

BLACKMODA

Sustainability report 2020



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Black Moda Oy Sustainability Report 2020

This is Black Moda Oy's third sustainability report and it contains the summary of year 2020. The goal of our annual sustainability report is to improve our production clients', consumers' and our partners', as well as stakeholders' understanding of our operations and our work towards sustainable textile production. In this report we will discuss the challenges, successes and failures faced in our work. The sustainability report will be presented to our staff, and we will discuss the realization of sustainability in the daily work.

Black Moda Oy is a Finnish family textile company founded in 1996. Year 2021, when this report is written, marks the 25th anniversary of the company.

Black Moda Oy's office and warehouse are located in Pirkkala, Linnankallio region. The company is owned by BM CAPITAL OY, which is fully owned (100 % of the shares) by Black Moda Oy's CEO, Marko Keski-Vähälä. Black Moda Portugal, Lda, that is focused on cutting and sewing garments made of jersey, is located in Ponte de Lima in Northern Portugal, and is owned by Marko Keski-Vähälä and his sister Riikka Oliveira.

In addition to jersey garments, Black Moda Oy's selection includes terry towels and bathrobes, hosiery, knitwear, as well as household and kitchen textiles. These are produced by our long-term and trusted partners in Portugal, Italy and India.

Black Moda Oy offers productions to B2B clients that are mainly Finnish textile brands. Black Moda Oy also has its two own clothing and textile brands: Puuvilla-tehdas and PikkuSet. Black Moda Oy produces, sells and markets RATIA® brand's textile products. In addition, BM CAPITAL OY is a co-owner of Aarrelabel-brand, owning 25 % of the shares and co-owner of Pokko Clothing, owning 25 % of the shares.

In 2020, Black Moda owned two stores: Pukimo and Pukimo Outlet, that are located in Ideapark in Lempäälä. Pukimo retails Black Moda Oy's own brands, as well as small selection of other sustainably and ethically produced Finnish brands. Pukimo Outlet sells Black Moda Oy's own brands' warehouses' final batches and seconds. 2020 was Pukimo's third year of operation and Pukimo Outlet's first.

OUR VISION

Is to consolidate the achieved level of business and remain a medium-sized operator.

Our long-term vision is to create a wider base for sales. We want to be part of the development and innovations of the industry.

OUR MISSION

Is to provide sustainably produced clothes and textiles to our customers and to construct a more sustainable and transparent clothing industry.

OUR VALUES

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

Events in 2020

The Corona pandemic has also affected Black Moda's operations in 2020 and we also could not help but lay off some people. The Child fair was postponed to be held in 2021. Trainings and webinars were accessed remotely. Client meetings were also minimized to prevent the spread of the pandemic. Despite the pandemic, we were able to continue our responsibility work one small step at a time.

Telaketju 2 -project continued

In 2025 a Waste Directive will come into effect in EU, and member countries will be obliged to arrange separate collection and recycling for end-of-life textiles. Telaketju is an active cooperation network whose goal is to promote sustainable production, use and recycling of textiles. Telaketju's research paves the way for a business trade that is compliant with circular economy and makes Finland the pioneer of circular economy. Businesses, associations, and research organisations of all sizes as well as the municipal waste treatment facilities are taking part in this change. Black Moda is involved in the project as a sponsor. Some of the businesses are taking part with their own projects. You can read more about the Telaketju-project [here](#).

Carbon footprint survey conducted by Finnish Textile and Fashion on 21.1.2020

Finnish Textile and Fashion prepared a roadmap that outlined the paths towards a carbon-neutral textile industry. The survey mapped the current situation of the industry. The first stage of the roadmap was to look at the climate impacts of the textile operators in Finland. In addition, effective ways to decrease the emissions were investigated and the effects of the shift were assessed from different perspectives. We answered this survey. Read more [here](#).

Auditing of India's supplier on 25.2.2020

The supplier that produces the jersey garments for RATIA brand was audited in February, and the audit was conducted by DNV GL. Based on the audit, no considerable deficiencies in human rights were detected. However, Black Moda needs to pay attention to occupational health and occupational safety issues and social responsibility. Supplier's agent informed on 25.9.2020 that BSCI has audited the supplier.

Circular economy for business development -morning coffee meeting on 5.3.2020

The event was open for everyone interested in circular economy business. The theme was especially targeted at those small and medium-sized enterprises that are considering the shift to circular economy, and those enterprises and public sector operators that offer support in the shift to circular economy. The program included case examples of circular economy. Read more [here](#).

Aarre added on Finix's #Kestävävaate (#sustainableclothing) -campaign's list on 9.4.2020

[Finixin #kestävävaate-campaign](#) chose Aarre on their list that consists of enterprises whose products they recommend to customers who want to support sustainable circular economy and Finnish textile industry that promotes longevity.

#Ykkösketjuun--campaign made progress on 30.6.2020

Starting from Fall 2018, corporate responsibility organisation Finnwatch has been coordinating the #ykkösketjuun -campaign that tries to achieve corporate responsibility legislation in Finland. The goal is to improve the working conditions and human rights all over the world, but also to set all Finnish enterprises on equal footing. At the moment, taking care of human rights in the production chain is voluntary for the enterprises – and those who violate the rights might get competitive advantage. On 30.6.2020, Ministry of Economic Affairs and Employment of Finland published a [legal analysis](#) on the Finnish national corporate responsibility legislation, and Finnwatch prepared a [joint statement on behalf of enterprises and organisations on the corporate responsibility legislation](#). Black Moda Oy also took part in this statement. The statement was published on the same day as Ministry of Economic Affairs and Employment of Finland published their analysis.

Aarre included in Eetti's Rank a brand 2020 -responsibility ranking. Conducted by the support of Ministry of Foreign Affairs and Kuluttajaosuuskunnan säätiö, the report covers all the central areas of responsibility and provides information to the consumers as well as an impartial tool for Finnish enterprises to develop responsibility work and communicate about it. In 2020, 35 Finnish clothing brands were included. Aarre ranked well, placed in B category. You can look at the report [here](#).

Corporate responsibility in European textile industry -webinar on 28.10. The theme was the livelihood and living wage of the employees in the industry. We took part in the webinar to increase our awareness on the situation of the industry. Read more [here](#).

HerääPahvi! -project's final webinar on 26.11.2020

We took part in HerääPahvi! -project's final webinar in Tampere, where the participants were introduced to different ways to use the materials produced during the project, as well as different types of packaging. HerääPahvi! -project is a joint project of Tampere university of Applied Sciences, National Resources Institute Finland (Luke) and Design Forum Finland, that combines the know-how of creative industries with bio and circular economy and their newest innovations. The project is continuation to the Hiilinielu Design Studio –project. Read more about HerääPahvi! -project [tästä linkistä](#).

Participation in Finnish Textile and Fashion's Responsibility and communication group's remote meetings on 5.3. and 8.12.

Shades of Green -työpajat 6.11. ja 10.12.

The participants of Aalto university's FINIX-project's workshops were introduced to the Shades of Green instrument and its criteria, that are in preparation, and allowed to comment on them. The instrument aims to communicate the level of environmental and social sustainability of a product to the customer, encouraging sustainable choices.

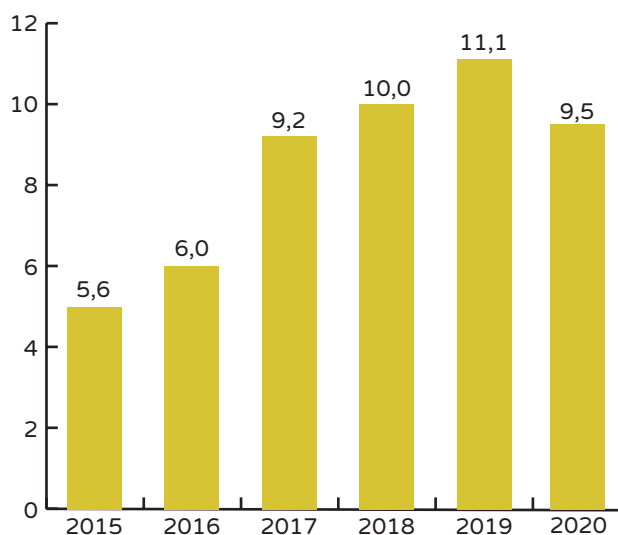
Yrityslahjaraha Tays-tukisäätiölle

Jouluna 2020 annoimme yrityslahjoihin varatun summan 1000 € Tays-tukisäätiölle.

