

The background of the report cover is a split-image. The left side features a close-up of a woman with dark, curly hair, smiling and looking upwards, wearing a light-colored jacket with a fur collar. The right side shows a man in athletic wear running on a dirt path through a forest with tall trees. The overall lighting is warm, suggesting a sunset or sunrise.

FASHIONPOWER®

Sustainability Report 2021

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**



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INTRODUCTION

Dear reader,

“A code red for humanity”. That is how UN Secretary General António Guterres described the UN report released in August of 2021 that concluded that humanity faces catastrophic climate change unless the emission of heat-trapping gases is drastically reduced. But one didn't need to read the 4,000-page report to know that; extreme weather dominated the news in 2021, as it has for much of the past decade. It is therefore good to note that one of the first actions the new US president took was to return the USA to the Paris Climate Agreement and the World Health Organisation.

And of course there was COVID-19. When the pandemic first hit, factories closed and many companies ran down their inventory to avoid being stuck with unsold goods. But when consumer demand increased in 2021 as vaccines became available, many companies found themselves short of parts and supplies. Short-ages of shipping containers and backups at ports around the world further complicated matters. Experts say that the supply chain disruptions caused by COVID-19, which have contributed to a global surge in inflation, could linger for years.

At FashionPower we **Feel Responsible** and therefore we **Act Sustainable**. And despite above-mentioned global challenges, we have always kept our higher purpose in mind: to enable people to move and feel comfortable by bringing sustainable and functional sportswear and outdoor wear to market at affordable prices. We did see the impact of these global challenges affecting us during this year, resulting in increasing prices of materials, power shutdowns, container ships with huge delays and other factors that influenced our ability to support our business at the level that we are used to.

We have implemented new processes to base our product development on methods that consume less energy and material, with fewer movements around the globe, based on 3D development and the choice of circular and more sustainable materials. This resulted in a higher share of sales in sustainable products, which helped us to turn around production processes with a much more positive impact.

As said, in 2021, we made major steps towards our end-goal to operate fully sustainably by 2030. You will read about these achievements in this report.

We could not have achieved this alone; strong partnerships are the key to success in achieving a sustainable future. As a confirmation that we are on the right track, FashionPower was nominated as finalist at the German Sustainability Awards 2022 (Deutsche Nachhaltigkeitspreis) which strengthens our belief that we will reach our goal by 2030.

WE FEEL RESPONSIBLE AND ACT SUSTAINABLE

The board of FashionPower



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

Jan-Willem Groeneveld - CEO | Ronald Nelemans - CCO | Reg Nelemans - owner | Maxim Nelemans - COO | Martijn Martens - CFO

FEEL RESPONSIBLE, ACT SUSTAINABLE STATEMENT

We are aware that the textile industry is one of the most polluting industries in the world, therefore **we feel responsible and want to act sustainable**. We aim to develop our products with materials that have a low ecological footprint, can be used in a circular way and are made in processes which aim to reduce and/or phase out any environmental risks in our supply chain. We want to avoid high-risk countries/regions regarding human rights, manage potential risks and focus on long-term partnerships. We aim to be in control of our supply chain from Tier 1 to Tier 3, in order to identify and manage all risks concerned.

To guide our responsible business conduct, we will further develop our system of due diligence and monitoring for all risks that we are aware of. We constantly want to improve our performance, in the basic areas of planet, people, prosperity and long-term partnerships. Our policies and standards align with international standards and are upheld by our own code of conduct. We cooperate with our business partners in order to meet all these set requirements.

We will adhere to the guidelines of:

- UN Guiding Principles on Business and Human Rights (June 2011)
- UN Sustainable Development Goals (2015)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE declaration, March 2017)
- OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (2018)

Regarding human rights and social risks, we will focus on:

- No Child Labour or Forced Labour
- No sexual harassment and sexual and gender-based violence in the workplace
- Occupational Health and Safety
- Working time and wages according to ILO standards
- Trade unions and collective bargaining according to ILO standards

Regarding the environment we will focus on:

- Substitution and limitation of hazardous chemicals
- Reduction of greenhouse gas emissions
- Waste and water reduction management
- Circular alternatives to be implemented

KEY ACHIEVEMENTS 2021



680% growth in **dope dye**, 23 million liters of water reduced

76 tons of dyestuff phased out through the use of **dope dye**

2,169,108 products with circular elements for function



100% of our products audited on social compliance



73% of all products were made with sustainable materials

62 tons of chemicals phased out of our process through CCB



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**



608,369 garments made with
recycled or upcycled materials

15 tons of sorona padding
used instead of down



Passed the
'GLOBAL RECYCLING
STANDARD'

**16% volume
growth through
sustainable
products**



658,757 tons of CO² phased
out through use of recycled
polyester

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

KEY ACHIEVEMENTS 2021

Interview with Ortex for the 'German Sustainability Award':



Sophia Yu, Sustainable Partner

1 Could you briefly outline how this partnership came about?

FashionPower has been working in China for a long time and some of their longstanding partners have been our partners as well. This is how we indirectly came to work together for a long period, and as our shared goal is to grow a sustainable business, we have partnered up. We found it very important that within the whole supply chain from yarns and fibres, fabrics to the actual CMT, there was a win-win situation, economically and ecologically. We have achieved this together. The challenges we faced are for example the phasing out of chemical treatments and the use of circular methods such as carbonised coffee or coconut instead. Another thing we have both worked at is the implementation of dope dye instead of the polluting chemical dyeing solution, which involves a lot of waste water. Since we have realised quite some growth together using these methods, we have also been able to make a positive impact together.

2 Are you encouraged to help shape work processes and make suggestions for improvement?

We think it is critical that partners support each other to the fullest of options. This also means we need to help each other to change, adapt or re-new processes, because the times are changing. If we find a way to improve, to do things more efficiently or to take a step back and review, this is a critical part of our partnership. FashionPower has always been open to support and to taking steps together - this has always been a shared effort and must come from both sides. Sometimes in partnerships, people may find that the positive side interests them, but it also comes with downsides for which you need to step up. This is why we need to keep discussing these matters and we find it is the basis of our shared success.

3 Why do you think your partnership with them should receive the German Sustainability Award?

In our shared vision, this partnership has really created an ecosystem with a great positive impact. Partnering up and doing this together is just one side of the coin, the other side is that you can achieve shared success with it. I think this is really something that has happened in this partnership, which should really be rewarded with the German Sustainability Award. Even though we are just a small part of the textile business, we do find that with our partnership we are making an impact that matters. FashionPower has taken the lead, but they have always showed the value of making things work together. This is the key to true partnerships and I think that is why we can all benefit together, economically and ecologically.

FINALIST



German
Sustainability Award
Global Partnerships
2022

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

DON'T MOVE

Start a movement

 FEEL RESPONSIBLE
ACT SUSTAINABLE

ABOUT FASHIONPOWER



OUR STORY – A TRUE FAMILY BUSINESS

In 1897, after getting thorough training from Trappist monks, Jan Nelemans started his own tailoring workshop in Zundert. It was the start of a long family tradition in clothing. In 1949, the first store opened. 20 more shop openings would follow over the years throughout the Netherlands. They sold fashion for the whole family, from socks to overcoats and a large variety of outdoor clothing at affordable prices - value for money.

