



TOWARDS A MORE SUSTAINABLE ESSENTIEL ANTWERP

ESSENTIEL ANTWERP
SUSTAINABILITY REPORT 2021

MESSAGE FROM THE CO-FOUNDERS

“Traceability and ecology have become increasingly important. Three years ago, we made the switch towards more sustainable business practices. We are now also looking at our production from a sustainability perspective. We still face major challenges, but we are off to a strong start. We have already begun to work on the ethical aspect with our producers, and now we’re also taking a close look at our fabrics and designs. Most of all, I’m really proud to see that a shared sustainability mindset and commitment have grown throughout the whole company, in every decision we take. It’s amazing how we’ve reshaped our way of working from the past 20 years to now looking forward to even more change.”

Esfandiar Eghtessadi,
Co-founder & CEO



“Sustainability has become an important part of the design choices we make, while maintaining our DNA. We constantly look for better, more sustainable materials, yet it remains quite challenging. Organic cotton, for example, is scarce at the moment and innovative fabrics need to meet our standards and require new development processes. Luckily, we have fantastic suppliers who are thinking along with us to find qualitative and more responsible alternatives. Together we're taking significant steps forward.”

Inge Onsea
Co-founder & Creative Director

THE ESSENTIEL ANTWERP STORY

ABOUT THE BRAND

Essentiel Antwerp brings you energetic, fresh, and surprising collections, with signature graphic and floral prints and daring color mixes to help you stand out from the crowd. Our designs make women feel confident and powerful, ready to live life to the fullest.

Essentiel Antwerp has grown from 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.

Over the years, Esfan and Inge have stood side by side, each offering their own expertise. Inge, as creative director and the face of the brand, defines and maintains the creative vision for the collections and branding. Esfan, with his years of experience in fashion and natural business instinct, runs all business operations as CEO, and sets the strategic direction.

Today, Essentiel Antwerp owns almost 40 monobrand stores in Belgium, France, the Netherlands, Germany, and the UK, including corners in renowned department stores such as KaDeWe in Berlin and Le Bon Marché in Paris. In South Korea and Switzerland, we work with local partners who operate stores under the Essentiel Antwerp label and in conformity with our brand identity. No matter the distribution channel, be it a monobrand store, a wholesale point of sale or online, we put the customer first and aim to maintain a consistent brand experience always and everywhere. To stay ahead in today's ever-changing digital landscape, we continuously adapt and reinvent our platforms. This, amongst other factors, has led to the exponential growth of our e-commerce platform, which delivers to the EU countries and the UK.

A SUSTAINABILITY JOURNEY GUIDED BY EXPERTS

As sustainability is a challenging and complex topic, we've taken on a professional team to guide us in our journey. Moving towards a greener business model is a highly complicated process that can't happen overnight. Essentiel Antwerp has been working in much the same way for the past 20 years, and so we knew we wanted to get expert input on this important evolution of the company. That's why we're so excited to have partnered with sustainability consultancy, Studio D, for an external viewpoint and a fresh perspective to take us into the next era of Essentiel Antwerp.

OUR VALUES AS A GUIDE

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 see change for the growth opportunity it brings.
We trust our gut feeling and emotions.
We learn by doing.
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

Studio D is a small team whose passion for sustainability runs through their veins. As soon as we met them, we knew we'd found our match. They have helped us in making sure that all stakeholders are onboard with the same aspirations for the future of the company. This journey is exciting yet challenging, so we're happy that we're not in this alone. It's also very encouraging to see our team become more confident and knowledgeable about sustainability, building internal expertise in the use of more sustainable fabrics and packaging, and embodying our views on equality and non-discrimination in each of our campaigns.

SHOW YOUR TRUE COLORS

We know that the fashion industry has a major environmental and social impact on the planet. That's why we believe it's so important to keep on questioning ourselves and our way of working. We want to be part of the solution, which is why sustainability is a core value guiding us in our next steps and working processes.