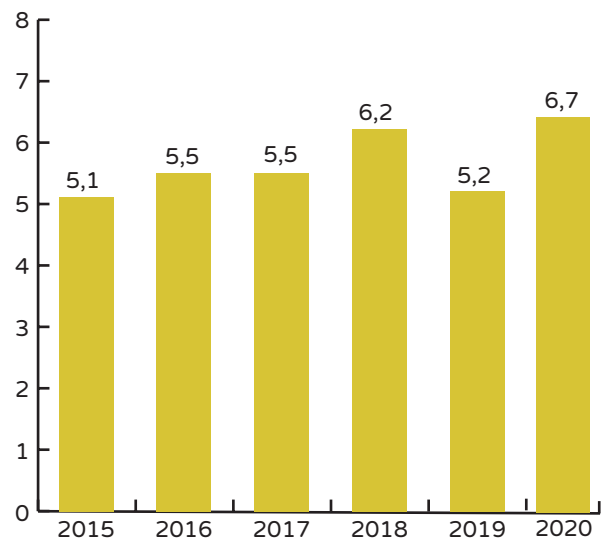
Economic Responsibility

In 2020, Black Moda Oy's turnover was estimated to be 9 592 000 €. The profit after tax was approximately 650 000 € and the operating profit margin was 6,7 %. Our company's economic performance is, despite the Corona pandemic, good and business is profitable. Economic growth also helps us to operate in a more economically responsible manner.

Turnover M€



Profit margin %



Our economic Indicators

Value added taxes paid by the company



Taxes paid by the company in Finland



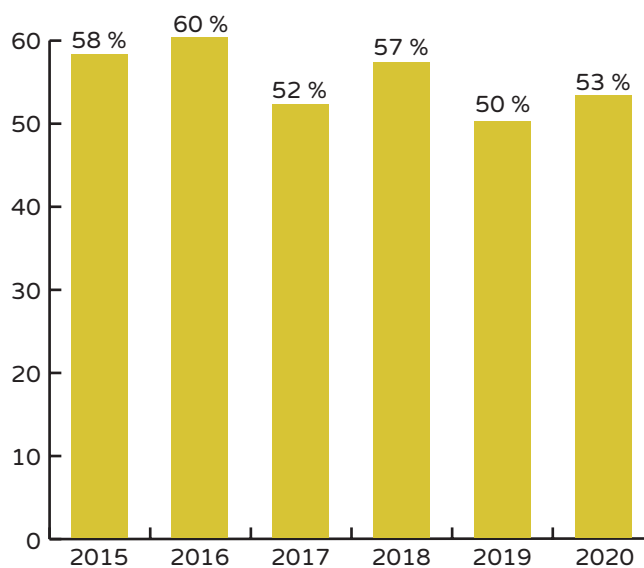
Paid gross wages



Social security costs



Self-sufficiency %



Company culture and staff welfare

In 2020, Black Moda Oy employed, in their office and warehouse in Pirkkala, 13 permanent employees and 2 fixed-term, hourly paid employees who worked mainly at the warehouse. In addition, one warehouse worker was employed through a staffing company.

Two permanent salespeople, one fulltime and one part-time, worked in our own shops Pukimo and Pukimo Outlet in Lempäälä's Ideapark, along with two on-demand salespeople with fixed-term contracts.

The quickly escalated situation in March led to fulltime and part-time lay-offs during the time period from March to June. However, we managed to avoid terminations.

A superior held one performance appraisal with each employee. Black Moda Oy encourages the employees to improve themselves and participate in various trainings according to their own interest, needs and situation. Trainings support the development of professional skills, wellbeing in and outside of work, and ability to work as a supervisor.

Black Moda Oy's office and warehouse apply flexible working hours from 7.30 to 18.00 o'clock, while the weekly hours are 37,5. The hours accumulated in the working time account can be used for personal appointments when needed. In 2020, Black Moda Oy did not arrange the traditional workplace health promotion day or Christmas party.

In 2020, the employees received 30 Tyky-vouchers per person. One voucher's value is 5 €.

Trainings in 2020:

Due to the Corona pandemic, fewer trainings were conducted.

Bravers; Caring interaction –training

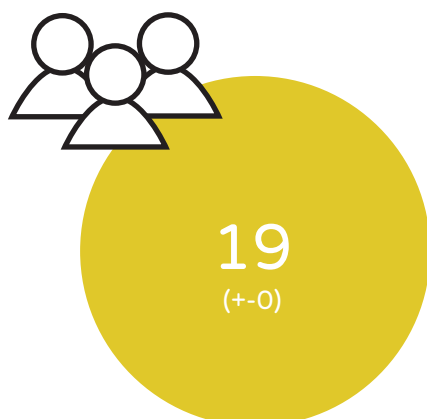
1 day, 12 participants

Internal work safety training was held at Pirkkala office for one new employee. The training was conducted by Black Moda Oy's occupational safety representative.

Our staff indicators

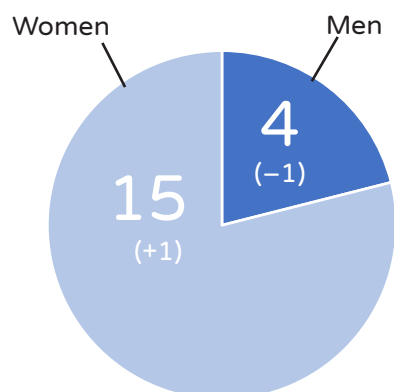
(Change to 2019 in brackets)

Number of staff

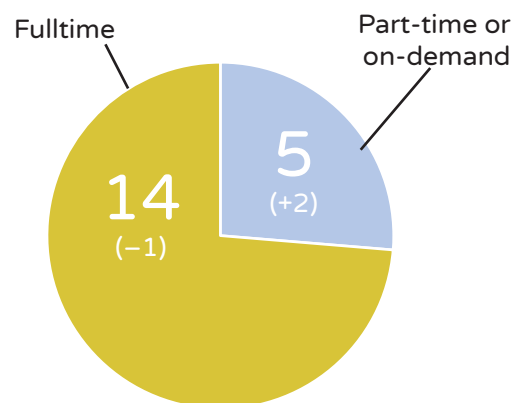
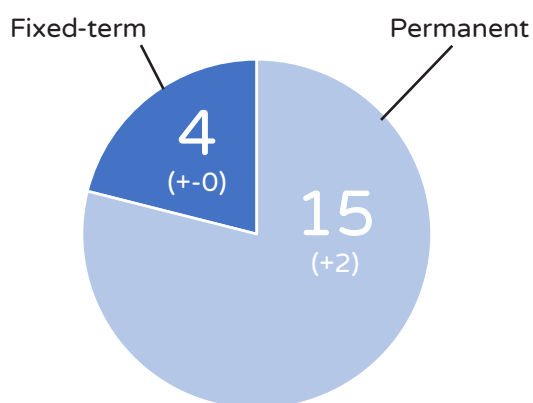


The numbers do not include one warehouse worker employed through a staffing company

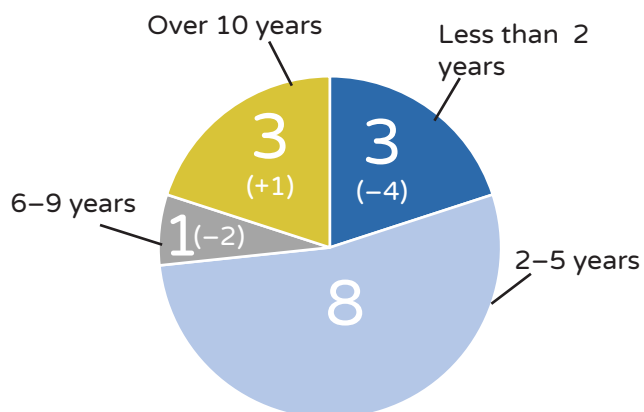
Distribution by gender



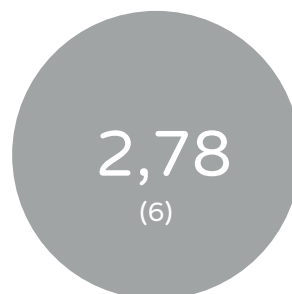
Employment status



Permanent employees' years in service



Number of sick leaves per employee



Number of accidents at work



CO2 emissions of Black Moda's business premises and operations

At Black Moda Oy's premises in Pirkkala, the electricity was also in 2020 full wind EKOenergy and the total consumption was 10 772,69 kWh (0 kg Co2). The difference to previous year being -923,98 kWh. One possible contributor to this change might be the fact that about half of the staff has worked most of the working days remotely. The premises are heated with geothermal heat.