The current generation, Reg and Ronald Nelemans, launched in 2002 what is now FashionPower and chose to design and develop functional activewear, outdoor clothing, underwear and socks. It is important for our company that all our products are sustainable, comfortable and affordable for every body.

WE FEEL RESPONSIBLE AND ACT SUSTAINABLE

We feel a high responsibility in terms of creating a more sustainable future for the next generations. We have defined clear goals to reach this. We see a future in which natural resources are used more efficiently, human rights are respected and the increase of human wellbeing is realised.

We are working hard to realise this vision. We believe that we can play an important role in the necessary transformation of the garment producing industry. We choose sustainable resources and production processes for our brands. We ensure that we comply with REACH, Standard 100 by OEKO-TEX®, the Global Recycling Standard, the amfori requirements, the UN, OECD and ILO guidelines and development goals for the production of our items in the most sustainable manner.



FASHIONPOWER AT GLANCE

**3 offices in the Netherlands,
Germany and China**

**Sustainable
products and
concepts sold
in 23 countries**

Over 40 ambassadors
for sustainability

22 partners working on
sustainable materials in tier 2 & 3

**In peak season
+2000 people
are working on
our products**

***41 factories
working on a
variety of
sustainable
products***

11 Partners
working on
our social
performance



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

HOW ARE WE ORGANISED?

Sustainability is in the DNA of FashionPower. When dealing with business challenges, sustainability is always the starting point for finding the right solution.

Product development

We start with the idea that the products we design are fully recyclable. We use Dope Dye techniques for colours, achieving maximum functionality for all products without using any chemicals. We search for the optimum balance between maximum sustainability and value for money.

Sales & Marketing

Together with our business partners we are always looking for optimum product solutions based on Sustainable, Comfortable and Affordable Sportswear and Outdoorwear for every body. At FashionPower we think in terms of Total Solutions for success; this includes clear packaging, various solutions for shop floor presentation as well as communication tools to reach and attract the end-consumer.

Operations

Our business has its basis in solid and long-lasting partnerships in China. We operate fully transparently at all levels of the production process, from yarn to fabric to final garment. Our business partners share our responsibility for people and our planet and help us to produce our products with a limited impact on mother earth. We are proud of our local office with professionals who monitor not only whether products are made according to our technical and quality specs, but also that the workers can work in clean and safe factories and get paid a decent wage. For this we have recruited an experienced CSR coordinator who works closely with our business partners to take good care of all the people involved. Finally, in the years to come we will work hard to find the most sustainable options to bring the goods from the factory to our customer warehouses.

Recruitment

Our policy is not only to recruit the best person for each job, but also to ensure that we select employees based on them having the same passion to take good care of people and our planet. We believe that sustainability is the only way, so we need people with the same inspiration who can help us fulfil this mission.

Facility & systems

Finally, in the coming years, we will implement sustainable solutions for our buildings and vehicle fleet and will be looking to achieve further reductions in shipping parcels back and forth by fully optimising our systems, and implementing a digital transformation programme which is currently in development.

"SUSTAINABILITY IS IN THE DNA OF FASHIONPOWER"

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**



OUR AMBITION

We are an innovative, creative and entrepreneurial Dutch company producing sustainable sportswear and outdoor wear. Our goal is to achieve a fully sustainable company in 2030, but we do realise that we still have a long road ahead of us.

With this report we want to show the steps we are taking to improve our supply chain together with our partners, and display our commitment to making change happen.

A change that is critically needed and should result in a healthier planet where people can move comfortably and be happy. We have very ambitious plans which we want to display, and we want to show that our impact is genuine. We want to make ethical, responsible and sustainable decisions, because we care for people and our planet and that is why we want to make sustainable sportswear available for every body.

In our goal to become fully sustainable by 2030, we want to reach as many consumers as possible, to enable them to move and feel comfortable. The manufacturing of these products needs to take place in operations that are as sustainable as possible and in processes that are transparent.

We have always done our business based on the principle of People, Planet, Profit and Partnerships, but we have also decided to follow the UN Sustainable Development Goals, our selection of which you can find below. We are aware that all the SDGs involved are relevant and important, but FashionPower has decided to focus on these five. We believe that within our chain we can have the best impact on:



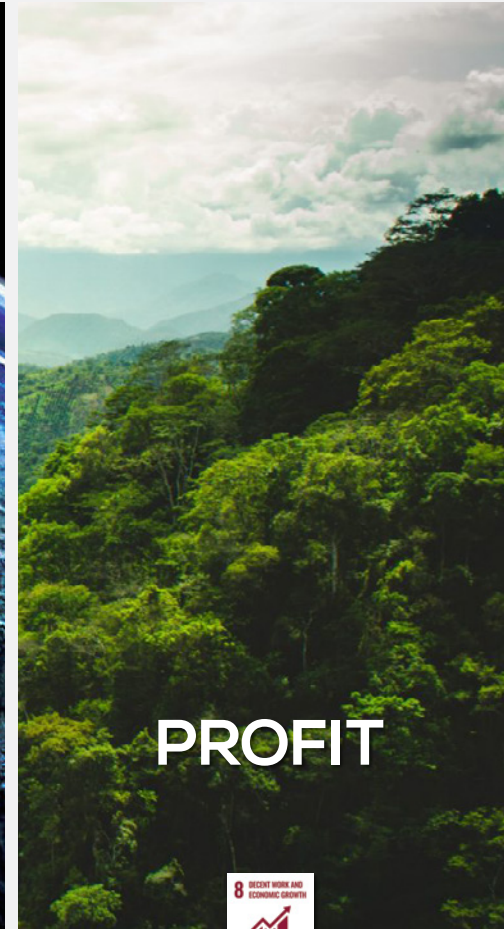
 **FEEL RESPONSIBLE
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We are committed to ensuring that everyone who takes part in our supply chain, can take part with a smile. This means we want people to have a safe environment in which they are treated with respect and feel valued.



We are aware of the critical impact of the textile industry, being the 2nd biggest polluting sector in the world. We want to create an impact that is positive for the total environment, in which our choices from design to delivery have this bigger impact.



We believe in creating a win-win situation for everyone, this means that we want to conduct our business in a way which benefits all the partners in the chain. Whether you deliver the materials or are the final consumer, we should all be able to benefit from the sustainable efforts: a better world for all of us.



We are aware of the challenges ahead, huge investments are needed, and we can't do this alone. Our partnerships within the chain are a vital part of our success in our environmental progress and the steps ahead. Together with suppliers, service providers, institutions, customers and consumers we can make it happen.



