

ENVIRONMENTAL
SOCIAL
GOVERNANCE

Nybo Workwear A/S

ESG 2023

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TOWARDS A SUSTAINABLE FUTURE

In an era marked by increased climate challenges and a continuous need to secure social rights for all employees, the textile industry finds itself both at the heart of the problem and as an invaluable part of the solution. As a proud family-owned workwear manufacturer, we recognise our potential and responsibility to contribute positively. Therefore, we are pleased to present our sustainable achievements in this report*.

The year 2023 was characterized by the effects of rising inflation, prompting Nybo Workwear A/S and the textile industry to further optimize core business operations and supply chains.

Despite these challenges, we:

- Further invested in developing products with reduced CO2e footprints.
- Installed solar panel modules to cover a third of our HQ's electricity needs.
- Enhanced our processes to collect sustainability performance data from suppliers.
- Secured Made in Green certifications for numerous products.
- Supported textile sustainability innovation through network activities.

**This report covers our five locations: The headquarters in Viborg and our four production facilities in Latvia.*



Environment, Social, and Governance
IMPROVEMENTS

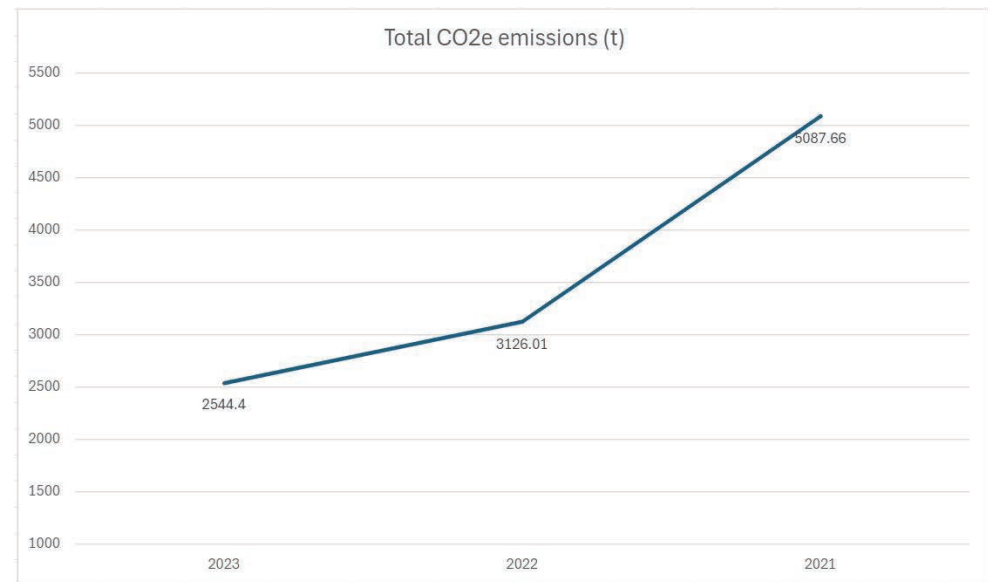
Environmental impact and improvements

TOWARDS AN ENVIRONMENTALLY SUSTAINABLE OPERATION

In 2023, we increased our production of products made with a sustainable approach and installed solar panels at our domicile in Viborg. This, combined with an optimisation of our inventory levels, to absorb the impact of the global inflation crisis, has resulted in a decrease in our CO2e emissions. A result we are proud of. By far, the largest source of CO2e emissions comes from our purchase of fabrics. In 2023, we focused on optimising our energy consumption and helping our suppliers to minimise their CO2 emissions. This will also be our focus in 2024, as there are still significant opportunities for improvement.

Environmental Improvement Projects

1. Solar panels were installed on the roof of our warehouse in Viborg. The facility is expected to cover 33% of the electricity usage at the HQ in Viborg.
2. We replaced a diesel truck with an electric one, thereby phasing out all fossil-fuelled trucks at our HQ in Viborg.
3. We decided to only release our yearly product catalogue digitally, thereby we saved 2.4 tones of quality paper.
4. We further invested in data gathering processes to measure our CO2e emissions. This will provide the basis for decision-making and a plan to further decrease our emissions in the coming years.



