



ENVIRONMENTAL
SOCIAL
GOVERNANCE

Nybo Workwear A/S

ESG 2024

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Management report

TOWARDS A SUSTAINABLE FUTURE

2024 was a year of pride as we took significant and important steps towards a sustainable future. It became the year when we professionalized our ESG work and established a position dedicated to steering our sustainable development. The results of this effort have already materialized, accelerating visions for the future.

The highlight of the year was achieving the Grüner Knopf certification. This certification demonstrates that we not only focus on our own efforts but also take active responsibility in helping and influencing our supplier chain towards sustainability. We have built systems and processes that ensure we continuously measure supplier development in key areas such as CO₂e reduction, water consumption, and improved working conditions. This data creates the basis for qualified dialogues with our suppliers and their subcontractors, allowing us to collectively create a more sustainable future.

2024 was also the year when we, for the fourth consecutive year, managed to reduce our CO₂ emissions per turnover. This achievement is a testament to the dedicated efforts of everyone in our value chain, bringing immense pride to our employees, suppliers, and partners.

It was also the year when, for the first time, we set concrete sustainability goals. One of these is to explore the possibility of achieving a carbon-neutral business and value chain by 2050. This ambition is personally important to me, as we must ensure that our business does not take away opportunities from future generations.

We are proud of the steps we've taken this year and look forward to continuing this development into 2025 and beyond. Thank you to our employees, customers, suppliers, and partners who contribute every day to our shared goal of a more responsible future.

Helle Nybo Holmberg
CEO, Nybo Workwear A/S

2024 ACHIEVEMENTS

- Grüner Knopf certification for all products manufactured in Latvia and Laos
- We established a database to measure the sustainability performance of all suppliers and subcontractors
- We reduced Nybo's CO₂e/turnover footprint for the 4th consecutive year
- We initiated CO₂e calculations for all products
- We set the company's first ESG goals



OUR ESG - STRATEGY

At Nybo Workwear, ESG is not merely a reporting exercise—it is fully integrated into our business practices. We aim to achieve growth while simultaneously reducing our environmental footprint and improving working conditions across the textile industry.

Collaboration as a Driver for Sustainability

As a Danish textile company, we recognize that our greatest impact lies in our ability to influence and support our suppliers and customers. We see it as our duty to guide them in the right direction through active assistance, knowledge sharing, and strict requirements. Our efforts are built on close collaboration with suppliers and customers to ensure genuine and measurable change.

Four Strategic Focus Areas

Our strategy is based on four key focus areas, chosen after evaluating where our available resources can create the greatest impact:

- 1. Reducing Environmental Impact** - Including precise measurement of CO₂e emissions, reducing pollution within the value chain, and promoting environmentally responsible procurement processes.
- 2. Social Responsibility and Better Working Conditions in the Value Chain** - Through supplier monitoring, certifications, promoting equal pay, and implementing anonymous grievance mechanisms.
- 3. Responsible Product Development and Innovation** - By integrating ecodesign principles, minimizing waste, and investing in environmentally friendly materials.
- 4. Increasing Transparency** - Via monthly updated environmental reports, public communication, mapping the origin of raw materials, and risk assessment of our business model.





NYBO WORKWEAR'S SUSTAINABILITY HOUSE

Our sustainability efforts and strategy are built upon a holistic model that encapsulates our approach to responsible business practices. This model, referred to as the “Nybo Sustainability House,” highlights how our initiatives are grounded in a robust foundation of internal resources and recognized regulatory guidelines. This foundation underpins the four key focus areas of our strategy.

Within these focus areas, we implement a range of specific sustainability initiatives. These include reducing CO₂e emissions, supporting our suppliers, and continuously optimizing our products based on ecodesign principles.

Such efforts allow us to aim high, positioning ourselves as a leading voice in the transition to a sustainable future. We hold our suppliers to strict standards, advocate for fair wages, and ensure good working conditions within the textile industry. Additionally, we are committed to achieving carbon neutrality by 2050.

The model illustrates that Nybo’s sustainability efforts are not isolated actions. Instead, they function as an interconnected system built on a strong regulatory framework, where each element supports and reinforces the others.

Nybo Workwear's Sustainability House

01
VISIONS

CO₂ neutral 2050

A leading voice in the change towards a sustainable future

The industry's strictest supplier requirements

Fair wages and good working conditions for everyone in the textile

02
SUSTAINABILITY
ACTIONS

Measurement of CO₂e emissions

Supplier supervision and assistance

Continuous reduction of environmental impact from product purchases

Mapping of the raw material's country of origin

Environmentally reducing initiatives in the value chain

Promotion of living wages

Continuous improvement Ecodesign principles

Public communication and reporting

Continuous reduction of CO₂ emissions in the value chain

Introduction of anonymous complaint mechanisms

Procurement and innovation of environmentally friendly materials

Customer and supplier training

Continuous reduction of the value chain's pollution and water consumption

Production facility certifications

Product certifications

Risk analysis of Nybo Workwear's business model and value chain

03
AREAS OF FOCUS

Reduction of environmental footprint

Social welfare in the supply chain

Sustainable product development

Transparens

04
REGULATORY
FOUNDATION

OECD Due Diligence guidance for the garment sector

The EU's strategy for sustainable and circular textiles

Grüner Knopf guidelines

05
FOUNDATION

Values

Mission

Leadership

Strategy



ENVIRONMENTAL IMPACT (E)

Miljø	2024	2023	2022	2021
CO ₂ e Emissions (Scope 1) (t)	94	119	91	123
CO ₂ e Emissions (Scope 2) (t)	29	27	24	30
CO ₂ e Emissions (Scope 3) (t)	2.718	2.398	3.010	4.934
CO ₂ e i alt	2.841	2544	3126	5088
CO ₂ e (t) per Revenue Generated	23,52	27,65	34,75	46,78
CO ₂ e per Employee (t)	15,78	14,54	17,27	29,75

HOW WE REDUCE OUR ENVIRONMENTAL IMPACT

We recognize that the greatest opportunities to reduce our environmental footprint lie within our supply chain rather than at our offices in Viborg. This is why our primary focus remains on Scope 3 emissions, as we work diligently to minimize the impact of our production and supply chain operations.

