

La *Dress*
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CSR-policy and communication LaDress

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1. LaDress and sustainability

We truly believe in a sustainable planet and creating lasting added value. We can't do this without considering the social and environmental effects of what we do. After all, only when taking our responsibility towards society and the environment, we remain true to the genuine spirit of LaDress.

Within our Corporate Social Responsibility policy, we have three pillars: a responsible supply chain, sustainable products and empowered people.

Responsible supply chain

LaDress does not own any factories, we work together with skillful European ateliers that share our passion to make beautiful products. At the moment, our products mainly come from ateliers in Romania (83%), Poland (2%), Bulgaria (10%) and Portugal (5%), which we visit frequently.

Our philosophy and priority is to build a trustworthy and long-term relationship with these suppliers in order to ensure continuity of the quality, look and delivery of our collections. We check constantly to ensure that our partners operate by our standards and we feel responsible that the working conditions of workers within our supply chain are according to our standards.

We have been a member of the Fair Wear Foundation (FWF) since 2014. This is an independent, non-profit organization that works with brands and factories to improve working conditions for employees in general. FWF is active in 11 production countries in Asia, Europe and Africa and the 85 members manage more than 120 brands.

Through our membership in FWF, we have committed ourselves to adhere to the code of conduct (Code of Labor Practices):

- Employment is freely chosen
- There is no discrimination in employment
- No exploitation of child labor
- Freedom of association and the right to collective bargaining
- Payment of a living wage
- No excessive working hours
- Safe and healthy working conditions
- Legally-binding employment relationship

Fair Wear Foundation checks and verifies whether our suppliers and we really do what we say. Every year the FWF publishes our "social report" and the result of the "Brand Performance Check" on its website. We can therefore say that we are as transparent as possible. For more information about the Fair Wear Foundation, visit their website: "<http://www.fairwear.org/>".

Sustainable products

At LaDress we care deeply about making the best and most beautiful garments possible. We want you to enjoy your LaDress for many years to come. This means we seek the optimal balance between timelessness, durability, comfort and the environment in a dynamic way. First of all, our style is never out-of-date, so there is no need to replace your LaDress, which is sustainable in itself.

Furthermore, with the help of our fabric suppliers, we continuously improve and upgrade the sustainability of our dresses. For instance our Italian Jersey Lycra is produced in an eco-compatible way where our supplier manages a completely integrated production cycle; allowing energy saving, waste reduction and pollution abatement. As a result, this fabric supplier has a PEF (Product Environmental Footprint) certification. Our Italian jersey lycra is OEKO-TEX and ISO 14001 certified and has an "advanced" status with 4sustainability Chemical Management Protocol. In addition, our substances comply with the EU REACH regulation, which means that our materials do not use chemicals that are harmful to humans and the environment.

We continuously look for new eco-friendly fabrics that also deliver that signature LaDress durability and feeling so that we gradually increase the use of sustainable materials in our collection.

Empowered people

At LaDress we believe we can do so much more than live our lives alone. The LaDress team consists of young, dedicated people who are trying to develop their skills and maximize their creative talents. To achieve our common goal - to build a sustainable, successful business and "to empower women" - we work together in a harmonious way, with plenty of room for fun. But also outside our company we care about people. Therefore, we support the 'Because I am a Girl' campaign. This program gives girls in developing countries the chance to go to school in order to build a better future for themselves and their families.

We believe everyone deserves to feel special and cared for. Therefore, we have made a donation from our Girls collection to [Clothing4u](#). This organization helps people in the Netherlands who live below the poverty line

by sending out personalized clothing boxes. [Clothing4u](#) aims to give back someone's self-esteem, confidence and a part of their identity so that they can fully participate in society without hesitation. This empowerment is also at the heart of LaDress, so we are happy to support Clothing4u and we will continue to do so. For more information go to [Clothing4u](#).

Dutch Agreement on Sustainable Garments and Textile (AGT)

In 2016, LaDress and more than fifty other companies in the clothing and textile sector signed the Dutch Agreement on Sustainable Garments and Textile.

In this agreement, it is agreed to work together on making the collection and the production chain more sustainable. It is special that so many parties have joined forces and companies, NGOs, trade unions and the national government are working together on a more sustainable sector.

