

BLACKMODA

Sustainability report

2019



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Black Moda Oy Sustainability report

This is Black Moda Oy's second Corporate Social Responsibility report (CSR), also known as Sustainability report, and it includes a summary of 2019. Our annual CSR report aims to improve the understanding of our operations and our work towards responsible textile production by our production customers, consumers and partners. In this report we also look at the challenges, successes and failures that we have identified. The Corporate Responsibility Report will be presented to our staff and we will discuss together the implementation of responsibility in our daily work.

Black Moda Oy is a Finnish textile company founded in 1996 with an office and warehouse located in the Pirkkala area, just outside of Tampere, in Finland. Since summer 2018, the company is 100% owned by BM Capital Oy, which is owned by Marko Keski-Vähälä, the CEO of Black Moda Oy. Black Moda Portugal, Lda, located in Ponte de Lima, Portugal, is a factory specialized in sewing and is owned by Marko Keski-Vähälä and his sister Riikka Oliveira. In addition to jersey articles, Black Moda Oy offers other products such as terry towels and bathrobes, socks, knitwear and home and kitchen textiles. These products are manufactured by long-term and reliable partners in Portugal, Italy and India.

Black Moda Oy provides production to B2B customers, who are mainly Finnish textile and fashion brands. Black Moda Oy also has two own clothing and textile brands: Puuvillatehdas and PikkuSet. Black Moda Oy is responsible for the manufacture, sale and marketing of RATIA® brand textiles. Black Moda Oy is a co-owner of AARREkid brand (as of June 2019, the brand operates under the subsidiary name Aarrelabel) with a 25% stake and Pokko Clothing with a 30% stake. Black Moda has one store - Pukimo - in Ideapark, Lempäälä. Pukimo sells Black Moda Oy's own brands and a small selection of other responsible and ethical Finnish brands. 2019 will be the second year of operation for Pukimo.

OUR VISION

is to consolidate the level of business achieved and to remain a medium-sized player. Our long-term vision is to create a broader sales base. We want to be involved in industry development and innovation.

OUR MISSION

is to provide responsible clothing and textiles to our customers and to build a more durable and transparent clothing industry.

OUR VALUES

Simplification, caring, respect, security, renewal, curiosity, development and learning.

Events in 2019

Fashion Revolution, April 22-28, 2019

The international Fashion Revolution Week was raised on Black Moda's websites' [blog page](#) (available in Finnish) and on Black Moda's Facebook account. Aarrelabel's social media introduced our production staff as a part of this campaign. Our Puuvillatehdas and PikkuSet brands featured our own sewing company on their Facebook accounts and featured a link to Black Moda Oy's sustainability pages. We provided our production clients with campaign related images of our production and people behind the production. Throughout the year, we give our production customers the opportunity to come visit our own sewing company, our other partners and our supply chain.

Member of the Finnish Textile and Fashion Association (Suomen Tekstiili ja Muoti ry) since May 2019

Membership strengthens our expertise and the quality of our customer service and provides current information from the textile industry. At the same time, we can also take advantage the training programs provided by the association.

Telaketju 2 -program

Black Moda Oy took part in the preparation of the Telaketju 2 project already in late 2018 and the project got off to a real start in May 2019, when the financiers and the companies involved in the project were confirmed. In 2025 the Waste Directive enters into force within the EU. The directive obliges Member States to organize a separate collection and recycling of waste textile. Telaketju is an active co-operation network aimed at promoting sustainable production, use and recycling of textiles. The research will lay the foundations for a circular economy business and will make Finland a pioneer in the textile circular economy. This project involves companies, associations and research organizations of all sizes, as well as municipal waste management companies. Black Moda Oy initially planned to participate in the project through its own development idea, but eventually decided to participate in the project as a sponsor. Read more about the project [here](#).

Customer survey 2019

Innoman interviewed three Black Moda Oy production customers personally and sent a digital customer survey to 21 production customers. Based on these respon-

ses, we can develop our processes and practices as well as provide information to our customers. Based on the responses, we were able to conclude that our sustainable practices and European production are also important to our production customers.

HerääPahvi! -project seminar on May 15, 2019

We attended the HerääPahvi! (Wake-up Cardboard!) project, which explored the entire value chain of packaging in a changing world, its use in the store environment and traveling to the customer's home. HerääPahvi! project is a joint project of Tampere University of Applied Sciences, Luke Natural Resources Center (Luke) and Design Forum Finland, which combines creative industries' expertise with bio- and circular economy and their latest innovations. The project is a continuation of the Carbon Sink Design Studio project. Read more about the project [here](#).

#Ykkösketjuun-campaign celebrates its first victory on June 3, 2019

Corporate responsibility organization Finnwatch is coordinating the [#Ykkösketjuun-campaign](#) in Finland. The aim of the campaign is to improve working conditions and human rights around the world, but also to bring all companies operating in Finland on the same line. Today, upholding human rights in production chains is voluntary for companies - and anyone who trespasses it can gain a competitive advantage. June 3, 2019, a government program was announced that commits itself to conducting a study to enact a due diligence law.



International Climate Change strike on September 27, 2019

On September 27, 2019 with the help of the Pirkkala office staff, we participated in the International Climate Action day. The climate strike was carried out at Black Moda Oy through a joint discussion and brainstorming on how we can reduce the amount of emissions from our own operations.

We listed measures we could implement, and they included folding the products at the packaging stage in a way the packing bag could be 50% smaller. This idea was refined, and individual packaging will be omitted on our own brands whenever possible.

Aarrelabel's goal is to reduce the amount of plastic used in packaging by 2020. Aarrelabel's products will be shipped from the factory in Portugal to Finland (and almost all Aarrelabel dealers) in one large plastic packaging from the beginning of 2020 onwards, instead of single individual bags. Individual packaging of products has also been omitted in PikkuSet products from the beginning of 2020, wherever possible. The same packaging method will be introduced in Puuvillatehdas. Tracking the amount of packaging material is so far been challenging, as we do not have accurate statistics on how much packaging material we have had in previous years.

The aim of Black Moda Oy is to reduce the amount of plastic used in packaging and to switch as much as possible to packaging materials made from bio-based or recycled materials, and we will continue to recommend this type of packaging to our production customers. We are constantly looking for solutions.

One of the innovations announced was to change the packaging material of Aarrelabel's e-commerce packages from plastic to paper. The goal is to launch the new packaging in January-February 2020, after Aarrelabel has completed the brand re-launch and a new website.

Making a repair service available to e-commerce consumers was also recorded as a possible measure under investigation. Aarrelabel has explored the possibility to offer a clothing repair service for its e-commerce customers. The brand has asked their dealers if they know any entrepreneurs with whom to build a network to repair clothing with small defects. Replies have been received from only a few resellers and the project has not yet been promoted. The goal is to find a service solution for this and add a repair service to the Aarrelabel online store by 2021.

Measures also included coordinating the UPS air freight shipped from our office to production to reduce volumes and shipments. This has proved to be challenging so far, as cargo shipped via UPS is usually always about urgent samples that cannot be postponed without jeopardizing the production schedule. In 2018, we shipped 770kg of cargo from our office as a UPS flight, and in 2019 it was 907kg.

