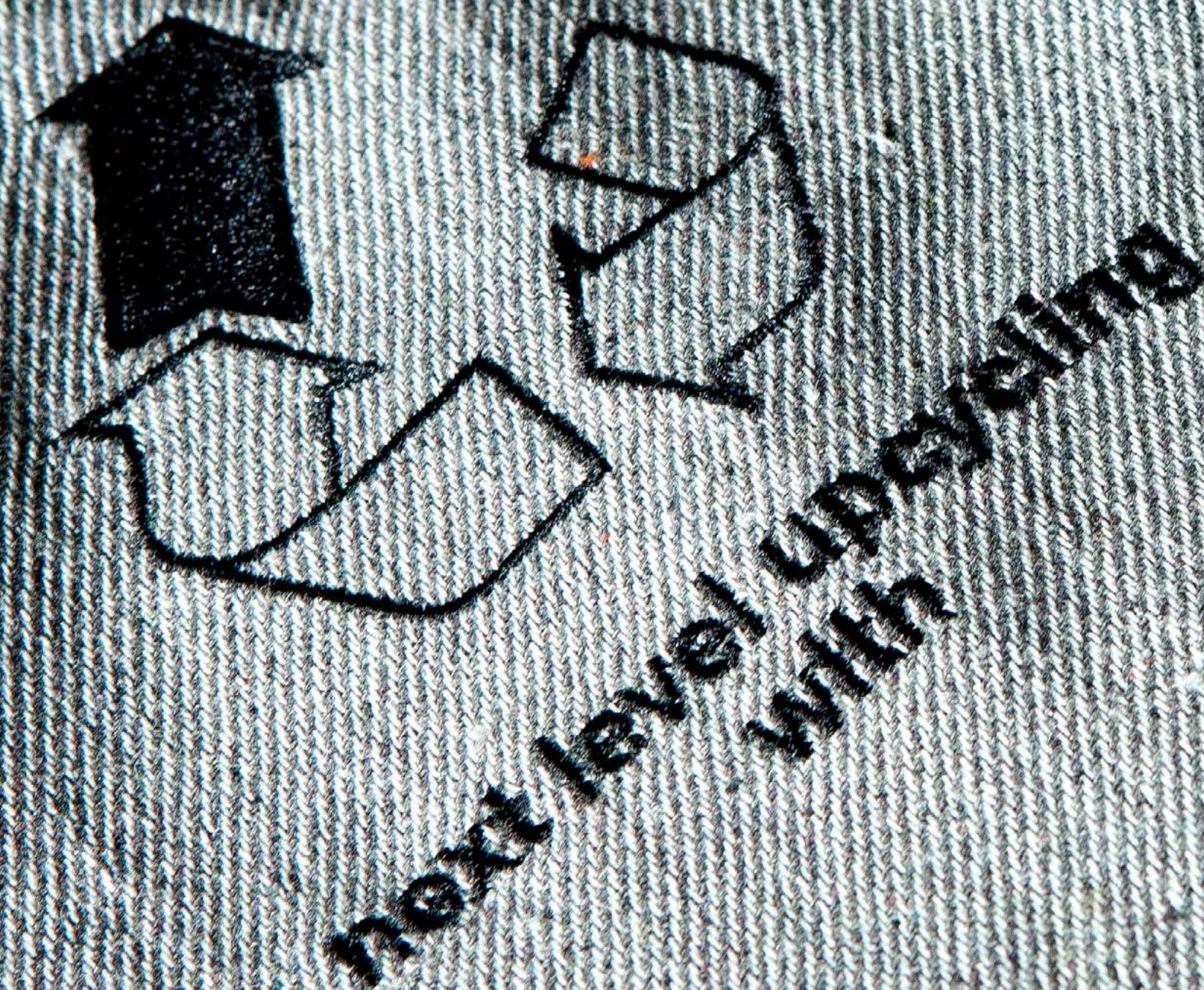




Sustainability Report 2021

TOUCHPOINT

Sustainable Workwear



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TOUCHPOINT 2021

Touchpoint had a busy 2021. Amongst other things, we launched our end-of-life textile Take back -service; we received quality and environmental management system certificates; and Rester's machines started for the first time.

Touchpoint was founded in 2008 with strong ecological values.

The company mission is to provide our customers with the best workwear solutions, taking environmental and social considerations into account. Together with our customers, we are expanding the idea of how workwear can be used to promote a more responsible textiles industry and circular economy.

Our vision is to be the most attractive company, one which is responsible and promotes circular economy in the global workwear sector.

At the end of 2021, Touchpoint employed a staff of 16 people. We have offices in Helsinki and Tampere. Our largest customer segments are the care and laundry service sectors, followed by the hotel and restaurant sector. Launching operations in October, the mechanical textiles recycling company Rester is also part of the Touchpoint Group. You can read more about our end-of-life textile Take back -service and Rester operations on page 23.

Touchpoint production and deliveries were affected by the COVID-19 pandemic. In 2021, due to the pandemic and its possible prolongation, we invested substantially in the development of our operating models and our own workwear line. We are therefore ready to serve our customers even more effectively as the pandemic wanes.

In accordance with our sustainability goals, we have improved our operations and the skills of our employees.

We set concrete sustainability goals for the first time in 2020. In this report, we will be presenting our sustainability strategy and its implementation in 2021. In the following chapters, we will also single out annual highlights and our achievements.

Our goals for 2022 can be found at the end of the report on page 34. In addition, at the end of the report we have also compiled a glossary of currently used sustainability and circular economy terms that are important to us.





ENVIRONMENT AND CLIMATE

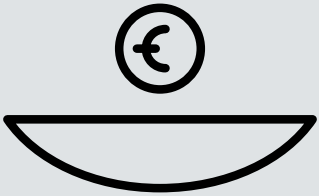
The carbon footprint of a health-care uniform is approx. 8.21 kg of greenhouse emissions.

We have made thorough calculations of the carbon footprint of our health-care uniform.

The end-of-life textile recycling facility Rester launched operations in October. Cutting waste from local textile production is delivered to Rester.

Rester received a total of nearly 350,000 kg of end-of-life textiles, approx. 44,500 kg of which were processed.

We sourced more environmentally friendly materials for the products in our own line and those of our customers.



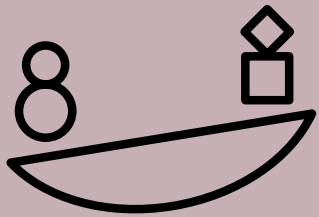
BUSINESS AND GROWTH

Touchpoint launched its Take Back pledge – in other words, our promise to reclaim end-of-life textiles.

In 2021, Touchpoint customers sent over 106,000 kg of end-of-life textiles to Rester!

We share information on environmentally friendly materials and their impact: the carbon footprint calculation of the health-care uniform; initiating an active dialogue with the market; and participation in Finnish Textile and Fashion influencer groups, customer videos and visits at Rester.

We developed a new communications strategy and held two end-of-life textile webinars as well as a breakfast event at our Helsinki office.



PEOPLE AND WELL-BEING

Employee turnover decreased 10 percentage % points compared to 2021, the entire staff participated in refresher training during the year.

We initiated a non-profit collaboration with the Finnish Hospital Clowns Association Sairaalaklovnit ry by supplying them with team clothing. In addition, we sponsored workwear for Makea Mesta, an ice cream stand run by youths in Kangasala.

All our main suppliers signed our updated Code of Conduct and accepted Touchpoint's minimum requirements for supply chain responsibility.

A WORD FROM THE CEO

The past year has been inspiring, challenging, and full of changes – both within the company and in our operating environment. It was my first year at the helm of the company, and thus particularly memorable for me.

Completion of the corporate acquisition

We concluded the acquisition of Domino Workwear and finally consolidated our entire workwear business operation in January. One major challenge during 2021 was the merging of Touchpoint and Domino Workwear as a single entity. We defined joint processes, practices, enterprise resource planning and new job descriptions.

Indeed, COVID-19 and remote work posed their own challenges to the completion of the integration process, but we completed the project with flying colours, while also earning an ISO9001:2015 and ISO14001:2015 certifications in the autumn of 2021.

Opening the end-of-life textile facility

At the beginning of November, we opened the Renter end-of-life textile facility in Paimio. But we've only just begun! We will continue the extensive recycling of textiles and, in the years to come, our goal is to develop new workwear recycling service models and closed-loop solutions for workwear.

Carbon footprint and material strategy

As a pioneer of sustainable operations another major achievement was calculating the carbon footprint of our healthcare uniform. It revealed how a significant portion of material production affects the entire carbon footprint of a given product. It is crucial that we recycle these precious materials.

It is also important to ensure that workwear is designed to withstand the test of time. In 2021, we set the Touchpoint material strategy, the core of which is utilizing more ecological materials.

We also updated our own product line, including both models and materials. Nearly 90% of our line

products are made using ecological materials. Our healthcare line is made of as much as 100% environmentally-friendly materials!

Internationalization begins

Another major achievement was the development of international business operations and entering the Swedish market. We signed a co-operation deal with Sweden's largest healthcare operator, with the first workwear from our new line to be delivered in the autumn 2022.

2021 was marked by successes and lessons as well as by a lot of challenges. I want to thank every Touchpoint employee, our partners, and our customers. Together, we are promoting our industry's transition to a circular economy and more sustainable operating models.



Noora Salonoja

OUR CIRCULAR ECONOMY MODEL

Sustainable operations, resource efficiency and circular economy constitute the core of the Touchpoint strategy. For us, circular economy entails using recyclable and/or recycled materials, extending the lifecycle of our products and promoting the “workwear as a service” model.

Our services include comprehensive line design and material-efficient production management, LCA calculations, inventory replenishment and end-of-life textile services. Touchpoint is piloting the sharing model, which entails the return of lightly used workwear for reuse. We are also looking into other possibilities for workwear sharing. Touchpoint practices circular economy rather comprehensively.

In accordance with our operating model, circular economy is taken into consideration in every phase of a product’s lifecycle. This requires close co-operation with both material suppliers and subcontractors

as well as communication and training the stakeholders on new circular economy operating models and opportunities.

One of our key goals for the near future is to focus on closed-loop workwear. It means that the fibre,

thread and fabric of used workwear can be reclaimed to make new workwear garments.

Circular economy business models can be presented in accordance with the table below:

Circular economy business models	
Circular supply	Replacing traditional material inputs with renewable, bio-based, recovered ones
Resource recovery	Produce secondary raw materials from waste
Product life extension	Extend product lives
Sharing	Increase utilisation of existing products and assets
Product service system	Provision of services rather than products Product ownership remains with supplier

TOUCHPOINT'S CIRCULAR ECONOMY MODEL

Production

- simplifying the production chain and minimising waste
- reliable and long-term production partners
- in-house quality control
- in-house auditing

Product design

- acknowledging customer wishes and demand
- ensuring material durability and suitability
- conducting test use and wash tests
- products are made to serve a need!

