



Babyface Annual CSR Report 2019



babyface®

Foreword

*The
smile
in your
mind*

Children have a very clever way of learning new things. From birth onwards they are able to play and by playing they discover the world. They learn what is important, what is fun, but also where danger threatens. Giving children the opportunity to learn and develop is central to the mission of the Babyface brand and is also at the centre of our vision on our Corporate Social Responsibility (CSR) policy. You have in front of you Babyface's first CSR annual report. This is a milestone for our company because we are now showing the entire world what the importance of a sustainable future means to us and how we are going to contribute to that.

Together with internal teams, external experts, other stakeholders and the Agreement on Sustainable Garments and Textiles we have begun our journey. Our ultimate goal is a sustainable future for children. Key points of our approach are the following: responsibility across the entire production chain, transparency and improvement objectives on textiles, environment and working conditions. And just as children learn by trial and error, we will achieve some goals more quickly than others.

In our opinion the only way to achieve our CSR goals is to work closely together in the production chain and with relevant stakeholders. We hope that you will read this annual report with great pleasure and that you want to co-create a sustainable future together with us, for all of us.



Jan Bongers
Director of Euretco Fashion

Contents

1	About Babyface	6
2	Corporate Social Responsibility (CSR)Policy	14
3	Insight into the chain	22
4	Fabrics we use	26
5	Potential risks in the chain	30
6	Our action in 2019	36
7	The next steps	40
8	De impact of Covid-19	46
	Glossary	48
	Attachment: Responsible Business Conduct	50



1 About Babyface

A SUSTAINABLE FUTURE FOR CHILDREN

“The future belongs to those who believe in the beauty of their dreams”* - and to those who dare to discover the world. We want to help you go on an adventure, to reach your limits (and sometimes to go beyond them). That’s how you’ll discover who you are and learn to stand on your own two feet. Be amazed, play, fill your backpack with experiences and make your own future.

These days, when children are taught never to be afraid and are given shoes that do up with velcro instead of learning to tie their shoelaces**, Babyface wants to help parents to help their kids to discover the world and become resilient. This is reflected in our designs, in the stories we tell and the games and tasks we set in a variety of ways.

Children and their future are central to our thinking. Not only the children who wear our clothing, but also the children of the people making the clothes. The future we see ahead of us is a sustainable one, and we want to contribute to that by making our clothing in a responsible way: using nature-friendly fabrics and in factories where workers are treated well and fairly, so that parents who work there can achieve a beautiful future for their children. We also want to help children to contribute positively to their own future, by helping parents explain to their kids why we need to look after the planet and its nature properly, and how parents can do this in a playful way with their kids.

* A quotation from Eleanor Roosevelt, founder of the Universal Declaration of Human Rights.

** Reference to: “21st-century skills courses in primary schools selling like hot cakes.”

*We want to help you go on an **adventure**, to reach your limits (and sometimes to go beyond them).*





BABYFACE'S MISSION AND VISION

VISION We want to make sure that children can discover the world and create their own future in a playful and comfortable way - wherever in the world you live.

MISSION We help children to have adventures and become resilient through play, and we help parents make this happen. When children experience our clothing - by seeing the prints, playing the games and reading our stories - they feel like 21st century explorers.

OUR BRAND VALUES



Caring for each other

You can only discover the world if you have a safe home base, somewhere you can always go back to when you run out of steam. We want to help create this home base with comfortable clothing that doesn't wear out easily and is made from soft fabrics, making sure you can learn to crawl, climb in climbing frames and learn to ride your bike. We also want to give a safe place to the people who make your clothes, working with our suppliers to make sure your clothing is made properly and safely.



Being naughty can be nice

We've got a few surprises in store for you that will put a cheeky grin on your face - the kind of grin you get when you know you're doing something just a little bit naughty. That's what makes life fun! You can see it in, on and around our clothes: in the drawings, in the packaging and the stories we tell. We want you to look at the world in a positive way, just like we do!



Dream big, play and discover

We believe that by trying things out and having adventures, you discover what you like and what kind of person you are. You can create your own world if you dare to dream. So dream big, play and discover! And we will help you. We are dreaming of a beautiful future for you, and so we also take good care of nature and the planet when we make your clothes.



A STABLE PLAYER

Next year we're celebrating our anniversary: we're turning 30! Babyface started in 1991 with a cool collection for toddlers with a mind of their own, and it has become a worldwide brand for kids, all the way from newborns to schoolchildren.

ACHIEVING MORE TOGETHER

We believe that we achieve more together, that we inspire and motivate each other to make progress. Babyface is part of a larger organisation: the Euretco and EK retail services group. We work every day so that independent retailers keep a strong position in the market, in the sectors of fashion, living, sport, DIY and the media. In the Netherlands, our affiliated retailers run nearly 2400 stores with a customer turnover of €2 billion.

At Euretco, our committed staff of 300 employees dedicate themselves every day to taking work and worries out of the hands of self-employed businessmen and women, both in stores and online. Euretco supports businesses with a range of back-office services, guaranteeing self-employed businesses an ongoing strong position into the future, so that they can focus on the primary store functions of sales and advice.

Our Dutch office is based in Hoevelaken, located centrally within walking distance of the train station and just off the A1 and A28 motorways.

FROM DESIGN TO DISTRIBUTION

Our keen team discovers new things every day. We search for new fabrics, draw funny designs and keep talking with our suppliers to see what we can improve in the whole chain, from design to distribution.

Our own twice-yearly collections (one in summer and one in winter), which we put together ourselves, focus on the essentials of quality and safety, while a little naughtiness and playfulness put a smile on every face.

Each main collection has three delivery moments, meaning that 6 times a year there's a new collection on hangers in shops.

Thanks to our broad range, babies can enjoy our brand for a long time, as we grow up with them until they're about 7 years old, with sizes ranging from 50-128 (US sizes: preemie and newborn up to age 7-8).

A WORLDWIDE VIEW

We are in daily contact with people from all over the world. Our products are principally made in China and India and are sold by retailers (both online and physical) in the Benelux, Germany, Italy, France, Spain, Greece, Switzerland, Austria and the USA.

CSR TEAM (CORPORATE SOCIAL RESPONSIBILITY)

We have set up a CSR team with colleagues from various departments, so that we make sure that making sustainable choices feels natural for everyone and so that sustainability is safeguarded at the core of our organisation. In the team we work towards sustainable improvements in the whole of our supply chain, including our head office and everyone who works for us.

In order to share knowledge and experience, the CSR team is comprised of staff members active not only for Babyface but also other brands within Euretco Fashion. The team is made up of staff from management, purchasing, marketing and communication, and retail account management, under the leadership of a full-time CSR manager.



WORKING TOGETHER WITH OUR STAKEHOLDERS

Customers

Whether they're curious babies, naughty explorers or knowledge-hungry schoolgoers, children and their journey of discovery are central to us. We get excited when kids join in with their ideas. Together we'll explore the world and make it a more beautiful place.

We help mums, and of course dads and caring grannies and grandads too, to make better choices. We make sustainability easy to understand for you and for your children. After all, if we can explain to our kids in a playful way how we can contribute to a sustainable world, then it will be the most normal thing in the world for them, now and in the future.

Colleagues

We're proud of our motivated permanent team here at Babyface. Everyone plays a part in making Babyface grow, by being challenged to discover what we can improve, each person doing what they're good at and always coming up with new initiatives.

Storeholders

Storeholders, with their shops both online and physical, are an important link between Babyface and the customer. With their expertise in sales and advice, we can make parents and children happy with their children's clothing.

Agents and suppliers

We work with 12 suppliers (in tier 1, see Glossary) and 2 agents. We have had a stable working relationship with them, often for at least 10 years, and open communication with them is extremely important for us. Together, we work to develop collections, to safeguard quality and to increase the sustainability of our brand. Every year, the purchasing staff visit the factories and speak to management and factory workers. In this way, we can see with our own eyes what happens, and whether it meets our norms and expectations.

We have drawn up a new code of behaviour which we will use to urge our partners to track down potential risks in the supply chain and to deal with them. We see it as our collective responsibility to achieve improvements for people, the environment and society.

Non-Governmental Organisations (NGOs) and initiatives

We see it as important to consult with various groups of stakeholders. We ask them to look critically at our goals and way of working. The Dutch national Agreement on Sustainable Garments and Textiles, created by the Social Economic Council (SER) in 2016, was our starting point towards sustainable business. It prompted us to make our supply chain transparent and to analyse and deal with our potential risks in the chain.

In order to get help with achieving our goals, prioritizing the most serious and most probable cases, we started a collaboration in 2020 with a number of Non-Governmental organisations (NGOs) including Unicef, Fair Wear Foundation, Solidaridad, Arisa and the branch organisation Modint. We set out our policy and priorities and we ask them for advice and help to achieve our goals.

We are working with human rights organisation Arisa to tackle the improvement of labour conditions in India. Together with local organisations, we're taking part in a project to improve the serious risks that have been determined in the Tamil Nadu region. These are issues such as a living wage for factory workers, or tracking down, preventing and eliminating child and forced labour.

*The
smile
in your
mind*



2 Corporate social responsibility (CSR) policy

BABYFACE'S SUSTAINABLE VALUES

Child development

As a baby and child brand, Babyface wants to help towards **developing skills** in children. Children are our future, and so we don't just want to look after the world properly ourselves, we also want to, and are able to, help kids discover the world, to stand on their own two feet and to find out who they are.

There's a lot of inequality in the world, and not all children have the same chances for a great future, both here in Europe and in the countries where our products are made. Our sustainable policy has **no child labour** and **a living wage** (for parents) as its most important elements, along with skills development for children.



Recycling

We want to help make our planet sustainable for future generations. This means using raw materials, energy and water in a responsible way. Using **sustainable fabrics** is important for this, but we go one step further: reducing commercial waste, our use of **chemicals**, introducing reused and reusable materials, making it possible to **reuse our clothes** and also introducing **new business models**. Step by step we are introducing circular business operations into the chain.



Awareness and education

A sustainable future requires change from everyone involved. You too, as the consumer, play an important role in the transition to a social and green economy. We want to involve children in this topic - of course in a playful and adventurous way - so that they too can learn how to deal responsibly with people and nature. After all, it is their future.



2 Corporate social responsibility (CSR) policy

AGREEMENT ON SUSTAINABLE GARMENTS AND TEXTILES

We have joined with over 90 textile companies to commit to the Dutch Agreement on Sustainable Garments and Textiles, and together with NGOs, the Dutch government, trade organisations and unions, we act to prevent such injustices as exploitation, animal cruelty and environmental damage.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The SDGs are 17 goals to make the world a better place by 2030. They are a worldwide route finder for challenges such as poverty, education and the climate crisis. The goals were set up in 2015 by the United Nations, as a follow-up to the Millennium Goals.

Babyface wants to contribute to achieving these sustainable development goals. We are integrating SDGs 4, 8, 10, 12, 13 and 15 into our sustainable strategy.

WE ARE TAKING RESPONSIBILITY

The OECD guidelines oblige companies to investigate to what extent they are involved in abuses in the areas of human rights, environment and animal welfare. Such an investigation is called due diligence.

By signing the Agreement, we are obliged to carry out *due diligence*. By so doing, we are taking responsibility for our supply chain by getting as clear a picture of it as possible.

