



# IVY OAK

## SUSTAINABILITY REPORT

Q2 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 second CSR report of 2021. We hope you enjoy reading it!



## I HIGHLIGHTS FROM OUR PREVIOUS REPORTS

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**58%** of styles made entirely of  
eco-friendlier fabrics\*

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**81%** of overseas transport  
done by rail\*\*

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**3** social projects & charities  
supported in 2020

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**80%** of cotton styles made  
with organic or recycled cotton\*

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**Only** climate-friendly parcel  
delivery in Berlin since April 2021

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**First** use of recycled  
cashmere, recycled cotton &  
recycled polyamide\*

\*Data for our A/W2021 collection, \*\* Data for our S/S2021 collection





'Choose the most eco-friendly materials we can, reduce our use of packaging and invest in reuse solutions.'

## II PACKAGING

### TARGETS & ACTIONS

- 100% SUSTAINABLE AND RECYCLABLE PACKAGING MATERIALS BY 2022
- ACHIEVE A 20% RELATIVE REDUCTION IN PACKAGING USE BY 2022

When it comes to packaging, we take a reduce - reuse - recycle approach. Since 2020, we have been working with the international forest conservation organization Canopy through the Pack4Good initiative to reduce our packaging footprint and ensure that we only source materials from responsibly managed forests. You can learn more about this [here](#).

Overall, we are already doing pretty well on the materials front since all of our boxes, hangtags, flyers and polybags are made from recycled materials and are recyclable. In the first half of 2021 we saw further progress, including switching our invoice envelope, which is included in every delivery, to Blue Angel certified paper. When it comes to paper, Blue Angel has the highest standards, ensuring that it is 100% recycled paper and that no harmful chemicals are used in the manufacturing process. Therefore, we strive to use Blue Angel certified paper whenever possible, like for our invoice paper and information materials in our boutique.

In order to reduce our consumption of packaging materials, we have also combined two hangtags so that we use one hangtag less per product.

After the good experience we had with replacing our smallest cardboard box with a paper shipping bag last year, we decided to also replace the next bigger package

size with such a shipping bag. The shipping bags are manufactured in Berlin, are lighter and take up less volume during transport, thus saving greenhouse gas emissions. In addition, the envelopes can be easily reused by our customers. For the future, we want to work with the manufacturer to increase the recycled fibre content of the envelopes to make them even more eco-friendly.

## RESULTS

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Switched invoice envelope to Blue Angel recycled paper	Replaced additional parcel size by lighter envelope	1 paper hangtag less per product
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## CHALLENGES & TO DOS

### RECYCLED PAPER

After our flyers, invoices and envelopes, all that is now missing are the paper shopping bags from our boutique, our wrapping paper, and as soon as technically possible, our new shipping bags to reach our goal of making all paper-based packaging from recycled paper.

### REUSE

Although we have been looking into possibilities of using reusable packaging for some time, we have not yet been able to find solutions here due to the complexity of the topic. That is why we are particularly excited that one of our colleagues is now delving deep into the subject as part of her master's thesis and analyzing the operational requirements, ecological impact and costs of various options for us. We are looking forward to the results!



'We want to build our business to create true long-term social, environmental and financial value and maximize our positive impact together with our partners.'

## III REPORTING & BENCHMARKS

### TARGETS & ACTIONS

- REGULAR EVALUATION & ANALYSIS OF OUR STATUS QUO TO CONTINUOUSLY IMPROVE
- EXCHANGE & COOPERATE WITH NGOs, PEERS & STAKEHOLDERS TO CREATE IMPACT TOGETHER

We are very proud of what we have achieved in the last two years in terms of environmentally friendly materials. That's why, for the first time, we participated in the Corporate Fibre and Materials Benchmark (CFMB), which is produced by the Textile Exchange organization. The CFMB analyzes and evaluates the materials strategies of fashion brands, awarding four scores from "developing" (1) to "leading" (4). Our result? We landed in the second best group with our strategy: "maturing" (3). Apart from our great result, we are excited about the scorecards per

material and topic that we received through the CFMB. We will use these to further develop our strategy, goals, and standards. The CFMB is one of the most important data sources at the industry level and a great tool for brands to drive improvement. We are proud to be part of it!

In June, we used the HIGG Brand and Retailer Module (BRM) for the first time to analyze our structures, measures and KPIs in relation to social and environmental issues. Developed by the Sustainable Apparel Coalition (SAC), the HIGG BRM is basically a long questionnaire on social, environmental and governance issues that assesses the status quo and identifies opportunities for improvement. The BRM is used by some of our B2B partners and allows

us to share qualitative and quantitative data with them. Although some governance requirements are more targeted at large companies than small, we have found the external assessment via the BRM to be very useful and will incorporate the results into our roadmap for the next few years.