Raw materials

- using ecological (recycled or bio-based) materials whenever possible
- working with reliable material suppliers
- material testing



Transport and logistics

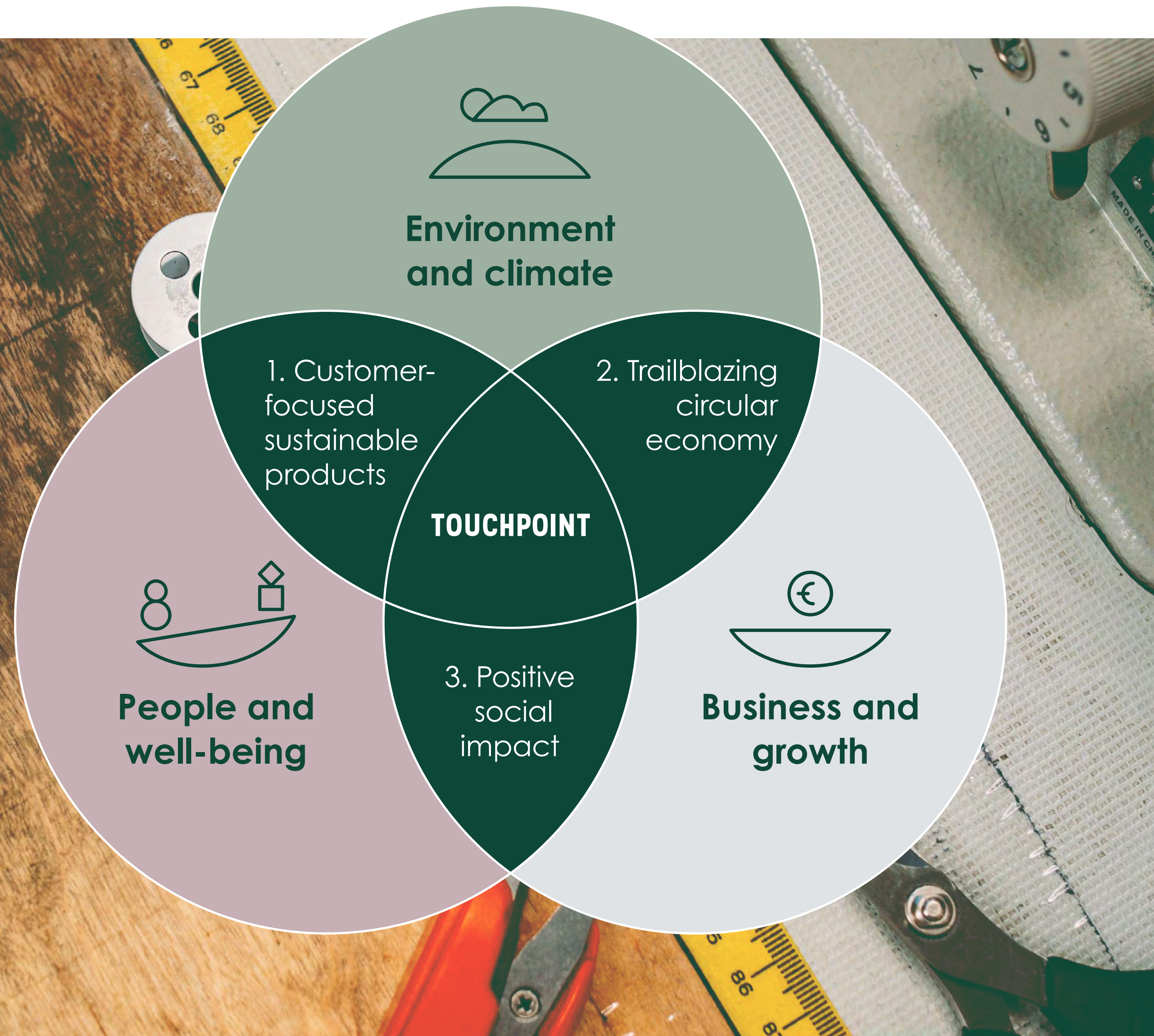
- favouring sea and OTR transports
- working with reliable and long-term freight partners
- minimising packaging waste
- as a rule, we do not produce for inventory, unless the customer has a need for warehousing

Product use and care

- guiding the customer on choosing the right size
» the products remain in use longer
- educating the customer on product care, which affects product lifetime

End-of-life textiles

- when the textiles reach the end of their life, we reclaim them from our customers
- end-of-life textiles are processed at the Rester facility, after which the fibres are reused by different industries

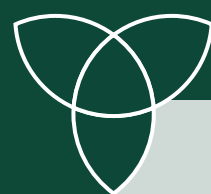


OUR SUSTAINABILITY STRATEGY

Sustainable workwear constitutes the core of Touchpoint's operations. As a result, responsibility and recycling are embedded in our daily work.

Touchpoint's updated sustainability strategy rests on three areas: Environment and climate; Business and growth; People and well-being. Their relevance to the UN Sustainable Development Goals has also been recognized.

Each area significantly overlaps with another. This has been taken into account when drafting our business strategy. Description of each strategic theme can be found on the following page.

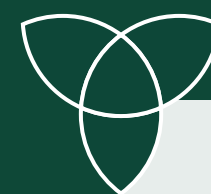


1. Customer-focused sustainable products

This part focuses on sustainable products that serve the customer (related to environmental and social responsibility). We make every effort to offer our customers the most extensive selection of ecological materials, carefully taking into account sustainability considerations in both the product design process and the planning of production as well as the supply chain.

We select our production partners carefully and audit them in accordance with our objectives. We strive to ensure that our clothing is produced to serve the customer's needs while our products also being of the highest quality, long-lasting and recyclable. We also assist in selecting the right size and product care, and we offer calculations of the emissions and impacts of the customer's workwear.

(see page 11)



2. Trailblazing circular economy

This part of our sustainability strategy focuses on remaining a circular economy pioneer (related to environmental and social responsibility). Networking with industry operators, research facilities and educational institutions plays a central part in Touchpoint's business operations. This facilitates a wide variety of partnerships for the development of new business and acquisition of the latest research data.

Touchpoint is internationally recognized as an industry leader, as we are constantly being asked to serve as an exemplary company in circular economy studies and invited to speak at industry seminars and events. For years, we have been involved in many key circular economy projects. Indeed, active involvement is vital to us, so that we can develop our business operations and service models to meet our customers' ever evolving needs.

(see page 18)



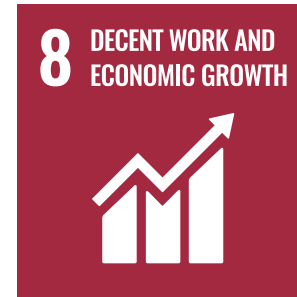
3. Positive social impact

This part in our sustainability strategy focuses on social impact (related to social and business responsibility). In addition to positive environmental and business impacts, it is also important that we more broadly benefit society, not to mention our own team and production chain.

By increasing our own business operations, we are also working to create new jobs, both directly and indirectly. We operate as a fair actor, paying attention to the working conditions of our production chain and actively promoting the well-being and professional skills of our own team. In addition, we also participate in charitable activities and non-profit co-operation with partners selected in accordance with our values.

(see page 30)

We have identified the following UN Sustainable Development Goals, which are affected by our operations and affect us. We joined the UN Global Compact in the spring of 2021 and will be reporting on our activities and plans in relation to the Ten Principles (Human Rights, Labour, Environment and Anti-Corruption) in our *Communication on Progress* -report by the end of March 2022.



GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Our sustainability goals include profitable business growth, the direct and indirect creation of jobs, and the creation of new circular economy business models. We look after the satisfaction of our own employees; we supervise the production sites, and we make every effort to ensure good working conditions in our production chain through long-term partnerships.



GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

At the core of our strategy is our sustainable values, and we endeavour to be pioneers in textiles circular economy through our own actions. This requires a functional network of co-operation along with continuous research and learning. We actively participate in various research and development projects and train our own staff.



GOAL 12: Ensure sustainable consumption and production patterns. Our goal is to produce workwear that can withstand hard use, industrial washing, and care to meet our customers' needs. We take sustainable solutions into consideration in our design, procurement, and deliveries. We provide our customers with an end-of-life textiles Take back -service, which gives textiles a new life. We train our customers in product use and care, so that the garments will remain in good condition for as long as possible.



GOAL 13: Take urgent action to combat climate change and its impacts.

Participating in volunteer climate efforts is the responsibility of each individual and the company. We are putting a lot of effort in measuring our own carbon footprint and finding opportunities to reduce emissions. We monitor and reduce the emissions generated by our own operations and our value chain. This is done by the choice of materials, careful logistics planning and close co-operation with suppliers.



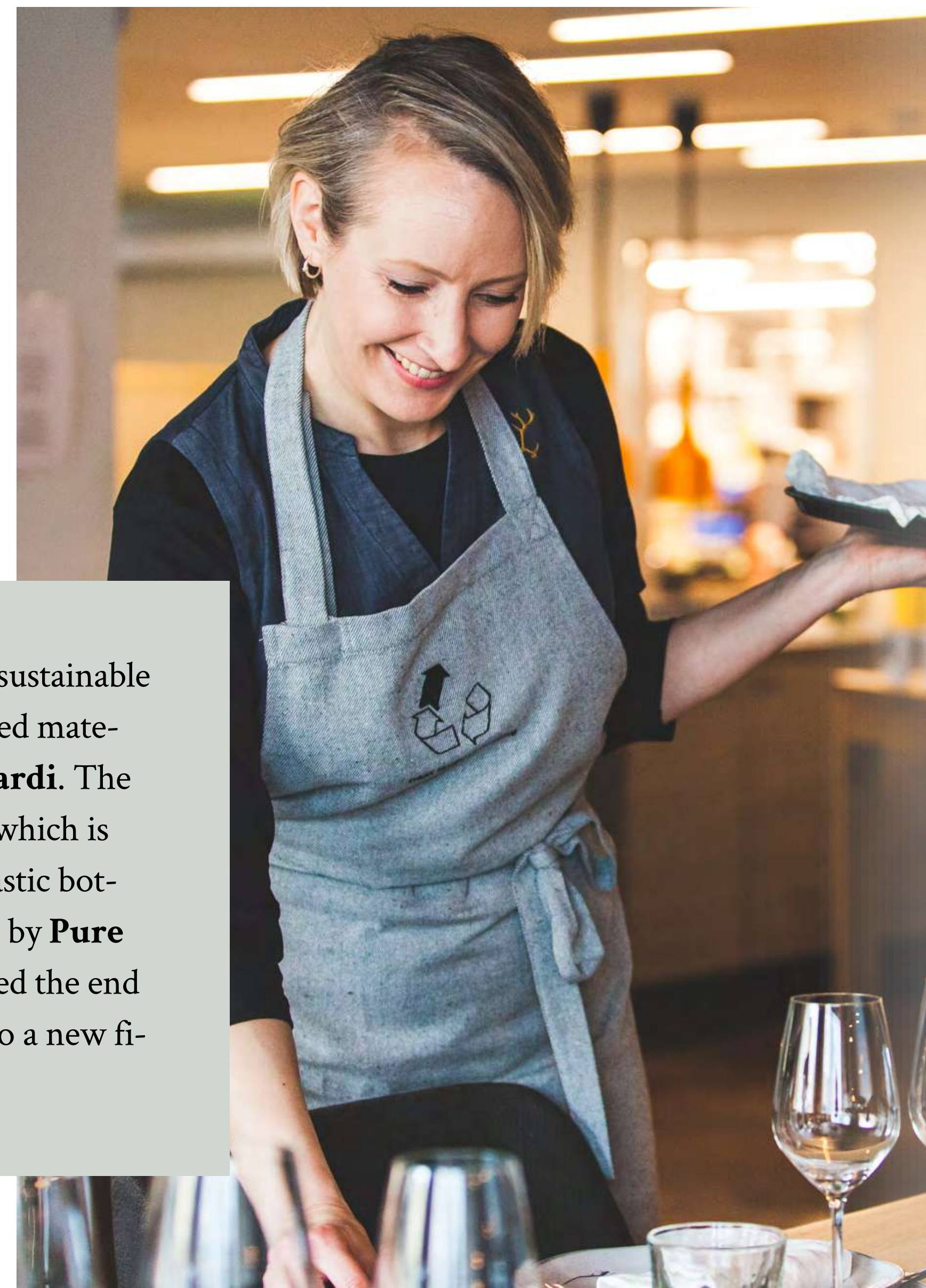
ENVIRONMENT AND CLIMATE

OUR PRODUCTION LINE

In the spring of 2021, we updated the production methods and materials of our own collection.

In addition to workwear for the hotel, service and restaurant sector, our main product line now also includes products for the hospital and healthcare sector. In the spring of 2022, we will also launch our “hi-vis” collection for heavier duty garments.

In 2021, we conducted another trial of the most sustainable apron on the market. This time, the 200% recycled material was put to the test at **Lapland Hotel Bulevardi**. The raw material used in the apron is cutting waste, which is combined with polyester made from recycled plastic bottles. The material was made into garments worn by **Pure Waste** customers and when the garments reached the end of their service life, the material was recycled into a new fibre that will be used in our Vellamo apron.



MATERIAL STRATEGY

At the beginning of 2021, we clarified the material strategy for the textiles we purchase. The goal was to increase the percentage of recycled and renewable raw materials as well as mono-materials in our purchasing, and produce garments that are durable and comfortable.

