

La *Dress*
by Simone

Corporate Social Responsibility Policy

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Our vision on CSR

We are all responsible for the impact we have on our surroundings.

The fashion industry has a large social and environmental footprint worldwide. The impact of the industry is often negative: poor employment conditions, low wages, child labour, discrimination and forced labour are examples of the negative social impact of the industry. In the ecological area the industry is responsible for large CO2 emissions due to transport around the globe, pollution in the chemical processes used in dyeing or producing fabrics, and closer to home: the waste created when consumers dispose of clothes (or the fashion companies do due to overproduction), the footprint of webshop returns, wrapping and packaging materials, and micro fibers that end up in the water through our washing machines. And last but not least, animal welfare is not frequently a priority, leading to shocking situations in production of for example wool or leather.

At LaDress, we want to take good care of the people that work in our supply chain. We also want to limit our ecological footprint as best as we can. We want to empower people and take good care of our planet.

In this Corporate Social Responsibility (CSR) policy, we describe (Part I) how we work – our strategy to take our responsibility. We explain in more detail how we do that in the two pillars of this CSR Policy: People and Planet.

We also describe (Part II) how we have assessed the risks in our supply chain and how we deal with our CSR administration and compliance checks.

And finally (Part III) we'll let you know what we've achieved and more importantly: where we want to improve and how we go about that. Because nobody's perfect and we want to learn from our mistakes.

Part I: How we work – our strategy

LaDress operates in a way that is a little different from the general ways of the fashion industry.

We **design** ourselves, from scratch, we **purchase fabric** and **arrange production** for the largest part of our production. This is called CMT production and we made 96% of our total production in this way in 2020. The remaining 4% of our production (in 2020), we obtain ready-made (RMG) via two agents with whom we have a long relationship. We mainly **sell directly to the consumer**. We do all of this with a small team of multi skilled, dedicated professionals.

We realise that as an independent small brand in a big industry, we have limited impact on most production locations in the industry, let alone governmental policies. We also do not have the resources to constantly study and fully understand the risks in every aspect of the industry and in every country or region. But we've learned that everyone can and should take steps to make the difference. So, in order to live up to our social responsibility, we have made certain choices to tackle our challenges.

First of all, to maximize our impact, we have chosen to work with a **limited number of suppliers**. In 2020 we worked with 5 production locations (1 CMT and 4 RMG) and 6 fabric suppliers (including lining). With these suppliers, we have committed ourselves to building **long-term relationships**, so that we can learn from each other, educate each other and create trust in the relationship. With this we hope to achieve that improvement and transparency further down the supply chain becomes a common goal.

In addition, we have chosen to preferably work with production locations in the **European Union** (97% of our production in 2020 in Romania and The Netherlands). Our fabric suppliers are all based in the European Union (Italy, Spain, Lithuania and the United Kingdom). The remaining 3% of our production in 2020 came from Pakistan and China. For these production locations we have relied on our agents and on independent BSCI audit reports.

Unfortunately, there are still things we do not know and do not see. To bridge this knowledge-gap, we have **access to several specialized resources**, including the CSR department of Modint (<https://modint.nl/thema/mvo>), the Modint Academy and the information available to parties to the Dutch Agreement on Sustainable Garments and Textile. We also make use of independent BSCI audit reports and country studies.

If you would like to find out more about these audit reports, please contact us.

And finally, we have decided in the course of 2020, that the actual work in the field of CSR will be carried out by the decision makers: board members and the head of production. Because it's a core LaDress business activity and focus.

People

We take steps to empower employees at the factory level. We believe that improving the supply chain, starts by building a trustworthy and **long-term relationship with our suppliers**. This enables us, in collaboration with the supplier, to take steps to continuously improve the working conditions on the factory floor.

