RESPONSIBILITY MANIFEST

LAPUAN KANKURIT weavers from Finland



We are traceable

Every now and then we come across the assumption that our linen would come to us as a ready-made fabric. This is not the case. We source fully traceable Masters of Linen flax yarn, which is grown and spun into yarn in Europe. We weave the yarns into fabrics ourselves, mainly in our own weaving mill in Lapua, Finland, as we have done for more than 50 years. Unlike in the mainstream textile production, the bulk of the price of our products is comprised of production costs as well as wages in Finland and elsewhere in Europe.

The certified wool we use comes from diligently reporting suppliers, and almost each wool type is spun into yarn in Europe. We have taken this transparency a step further with Finnish sheep wool, which we collect from local farms ourselves and spin into yarn. These Finnish farms are committed to our responsibility criteria.

Besides the wool finishing facility, in the past few

years we have invested in digitalising our production, which has allowed us to trace each of our product's origins from the source of the fibre all the way to the end of the production line. In the next few years our goal is to create digital product passes, which will allow us to clearly illustrate the origins of the materials as well as the production path and carbon footprint of any given product to our customers.

Production transparency and traceability are not only competitive advantages to us but also matters of heart. If we wish to make this world a better place, us entrepreneurs have to be willing to do our part and lead by example in ethical and sustainable textile production.

JAANA JA ESKO HJELT WEAVERS IN FOURTH GENERATION

RESPONSIBILITY MANIFEST

We have our very **own weaving mill** in Lapua, western Finland. That is where we manufacture our products from yarn, sometimes even from fibre, to a finished product. This enables us to design our products and processes while keeping the ecological footprint as small as possible. We care about our employees the way we care about our family.

> Our main raw materials, such as linen and wool, are **certified natural materials**. We use 100 percent European linen certified by Masters of Linen. We utilise local Finnish sheep wool and collect it from farms ourselves.

Together with top designers, we design products that **stand the test of time**. We are constantly developing new techniques and looking for new innovations. We are willing to put effort into making sure weaving skills are preserved to future generations.

TRAILBLAZER IN SUSTAINABLE DESIGN

The longer textile products are used, the better it is for nature. This is why we aim to design and manufacture products that are durable, have great longevity and versatile, multifunctional purposes. We cooperate with talented top designers in developing our products.

The following principles of sustainable design are always taken into consideration when we begin designing our products:

MULTI-FUNCTIONALITY

Our aim is to create products and patterns as versatile and multifunctional as possible. A small towel can be used in the kitchen or bathroom, as a small table cloth or as a cover for the computer screen. A large table cloth can be used as a bedspread or as a curtain. A table runner is functional also in the sauna. A large linen towel can act as a blanket during the summer. The only limit is your imagination.



MATERIAL

The longevity

and durability of

a product begin

with choosing a

fibre. This is why

we purchase yarn

only from the best

spinning mills in

Europe. Linen and

wool - the products

we use most - are

eco-friendly

choices in use also.

You can remove

stains from linen

by washing it at low

temperature of 40

degrees Celsius.

For wool, airing it

outdoors is often

enough.

WEAVING ACCORDING TO EXACT MEASUREMENTS

The most important thing in product design is utilising the entire width of the fabric. Most of our products are woven using exact measurements in order to avoid producing cutting waste. For example, many of our bathrobes have been designed in a manner where even the fabric edges from the loom are utilised. Those details are actually an essential part of the product's design.



FINISHING

Careful finishing treatment affects the durability of the fabric. Almost all of our linen fabrics undergo a finishing treatment. This ensures that the high quality product maintains its shape also after it's been washed at home. Whenever possible, in terms of structure and composition of fabric, we use water and heat to finish our products. The most important things are quality and a long product lifespan.

LONGEVITY

We prefer to design our colour palette according to the interior decor of our clients instead of going along with fast fashion.



Towards Zero Waste

We design most of our products to be made from fabric woven according to exact measurements. This leaves almost no waste.

Some of the products result in leftover fabric which is utilised in making our so called zero waste products, such as bread bags, laundry bags and wash mittens made from linen terry.

If there is leftover fabric still left, it will be sold at our sales events and our factory outlet. We also donate leftover fabric to schools to be used for teaching purposes.

A significant part of the yarn is dyed near our weaving mill in Lappajärvi. This ensures that there are no large amounts of yarn left in storage. If a dye batch is no longer available, the rest of the yarn in that colour is woven and the fabric is sold at our sales events and our factory outlet.

Did you know?