This plan helps Babyface to prevent negative impacts on people, the environment and animals in the chain.

OPEN COMMUNICATION WITH YOU

We want to be transparent about the steps we are taking towards sustainability and how we are doing. From 2020 onwards, we will publish our Annual Babyface CSR report each year, so that you can read about our progress. We would love to communicate with you to hear what you think is important.





In 2019, Babyface developed a CSR policy. We are an international company, which is good for jobs, renewal and economic growth, but it also involves risks. Our CSR policy lets us act to track down and deal with risks of abuse or injustice.

We have prioritized 9 areas for the clothing and textile sector in our collaboration with stakeholders. These require urgent attention. In no particular order, these areas are:

1. discrimination and gender
2. child labour
3. forced labour
4. freedom of association
5. living wage
6. safe and healthy workplaces
7. raw materials
8. water, energy and chemicals
9. animal welfare

Based on the ILO and OECD guidelines for the clothing and textile industry, we add to these the following:

- working hours
- ethical trading, no bribery and corruption
- banning sexual intimidation and sexual and gender-based violence (SGBV) in the workplace
- the opportunity for individuals and groups to express their concerns by means of a complaints procedure

OUR APPROACH

We can't tackle all 9 areas at once, so we have made a risk analysis based on the severity and probability of the risk and the influence that Babyface has on it. Combining this with our sustainable values and desire to make a positive contribution to society, we have reached the following focus areas:

THE DEVELOPMENT OF THE CHILD IS CENTRAL, WHEREVER YOU LIVE

1. no child labour
2. living wage for factory workers

A SUSTAINABLE PLANET FOR OUR CHILDREN

3. sustainable raw materials
4. circular business
5. reduction of CO₂, water, energy and chemicals

You can read about how we came up with these 5 focus areas in Chapter 5.

1. No child labour

Child labour is in breach of human rights and is forbidden by law in most countries. In 2019, the Netherlands passed a law on the duty of care with respect to child labour. Under this law, every business which sells goods to Dutch consumers must prevent those goods from being produced with the help of child labour. (evt deze alinea met definitie in apart kader)

According to Unicef, there are 152 million children working as child labourers in the world, of whom 73 million work in dangerous conditions. Child labour robs children of their childhood and their right to education. Moreover, it is damaging to their physical and mental health and development.

There are many causes of child labour, such as poverty, lack of knowledge, absence of good education and poor compliance with laws intended to protect children. It is a complex problem (source: Unicef).

At Babyface, we think child labour is unacceptable. We work together with stakeholders such as Unicef



and Arisa to track down child labour, to stop it and to prevent it and to ensure fair wages for parents, so that children no longer have to work. A transparent production chain is essential for this, since we can only know where child labour is happening if we know where our products are coming from.

Buying GOTS-certified (see Glossary) cotton and products is another way to reduce the chance that child labour is involved in our transparent chain. This is because GOTS makes requirements both of the use of material and of labour conditions.

In our code of behaviour, called our Responsible Business Conduct document, we state that child labour is forbidden. Suppliers agree to adhere to our values and we stay in close contact with our suppliers, asking them to communicate our values in turn to their suppliers further down the chain.

We are starting with an investigation into tracking down, eliminating and preventing child labour in India, working together with human rights organisation Arisa. With the lessons learned from this collaboration, we will extend our investigation to China. If our research

reveals that child labour can be removed from our supply chain in China before 2030, we will of course endeavour to do this.

Goals:

- 2025: There will be no child labour in the Babyface production chain in tiers 1 to 4 in Tamil Nadu, India.
- 2030: There will be no child labour anywhere in the Babyface production chain.

2. Living wage for factory and other workers

A living wage is the amount of money that is needed to provide for basic needs and is often higher than the minimum wage in producing countries. The idea is that, by paying employees a living wage, excessive overtime is reduced and children can go to school, instead of having to work in the factory (source: duurzaambedrijfsleven.nl).

By working together with other members of the agreement and with NGOs such as Arisa, Babyface is working towards achieving a living wage for factory workers.

- Goals:**
- 2020-2023: Improved labour conditions and living conditions in the supply chains for the 4 Indian factories included in the Arisa project.
- 2021: Start an investigation into living wage at the 4 CMT factories in Tamil Nadu, India.
- 2021: Start awareness and education programme on living wage for Babyface purchasers (internal) and factory workers (external).
- 2022: Babyface will pay a living wage to workers at 1 CMT factory in India.
- 2022: 80% of all suppliers will have a valid audit and we will discuss progress with all suppliers.
- 2023: Start living wage project in China.
- 2025: 33% of all Babyface clothing will be made by workers in tier 1 who receive a living wage.
- 2030: We endeavour to reach 100% living wage for all Babyface CMT workers. .

The choice of raw materials has a big impact on the environment

3. Sustainable raw materials

We are focussing on sustainable raw materials. The choice of raw materials has a big impact on the environment and it is often possible to change to sustainable alternatives immediately, since we have a large influence over this.

Our collections are comprised principally of cotton (85%). The cultivation and processing of cotton have a large negative impact on the environment and on people, especially deep in the chain where cotton is picked by hand. Here there is a higher risk of child labour and these locations are not yet visible to us. For this reason, our focus is on finding sustainable alternatives to normal types of cotton, such as organic GOTS cotton, because this also guarantees good working conditions. Another area of focus is recycled cotton, that is to say cotton that has already been used. We must be alert to ensure no child labour takes place in the collection and processing of used clothing in India.

Next year we will investigate the possibility of making other fabrics sustainable, besides cotton. For example, using recycled polyester instead of normal polyester in our coat collection.

- Goals:**
- 2020: Start using 40% GOTS cotton in the Babyface collection
- 2021: 55% GOTS cotton in the Babyface collection
- 2022: 70% GOTS cotton in the Babyface collection

4. Circular business

The current fashion industry follows the linear model of buying, wearing and throwing away. We cannot continue to produce at this high speed, which causes enormous amounts of clothing to end up on the rubbish dump. Babyface is investigating new models of circular business, such as circular design, rental and loan models, recycling of fabrics and extending the life of products.

The circular business aims for a closed loop, in which materials go back into the production process after being worn. As well as raw materials, the circular business is also about using green energy (such as solar and wind energy) and a different way of thinking in which, even at the design stage, consideration is given to re-use of material and using high quality material to make a longer lifespan possible. (source: Ellen MacArthur Foundation)

Our circular ambitions also mean that we want to communicate about sustainability in an understandable way with children and their parents. By giving consumers more knowledge about how they can use our Babyface clothing more sustainably, we can promote a longer use of the clothes. We do this by providing good washing instructions, extra buttons for minor repairs, and promoting passing on of second-hand clothes for other children to enjoy. We are thus taking responsibility for lengthening the phase of use of our clothes.

- Goals:**
- 2021: Launch of first initiative to lengthen the phase of use of Babyface clothes.
- 2022: Launch of Babyface coat collection made of recycled polyester.
- 2023: 100% of the polyester we use is recycled.

5. Reduction of CO₂ emissions and usage of water, energy and chemicals

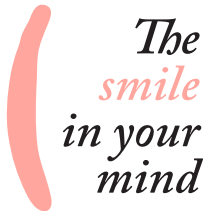
Babyface wants care sustainably for our planet, so that our children can keep enjoying it care-free. The climate is changing because temperatures are rising on earth. Warming can't be stopped, but will happen less fast if we emit less CO₂ globally.

The production of clothing uses a lot of water, energy and chemicals. Most of this occurs in production chain processes, such as dyeing, printing, washing and trimming of fabrics. Dyeing and trimming is responsible for 17-20% of all industrial water pollution (source: globalfashionagenda.com).

Clean drinking water, sanitation and water for crops will keep getting scarcer, and two million people already suffer from water shortages (source: UN 2018). Growing cotton also uses a lot of water.

For these reasons, we need to investigate how we can reduce the use of water, chemicals and energy in cotton production and clothmaking.

- Goals:**
- 2022: Start testing the first shipment samples for chemicals. .
- 2023: There will be no harmful chemicals in our final products.
- 2025: Introduction of our MRSL policy (see glossary).
- 2025: Babyface will be CO₂ neutral in transport emissions.
- 2027: 70% of all Babyface suppliers in tier 2 will have wastewater recycling facilities.



OUR VALUES SET DOWN
IN A CODE OF BEHAVIOUR

Our CSR policy and the agreements and expectations which we have made with suppliers about CSR have been set down in a Responsible Business Conduct (RBC) document. This is a code of behaviour which clearly describes our values for our partners in the production chain.

Suppliers will be asked to sign and return a declaration to the effect that they confirm that they have read and understood this code of behaviour and that they intend to keep to our standards. We will continue to communicate our values to the suppliers during work visits and via email, and we will discuss any points of improvement that we can achieve. The suppliers can also indicate whether any actions of Babyface prevent them from complying with those values.

OUR OWN PURCHASING BEHAVIOUR

Making Babyface sustainable starts with making choices about purchasing. In choosing a factory and choosing a particular supplier, quality, price, minimal order size and scheduling are important indicators. Since 2018, we have now added sustainability to this list. We look at the results of independent audits, the readiness to sign and keep to our code of behaviour, and how the supplier has delivered the products.

The members of the CSR team, together with purchasers and stylists, regularly follow training courses to expand their knowledge and to learn what they themselves can influence to improve sustainability.

Supplier performance assessed every year

Each year, our suppliers are assessed with respect to transparency and collaboration. We look at the results of audits and assess to what extent the improvements agreed on have been put into practice. In this way, it is not only commercial concerns which count the most in suppliers' performance.

We want our own performance
to be judged too

We want suppliers to tell us when our purchasing behaviour has a negative influence on the values we have agreed. The RBC sets out agreements on our expectations from the supplier but also what the supplier can expect from us.

We follow a sustainable purchasing strategy in which we:

- work to a stable schedule and timely communication about the schedule, so that the supplier knows what to expect;
- communicate in a timely way about changes to avoid working overtime;
- pay on time and pay part of the price up front with some suppliers so that they can be recompensed earlier for their costs;
- seek insight into price setting in order to understand the negative effects of price negotiations;
- do not need proto and fitting samples of current models and basic items, so that no unnecessary test items of clothing need to be made;
- look critically at extra stock buying to avoid clothing surpluses.

We discuss our buying behaviour regularly with our purchasers and ask our suppliers for feedback about our performance.

Long-standing collaboration

90% of our suppliers and agents have been working with us for over 10 to 15 years. We believe in the power of long, close collaboration with a great deal of mutual respect. We can always communicate openly with each other, increasing predictability and stability.

Thanks to this successful collaboration, we have more influence over the improvement and increasing sustainability of our products, as well as the people who make them.

3 Insight into the chain

Before a newborn baby can wear one of our safe and ethical Babyface romper suits, many people will have laboured over it with love. Every link in the production chain adds something of value to our products. But every step also brings potential risks along with it, which could have a negative effect on people and the environment.

We are trying to map out all the possible risks by continually investigating the chain and speaking to people, gradually gaining more insight ever deeper into the chain. We are working with NGOs, local organisations and other experts to improve and prevent risks. For some risks, time and patience is needed to get results. But just like our stubborn toddlers, we won't give up.

