



IVY OAK

SUSTAINABILITY REPORT

Q1 2021

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WE ARE NOT JUST ANOTHER LABEL.

We take a holistic approach to sustainability. Last year we launched our 360° Framework to become the most sustainable company we can be. In our quarterly CSR Reports we give you updates on where we stand, what we are aiming for and what our challenges are.

Here is our first CSR report of 2021. We hope you enjoy reading it!



I HIGHLIGHTS FROM OUR PREVIOUS REPORTS

52% of styles made of
preferred A & B fabrics*

100% of our viscose is from
Green Shirt fibre producers*

3 social projects & charities
supported in 2020

5 projects to reuse
leftover fabrics in 2020

Launched first recycled wool
coats & styles with recycled buttons

100% traceability to our
manufacturing partners in 2020

*Data for our S/S2021 collection



'We want to use only eco-friendly fabrics & eliminate all hazardous chemicals from our value chain.'

II ECO MATERIALS

TARGETS & ACTIONS

- 100% SUSTAINABLE MATERIALS BY 2025

We are happy to announce that we increased the share of styles made entirely of eco-friendlier fabrics to 58% in our new collection. Over the past three seasons we were able to increase this share steadily from 41% (A/W2020) to 52% (S/S2021) and now to 58% (A/W2021), meaning we are well on track to reach our target for 2025 (100%).

To learn more about which materials count towards our goal, you can check out our [Preferred Fibres & Materials Standard](#).

Apart from our ongoing efforts to shift our wool and polyester fabrics to recycled versions, we added new exciting recycled options to our fabric portfolio for

(recycled) cotton, (recycled) cashmere and (recycled) polyamide. We identified three main factors that enabled us to reach our objective, on which we will build for the next seasons: 1. Information on sustainability was an integral part of the collection development and sourcing process from the very beginning. 2. We set ourselves clear rules and ambitious minimum criteria as a base for sourcing. 3. Our wonderful suppliers dedicated a lot of time and effort to supporting us.

Like last season, we were again able to map 100% of the viscose we used, including new fabrics, against [Canopy's Hot Button Ranking](#) and source only from Green Shirt ranked producers. This is in line with our [commitment on forest derived materials](#) to ensure no wood from

ancient and endangered forests enters our supply chain. Moreover, we went a step further this season and used a high share of the most eco-friendly viscose and lyocell fibres currently available on the market: LENZING™ ECOVERO™ viscose and TENCEL™ lyocell fibres, all trademarks of the Austrian company Lenzing AG. Both are made from wood and pulp sourced from sustainably managed and certified forests. The manufacturing process of LENZING™ ECOVERO™ viscose fibres reduces emissions and water pollution by up to 50% compared to generic viscose. TENCEL™ lyocell fibres are manufactured via a particularly eco-friendly closed-loop process in which more than 99% of water and solvents are recovered and reused. Again, this is in line with our forest derived materials policy to push market demand for low-impact, innovative and certified fibres as well as best practices, such as eco-friendly closed loop production systems.

The viscose market has improved over the last few years thanks to the Canopy initiative. The message from the initiative has been loud and clear and all of the big viscose fibre producers are responding to the call for lower impact fibres. We see a lot of innovation happening. Since viscose is one of our key materials we are really thrilled about these developments!

Another exciting project was our collaboration with our supplier Elyaf on two styles made with a naturally dyed viscose fabric. The dyes are certified organic and use natural, plant-based ingredients made from roots, fruit, bark, leaves and flowers. The dyeing process uses no harmful chemicals and less water and energy than conventional dyeing methods.

RESULTS

58% of styles made entirely of eco-friendlier fabrics*	100% of viscose styles stem from Green Shirt producers	80% of cotton styles made with organic or recycled cotton
75% of polyester styles made with recycled polyester	42% of MMCF** styles are LENZING™ ECOVERO™ or TENCEL™	78% of our viscose styles made with ENKA or LENZING™
First natural dye styles launched in S/S2021	All our leather styles are tanned chrome-free	First use of recycled cashmere, recycled cotton & recycled polyamide

All data is for our A/W2021 collection.

*Eco-friendlier fabrics are defined as class A & B in our fabric framework.

