

Oriental Group

SUSTAINABILITY REPORT 2022

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Introduction

Letter from our management

How we work with responsibility

About Oriental Group

Responsibility mission

Our values

Letter from our management

As a part of our commitment to continuous improvement across our business, we took the time to reassess our sustainability strategy in 2022 to ensure that we are doing the right things in the right ways to support our sustainability journey in the best possible way.

Based on the evaluation, we decided to extend the scope of our sustainability efforts to include new areas of commitment and to set more ambitious goals in many of the existing areas because we want to do our part in the much-needed transitions in the textile industry. Other noteworthy achievements in 2022 include recertification according to the Global Organic Textile Standard (GOTS) and Global Recycling Standard (GRS) at our Danish office and at our Chinese office and factory.

The strict requirements for clear processes and precise documentation that we must live up to in order to uphold our GOTS and GRS certifications have furthermore inspired us to establish new procedures to increase traceability, transparency, and documentation for all goods that flow through our value chain. We will continue this work and will follow up on our progress yearly.

In 2022, Oriental Group also worked to maintain the high quality of our goods and put great focus on the use of responsible materials in the design and production processes. We offer garments with a higher value to both brands and private label customers for the purpose of buying less, but better. We commit to giving this part of our responsible business great focus in the upcoming years. To achieve this, we will allocate resources to develop internal procedures to achieve these goals.

The strict requirements and meticulous documentation that is required to attain a GOTS or GRS certification proved to be a challenge for many of our suppliers,

and we will need to continue to support our suppliers on the journey towards certification in the coming years.

In April 2022, we launched a new circular business model in our brand esmé studios - sales of pre-owned goods - with our esmé2 online customer option. We also introduced the option to use multiple-use packaging from RE-ZIP to our online customers when they place an order in our webshop. We are proud of these initiatives and excited to see how the new offers will be received by our customers. These are some of the circular business models we hope will grow over the coming years.

In this report, we lay out the refined strategy focus, and we share our current status along with the goals we have set for ourselves. We hope that you will enjoy reading it and that you will join us in our strive to develop a continually more responsible textile industry through daily actions, whether you are a business partner or a private customer.

Our sustainability focus is first and foremost based on an assessment to find and eliminate any parts of Oriental Group's business which could cause harm to either the environment or to people. The assessment has led us to set environmental and social goals as well as to initiate actions in all relevant areas.

We will follow up on all of our sustainability goals either quarterly or yearly (read more under each goal), and we will continue to report on key initiatives yearly in our sustainability reports, of which you are holding the 2022 version.

**Best regards,
The owners of Oriental Group**

**Henrik Riis Jensen
Henrik Poulsen
Marianne Brinkmann**

How do we work with responsibility?

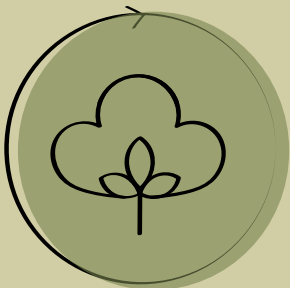
When working with responsibility, we identified two important dimensions. We have split these large dimensions into five smaller themes which we are focusing on at this point.



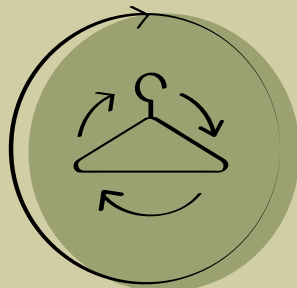
**Environmental
impact**



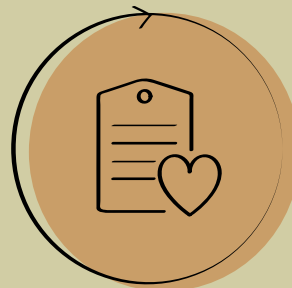
Social impact



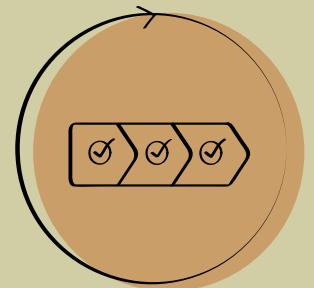
**Responsible
materials**



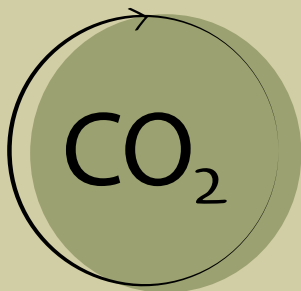
**Circular
business model**



**Good working
conditions**



Value chain



**Lower carbon
footprint**

About Oriental Group

Oriental Group consists of three individual branches: Our own brands, esmé studios and Soft Rebels, and our private label branch Oriental with the brand MBO - Made by Oriental. The company was founded in 1994. In 2011, we opened our own garment factory in China. In addition to our own factory, we work closely with sub-suppliers in Bangladesh, China, India, Portugal, and Turkey.

Founded in Denmark, Oriental Group is owner-managed by Henrik Riis, Henrik Poulsen, and Marianne Brinkmann. We employ 30 people in Denmark as well as about 200 people in our own fully owned and managed customer support centre and factory in China.

We have the utmost respect for our workers, environment, and climate – and all three of our branches strive to be defined by our effort to ensure a responsible production and value chain.

We work closely together with all our suppliers, and we are proud to have built many long-term relationships based on trust and commitment. This allows us to grow together and develop an increasingly more responsible business.

About Oriental Private Label Oriental

Oriental is our private label garment company, with the private label brand MBO - Made by Oriental, which assists retail customers and wholesale brands in their design and production processes. This part of our business produces children's, women's, and menswear in our own certified production set-up in China and in certified factories in India and Bangladesh. Every customer is continuously presented with our options for more responsible materials, packaging, and logistics choices.

About esmé studios esmé studios

Our brand esmé studios derived from a dream of making a positive difference in the fashion industry. With the motto “buy less but buy better,” esmé cares deeply about designing and producing timeless clothes of very high quality, and all fabrics used are responsibly made. The classic Scandinavian minimalism characterises the brand – and so do essential designs in long-lasting colours with mindful fitting and sewing techniques that assure durability.

About Soft Rebels Soft Rebels

Our brand Soft Rebels prides itself on designing contemporary womenswear. With styles carefully designed to cater to the everyday life of women, Soft Rebels embraces female diversity and strives to deliver accessible essentials and statement pieces that inspire women to be themselves. Responsible choices in the design process and in the material selection are important parts of the brand.



Responsibility mission

The fashion industry is infamous for overconsumption, pollution, and violation of human rights. At Oriental Group, we take our responsibility as a part of this industry very seriously. We have the collected mission to produce and sell responsible clothing for children, women, and men alike.

We define ourselves as a responsible company - but not perfectly sustainable, as such a thing as a fully sustainable garment company does not exist. We act responsibly and transparently towards environment and people in everything we do. The journey towards being 100% responsible in all parts of the value chain requires actions that we are not capable of yet, but we are ambitious about our common future.

Our designers across all three branches of the company are determined to create responsible products with respect for the people who make them and for the planet we live on. In this way, we wish to do our part to drive the industry towards a more mindful way of producing and consuming clothes.

We offer both our B2B customers and end-consumers the opportunity to make more informed choices that will reduce our impact on the planet. In terms of our own brands, esmé studios and Soft Rebels, we vow to produce pieces with long- lasting designs and quality – because the most responsible clothes are the ones you don't have to replace.

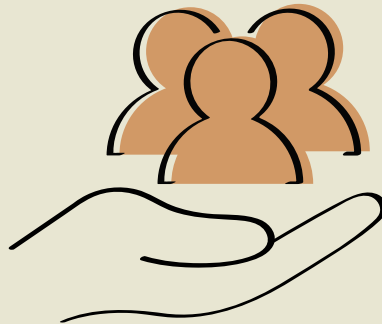
We need our customers to come along on our journey towards our sustainability targets. We make it as easy as possible for our business customers to make better choices in terms of their choice of yarns, fabrics, garments, packaging, and transportation. We also make it as easy as possible for our end-customers to make more responsible choices by clearly labelling styles created from more sustainable fabrics, offering more responsible packaging when ordering online, and reselling used items. We also make sure to yearly report on our responsibility journey, the progress we are making, and the obstacles we face.

