

○ MY BAG  
A M S T E R D A M

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A M S T E R D A M

2021

Sustainability Report

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# Foreword

## BY PAULIEN

2021 was an exciting year for O My Bag. We opened a new store in the 9 streets in Amsterdam, we were praised by Veuve Cliquot and awarded with the Bold Future Award in support of female entrepreneurship, we were able to acquire our B Corp certification, we launched a leather alternative collection made from Apple leather, and we celebrated our 10 year anniversary! It is easy to only look at those moments where champagne is flowing, but 2021 also had its challenges.

This 2021 sustainability report is part of our transparency commitment. We will share the exciting progress we've made in

2021 and be honest about the hurdles we had to overcome and the challenges we encountered. The pandemic was very present in our lives, and we started 2021 in a complete lockdown. The COVID outbreak in India greatly impacted our partners and the whole nation, leaving many people struggling. It also caused international fairs to be cancelled, shipments were delayed, and the production process was significantly slowed down.

However, these things don't discourage us from raising the bar for 2022. This year we're planning to get more vocal around the things that really make us tick. That is making our brand heard

all over the world and expanding internationally, but also forge ahead in regards to our environmental and social goals. We're expanding our living wage project, planning training sessions on financial empowerment and leather skills at our partner factories and will upscale our Giving Back initiatives. We will further decrease our supply chain emissions by increasing sea transports, using sustainable biofuel for our shipments and we will compensate more than the remaining emissions.

We are excited to set new standards in using business as a force for good. Thank you for enjoying the journey with us!

# Due Diligence

## AS THE BACKBONE OF OUR SUSTAINABILITY STRATEGY

Due diligence is the process through which companies can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts in their supply chain. Next to certifications and traceability, we have many due diligence standards and guidelines in place that guide us in our daily work in our supply chain.

These policies are the backbone of our sustainability strategy, and throughout the chapters, you'll see them reflected in our way of working. Here we explain why we have them:

### CODE OF CONDUCT

To ensure we set out clear expectations towards our producers, while at the same time showing our responsibility as a buyer.

### PREFERRED MATERIAL MATRIX

To ensure that we always strive for the most sustainable materials for our products.

### SOURCING GUIDELINES

To ensure traceability and to help our producers with sourcing materials for our products based on nominated suppliers and sustainability requirements and certifications.

### SUPPLIER ONBOARDING

To ensure that our producers and suppliers are well informed about our due diligence policies and involved in our sustainability updates and plans at the start of every year.

### CODE OF ETHICS (IN EMPLOYEE HANDBOOK)

To ensure that our team works along with our core principles of ethical behaviour and with respect for the environment.





# O My Bag as a company





## BIG, HAIRY, AUDACIOUS GOAL


By 2030, O My Bag is an internationally renowned bag and accessories label. We are known for our beautiful, timeless designs and our social values.

We are available all over the world, from Tokyo and Shanghai, to Paris and London, and to New York and LA.

We have positively impacted 100.000 lives with our ethical supply chain and social projects.

## CORE VALUES

-  Use business as a force for good
-  Act without being told what to do
-  Always be a pleasure to work with
-  Everything worth doing is worth doing right