ANOTHER YEAR OF CHALLENGES AND CHANGES

Where 2020 was a year of focus and teamwork, where we made big decisions and set out our hopes for a post-pandemic world, 2021 was a year where we have taken steps towards greater flexibility, in order to grow and thrive as we move towards a more sustainable business model. As we look back at the past year we are happy to highlight some of our achievements:

- We've seen big wins in accountability, with 97 percent of our suppliers agreeing to our Code of Conduct and more than 50 percent of our production now covered by social audits.
- We introduced a questionnaire to create more transparency in our overall supply chain by gathering information from our suppliers about their suppliers and subcontractors.
- During the very first phase of our creation process, the design phase, we now make more responsible choices in terms of materials. If we want to remain relevant as an international brand, a prominent dialogue with our suppliers is an essential element of the creation process.

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

- We reconfirmed the importance of long-term supplier relationships, which has proven to be a stabilizing factor during the uncertainty of the pandemic and beyond.
- We continue to challenge ourselves in finding a balance between premium and responsible choices by using fewer materials and making more sustainable choices for our packaging.
- We have adapted our internal processes to organize and incorporate sustainability information to have it at hand easily, both for internal and external processes.
- We take every available opportunity to incorporate our sustainability efforts in our communications with our different stakeholders, to keep them informed and educate them on our initiatives.



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 out 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 for Essentiel Antwerp – areas where we want to make significant changes, 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 aim to 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.

Over the past year, 97 percent of our suppliers have agreed to our Code of Conduct. Those who have not are suppliers from whom we buy only on a very limited basis.

We will continue to encourage these few suppliers to sign.

In case a supplier or subcontractor fails to comply with our Code of Conduct, we reserve the right to terminate our business relationship with this suppliers, if corrective measures are not taken within an agreed time limit.

AUDITS

The signing of our Code of Conduct by our suppliers represents a strong commitment, however, this does not guarantee compliance in practice. For this reason, we also ask our suppliers for social audit reports, in which correct working conditions are evaluated by a third, independent party. We have received recent audit reports (no older than three years) from many of our suppliers. These are usually BSCI or SEDEX/SMETA audits. This means that more than 50% of our production is covered by social audits. Additionally, 30% of our collections are produced in Europe, where fair working conditions are guaranteed under the applicable European regulations.

From the available reports, no evident violations of human rights were identified. However, we will always stay alert as we are aware that systematic overwork and a lack of social dialogue are structural challenges in manufacturing countries, such as China. We are committed to further dialogue with our suppliers on these issues, to gain a better understanding of the root causes of this and whether we, as Essentiel Antwerp, can play a meaningful role.



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.

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

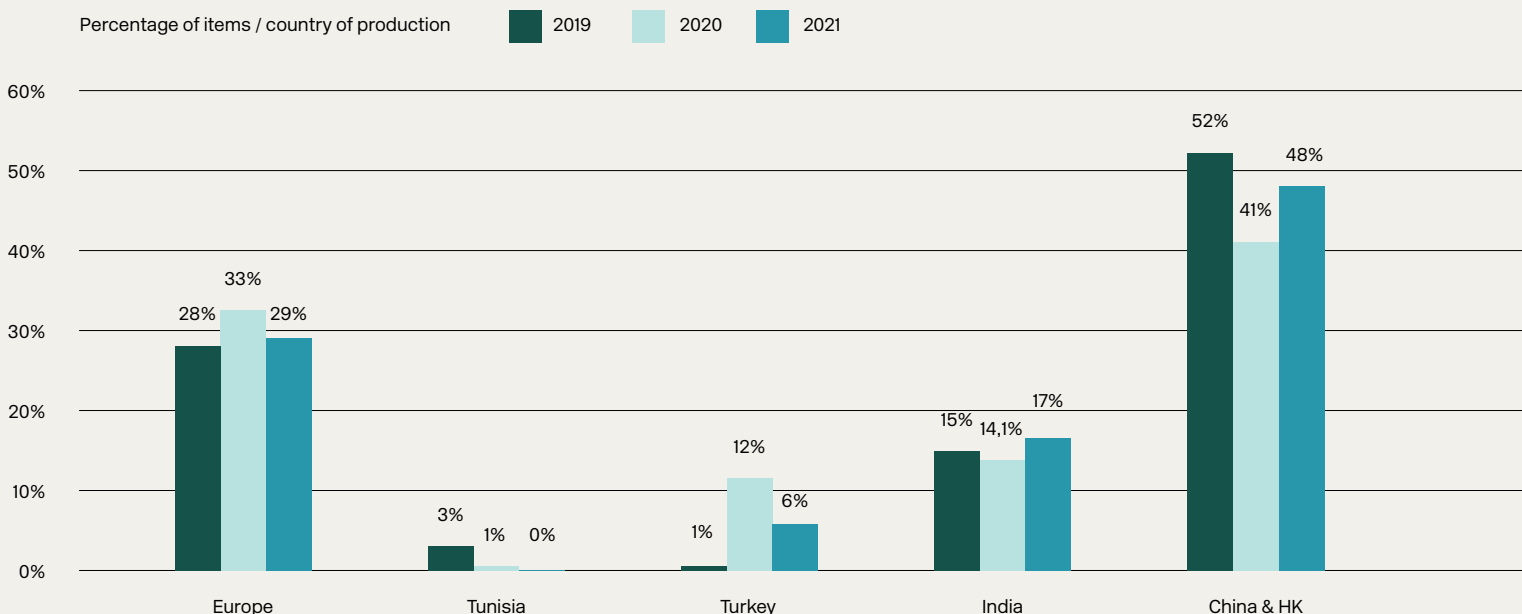
At Essentiel Antwerp we have two supply models. In some cases we buy fabrics ourselves which we then deliver to suppliers. In other cases, we pay a CMT (Cut-Make-Trim) price directly to suppliers, covering the full cost of the garment's production process before transport. CMT pricing offers only a limited 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.