In addition, we agreed to provide information on the care and washing of the products we make to promote the longevity of our products. These care instructions were added to Black Moda Oy's [website](#) during the rest of 2019 (available in Finnish). We added care instructions symbols to the product descriptions of PikkuSet's online store. Adding the care symbols for the Puuvillatehdas and Aarrelabel to our online store product information was set as a goal for 2020.

Gala for Children charity fashion show, Hotel Torni, Tampere,
on October 4, 2019

Pukimo store participated in the Gala for Children charity fashion show. The show featured contemporary outfits from Pukimo and AARREkid and Puuvillatehdas. The event was coordinated by Jenni Ahola from Model Agency Promodelin and raised a total of € 17 000. The funds went through the Tampere Children's Clinic Support Association to the new Children's and Adolescent Hospital of Tampere University Hospital - a unit for the treatment of small blood and cancer patients under the age of 16.

Christmas 2019

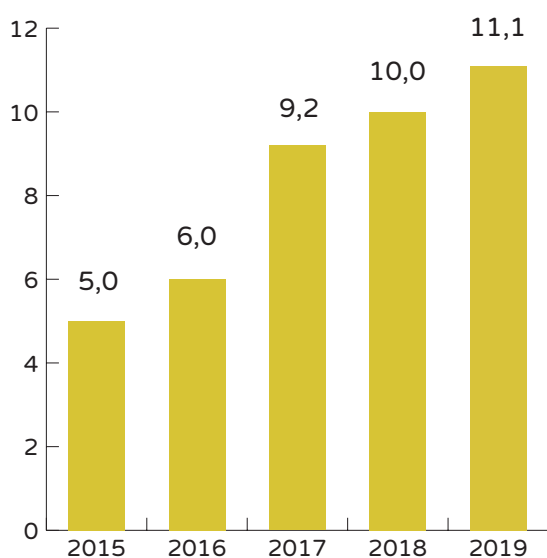
We donated a sum of € 1 000 to the Tampere University Hospital Foundation for corporate gifts.



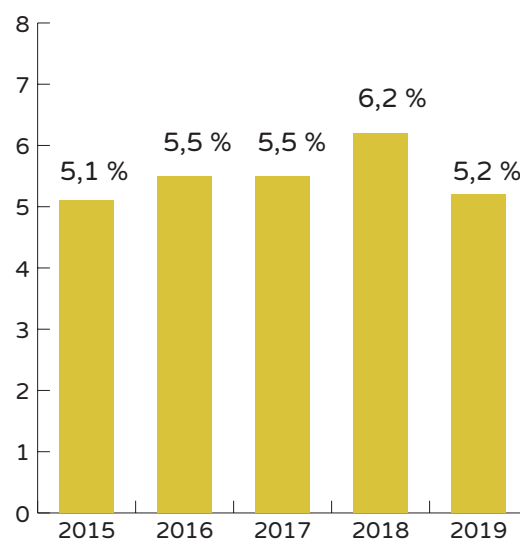
Economic Indicators

Black Moda Oy continues to grow steadily with a revenue of approximately € 11 135 000 in 2019. (In 2018, net sales were € 10 389 000.) Profit after tax is approximately € 590 000 and operating margin was 5.2%. Our company has good financial performance and profitable business. Economic growth also helps us to be financially responsible.

Turnover M€



Operating margin



Our financial indicators

VAT paid by the
company



Taxes paid by the
company



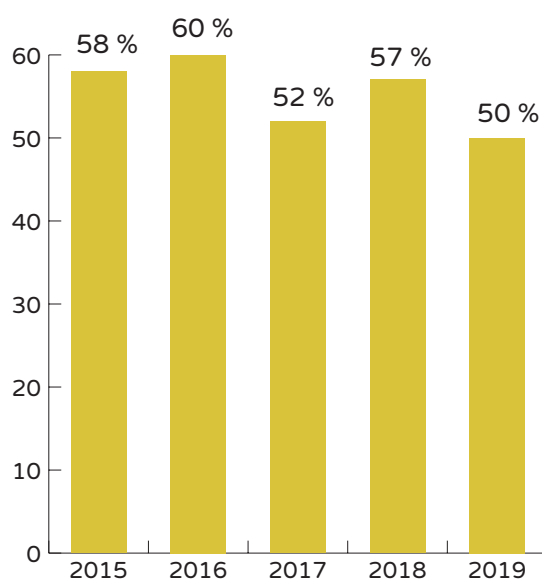
Gross wages and
salaries paid



Social security costs



Self-sufficiency rate



The well-being of staff

In 2019, Black Moda Oy employed 12 full-time and full-time employees in the Pirkkala office and warehouse, as well as 3 temporary, hourly employees, mainly in warehouse positions. In our own shop in Pukimo, Lempäälä, Ideapark employed 2 full-time salesmen, of whom 1 are full-time and 1 part-time, and 2 are called upon to work. The total number of staff in 2019 was 19, of whom 14, or 74%, were women and 5, or 26%, men.

As in the previous year, the supervisor had a development discussion with every employee. The discussion openly covered the employee's job satisfaction as well as issues related to work tasks and their development as well as their own goals. Black Moda Oy encourages employees to develop in their work and to participate in various trainings according to their interests and needs. The training supports, among other things, the development of professional skills, coping with work and everyday life, and working as supervisors. The number of training days in 2019 was 0.4 days / employee.

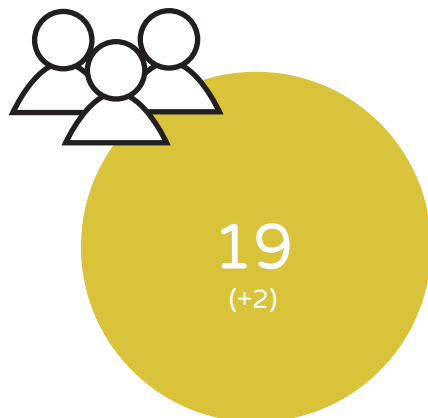
Pirkkala office provided internal safety training for two new employees. The training was provided by the occupational safety representative of Black Moda Oy. We take part in events linked to current affairs whenever we can and within our resources. In 2019, such events included topics such as future consumer and megatrends, or the latest marketing tools.

The office and warehouse of Black Moda Oy have a sliding working time between 7.30am and 6pm, with a weekly working time of 37.5 hours. In 2019, Black Moda Oy organized two voluntary events for its employees. The events were a Summer get-together and Christmas party in November. Office staff began to take an exercise break led by one staff member. Anyone can participate in the break depending on your work situation and need. In May, we moved from statutory occupational health care to extended occupational health care. In 2019, the employees received 20 coupons per person to be spent on activities outside of work, e.g. gym or concerts. The value of each coupon is 4 €.

