



FASHIONPOWER®

Sustainability Report 2022

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**



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INTRODUCTION

Dear reader,

Welcome to our 2022 Sustainability report, the second edition.

This year, the war in Ukraine, the continuing COVID-19 pandemic, rising inflation, an energy crisis, supply chain disruption and the pressing need to address climate change have combined to produce the most difficult set of global circumstances in a long time. Managing such tough global challenges is possible only when we come together: when people with diverse skills combine forces to solve complex problems, and when business steps up to take responsibility for its impact on the society and mother earth.

We are very proud of the work and its results that our talented team together with our valued business partners have delivered to make further positive contributions to the society we all share. We would like to thank each and every one of them for their hard work, enthusiasm and perseverance. Our people, and the wide range of skills and experiences they bring to work every day, are the engine of our success.

Our motto “Feel Responsible, Act Sustainable” remains the starting point for everything we do. 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 active- and outdoor wear at an affordable price to market. In 2022 we added corporate wear to our portfolio.

We further improved our processes to base our product development in a less energy and material consuming way, with lesser movements around the globe, based on 3D development and the choice of circular and more sustainable materials. This resulted in a significantly increased share of sales in



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

sustainable products, which helped us to turn around production processes with a much more positive impact.

So, also during 2022 we have made major steps towards our end-goal to operate fully sustainable by 2030. You will read about these achievements in this report. We could not have achieved this alone; strong partnerships are key for success to achieve a sustainable future, together!

WE FEEL RESPONSIBLE AND ACT SUSTAINABLE

The board of FashionPower

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 2022



18 million liters
of water phased out
through DOPE DYEING

Over 47 tons of
dye stuff phased out
through the use of
dope dye

59 tons of chemicals
phased out for functionality



100% of our products
audited on social
compliance




3.196.478 products were
made with sustainable materials

3400% growth in
COFFEE YARN products



 **FEEL RESPONSIBLE
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1.3 million unique garments made with
recycled or upcycled materials

31 tons of sorona
padding used instead of
goose or duck down



**51% volume
growth through
sustainable
products**



Over 312 tons of CO²
reduced by using
recycled materials

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KEY ACHIEVEMENTS 2022

Partnership to be celebrated:



Mr. Wu, our partner for over 25 years

Within FashionPower we have taken many steps through the years, but it seems unnecessary to say that this cannot be done without our partners. In the light of these changes, I think it is a must to express that we could not have and can not do any of the past, current and future changes without them.

A special thanks to our oldest partner within our supply chain, who has been doing business with our family for 25 years in 2022. Sometimes it seems that 25 years have flown by, but the business we work in has changed a lot. From doing business with Tier 1 only until doing business from Tier 1 until Tier 3 today, requires a lot of flexibility from both sides. Besides the supply chain, we have changed a lot, by moving away from the fashion business and a full focus on active- and outdoor wear products. Also, our approach in terms of materials has taken a huge turn in these 25 years. Where it was cotton before, we now work with products containing coffee carbon instead of chemicals, we choose sorona yarns and fibres and use dope dyed and recycled polyesters. This is not just a small change, it has a huge supply chain impact and requires a change in mindset.

Overcoming the challenge of originating from two different cultures is possible through mutual partnership and making efforts to understand one another.



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 A GLANCE

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

**Sustainable
products and
concepts sold
in 25 countries**

Totally 3.383.051 unique
products made in 2022

23 partners working on
sustainable materials in tier 2 & 3

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

***Direct impact on 21 CMT
partners within our tier 1***



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

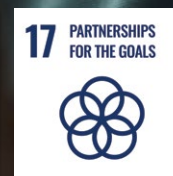
We are an innovative, creative and entrepreneurial Dutch company producing sustainable sportswear and outdoor wear. Our goal is to achieve a fully sustainable company in 2030, but we do realise that we still have a long road ahead of us.

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:



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PEOPLE



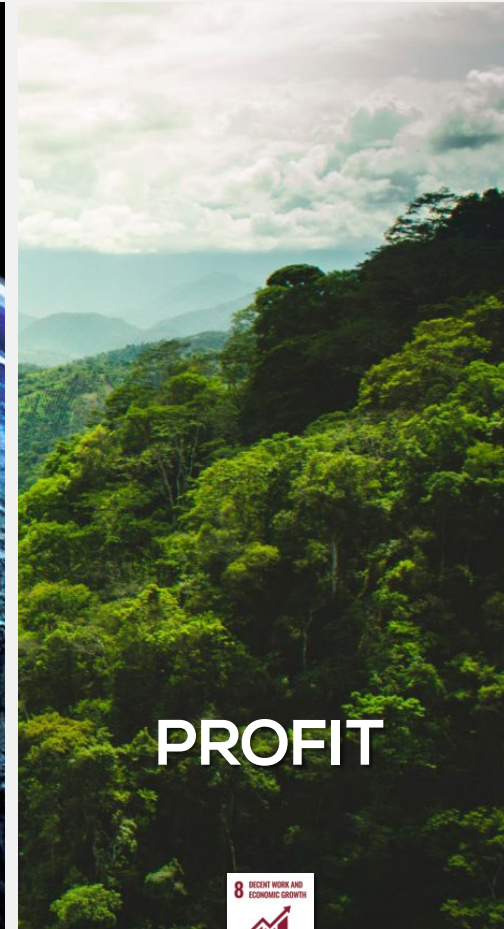
We are committed to ensuring that everyone who takes part in our supply chain, can take part with a smile. This means we want people to have a safe environment in which they are treated with respect and feel valued.