Our values

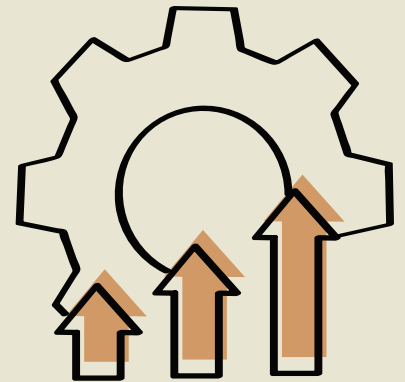
We are proud of our three core values which permeate all parts of our business:



Honesty



Responsibility



**Constant
improvement**

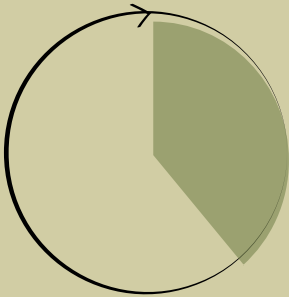
These values are the pillars that we built Oriental Group upon. They define all our activities across our three branches, and they are at the centre of the way we do business. From our strategic development to our daily decision-making and our interaction with colleagues, business partners, and society in general; we are aware of our impact and constantly seek to make it matter. Last, but not least, we work hard every day to become better at what we do: design, produce, and sell mindful apparel of a high and durable quality.

Baseline 2022

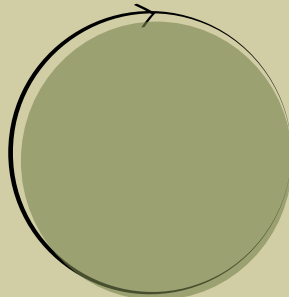
Baseline 2022



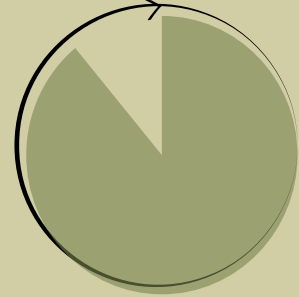
Environmental impact



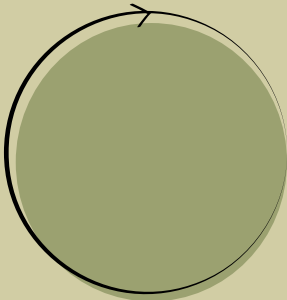
At Oriental, 37% of our garments are made from responsible materials which are less harmful than conventional fabrics.



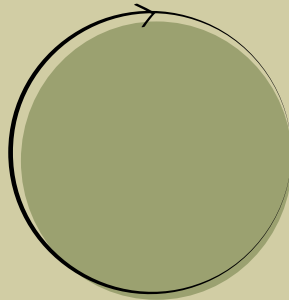
At esmé studios, 100% of our garments are made from responsible materials which are less harmful than conventional fabrics.



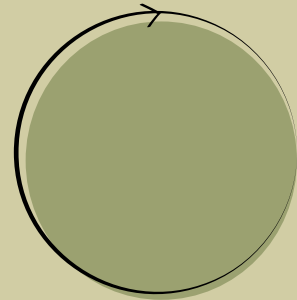
At Soft Rebels, 81% of our garments are made from responsible materials which are less harmful than conventional fabrics.



We, of course, follow the EU Chemical legislation REACH, we do the necessary tests, and we keep record of all results.

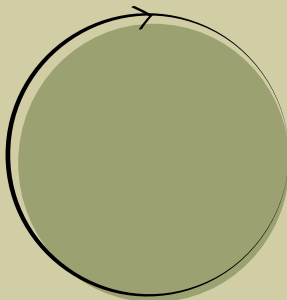


We operate an extensive testing programme, ensuring material and garment strength by testing on various parameters such as tearing strength and pilling levels.



We achieved GOTS and GRS certification reauditing in 2022.

Oriental licens number: 231985
 esmé studios licens number: 237881
 Soft Rebels licens number: 237883



During 2022, we updated our Danish IT system so all documents are now digitally available for all relevant staff. This has reduced our need for printed documents drastically.



Certified by Ecocert Greenlife
 License no. 231985



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 License no. 237883



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 License no. 231985



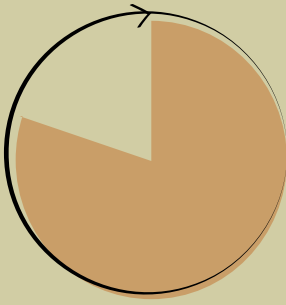
Certified by Ecocert Greenlife
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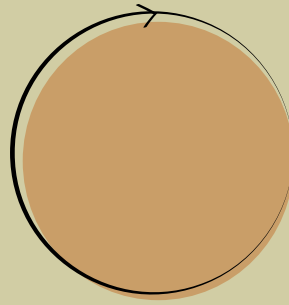
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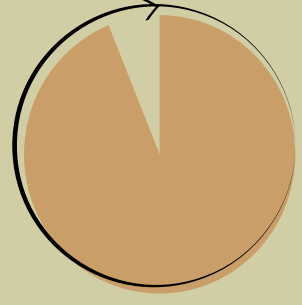
Social impact



At Oriental, 77% of production is made in facilities that have a 3rd party certification.



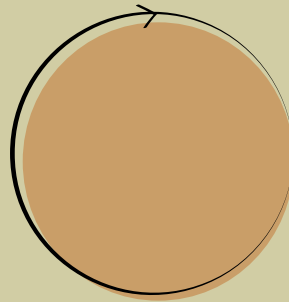
At esmé studios, 100% of production is made in facilities that have a 3rd party certification.



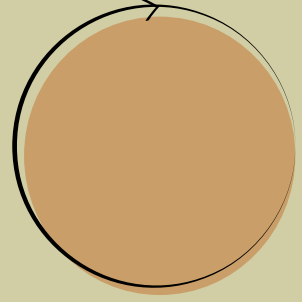
At Soft Rebels, 90% of production is made in facilities that have a 3rd party certification.



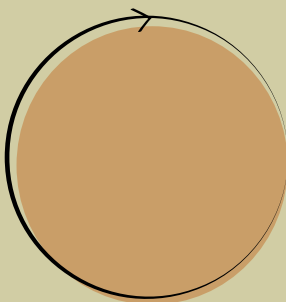
Our own production facilities are BSCI certified.



7 of our sub-suppliers were BSCI audited in 2022.



We provide all employees with supplementary health insurances.



We run annual first aid courses and fire drills for our Danish and Chinese employees.

Environmental initiatives

Design and materials

Animal welfare policy

Fibre and garment recycling

Circular business models

Packaging

Environmental impact at suppliers' production sites

Environmental impact at Oriental Groups' sites

Transportation

Design and materials

Design

A key component in creating more sustainable garments is to ensure that the garment has a durable design so it can have a long lifetime. We aim to reach this using quality fabrics, trims, and excellent fitting. For our own brands, where we have full control, we ensure quality by taking care of the true craftsmanship of our trade.

In esmé studios, we only use more responsible materials and long-lasting colours which ensure that our garments have high technical and emotional durability. This means that the materials and colours in esmé's collections are not affected by changing fashion trends. By focusing on timeless essentials, esmé's garments ensure a versatile wardrobe that can be used for many years and occasions.

Soft Rebels' collections reflect fashion trends to a larger extent, and the colour range of Soft Rebels' styles follows these trends, always striving to use the highest possible share of more responsible fabrics. All "Essentials" are manufactured in more sustainable fibres. By offering durable essentials, we believe that we minimise the consumption of the individual consumer.



Across both of our own brands, we employ highly skilled in-house designers and pattern makers who develop every piece of garment with deep care and precision. We apply the sewing techniques that are required to prolong the garments' durability, and we cut no corners in our production. Every product is fitted to the correct silhouette in each size, and we embed details like buttons, cuts, and other finishes into the design to make the garments not only last longer but also be more interesting and thus emotionally durable - we strive to create favourites.