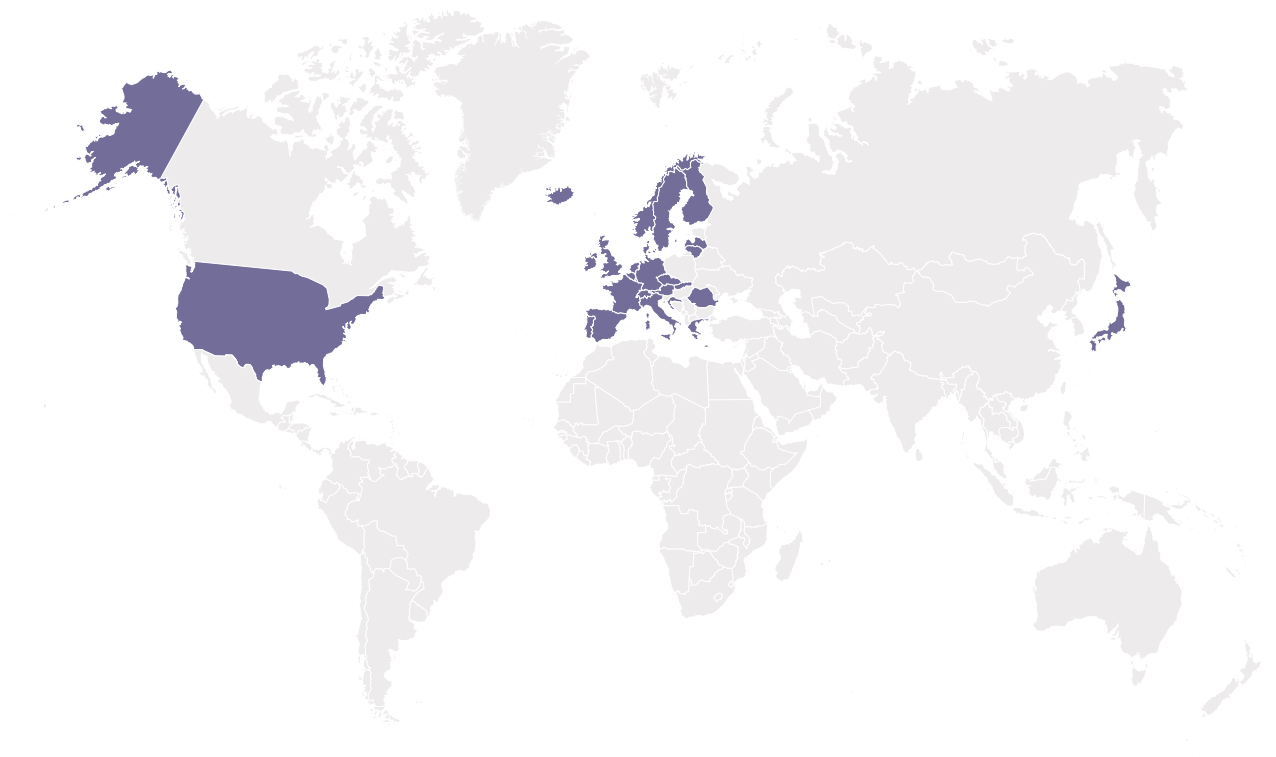
Changing the world, one bag at a time.  
Ethically produced, made to last.

# Our 2025 Vision



## 2021 IN A NUTSHELL

- HQ in Amsterdam
- 2 O My Bag brand stores in Amsterdam
- Opening Wolvenstraat 15 in July 2021
- 15 full-time employees
- 6 part time employees
- Average age: 28
- 12 different nationalities
- 96% women in team OMB
- A new collection made of leather alternative AppleSkin
- €3.706.563 net revenue
- 70.437 O My Bag products sold
- Available in 291 stores in 26 countries worldwide



- The Netherlands
- Belgium
- Germany
- Japan
- Sweden
- Switzerland

- Denmark
- Czech Republic
- Finland
- Ireland
- Spain
- Austria

- France
- United States
- UK
- Iceland
- Greece
- Italy

- Lithuania
- Latvia
- Norway
- Portugal
- Romania
- Slovakia

- Croatia
- Luxembourg





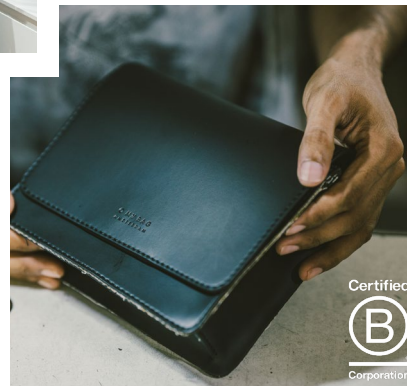
OPENING WOLVENSTRAAT 15 IN JULY



# 2021

Overall, 2021 was an amazing year for O My Bag. As a brand, we had many wins to celebrate:

- We celebrated our 10 year anniversary with a party in September.
- We opened a new brand store in the most popular shopping area of Amsterdam, the iconic 9 streets.
- We became officially B Corp certified.
- We grew our team with 4 FTE.
- Our founder & CEO Paulien won the Bold Future Award by Veuve Clicquot.
- We made our Super Green Target for revenue, meaning that compared to 2020, we made 35% revenue growth in 2021.



# Production Partners



## EQUITABLE MARKETING ASSOCIATION (EMA)

Baruipur, India

- A partner since 2010
- Guaranteed Member of WFTO



## STC

Kolkata, India

- A partner since 2015
- SA8000 certified



## SPRINGFIELD

Kolkata, India

- A partner since 2015
- SA8000 certified



## DAS STYLE

Kolkata, India

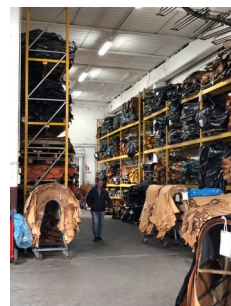
- A partner since 2019
- SA8000 certified



## SHEE SEN TANNERY

Kolkata, India

- A partner since 2021
- LWG gold rated



## CONCERIA NUOVA GRENoble

Ponte a Egola, Italy

- A partner since 2015
- LWG silver rated



## MABEL SYNTHETIC

Florence, Italy

- A partner since 2021
- Producer of AppleSkin™

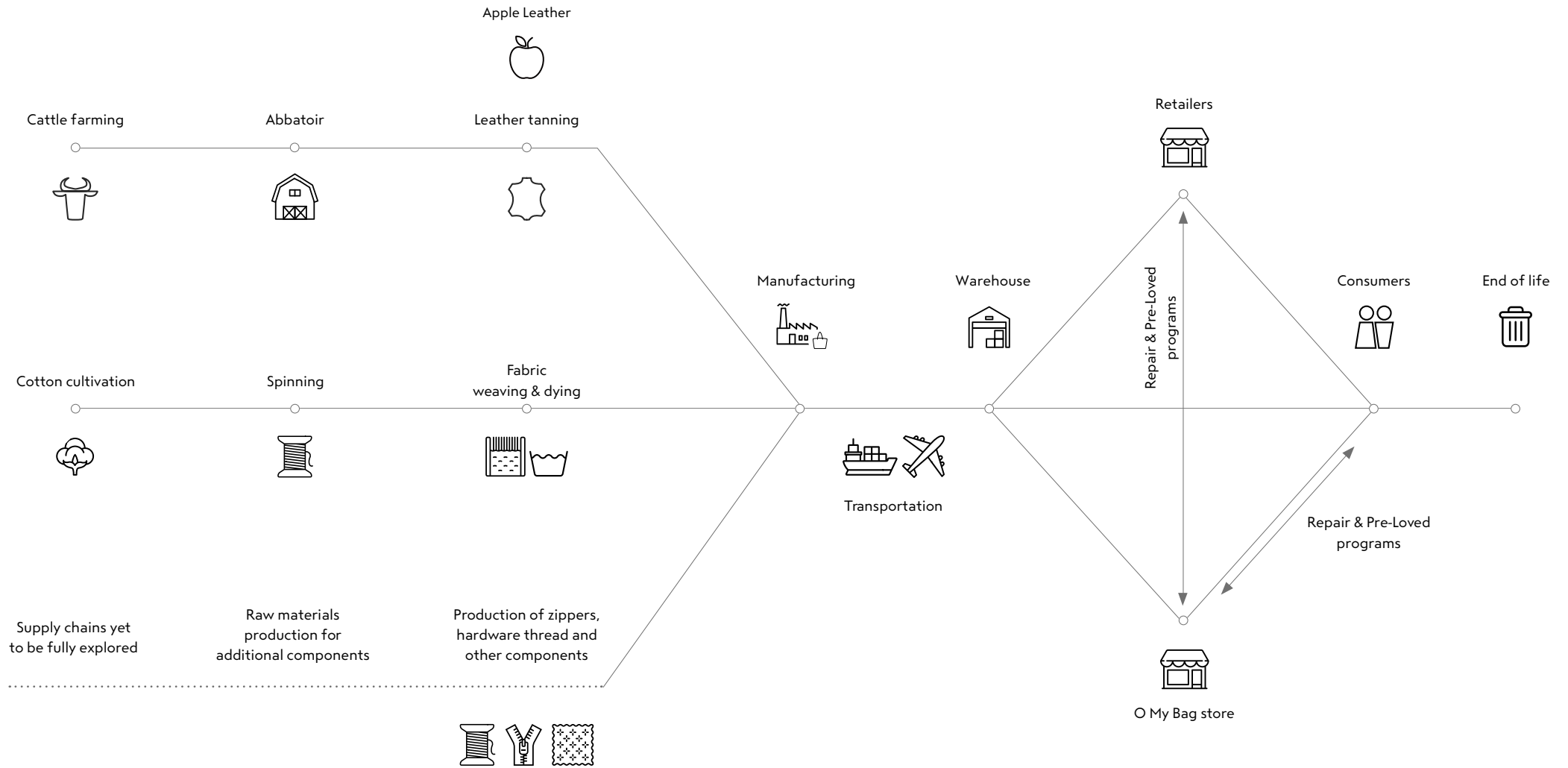


## DIBELLA INDIA

Bangalore, India

- Providing our signature lining of organic certified cotton (OCS) and recycled cotton (GRS). They source their organic cotton directly from Fairtrade certified partner cooperative Chetna Organic.

# OUR SUPPLY CHAIN



## IN NUMBERS



## PROGRESS

- In 2021, we increased our order volume by 43%, meaning that we have been working closely with our producers to scale up operations to fulfil the great international demand for O My Bags. By doing so, we were able to order 28.079 more items compared to last year from our producers, underlining our core principle: support trade, not aid.
