



TOWARDS A MORE SUSTAINABLE ESSENTIEL ANTWERP

ESSENTIEL ANTWERPSUSTAINABILITY REPORT 2020

MESSAGE FROM THE CO-FOUNDERS

"During a panel discussion with other fashion designers a few years ago, I was deeply moved by the shared vision on how our sector seems to be stuck in a rat race of trends and collections. There is a growing awareness of how strongly our daily decisions impact other people and the climate. We have been questioning our own practices at Essentiel Antwerp. trying to break out of the old way of doing things, focusing on learning and improving. It's not just the company that is improving - I am also growing personally through this experience. No matter how passionate I am about **Essentiel Antwerp, we cannot** ignore the enormous impact of our industry on people, the environment and society. It is time to change."

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Inge Onsea
Co-founder & Creative Director



"In our journey to bend this impact, we have to make choices, set actions and measure our progress. We take off in our design room, in determining our collection calendar, in choosing fabrics, in our collaboration with manufacturers, in our marketing and sales actions and in the small day-to-day decisions we make. It has become an evidence and we will hold on to this path, setting clear actions and ensure follow up on them. We are eager to learn every day and it is fantastic to discover how our team dives into these topics, looks for solutions and contributes to change every day."

Esfandiar Eghtessadi Co-founder & CEO

THE ESSENTIEL ANTWERP STORY

ABOUT THE BRAND

Essentiel Antwerp stands for fresh, offbeat & luxury fashion, renowned for its graphic and floral prints and creative approaches to color. Collections are diverse and unique, designed to provoke an emotional response. Essentiel Antwerp is influenced by the life experiences of its founders, Esfan Eghtessadi and Inge Onsea. Esfan, the son of Nicole Cadine, grew up in a world of textiles, sketches, and fashion collections. Inge had a vintage-loving mother, was a fashion model and spent five years in India, where she fell in love with the kaleidoscope of colors, prints, and unexpected fashion combinations she encountered there.

In 1999 Esfan and Inge took a gamble and launched a T-shirt collection. It was a bare bones operation, run from their own apartment: four styles, twenty colors. But their response to the monochrome fashion landscape was a huge success. After a year, their first store opened in Antwerp. Four seasons later, Essentiel Antwerp was now a fully-fledged collection. Today, Essentiel Antwerp owns 37 points of sale in Belgium, France, the Netherlands, Germany, and the UK, and runs an exponentially growing e-commerce platform. The brand is also represented in numerous international multi-brand stores through a selective distribution network.

OUR VALUES
AS A GUIDANCE

Our values act as an internal compass for the organization. They help us in making decisions and force us to focus on what drives the brand: designing clothes for those who want to step into a world of color and beautiful chaos, inspiring them to stay curious, original and positive.

We celebrate life.
We work hard.
We infuse our energy in all we do.
We are uncompromising about our integrity.
We are our authentic selves, always.
We stay alert.
There is no status quo.
We encourage wild ideas.
We make memories.
We want to be your pink pill.

Welcome to our beautiful chaos.

"Our values encapsulate the true spirit of Essentiel Antwerp. They are crucial benchmarks for our entire internal organization. We use them constantly and hold all our decisions up against them."

Inge Onsea

Co-founder & Creative Director

ON A SUSTAINABLE JOURNEY WITH EXPERTS

As this is a challenging and complex topic, we've taken on a professional team to guide us in our sustainable journey. They gave us an external viewpoint and a fresh perspective on our way of working that has been established for 20 years. This fundamental company change doesn't happen overnight.

Studio D is a small team but their passion (for sustainability) runs through their veins. That's where we saw our match. They helped us in making sure that all stakeholders are aligned and that all noses are pointing in the same direction. This journey is exciting, yet challenging and we're happy that we're not in this alone.

SHOW YOUR TRUE COLORS

There's no denying that the fashion industry has a major environmental and social impact, which is why we have been working very hard behind the scenes to requestion ourselves. We have been putting our priorities straight, and sustainability is now guiding us in our next steps and working processes.

We want to be transparent in what we do, what we don't do (yet) and where we can improve, because we know we can do better. We have one clear goal in mind: making a greener and more socially responsible Essentiel Antwerp.