**MMCF stands for (hu)man-made cellulosic fibres. They include viscose, modal, lyocell & acetate.

All are derived from wood pulp.

CHALLENGES & TO DOS

MINIMUMS

As many eco-friendlier fabrics are more expensive to produce, they also have higher minimum order quantities (MOQs), which can be difficult to reach. When this happens, we try to figure out solutions to work around this, like planning different styles on the same fabric or finding ways with our suppliers to be able to use lower quantities as we do not want to overproduce.



'We want to minimize our environmental footprint in order to fight climate change and protect water, forest and land resources.'

III FOOTPRINT

TARGETS & ACTIONS

- SIGNIFICANTLY REDUCE FOOTPRINT BY 2025 VIA ECO FABRICS, LOW GHG TRANSPORT & SUSTAINABLE PRACTICES

We continued to switch from air to rail transport for our overseas production, achieving an all-time high of 81%. Looking at our total collection volume, 97% was shipped via road or rail and only 3% was shipped via air for the S/S2021 season. After having adapted our planning framework, rail and ship are now our default transport options for overseas production. So for the next season we aim to achieve an even higher share.

In 2020 we continued to offset the carbon footprint from our parcel deliveries and the operation of our

online shop via the organisation [Klimakollekte](#). The Gold Standard certified climate protection project we support is conducted by the organisation Pro Climate International's (PCI). The project is equipping 6,000 families in rural and suburban areas in Cameroon with energy-efficient cooking bags, that save up to 60% of firewood and do not cause strong smoke development. The benefits include better health, time savings and counteracting deforestation tendencies. The cooking bags are made locally by PCI-trained seamstresses, which creates additional job opportunities.

Offsetting emissions should never be the first recourse. Therefore, true to our approach 'avoid-reduce-offset' we introduced a new climate-friendly delivery service for

our customers in Berlin called Liefergrün. Their mission is to green the last mile of shipping: delivery is done by bicycles, cargo bikes and e-cars. We hope we can launch

climate-friendly, zero or low emissions delivery in other cities too in the near future.

RESULTS

81% of
overseas transport
done by rail*

97% of total
order volume transported
via truck & rail*

Only climate-friendly
parcel delivery in Berlin
since April 2021

40.4t CO2 offset
from parcel deliveries & website
operation in 2020

CO2-neutral
parcel delivery & online
shop via offsets

*Data based on S/S2021 collection


CHALLENGES & TO DOS

ROAD TRANSPORT

Our priority so far was to shift away from air transport to rail and sea as this transport mode has the biggest greenhouse gas emissions footprint. However, going forward we also want to look into possibilities to lower the footprint of our road freight and find solutions together with our forwarders. The first step will be a mapping of the current situation as a basis for engagement and drawing up an action plan.

FOOTPRINTING

We already measure parts of our greenhouse gas footprint, for example for our customer parcel deliveries, our website operation and some of our fabrics. We are actively working on expanding the measurement where relevant to inform our actions and to increase transparency and insight into our CO2 emissions.



'We want to achieve
full traceability along our
supply chains.'

IV TRACEABILITY

TARGETS & ACTIONS

- 100% TRACEABLE SUPPLY CHAINS BY 2025

In terms of increasing transparency in our supply chains, we reached the next important step: in addition to full traceability to our factories we achieved 100% traceability at the fabric supplier level this season. We increased level of direct sourcing and were grateful to see that our manufacturing partners who support us in sourcing were very open to provide us with transparency.

For the other tiers in our supply chains the level of transparency is lower, but we are actively working to