- We started working with a new tannery in Kolkata, Shee Sen Leather Pvt. Ltd. We do not choose our material suppliers lightly, and we are particularly uncompromising about the sustainability of our leathers. Shee Sen has the Leather Working Group (LWG) Gold Rated certificate, which is why we were interested in working with them for several years already before placing the first order in 2021. Throughout the years, we built a trustworthy relationship with Shee Sen, which helped to have a smooth start. An extra plus is that Shee Sen is located close to our producers, meaning that transport emissions are limited, and it is easier for the producers to have direct contact with Shee Sen.
- In September, we organized an online celebration with our producers for our **ten year anniversary**. It was one of the most wholesome moments of 2021. We had a customized cake delivered to all our Indian partners and asked them to join our team in an online meeting. We were so surprised to see that some of the producers had put up garlands and confetti to create a festive moment for our birthday.
- In 2021, 3 of our producers have set up **COVID vaccination programs** for all their employees.



- For a period of time, we could not place orders with DasStyle, because they did not take the necessary steps to obtain the SA8000 certification. We require all our producers to be certified or to be on the road towards certification. Luckily, as of May 2021, **DasStyle has been recertified**, and we could place orders with them again.
- Providing training to help our producers improve their operations according to their needs is something we do every year. In 2021, we **organized the leather skills training** for EMA, with a focus on making samples and fixing issues with our Luna bag. EMA specifically asked for this training since they want to receive more orders from us. It was so well received that we're planning a follow up in 2022. Again, supporting trade, not aid.



