

ejendals

SUSTAINABILITY REPORT 2021

2022-04-19

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WORDS FROM OUR CEO



At Ejendals, Sustainability is a natural and very important part of our business. We believe in a long term approach to business and a continuous reduction on the impact we have on our planet. We believe in high quality and long lived products that will give less waste over time and also be efficient to manufacture. Packaging and transportation need

to be made as lean and efficient as possible. We are a supplier of personal protective equipment which means we need to be a leader in health and safety for all the people who are part of our business and throughout our supply chain. In addition, our product and solution offering will help our customers to improve their safety performance and protect the hands and feet of their employees.

During 2021 we have taken a further step in order to restart our sustainability improvement effort. Under the umbrella name "Sustainability 2.0" we have trained management and key employees in Greenhouse (GHG) protocol accounting and general sustainability concepts. We have also done a materiality analysis comprising of a value-chain impact analysis and structured dialogues with all our significant stakeholders. These are suppliers, employees, owners, and many of our key customers.

We have adapted our external communication introduced in 2020 with the results from the materiality analysis. In short, we will focus on Safety, Products, Ethics and GHG emissions. We have also linked our improvement efforts to the UN sustainable development goals and highlighted the five most important SDG:s where Ejendals can contribute.

For years, our work with Corporate Social Responsibility (CSR) has been based on our Code of Conduct (CoC) documents, one for employees and one for business. The latter, Ejendals Group CoC for Business, was updated in 2021 mainly clarifying the expectations/ responsibilities of our business partners (suppliers). We also implemented a whistle-blower reporting mechanism.

During 2021 we started accounting for greenhouse gas emissions according to the GHG Protocol, focusing initially on Scope 1 (company cars) and Scope 2 (site electricity and energy). We presented a new car policy strongly favouring electrical cars, changed into 100% renewable electricity and installed a solar panel system at our site in Finland.

Because of the pandemic we have had a difficult year in our supply chain. Several factories have been closed during long periods and the transportation have been delayed and unpredictable. This has forced us to do more air freight than what we had as a target. We are now working hard to take corrective action and turn around this negative trend. But the pandemic has also had positive effects. We have implemented a lot of digital processes and ways of working that have reduced the travelling and commuting compared to previous years.

I hope you will find our Sustainability report interesting to read. I am looking forward to continue the work to improve our sustainability together with all the Ejendals stakeholders in the value chain.

Anders Carlssons
CEO

HIGHLIGHTS 2021

- Stronger focus on Sustainability
Retake on Sustainability – The way forward
Training for key roles
- Materiality analysis
Value-chain analysis
Stakeholder dialogues
- Setting focus areas and targets, and their connection to UN SDGs
- Started GHG Protocol accounting of greenhouse gas emission, focus on Scope 1 and Scope 2
- Updated Code of Conduct for Business with clarifications of responsibility and introduction of grievance mechanism
- Installed 400+ MWh per year solar panel system in Jokipii
- New car policy strongly favouring electrical cars



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ABOUT THIS REPORT

Ejendals sustainability report for the period Jan 1st to Dec 31st 2021 includes Ejendals Group AB (“Ejendals”) organization number 559091-8040 and following unit consolidated for same period such as Ejendals AB, organization number 556221-8411 and Ejendals Suomi Oy, organization number 0178248-9. All facts in the report are given for the period Jan 1st to Dec 31st 2021, i.e. full year 2021, unless otherwise mentioned. The last Sustainability report (for 2020) was published 2021-03-31.

If you have any questions, please contact EHSQ & Sustainability Manager Tommi Ratilainen by email to tommi.ratilainen@ejendals.com.

COMPANY PRESENTATION AND BUSINESS MODEL

Ejendals is a family-owned business in the third generation, specializing in developing, manufacturing, and marketing high-quality products that protect hands and feet.

In collaboration with researchers and our customers, our products are designed with the highest standards of protection, durability, and ergonomics.

We deliver a complete safety concept that will reduce the number of accidents through quality products, training, and safety inspections. Our headquarters are located in Leksand, Sweden with production facilities in Jokipii, Finland.

Ejendals main markets consist of the Nordic region, Central Europe, and Central Eastern Europe. The Nordic region stands for approximately 2/3 of the total business. The distribution channel is comprised of direct sales and distributors. Our main suppliers are based in China, Southeast Asia, and Europe.

EJENDALS IN NUMBERS 2021

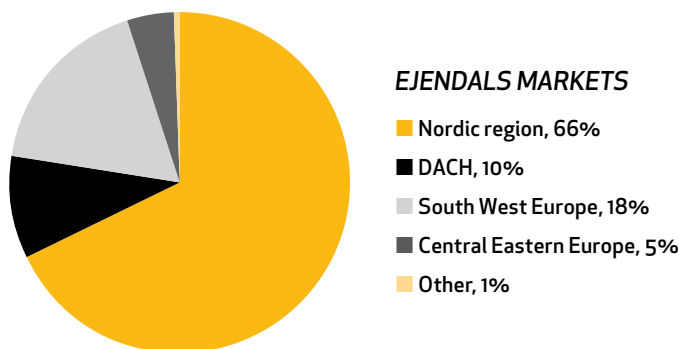
2 main Product categories
 – Safety gloves and Safety shoes
 3rd generation Family business
 4 Core Values: Customer Focus, Quest for Excellence, Long term, Respect

3 EU Ecolabel certified shoe models
 30 Oeko-Tex® certified glove models
 ISO 9001, 14001, 45001 for both Leksand and Jokipii

1670 MSEK turnover for Ejendals Group AB
 453 Employees in 30 Countries (Mar 2022)
 (69% in Nordics, 24% in Europe)

7.8% employee turnover
 Employee satisfaction index (ESI) 7.4
 25% women in Management Team

100% renewable electricity at both sites
 400+ MWh/year solar panel system in Jokipii
 Waste 205 kg/MSEK turnover
 Electricity 1985 kWh/MSEK turnover
 Heating 1804 kWh/MSEK turnover



Ejendals brands:





VISION & MISSION

Ejendals vision and business concept is a major part of our identity.

BUSINESS CONCEPT

Our business concept is that innovation will be the incentive behind Ejendals quality and knowledge, which in turn increases the safety of the end users. We do this by distributing the world's best protective products for hands and feet, while increasing the knowledge of hand and foot protection according to our safety concept. We contribute to the profitability of our customers.

VISION

Zero damage to hands and feet, for the benefit of both the employee and the company and society.

MISSION

EJENDALS PROTECTS HANDS AND FEET

We deliver protection, comfort, and profitable solutions to our customers. We work long-term with product development, manufacturing, sales and marketing of hand and foot protection.

CORE VALUES

Ejendals Core values define who we are, what we stand for and why we exist. Ejendals believe that together we can build a successful Ejendals for the next generation. Ejendals four core values are:

CUSTOMER FOCUS

We specialize in protecting hands and feet with expert knowledge of our products and services. Our customers are the main focus, and we want to create value through high performance and innovative solutions, products and services for them. We are committed to meet the expectations of our customers and deliver beyond their needs to remain their best supplier.

To understand what the customer really needs, we continuously ask questions to our end consumers. We carefully listen to their answers which provides data about their satisfaction and new perspective about

future innovations and products solutions. We ask more to ensure we can do our best to help them to become successful both in business and in protecting themselves with our existing products and services.

Our sales force is working very closely with our customers, helping them to improve their safety performance. The sales team have an extensive knowledge in hand and feet protection and this is used to do safety assessments and helping the customers to select the most appropriate protection products. We do things together to secure transparency and a common understanding for the way forward. This is Ejendals at its core, we listen, we learn, we improve, we innovate, we educate, and we protect!



QUEST FOR EXCELLENCE

The core value of Quest for Excellence is guiding us in what we do and how we do it.

We never give up, we find solutions making the impossible, possible. We will persistently create better ways of doing the things we do, being open to ideas and initiatives from our employees, and the outside world, by providing training and competence developments for the future, by improving our systems and processes, with the aim of exceeding our customers' expectations of our services and products.

The heart and soul of our company was built many years ago by our owners with their dedication to help and protect customers. Their mind-set has always been to improve and develop towards the future.

At the end of the day, this is what we all sign up for to be able to respond to both customer needs and to meet the expectations from our owners. The owners have started the journey and we will continue the Quest for Excellence and improvements towards a brighter future.

LONG TERM

Long Term has impact on all parties included in Ejendals business processes. Sustainable business means taking care of the environment, the society, and the people with a very long perspective. We want to do business having safety thinking in focus and having a decision process that takes the future into consideration.

Our owners have during generations built up a global family-owned business that still is local in many ways. Especially in Leksand and Jokipii, Ejendals is an important player in the society and in the everyday life of many families.

We put safety first in all that we do, and our knowledge is based on research efforts and competent staff. Safety insights is key in all our business and development efforts of both products and solutions. We bring our customers into our Ejendals Academies to

learn about safety and how they can improve their safety performance. We also share insights in how our products and solutions can support them to reduce the number of injuries and accidents in their businesses.

