



# SUSTAINABILITY REPORT\*

## (2023)

\*This report is on the activities UAB IDW (code 110012112) and covers its activities over the calendar year 2023.

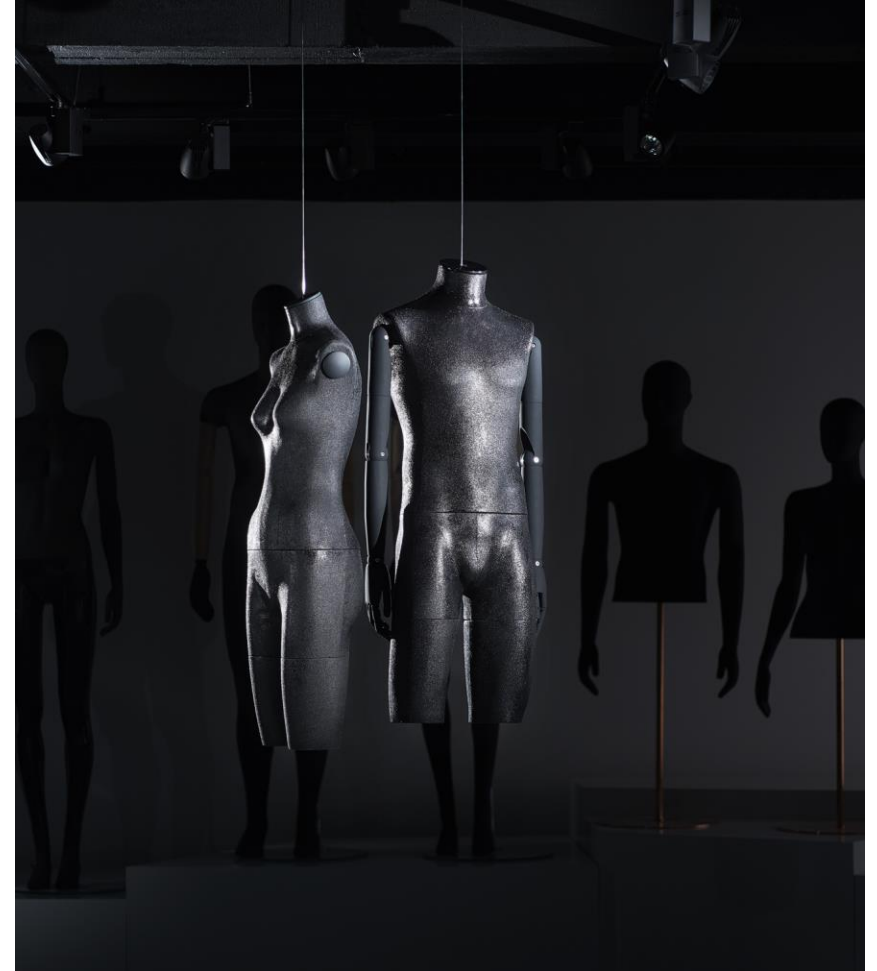
# Overview

Over the years, we have continued to develop a sustainable business model. Our approach has always been to resist the trend of outsourcing operations, where supply chains are fragmented across multiple suppliers, with design in Europe and production in the Far East. Instead, we have focused on integrating all major processes under one roof in Lithuania.

This strategy has resulted in a unique offering characterized by fast delivery times enabled by European production, local sourcing, and a sustainable product created through environmentally friendly production processes and materials. Following the post-Covid 19 reopening of physical retail operations, this approach allowed us to recover fully and achieve strong growth.

Externally, in 2023 our sustainability performance was evaluated by both EcoVadis (earning us a Silver Medal and placing us among the top 5% of companies for sustainability) and SMETA. We also signed up to the the UN Global Compact with the first progress report to be submitted in 2024.

As you explore this report, you will find details of the major achievements that contributed to this recognition, underscoring our shared commitment to sustainability and the trust our clients place in us.



# People

We believe that taking an ethical approach to business under all circumstances guarantees longevity and that first and foremost applies to treating our colleagues. The wellness of our colleagues and their families is very important to us as we strive to build community at the workplace.

In our Code of Conduct and other internal documents we have committed, amongst other things, to:

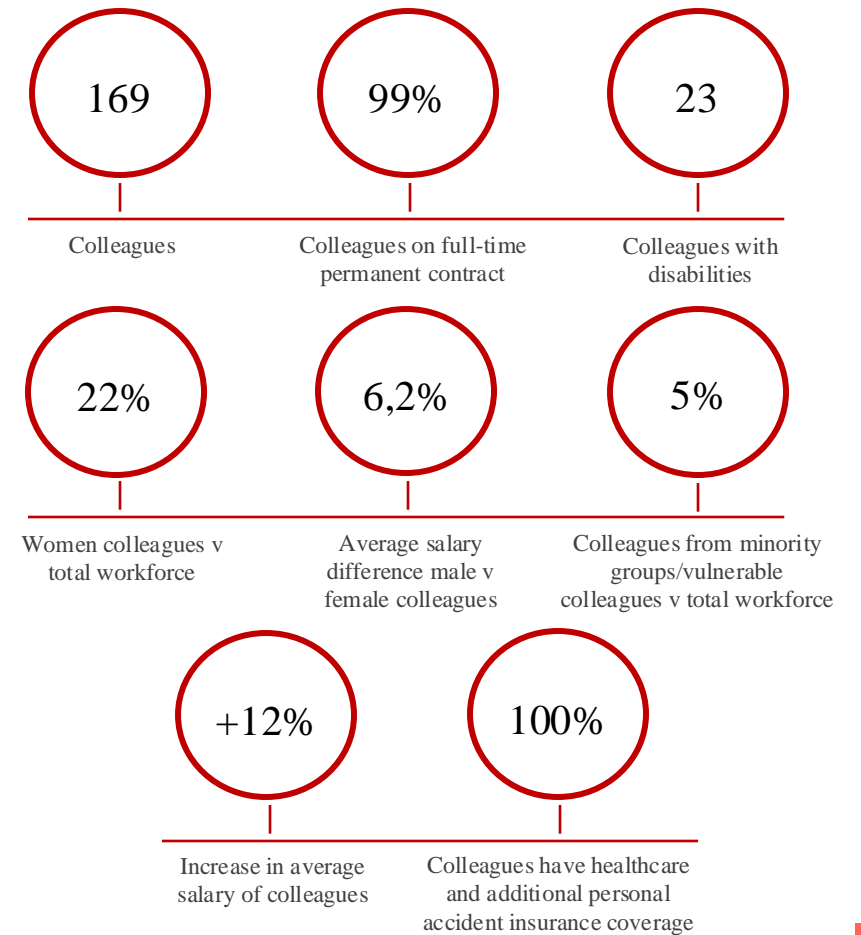
- Observing internationally recognised human rights and creating equal opportunities, including zero tolerance with regard to any type of discrimination: race, religion, gender identity, ethnicity, marital or family status, age, political affiliation, nationality, physical ability, sexual orientation or any other aspect of a person’s identity.
- Respecting human rights and ensuring that these are upheld. This particularly includes safeguarding the personal dignity and private sphere of every individual.
- Ensuring the occupational health and safety of our colleagues. All of the workplaces have been evaluated against the risks to health and safety and controls have been set in place to ensure that the exposure of colleagues to such risks are minimised. This included the external assessment of machine performance measurements, vibration, lighting, noise levels, ergonomics. We also require colleagues to undergo medical tests on a regular basis.
- Guaranteeing the freedom of association, including membership in trade unions. We have in place a company works council which represent both the economic and social interest of our colleagues.
- Not tolerating any form of forced labour, including bonded, indentured, servitude, slavery, or forced labour of prisoners, a rule which we apply to all of our suppliers and subcontractors. All employees work voluntarily, including overtime, and may leave their place of work when so deemed fit prior reasonable notice.



# People

To mitigate the impact on unprecedented inflation, in 2023 we have taken further steps to increase the income of our colleagues. As a result, in 2023 the average gross salary in the company was 12% higher than in 2022.

At the same time, when performing their tasks our colleagues need clear thinking and quick reaction. We depend on them for the quality of our production, as well as the safety of other team members. Therefore, the use of alcohol, drugs and other psychotropic substances at work, or arriving to work under the influence of such substances, is strictly prohibited and an entrance/exit system to control the use



# Materials

To fulfil our slogan – Creating amazing mannequins with sustainability in their hearts – we have to start with materials. We believe that recyclability, not biodegradability will better serve our commitment to sustainability and the goal of reusing existing materials as much as possible and as many times as possible.

With this in mind we are making our products out of polystyrene, which is a 100% recyclable plastic, both mechanically and chemically. Polystyrene has outstanding recyclability properties, even in case of post-consumer products. The production process needs less material to obtain the same properties of products compared to other plastics. It has one of the lowest impacts on the environment (based on the Higg MSI score). It is widely available in the market and hence can be sourced in Europe with less impact on the CO2 due to logistics.

In 2023 we have continued to invest in developing products with as much post-consumer recycled polystyrene as possible.

In 2021 we became an FSC certified company. We only use FSC certified cardboard boxes for packaging our products. We also encourage our customers to choose FSC certified wooden products where possible, such as wooden arms and wooden bases.