OUR PRODUCT DEVELOPMENT APPROACH

As a humble workwear manufacturer, our greatest opportunity to contribute to a reduction in the world's greenhouse gas emissions is to develop clothing with a lower carbon footprint, increased lifespan, and enhanced recyclability.

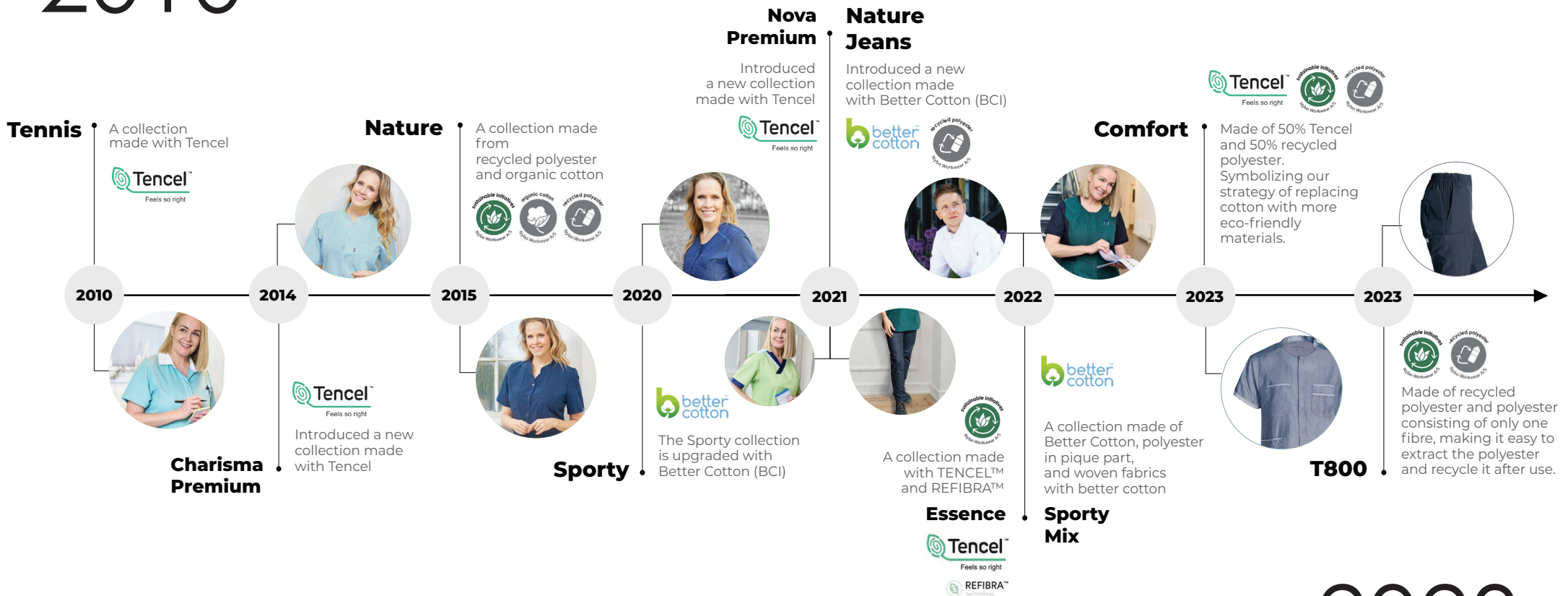
Our product development approach is therefore focused on creating new products with fabrics made from Tencel, recycled polyester, and other low-carbon materials. Tencel is sourced from wood, while recycled polyester is produced from collected pet bottles. Additionally, we continuously test methods to prolong the lifespan of our products and explore the advantages of mono fibres.

Our process for new development includes an assessment of how clothes, natural sewing waste, and faulty produced products can be collected, reused, and generally how end-of-life emissions can be minimized. This assessment is ongoing, and enhancing end-of-life procedures with new technologies and knowledge is a focal point for us.