Employment principles

We commit ourselves to adhere to a number of guidelines, principles and conventions as set out below. These include the following guiding principles in relation to people that work in our supply chain:

- People work in safe and healthy working conditions
- They receive a living wage that is at least adequate to satisfy their basic needs and the basic needs of their families and to provide some discretionary income
- Their employment is freely chosen
- There is no discrimination in employment
- There is no exploitation of child labor
- Each employee has the freedom of association and the right to collective bargaining
- There are no excessive working hours; and
- each employee has a legally binding employment relationship

For our suppliers in the European Union, we rely on the national laws and checks of governmental institutions of the EU Member States. In addition to this, we request periodical audits and follow-up of the findings from those audits.

A limited part of our production comes from outside the European Union (3% in 2020) and from production locations outside Romania (1% in 2020). For these production facilities, we work with respectable agents, with whom we have a longstanding working relationship. With them, we apply ourselves towards a careful due diligence process and we try to educate and inform them on the respective country risks. In 2021 we for example did this by requiring the aforementioned audit reports before we ordered and by sharing country risk information with them.

How we treat our suppliers

Long term relationships can only be successful when they are based on mutual respect and equality. This means that we explain what we expect from our suppliers, but also focus on what our suppliers can expect from us in return: a **true partnership**.

Our largest supplier in production (96% in 2020), is a family run business in the Romanian countryside. The Ugur family previously owned a production location in The Netherlands and moved to Romania over a decade ago, to build a new business. They explicitly chose to establish their business in an EU Member State. To date, the family's son runs the business and is our day-to-day contact. His mother is in charge of the technical production and is a truly skilled professional. We have worked with the Ugur family since 2012 and we speak by telephone or teams on a daily basis. We try to visit the production site at least once a year. We also regularly discuss the well-being of the people that work in production, the impact of COVID-19 and the companies personnel and remuneration policies. Due to travel restrictions, we have not been able to visit the site in Romania in 2020, but we have scheduled a visit for 2021.

Our partnership means that we provide a steady flow of orders throughout the year, and in return our Romanian supplier reserves a monthly capacity for us.

And there's more to life than just business..

Next to the people that work in our supply chain, we also contribute to people or causes that can use a little extra help. We do this on a case-by-case basis, through sponsoring of certain charity events.

In 2020, for example, we sponsored Spieren voor Spieren (spierenvoorspieren.nl) , we donated to Stichting DON (stichtingdon.nl), that is committed to finding a cure for Diabetes Type 1 and we structurally donate to Plan International (www.plannederland.nl). Since 2009 LaDress supports three sponsor children, currently they are Dayne from Bolivia, Hunezatou from Cameroon and Angelina from Indonesia. We are also sponsor of the Rijksmuseum in Amsterdam.

Planet

As a fashion company, we operate in an industry that is responsible for a large environmental footprint. We commit ourselves to minimize the negative impact of our products on the planet. Here's how.

We avoid materials that are associated with high risks and seek the optimal balance between durability, timelessness, environmental footprint and comfort.

Reducing waste

The design

It all starts at the core value of our designs: **timeless and ageless with lasting quality**. We want to make sure our clothes will last a lifetime, thus avoiding consumers to throw them away or replace them. We notice a lively sale in second hand LaDress styles, in second hand stores or via the LaDress second hand facebook group, which has around 3000 members. We also regularly re-introduce 'old' styles in our collection. When we do, we receive feedback from customers that they still own that style and that it is still in perfect shape.

The pattern

We make our own patterns and have a standing agreement with our production facility in Romania, where we produce 96% of our styles (2020), that the pattern is laid out on the fabric in the most efficient manner. We look at this together with them. The benefit of this? Reduction of cutting loss in fabric. And less cutting loss fabric is less waste. Some examples:

*Our icon dress Caroline has a production fabric use of 2.65m, our leggings Siena a fabric use of 1.25m. If we would produce them separately, we would have a use of 3.90 m of fabric to produce one Caroline and one Siena. When we can measure in two patterns at the same time, the fabric use is 3.05 m for one Caroline and one Siena. This is a reduction of cutting loss of **21.7%**.*

*We can also limit the cutting loss of a Caroline by cutting the sashes a part from the rest of the pattern and we combine sizes. If we produce Caroline in this manner, we use 3.80 m of fabric to produce two Carolines in stead of the 5.30 m otherwise. That is a **28.3 %** reduction.*

Another example of combinations with seasonal styles (this one is from spring summer 2021):

*Tunic dress Margaux has a fabric use of 2.73m, pants London has a use of 2.04m, so together a use of 4.77 m. We produce them in combination and then one London and one Margaux only use up 3.20m. This is a reduction of **32.9%**.*

We cannot do this with all our fabrics. It does happen with all jersey lycra styles. This is a time consuming process. It would be more cost efficient to not do this.

