



Sustainability Report

According to the EU Voluntary Sustainability Reporting Standard for Unlisted SMEs (VSME)

Innoflame Oy
01/01/2024-31/12/2024

Printed on April 4, 2025

innoflame

Powered by: **esg Resilience**

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Hello,

As a leading company in our industry, we strive to create a world free from the production of unnecessary and unsustainable goods. This idea guides all our operations as a supplier of branded products, HR gifts, and workwear. Our goal is to offer our customers solutions that minimize product waste and support sustainable choices. We want to be a pioneer and a trendsetter in sustainability for the entire industry.

For us, sustainability is more than just a procedure – it is a strategic commitment to sustainable business. We guide our customers to make responsible choices and ensure that we only work with partners who share our values. In addition to compliance with laws and regulations, we require our suppliers to act responsibly: respect human rights, ensure fair working conditions, and take environmental responsibility. The agreements made with our suppliers guide their operations according to our sustainability principles.

We invest in people’s well-being both in our own organization and in our value chain. It is important to us that our employees are doing well and that fair working conditions and ethical practices are followed throughout the supply chain.

We have a certified ISO 14001 environmental management system, which supports continuous monitoring and development of our environmental impacts. We measure important environmental goals and communicate about them openly both internally and externally. We have calculated our carbon dioxide emissions annually since 2020, which demonstrates our commitment to transparency and responsibility.

We acknowledge that due to the nature of our operations, our Scope 3 procurement emissions play a significant role in our emissions, especially due to product categories sourced from Asia. We are actively working to reduce these emissions. We offset the emissions produced by our own operations (Scope 1&2) as well as the emissions of our KAJO brand based on the materials used in manufacturing and transportation distances. Emissions are offset through carefully selected climate projects, such as a forestation project in Ethiopia, carbon sequestration in Finland, and a solar energy project in India.

As part of our sustainability work, in 2024 we carried out a double materiality analysis in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). This analysis helped us identify the sustainability topics that are most relevant to our operations and how they affect our business. Although the sustainability reporting obligation does not yet directly apply to us, we want to be proactive and prepare for the future.

Our sustainability work is based on continuous development, cooperation, and concrete actions.

Kaisa Ala-Laurila,
CEO of Innoflame



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Our Sustainability Report

This report has been prepared in accordance with the EU’s voluntary sustainability reporting standard for unlisted SMEs (VSME). The report has been drafted in compliance with the basic and extended modules of the VSME standard.

Our Company:

Legal form:	Limited Company (Oy)
Industry classification (NACE):	1812 Other printing
Country of registration:	Finland
Group reporting:	No

Note: During the financial year, the company has completed acquisitions. The information in this report does not yet include data from the companies acquired through these acquisitions.

Reporting periods

2024	01/01/2024-31/12/2024
2023	01/01/2023-31/12/2023

Key figures

	2024	2023
Revenue (1000 €):	36 248	24 365
Total assets (1000 €):	22 892	17 503
Personnel (end of financial year):	70	32

Main operational locations

Type	Country	Address
Official address	Finland	Kornetintie3, Helsinki, 00380

Sustainability certifications

Certificate	Issuing body	Issued (date)	Description
ISO 14001:2015	Fine Audit Oy	20.01.2025	Environmental management system standard

Business Model

Design and production of corporate branded products, staff and stakeholder rewards, and related e-commerce solutions.

The company’s significant product and/or service groups:

Design and production of corporate branded products, staff and stakeholder rewards, and related e-commerce solutions.