It has been agreed to collaborate in the production of clothing and textiles on:

- protection against discrimination, child labor and forced labor
- the right to free negotiations by independent trade unions
- the realization of a living wage
- safe and healthy working conditions for employees
- reduction of the negative environmental impact of raw materials
- the prevention of animal suffering
- less use of water, energy and chemicals
- less chemical waste and waste water

We have signed the agreement because we are aware of our responsibility, and we are happy to take this on as a brand. Since the start of LaDress, we have always been actively looking for partners who value an honest and responsible way of working. The agreement is in line with what we consider to be important, and what we are already working on on our own initiative. This includes our collaboration with our partner Fair Wear Foundation.

2. Integration of due diligence

Due diligence

The definition of due diligence as described in the Dutch Agreement on Sustainable Garments and Textile:

According to the OECD Guidelines and UNGPs, due diligence is a process in which enterprises identify, avoid and mitigate the actual and potential adverse impact of their actions and account for how they deal with the risks identified. An important precondition for conducting due diligence on human rights is to formulate and embed a human rights policy.

If the due diligence process reveals that the enterprise has caused or contributed to adverse impacts, the enterprise should (help to) seek redress and/or remedy. These are adverse impacts caused by the enterprise, to which its business activities have contributed and/or which are the direct result of its business activities.

To summarize, the process consists of the following steps:

1. Formulating human rights policy within the enterprise;
2. Analyzing and determining precautionary measures;
3. Embedding in the enterprise;
4. Monitoring progress and results;
5. Remedy and redress;
6. Communication

Source: Agreement on Sustainable Garment and Textile

To LaDress, due diligence means owning up to our responsibility towards societal and environmental issues. We closely monitor the working conditions in the ateliers where our garments are produced and at the environmental impact of the fabrics that are used.

An important aspect of due diligence is to map out and describe our supply chains. Only when you, as a company, know where all your products and raw materials are from can you perform a comprehensive and exhaustive risk-analysis.

LaDress is committed to fully mapping out our supply chain. Direct suppliers are always known to us and we strive to achieve the same for the remainder of our supply chain. LaDress also endeavors to map risks in our supply chain so that we can anticipate for potential and already manifested risks. Because a supply chain is innately dynamic, this risk assessment is an ongoing process.

Sourcing policy

LaDress' collections are designed and developed in-house. We develop design our own patterns and we buy our own fabrics. We predominantly work with CMT based suppliers (95% of our 2018 collection).

Our ateliers are selected for authenticity, workmanship, expertise and an eye for quality.

CMT

We are highly selective in choosing the countries from which we produce. We source our CMT ateliers exclusively within Europe. The reason for this is that European ateliers must comply with EU legislation and guidelines for working conditions. Another reason is that we can readily visit these ateliers with high frequency, which is conducive to good work relations.

We have developed a sourcing manual in which describes all the steps we follow when employing a new production location.

We have learned in this regard through the guidance of the FWF (Fair Wear Foundation). We begin by requesting information about working conditions and the CSR policy of the production location. Additionally, we inquire if the location has been audited before and request the results thereof. We make our FWF membership known to the production location and detail what this means for us.

RMG

LaDress buys the vast majority of our products directly from our producers. We do, however, also buy indirect via agents and agencies.

A small portion thereof is RMG (Ready Made Garment) production. RMG production can take place in production countries outside EU because we exclusively source specialist products as RMG products and many specialized ateliers are based outside of the European Union.

We specifically instruct agencies to look for ateliers with good social compliance in the case of RMG producers. We also send RMG producers our RSL (Restricted Substances List) to ensure that the use of chemicals in the production of the fabrics used is in accordance with REACH standards.

Subcontracting

We expect openness from our production partners when it comes to the location where our products and fabrics are produced. That is why we ask our production partners to indicate in advance where the orders we place with them are produced and which third parties may be part of the production process.

External production locations must be approved by us before production starts. When orders are outsourced due to lack of capacity, we must be

notified of this in time, so that we have time to do our due diligence. This agreement is formalized by the subcontracting agreement.