TRANSPARENCY IN THE CHAIN

In order to know where potential risks can crop up, we need to know where our products come from and how they travel through the production chain. We are striving to achieve 100% transparency, in order to make sure child labour and other serious and probable risks do not occur in the factories where our clothes are made.

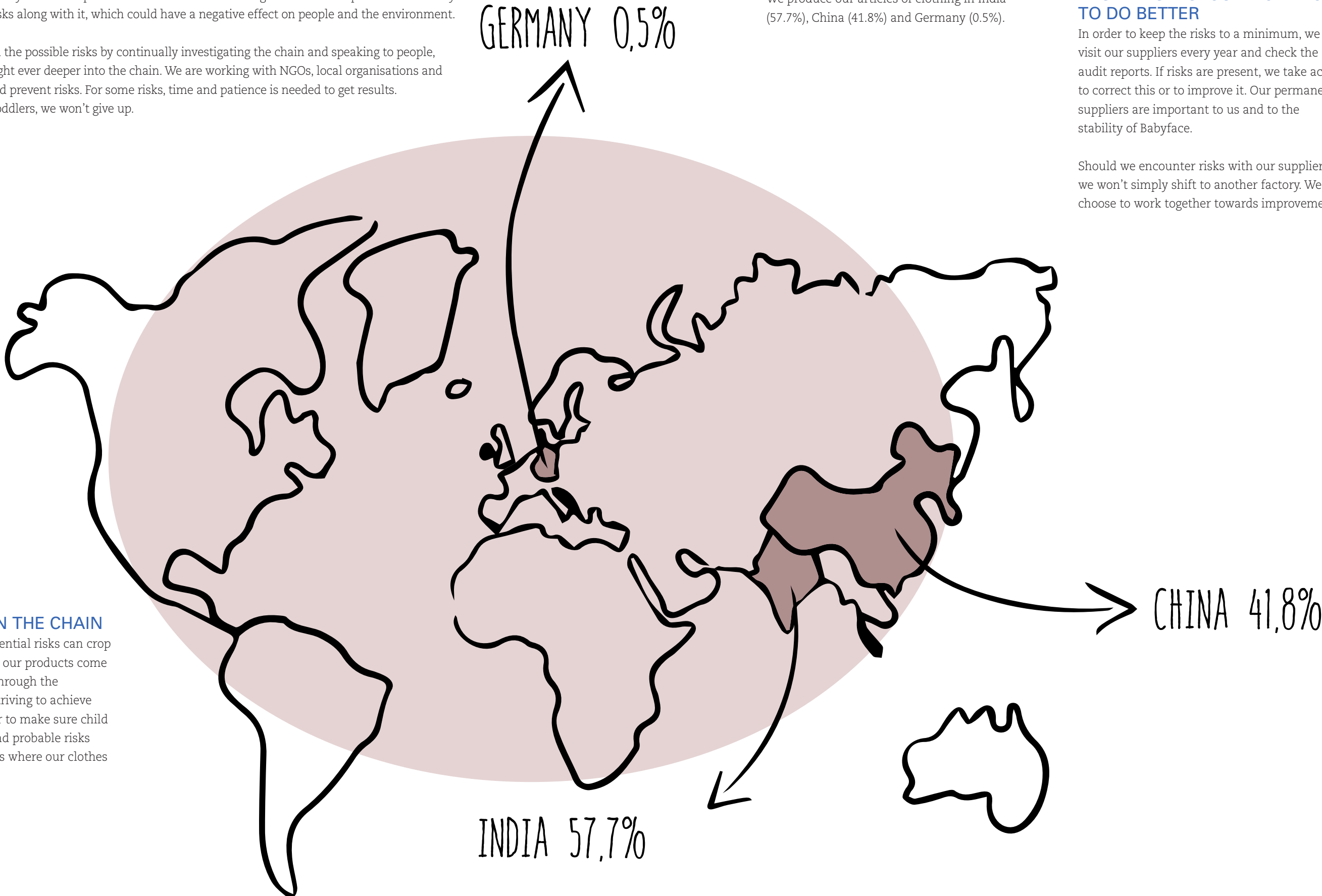
THE WORLD AT OUR FEET

We produce our articles of clothing in India (57.7%), China (41.8%) and Germany (0.5%).

EVERYONE ALWAYS DESERVES A SECOND CHANCE TO DO BETTER

In order to keep the risks to a minimum, we visit our suppliers every year and check the audit reports. If risks are present, we take action to correct this or to improve it. Our permanent suppliers are important to us and to the stability of Babyface.

Should we encounter risks with our suppliers, we won't simply shift to another factory. We choose to work together towards improvement.



FOLLOW OUR CLOTHING EACH STEP OF THE WAY!

A pair of Babyface trousers goes through the following steps before it can be worn by a newborn or a headstrong toddler:

1. **Grow and pick cotton.** The cotton plant grows and the cottonheads are picked.

2. **From cottonhead to thread.** The picked cottonheads are cleaned, washed, bleached and may be dyed. After this they are spun into thread.

3. **Knitting and weaving.** The cotton yarn is knitted or woven into cloth.

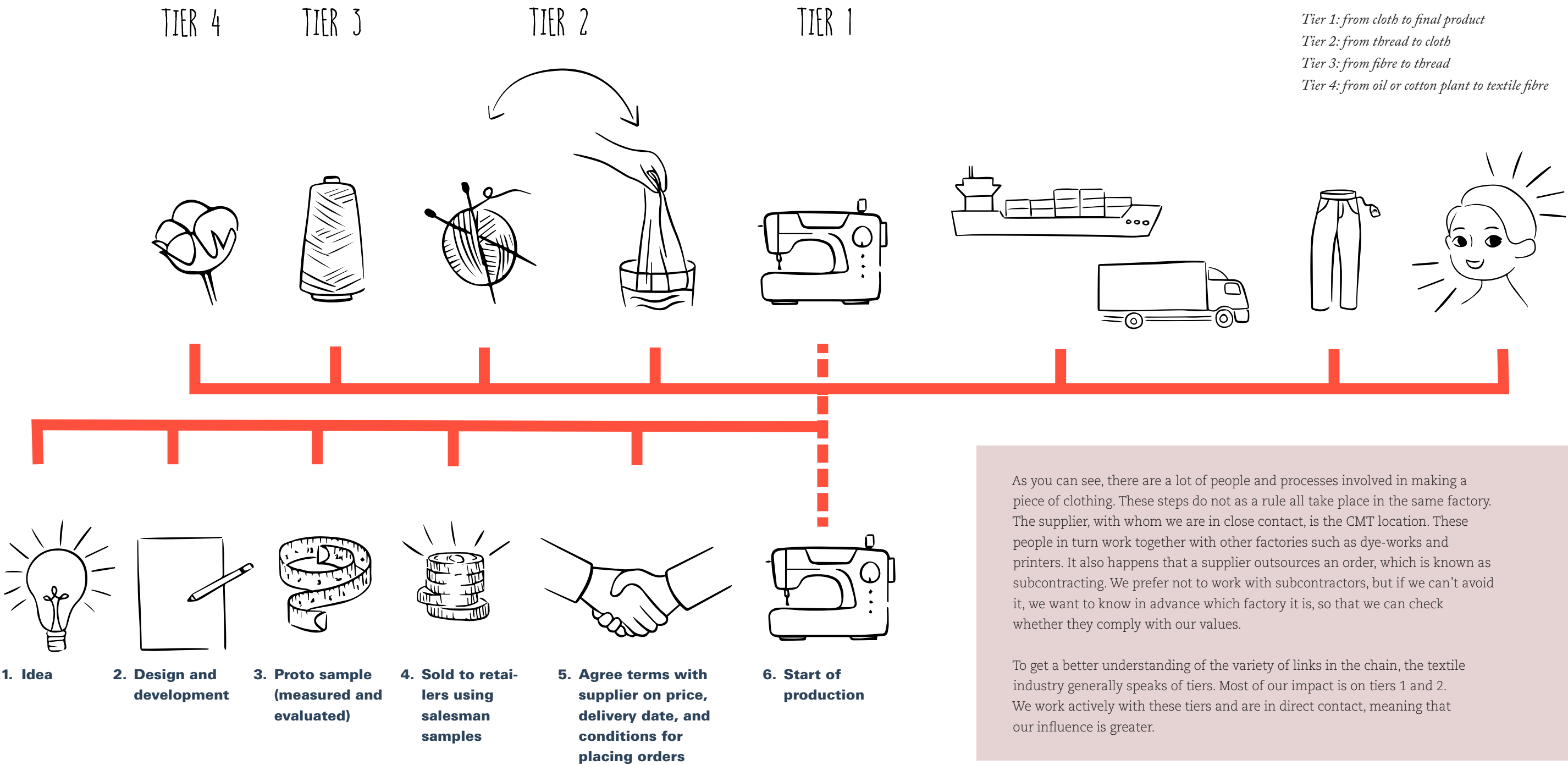
4. **Dyeing and finishing.** The cloth is dyed and may be printed in colourful patterns, and then goes through additional colour treatments.

5. **CMT.** Cutting, making and trimming. The final accessories are added and the pair of trousers is ready to be packed and shipped.

6. **Shipping.** The items of clothing are transported, mainly by boat and lorry and in full containers, from Asia to our logistics centre in Tegelen.

7. **Store.** The pair of trousers is ready for sale in shops and online stores.

8. **One happy baby or toddler.** Babyface is a happy face.





4 **Materials we use**

2019	
Cotton _____	49,6%
Organic cotton _____	35,6%
Polyester _____	11%
Elastane _____	3,3%
Acrylic _____	0,3%
Polyamide _____	0,1%

The 21st century explorer discovers the world through play. The best and biggest adventures, full of dragons and princesses, are of course to be had in comfortable, practical, safe clothes. After an afternoon of building treehouses and jumping over streams, they come home covered in mud.

We pay close attention to the choice of fabric, so that children and their parents can have fun without worrying.

THE ADVANTAGES OF COTTON

Most of the items in our collections are made of cotton, which is soft, breathable, absorbs lots of moisture, is hardwearing and can be washed at high temperatures.

THE MANY DISADVANTAGES OF COTTON

Cotton also has many disadvantages with respect to its impact on the environment and on people. Cotton is one of the most polluting crops that can be farmed. It is also produced in more than one hundred countries around the world, meaning that one cotton thread can contain cotton from over 1000 cotton farmers.

In order to grow cotton properly, it needs a lot of water: about 10,000 liters of water to produce 1 kilo of cotton. Water is also used when picking cotton, to wash the cottonheads. This water comes from lakes, rivers and water reservoirs. This enormous consumption of water causes shortages in many regions, resulting in water shortages for the people who live there but also for plants and wildlife, which suffer from drought.

The enormous cotton fields where the cotton plants grow attract insects and other unwanted plants, which attack the crops. Cotton farmers tackle these pests with large quantities of chemical insecticides and herbicides, which then leach into the ground and pollute the groundwater and surface water. Unsafe use of agricultural pesticides is not only damaging to the environment but also harmful to farm labourers' health. Another important point is that in most of the countries where cotton is picked by hand, there are concerns about child labour and poor working conditions.

One of our most important focus areas is switching from standard cotton supplies to organic cotton. We've been working to make our material more

sustainable since 2018, and in 2019 we went from 5.5% sustainable raw materials to 35% sustainable raw materials, thanks to GOTS-certified cotton.