Materials

Fabrics or finished goods that are certified will either be certified according to the Global Organic Textile Standard - GOTS, or the Global Recycled Standard - GRS, as illustrated on page 18.

Global Organic Textile Standard (GOTS) is one of the most comprehensive international textile certifications focused on the processing of natural fibres, such as organic cotton, linen, and wool, and the production to make it into fabrics and finished goods. The certification ensures that the fibres are produced and processed under strict criteria regarding environmental, social, and chemical impacts.



The Global Recycled Standard (GRS) set the criteria for third-party certification of recycled materials and chains of custody. The GRS requires a minimum of 50% recycled content. The standard ensures that claims about recycled content are accurate, while also ensuring that all certified entities live up to strict criteria within environmental and social impacts as well as chemical use.

We are proud that our Danish and Chinese offices, as well as our production facility, were GOTS and GRS certified in 2021. Since then, a number of our sub-suppliers have also been certified, and we can now manufacture GOTS and GRS garments end-to-end and label the finished goods as such.

Our licences

Oriental certifications



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License no. 231985



Certified by Ecocert Greenlife
License no. 231985

esmé studios certifications



Certified by Ecocert Greenlife
License no. 237881



Certified by Ecocert Greenlife
License no. 237881

Soft Rebels certifications



Certified by Ecocert Greenlife
License no. 237883



Certified by Ecocert Greenlife
License no. 237883

Material choices

We aim to make garments in the most responsible way possible. Material choices are an important factor when it comes to the impact on the environment. By using responsible raw materials, we can reduce the environmental impact and make a difference.

We have specified what we consider more responsible fabrics to help our designers and our private label customers make more responsible choices. The associated garment categories are illustrated in the table on the next page.



Material categories

Categories	Definition	Details
<p>Fully Certified Responsible Garments</p>	<p>Garments made with full certifications from GOTS, GRS, or TENCEL™ and LENZING EcoVero™.</p> <p>Garments are responsible and transparently produced with 100% traceability to raw material.</p>	<p>GOTS-certified organic fibers:</p> <ul style="list-style-type: none"> • Cotton • Linen • Wool • Hemp <p>GRS-certified synthetic fibers:</p> <ul style="list-style-type: none"> • Polyester • Nylon <p>Lenzing fibers:</p> <ul style="list-style-type: none"> • Lyocell (TENCEL™), • Modal (TENCEL™), or • Viscose (LENZING™ ECOVERO™) with a product license.
<p>Responsible garments</p>	<p>Garments produced from certified yarn or fabrics.</p> <p>Guaranteed that raw material and fabric are responsibly produced and a valid traceable certificate obtained.</p>	<ul style="list-style-type: none"> • Organic Cotton • LWG Leather • Recycled Wool • Recycled Polyester • Recycled Nylon • Lyocell (TENCEL™) • Modal (TENCEL™) • Viscose (LENZING™ ECOVERO™)
<p>Conventional garments</p>	<p>Garments where no further steps towards use of responsible materials are made</p>	<ul style="list-style-type: none"> • Conventional fabrics

Animal welfare policy

Oriental Group will continuously commit to acting ethically concerning activities along the full extent of our supply chain. In that regard, it is crucial to us that no animals are harmed in the production of our products.

We source mulesing-free wool. Our suppliers are informed about and have committed to this purchasing policy.

We are in the process of introducing more general animal rights in the form of the “Five Freedoms,” as defined by the Farm Animal Welfare Council below. We will have these included in our supplier manual by 2023.

- Freedom from hunger and thirst by ready access to fresh water and diet to maintain health and vigour.**
- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.**
- Freedom from pain, injury, or disease by prevention or rapid diagnosis and treatment.**
- Freedom to express normal behaviour by providing sufficient space, proper facilities, and company of the animal’s own kind.**
- Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering.**

In relation to animal welfare, Oriental Group does not:

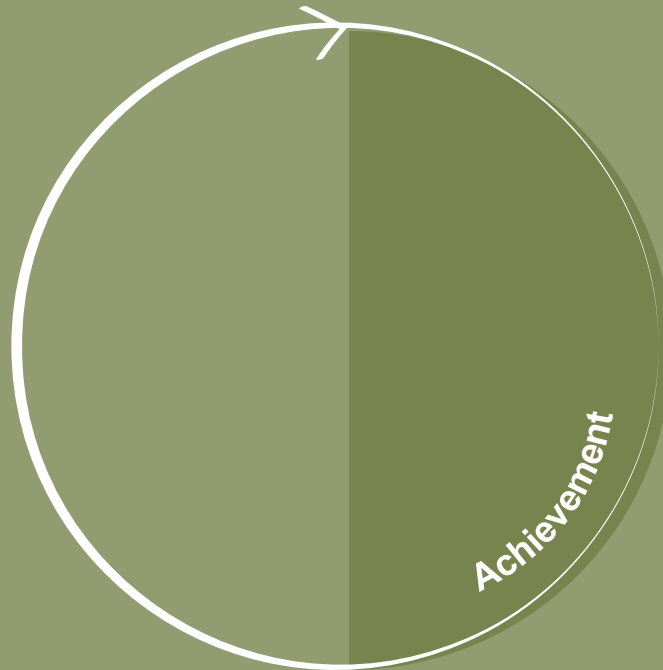
- **Use angora rabbit hair.**
- **Accept mulesing.**

Oriental Group aim:

- **When using wool, to source wool that has certified responsible wool standards when possible.**



Fully certified garments, esmé studios



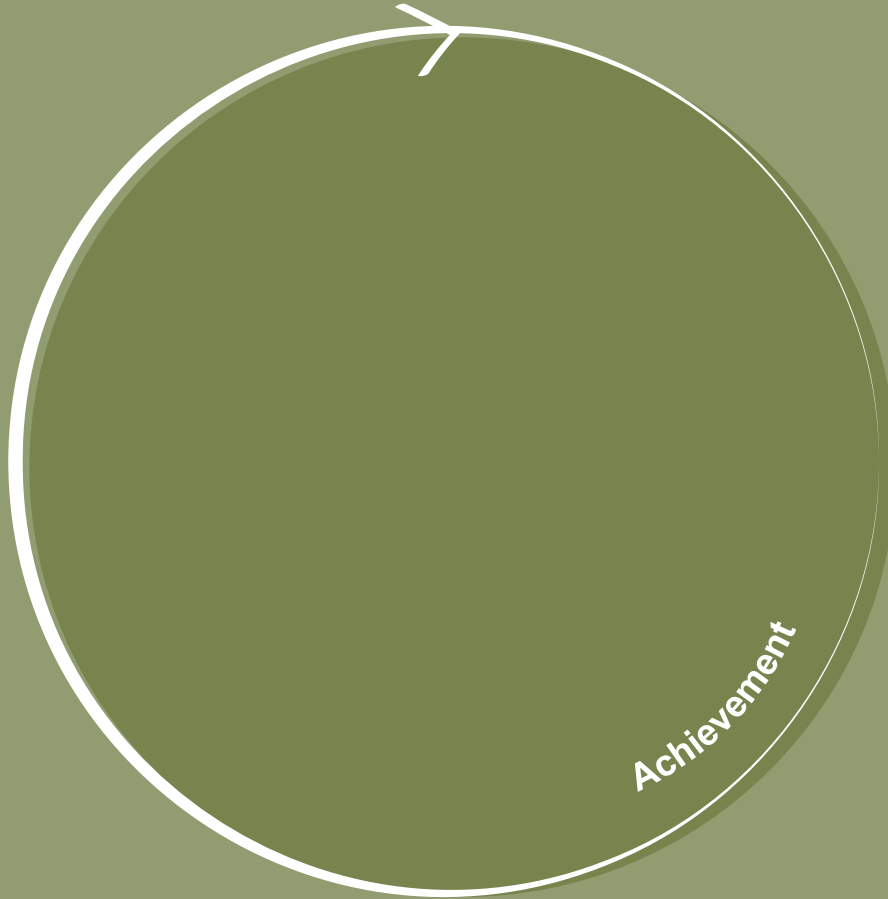
Commitment #1:

In 2025, 40% of the garments in esmé's collections will be Fully Certified Responsible Garments.