OUR ROADMAP FOR SUSTAINABILITY

Materials:



IST



Dope-dyed yarns are 35.2% of our annual volume

Our functional products are made functional with CCB: yarns are 23.9% of our annual volume, treatments are 76.1% of our annual volume

35.2% of the fabrics we use are recyclable fabrics that can be recycled mechanically, 64.8% are a mixed quality

Recycled yarns are 3.3% of our annual volume

100% of our packaging materials are recyclable materials, approximately 17% of which are made with recycled materials

SOLL 2025



Dope-dyed yarns are +60% of our annual volume

Our functional products are made functional with CCB: yarns are +35% of our annual volume, treatments are -65% of our annual volume

At least 50% of the fabrics we use are recyclable fabrics that can be recycled mechanically, less than 50% are a mixed quality

Recycled yarns are +35% of our annual volume

100% of our packaging materials are recyclable materials, approximately 75% of which are made with recycled materials

SOLL 2030



Dope-dyed yarns are +80% of our annual volume

Our functional products are made functional with CCB: yarns are +50% of our annual volume, treatments are -50% of our annual volume

At least 70% of the fabrics we use are recyclable fabrics that can be recycled mechanically, less than 30% are a mixed quality

Recycled yarns are +50% of our annual volume

100% of our packaging materials are recyclable materials, approximately 100% of which are made with recycled materials



OUR ROADMAP FOR SUSTAINABILITY

Water & Chemicals:



IST



Water saved through dope dye was 22.6 million litres

75.6 tons of dyestuffs phased out through dope dye

Chemicals reduced through the use of CCB for functionality was 52.2 tons

Contribution to **Water for life**
€ 5-10,000 per annum

SOLL 2025



Water saved through dope dye will be +35 million litres

+125 tons of dyestuffs will be phased out through dope dye

Chemicals reduced through the use of CCB for functionality will be +95 tons

Contribution to **Water for life**
€ 25-50,000 per annum

SOLL 2030



Water saved through dope dye will be +45 million litres

+160 tons of dyestuffs will be phased out through dope dye

Chemicals reduced through the use of CCB for functionality will be +130 tons

Contribution to **Water for life**
€ 50-100,000 per annum



OUR ROADMAP FOR SUSTAINABILITY

Corporate Responsibility:



IST



SOLL 2025



SOLL 2030



Tier 1:

100% of volume audited by FashionPower Audit

95% audited by amfori

14% additional document review and extensive auditing, to ensure liveable salaries and social insurance

28% of production takes place in A factories, 72% of production takes place in B factories 0% of production takes place in C factories

Tier 2 & 3:

100% of our nominated facilities comply with Standard 100 by Oeko-Tex

88% of the materials suppliers comply with GRS

100% of packaging suppliers have FSC Mix, 64% FSC Recycled

100% of volume audited by FashionPower Audit

100% audited by amfori

70% additional document review extensive and auditing, to ensure liveable salaries and social insurance

50% of production takes place in A factories, 50% of production takes place in B factories 0% of production takes place in C factories

100% of our nominated facilities comply with Standard 100 by Oeko-Tex

100% of the materials suppliers comply with GRS

100% of packaging suppliers have FSC Mix, 75% FSC Recycled

100% of volume audited by FashionPower Audit

100% audited by amfori

100% additional document review and extensive auditing, to ensure liveable salaries and social insurance

75% of production takes place in A factories, 25% of production takes place in B factories 0% of production takes place in C factories

100% of our nominated facilities comply with Standard 100 by Oeko-Tex

100% of the materials suppliers comply with GRS

100% of packaging suppliers have FSC Mix, 100% FSC Recycled



FEEL RESPONSIBLE
ACT SUSTAINABLE

OUR ROADMAP FOR SUSTAINABILITY

Facilities & Mobility:



Internal:

25% of vehicles in our vehicle fleet are hybrid or electric

Energy consumption of our facilities is 38,492 kWh per year.

External:

10% of our transport is by train, 90% by container ship

Implementation of 3D sample development in order to reduce package movements in our chain.

50% of our road transport takes place via low-emission trucks

38% of our materials come from facilities that are recycling treated wastewater into their manufacturing

+70% of vehicles in our vehicle fleet are hybrid or electric

Energy consumption of our facilities reduced by 10%

At least 30% of our transport is by train, maximum 70% by container ship

50% of our packages are being shipped CO² neutral and the number of packages are reduced by 25%

75% of our road transport takes place via low emission trucks and 25% of our road transport takes place via electric or hybrid trucks

65% of our materials come from facilities that are recycling treated wastewater into their manufacturing

100% of vehicles in our vehicle fleet are hybrid or electric

Energy consumption of our facilities reduced by 25%

At least 60% of our transport is by train, maximum 40% by container ship

100% of our packages are being shipped CO² neutral and the number of packages are reduced by 50%

50% of our road transport takes place via low-emission trucks and 50% of our road transport takes place via electric or hybrid trucks

100% of our materials come from facilities that are recycling treated wastewater into their manufacturing



A man with a beard and dark hair is lying in a red and orange striped hammock. He is wearing a dark green long-sleeved shirt with a red zipper and brown pants. His hands are behind his head, and he has a relaxed expression. The background is a dense forest floor covered in brown and orange autumn leaves. The text "We boost ecosystems. Not egosystems." is overlaid in large white letters.

**We boost ecosystems.
Not egosystems.**



OUR VALUE CHAIN

Sustainable supply chain management

At FashionPower we have a rich history of about 125 years of textiles experience; this has made us aware of the opportunities and challenges within our industry. We feel it is our responsibility to make a change within our business, because there are many social and ecological challenges which need to be addressed. Our company makes millions of garments which are sold in over 20 countries in Europe, and we want to ensure a positive impact is made in order to increase sustainability in our supply chain.

Since the start of FashionPower, we have made a lot of progress in managing our supply chain and many things have changed since then. In the beginning we placed an order with our suppliers, who would then take care of fabrics, accessories, CMT and packaging. Today we have taken many steps to get further down our supply chain, which resulted in working directly with yarn, fabric, packaging and accessory suppliers, with the aim of making our supply chain more cost-efficient and more transparent.

In 2020 we experienced the impact of the Covid-19 pandemic, which put a lot of pressure on the global supply chain. We are happy to

report that we were able to cope with this situation, having a solid set-up with our offices in the Netherlands, Germany and China. During this period, sustainability became the key driver of our business. For FashionPower this was already a key priority, but where in the past our customers treated this as a 'nice to have', today this is changing into a 'must have'. So we decided that all our products should be sustainable, no other options.

FashionPower has always been in a pioneering position with our sustainable propositions, which we could not have achieved without the support of our valued partners. Today, consumers and business partners want more than a quality product with a message that the product has been made with sustainable materials or processes. They need proof and demand that suppliers are transparent about the product contents or factories used.

Since transparency and compliance have always been part of our way of doing business, it is time for us to take the next steps in this area. In recent years we have put a great deal of effort into developing our partnerships from Tier 1 to Tier 3; our next steps will be to make our value chain transparent.