In 2021, the material composition of our textile production corresponded largely with the figures from last year. There was an increase of 15 percentage points in the use of polyester and an equivalent 15 percentage point decrease in the use of cotton.

The most gratifying development was a 200% increase in the use of Lyocell (measured in kilograms) over 2020. Although our desired target was to achieve a significant increase in the percentage of recycled polyester used, the use only increased two percentage points. Our goal for 2022 is to increase the use of recycled materials 100% compared to the previous year.

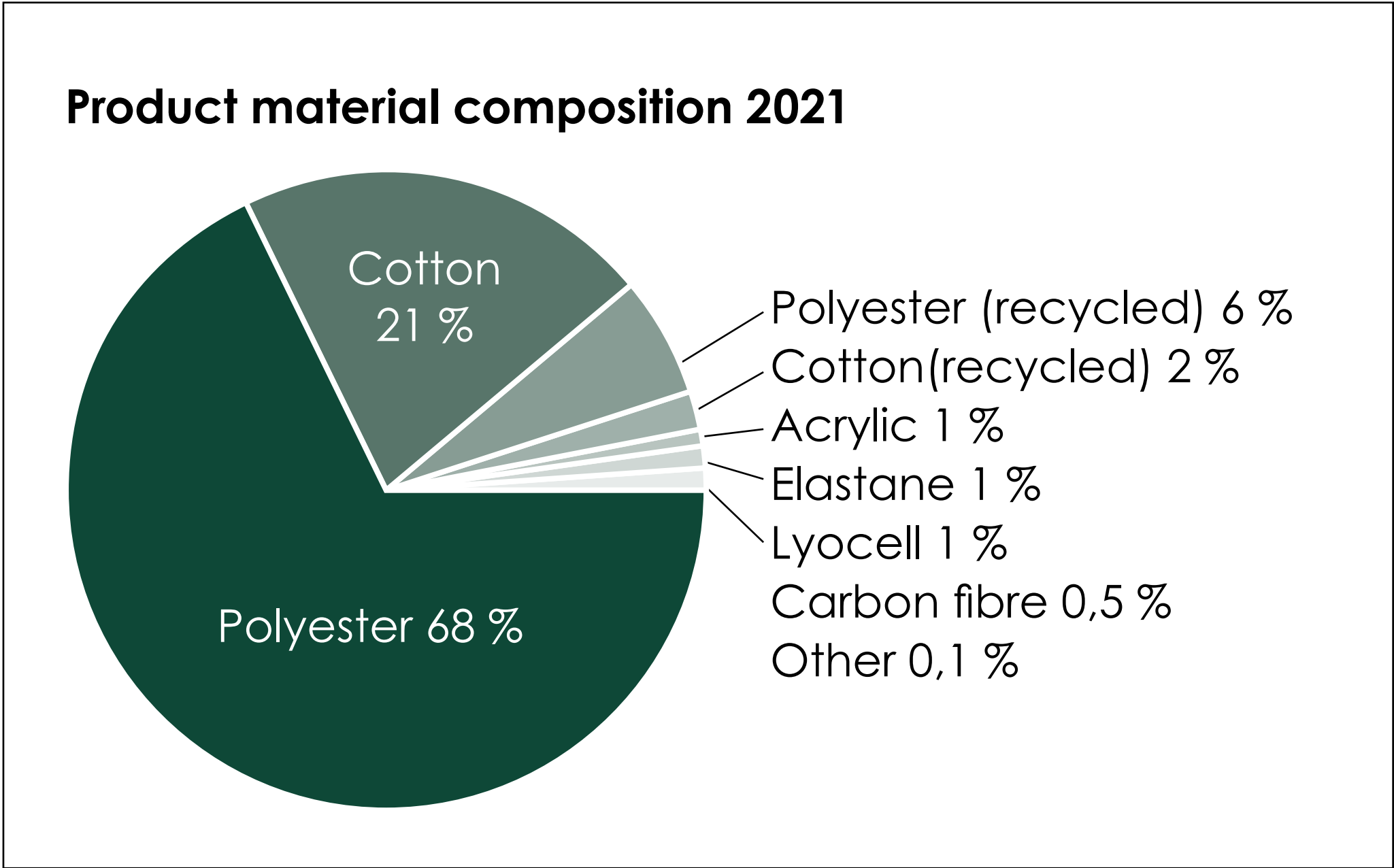
The emissions produced by the textile materials we produced in 2021 amounted to just over 1,000 tonnes. (Source: Carbon Neutral Textile 2035 Calculator)

Our main fabric suppliers in 2021 were: Carrington Textiles (Great Britain), Concordia Textiles (Belgium), Foxa Oy (Finland), Klopman International (Italy), Orneule (Finland).

Use of chemicals

In the textiles industry, chemicals are often necessary, particularly regarding heavier duty garments, since their functional and protective requirements are much more stringent.

Chemicals are added to materials already during the fibre processing phase and then when finishing the fabric to give the product certain functional properties.



In co-operation with our fabric and accessory suppliers, we ensure that the fabrics and other materials used in our products meet the requirements laid out in EU regulations, including the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation. Our OEKO-TEX certification indicates that the materials and accessories we use in our products have been tested for harmful substances.

PRODUCTION AND SUPPLY CHAIN

2021 was predominated by the COVID-19 crisis, that also disrupted the global supply chain. Factory closures caused some delays in production lots and material deliveries to us. The pandemic also had an impact on transportation times and capacity as well as prices.

According to our partners in the textiles sector, the biggest causes of price pressures in 2021 were:

- COVID-19 closures and restrictions and the resulting reduction in production capacity
- as much as a 50 % increase in fibre and thread prices compared to a year ago
- decline in the availability of dyes and chemicals, and the resulting increase in their prices
- sharp increase in energy costs (gas, electricity, etc.) globally, with impact on factory production and transports
- considerable increase in container prices for shipments from Asia to Europe.

The above-mentioned factors mean that the textile industry operators are under increasing pressure to forecast their future needs for material suppliers and production partners as well as raise their sale prices.

We actively monitor the price trends of different operators and communicate these openly to our customers.

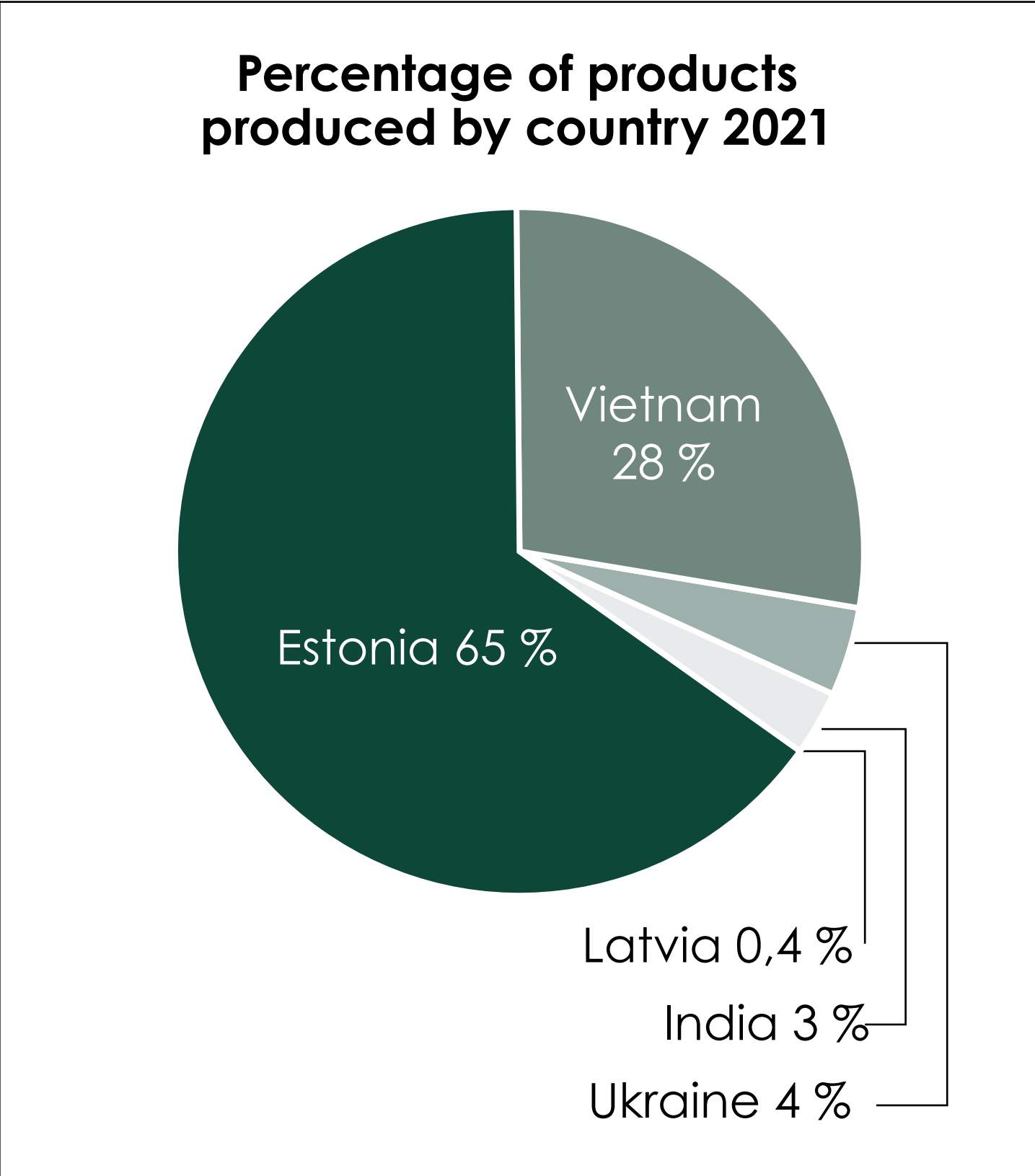
Key production figures

Compared to 2020, the number of our international production sites decreased. We concentrated more of our production in the Baltic countries and Vietnam, and we did not enlist any new production countries in 2021.

Due to the COVID-19 pandemic, we were unable to visit as many of our production sites in 2021 as we had visited in years prior to the pandemic.

We visited the Estonian production facility on a couple occasions in the autumn. In addition, our quality

control and local representatives in the Baltic countries and Vietnam visited our production sites regularly throughout the year. One of our biggest goals for 2022 is to start implementing our production strategy, which we updated in 2021: this will involve extensive changes to our supply chain, further strengthening it.



REDUCING EMISSIONS

In 2021, emissions caused by our production transports were slightly below 70 tonnes (Source: Carbon Neutral Textile 2035 Calculator)

The distribution of various methods of transport remained unchanged from 2020. In 2021, air transports accounted for 4.9% of all transports made. Wherever possible, we will strive to reduce the use of air transports also in the future.

When discussing consumption-based carbon footprint calculation, GHG Protocol Scopes 1–3 are often mentioned. A Scope can be considered as an “subject area”. When calculating the carbon footprint, it is important to state which Scope will be used to monitor greenhouse gases.

In the Touchpoint operating model, there are no direct Scope 1 emissions (own energy production, properties, vehicles) at all, and indirect Scope 2 emis-

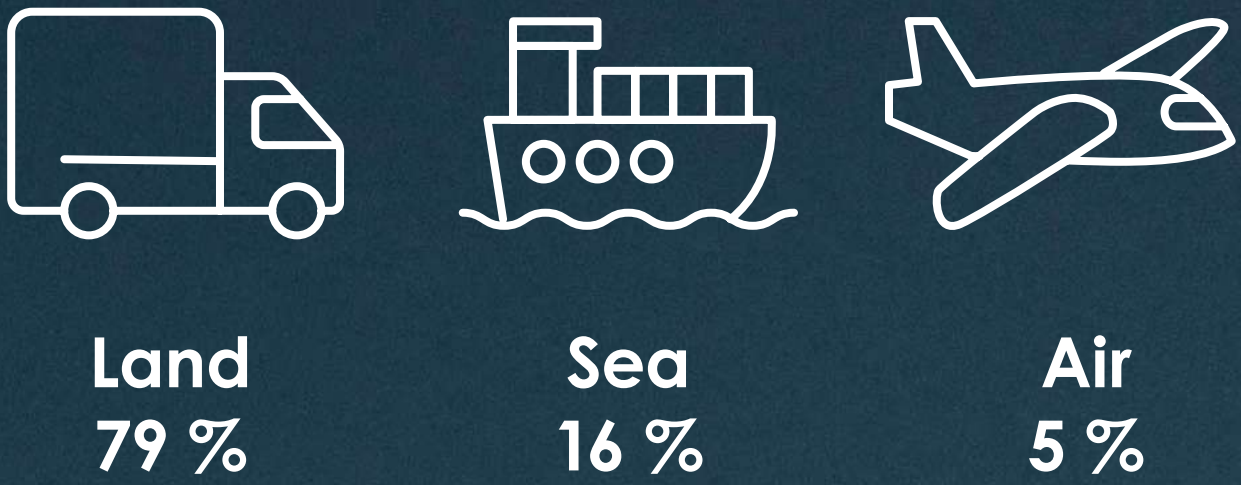
sions are generated from the consumption of purchased power, heating and cooling energy by our Helsinki and Tampere offices. In 2022, we will make our own operations carbon neutral by compensating these Scope 2 emissions.