Saving

We do not throw away. Ok, we'll be honest: we sometimes throw away a damaged item we receive back from a customer and that cannot be repaired. The frequency? We do not register it, but we think it is on average one item every two months.

And beside that, we do not throw clothes or fabric away. Ever. And that includes the cutting loss.

For the clothes made we have a life cycle: introduction, collection, sale, outlet, offline sample sale and if not sold there after a few sales, we donate to charity for re-use. Our last donation was done in 2019 to the initiative *Dress for Success*, a foundation that provides clothes and clothing advice for job interviews to women who cannot afford to buy (www.dressforsuccess.nl).

For the fabric: all of our fabric is stored in Romania. We use this fabric from past seasons to make limited edition styles, LaDress Uniques or limited numbers of a 'regular' style and – if there is not enough left to produce a full style – we try to make clutches for example. We have stored all of our cutting loss and other small fabric and are still looking for a way to apply them.

Reducing pollution and footprint

Chemicals

We try to avoid materials that are associated with high risks and seek the optimal balance between durability, timelessness, environmental footprint and comfort.

Each of our production suppliers has confirmed our restricted substances list (RSL). We updated this RSL in 2020. In short summary, our RSL 2.0 is based on compliance with:

- Legal requirements inside the EU;
- Upcoming European Legislation
- Responsibility of all the supplier regarding Substances of Very High Concern (SVHC) mentioned on the REACH Candidate list; and
- Requirements based on best practice as identified by Eco label organizations such as OEKO-TEX®.

Returns

When you order an item online, the handling and transportation of that item from our warehouse to your doorstep causes a CO2 footprint. If you return that item, another footprint is made. This means that if less items are returned, the footprint is reduced.

We do our best to minimize our returns. How?

First, by putting a lot of time and effort in our designs. So that our LaDress items fit most of our customers. Since 2020 we use detailed return information from our data warehouse in this process.

Second, we've learned to make sure that the fabrics we use, have a little stretch. So that all those styles are suitable for an endless variety in body shapes.

Third, we put a lot of time and effort in our website. Photos should be realistic, we have a size table on our website and put a lot of effort in our individual product description. In addition, we do a regular size check on our styles, so that our sizes remain consistent.

And finally, we encourage our customers to contact us when in doubt.

And this all seems to help; in 2020 our online returns percentage decreased >10% in relation to the 2019 returns and this downward trend continues in 2021.

Shipping and packaging materials

Our ecological footprint is not only determined by the clothes we make and fabric we use, but also by the materials we use for shipping and packaging.

Since 2019 we use eco friendly shipping materials for sending out our web orders. This is our standard delivery option. In 2020 we have started to use enveloppes for small packages in stead of boxes, thus avoiding the transportation of 'air'.

In September 2020 LaDress started its cooperation with a new fulfillment partner. This new partner has a warehouse and sorting devices that are so clean that the use of poly bags is no longer necessary. This resulted in a large reduction of waste.

Animals

To reduce the risk of animal suffering in our production chain, we have decided to avoid the use of fur, exotic leather, angora and mohair in our collections. Reports of PETA have shown that there is an increased risk of animal suffering when producing these materials.

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/>

LaDress has ceased the use of wool until it has found a suitable production location that can verifiably guarantee that with the production of the wool used no animal suffering was caused.

LaDress has ceased the use of silk until it has found a suitable supplier of organic silk.