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.

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.

“Over the last year, we have communicated with our suppliers even more than usual. Together, we sought solutions to the problems that arose, from delays due to restrictive measures and absent employees to the rising cost of transport and energy and the lack of stock.”

—
Ludo Olleac
Head of Production



PRODUCTS WITH LESS IMPACT

SDG 12 - SDG 13 - SDG 14 - SDG 15

SUSTAINABLE FABRICS

We continue to discover more environmentally friendly fabrics from suppliers and at fairs and we are always enthusiastic to try them out. In 2021, we developed our Corporate Product Policy to help us move towards more sustainable design and fabrics, which explains our criteria for considering a fabric 'sustainable' to our staff and to suppliers. To guarantee the sustainability of the fibers and textiles, we require the necessary supporting certificates from suppliers.

If the quality of these sustainable fabrics meets our standards, they are our preferred choice, without a doubt. From our most recent Fall/Winter 2022 collection, 32% of the fabrics are (partly or fully) more sustainable. Our ambition is to reach 50% by 2025. To achieve this goal, we are currently exploring which environmentally friendly alternatives are possible for our best-selling products.

Organic cotton

Where possible, we prefer organic cotton over conventional cotton. For 2021, our ambition was to use only organic cotton, but as there was a scarcity of organic cotton on the market last year, we could not achieve this goal. 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 into 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 EcoVero™ 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, including recycled polyester, polyamide, viscose, wool and cotton. We are getting to know these substances better and are increasingly surprised by their quality as manufacturing processes improve. For our Fall 2022 collection, for example, 100% of our puffer jackets are made of recycled materials, as well as a number of handbags. In addition, 100% of our clothing labels are made of recycled polyester. 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 and freedom from fear and distress.

Our blues are green

As of our Spring 2020 collection we have launched our ongoing "green blue" denim, produced in an environmentally friendly way, with significant water and energy savings. In 2021, our Turkish denim manufacturer even invested in a fully closed water loop system. This manufacturer also uses computer-driven laser technology without water, chemicals or stones to finish our denim wear, and fully loaded washing machines have been replaced by e-flow technology, minimizing water and chemical use.

LONGEVITY

We strive to design long-lasting items that customers can love and wear for a long time. Quality fabrics and quality customer service are essential. We provide a tailoring service, for optimal fit and use of our garments. We also work hard to give our customers the right advice on how to wash 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 must move to a more circular economy, where reuse, upcycling and recycling are the new normal. Essentiel Antwerp wants to contribute by bringing new circular initiatives to life.

The rental revolution

In May 2021, we launched an occasion wear rental collection in our stores. Customers were able to rent their favorite Essentiel Antwerp dress for a special occasion. They could pick up their chosen garment from four different stores, 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. We evaluated this project as a successful pilot from which we learned a lot and we will relaunch the initiative in 2022. With this service our collection can be used, reused and re-loved, and we can have a smaller impact on today's mountain of textile waste.