You too can make a difference. In terms of product lifespan as well as from the environmental point of view, it is crucial that a textile is in use for as long as possible. Products made from natural materials should be taken care of in a correct manner: Wash according to instructions or air them, remove the pilling from wool and mend the holes in the fabric. When the product has reached the end of its use, recycle it. You can also return an old product to our store in exchange for a discount voucher. We will recycle the product for you.

LINEN – RESPONSIBILITY FROM FLAX FIELDS TO FABRIC

We simply adore linen. The linen we use is long fibred linen that is grown, spun and dyed in Europe. Not only is linen durable and feels pleasant to the touch, it is also one of the most environmentally friendly natural fibres.

Linen is grown in central Europe using only rain water. There is no need for irrigation nor is there much need for fertilisers either. It also grows fast – in one hundred days it reaches the height of one metre. Growing flax in Europe absorbs 333.000 tonnes of CO2 emissions per year.*

> 100 percent of the linen can be used. It is also a completely biodegradable material. There is no waste.

* You can read more about European linen and its properties on <u>our website</u> as well as <u>the Alliance for European Flax-Linen and</u> <u>Hemp website</u>. 100% OF LINEN FIBRE FROM EU

100% OF LINEN YARN DYED IN EU

MASTERS OF LINEN – GUARANTEE FOR QUALITY AND TRACEABILITY

We are a proud member of the Masters of Linen family. The Masters of Linen label is granted to linen products manufactured using linen yarn grown and spun in an eco-friendly manner in France, Belgium or the Netherlands.

The linen must meet the strict requirements set for growing, further processing and textile production.

Masters of Linen guarantees that the origin of the linen is 100 percent traceable. Spinning and weaving mills commit to adhere to the strict criteria regarding production and purchases. Yearly inspections are conducted to certified companies to ensure criteria are duly adhered to.

Lapuan Kankurit is committed to using only traceable European linen. We report our use of linen every year to Masters of Linen CELC organisation.

SPINNING AND DYEING MILLS

We prefer working with European spinning and dyeing mills which we know and have visited.

We dye part of our yarn in Finland. We cooperate only with certified operators who share our values, adhere to our Code of Conduct and use materials that are traceable and verifiable.

We utilise also plant dyes for dyeing of Finnish sheep wool.

Did you know?

Our linen towels are light because linen is very absorbent. The less raw material is used, the more natural resources are saved. In addition, energy is saved in both logistics as well as in manufacturing.

WOOL

We have made significant investments in order to be able to produce wool yarn from Finnish sheep. Some of it usually ends up in the landfill. Nowadays we collect it ourselves from farms within a 300-kilometre radius around Lapua. With our ERP and MES systems we can trace batches of fibre all the way to finished products. In addition, we purchase wool fibre and partially finished yarn from explicitly certified suppliers.

WOOL YARN

The quality and characteristics of wool vary according to the breed of sheep, their living conditions and natural environment. In order to achieve the best possible result, we acquire our wool from different parts of the world: Finland, the Nordic countries, New Zealand, Australia, South America and South Africa.

We only buy finished wool yarn from spinning mills that purchase wool fibre from certified suppliers and adhere to our Code of Conduct. We aim to focus on using wool fibres that come from countries emphasising the welfare of animals.

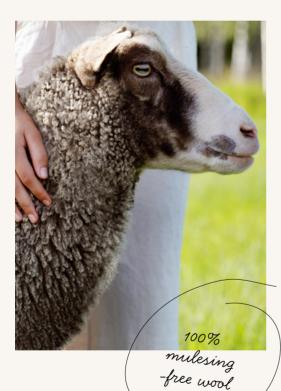
We do not condone animal abuse and we procure solely wool that is certified and mulesing-free. Most of our wool yarn is spun in EU.

Colour from Nature

Since we are the ones pulling the strings, so to speak, we can utilise plant dyes in our wool yarn production. The first naturally dyed wool products were introduced to our collection in 2022. We acquire sky blue colour from the woad grown in Nivala, Finland, and deep yellow from the coffee production surplus from Paulig. We continue to discover and develop new natural dyes.

FINNISH WOOL

We launched our first collection made fully of Finnish sheep wool in Autumn of 2023. In Lapua, we built a unique wool textile finishing plant that operates continuously. The building is as energy and water efficient as possible due to geothermal heating and heat recovery. We have also built a wool spinning mill in Lapua, which will be commissioned later.



11%

In 2023, 11% of our wool textiles contained Finnish sheep wool. We are determined to keep increasing that number. Together with ProAgria, we have created a set of criteria for healthy wool, which promotes responsible wool production as well as animal welfare in Finland in particular. It is based on three themes.