- We've been **sourcing all our cotton fabric at Dibella India** since 2021. Before, we had worked with multiple organic cotton suppliers, but this year we decided to switch just to one supplier. Since our visit to Dibella India in 2020, we knew that their transparency and sustainability goals are aligned with ours. They have direct working relations with Fairtrade certified organic cotton cooperative Chetna, meaning that we know who exactly cultivates the cotton. Dibella India is also an innovative supplier - they were the first cotton factory that has been able to provide us with fabric mixed with recycled cotton.



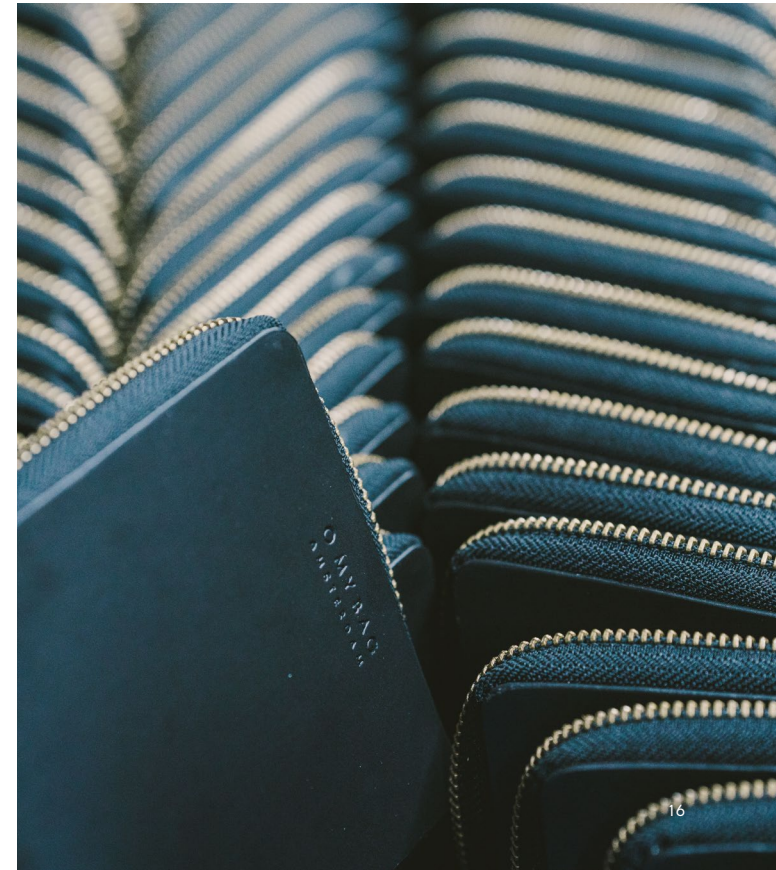
## HURDLES

- Unfortunately, in 2021, our long-term partner tannery **Sheong Shi Tannery in Kolkata decided to stop their leather business**. Sheong Shi has been our partner since the start of O My Bag, and over the years, we built a genuine friendship with Patrick, the tannery's owner, and his wife Veronica. We were sad to hear the news that they couldn't keep up the business of sustainable leather. Tanning sustainable leather is costly and takes more time than conventional leather, while demand is not that high. This caused Patrick difficulties, which is why he decided to quit the leather tanning business. This forced us to rapidly start a partnership with a new tannery. We are grateful for the long and close relationship we had with them all these years, a friendship that we will cherish forever. But no worries for Patrick and Veronica, their family restaurant is hitting off now, and we're happy to see their business booming, even though it's an entirely different industry.
- **2021 was still a year dominated by the COVID pandemic**. For more than two years, we haven't been able to visit our producers. Discussing samples, hosting a birthday party, setting up the living wage project - all quite difficult via Zoom. Although we managed, we hope to have an opportunity to visit our partners again soon.
- Due to lockdowns, our producers have been **forced to close their factories multiple times in 2021**. This caused these delays in production and hiring freezes and left workers waiting at home. Although they still received their salaries, one can imagine that it caused stress, the risk of getting ill and not knowing what to expect. At the same time, the lockdowns also meant we couldn't organize multiple on-site training sessions at our producers as planned.
- **Worldwide scarcity of raw materials meant delays**. Leather, fittings, cotton - all were hard to get your hands on. This raised prices - not only of the materials, but also of shipping. These issues held us back from producing even more bags in 2021. Even though we still achieved higher order numbers, by producing more we would have provided more jobs and income for the workers in India.