ORGANIC COTTON

Organic cotton is produced using techniques and raw materials which have a low impact on the environment, such as growing the cotton without the use of pesticides or fertilizer, and spinning the yarn without adding chemicals. The growing plants are protected naturally against harmful insects by using, for example, butterflies. In this way, organic cotton is better for the environment, and also for the health of the cotton farmers and their animals.

Organic cotton is also soft and strong and feels good against the skin, thanks to the absence of chemicals, which makes comfortable wearing for children with their sensitive skin.

However, even organic cotton requires a large amount of water to grow, and it is also more susceptible to disease since it is not sprayed with pesticides. Thus to obtain the same yield of organic cotton as standard cotton, more cotton plants are needed, and so also more water to grow them. This can be a problem, especially in dry regions such as India.

CERTIFICATES

By buying fabrics with a quality certificate, we can reduce risks. That's why we use materials certified by GOTS, Oeko-tex and REACH (EC 1907/2006). Our products are worn by babies whose skin is very sensitive, which makes it all the more important that they are free from harmful chemicals and safe to use.

GOTS

GOTS-certified organic cotton is eco-friendly and produced in a socially responsible way at every link of the chain, all the way from cotton harvest to final product.



Oeko-tex standard 100

Products with the Oeko-tex label are free from dangerous chemicals, including illegal substances, controlled substances, known harmful chemicals and health care parameters.



REACH

REACH (EC 1907/2006) aims to improve the protection of human health and the environment by identifying chemicals correctly and on time, in order to be sure that an item is free from damaging chemicals which pose a health risk, and so that babies and children can enjoy our products to the full..



CHEMICAL USE

The production of clothes, from raw materials to finished products, is a complex and a chemical process. Clothes that are worn on vulnerable baby skin must not contain any damaging chemicals at all. And so Babyface is working to develop and implement responsible chemical use in the entire supply chain and for each process, including those of accessories, printing and packaging material.

Together with a chemicals expert from Modint, we have put together a tailor-made list of forbidden substances in the finished product (a Restricted Substances List for Finished Products or RSL), which meets the REACH guidelines. All our CMT suppliers are asked to send this RSL and accompanying documentation to their suppliers, such as dyeworks, printers, laundries, raw material suppliers and packaging suppliers. The next step is to test Babyface articles to see if there are in fact any damaging chemicals in them. In the next few years we intend to delve deeper into the chain to make sure that there are no damaging chemicals in the production process. This plan requires another list, the Manufacturing Restricted Substances List (MRSL), which we plan to start using in 2025.

MATERIALS PASSPORT

We have created our own Sustainable Materials Passport, based on the Modint Sustainable Material Guide, the HIGG index from SAC and LCA Ecoinvent, in order to gain clear insight into the raw materials we are currently using and which sustainable alternatives we could switch to.

The Materials Passport is based on data from the Life Cycle Analysis (LCA) and will help us to understand the raw materials in terms of non-sustainable choices (class IV materials) and more sustainable choices (classes I, II and III).

Babyface purchasers use this passport to see in a simple way if there are more environmentally friendly alternatives to existing raw materials.

A word about recycled materials

Using recycled materials is better for the environment than always making new ones. Although water and energy are needed to turn used materials into new products, the environmental impact is much lower.

However, it is important to note that the collection and recycling of clothes into new products involves workers, who should be treated properly. We have learned about Panipat in India, where the textile recycling industry uses migrant labour and child labour. One option is to buy recycled materials that have a GRS certificate, which guarantees good social conditions.



MATERIAL PASSPORT

Sustainable ← Unsustainable

Class I	Class II	Class III	Class IV
Recycled cotton (mechanically/chemically)	Organic cotton (GOTS)	Sustainable cotton (BCI, OCS, CmiA etc)	Cotton (C, CTN)
Mechanically recycled wool/reclaimed wool	Organic wool/Merino (GOTS)	Wool (WO)	Elastan/Spandex
Recycled linen	Organic linen (GOTS)/natural retting	Linen (LI) chemical retting	Viscose (CV, Vi)
Recycled hemp	Organic hemp	Polyester (PPT, PES, PE)	Rayon (RY, RA)
Recycled polyester (mechanically)	Lenzing Lyocell (Tencel, ten, CLE, LYO)	Hemp chemical retting	Cupro (CUP)
Recycled polymid (mechanically)	Recycled polyester (chemically)	Modal (CMD, MD)	Acetate
	Recycled polyamid (chemically)	Acrylic (PAN)	Polyamid (PA)
	PLA (polylactid acid)	Cashmere	
	Wild/Organic silk	Wild/Organic silk	Silk (SE)
	Milk fibre		
	Monocel		

5 Potential risks in the chain

For many years, Babyface has used high quality fabrics which are safe for our children and above all sustainable, so that the clothing can be passed on to younger brothers and sisters. As well as these aspects, we are now aiming for sustainability in the whole production process, learning about the complexity and the potential risks of negative impact.

Every year, we map the risks in order to track them down and tackle them. We do this by looking at the fabrics we use, the treatment processes which the clothes undergo, the common risks in the countries where we produce, the environmentally friendly performance of the factories and, lastly, the risks that are characteristic for the clothing sector. We start at country level and then zoom in further and further with our magnifying glass to the risks in our factories themselves. Then we make a risk matrix to see clearly which aspects score highly on several levels, so that we know which aspects we need to tackle first.

To make it practical and feasible, we have divided the results of our research into priorities by looking at the likelihood of something negative happening, the severity of that event and the influence we ourselves have to bring about improvements.

LIKELIHOOD

The likelihood of negative impact is determined by the frequency that a risk occurs. Take for example the use of damaging pesticides in cotton farming or excessive overwork in CMT units in China. These risks are more of a rule than an exception.

SEVERITY

The severity, or seriousness, of negative impact is determined by the surroundings (the number of people affected), the size, and the possibility for reversal of the situation. Take for example death, serious damage to health, child labour or severe forms of forced labour.

TOGETHER WE CAN MAKE A DIFFERENCE

We ask for advice from organisations with knowledge of human rights and environmental issues, working with Arisa, Unicef, Solidaridad, the Fair Wear Foundation, Modint and the Agreement on Sustainable Garments and

Textiles. We also use a range of tools and publications, such as the Due Diligence instrument put together by Modint in collaboration with all parties involved in the Agreement. We are targeting the most probable and most serious risks and consequences, ones where we, together with others, can make a difference.

Risk analysis of our largest production countries

Risk	India	China
Discrimination and gender	C	C
Child labour	D	
Forced labour	C	B
Freedom of association	D	D
Living wage	C	C
Safe and healthy workplaces		C
Raw Materials		
Water, energy and chemicals	C	B
Animal welfare	C	E

Source: Due diligence tool Modint





RISKS IN OUR PRODUCTION COUNTRIES

First of all, we started with a risk analysis of our production countries. Our products are mainly made in India (58%) and China (42%). Each of these countries has its own culture, laws and values. We have researched each country separately to understand the risks to people and the environment that occur there. Our detailed risk analysis of both countries was made on the basis of the 9 areas of the Agreement.

The height of the risk is indicated with labels ranging from A to E, where A is a very low risk and E a very high risk. Where there is no label, this does not mean that there is no risk, but that there is insufficient information to judge the risk correctly.

Child labour and living wage

The country analysis has revealed that child labour and a living wage are high risks. In India and China, children are still put to work in lower tiers of the supply chain (tiers 3 and 4) and through subcontractors. This also brings with it the risk that labourers are more vulnerable to abuse and exploitation. Even where there is a national minimum wage, this is often not a living wage. Child labour is not often visible in the lower tiers, but occurs in the higher tiers of the production process, such as harvesting, picking and spinning of cotton. There are no unions, or they may exist but be chosen undemocratically.

In order to learn more about this topic we followed training courses on the living wage, and we have had several conversations with NGOs about child labour and the living wage. Thanks to these insights, we can discuss the topic more effectively with our suppliers.

Freedom of association

Freedom of association, or the freedom to form trade unions or other groups, is a high risk. In India and China, freedom of association and freedom of speech in general is limited or banned. Freedom of speech is even suppressed by means of physical violence, intimidation and military action.

Water, energy and chemicals

There is a serious risk of abuse in the areas of the use of water and water pollution, high energy usage and dangerous chemical substances. Cotton farming requires high usage of all of these three elements. Since cotton forms 85% of the material used in our items of clothing, this risk is high on our list of priorities.

Animal welfare

Animal welfare is an extremely high risk In China. We choose not to use any animal-derived materials, such as wool, leather or fur, in our items of clothing, and so this point does not apply to us.

Other risks

The country analysis revealed that, in India, employees are at high risk of discrimination (including on the basis of gender), of unsafe workplaces and of forced labour.

Our minimum standards and values in these areas, as with the other areas, are described in our Responsible Business Conduct document under the heading '9 policy areas'. We cannot address all the risks in one go, but we and our suppliers are trying to take positive steps.

*risks to
people and the
environment*



RISKS IN THE CLOTHING AND TEXTILE SECTOR

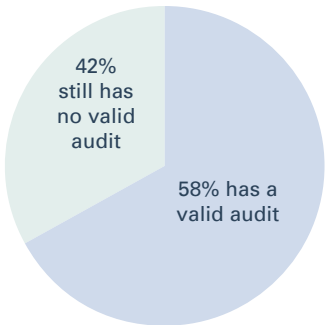
The clothing and textile sector is characterized by the use of low-educated workers, the intensity of the work, production that is spread over many locations and rapid turnaround times. These characteristics increase the risk of labour and human rights violations. In addition, the raw materials used in products and product development processes increase the risk of a degree of environmental damage at a variety of stages in the production process.

RISKS IN OUR FACTORIES

We investigate the risks in our factories by examining the audit reports carefully, making work visits every year and carrying out talks with our suppliers. We use audit reports that have been prepared by independent organisations, who visit our production locations and write thorough reports on their findings. The following audit systems are used: BSCI, SA 8000 and SMETA.

We are members of Amfori BSCI and subscribe to their 11 assumptions, which include fair pay, no child labour, freedom of association and safe workplaces. We have set out these topics in our RBC.

As Babyface, it is our responsibility to work with these audit systems. Throughout the year we analyse these reports and raise issues with our suppliers to make thoroughgoing improvements. In 2019, 58% of all Babyface suppliers had a valid audit. These were responsible for 64% of our products. Our goal is to have all our suppliers work with an independent audit. We are in dialogue with the remaining 42% of our suppliers to bring this about.



5 Potential risks in the chain

RISK MATRIX

On the basis of the country analysis, the supplier audits and the sector and material risks, we have brought together all potential risks to see which priorities can be set.