Yarns & Fibers

8 nominated partners
working with us over
10 years in average

Fabrics & Accessories

14 nominated
partners working with
us over 15 years
in average

Cutting, Making & Trimming

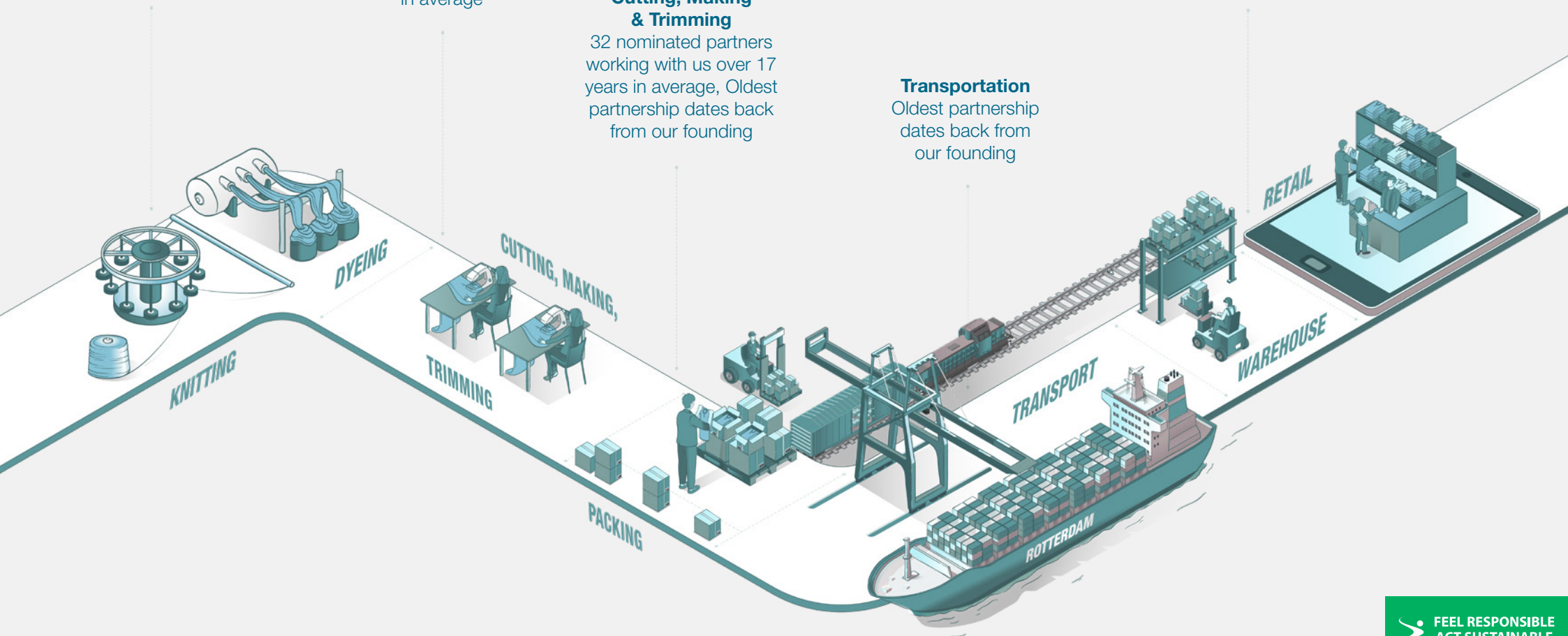
32 nominated partners
working with us over 17
years in average, Oldest
partnership dates back
from our founding

Transportation

Oldest partnership
dates back from
our founding

Customers

Oldest partnership
dates back from
our founding





RISK ANALYSIS

Before we start developing a country for production, we carry out an integral risk analysis in accordance with our Feel Responsible, Act Sustainable Statement. The CSR risk check is developed to identify, prevent and reduce CSR risks in our supply chain; both upstream and downstream. It is the starting point of our CSR strategy, in which we map our value chain, perform risk assessments and prioritise risks, address risks with our value chain partners and monitor and communicate about our policies and developments.

The risk assessment addresses the current situation regarding;

- Child labour
- Discrimination & Gender inequality
- Forced labour
- Working time & Overtime
- Health & Safety at Work
- Freedom of Association and Negotiation
- Fair Wage & Remuneration
- Climate & Energy
- Dangerous Chemicals
- Water use and Water pollution
- Air pollution
- Environment & Waste
- Corruption & Bribery
- Conflicts & Security

Our own results are benchmarked by recent third-party reports by - for instance - amfori, NGOs or the Ellen Macarthur Foundation. Not everything is 100% in line with our ideas or the guidelines or principles, but we are focusing on continuous improvement step by step. Only when we feel there is no intention or possibility for improvement do we stop working.

15 years ago, our main product was fast fashion in cotton, mainly made in India, Pakistan and Bangladesh. As the fashion part really became too fast and was providing less value for price, we focused on sportswear. Sportswear needed functionality, which was hard to achieve in cotton, but also the ecological footprint of cotton was not acceptable (1 litre of chemicals for 1 kg of cotton and 3000 litres of water for 1 T-shirt) and seemed impossible to improve, so we made a total change to polyester fabrics. We stopped producing on the Indian subcontinent because we could not get guarantees that forced or child labour were not used in these countries. Many of the promises made by factories were not kept. Our choice for polyester yarn was mainly made to achieve better functionality.

We know this material is also not perfect, but we have developed a lot of ways to make it better as you can read in the next pages. Polyester appears to be by far the best fabric to recycle.

At this moment our production from tier 1 to tier 3 is concentrated in China. As China is a huge country, we carried out the risk analysis per province. When selecting a province we should be aware of all potential risks, so that we know what to check and how we should act. In recent years we have seen that our producers became more involved, have taken responsibility and provided accountability. We all know that huge investments need to be made, and this can only be achieved if we work in long term partnerships. Our producers are involved, but also our customers.

Together we can make it happen.

PRODUCT DEVELOPMENT

At FashionPower we look at sustainability throughout our value chain, which to us is the most critical view. This is where we can create the biggest impact for our environment and the society we work for. The direct control in our supply chain creates opportunities and shows us our biggest roadblocks ahead.

We have been deepening our understanding of our environmental and social impact, but we know this is a path of continuous improvement. We have therefore launched our platform 'Feel responsible, act sustainable', which will help us communicate but also holds us to this commitment.

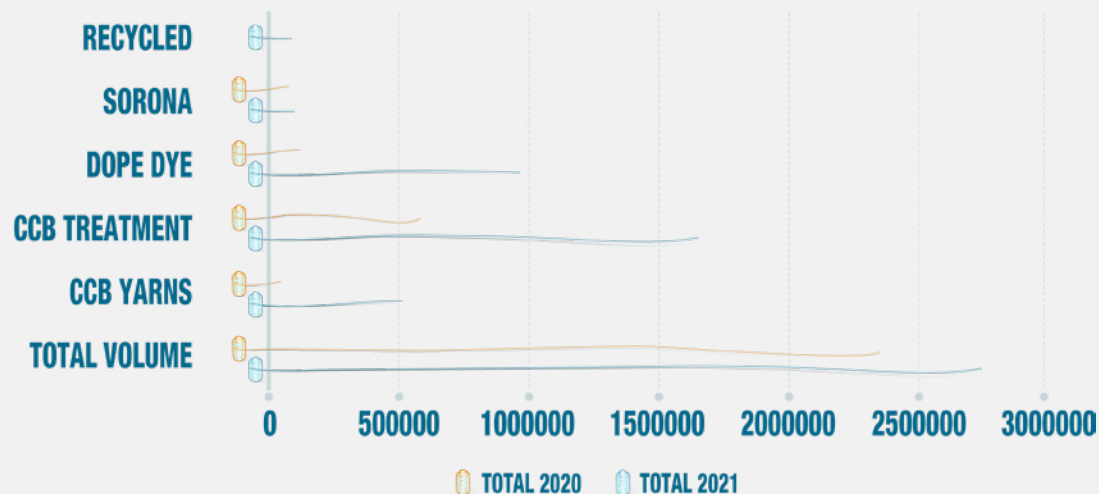
Within the textile supply chain there are several steps to manage which all have their social and environmental risks; we have taken several steps in order to limit, reduce and phase them

out. We therefore have invested a great deal of time, effort and money in building long-term partnerships within our value chain. With these partners we have established a strategy to develop sustainable resources, work and responsible processes to ensure continuous growth together.