BIG CHALLENGES AND CHANGES IN 2020

For some brands, 2020 was a year of sitting back and waiting for the tide to turn. Not so for Essentiel Antwerp, where 2020 became a year of focus and teamwork. Big decisions were made, based on clear insight and a strong sense of direction. These included:

- We undertook a full reset of our collection calendar.
 We reduced the amount of collections and the number of individual products.
- During the very first phase of our creation process, the design phase, we now make more responsible choices.
 This has become an evidence. If we want to remain relevant as an international brand, this is an essential element of design.
- We reconfirmed the importance of long-term supplier relationships, which proved to be a stabilizing factor during the uncertainty of the pandemic.
- We made a huge shift in our distribution footprint, both as regards inbound and outbound distribution. Our biggest achievement was a drop of 28% of inbound air transport.
- We took further steps towards digital transformation, with improvements on our Essentiel Antwerp e-shop, a digital customer and styling service and the creation of a digital showroom for wholesale customers.
- We have been rethinking our packaging methods, aiming to ban plastics in store and in e-commerce.

"Although we've had to make some difficult decisions in 2020. a lot of positive change has come out of this past year. We worked harder than ever, made huge decisions and tackled things that we previously put off. Everything is more structured. From our customers' perspective, we are now offering a better service thanks to our investment in digital transformation projects. Internally, we have had to shift to a smaller team. Of course this has been extremely hard for all of us, but going forward, there's a lot to feel good about. There is an increased sense of confidence and passion and a new sense of structure. which would never have come about without the crisis."

Inge Onsea

Co-founder & Creative Director



OUR COMMITMENTS

As we all become more aware of the impact of the fashion industry on our shared world, we want to be part of the change. To make a significant difference to how we do business, we wanted to look more deeply into our operations. Since 2019 we have been listening to the experts and examining our own sustainable entrepreneurship process. As an international player with a sense of social responsibility, we have been guided in particular by the United Nations Sustainable Development Goals or SDGs. This international framework sets 17 goals for sustainable development by 2030, divided into the themes of People, Planet, Prosperity, Peace and Partnerships. A full list of these is provided in the appendix for your reference.

As a result of our research, we have determined four strategic priorities – areas where we want to make a significant difference, both in the short and long term. These four priorities translate the Sustainable Development Goals into Essentiel Antwerp's business context and provide a roadmap for the future:

We contribute to a more responsible supply chain

SDG 1 - SDG 3 - SDG 5 - SDG 6 - SDG 7 - SDG 8 - SDG 10 - SDG 12 - SDG 13

We aim to use products with less impact

SDG 12 - SDG 13 - SDG 14 - SDG 15

We believe in diversity, inclusivity and equality

SDG 3 - SDG 4 - SDG 5 - SDG 8 - SDG 9 - SDG 10 - SDG 16 - SDG 17

We want to reduce our ecological footprint

SDG 7 - SDG 12 - SDG 13

A MORE RESPONSIBLE SUPPLY CHAIN

SDG 1 - SDG 3 - SDG 5 - SDG 6 - SDG 7 - SDG 8 - SDG 10 - SDG 12 - SDG 13

There's no denying that the fashion industry has become one of the most polluting sectors in the world, with more and more stories of unacceptable working conditions in clothing factories emerging. Here at Essentiel Antwerp we realize that, as an international fashion brand, we have to take responsibility for our own business practices in this regard, and customers rightly ask us questions about this. Our company aims to be completely accountable for the social and environmental conditions under which our products are manufactured – accountable to the companies we do business with, to consumers, and ultimately to all those impacted by our choices in our shared world.

CODE OF CONDUCT

In light of this, we developed a Code of Conduct at the beginning of 2020, which now guides all our operations worldwide. We aim to work with suppliers that are as committed as we are to operating in a responsible and ethical manner, by respecting social, environmental and economic standards and upholding them in their business practices.

Our Code of Conduct sets out the principles and standards to be followed by all suppliers, factories and subcontractors. It mainly covers labor practices, based on the fundamental International Labour Organization Conventions, as well as environmental commitments, under topics such as the following:

Employment must be freely chosen

There shall be no use of forced, bonded, involuntary or prison labor. (ILO Conventions 29 and 105)

There must be no discrimination in employment

Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, color, gender, religion, political affiliation, union membership, nationality, social origin, disabilities. (ILO Conventions 100 and 111)

There must be no use of child labor

There shall be no use of child labor. 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. (ILO Convention 138)

All workers must enjoy freedom of association

The right of all workers to form and join trade unions and bargain collectively shall be recognized. (ILO Conventions 87 and 98)

All employees must receive a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards, and will always be enough to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131)

Working hours must not be excessive

Hours of work shall comply with applicable laws and industry standards.

Safe and healthy working conditions must be provided

A safe and hygienic working environment shall be provided to all workers, and best occupational health and safety practice shall be promoted. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible.