When looking at our company’s entire value chain, most of the emissions we produce are Scope 3 emissions. We can influence Scope 3 emissions indirectly, and this will become a key part of our company sustainability strategy also in the future.

In our procurements, the heaviest emissions come from textile materials. The next heaviest source of emissions are those produced by logistics.

By the year 2023, we will be offering our customers a carbon neutral line, on which we will provide additional information as the project progresses.

Transportation methods 2021



Workwear carbon footprint

In the spring of 2021, we analysed the carbon footprint of one of our two-piece uniforms with the assistance of Finnish company, Clonet Oy. A calculation was made in accordance with the ISO 14047:2018 standard (“from fibre to customer”). This was the first carbon footprint calculation done for clothing in Finland to this degree of accuracy.

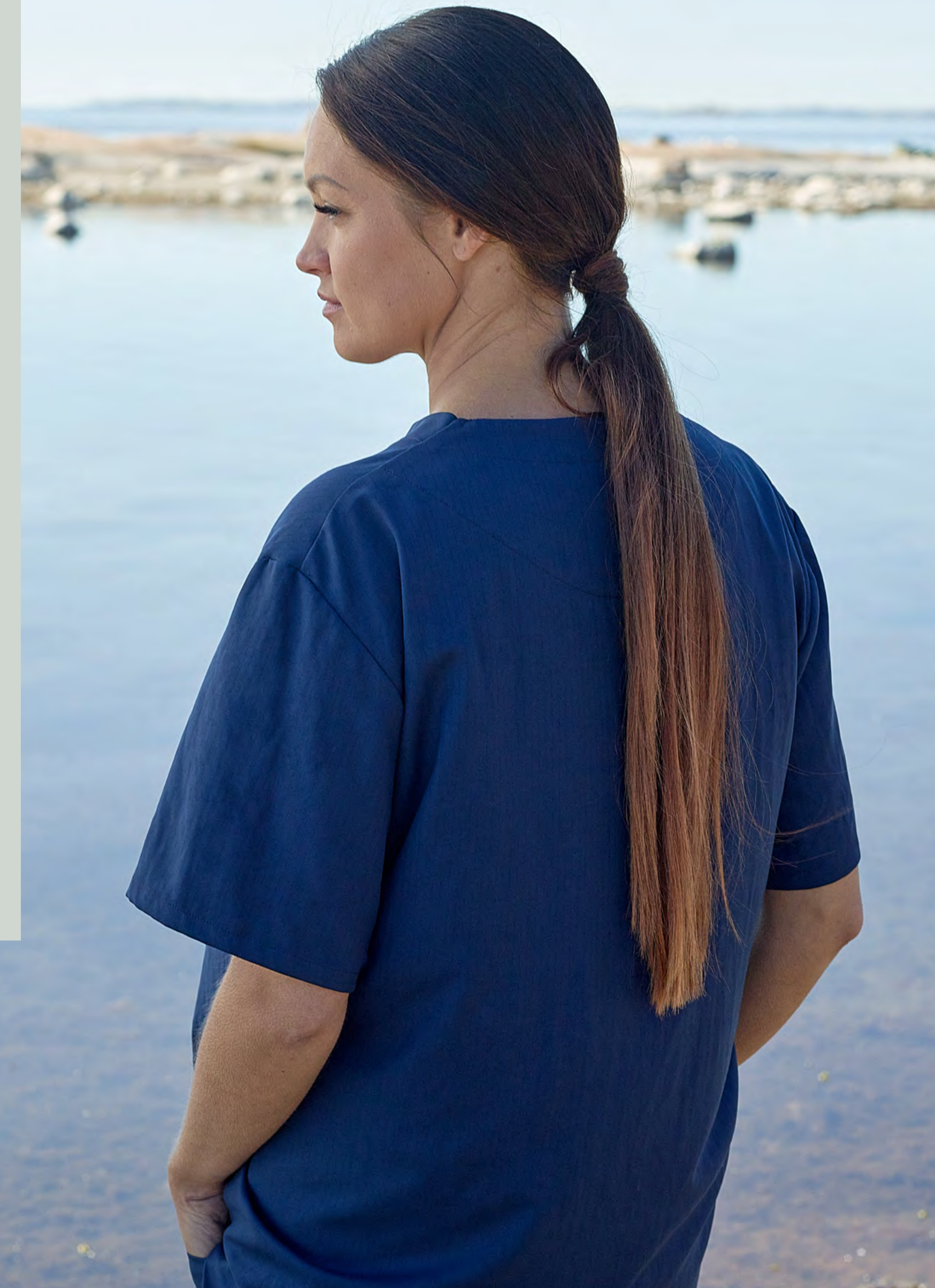
The item selected for the carbon footprint calculation was a health care uniform procured by our customer **Sakupe Oy**. The uniform was used by health care professionals in several different hospital districts. Procuring the uniforms in a competitive tendering process in 2019, Sakupe Oy wanted to emphasise environmental aspects, which were the focus of this carbon footprint calculation.

Already during the design phase of the workwear project, we determined and assessed the environmental impacts of the workwear procurement very precisely. Based on this carbon footprint analysis, we can henceforth focus our development on larger scale environmental impacts, i.e. taking materials and transports into account.

– Textile Manager **Ulla Lappalainen**, Sakupe Oy

Healthcare uniform, which consists of a short-sleeved shirt and jogger-style pants with elastic cuffs:

- Materials: 99% polyester
- 1% carbon fibre
- Polyester thread country of manufacture: Taiwan
- Carbon fibre country of manufacture: USA
- Fabric country of manufacture: Belgium
- Uniform country of manufacture: Vietnam
- Transport of materials and accessories to the country of manufacture: ship freight
- Transport of the product from the country of manufacture to Finland: part air freight (23%), but mostly ship freight (77%)



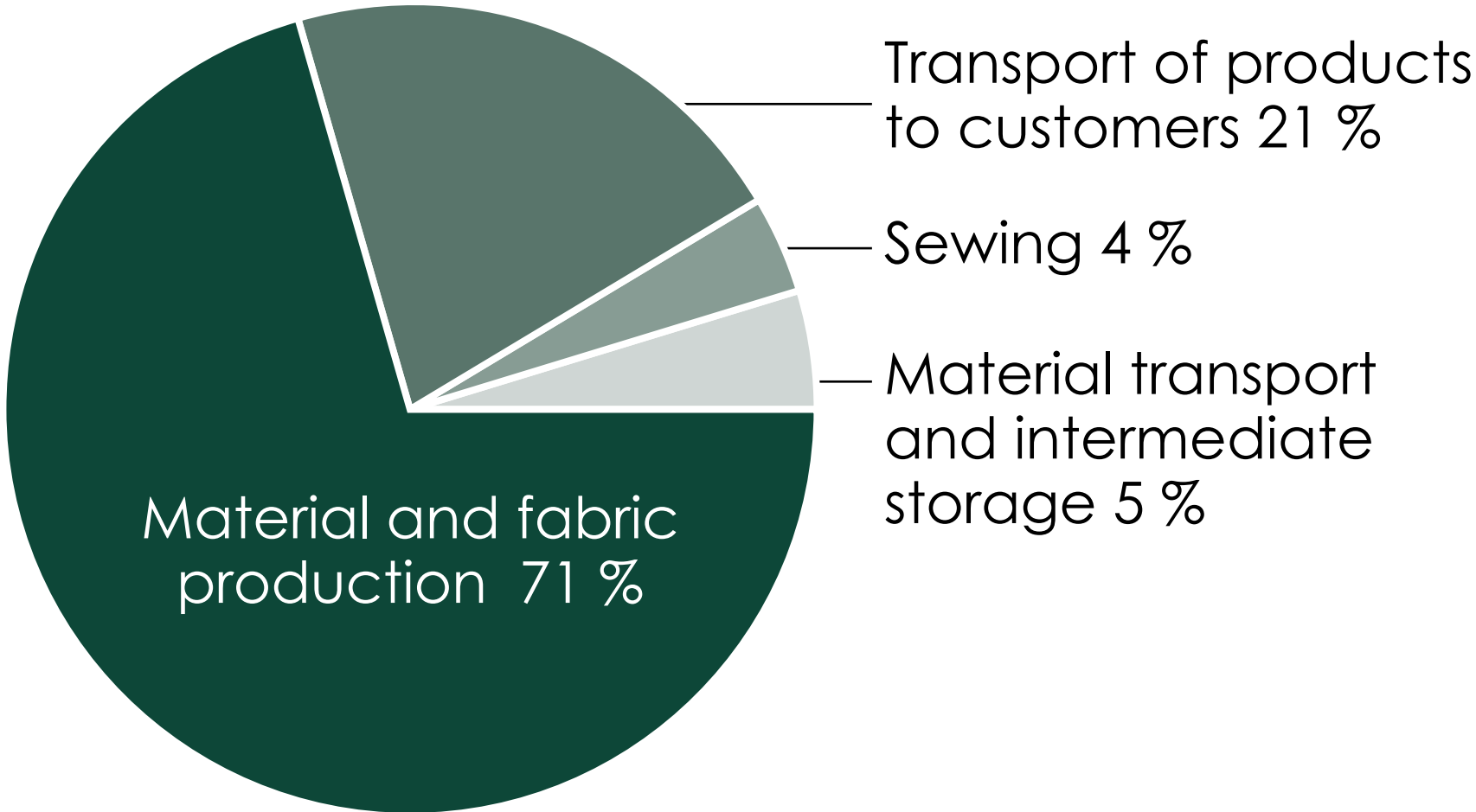
The uniform being analysed in the calculation is manufactured in Vietnam and transported to Finland by ship freight. The calculation result we obtained showed that the carbon footprint of a single uniform made by us (top and bottom) produced 8.21 kg of greenhouse gases, which is equivalent to the emissions produced by half kilogram of ground beef or driving just under 60 km by car.

However, the most valuable part of this carbon footprint data is the percentages of various phases in the production chain of the total emissions. The next largest strain on climate is air freight, even though only under a quarter of the textiles were shipped to the customer by air.

The production of textiles accounted for the largest percentage of this uniform’s carbon footprint.

We also investigated the potential carbon footprint of the uniform if we were to use alternative production methods and modes of transport. This produced the most interesting results: 23% of the products had to be

Carbon footprint in the supply chain



flown to Finland. If the entire production lot would have been shipped by sea to Finland, the carbon footprint of the uniform would have been 6.68 kg CO₂e.

We also examined how the uniform’s emissions would have been affected if manufacture of the same production lot was made nearby in Latvia. The carbon footprint of a uniform manufactured locally in the Baltic region would be 6.43 kg CO₂e.

Consequently, the carbon footprint of local produc-

tion is 4% lower than production in Asia, when the entire production lot is shipped to Finland by sea. The small difference between the two is partly because the energy consumed during sewing of the uniform is quite low and, according to emission factor data obtained from the factory in Vietnam, the amount of electricity it uses is below average.

Moving forward, the key findings can be used as a tool in developing our operations and those of our stakeholders.