A significant commitment for us is to actively engage in innovation communities where we openly share our expertise in textile production and supply chain management. This is our contribution to accelerating the innovation of new sustainable fabrics and production methods.

Frontrunners IN SUSTAINABLE WORKWEAR PRODUCTION

2010



2023

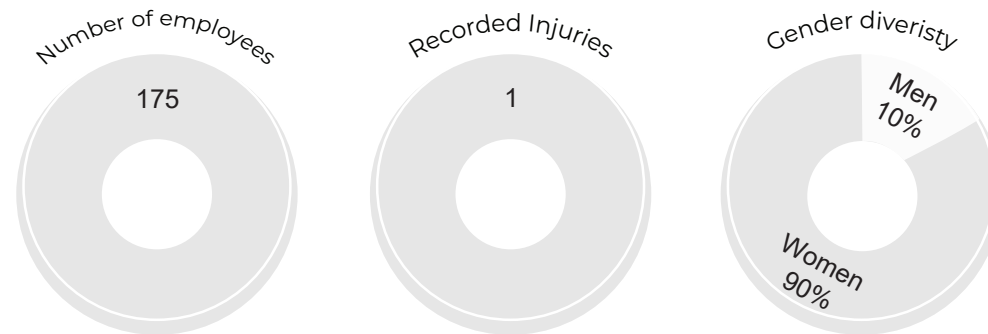
THE SOLAR ENERGY PROJECT

In 2023, we installed 96 solar panel modules on the roof of our warehouse. The system can produce 44.16 kWh per hour during peak hours and will cover more than 33% of our electricity usage in Viborg. Any surplus energy that we cannot use ourselves is transferred to our energy provider, ensuring that no energy is lost. The solar panel project is part of our commitment to reducing our CO2e emissions.



Social improvements

CONTINUEDLY IMPROVED WORKING CONDITIONS



As a second-generation family-owned business, our employees and the communities in which we operate are very close to our hearts. In 2023, we focused on further improving the working conditions at our warehouse in Viborg and supported the innovation textile community.

Social Improvement Projects

1. We installed new hydraulic wheels on all wagons at our warehouse in Viborg, reducing the noise level by at least 50%.
2. We replaced the skylights at our warehouse in Viborg, further reducing the sound level, especially during rain.
3. We streamlined our storage space and replaced 50% of pallet space with shelves, reducing the daily movement required per employee.
4. We employed five people on flexible job arrangements, one apprentice and two temporary workers at our domicile in Viborg. Hereby we are providing a bridge to a fulfilling working life for people unable to commit to a full-time position.
5. We invested in a new ERP setup, which has enabled and will continue to enable us to automate repetitive tasks and free up time for further improvements.

OUR CONTRIBUTION TO SUSTAINABLE TEXTILE INNOVATION

Lifestyle Design cluster, Steering committee member



Lifestyle & Design Cluster

We are involved in the steering committee and development of sustainable design, which in 2023 published the action plan for 2030 towards a circular textile industry. The plan has goals and actions for improvements on recycled materials, circular design, Circular business models.

Project READY, Partner



In 2023, we became a partner in the READY project. The project aims to develop new recycled fabrics with a significantly lower CO2e footprint. The project is funded by the Danish Innovation Foundation, are scheduled for the next three years and has other prominent partners like Bestseller, Kvadrat, VIA University, and other partners.

IKA, Insight providing member



IKA's network connects suppliers and public procurement entities. The network's purpose is to exchange experiences and enhance the processes of public textile procurement. Our primary focus has been to provide insights into the properties and development process of new recyclable textiles.



ANNIVERSARIES AND NEW WELCOMES

This year we proudly celebrated no less than three anniversaries.

Anniversaries



*Benny Kristensen – 5 years
Operations Director*

After working more than 20 years in textile production in countries like Portugal and Asia, Benny joined Nybo Workwear. Since he has managed our supply chain and how we procure.