Part II: Compliance, risk assessment, due diligence and transparency

In 2016, LaDress and more than fifty other Dutch companies in the clothing and textile sector signed the Dutch Agreement on Sustainable Garments and Textile. All signatories agree to work together with each other and with NGOs, trade unions and the national government. We join forces to improve the production chain of the garment and textile sector, with regard to both social and environmental risks.

All signatories agree to avoid environmental, animal and human rights-related risks under **international guidelines** and agreements such as the United Nations' Guiding Principles on Business and Human Rights, the OECD's Guidelines for Multinational Enterprises, and the ILO's fundamental labor standards. Under the OECD Guidelines, for example, businesses must investigate the extent to which they could be implicated in human rights, environmental or animal welfare violations.

The guidelines, treaties we commit to in this respect, include:

- ILO Conventie 183 Maternity Protection Convention, 2000
- ILO Conventie 190 Violence and Harassment Convention, 2019
- UNCRC Article 32 Convention on the Rights of the Child
- ILO Protocol 2014 to the Forced Labour Convention; and
- OECD Guidelines for Multinational Enterprises (2011), chapter 5, article 4b
- ILO Convention 1 Hours of Work (Industry) Convention, 1919 (No. 1)
- ILO Convention 26 Minimum Wage-Fixing Machinery Convention, 1928
- ILO Convention 131, Minimum Wage Fixing Convention, 1970
- ILO Convention 155, Occupational Safety and Health Convention, 1981
- ILO Convention 100, Equal Remuneration Convention, 1951
- ILO Convention 111, Discrimination (Employment and Occupation) Convention, 1958

- ILO Convention 87 Freedom of Association and Protection of the Right to Organise Convention, 1948
- ILO Convention 98, Right to Organise and Collective Bargaining Convention, 1949
- ILO Convention 135 Workers' Representatives Convention, 1971
- ILO Recommendation 143 Migrant Workers (Supplementary Provisions) Convention, 1975
- ILO Convention 138, Minimum Age Convention, 1973
- ILO Convention 182 Worst Forms of Child Labour Convention, 1999
- ILO Convention 29 Forced Labour Convention, 1930
- ILO Convention 105 Abolition of Forced Labour Convention, 1957
- OECD Guidelines for Multinational Enterprises, Chapter VI. Environment, 2011
- OECD Principles on Water Governance, 2015
- The five Freedoms on Animal Welfare, FAWC 1993.

The process to investigate and monitor compliance with all these agreements, is known as due diligence. The Secretariat of the Agreement supports us in this due diligence process (www.imvoconvenanten.nl).

Our risk assessment

Due diligence allows us to identify the themes that require us to take action, based on a thorough risk-analysis. Subsequently, these risks have to be prioritized. Prioritizing risks is based on *severity* and *probability*.

How and when to mitigate the risks depends on many circumstances, including leverage at the factory and information flows. We annually lay down our up to date risk assessment in an action plan (*Plan van Aanpak*). In that plan, we describe the priority of risks and the actions we intend to take. We also report on delays and hick-ups.

The risk assessment is an **ongoing process**, because new risks may appear. Through the due diligence process, we identify, prevent, and, where necessary, remedy risks within the production chain. When we detect a negative impact within our supply chain, we take our responsibility to acknowledge and resolve it. And we've learned that walking away isn't always the solution; we aim at improving.

The areas of due diligence are:

- Living wage

- Worker health and safety
- Freedom of association
- Discrimination and gender
- Child labor and forced labor
- Raw materials
- Water pollution, chemicals use, water and energy
- Animal welfare

For 2021 LaDress has, on the basis of its risk analysis, prioritized living wage and worker health and safety. This risk analysis is further described in our *Plan van Aanpak 2021-2022*.

Due diligence

Our CSR policy and practice is based on due diligence. The Dutch Agreement on Sustainable Garments and Textile defines due diligence as follows:

‘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. 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.’

The Due Diligence process consists of the following steps:

1. Formulating a CSR 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

An important precondition to perform due diligence as a fashion brand, is to know where and how your products are produced. As a signatory to the Agreement, we are committed to fully map and describe our supply chain. At the moment, our direct suppliers are known to us and we plan to achieve this for deeper down the supply chain, by conducting a suppliers assessment to understand which production processes happen in-house and request access to any relevant audit-reports.