## FUTURE FOCUS

- First and foremost, we hope that travel restrictions due to COVID will be lifted in 2022 and that our producers will be redeemed from lockdowns. That will enable the producers to have a full operational year, and it will help us to organize more training sessions with our producers. It will also allow us to upscale our orders at our partner factories, and of course, we will be able to visit them again.
- Our Italian partner tannery Grenoble will become a member of the Institute of Quality Certification for the Leather Sector. ICEC is an Italian organization that issues certificates on environmental management, social accountability and safe working conditions. It includes specific requirements on traceability, which will help us to better map where the hides used for our Italian leathers come from.
- We will set up a digital worker questionnaire for all factories. With the questionnaire, we will have insights into worker happiness, training needs and potential points of improvement according to the employees in the factories we work with.
- With a specialized local partner we will organize a training and discussion session for our producers on gender awareness and the improvement of the position of women in the industry.
- We will organize a follow-up leather skills training for EMA and a new skills training for the Dustbag ladies since this training in 2021 was so well received and very beneficial for both EMA and us.
- We are looking into adding a new production location in Europe to our supply chain. With an extra location, we can ensure that our best sellers will never be out of stock and at the same time decrease our footprint. This does not mean we are leaving India. O My Bag is an impact company, so we will continue to work in Kolkata, where we can make a positive impact. This is where we can make a positive impact.





# Living Wage

We are taking responsibility for living wages in our full supply chain in line with our commitment to decent work. All artisans making our bags earn either the local minimum wage or above. This is guaranteed through certification. Although locally this is acceptable, we want more for the artisans making our bags. So we will pay more. A minimum wage does not provide financial security because it doesn't leave space for savings. A living wage can have a positive influence on the decisions workers make about health, food, family, safety, and their future, and for those reasons we believe that we are obligated to work towards a living wage for all workers.

### DEFINITION

*A living wage is the wage that an artisan in a particular city or region receives for a standard working week. This is sufficient to enable the employee and their family to provide a decent standard of living, including nutritious food, utilities, housing, education, health care, transport, clothing and other essential needs, as well as savings for unexpected events.*

## IN NUMBERS

105

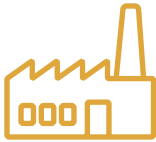


WORKERS RECEIVED LIVING WAGE PREMIUM



1 NEW PARTNERSHIP WITH INDIAN NGO ASK realized with IMVO Voucher by MVO Nederland

1 FACTORY IN A SUCCESSFUL PILOT PROJECT



€5.058

PREMIUM PAID

# Living Wage



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“A minimum wage does not provide financial security. A living wage can have a positive influence on the decisions workers make about health, food, family, safety. For those reasons, we believe we are obligated to work towards a living wage for all workers.”