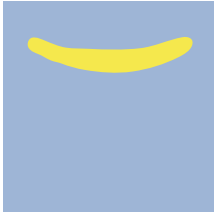
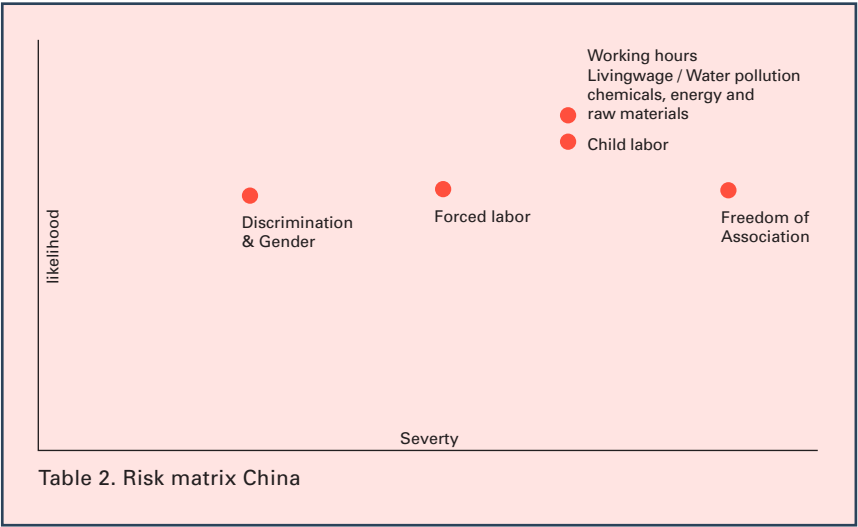
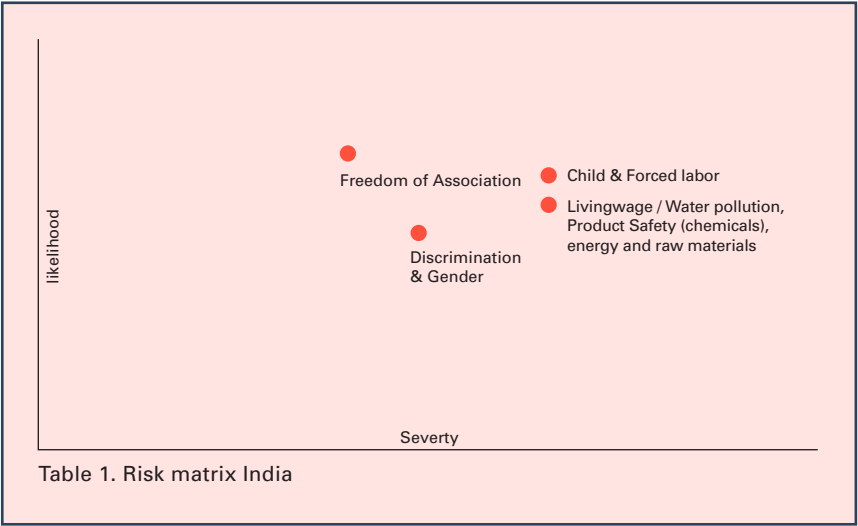
We first gave each risk a rank based on its severity, or seriousness, and then looked at the probability of this risk occurring with our suppliers. We then chose a ‘top 5’ most relevant points for consideration, in order to give real priority and focus to our activities.

The supplier audits led us to conclude that our suppliers need to improve in a number of areas. We have also seen that some areas meet the requirements, but we have learned that not all risks are revealed by these audits. A group of interested

parties, including Arisa, Unicef and Solidaridad, have seen our analysis and we have incorporated their feedback. Arisa, for example, indicated that child labour does not occur in tier 1 in India, but that it does occur deeper in the chain. We have therefore marked this priority in the risk matrix as having high probability and high severity.

Risks will be addressed with the supplier concerned. Our influence may be greater with one supplier than with another at times.

All urgent risks will be dealt with by Babyface by means of our yearly main goals, as can be read in Chapter 2. The goals have been broken down into short, medium and long term actions. Our actions for 2020-2023 can be found in Chapter 7.



Our achievements in 2019



*Learning,
by trying
is our motto*

In 2019 we took great strides in making Babyface more eco-friendly. We established policy, so that all our staff and the suppliers who make our products know what we think is important and can comply with it. We have taken part in training courses and dialogues to learn about the improvements we can carry out and how we can work towards this with the factories. This is an ongoing process, each year going a step deeper into the chain to track down risks and strive for improvements.

And we have already achieved results: in 2019, 35% of our entire collection was made from sustainable fabrics. And we are working on new projects, full of enthusiasm and curiosity to take the next step forward. Learning by trying is our motto - and so we're making steady strides towards a beautiful future.

We're proud of the steps we've taken in 2019:

1. *new code of behaviour established
and signed by suppliers*
2. *first start made towards transparency
in the production chain*
3. *more sustainable fabrics in our collections*
4. *obtained GOTS certification*
5. *potential risks mapped out*
6. *started collaboration with Arisa*



NEW CODE OF BEHAVIOUR
ESTABLISHED AND SIGNED

Our standards and values for working together with all links in the chain have been set down in a Responsible Business Conduct document, or RBC. This document clearly explains what we expect from our suppliers and what they can expect from us. We remain in dialogue with suppliers to discuss these points and to apply them, so that both we and they take responsibility for making our whole production chain sustainable.

We make a timeline with each supplier according to the due diligence guidelines and the OECD guidelines, which lists the improvements we want to bring about together and when these can be achieved, regularly checking as we do so the 9 focus areas of our CSR policy.

In this way, we create clarity in the expectations which Babyface asks of its suppliers, and we ask suppliers to give us feedback on our actions, if they hinder them from complying with these standards and values. We keep in close contact with our suppliers on how we can be jointly responsible in the chain.

In June 2020, 62% of all Babyface suppliers (tier 1) signed and returned the RBC.

FIRST START TOWARDS
TRANSPARENCY IN THE
PRODUCTION CHAIN

Before your child can wear one of our Babyface romper suits, it has taken a long journey and many people have worked on it. In order to know where on this journey there is a risk of damage to people or the environment, we first need to know where the suit is made. That sounds obvious. And of course we know which factory made it, but where they get the cotton from is still hidden. It may be that the factory which assembles the suit (the CMT location) doesn't know where the cotton comes from, or doesn't want to tell us because it is competition-sensitive.

And so we are working with the Agreement and the NGO called Arisa to gain more insight into the chain and we are learning from others' good examples to discover all the information about our chain. We are aiming for 100% transparency in the chain.

In 2019, we took three tailor-made courses from Modint, to discover the traceability of a range of products. We learned which links in the chain are traceable, how we can check information for accuracy and what questions we can ask to gain more information.

Currently, all tier 1 production locations are transparent, and some tier 2 and 3 locations.

MORE SUSTAINABLE FABRICS
IN OUR COLLECTIONS

Between 2018 and 2019 we increased the amount of organic cotton from 5% to 35%, so that nearly all the clothing in the newborn collection is now made from GOTS certified cotton. We are striving as far as we can to use as many sustainable fabrics as possible in the Babyface collections.

GOTS CERTIFICATION OBTAINED

As of May 2020, Babyface is GOTS certified. We want to give our customers a guarantee that our products are made in a sustainable and ethical way. By working with as many GOTS-certified links in the chain as possible, we can guarantee that the product is made of eco-friendly materials that have been made in a socially responsible way.

POTENTIAL RISKS MAPPED OUT

Chapter 5 gave details of the way we worked to analyse risk and the results we obtained. Thanks to this thorough risk analysis, we have been able to formulate clear goals, which gives us focus and enables us to have targeted dialogue with our suppliers.

STARTED COLLABORATION
WITH ARISA

Together with other signatories to the Agreement, we are starting a project with the NGO Arisa in the Tamil Nadu region of India. Four of our Indian suppliers work in this region, between them responsible for 57% of our products. Arisa works in India with the local NGO, SAVE, to provide training courses to factory workers and management staff. The topics of the training courses include child labour, forced labour, discrimination and gender, health and safety, wages and freedom of association in the entire supply chain.



In their first study, completed in 2019, Arisa explained that most factories work with subcontractors. For example, one of our suppliers outsources the order to a subcontractor, meaning that there are no official employees, which entails many potential problems. In the first study, over 75% of the factories investigated worked with subcontractors. We don't know for sure if

this information is given to those carrying out the audit. There are many challenges to be overcome, such as training temporary hired staff and training subcontracted workers. However, we believe that a project group with as much influence as ours will be able to bring about a positive change to the current supply chain.

7 Steps we will take in the near future

We dream of a beautiful future where all children have an equal chance to grow and develop, enabling them to discover who they are, to stand on their own two feet and to determine their own future. And a beautiful future is also a green future. That's why, when we make your clothes, we also look after nature and the planet.

We discover the world by trial and error, learning every day. We work together to get further. We challenge each other to take steps, and so we grow together towards a sustainable industry. Here you can read about the steps we are going to take in the near future.

THE DEVELOPMENT OF THE CHILD IS CENTRAL, WHEREVER YOU LIVE

No child labour

Goals:

- By the end of 2020 we will have 70% transparency in tier 3 of our production chain.
- By 2024 the whole Babyface production chain will be transparent.
- By 2025 there will be no child labour in the Babyface production chain in tiers 1-4 in Tamil Nadu, India.
- By 2030: There will be no child labour anywhere in the entire Babyface production chain.

Actions:

- 2020 Signing the Transparency Pledge
- 2020-2021: Carry out talks with all CMT factories (tier 1) to make the chain transparent together.
- 2020-2021: Carry out talks with all suppliers who do not yet have an independent audit system, to introduce one.
- 2020-2023: In collaboration with Arisa, start a programme of education for employee management committees in 75 factories in India.
- 2020-2023: In collaboration with Arisa, offer a programme of education in 35 hostels in India.
- 2021: Seek collaboration for better insight into the chain.





Living wage for factory workers

- 2020-2023: Improving the labour conditions and living conditions in the supply chains of the 4 Indian factories that fall under the Arisa project.
- 2021: Start a pilot research study into living wage at the 4 CMT factories in Tamil Nadu, India.
- 2021: Start awareness-raising and educational programme on the living wage for Babyface purchasers (internal) and factory workers (external).
- 2022: At least one CMT factory in India will be paying a living wage according to our worker criteria.
- 2022: 80% of all suppliers will have valid checks and we will discuss progress with suppliers.
- 2023: Start living wage project in China.
- 2025: 33% of all Babyface clothing will be made by workers in tier 1 who are paid a living wage.
- 2030: We aim for 100% living wage for all Babyface's CMT workers.

Actions:

- 2020-2021: Carry out talks with the suppliers from China who do not yet have independent audits, to introduce them.
- 2021: Carry out talks with CMT suppliers in India to find out what they understand by a living wage.
- 2021: Investigate salaries at 3 levels (unskilled, medium skilled and management level) in the 4 factories in India and then compare these with country averages in this sector.
- 2021: Investigate whether we can work with other brands also producing in the same factories in India, in order to gain more influence over achieving a living wage.
- 2021: Investigate whether we can work with other brands also producing in the same factories in China, in order to gain more influence over introducing independent checking systems.
- 2020-2021: Discuss improvement to our own purchasing practices with suppliers.
- 2020-2021: Follow courses on living wage.
- 2021-2022: Make a new risk analysis and set priorities with audit data from more Chinese suppliers.

**A SUSTAINABLE PLANET
FOR OUR CHILDREN**

Circular business

Goals:

- 2021: Launch first initiative to lengthen phase of use of Babyface clothing.
- 2022: Launch Babyface coat collection made from recycled polyester.
- 2023: 100% of the polyester we use will be recycled.