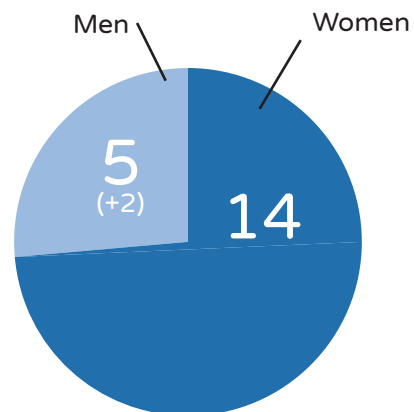
Key figures for our personnel

(Change in parentheses compared to 2018)

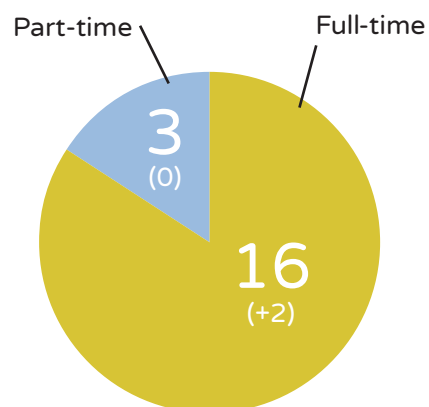
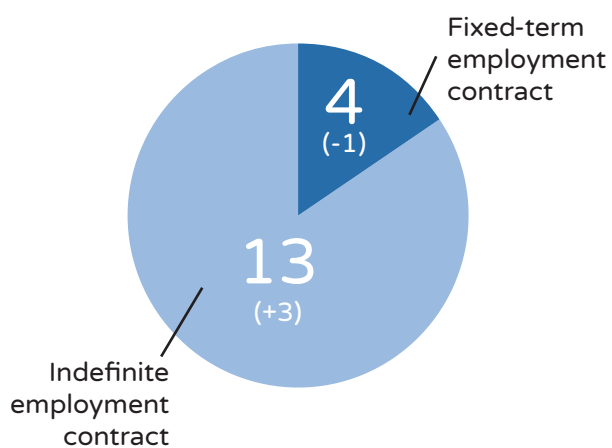
Number of staff



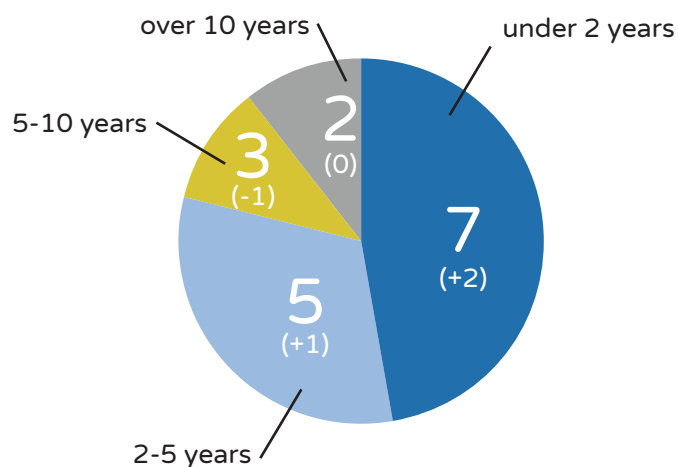
Gender breakdown of staff



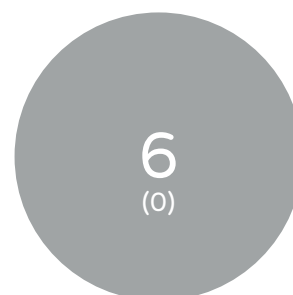
Quality of employment



Staff years



Number of sick leaves per employee



Number of work related accidents



CO₂ emissions from Black Moda Oy's premises and operations

At Black Moda Oy's premises, Pirkkala's electricity in 2019 was full wind EKOenergy. Total consumption in 2019 was 11 696.67 kWh (0 kg CO₂). The property is heated with geothermal heat.

Black Moda Oy pays for the lighting of the Pukimo store in Ideapark, Lempäälä, and 50% of the cooling. These consumed a total of 16 653.19 kWh of electricity in 2019. Black Moda had no opportunity to influence the electricity contract and the electricity is sold by Loiste. It was reported on Loiste's pages that in 2018, 12.1% of renewable energy sources, 43.7% of fossil fuels and 44.3% of nuclear power were used to produce electricity sold by Loiste Sähkömyynti Oy. (1 920 kg CO₂). Regarding 2019, no similar information was available at the time of writing this report.

Regarding business flights, our 2018 report contains a calculus mistake. We reported the carbon dioxide emissions originated from business flight as being 7 905.6 tonnes, but after a check count (using the [ICAO tool](#) the correct emissions are 2.87 tons. This tool takes into consideration stopovers and other passengers on board, which we didn't consider on the previous count.

In 2019, the total carbon dioxide emissions of Black Moda Oy were 5 941.5 tons, including truck transport from Portugal to Finland, purchased energy, supplies (plastic bags, paper bags, e-commerce mail bag), and business and professional travel. The calculation uses [a tool developed by Clonet](#) to measure the emissions of SMEs. The figure used to calculate the emissions does not include CO₂ emissions from air freight, for which we did not find a suitable tool. Business aviation accounted for 1.72 tons of total CO₂ emissions in 2019. This was calculated using the [ICAO counter](#).

Black Moda Oy has three online stores [aarrekid.fi](#) (as of February 2020, aarrelabel.com), [puuvillatehdas.fi](#) and [pikkuset.fi](#). The brands are also for sale at Weecos, which will be shipped and replaced at Black Moda Oy's warehouse in Pirkkala. PikkuSet left Weecos in November 2019. Black Moda Oy sent 149 letters and 2 591 packages by mail. The volume also includes orders for the Puuvillatehdas and PikkuSet online stores. There were 333 returns and 18 unallocated shipments. Correspondingly, Matkahuolto sent 216 packages. These number don't include Aarrelabel's online store quantities, they will be reported in the Aarrelabel 2019 Sustainability Report, since Aarrelabel / Pumpkin Design Oy is an independent company.

Black Moda Oy CO₂ emissions

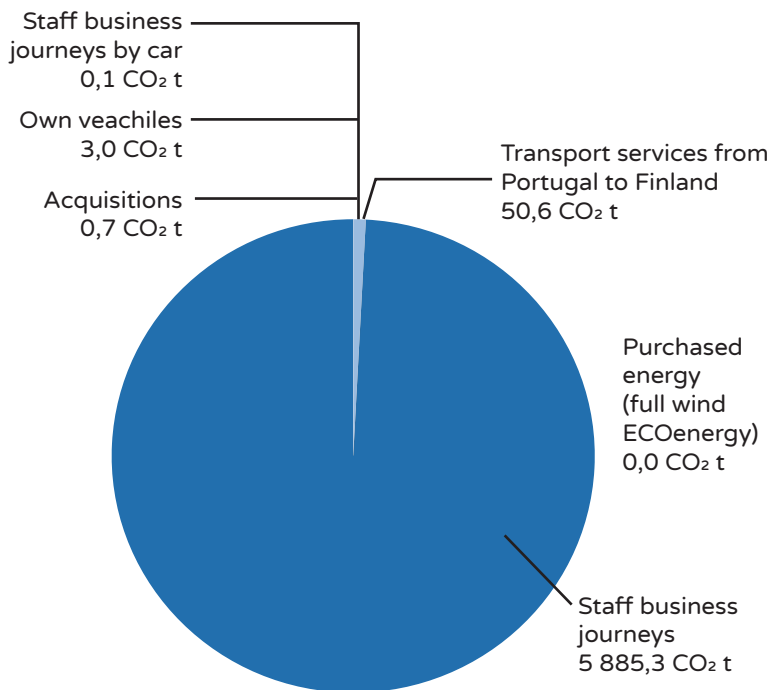
(Change in parentheses compared to 2018)