PLANET



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.



PROFIT



We believe in creating a win-win situation for everyone, this means that we want to conduct our business in a way that 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.



PARTNERSHIPS



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.



 **FEEL RESPONSIBLE
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OUR ROADMAP FOR SUSTAINABILITY

Materials:



IST



SOLL 2025



SOLL 2030



Dope dyed yarns are 27,98% of our annual volume

Our functional products are made functional with CCB: yarns are 35,1% of our annual volume, treatments are 49,9% of our annual volume

35,2% of our fabrics used are recyclable fabrics that can be recycled mechanically, 64,8% is a mixed quality

Recycled yarns are 3,2% of our annual volume

Sorona fibers are 6,4% of our annual volume

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

Dope dyed yarns are +40% of our annual volume

Our functional products are made functional with CCB: yarns are +40% of our annual volume, treatments are -60% of our year around volume

At least 50% of our fabrics used are recyclable fabrics that can be recycled mechanically, less than 50% is a mixed quality

Recycled yarns are +35% of our annual volume

Sorona fibers are 8% of our annual volume

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

Dope dyed yarns are +56% of our annual volume

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

At least 70% of our fabrics used are recyclable fabrics that can be recycled mechanically, less than 30% is a mixed quality

Recycled yarns are +50% of our annual volume

Sorona fibers are 10% of our annual volume

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

OUR ROADMAP FOR SUSTAINABILITY

Water & Chemicals:



IST



Water saved through dope dye was 17,6 million liters

47,3 tons of dye stuffs phased out through dope dye

Chemicals reduced through the use of CCB for functionality was 58,3 tons

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

30,6 tons of sorona processed, which resulted in 11,3 tons of renewable materials based on waste streams being used with zero pain for geese or ducks in our process

SOLL 2025



Water saved through dope dye will be +25 million liters

+71 tons of dye stuffs will be phased out through dope dye

Chemicals reduced through the use of CCB for functionality will be +75 tons

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

45 tons of sorona processed, which resulted in 16,7 tons of renewable materials based on waste streams being used with zero pain for geese or ducks in our process

SOLL 2030



Water saved through dope dye will be +35 million liters

+95 tons of dye stuffs will be phased out through dope dye

Chemicals reduced through the use of CCB for functionality will be +100 tons

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

60 tons of sorona processed, which resulted in 22,2 tons of renewable materials based on waste streams being used with zero pain for geese or ducks in our process



FEEL RESPONSIBLE
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OUR ROADMAP FOR SUSTAINABILITY

Corporate Responsibility:



IST



SOLL 2025



SOLL 2030



Tier 1:

100% of volume audited by FashionPower Audit

95% audited by amfori

47,6% additional document review and extensive auditing, to ensure liveable salaries and social insurance

89,9% of production done in A factories, 10,1% of production done in B factories 0% of production done in C factories

Tier 2 & 3:

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

88% of the materials supplier comply with GRS,

100% of packing supplier have FSC Mix, 69% 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

95% of production done in A factories, 5% of production done in B factories 0% of production done 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 packing supplier 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

100% of production done in A factories, 0% of production done in B factories 0% of production done 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 packing supplier have FSC Mix, 100% FSC Recycled



FEEL RESPONSIBLE
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OUR ROADMAP FOR SUSTAINABILITY

Facilities & Mobility:



IST



SOLL 2025



SOLL 2030



Internal:

25% of vehicles in our carpark are hybrid or electric

+70% of vehicles in our carpark are hybrid or electric

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

Energy consumption of our facilities is currently 38.492 kWh in our offices.

Energy consumption of our facilities reduced by 10%

Energy consumption of our facilities reduced by 25%

External:

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

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

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

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

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

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

50% of our road transport is done via low emission trucks

75% of our road transport is done via low emission trucks and 25% of our road transport is done via electric or hybrid trucks

50% of our road transport is done via the low emission trucks and 50% of our road transport is done via electric or hybrid trucks

54,6% of our materials come from facilities that are recycling treated wastewater into their manufacturing

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

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





**We boost ecosystems.
Not egosystems.**



OUR VALUE CHAIN

Sustainable supply chain management

At FashionPower we have a rich history of over 125 years of textiles experience, this made us aware of the opportunities and the challenges within our industry. We feel that 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 to make our supply chain more cost-efficient and more transparent.

In 2022 we have still experienced the enormous impact of the "Covid-19 pandemic", which has put a lot of pressure and uncertainty on the global supply

chain. We are happy to see 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 has become 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 and this helped us to grow 38% in 2022.

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 request more than a quality product with a message that the product has been made with sustainable ingredients or processes. They need proof and demand suppliers to be transparent about product contents or factories used.

Since transparency and compliance have always been part of our way of business, it is time for us to take the next steps in this area. The past years we have put many effort in developing our partnerships from Tier 1 until Tier 3, our next steps will be to make our value chain transparent.

