations and results, risk management efforts and corrective measures on a monthly basis; the status of legislative changes is also discussed during these meetings. The effectiveness and functionality of the system are monitored and conformity assessments are carried out on an ongoing basis. Corruption and bribery are covered as part of the risk assessment process, which is reviewed annually by the executive team. Annual statistics are compiled on cases of corruption and bribery as well as on fines for violations of anti-corruption and anti-bribery laws.

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 achievements. Our employees, suppliers, customers and other stakeholders can use the whistleblowing channel to anonymously report any concerns or suspected problems in our activities. Employees can also submit an internal report either under their name or anonymously. Whistleblowers are protected from retaliatory action. Reports submitted in 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.

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. 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*.

All suppliers contracted before 2021 from which we make purchases with a minimum yearly value of EUR 15,000, and all newly contracted Sievi suppliers as of 2021, are required to sign up to Sievi's Code of Conduct or commit to similar internal policies. We also require that all suppliers provide us with information concerning the country of origin of their materials. We verify this information every year. As of 2025, the CoC commitments covered 99.9% of the value of our material purchases (2023: 99.3%; 2024: 99.6%). Of our 152 approved suppliers, 133, or 87.5%, had signed up to the principles (2024: 78%) and 109, or 90.1%, of our 121 active suppliers had signed up to

CORRUPTION AND BRIBERY

	2023	2024	2025
Cases of corruption and bribery	0	0	0
Fines for violations of anti-corruption and anti-bribery laws	0	0	0

NUMBER OF REPORTS SUBMITTED THROUGH THE WHISTLEBLOWING CHANNEL

	2023	2024	2025
Number of reports submitted through the whistleblowing channel			
Internal	0	0	0
External	0	0	0
Reports related to ethical principles in business operations			
Internal	0	0	0
External	0	0	0

DATA SECURITY

	2023	2024	2025
Confirmed data breaches	0	1	0

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.

TARGETS

Targets 2025	Results 2025	Targets 2026–2027
Each year, we will check that all those existing suppliers from which our annual sales exceed EUR 15,000 have signed our Code of Conduct.	All suppliers within the scope of the target have signed up to the principles.	Each year, we will check that all those existing suppliers from which our annual sales exceed EUR 15,000 have signed our Code of Conduct.
		We will take part in sustainability training on sustainable business regarding ESG Due Diligence and the Corporate Sustainability Reporting Directive and the related impact on the role of the procurement team.

our Code of Conduct. All subcontractor agreements (100%) include sustainability and environmental clauses, and all subcontractors have also signed the Code of Conduct.

We also require that all suppliers provide us with information concerning the country of origin of all their materials. We verify this information every year. Verified information about the country of origin of all materials is included in our 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*.

Principles of reporting

This report has been prepared 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. In addition to the disclosure requirements of the VSME standard, this report covers other information that is material to our sustainability efforts.

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 2025 reporting period. As of 2025, we publish a sustainability report every year. Despite Sievi's operations being well established and, as a medium-sized family business, progress being evaluated over the long term, we believe that publishing a report every year is a means of transparently demonstrating the progress of our sustainability work and our commitment to it.

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

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

VSME Index

Third Rock carried out Sievin Jalkine's emissions calculations and reviewed the report for compliance with the VSME standards.

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