Data Collection and Collaboration with Suppliers: We collect environmental data from our production and fabric suppliers to build a solid foundation for understanding the impact of their products and facilities. This includes metrics such as:

- Scope 1, 2, and 3 CO₂e emissions
- CO₂e footprint of their products
- Water and energy usage
- Planned initiatives

This data serves as the basis for constructive dialogues with our suppliers, allowing us to work together on reducing their environmental footprint. We provide support, guidance, and actively participate in projects aimed at enabling more sustainable production practices.

Continuous Monitoring of CO₂e Emissions: We have implemented a system that allows us to track our CO₂e emissions daily. This enables us to compare the current monthly performance to the same month as the previous year. This granular data allows us to assess whether we are ahead or behind on our environmental targets. Based on these findings, we can adjust the pace of implementing further environmental initiatives and intensify our requirements and expectations for suppliers.

Adapting the Business Model to Minimize Environmental Impact: We are constantly optimizing our business model to ensure more sustainable operations. One such measure involves streamlining our product range by reducing the number of unique items and increasing production volumes for existing products. By doing so, our manufacturing partners can produce larger batches, which leads to less waste and more efficient production.

Through these initiatives, we aim to ensure that our environmental efforts make a real and meaningful impact on global environmental challenges.

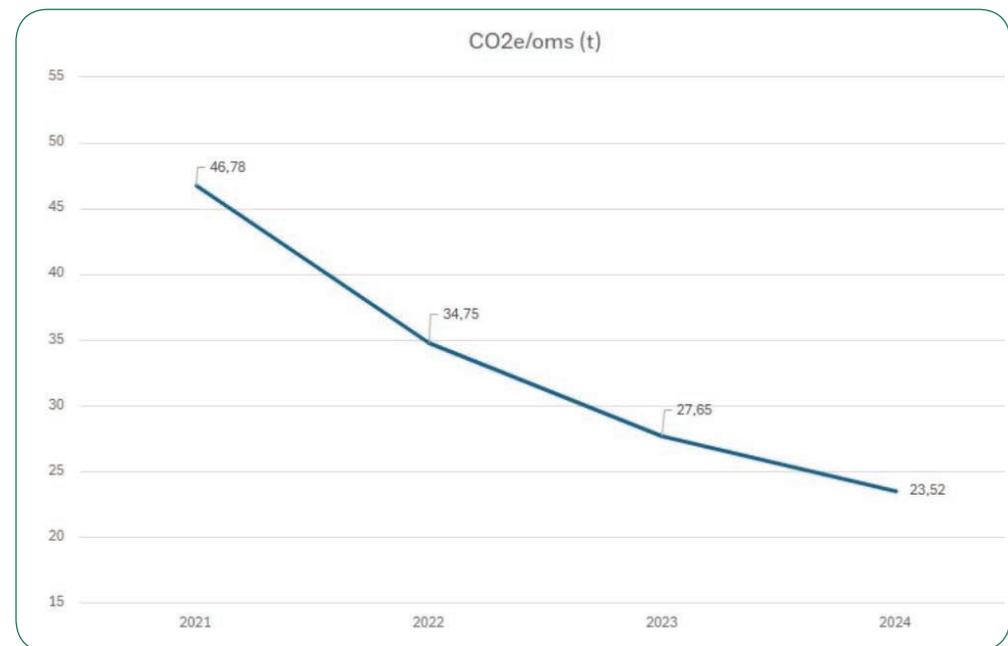
OUR ACHIEVEMENTS IN CO₂e REDUCTION

The year 2024 marked significant growth for Nybo Workwear, with both revenue and the volume of purchased textiles increasing by over 30%. Despite this considerable expansion, we successfully reduced our CO₂e emissions per revenue unit for the fourth consecutive year. This accomplishment reflects our focused efforts toward lowering our environmental impact.

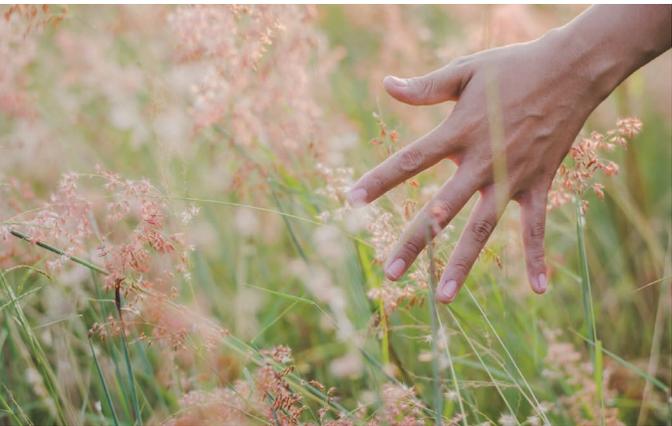
One key factor driving this positive trend is the substantial increase in the use of environmentally friendly materials. The proportion of products containing lyocell rose by 44.98%, while those made with recycled polyester grew by 43.35%. These fibers are known for their significantly lower CO₂e levels compared to conventional textiles such as cotton and standard polyester.

In 2024, we also laid important groundwork for future CO₂ reductions. Steps were taken to calculate precise CO₂e footprints for all our products, and we established a robust database to monitor CO₂e emissions from our suppliers and subcontractors. These initiatives enhance our ability to proactively influence and reduce the overall CO₂e footprint of our value chain in the coming years.