Actions:

- 2020: Raise customer awareness and promote passing on clothes that no longer fit or selling them second hand.
- 2020-2021: Research possibilities for using recycled polyester in the Babyface coat collection.
- 2021: Research possibilities for buying recycled fabrics with a GRS certificate.
- 2021: Advise consumers on how to keep clothing looking good for longer (such as washing instructions).
- 2021: Research take-back systems, rental possibilities or other circular services.
- 2021: Research fabric recycling and possibilities for upcycling and downcycling.
- 2021: Seek collaboration for circular services.
- 2021: Train purchasers and stylists to think in terms of the circular business from the design stage onwards.

Sustainable fabrics

Goals:

- 2020: Start with 40% GOTS cotton in the Babyface collection
- 2021: 55% GOTS cotton in the Babyface collection
- 2022: 70% GOTS cotton in the Babyface collection

Actions:

- 2020-2021: Enter into dialogue with top 5 Babyface suppliers to discuss possibilities for making the entire production process GOTS certified.
- 2020: Research possibilities for using alternative fabrics instead of cotton, such as hemp, linen or recycled cotton.
- 2022: Research possibilities into more sustainable alternatives for hang tags, trims, labels and packaging.





Reducing CO₂, water, energy and chemicals

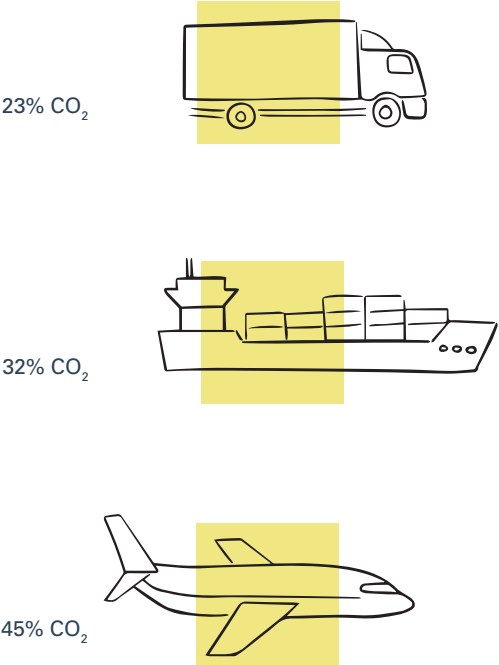
Our research has shown us that we can take a large step in reducing water, energy and chemicals by printing digitally instead of in the conventional way (traditional silk screen printing). Digital printers use less water (about 60% less), energy (about 30% less) and chemicals (about 70% less) than traditional printing machines. This varies per supplier and machine, so we do not have exact figures yet. We will research this further.

Some of our suppliers use green energy (solar panels) and have a recycling system for wastewater. Water recycling is the process in which the same water is used more than once in a system, which means that fewer chemicals end up in the waterways.

CO₂ emissions

All our products are shipped from the production countries to our warehouse in Tegelen and then go on to the stores. This takes place by boat (92%), truck (6%) and sometimes by air (2%). We want to use air freight as little as possible, because this is many times worse for the environment.

The diagram below shows the share of CO₂ emissions of each transport option in percentages, based on kilograms of CO₂ emissions per ton, per kilometer.



We used the Environment Barometer and CO₂ emission factors to generate these figures.

Although only 2% of products are shipped by air, this accounts for 45% of the CO₂ emissions.

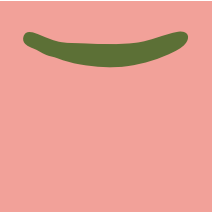
In total, CO₂ emissions are 3.22 tons. This works out to going almost half way round the world (0.38) in a car.

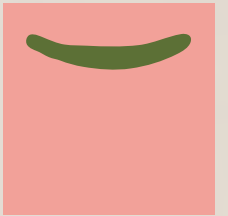
Goals:

- 2022: Start testing for damaging chemicals in the first shipment samples of clothing.
- 2023: There will be no more damaging chemicals in our final products.
- 2025: Introduction of our MRSL policy.
- 2025: Babyface will be CO₂ neutral in transport emissions.
- 2027: 70% of all Babyface suppliers in tier 2 will have water recycling facilities.

Actions:

- 2020: Investigate with our colleagues in purchasing and logistics how we can reduce the number of airborne shipments.
- 2020: Investigate with our colleagues in purchasing and logistics how we can make store deliveries as complete as possible, so that the number of shipments is limited.
- 2021: Look for options within the EU to send using short sea shipping or by freight train.
- 2021: Research differences in water, energy and chemical use between digital printing and conventional printing as done by our suppliers.
- 2021: Investigate the possibilities of green energy and circular water systems with our suppliers.
- 2021: Research whether we can start using natural dyes in Oeko-tex certified factories. This would save water, energy and chemical use.
- 2021: Research possibilities of using energy efficient trucks for shipping.
- 2021: Research possibilities of testing clothing for the presence of chemicals.





8 The impact of Covid-19

At the time of publication we are in the middle of the Covid-19 crisis, which is affecting the entire world. The measures taken by governments to keep as many people as possible healthy, and to restore health to those who are ill, also have consequences for the economy: from deserted shopping malls to factories that have been closed. Each country has taken its own measures to fight this virus.

The Covid-19 crisis has also had an impact on our business and on the suppliers we work with. We'd like to tell you what actions we have taken in these bizarre circumstances.

In the Netherlands and other European countries, people stopped going outside, whether because their government forbade them to or by their own choice. Stores had to close, or chose to close. This happened in March (2020), which is usually the peak time for deliveries. If too many goods are delivered to stores but no customers come to buy them, this causes cash flow problems. To help retailers, we had to take action.

SUPPLIER AGREEMENTS

We deeply value our long-standing relationships with our suppliers. We have built up a relationship of trust in which it is important to us that we can speak openly and find mutual solutions. In dialogue with our suppliers, we made the following agreements:

- We will not cancel any orders that are already in the manufacturing process or have already been produced.
- We will sometimes reduce orders that have not yet been made. We will do this on time and after proper consultation.
- We will not bargain for discounts.
- We will pay sums as agreed and on time.
- We will be flexible about delivery times to avoid suppliers needing to work overtime.
- We will communicate clearly and on time about orders and payments.

In addition, we will try to avoid air freight due to the high CO₂ emissions.

POSSIBLE NEW RISKS

This major new situation brings possible new risks with it. Potential risks in the whole production chain are:

- working overtime
- forced labour
- no income for workers
- redundancies

We continue to talk openly and constructively with our suppliers about the impact of this crisis on organisations. We are also in dialogue with colleagues and keep each other on our toes by discussing our purchasing behaviour and its influence on the situation.





Glossary

Sustainability

Sustainability means encouraging people to be more aware of how they live, keeping a balance between people and nature. Its aim is so that future generations can have the same range of choices as we do, and that everyone can share equally in health and welfare.

CSR

CSR stands for Corporate Social Responsibility.

BSCI

BSCI stands for Business Social Compliance Initiative, and is a code of behaviour developed to improve working conditions in the production chain. Through membership of BSCI we have a way to research the working conditions in our production chain by carrying out audits. Factories receive a score on the basis of requirements determined by BSCI.

SA 8000

The SA 8000 standard is currently the most widely implemented social certification standard for factories and organisations. Organisations that attain to SA 8000 certification have demonstrated their commitment to fair treatment for factory workers. It is used in a range of industries and in many countries.

SMETA

SMETA stands for Sedex Members Ethical Trade Audit and is a method of inspection which gives a compilation of the best ethical checking techniques. It is intended to help inspectors to carry out high quality checks which incorporate all aspects of responsible business, including the four main categories of labour, health and safety, environment and business ethics.

Responsible Business Conduct (RBC)

An RBC document is a code of behaviour which clearly describes the standards and values of the partners in the chain. Our RBC document can be found in the appendices.

Tiers

The different layers in the production chain.

Agreement on Sustainable Garments and Textiles

The Agreement on Sustainable Garments and Textiles (or simply Agreement) was established in 2016. Participating signatories pledged to identify and combat discrimination, child labour and forced labour. They are also committed to the right to free negotiations by independent trade unions, a living wage and safe and healthy working conditions for employees. They also do their utmost

Glossary

best to reduce environmental damage and prevent animal suffering, aiming to limit their use of water, energy and chemicals and to reduce their production of chemical waste and wastewater. Transparency is central to mapping risks and working together for improvements. For more information, see <https://www.imvoconvenanten.nl/en>

GOTS

The Global Organic Textile Standard (GOTS) is a textile processing standard for organic fibres that sets the tone worldwide, with its inclusion of ecological and social criteria, supported by an independent certification system for the entire textile supply chain.

Raw materials are produced organically, protecting farm workers and the environment. They are then manufactured without using dangerous chemicals, protecting factory workers and the environment.

Audit

An independent body assesses the production location with respect to criteria determined in advance. A plan for improvement is created for any criteria on which the manufacturer scores poorly. This plan is called a corrective action plan.

Restricted Substances List (RSL)

A list, established by the organisation, of the chemicals which may not be used, or may only be used in limited amounts, in the clothing manufacturing process and final clothing products, including accessories, printing and packaging.

Manufacturing Restricted Substances List (MRSL)

Unlike RSL, MRSL also focuses on the presence of chemicals in the production process and the end product.

CMT

CMT stands for cut, make, trim. CMT factories are the last link in the supply chain who are directly involved in making an article of clothing. This is where clothing is assembled and made ready for shipping.

Subcontractors

Subcontracting is when a production location passes on an order to be completed by another factory, with or without communicating this to the client

NGO

NGO stands for non-governmental organisation. It does not fall under governmental control, has no commercial interests and pursues political or social goals.

Oeko-tex standard 100

Products with this certificate are free from dangerous substances. The substances that are tested for are: illegal substances, legally restricted substances, known damaging substances and parameters for health care.

REACH

REACH (EC 1907/2006) aims to protect human health and to improve the environment by identifying intrinsic properties of chemical substances better and earlier. This enables us to be sure that an item is free from damaging substances which could pose a health risk and that babies and children can enjoy our products to the full.

Stakeholders

Stakeholders are people or organisations that are directly or indirectly influenced by the activities of a business or that have direct or indirect influence on the organisation.

OECD guidelines

The Dutch government, together with 45 other countries, has established CSR guidelines for multinational companies working internationally. These guidelines provide help for businesses to deal with issues such as responsibility within the chain, human rights, child labour, environment and corruption. The Dutch international CSR policy is based on the OECD guidelines

Appendices: Responsible Business Conduct Document

Responsible Business Conduct Euretco B.V. As a major retail service organisation in Europe, it’s our job to pursue a profitable and sustainable retail industry. We care for our collections, the materials and the full supply chain related to our carefully selected garments. We aim for long term relations with our business partners to co-create the most beautiful product, but also to take care of the people involved. We want to get insight in the social and environmental impact of our products and work on improvement where needed. Transparency of production places and circumstances are of great importance.

Euretco has a responsible purchasing policy based on social and environmental criteria for the supply chain based on international standards, conventions and guidelines. Working in compliance with all applicable laws and regulations on human rights, the environment and product safety is of great importance, but international standards are leading if they are more stringent. We ask all our suppliers and subcontractors, from raw material to end product, to support us in our corporate responsibility program and to work according to the standards below.