Carbon dioxide emissions

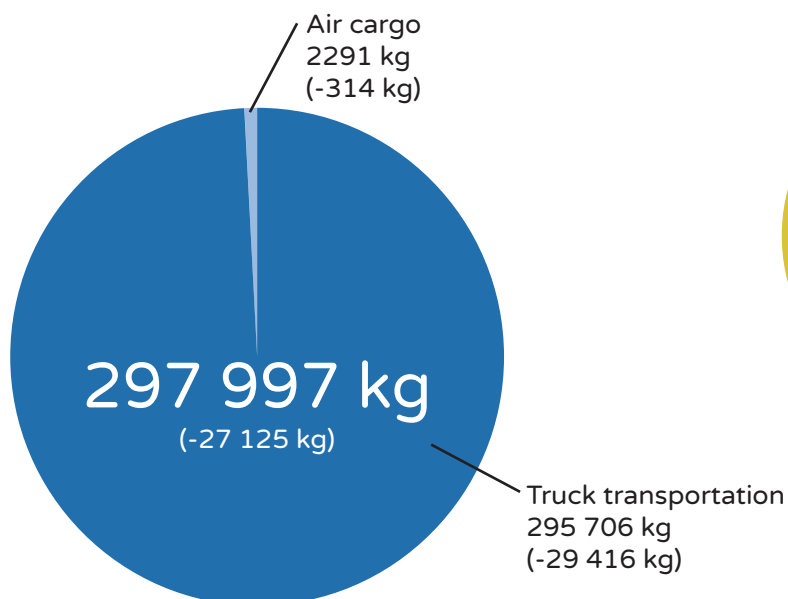


(Including truck transportation from Portugal to Finland, purchasing energy, procurement, staff commuting and business travel. Carbon dioxide emissions do not include the transport of private labels' e-commerce orders from stock to consumers.)

Distribution of carbon dioxide emissions



Number of shipments from Portugal to Finland (kg)



Air cargo sent by Black Moda Oy's customer number (kg)





I made
your
clothes

#IMADEYOURCLOTHES
FASHIONREVOLUTION.ORG

Own factory in Portugal, Black Moda Portugal, Lda

The sewing factory - Black Moda Portugal, Lda – is one of our family-owned businesses in northern Portugal and it is owned by Marko Keski-Vähälä (50%) together with his sister Riikka Oliveira (50%). Our own sewing company creates the basis for a quick response and flexible operation between customer service and sales, as well as production.

In 2019, Black Moda Portugal employed 71 professionals. Of these, 67 were Black Moda Portugal's own staff and 4 were hired through a temporary work agency. 70 employees had a full-time employment relationship and one had a part-time employment relationship.

Black Moda Portugal pays its employees' wages under the collective agreements. Thus, for example, the sewer's annual earnings are determined by a collective agreement. In addition to the basic salary, the staff accrues a supplement, overtime pay, Summer and Christmas vacation allowances and other production allowances. In addition to the above, work experience affects the salary level. For further information on salaries, contact Laura Keski-Vähälä, Executive Vice President, Black Moda Oy (contact information at the end of this report).

In total, Black Moda Portugal paid a total of € 659 894.84 in 2019. The figures include overtime pay, Summer and Christmas holiday pays and other financial benefits. Without the above supplements, the salaries for 2019 have been € 519 835.87. In 2019, overtime compensation totaled 17 203.58. The corresponding figures for 2018 were € 50 3532.60 (total), excluding bonuses the sum was € 382 034.27 and the share of overtime wages in 2018 was € 32 292.73.

Black Moda Portugal, Lda, the well-being of staff

In 2019, Black Moda Portugal held a performance review twice with all employees. The discussion mapped the needs of the individual and his or her own personal development goals.

To support the performance reviews, a satisfaction survey was conducted in 2019. Based on the results of the survey, it was possible to conclude that the rapid increase in the number of staff has led to a weakening of the satisfaction regarding working space. Some of the staff felt that they could not work as well and efficiently as they would have liked. As a result, concrete targets were set to improve the working space and its functionality by 2025. The survey revealed that those working in sales and representation wanted English-language training, and the target was to arrange training for all office workers in 16 hours in 2020.

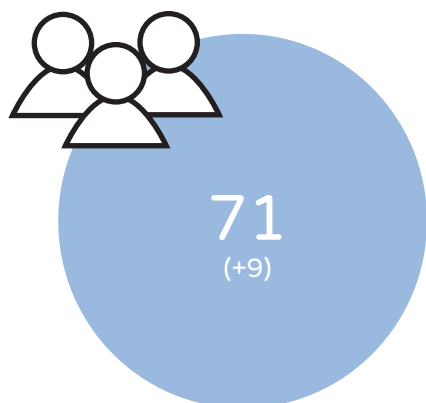
In order to improve the quality of managerial work, each employee will be provided with a personal work history file, which will record the performance discussions and note whether the employee has achieved the goals set together. It also ensures that the company has the tools to achieve its goals. Development discussions identify the individual training needs of everyone to help the individuals reach the set goal. This benefit both the individual and the company as a whole; by understanding the needs of individuals, the needs of the company as a collective are also met.

Black Moda Portugal, Lda organized 35 hours of training for all employees in 2019. In 2019, the theme of the training was Quality. The training included personal training in the workplace, with the instructor on site guiding and guiding the work for a specific number of hours at each employee's workstation. In this way, everyone received direct and personal training in their own work and workplace. The training was organized by [Modatex](#), a center for vocational training in the textile, clothing and wool industry.

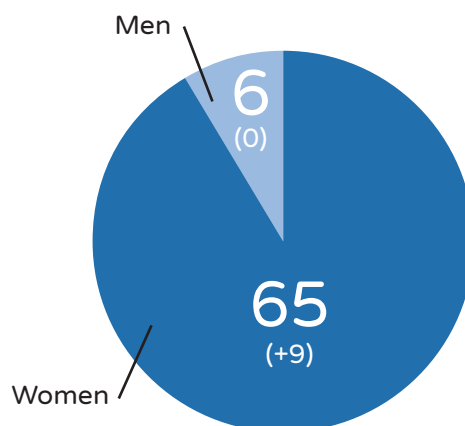
Key figures for Black Moda Portugal, Lda personnel

(Change in parentheses compared to 2018)

Number of staff



Gender breakdown of staff



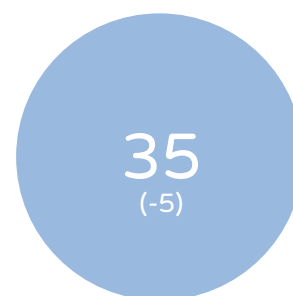
Number of work related accidents



Number of sick leaves per employee



Vocational education and training amount (h/employee)



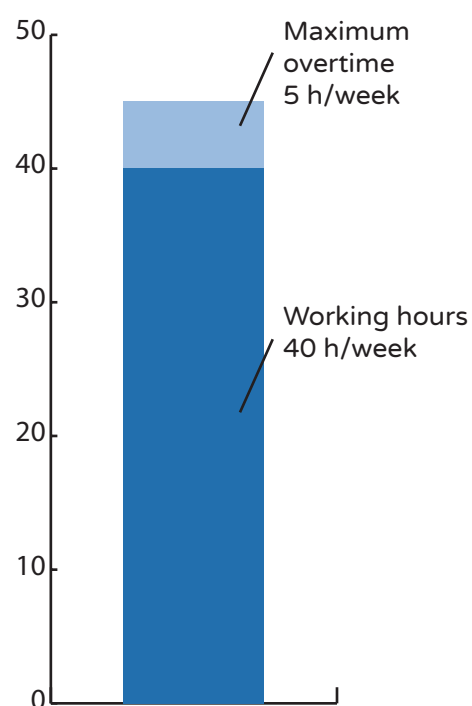
Gross wages and salaries paid



Paid overtime pay



Weekly working hours



Black Moda Portugal, Lda, Environmental impact of production

Water consumption is low in our own sewing factory, as there is no dyeing, printing or finishing of materials. Total water consumption was 281 m³, including water used in toilets and steam used in ironing in production. The consumption of chemicals was 15.2 kg, which was a non-hazardous stain remover. Consumed electricity was 85 477 kWh and we produced 1 111 kg of paper waste and 4 333 kg of plastic waste. Black Moda Portugal, Lda manufactured a total of 881 532 products for Black Moda Oy. We do not have a corresponding figure for 2018, because at that time we did not have a tool to calculate the figure.