Global warming and Climate Ambition Accelerator

Halting global warming at 1.5 degrees, as stated in the Paris Agreement, requires that we reduce our emissions by more than half by 2030 and achieve carbon neutrality by 2050.

Developed by the UN Global Compact, Science Based Targets initiative (SBTi) and World Resources Institute, *the Climate Ambition Accelerator* is a programme in which companies learn how to set ambitious, science-based emissions reduction targets for their operations.

In June 2021, Touchpoint was selected to join the Nordic Countries UN Global Compact Climate Ambition Accelerator programme.

In the autumn, we familiarised ourselves with a methodology for calculating the company carbon footprint that is based on the SBTi and the latest research data. By taking an “emissions inventory” of

their own emissions, companies can gain an understanding of their total emissions and primary emission sources.

Companies joining the SBTi must submit a written pledge committing to meet the 1.5°C target, which, in concrete terms, means a 42% reduction in GHG Protocol Scope 1 (facilities, vehicles) and Scope 2 (heating, electricity, etc.) emissions by 2030.

Because Touchpoint does not have its own facilities or vehicles, the possibilities for reducing emissions in these emission categories are minimal. At present, it is more meaningful for us to focus on improving the accuracy of carbon footprint calculation.

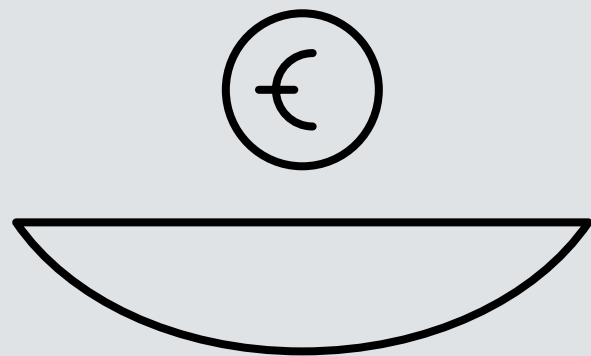
Furthermore, we actively seek emissions reduction targets in Scope 3, which is more important to us. Scope 3 emissions are not included in the SBTi validation of targets. In one year, we will reassess our position regarding our possible commitment to the Science Based Targets initiative.

Carbon Neutral Textile 2035 Commitment

In November 2021, we joined the Finnish Textile & Fashion Association (Suomen Tekstiili & Muoti ry) Carbon Neutral Textile 2035 Commitment. Under this commitment, we have pledged to achieve carbon neutrality in our own operations by 2035.

By making this commitment, we are provided with key tools for calculating our carbon footprint, regular training, and advice on moving toward lower carbon operations in accordance with the goals of the Paris Agreement.





BUSINESS AND GROWTH

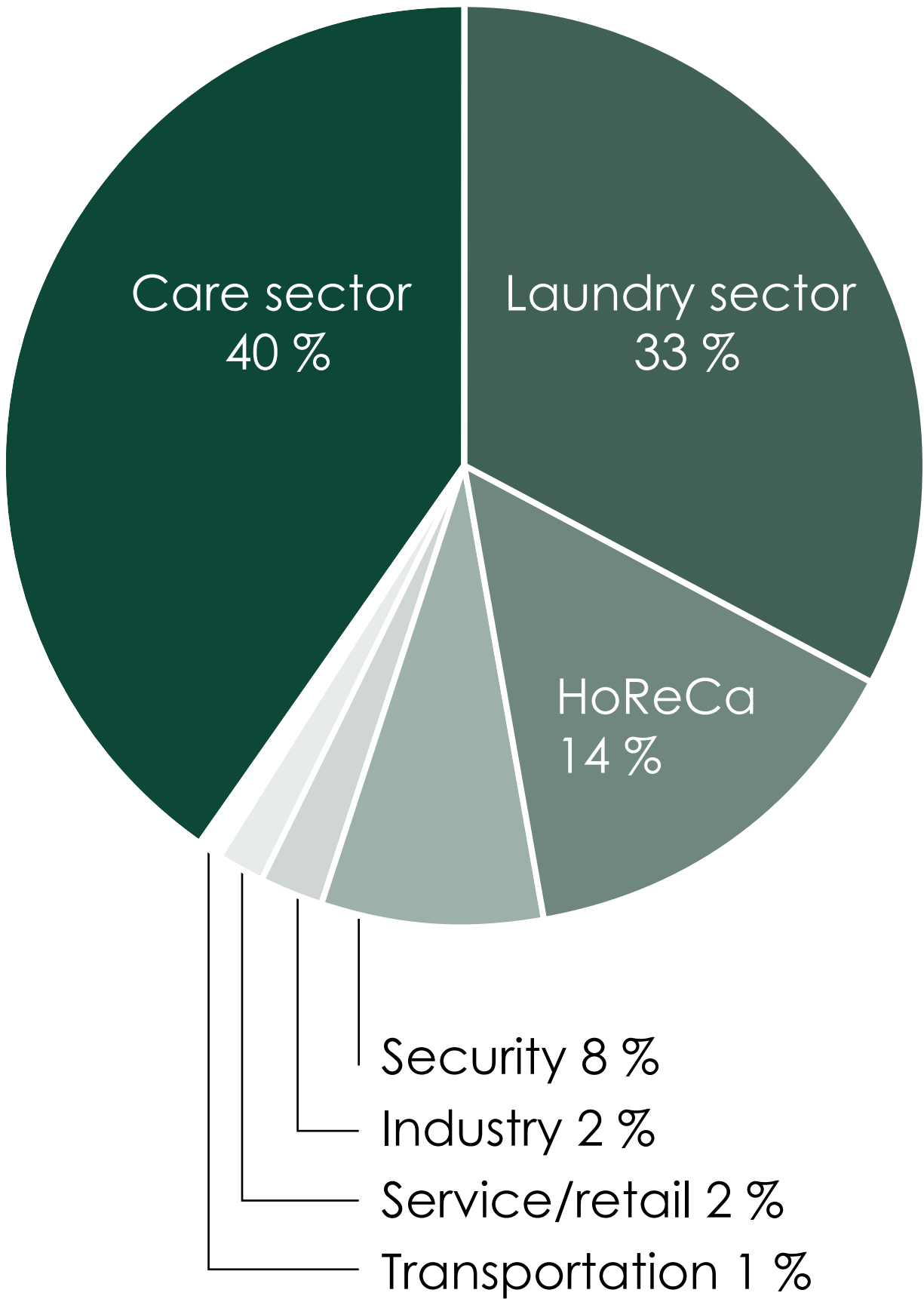
SALES REVIEW 2021

Because the prolonged pandemic has posed serious challenges to our customers’ sectors, it has also inevitably had an impact on Touchpoint’s own operations. Turnover for the 2021 financial year was lower than expected, as many of our customers’ workwear projects had drawn out.

For example, the pandemic had a significant impact on the HoReCa and tourism sectors due to restrictions and closures. Many public sector procurements were also postponed to the next year. In addition to this, the textiles industry was subjected to longer delivery times and adverse logistics challenges due to the pandemic.

We are hopeful for 2022, as our order backlog at the end of 2021 had doubled from the beginning of the year.

2021 sales by customer segment



The flipside of the pandemic is increased growth in workwear for the health care sector. We have been involved in public procurement tenders and won tenders from new and existing customers. We are pleased to report that, despite the challenges, we have lost only one contract customer in a tendering process.

To get even more feedback from our customers, we will be conducting an extensive customer satisfaction survey in 2022. This will help us to conduct a materiality analysis, which is a key tool in setting sustainability targets.

Regarding customer segments, the care and laundry sectors accounted for the largest share of our sales in 2021, followed by the HoReCa sector. The security sector is another one of our key customer segments.

We strive to constantly develop our service models with an eye toward the new and changing needs of existing customers and those of new customers.

New Customers

Despite the challenges, the HoReCa sector opened a host of new opportunities in 2021. Examples of these include: the Grand Central hotel in the Helsinki city centre; Turku's legendary Hamburger Börs hotel; and Tampere's magnificent Lapland Hotels Arena, to which we provided uniforms.

We invested in the making of partnership videos, such as the extremely successful customer videos for Kotipizza and Grand Central.

HOTEL GRAND CENTRAL HELSINKI





Kotipizza's mission is "to be on the side of good". This requires that we look after people and nature all around us. When we designed the workwear line for restaurant employees in co-operation with Touchpoint, recycled materials and environmental-friendliness in particular were emphasised in the materials and production. When the workwear reaches the end of its service life, it is processed as end-of-life textiles in accordance with the principles of sustainable development. These choices and actions support Kotipizza's goal of reducing carbon footprint, and Touchpoint's service offering supports us in achieving this goal.

– Sustainability specialist **Sara Anttila**,
Kotipizza

Together with Kotipizza's sustainability team, we produced an informative video for Kotipizza franchisees on the sustainability of Kotipizza's workwear line. The goal was to provide easily accessible information on sustainability, so that information on the choices made for the workwear line would effortlessly reach the end users.

Most of the emissions produced in the textile value chain come from the production of materials. The environmental savings reaped by the Kotipizza's procurement of workwear t-shirts in 2021 were considerable.

- The use of recycled sources for the raw materials used in the t-shirts saved 3,650,850 litres of water and 2,562 kg of greenhouse gas emissions.
- The savings in water is equal to the daily drinking water requirement of 48,678 people and the volume of greenhouse gas emissions is equal to driving 18,392 km in a car. See [*Pure Waste Impact Report*](#).

In 2021, we entered into a partnership agreement with the Laurea University of Applied Sciences Student Union Laureamko. In co-operation with Laureamko, we chose practical workwear for health care students as the pilot for an educational institution, and the first deliveries were made in August 2021.

We continue the successful partnership and development of our services in 2022, when new students begin their studies.

In the autumn of 2021, we won the competitive tendering for supplying the workwear to the Swedish health care provider Capio. Capio is part of the French Ramsay Générale de Santé group, and the company maintains as many as 190 care facilities in Sweden. The co-operation with Capio, with its six-year contract period, is a major international opportunity for Touchpoint. We will be delivering the first Capio line workwear in 2022.

Internationalisation plays a key role in the Touchpoint strategy. Indeed, our goal for 2022 is to bring in 3 new major international accounts.

Take Back pledge

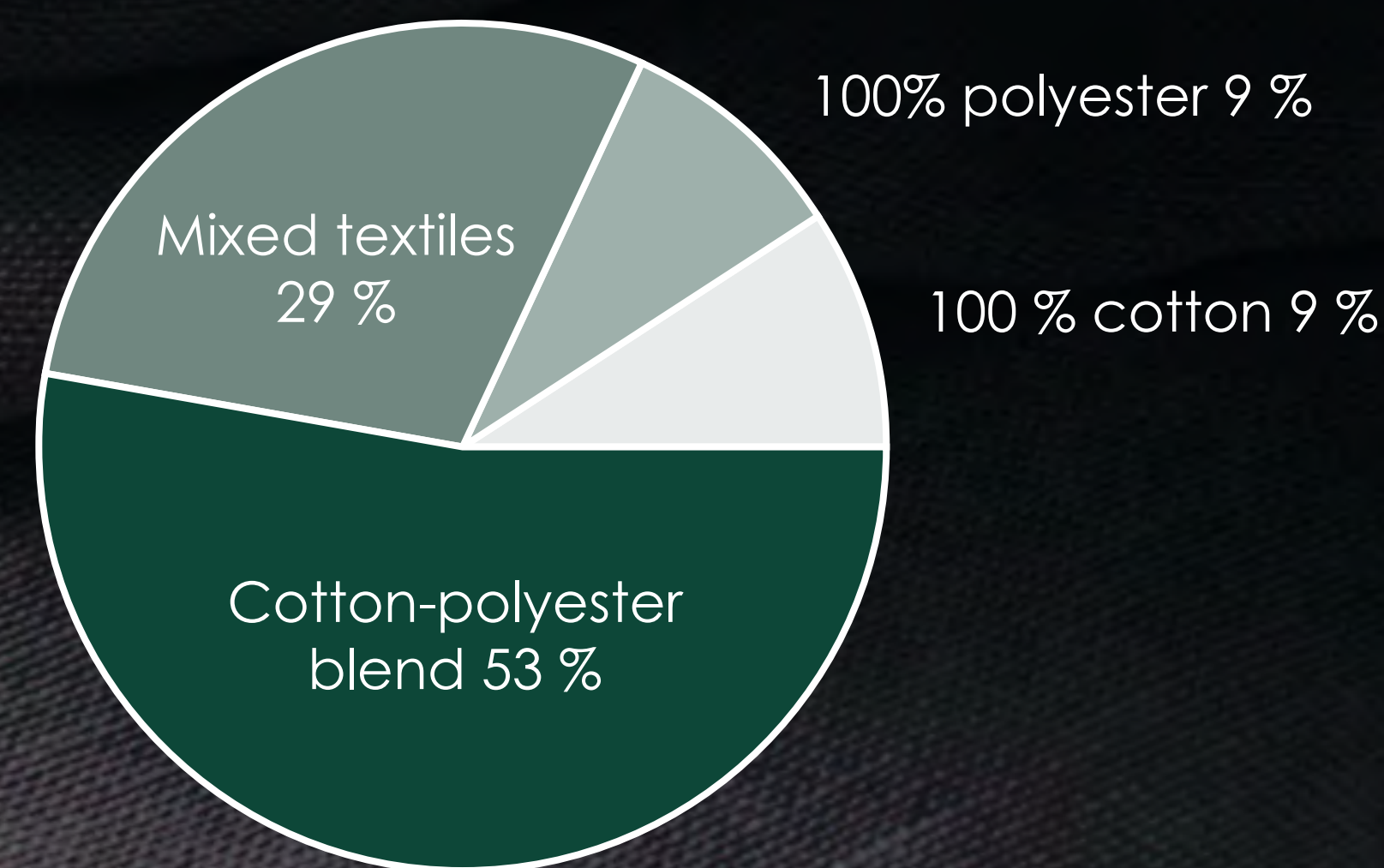
At the beginning of 2021, Touchpoint launched its Take Back pledge. In practice, this means that we are committed to taking back just as much end-of-life textiles from our customers as we have delivered to them. We measure textile flows in kilograms.