Materials

We source materials exclusively from European suppliers and agencies. Within Europe, the quality of fabrics is generally high and European fabric supplier must adhere to European regulations for working conditions, environmental impact and chemical use. Additionally, this minimizes the environmental impact of transport. Use of chemicals must comply with EU REACH regulation. We have drawn up an RSL (Restricted Substances List) that is in accordance with REACH standards.

Our Italian jersey lycra is produced in an environmentally friendly way. Our supplier manages a completely integrated production cycle; this results in energy saving, waste reduction and a minimization of environmental pollution. As a result, this fabric supplier has a PEF (Product Environmental Footprint) certification. Our Italian jersey lycra is OEKO-TEX and ISO 14001 certified and has an "advanced" status with 4sustainability Chemical Management Protocol.

Animal materials

At LaDress, we believe animal welfare is very important. We handle the choices of our materials with care. LaDress has full control over which materials are used in the collection.

We do not use fur, exotic leather, angora and mohair in our collections. We have selected these materials on the basis of reports and publications from, among others, PETA. These reports have shown that there is an increased risk of animal suffering in the production of these materials. By excluding these materials, we reduce the risk of animal suffering in our production chain.

LaDress has signed the fur-free declaration of 'Bont voor Dieren' and is on the Fur-free list of the 'Bont voor Dieren'.

<https://www.bontvoordieren.nl/bontvrij/bontvrijlijst/>

LaDress has also been added to the list of pet-friendly brands by PETA.

<https://www.peta.nl/blog/de-lijst-van-alle-winkels-die-geen-bont-verkopen/>

Transparency

Transparency is an important part of corporate social responsibility. Transparency is key when charting risks and working on improvements. Only by being transparent can external stakeholders verify whether we really do in practice what we've put down on paper.

Every year the Fair Wear Foundation publishes our "social report" in which we describe what our results and progress have been in the previous year. The result of the "Brand Performance Check" is also published annually on the FWF website. The Brand Performance Check is an annual evaluation by Fair Wear in which they look at where we stand and whether we have been able to implement everything from that year's working plan.

In addition, we publish our production locations annually in the production location list on the website of the Agreement on Sustainable Garment and Textile. Last year these were only the production locations. This year our fabric suppliers were also included in this list. When third parties - such as social organizations, trade unions or the government - detect improprieties at one of our production locations, they can ask the AGT secretariat to inform us of this, we can therefore say that we are as transparent as possible.

Involving Stakeholders

Proper due diligence can only be performed by involving stakeholders in this process. LaDress consults external stakeholders for the development of CSR policies, risk analysis, progress monitoring and external communication.

Our most important external stakeholders are the Fair Wear Foundation, the Agreement on Sustainable Garment and Textile and the Modint trade association. Our involvement with these stakeholders has brought us a lot of knowledge and tools to develop our CSR policy and production method. We can make use of many sources of information and tools on social and environmental issues and we have followed many training workshops to increase CSR knowledge at LaDress. In addition, we regularly report to the Fair Wear Foundation and the Sustainable Clothing and Textile Covenant on our progress, risk analysis and approach.

The Fair Wear Foundation is also an important partner in implementing our due diligence policy and for conducting research into the risks within our supply chain. With the help of FWF country studies we can do a risk analysis for the production country. Subsequently, we can use the FWF Questionnaire and Health & Safety Check to gain insight to prevent risks at the production site. We can then verify this by organizing an FWF audit at the production site. When a negative impact has actually been found, our membership of the

FWF helps us draw up an appropriate action plan for this and progress can be verified through a verification audit.

Our customer is also an important stakeholder for us. We feel responsible for developing a product that is as sustainable as possible for our customers. Information about the development of our products could already be found under the "we care" section on ladress.com. This CSR report is an important next step for us to give our customers insight into the efforts we are making to develop sustainable products and how we approach this.

3. Responsibility

Risks within the supply chain

Due diligence is an ongoing process to identify risks and identify potential and actual negative impact within the supply chain. Through this process, LaDress tries to identify, prevent, and, where necessary, remedy risks within the production chain. When LaDress detects negative impact within our supply chain, we take our responsibility to acknowledge and resolve it.