We are the long-term partner that care about our customers, our suppliers, our staff, the society, and the environment. Partnership for us is about commitment in long-term relationships. The cooperation is based on respect, trust, and engagement from both parties.

RESPECT

We show respect to get respected, we show trust to become trusted and we are honest to get honesty back. We truly want to be worthy of the respect from our customers, partners, employees, and owners.

All over the world, our business is made by our people and by their way of building respectful relations. Showing respect to customers or partners means that we listen to them carefully, ask questions to learn more and to understand their needs. We show respect because we believe that this is the best way of creating real and long-term relationships.

The culture of mutual respect for all is a key to real cooperation. Diversity is a strength and helps us to create stronger teams and also to cooperate better with our customers and suppliers. We respect other people's right to look, think, or act differently than ourselves because we respect their uniqueness.

Our culture is a safety heritage coming from our owners' dedication to secure workers health and a secure workplace. This is respect that the owners are showing to employees. We show commitment to our owners by respecting Ejendals targets, strategies, values, rules, and policies.

EJENDALS WORK WITH SUSTAINABILITY

Through safety innovation and a sustainable offering, we will be the best partner for our customers in the hard work to improve safety for their employees.

We create results through our actions. Our business develops by focusing our efforts to continuously increase the benefit of our customers and other stakeholders in a changing environment. Ejendals strives to ensure that we act in a sustainable, responsible manner where we can participate and influence. Our actions are based on the latest research and technologies available.

We know we can't do everything at once, but everyone can do something to contribute to sustainable development. Pragmatically we set balanced demands on our suppliers to drive development in the desired direction according to their best capabilities. Our aim is to continuously improve the conditions for those involved in our business and for those who get in touch with our products.

MATERIALITY ANALYSIS

During 2021 Ejendals initiated a refresh of our sustainability work, with the working name "Sustainability 2.0".

With facilitation by Greengoat, a small Swedish company with sustainability experts, the journey started in Q2 with workshops with the Management team, with

the aim of establishing a common baseline of knowledge and a working methodology on how to systematically move forward in the sustainability area. In addition, certain key roles were trained in the basics of the Greenhouse Gas protocol.

As a first step we planned to systematically analyze which are the common and prioritized sustainability topics for us and our stakeholders. Facilitated by sustainability consultants, this so called a materiality analysis was performed during the second half of 2021, with structured stakeholder dialogues and a value-chain analysis from an overall perspective.

The value-chain analysis including its impact on sustainability, was performed with cross-functional internal workgroup while the stakeholder dialogues were based both on interviews of a selection of our most significant customers and suppliers, as well as a web-based employee sustainability survey. In addition, the Board including the main owner gave their input.

The pictures show a simplified scheme of the value-chain of Ejendals. For every box, selected by a cross-functional workgroup, topics/actions with potential impact on sustainability were collected. These topics will be further analyzed and developed into actions at various levels.



A simplified representations of the value chain of Ejendals. All orange boxes are in full Ejendals control. Top rows show the main steps from the start to the end of the process. Bottom row represents support functions.



Overview of the Stakeholder categories and areas covered. Note that not all areas were handled for all stakeholders. More details in the text.

The picture above summarizes the major groups of stakeholders that were approached, together with the areas that were covered in the stakeholder dialogues. The basis of the covered dialogue areas was the same, although some less relevant areas were excluded for some stakeholders.

We obtained a lot of useful information from this work, and during a final Management team workshop the value-chain impact analysis and stakeholder dialogue results were summarized, with the qualitative results as shown .

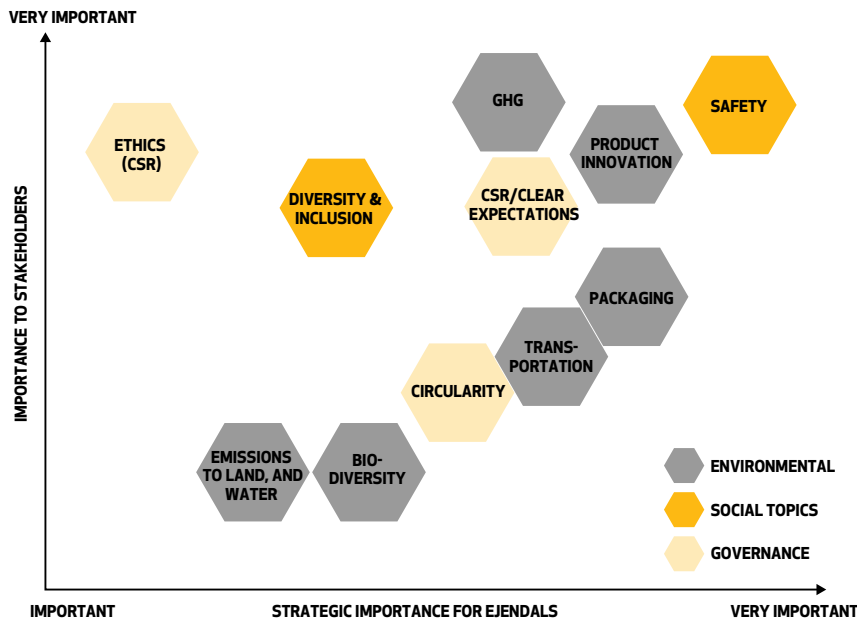
All topics are important, however, those falling in the top-right corner of the diagram are important to both Ejendals and our stakeholders, so these are to be prioritized (with respect to time or resource, or both).

In the subsequent work, these topics and their underlying content were somewhat rearranged and

rephrased into five focus areas listed below together with additional comments or explanations to what we include in these areas:

- Greenhouse gas emissions (Company cars, Energy, Transportation etc)
- Safety (for Customers, Employees and Suppliers)
- Ethics (CSR, Clear expectations on Suppliers etc)
- Products & Innovation (incl. Primary Packaging)
- Waste Management (Packaging, Circularity etc)

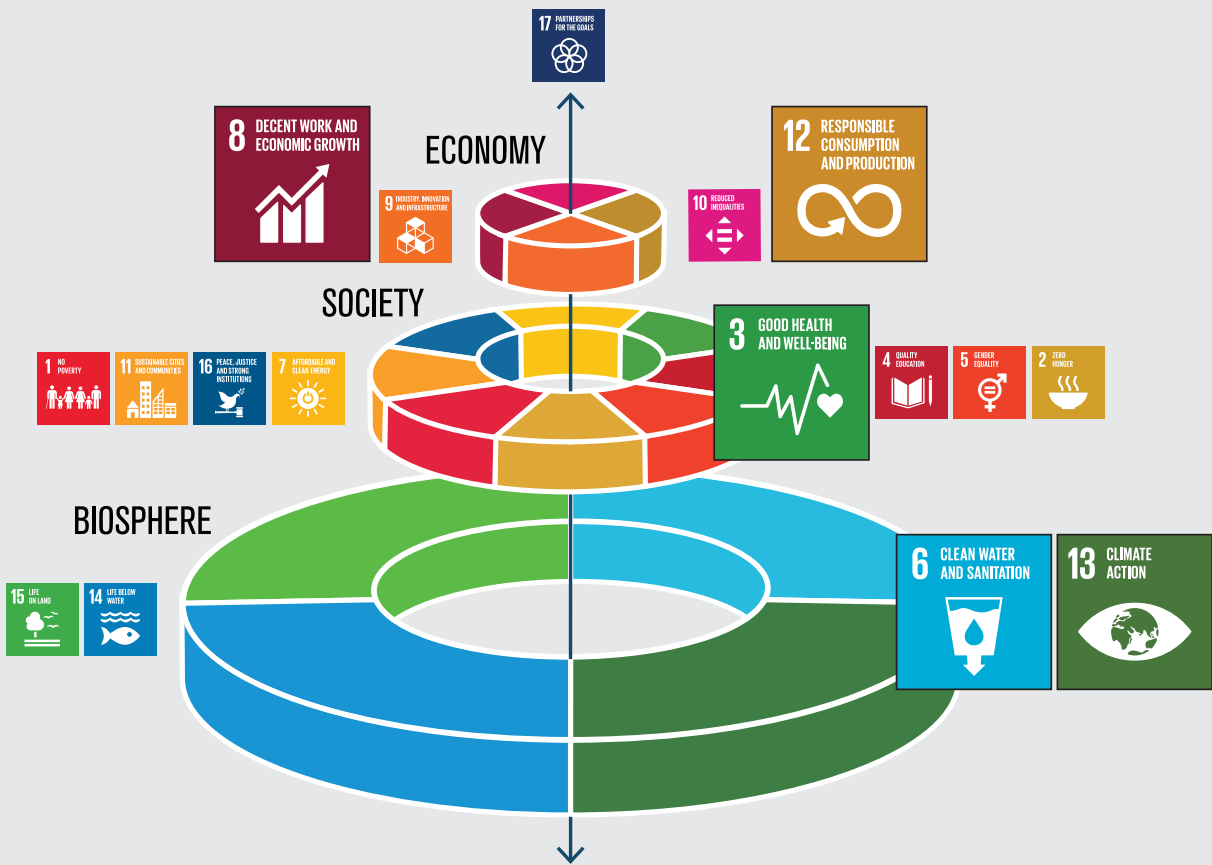
For these focus areas, targets in the short term perspective have already been adopted, summarized and visualized in a one-pager, available on our external web site, ejendals.com/about-ejendals/declaration-of-sustainability/. During 2022 we will continue to work on these focus areas, defining more longer-term actions that will contribute to our sustainability strategy.