Production activities in 2019 resulted in a total of 91.9 tons of CO₂ emissions. The figure includes used electricity, four company cars used to transport products and materials, and business-related business flights.

Cutting waste in Black Moda Portugal amounted to 36 486 kg. The amount is partly explained by the fact that invoicing-based production volume has increased by about 30% since 2018 and by the cleaning of material stock, which included the removal of old fabric stock that was no longer suitable for use, because it was damaged. One such material batch (240 kg) was utilized to make rugs. Black Moda sells also fabric pieces by the meter at Pukimo and our Pop-Up stores. We do not have statistics for exact quantities sold for 2019.

Cutting waste has gone to a waste management company that has incinerated cutting waste among energy waste or landfilled it. We did not get information from this company on the proportion of energy waste and landfill waste. In that respect, we have failed, because we have had the notion that cutting waste goes to through a real recycling process, after which the material or fiber can be reused. We have now learned that in many countries, such as Portugal, conventional waste management may be called recycling. We have learned our lesson and our goal is to find a company that will use cutting waste in 2020 that can process the cutting waste into reusable fibers or other material. Once such an operator has already been found and we can now monitor how much of the cutting waste can be recovered in this way.

The correct calculation of material consumption is also important in our own sewing company in order to make the best use of dyed, printed and finished materials. One tool to facilitate this is the automatic cutter introduced at the end of 2018 and the

launch of PROTEXTIL in 2020, which provides better tools for production tracking, product, material and order management, and inventory management. The ICF (Intelligent Cutting Flow) introduced in 2019, provides real-time information on material consumption and the flattening and cutting steps of each production batch, also helps in the work.

3D pattern is one tool for controlling material consumption and prototyping. Virtual 3D modeling reduces the production and posting of prototypes and depicted products and accelerates pattern work and prototype commenting. In practice, in virtual 3D modeling, a product sample is made electronically and fitted in a virtual avatar. The customer can make changes and comments to the product directly on the avatar without any need for physical samples. At the same time, these product images can be utilized e.g. in pre-sale catalogs. In 2019, construction of Black Moda Oy's own brand avatars has begun, and the goal is to make the tool available in 2020.

Subcontracted sewing accounted for 56.8% of manufacturing volume relative to invoicing (63% in 2018). With the tools in use in 2019, we were not able to separate subcontracting volumes by every work step. The sub-suppliers can, for example, produce the entire product or just one step, such as sewing the zipper. The proportion of subcontractors in our production can be better monitored in the future through the PROTEXTIL production control program, mentioned in the previous paragraph.

We are actively exploring a range of better alternatives and more ecological materials. These include, for example, Refibra®, which we used for the first time in Aarrelabel's production in 2019, and which we will increase by 20 kg / 2020. Refibra® fiber is a fiber developed and manufactured from wood pulp and recycled textile waste. Refibra® production utilizes existing textile material and is therefore a greener option, as there is no need to produce new material from scratch. Our goal is to make Ecovero™ viscose product at least available in the Aarrelabel range by the end of 2020. Ecovero™ viscose is made from certified, sustainably managed wood pulp and the full environmental life cycle of the fiber is considered. Manufacturing [Ecovero™ viscose](#) produces about 50% less emissions and water loading compared to traditional viscose. [Infinited Fiber Company's \(IFC\) cellulose carbamate](#) is made from cellulose or cotton-containing textile waste by means of a closed loop, and textiles made from fiber can be recycled again and again without loss of quality. This process consumes up to 20 000 liters less per kilo of carbamate produced than one kilo of cotton.

Most of the plastic bags used in production are basic packing bags and polybags with a plastic hook. At the end of 2019, we decided that our own brand products would not be individually packed in plastic unless it is truly necessary. (See page 8, Climate strike). Early 2020, we will have a tool to monitor the concrete impact of the decision on the amount of packaging materials. In addition, in 2019, an experiment to make a bio-based packaging bag has begun, and we will get results in 2020.

The production trash bags are entirely made from recycled plastic, which in 2019 we used in total 450 kg. Our production uses a large variety of plastic packing bags. We have become aware of the need to reduce the amount of plastic in packaging, especially virgin plastic. Our goal for 2020 is to identify more environmentally sustainable packaging solutions. Based on the results, we can make plans to reduce

virgin plastic packaging. Until we find a solution, we will make action to lessen plastic use, by only packing when necessary. Cardboard boxes made of recycled material will also be first tested in early 2020 in our own orders. At that time, we will also check whether cardboard boxes made from recycled material adequately protect the products during transportation and storage.

Our factory and our partners have open doors and our production customers are welcome to visit our on-site production. A total of five companies visited the site in 2019, and one of them was visited twice.



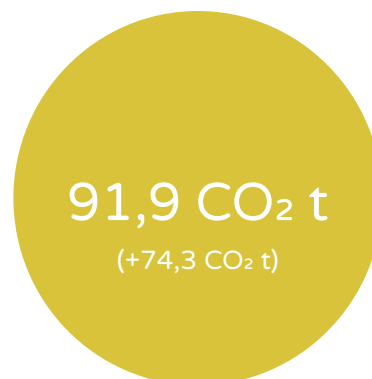
Black Moda Portugal, Lda production key figures

(Change in parentheses compared to 2018)

Cutting waste

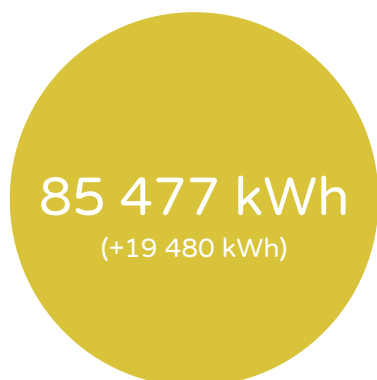


Black Moda Portugal, Lda:n
carbon dioxide emissions

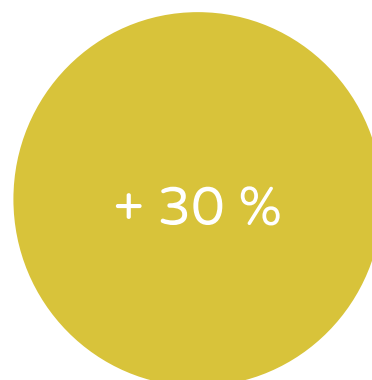


(the exclusion of shipments from Portugal to Finland, see carbon emissions from Black Moda Oy on page 14)

Energy consumption



Change in production volume
compared to 2018



(figure based on billing)

Total products produced



Plastic waste



Paper waste



Partners

When choosing partners and suppliers, we emphasize:

- reliability as a partner
- supply reliability
- social responsibility
- consistent quality
- certified materials
- compliance with REACH
- commitment to the Supplier Code of Conduct. Our goal is for all of our suppliers to sign Supplier Code of Conduct during 2020

Black Moda Oy's policy is not to find the cheapest supplier for each order or product category, but to establish, maintain and develop the longest and most effective supplier relationship possible. Perseverance lays the foundation for meeting the above criteria and is in the interest of our production customers, ours and our suppliers.