At FashionPower we pride ourselves that we have these long-term partnerships - we are a family business and we see all the people involved as a part of this. We have been working with some of our partners, both customers and suppliers, for over 20 years.

In the next paragraphs, we will highlight our achievements in terms of having an impact environmentally and socially in 2021.

SUSTAINABLE PERFORMANCE



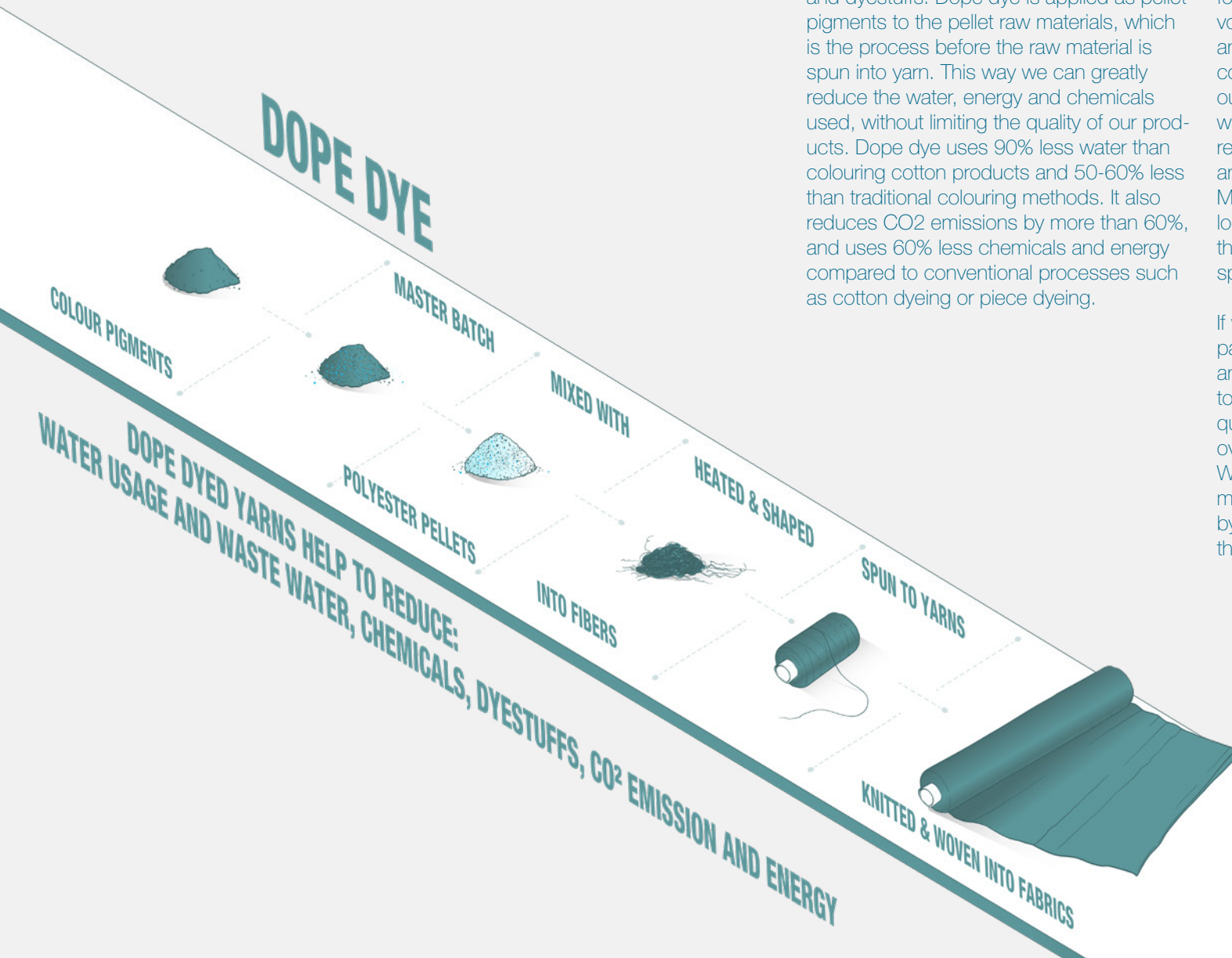
FEEL RESPONSIBLE
ACT SUSTAINABLE

DOPE DYE

In our textile process, the dyeing process is the most polluting part of manufacturing our garments. This is why we use the Dope Dye technique to add colour to our products, which eliminates the water-polluting and energy-consuming bathing with chemicals and dyestuffs. Dope dye is applied as pellet pigments to the pellet raw materials, which is the process before the raw material is spun into yarn. This way we can greatly reduce the water, energy and chemicals used, without limiting the quality of our products. Dope dye uses 90% less water than colouring cotton products and 50-60% less than traditional colouring methods. It also reduces CO₂ emissions by more than 60%, and uses 60% less chemicals and energy compared to conventional processes such as cotton dyeing or piece dyeing.

In 2020 approximately 5.3% of our products were made using dope dyeing instead of a conventional dyeing process. We are aware that the dyeing and finishing process is the most critical and polluting part of our business, and we have therefore pushed hard to increase dope-dyed volumes. In 2021 our volume grew by 16% and the dope-dyed volume grew by 680% compared to the previous year. Over 35% of our dyeing process has now been replaced with dope-dyed yarns, which has made a real improvement to the chemical usage and wastewater that is part of our process. Moreover, if we look at the impact we must look at the volumes produced as well, and the best example is the production of our sportswear pants.