*Thorsten Rattery – 5 years
Key Account Manager*

As a part of our German sales team, Thorsten visit and show our workwear to our german customers. This he has done for five years, and we hope five more will follow.



*Anders Mortensen – 5 years
Account manager*

Anders started at Nybo Workwear in 1999, but after a short while in another company he returned. Therefore we have the pleasure of celebrating him once again.

ANNIVERSARIES AND NEW WELCOMES

This year we with pleasure welcomed three new colleagues.

New welcomes



*Inge Krogh Thuesen
Cleaning Assistant*

*Rikke
Logistics and Warehouse Assistant*

*Mads Fjendbo Madsen
Warehouse Assistant*

*Anders Petersen
Key Account Manager*

Governmental improvements

CLOSER COLLABORATION CREATES THE BASIS FOR SOUND OPERATIONS

It is our belief that conducting business with honesty and integrity forms the foundation for long-lasting supplier relationships. At Nybo Workwear, we collaborate closely with our suppliers, resulting in an average supplier relationship lasting more than 20 years. In 2023, we enhanced our supplier reporting processes with the aim of promoting increased transparency, better working conditions, and reduced CO2e emissions throughout our supply chain.

Governance Improvement Projects

1. We developed processes to systematically collect performance data on environmental and social matters from our closest suppliers.
2. We refined our risk management procedures, enhancing our knowledge to contribute further to minimizing the risk of violations across our supply chain.



INCREASED COLLABORATION WITH SUPPLIERS

A purchasing link in a global supply chain, we recognize that we possess both negotiating power, the privilege and responsibility to establish high demands for our suppliers.

Since the establishment of Nybo Workwear, we have meticulously selected our suppliers and nurtured these relationships, with some spanning more than two decades. This relationship-centric approach empowers us to influence the quality of fabrics, the environmental impact of production, and the working conditions for employees through the whole value chain.

We have always insisted on documentation to uphold high standards, including compliance with the **OEKO-TEX® STANDARD 100** for all products and certification of facilities with either Amfori BSCI, SA8000, or preferably STeP by OEKO-TEX®. These certifications demonstrate our commitment to continuous improvement in workers' rights and the work environment.

In 2023, we initiated efforts to obtain Green Button version 2 certification. Endorsed by the German government, this certification will enhance our monitoring processes throughout the value chain. It will enable us to reinforce our commitment to collaboration and to impose further requirements to ensure better working conditions and wages above the standard at similar facilities.

OUR STANDARDS AND CERTIFICATES



STANDARD 100
2076-306
DTI
www.oeko-tex.com

OEKO-TEX® STANDARD 100

The OEKO-Tex 100 standard regulates the use of harmful substances in textile production without the use of pesticides and heavy metals. Approval under this standard ensures that fabrics pose no risk to health.



STeP
www.oeko-tex.com

OEKO-TEX® STeP

STeP: Sustainable approached textile production. A worldwide certification system for environmentally friendly and socially responsible facilities in the textile industry. The certification is carried out by Hohenstein Institute, owner of the OEKO-TEX® brand.



MADE IN GREEN
CB3VTM7MXY
DTI
www.oeko-tex.com

MADE IN GREEN by OEKO-TEX®

The MADE IN GREEN label confirms that an article has been tested for harmful substances. This is certified in accordance with OEKO-TEX® STeP. It also guarantees that textile productions have been manufactured using sustainable processes under environmentally friendly and socially responsible working conditions.



EU-ecolabel

Awarded by the European Union to products and services meeting high environmental standards throughout their lifecycle, all the way from raw material extraction to production, distribution, and disposal. The EU-ecolabel aims to inform consumers that wants to make informed choices.



bluesign®

The bluesign® system is a solution for an improvement of sustainable textile production. It eliminates harmful substances from the beginning of the manufacturing process and sets standards for environmentally friendly and safe production. This ensures that the final textile product meets stringent consumer safety requirements and guarantees a product made with a sustainable approach.



REACH

The European Union's regulation, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemical industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.