HEALTHY SHEEP

The wool comes from an animal that has been cared for in a safe environment. It has been provided with space to roam, the freedom to behave in speciestypical manner and outdoors access. Each operator has a written welfare plan. Both animal welfare legislation and international guidelines are followed, and neither mulesing nor tail docking has been performed.

O HEALTHY ENVIRONMENT

The farming, production and further processing of the wool is done with consideration for the soil, the environment and their diversity. Each operator has a cultivation plan which takes into account the environment, carbon sequestration, vegetation cover optimisation, nutrient leaching as well as erosion control.

${f Q}$ HEALTHY COMMUNITY

O The working conditions of the people farming and processing the wool are safe and promote health, discrimination is not practiced, and the salary provides basic security. The working conditions adhere to the International Labour Standards.

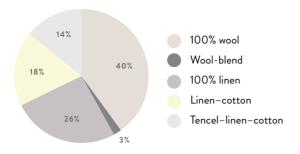
OTHER NATURAL MATERIALS WE USE

We use solely natural materials. In addition to linen, wool and bio-organic cotton, we use Tencel which is a lyocell fibre made from pulp. We have begun to replace some of the cotton in our production with Tencel. It is a more environmentally friendly alternative to cotton.

Did you know?

Less washing is better for the environment. It's easy to remove stains from linen even in a 40°C wash whereas the best way of cleaning wool is airing it outside in the freezing weather. Airing a garment reduces the need of washing it often.

LAPUAN KANKURIT PRODUCT GROUPS 2023



REQUIREMENTS FOR OUR SUPPLIERS

- We require that the yarn and chemicals we purchase have a valid OEKO-TEX[®] STANDARD 100 certification concerning product safety.
- We require our suppliers to adhere to the requirements concerning materials and raw materials set by EU regulation 1907/2006 (REACH).
- Our Code of Conduct lists all our requirements regarding working conditions and the environment we set our suppliers.

70%

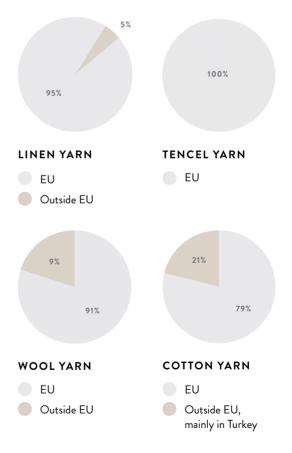
Nearly 70% of our products are monomaterial, meaning they only contain one material. Monomaterial is easy to recycle back into raw material at the end of its life cycle, because it does not need to be separated from other fibres. All of our linen-blend materials are cellulose-based fibres and do not contain elastane or polyester. The only synthetic fibre we use is extremely small amounts of nylon in the structure of mohair yarn.

TENCEL

Tencel[®] is a registered trademark of an Austrian company Lenzing for the lyocell fibre it manufactures. 100 percent of Tencel comes from EU. It is a regenerated cellulose fibre with an environmentally friendly manufacturing process. It is a closed loop process meaning that within the fibre production the same chemicals get used and reused again and again. Tencel is made from pulp. Its production is FSC certified guaranteeing that also the forestry industry related to product manufacturing is responsible.

COTTON

In 2023, 78% of the cotton we used was certified bio-organic cotton adhering to the OEKO-TEX® STANDARD 100*. In 2022, that figure was also 78%. Our objective by 2025 is to use solely certified bio-organic cotton.



*100% OEKO-TEX® STANDARD 100 is an international safety standard for testing and certifying textiles. The label OEKO-TEX® means that the yarn is free from harmful levels of chemicals and dyeing agents.

SPINNING OF YARN IN 2023

WELCOME TO OUR WEAVING MILL IN FINLAND!

We can show you around our factory because we ourselves are responsible for the entire manufacturing process, partially from the harvesting of fibres and at the very least from yarn to fabric, all the way to the finished product. We aim for complete transparency and are happy to take groups on tour.

Almost 93%

of products are woven in own weaving mill in Lapua, Finland

6%

of products are woven in a weaving mill we co-own in Kaunas, Lithuania (mohair blankets and some of the pocket shawls)

<1%

of products bought from European partners (the hot water bottles inside the covers are made in Germany, the dyed linen sheets in Lithuania)



Made in Lapua and Kaunas

Most of our products are manufactured in Lapua, in western Finland. It has been so for the last four generations. In 2021, we started investing millions in the production of Finnish sheep wool, development of finishing processes and weaving machinery. In recent years we have invested around 5 million euros in the development of our manufacturing processes in Finland.

The part of the production not done in our factories in Lapua takes place in our own subsidiary in Kaunas, where all the same operating methods and responsibility principles apply. Subcontractors manufacture less than 10% of our products.