(following ILO Convention 155)

Employment relationships must be legally binding

Obligations to employees under labor or social security laws and regulations arising from a regular employment relationship shall not be avoided using labor-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

Production must be undertaken with respect for environment

We require our suppliers and/or subcontractors to comply with all the applicable laws, rules and regulations regarding the protection and preservation of the environment, and to minimize the environmental impact of their operations on the local community, on natural resources and on biodiversity.

Waste reduction

We aim to work with suppliers that minimize waste in the supply chain, through prevention, reduction, recycling and reuse of resources. The supplier should have a system to identify waste sources and optimize their disposal.

Chemical substances

Solvents or other hazardous chemicals may not be used in the production of goods. Essentiel Antwerp requires all of its suppliers and/or subcontractors to sign a declaration of compliance with REACH requirements during the ordering process. As Essentiel Antwerp distributes garments to the United States, and more specifically California, suppliers and subcontractors are also required to comply with California's Proposition 65, also called the Safe Drinking Water and Toxic Enforcement Act.

At Essentiel Antwerp, we aim to go beyond these REACH regulations and encourage our suppliers to work with OEKO-TEX certified materials only, and we ask that they provide us the necessary certificates or provide us the proof of compliance with these standards. Suppliers that can already provide these certificates, will be identified as a preferred partner to produce our garments.

Animal welfare

The code also emphasizes the importance of animal welfare. Suppliers and subcontractors should respect the five freedoms of animal welfare: freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury and disease; freedom to express normal behavior; freedom from fear and distress.

Governance

We expect all our suppliers and/or subcontractors to respect this Code of Conduct and to actively do their utmost to achieve our standards. The Code of Conduct must be signed by the suppliers and/or subcontractors and returned to Essentiel Antwerp.

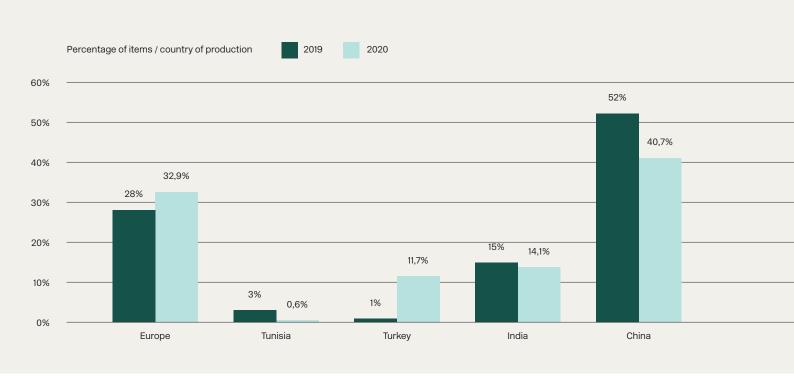
TRANSPARENCY

The call for more transparency in the clothing industry is getting louder. NGOs and customers not only want to know where garments are produced, but also whether the working conditions of garment workers are acceptable. It is not always easy to have complete insight into the production of clothing, as the chain from the cotton field to your wardrobe is often long and complex. But at Essentiel Antwerp, we maintain good relationships with our suppliers in an atmosphere of trust.

In 2020, around 67% of our clothes were produced in China, India and Turkey and almost 33% in Europe. Each supplier has its own unique capabilities and know-how. In the last two years, we have moved more of our production closer to home (Portugal, Italy, Turkey). This has helped us to reduce our ecological impact and respond to the demand from our customers in a more flexible way. We aim to further increase our European production volumes in the upcoming year.

"We maintain strong relationships with our suppliers. More than 50% of our purchases are made from suppliers with whom we maintain long-term business relationships. There is a good working relationship and great confidence in our cooperation with our suppliers. We do not put pressure on prices, and we honor our payment commitments."

Ludo Olleac Head of Production



To promote transparency, as of 2021 we are now working with a specific questionnaire for our suppliers. We ask them about the number of employees in their factory, the proportion of men and women, and we ask them to identify their subcontractors and suppliers of fabrics, yarns and lining, with names, address and contact details. Furthermore, we ask them to provide social and environmental audit reports, if available.

It is our ambition in the near future to work more intensively with the information that will come out of these audit reports. After all, these types of audit reports provide information about how compliant our suppliers or their subcontractors are with the standards in our Code of Conduct. Our next step is to initiate a more in-depth dialogue with our suppliers on possible risks related to fair labor conditions.