100% monomaterials

Approximately 30% of Essentiel Antwerp collections are made of so-called 'monomaterials', where the fabric is comprised of only one material – 100% cotton or polyester or viscose, for example. This offers important advantages in the post-consumer recycling process. Monomaterial items have a much higher recycling rate and post-recycling quality compared to mixed material items, which are difficult to separate for recycling.

Upcycling

We buy our fabrics and yarns as efficiently as possible, but sometimes we end up with surpluses. In 2021 we made a cardigan from two types of leftover yarns. We also donated fabrics and yarns to local initiatives that organize upcycling workshops with them. Production errors also sometimes occur. Then we look for solutions to save the garments from becoming waste. As an example, we have worked together with Kunnig, a company that employs people who are experiencing barriers to the regular labor market, to repair trousers with elastic that did not match the sizes to then be resold.

“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.”

—
Tom Depoortere
Art Director

“Sustainability has become more central in our dialogue with suppliers as they know this is a priority for us. During the development of each collection, we search for sustainable alternatives for materials, which come from new developments and technologies.”

—
Lotte Lijnen
Assistant Designer



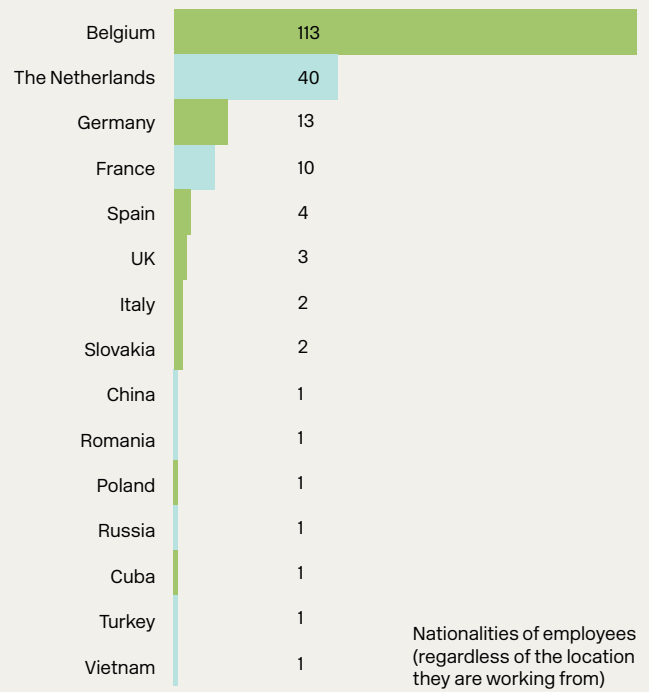
PEOPLE

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

A DIVERSE TEAM WITH INTERNATIONAL APPEAL

In 2021, challenges caused by the COVID-19 pandemic were still impacting our team and we made it a priority to manage this as well as possible. We focused on clear and transparent communication with our retail teams, especially in the Netherlands and Germany. We are also proud of the strong loyalty of our team with an under-average turnover rate. An important strategy to build this loyalty is the respectful management of our teams and that is why we avoid working with temporary contracts, offering up to 96% of our employees a permanent contract.

This is something we cherish and to enhance this loyalty, we aim to further formalize some of our HR processes and build on the strengths and potential of our team in 2022.