We operate according to Finnish and EU legislation. This means that Lapuan Kankurit adheres to rules and regulation and is, as a manufacturer, responsible for environmental management plans, the wellbeing and healthcare of the personnel, safety of equipment and buildings as well as reports pertaining to these matters.

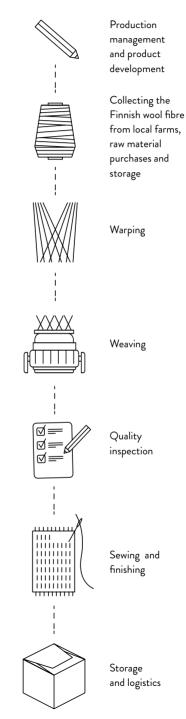
MULTIFACETED EQUIPMENT

- We use the best technology available ensuring our products are durable and of the highest quality. This is also important for health and safety reasons.
- We are introducing new, cutting-edge sewing and cutting machinery in our sewing department in Lapua.
- We use top of the line technology in our fabric production: Karl Mayer warping machine, Dornier weaving looms and electronic Staübli jacquard machines. These are all safe, long-lasting, easy for our staff to use and represent the best in the business in energy efficiency. With weaving technology, too, we find it important to support European production.
- In the new finishing facility, the washing and wadding equipment and drying frame represent the latest technology. In addition, we have invested in heat recovery and geothermal heating.
- In building projects and equipment maintenance, whenever possible, we choose to work with local operators.

WE MANUFACTURE ONLY WHAT IS ORDERED

For us it is the volume of orders that guides the entire production. We do not manufacture products to end up as surplus. For this to happen, we use MES and ERP systems to improve both quality control and traceability of operations as well as to minimise surplus of products.

WHAT HAPPENS IN OUR FACTORY IN LAPUA



WE MAKE OUR PRODUCTS – NOT SOMEBODY SOMEWHERE



Our employees are like family to us. We want to know everyone in our production chain and we want to treat them fairly. People enjoy it here: longest careers are around 40 years, and there are several employees at the moment with a career spanning over 10-20 years with us at Lapuan Kankurit.

Our beliefs

Everyone needs to receive fair pay for their work.

Everyone needs to be able to have a say in developing their work and to thrive at work.

To guarantee quality, you need to listen to your employees.

Diversity is an asset: our employees come from different countries and cultures.



The average age of our employees is 42 years. 51% of our employees are under the age of 40.

CORPORATE SOCIAL RESPONSIBILITY

We want to take on social responsibility in the textile industry and employ people in accordance with EU legislation. Our own subsidiary in Kaunas shares the same goals and objectives as we do at our weaving mill in Finland.

85%

percent of our employees are women. As a female-dominated place of work, we take on social responsibility and support the opportunity for women to balance work and family.

EMPLOYEE TRAINING

The employees are trained in the Tampere University of Applied Sciences and within the company as well as in courses organised by equipment manufacturers, Finnish Textile and Fashion and Finland Chamber of Commerce.

We also encourage everyone to join us in creating an atmosphere at work where everyone actively promotes openness and equality to achieve these goals. In the past couple of years, we have developed our plant's MES system together with our employees. We have also put effort in developing our working environment and improving safety at work.

We have a personnel of 36 in Finland and 18 employees in Lithuania.

ENVIRONMENT NOW, TOMORROW, FOREVER

Since we make our livelihood from nature, we want to commit to environmentally responsible practices. Our goal is to become a carbon neutral operator and we are constantly working towards that goal.

In 2023, our turnover decreased by 9% due to the challenging global situation. The amount of woven metres decreased slightly. There is increase in import and transportation, and a significant part of our emissions result from transportation of raw material and products.

The environmental impact of our production is low consisting mainly of heat production, use of energy and production of process steam to be used by the finishing facility.

USE OF ENERGY

- We utilise wind power. However, our carbon dioxide emissions have risen by 37%, amounting to 4460 CO2-eq in 2023. This was due to the fact that we introduced an entire new production facility and product line. On the other hand, electricity consumption decreased by 35% due to the new building and energy solutions.
- We utilise geothermal energy in our new production plants. We have also made preparations to utilise solar energy.
- Heat energy is produced by a district heating

plant utilising mostly woodchip and other by-products from sawmill industry.

- Our production uses a heat recovery system.
- We have shifted from light fuel oil to propane in our production due to the new, more energyefficient technology.
- Greenhouse emissions caused by business travel increased with trips to Japan, amounting to 18309 kg CO2-eq in 2023.