Raw result of the Materiality analysis. More details and thorough discussion in the text.



UN 17 SUSTAINABLE DEVELOPMENT GOALS

During 2021, Ejendals has continued the work within sustainability by looking how to support UN 17 global goals for sustainable development, efforts that will point the direction how Ejendals will continue the work within sustainability. Ejendals has decided to focus on 5 out of 17 SDGs to improve our work within sustainability. The selection is based both on a holistic perspective, so that all three major SDG categories Economy, Society and Biosphere are represented, as well as detailing which specific sub-targets that are chosen (specifics found in Table below).



Ejendals selection of five (5 out of 17) UN Sustainable Developments Goals (SDGs), shown with enlarged symbols. More detailed discussion will follow in the text.

In the Table below we have summarized some key reasons on why we have chosen these SDGs and which of our focus areas are connected to which SDGs, respectively. The Table also contains some high-level targets we have chosen to support the respective UN SDG.

UN Sustainable Development Goal	Motivation and relevance to Ejendals	Ejendals target areas
 <p>Sub-target 3.9</p>	<ul style="list-style-type: none"> • Our Vision is “Zero injuries to hands and feet, for the benefit of the employee, the company and society”. • We offer a safe and attractive workplace but expect a responsible behaviour (CoC for E). • Similarly, our suppliers must fulfill our CoC for Business as part of business contracts. 	<p>Safety Ethics</p>
 <p>Sub-targets 6.3, 6.4</p>	<ul style="list-style-type: none"> • We have process for structurally and selecting and evaluating our Suppliers. • We favour Suppliers that already have (or plan for) environmental improvements (wastewater treatment, water usage etc). • We monitor our Suppliers by 3rd-party CSR-audits or our own employees (CSR checklist including specific zero-tolerance items). 	<p>Ethics Waste Management</p>
 <p>Sub-targets 8.4, 8.7, 8.8</p>	<ul style="list-style-type: none"> • We ensure that our Suppliers and Employees understand and fulfill our Code of Conducts. • By developing products that last longer and protect better, we reduce cost of waste and injuries leading to both financial and individual benefits. • We have very long-term outlook with our Suppliers, giving them the security to invest in both people and the environment. 	<p>Safety Ethics Products & Innovation</p>
 <p>Sub-targets 12.2, 12.4, 12.5</p>	<ul style="list-style-type: none"> • In product development we have gateways focusing on sustainable design and material choices when it comes to raw materials, parts and packaging. • Through a better sales and operations planning we aim to be leaner in the supply chain, reducing the need for waste in production and transportation. 	<p>Products & Innovation Waste Management Energy GHG Emissions Ethics</p>
 <p>Target 13 and Sub-target 13.3</p>	<ul style="list-style-type: none"> • We support the Paris agreement by halving our GHG emissions by 2030 and follow the GHG Protocol for Scope 1 and 2. • Our car policy favours electric cars; we have multiple charging stations in Leksand. • We use 100% renewable electricity at both Leksand and Jokipii sites. We have a 400+ MWh/year solar panel system in Jokipii. • We are evaluating more sustainable options for products and their packaging materials. 	<p>GHG Emissions Energy Products & Innovation</p>

GHG EMISSIONS

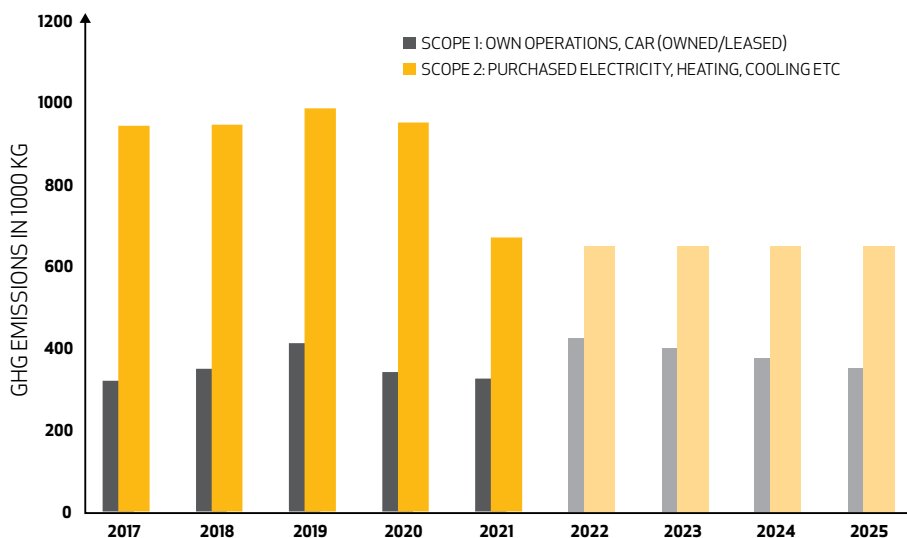
From our planet's perspective, one of the most important sustainability topic is the emission of greenhouse gases (GHG). The man-created GHG emissions with carbon dioxide representing the lead actor, has resulted in a dramatic increase of the global temperature during the last decades, mainly attributed to the use of fossil fuels. It is very urgent for the future of our planet and its inhabitants to stop this temperature increase, leading to adverse effects in many ways, e.g. extreme weather conditions (storms, desertation, elevation of sea levels etc) and other phenomena originating from imbalances in our eco systems.

The GHG Protocol represents a global and renowned set of principles on how to account for greenhouse gases in a systematic and scientific way. It provides a framework to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions.

Emissions are divided into 3 Scopes:

- Scope 1: Direct GHG emissions (covers fuel combustion, company vehicles etc)
- Scope 2: Indirect GHG emissions (covers purchased electricity, heat or steam)
- Scope 3: Other indirect GHG emissions (covers the rest of the value chain)

Ejendals supports the Paris agreement by halving our GHG emissions by 2030. Although Ejendals has historically collected a relevant sub-set of these emission, during 2021 we adopted the GHG Protocol and historical data on Scope 1 and Scope 2 emissions were recalculated accordingly. Decision was made to continue focusing mainly on the Scope 1 and 2 emissions, with the possible extension of the included scope of e.g. company car emissions to additional countries.



Ejendals GHG emissions (in tonnes CO₂e) for Scope 1 and Scope 2 according to the GHG Protocol. In Scope 1 only company cars for the Nordic countries are included comprising a majority (70%) of the car fleet. For years 2022 to 2025 the Scope 1 and 2 emissions have been predicted under several assumptions. For Scope 1 mainly that, if Covid-19 restrictions from 2020-21 are

not re-introduced, we anticipate increased company car driving from 2022 onwards although with an increasing proportion of electrical engine vehicles. For Scope 2 we recently (2021) did a significant improvement in Jokipii, where we changed into 100% renewable purchased electricity, and further GHG emissions decrease is limited (see below for solar panels).

SCOPE 1 – DIRECT GHG EMISSIONS (CARS ETC)

Following the GHG Protocol, we are accounting our Scope 1 from a calculation of a vast majority of our company car emission, for now including the entire Nordics. During 2021, a new car policy was adopted, now strongly favouring electric/hybrid cars, with significantly lowered GHG emission. Alongside that, and to enable driving with electricity as much as possible, we have installed five dual charging stations in Leksand. The company cars are usually on 3–4 year lease agreements, which means that the reduction of GHG emissions is not immediate but will have an effect starting the coming years.

SCOPE 2 – INDIRECT GHG EMISSIONS (ELECTRICITY AND HEATING)

Regarding the Scope 2 emissions, there has been some major improvements lately: from Jan 1st 2021 also our Jokipii shoe factory purchase 100% renewable electricity. The headquarters in Leksand has been using renewable electricity since 2014. In the end of 2021, the installation of a 400+ MWh/year solar panel system was finished, which will decrease the amount (cost) of purchased electricity but will not influence the GHG emissions. The benefit is local 100% renewable energy utilization from an unused space on the factory roof tops. In Leksand, we continue with energy savings projects, e.g. much more effective and smart LED lights system in the warehouse.

SCOPE 3 – OTHER INDIRECT GHG EMISSIONS (REST OF VALUE-CHAIN: MATERIALS, TRANSPORTS ETC)

As found in the value-chain analysis as part of the materiality analysis (above), we have sustainability impact from several instances in our value-chain. Within our focus area we have chosen the very early stages (Products & Innovation) and GHG emissions in general.

