

SUSTAINABILITY

YOU'LL NOTICE THE ICONS BELOW THROUGHOUT THIS REPORT IN REFERENCE TO OUR SOCIAL, ENVIRONMENTAL, AND ECONOMIC GOALS.



GOOD

A goal that we commit to achieve in the next 12 months.



BETTER

A goal we hope to achieve in the next 2 years should resource allow.



An overarching, long-term goal that we strive to achieve in 5 years.



Indicates an innovation or research project currently in progress in partnership with a government body, university, or institution.





AWARDS AND CERTIFICATIONS































- The first Australian denim brand to become a B Corporation and second globally
- Thomson Reuters Foundation Stop Slavery Award Winner SME 2020
- Rated A+ on the Baptist World Aid Ethical Fashion Report 2018 and 2019
- Listed as Rivet 50 member 2019
- Members of the UN Global Compact Initiative
- Associate Partner of the Global Fashion Agenda, 2019
- MR Magazine Sustainability Leader Award 2019
- One of the first brands to earn the Eco-Age brandmark
- Rated "great" on the Good On You app
- Named one of 10 Sustainable Fashion Leaders by Common Objective, 2019
- Recipient of 2019 Anti-Slavery Australia Freedom Award
- B Lab 2019 Best for the World Honoree in the area of Community
- 2019 Global SDG Award winner (No Poverty, and Decent Work and Economic Growth categories)

OUR POINT OF DIFFERENCE

Our garments are made in our very own production and finishing facilities, which allows us a degree of operational agility, security and traceability above those brands who outsource their manufacturing.

The ownership of our "first tier" manufacturing operations in Cambodia, in addition to our head office in Australia, also puts Outland Denim in a unique place to manage its environmental, social, cultural and economic impact.

This vertical integration gives us greater control over our product, our supply chain stewardship, our brand image and ultimately our impact.



CUT'N SEW FACILITY

Kampong Cham, Cambodia

In 2019 we expanded our Cut and Sew facility into a new, 1297m² space. Currently 73 staff work in this beautiful new facility, cutting, sewing and fastening hardware to your Outland Denim jeans.



FINISHING FACILITY

Phnom Penh, Cambodia

Our first Wash and Finishing facility opened in 2019, equipped with state-of-the-art water and energy reducing technology. This is where designs come to life and finishing touches are made.



HEAD OFFICE

Queensland, Australia

While Outland Denim wearers reside in locations from Tokyo to Los Angeles and everywhere in between, the Gold Coast Hinterland remains the home base of our global operations.

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SUSTAINABILITY

CLEANING UP THE DIRTY SIDE OF DENIM.

Our aim is to use our brand to revolutionise the way jean manufacturing is undertaken; to partner with and lead our industry to reduce our collective environmental impact; and to use Outland Denim as a case study in reducing and, in time, eradicating the negative environmental impact of the fashion industry.

We are researching and developing projects with partners globally to break ground on reducing the environmental impact of manufacturing and consumption.

Our own facilities use new technology to substantially reduce water, energy, and chemical consumption and outputs. Our strict supply chain criteria ensures each of our raw material suppliers shares in our values and demonstrates leadership in sustainability.

While we still have a way to go, our aim is to create a manufacturing eco-system and product lifecycle that turns our current environmental impact into one that leaves the planet in a better place.

According to the Organisation for Economic Co-operation and Development (OECD), there are links between the exploitation of people, and 'ecocide' (i.e. the "destruction of the natural environment, especially when deliberate"). Climate change acts to exacerbate inequalities, insofar as vulnerabilities to climate change coupled with global economic forces are more likely to send people into poverty. In this way, sustainability is more than just environmental. Sustainability is social, environmental, and economic.

DENIM IS A MAJOR CONTRIBUTOR TO ENVIRONMENTAL DEGRADATION.

"CURRENTLY, FIVE BILLION PAIRS OF JEANS ARE
PRODUCED EVERY YEAR. TO PRODUCE THESE, ABOUT
420 MILLION M³ OF WATER AND 900,000 TONS OF CHEMICALS
ARE USED AND OVER 2 MILLION PEOPLE ARE EXPOSED TO
TECHNIQUES THAT ARE DETRIMENTAL TO THEIR HEALTH." 1

CARMEN SILLA

Director of Marketing and Communication at Jeanologia

Photo by Amy Higg Photography

1. fashionunited.uk/news/fashion/jeanologia-on-how-to-make-the-denim-industry-more-sustainable/2017102726481

OUR TECHNOLOGY

OUR PRODUCTION STYLE, COMBINED WITH STATE-OF-THE-ART FINISHING TECHNIQUES, RESULTS IN PREMIUM, FINISHED PRODUCTS WITH LESS ENVIRONMENTAL IMPACT.