Yarns & Fibers

9 nominated partners
working with us over
11 years in average

Fabrics & Accessories

14 nominated
partners working with
us over 16 years
in average

Cutting, Making & Trimming

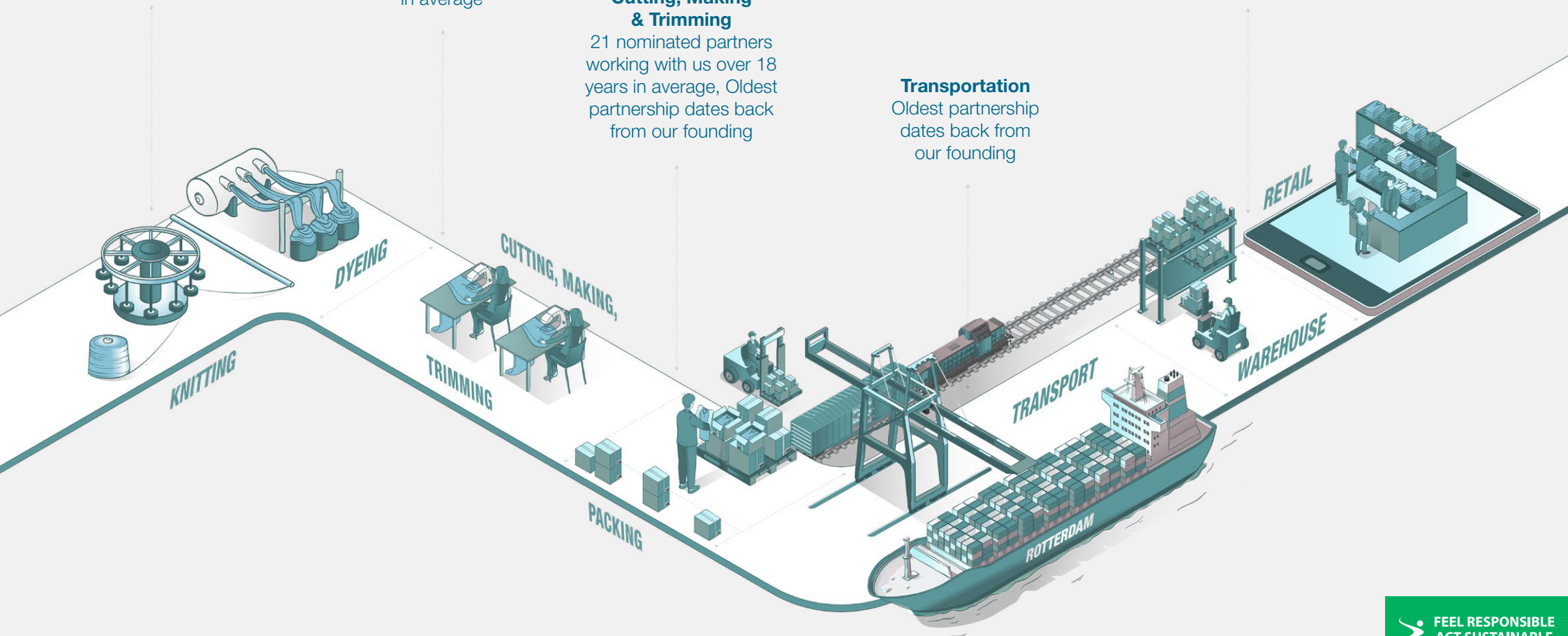
21 nominated partners
working with us over 18
years in average, Oldest
partnership dates back
from our founding

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 into garments.

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 chances and shows us our biggest road blocks ahead.

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

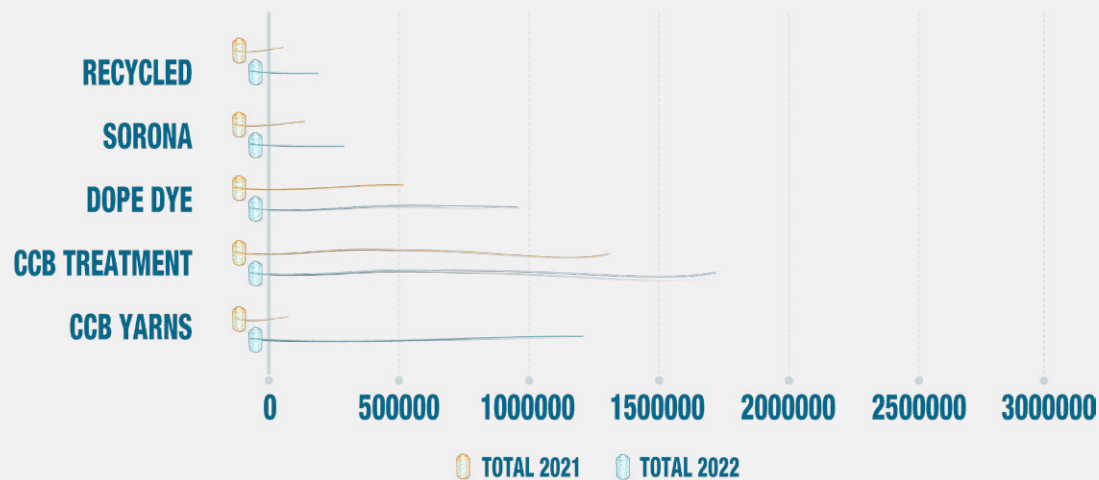
Within the textile supply chain there are several steps to manage which all have their social and environmental risks, we have taken several steps in order to limit, reduce and phase them

out. We therefore have thoroughly invested time, efforts and money to build long-term partnerships within our value chain. With these partners we have set-up a strategy to develop sustainable resources, work and responsible processes and ensure a 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. With some of our partners, both customers and suppliers, we work for over 20 years.