ISO 15797

We use the international test standard ISO 15797 (European Textile Services Association ETSA). A careful selection of tested materials guarantees that Nybo Workwear products meet the requirements of industrial washing.

OUR STANDARDS AND CERTIFICATES



Better Cotton

A non-for-profit organization working towards a better global cotton production. Better for the cotton farmer, the environment and the cotton sector. Through Better Cotton farmers receive training on how to use water efficiently, care for the health of the soil, reduce use of harmful chemicals and apply decent work principles.



TENCEL™

Branded lyocell and modal fibers are produced in an environmentally responsible process from the sustainably supported sourced natural raw material wood. TENCEL™ fibers are found in the collections of many leading designers. One of the most outstanding qualities of TENCEL™ fibers is the ability to enhance breathability. The smooth fiber surface absorbs, and releases moisture efficiently and therefore supports the body's natural thermal regulation.



The Social Accountability-8000 standard (SA8000)

The leading certificate on socially responsible productions. The certificate ensures proper working conditions by testing the companies on many parameters. Employees are guaranteed a healthy and safe workplace with decent working hours, a proper wage and the right to organize. It also ensures against child labour, forced labour and discrimination.



Amfori BSCI

Based on the UN's principles about business and human rights, Amfori has developed 11 principles that must be followed to ensure proper working conditions. For example, that the employees have fair and legitimate contracts, decent working hours, that young employees work on special terms and that the production is eco-friendly.

WE SUPPORT



UN Global Compact since 2010

A network organisation popularizing the UN sustainable development goals, human rights, decent working conditions, an eco-friendly production and no corruption.



ISO 9001

In order to strengthen our production in Eastern Europe, our Latvian based company SIA Nybo Dobeles is certified according to ISO 9001. This means that Nybo Workwear will be even more competitive when it comes to ensuring the quality demands from our customers and to optimizing the daily processes in our Baltic organisation.

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS *4, 5, 8, 12, 17*

Since 2010, Nybo Workwear has been an active member of the Global Compact Network in Denmark and has supported the UN's Sustainable Development Goals. As a company operating on multiple continents, we recognize our ability to effect positive change towards achieving many of these goals.

4. Quality education, Targets: 4.1, 4.2, 4.4, 4.5, 4.6



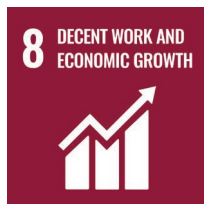
At Nybo Workwear, we prioritize the right to education. We insist that our suppliers and subcontractors both socially and financially support professional education for their workforce. Additionally, we assist our Asian suppliers in providing education to underprivileged children near their facilities. At our headquarters, we have a tradition of welcoming flex workers and students as interns. It is a privilege for us to provide education in subjects such as supply chain management, textile design, and storage operations.

5. Gender equality, Targets: 5.1, 5.4, 5.5, 5.6



We require our suppliers to adhere to standards such as SA8000, Amfori BSCI, or similar, to prevent discrimination based on gender. We have selected partners who prioritize gender equality in all areas of their organizations. We combat the exploitation of women by ensuring that our suppliers and subcontractors employ women, provide education, and work towards independence, high self-esteem, and an improved quality of life. Our Asian suppliers actively promote gender equality by employing approximately 50% women and providing nursing services. They also play a significant role in establishing schools and creating safe housing conditions for young women in education.

8. Decent work and economic growth, Targets: 8.5, 8.6, 8.7, 8.8



As a global textile manufacturer, we operate in countries where an effective, fair, and secure labor market is not guaranteed. We highly value good working conditions and quality lives for textile employees. Therefore, we require our suppliers to be certified, audited, and to uphold labor rights, proper working environments, and living wages. We collaborate continuously with our suppliers and subcontractors and demand ongoing improvements.