Our state-of-the-art Wash and Finishing Facility is already using market-leading water, power and chemical reducing methods in the processing of our jeans, but we continue to invest into and develop processes to further improve our environmental bottom line.

MADE WITH E-FLOW

THE LEADING TECHNIQUE FOR TRANSFERRING WASH RECIPES TO OUR JEANS.







40% less energy*



90% less chemicals*

*compared to traditional techniques.

MADE WITH LASER



HE MOST ENVIRONMENTALLY FRIENDLY WAY TO CREATE
CHARACTER ON OUR JEANS.

MADE WITH OZONE

THE GREENEST OXIDISING AGENT AVAILABLE.



65% less water*



20% less energy*



80% less chemicals*

*compared to traditional techniques.

WATER WISE

The fashion industry is the second largest consumer of the world's water supply.²

But in using Laser, Ozone, and E-Flow technology, we are able to create denim garments with significantly less water than conventional methods.

Depending on the requirements of each design, each denim wash will require a different level of water use. Our design and textile experts work together to bring designs to life with less reliance on water use.

MADE WITH

UP TO 86% LESS WATER

in the Wash and Finishing process when compared to conventional methods.

Our **highest impact** denim wash uses

Our **lowest impact** denim wash requires

58.7%
LESS
WATER*

86.11% LESS WATER*

*during the wash and finishing process.

LESS ENERGY

The fashion industry is responsible for 10% of the world's carbon emissions³ and approximately 8% of global greenhouse gas emissions are generated by the apparel and footwear industries.⁴

Using Laser, Ozone, and E-Flow technology, we are able to create denim garments with significantly less energy usage than conventional methods. As of 2019, we have also integrated solar energy into our Production facilities.

Depending on the requirements of each design, each denim wash will need a different level of energy use. Our design and textile experts work together to bring designs to life with less reliance on energy.

MADE WITH

UP TO 57% LESS ENERGY

in the Wash and Finishing process when compared to conventional methods.

Our **highest impact** denim wash uses

n uses denim wash requires

Our lowest impact

35% 35% LESS ENERGY* ENERGY*

*during the wash and finishing process.



- Develop on-going water management program for Finishing Facility;
- Provide water and safe sanitation education to Outland Denim staff and surrounding communities.



- 100% recycled water to be used in Wash and Finishing Facility. Implement a closed loop water filtration system;
 Track the environmental impact of every garment through the Wash and Finishing process by
- Be subject to a case-study evaluating the effects of water recycling on water and plastic pollution in the garment sector.



• Remove 100% of irrigated cotton in the production of our garments;

using 3rd party Environmental Impact Management scores;

• Investment in this area will help achieve the Royal Government of Cambodia National Action Plan goal of ensuring every Cambodian has access to water, sanitation and hygiene by 2025.



- Increase use of solar energy in Cambodian Production Facility;
- Conduct a Life Cycle Assessment (LCA) measuring the impact of Outland Denim's Carbon Footprint.



- Increase use of clean energy in all manufacturing facilities;
- Track the environmental impact of every garment through the Wash and Finishing process by using 3rd party Environmental Impact Management scores;
- Create a product that is 100% carbon neutral;
- All domestic and international logistics to be carbon neutral.



- Recome carbon +
- Commitment to reduce aggregated greenhouse gas emissions by 30% by 2030 across supply chain operations and to analyse a decarbonization pathway for our supply chain in alignment with the 2018 UN Fashion Industry Charter;
- All Outland Denim washes to measure in the 'Low Impact' category by using 3rd party Environmental Impact Management scores.

2. www.ellenmacarthurfoundation.org/assets/downloads/A-New-Textiles-Economy_Full-Report_Updated_1-12-17.pdf

 $^{3.\} www.ellenmacarthurfoundation.org/assets/downloads/A-New-Textiles-Economy_Full-Report_Updated_1-12-17.pdf$

 $[\]underline{\textbf{4. www.businessoffashion.com/articles/professional/responsible-fashion-business-sustainability-planet-future}$

ZERO HARMFUL CHEMICALS

Every Outland Denim garment is made with Zero Harmful Chemicals; better for you, the environment, and our team.

The use of harmful substances in textile production has negative effects on farmers, factory workers, and the surrounding environment.

Using Laser, Ozone, and E-Flow technology, we are able to create denim garments with significantly less chemical usage than conventional methods.