A large proportion of our products are manufactured in Asia and delivered to our customers around Europe, and transportation is an element in our business

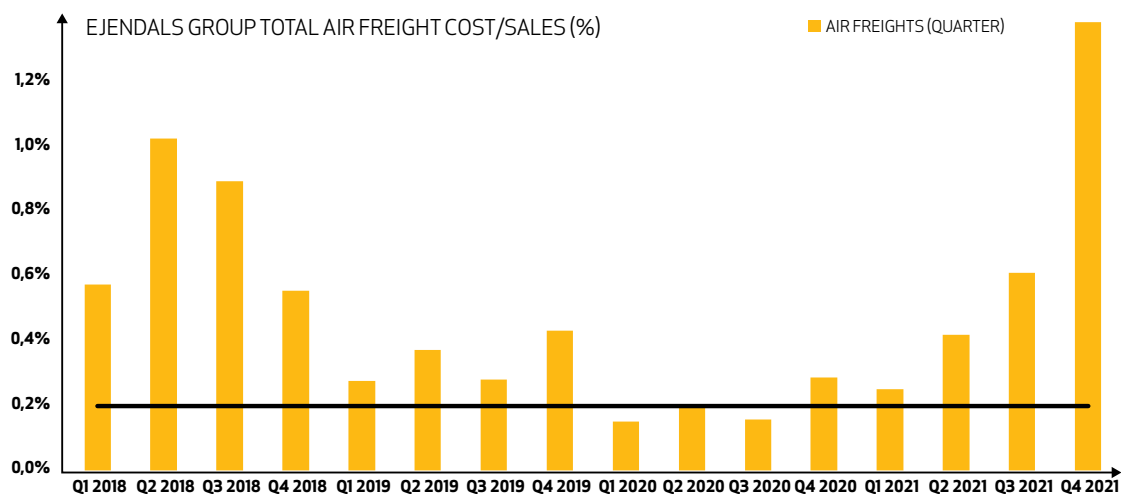
model that is difficult to fully eliminate. There will be a technological development in the field of sea and road transportation that we will benefit from in the years to come. We will also look into our logistics and distribution system to see if we can develop better solutions from a GHG emission perspective. As an example we have a well working railway corridor from Gothenburg to Leksand.

Through continuous efforts, we try to keep the impact from the logistics chain at controllable level. We have one specific target of reducing the amount of air transports, and favor goods transports by boat. Furthermore, railway is preferred before truck and road when possible.

Through a better sales and operations planning we will make sure we can be more lean in the supply chain, reducing the need for waste in production and transportation. The pandemic years have meant a number of challenges that have made this ambition more difficult to achieve.

Our main production is in Asia, so there have been challenges with satisfying our customers' high demand of particularly disposable gloves. There has been a global unbalance in the location of freight containers, but we have managed quite well to deliver.

The tough target of 0.2% air freight cost of total turnover was originally set in 2018 (when it averaged 0.76%). Building on learnings made during 2018–2019, when we did not reach our set target due to sales above expectation, an unbalanced capacity, and increased lead time at our manufacturing partners, underlying reasons were identified, and we continued the logistics optimization process leading to that we at the end of 2020 actually were down to our 0.2% target. Unfortunately, the described global logistics challenges have accentuated during 2021, resulting in a dramatic increase in costs (0.68%, although noting that transport costs have also increased, consequently the corresponding GHG emissions have not increased to the same degree). We will keep our ambitions goal of 0.2%.



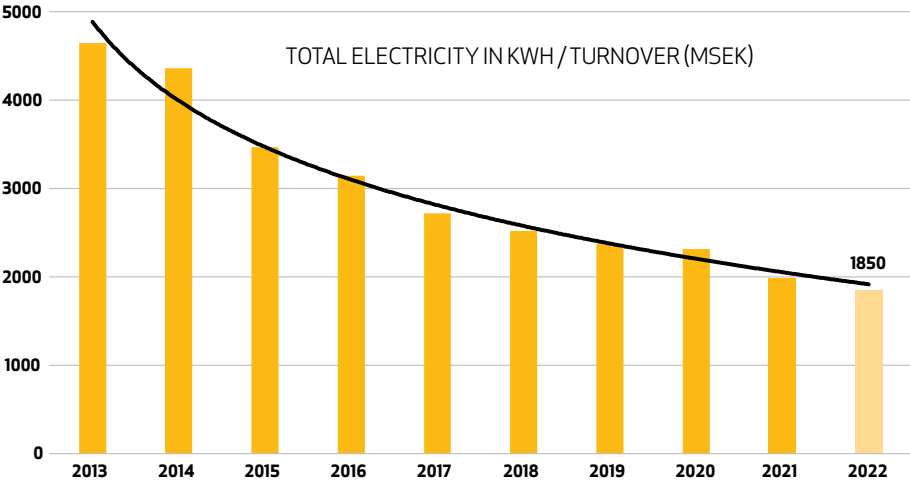
Ejendals proportion of air freight costs in relation to the total sales for the years 2018-2021, visualized by quarter. As the KPI is calculated from cost, the dramatic increase during 2021 in significant part also stems from the significant increase of the total freight costs as part of global logistics challenges. The actual increase in GHG emission is therefore assumed to be more moderate.

ENERGY



Our efforts when it comes to the use of energy for our production and office site in Jokipii and distribution and office headquarters in Leksand, are monitored since many years. The results of continuous improvements can be seen in our heating and electricity consumption, with significant decrease over time already in absolute values and accentuated when compared to our increasing turnover.

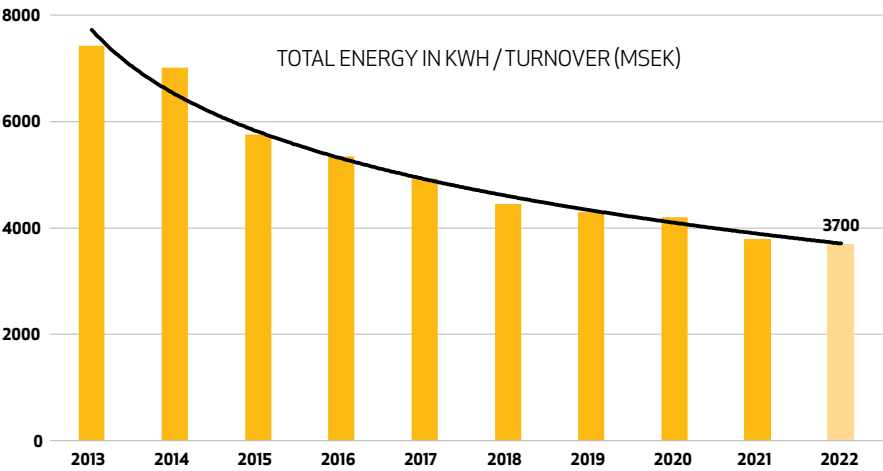
Between 2013-2021, Ejendals has reduced the usage of (purchased) electricity by 25% in absolute numbers and 57% per turnover, as seen in the graph below.



Ejendals total purchased electricity for our two sites: Leksand headquarters/warehouse and Jokipii manufacturing. Numbers are normalized by our turnover. Target 2022 shown in lighter orange.

From 2014 in Leksand and from 2021 in Jokipii, we use 100% renewable electricity. Towards the end of 2021, we installed a 400+ MWh/year solar panel system in Jokipii, projected to give 20% of the site’s annual electricity need. This will decrease the amount (and cost) of purchased electricity but will not influence the GHG emissions, however, with the benefit of utilizing local 100% renewable energy from an unused space on the factory roof tops. In Leksand, we continue with energy savings projects, e.g. much more effective and smart LED lights system in the warehouse.

Including also heating of our head-quarter and warehouse in Leksand and production facilities and offices in Jokipii, the total energy usage has dropped by 10% in absolute numbers and 49% per turnover, as seen in the graph below. Our targets for 2022 are shown in lighter orange.



Ejendals total energy usage (electricity+heating) for our two sites: Leksand headquarters/warehouse and Jokipii manufacturing. Numbers are normalized by our turnover. Target 2022 shown in lighter orange.

We also encourage the short and long-term ambition of our suppliers to reduce energy use and the proportion of fossil fuels to limit greenhouse gas emissions.



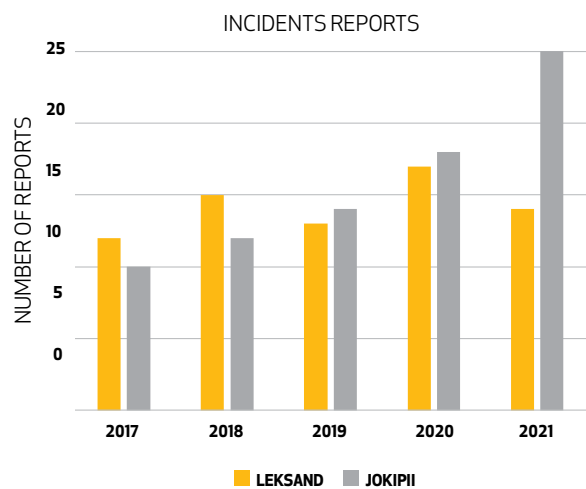
SAFETY

Safety is a true keyword for Ejendals, as we produce and sell personal protective equipment (PPE). Our Vision is "Zero injuries to hands and feet, for the benefit of the employee, the company and society.". Being in the PPE business, we also have a natural focus to keep our workplaces safe for all our employees. This goes beyond the basic physical safety, extending also to a healthy work-life balance which is strongly contributing to an attractive workplace.