Black Moda Oy pays for the lighting in the Pukimo shop in Lempäälä's Ideapark, and starting from fall 2020, also for the lighting in Pukimo Outlet and 50% of the cooling of the premises. In total, these consumed 16 137,28 kWh of electricity in 2020. (In 2019 the consumption was 16 653,19 kWh). The consumption in April and May of 2020 were about 30% less than in March or June. This can be explained by the exceptional opening hours in the spring due to the Corona pandemic. Black Moda had no say in the electricity contract and the electricity was sold by Loiste. On Loiste's website, it was stated that in 2019, 10,1 % of the electricity sold by Loiste Sähkömyynti Oy was from renewable sources, 41,1% was from fossil fuels and 48,8 % was nuclear energy. (1 750 kg CO2). There was no information accessible for the year 2020 at the time of writing this report.

In total, the carbon dioxide emissions of Black Moda Oy's operations in 2020 were 50,44 tons including the truck transportations from Portugal to Finland, delivered energy, procurements (paper bags, online store's mailing bag) and staff's commuting and business trips. [A tool developed by Clonet](#) for measuring the emissions of small and medium-sized companies was used to verify these calculations. The number used for calculating the emissions does not include the air and sea freights' CO2 emissions, since we could not find a proper tool to calculate them. Business flights' s [ICAO's calculator](#).

As far as CO2 emissions are concerned, we state that there was a mistake on the report of 2019. We reported that the amount to be 5941,5 tons, but we did not consider the verification of business flight emissions calculated by [ICAO's calculator](#), according to which the CO2 emissions had been 2,87 tons (the original figure for business flight emissions was 5885,3 tons), in the total emissions. The calculator takes into account for example the stopovers and the fact that there are other passengers on the place. The total emissions after the correction are 59 tons.

Black Moda Oy carbon dioxide emissions

(Change to 2019 in brackets)

In 2020, Black Moda Oy had three online shops, aarrekid.fi (aarrelabel.com since February 2020), puuvillatehdas.fi and pikkuset.fi. Aarre – and Puuvillatehdas – brands' clothes were also sold in Weecos, the shipments and replacements are managed at Black Moda Oy's warehouse in Pirkkala.

Black Moda Oy sent 22 (149) letters and 3362 (2591) packages by mail. The numbers also include the deliveries of Puuvilla's and PikkuSet's online orders. Number of returns was 432 (333) and unclaimed deliveries 9 (18). The numbers in brackets () are the numbers in 2019.

In 2020, Matkahuolto deliveries amounted to 138 in total, 381 kg (216 deliveries in 2019) and the number of returns was 12.

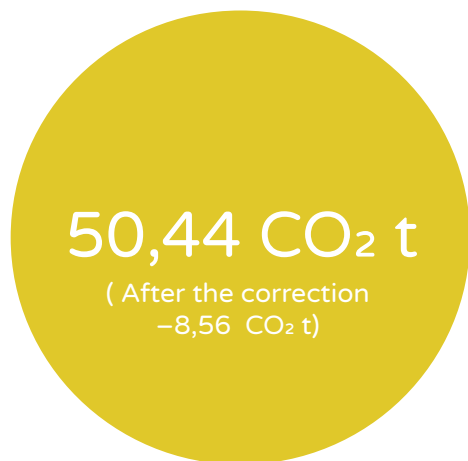
The numbers do not include Aarrelabel's numbers, those are discussed in Aarrelabel's sustainability report of 2020.



Black Moda Oy carbon dioxide emissions

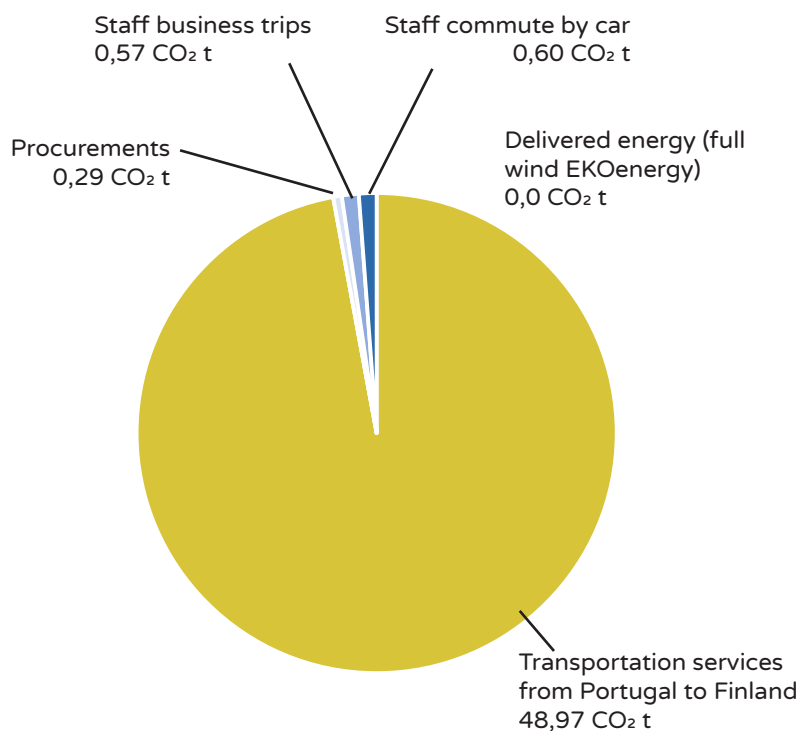
(Change to 2019 in brackets)

Carbon dioxide emissions

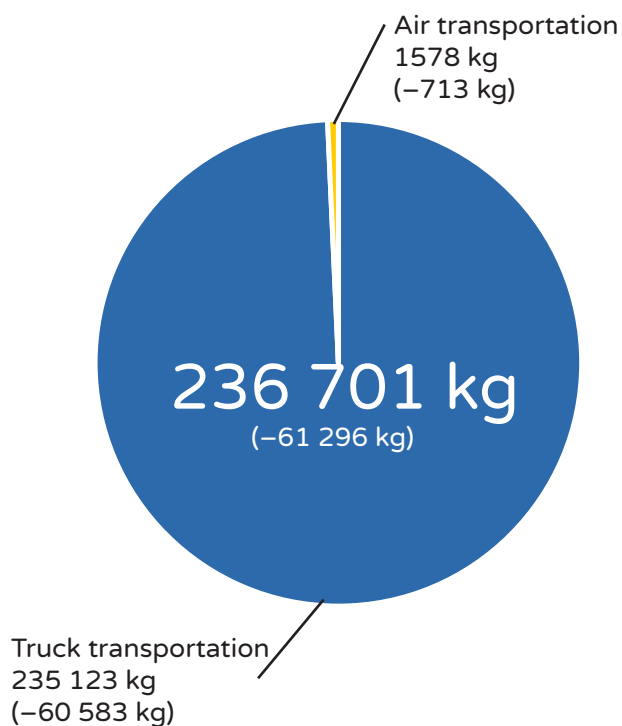


(Includes truck transportation from Portugal to Finland, delivered energy, procurements and staff business trips and commute. Carbon dioxide emissions do not include the delivery of our own brands' online store orders from the warehouse to the consumers. The emissions do not include air and sea freights' CO₂ emissions, as we did not find a proper tool for calculating them.)