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OMYBAG  
AMSTERDAM

## REGIONAL BENCHMARKS IN 2021

### LIVING WAGE FOR RURAL NILGIRIS, TAMIL NADU, INDIA

NILGIRIS, TAMIL NADU

₹ 12,666

Indian rupees per month

### LIVING WAGE FOR TIRUPPUR, TAMIL NADU, INDIA

URBAN INDIA

₹ 15,570

Indian rupees per month

### LIVING WAGE FOR BHADOHI, UTTAR PRADESH, INDIA

RURAL INDIA

₹ 10,627

Indian rupees per month

\*source: Living Wage Coalition

## PROGRESS

- In 2021, we successfully implemented a living wage pilot at one of our producers; Springfield. We spent a significant amount of time onboarding Springfield to the pilot project. Since we do not own any factories ourselves and therefore cannot influence workers' salaries directly, we need to make sure that the factory fully understands the purpose of a living wage, why it's important to us, what it means for them and how it will work in practice. Questions we've discussed in many online sessions together were:
  1. How will we calculate the living wage gap and determine the additional premium workers should receive?
  2. How should the premium be invoiced to O My Bag?
  3. Who will be eligible for receiving the living wage premium?
  4. How to ensure proper expectation management towards the workers?
- The living wage gap has been determined based on Springfield's 2021 salary slips. We reviewed those together with Springfield and calculated how far every individual salary is below our mutually agreed living wage target of 12,000 Rps per month. All those individual gaps add up to the total living wage gap, and based on that, we determine the premium we have to pay additionally. Springfield will invoice this premium directly to us. The decisions on who is eligible to receive the premium and how payments to the workers are made are entirely up to the factory. Springfield has decided that all workers in their factory are eligible to receive the living wage premium to avoid discrimination. We've set out the outcomes of these discussions in our living wage manifest, which has been translated to Bengali and distributed at Springfield.



- We couldn't have completed this pilot without **Indian expertise on the topic**. That is why we worked with the Indian NGO ASK (Association for Stimulating Know-how), a training agency with experience in implementing a living wage at Indian producers of European fashion brands. They know the local languages and culture. They answered Springfield's questions about legal implications or local taxes, offered advice on the payment procedure and informed the workers in multiple training sessions. This led to happy workers and Springfield being motivated to pay a living wage to its workers.
- In December 2021, we **formally kicked off living wages at Springfield** by organizing an event explaining the project to all Springfields workers. Springfield reported that workers feel seen and appreciated by O My Bag, which means a lot to them. By now, the full premium has been paid to Springfield, and the workers received it as an ex gratia bonus on top of their salary of January 2022.



\* We hired ASK with help of an IMVO Voucher from MVO Nederland. This is a service for Dutch small to medium sized businesses with international sustainability ambitions. With the voucher, we were entitled to a 50% discount on consulting costs to boost sustainability in our international supply chain.

## HURDLES

- Again, **executing this pilot online wasn't easy**. Lockdowns in India and being unable to have real-life discussions before difficult decisions have led to delays in the project. It took us six months to organize the kick-off event.
- As a buyer, O My Bag is responsible for around 20% of Springfield's revenue. **This means that we cannot take accountability for 100% of the living wage gap**. We need to have other buyers step in too. We hope to achieve bottom-up change by inspiring and paving the way for other buyers to pay a living wage premium and to enable Springfield to have those discussions, supported by all our shared living wage documentation. However, whether or not other buyers will step in and take their responsibility is outside our sphere of influence.





## FUTURE FOCUS

- In 2022, we will onboard all our producers to the living wage project. We will inform them of the project's purpose, why it's important to us, what it means for them and how it will work in practice. We will calculate the premium, train all workers and pay the premium to every producer.
- At the same time, we will move from paying an ex gratia bonus to structurally raising wages. To do so, we will integrate the costs for a living wage in the cost sheet of our products. Together with the producers, we will develop the procedure for ensuring that the higher prices will result in higher wages for the workers. This new methodology means that our bags will have become slightly more expensive in 2022.
- We will share our experiences with piloting living wages in our supply chain as much as possible with other brands.