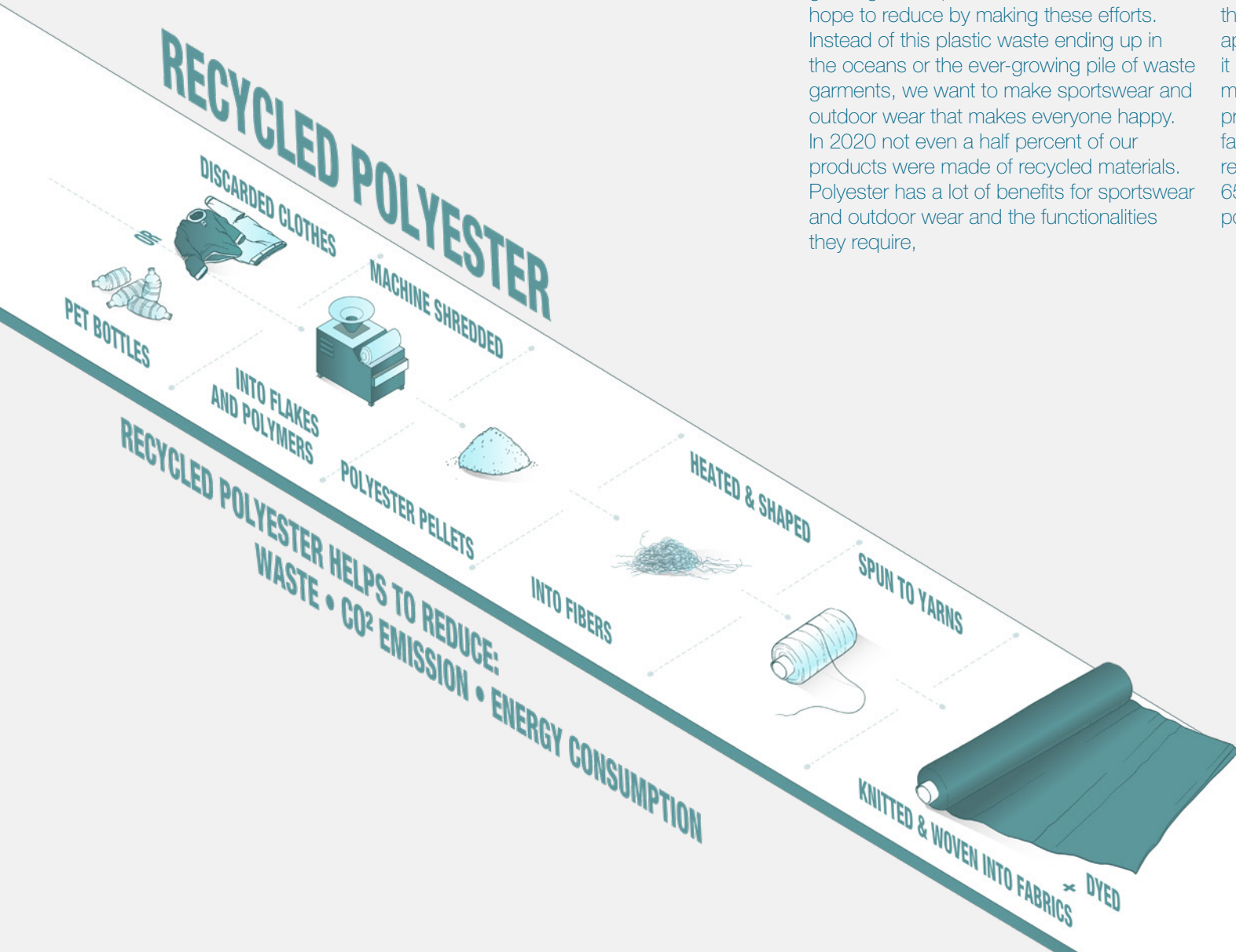
If we look at the amount of dope-dyed pants in 2021, this was 810,510 pieces and normally this would involve almost 66 tons of dyestuff. By using dope dye at these quantities, we can dye with a reduction of over 59 tons of these chemical dyestuffs. When taking into account the total performance, we have reduced our use of water by almost 23 million litres and dyestuff in the process by more than 76 tons.



RECYCLED POLYESTER

FashionPower wants to promote a more circular economy by using recycled and upcycled yarns made from PET bottles and second-hand textiles. We are aware of the growing waste plastic mountain, which we hope to reduce by making these efforts. Instead of this plastic waste ending up in the oceans or the ever-growing pile of waste garments, we want to make sportswear and outdoor wear that makes everyone happy. In 2020 not even a half percent of our products were made of recycled materials. Polyester has a lot of benefits for sportswear and outdoor wear and the functionalities they require,

but we also see that fossil fuels should be used as little as possible. We started to make all the materials we use recyclable, so that in future they can be recycled. In 2021 we increased this by 7,685% compared to the volume of 2020 and although this is approximately 3.5% of our business volume, it has a significant effect on our environmental impact. When looking at the fabrics produced, this was almost 32 tons of fabrics and ensures an impact to the reduction of our CO₂ emissions by almost 659 tons in our process compared to virgin polyesters.

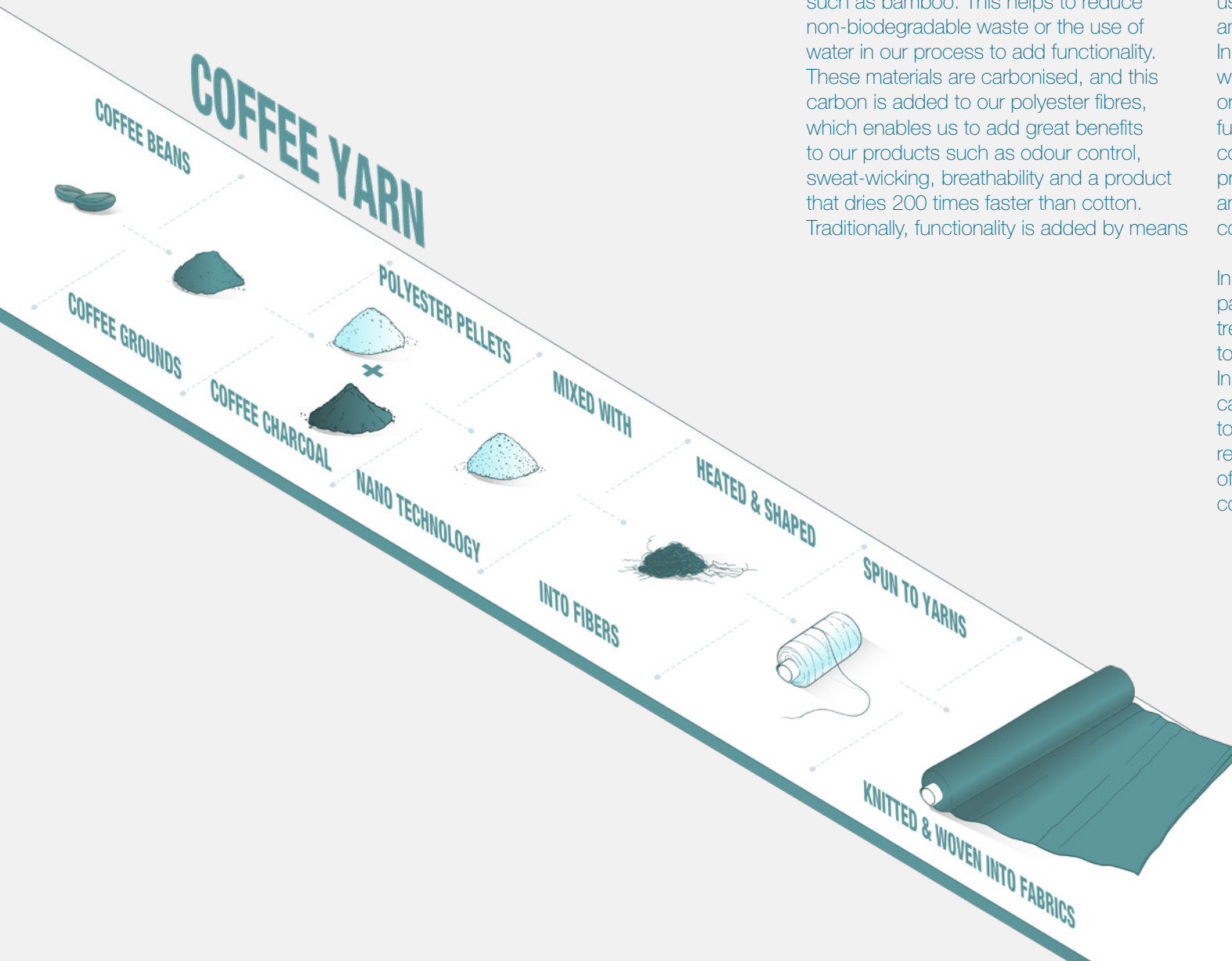


SUSTAINABLE YARNS AND TREATMENTS

Many of our fabrics include waste products such as Coffee grounds or Coconut shells, or materials with a low ecological footprint, such as bamboo. This helps to reduce non-biodegradable waste or the use of water in our process to add functionality. These materials are carbonised, and this carbon is added to our polyester fibres, which enables us to add great benefits to our products such as odour control, sweat-wicking, breathability and a product that dries 200 times faster than cotton. Traditionally, functionality is added by means

of chemicals, and for every functionality you can add another chemical. With our approach we are phasing out chemical usage, drastically reducing wastewater and helping to reduce waste streams. In 2021 we made over 1.7 million products which were treated with coffee, coconut or bamboo charcoal to improve their functionality. This is an increase of 184% compared to 2020. We also made 517,753 products from yarns made of the same, and this is an increase of almost 1000% compared to the previous year.