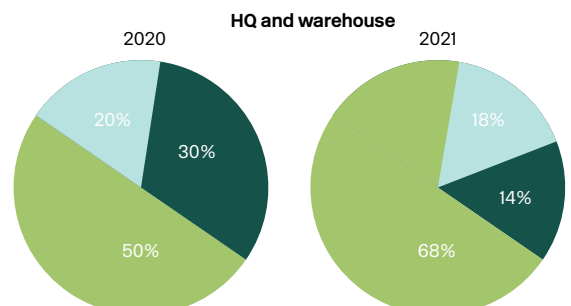
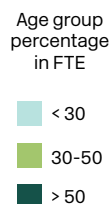
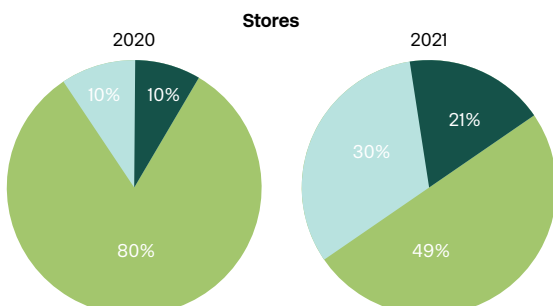
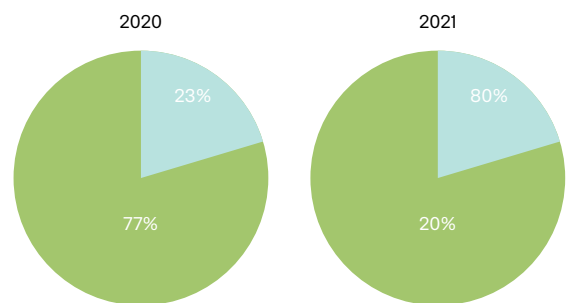
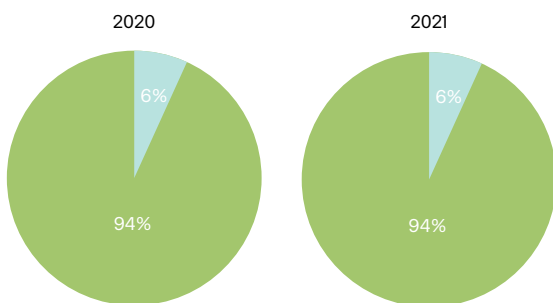


RECRUITMENT AND TALENT DEVELOPMENT

When hiring new team members, we look for applicants who connect with our values. Although we use a formal recruitment process, the diverse and international composition of our team has grown in a very organic and genuine way. We have a considerable number of team members who have come to us spontaneously, whether via an internship, or just by happening 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. A number of our core team 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 new challenging opportunities 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 2021 we facilitated the internal career switch of some of our colleagues, enabling them to grow, explore and develop new skills. In doing so we don't think in terms of gender or age – all employees deserve the same respect and opportunities and it's our duty to support our team in their career development. This also entails open-mindedness and a commitment to equal opportunities in terms of age, gender, personal expression and background. It's not unusual for our employees to move across departments, functions and locations as their skills and ambitions grow and develop.



INCLUSIVITY, DIVERSITY AND EQUALITY

The Essentiel Antwerp woman is someone young at heart, who knows and loves fashion but isn't afraid to be herself. She is proud to stand out and be bold, fun and creative, but she has her feet on the ground. With our open mindset, topics such as equality, inclusion and non-discrimination seem straightforward to Essentiel Antwerp. Nevertheless, we know that this is not self-evident for everyone.

That is why we still regard inclusivity as a very important pillar in our policy. Although our organizational culture is defined by openness and acceptance, we still maintain a comprehensive policy on these topics to define best practice throughout the organization. This is because we believe we can use our brand and voice to promote our beliefs to 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, while respecting and helping all of them.

This is also about daring to speak out in favor of equality and non-discrimination and in 2021 we continued to do so through the campaigns and good causes we supported (including LGBTQIA+ initiatives and women's rights). In 2022 we will continue to build these partnerships, aiming to have a further positive impact on societal challenges.

In 2021, we launched our Pink Pill ++++ collection. This campaign was 100% about positivity, in the fullest sense of the word: working with real people, and more specifically mothers and daughters, telling their different life stories. This campaign was all about putting people first, showcasing their voices and celebrating the richness of our diversity.



ANTWERP PRIDE × ESSENTIEL ANTWERP



INITIATIVES CLOSE TO OUR HEART

As part of our passion for social justice, we also support initiatives that are close to our heart. Our choice of projects to support and collaborations we initiate ourselves are not governed by commercial concerns. They are an authentic expression of Essentiel Antwerp's own values, with our passion running through them all. We have both long-term partnerships with our social projects as well as ad hoc projects. For ongoing partnerships we look for long-term collaborators with a strong message, and seek out opportunities where we feel our contribution can create the greatest possible positive impact. We also regularly receive requests regarding ad hoc projects. We look for impactful, creative projects that strongly reflect our values, and if we find something exciting we often reach out to see how we can help.