2022 status:

Today 100% of Esme's garments are produced as Responsible Garments, of which 20% are fully certified. We aim towards even more traceability from raw materials to finished garments, which can be obtained by securing more certifications on a greater amount of garments.

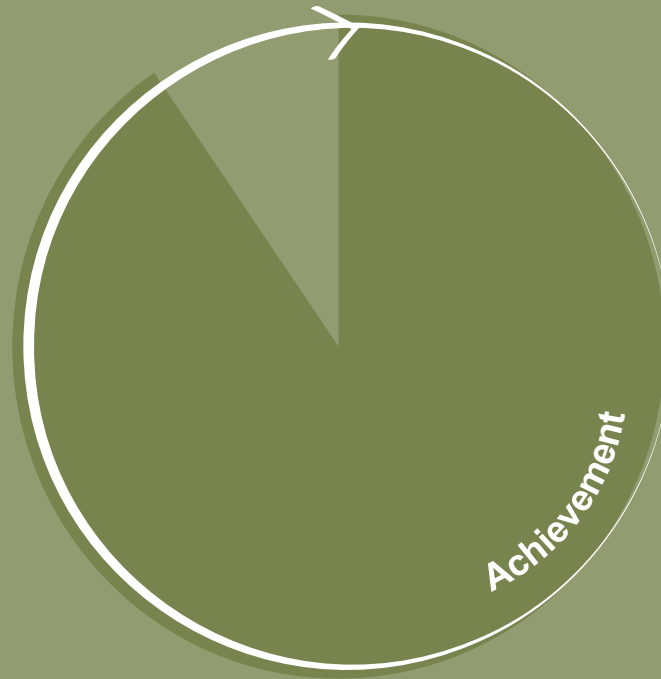
Responsible garments, esmé studios



2022 status:

Today 100% of Esme's garments are produced as Responsible Garments, of which 20% are fully certified.

Responsible garments, Soft Rebels



Commitment #2:

In 2025, 90% of the garments in Soft Rebels' collections will be either Fully Certified Responsible or Responsible Garments.

2022 status:

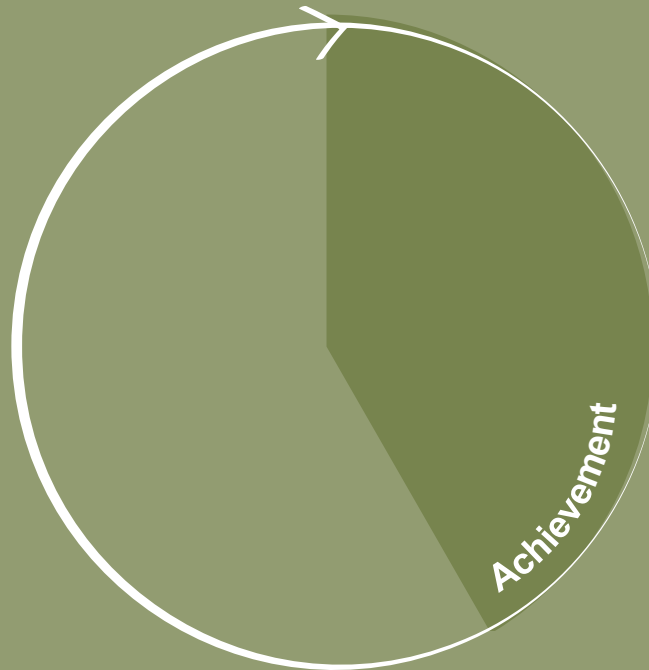
Today, 81% of Soft Rebels' collections are already produced as Responsible Garments, but we aim towards even more traceability from raw material to finished garment, which will be achieved by securing higher certifications on a greater number of garments.

Oriental is the part of our company where we design and purchase goods for our private-label customers. Our business customers are the ultimate decision-makers when it comes to fabrics and style choices, but we aim to inspire our customers to make more responsible choices.

One way we work towards this is by showing our customers the environmental advantages of choosing more responsible fabrics. For instance, we explain how LENZING™ ECOVERO™ Viscose is environmentally superior to conventional viscose. To ensure increasing focus on the use of responsible fabrics by our customers going forward, we have set a goal to nudge our customers in this area. Therefore, a future goal for us is to be able to set measurable numbers on the materials we offer within topics such as water consumption and CO² emission in the production of the materials.



Responsible garments, Oriental Private Label



Commitment #3:

By 2024, we will have a full material library that illustrates the environmental benefits of choosing more responsible fabrics. Looking at the benefits will be a permanent part of our sales and design discussions with private-label customers.

2022 status:

37% of our private label garments are made from more responsible fibres. We have started the work of generating numbers for the environmental benefits of choosing more responsible fibres, but at present, we lack the necessary tools to be able to collect correct data for all fibres. We will keep researching possible tools to collect accurate data.

Fibre and garment recycling

Fibre recycling is a big opportunity and yet a relatively unexplored area for us. We are aware that using recycled raw materials can help us reduce our emissions massively in the future. For our brand esmé studios, we use only recycled poly fibres, never virgin. For Soft Rebels and Oriental, we have started sourcing more recycled fabrics with the ambition of increasing our use of recycled fibres. We follow the developments in this area closely, and as modern technologies and possibilities for recycling appear, we aim to increase this part of our business over the next few years. We expect recycling to be an important factor in our future greenhouse gas (GHG) emission strategy. Our old or left- over fabrics are never destroyed, they are stored and utilized in subsequent collections or sold to be used by other manufacturers.

Samples and other left-over garments that end up in our offices both in China and in Denmark are sold to traders to ensure that we do not destroy garments that could have a new life somewhere else.

We joined a voluntary sector cooperation regarding textiles with other Danish companies (Frivilligt Sektorsamarbejde run by IDCluster, 2022), where we commit to our production of garments being made from a minimum of 40% recycled fibres across our brands by 2030. This is also in line with the EU Commission's 2030 Vision for Textiles (European Commission, 2022). This cooperation allows us to stay informed of new possibilities and navigate the challenges in the field.



Circular business models

Repair

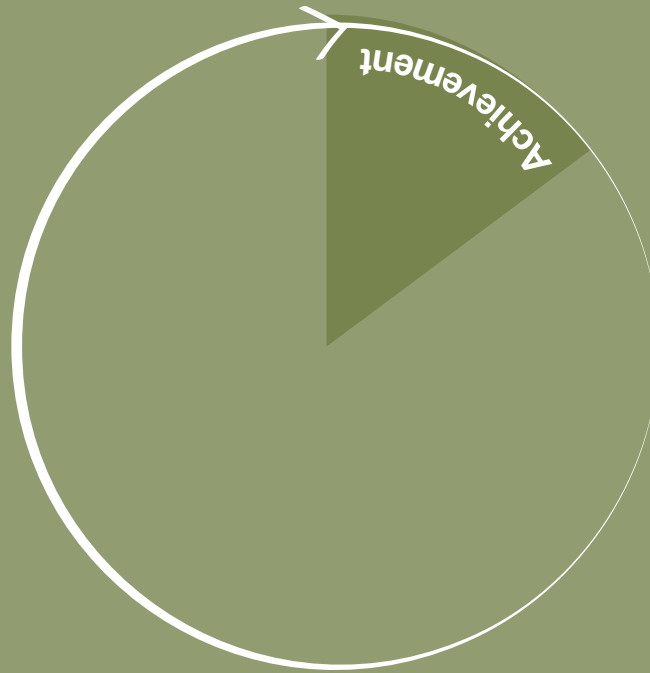
Extending the lifetime of garments so that fewer new garments are needed is an important way of reducing environmental impacts from textile consumption. We support a long lifetime by offering retailers that sell esmé and Soft Rebels garments to cover the cost of repairs of high-value items that have small errors. In all garments where buttons are used, we offer an extra button along with the garment.