1. Our common responsibility – Due diligence

Under the UNGPs¹ and OECD Guidelines², enterprises bear a responsibility for preventing and reducing any adverse impact on people and the environment by their own operation or business relationships in the production or supply chain. This means acting in an ethical and transparent way that contributes to the health and welfare of society. This is the baseline for our Due Diligence policy integrated in our corporate responsibility program. Euretco supports the Conventions of the International Labour Organisation (ILO) and expects suppliers to act in accordance with the conventions of the ILO. These conventions are, along with the relevant UN Declarations and the OECD guidelines,

the basis for our responsible business conduct. We have identified nine specific themes by mutual agreement and in discussion with stakeholders which currently merit the priority attention of enterprises in the garment and textile sector operating in the Netherlands in terms of international responsible business conduct (RBC). These themes are, in no particular order:

- 1. Discrimination and gender;
- 2. Child labour;
- 3. Forced labour;
- 4. Freedom of association;
- 5. Living wage;
- 6. Safety and health in the workplace;
- 7. Raw materials;
- 8. Water pollution and use of chemicals, water and energy;
- 9. Animal welfare.

We added, based on the ILO and OECD guidelines for the garment and footwear industry:

- Working hours
- Ethical trade, no bribery and corruption
- No Sexual harassment and sexual and gender-based violence (SGBV) in the workplace
- Grievance mechanism

We will do our due diligence and give particular attention on these themes and we expect this as well from our suppliers. This means that, with regard to these themes, suppliers will identify any possible adverse impact in the supply chain, set specific objectives and take measures which are suitable in the light of the insights resulting from their due diligence process. We ask you to inform us about any possible risk regarding human rights violation, animal abuse and environmental hazards related to our products to cooperate to minimizing these risks. To identify these risks, we prepared a questionnaire and kindly ask you to fill out and send back to us.

Our buying behaviour

We are part of the value chain and therefore we want to take our responsibility regarding sourcing and buying. It is very important to inform us when our buying behaviour does not support the international social and environmental standards set below. We work according to the following buying strategy:

Forecasting:

We will particularly ask for long-term contracts to increase predictability and stability. This will also enable suppliers to plan for investments in machinery, equipment and human resources.

We will:

- work on a stable planning.
- Share forecast and purchasing plan with our supplier and, if possible book, capacity.
- Allow to start production early for NOOS styles
- Communicate changes in your forecast/purchasing plan on time.

Product development:

- provide clear technical specs and requirements
- Ask our supplier for feedback on new developments
- Review our sampling process with efficiency in mind
- Work with photo’s/online video when possible or consider virtual prototyping
- Supply a target price for the product

Price negotiation:

- Get insight in price calculations and the production process
- Calculate in cooperation with our supplier and getting help to get the best quality for the best price.
- Consider material cost, labour, transport, testing, audits and the profit for the supplier

Payment conditions:

- Pay on time
- Pay what we agreed on Order placement, production, lead time

- We have a time & action plan with deadlines for all contributors (buyer and supplier)
- We agree on realistic lead time
- We make an agreement on late style/order changes
- We work on understanding the local and cultural differences

2. Social & Environmental Compliance

The responsible business conduct aims to attain compliance with certain standards. Supplier companies, in addition, must ensure that the responsible business conduct is also observed by subcontractors involved in production processes of final manufacturing stages. Within the scope of options for action and appropriate measures, supplier companies have to aim at the implementation and reporting of the following criteria in a development approach. Euretco declares that we will only work directly with subcontractors³ that are prequalified through the same rigorous processes to those used for direct contractors. Approved subcontracts may be reviewed on a semi-regular (e.g. annual) basis to remain approved. Workers of those sub-contractors should have access to grievance mechanisms, similar to those of direct contractors. We ask for transparency to know where our products are made and to be able to ask questions regarding social and environmental conditions.

2.1 Social Compliance

Below written the most important ILO conventions related to human rights at the work floor.

Prohibition Child Labour and working conditions of young workers ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146.

There shall be no use of child labour. “The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.” “There shall be

no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Young workers [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.” Children and young persons under 18 shall not be employed at night or in hazardous conditions.

Where young workers are employed, business partners should ensure that the kind of work is not likely to be harmful to their health or development; their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

Child Labour Due Diligence Bill

By signing this RBC you take part in our Due Diligence Policy and you approve that you will do anything you can to identify, prevent and if necessary address the issue of child labour in our supply chain.

We need to comply with the Dutch Law on Child labour Due Diligence on combating child labour in global supply chains, that comes into force as of January 2020. Dutch companies and their supply chain business partners will have to declare that they have addressed the issue of child labour in their supply chains. This law requires companies to identify, prevent and if necessary address the issue of child labour in their supply chains. We ask our suppliers to cooperate and be transparent about sub- contractors and sub-suppliers

and possible risks within the supply chain of our products so we can cooperate in combating child labour. Risk studies show that the severe risks are mainly at cotton farming and wet processing (like spinning mill) stage.

Euretco’s CSR manager, needs to be informed in high risk situations, for example when cotton comes from countries or facilities where forced labour is required and so the risks on child labour occurs. Ask your suppliers about their social management systems, latest audit reports or certifications like WRAP, SA 8000, Fair Trade, GOTS, Better Cotton or Organic Content Standard, or any other standard that entails Child labour.

Prohibition of Forced and compulsory Labour and Disciplinary Measures ILO Conventions 29 and 105.

There shall be no use of forced, including bonded or prison, labour. All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights.

Prohibition of Discrimination ILO Conventions 100, 111, 143, 158, 159, 169 and 183.

No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers’ organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

No Sexual harassment and sexual and gender-based violence (SGBV) in the workplace

Our business partners are encouraged to

¹ The UN Guiding Principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. <http://www.ungpreporting.org/> ² The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. <http://www.oecd.org/corporate/mne/>

³ Subcontracting to third parties is a fairly common practice at many stages of the garment supply chain. Subcontracting enables an enterprise to respond quickly to short lead times and changes in orders, to specialize in certain tasks. Outsourcing, however, can also decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights and labour abuses and environmental impacts in higher-risk contexts. Therefore the due diligence measures that Euretco should take to mitigate these risks should be increased. Source: OECD due diligence guide

adopt a zero-tolerance policy on sexual and gender-based violence and strict measures against sexual harassment in its own operations. The enterprise should articulate its expectations of suppliers and other business partners to likewise adopt a policy on sexual harassment and sexual and gender-based violence. Enterprises are encouraged to include the following in their internal policies

- a commitment to foster an environment at work free from harassment, bullying and violence
- clear consequences for breaking the enterprise’s standards
- a commitment to hear grievances, to provide a “reprisal-free” complaints mechanism (e.g. operational-level-grievance mechanism) and to maintain the confidentiality of workers or employees who raise complaints

Freedom of Association and the Right to Collective Bargaining ILO Conventions 11, 87, 98, 135 and 154

The right of all workers to form and join trade unions and bargain collectively shall be recognised. The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers’ representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions.

Payment of a living wage ILO Conventions 26 and 131

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will

lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Working Hours ILO Conventions 1 and 14 and ILO Recommendation 116.

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

Safe and healthy working conditions ILO Convention 155

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

No Sandblasting

Euretco does not accept the sandblasting process being used for our products, since this is affecting the health of workers.

Legally binding employment relations

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where

there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Ethical trade: no bribery and corruption

Enterprises should consider the good practices put forth in the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance, which includes:

- Strong, explicit and visible support and commitment from senior management to the company’s internal controls, ethics and compliance programmes or measures for preventing and detecting bribery, including the bribery of foreign public officials;
- A clearly articulated and visible corporate policy prohibiting bribery, including the bribery of foreign public officials; and
- Oversight of ethics and compliance programmes or measures regarding bribery, including the bribery of foreign public officials, including the authority to report matters directly to independent monitoring bodies such as internal audit committees of boards of directors or of supervisory boards, is the duty of one or more senior corporate officers, with an adequate level of autonomy from management, resources and authority.

Grievance mechanism

Euretco needs a commitment to hear grievances from workers, to provide a “reprisal-free” complaints mechanism (e.g. operational-level-grievance mechanism) and to maintain the confidentiality of workers or employees who raise complaints. For example Amfori has an online grievance mechanism at their website. It provides a platform for individuals and organizations to submit a grievance if they feel they have been negatively affected by amfori’s activities. The amfori secretariat will review the External Grievance Mechanism process where necessary to continuously improve the grievance handling procedure. We ask Amfori to remind workers of their rights and this online grievance mechanism.⁴

⁴ <https://www.amfori.org/sites/default/files/amfori%20External%20Grievance%20Mechanism%20policy-.pdf>

2.2 Environmental Responsibility

Suppliers should assess significant environmental impact of operations and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

Euretco asks suppliers to have procedures and standards for the use of water and energy, handling and disposal of chemicals and other dangerous materials, waste management, emissions and effluent treatment. The procedures and standards must meet at least the minimum legal requirements.

No use of energy of non-renewable sources and minimizing Green house Gas (GHG) emissions

Suppliers shall keep records of the current energy sources and emissions and reduce the use of energy of non-renewable sources. Targets will be set to work with green energy sources and thus reduce emissions to air.

The consumption of energy of non-renewable origin is one of the main causes of greenhouse gas emissions. The production of textile and garments is an energy intensive process. Measuring GHG emissions is a critical first step to reducing the carbon footprint of an enterprise’s activities. It helps an enterprise to assess its impact on the climate and to design cost-effective emission reduction plans.

- Establish an energy management plan at the site-level that includes company-wide coordinated measures for energy management. We ask our suppliers to measure, report and minimize their energy consumption and GHG wherever possible.
- Also, we do encourage our suppliers to make use of renewable energy sources like wind- and solar energy. We ask our supplier to research and use technologies which use less energy,

⁵ <https://eippcb.jrc.ec.europa.eu/reference/>

- like LED lightning.
- Implement best available techniques (BAT) as defined by Best Available Techniques Reference Documents for the sector or sub-sector ⁵.

Implement energy efficiency measures (e.g. energy conservation technology, optimization of steam generation and pressurized air, waste heat recovery from waste water and waste gas, process optimization, etc.)

- Implement energy conservation measures (e.g. implementation of energy saving through improvements in the process and reaction conditions)
- Increase efficiencies and quality so as to reduce need for re-processing due to failures
- Install and operate accurate meters and/or measuring software as a fundamental step to benchmarking performance and to initiating efficiency improvement

Limitations to water use and clean waste water

The supplier shall measure water use and determine whether it can source from water stressed areas responsibly – for example, by promoting water efficiency and/or reducing process dependence on fresh water amongst its suppliers. Waste water must be treated and tested before releasing to the environment. The supplier shall comply to national waste water legislation.

Throughout the production of textiles, a lot of water is used. In general, most water is used for cotton cultivation (2/3 or more of the total volume). Textile processing uses far less water but causes most water pollution. This puts great pressure on the availability and the quality of water in areas where cultivation and processing take place. Water use, the source and waste water in the wet processing also deserves serious attention, because of the local pollution impact.

- We ask our suppliers to deliver a (waste) water policy, testing procedure and/or a copy of one of the standards.

We ask our suppliers to provide, (LCA) data on water, energy and chemicals and emissions. Use the ZDHC (Waste Water) guidelines and the Unido water calculator: <https://watercalculator.dnvgl.com/Home/Form>.