At Nybo Workwear, we see this progress as clear evidence that growth can go hand in hand with responsibility. We remain committed to investing in innovation and sustainable solutions to continue delivering workwear that meets both professional standards and our shared environmental obligations.



OUR CO₂e CALCULATION METHOD



As part of our ESG reporting, we calculate our CO₂e footprint following the Greenhouse Gas (GHG) Protocol standard. This includes Scope 1, 2, and 3 emissions to ensure an accurate mapping of our climate impact. Our method ensures transparency and helps us identify reduction opportunities across the value chain.

Data Foundation and Emission Factors

Our CO₂e calculation relies on an extensive dataset that includes all relevant purchases and consumption data, such as raw material procurement, energy usage, and transportation. We use a combination of primary and average emission factors, prioritizing primary data when available. For example, we incorporate emission factors directly from our production, transport, and some material suppliers. For other factors, we collaborate with Groundley, which provides emission factors based on publicly recognized sources like Ecoinvent.

Calculation Frequency and Updates

To maintain an up-to-date view of our climate footprint, we perform monthly calculations. Emission factors are updated regularly as new and more precise data becomes available.

Boundaries and Assumptions

To optimize resource allocation, we exclude certain emission categories, such as GHG Protocol category 7.1 (employee commuting), from our calculations. This decision reflects the limited impact on overall emissions and our constrained ability to influence this source. Additionally, the effort required for data collection outweighs its potential benefit.

Control and Validation

We have implemented an internal control process to ensure accuracy and reliability in our calculations. Emission factors for all significant items are reviewed and validated regularly. This ensures our reporting aligns with best practices and supports our commitment to transparent and substantiated climate efforts.

OUR APPROACH TO ENVIRONMENTALLY FRIENDLY PRODUCT DEVELOPMENT

Our product development is an ongoing process founded on the principles of ecodesign. We strive to create durable products while minimizing material consumption and reducing water and energy usage during production. This approach helps lower resource consumption, pollution, and overall CO₂e emissions.

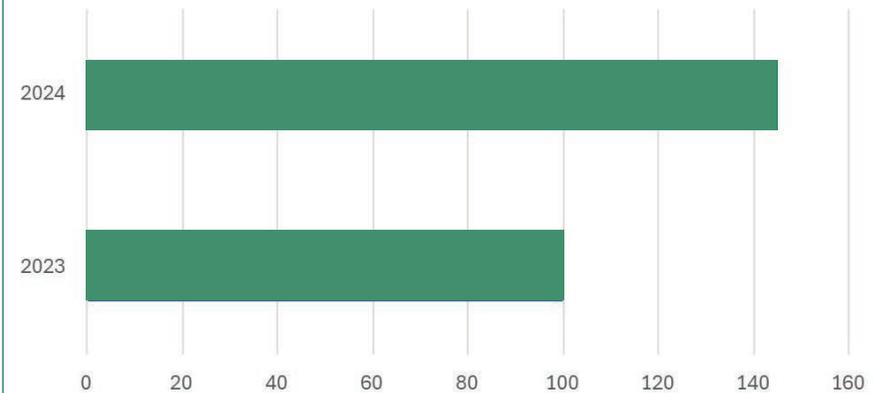
Unlike the fashion industry, we do not create seasonal collections. Instead, we develop new collections only when there is a genuine market need. This strategy enables us to continuously optimize our products by incorporating more eco-friendly fabrics, using fewer and better components such as buttons and zippers, and ensuring the longevity of our products.

Our development process is thorough and critical, examining every detail of the clothing to determine if it can be omitted or improved with the most sustainable solution. A significant aspect of our strategy involves reducing the use of cotton, which is difficult to recycle and has a shorter lifespan compared to alternative materials. Our goal is to remove cotton entirely from our collections and replace it with more sustainable fibers.

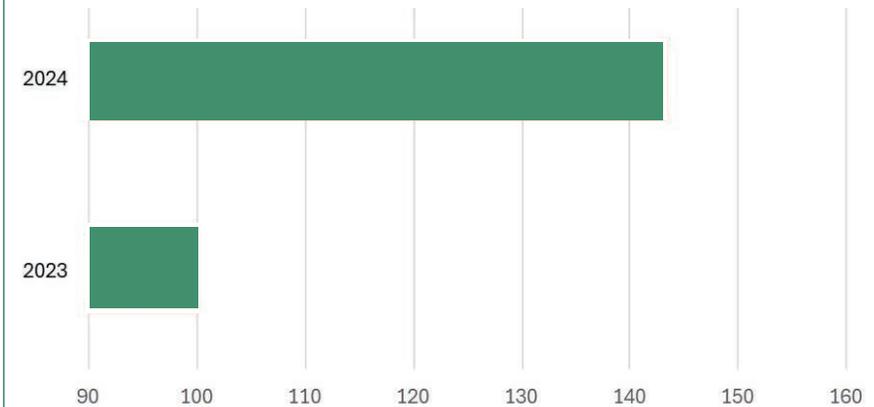
These efforts have led to a 45% increase in the production of items containing lyocell fibers and a 43% increase in products made with recycled polyester in 2024.

In 2025, we are taking another major step by adding data about CO₂e emissions and water consumption to all our products. This insight will allow us to improve the environmental footprint of our products more efficiently by simulating various material scenarios before implementing a new improvement. As a result, we can make more informed and sustainable decisions in product development.