SUPPLIER RELATIONS

At Essentiel Antwerp we have two supply models. In some cases we buy fabrics ourselves which we then deliver to suppliers. In other cases, we pay a CMT (Cut-Make-Trim) price directly to suppliers, covering the full cost of the garment's production process before transport. CMT pricing offers only a limited insight into what share of this cost goes to fabrics, wages of employees and the profit margin of the suppliers. Our next step is to question our suppliers more about this in the near future, because it is crucial that the people behind the production of our clothes are receiving fair wages.

In order to prevent time pressure on our suppliers – which we know is a root cause of overtime in production countries – we make sure that our retro plan is available in good time and we ensure that samples are approved quickly.

PRODUCTS WITH LESS IMPACT

SDG 12 - SDG 13 - SDG 14 - SDG 15

SUSTAINABLE FABRICS

We are discovering more environmentally-friendly fabrics from suppliers and at fairs and we are always enthusiastic to try them out. If the quality of these eco-friendly fabrics meets our standards, they are our preferred choice, without a doubt. Our most recent Summer 2021 collection contains 33% sustainable fabrics. Our ambition is to reach 50% by 2025. To guarantee the sustainability of the fibers and textiles, we require the necessary supporting certificates from suppliers.

Organic cotton

For our Spring/Summer collection 2021, almost 100% of our jersey items are made of organic cotton. Organic cotton is grown without any artificial fertilizers, pesticides or genetically modified seeds. Organic farming methods eliminate the risks associated with hazardous chemicals used in conventional cotton farming. This is not only important for the people working on the fields, but also for the soil as it is not contaminated by toxic pesticides. Cotton is a highly water-intensive crop, but by supporting small-scale organic cotton producers and methods for more effective irrigation, saving water is possible. Additionally, some styles in our collection are GOTS certified. This certificate not only guarantees that at least 95% of the fabric is organic, but also that it is produced under good labor conditions.

EcoVero™ viscose

As polyester is a petroleum-based synthetic fiber and as the use of polyester, recycled or not, involves microplastic release in the oceans, we are trying to decrease our use of polyester in favor of viscose. Viscose is not a sustainable material by nature, as the production processes use large amounts of caustic soda and carbon disulfide, and so we are trying to use EcoVero™, which is the sustainable viscose option. In contrast to standard viscose, the production of EcoVeroTM is carried out in the most environmentally friendly way possible. It has the lightness, shine and comfortable wearability of viscose, but with a significantly less environmentally harmful production process.

Recycled materials

A number of our styles are made of recycled materials, such as recycled polyester and recycled mohair. The quantities remain limited for the time being, but we are getting to know these substances better and are increasingly surprised by their quality as manufacturing processes improve. In the future recycled fabric options will become more and more prevalent at Essentiel Antwerp.

Animal welfare

We work with vegan leather and have banned fur in all our collections. Suppliers need to comply with our animal welfare policy, which describes our strategy on animal-derived materials and must in any case respect the five freedoms of animal welfare: freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury and disease; freedom to express normal behavior; freedom from fear and distress.

Our blues are green

As of our Spring 2020 collection we launched our on-going "green blue" denim, produced in an environmentally friendly way, with significant water and energy savings. Our denim manufacturer uses computer-driven laser technology without water, chemicals or stones to finish our denim wear, and fully loaded washing machines are replaced by e-flow technology, minimizing water and chemical use.

"We constantly question ourselves. We are aware of the ecological impact of our fabrics and we want to get involved in innovative technical developments in this field. We're exploring new options and are ambitious to make our products more sustainable."

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Tom Depoortere Art Director

LONGEVITY

We strive to design long-lasting items that customers can love and wear them for a long time. Quality fabrics and a quality customer service are essential. We provide a retouch service, for optimal fit and use of our garments. We also work hard to give our customers the right advice on how to wash and to care for garments, because prolonging the life of a garment is the most sustainable option.

We are aware that the fashion industry today still follows a linear model of take-make-waste. To decrease the impact of textile waste on our planet, we have to move to a more circular economy, where reuse, upcycling and recycling are the new normal. Essential Antwerp wants to contribute by bringing new circular initiatives to life.

The rental revolution

In 2021, we will be launching an occasion wear collection for rent in our stores. Customers will be able to rent their favorite Essentiel Antwerp dress for a special occasion. They can pick it up in store, look fabulous at their event, and simply return it after use. We have partnered with Samsung, who are providing us with appliances to clean, sanitize and refresh the collection in store, ready for collection by the next customer. With this service our collection can be used, reused and re-loved, and will have a smaller impact on today's mountain of textile waste.