At our offices, warehouses and production units in Sweden and Finland, a systematic Health & Safety work is carried out. This mainly involves cooperation with safety representatives, safety committees, incident reporting and regular risk assessments. We work with action plans and follow-up for these. We carry out risk assessments both on a continuous basis and upon changes in the organization, and the entire systematic Health & Safety work is evaluated annually. We have close cooperation with our suppliers of occupational health services, where we also offer a time-booking with a nurse at the workplace in Sweden and Finland.

During the last years, the Health & Safety metrics have at a general level been the same, although the details and actions to support them contain some variation. The three main goals (with examples of actions) are

- Zero accidents (training, safety walks, risk assessments, incident reporting, safe driving etc)
- Physical Well-being (wellness contribution for physical activity, ergonomics exercise on PC etc)
- Job satisfaction (monthly CEO letter, morning breakfast, ask management concept, employee survey etc)



Ejendals Health & Safety incident reporting statistics, divided into Leksand (Sweden) and Jokipii (Finland). Targets for 2022 are Zero LTIs at both Leksand and Jokipii sites. We will continue to monitor LTI-frequency rate (per million worked hours).

As with other topics, we strive for continuous improvements and encourage a learning organization. To this end, we have extended the digital incident reporting system from the (in spring 2020) originally introduced in Swedish only Health & Safety reporting system into both Finnish and English versions. This is done in order to collect information that can help the systematic work to improve our Health & Safety.



Late 2021 we introduced a common definition for the more severe types of accidents, those which lead to more than one day's absence (sick leave). These are referred to as Lost Time Injuries (LTI), also monitored through the same reporting system. One of our main H&S targets is Zero Accidents (LTIs). Unfortunately, we had one such injury during 2021 in our Jokipii shoe factory, which led to 8 days sick leave.

2021 Health & Safety Incident Reporting Statistics

Incident type	Leksand	Jokipii
Lost Time Injuries (LTI)	0	1 (8 days)
LTI-frequency rate	0	5.1
Accidents* (injury to person)	2	1
Near-misses (potential injury)	10**	9
Observations	2	14
Incidents reported, total	14	25

*) Accidents that lead to more than 1 days sick leave, are moved to LTI category.
 **) Including 5 without risk for injury to person.

Work attendance was during 2021 on average 97.5% in Leksand and 96.4% in Jokipii (both on/above target). For longer work-related absence, whatever the reason, there is a rehabilitation routine, which is carried out in cooperation with our suppliers of occupational health services.

Ejendals always strives to be an attractive employer, both for employees and potential candidates. It is crucial for our employees to be able to develop and grow in the company. Our goal is therefore to provide the best possible conditions for well-being and development. We also offer favorable working conditions and generous benefits.

HANDLING OF CHEMICALS

We are using a system from Eco-Online to better manage handling of chemicals and making safety data sheets (SDS) also accessible online. The system includes the possibility to perform the corresponding risk analysis for in-house chemicals.

In some manufacturing operations, chemicals and solvents are used. In order to reduce the risk for workers and surrounding environment, Ejendals strives to find alternative chemicals with reduced risks based on the best technique and knowledge available. Disposal or rework of wasted organic solvents is another area where there is a risk of negative environmental impact if not done properly. Ejendals long-term ambition is to choose suppliers where best practices are in use to reduce the environmental impact and to protect those involved in production.



ETHICS

Ethics is a wide subject and contains numerous important topics, all from its original use to diversity and inclusion. Sometimes Corporate Social Responsibility (CSR) is used synonymously, while in other contexts the meaning of CSR is used for sustainability as a whole.

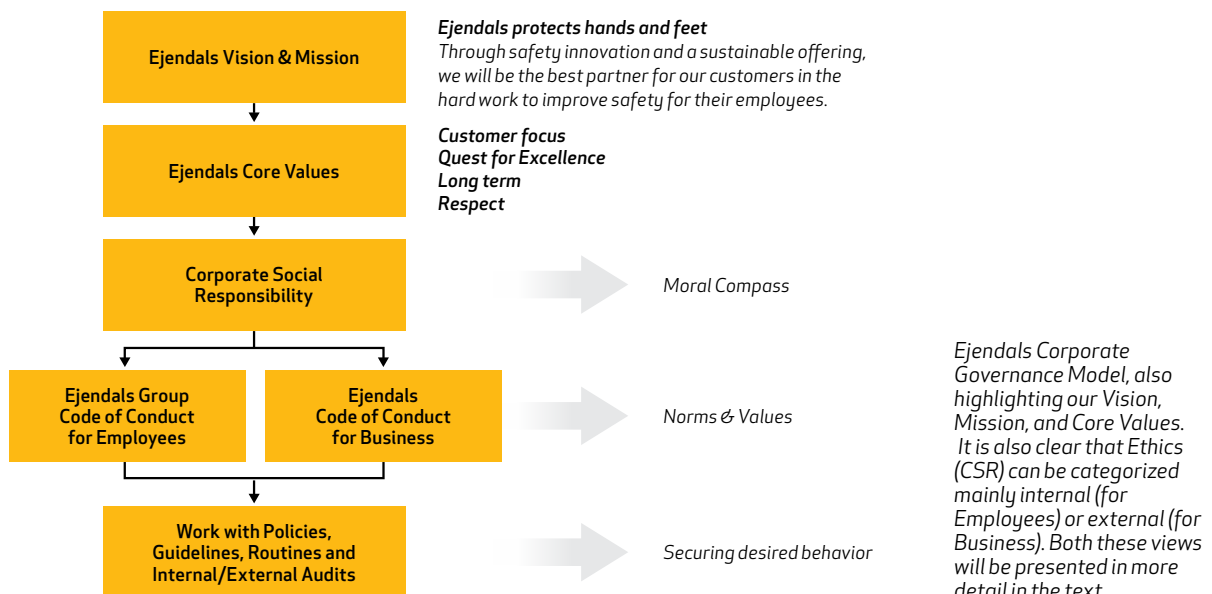
From a corporate perspective, and as schematically depicted in the Figure below, Ejendals Vision, Mission and our Core Values create the foundation of our work with Corporate Social Responsibility (CSR). The Ejendals Group Code of Conduct for Employees together with the Ejendals Code of Conduct for Business, work as norms and values for our behavior, both internally and for our suppliers.

We also work with several policies and guideline such as Ejendals Group QEHS Policy with separate Supporting guidelines for Quality, Environment and Health and Safety. Ejendals continuously review and follow-up

these main governance documents, i.e. policies, routines and guidelines through internal and external audits. Both Ejendals AB and Ejendals Suomi Oy are certified according to ISO 9001, ISO 14001 and ISO 45001.

Internally, Ejendals always strives to be an attractive employer, both for employees and potential candidates. It is crucial for our employees to be able to develop and grow in the company. Our goal is therefore to provide the best possible conditions for well-being, development, and performance. When working with Ejendals, you become part of a stable, expansive, and successful international company. You get the opportunity to work with well-known brands, where every employee becomes an important part of the company's continued expansion. We also offer favorable working conditions, benefits and training programs.

Zero damage to hands and feet, for the benefit of both the employee and the company and society.



EJENDALS GROUP CODE OF CONDUCT FOR EMPLOYEES

The Code of Conduct for Employees translates Ejendals Core Values and our social responsibilities into norms and behaviors we expect from all our employees. This key document handles many important aspects as Discrimination, Equality, Drug and Alcohol, Corruption and Bribery, Gifts, and Social media. Here only a few are highlighted.

Ejendals employees are to be trained in our CoC for Employees at the start of their employment, as part of the introduction program. Furthermore, out of this CoC policy document, we are developing a digital training module, which will be transformed into an appropriate platform and launched during 2022 in English, Swedish, and Finnish.

Our target for 2022 is that 95% of Ejendals employees are trained at Code of Conduct for Employees.

EJENDALS CODE OF CONDUCT FOR BUSINESS

Ejendals Code of Conduct for Business (publicly accessible from ejendals.com/compliance), provides direction on how to comply with international law and obligations in an ethical, socially respectful, and environmentally friendly manner when conducting Ejendals business, both as a customer and as a supplier. Ejendals CoC for Business is based on UN declarations (Human Rights, Rights of the Child), core ILO conventions, UN Global Compact's 10 principles, REACH etc.

Ejendals CoC for Business includes what Ejendals expects and requires from our business partners, related to the contents summarized here. We are willing to co-operate with our business partners to achieve workable solutions. Some basic requirements, however, will not be compromised and unwillingness to comply with our CoC can lead to legal actions or even termination of business relations.