The division of carbon dioxide emissions



Amount of transportation from Portugal to Finland or other destinations (kg)



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



Sea freight sent by Black Moda Oy's customer number (kg)





I made
your
clothes

#IMADEYOURCLOTHES
FASHIONREVOLUTION.ORG

Our own sewing factory Black Moda Portugal, Lda in Portugal

The sewing factory – Black Moda Portugal, Lda – in Northern Portugal is one of our two family businesses and is owned by Marko Keski-Vähälä (50%) together with his sister, the CEO of Black Moda Portugal, Lda Riikka Oliveira (50%). Having our own sewing company creates a basis for a quick response and flexible operations between customer service, sales, and production. In 2020, Black Moda Portugal, Lda employed 64 people, 58 women and 6 men.

Black Moda Portugal pays its employees wage as specified in the collective agreements. The collective agreement determines the wage for each job title. Thus, for example, a sewer's annual earnings are determined by the collective agreement. In addition to the basic salary, the staff accrues food allowance, overtime pay, Summer and Christmas holiday money and other production bonuses. Work experience also affects the salary level. For further information on salaries, contact Black Moda Oy's CEO, Marko Keski-Vähälä (contact information at the end of this report).

In 2020, Black Moda Portugal paid a total of 535 944 € in wages (in 2019, the corresponding figure was 659 894 €). The figure includes overtime pay, Summer and Christmas holiday money and other financial benefits. Overtime compensations amounted to 6 353 € (In 2019, the total was 17 203 €).



Black Moda Portugal, Lda, Staff welfare

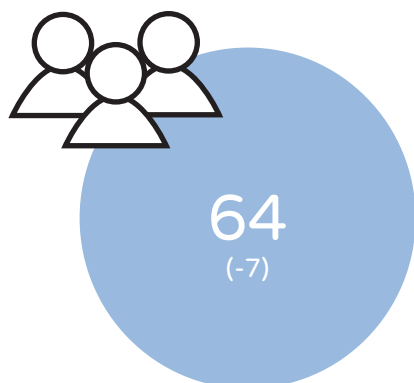
The performance appraisals of 2020 started in the beginning of the year, and they were held once per person, but the appraisals had to be discontinued due to Corona. 70 hours of training was held, and it concerned PROTEXTIL, which is a new production ERP system tool. Other trainings planned for year 2020 were postponed due to the Corona pandemic.



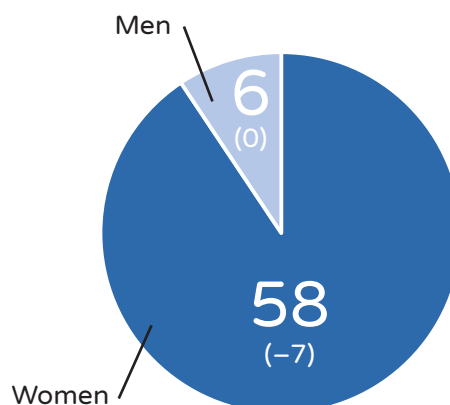
Black Moda Portugal, Lda staff indicators

(Changes to 2019 in brackets)

Number of staff



Staff's gender distribution



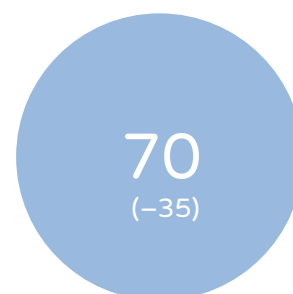
Number of accidents at work



Number of sick leaves per worker



Amount of vocational training in year (hours per worker)

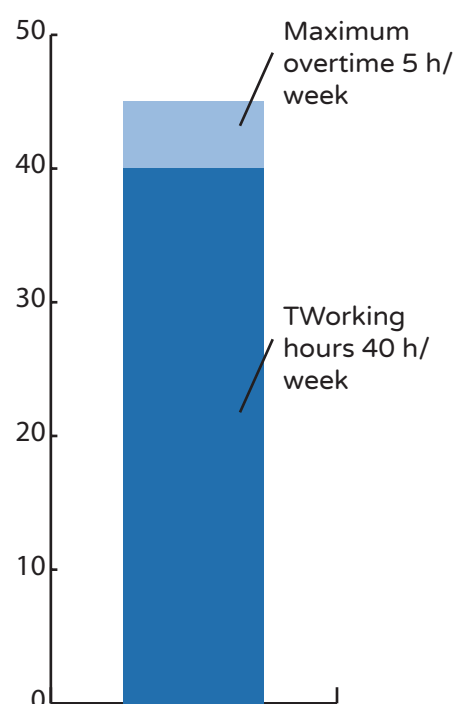


Working hours per week

Paid gross wages



Paid overtime compensation



Black Moda Portugal, environmental impact of the production

Black Moda Portugal, Lda manufactured a total of 710 491 products (in 2019 the amount was 881 532) for Black Moda Oy. We do not have a corresponding figure for 2018, as we did not have a tool for calculating the number at the time. 2 736 kg (1 111 kg) of paper waste and 878 kg (4 333 kg) of plastic waste was produced. Also, 2 251 kg of mixed waste was produced. In 2020, 30% of the plastic packaging was recycled plastic.

Production activities in 2020 resulted in a total of 58,66 tons of CO₂ emissions (in 2019 total of 91,9 tons). The figure includes the used electricity and four company cars used to transport products and materials. The most probable reason for the decrease in emissions was the fact that there were no business flights due to the Corona pandemic.

Cutting waste in Black Moda Portugal amounted to 59 051 kg (2019 the amount was 36 486 kg.). The reason for the increase is that in 2020, almost the entire cutting work has been shifted from subcontractors to Black Moda Portugal. Previously, the products have been cut in three different subcontracted sewing factories, so the cutting waste has not shown in Black Moda Portugal's cutting waste amount.

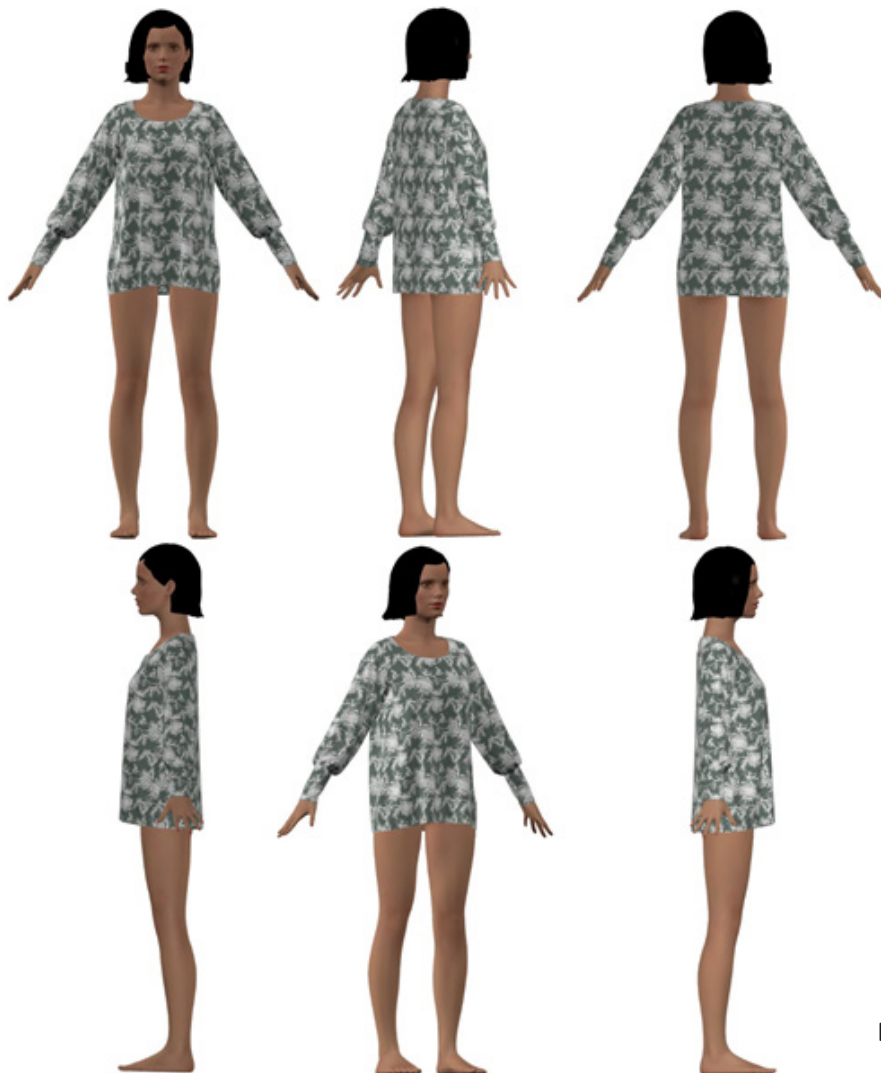
In 2020, majority of the cutting waste has gone to a local waste management company. Out of the textile they collected, 48% was recycled and 52% became waste. 2 200 kg of cutting waste has been collected for recycle testing. This type of cutting waste has been used to produce new fibre and then further yarn and fabrics, out of which we will manufacture a few textile articles for our own brands' selection during 2021.