100% monomaterials

Approximately 60% of Essentiel Antwerp collections are made of monomaterials. In practice, this means for example that an item is made of 100% cotton or polyester or viscose. This is an important advantage in the post-consumer recycling process. Monomaterial items have a much higher recycling rate and post-recycling quality compared to mixed materials items, which are difficult to separate for recycling.



A DIVERSE TEAM WITH INTERNATIONAL APPEAL

What connects us at Essentiel Antwerp is our absolute passion for what we do. Our people are open minded and we cherish the international and diverse backgrounds of our team. It is the perfect recipe for creativity and positive vibes. Our playful spirit and joie-de-vivre helps opportunities to come to us in a very organic way.

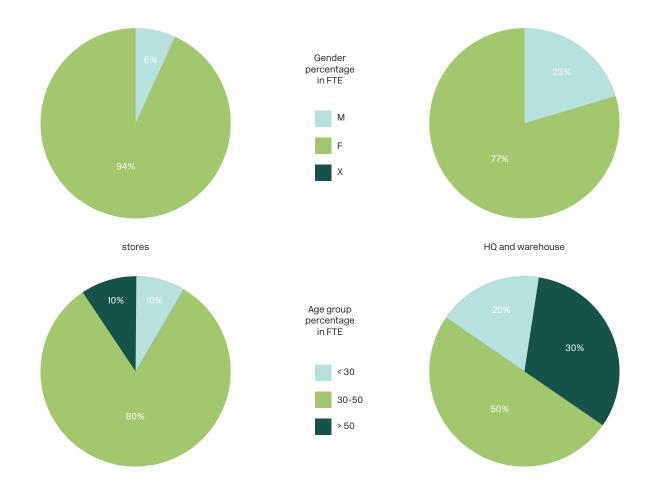
"We are a bubbly organization, with a real family feel. We work in a team with a hands-on, cando mentality. Just think of the spontaneous after-work drinks on the terrace of the cafe across the street from our head office, and the refreshing encounters between our international retail team. Essentiel Antwerp's work culture breaths the Essentiel Antwerp spirit."

Charles DuchênePR & Communication Manager

RECRUITMENT AND TALENT DEVELOPMENT

When hiring new team members, we look for applicants who connect with our values. Although we use a current recruitment process, the diverse and international composition of our team has grown in a very organic and genuine way. We have a vast number of team members who have come to us spontaneously, whether via an internship, or some situation where an applicant just happens upon us at the right moment in time. While the right skills and competencies are important, candidates must also connect with our positive spirit and love for our product and customers.

We're very proud to build long-term relationships with our employees. There's a considerable core of our team who have been with us from the early Essentiel Antwerp days, building their careers and growing along with us. It's fantastic to see an intern evolve through being hired as an employee and then taking on a new challenging opportunity within the company. This happens a lot, because we encourage people to explore and come up with new ideas, trying to give them the help they need for their projects to succeed. In doing so we don't think in terms of gender or age – all employees deserve the same respect and opportunities. This also entails open-mindedness and a commitment to equal opportunities in terms of age, gender, personal expression and background.



INCLUSIVITY, DIVERSITY AND EQUALITY

The Essentiel Antwerp woman is someone young at heart, who knows and loves fashion but does not always follow it. She is proud to stand out and be bold, fun and creative, but keeps both feet on the ground. With our open mindset, topics such as equality, inclusion and non-discrimination seem straightforward to Essentiel Antwerp. Nevertheless, we have to realize that this is not self-evident for everyone.

That is why we regard this as a very important pillar in our policy. Although our organizational culture is defined by openness and acceptance, we still decided to work on a comprehensive policy regarding these topics and to define best practice throughout the organization. This is because we believe we can use our brand and voice to translate our beliefs towards our customers and our own organization.

This is about creating vacancies without barriers for groups for which the threshold may already be high. It is about training our staff to approach and help customers without prejudice. It is about integrating relevant fitting information for our e-commerce customers so that they can have a fantastic customer experience, respecting and helping all of them. This is about daring to speak out in favor of equality and non-discrimination (cfr. #blacklivesmatters, LGBTQIA+ Community)

"It's all about community building. We are very diverse, and that's the essence of Essentiel Antwerp: be open, with respect for each other's differences."

Tom Depoortere Art Director



INITIATIVES CLOSE TO OUR HEART

As part of our passion for social justice, we also support initiatives that are close to our heart. The charity projects we support and the collaborations we initiate are not governed by commercial concerns. They must be an authentic expression of our own values. Essentiel Antwerp's passion needs to run through them all.

"When asking me why and how I commit to projects, I don't have particular boxes to tick. I follow my gut feeling and sense of connection with the cause. The projects are close to my world and should have a positive message, they are about the choices people make and should be able to make."