In comparison, we made about 800,000 pairs of pants and 200,000 T-shirts with the treatments, which meant a reduction of 35 tons of chemicals used for functionality. Instead we used almost 9 tons of carbonised coffee or coconut waste in order to make our garments functional. The total reduction was over 46 tons, with the reuse of 12 tons of waste streams such as coconut shells or coffee grounds.



SORONA

At FashionPower we use Sorona® as insulation for our padded jackets, which is a partially plant-based polymer by DuPont that brings high-performance, sustainable padding to our consumers.

We want to offer a high-quality padded jacket, but we believe in this duck and goose down free padding alternative, which uses 37% renewable plant-based ingredients and mixes it with 63% high-quality polymers, while offering a similar insulation to the less animal-friendly natural solutions. This way we can offer high-quality padded jackets, without harming our little friends.

In our view, the process of obtaining duck and goose down, which causes great pain to the animals involved, is something that we do not want for our products. On the other hand, standard polyester does not provide the right insulation. Sorona provides the same insulation as duck down and is also very light.

Other benefits are that, in comparison to for example Nylon 6 yarns, Sorona uses 30% less energy and reduces CO₂ emissions in our processes by 63%.

We used to have to choose between harming animals or a chemical process, but thanks to Sorona® we now have a third, eco-efficient biological option, and we are very happy about this. In 2021 we increased our volume by 27% and used over 15 tons of padding, which involved 5.5 tons of renewable waste being re-used in the process.





SOURCING

SUSTAINABLE AND RESPONSIBLE SOURCING

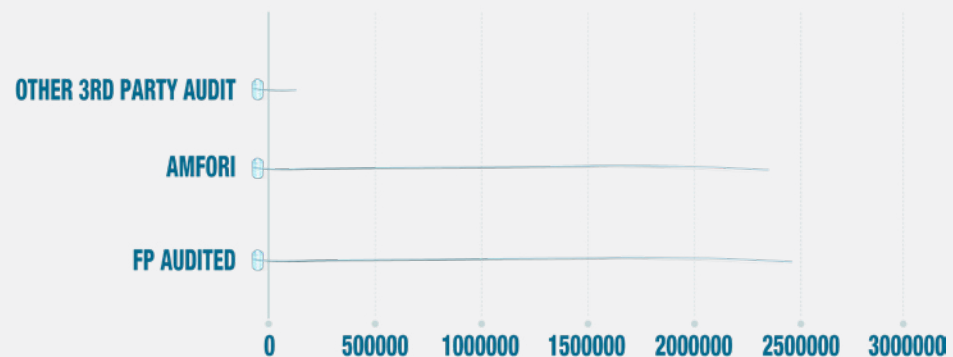
We want to be a reliable and credible partner for all stakeholders involved, that means getting our customer, their consumers and everyone involved in our process of manufacturing the goods. We want people to feel comfortable with our products, which also includes the social responsibility we have.

FashionPower is a medium-sized enterprise, but we find that our decisions and actions have a global impact socially, economically and ecologically. The countries in blue are the countries where our products are sold and the country in green is where we have partnered up to produce our products. As we are aware of our global presence and impact, we have invested a lot in social and environmental compliance.

Sustainable sourcing comes from partnerships, some facts about these:

- FashionPower works with 8 direct partners for CMT; the oldest partnerships already existed before the start of FashionPower, about 23 years ago.
- China is a big country, we carried out a risk analysis per region and chose which regions are acceptable for us to work with.
- Each factory is audited and approved before we start working with it. The audit may result in a qualification; A means we can start without any problem, B means they need a CAP to reach our level, but there are minor problems that can be solved, C means major improvements are needed before we can start working with them.
- We work directly with Tier 2 and Tier 3 suppliers; a good example of this is our cooperation that resulted in becoming a finalist for the 'German Sustainability Award'.

SOCIAL COMPLIANCE PERFORMANCE



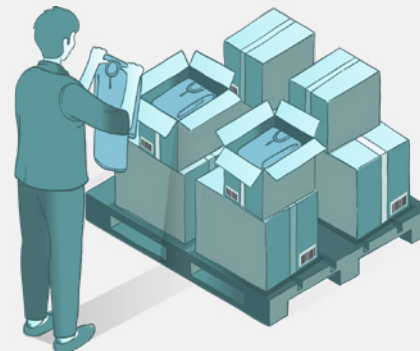
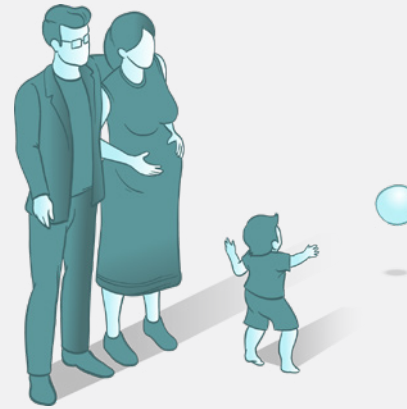
SOCIAL COMPLIANCE IN OUR BUSINESS

We proudly work with our partners in China and we are committed to staying in China, even though low wages in countries such as India, Pakistan, Bangladesh, Ethiopia and Myanmar may be economically more attractive. We know our longstanding partnerships will help us to make a lasting and positive impact on working conditions in the fashion industry in China. We believe that by maintaining and developing our relationships with our partners spread across China we will be adding value for everyone.

To guarantee these standards, we audit our partners through our office in China, which has been part of our company since the start. As a third-party benchmark we use amfori, which is another tool for us to keep us up to date on policies and new requirements. Through these audits we can offer our suppliers training, continuous improvement and a solid flow of business.

Amfori is an independent organisation that works with apparel brands, garment workers and textile industry influencers to improve labour conditions in garment factories. amfori is actively helping us to support, develop and improve our partnerships in the field of compliance. They audit factories and support the lobby with European governments and other organisations to increase wages and improve working conditions. Its representatives carry out audits in all our partner factories every year and help us to put in place Corrective Action Plans (CAPs) as necessary. They also regularly organise training and workshops to help factories reduce and eliminate critical risks and improve their practices.

100% of our business volume is checked by our office in China, we conduct a factory audit every year to ensure a process of continuous improvement. As mentioned, we use amfori as our general benchmark for third-party validation, so 95.1% of our production takes place in facilities audited by amfori BSCI. The 4.9% that has not been BSCI audited is either in the process of doing so, or at least has another third-party verification of their standards (e.g. Sedex or Wrap).