In 2021, Touchpoint customers have enabled the reuse of over 100,000 kg of textile fibres. The figure here presents the material composition of end-of-life textiles delivered to Rester from Touchpoint customers.

The material make-up of end-of-life textiles reveals the typical use of cotton-polyester blends in workwear.

In the future, when we identify applications that offer the most opportunities for using refibered textiles, we will steer our own textile choices in that direction. Regarding our own workwear production, we successfully sent the first textile waste from our Estonian production site to Rester for refibering at the end of 2021.

Distribution of end-of-life textiles in 2021





Sales Director **Joni Mäenpää** on the reception of the Take Back -service:

Interest in end-of-life textiles has grown exponentially: our end-of-life textile service commits customers to a long-term partnership with us. In 2021, we launched several end-of-life textile pilot projects with new customers. A good example of this is LIDL.

In 2022, our goal is to increase the number of end-of-life textiles sent by our customers to Rester by 100%.

Developing our Service Model

At Touchpoint, everything we do revolves around the customer, and we are constantly developing services that both make our customers live easier and promote circular economy goals.

The varying operating models of our customers and the needs for different products pose their own challenges for building a service model. At the end of 2021, we identified a new pilot customer and the first partners for developing a novel recycling model.

Our goal is to build a new commercial recycling model for workwear by the end of 2022. As stated in our strategy, scalability and internationalization must be taken into account when building our service model.



Rester Oy is a Finnish provider of textile recycling solutions, which enable the recycling of business textiles into new textile fibres and high-quality raw materials.

Circular economy facility in Paimio receives end-of-life textiles from companies and refines their textile into new, high-quality raw materials for use in various sectors. The goal of the company is to steer and process end-of-life textile flows to establish a secondary market and promote the use of recycled textile fibres as well as

expediting the transitioning of the entire sector to circular economy.

Rester has been receiving end-of-life textiles since 2020. Machinery for the facility arrived in the spring of 2021, and the new facility was inaugurated on 2.11.2021 at an opening ceremony headed by Minister of the Environment and Climate **Krista Mikkonen**.

In the years to come, Rester plans to grow, internationalise and develop with its customers and partners.

Largest in the Nordic region

Rester's vision is to be the biggest producer of recycled textile fibres in the Nordic countries and increase the use of recovered materials as a raw ma-

*In late 2021,
Rester refined over
40 000 kg of end-of-life
textiles for reuse.*

terial for industry use instead of incineration. Rester's goal is also to build a major international solution and service model for the recycling of business textiles.

Rester's customers are companies that use textiles and produce end-of-life textiles as well as companies that have a use for Rester regenerated fibre in their own production or products. In addition to business benefits, Rester's service concept also fosters positive environmental impacts.

Rester is also often sought out as a textile recycling partner because companies want to play a key role in solving the climate crisis and overconsumption of natural resources as well as build circular economy models.



At present, Rester retains a wide variety of customers. We receive end-of-life textiles and industrial cutting waste from companies that want to find a circular economy solution for their end-of-life materials. For some customers, we serve as a processor of their side streams, thus allowing them to reuse recycled fibres produced by us in their manufacturing process. Some customers purchase recycled fibres for their products to replace virgin raw materials.

– **Henna Knuutila**

Sales & Customer relationships / Rester

Rester's customers


Lindström, Freudenberg-Vileda, MASI Company, Elis Berendsen, Univisio, Ecoup, Ewona, Orneule, Piironen, Wendre FAMILON. Among others, Sakupe, Puro Tekstiilihuoltopalvelu and Lidl use Touchpoint to recycle their end-of-life textiles.

Other partners: Logistikas, LSJH, Zymotec.

End-of-life textiles save natural resources

In 2021, Rester received 346,273.5 kg of end-of-life textiles. This saved natural resources:


1 281 212 kg CO₂e


181 793,6 m³ water

An equivalent emission of CO₂ is produced by 118 Finns over a year. (Emissions from Rester regenerated fibres compared to those from virgin raw materials.)

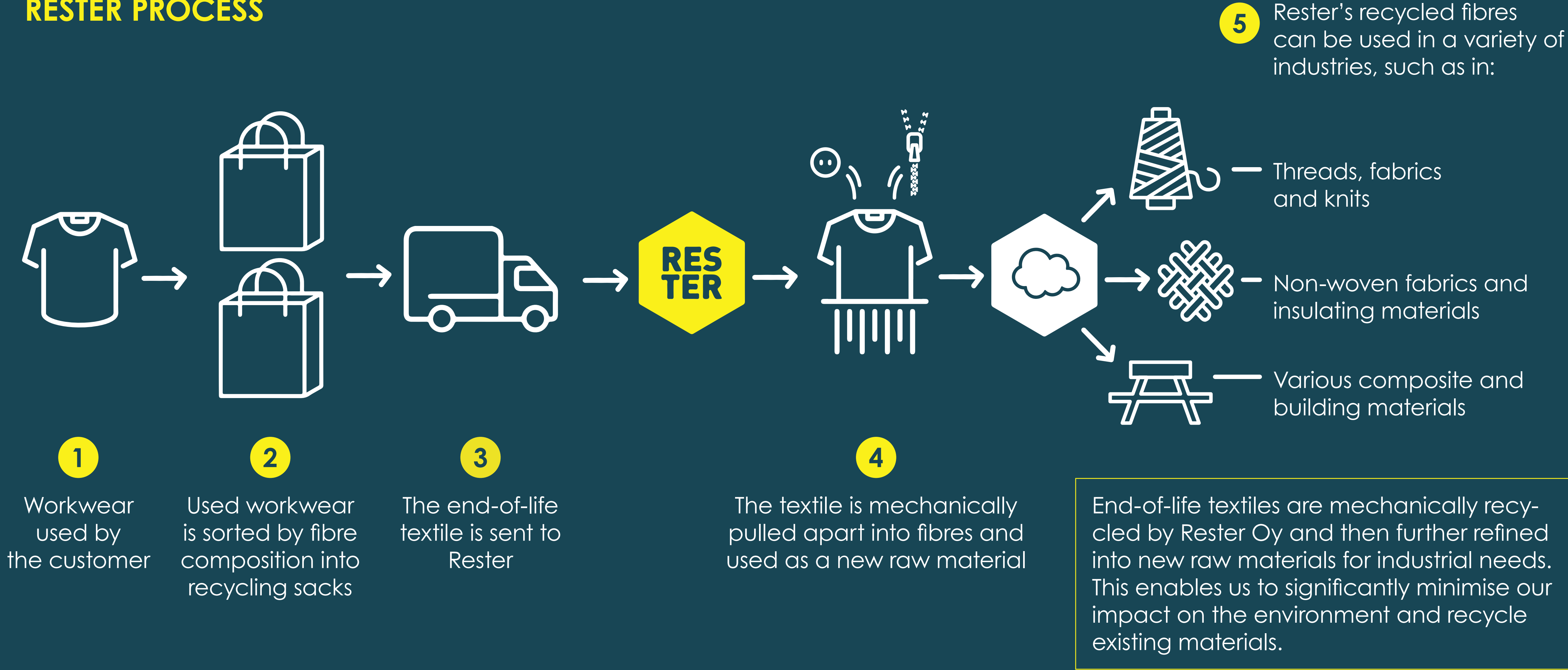
Local employer

As a local solution, end-of-life textiles fostered employment in Finland in 2021. Rester CEO **Outi Luukko**'s team has grown rapidly since January of 2021.

Several people have been recruited during the year to oversee facility operations, and the team will continue to grow in 2022. At the end of 2021, Rester had a staff of 7, along with several individuals employed on an hourly basis.

In future, the end-of-life textile facility will also be able to hire people who are more difficult to employ.

RESTER PROCESS



PROJECTS AND PARTNERSHIPS

In the autumn of 2021, the Telaketju 2 project headed by the VTT Technical Research Centre of Finland and Touchpoint's own WaaS (Workwear as a Service) project were concluded. The WaaS project facilitated the development of Touchpoint's business operations.

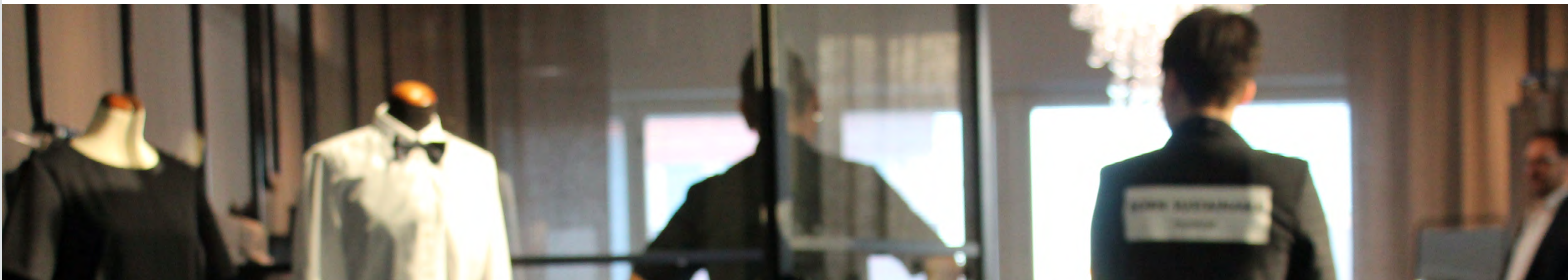
During the Telaketju project, we took the end-of-life textile recycling model in Finland from the concept level and put it into practice. This required a substantial amount of development, process specification and vetting of potential partners.

In 2022, the follow-up project for Telaketju, Telavalue, will be launched. We are participating in Telavalue with our own project, the goal of which is to internationalise the business concept.

Touchpoint was chosen as a case company for a project launched in the spring of 2021 that deals with the responsible reform of business (*Actions for Sustainable Business Renewal – The measures and strategies leading to sustainable renewal of businesses*).

Indeed, we will gladly continue to participate in a variety of joint projects, which promote Touchpoint's status as a pioneer in the circular economy of textiles.