% Increase in produced clothing containing recycled polyester

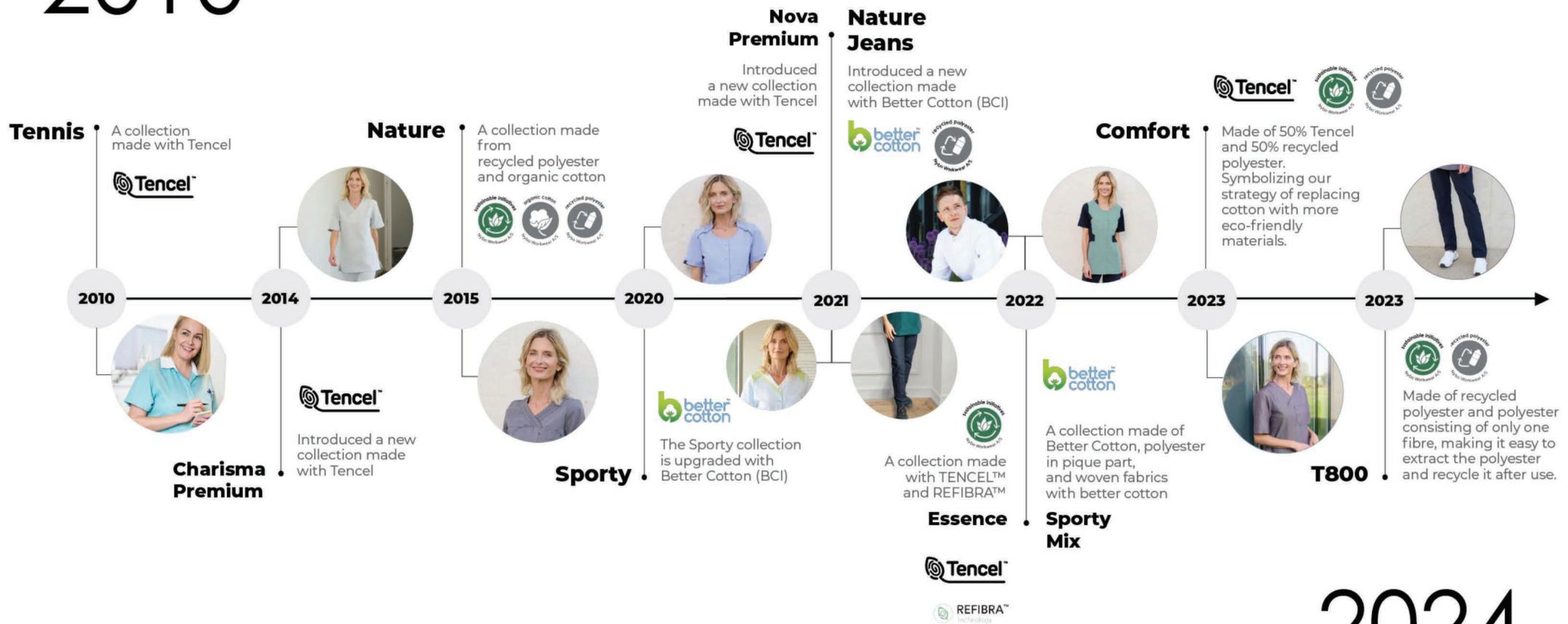


% Increase in produced clothing containing Lyocell



Frontrunners IN SUSTAONABLE WORKWEAR PRODUCTION

2010



TENCEL™ is a trademark owned by Lenzing AG.

2024

SOCIAL IMPACT (S)

Environmental	2024	2023	2022	2021
Number of employees	180	175	181	171
Number of flexible workers and interns	7	7	NA	NA
Number of workplace injuries	0	1	0	1
Days lost to workplace injuries	0	1	0	1
Gender diversity				
Danmark:				
Women	57%	60%		
Men	43%	40%		
Latvia:				
Women	95%	95%		
Men	5%	5%		
Gender diversity in leadership				
Danmark:				
Women	40%	20%		
Men	60%	80%		
Letland:				
Women	100%	100%		
Men	0%	0%		
Employee turnover rate (%)	18	23	NA	NA
Average employee tenure (years)	8,84	7,52	NA	NA

GRÜNER KNOPF: INDUSTRY'S STRICTEST SUPPLIER REQUIREMENTS

In 2024, Nybo met the criteria to certify its products with the Grüner Knopf 2.0 certification. This achievement not only signifies our commitment to sustainability but also showcases our adherence to some of the most stringent supplier requirements in the industry. It reflects our active efforts to ensure a responsible supply chain from start to finish.

Grüner Knopf, introduced by the German government, imposes rigorous social and environmental standards throughout the supply chain. This ensures that every segment of our production and sourcing network is thoroughly reviewed for fairness and accountability.



Strict Supplier Requirements

By obtaining the Grüner Knopf certification, we've implemented processes that ensure our suppliers meet and continuously enhance their labor and environmental practices. We conduct systematic assessments and monitoring of our suppliers, which include:

- 1. Ongoing Supplier Assessments:** We evaluate our suppliers based on their practices in workplace safety, environmental management, and social responsibility.
- 2. Commitment to Responsible Operations:** We work closely with suppliers to ensure environmentally responsible practices, covering everything from proper chemical handling to reducing waste and carbon emissions.
- 3. Transparency and Oversight:** Our supply chain is designed to be transparent and open to scrutiny, ensuring we can trace the origins of materials and document working conditions with our partners.

Enhanced Collaboration Opportunities with Grüner Knopf

The Grüner Knopf certification provides us with structured tools to collaborate effectively with our suppliers. It serves as a framework to facilitate efforts such as ensuring living wages and implementing targeted actions to address environmental concerns and pollution.

First Step Toward Living Wages for Textile Workers

As part of the Grüner Knopf certification, we have taken the initial steps to ensure that suppliers pay textile workers a living wage. For instance, we assisted a supplier in China to document this compliance and developed a template and guide for all suppliers to follow. This ensures fair wages for workers without relying on overtime pay.