In the next paragraphs, we will highlight our achievements of having an impact environmentally and socially within 2022.

SUSTAINABLE PERFORMANCE



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

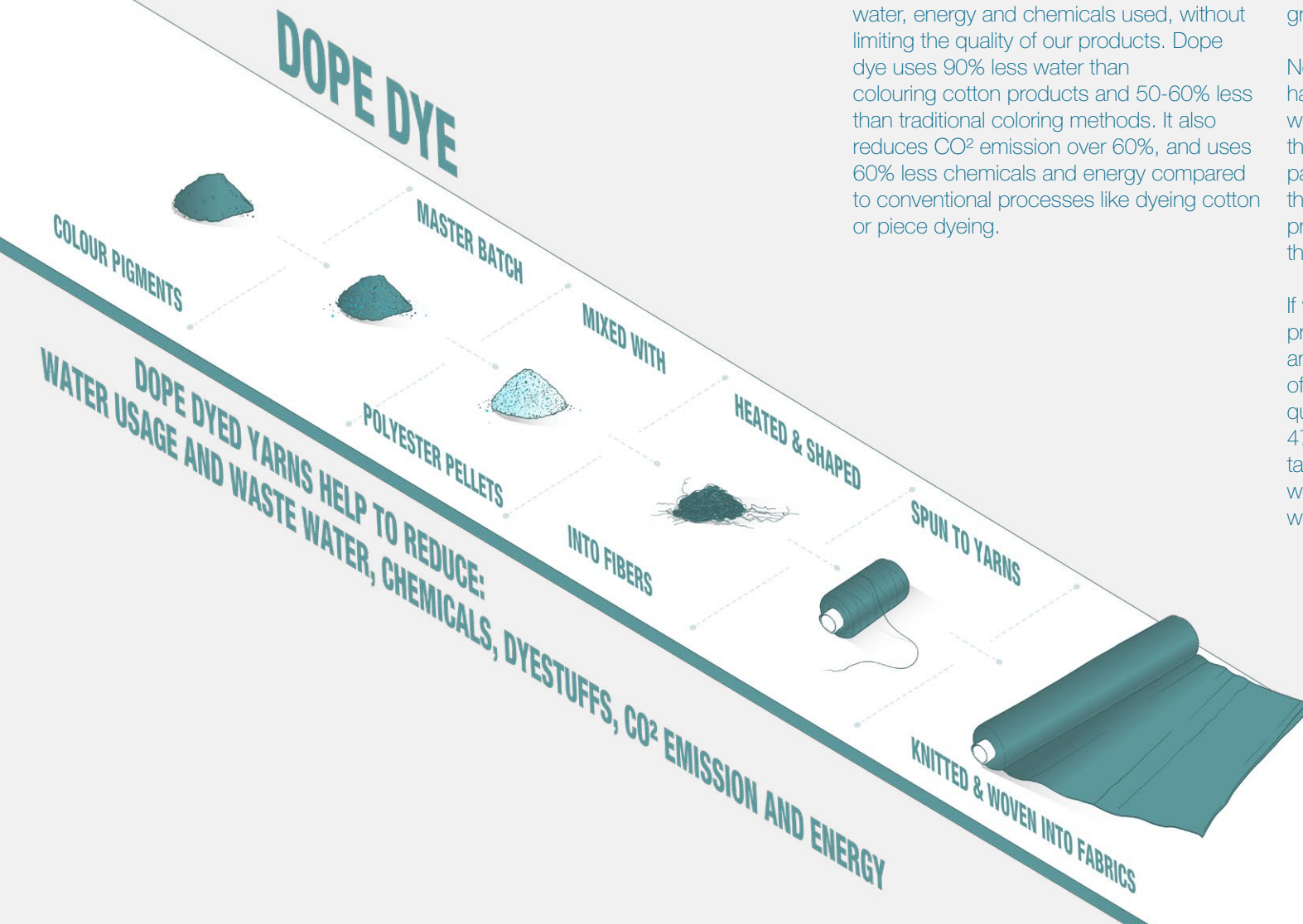
DOPE DYE

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 dye stuffs. Dope dye is applied as pellet pigments to the pellet raw materials, which is the process before they are being spun into yarn. This way we can greatly reduce 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 coloring methods. It also reduces CO² emission over 60%, and uses 60% less chemicals and energy compared to conventional processes like dyeing cotton or piece dyeing.

In 2021 we have made about 2.3 million products and approximately 23% of these products have been made with dope dye 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, therefore we have greatly pushed for an increase of dope dyed volumes. In this year our volume has grown with 51% and the dope dyed volume has grown 84% compared to last year.