As we have been doing ground-breaking work in the field for years, our email inbox is bursting with requests for interviews from research and educational institutions as well as individual students. Below are some examples of the events we participated in during 2021:

- Aalto University “*Design for Government*” course: Reducing the carbon footprint of public procurements: Case: Kela maternity package
- Finnish Consulate in New York and Business Finland panel discussion *FROM WASTE TO FASHION: Solutions for Fashion Brands in Transition to Greener Future*
- Business Finland: Speech in the Finnish-Swedish textile -webinar: *Leading the way for a circular and sustainable future of fashion work*
- Kohti kestävää tekstiili- ja vaatetusala: Zoom lecture on end-of-life textiles for Fashion and Clothing students at the Metropolia University of Applied Sciences
- Sveriges Tvätteriförbundet, annual meeting: Case Touchpoint
- Teollisuuden Vesi, annual meeting: Panel discussion on textile circular economy.
- World Circular Economy Forum Side Event for the US market: Case Touchpoint
- Åbo Akademi University International Marketing: Circular economy models in the textiles industry. Study interview.
- Henley MasterClass panel discussion: *The power of purposeful business*
- Aalto University Kuituus podcast, episode 2: Benefits of recycled materials circular economy for companies
- Metropolia University of Applied Sciences: Kiertotalous ja standardit vaatetusallalla (Circular economy and standards in the fashion industry) course/ SusTexEdu project
- Kiertotalouden asiakasarvo -tutkimus (TAU, CIT-ER – Center for Innovation and Technology Research)

Memberships

One of Touchpoint’s most important memberships is in the Finnish Textile and Fashion (STJM). Membership in STJM helps us to stay abreast of industry trends by providing up-to-date news, interviews, and opportunities as well as information on legislative developments.

We joined the FIBS network in January 2021. FIBS is the largest corporate responsibility network in the Nordic countries, and it assists us in, among other things, developing our sustainability capabilities. It also provides us with information on global trends.

At the beginning of 2021, we signed the UN Global Compact. This means that, beginning in 2022, we will be submitting an annual Communication on Progress (COP), which lists our actions and accomplishments toward achieving the UN Sustainable Development Goals.

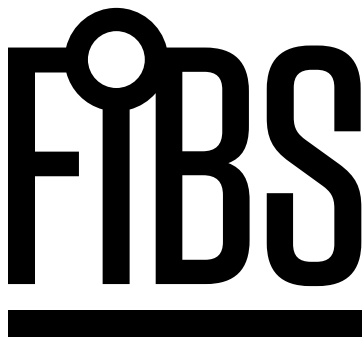
Certificates

In September 2021, Touchpoint was granted both the [*ISO 9001*](#) and [*ISO 14001*](#) certificates by Inspecta Sertifiointi Oy. Certificates issued by outside parties play a key role regarding the expansion of Touchpoint operations as well as its internationalisation.

Certificates were issued to Touchpoint Group Oy, DWW Group Oy and Touchpoint Oy on 22 September 2021 for ecological workwear design, procurement, production and logistics management and control as well as sales.

Products designed by Touchpoint have been granted the right to use the ‘Design from Finland’ label, which indicates that the product or service was designed in Finland and an investment was made in its professional design.

In addition, some of our services were granted the right to use the Key Flag symbol, which indicates that the product or service was made in Finland.



COMMUNICATION
ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



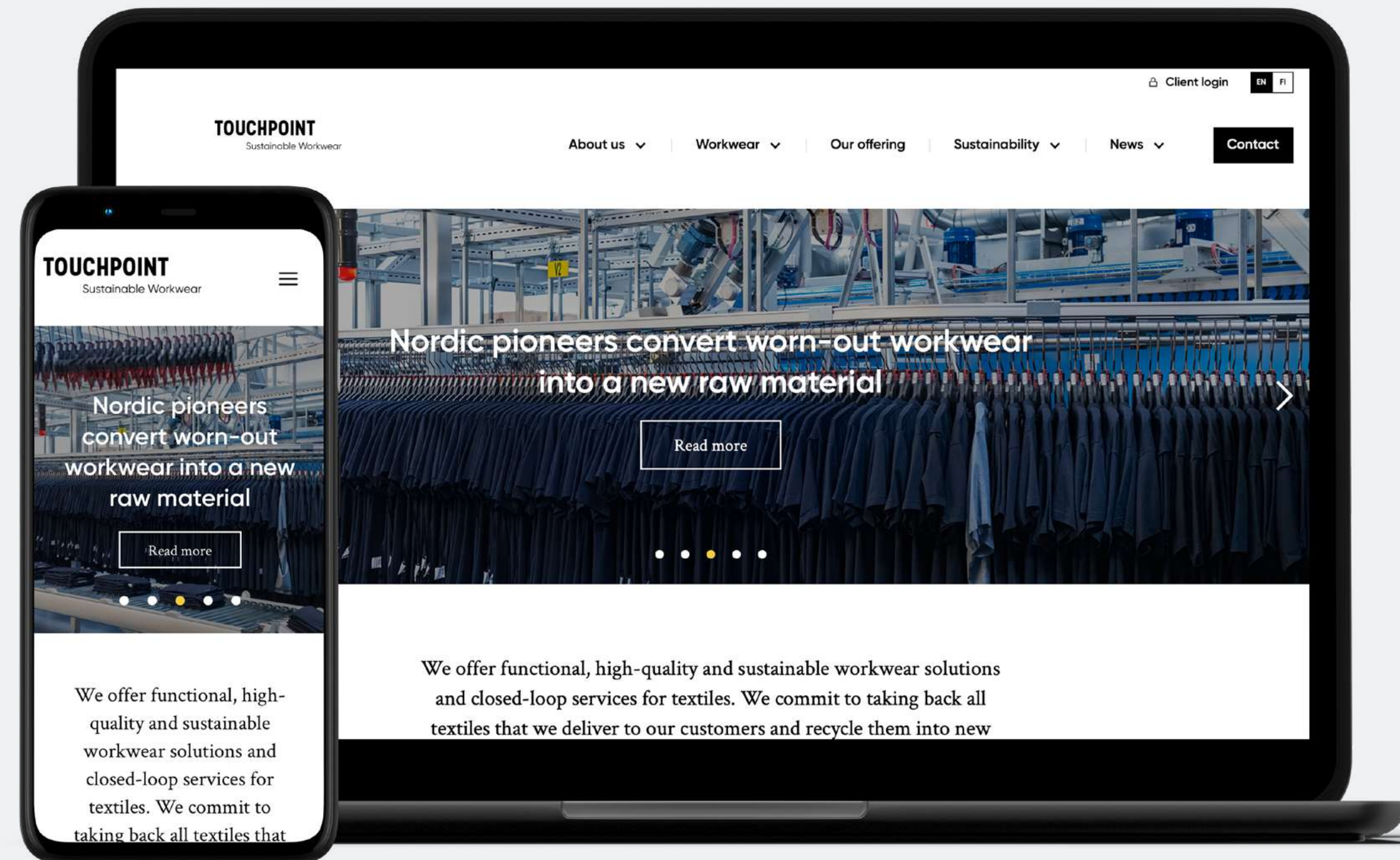
IMPROVING DIGITAL SERVICES

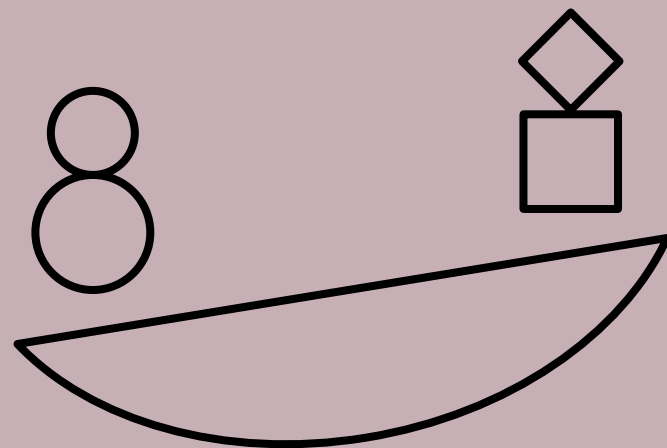
The focal points of our digitalization development projects included the creation of both a new website and our own B2B web shop. We also built a product gallery on our website and adopted new digital tools to help us in internal and external communications.

The ERP integration following our corporate acquisition in 2020 was completed in 2021. However, the work is ongoing and, in 2022, we will be developing our enterprise resource planning to better serve the needs of circular economy. We are also currently internationalising our website.

Regarding consumer textile trade, international brands have already extensively put digitalization to use, such as in the sharing of product data and increasing the transparency of production chains. As the circular economy evolves, soon digitalization projects should focus particularly on the collection and sharing of information essential to the value chain.

We monitor developments in the sector and are actively involved in, for example, digitalization workshops organised by research institutions.