Description of the company’s significant markets:

B2B commerce: corporate stakeholder gifts, event products and company-branded products, workwear

Kuvaus yhtiön keskeisistä liiketoimintasuhteista:

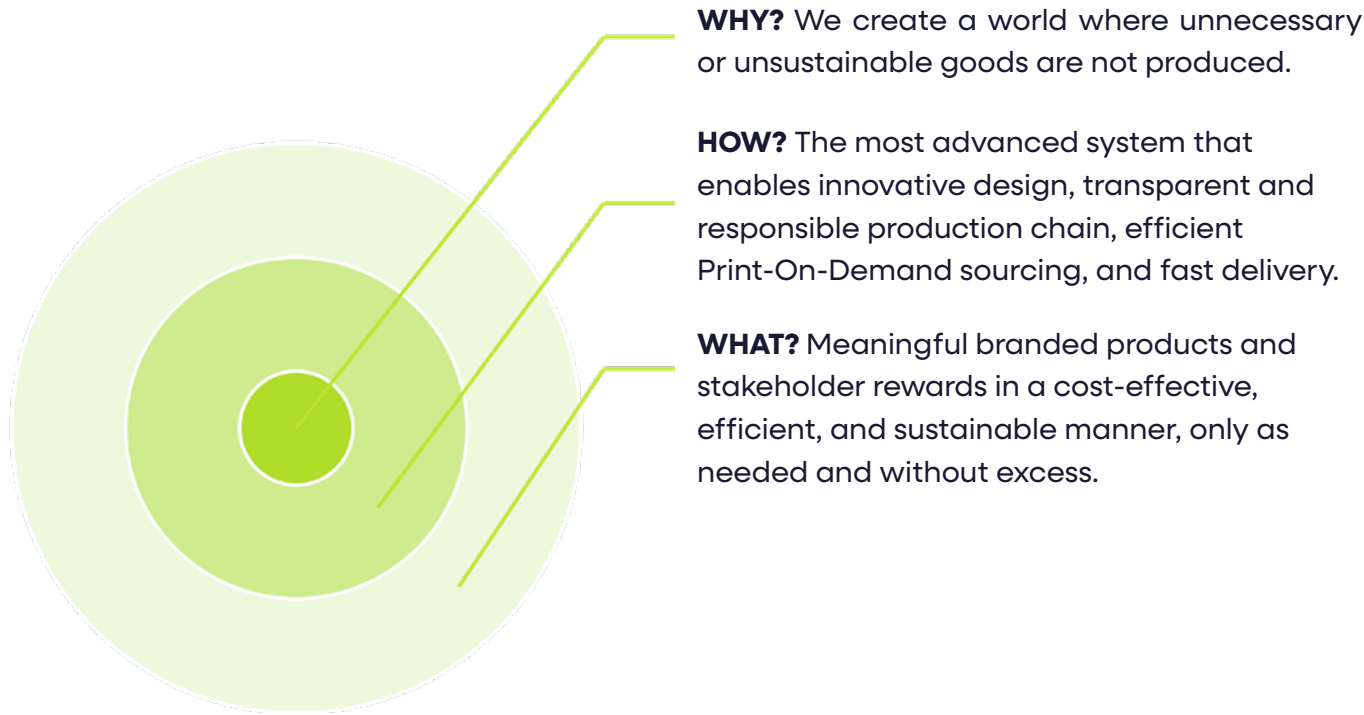
- Suppliers from around the world, approx. 1000
- Customers approx. 2500, mainly Finnish companies or Finnish subsidiaries of international companies
- Sales channels: customized online shops for companies and direct sales
- Distribution through several logistics operators



Sustainability Strategy 2025-2028

Description of the company's sustainability strategy:

Innoflame's idea:



Innoflame wants to be a sustainability leader in its market. This is achieved in the following ways:

- The product range is responsibly and transparently produced. The level of product responsibility is continuously assessed and improved. We master industry standards and certifications and verify the responsibility of our product range with them.
- We guide our customers to make responsible choices.
- We only work with responsibly operating partners through centralized product purchases.
- Through our system, we provide our customers with product-specific emission data and help customers fulfill their CSRD reporting obligations for the products they purchase.
- The services enabled by our system and our logistics solutions minimize customer product waste.
- We meet legal requirements and conduct voluntary ESG reporting, which includes carbon footprint reporting.
- Innoflame has a certified ISO 14001 environmental management system.

The Company's Climate Commitment

Our company has made an esgResilience level 2 climate commitment.