The status, the goals and the steps we have scheduled to achieve this, are described

in detail in the *Plan van Aanpak*. Since this *Plan van Aanpak* is currently not (yet) publicly accessible, we briefly describe our goals and status in relation to the areas of due diligence in this CSR Policy.

i. Living wage

We have insight into at the wages paid in at least 80% of our production and this insight is renewed at least every 2-3 years. We strive towards payment of living wage and commit to the principles of the OECD Guidelines for Multinational Enterprises (2011), chapter 5, article 4b

Our living wage strategy at our largest supplier (96% of production in 2020) includes the steps below:

- Gain insight into the wages that are paid at the production location through a verification audit.
- Compare the "wage ladder" of the production location with the "wage ladder" of the production country by using reliable and transparent benchmark information.
- Living wage research for the region of the production location.
- Living wage analysis: determine whether there is a "wage gap" in the wages that are paid at the production location and calculate the size of the wage gap
- Determine a "Target wage" for the production location, if needed on the basis of the outcome of the investigation.
- If applicable, 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.

As per 1 July 2021, we have the aforementioned insight based on July 2019 salaries. Pursuant to the living wage research and information obtained in 2020 after the verification audit report, there is no major wage gap for most employees. LaDress intends to specify this knowledge and update the information in 2021 and 2022 and to discuss with its production partner whether a further wage gap strategy is required.

ii. Worker health and safety

The 2019 verification audit at our largest supplier included action points in the field of health and safety. As per 1 July 2021 all of these points were solved, with the exception of two: the establishment of a policy and the specific mention of certain groups of employees in it's risk analysis. The production location has indicated that it does not understand exactly what those documents should look like; LaDress has

offered to provide examples. We expect these documents to be completed in the course of 2021.

We have verified that our largest supplier has taken COVID-19 precautions in the work place.

We have received audit reports on our other production locations (3 in total). They receive BSCI scores that vary between A (very good) and C (acceptable). One of the locations with overall rating C, had performance ratings D in two areas and otherwise A (very good) and B (good). The other had one performance rating D and otherwise performance ratings A and B. Both locations are located in China and the D performances related to excessive overtime, which is a commonly known issue in China. LaDress has asked follow-up questions on this topic and will monitor progress.

iii. Discrimination and Gender

Due diligence has shown that there is no increased risk of discrimination in Romania. During the FWF audit employees noted that they have received education at the work place, but do not receive an official certificate for that education. The production location has confirmed this is the case, since they are not authorized to issue such certificates. LaDress will discuss the possibilities of certification with this supplier in 2021.

LaDress uses one production location in Pakistan (0.50% of LaDress production in 2020), a country that has an elevated risk of discrimination on the basis of gender. The audit report shows that only men work at the production facility. For numerous reasons (also see for example 'child labor' and 'animal welfare') LaDress is making a tail-end analysis to decide whether or not to continue production in Pakistan. The production location in Pakistan has received a good BSCI audit report in this respect.

In addition to Pakistan, an increased risk in discrimination and gender can be found in China. In general this is a risk, and very disturbing are the reports from the Xinjiang province. LaDress has used two production locations in China in 2020 (2% and 0.5% of production in 2020). Both are situated far from the Xinjiang province (more than 4000 and 3000 km away respectively). From the BSCI audit reports received on both facilities, there are no red flags in this area.

In relation to this topic, the following ILO conventions are relevant:

- ILO Conventie 100 Equal Remuneration Convention, 1951
- ILO Conventie 111 Discrimination (Employment and Occupation) Convention, 1958

- ILO Conventie 183 Maternity Protection Convention, 2000
- ILO Conventie 190 Violence and Harassment Convention, 2019

iv. Child labor

LaDress has a zero tolerance policy on child labor. Child labor is not prioritized in the risk assessment, since there is no increased risk of child labor in more than 80% of the LaDress production locations. LaDress uses one production location in Pakistan (0.50% of LaDress production in 2020), a country that has an elevated risk of child labor.