Antwerp Pride

Since 2019, Essentiel Antwerp has released a limited edition set of t-shirts on a yearly basis as part of the Antwerp Pride event, designed by our creative team to send out a powerful message in a playful way. All the proceeds from the Antwerp Pride Collection are donated to the Antwerp Pride organization. Additionally, we supported 300 volunteers to showcase their pride by offering them our rainbow-colored 'I am Pride' t-shirt. While before we were offering the t-shirts for sale at the Antwerp pride event only, for 2021 we launched the collection on our own website during the month of June (Pride Month) to allow for a more international reach. As a result, we were able to sell 30% more than in previous years. To offer ongoing support to Antwerp pride and the LGBTQIA+ community, we are repeating this initiative in 2022.

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. Through this project, Plan International provides training and opportunities to encourage economic empowerment and gender equality. Essentiel Antwerp donated 20% of the online revenues to the NGO to support this project on March 8th, 2021. We hope to implement our learnings from this first collaboration experience in 2021 to create a stronger message, broader reach and larger financial contribution for the celebration of International Women's Day 2022.

Clothing and other donations

Towards the end of each year, Inge Onsea (creative director & co-founder) donates a substantial amount of Essentiel Antwerp deadstock from previous seasons to an Antwerp-based NGO supporting homeless people. The NGO uses its expertise to distribute the donation, mainly warm winter clothes, to those in need. Furthermore, we are happy to support small and local goodwill initiatives by offering goodies that can be auctioned or offered in a raffle.

Supporting upcoming designers

Based on their own learnings from their growth story, Essentiel Antwerp founders Inge and Esfan as well as the rest of the Essentiel Antwerp creative team believe that supporting upcoming talent is crucial both for the company and for empowering the new artists and designers we work with. In 2021 we worked with Julie Kegels, an upcoming graduate from the Royal Antwerp Academy for two projects. Firstly, for the A/part project, an event was organized in Antwerp to celebrate the Antwerp Fashion ecosystem. As part of this we commissioned a piece from Julie's master collection to be sold at our store. For the second project, Julie and Essentiel Antwerp worked on a t-shirt for the Fashion Museum of Antwerp (MoMu) shop.

"When the Essentiel Antwerp creative team and I were going through my sketchbooks, it felt natural to choose one of the pieces from my master's collection and to commercialize it. The concept for my collection was to work with a different front and back in every garment. We decided to work on my knit silhouette. Originally, the knitted dress had a totally open back, but we decided to close the back for the new silhouette, and it totally works! I really enjoyed coming up with new ideas and finding solutions together with the Essentiel Antwerp team. They were able to make some changes to the piece to make it saleable to a wider audience."

—
Julie Kegels
Stylist



COMMUNICATION, INFORMATION 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 communications.

In 2020 we expressed our ambition to integrate more sustainability topics into our communications and in 2021 we achieved our goal of having at least one touchpoint on a sustainability topic per month. Together these communications made up a full campaign, covering the use of more sustainable materials, explaining our choices for more sustainable packaging, our rental campaign, and more.

We strongly believe that it is also our responsibility to share sustainability information with our customers, explaining why we are now choosing sustainable options instead of repeating what the fashion industry has always done. That's why we also go beyond just integrating a few sustainability messages in our communication. In 2021 we published our first sustainability report, with a social media communication. For this we launched a new dedicated webpage on our website, and we now also print a QR code with a link to our sustainability report on our ecommerce boxes. Since we launched these boxes with the QR code during the summer of 2021, up to 12000 of our customers have accessed our sustainability webpage.

We also focused on informing our own team and main stakeholders. Whenever we organize a presentation of a new collection to our agents or shop managers, we now include a knowledge sharing moment on sustainability. During these moments, our international team of shop managers have a chance to learn about our sustainability policy and discuss any thoughts or questions they have on the topic, as well as how they can integrate feedback from customers. Finally, to cover our full value chain, we also shared the first sustainability report with our suppliers, who feel positive about the steps that are being taken.

Whenever we communicate and speak 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.

“We are proud to discuss our sustainability actions via our communication channels. In fact, an important new business contact recently congratulated us on how we integrate this information into company presentations. This felt really rewarding and we know we're on the right track.”