Due diligence is based on prioritization. LaDress is run by a small team and therefore needs to assess, on an ongoing basis, how we can best optimize our use of time and resources. This assessment is made by weighing up the risks and the impact that LaDress can make against each other. It is important to not only look at external risks, but also at our own business operations and purchasing strategy.

LaDress has prioritized one theme to spend extra time and resources on in our due diligence process: a livable wage. In addition, LaDress is actively working on implementing and expanding our due diligence.

Living wage

At LaDress we feel it is important to pay a fair price for the garments that we produce. We are not looking for the lowest possible buying prices, because we believe it is important that the price we pay is sufficient to provide a fair wage to the people who make our products.

Wages must at least be equal to the minimum wage, but preferably the wage corresponds to a living wage. We stand behind FWF labor standard 5: "payment of a living wage" and the ILO conventions on this theme;

"Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income." [ILO conventions 26 and 131]

"A living wage is an important human right from the Universal Declaration of Human Rights of the United Nations and part of the ILO labor standards. Paying a living wage is therefore an important part of CSR, which is, however, insufficiently implemented in practice." Source: MVO platform

Living wage has received more and more attention in recent years and has become an important theme within CSR. Both the Agreement on Sustainable Garment and Textile and the Fair Wear foundation pay a lot of attention to

this theme. We go along with the objectives of both initiatives and have given this theme an important role in our CSR policy.

Another reason that we have prioritized the living wage theme is that our risk analysis has shown that this theme is recurring as a risk in all our production countries. In the production countries in Europe where we are active, the minimum wage is paid to employees within the clothing production. In many (but unfortunately not all) cases, the wage for a qualified employee is even above the minimum wage. Yet studies (such as the 'Schone Kleren Campagne') show that in many production countries there is a difference between the minimum wage and a living wage. This difference is called the "wage gap". The size of this difference also depends on the geographical location. The living wage for a large city, for example, often differs from the living wage for the countryside.

Living wage is a complex theme that is not easy to tackle and that cannot be fully resolved in the short term. That is why LaDress has invested in recent years in building up knowledge about this theme by, for example, attending workshops at the Agreement on Sustainable Garment and Textile and by consulting external stakeholders. LaDress has developed a long-term strategy to tackle this theme.

Part of LaDress's due diligence policy is to gain insight into the wages that are paid at our production sites. Our goal is to gain insight into wages that are paid for most of our supply chain and to verify that this at least corresponds to the minimum wage applicable in the producer country. But also, to do research into the "wage gap" and, if a "gap" is found, to prepare and implement an appropriate plan of action for this, together with our production partner(s).

Plan of approach for living wages

Goal: By 2020, LaDress wants insight to at least 80% of our chain into the wages paid, and to investigate whether the buying prices that we pay are sufficient to provide a living wage.

This means that we will implement our living wage due diligence plan at our largest supplier:

- Gain insight into the wages that are paid at the production location through an FWF verification audit.
- Investigate the relationship between buying prices and wages by means of open cost calculations.
- Compare the "wage ladder" of the production location with the "wage ladder" of the production country.
- Living wage research for the region of the production location.
- Compare the "wage ladder" of the production location with the "wage ladder" of the region.

- Living wage analysis: determine whether there is a "wage gap" in the wages that are paid at the production location and calculate how high this is.
- Determine "Target wage" for the production location.
- Investigate what influence the paid buying prices have on wages and calculate whether and how much these can be adjusted to achieve the target wage.

These are very concrete steps that will be implemented with the help of external stakeholders such as the Fair Wear Foundation. LaDress has put a lot of time into discussions with the production site to discuss the importance of our involvement with the production site regarding the living wage theme. For the production country in question, providing insight into the paid wages is not self-evident. We are therefore very happy with the progress we have made so far, and we hope that we can make more progress with the living wage theme in the coming period.

Due diligence in practice

CSR has been an important topic for us since the start of LaDress. LaDress sees good working conditions and fair wages as an important right for everyone. By looking for experienced European ateliers that share LaDress's passion for creating beautiful products, LaDress wanted to make a positive impact. This has been an organic process for a long time. By visiting the ateliers and talking with the people who work there, LaDress got a good comprehension into the working conditions at the production locations.