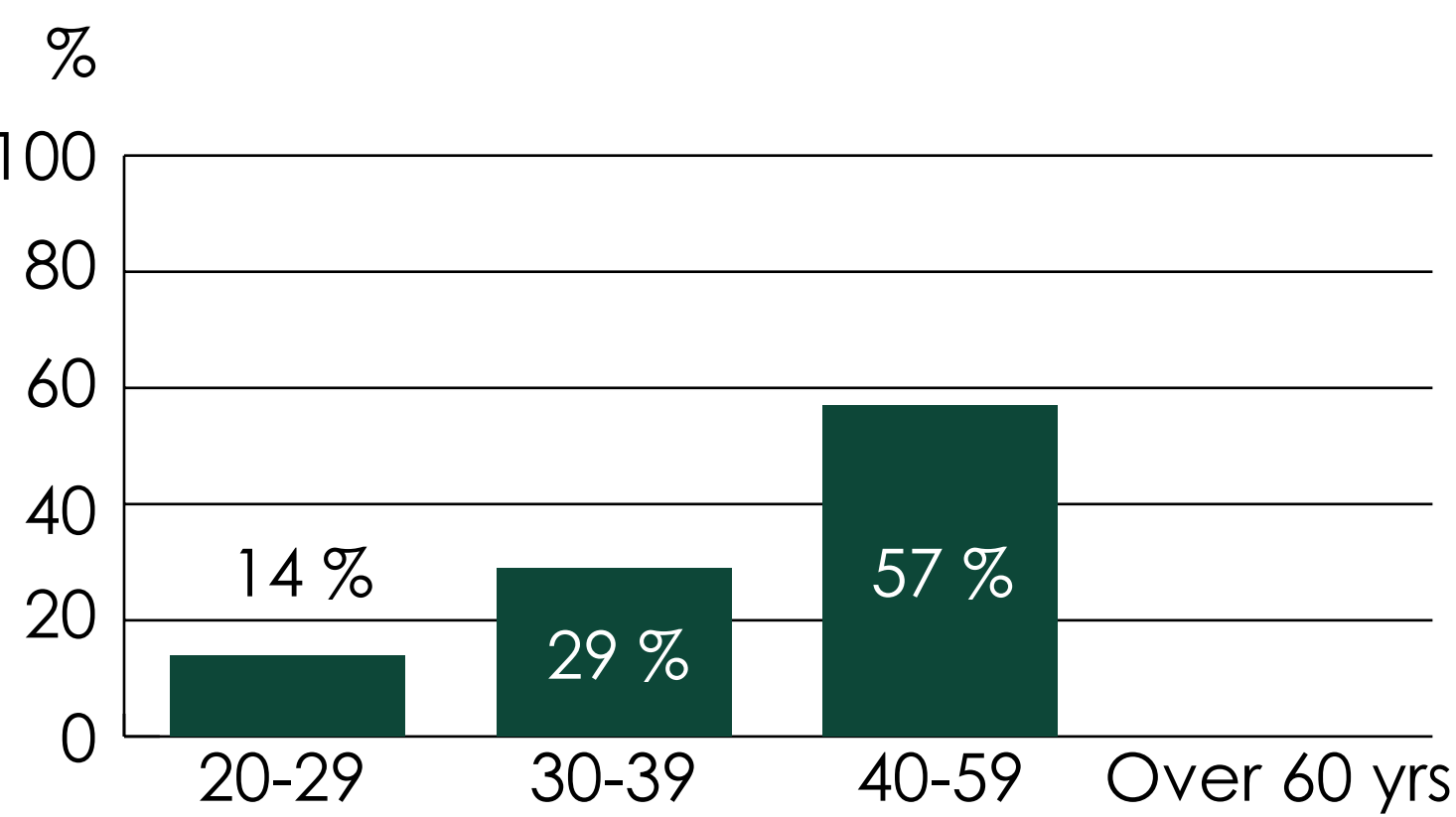


PEOPLE AND WELL-BEING

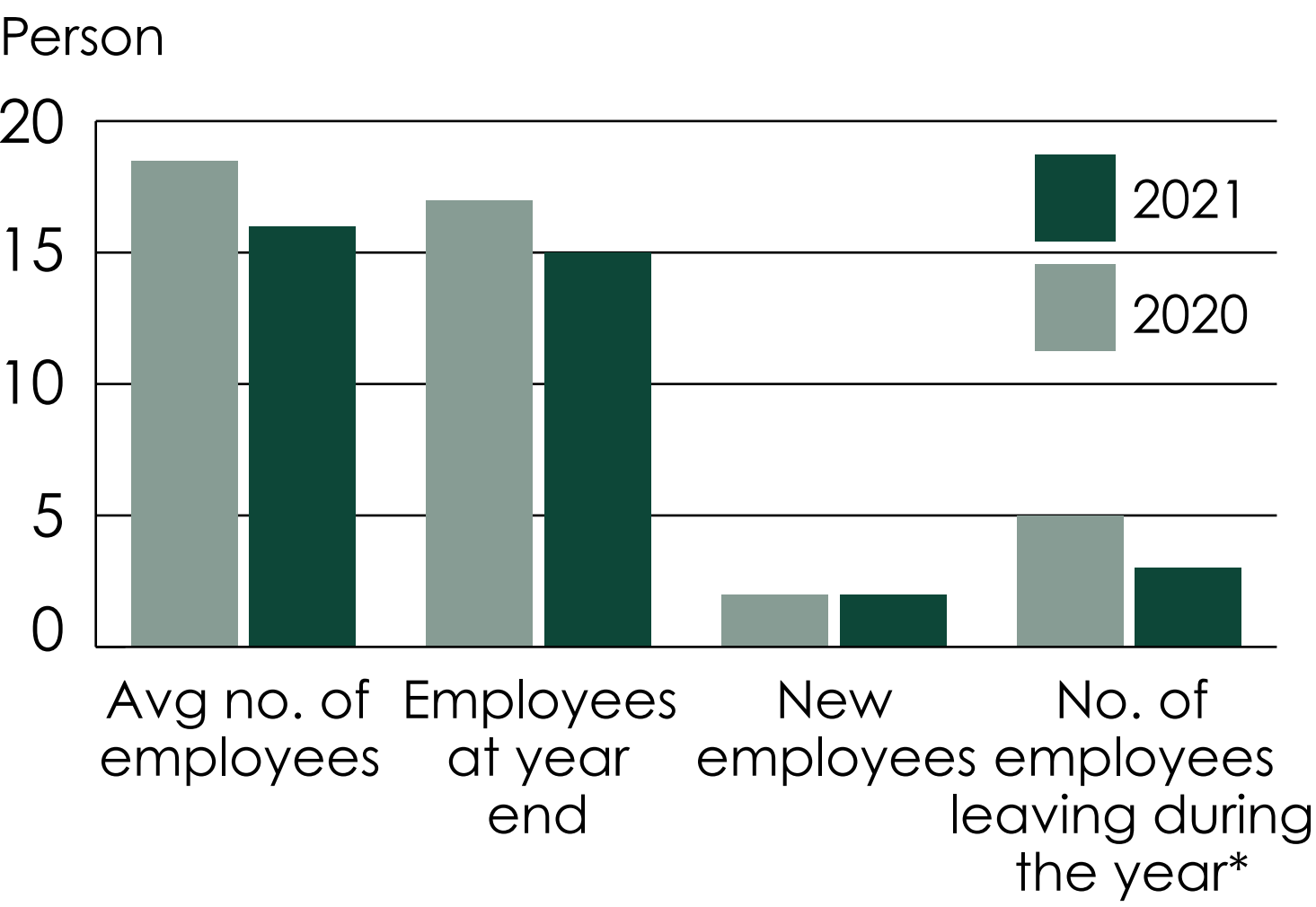
Since the beginning of 2021, we updated our employee numbers in accordance with the completed corporate acquisition. Compared to the report in 2020, the counting of new employees now regards our company as a single entity. Touchpoint Group subsidiary Rester is not included in the count.

Our staff consists of workwear experts in Helsinki and Tampere. Despite the pandemic, our team travelled for business more than in 2020. Business travel in 2021 (air, rail, car, and hotel stays) produced 6.84 tonnes of emissions. (Source: Carbon Neutral Textile 2035 Calculator).

Employees by age



Employee turnover



* Also includes transfers within the Touchpoint Group

Employee satisfaction

We achieved our employee turnover target of less than 10%. In 2022, our goal for personnel is to keep turnover below 10% and improve employee satisfaction over last year.

Regarding employee satisfaction, we changed the format and calculation method of the survey from those used in last year's survey, so these figures are not comparable with each other.

Each year, we conduct two employee surveys, and last year employee satisfaction increased 17%, which can be seen as a very good result, considering our corporate integration and the challenges we faced with the pandemic.

The employee satisfaction survey will be conducted twice a year. We are investing in the training of our employees, particularly with extensive internal training related to circular economy.

According to our internal survey, over 60 % of our employees travel to work by car, almost 30 % percent on foot or by bike and less than 10 % use public transport. On average, our current employees have worked 3–5 years at Touchpoint.

Employee training

Employee training during the year was an astonishing 100%. The increase in this figure can be attributed to, for example, the need for training in enterprise resource planning. In addition to this, our team further improved their skills in 2021 by participating in training sessions in such areas as sustainability, low carbon, and circular economy as well as refresher training for their own positions.



**TOUCHPOINT STAFF VISITING
RESTER IN JUNE 2021**

Code of Conduct and human rights

Drafted in 2020, the Touchpoint Code of Conduct is closely based on the principles of the UN Global Compact. It sets basic requirements for our partners concerning human rights, labour, sustainable development, anti-corruption, IP rights and confidentiality.

In 2021, we went through the Code of Conduct together with our main, direct production partners. In addition to signing the Code of Conduct, we still feel that it is important for us to personally visit our production sites and maintain regular contact with them, even in crisis situations.

Our goal is to increase the exchange of information and engage in more active discussion with our production partners. We launched audits conducted by our own employees on production sites in the autumn of 2021. In 2022 our goal is to conduct an internal review of every active production facility in Vietnam. We will also be auditing five most important production sites in Estonia.





MAKEA MESTA

Non-profit co-operation and sponsoring

In the summer of 2021, we sponsored workwear for two Kangasala youths, who were given an opportunity to try running their own ice cream stand with the support of several companies. The young entrepreneurs founded their ice cream stand, called **Makea Mesta**, setting up shop on the grounds of the Tam-Silk Outlet in Kangasala. Based on an initiative taken by Tam-Silk, the idea behind the project was to provide youths with summer employment as well as an invaluable education on entrepreneurship without the risks.



FINNISH HOSPITAL CLOWNS

Our new non-profit partner in 2021 is **Finnish Hospital Clowns Association Sairaalaklovnit ry**.

We supplied the hospital clowns and clown office staff, who all perform an essential service, with team hoodies, which they were able to begin using in the spring of 2021. We will continue our co-operation in the years to come.

Breakfast events and webinars



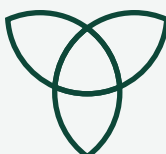
Touchpoint breakfast meetings resumed with a live event held in November. Our partner, top chef **Sami Garam** handled the brunch catering. Sami talked to



CIIYOU

the brunch guests about his business **CiiYou**. CiiYou's operations are very much at the centre of the circular economy, as its idea is to collect surplus stock from stores that will end up being waste, reprocess the stock and sell it back to stores as ready-made foods. Another guest speaking at the event was Rester's Henna Knuutila, who talked about end-of-life textiles and the Rester processes.

We also hosted two webinars on end-of-life textiles. Our goal for 2022 is to hold at least 4 breakfast meetings or webinars, while taking all restrictions into consideration.

Our sustainability strategy	Indicator	Status	Goal 2022–2025
 Customer focused sustainable products	Utilisation rate of recycled materials	In 2021, we used 4,328 kg of recycled materials	2022: Increasing the use of recycled materials (fabrics) by 100% over 2021. 2025: 1) 95% of our own line made of ecological materials 2) 20% of products containing cotton replaced by other modified cellulose-based materials
	Auditing reports	Auditing of production sites was begun in the autumn of 2021. Progress has been hampered by, among others, the pandemic.	2022: Our five most important local production sites and all active Vietnam production sites will be audited.
	Customer satisfaction survey report	No customer satisfaction surveys were conducted in 2021. The next survey is planned for spring 2022.	2022: Customer satisfaction surveys will begin.
	Carbon footprint calculation	The carbon footprint calculation for our own operations was begun in 2021	2022: Carbon neutrality of our own operations. 2023: First carbon neutral workwear.
 Circular economy creating new business	End-of-life textiles sent to Rester kg/year	In 2021 our customers and production site sent 106,600 kg of end-of-life textiles to Rester	2022: Increasing the Take back of end-of-life textiles by 100% over 2021. 2025: Touchpoint and Rester have created a new type of business in Finland for the recycling of end-of-life textiles.
	Recycling model described and tested with the customer	The customer partners and pilot customer specified, first version of the service model piloted in the spring of 2022	2022: The goal is for us to have a commercial recycling service model in place by the end of the year.
	New international accounts	First significant international account gained in 2021. Internationalisation targets are part of the strategy.	2022: Three major International accomplishments during the year.
 Positive social impact	Customer and stakeholder events held during the year	Preliminary event calendar made for 2022 - event arrangements to be determined based on any COVID-19 restrictions.	2022: At least 4 webinars and breakfast events to be held during the year.
	Employee satisfaction grade	Employee satisfaction surveys are conducted twice a year. Survey format changed from 2020 to 2021.	2022: Employee satisfaction improving.
	Employee turnover (%) during the calendar year	Employee turnover in 2021 was 6%.	2022: Employee turnover remains below 10%

GLOSSARY

CARBON FOOTPRINT

A carbon footprint depicts the climate load caused by a certain configurable entity. For example, a carbon footprint can be calculated for a company, municipality, investment, product, or service.

source: [Clonet/OpenCO2.net](https://clonet.net/openco2.net)

CARBON NEUTRAL

A product, company, municipality, or state that only emits as much carbon dioxide as it can offset. The carbon footprint of a carbon-neutral product during its entire life cycle is zero.

source: <https://www.sitra.fi/tulevaisuussanasto/hiilineutraali/>

CIRCULAR ECONOMY

To keep the value of products and materials as high as possible for as long as possible, while keeping environmental impacts as low as possible.

source: VTT Johdatus tekstiilien kiertotalouteen presentation in Finnish

https://telaketju.turkuamk.fi/uploads/2020/03/c2ca846f-johdatus_tekstiilien_kiertotalouteen.pdf

CO₂e

Carbon dioxide equivalent describes the combined climate warming effect of different greenhouse gas emissions.

source: Clonet/OpenCO2.net

EMISSIONS OFFSETTING

When a company (or other actor/person) has calculated their carbon footprint and taken any emissions reduction measures, carbon neutral activities can be achieved by offsetting the remaining emissions. Offsets can be made through various Finnish or foreign projects, such as a forest carbon sink project.

source: <https://greencarbon.fi/kompensointi/>

GREENHOUSE GAS

Greenhouse gases are gases that absorb heat released from the earth and cause atmospheric warming.

source: [Clonet/OpenCO2.net](https://clonet.net/openco2.net)

PARIS CLIMATE AGREEMENT

The Paris Climate Change Agreement is an international, legally binding agreement on climate change. It aims to limit global warming to below 1.5°C.

source: <https://ym.fi/pariisin-ilmastosopimus>

RESOURCE EFFICIENCY

The premise of resource efficiency is to use the resources available on earth in a sustainable manner and to reduce their environmental impacts.

source: https://www.ymparisto.fi/en-US/Consumption_and_production/Resource_efficiency

TOUCHPOINT

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