Reuse

In April 2022, we took a big step forward on this agenda when we launched esmé2, which is a section of our esmé studios webshop dedicated to sales of pre-owned items from esmé studios. We are proud and excited about this new opportunity for our customers to reduce environmental impact, and we will carefully monitor how it is received.

Pre owned, esmé studios



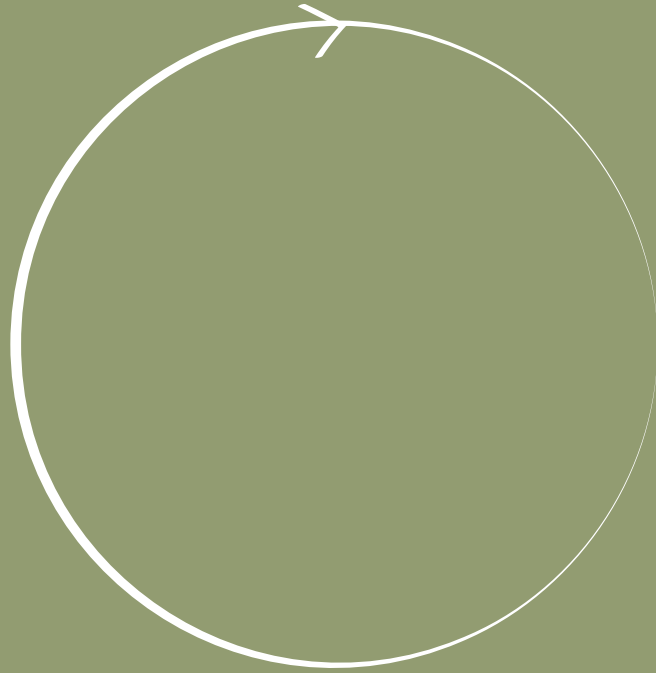
Commitment #4:

We will monitor the reception of esmé², and by the end of 2023, we will set targets for how to increase this business' share of our total turnover.

2022 status:

We have kick-started our preowned journey by launching esmé², and we are excited to see how this area of our business will grow in the future.

Pre owned, Soft Rebels



Commitment #5:

We will develop and launch the sale of pre-owned Soft Rebels garments in 2023.

2022 status:

This initiative has not been kicked off yet.

Packaging

Oriental Group cannot avoid using packaging materials for the transportation of garments between sub-suppliers and our own warehouse or our private label customers' warehouses; the same goes with transportation from our warehouse to our business customers and from our warehouse to our private customers.

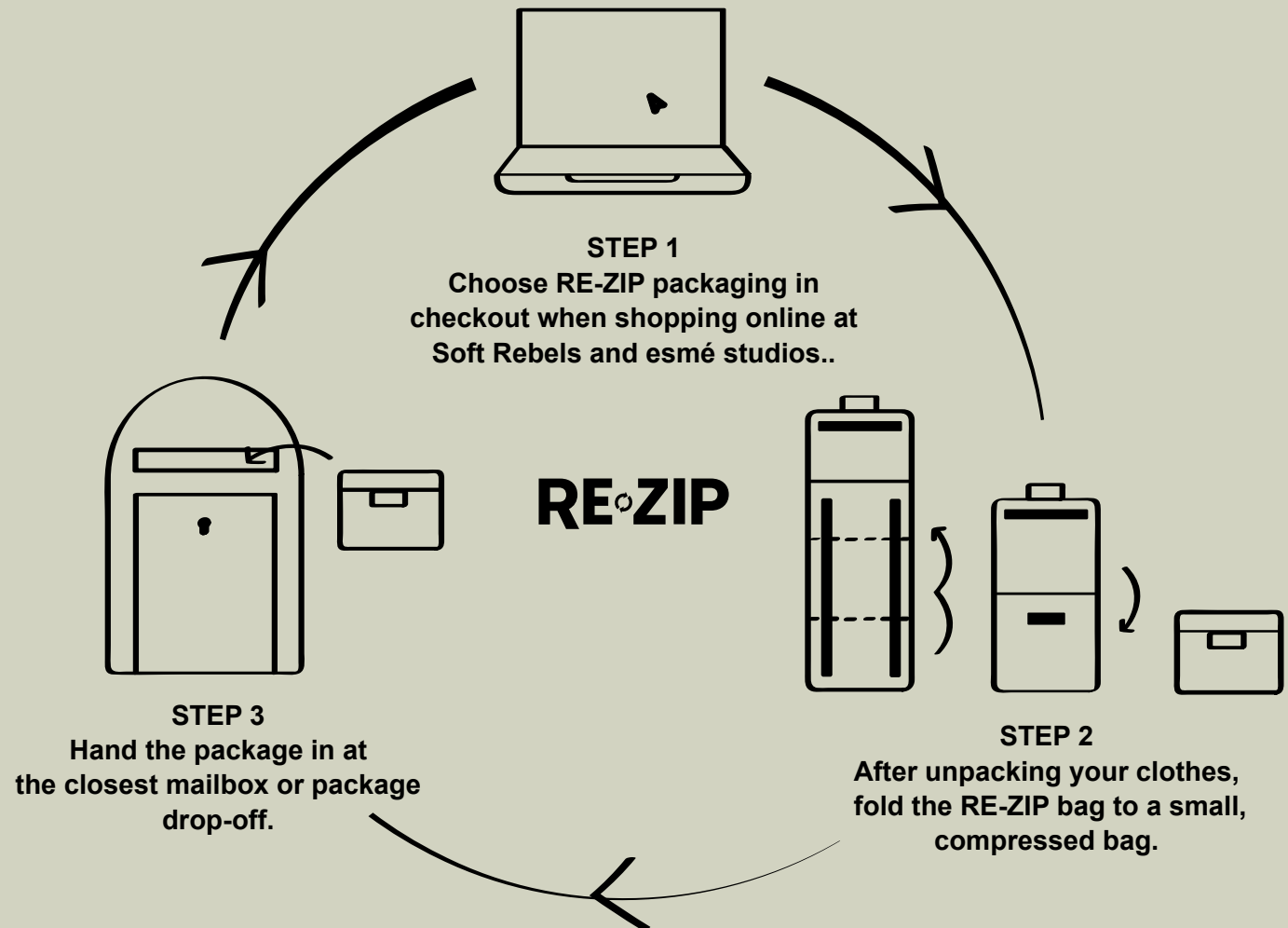
Goods from our suppliers are wrapped in poly bags made of recycled plastic and packed in cardboard boxes that are FSC certified. Samples are collected in one big poly bag, while regular garments are wrapped individually to protect the garment from humidity, dust, and grease during storage.

Goods are shipped to business customers in the poly bags they arrived in, and we reuse as many of the cardboard boxes from the inbound logistics as possible for the outbound shipping. This amounts to around 50% of the incoming boxes. The remaining cardboard boxes that we use are also FSC mix certified and consist of 80% reused material and 20% new cardboard fibres from sustainably managed forests.

Private-label customers define their own packaging solutions. However, we offer these customers the same options as described above, allowing private label customers



From late 2022, private customers who shop at our webshops for esmé and Soft Rebels are offered the opportunity to use Re-Zip packaging. Re-Zip is a solution where the packaging is returned to our warehouse by the customer after they have received their esmé or Soft Rebels goods. This circular environmental packaging option is reused in our webshops



From our 2022 data, we see that few customers use the Re-Zip packing option when shopping at our brand webshops. Since then, we have intensified our information efforts about Re-Zip on our brand pages and on our social media. We try to nudge the consumer to choose this option by issuing vouchers with a discount when the customer chooses to return the packaging to our warehouse. We expect an increase in customers choosing this responsible packing solution during 2023.

Moreover, in cases where Re-Zip is not selected, we want to use the packaging solution with the lowest possible environmental impact. Today, we use recycled poly bags, which are suitable for further recycling. We are verifying whether there are better alternatives with a lower environmental impact.