A Future of Responsibility and Transparency

We view the Grüner Knopf certification as a critical milestone, but not the ultimate goal. We are continuously working to enhance our supply chain and develop even more environmentally friendly products. For us, it's not just about earning a certification; it's about actively contributing to shaping a more responsible and transparent textile industry for the future.

CATERERS

CERTIFI

Nybo requires all production suppliers to hold certifications such as Amfori BSCI, SA8000, or OEKO-TEX STeP, ensuring good working conditions and environmental responsibility. All products are certified under OEKO-TEX Standard 100, with selected items also certified with EU Ecolabel and OEKO-TEX Made In Green.



Grüner Knopf

Demonstrates the responsibility of textile brands through stringent social and environmental requirements for textile production, including active support and transparency throughout the supply chain.



OEKO-TEX STeP

Evaluates processes in environmental management, chemical handling, worker rights, safety, and social responsibility through regular audits and assessments.



Amfori BSCI

Ensures responsible working conditions, human rights, workplace safety, and fair wages through audits and improvement plans in global supply chains.



SA8000

Monitors on labor conditions and human rights, addressing issues such as child labor, forced labor, health and safety, working hours, and fair wages across factories.



OEKO-TEX Standard 100

Guarantees that textiles and components are tested to be free of harmful chemicals and substances, ensuring safety for both consumers and the environment.



Made in Green

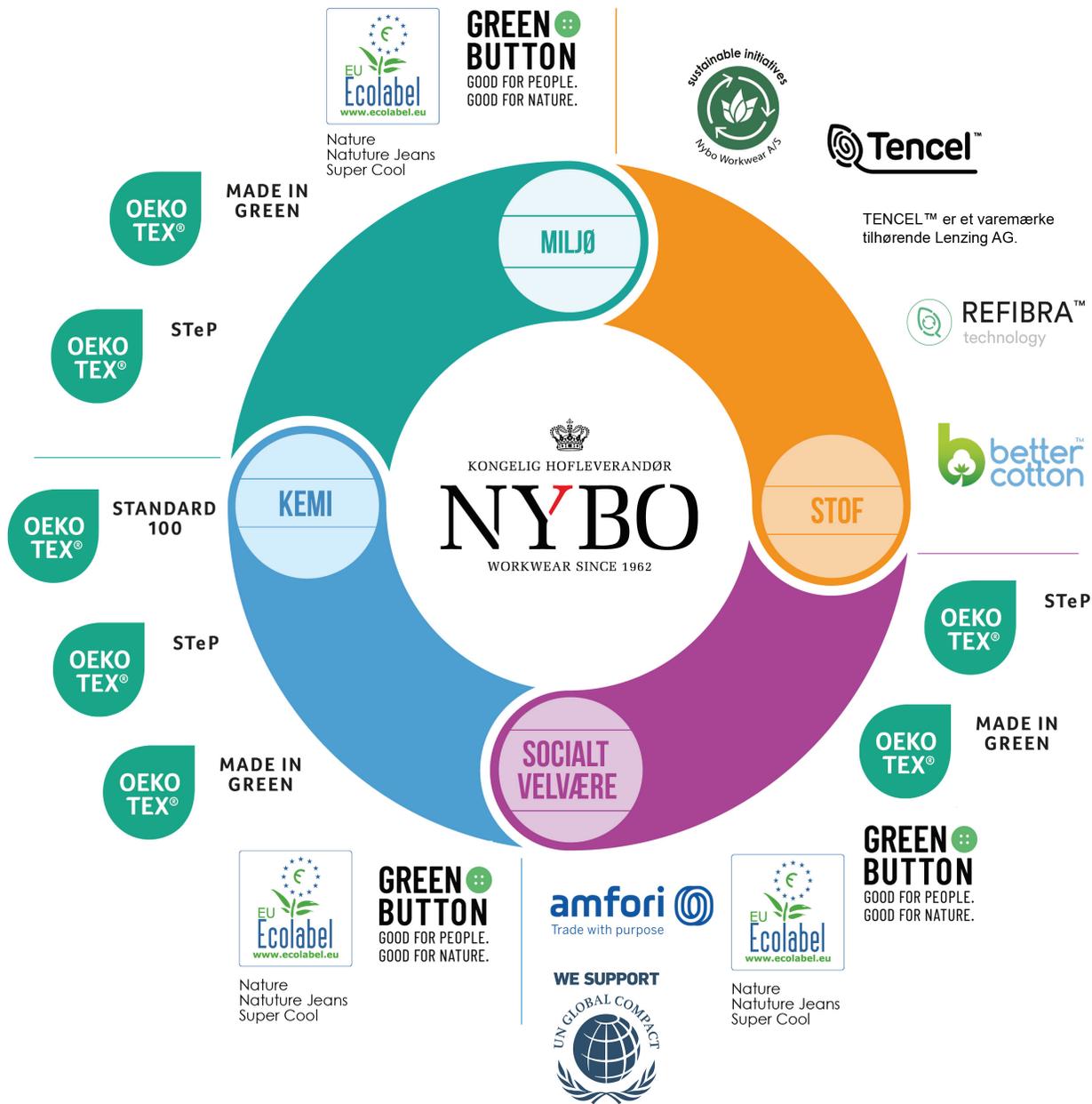
Combines OEKO-TEX Standard 100 and OEKO-TEX STeP certifications, ensuring products are free from harmful substances and produced in environmentally friendly and socially responsible facilities.



EU Ecolabel

A European environmental label that certifies products with low environmental impact throughout their lifecycle, including raw materials, production, use, and disposal.

CERTIFICATES



PROUD MEMBER OF THE UN GLOBAL COMPACT

Since 2010, Nybo has been a proud participant in the UN Global Compact, the world's largest initiative for responsible business practices. As part of this commitment, Nybo actively adheres to the ten principles that focus on areas such as human rights, labor rights, environmental protection, and anti-corruption. These principles provide a foundation for businesses aiming to promote sustainable development and take social responsibility.