Our commitment covers:

- Annual measurement of Scope 1-3 emissions
- Annual reporting of Scope 1-3 emissions
- Reducing Scope 1 and 2 by 6% per year*
- Promoting the reduction of Scope 3 emissions

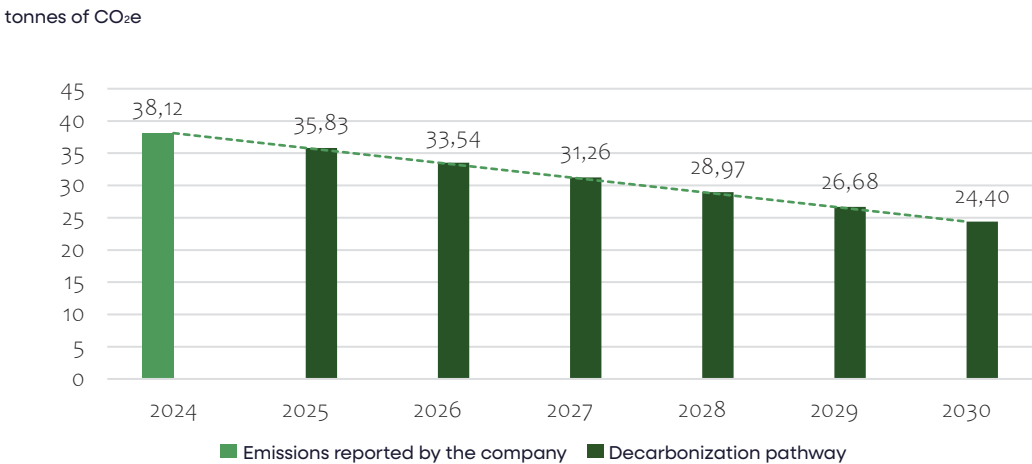
Through this commitment, our company is advancing climate change mitigation in its own operations.

* The 6% annual reduction target from the previous year's emissions can be adjusted for acquisitions and corresponding business changes. If our company's Scope 1 and 2 emissions have been reduced to zero, our company is committed to maintaining zero emissions.

The company's measures to achieve emission reduction targets:

- Scope 1 measures: - Low-emission and electric vehicles in the company's leasing cars
- Scope 2 measures: - Transition to green electricity in different offices and warehouse spaces - Improving energy efficiency and reducing energy consumption
- Scope 3 measures: - Tightening procurement criteria (e.g., materials) - Logistics optimization, such as selection of logistics partners, preferring sea freight over air freight, and combining routes/deliveries - Product design and strengthening product lifecycle thinking. Minimizing packaging materials and promoting recycling.
- Additional training for personnel

The company's decarbonization pathway (Scope 1 & 2):



Climate Risks

Climate risks identified by the company and possible measures:

Physical risks:

- Disruptions to transport routes due to extreme weather events
 - Exposure of production facilities to weather variations
 - Deterioration in the availability of certain raw materials
- Measures: Mapping and prioritizing geographically closer (such as European) suppliers, mapping alternative materials for availability risks

Transition event risks:

- Rising prices of production materials
 - Tightening of emission reporting obligations
- Measures: Close cooperation with selected suppliers, development of emission reporting system, transparent communication on sustainability actions

Supply chain risks:

- Supplier sustainability challenges
 - Traceability of raw material origin
- Measures: Defining supplier sustainability criteria, improving traceability with documentation, audits



Sustainable Business Development

Practices, policies, and initiatives in the transition to a more sustainable economy		Publicly documented:	Target set:
Sustainability topic:	Description:		
Employees in the value chain	Supplier Code of Conduct or Inno flame’s Supplier Ethical Guidelines, which address the following topics: • Compliance with laws and agreements - Human rights (human trafficking, child labor) • Work-related practices (prohibition of discrimination, harassment, pay, social dialogue) • Environment, health and safety • Anti-corruption (anti-corruption laws, fraud, competition and cartel rules, illegal payments) - Maintaining accurate information • Protection of information (confidential information, intellectual property rights) • International trade regulations (import trade, export trade, counterfeit products) • Consequences of breaching the guidelines The Ethical Guidelines are signed as part of the cooperation agreement with significant suppliers.	No	No