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS *4, 5, 8, 12, 17*

12. Responsible consumption and production, Targets: 12.1, 12.2, 12.4, 12.5, 12.6



Materials such as Tencel and polyester made from a single fiber. Additionally, we are in the process of transitioning away from cotton, as it has a higher carbon footprint than other fabrics. We are committed to reducing our own consumption of materials. In recent years, we have reduced our water consumption, and this year, we have decreased our electricity usage by installing solar panels on the roof of our warehouse.

17. Partnerships for the goals, Targets: 17.1, 17.11, 17.16, 17.19



It is our policy to grow alongside a small but carefully chosen network of suppliers. Therefore, we place explicit emphasis on sharing our knowledge, making new technology accessible, and finding solutions to problems together. These long-term relationships have enabled us to collaborate on solutions for improvements, such as the development and testing of innovative textiles with our suppliers, as well as support for social and climate solutions. We recognize that solutions must be found collaboratively, and as such, we have strengthened our reporting processes this year. This lays the groundwork for even greater collaboration in the years to come.

INITIATIVES FOR FURTHER IMPROVEMENTS

At Nybo Workwear, we consider the opportunity to introduce improvements as a privilege. Therefore, we systematically drive processes to make enhancements, not only in our cloth production but in all areas of the company and our value chain.

1. Investigate how we can share and report environmental data with our manufacturing suppliers

The main source of CO2e emissions lies within our supply chain. To facilitate continuous reduction, we need assistance from our suppliers. Therefore, we will explore methods for real-time sharing of data to enhance collaboration.

2. Take action towards a fossil free vehicle park

We will install charging stands at our domicile in Viborg. Thereby we have made it easy for employees and business partners to commute in electric vehicles. Furthermore, we will create a policy to replace our fuel driven vehicles.

3. Achieve Certifications to Enhance Our Social Standards

We will seek certification from the Green Button committee. Our facilities in Latvia will be certified by Amfori BSCI and recertified by OEKO-Tex STeP. These certificates represent the highest standards in social responsibility, demonstrating our commitment to improving the working conditions of textile workers.

4. Investigate how we can facilitate gathering of whistleblower insights from our suppliers and the value chain

We believe that improved working conditions in the textile industry are fostered by pressure from companies like Nybo Workwear. With this initiative, we will explore methods to facilitate constructive conversations about whistleblower reports and provide assistance to our suppliers.

5. Set new ambitious goals for improvements in climate and social matters

In 2024, we plan to allocate resources to hire an employee dedicated to handling sustainability matters. With these new resources, it is time to raise the bar and establish ambitious goals for future improvements.

SUSTAINABILITY KEY FIGURES

Environmental	2023	2022	2021
Direct emissions of CO2e (Scope 1) (t)	119,18	91,41	123,21
Indirect emissions of CO2e (Scope 2) (t)	27,36	23,82	30,07
Scope 3 Indirect emissions of CO2e from supply chain (t)	2.397,85	3.010,78	4.934,4
Total CO2e emissions (t)	2.544,40	3.126,01	5.087,7
CO2e pr. revenue (1.000.000 dk)	28,18 kr.	34,75 kr.	46,78 kr.
CO2e pr. employee (t)	14,54	17,27	29,75
Procurement rate (%)	83	85	81
Transportation rate (%)	9	7	12
Energy consumption rate (%)	5	3	3
Waste rate (%)	3	6	4
Social			
Number of employees	175	181	171
Total recordable injuries	1	0	1
Gender diversity	-	-	-
Women (%)	90	89	90
Men (%)	10	11	10
Gender diversity in management	-	-	-
Women (%)	73	NA	NA
Men (%)	27	NA	NA
Employee turnover rate (%)	23	NA	NA
Average employee seniority (Y)	7,52	NA	NA



ABOUT NYBO WORKWEAR

Established in 1962, Nybo Workwear A/S is a second-generation, family-owned workwear production company. Headquartered in Viborg, Denmark, with four production facilities located in Latvia, the company has a presence in all North European markets. Its customer base includes laundries and dealers of workwear.

Nybo Workwear A/S offers a diverse range of fashionable workwear tailored for users within Health & Care, Gastronomy & Catering, and Light Industry sectors.

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