USE OF WATER

- The use of water per weaved metre was 10,5 litres per metre. The increase from the previous year is mainly attributed to the introduction of the new wool collection. Besides wool textile production, water is used in the finishing of linen fabrics to improve their quality and thus extend their life cycle.
- We have invested in a new finishing facility that requires the use of water. However, our own finishing facility allows us to monitor, develop and take responsibility for the eco-friendliness of this entire process ourselves.

DISTRIBUTION OF CARBON FOOTPRINT IN 2023

- Greenhouse emissions caused by electricity consumption
- Emissions caused by waste management and business travel
 - Greenhouse emissions caused by fossil fuel thermal energy consumption
 - Greenhouse emissions caused by transport

Lapuan Kankurit carried out the calculations using a carbon footprint calculation tool created by the Finnish Environment Institute.

RECYCLING

- We are exploring the recycling of discarded wool as part of our Finnish wool development project.
- We tested fibre tearing in 2023.
- Some of our developments include the sorting and use of linen waste (e.g. using the material in absorption products). We are also recycling cardboard boxes and the polypropylene used in transportation of yarn reels.
- Encore Pohjanmaa, our partner in recycling, is responsible for the recycling of the polypropylene used in transportation of yarn reels.
- Our stores receive discarded linen and wool textiles manufactured by our company.

USING LESS PACKAGING

- We continue cooperating with RePack.
- We are recycling our cardboard. The amount of cardboard packaging decreased by 18% in 2023. The amount of plastics increased slightly. We are continuously looking for environmentally friendly packaging alternatives.
- We are members of Finnish Packaging Recycling RINKI. We are actively monitoring our use of packaging materials. We are members of Grüne Punkt in Germany. It helps actively monitor our use of packaging materials with deliveries to Germany as well as ensures our carbon offsetting.

ACTIONS AND GOALS

 Our environmental management programme was granted the EcoCompass certificate in the summer of 2022. We have structured our entire business operation according to the certification criteria.

IN 2023, OUR

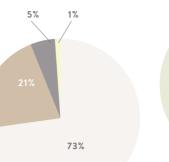
CARBON FOOTPRINT

DECREASED BY

17%

- We are among the first companies to participate in the 2035 Carbon Neutral Textile Commitment organised by the Finnish Textile & Fashion.
- We will continue monitoring our environmental footprint and instilling targetoriented action throughout the organisation.
- We will continue eco-balance calculations and the development of carbon footprint monitoring as we strive towards becoming a carbon neutral operator. Our focus is on assessing the carbon footprint of yarn producers.
- We monitor and report on amount of waste generated yearly. Our goal is to continue to discover new recycling subjects.
- Documentation according to ISO 14001 is part of our company's quality management.





ACTION FOR A BETTER FUTURE

We want to maintain and promote local textile expertise and Finnish textile industry in order to preserve the ecological wool and linen traditions. As weavers in fourth generations, we want to pass on our skills to the next generation.

HOW WE TAKE ACTION

EDUCATING YOUNG PEOPLE

We take on the responsibility of keeping the education and training in this field going in Finland. We train weavers and factory workers with an apprenticeship contract as well as engineers at the Tampere University of Applied Sciences. We also collaborate with the Aalto University.

Our collaboration includes offering textile students opportunities to learn weaving techniques at our factory.

LOOKING FOR NEW TECHNIQUES AND INNOVATIONS

As our passion is developing the best textiles in the world, we are constantly developing and looking for new techniques and innovations, be it fibres, materials or processes. For example, a few years ago we started using Tencel to replace cotton. Weaving it with linen has produced great results.

PARTICIPATION IN DEVELOPMENT OF CIRCULAR ECONOMY

We want to participate in circular economy projects and be part of developing new recycled and wood-based fibres. For example, we have participated in Aalto University's loncell test weaving project as well as in other new innovative fibre projects. We follow actively the development of circular economy through our involvement in Finnish Textile and Fashion, the central organisation in this field. Esko Hjelt, owner of our company, is a member of the board.

WE LEAD BY EXAMPLE

It is our responsibility to act transparently and lead by example by showing that textiles can also be manufactured responsibly.

Let's weave a good life together!







LAPUAN KANKURIT

weavers from Finland

LIKE US ON FACEBOOK: www.facebook.com/lapuankankurit FOLLOW US ON INSTAGRAM: @lapuankankurit

lapuankankurit.fi/en

Weaving mill: Tervaspuuntie 1, 62100 LAPUA, Finland Helsinki store&studio: Katariinankatu 2, 00170 HELSINKI, Finland Lapua outlet: Kulttuurikeskus Vanha Paukku, 62100 LAPUA, Finland