In 2019 report we informed that PROTEXTIL will be implemented in 2020, and it will provide better tools for production monitoring, product, material and order management, and inventory management. The implementation of this system has been more time-consuming than expected and production estimates that the system will be entirely in use in 2021. Thanks to PROTEXTIL, reporting and compilation of statistics will become easier in about 1-2 years after the implementation.

We also reported that in 2019, we had started constructing avatars for 3D patterns of Black Moda Oy's own brands and the goal is to implement the tool during 2020.

Last year 3D images were completed for two Puuvillatehdas' products, Lynn and Macy, and products were also manufactured according to them. The products were approved according to the 3D images, and there was no need to produce samples.

We also encourage our production clients to have 3D images made of new products instead of prototypes, so that time and materials are saved, and prototypes do not have to be flown for comments.



Puuvillatehdas' Lynn-shirt
on a 3D avatar

In 2020, the subcontracted sewing companies' share of production (in proportion to invoicing) was 48,95 % (in 2019 it was 56,8 % and in 2018 it was 63 %). With the tools that were still in use in 2020, we could not separate the amount of subcontracted work by working stages, but this can possibly be solved when PROTEXTIL is implemented completely. The subcontracted sewing factory might, on a case-by-case basis, manufacture the whole product or just complete one working stage, such as attaching a zipper.

We are mapping the selection of ecologically better alternatives. These include, for example, Refibra that we first used in the production of Aarrelabel in 2019, when 525 kg of knitted fabrics that contained Refibra were used. Our goal was to increase the production amount by 100 kg in 2020. In 2020, we used 447,2 kg of knitted fabrics that contained Refibra in our production. The knitted fabric in question contained 50% Refibra and 50% organically farmed cotton. We did not reach our goal in this matter.

Refibra fibre is a fibre developed and manufactured from wood cellulose and recycled textile waste. Refibra's production utilizes existing textile materials and

is therefore a greener option, as there is no need to produce new material from scratch.

[Ecovero™-viscose](#) is made from certified, sustainably managed forests' wood cellulose, and the full environmental life cycle of the fibre has been taken into consideration. Manufacturing Ecovero™ viscose produces about 50% less emissions and water load compared to traditional viscose.

Our goal was to get a product made of Ecovero™ viscose available at least in Aarrelabel's selection by the end of 2020. There was a change in plan and the production was cancelled. One of our production clients has, however, entirely replaced viscose with Ecovero™ viscose in summer 2020. 14 239 kg of knitted fabrics containing Ecovero viscose were used in our production in 2020, while none was used in 2019.

During 2020, we got Supreme Green Cotton®, that can be traced all the way to the field with the QR-code that comes with it, in our selection. 491,9 kg of this material was used in 2020, of which 478,7 kg was 100% Supreme Cotton®. The material was used to make Aarrelabel's products. The rest 13,2% contained 3% elastane and it was a sample roll used for product development.

Supreme Green Cotton® is farmed with non-GMO cotton seeds in selected Greek family farms, sustainably and with respect to nature. Experienced agronomists follow the cotton's cultivation and growth. Different parts of production chain utilise techniques that enable the use of renewable sources of energy as much as possible. This also helps to reduce harmful emissions. The farming of cotton requires a lot of water, but in the farming of Supreme Green Cotton®, a significant amount of water is saved by using drip irrigation. Of course, there are some challenges to get Supreme Green Cotton®. Because the farming is very supervised and regulated, the availability is also very limited. Supreme Green Cotton® is not necessarily always available in such quantities, and exactly when, it is needed. Read more about Supreme Green Cotton® [here](#).

Majority of the plastic bags used by production are basic packaging bags and polybags with a plastic hook, whose consumption was 497 616 pieces in total in 2020 (manufactured products 710 491 pieces). At the end of 2019 we decided not to use individual packaging for the products of our own brands unless it is absolutely necessary.

We have become aware of the fact that we need to decrease the use of plastic, especially virgin plastic, in the packaging. Already in 2019, we started a project of manufacturing bio-based packaging bags, and we estimated that this project's results should be available already in 2020. We want to state that the Corona pandemic has delayed our estimated schedule, but we can announce the results in our 2021 report. We had to postpone the experiments of making cardboard boxes from recycled material due to the Corona pandemic.

Our sewing factory's doors are open for our partners, and our production clients are welcome to visit and see our production. In 2020, one corporate client was able to visit our sewing factory before the Corona pandemic.

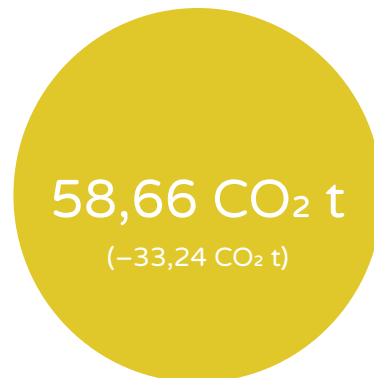
Black Moda Portugal, Lda production indicators

(Changes to 2019 in brackets)

Cutting waste

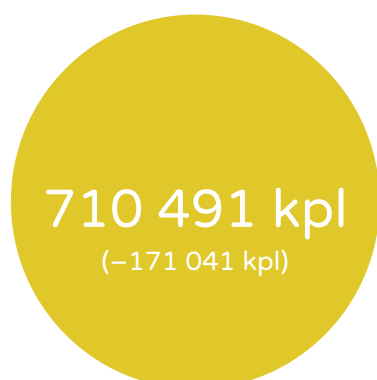


Black Moda Portugal, Lda's carbon dioxide emissions

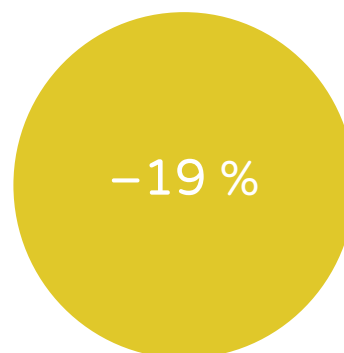


(does not include transportation from Portugal to Finland, see Black Moda Oy's carbon dioxide emissions p.12)

Manufactured products

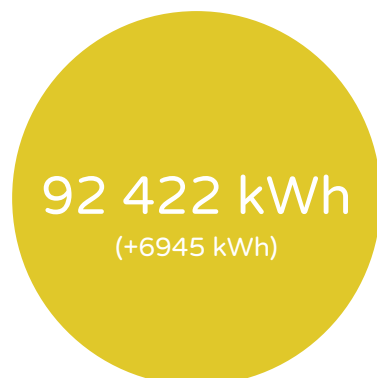


Change in production volume compared to 2019



(the figure is based on the number of articles)

Energy consumption



Plastic waste



Paper waste



Partners

When choosing partners and suppliers, we consider:

- reliability as a partner
- supply reliability
- social responsibility
- meeting our requirements for quality and the consistency of quality
- certified materials
- complying with REACH chemical regulations
- commitment to the Supplier Code of Conduct.