Based on external reports that confirm that the risk of child labor in Pakistan is predominant in sectors of the fashion industry that are not used by LaDress and based on a confirmation in a BSCI audit report that there is no child labor at the production location, LaDress has ordered at this production facility.

For both production locations in China, the BSCI reports confirm that there are no children or young workers used by the locations.

In relation to this topic, the following Conventions are relevant:

- ILO Convention 138, Minimum Age Convention, 1973
- ILO Convention 182 Worst Forms of Child Labour Convention, 1999
- UNCRC Article 32 Convention on the Rights of the Child

v. Forced labor

LaDress has a zero-tolerance policy on forced labor. Forced labor is not an increased risk in Romania (96% of production in 2020). The most recent Fair Wear audit reports did not find any significant issues related to the freedom of employment (source: FWF 2021 Country study Romania, p. 28).

LaDress uses one production location in Pakistan (0.50% of LaDress production in 2020), a country that has an elevated risk of forced labor. The production location in Pakistan has received a good BSCI audit report in this respect and LaDress has received evidence of all policies being in place and displayed to the workers.

Forced labor is a risk in China (prison labor) and very disturbing are the reports from the Xinjiang province on this topic. LaDress has used two production locations in China in 2020 (2% and 0.5% of production in 2020). Both are situated far from the Xinjiang province (more than 4000 and 3000 km away respectively). From the BSCI audit reports received on both facilities, there are no red flags in relation to this topic.

vi. Freedom of association and the right to collective bargaining

LaDress aims to increase the awareness of this topic with the workers in at least 80% of its production in the production locations it uses.

To effectuate this, the Fair Wear workers information sheet is displayed in the local language in the production site in Romania. In addition, LaDress and its supplier in Romania have agreed to organize a Workplace Education Programme. This WEP was originally scheduled for 2020-2021, but due to circumstances has not taken place. LaDress will address this again in 2021.

vii. Raw materials

LaDress strives to use more sustainable raw materials.

In this respect LaDress in 2020 and 2021 is investigating the use of tencel fabric (more information on this fabric can be found here at tencel.com).

The main fabric producer of LaDress (jersey lycra, 53.8% in 2020) has an ongoing sustainability improvement process. In 2018/2019 this company has achieved, for example, an annual saving of gas emissions of 434 tons of CO2 by renewing the Company's central heating plant, it has a solar panel system that in 2019 generated 70,000 kWh to cover the energy requirements of its shipping warehouse and it has made its washing process more efficient, reducing the companies water consumption by 8%. More information on this supplier and it's sustainability efforts can be found at sensitivefabrics.it.

LaDress' goal is to have more insight into the production process. In 2020 we updated our RSL. The next steps are to investigate further down the chain. This is scheduled for 2021-2022.

viii. Water pollution, chemicals use, water and energy

The risk analyses does not show an increased risk in this field. LaDress strives towards a continuous improvement in this field.

In 2020 LaDress has issued an updated RSL; see above under Planet/Reducing pollution and footprint. In 2021 / 2022 LaDress intends to carry out chemical tests to verify compliance with the RSL.

ix. Animal welfare

LaDress commits to the five freedoms of animal welfare:

- Freedom from hunger and thirst (food and water)
- Freedom from discomfort (shelter)
- Freedom from pain, injury and disease (medical care)
- Freedom to express normal behaviour (exercise)
- Freedom from fear and distress (love and understanding)

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

LaDress uses leather in its collection (0.5% in 2020). For 2021-2022 LaDress has decided to investigate the origin of the leather further and is also investigating the possibilities of using vegan leather.

Transparency

Transparency is a fundamental part of corporate social responsibility. It is key when charting risks and working on improvements. By being transparent, our stakeholders can assess and advise us about what specific steps we can take each year.

More importantly: transparency is key in informing the consumer. Because in the end of the day, it's our customer who decides to buy; to buy less, to buy better, to buy based on an informed choice.