Environmental impact at suppliers' production sites

The vast majority of environmental impacts from Oriental Groups' operations derive from the activities that take place in our supply chain. Therefore, it is important for us to collaborate closely with our suppliers to minimise these impacts.

The suppliers that are either GOTS (Global Organic Textile Standard) or GRS (Global Recycled Standard) certified work systematically with their environmental impacts.

We, nevertheless, also have suppliers that are not certified according to GOTS or GRS, and, as a first step towards a more environmentally sustainable supply chain, we need to understand the environmental performance at these companies. This baseline will be created no later than 2025.



Environmental impact at Oriental Groups' sites

Oriental, esmé studios, and Soft Rebels, along with our own factory and our customer support office in China, are all certified according to GOTS and GRS, and we monitor our environmental impact in terms of energy and water on all these sites as part of the certification programmes.

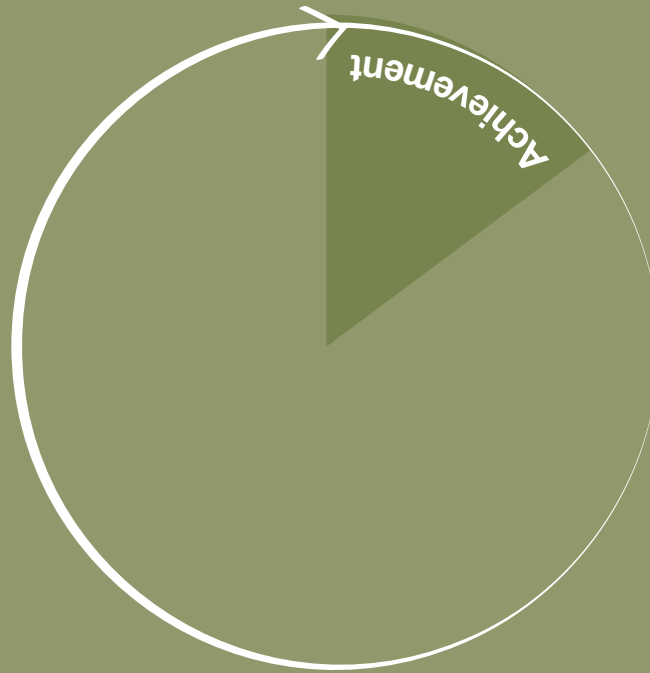
The environmental impacts from our offices are relatively low, and at our garment sewing factory, Great Garments, we have already taken steps to minimise our use of electricity via the introduction of LED lights and energy-efficient sewing machines.

Furthermore, at both our Danish and Chinese offices and at our factory in China, we sort our waste and ensure the recycling of cardboard, paper, and glass.

The biggest environmental impacts are driven by our suppliers' production sites. Therefore, we work more systematically with this impact by creating a baseline of supplier certifications.



Environmental impact



Commitment #6:

No later than 2025, we will create a baseline of our suppliers' environmental performance that includes both environmentally certified and non-certified suppliers.

2022 status:

Our GOTS and GRS-certified suppliers are already working systematically with their environmental impacts, but we want to extend this work to include all suppliers.

Transportation

Transportation of goods between our suppliers in Bangladesh, China, India, Portugal, and Turkey inevitably leads to CO2 emissions. We aim to minimise these emissions by choosing the less CO2-intensive forms of transportation whenever possible.

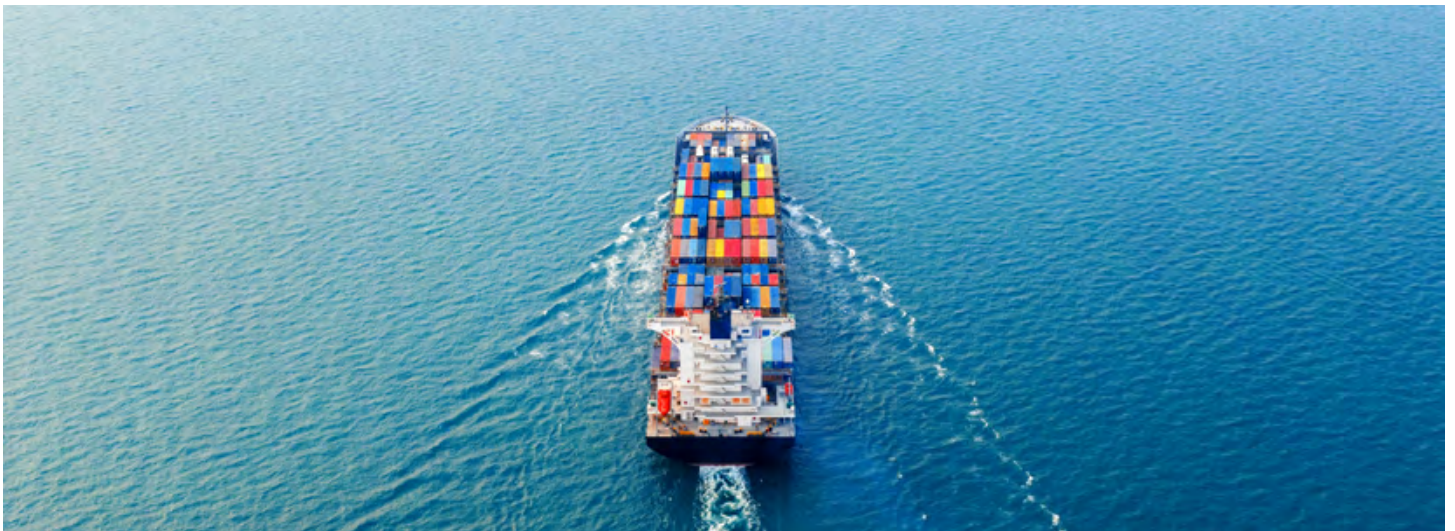
This means that from China, we transport primarily by sea and secondarily by rail. We avoid air freight if at all possible, and in the rare occasions where air freight is used, it is for samples only.

From India and Bangladesh, we transport everything by sea. Deliveries from Turkey and Portugal are done by truck, however, the volume of goods we receive from these destinations is small.

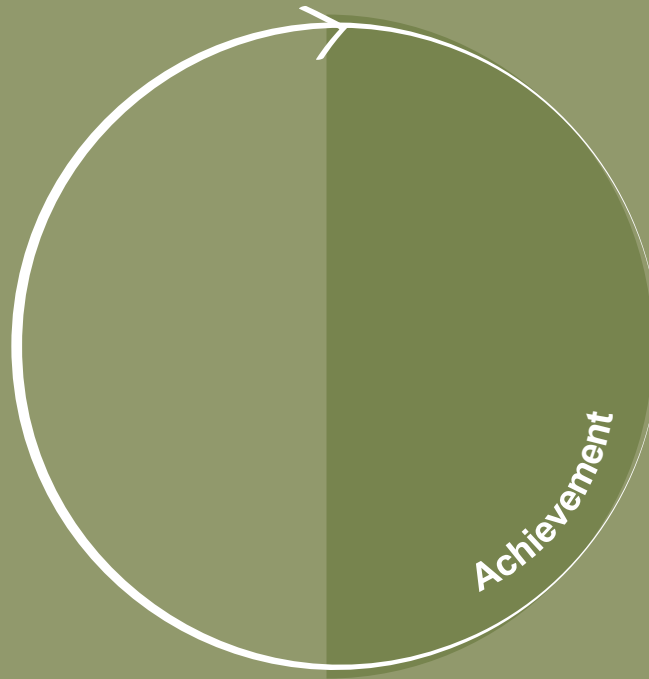
Truck transportation is CO2-intensive and therefore, we wish to examine if there are financially viable alternatives, e.g., a combination of sea and rail freight for the goods we receive from Turkey.

Our outbound shipments to professionals and private customers are managed by various couriers today. However, to reduce our footprint, we want to move towards greener transportation options.

We use DHL Go Green for part of our outbound courier services today. This service includes CO2 off-setting via a 3rd party certified project managed by DHL.