Now, about 28% of our dyeing process has been substituted by dope dyed yarns, which has given us a real improvement of 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 products in 2022, this was 946,492 pieces and normally it would take almost 53 tons of dye stuff. By using dope dye at these quantities, we can dye with a reduction over 47 tons of these chemical dye stuffs. When taking in account the total performance, we have reduced almost 18 million liters of water in the dyeing process this year.

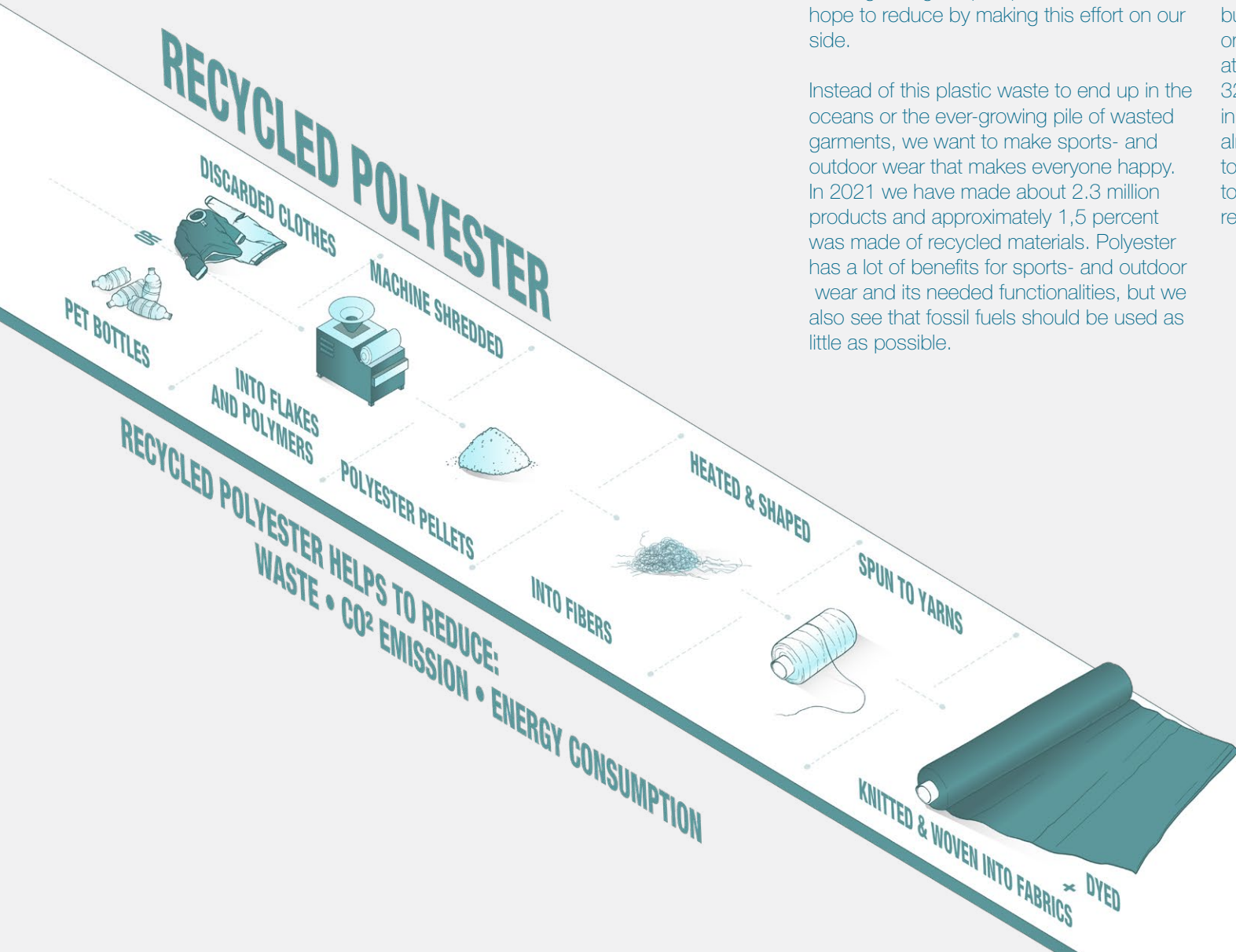


RECYCLED POLYESTER

FashionPower wants to promote a more circular economy by using recycled and up-cycled yarns made from PET-bottles and second-hand textiles. We are aware of the growing heap of plastics, which we hope to reduce by making this effort on our side.

Instead of this plastic waste to end up in the oceans or the ever-growing pile of wasted garments, we want to make sports- and outdoor wear that makes everyone happy. In 2021 we have made about 2.3 million products and approximately 1,5 percent was made of recycled materials. Polyester has a lot of benefits for sports- and outdoor wear and its needed functionalities, but we also see that fossil fuels should be used as little as possible.