With our membership to the Fair Wear Foundation, LaDress wanted to formalize this process and have it verified. LaDress learned a lot through our membership, and we were able to amplify our due diligence policy within our production process with the help of the Fair Wear Foundation.

In 2018, LaDress had difficulty meeting all FWF requirements due to multiple personnel changes within the LaDress team, and resources to work on the "FWF Code of Labor Practices" were limited. This resulted for the first time in a lower score than the "Good" rating that LaDress has achieved all previous years. An action plan has been drawn up to address the issues that have remained due to circumstances, and we are working together with the Fair Wear Foundation on a plan of improvement.

In addition to the living wage theme, LaDress naturally continues to work on other social and environmental issues within our due diligence policy. LaDress is aware that there are risks that can occur within the clothing production and thus also within the production chain of LaDress.

Risk analyzes have shown that there are risks to a greater or lesser extent within the production chain of LaDress on the following social themes: workplace safety and health, discrimination and gender, freedom of association and excessive overtime. In addition, there are risks associated with the use of raw materials and there are risks of water pollution and the use of chemicals, water and energy in the production of substances.

Safety and health at the workplace

"A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and ensure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited."

LaDress believes a safe and healthy workplace is very important. We ensure that the FWF Health & Safety Checklist is completed at every production location. Safety and health of the workplace are also checked during the audits. LaDress analyzes the CAPs (Corrective Actions Plans) from audit reports that have been carried out at the production locations and discusses these with the production location in question to achieve improvements.

After the audit at our main production location, the CAP was discussed several times with the management of the production location to discuss the progress. It emerged that all action points on the theme of safe and healthy workplace have now been implemented. Examples of this are completing the re-certification for fire safety in accordance with local legislation and having noise, ventilation, temperature and lighting in the company checked. In 2019, we will check this by means of the FWF verification-audit that is performed at this production location.

Discrimination and gender

"In recruitment, wage policy, admittance to training programs, employee promotion policy, policies on employment termination, retirement, and any other aspect of employment, relationships shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111)."

Gender equality is an important issue for LaDress. The brand mission of LaDress is "to empower women". This means not only the women who wear the

clothes, but also the women who make the clothes. We choose ateliers that treats its employees in a proper way.

We believe it is important that the women who contribute to the development of our products also become empowered. Our long-term goal is to find out whether the women working in our production chain are actually treated fairly and equally. This is a complex subject because views on gender are culture-related, but LaDress nevertheless wants to take steps in this matter.

As a first step, LaDress can analyze the division between male and female employees within the workplaces using the FWF questionnaire. Another topic to look at is whether the wages for men and women are equal in the same position. We hope to gain more insight into this through the FWF verification audit, which will also look at wages and set up a "wage ladder".

The audit at our largest production location found that there was an example of discrimination. This was about a number of employees being registered as unqualified employees while performing complex and diverse activities. This was discussed with the management of the production site and they confirmed that this is indeed the case because these employees have not received any official training for the position. The production location is not authorized to provide diplomas or certificates.

We will discuss with the production location how and whether this can be changed, and what role LaDress can play in this.

Freedom of association

"The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The Company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143)."

Also with regard to the freedom of association theme, supplying and explaining the FWF Worker Information Sheet is an important step. Often employees are not aware of all the rights they have. Unification in a trade union can contribute to the formation of a collective labor agreement, in which written agreements on employment conditions are laid down that have been agreed between one or more employers or employers' organizations and can apply to the entire sector.

The FWF Worker Information Sheet reminds employees of this right. Part of the due diligence strategy of LaDress is to ensure that the Worker Information Sheet is posted at all production locations in a place where it is clearly visible to all employees. In addition, LaDress wants to organize the FWF Workplace Education Program at our largest production location in 2020. This is a 2-day

training at the production location for employees and management with the aim of promoting communication between both parties, but also to make employees aware of the rights they have.

Excessive overtime

“Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate (ILO Convention 1).”