Furthermore, we have conducted our risk analysis for the Partnership for Sustainable Textiles (BNT) and set targets per topic, e.g. on (organic) cotton and labor standards in our supply chain. We now want to address these with the help of concrete action plans and measures together

with our suppliers and through the various sustainability initiatives of which we are members.

The CFMB, the HIGG BRM and the BNT risk analysis complement each other very well and form a comprehensive analysis of our activities. Based on this, we are now defining the next steps on our path to more sustainability and look forward to continuing to work with our partners.

Our conclusion: we still have a lot to do, but we are on it, have already achieved a lot and are on the right track!

## RESULTS

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Scored 3 out of 4 on CFMB (second-best category)	HIGG BRM reporting & analysis conducted	Risk analysis for the BNT conducted & action plan developed
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## CHALLENGES & TO DOS

### REASONABLE REPORTING

For us, reporting and analysis are important on the one hand to show our stakeholders where we stand and what progress we have made, and on the other hand to use the results to inform our strategy. However, especially as a small company, we need to keep the right balance

between doing reporting and actually having time to implement projects. Recently this has become more and more of a challenge due to the increasing reporting requirements of our stakeholders.



'We want to ensure fair employment for everyone in our supply chain.'

## IV FAIR FACTORIES

### TARGETS & ACTIONS

- ENSURE 100% OF FACTORIES MEET SUSTAINABILITY REQUIREMENTS & CONTINUOUSLY WORK TO IMPROVE
- REGULARLY ASSESS PROCUREMENT PRACTICES BASED ON BEST PRACTICE RESPONSIBLE BUYING STANDARDS

A central factor and lever for ensuring good working conditions in the supply chain and improving them are companies' purchasing practices. They include the entire collection development process, selection of new and relationships with existing suppliers, communication, payment terms, order changes, incentives and delivery times. We recently completed the Purchasing Practices Self-Assessment (PPSA) from the living wage initiative ACT (Action, Collaboration, Transformation). Through the PPSA, we analyzed our purchasing practices and

benchmarked them against best practices standards. We will use the valuable findings to conduct internal trainings and work on improvements. In the future, we plan to gather feedback from our suppliers in addition to the PPSA self-assessment to complete the picture. Covid-19 has emphasised the importance of responsible purchasing practices. The PPSA is an important tool in the textile industry to analyze and benchmark our practices and to develop an action plan.

Since the end of 2020, we have been a member of Amfori's BSCI and BEPI initiatives, which provide a platform and monitoring system for social, labor and environmental issues in the supply chain. The platform enables us to monitor audit results for most of our factories and plan

improvement measures together with our suppliers. In the future, we intend to make even greater use of Amfori's offers in terms of trainings for suppliers and our employees, access to grievance mechanisms and joint projects with other members.

The factories that we do not yet manage via the platform are mostly very small factories for which formalized

audits are very costly. Here, we rely on certifications at factory level that also cover social issues, detailed questionnaires that we intend to use more extensively in the future, and regular factory visits. Although we will probably not be able to conduct any factory visits in 2021, this will be on our agenda again for 2022. We are already looking forward to this, as personal contact on site is essential to build good and long-term relationships.

## RESULTS

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Analysed our  
purchasing practices  
via the PPSA tool

100% traceability  
to our manufacturing  
partners

13  
suppliers in 7  
countries

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## CHALLENGES & TO DOS

### EQUALITY

Since women make up 80% of the workforce in the fashion industry, equality and women's rights are crucial issues. Discrimination is often deeply embedded in societal structures and needs to be addressed in a culturally sensitive way. On our last visit our supplier in Turkey showed us the awareness-raising material they use at factory level. We want to work with further factories to set up similar measures.

### SAFETY

Textile workers handle machinery and chemicals that pose health and safety hazards. While protective equipment is usually available at factories, audits and visits revealed that many workers do not consistently wear it. Sometimes this is because experienced workers carry out their tasks routinely, and putting on equipment can be time-consuming and uncomfortable. We want to work with the relevant factory teams to foster behaviour change.



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

## V NEXT

The first six months of the year are already behind us and we are working at full speed on our projects. Here is a small selection of our current topics. You can learn more about our vision, goals, and actions in our [360° Framework](#).

### ECO MATERIALS

We are constantly working to improve our materials footprint. The next update on this will be in the upcoming CSR report. We are looking forward to it.

### CIRCULAR ECONOMY

We have kicked off a few circular economy projects in recent months and cannot wait to share more with you soon.

### ROADMAP

We have achieved a lot in the last two years. Based on the various reporting exercises, benchmarks and analyses of our status quo that we have done over the last few months, we are currently working on an update of our roadmap and aim to give fresh impetus to some of the topics that have fallen short so far.

### TRANSPARENCY

With our vision "Let every product tell its story" we want to give our customers more insight into our products. We have already made a start with our T-shirts and leather styles and are working on expanding this to other product groups.