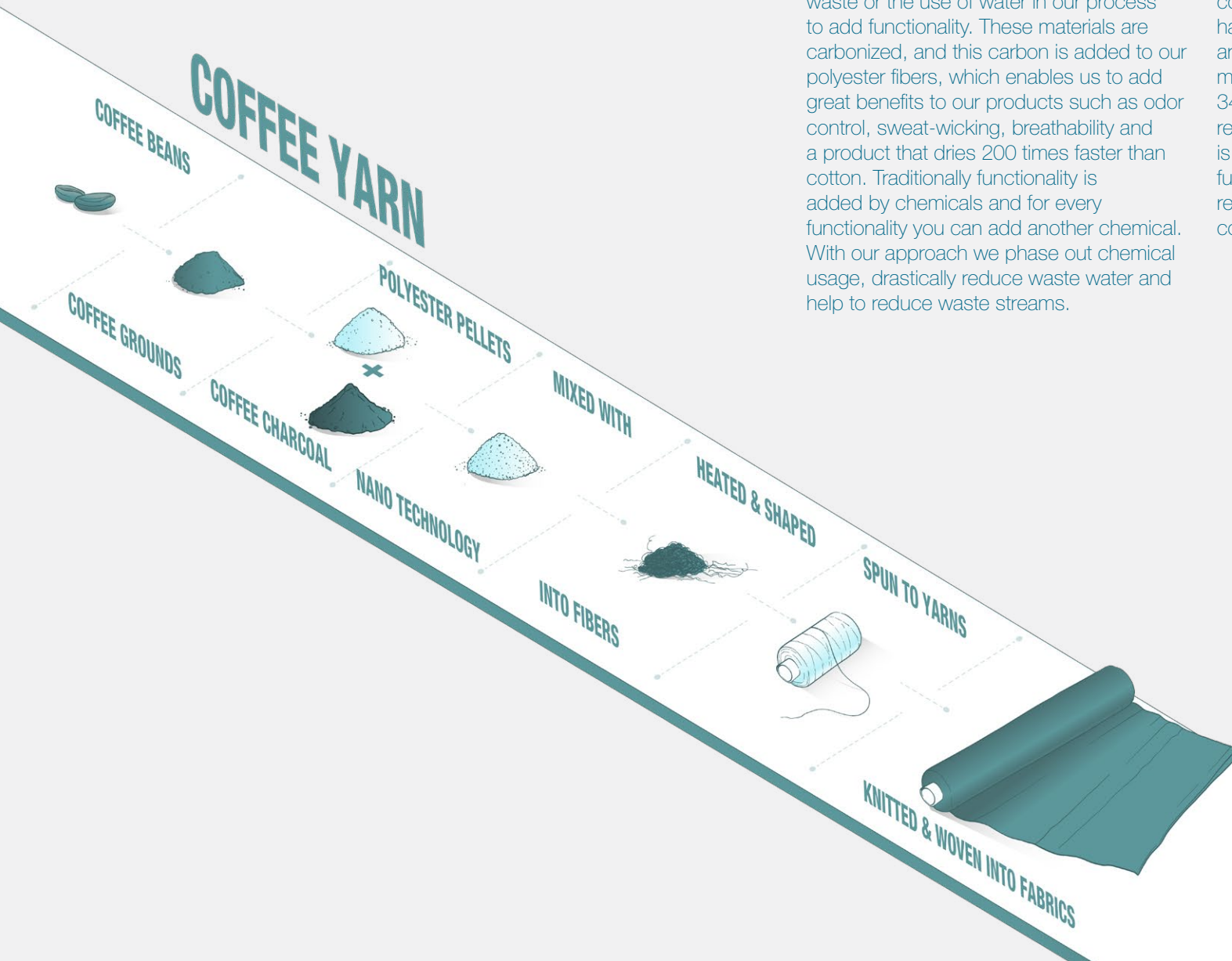
We started to make all materials we use recyclable, so that in future they can be recycled. In 2022 we increased 256% compared to the volume of 2021 and although this is approximately 3,2% of our business volume, it has a significant impact on our environmental impact. When looking at the produced fabrics, this was almost 32,8 tons of fabrics and ensures an impact in the reduction of our CO₂ emissions by almost 312 tons in our process compared to virgin polyesters. Our aim for the future is to work together with new partners on recycling our garments into new garments.



SUSTAINABLE YARNS AND TREATMENTS

Many of our fabrics include waste products such as coffee grounds or coconut shells. This helps to reduce non-bio degradable waste or the use of water in our process to add functionality. These materials are carbonized, and this carbon is added to our polyester fibers, which enables us to add great benefits to our products such as odor control, sweat-wicking, breathability and a product that dries 200 times faster than cotton. Traditionally functionality is added by chemicals and for every functionality you can add another chemical. With our approach we phase out chemical usage, drastically reduce waste water and help to reduce waste streams.

In 2022 we have made almost 1.7 million products which have been treated with coffee or coconut charcoal to improve their functionality. This is an increase of 27% compared to 2021. In the same year we have also made 1.2 million products, which are made with yarns made of the same materials and this is an increase of almost 3400% compared to last year. The total reduction in 2022 by using coffee products is almost 59 tons of chemicals used for functionality. The total reduction made us reuse 72 tons of waste streams from our coffee machines.



SORONA

At FashionPower we use Sorona® as isolation for our padded jackets, which is a partially plant-based polymer made 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% of renewable plant-based ingredients and mixes it with 63% of high quality polymers that offers a similar isolation to the painful 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 for the animals involved, is something that we do not want for our products. On the other hand a common polyester does not give us the right isolation, but Sorona has the same isolation as duck down and is also very light and flexible.