This pivotal document was updated in 2021, mainly by introducing a non-compliance (whistle-blower) mechanism also for external use, and clarification on our suppliers' further responsibility for their suppliers.

Ejendals considers especially that business partners handle chemicals in a proper and secure way, following appropriate laws and regulations such as REACH. Business partner shall work to eliminate or reduce solid waste, wastewater, air emissions and ensure that treated wastewater quality and waste handling process, should meet local requirements.

Our business partners need to read and sign this policy CoC document as part of the business agreement, and every three years. In addition, our recently published Conflict Mineral Policy also need to be signed. Our target for 2022 is to have 100% signed CoC by direct product suppliers.

CoC FOR EMPLOYEES - HIGHLIGHTS

- Zero-tolerance towards discrimination, racism, victimization, and sexual harassment within Ejendals.
- Men and women should have the same opportunities for employment, education, and career development. Same for ethnical background, age, sexual preference or disability etc.
- It is strictly forbidden to be under the influence of alcohol or other drugs when working for Ejendals.
- It is never allowed for employees of Ejendals to bribe persons, or to accept a bribe from others. A bribe is not only financial gain but can also contain other benefits. Corruption is closely attached to receiving and giving gifts, rewards, and other benefits.
- We encourage our employees to be active on social media and act as Ejendals ambassadors, however, realizing that everything written on social media etc is public and can be seen and spread by others.

CoC FOR BUSINESS - CONTENTS

1. Legal requirements
2. Human rights
Discrimination and fair treatment
3. Employment and labour standards
Freedom of association
Forced labour, slavery, and human trafficking
Employment conditions
Child labour
4. Working conditions
5. Health and safety
6. Business Integrity
7. Security
8. Quality
9. Environment
Handling of Chemicals
Waste management and wastewater treatment
10. Management
11. Obligation to inform
12. Monitoring and enforcement
13. Non-compliance/Corrective actions –
Termination of contract

Appendix 1: References to declarations, conventions, principles, and guidelines etc

Appendix 2: Complementary to REACH regulations, additional chemical regulations

Appendix 3 Report of Non-Compliance Form (ejendals.com/compliance)

ZERO-TOLERANCE REQUIREMENTS

When it comes to discrimination, harassment, victimization, equality, conflict of interest, corruption, and compliance with the law there is no grey zone or room for local interpretations. Ejendals has a zero-tolerance policy for violation of these rules, implemented through our two CoC policy documents.

To promote compliance with zero-tolerance human rights requirements, Ejendals has a strict selection process concerning suppliers (see below), signed contracts, regular audits, combined with annual business reviews. Ejendals also work continuously with information and education towards our suppliers.

Ejendals work against corruption will never end. Awareness of our personnel regarding these issues are by informing about the risks and how to act in the event someone is exposed by corruption. We have identified that there is a higher risk of unethical business behaviour for personnel involved in commercial activities such as purchasing, sales and management. To prevent this Ejendals is working according to the grandfather's principle and clear instructions for authorization.

We have a clear statement that it is never allowed for our employees to bribe persons, or to accept a bribe from others. We improve the knowledge and understanding of the work to our employees and subcontractors by education and information. Ejendals work to prevent corruption is described in the two documents Ejendals Group CoC for Employees and Ejendals CoC for Business.

Ejendals is aware of the risk that employees working with suppliers could be exposed to bribery or attempt thereto, considering the cultural differences in e.g. China and Southeast Asia. However, at least since 2017, when our first Sustainability Report was published, and including 2021 reported here, Ejendals did not register any attempt to corruption towards our personnel. It is essential that everyone involved in the manufacturing or handling of our products are treated with respect and with healthy and safe working conditions.

EJENDALS DEMANDS ON SUPPLIERS

Ejendals ambition is to increase safety and improve working conditions for those who use our products. Analogously, we require our subcontractors and our business partners, to work actively to prevent and reduce risks related to the work environment, as well as protecting the external environment.

Our clear expectations on our suppliers, are directed through Ejendals CoC for Business, e.g. state that workers have the right to organize and negotiate collectively about their working conditions and wages and that the working hours must be regulated and not to exceed what has been agreed and that overtime should always be compensated.

Ejendals produce the majority of our products in Asia and we have identified risks of non-compliance with our CoC for Business at our Suppliers concerning respect for human rights. In some areas, e.g. Thailand, where our gloves are produced, migrant and guest workers are engaged in the production. This group are especially vulnerable and need special attention not to be abused and with their rights protected.

SUPPLIER SELECTION AND EVALUATION

By conducting frequent audits, we can follow up the progress in solving potential issues that has been identified and work together with our suppliers for improvements. This work establishes a mutual trust and a long-term commitment that ultimately favors our customers and contributes to a sustainable business model.

Recent (at least from 2019) results from supplier audits have had no findings of breach against Respect for Human Rights or Corruption. Furthermore, for suppliers subjected to 3rd-party CSR-audits based on e.g. BSCI, SMETA and SA-8000, we have had no cases of suppliers not passing.

During the last couple of years, we have improved the supplier selection and evaluation process by broadening its scope and clarifying the evaluation criteria, to ensure safer, healthier, and more environmentally friendly processes. E.g. we have clarified which items are to be considered with zero-tolerance, and added a complete CSR-checklist to be used by our own auditors if our supplier has not undergone a 3rd-party CSR-audit.

Due to the pandemic, we have had no opportunity to perform planned on-site auditing, and as soon as restrictions allow, we will go back to our schedule of regularly auditing our main suppliers. Nevertheless, with many of our long-term suppliers we do have close and frequent contact, so we are still well-positioned to generally have good information on their status and activities.

Our target for 2022 is to have 85% of suppliers 3rd-party CSR audited. However, if they are not, we have the option of using the aforementioned CSR-checklist as part of our own auditing process.

EJENDALS GROUP QEHS POLICY

During 2021 our separate Policies on Quality, Environment, and Health & Safety were consolidated into one, Ejendals Group QEHS Policy (publicly available from ejendals.com/about-ejendals/our-responsibilities-certificates/).

In all areas we should work continuously to improve ourselves and our system, fulfill applicable standards, laws and regulations in respective area and implement QEHS targets/KPIs with actions, follow up results and be proactive by frequent use of Risk assessments.

Environmental impact shall be reduced by emphasizing sustainability in our internal processes, at suppliers and customers.

To support this Policy document, we have separate Guidelines for Quality, Environment and Health & Safety. Shown here is the one for Environment.

CSR DEMANDS FROM AN ENVIRONMENTAL PERSPECTIVE

Manufacturing of gloves and shoes are connected to environmental risks. Water is a crucial component in the tanning process. Correct treatment of wastewater is important, to secure the environment close to the tannery to protect surrounding fresh water, soil and plants.

Fresh air is not obvious today but poses a health risk in many places on earth. We strive that our main suppliers have the equipment required to reduce emissions of airborne particles and other environmentally harmful substances. Organic solvents are used in some steps during the manufacturing process. Continuous efforts are in progress to replace, reduce or recycle these solvents. Where organic solvents are unavoidable, we work to find alternatives to limit any environmental impact based on the knowledge that we currently have. Our long-term ambition is for our factories and suppliers to recycle the solvents as much as possible and strive for closed systems to minimize emissions to ambient air and the environment.

As Ejendals mainly uses suppliers for production of both synthetic and leather-based products, we audit our suppliers regularly to follow-up on their process improvements. In general, we are continuously trying to find better alternatives to chemical additives in our products where there is a suspicion of negative long-term sustainability impact (see section on Products & Innovation).

ENVIRONMENTAL GUIDELINE

Ejendals shall contribute to an environmentally sustainable development by the following principles:

- Strive to minimize the environmental impact of the products we provide and the packaging we use.
- Make more efficient use of energy and transportation and minimize waste.
- Act to increase recycling of materials and decrease resource use.
- Environmentally friendly products shall be promoted.
- By manufacturing products that is of higher quality, we avoid unnecessary wear and waste.
- All the information in our environmental policy shall be open and objective.
- An important part of this work is that we set relevant environmental requirements on our business partners (suppliers and contractors etc), e.g. by the following principles:
 - Business partners shall handle chemicals in a proper and secure way, following appropriate laws and regulations such as REACH.
 - Business partners shall work to eliminate or reduce solid waste, wastewater, air emissions and ensure that treated wastewater quality and waste handling process, should meet local requirements.



PRODUCTS & INNOVATION

Our goal is to provide quality service and high-performance products so that we support optimal conditions for a safer working environment to our customers. We believe that true sustainability originates from high-quality long-lived products, that as such give less waste over time, that are straight-forward to manufacture and package with as little material as possible. Sustainability is part of product development process as a gateway check point, as well as pointed out as highlights in the Environmental Guideline to our Ejendals Group QEHS Policy.

Below are identified areas to work with in our product development projects.

- Use of recycled materials, and design for manufacturing/sustainability by e.g. pattern making reducing number of parts.
- Optimized packaging (choice and amount of packaging material, labeling reduction).
- Fine-tuned production measures to reduce waste and material/water usage.