800

**MILLION PEOPLE HAVE BEEN
LIFTED OUT OF POVERTY IN
CHINA SINCE 1978**

15

**MILLION CHINESE EMPLOYED
BY THE TEXTILE INDUSTRY**

7%

**OF TOTAL GDP IN
CHINA ARE TEXTILES**

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

RESPONSIBLE FOR THE SMALLEST DETAILS

We have already spoken quite a lot about the materials we use, but when we talk about being comfortable with our products, we mean every small detail. Since the product itself will be used, the packaging is mostly thrown away and therefore those details matter a lot to us.

When talking about packaging, we are referring to hangtags, photocards and box packagings that help our products to stand out when displayed in shops. All our packaging made of paper is based on FSC certification, either FSC mix or FSC Recycled, and we aim to increase the recycled amount year by year. FSC is an independent certification agency that is helping to guarantee the future of the world's forests. Much of the global economy relies on wood and forest products, so by using FSC certified packaging we are making sure that those resources are used in a controlled, responsible manner that allows trade to continue without disrupting the natural environment. We therefore work with nominated packaging suppliers who can provide the FSC label and fulfil the requirements set by the FSC organisation.

Another matter is polybags, which is a plastic we are trying to phase out by switching to boxes and other approaches that do not involve plastic. We use plastic polybags, but all of them are made of recyclable materials and our aim is to fully switch to 100% recycled packaging materials by 2023.

We believe that our responsibility runs through the entire process, from fibre, yarns, fabrics and accessories through to the cutting, making and trimming phase and the packaging process. The packaging process is a key element in our steps to take, this means





CONTINUOUS IMPROVEMENT

We also understand that certain systemic issues require an informed and collaborative approach towards our partners. From our western perspective the world may seem different, but in the end, we all face the same challenges.

This is why we have a CSR coordinator in our China office to further establish and regulate our social and environmental processes. For example, we are building or adapting additional tools to measure and increase our transparency in the factories. When we say that we want people to work on our products with a smile, it should be the real situation we are working on.

Many of the challenges we are seeking to address are complex and beyond the level of one company or brand. We therefore need the support of all our partners in the value chain from Tier 1 to Tier 3 and we should be able to give them the right insights. Every year we carry out an evaluation with all suppliers involved, to get them ready for the next year. The aim is that they score at least a level B (out of A, B or C) to be able to produce our products. In 2021, all our suppliers scored a level A or B ranking.

In 2022 we will further develop this evaluation, which will be more transparent, and we will share this in our reporting. In 2022 we also hope to pass the Green Button (Gruener Knopf) audit.

SOURCING ACCORDING TO OUR STANDARDS

OUR CERTIFICATES AND AUDITS

We have put a great deal of effort into developing our supply chain to reduce chemical use, limit use of resources and deploy circular alternatives. We know that this commitment is not enough, we also need to verify if the approach is the right one and that we are adhering to what we say. FashionPower works together with several trusted and widely known partners to certify and verify our supply chain can guarantee the highest standards.



Certificates:

STANDARD 100 BY OEKO-TEX® is a quality standard for the assessment of harmful substances in all our materials such as the zips, accessories and fabrics that are used in our garments. This standard ensures that products are free from harmful substances and comply with REACH, the EU regulation which restricts the toxicity of chemicals and heavy metals in all consumer products. FashionPower has built long-term partnerships with suppliers that adhere to this standard, but has itself also achieved the highest level of this certification.

The **GLOBAL RECYCLING STANDARD** is a third-party certification to verify, from fibre to final products, that recycled materials are used. GRS is the top standard for recycled textiles and certifies recycled materials within our supply chain based on both environmental compliance and social compliance practices. Through this supply chain certification, we can perform an additional social and environmental compliance check.

Audits:

The **ZERO DISCHARGE HAZARDOUS CHEMICAL** programme empowers the most critical point of our value chain on the path towards safer manufacturing. We work with dyeing facilities that are audited and reviewed each year based on their RSL. It is our aim to work on continuous improvement with our most-trusted partners and help to support cleaner open waters for their communities.





Water for life®

GIVING BACK TO SOCIETY

The garment business has been polluting water for a very long time, so we feel responsible to do something for all people that have no access to clean drinking water; according to the WHO this concerns 2 billion people today. We have therefore chosen to support Water4life.

The goal of Water4Life

Water4Life is a foundation that fights for the ability of poor people to provide safe drinking water for themselves. Water4Life does this by providing knowledge and experience and by teaching people how they can use simple techniques to create safe drinking water from available water sources. We mainly use so-called ceramic filter candles to achieve this.

The mission of Water4Life

Water4Life aims to reach as many people as possible in the 'bottom of the pyramid'. We provide people with an affordable option to provide safe drinking water for themselves. We therefore produce the purifiers at the lowest possible costs, but always with small entrepreneurs who can achieve a fair income from these.

The vision of Water4Life

Water4Life strives to achieve a lasting/sustainable effect from the aid we provide. We therefore concentrate on three activities: Firstly, we help local workshops to make good quality water filter housings.

Secondly, we strive to establish a local trading group that will either import filter candles of the required high quality or purchases the candles from a high-quality local manufacturer. This trading group can subsequently also provide lasting after-sales of filter candles.

Thirdly, we give training to future users of the water purifiers to create awareness about the dangers of drinking unsafe water and the advantages of the use of the water purifiers. Preferably we give our training to employees of local organisations so that they can spread the training even further.

TO CONCLUDE

PATH TO BE AS SUSTAINABLE AS POSSIBLE IN 2030

At FashionPower we are aware that there is no magic path or recipe for achieving sustainability. It is a continuous process of work in progress, based on creativity, innovation, improvement, entrepreneurship and finding the right partnerships.

We believe that we can make our mark in the industry and a better world starts with our actions. That means that we must make the right choices in the process and consider this at every step, because 90% of our sustainable impact is defined in the design phase of our products. For this we must find the right partners in the process, which means we must consider who we want to work with, how we want to work and what materials we use. We look at achieving this step by step, because we can't change the industry overnight, but considering these steps we want to convert part of negative impact of the textile industry into a positive one.

We believe in partnerships, people, planet and profit which all should take into account the respect for the people we work with and the planet we live on. Another aspect that is the focus of our ambition is making sustainability affordable for everyone instead of making it a 'nice-to-have' for the few. The scale of reducing large-scale use of chemicals or water in our process also enables us to support a price level that makes sustainability affordable for more people, and this is also what we want to adhere to-inclusivity.

This means we want to be engaged at every step in our supply chains and work together from fibre to yarn, fabric and final garment. We aim to inspire our employees, partners and other stakeholders in the process to be part of our movement and help us to grow in our sustainable ambition.



A photograph of three women of diverse backgrounds posing together in athletic wear. The woman on the left is a Black woman with her hair in a bun, looking down. The woman in the center is a Black woman with curly hair, looking over her shoulder. The woman on the right is a white woman with blonde hair, looking towards the camera. They are all wearing dark teal or navy blue sports bras and leggings. The woman on the left has 'Redmax' visible on her sports bra band. The woman in the center has 'Redmax' and a logo on her sports bra. The woman on the right has a logo on her sports bra. The background is a plain, light-colored wall.

Together we can!

FASHIONPOWER®

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**