Logistics



Commitment #7:

In 2023, we will clarify whether there are financially viable alternatives to truck transportation from Turkey to Denmark that can lower our CO2 emissions on this route.

2022 status:

We have started to look into this. Our examinations have shown that there could be opportunities, but we do not have a full understanding of the viability yet.

Transportation to our wholesale customers happens by large or small trucks as appropriate, and transportation to private customers is via courier services. The use of fossil fuels for all of these trucks is a concern to us. Therefore, we commit to exploring other opportunities and will continue to do so with our shipping partners.

Private label customers buy the garments FOB from Asia and book their own transportation from Asia to Europe. However, to support more responsible choices, we will ask our logistics partners to create an overview of the various transportation options from key sites in Asia and the associated greenhouse gas emissions.

We will continuously investigate the different options of transportation to learn more about their climate impact. We will inform our customers accordingly, so they are fully aware of the environmental impact of their choice of transportation.



Social initiatives & due diligence approach

Certification to ensure good working conditions

Transparency

Diversity, equal opportunities, and inclusion

Due diligence and human rights

Social certifications to ensure good working conditions

At Oriental Group, we believe in solving problems together, and we are committed to working with our suppliers, customers, and peers to create more responsible solutions.

To ensure continued improvements in the social area, we work towards having all suppliers certified by a 3rd party social certification such as BSCI, SA8000, Sedex, Fairwear, GOTS, GRS, or similar internationally recognised social standard.

Therefore, the ones of our suppliers which do not yet hold 3rd part social certifications will be visited by an Oriental employee. In our visits, we aim to make sure that working conditions, including the health and safety of the workers, are in line with the expectations described in the BSCI on all production sites in our supply chain. Our supplier manual also describes our requirements, which are based on the BSCI guidelines.

We continue to adjust our supply chain to fit our requirements, and when building new supplier relations, the request for a 3rd party social certification has become important to us.



BSCI certification

One example of successfully pulling together is the Business Social Compliance Initiative, or BSCI for short, that we joined back in 2008.

The BSCI Code of Conduct is built on the most important international labour standards protecting workers' rights: the International Labour Organization (ILO) Conventions, the OECD guidelines for multinational enterprises, and the UN Global Compact.

We work with the principle of our BSCI certification to improve social performance throughout our supply chain. The BSCI Code of Conduct has 11 principles that together protect human rights, labour rights, the environment, and anti-corruption.



BSCI Code of conduct



Human rights

- **The rights of freedom of association and collective bargaining.**
- **No discrimination.**
- **Fair remuneration.**
- **Decent working hours.**
- **Occupational health and safety.**



Environment

- **Protection of the environment.**



Labour

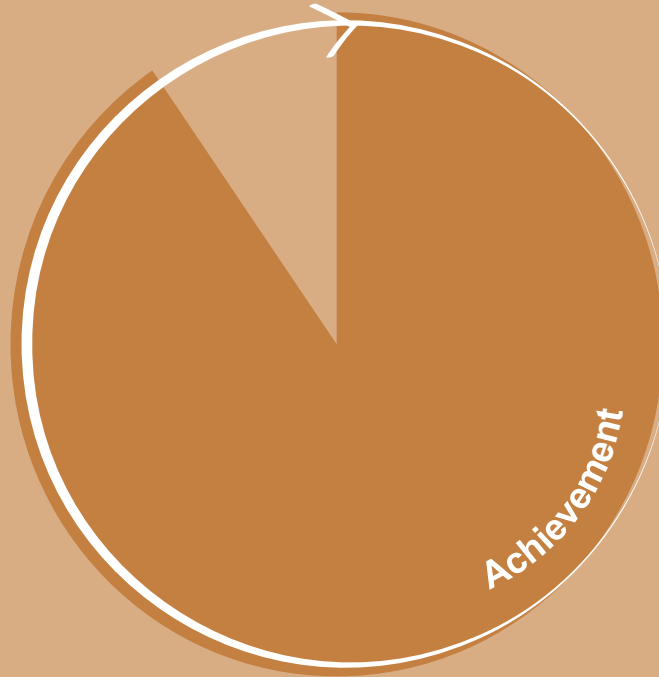
- **No child labour.**
- **Special protection for young workers.**
- **No precarious employment.**
- **No bonded labour.**



Anti-corruption

- **Ethical business behaviour.**

Social certifications



Commitment #9:

In 2025, 90% of all our garments will be produced at a site with a 3rd party social certification.

2022 status:

All garments in Oriental Group are produced under Socially Responsible standards. For esmé studios, 100% are produced in certified facilities. In Soft Rebels, 90% are produced in certified sites. In Oriental private label, 77% are produced in certified sites. Overall, 80% of our garments are currently produced at certified sites.

esmé studios certifications:



Certified by Ecocert Greenlife
License no. 237881



Certified by Ecocert Greenlife
License no. 237881

Oriental certifications:



Certified by Ecocert Greenlife
License no. 231985



Certified by Ecocert Greenlife
License no. 231985

Soft Rebels certifications:



Certified by Ecocert Greenlife
License no. 237883

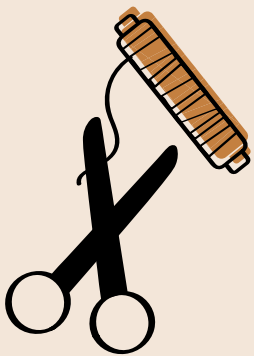


Certified by Ecocert Greenlife
License no. 237883

Transparency

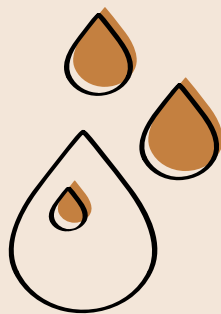
A garment supply chain is complex with suppliers at many levels: suppliers of raw materials, material processes, thread and accessories, wet processing facilities, manufacturing, packing material suppliers; and sometimes, there are also traders in between. We work to increase transparency to be able to identify risks and ensure that our garments are produced responsibly by means of certifications, positive dialogues, and cooperation.

To analyse the degree of transparency in our supply chain, we have defined our four tier levels below.



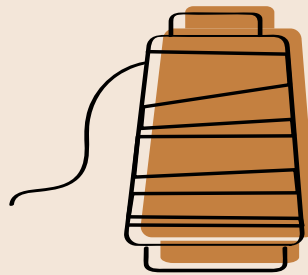
Tier 1
Manufacturing

Cutting, sewing,
assembling, and
prototyping



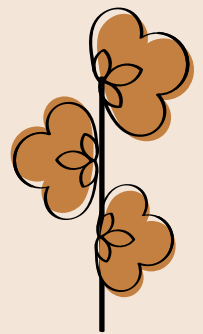
Tier 2
Wet process

Fabric dyeing and
printing



Tier 3
Material process

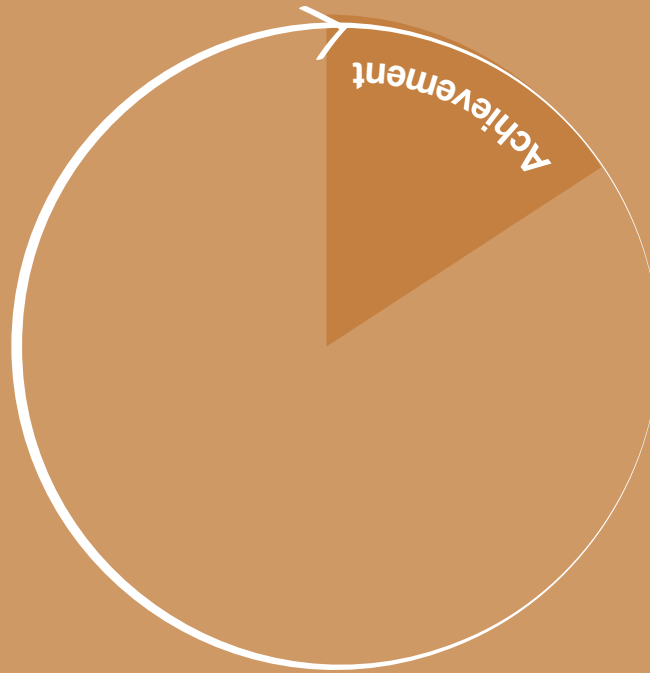
Spinning and fabric
weaving



Tier 4
Raw materials

Raw material farms
and factories

Social certifications



Commitment #10:

We will continue our work on our supply chain transparency, and we will create an overview that entails at least the first three tiers by 2025.