In Portugal, our main partner is our second family business, our own sewing company, Black Moda Portugal, Lda. In addition, our main partners include our fabric suppliers Armaco, Lda and our terry suppliers Somani Sociedade Têxtil SA. and Belfama, Lda. Our knitwear is supplied by Elmate Malhas e Confecções, Lda.

Most of our suppliers are based in Portugal. This is also reflected in the billing as 98.8% of the orders paid by Black Moda Oy are made in Portugal. Our tights and socks are made by two Italian suppliers and one Indian supplier of RATIA® nightwear.

The Indian supplier of RATIA®-branded nightwear is GOTS certified and certified by Oeko-tex, with Oeko-tex 100, class 1 certification. According to the World Bank's Governance Index Amfori BSCI's list of risk countries, India is classified as a risk country. We therefore will audit this supplier in February 2020 and the audit will be done by DNV GL. Our goal is for the Indian supplier to sign Black Moda Oy's Supplier Code of Conduct on February 5, 2020, during a joint meeting in Pirkkala office. For a list of risk countries, see [this link](#).



I made
your
fabric

#WHOMADEMYCLOTHES
FASHIONREVOLUTION.ORG

Black Moda Oy partners 2019

NAME	ADDRESS	COUNTRY	THE BEGINNING OF THE COOPERATION	STAFF	WOMEN	MEN	PRODUCT CATEGORY	SHARE OF DELIVERIES IN 2019
BLACK MODA PORTUGAL, LDA	Rua da Barreira N 1124 4990-645 Gemieira Ponte de Lima	Portugal	1996	71	65	6	Jersey	42,9 %
ARMACO - COMÉRCIO DE TÊXTEIS, LDA	Rua da Fervença, 162 - 4760-725 Ribeirão	Portugal	1999	11	2	9	Knitted fabrics	37,3 %
SOMANI SOCIEDADE TEXTIL, LDA	Rua do Outeiro 395, 4795-506 São Martinho do Campo	Portugal	1997	85	65	20	Terry	9,5 %
BELFAMA - EMPRESA TÊXTIL, LDA.	R.LAURINDA FERREIRA MAGALHÃES, N.º.283 - 4815-324 MOREIRA DE CÔNEGOS	Portugal	2014	106	43	63	Terry	5,0 %
LOLIBER-TEXTEIS, LDA	Av. Sobral Ilhó 91, Cervães	Portugal	The early 2000s	37	30	7	Jersey	0,6 %
ELMATE MALHAS E CONFECÇOES LDA	RUA 1º DEMAIO 266 ARÕES SANTA CRISTINA 4820-640 FAFE	Portugal	2017	50 (2018)	35 (2018)	15 (2018)	Knitwear	2,9 %
YOUNGSTAR UNIPessoal LDA	Avenida das Cerdeiras 83 , 4590-653 São Pedro da Raimonda Paços de Ferreira	Portugal	2019	59	55	4	Woven fabric clothing	0,0 %
BORDALIMA -IDÚSTRIA DE BORDADOS S.A.	R. Parque Industrial de Ponte 661, 4805-661 Bortalima	Portugal	2015	48	25	23	Sheets	0,5 %
GOLD LINE	via dell'industria 24, 46043 Castiglione delle Stiviere	Italy	2017	13 (2018)	6 (2018)	7 (2018)	Hosiery	0,1 %
FIORIMA	R. Q.ta da Goja 75, 4700-154 Frossos	Portugal	2017	100	66	34	Hosiery	0,1 %
B-CLOTHING	S.F.No:712, D.No:20, E.B.Nagar, T.S.K. Maragatham Layout, 60 Feet Road, Vellankadu, Tiruppur - 641604. Tiruppur	India	2018	89	No information	No information	Jersey	0,6 %

E S P A N J A

Black Moda Portugal, Lda and our partners' location
in Portugal.





Armaco has been our main fabric supplier since 1999. The company employs 11 people and manufactures knitwear and coordinates printing and dyeing for Black Moda Portugal's fabric production. The fabric produced by Armaco is of high quality and has been praised by our corporate customers as well as the consumers of our own brands. This supplier is certified by Oeko-tex and is also a member of the BCI (Better Cotton Initiative). From February 2019 onwards, all cotton delivered to Black Moda Oy or Black Moda Portugal by Armaco has been BCI cotton. All organic cotton supplied by Armaco is GOTS certified.

Armaco's electricity consumption in 2019 was 14 916 kWh, of which 54.97% was renewable electricity. Electricity is also saved by allowing natural light to enter the building and using LED lights for additional lighting. A total of 523 kg of plastic waste was generated.

In 2019, Armaco produced 258 343.3 kg of fabrics for Black Moda Portugal's clothing production. Of this, GOTS certified fabric accounts for 60.39%. In fabrics containing recycled materials, the amount of recycled fiber has been between 28% and 50%. Armaco produced a total of 8 694 meters of material for Black Moda Oy fabric customers. Of this GOTS certified fabrics account for 92.25%.

Our challenge is to trace the origin of cotton and organic cotton, and the GOTS certification does not indicate the origin of the cotton as far as the field. We started working on this issue in 2019 and will be getting our first results in the fall of 2020. In 2019, Armaco made 539 kg of fabrics using recycled materials for Black Moda production. This amount includes fabrics containing Refibra®. When increasing the use of recycled fibers, we must carefully consider whether the quality of the recycled fiber is good enough. Our own brands and production customers have high quality criteria for their products, which may not be fulfilled by all the recycled fibers in the market. The application of recycled fibers on our production needs to be carefully researched to ensure that the product life cycle is not shortened too much. Therefore, we have a moderate target to increase the number of fabrics made from recycled fiber to 1 000 kg by 2020.