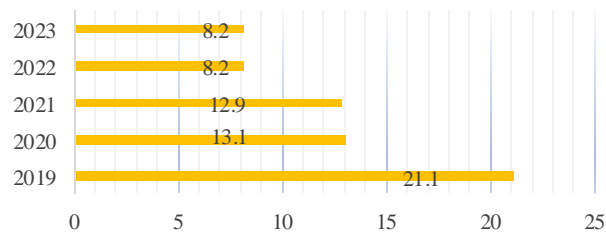


# Energy

Efficient use of energy is key to reducing greenhouse gas (GHG) emissions. We strongly believe that measuring emissions will lead to identifying ways to reduce GHG emissions and, in turn, lead to cost saving. Therefore, in 2019 we committed to calculating our Scope 1 and Scope 2 GHG emissions on an annual basis and identifying ways to reduce our emissions.

In 2023 we marked the beginning of the new 5-year cycle setting a target of 10% reduction of GHG emissions (Scope 1 and 2) (without offsetting) and 10% reduction in electricity consumption per mannequin against the 2022 levels. Although in 2023 we have witnessed an overall increase in Scope 1 and 2 emissions (by 13%) due to a significant increase in the number of items produced, we have managed to retain the Scope 1 and 2 emissions per mannequin unchanged.

CO2 eq generated per mannequin\*



\* 12 kg weight of the mannequin is used as relative measure for reporting purposes only

-61,5%

Reduction of CO2 eq emissions (2022 v 2019)

0%

Stable CO2 eq emissions per mannequin (2023 v 2022)

100%

Renewable electricity in our factory

-12%

Reduction of electricity consumption (2023 v 2022)



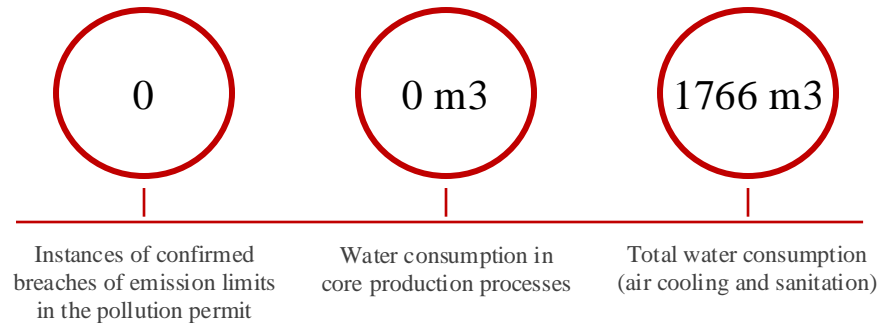


# Air and Water Pollution

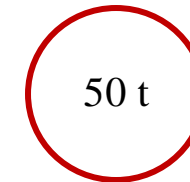
We do not use water in our core production processes. All domestic wastewater used is treated at the municipal sewage treatment plants.

Regular water testing and air pollution is carried out to make sure that we comply with the requirements and limits set out in the applicable legislation (including the REACH regulation).

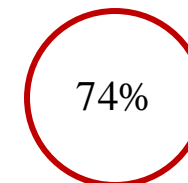
In 2023 we have continued our partnership with Plastic Bank, the world's largest chain of stores for the ultra-poor, where everything in the store is available to be purchased using ocean plastic garbage, which we started in 2020. Through partnership with Plastic Bank, we indirectly contribute to 14 of the 17 United Nations Sustainable Development Goals (see <https://plasticbank.com/sdg/>).



In addition, in 2023 we have invested into another Gold Standard certified climate project – Ceara Renewable Energy Project in Brazil – that will make a lasting contribution to communities and society.



Plastic recovered through Plastic Bank (2019-2023)



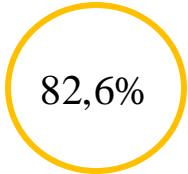
Offset of our GHG emissions (Scope 1 & 2)



# Sourcing

We pride ourselves as being a European producer and have developed our offering on the principle of nearshoring. In addition to 100% local and in-house production, we commit to prioritising local supply chain over cheaper alternatives to reduce the environmental impact generated by transportation, as well as ensuring that all suppliers adhere to similar conditions and health and safety requirement. This also enables us to ensure that we do not compromise on the quality of our products and are able to service our clients quickly.

In 2023 we have continued to invest into our production to further increase our flexibility and speed of delivery in 2024 and onwards. Our investments have enabled us to produce more versatile fixation parts for our products as well as all sorts of metal bases, which were previously sourced from local third-party suppliers.



82,6%

Of total spend is done to  
European suppliers

# Transport

We recognise that a large proportion of GHG emissions are attributed to transportation and us being based in Europe significantly reduces those emissions compared to our competition. Therefore, we:

- Strive to have as much of our supply chain as possible based locally or in Europe to minimise transportation impact.
- For long hold transportation in our supply chain, we are prioritising rail and sea transportation over air. In situations where air shipments are unavoidable, we are choosing cargo flights on routes and carriers that produce less CO2.
- Encourage clients to maximise filling rates.
- Organise meetings via video or audio conferencing instead of physical travels where possible.
- Offset CO2 emissions of rail/air travel when possible.



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**IDW**

Creating amazing mannequins  
with sustainability in their hearts