Business operations

- Inno flame has an Environmental Policy and Environmental Program that cover the following themes:
- The company’s environmental policy in general
 - Climate impacts and emission compensation
 - Ecological aspects of the product range - Domestic content
 - Transport - Supply chains
 - Storage and marking
 - Use of packaging materials
 - Packaging waste and waste management guidance
 - Environmental impact (electricity, water, biodiversity)
 - Staff environmental awareness
 - Travel
 - Environmental development

No No



Emissions

Emissions (tonnes CO ₂ e):	2024	2023
Scope 1:	8	2
Scope 2:	30	13
Scope 3:	13,841	11,761
Total:	13,879	11,776

Emission Distribution 01/01/2024 – 31/12/2024

		tonnes CO ₂ e			
		5000	10 000	15 000	
Scope 1	Mobile	8,31			
	Stationary	0,00			
	Cooling	0,00			
Scope 2	Electricity	9,15			
	Heating/Steam	20,65			
Scope 3 Upstream	Purchased goods and services			12 859,31	
	Capital goods	13,03			
	Indirect energy emissions	8,04			
	Transportation and distribution		706,40		
	Operational waste	19,67			
	Business travel	18,13			
	Employee commuting	82,54			
	Leased assets	0,00			
	Transportation and distribution	133,47			
	Processing of sold products	0,00			
Scope 3 Downstream	Use of sold products	0,00			
	End-of-life treatment of sold products	0,00			
	Leased assets	0,00			
	Franchises	0,00			
	Investments	0,00			

Emission intensity (tonnes CO ₂ e per €1 million in revenue)	2024	2023
Scope 1 & 2:	1.05	0.63
Scope 1, 2 & 3:	382.88	483.33

Other Environmental Impacts

Energy consumption 2024	Renewable source (MWh)	Non-renewable source (MWh)	Total
Fuels:	0	40,40	40,40
Purchased electricity:	134,51	106,34	240,85
Purchased heating/steam:	49,67	113,72	163,39
Total:	184,18	260,45	444,64

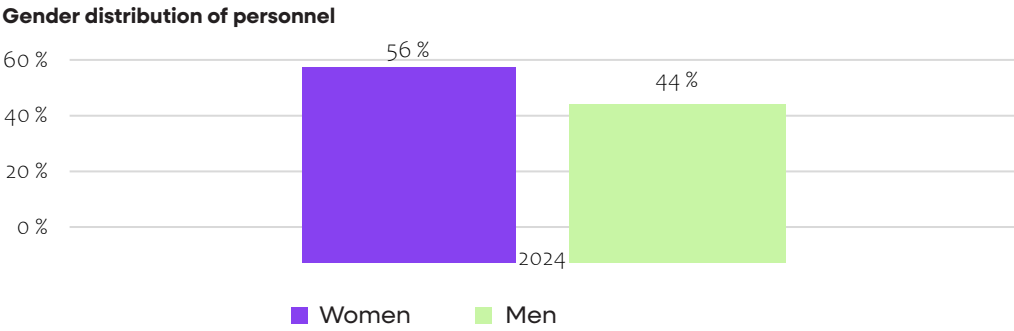
Water 2024	m3
Water intake:	1150
Wastewater:	1150
Water consumption:	0

Waste 2024
The company's operations do not generate anything other than household waste.



Personnel

Personnel at the end of the financial year:	2024	2023
	70	32



Employment contracts and personnel turnover	2024
Collective agreement coverage (%):	72,86 %
Permanent employment (%):	100,00 %
Fixed-term employment (%):	0,00 %
Personnel turnover (%):	22,22 %
Training hours by gender (Hours per year - average)	2024
Women:	30,00
Men:	30,00

Accidents during the financial year	2024
Accidents during the financial year:	1
Accident frequency rate*:	1,29

*The accident frequency rate describes the number of accidents in relation to the hours worked. It is calculated according to the VSME standard per 200,000 working hours.