For a long time, we – like the rest of the industry- were convinced that we could not be fully transparent to the public. Too complicated, too many details. So we chose an indirect verification of our production via institutions such as Fair Wear Foundation and the Dutch Agreement on Sustainable Garments and Textile. We have decided to change our approach on this.

We still publish our production locations annually in the production location list on the website of the Agreement on Sustainable Garment and Textile. The last years we published the first-tier production locations. This year our fabric suppliers were also included. 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 on the risk.

We still involve stakeholders. Involving stakeholders is part of performing proper due diligence. We consult external stakeholders for the development of policies, risk analysis, progress monitoring and external communication.

Our most important external stakeholders are the Agreement on Sustainable

Garment and Textile and Modint trade association. Being in touch with these stakeholders brings us a lot of knowledge, skills and tools to develop our CSR policy, strategy and production method. We use many sources of information and tools on social and environmental issues to increase CSR knowledge at LaDress.

The change is that we've re-written our CSR policy and will keep adding to our CSR information on our website and in our newsletters. To clarify what we do and do not do. We've stopped using our USP phrase 'honestly made'. Not because we believe that's not true, but because we realized that every one could interpret 'honestly' in a different way and it is up to every individual to decide whether or not we do produce honestly.

We communicate on our socials; we answer every customer's question honestly. It's work in progress. The next steps in the near future will be to share our *Plan van Aanpak* on our website and to explain how the industry works and how we deal with that. And to share our challenges.

Part III: Achieved results and challenges

We've achieved results, with a small, dedicated team and by trying to make the right choices. Some examples:

- All improvements in the field of worker safety that were implemented at the production location on the basis of the points for improvement from the audit report.
- Our working relationship with our largest production partner and our pattern makers, including the joint focus of reducing waste.
- Being able to maintain orders at our main production location during the COVID-19 crisis and thus reducing the risk on redundancies or social impact on employees.
- The reduction of waste and CO2 footprint we've achieved by changing packaging and fulfilment partner.
- Mapping out our production chain; direct suppliers and subcontracting locations are known, as well as all fabric suppliers.
- Publishing all production locations and publishing fabric suppliers in the production location list of the Sustainable Clothing and Textile Covenant.
- Audits carried out at production locations in high-risk countries.
- A sourcing guide prepared to integrate due diligence more into the sourcing process.

- The supplier manual expanded with more social compliance chapters.
- Strengthen and clarify the CSR policy and further integrate the due diligence process in the way of working.
- Regular contact with Modint on a variety of topics; we've learned to ask for help ;-) and then sharing that knowledge with agent and production locations.
- Updated the Restricted Substances List and sent it to our suppliers; and received their confirmation.
- Signed 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 is on the list of animal-friendly brands by PETA.

And like always, there are things to improve; with a small dedicated team, we are trying to prioritize the right choices. We have included all our action steps in our *Plan van Aanpak 2021-2022* and we prioritized some actions. Next to these actions, we hope to do more and other things, but we'll report on those when we've achieved them. Our prioritized goals include:

- Increasing our CSR transparency; we've started with re-writing this CSR Policy and there's more to follow. Our main goal in this is to provide our customers insight in how our products are made; this insight should be simple and factual. To do this on a product level, this will most likely require amendments to our website design, which may not be realized this year. We will start, however, in 2021-2022 to provide information on our website in general and in our newsletters and social media.
- We want to have more insight in the production chain of our fabric suppliers; we buy the fabrics in the European Union and some are entirely made in Europe (like the jersey lycra), but we have indications that this is not the case for all other fabrics. We will be investigating this in 2021-2021.
- We want to come to an agreement with our main production location in Romania on how and when we will update the 2019 audit information
- We do not enjoy all the administration that comes with due diligence and because it is so much, there is a chance of oversight. We have a tool in place to monitor this, but it is not so user friendly. So a simple tool that helps us with monitoring is on our wishlist for 2021-2022.
- We will continue our search for other and more sustainable materials and hope to be successful in that this year, now that it is possible again to visit industry events.

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