The Ten Principles of the UN Global Compact

- **Human Rights**
Businesses should support and respect internationally recognized human rights.
- **Avoid Complicity**
Businesses must ensure they do not contribute to any violations of human rights.
- **Labor Rights**
Companies must uphold workers' rights to collective bargaining and eliminate all forms of forced labor.
- **Abolish Child Labor**
Businesses should work toward the complete eradication of child labor.
- **Eliminate Discrimination**
Companies must combat discrimination in employment and occupation.
- **Environmental Precautions**
Businesses should adopt a precautionary approach to environmental challenges.
- **Environmental Initiatives**
Companies should take steps to promote greater environmental responsibility.
- **Eco-friendly Technologies**
Businesses should encourage the development and diffusion of environmentally friendly technologies.
- **Anti-Corruption**
Companies must work to combat all forms of corruption, including extortion and bribery.



As a member of the Global Compact, Nybo incorporates these principles into every part of its supply chain and corporate strategy, focusing on fostering sustainable and socially responsible business practices.

The Industry's MOST COMPREHENSIVE SUPPLIER REQUIREMENTS

Strong and effective relations with suppliers are crucial for achieving ESG goals. To ensure continuous progress in environmental and social responsibility, we have developed specific requirements for our suppliers, which are updated annually.

Quarterly ESG Meetings

Suppliers are required to participate in regular quarterly ESG meetings aimed at reviewing goals, performance, and advancing sustainability initiatives.

Appointment of an ESG Representative

Each supplier must designate an ESG representative who acts as the direct liaison between Nybo Workwear's ESG team and the supplier, ensuring seamless collaboration.

ESG Goals and Action Plans

Suppliers must establish clear goals for reducing environmental impact and improving working conditions, alongside detailed action plans.

CO₂e Calculations

Suppliers are required to calculate their CO₂e emissions to identify and reduce their carbon footprint. Nybo Workwear provides guidance and support to ensure accurate assessments.

Annual ESG Data Submission

Suppliers must complete Nybo Workwear's annual due-diligence questionnaire, covering over 60 indicators, including workplace injuries, CO₂e reduction, water usage, and working hours.

Ban on Child and Forced Labor

All suppliers must formally confirm they do not engage in child or forced labor practices.

The Industry

Commitment to Living Wages

Suppliers must calculate living wages and work proactively to ensure all workers receive pay sufficient to support a meaningful life, protecting them from poverty and reliance on overtime or multiple jobs.

Documentation of an Anonymous Complaint Mechanism

Suppliers must establish and document an anonymous complaint mechanism, allowing employees to report workplace issues without fear of retaliation.

Work Hours Documentation

Suppliers must provide evidence that they adhere to local regulations governing working hours and overtime throughout the year.

Supplier Information Disclosure

Suppliers are required to disclose information about their subcontractors and raw material sources, aiding targeted due-diligence efforts in high-risk areas for discrimination.

Certification at High or Second-Highest Levels

All suppliers must hold certifications such as OEKO-TEX STeP, Amfori BSCI, or SA8000 at least at the second-highest level, along with OEKO-TEX Standard 100 certification.

Signed Code of Conduct

Suppliers must sign Nybo Workwear's code of conduct every two years at minimum.

Due Diligence Practices

Suppliers must conduct their own due diligence, including creating and implementing a code of conduct for their suppliers that matches Nybo Workwear's standards.



SUPPLIER OVERVIEW



We take pride in our supplier network. Guided by a philosophy rooted in familial values, we have cultivated strong, enduring partnerships over the years. On average, our suppliers have worked with us for an impressive 15 years.

Our in-house production facility in Latvia contributes the majority of our products, ensuring exceptional quality and flexibility. Additionally, we collaborate with trusted suppliers in Laos, India, China, and Tunisia, working together to create responsible products with a deep respect for people and the environment.

Living Wages

THE NEXT STEP TOWARDS FAIR PAY

We believe that everyone deserves a meaningful life with freedom, security, and the chance to create a bright future for their families. That's why we are committed to ensuring living wages among our suppliers.

A living wage is one that enables workers to cover their own and their families' basic needs, such as food, housing, healthcare, and education, without dependence on overtime. It exceeds the minimum wage, which is merely the lowest legally permitted wage and often insufficient for a decent standard of living.

In 2024, we made significant progress by developing a strategy to promote living wages across all our suppliers. By 2025, all suppliers will be required to conduct local living wage calculations using a recognized model, which we will then validate.

We are already making strides: 3 out of our 5 suppliers have documented that they currently pay living wages. The remaining suppliers are in the process of completing their calculations.

Our goal is clear: to ensure that all our suppliers provide wages that enable a life of dignity. We take this responsibility seriously and are determined to achieve it.



Anonymus COMPLAINT MECHANISMS A PATH TO GREATER SECURITY FOR TEXTILE WORKERS

We firmly believe that every employee and participant in our value chain should have the opportunity to voice concerns and complaints without fear of reprisal. Therefore, we require all suppliers to implement and actively promote an anonymous complaint mechanism among their workers.

An anonymous complaint mechanism allows employees to safely and confidentially report issues, concerns, or violations in the workplace without the risk of retaliation. These could range from working conditions and wage disputes to significant breaches of workers' rights.

In 2024, we took a pivotal step to enhance this initiative further. For instance, we assisted our supplier in China to establish an anonymous complaint system and conducted thorough reviews of complaint mechanisms across all suppliers. Additionally, we developed a standard outlining the criteria for an effective complaint mechanism, which mandates anonymity and direct access to Nybo Workwear's digital whistleblower platform.

We also launched our digital whistleblower platform in 2024. This platform enables both our employees and those at our suppliers to submit complaints safely and anonymously.