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

Therefore, we are very happy with Sorona® that turns our options of harming animals or a formerly chemical process into an eco-efficient biological one. In 2022 we have increased our volume by 216% and have used almost 31 tons of padding, which is good for more than 11 tons of renewable waste to be re-used in our process.



DUPONT™
sorona®



**LESS WATER
POLLUTION**



**LESS ENERGY
CONSUMPTION**



**LESS CO²
EMISSIONS**



**FEEL RESPONSIBLE
ACT SUSTAINABLE**



SOURCING

SUSTAINABLE AND RESPONSIBLE SOURCING

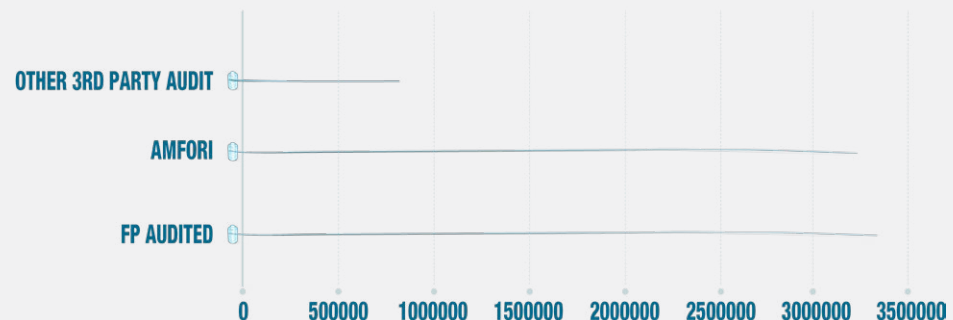
We want to be a reliable and credible partner for all stakeholders involved, that means our customer, their consumers and everyone involved in our process of manufacturing the goods. We want people to feel comfortable with our products, which also includes the social responsibility we have.

FashionPower is a medium enterprise, but we find that our decisions and actions have a global impact socially, economically and ecologically. Since 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 them:

- FashionPower works with 8 direct partners for CMT, which entails 21 factories in our supply chain. The oldest partnerships already exist before the start of FashionPower, about 25 year to date.
- China is a big country, we made a risk analysis per region and choose which regions are acceptable to work for us. At this moment we are checking other countries, with existing partners.
- Each factory is audited and approved before we start working with them. The audit will result in a qualification; A means we can start without any problem, B means we need a corrective action plan to reach our level, but the problems are minor, 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' in 2022.

SOCIAL COMPLIANCE PERFORMANCE



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

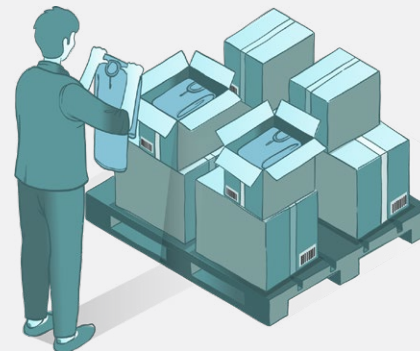
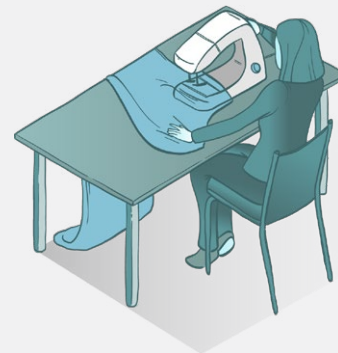
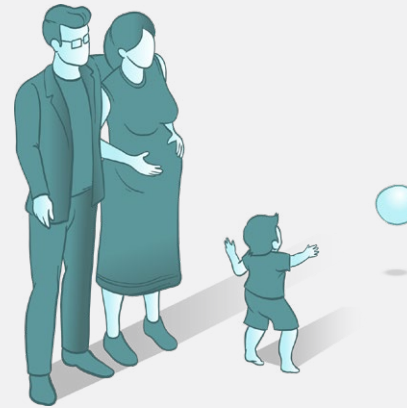
SOCIAL COMPLIANCE IN OUR BUSINESS

We proudly work with our partners in China and we are committed to stay 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 of the fashion industry in China. We believe that by maintaining and developing our relationships with our partners spread out in China we add value for all.

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

We work together with amfori and our apparel suppliers to verify that our garment workers are treated well. 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 organizations 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 organize training and workshops to help factories reduce and eliminate critical risks and improve their practice.

100% of our business volume is checked by our office in China, we conduct a factory audit every year to follow a process of continuous improvement. As said we use amfori as our general benchmark for 3rd party validation, so 97,6% 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 to do so, but at least has another 3rd 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 already spoke 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 packing, we think about hangtags, photocards and box packings that help our products to stand out when displayed in the shops. All our packing 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 that helps 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 make sure that the usage of those resources is used in a controlled, responsible manner that allows trade to continue without disrupting the natural environment. Therefore, we work with nominated packaging suppliers who can supply the FSC label and fulfil the requirements set by the FSC organization. From the end of 2022 we started to implement a change from FSC mix to FSC recycled for all paper used for hangtags and box packing.

Another matter is polybags, which is a plastic we try to phase out by using the box packings or other tools 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 fully recycled packing materials by 2023.