Our current product portfolio already contains some models that have benefits from a sustainability perspective. In fact, already since 2009, Ejendals has had an EU Ecolabel Greenline safety shoe range. In addition, we currently have several glove models that are OEKO-TEX® certified, and during 2021 we introduced gloves manufactured in a way that reduces CO₂ emissions significantly. More specifically:

- GreenLine shoe collection (Jalas 6418, Jalas 6468 and Jalas 6498) is certified to EU Ecolabel.
- About 30 glove models (e.g. the Infinity collection) are OEKO-TEX® certified.
- Cut resistant gloves Tegera 906 and Tegera 909 with Bio-based Dyneema® fiber.

Furthermore, and following the precautionary principle when it comes to chemical content, all our shoe models are free from any anti-bacterial treatments. This design change to non-treated inner lining materials was made over two years ago for the last remaining models.

Some projects regarding our primary product packaging have been on hold during the pandemic, but we have developed ideas on optimizing our packaging from several aspects, from the basic choice of excluding a primary packaging as such, over choice of more sustainable materials (insole packaging changed from plastic to paper), to redesigning and optimizing the shoe box sizes better after the shoe sizes, with the added benefit to pack them more efficiently into the transport packages.

For all these packaging development projects, a certain degree of compromise is required, balancing the sometimes very varying demand from customers and their way of distributing our products to the end-users (through vending machines etc), the necessity of the packaging to have enough physical strength (thickness, density, number of layers etc) to withstand the handling during transportation, while also representing an agreed economic feasibility. All these aspects are continuously reviewed within the product management team, and further optimization considered.

Our target for 2022 is to conceptualize 10 glove and 5 shoe models with sustainability as main focus point, to be launched during 2023–2025.



WASTE MANAGEMENT

Many resources are limited, and it is important to maintain and reduce the amount of waste. We are working to increase the use of renewable raw materials in our packaging and to reduce the amount of packaging materials based on oil. In general, we strive for the packaging we use for our products or that the waste generated in the manufacturing process can be recycled to an increasing extent.

As already mentioned, we continuously review our packaging, in order to reduce the packaging waste, by optimizing and questioning the functionality and need for an excess of packaging material (or add-ons in form of information hangtags etc), and the dimensions and weights of carton boxes and bags.

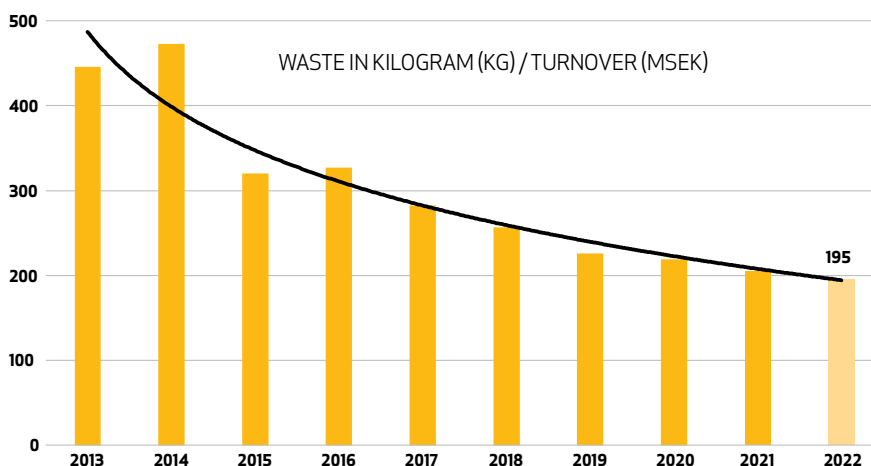
Another example of Ejendals strive to reduce the environmental footprint is by having implemented a new automated print process for our glove user instructions (UIS). This has reduced paper usage by 50% per UIS. In Jokipii, Finland, we recycle all cardboard in production and all shoe boxes are recyclable and made predominantly from recycled material.

All this will have a positive effect on the total quantities and weight transported, from our manufacturing units to our customers and contributes to reducing the GHG emissions.

The graph below shows how the total amount of waste from our units in Leksand and Jokipii has developed over time, here shown normalized to our turnover. Even the amount of waste in absolute numbers has decreased by about 20% over the shown years! We aim at still decreasing our waste and have set a target for 2022 of further about 5% improvement (shown with a lighter orange for 2022). Out of this waste the majority (53%) is recyclable (mainly cardboard) and we intend to increase this proportion towards the future.

WASTEWATER

In some of the manufacturing processes of our products, a significant amount of water is used, such as dipping gloves or leather tanning for our sewn gloves. Our goal is to reduce water consumption in the manufacturing process of our products and that our suppliers have or introduce water treatment equipment adapted for operation. Correct treatment of wastewater is important, to secure the environment close to the tannery to protect surrounding fresh water, soil and plants.



Ejendals total waste in kg per MSEK turnover for our two sites: Leksand headquarters/warehouse and Jokipii manufacturing. Target 2022 shown in lighter orange.

WORKING AT EJENDALS

At Ejendals, to date (Mar 2022) we are 453 employees distributed in 30 countries. About 69% of our employees are employed in Nordics, 24% in Europe and the rest 7% is in Russia, Asia (China, Vietnam, Indonesia, Malaysia), Saudi Arabia, Dubai, and USA.

Our employees work directly with our products in terms of development, production, distribution, and sales, or through support functions such as IT, Finance, HR and Marketing. Our main contract form is permanent employment, otherwise, fixed-term employment and temporary staff are applied as needed. Most of our employees work full time. The average length in service within Ejendals group is 8 years with a gender distribution of 62% men and 38% women.

In Sweden, Finland, Norway, and France, Ejendals has collective agreements. In other countries we follow the applicable legislation. In addition, we offer favorable working conditions. The conditions vary slightly between different countries, but some examples are flexible working hours, supplementary insurance, healthcare allowances and travel benefits for travelling staff. In Sweden there is also an active staff association that continuously organizes activities for staff to increase well-being and community. Through the Swedish collective agreement, we also offer extra maternity pay. For Ejendals it is obvious that women and men should be given the same conditions, as also mentioned in our equal opportunities policy.

We are proud of our competent and knowledgeable employees. Knowledge, however, is often a fresh item that needs to be maintained. Therefore, as part of our process for Performance Management, all employees have an impact plan with objectives, development and career plans written in dialogue between employees and managers. This ensures that the employee works aligned with Ejendals goals, values and objectives, and has a clear understanding of responsibilities and expectations. Noticeably, there must be conditions for developing in your role as well as a good opportunity to advance internally, through internal career paths. In addition to annual development talks, there are also quarterly

RAC (Results, Activities and Competences) talks, which is a complementary formal dialogue throughout the year. More frequent and informal follow-up enables more proactive work and contributes to more satisfied employees and increased productivity.

For vacancies and new employment, we always consider internal candidates before we set up an employment with an external resource. However, when there is no internal competence, an external recruitment process takes place, via an internal HR department or external recruitment company. A recruitment routine exists, with the aim of working systematically and ensuring that all candidates are handled in a professional manner. Our target groups we recruit are from junior to senior profiles, depending on current needs. Personnel turnover was for Ejendals Group 7.8% in 2021.

When recruiting, we set up an individualized introduction, based on an introduction program. We also organize joint introduction weeks, where we gather all new employees around four times a year. During the



pandemic we have had these trainings in digital form. The purpose of these introductory weeks is to answer the questions about Ejendals in general: Who we are, what we do, what we stand for and where we are heading.

Ejendals Management Team consists of 8 individuals. These are CEO, Sales, Product Management & Marketing, Sourcing, Supply Chain, Finance, HR and IT. The gender distribution is 6 men and 2 women.

Ejendals Board of Directors consists of 5 individuals: 4 regular and 1 deputy member. The gender distribution is 4 men and 1 woman.

EMPLOYEE SURVEY

According to our long- term plan, employee surveys are to be conducted regularly, with the aim of getting employees, thoughts, and views on the business. The latest employee survey was delayed somewhat due to the pandemic but was conducted autumn 2021 with a response rate of 82%. The average Employee Satisfaction Index (ESI) was 7.4 on a 10-point scale, a slight (0.1) decrease from last survey conducted in 2018. Main conclusions from 2021 results were the desire for better communication and better cooperation between different departments. Some results showed characteristics attributed to general pandemic challenges.