Inge Onsea

Co-founder & Creative Director



Over the past few years and up to today, Essential Antwerp has supported the following initiatives:

Designers Against Aids

Through a collaboration with Designers Against Aids, Essentiel Antwerp designed and produced a capsule collection. The collection was inspired by punk couture and 90's club culture. Sales profits were donated to the organization to raise awareness around HIV/AIDS.

Solid International

In 2019 Essentiel Antwerp created the TECHUA sweater, sourced from Solid International. The purpose of this NGO is to empower women and local communities in production countries such as Peru, Kenya and India.

Antwerp Pride

Since 2019, Essentiel Antwerp released a limited edition set of t-shirts each year, designed by our creative team to send out a powerful message in a playful way. All the proceeds of the Antwerp Pride Collection were donated to the Antwerp Pride organization. Additionally, we supported the 300 volunteers to showcase their pride by offering them our rainbow-colored 'I am Pride' t-shirt.

Response to COVID-19

As a response to the COVID-19 pandemic, Essentiel Antwerp released a limited edition amount of printed facemasks. A part of the revenue was donated to the World Health Organization (WHO). Additionally, and to help its community to battle boredom, Essentiel Antwerp launched a creative contest in which people could submit their design for a T-shirt. Once produced and sold, all revenues of the sales were donated to the COVID-19 response fund of the WHO. Lastly, we collaborated with abroad suppliers to provide an amount of face masks to offer to a local Antwerp hospital when it was a moment of big necessity and scarcity.

Plan International

For International Women's Day 2021, Essentiel Antwerp joined forces with Plan International to support the Saksham project in India, which empowers young girls to realize their dreams. They provide training and opportunities to encourage economic empowerment and gender equality. Essentiel Antwerp donated 20% of online revenues to the NGO to support this project.

Clothing donations

In response to the devastating double explosion in Beirut, Lebanon on 4 August 2020, Essentiel donated one ton of garments (mainly winter clothing) to families impacted by the blast. An international collaboration between both public and private organizations as well as local NGOs ensured that these donations were delivered and distributed as efficiently as possible.

Towards the end of each year, Essentiel Antwerp and Inge Onsea donated a substantial amount of deadstock from previous seasons to an Antwerp-based NGO supporting homeless people. The NGO used its expertise to distribute the donation, mainly warm winter clothes, to those in need.

COMMUNICATIONS AND MARKETING

We're all about creating valuable connections with our customers. We aim for engaging and transparent communication across all our channels, both online and offline. We're always there for our customers, constantly questioning our services, and working on improving the customer experience. We want to increasingly integrate our sustainability practices and our performance into our communication.

In communicating and speaking out, we can make mistakes. At Essentiel Antwerp we see these mistakes as learning experiences. Our customers have an important voice here, and one which we value deeply.

IMPROVED CUSTOMER EXPERIENCE BY AN ACCELERATED DIGITAL TRANSFORMATION

The last twelve months have been, to say the least, overwhelming. But the events of 2020 also accelerated our digital service approach. We quickly streamlined our service level through our various sales channels, and worked on the back-end processes of our organization. These improvements, which also contribute to our sustainability ambitions, are here to stay, and offer a fantastic opportunity to build on them further in the near future. This will result in a better customer experience, regardless of the point of entry to Essentiel Antwerp's world, be it through our shops, our e-shop, or social media channels.

The first major improvement of this kind was the installation of in-store tablets that give access to our online stock. In this way, we're able to serve our customers better, with a broader selection.

In light of the pandemic, some digital initiatives were accelerated. We knew we needed ways to stay in touch with our customers and as it couldn't be in person, we looked to the digital world for inspiration. The launch of styling advice via WhatsApp was quickly implemented. Even Inge Onsea, the co-founder of the brand, participated, and enjoyed having that connection with the customers.

We also always look for ways to improve the customer experience on our website. Our customer care team is there for advice on shipping, returns and any other question. On top of that, we have now launched direct style advice via phone, putting you in direct contact with one of our expert style advisors. This not only helps customers create a look that suits their personality, but also reduces our online returns.

Our goal is to be available at any time, any place and with the right products for our customers. In order to fulfill this omnichannel approach, we still have a lot of processes and systems that need to be optimized. It's a work in progress, but we have a clear end goal in mind. We want to further improve our systems, manage our stock flows and change the way we organize outbound transport.

"By offering personal styling advice via WhatsApp and improving customer experience, we limit the CO2 impact of returns."