We believe that our responsibility should be taken from fiber, yarns, fabrics, accessories until the cutting, making, trimming and the packing process.





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 have the same challenges.

Therefore 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 from all our partners in the value chain from Tier 1-3 and we should be able to give them the right insights. Every year we do an evaluation with all suppliers involved, to sharpen their pencils 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 for our products, in 2022 all suppliers scored a level A or B ranking.

In 2022 we can proudly say that almost 90% of our CMT took place in an A level ranked factory, this was mainly due to the CSR efforts of our partners and the progress coming from auditing and follow-up. We have also decide to focus our orders on suppliers who did this effort as a reward for it.

In 2022 we have also passed the Green button audit and extended all of our certifications, besides we are one of the first in our industry to receive the Standard 100 by Oeko-Tex for recycled materials.

In 2023 we will further develop this evaluation, which will be more transparent, and we will share this in our reporting.

SOURCING ACCORDING TO OUR STANDARDS

OUR CERTIFICATES

We have put a lot of effort in developing our supply chain to reduce the use of chemicals, limit resources and develop circular alternatives. We know that commitment alone is not enough, we also need to verify if this is correct and that we adhere to our way of working. FashionPower works together with several trusted and widely known partners to certify our supply chain can guarantee the highest standards.



STANDARD 100 BY OEKO-TEX® is a quality standard for the assessment of harmful substances in all our materials such as zippers, accessories and fabrics that are used in our garments. This standard ensures products are free from harmful substances and follow 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 also has achieved the highest level of this certification by itself.

The **GLOBAL RECYCLING STANDARD** is a third-party certification to verify, from fiber until 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 do an additional social and environmental compliance check.

The **GREEN BUTTON** is a government-run certification label for sustainable textiles. What makes it special: it is the first certification label that systematically evaluates whether companies take responsibility for respecting human rights and environmental standards in their supply chains. For us this another step to become a more transparent and responsible company.



**STANDARD
100**

www.oeko-tex.com



**GRÜNER
KNÖPF**

SOZIAL. ÖKOLOGISCH. STAATLICH.
UNABHÄNGIG ZERTIFIZIERT.

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

OUR AUDITS

Besides the certifications in our supply chain, we at FashionPower, aim to make everyone smile. This does not mean our customers and consumers, but everyone that is part of our chain. Therefore we work with several audits to prevent dangerous chemicals to be used and check that our partners comply with social and ethical standards within our policies. Based on our longterm approach, we believe that the commitment is there; but we also want it to be confirmed as it will create value to them.



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.

AMFORI is an independent organization that works with apparel brands, garment workers and textile industry influencers to improve labor conditions in garment factories. They are 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 organizations to increase wages and improve working conditions

Ø ZDHC

amfori 
Trade with purpose

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**

TRANSPARENCY IN THE SUPPLY CHAIN

Our aim:

Within FashionPower we aim for a more sustainable approach in the supply chain of our business, but doing the right thing is just one part of it. In order to give credibility to our actions, we must also enable ourselves to be transparent. In the past years we have documented this in our ERP system, which has given us transparency on our process and the suppliers we work with. This has greatly helped our approach in the past years and has enabled us to deal with a lot of challenges in our supply chains. During the past years we have started to do our own CSR audits through our own staff in China, which given us more transparency and information on the situation within our partners in the supply chain.

In 2022 we took the next step of transparency within our supply chain, which is the external validation of our processed data. For this we have partnered up with Tex.Tracer, whose platform unlocks insightful supply chain information for us and validates it via mapping our data submitted by supply chain partners, vetted by peers, tracking locations and their blockchain-powered platform. Until year to date we have processed 173 orders with a validated supply chain and in 2023 it is our aim that all orders are listed. This is mainly the transparency on supply chain level from Tier 1 until Tier 3, but we are also working on transparency of material usage and the impact of our materials in relation to water, chemicals and their carbon footprint.

tex.tracer



 **FEEL RESPONSIBLE
ACT SUSTAINABLE**



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 magical 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 do believe that we can make our mark in the industry and a better world starts with our actions. That means that we must take 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 consider taking this step by step, because we can't change the industry over night, but considering these steps we want to switch part of negative impact of the textile industry into a positive one. Coming from conventional materials and processes, we have made quite the journey. In 2022, we can proudly say that over 90% of our products have changed from conventional materials and process into a sustainable change with a better impact through our material and process choice.

We believe in partnerships, people, planet and profit which all should take in account the respect for the people we work with and the planet we live on. Another matter which fills our ambition is making sustainability affordable for everyone instead of making it a nice to have for the few. The scale of reducing large 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 of our supply chain and work together from fiber, to yarn, fabric and final garment. We aim to inspire our employees, partners and other stakeholder in the process to be part of our movement and help us to grow in our sustainable ambition.



A photograph of three people in athletic wear. On the left, a man in a green shirt has his arm around a woman in the center. The woman is laughing heartily. On the right, another man in a black shirt is looking towards the woman. They are all wearing athletic gear with a small logo. The background is a plain, light-colored wall.

Together we can!

FASHIONPOWER®

 **FEEL RESPONSIBLE
ACT SUSTAINABLE**