Our goal was that all of our suppliers sign the Supplier Code of Conduct during 2020. This goal was reached. Supplier Code of Conduct can be read [here](#).

Black Moda Oy's policy is not to find the cheapest supplier for each order or product category, but to establish, maintain and develop as long-lasting and as effective supplier relationships as possible. Perseverance creates the foundation for meeting the above criteria, and is for the benefit of our production customers, us, as well as our suppliers.

In Portugal, our main supplier is our second family business, our own sewing factory, Black Moda Portugal, Lda. Our important partners also include our knitted fabric suppliers Armaco, Lda and our terry product supplier Somani Sociedade Têxtil SA. and Belfama, Lda. Our knitwear is supplied by Elmate Malhas e Confecções, Lda. Read the full list of [our suppliers here](#).

Majority of our suppliers are located in Portugal. This is also reflected in the invoicing as, in 2020, 95,24% of Black Moda Oy's orders are made in Portugal. Tights and socks are made by two Italian suppliers with 0,56 % portion and RATIA® brand's nightwear by one Indian supplier with 4,2 % portion. The figures are in proportion to invoicing.

The Indian supplier for RATIA®-brand's nightwear is GOTS certified, and they also have Oeko-tex 1 certification. According to the [Amfori BSCI's list of risk countries](#), based on World Bank's Governance Index, India is classified as a risk country. That is why we set it as our goal to audit this supplier. The audit was conducted in February 2020 by DNV GL. There were no significant social responsibility defects that came up in this audit. On the grounds of this audit, Black Moda will, however, pay attention to work health and work safety issues and social responsibility. We will tackle this issue once the Corona pandemic has subsided in India, and our supplier can concentrate on development work.

Our goal was also that the Indian supplier signs Black Moda Oy's Supplier Code of Conduct, and this goal was reached. The supplier's agent informed on 25.9.2020 that BSCI has audited the supplier.

S P A I N

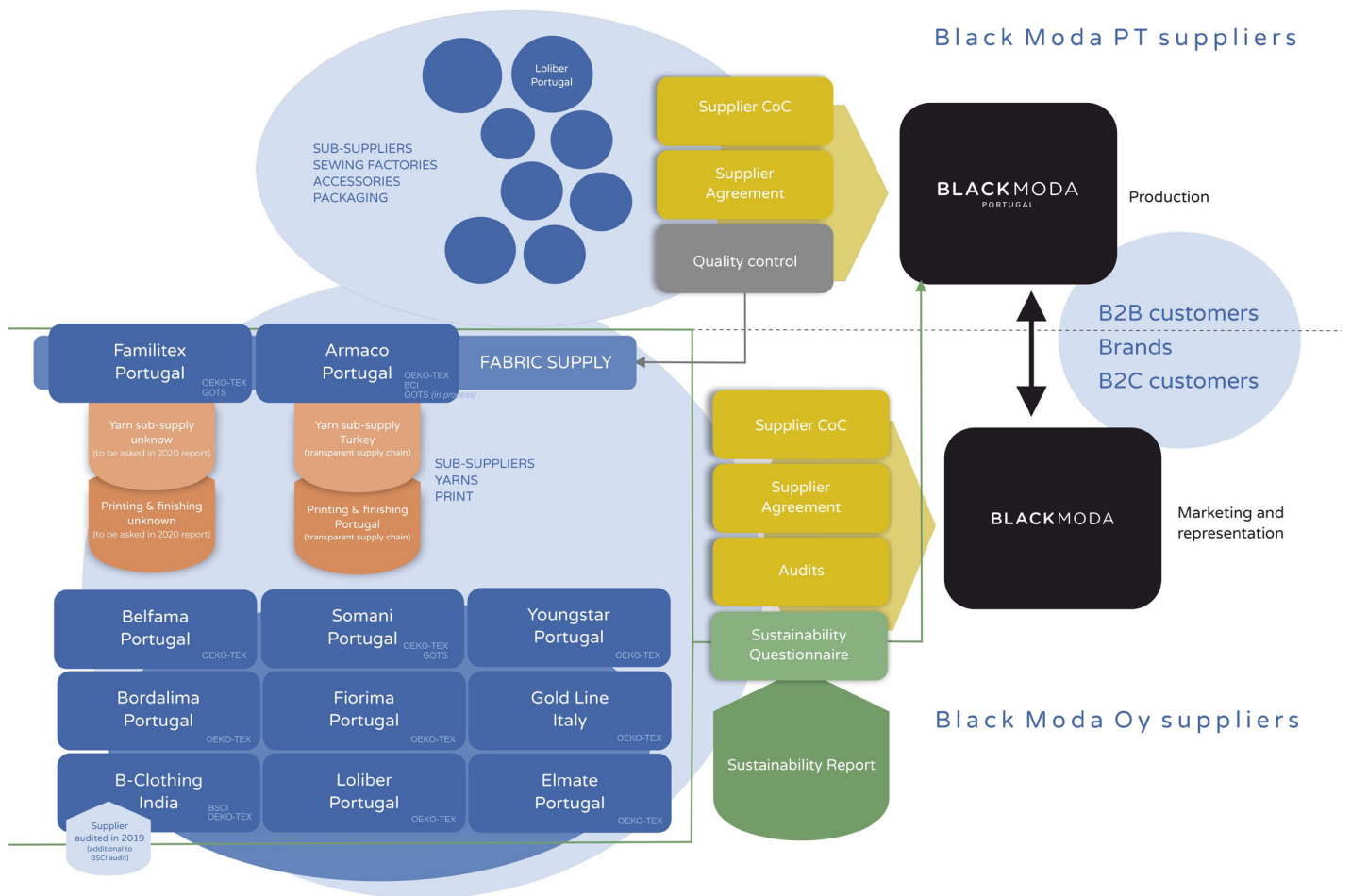
Black Moda Portugal, Lda and our partners' locations in Portugal





BRAZZOLI
S.p.A.
20030-SENAGO-MILANO-ITALY

JET 08





Armaco has been our main knitted fabric supplier since 1999. The company manufactures knitted fabrics and coordinates printing and dyeing for Black Moda Portugal's jersey production. The company employed a total of 11 people in 2020. The knitted fabric produced by Armaco is of high quality that has been praised by our corporate clients as well as the consumers of our own brands. This supplier also has Oeko-tex 1 certificate and is also a member of the BCI (Better Cotton Initiative). From February 2019 onwards, all cotton delivered by Armaco to Black Moda Oy or Black Moda Portugal's productions has been BCI cotton. All organic cotton is GOTS certified.

In 2020, Armaco's electricity consumption was 7 456,2 kWh, of which 37,68 % was renewable energy (in 2019, it was 14 916 kWh, of which 54,97 % was renewable electricity). The new premises allow natural light to enter inside, and LED lights are used for additional lighting. In October of 2020, Armaco installed 211 m² of solar panels on the roof of the building. Armaco estimates that in future they can produce 50% - 60% of the energy they need with the use of the solar panels. The amount of plastic waste in 2020 was 180 kg.

In 2020, Armaco produced 210 862,4 kg of knitted fabrics for Black Moda Portugal's clothing production. Of this, GOTS certified cotton accounted for 67,28%. The total of knitted fabrics containing recycled fibre was only 0,4 %. Armaco produced a total of 9 708 meters of material for Black Moda Oy's knitted fabric clients. Of this, GOTS certified fabrics accounted for 80 %. The figures are in proportion to the weight of knitted fabric production.