All our suppliers have now implemented anonymous complaint mechanisms that meet Nybo's standards. Moreover, all suppliers have also established policies to ensure workers' rights to form and participate in labor unions.

OUR CONTRIBUTION TO SUSTAINABLE TEXTILE INNOVATION

Project READY, Partner



In 2023, we joined the READY project as partners. The aim of this initiative is to develop innovative recycled fabrics with significantly reduced CO2e footprints. Funded by the Innovation Fund, the project spans three years and includes other prominent partners such as Bestseller, VIA University, and Kvadrant.

Lifestyle & Design Cluster



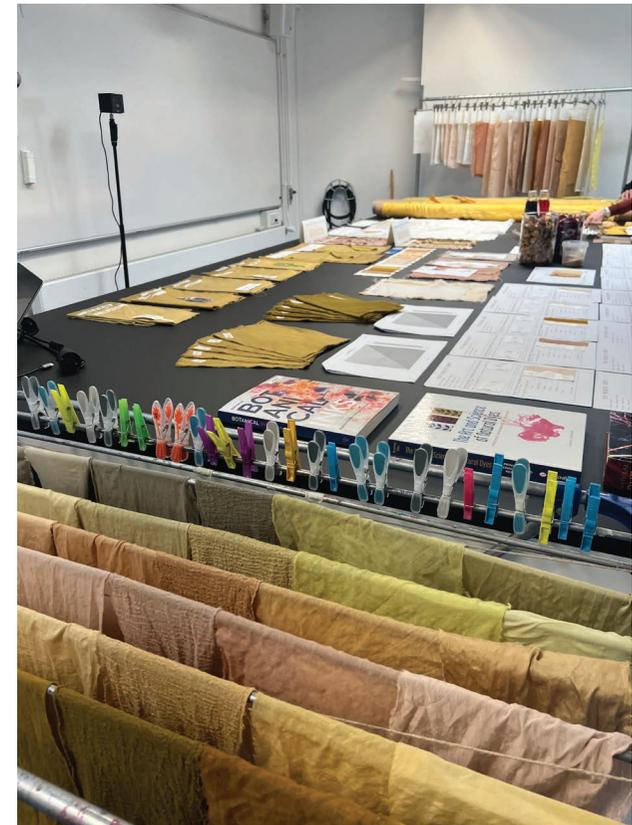
Lifestyle & Design Cluster.

We were part of the group's design and circular business models, which, in 2023, published the 2030 action plan for a circular textile industry. The plan includes goals and actions for improvements in recycled materials, circular design, and circular business models.

IKA, Indsigtsmedlem



IKA's network connects suppliers and public procurement units. The goal of the network is to share experiences and improve processes for public textile procurement. Our primary focus has been providing insight into the characteristics and development processes of new recycled textiles.



ANNIVERSARIES AND NEW TEAM MEMBERS

This year, we proudly celebrate



*Helle Nybo Holmberg (35 years)
Director & Co-owner*

Helle has played a key role in the development of Nybo Workwear over the past 35 years, thanks to her persistence, calm demeanor, and warm approach. She began her career as an external salesperson in Sjælland but eventually moved to Viborg, where she took charge of the supply chain. Today, Helle leads the company as Director, under whose guidance Nybo has achieved its highest ever revenue while integrating sustainability into daily operations. We'd like to thank Helle for her many years of contribution and look forward to many more successful years ahead.



*Jacob Nybo Jensen (30 years)
IT Manager & Co-owner*

Jacob has made significant contributions to Nybo Workwear's growth over the last 30 years through his enthusiasm and versatility. After completing his training with Magasin du Nord, Jacob joined the family business, taking on various roles over the years, including warehouse and production responsibilities. Today, Jacob oversees quality and IT while serving as part of both the management team and board. We're grateful for Jacob's dedication and efforts over the past 30 years, and we eagerly anticipate continued collaboration in the future.



*Mette Dahl Kristensen (5 years)
Warehouse Assistant*

Mette started working in the warehouse five years ago and has since become an invaluable member of the team. In addition to her professionalism, Mette has brought joy, positivity, and uplifting energy to everyone around her. Her commitment and infectious laughter have made her an indispensable part of the workforce.

Anniversaries



*Lone Nør Skott
Chief Financial Officer*



*Stefanie Karen Ruth Jensen
Design Assistant*



*Uffe Aalborg
ESG Manager*

New colleagues

GOVERNANCE (G)



STRENGTHENING SUPPLIER OVERSIGHT PROCESSES

Nybo Workwear's due diligence processes have been significantly enhanced in recent years, setting some of the strictest standards in the industry. This progress is exemplified by our certification with Grüner Knopf.

Our due diligence efforts include a series of comprehensive measures to ensure robust oversight and close collaboration with both production and material suppliers:

- 1. Supplier Data and Database:** Each year, we gather detailed data about our suppliers' performance and progress across key ESG areas. This includes their CO₂e emissions, water usage, environmental impact, certifications, workplace incidents, freedom of association, wage levels, overtime, general working conditions, and existing policies. All collected data is stored in a database, forming a solid foundation for ongoing dialogue and constructive development with suppliers. This database also helps identify areas requiring further improvement.
- 2. Supplier Visits:** We personally visit all production suppliers at least once a year to ensure our standards are being met in practice and to build strong relationships through direct communication and guidance. During these visits, we conduct on-site inspections of production facilities and evaluate the practical aspects of their sustainability initiatives.
- 3. Certification Requirements:** We mandate that all production facilities of our suppliers are certified under OEKO-TEX STeP, SA8000, or Amfori-BSCI at a minimum of second-highest compliance level. After each audit, we receive full audit reports. If audits reveal areas for improvement, we collaborate with the supplier to develop an action plan to resolve these issues before the next certification. All certifications and audit reports are archived and documented.
- 4. Code of Conduct:** In 2024, we introduced an updated Code of Conduct outlining our specific requirements and expectations for suppliers' social and environmental responsibility. All suppliers have signed this agreement, reinforcing their commitment to upholding Nybo Workwear's high standards.