The risk analysis of LaDress has shown that excessive overtime is only a risk in the production country of Portugal. Here it is partly culture and work ethic, but it is also related to living wage. In Portugal, the minimum wage is paid within the clothing industry, but this wage is often applied for all levels, regardless of the level of experience and responsibility. Wages are also rarely increased. According to the Fair Wear Foundation's Country Study on Portugal, 85% of workers in Portugal earn the minimum wage. The minimum wage in Portugal is also lower than the living wage. For this reason, employees often work overtime, these overtime hours are often at a lower reimbursement level than prescribed by law.

LaDress has been able to conclude from an audit report that this is not the case at one of the two Portuguese production locations, but does not yet have full insight into all production locations in Portugal. We are working to have audit reports from all production sites in Portugal to make a good and complete risk analysis.

Raw materials

The list of materials we made for the Dutch agreement on sustainable garments and textile (AGT) has provided insight into the proportions of the raw materials that we use in our collections. We use polyamide, elastane and polyester predominantly in our collection, which together make up 76% of all raw materials. In addition, we currently work with wool, cotton, viscose, silk, acetate, cupro and cashmere. Polyamide and elastane are the raw materials for our Italian jersey lycra. The majority of the polyester is used for our crepe, crepe de chine and certain lining fabrics.

LaDress selects materials that remain of durable good quality. The polyamide / elastane and polyester qualities from our collection remain beautiful for a long time, which means that a LaDress item of clothing can be worn for years, which in itself is sustainable. In addition, we are constantly looking for new environmentally friendly fabrics that also create the characteristic LaDress durability and the LaDress feeling, so that we can gradually increase the use of sustainable materials in our collection.

LaDress asks suppliers for more sustainable alternatives to the raw materials used in a fabric, and aims to switch to more sustainable raw materials such as recycled raw materials in the coming years. However, this requires more research and a transitional period, because LaDress extensively tests fabrics before they enter the collection. In addition, the fabrics are checked whether they meet the LaDress quality requirements.

LaDress is in the process of switching to fully recycled polyester and recycled paper for all brand labels and hangtags.

Water pollution and use of chemicals, water and energy

The majority of the LaDress collection is made from Italian jersey lycra. Our Italian jersey lycra is produced in an environmentally friendly way. Our supplier manages a completely integrated production cycle; this results in energy saving, waste reduction and combating environmental pollution. As a result, this fabric supplier has a PEF (Product Environmental Footprint) certification. Our Italian jersey lycra is OEKO-TEX and ISO 14001 certified and has an "advanced" status with 4sustainability Chemical Management Protocol. In addition, our substances comply with EU REACH regulation, which means that our materials do not use chemicals that are harmful to humans and the environment.

This has been an important reason for LaDress to select this supplier as a production partner. In addition, LaDress mainly works with European fabric suppliers who must comply with European environmental standards and with the European REACH regulation regarding the use of chemicals. LaDress has a Restricted Substances List (RSL) by trade association Modint. This list contains chemicals that cannot be used in the production of LaDress substances because they can harm people or the environment.

Child labor and forced labor

The due diligence risk analysis has shown that within the production chain of LaDress there are no risks concerning the themes: child labor and forced labor. Country studies by, among others, the Fair Wear Foundation have shown that in the countries where LaDress is active there is no risk of child labor and forced labor.

LaDress applies a "zero tolerance policy" on child labor and forced labor. This means that in our due diligence investigation during the sourcing process we take into account the risk of these themes in a certain production country. LaDress promises that if a risk or actual negative impact is found, LaDress takes immediate action to prevent or remedy the negative impact.

Child labor

"There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years, or 14 years in exceptional cases as specified in article 2.4 of the Minimum Age Convention (ILO Convention 138). There

shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age range 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)."

LaDress supports these ILO conventions on child labor. LaDress does not work with production locations in countries where child labor is identified as a risk. Our membership of the Fair Wear Foundation is an important part of our CSR policy and offers us the tools to determine this.

In the past, we have worked with a production location in Bali, Indonesia. The country study of the Fair Wear Foundation has shown that child labor is not a risk within production location, but that this may occur at home work locations, which is a common phenomenon in Indonesia. To gain a better understanding of this, an employee from the Fair Wear Foundation went to our production location to discuss the theme of working from home. In addition, previous visits from LaDress have not suggested that there is child labor. An FWF audit has been carried out to verify that there is no question of child labor. During this audit, no child labor was found in both the production location and the home work locations.