Our challenge lies particularly in tracking the origin of the cotton's and the organic cotton's fibre, and GOTS certificate does not recount the origin of the cotton all the way to the field. We began our tracking work in 2019. Regarding the origin of the organic cotton from Turkey, we got the following information:

Melike is a yarn manufacturing company, and the organic cotton that comes from them is farmed in the regions of Adana, Izmir and Sanliurfa in Turkey.

The second yarn manufacturer is Turkish Uçak. The origin of the organically farmed raw cotton is Turkish Aegean raw cotton. The name of the company that produces the cotton is Agrona Tekstil LTD.

The information on the origins is still difficult to access, even though Armaco requests the information from the yarn and fibre suppliers. This is one of the reasons Armaco's goal is to get the GOTS certificate to cover their whole production.

Armaco manufactured 844 kg (in 2019, the amount was 539 kg) of knitted fabrics that contained recycled materials for Black Moda's production. This amount includes the knitted fabrics that contain Refibra as well as the knitted fabrics that contain recycled polyester. The goal was to reach 1 000 kilos, which means we did not reach our goal in this matter. High enough quality of the recycled fibre is still essential when it comes to increasing the use of recycled fibres, so that the life cycle of the product does not fall too short.

Armaco's manufactured materials indicators

(Changes to 2019 in brackets)

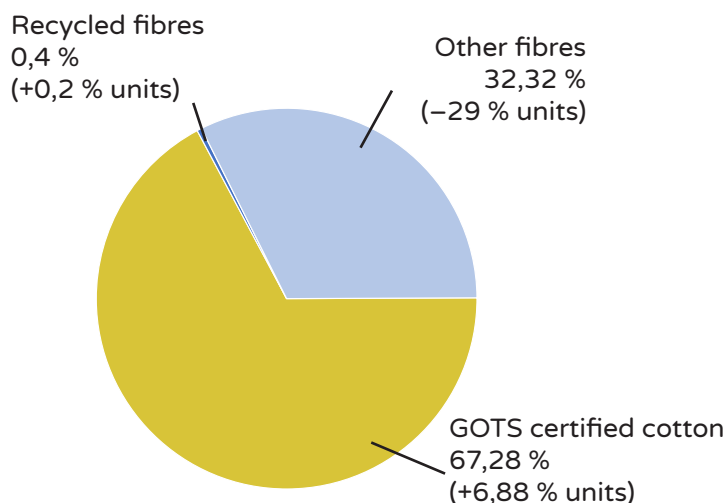
Amount of knitted fabrics delivered for production of jersey articles

210 862 kg
(-47 481 kg)

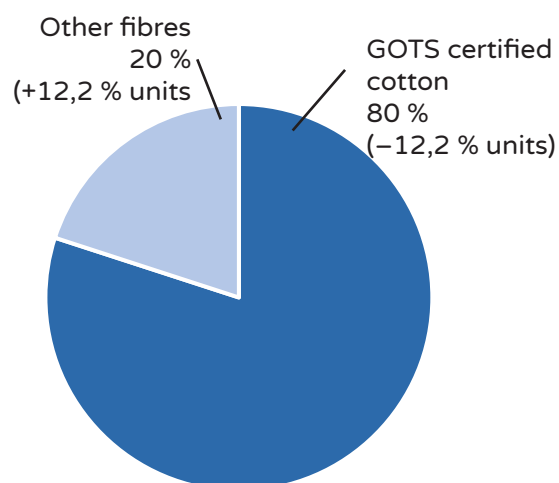
Amount delivered by meter

9708 m
(+1014m)

Materials of knitted fabrics produced by kilos for the production of jersey articles %



Materials delivered by meter to the clients %



Cotton fibre's countries of origin

Turkey,
India, USA
(also small amount from other countries)

Organic cotton fibre's countries of origin

Turkey,
India, Uganda,
Tanzania

Indicators for materials produced by Armaco

Origin of polyester fibre

China

Origin of recycled polyester fibre

India

Origin of elastane fibre

Turkey
ja Vietnam

Origin of elastane fibre

Argentina

Origin of flax fibre

China

Origin of viscose fibre

Lenzing:
Austria

Our bathrobe supplier Somani's production is GOTS and BSCI certified, and they also have Oeko-tex 1 certificate. Our partnership with Somani began in 1997. In 2020, the company employed 88 people (85 people) and they manufactured about 52 000 kg of material for Black Moda in 2020. The cotton fibre used by Somani came from Mozambique and the organic cotton fibre came from Tanzania. Polyester and recycled polyester came from South Korea. Recycled polyester is usually made of PET bottles.

Somani used 34 000 kWh of electricity per month, that is about 408 000 kWh in a year. The supplier noted that all electricity was from renewable sources. They also have a goal to increase the use of solar power, but that operation has been postponed due to the Corona pandemic.

Our cooperation with Belfama, Lda began in 2014. This terry towel supplier employed 102 (105 in 2019) full time workers in 2020. Belfama has Oeko-tex certificate. The origin of the cotton yarn used in Black Moda Oy's production in 2020 was India. The origin of the cotton fibre was not disclosed. The production for Black Moda in 2020 was about 35 000 kg. The production in 2020 resulted in 1 419 764 kg (524 400 kg) of CO₂ emissions and the electricity consumption was 7 569 446 kWh (7 428 948 kWh). They use mixed electricity, about 18 % of which comes from renewable sources.

Belfama's production consumed 101 733 m³ (108 530 m³) of water and 340 tons (600 tons) of chemicals were used. Plastic waste amounted to 4 097 kg (4 390 kg) and paper waste to 21 295 kg (19 870 kg).

Loliber-Texteis, Lda is a jersey article supplier, with whom we started cooperation in the early 2000s, and already in 2004 they made significant productions for us. In 2019, this supplier employed 37 workers. The cotton fibre and yarn as well as the polyester fibre and yarn used by Loliber are from India. Loliber consumed 42 325 kWh of electricity and carbon dioxide emissions were 13 912 kg. Paper waste amounted to 240 kg. The amount of plastic waste was not disclosed.

Youngstar Unipessoal, Lda is our woven clothing supplier with 60 (59) employees. The company has Oeko-tex certificate. Our partnership with Youngstar began at the end of 2019, when the production was still small. The production quantity for Black Moda increased as expected and the increase was 470 % compared to the production in 2019. This amount is in proportion to the number of articles manufactured. In proportion to the total production of the company this is not much yet, as the number of articles manufactured for Black Moda were only 7 % of Youngstar's total production in 2020. The materials of the fabrics used for Black Moda's production originated from India and China. In future we will pay attention to the origin of the materials with this supplier.

In 2020, Youngstar produced 250 kg of plastic waste, 400 kg of paper waste and 200 kg of cutting waste. All the plastic used by Youngstar is plastic made of recycled plastic – similarly the paper is recycled paper. The company trained their employees 50 hours in 2020.

Elmate – Malhas & Confeções is a knitwear supplier. Our cooperation with Elmate has started in 2017. The company employed a total of 62 people in 2020. The supplier is GOTS certified. In addition, they have a RWS certificate. This certificate is voluntary, and its goal is to offer the supply chain a tool that verifies that the wool

comes from farms that progressively take care of the wellbeing of the animals and the land use.

The cotton yarn and organically produced cotton yarn used by Elmate originates from Portugal and the wool yarn originates from Italy. The origins of the fibres were not reported by this supplier.

In 2020, the company has produced 1 000 kg of plastic waste and 8 000 kg of paper waste, as well as 10 000 kg of textile waste.

