



IVY OAK

SUSTAINABILITY REPORT

Q3 2021

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WE ARE NOT JUST ANOTHER LABEL.

We take a holistic approach to sustainability. Together as a team, we launched a 360 Framework to become the most sustainable company we can be. In our quarterly Sustainability Report we keep you updated on where we stand, what we are aiming for and what our challenges are.

Here is our third CSR Report of 2021. We hope you enjoy reading it!



I HIGHLIGHTS FROM OUR PREVIOUS REPORTS

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

75% of polyester styles made
with recycled polyester

First use of recycled cashmere,
recycled cotton & recycled
polyamide

81% of overseas transport
done by rail**

Replaced additional parcel size
by lighter envelope

CO2-neutral parcel delivery
& online shop via offsets

*Data for our A/W 21 collection. Eco-friendlier fabrics are defined as class A & B in our [fabric framework](#)

**Data based on S/S 21 collection



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

II ECO MATERIALS

TARGETS & ACTIONS

MORE ENVIRONMENTALLY FRIENDLY FABRICS BY 2025

We are very proud to achieve a steady increase towards our goal to use only Preferred A and B materials. In the A/W 21 collection, we achieved a 61% sustainable fabric share and in S/S 22 we scored a total of 81%. We significantly increased the use of certified viscose (e.g. ENKA, Lenzing, EcoVero, Jilin), recycled polyester (GRS), organic cotton and Tencel Lyocell. Compared to the previous collections, we have on average increased our share of sustainable materials by 15% per season. To learn more about the sustainable material benchmark we use, check our [Preferred Fibres & Materials Standard](#).

In previous seasons we put a big emphasis on increasing the use of certified organic cotton in the collection. For the A/W 21 and S/S 22 collection, we increased the use by up to 30%. Most of our cotton raw material and the final fabric comes from Turkey. In our S/S 22 collection, we collaborated with a local Turkish cotton supplier that grows their own cotton locally and weaves their fabric into a final product. Moving forward, our goal is to collaborate more closely with our fabric suppliers to source locally produced organic cotton.

Since 2020 we map 100% of the viscose used based on Canopy's Hot Button Ranking to ensure no wood from ancient and endangered forests enters our supply chain. This is extremely important to us as viscose is one of our main used materials. 20% of the A/W 21 collection and 24% of S/S 22 consists of viscose styles. To make even more major improvements in this domain, we started a chemical roadmap project to understand what chemicals are used in the making of the material and where we can improve.

In A/W 21 we started using recycled cotton and recycled wool in our collection. In the S/S 22 season, we also added a new recycled cotton yarn – Refibra. Refibra technology yarn is the first Lenzing's step towards circular textiles. It gives a second life to pre- and post-consumer sources and creates a high-quality yarn that can be used in cotton garments. We are using this yarn in our upcoming leisurewear collection to ensure comfort and softness to your skin. This is a great first step towards using more circular textiles and our goal is to start increasing the share of circular textiles higher every season.

RESULTS

81% of styles
made entirely of
eco-friendlier fabrics*

100% of viscose
styles stem from
Green Shirt Producers

First
Refibre Yarn
used


*Data based on S/S 22 collection. Eco-friendlier fabrics are defined as class A & B in our fabric framework

CHALLENGES & TO DOS

TRIMS

We started focusing on more sustainable materials, like resin, urea and corozo. However, it is still challenging to find sustainable options. We are working closely with manufacturers and suppliers on finding the right

qualities and to increase the use of more environmentally materials for upcoming seasons. We will continue deep-diving into this avenue for the future.



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

III OPERATIONS & FOOTPRINT

TARGETS & ACTIONS

SIGNIFICANTLY REDUCE OUR GREENHOUSE GAS (GHG) BY 2025 BY SWITCHING TO LOWER GHG TRANSPORTATION MODE

This quarter, we put a big emphasis on simplifying packing and warehousing practices by introducing a cross-docking system that makes the inbound process more efficient and allows orders to be packed in one big polybag instead of each item is packed in single bags. We saw a big decrease in the waste we made throughout the shipment and inbound processes and are working on establishing this process for every single order placed.