Through these continuous due diligence initiatives, we ensure sustainable development and responsible practices throughout our supply chain. This is one of our contributions to steering the textile industry towards a more sustainable future.

OUR APPROACH TO RISK MANAGEMENT

In 2024, we made a significant step to enhance our responsible sourcing practices by adopting a structured approach to Risk Management. Our objective was clear: to identify, assess, and address potential risks in the supply chain, focusing on the 13 key risk factors recognized by the OECD for responsible textile production.

By combining detailed supplier data with extensive desk research, we mapped both national risks in the countries we operate in and specific risks linked to our suppliers. Additionally, we analyzed how our own products and business model might contribute to these risks.

This effort provided us with deeper insights into the risk landscape, offering Nybo Workwear's leadership valuable information for decision-making. It not only strengthened our ability to proactively address risks but also served as a crucial foundation for setting ambitious ESG goals at the end of 2024.

With Risk Management now an integrated part of our strategy, we continually enhance our resilience, transparency, and ability to deliver responsibly produced products to our customers.



ESG GOALS

Reducing Environmental Impact in the Supply Chain

1. Science-Based Target Initiative certified by 2026

Nybo Workwear aims to be CO₂e neutral by 2050 to meet the ambitions set by the Paris Agreement. This is an ambitious goal that depends on innovation and investments from fabric, transport, and production suppliers alike.

2. Establishing an ESG Academy by 2026

We wish to be an educational voice both internally and toward our suppliers and customers. Therefore, 2026 will be used to develop materials and processes enabling us to educate our customers and suppliers.

3. Reducing the number of stocked product numbers by 25% by 2030

By reducing our stocked product numbers, we focus sales on fewer product numbers. This increases production suppliers' ability to streamline production and minimize waste and excess.

4. All production suppliers to conduct a CO₂e calculation by 2026

To facilitate constructive discussions about CO₂e reduction, we will assist all our production suppliers in performing a CO₂e calculation.

Social Welfare and Fair Working Conditions in the Supply Chain

5. Knowledge of the country of origin for all fabrics by 2026

To assess risks based on selected OECD risk factors, we will establish processes that enable us to collect information on the country of origin for all fabrics.

6. Documentation of living wages for all production suppliers by 2026

All Nybo suppliers pay wages above the legal minimum. However, we want to ensure that all employees in our value chain receive wages that guarantee a meaningful life. In 2024, we drafted a strategy to promote living wages. The first step in this direction is for all suppliers to perform a living wage calculation to highlight the gap between the current wage and a living wage.

7. Establishing an anonymous grievance mechanism for all production suppliers by 2026

To ensure that all employees in our value chain can report suspicions or violations of laws, we will ensure that all suppliers' grievance mechanisms meet Nybo's standards.

Responsible Product Development and Circularity

8. Documenting CO₂e footprint and water usage for all products by 2026

We will make the CO₂e footprint and water usage of all products visible by 2026. This will enable dialogues with customers and suppliers on opportunities for environmentally friendly procurement.

9. Exploring the possibility of 10% recycled fibers in products by 2030

The use of recycled fibers is increasing. However, the requirements for quality and durability in workwear are significantly higher than in the rest of the textile industry. Therefore, in 2024, we optimized our processes to investigate and test these fibers. Our goal is to increase the proportion of recycled fibers in our products to 10% by 2030.

10. Reducing the total CO₂ footprint per product by 15% by 2030

With the introduction of CO₂e per product calculations, we can closely monitor the environmental impact of our products. This provides opportunities to actively influence product design, choice of fabric, and production methods. This goal is, therefore, a manifestation of our ambition to lower the CO₂e emissions of our products.

We aim to be a leading voice for sustainability in the textile industry. Therefore, we have set ambitious ESG goals to ensure we clearly drive the process toward a more environmentally friendly and socially responsible textile industry.

A LOOK AHEAD TO 2025

2025 will be a critical year for Nybo's sustainability efforts, with data collection, transparency, and ongoing optimization forming the cornerstone of our commitment to responsibility.

CO₂e calculations drive transparency and action

This summer, we are launching CO₂e calculations at the product level to clearly illustrate the environmental impact of each product. This transparency not only empowers consumers to make sustainable choices but also provides Nybo with an effective tool to continuously improve product footprints in close collaboration with our suppliers.

Supplier ESG database lays the foundation for informed dialogue

The Supplier ESG database, established in 2024, will prove its worth in 2025. With the database, we can systematically monitor whether suppliers meet our expectations for reduced environmental impact. It serves as the basis for constructive, data-driven discussions with suppliers.

Automated climate calculations ensure continuous progress

In 2025, we will introduce automated climate calculations, enabling us to monitor and evaluate our CO₂e emissions on a monthly basis. This regular status check allows us to continuously assess and adjust our efforts, ensuring we stay on track toward our goal of becoming CO₂-neutral by 2050.

Ecodesign strengthened by new EU legislation

The EU will launch its first specifications for the new ecodesign legislation in 2025. At Nybo, we have worked diligently on ecodesign and responsible product development for years, and the new legislation will further enhance and future-proof our established procedures and principles.

ABOUT NYBO WORKWEAR A/S

Nybo Workwear A/S, established in 1962, is a family-owned producer of lightweight workwear. Headquartered in Viborg, the company operates four production facilities in Latvia and serves markets across Northern Europe.

The company offers a wide range of stylish workwear designed for professionals in healthcare and care sectors, gastronomy and catering, as well as light industries.

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