—
Charles Duchêne
PR & Communications Manager

AN ACCELERATED DIGITAL TRANSFORMATION FOR AN IMPROVED CUSTOMER EXPERIENCE

Essentiel Antwerp's digital transformation program was an important focus again in 2021 as we worked on a new website, a new customer service tool, a new shop cashier system etc. All these initiatives had an important impact on the functioning of our teams, who are working hard to make them happen. These efforts are rewarding as they empower Essentiel Antwerp to keep on innovating and improve the customer experience of our customers, regardless of their point of entry to Essentiel Antwerp's world, be it through our shops, our e-shop, or social media channels.

We are also always looking for ways to improve the customer experience on our website. Our customer care team is always there to offer advice on shipping, returns and other questions. Thanks to our new customer service tool, we can now better analyze the requests of our customer, manage our service levels and set up action plans for improvement.

On top of that, we keep working on our style advice program, putting our customers 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. Reducing returns is also one of our focus areas within the ecommerce team as it affects our carbon footprint.

Our goal is to be available at any time, any place and with the right products for our customers. To fulfil this omnichannel approach, we still have a lot of processes and systems that need to be optimized. It's a work in progress, with the goal to launch our new ecommerce platform in 2022. We want to further improve our systems, manage our stock flows and change the way we organize outbound transport.



REDUCING OUR FOOTPRINT

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 daily on the topics of transport, energy consumption and the use of materials, at every stage in our value chain.

Whereas in 2020, we could set new steps in our inbound distribution process, we faced major distribution challenges in 2021. Fortunately, due to previous improvements in our processes, we were able to act on and manage these challenges, still ensuring a timely and efficient delivery of our stock. However, we must admit that responding to the global container crisis had a major impact on our carbon footprint for inbound logistics, one that could not be avoided in order for us to carry on our business.

Apart from this negative impact, which we hope to see improved in 2022, we also managed to take steps forward in the management of our packaging and overall distribution process.

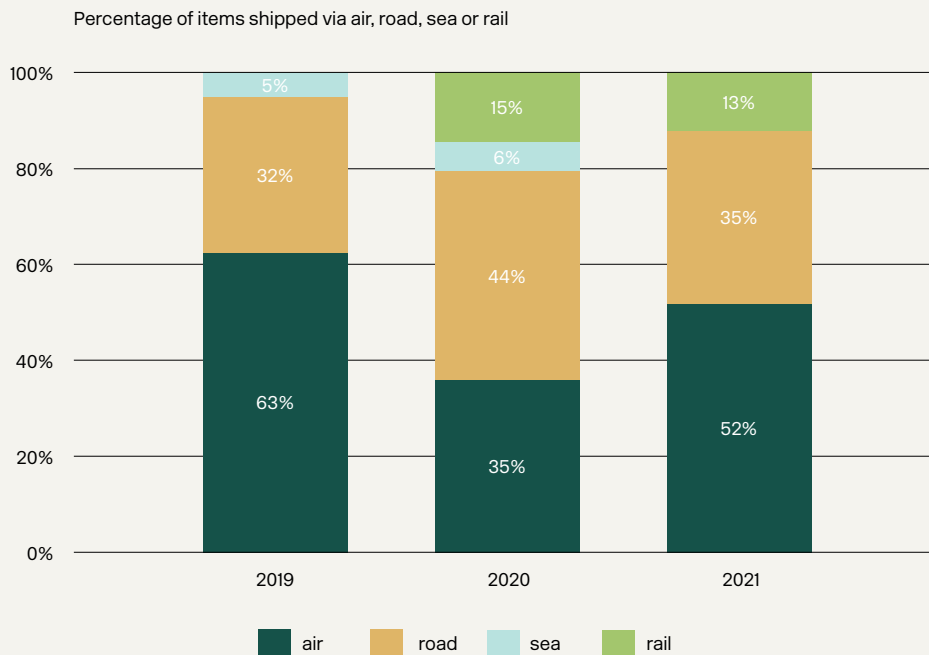
TRANSPORT AND DISTRIBUTION

Essentiel Antwerp maintains good historical relations with its suppliers, many of which are located overseas. We are aware of the immense impact of inbound transport on CO2 emissions. To reduce our emissions, we have been working on streamlining processes within our organization, from styling to production, and we apply a guideline in which we focus on the use of boats and trains for long-haul transportation, reducing the use of air shipping. In 2020 we also tested transport from the