Raw materials and their processing use a lot of chemicals. This accounts for fabrics, linings and all

the trims. To understand better what our garments are made and to ensure they do not cause any harm to a person wearing them, we have a strict chemical testing policy. Our testing follows a risk assessment procedure and components are tested by 3rd independent parties that make sure that no restricted substances were used in making any of the components of the garment. In the AW21 collection, we received a pass of 96% at our first testing. For the remaining 4%, we either exchanged the components or improved to reach the highest standards for our collection. This is standard practice and we are aiming to improve it further by collaborating with material suppliers to make a switch towards green chemistry.

During a fabric sourcing period, fabric suppliers send brands multiple different fabric hangers to better understand the quality, touch and feel of the articles. The amount of fabric hangers we received from suppliers increased significantly during the past 1,5 years when fabric fairs and meetings in person were cancelled due to the pandemic. This gave rise to the challenge of how

to deal with the unused materials in order to prevent them from being disposed. We, therefore, started a collaboration with a Berlin-based fashion university and donated all the scraps and hangers to the students who can now use them for experiments, fabric testing and collections. This collaboration is for us a great start to dive further into circularity practices.

RESULTS

Piloted waste
reducing packing and
warehousing processes

96% of tested
garments passed
chemical tests

First partnership
on our way to
a circular economy

CHALLENGES & TO DOS

CHEMICALS MONITORING

As regulations are changing and getting stricter, emphasis needs to be put on research to keep up to date with all regulatory changes. Additionally, as we are

working to foster circularity practices in the company, we need to make sure that we use chemicals that are not restricting recycling and re-use of a garment.



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

IV TRACEABILITY

TARGETS & ACTIONS

100% TRACEABLE SUPPLY CHAINS BY 2025

Our vision as a brand is to have a clear understanding of all the components that are used to make a garment, as well as know exactly which facilities were used to manufacture the garments. After a lot of negotiations and trust-building with our partners, we are proud to share that we achieved a 100% overview of Tier 1 factories used for our collection. Additionally, as we increased the efforts of doing fabric and trim sourcing in-house, we managed to have a full overview of Tier 2 fabric and trim suppliers used. We are working further to achieve a better overview of Tier 3 yarn suppliers and Tier 4 fibre suppliers in the future.

Since last year's quarterly update, we placed a lot of effort into increasing our level of traceability for viscose fabric origin. Since the 2020 Q3 report, we have mapped 100% of our viscose fibre producers and are keeping this level of transparency as a pre-condition in the sourcing process. Additionally, starting A/W 21 and S/S 22 seasons we focused on mapping the origins of our organic and non-organic cotton. Currently, 82% of cotton used in the A/W 21 and S/S 22 collection is organic and comes from Turkey.

RESULTS


100% of Tier 1 Factories mapped	100% of Tier 2 Fabric Suppliers mapped	60% of Tier 3 Yarn Suppliers mapped
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CHALLENGES & TO DOS

MAPPING WIDER VARIETY OF FABRICS

Currently, we are putting the main attention on reviewing and improving the key materials like viscose and cotton. We are trying now to improve by mapping further a wider variety of materials, like wool, polyester and elastane. For wool, we only work with suppliers that can deliver non-mulesed wool. When it comes to recycled wool, traceability becomes complicated, as it is generally

very difficult for suppliers to trace back the exact origin of the wool (due to mixing different wool blends during the recycling process) and to thereby determine the mulesing-free nature of it. This is why our share of recycled wool is still small. However, we are working towards selecting only recycled wool fabrics certified with GRS to enhance our sustainability credentials.



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

V NEXT

The year 2021 is already approaching its end and we are constantly 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](#).

ROADMAP

We have achieved a lot in the last two years. Based on the various reporting exercises, benchmarking 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.

CIRCULAR ECONOMY

We have kicked off a few circular economy projects in recent months, e.g. 3D prototyping, and cannot wait to share more with you soon.

FOOTPRINT

We are currently working with a partner to analyse the environmental impact of a big share of our garments. Based on the results, we will be able to work on targeted measures. The analysis will help us to better inform our customers on the impact we have