Every year we submit our Workplan to <u>Fair Wear Foundation</u>. This workplan describes the annual steps we take to improve the working conditions at our suppliers and to guarantee a fair production process. Below we share with you an overview of our current status with regard to social responsibility.

How do we guarantee that production is in line with our vision on social responsibility?

Last year we have evaluated our suppliers with regard to communication, openness, social compliance and punctuality. As a result, we figured out that our supplier from Bulgaria was not able to meet our standards. After several constructive discussions, we unfortunately felt compelled to end the partnership with the supplier. The supplier was and will not be able to act in line with our standards on responsible business conduct. At the moment we are focusing on our main supplier, who is based in Romania. We have a long and steady relationship with them. On an equal footing we join our forces to continuously improve the working-conditions in the fashion industry.

How do we search for new suppliers?

We have been working together with our main supplier for over seven years. We are satisfied with our cooperation and expect to continue our collaboration for many years to come. To produce specific styles it is sometimes necessary to look for an extra supplier. For the selection of these suppliers, we have established a list of requirements, bundled in our Sourcing Manual. We evaluate the potential risks of the country and the factory, and we check if the supplier has any social or environmental certifications. Based on this, we decide if the supplier meets our standards. If that is the case, we submit our FWF Code of Labour Practices and FWF Worker Info Sheet to the supplier. Next, we plan a visit to the factory. Together with the supplier, we go through the FWF Health and Safety Checklist. During the collaboration we keep track of the supplier's practices remain in line with the FWF Code of Labour Practices and our vision on social responsibility. It is very common for fashion brands to have a 'long tail of suppliers'. This means that these brands work with dozens up to hundreds of different suppliers in different countries. This way of working usually goes hand in hand with unmanageable social and environmental risks. Therefore, we have chosen to focus on our main supplier, where currently 95% percent of the LaDress items are made.

How do we treat our main supplier?

We take care of our Romanian supplier by guaranteeing consistant order placement all year round. In return they reserve a fixed monthly capacity to produce LaDress items. This way we can count on each other.

How do we reach a living wage for the employees of our supplier in Romania?

At the moment, our main supplier and we have ensured the payment of at least the minimum wage for all employees at the factory. We aspire to work towards a living wage. One of the challenges herewith is to gain insight into the specific link between the purchase price that we pay to the supplier and the wages paid to every employee. In order to reach a living wage, we have created a step-by-step workplan, comprising of short- and long-term goals. You can find it at our <u>CSR-policy</u>.

How do we guarantee that employees in Romania are able to invoke their employee rights and social standards?

We support suppliers to fulfil their core responsibility to inform their employees on their rights and to ensure accessibility of a grievance mechanism. Among other things, we have therefore made sure that at all factories a <u>Code of Labour</u> <u>Practices</u> is provided. This code is written in the local language of the employees and contains the phone number of a support-line that is available if they feel that their rights are being violated in any way. Furthermore, we will organize a <u>Workplace Education Programme (WEP)</u> this year at our main supplier.

If you have any questions on LaDress and sustainability, do not hesitate to contact us.