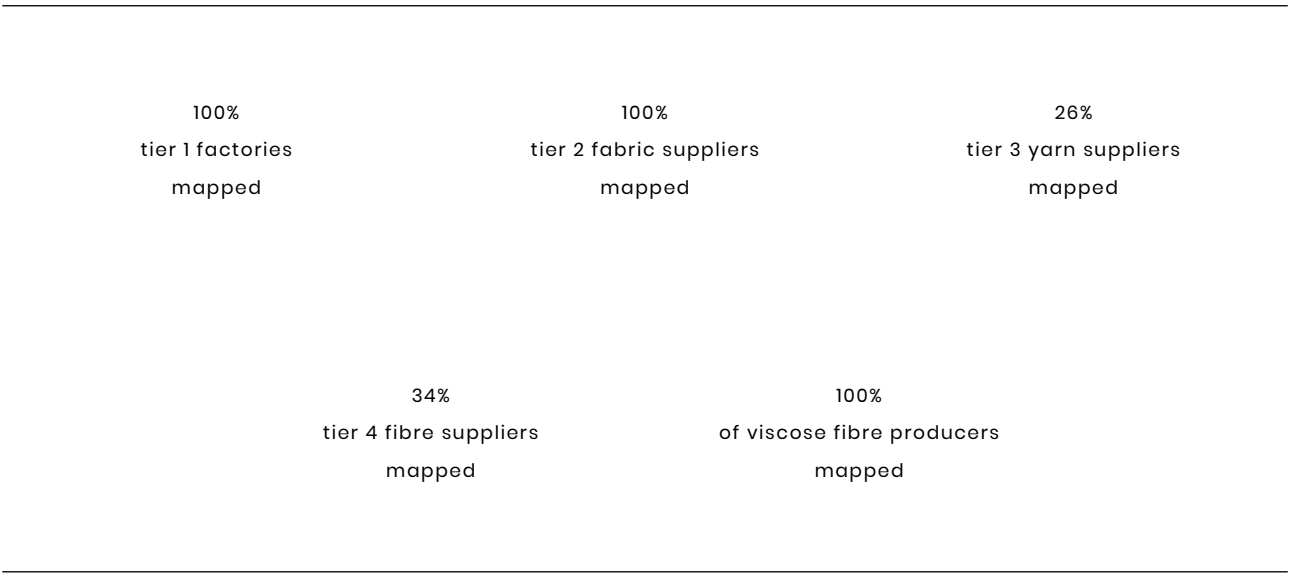
improve this step by step, fabric by fabric, material by material.

For example, for one of our key materials, viscose, we mapped 100% of our fibre suppliers, including for all new fabrics. We established this level of transparency as our standard for all viscose fabrics last season and were able to keep it again this season. We work with self-declarations from suppliers, purchasing orders and for all fabrics made with fibres from the Lenzing AG we request certification from the company as they have an established traceability system. Many other

fibre suppliers are developing new traceability systems, for example via trackers and markers in the fibres and blockchain technology. With these developments, the level of assurance in terms of traceability for viscose

and other cellulosic fibres will increase significantly over the next years. There are also exciting new traceability schemes for other materials as the demand for transparency increases and we are excited to see this.

RESULTS



*Data based on S/S2021 collection

CHALLENGES & TO DOS

NEW FABRICS

One of our biggest challenges in terms of traceability is the use of new fabrics. It takes time and effort to gather all information for everyone involved. Therefore, for fabrics that we use regularly every season we have more leverage as well as time to be able to increase

traceability. Other than certification which tracks materials along the supply chain, we are intrigued to see the offer of traceable fabrics slowly increasing via new technological developments and are looking into these. first exciting conversations.



'We want to continuously learn and try to get better every day to reach our goals over the next years.'

V WHAT WE ARE WORKING ON

2021 is already in full swing and we have lots of exciting plans for this year. Below are some of our focus areas. You can read more about our overall vision and map in our [360° Framework](#).

FOOTPRINT

We continue to work on our overall environmental footprint, notably shifting our transportation to lower emission modes as well as working with forwarders on other measures. We are also exploring further actions to reduce our use of packaging.

ECO MATERIALS

We are constantly working on improving our materials footprint. Our focus is to steadily increase the share of eco-friendlier fabrics and exploring lower impact processing and dyeing methods.

FAIR FACTORIES

We continue to monitor social and labour factors in our factories and to improve performance over time together with our suppliers as well via an analysis of our own processes and practices.

REPORTING

We are currently working on several reportings for sustainability initiatives we are part of, including the review process of the German Partnership for Sustainable Textiles and the HIGG Brand and Retailer Module. These help us assess our status quo, ensure we are aligned to industry standards and up to date on best practices and inform the next steps on our sustainability journey.