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Maja Malovrh Head of E-Commerce & Digital



"We want to go to an omnichannel experience, where we put our customer first at all times. The pandemic accelerated our digital implementation in store and it's only the beginning."

Astrid Vandenbruwaene Customer Experience Marketing Manager

REDUCING OUR FOOTPRINT

SDG 7 - SDG 12 - SDG 13

"When Essentiel Antwerp was founded in 1999, sustainability was not central to our business plan. In recent years, however, there has been a great deal of support for sustainable and ethical initiatives in our various departments, from design to sales. We have defined our position in this journey and every day we are gaining new insights into the essential steps to take. At Essentiel Antwerp, we are all in it together, and we are committed to keep on making changes and responsible choices. Sustainable entrepreneurship will always remain a work-in-progress."

Ruth Collin

Business & Legal Affairs Director

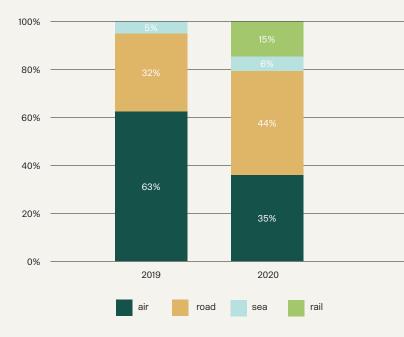
Every day, the entire Essentiel Antwerp team faces choices that have a direct or indirect impact on our environment and ecosystem. We want to make conscious choices, and to challenge ourselves on a daily basis on the topics of transport, energy consumption and the use of materials, at every stage in our value chain.

In 2019 and 2020, we took active steps to improve our choice of transport methods and use of packaging materials. In 2021, we are continuing these initiatives with the aim of further reducing our transportation carbon footprint and lowering our waste. We are also committed to reducing our energy consumption.

TRANSPORT AND DISTRIBUTION

Essentiel Antwerp maintains good historical relations with its suppliers, many of which are located in overseas regions. We are aware of the immense impact of inbound transports on CO2 emissions. In order to reduce our emissions, we have been working on our processes within our organization, from styling to production, and we apply a guideline in which we focus on the use of boat and train for long-haul transportation, reducing the use of air shipping. In 2020 we also tested transport from the Far East by train, and we will continue this in 2021, aiming for a further reduction of our emissions per transported piece. Where we can, we also focus on more local production. In 2021, we will also take further steps to better map our emissions, which will help to enable even more targeted action.

Percentage of items shipped via air, road, sea or rail



When we deliver goods to our customers, we make conscious choices. In 2020, we set up various projects to optimize transportation to our own shops. For example, one innovation now means that physical transfers of stock between shops is no longer required, and orders can be delivered directly to the end customer instead. All the necessary IT and logistics adjustments have been implemented to enable this. For transport to our shops, we always evaluate whether we are shipping the right stock at the right time, to avoid sending incomplete or unnecessary deliveries to stores.

Within our e-commerce department, we are also looking for solutions to help us offer our customers the best service in the context of sustainable choices. We are focused on reducing web returns by launching innovations for our e-shop, including better product information as well as fitting information and advice. In 2021 we are undertaking further research and analysis to improve our products and services.

"The decisions we have made in 2020 regarding collection volume, choice of transport mode and country of production resulted in an impressive reduction in our carbon emissions. We are committed to maintaining this new way of working and striving for further reductions."

Bénédicte Verschraegen Supply Chain, Production & Customer Service Director

WASTE AND REUSE

We are strongly committed to raising awareness internally about the waste streams that our operations entail. We want to deal with this consciously in our distribution chain, in our stores and regarding all materials that we use for our e-shop. With this in mind we have defined three focus areas: our packaging solutions, our use of paper, and sustainable choices for visuals, merchandising and shop design.

We have already launched a project to replace all plastic bags with paper bags in-store, and recently implemented more sustainable solutions for these paper bags. In 2021, we will be investigating other possibilities to further reduce our use of plastics, and minimize waste generation in our operations.

"When it comes to the use of materials in fashion industry, there is so much more than fabrics and yarns. Also, in the area of packaging and marketing materials we challenge ourselves and strive for the most ecological options possible."