Depending on the requirements of each design, each denim wash will require a different level of chemical use. Our design and textile experts work together to bring designs to life with less reliance on chemicals over any kind, even those that are safe.

We exclusively use chemicals that meet at least one of the certifications to the right, while following a strict adherence to the ZDHC Manufacturing Restricted Substance List (MRSL).

MADE WITH

UP TO 83% LESS CHEMICALS

in the Wash and Finishing process when compared to conventional methods.

Our **highest impact** denim wash uses

Our **lowest impact** denim wash requires

44%
LESS
CHEMICALS*

68%
LESS
CHEMICALS*

*during the wash and finishing process.

- Green-screen
- Bluesign
- Standard 100 by OEKO-TEX ®

WASTE AND REPURPOSING

100% OF EXCESS TEXTILE WASTE FROM OUTLAND DENIM'S PRODUCTION FACILITY IS DIRECTED TOWARDS TEXTILE RECYCLING RESEARCH, NOT-FOR-PROFIT SOCIAL ENTERPRISES AND NGOS FOR TRAINING AND AWARENESS PROJECTS.

Waste is a key issue facing the globe right now. With growing populations, increased consumption and unsustainable resources, the issue of waste needs to be addressed.

Over 70% of clothing textiles end up in landfill or incinerated. (Ellen MacArthur Foundation)

With an overabundance of textile waste being generated by the industry, textile manufacturing has a lot to answer for. Finding sustainable solutions to textile recycling will allow for a greater utilization of raw material energy inputs, while reducing secondary pollution and landfill masses.

In the last 12 months:

• 120 reusable water bottles were provided to staff to replace plastic bottles;

- 250kg of biodegradable cassava bags replaced plastic poly bags in international transport;
- Use of 35% recycled polyester in pocket linings;
- Over 82% of range uses natural raw materials.*

Outland Denim prioritises partnering with suppliers who have water and waste management processes in place. Currently, 80% of Outland Denim's second tier direct suppliers implement waste management systems.



Outland Denim is currently researching waste management systems that will go beyond safely removing waste from landfill to have a positive environmental impact for the broader community.

*This figure contained an error at original time of publishing which has now been corrected. We applicate for any confusion or inconvenien



- All material suppliers to hold Standard 100 by OEKO-TEX ® certification;
- Proceed testing chemicals through the ZDHC Manufacturing Restricted Substance List gateway.



- Track the environmental impact of every garment through the Wash and Finishing process by using 3rd party Environmental Impact Management scores;
- Prioritise use of Bluesign certified chemicals.



Research new sustainable and safe chemical options to get all Outland Denim wash and finishing
processes to measure in the 'Low Impact' category using 3rd party Environmental Impact
Management scores.



- Finalise environmental testing and continue diverting Outland Denim textile waste to research and development programs;
- 100% of direct suppliers waste management systems signoff.



• 100% of all post-industrial waste materials to be diverted from entering landfill within two years.



- Find a solution to textile waste in landfill, that can be utilised by Outland Denim as well as other brands;
- Create carbon offsets as a by-product of products sold;
- Create waste management system that leaves planet and people in a better position;
- Establish plastic free facilities;
- Implement post-consumer recycling or second-hand program.

DYED RESPONSIBLY

WE PRIORITISE THE USE OF NATURAL INDIGO DYES DERIVED FROM A PLANT SPECIES CALLED INDIGOFERA.

Use of natural vegetable dyes means that workers are not exposed to toxic chemicals and the likelihood or severity of water pollution is reduced, leading to an overall increase in the sustainability of our jeans.

It is thought that 20% of industrial water pollution globally is attributable to the dyeing and treatment of textiles.⁵

Where available, we use "Saveblue" dyes, which have been found by Cukurova University to save 87.5% of water in the dyeing process compared to conventional methods.

The use of toxic synthetic indigo dye poses a major threat to environmental and human health in and near manufacturing facilities.

Where vegetable dyes are not available, we ensure any dyes are certified organic or have been tested for harmful chemicals.



We are collaborating with research partners and industry leaders to further minimise our water, chemical and power usage at the mill level. This includes the dyeing and processing of denim. Our desire is to see further reduced impact that is scalable, technology driven and available to other brands.





- Continue research program into black dye alternatives that use organic or plant-based dyes;
- Increase use of water-saving, "Saveblue" dyes in range.



• Implement findings of research program into black dye alternatives that use organic or plant-based dyes into 100% of Outland Denim's black denim range.



 Collaborate across the fashion industry to make research into black dye alternatives available and usable for other brands manufacturing denim.



 Continue partnership with Thread Together to support local community members with dignified new garment choices.