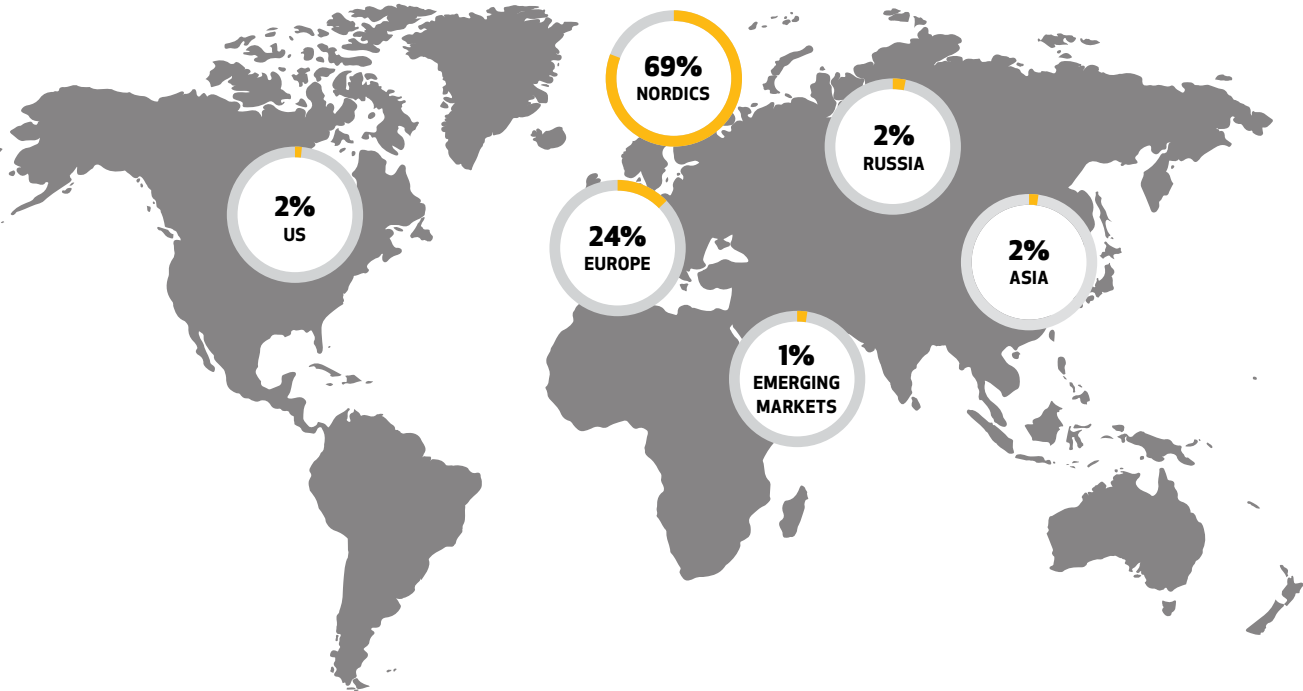
DIGITALIZATION

The last few years, and especially during the pandemic, we have been implementing new ways of working digitally. The amount of work done at home, reducing the need for commuting, has increased. Another example would be to have employee training electronic and independent of location. Another example is the e-Learning for the Ejendals Group Code of Conduct for Employees, and there is on-going work also within the area of Sales Excellence to stimulate the utilization of digital trainings/meetings in order to be less dependent on physical meetings. All these initiatives will move us in a more sustainable direction, eliminating a lot of printed materials (waste) and travel (GHG).

Moreover, introduced at small scale already back in 2019, the electronic signature tool DocuSign has during the pandemic developed into our standard solution for signatures and widely used tool, saving a lot of unnecessary printed paper, mailing costs and transportation. Furthermore, Ejendals has implemented new tools to digitalize the administration of expenses and harmonize the way of working with recruitments.

EJENDALS IN THE WORLD

TOTAL 453 (MAR 2022)



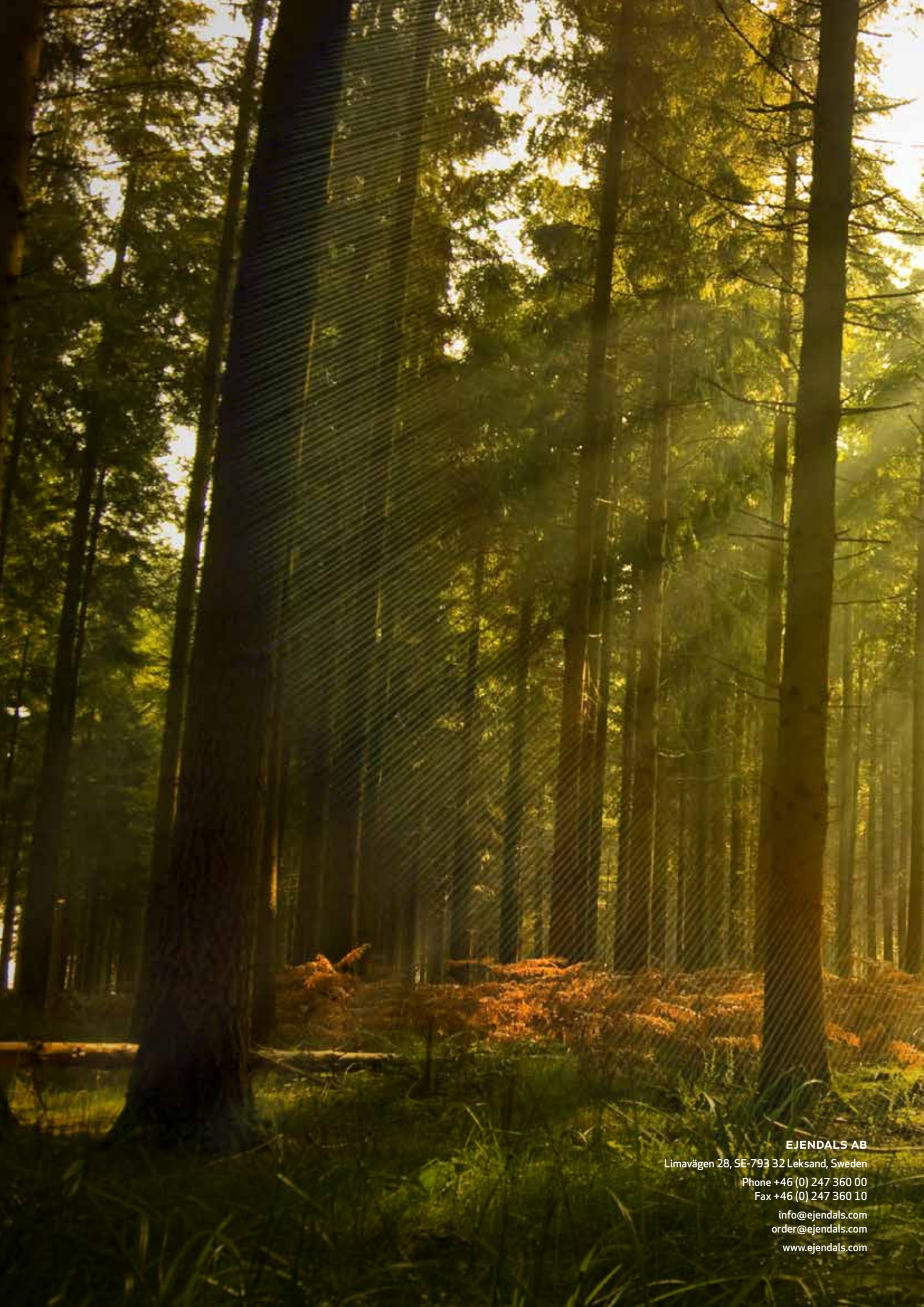
OUR HISTORY

Ejendals corporate history is a part of our identity and is key to the journey ahead. Our story is about two entrepreneurs, Urho Viljanmaa and Valfrid Ejendal, who in their own way, with skill and a little luck created the company that is the foundation of the Ejendals Group today.

- 1916** The story begins when Juho and Matilda Viljanmaa buys the tannery in Jokipii in Jalasjärvi, Finland.
- 1933** Company Urho Viljanmaa is formed when the son takes over the business and develops a shoe business.
- 1935** Valfrid Ejendal buys a country shop after a lottery win.
- 1949** The company Valfrid Ejendal is founded and initiates wholesale business with leather goods.
- 1956** The limited company Urho Viljanmaa Oy is formed and in the 1960s, export trade with Sweden is initiated.
- 1963** Valfrid Ejendals AB is formed and import of gloves from eastern Europe leads to strong expansion.
- 1970s** Urho Viljanmaa Oy expands and production is becoming industrialized. Ejendals starts import of gloves from China directly.
- 1980-90s** Development is moving forward and expanding. Urho Viljanmaa Oy starts the development of safety shoes with the JALAS® brand and initiates cooperation with Ejendals. Ejendals develops the TEGERA® brand.
- 1990** Graninge is added as a trademark to Ejendals.
- 2004** Ejendals buys Famon Oy.
- 2008** Ejendals acquires Urho Viljanmaa Oy and work begins with creating a Group through expansion, mainly in Europe.
- 2009** Ejendals introduces the JALAS® Eco-label Green line range.
- 2012** Famon Oy and Urho Viljanmaa Oy are merged, and Ejendals Suomi Oy is formed.
- 2018** Ejendals Group AB is formed and today the Group has sales of more than SEK 1.6 billion.







EJENDALS AB

Limavägen 28, SE-793 32 Leksand, Sweden

Phone +46 (0) 247 360 00

Fax +46 (0) 247 360 10

info@ejendals.com

order@ejendals.com

www.ejendals.com