Indicators for materials produced by Somani in 2020

Quantity of products produced
for Black Moda

52 000 kg

Origin of cotton fibre

Tanzania ja
Mozambique

Indicators for materials produced by Belfama in 2020

Tuotettu määrä Black Modalle

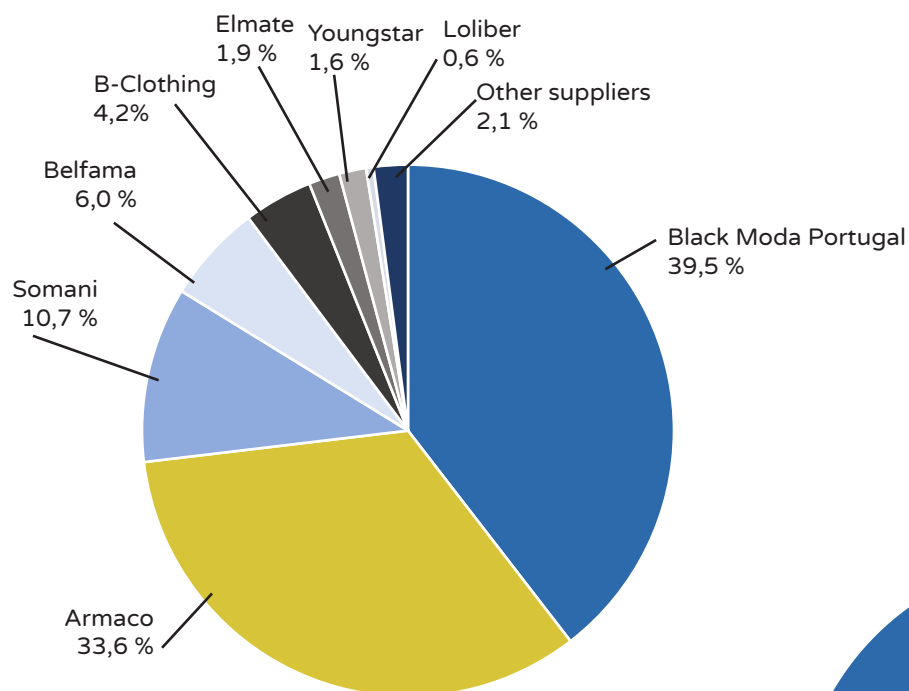
35 000 kg

Origin of cotton fibre

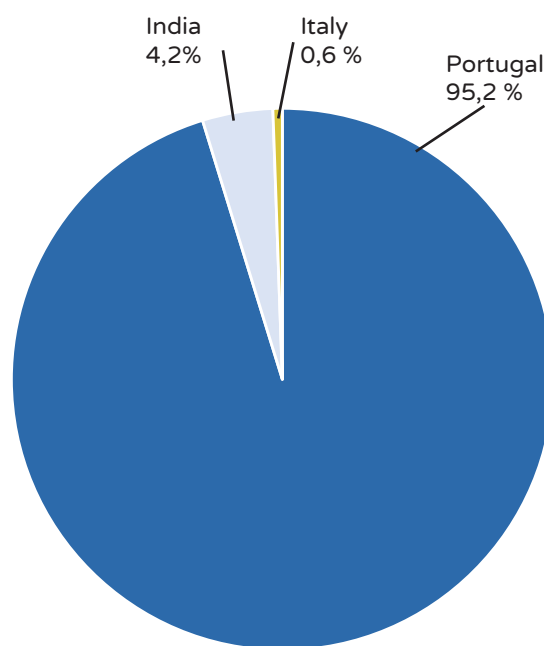
India

Production indicators in 2020

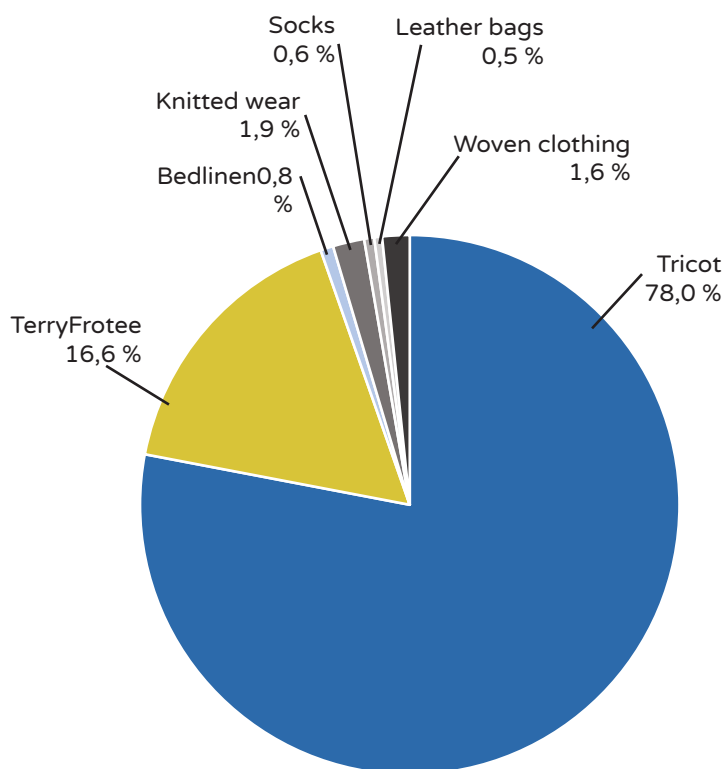
Production % by supplier



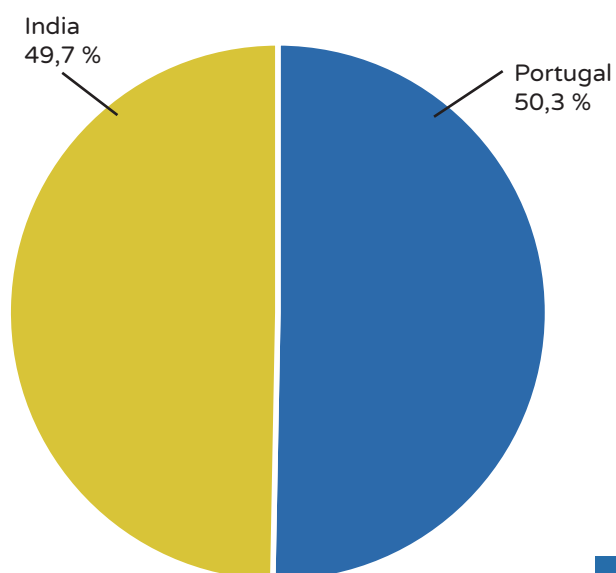
Production % by



Production % by product



The production of Ratia's jersey articles by country





Supplier Code of Conduct with all our suppliers.	Reached.	2020
Black Moda Code of Conduct added on the website.	Reached.	2020
*Black Moda Portugal, Lda renovation of premises. Includes the improvement of workspaces and staff facilities and thus improving the well-being at work.		2023-2025
*Black Moda Portugal, Lda premises reorganisation and extension project.	The start was delayed.	2020-
Black Moda Portugal, Lda English language training.	Postponed due to the Corona Pandemic.	2020
Black Moda Portugal, Lda Protexil and implementation of new software, such as the 3D patterning.	Started in 2020.	2020-2021
Black Moda Portugal, Lda boosting the performance appraisals (individual responsibility for own goals, ensuring tools are available).	Started in 2020 but delayed due to the Corona Pandemic.	2020
New, more ecological packaging materials for online shops' delivery packaging.	Reached for Aarre in 2020, in progress for Puuvillatehdas.	2020
New website for Black Moda that communicates better and more broadly about the production.	Reached.	2020
Production made of recycled material from our own cutting waste for our own brands.	Postponed to 2021.	2020
The first productions where the used cotton could be traced all the way to the field.	Reached for Aarre.	2020
Reducing polyester's portion by half in our own brands' selection.		2021
Utilising our own knitted fabrics more and more efficiently by improving consumption through patterning. Looking for tools that will also help our clients to control the cutting waste generation of their products.		2021
Learning about the origin of the fabrics used for woven fabric products.	Start got delayed.	2020
A product made of Ecovero™ viscose for Aarrelabel's selection.	Cancelled for 2020.	2020
Increase the amount of Refibra™ fibre in the production by 100 kg.	Goal not reached.	2020
*Mapping the utilisation of Black Moda Portugal, Lda's cutting waste.		2021-2023
*GOTS certificate for the whole production of Black Moda Portugal, Lda.		2022-2025
Providing our production clients with, and using in our own production, packaging options that are bio-based or made of recycled materials.		2021
Auditing Indian supplier and subcontractors..	Indian supplier audited in 2020, subcontracted sewing companies' audits dropped.	2021



BLACKMODA

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