• Establish similar partnership programs in each of Outland Denim's major regions of distribution, including the United States, United Kingdom, and Canada.



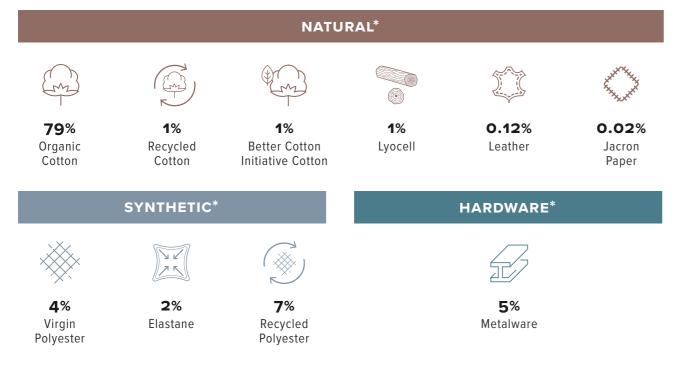
Partner with Thread Together and other charity partners to mobilise Outland Denim employees to support the delivery of jeans to clients.

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5. www.wri.org/blog/2017/07/apparel-industrys-environmental-impact-6-graphics



MATERIAL CONSUMPTION BY WEIGHT:



^{*}This figure contained an error at original time of publishing which has now been corrected. We apologise for any confusion or inconvenience.

Sustainability starts with thoughtful design and the considered selection of the most sustainable raw materials possible. We aim to minimise impact on the environment by sourcing the most sustainable materials available on the market today, while investing in research to discover even better materials for tomorrow.

At Outland Denim, we prioritise the use of natural fibres or biodegradable materials that have low-impact production methods. While we have not been able to eliminate the use of virgin polyester completely from our manufacturing owing to a number of factors, we are currently investigating polyester alternatives.

Polyester production for textiles released about 706 billion kg (1.5 trillion pounds) of greenhouse gases in 2015, the equivalent of 185 coal-fired power plants' annual emissions.⁶

According to McKinsey & Company, 20-35% of all microplastic flows into the ocean are attributed by fashion.

6. wri.org/blog/2017/07/apparel-industrys-environmental-impact-6-graphics

PRIMARY RAW MATERIALS AND COMPONENTS

ORGANIC COTTON

Outland Denim has selected certified organic cotton as its primary fibre in the production of its products. 100% of the denim we choose to work with contains organic or recycled cotton.

We came to our decision to use organic cotton after utilising external researchers to generate unbiased assessments of the impacts for various cotton alternatives.

Our multi-criteria analysis (MCA) was undertaken when we were first sourcing our preferred denim supplier. The MCA looked into BT-cotton, organic and Fairtrade. It assessed how well each alternative fulfils the various objectives of Outland Denim.

The criteria researched for each cotton alternative included:

- Water Pollution
- Water Use
- Soil Quality
- Physical Health
- Mental Health
- Gender Equality
- Community Benefits
- Income to farmers
- · Costs to Outland Denim

After considering the final scores in combination with all of Outland Denim's objectives, it was decided that out of the alternatives assessed, organic cotton was the most suitable for Outland Denim.

Our conclusion took into account the significantly superior performance of organic cotton in regard to its economic and environmental aspects, as well as its promising social impact.

The selection of organic cotton means zero use of agrochemicals. Long term use of agrochemicals can dramatically reduce soil health and severely affect workers' health.

Elimination of chemicals and GMOs in organic agriculture benefits the health and safety of farmers and communities, contributing to the UN Sustainable Development Goals of Good Health and Well-being (SDG3), Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Sustainable Cities and Communities (SDG11), Responsible Consumption and Production (SDG12), Climate Action (SDG13), and Life on Land (SDG15).

To understand the full environmental and social impact of Outland Denim's organic cotton, and how it contributes to the SDGs, we are working hard to derive more first-hand knowledge at the farm level. This includes understanding the farmers' knowledge, capacity, competence, access to resources, working capital, levels of innovation and other supports.

We will continue researching and learning to broaden our understanding as new and more sustainable solutions become available.