Arno Heeren Graphic Designer

SUSTAINABLE PACKAGING

For all our packaging, we investigate the best options in terms of sustainable materials, options for reuse and recycling opportunities. We are looking for ways to improve our management and use of the plastic polybag. We have already switched to polybags made of recycled or recyclable plastic, and plan to conduct more research on better recycling flows in 2021. We're currently taking next steps to further improve on our ecommerce packaging. Our current cardboard boxes are made from FSC certified paper and perform well in protecting your clothing on its journey. However, we will be introducing sturdy bags made from FSC certified craft paper to replace the cardboard boxes, where appropriate (this depends on the size of the order and type of products sent). The production of paper bags requires less material and has less impact on the environment. Using paper bags enables us to reduce the volume our packages take up during transportation by an estimated 34% to 80%, depending on the type of product. This means one journey can carry more goods, meaning we decrease the number of needed transports, reducing fuel and emissions.

For all paper-based packaging – from hangtags and gift-wrapping materials to the shopping bags we use in our stores and the bags and boxes we use for our web orders – we have now switched to recycled and/or FSC certified paper. FSC certification guarantees that our paper materials have been produced according to industry standards. We also pay attention to the recycling possibilities of our stationery, and therefore no longer use laminated paper products. By switching to soy ink for printing purposes, we have reduced the use of harmful substances and improved recycling potential.

In order to reduce the total amount of paper we use, we examined all our stationery requirements carefully, and we decided to stop producing paper look books and brochures in 2020. We also evaluated the number and use of shopping bags and made choices that entail lower volume consumption.







CIRCULAR DESIGN AND VISUAL MERCHANDISING

We love to create inspirational shop windows and align our shop design with the Essentiel Antwerp vision. We look for high-quality materials for shop furniture, with a focus on quality and long-lasting design. In our visual merchandising operations, we look for sustainable materials and avoid the use of plastics and non-reusable materials.

Circular design always wins. In setting up our shop windows, our motto is that it's the clothes that tell the story. All extra visuals and materials are selected in the light of this principle. In our warehouse in Antwerp, we collect these materials, and our creative team is always finding new ways of using them. For those materials we cannot reuse (e.g. when we close a shop), we try to find a partner who can give the material a second life, for example schools, secondhand shops etc.

ENERGY

In our headquarters and shops we look to make conscious energy choices. Opting for less energy-consuming devices and finding ways to use them to "work smarter" is already making a difference. In 2021 we will be further investigating our consumption habits and looking at this alongside other data which can influence our energy consumption. We have a dedicated and committed team ready to put these practices in place.

WHAT'S NEXT

Looking forward, we have goals to work towards and challenges to deal with. We do this with both enthusiasm and excitement, because we can never know for certain what the future will bring, but we know that we can work towards a brighter one.

OUR PRIORITIES TO REACH BY 2025:

- We realize we have to invest in transparent and responsible supply chains. We engage ourselves to have tier 1 and 2 transparency and to a more active screening of labor conditions and living wages by 2025.
- We feel very enthusiastic in using fabrics with a smaller environmental footprint. By 2025, we hope we can say that at least 50% of our fabrics are sustainable.
- As we are strong believers in an inclusive society where inequality and discrimination have no place, we will further integrate these values in our own HR processes and in our corporate communication.
- We aim for a further reduction of our emission per transported item. Where we can, we will focus on more local production. We will also take further steps to better map our emissions to enable even more targeted action.
- We will limit our environmental footprint by decreasing our waste throughout the production, distribution and sales process.
- We will take responsible choices related to our energy use.
- We will do further research, and we will measure and analyze our data to improve (the sustainability of) our products and services.



ABOUT THIS REPORT

Name and location of the organization

Essentiel Antwerp's registered head office is located at Arenbergstraat 21, 2000 Antwerp, Belgium

Reporting scope

This report is the first sustainability report published by Essentiel Antwerp and covers the sustainability policy, achievements and ambitions of the company in the near and mid-term future.

Reporting period

Publication date: 22 April 2021 Reporting period: 1 January 2020 – 31 December 2020 We will continue to publish reports on an annual basis. Contact for enquiries about this report

For questions regarding this report

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APPENDIX

United Nations' Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. The 17 goals are as follows:

- SDG1 No Poverty
 SDG2 Zero Hunger
- SDG3 Good Health and Well-being
- SDG 4 Quality Education SDG 5 Gender Equality
- SDG 6 Clean Water and Sanitation
 SDG 7 Affordable and Clean Energy
- SDG9 Allordable and Clean Energy
 SDG9 Decent Work and Economic Growth
 Industry, Innovation and Infrastructure
- SDG 10 Reducing Inequality
- SDG 11 Sustainable Cities and Communities
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate Action
 SDG 14 Life Below Water
- SDG 15 Life On Land
- SDG 16 Peace, Justice, and Strong Institutions
- SDG 17 Partnerships for the Goals

More information on the Sustainable Development Goals can be found on the UN website at www.sdgs.un.org.