Key figures for materials produced by Armaco

(Change in parentheses compared to 2018)

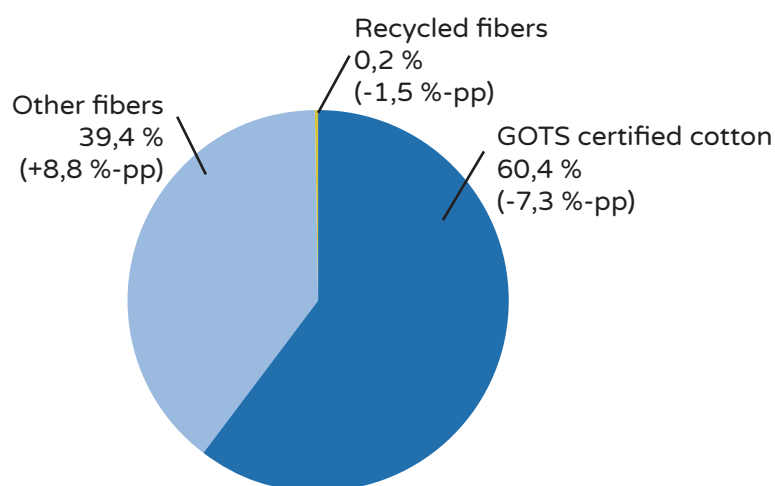
Number of knitted fabrics delivered for jersey production



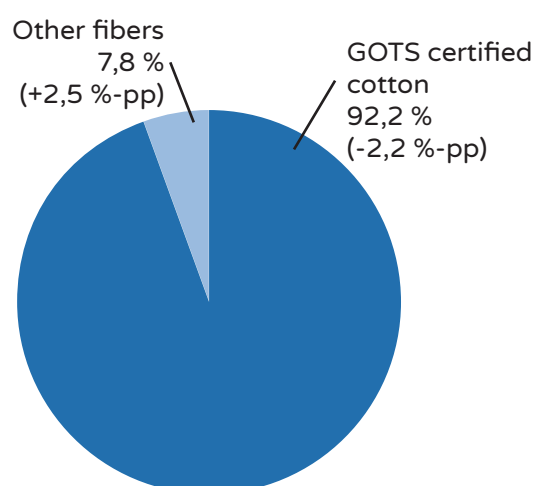
Quantity delivered by meter



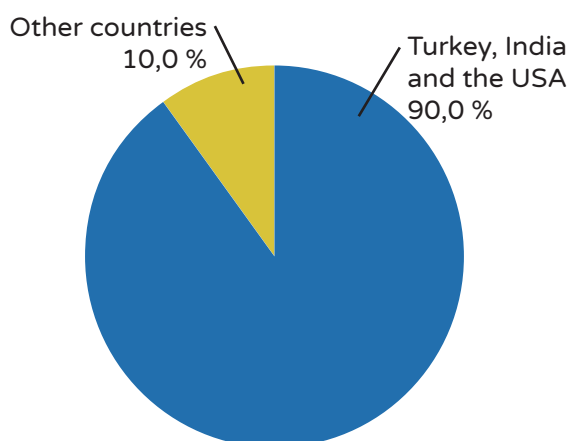
Materials of knitted fabric delivered for jersey production %



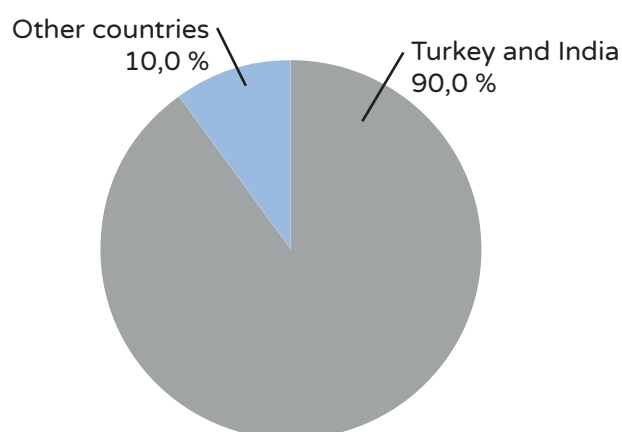
Materials of knitted fabric delivered by meter for clients %



Origin of cotton fiber %



Origin of organic cotton fiber %



Key figures for materials produced by Armaco

Origin of the polyester fiber

Turkey, India
and Portugal

Origin of recycled polyester fiber

Portugal

Origin of the elastane fiber

Turkey and
Vietnam

Origin of wool fiber

Austria

Origin of flax fiber

China

Origin of viscose fiber

Lenzing:
Indonesia ja
Austria

The partnership with Belfama, Lda began in 2014. Belfama is our towel supplier and employed 105 full time and one part time person in 2019. Belfama is certified by Oeko-tex. The cotton yarn used in Black Moda Oy's production is from India or Pakistan. The origin of the fiber itself was not disclosed. Production in 2019 resulted in 524 400 kg of CO₂ emissions and electricity consumption of 7 428 948 KW / h. Black Moda conducted a sustainability survey to all the suppliers and understanding the origin of electricity was challenging in Belfama's case. The water used in Belfama's production amounted to 108 530 m³ and 600 tons of chemicals were used.

Belfama uses natural gas. In the production's steam boilers, they now have a gas heat recovery system that saves natural gas consumption. Belfama's machines use less and cooler water in processes. Belfama generated 4 390 kg of plastic waste and 21 295 kg of paper waste.

Our bathrobe supplier, Somani, is GOTS and BSCI certified and has Oeko-tex 1 certification. Our partnership with Somani began in 1997. In 2019, the company employed 85 people. The cotton fiber used by Somani comes from Tanzania and the organic cotton fiber comes from Tanzania or Turkey. Polyester and recycled polyester come from South Korea. Recycled polyester is made from PET bottles. We did not receive answers on the electricity consumption regarding Somani's production nor on carbon dioxide emissions. However, one clear aim of this supplier is to reduce emissions by purchasing electric cars for the company.

Loliber-Texteis, Lda is a supplier of tricot clothing, with whom we started cooperation in the early 2000s and already in 2004 Loliber made a significant production for Black Moda. In 2019, this supplier employed 37 people. The cotton fiber and yarn used in Loliber and the polyester fiber and yarn are from India. Loliber consumed 42 325 kWh of electricity and 13 912 kg of carbon dioxide emissions. 240 kg of paper waste was generated. The amount of plastic waste was not reported.

Youngstar Unipessoal, Lda is our woven clothing supplier with 59 employees. The company is certified by Oeko-tex. Our partnership with Youngstar began at the end of 2019. This supplier trained its staff for 50 hours during 2019. The amount of fabric apparel bought from Youngstar is expected to grow in the next few years, so our goal is to look more into this supplier in the years 2020-2021, to find the origin of fabrics and their fibers.

Our knitting supplier Elmate will respond to our sustainability survey in March 2020, after which we will make additions to the report. Our cooperation with Elmate started in 2017.

Key figures for materials produced by Somani

Quantity of products produced
for Black Moda

58 526 pcs

Origin of cotton fiber

Turkey,
Tanzania and
Mozambique

Key figures for materials produced by Belfama

(Change in parentheses compared to 2018)