2022 status:

In our own brands, esmé studios and Soft Rebels, all tier 1 supplier information is available to be shared with customers and stakeholders.

Diversity, equal opportunities and inclusion

To ensure diversity, equal opportunities, and inclusion in our business, we inform all employees of our three core values: honesty, responsibility, and constant improvement. And we live by them every day in all aspects of our business.

The business and everyday culture at our office is open-minded and trust-based. People manage their own time and deadlines, and we are flexible according to physical working stations and often operate online when working across our offices in Denmark and abroad.

Our organisational structure is flat and democratic. Every employee can speak their mind and contribute with ideas, no matter their job position. It is important for us to create a work environment where all employees feel like they belong, are valued, and are engaged to produce exceptional results. When recruiting new employees, we want to attract, promote, and retain the best talents and maintain a diverse workforce at all levels and areas of our business. In our staff, we want to represent the diverse communities we serve through our communications, products, partnerships, and investments. Our diverse workforce is an important factor in competing globally and bringing responsible fashion forward.

We provide equal opportunities for everyone, regardless of gender, age, ethnicity, national origin, sexual orientation, ability, or religious background. We hire our employees based on their personality, skills, and experience.

When we design our styles in our own brands, it is with awareness of the different body types of our customers, in order to meet their needs. During the design process, we create products based on the fact that they should be able to fit all body types, to secure inclusiveness and promote body positivity.

Due diligence and human rights

Around the world, various textile worker groups are subjected to oppression of different types.

Oriental Group has a committed CSR responsible who is permanently located in the Far East. This person is working continuously to monitor risk assessments which allow us to take immediate action if we experience any kind of violations of human rights. We can act fast and flexibly to move orders between production countries if needed.

We want to make sure Oriental Group does not contribute to cruel behaviour towards any worker groups anywhere in the world. Therefore, we monitor reports from Amnesty International, the UN, and other NGOs regarding violation of workers' rights in the textile industry. In Oriental Group, we only source materials and services from regions and suppliers that respect human rights.

In 2022, the UN confirmed that Chinese authorities are oppressing Uyghurs in Xinjiang through imprisonment, surveillance, religious restrictions, forced labour, and forced sterilisations. These are unacceptable violations of human rights, and we will not use cotton from the Xinjiang region in Oriental Group.

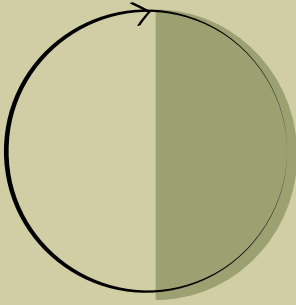
We are currently evaluating the situation on cotton originating from Uzbekistan, Turkmenistan, and Syria due to severe human rights concerns related to the cotton sector in these areas and the ongoing armed conflict in Syria.



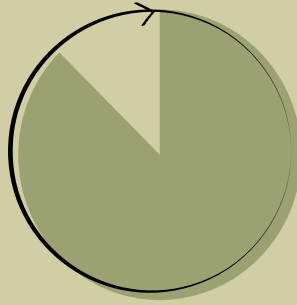
Commitment overview



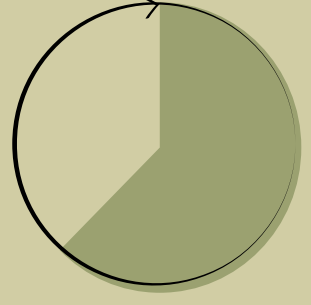
Sustainable materials



Commitment #1:
In 2025, 40% of the garments in esmé's collections will be Fully Certified Responsible Garments.



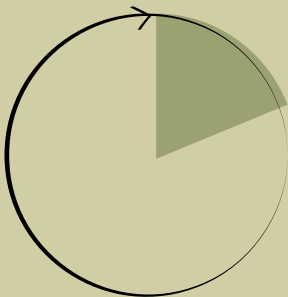
Commitment #2:
In 2025, 90% of the garments in Soft Rebels' collections will be either Fully Certified Responsible or Responsible Garments.



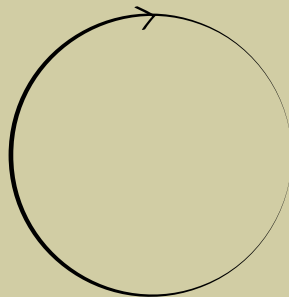
Commitment #3:
By 2024, we will have a full material library that illustrates the environmental benefits of choosing more responsible fabrics. Looking at the benefits will be a permanent part of our sales and design discussions with private-label customers.



Circular Business model

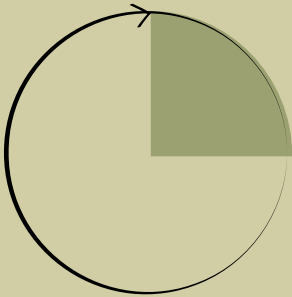


Commitment #4:
We will monitor the reception of esmé2, and by the end of 2023, we will set targets for how to increase this business' share of our total turnover.

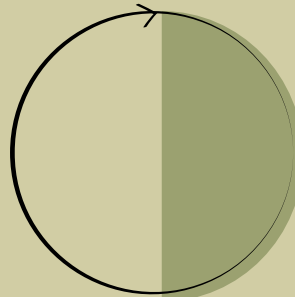


Commitment #5:
We will develop and launch the sale of pre-owned Soft Rebels garments in 2023.

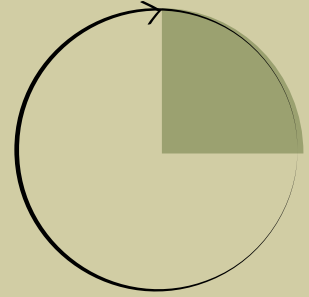
CO₂ Lower Carbon footprint



Commitment #6:
In no later than 2025, we will create a baseline of our suppliers' environmental performance that includes both environmentally certified and non-certified suppliers.



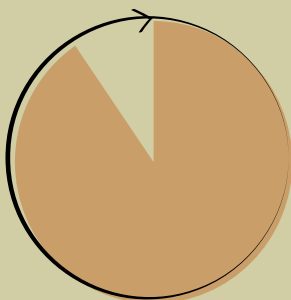
Commitment #7:
In 2023, we will clarify whether there are financially viable alternatives to truck transportation from Turkey to Denmark that can lower our CO₂ emissions on this route.



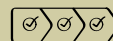
Commitment #8:
We will increase the share of DHL Go Green shipments with carbon offsetting to 25% of our courier shipments in 2025. We aim for 100% by 2030.



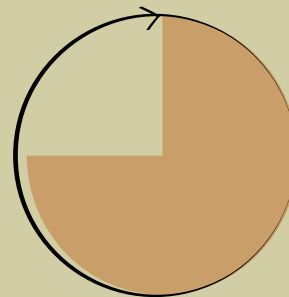
Good working conditions



Commitment #9:
In 2025, 90% of all our garments will be produced at a site with a 3rd party social certification.



Value chain



Commitment #10:
We will continue our work on our supply chain transparency, and we will create an overview that entails at least the first three tiers by 2025.

For more information contact

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Appendix

**Lifestyle & Design Cluster, 2022. Frivilligt sektorsamarbejde om tekstiler, IDcluster.com
<https://idcluster.com/portfolio-item/frivilligt-sektorsamarbejde-om-tekstiler/>**

**European Commission, 2022. Environment. EU Strategy for Sustainable and Circular Textiles, europe.eu
https://environment.ec.europa.eu/publications/textiles-strategy_en**

Sustainability report 2022