- We want to be informed about the water source (rain, groundwater, lake, etc)
- We would like to offer suppliers more information on a cleaner production process through the ZDHC, OECD guidance or MODINT Factsheets which we could provide to you.

No hazardous Chemicals

No hazardous chemicals shall be used in processing stage and released in water or air. Employees shall be protected and equipped with the right safety measures and appropriate training. Chemicals shall be stored and labeled accurately.

Chemicals are used everywhere in the production of goods. Apart from the pesticides and fertilizers in the natural fiber production, the ‘big’ issue, mainly in the textile chain, is the use of chemicals in bleaching, dyeing, printing and finishing and how it effects workers, water and air effluents.

- Design phase: The base of the use of chemicals use lies in the design choices. We ask our business partners to inform us if any design decision leads to the use of hazardous chemicals.
- Manage and report production phase: From there it is important for our company to know which specific chemicals are used (chemical inventory) and how they are used in the processing. The use of harmful chemicals during these stages of production could be harmful for the environment and the workers and may leave traces in the final product and thus appear to the consumer.
- Make a Chemical Risk assessment: An environmental or human health risk assessment includes hazard identification, hazard characterization, exposure assessment and risk

<p>characterization.</p> <p>The first two steps are regarded as the process of hazard assessment. The methodology of the environmental risk assessment should align with OECD guidance. See OECD Environmental Risk Assessment Toolkit⁶.</p> <p>The methodology of the health risk assessment should align with the World Health Organization guidance. See International Programme on Chemical Safety, WHO Human Health Risk Assessment Toolkit: Chemical Hazards⁷. Health risks are also addressed in Module 5, Occupational Health and Safety.</p>	<p>formulations.</p> <ul style="list-style-type: none">• We ask our suppliers to inform us about wet processing management (of sub suppliers) to eliminate hazardous chemicals from our products, to keep a chemical inventory and to work with Material Safety Data Sheets for workers. Inform us when you/sub suppliers cooperates with ZDHC, SAC (Higg Index) or Amfori BEPI.• Implement best available techniques (BAT) as defined by Best Available Techniques Reference Documents for the sector or subsector. See Integrated Pollution Prevention and Control, Best Available Techniques Reference Document for the Textiles Industry, 2003)⁸.
<p>Restricted Substances List (RSL)/ Manufacturing Restricted Substances List (MRSL)</p> <p>The restricted substances list (RSL) in annex 1 is intended to inform our suppliers on international (upcoming) regulations restricting or banning the use of chemicals in apparel products including accessories attached to garments for example zip fasteners, buttons, etc. and packaging materials. The RSL takes most of the world's regulations into account (incl. REACH, POP), as well as harmful chemicals listed by NGO's.</p> <ul style="list-style-type: none">• We ask our suppliers to purchase materials without harmful substances. Please inform your fabric- or yarn supplier about the RSL and risk matrix where chemicals are related to certain raw materials and processing steps and inform Euretco about test results based on risk assessments.• If the supplier buys directly from chemical agencies make sure it are firms with a CR management system.• Make use of the (ZDHC)MRSL (https://www.roadmaptozero.com/mrsl_online). It is there to provide suppliers with a harmonized approach to managing chemicals during the processing of raw materials into the readymade fabric within our supply chain. The MRSL achieves this by providing a clear list of priority chemicals and specifying the maximum concentration limit of each substance within commercial chemical	<p>Valid Processing standards</p> <p>A valid health OEKO-TEX® Standard 100 product certificate covers most of legal requirements of this RSL. Processing standards are of higher value, like: GOTS, Blue Sign or Step (or similar). These standards, in the annex, make sure that no harmful chemicals are used in processing.</p> <ul style="list-style-type: none">• When commercially acceptable, we ask our suppliers to work as much as possible with one of the following or similar standards and to provide us with a copy of the scope and transaction certificates.• It is important to work with accredited audit organisations (e.g. by textile exchange.) <p>Raw Material Policy</p> <p>Euretco wants to lower the impact of her raw materials. Cotton is one of the most polluting fibres and very important for our collections, therefore we want to work with the better, low impact options.</p> <ul style="list-style-type: none">• We ask our suppliers to keep records on the content and source of our raw materials• To source for sustainable or preferred raw materials (indicated in annex 3) and offer alternatives to conventional materials.• It is important to measure, reduce and reuse material waste where possible.

<p>In annex 4 we listed standards and certifications, related to sustainable raw materials like organic- or recycled cotton, which aims to reduce the impact during cultivation and/or processing of textile fibres. The standards and certifications cover the fibre production phase which impacts water-, chemical- and energy use, effluents and possibly labour conditions. They do not cover the finishing substances used, e.g. dyes that are included in the processing standards.</p> <ul style="list-style-type: none">• We ask our suppliers to offer available sustainable raw materials and to use/ask for one of the following or similar standards and to provide us with a copy of the scope and transaction certificates or other proof of compliancy.	<p>Valid raw material certifications</p> <p>In annex 4 we listed standards and certifications, related to sustainable raw materials like organic cotton, aim to reduce the impact during cultivation and processing of textile fibres. The standards and certifications cover the fibre production phase that has impact on water, chemical and energy use and labour conditions. They do not cover the finishing substances used, e.g. dyes that are included in the processing standards.</p> <ul style="list-style-type: none">• We ask our suppliers to use one of the following or similar standards and to provide us with a copy of the scope- and transaction certificates.
<p>Animal welfare</p> <p>We ask suppliers of wool, silk, leather, down and feathers and any other animal derived fibre:</p> <ul style="list-style-type: none">• To prevent, reduce and eradicate animal suffering in the production or supply chain.• To provide animal welfare guarantees when products of animal origin are used.• To follow below provision guidelines where animals are concerned in our supply chain:<ol style="list-style-type: none">1. Freedom from Hunger and Thirst - by	

<ol style="list-style-type: none">ready access to fresh water and a diet to maintain full health and vigour.2. Freedom from Discomfort - by providing an appropriate environment including shelter and a comfortable resting area.3. Freedom from Pain, Injury or Disease - by prevention or rapid diagnosis and treatment.4. Freedom to Express Normal Behaviour - by providing sufficient space, proper facilities and company of the animal's own kind.5. Freedom from Fear and Distress - by ensuring conditions and treatment which avoid mental suffering.	
<p>Endangered Species Policy</p> <p>Euretco does not accept any raw materials from any endangered species as listed on the IUCN Red List⁹, as critical endangered, near threatened, endangered, extinct in the wild, or vulnerable on the IUCN Red List. Therefore, suppliers must provide animal welfare guarantees when products of animal origin are used.</p> <p>Euretco does not accept Real exotic animal skins (incl. snake, alligator, crocodile, lizard and ostrich).</p> <p>Fur -Euretco does not accept animal fur</p> <p>Silk - Euretco does not accept silk from moth that have been boiled alive.</p> <p>Animal hair (e.g. Cashmere, Angora, Mohair) - Euretco does NOT permit that hairs are collected from animals in an animal-unfriendly manner (see guideline above).</p> <ul style="list-style-type: none">• We ask our suppliers to provide a third party certificate that proofs good animal husbandry. <p>Leather - Real leather and suede from sheep, pigs, goats and cattle reared for meat production & synthetic leather are accepted. All other leather variations are NOT permitted!</p> <ul style="list-style-type: none">• We prefer leather processed through facilities rate by Gold, Silver, Bronze by the Leather Working Group or facilities	

<p>STeP by OEKO-TEX certified.</p> <p>Down Feathers Policy - Euretco does not accept Down/Feathers from live-plucked birds and from force fed birds. Euretco only accepts Down/Feathers from meat production and prefers Down/Feathers that are certified to the Textile Exchange Responsible Down Standard.</p> <ul style="list-style-type: none">• Our business partners must submit a declaration or certificate guarantee that all Down filled garment/items are Non-live plucked down. <p>Wool & Mulesing Policy - We endorse the IWTO- standards for animal welfare and demand that the Five Freedoms for Animal Welfare must be respected. Mulesing is a surgical procedure carried out on (mainly Merino) sheep to prevent flystrike.</p> <ul style="list-style-type: none">• Euretco only accepts wool from sheep that have not been mulesed and prefers wool that is certified to the textile Exchange Responsible Wool Standard. Recycled wool, certified according to the recycled wool standard could be a solution to prevent mulesing. <p>Man-made Cellulosic Fibres Policy - Euretco does not accept products (Viscose, Rayon, Modal and Lyocell) deriving from illegally logged sources, ancient and endangered forests, as listed in the IUCN Red list as critical endangered, near threatened, endangered, extinct in the wild, or vulnerable. Euretco prefers sustainably certified wood products (e.g. FSC)</p> <p>Packaging - Since plastic is non-biodegradable, recycling is a part of global efforts to reduce plastic in the waste stream, especially the approximately eight million metric tonnes of waste plastic that enter the earth's ocean every year. Soft Plastics are also recycled such as polyethylene film and bags.</p> <ul style="list-style-type: none">• We ask our supplier to actively research and offer options which are a better choice for the environment: Reusable, recycled and/or reduction of packing materials. <p>Plastic - We ask our suppliers to use</p>	
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<p>preferred plastics for our products and packaging like recycled plastics and biodegradable plastics (see GRS certification) of e.g. PLA (corn sugars).</p> <p>Cardboard - We ask our suppliers to use recycled or FSC/PEFC certified cardboard. We aim to only use cardboard and paper packaging which consists of 100% recycled paper fibre.</p> <p>Waste reduction - We ask our suppliers to reduce (raw) material wase as much as possible and preferably join a recycling program (packaging waste, material cutting waste etc.)</p> <p>3. Management System, Monitoring, documentation, verification The supplier company shall define and implement a management system to ensure that the requirements of the Responsible Business Conduct can be met. Management is responsible for the correct implementation and continuous improvement by taking corrective measures, as well as the communication of the requirements of the RBC to all employees and subcontractors. It shall also address employees' concerns of non-compliance with this Code of Conduct. Euretco will be informed about non-compliances and follow up.</p> <ul style="list-style-type: none">• If the buying behaviour of Euretco impacts the compliancy to this RBC we will be informed immediately. <p>In our accompanied questionnaire we will ask you to provide us with sufficient information to prove the origin and sustainability of our products. If you have any questions please let us know. The requirements in the Responsible Business Conduct are requirements that we want to achieve together. These are our common goals. We are open for discussion if suppliers are not capable to meet these requirements. We are certain that many of our suppliers have even higher demands of themselves. Therefore, we want you to provide us with the relevant certifications and reports to confirm this. By signing this RBC statement, you commit yourself to it.</p>	
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⁶<https://www.oecd.org/env/ehs/risk-assessment/environmental-risk-assessment-toolkit.htm>⁷https://www.who.int/ipcs/methods/harmonization/areas/ra_toolkit/en/
⁸https://eippcb.jrc.ec.europa.eu/reference/BREF/txt_bref_0703.pdf

⁹ IUCN Red List: Union for Conservation of Nature's Red List of Threatened Species has evolved to become the world's most comprehensive information source on the global conservation status of animal, fungi and plant species. See <https://www.iucnredlist.org/>

Babyface wants to be transparent about the steps we are taking towards sustainability and how we are doing. We hope that this annual report has helped towards that end. If you would like more information about Babyface products and our journey towards sustainable business, we would be happy for you to contact us.



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