Quantity of products produced
for Black Moda

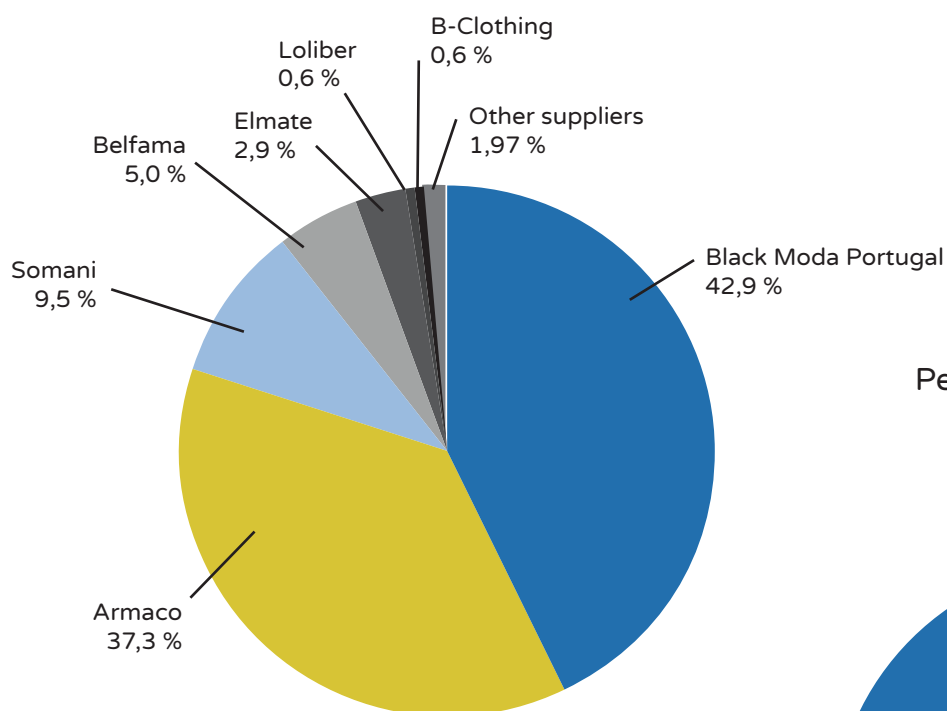
106 649 pcs
(+11 037 pcs)

Origin of cotton fiber

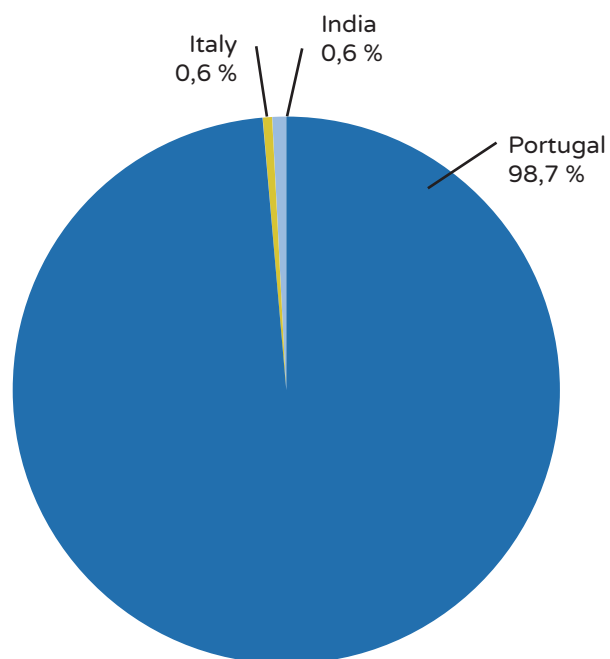
India
and Pakistan

Our production key figures

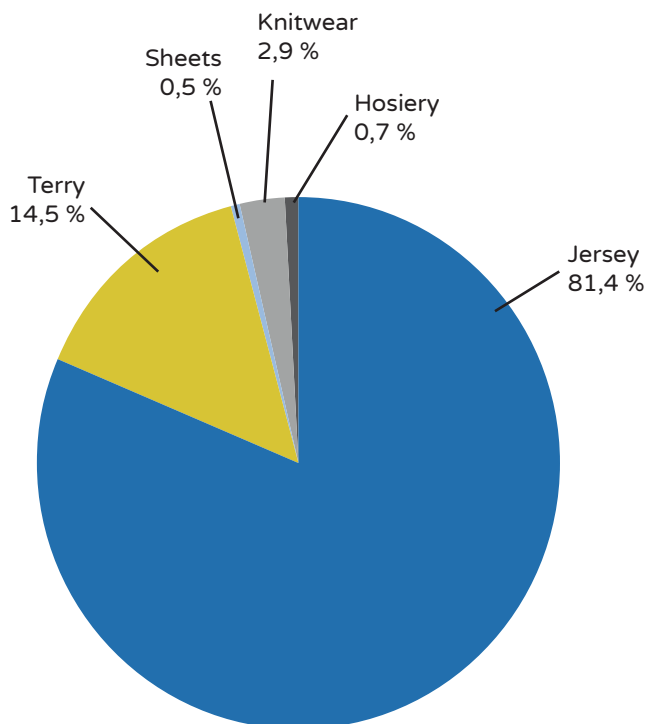
Percentage of production by supplier



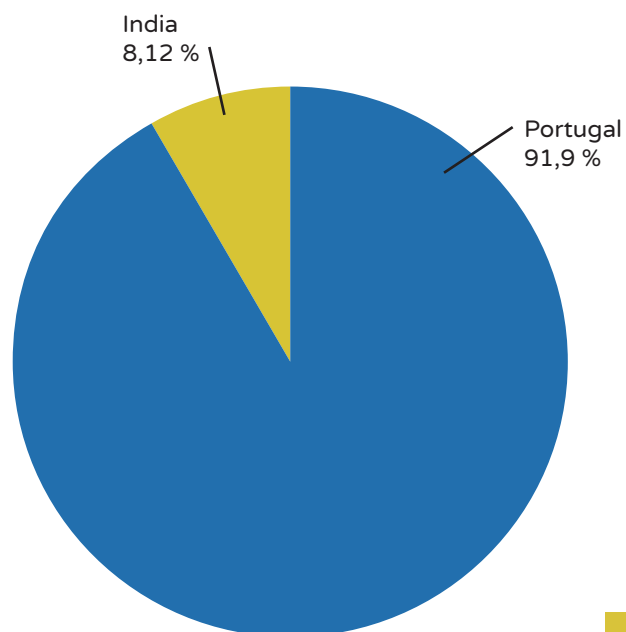
Percentage of production by country



Percentage of production by product category



RATIA® jersey production sites by country





Goals and description	YEAR
Making the Supplier Code of Conduct with all our suppliers.	2020
Black Moda Code of Conduct added on the website.	2020
Black Moda Portugal, Lda Renovation of premises.	2023-2025
Black Moda Portugal, Lda Redevelopment and Extension Project.	2020 -
Black Moda Portugal, Lda English Language Training PT.	2020
Black Moda Portugal, Lda Protexil Protexil and implementation of new software.	2020-2021
Black Moda Portugal, Lda Stepping up development discussions (individual responsibility for own goals, ensuring tools are available)	2020
New and more ecological packaging materials for online shops.	2020
New Black Moda web pages to introduce the production and sustainability better.	2020
Production made from recycled material from our own cutting waste to our own brands.	2020
The first productions where the used cotton could be traced back to the field.	2020
Target for own brands to reduce polyester production by half (product range).	2021
More and more efficient use of our own knitwear by improving consumption through virtual sampling. We are looking for tools that will also help our customers to create their own waste products.	2021
Auditioning B-Clothing and subcontractor operators.	2021
Familiarizing with the fabric origin of woven fabric products.	2020
Products made of Ecovero™ viscose for Aarrelabel.	2020
Increase the amount of Refibra™ fiber in production by 100 kg.	2020

One major challenge has been finding suitable suppliers of packaging made from recycled materials. We aim to find a manufacturer of recyclable materials and packaging for packaging in the EU or preferably in Portugal, but by 2019 we have not found a suitable supplier with materials and products to suit our requirements.

The Portuguese National Sewing and Clothing Association - [ANIVÉC / APIV](#) represents industry in Portugal. We are challenging the association to develop workable tools for Portuguese companies to develop their responsibility work and to measure and monitor the environmental impact of their operations.



BLACKMODA

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