Remuneration 2024
Employee remuneration: All employees are paid at least the minimum wage.

Governance

Board gender distribution 2024

Women:	0
Men:	3
Gender Diversity (% Women / Men):	0 %

Human Rights Policy

Our company has a human rights policy

Our company’s human rights policy covers the following areas:

- Child labor
- Forced labor
- Human trafficking
- Discrimination
- Accident prevention

Human rights violations

No human rights violations have been identified within our own operations related to child labor, forced labor, human trafficking, discrimination, or accident prevention during the reporting period. Additionally, no human rights violations have been identified concerning workers in our value chain, affected communities, consumers, or end-users.

Internal grievance mechanism for employees

Our company has a complaint handling mechanism for the company’s personnel.



Reporting Principles

Implementation of reporting

This sustainability report has been prepared using the reporting and analytics service of esgResilience Oy. The service has been developed specifically for the needs of SMEs and supports companies in emission calculation, mapping business greenness, and identifying other relevant sustainability factors in accordance with the EU’s voluntary VSME sustainability reporting standard.

Emission calculation

The esgResilience service includes a GHG protocol-compliant emission calculator. For Scope 1 and 2 emissions, the latest emission factors published by national operators are used. Scope 2 emissions are calculated using the location-based method in accordance with the VSME standard. For Scope 3 calculations, a wide range of emission factors (supplier-specific, activity-based, and consumption-based) are utilized depending on availability. The main source used is the 90,000+ scientifically verified emission factors from the international Climatiq.io service.

Sustainability report

The sustainability report describes the company’s commitment to responsible and sustainable business. The report is produced in an automated manner, which ensures the objectivity and transparency of the information. In addition to extensive environmental responsibility, the report covers key themes related to social responsibility and good governance in accordance with the VSME standard.

Notes

On applying the VSME standard: The report mainly follows the VSME standard as is. Exact coordinates of facilities have not been reported; instead, address information has been provided. If a particular reporting requirement does not apply to the company (e.g., no climate risks have been identified - C4), that requirement has been omitted from the report. Voluntary VSME reporting requirements have been excluded (e.g., points where the expression is ”The company may report...”).

About the service:

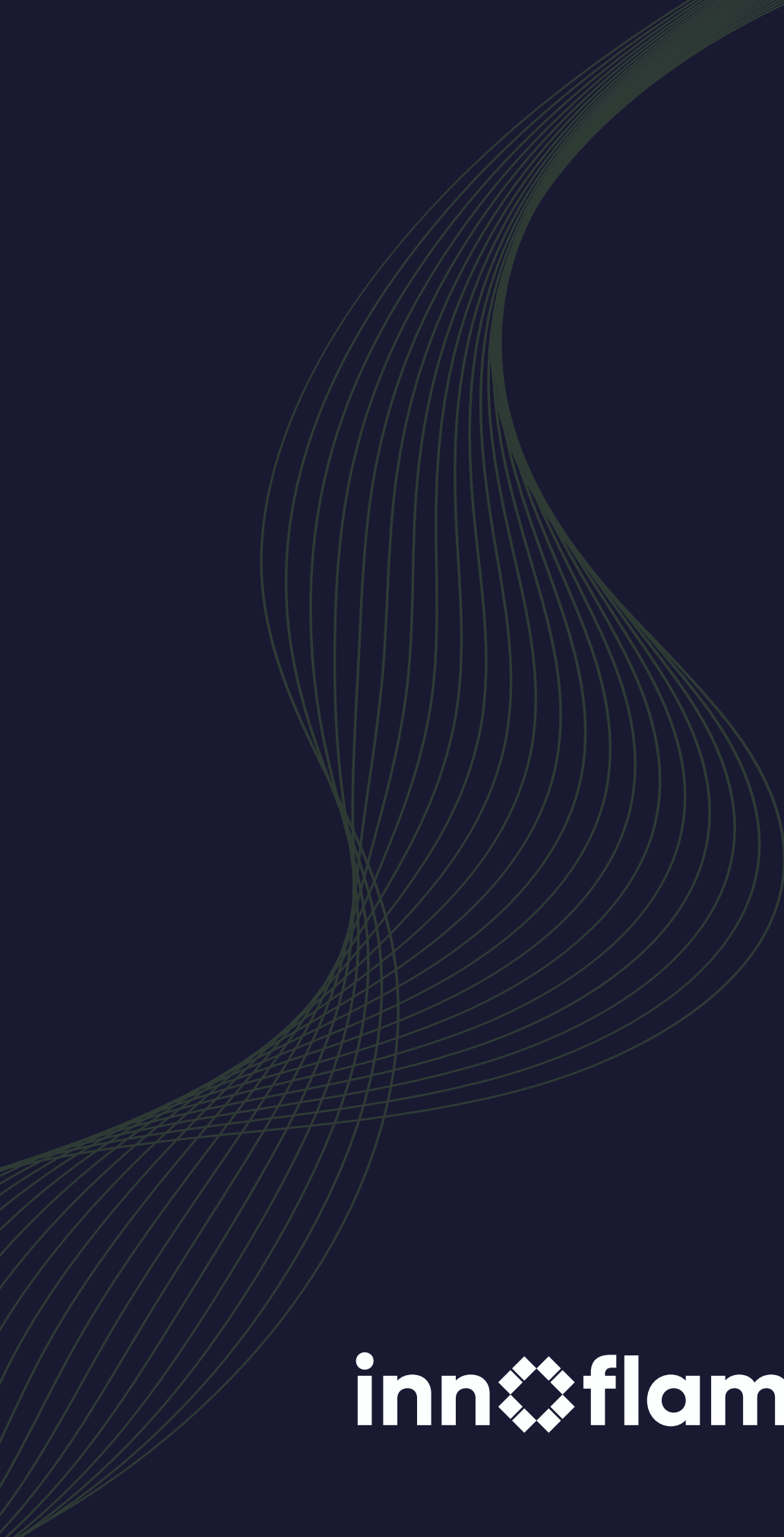
esgResilience is a service developed by experts in green finance, sustainable business development, climate risk, and sustainability reporting. esgResilience Oy is the only Finnish company involved in EFRAG’s VSME community developing SME sustainability reporting standards at the European level. The expert community, established in 2022, plays an important role in the development of the EU’s VSME standard.

VSME Index

The purpose of the VSME index is to help the reader of the report identify and locate VSME reporting information. Please note that VSME reporting data not applicable to the company has not been included in the sustainability report in accordance with VSME standards.

Basic Module	Page
• B1: Reporting Principles	4
• B2: Practices, Policies and Future Measures for Advancing a More Sustainable Economy	9
• B3: Energy Consumption	11
• B3: Greenhouse Gas Emissions	10
• B4: Air, Water and Soil Pollution –	Not applicable
• B5: Biodiversity –	Not applicable
• B6: Water Use	11
• B7: Resource Use, Circular Economy and Waste Management	11
• B8: Workforce – General Characteristics	12
• B9: Workforce – Health and Safety	12
• B10: Workforce – Remuneration, Collective Agreements and Training	12
• B11: Convictions and Fines for Corruption and Bribery	Not applicable

Extended Module	Page
• C1: Strategy – Business Model and Sustainability Initiatives	5-6
• C2: Practices, Policies and Planned Actions	9
• C3: Emission Reduction Targets and Climate Transition Plan	7
• C4: Climate Risks	5
• C5: Additional Workforce Information	Not applicable
• C6: Human Rights Policies and Processes	13
• C7: Severe Negative Human Rights Impacts	13
• C8: Revenue Sources and Activities Outside the EU Benchmark	Not applicable
• C9: Gender Distribution in Governance Bodies	13



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