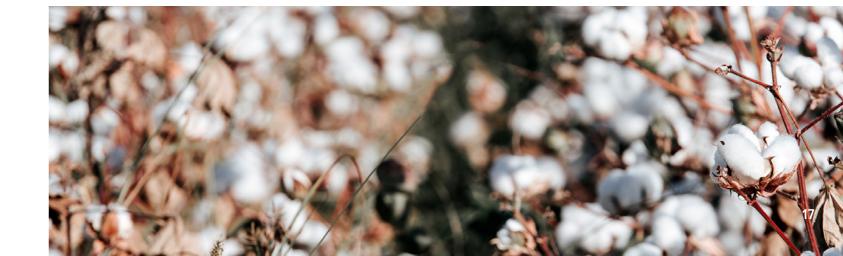






Photo by Sabine Bannard

Still by Annika Damon

METALWARE

Outland Denim aims to further reduce its environmental footprint through increasing its use of buttons, burrs and rivets crafted with more sustainable colours and finishing processes. Outland Denim has begun using a range of sustainable metal colours made without any electroplating processes. By eliminating the electroplating process, the sustainable metal colours use less water and less chemical substances as well as saving electricity usage and thermal energy. No harmful substances are used due to removing any galvanic process during production. The sustainable metal colours provide a solution that will confidently minimize Outland Denim's environmental footprint.

Outland Denim has begun introducing Natulon Zip Tape into its products, as it is made from recycled materials, such as PET bottles and other post-consumer materials using the latest material recycling technologies.

LEATHER

Packer Leather is a fifth-generation, family owned leather producer in Queensland, Australia. The Queensland Government has awarded Packer for their clean processes and environmental stewardship. Packer Leather received Gold, the highest rating available, by the Leather Working Group for their sustainable environmental business practises. Adhering to European restricted substance lists, recycling 40% of water used, utilising solar and significantly reducing the consumption of natural gas and release of CO₂, Packer were the natural choice for Outland Denim patches.

JACRON PAPER

Of the brand patches used by Outland Denim in the past 12 months, 19.81% were made of jacron paper, which we had been researching and trialing prior to inclusion in our production. Animal rights are something close to the heart of many Outland Denim customers, so we wanted to be able to cater to their values while choosing a supplier that could also live up to our high expectations when it comes to quality.

Made from raw cellulose, jacron offers excellent dimensional stability. Frameless Asia, our suppliers of jacron paper patches, utilize the HIGG index to measure their sustainability practices and have implemented water recycling and waste reduction initiatives within its facilities. As a Bluesign system partner they are required to meet a high level of safety for both people and the environment, to use resources responsibility and to continuously improve their environmental performance. Their iacron patches are OEKO-TEX® Standard 100 certified to ensure they are tested for harmful substances. Frameless Asia employees enjoy a fair wage.



We are currently working with denim mills deeply invested in the development of fabrics that can replace the plastic content (i.e. polyester) in denim with bio-available solutions. Currently, these eco-friendly fabrics are at a development stage that require significant improvement in order to prove high performance and a long life-cycle.

THREAD

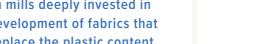
Outland Denim has begun changing its thread over from a core spun poly cotton thread to EcoVerde, a 100% recycled premium polyester core spun thread. Waste plastic is collected from various industrial and post-consumer sources. Used plastic (PET) bottles are a significant proportion. These are collected, sorted, cleaned, ground into flakes and then melted down and extruded into the fibre and filaments from which EcoVerde sewing threads are made. Because it consists entirely of recycled plastic fibres, EcoVerde has a significantly lower carbon footprint than virgin fibres.

VIRGIN AND RECYCLED POLYESTER

At Outland Denim, we have chosen to utilise both recycled and virgin polyester in our garments. Currently we believe that virgin polyester performs to a higher standard and also slows the release of microplastics into waterways, as opposed to recycled polyester. Creating longevity and high

performance in our denim is a crucial part of sustainability. In other components of our products such as our pocket bags, we are utilising a recycled polyester which helps add to the strength and durability through our laundering process and onwards into the products life cycle.

Polyester is a component of our raw materials that we will continue to reduce our reliance on as adequate and more sustainable alternatives become accessible. We are actively looking for and researching with mills for solutions in this space. Though polyester is utilised to strengthen fabrics, and therefore, increases the life of the garment, it has negative environmental impacts (such as releasing microplastics as well as it's end of lifecycle lack of degradability). We are actively looking for a solution that will allow our products to both perform to the highest standards while also avoiding a negative environmental impact.





- Make 100% of the Outland Denim range leather-free;
- Further use of natural cellulose fibres and therefore reduced use of polyester;
- Expanding range and products for increased employment opportunities and job creation;
- Test durability by way of laundry test.



- Decrease environmental impact of using stretch fabrics while maintaining and improving product durability;
- Expand product repair opportunities;
- Change the interlining of jean waistbands to an option crafted using recycled polyester fibres.



Remove the environmental impact of using stretch fabrics in the post-consumer phase.