Far East by train and thanks to these first experiences in 2020 we could partially mitigate the negative impact of the global container crisis which had a major impact on how we had to manage our inbound transports. Unfortunately, we encountered severe issues due to the lack of containers in Chinese ports which forced us to reluctantly look for air transport solutions. Where we could, we chose to use trains. We know we will still feel the effects of the shipping crisis in 2022 but by managing our collection and order timeline as well as possible we can mitigate further negative impacts. One of the already confirmed initiatives is that as from 2022 we will deliver shipments from the Far East to our customers in the US and South Korea directly, avoiding transit via Belgium.

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. One of these was the possibility for shop advisers to send non-available stock items directly from the warehouse to the customer's home. This improvement eliminates several steps of the distribution process and results in a better customer experience. We have also put a lot of effort into improving our outbound delivery process for wholesale packages by analyzing and optimizing outbound distribution. These efforts have resulted in a substantial decrease in the number of delivery batches to our B2B customers.

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.



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. We're currently taking further steps to improve on our packaging initiatives. In 2020 we revamped the shopping bags given to customers in the shops by eliminating the laminated layer of the bags and replaced the ribbons with cotton. The cardboard boxes from our B2B distribution partner are made up of 80% of paper sources and our cardboard boxes for B2C packages are made from FSC certified paper. The production of paper bags requires less material and has less impact on the environment and using paper bags enables us to reduce the volume our packages take up during transportation by an estimated 34 - 80%, depending on the type of product. This means one journey can carry more goods, so we can decrease the number of needed transports, reducing fuel and emissions. That is why we realized a 100% switch to Kraft paper and cardboard boxes for our ecommerce. In 2021 we further researched skipping the secondary branded wrapping used for our cardboard boxes. In 2022 we are launching a new branded box, eliminating the inner bag in which the garments are wrapped.

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 recyclability of our stationery, which is why 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.

To reduce the total amount of paper we use, we examined all our stationery requirements carefully, and had already 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. This conscious use of paper has become the new normal within our team, resulting in a minimal use of printed materials for marketing purposes.

In 2022 we also want to measure our waste streams based on the use of polybags, Kraft paper bags and cardboard boxes for further transparency and analysis reasons. Today, we are compliant with local requirements for countries such as Austria, Spain, and Germany, paying taxes for the packaging materials we bring into these local markets.

WASTE

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 the 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 resulting in concrete actions of which we are proud in 2021.



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 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 the 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 to use 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, second-hand shops etc.

ENERGY

At 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. While awareness is raised within our community, and we have developed more conscious habits, we will be further investigating our consumption habits and looking at this alongside other data which can influence our energy consumption in 2022.



WHAT'S NEXT

Working towards a more sustainable business requires a strong and consistent vision. The past year, working with sustainability principles at the core of our actions, we feel confident that we are on track with the goals and priorities we set for 2025 and we continue to engage with both enthusiasm and excitement. Even if we still don't know what the future will bring, we know that we can work towards a brighter one.

OUR PRIORITIES TO REACH BY 2025:

- We must invest in transparent and responsible supply chains. We challenge ourselves to have full transparency into tier 1 and 2 suppliers and to implement more active screening of labor conditions and living wages by 2025.
- We feel very enthusiastic about 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 daily communication and campaigns.
- We aim for a further reduction of our emissions per transported item, even in the context of a global distribution crisis, with a focus on cherishing our good supplier relations.
- We will further limit our environmental footprint by decreasing waste throughout the production, distribution and sales process.
- We will make responsible choices regarding our energy use.
- We will do further research, and we will measure and analyze our data to improve our products and services, particularly regarding sustainability.



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 second 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 2022

Reporting period: 1 January 2021 – 31 December 2021.

We will continue to publish reports on an annual basis.

For questions regarding this report

service@essentiel-antwerp.com

www.essentiel-antwerp.com

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:

- SDG 1 No Poverty
- SDG 2 Zero Hunger
- SDG 3 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
- SDG 8 Decent Work and Economic Growth
- SDG 9 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.sdg.un.org.