Forced labor

"There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105)."

LaDress only works with ateliers that treat their employees well. This also means that employees are not forced to work. Our membership of the Fair Wear Foundation is an important part of LaDress's CSR policy and helps to understand the risks of forced labor in a production country through the FWF country studies.

4. Grievance procedure

A grievance can be defined as any concern or dissatisfaction that an employee might have in the workplace. An important part of LaDress's due diligence process is the delivery of the FWF Worker Information Sheet to the production site in the local language. This is placed so that it is visible to all employees of the production location. The worksheet contains the rights of employees, along with the number of the FWF complaints line. This offers the opportunity to employees of production locations to contact anonymously, should labor rights be violated.

5. Example in practice: actual negative impact & solution

In 2016, a situation arose in which we identified a real negative impact within our production chain.

Negative impact: excessive overtime

Cause: a change in LaDress's Buying strategy

Situation discovered how: production site management has communicated this with the LaDress purchasing department

How we solved the situation: LaDress has outsourced part of the activities to an external party, these activities formed the bottleneck, which caused a planning problem at the production site.

Description:

In 2016, LaDress started producing a greater diversity of styles at one of the production locations. As a result, a department of the atelier that carries out the preparatory work came under pressure. That department had to work overtime to get the increased diversity of styles prepared in time so that there was no hold up for the rest of the atelier. Extensive discussions were held with the department in question, the production location management and the buying department of LaDress, together with the management of LaDress. Through extensive communication we found a solution for the situation together. From now on, part of the preparatory work will be outsourced by LaDress to an external party, which will reduce the workload at the atelier. In addition, agreements have been made to achieve a better distribution of order diversity and volume in order to increase productivity at the production location.

This is an example of the degree of LaDress's involvement with the ateliers and the willingness to look for a solution. When a risk or impact is found, this actually leads to a change in the business and buying process.

6. Achieved results

Due diligence is an ongoing process that requires a lot of time, knowledge and external stakeholders. LaDress has invested a great deal in recent years in building up knowledge, working with the right stakeholders and mapping our production chain and the associated risks.

LaDress is run by a small team of dedicated people who are trying to develop their skills to achieve our common goal - building a sustainable, successful brand.

What was true from the start of LaDress still applies; our products are made at artisan ateliers that share our passion for creating beautiful products. We remain loyal to our production partners because we believe that a long-term partnership is good for both parties. We are committed to supporting our production partners in complying with labor rights standards.

LaDress is proud of the progress made in recent years in the field of social compliance.

LaDress has worked on the following topics in recent years;

- Membership of the Fair Wear Foundation; take more steps each year to work on the social themes set out in the FWF Code of Labor Practices.
- Signing the Dutch Agreement on Sustainable Garments and Textile (AGT); write a plan of approach and implement it every year.
- Mapping out our production chain; direct supplier and subcontracting locations are known, as well as all fabric suppliers.
- Publishing all production locations in the production location list of the Sustainable Clothing and Textile Covenant.
- FWF audits carried out at production locations in high-risk countries.
- Discussed improvements that were implemented at the production location on the basis of the points for improvement from the audit report.
- 8-year working relationship with our largest production partner.
- Sourcing guide prepared to integrate due diligence more into the sourcing process.
- The supplier manual expanded with more social compliance chapters.
- Strengthen the CSR policy and further integrate the due diligence process in the way of working.
- Training and workshops followed at the Dutch Agreement on Sustainable Garments and Textile (AGT), the Fair Wear Foundation and branch organization Modint to increase knowledge about social compliance.
- The buying strategy was adjusted when it became clear that this was necessary to prevent overtime at the production location and to increase productivity.
- Prepared a Restricted Substances List and sent it to our suppliers.

- The fur-free declaration of the Fur for Animals signed and as a result have been added to the Fur-free list of the Fur for Animals.
- LaDress has also been added to the list of animal-friendly brands by PETA.