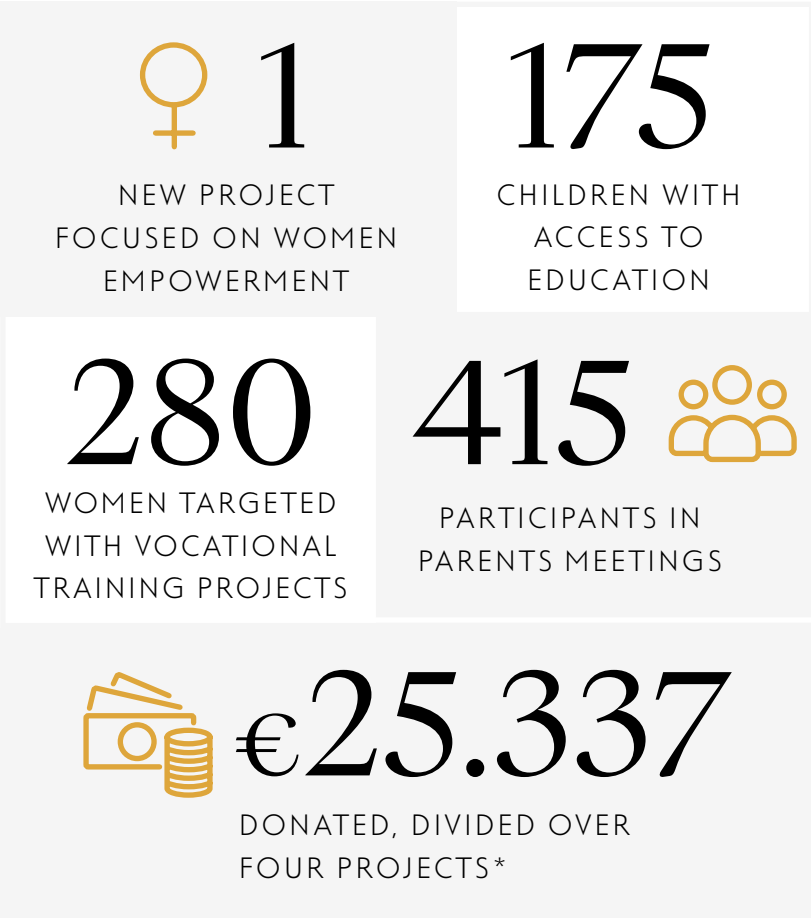


# Giving Back

It is our mission to make a positive difference in the world. The factories that produce our bags all share this mission. Together with them, we work on more jobs for women, better working conditions, higher wages and the promotion of women to higher positions. But instead of seeing India only as a producing location, we also want to have a positive impact on the surrounding communities and people.

That is why we formalized our commitment to donate 1% of our annual revenue to social impact projects\*, mainly focused on education and women empowerment. Still, we are also open to supporting more general projects, such as sustainable innovations in leather. Having a formal policy helps us establish a direct link between our sales and our positive impact.

## IN NUMBERS



\* Note: this is 1% of the previous financial year, so in this case 2020.





## PROGRESS

- With our 2021 donation, our long term partner, the Kolkata Mary Ward Social Center (KMWSC), was able to run full operations of 3 Brickfield Schools. This means that 175 migrant children who have joined their families to work on the brickfields and don't have access to regular education could attend school. The schools have been fully equipped with books, tools, games and other necessities for effective open-air education. All teachers of the three schools received full-time salaries and on the job training with this funding.
- Not only did the school children benefit, but **their families were also included in the project**, for example, through:
  - Counselling on the importance of sending children to school.
  - Awareness-raising sessions for parents on a wide range of topics, from safe social distancing to menstrual health.
  - KMWSC organized a special workshop for adolescent girls within the Brickfield Schools project on assertiveness and child rights.
- A lot of focus was placed on health this year. For example, **regular health checks** by a medical practitioner were organized for the children and where necessary, medication was freely distributed.
- During heavy lockdowns, migrant workers did not earn any money, meaning they couldn't feed their families. Therefore **KMWSC distributed ration packages** amongst those in need.
- **We started a new project with KMWSC in 2021:** the vocational training project for vulnerable women and girls in Kolkata. These are young women and girls who, for example, dropped out of school or were forced to leave their families. The project aims to train those women and girls to become professionals in a certain field so that they can become confident and financially independent. Training courses that they offer are: computer skills, beautician skills, baking, tailoring and fashion designing and the courses are full time, for 3 to 6 months depending on the topic. We're super happy to have added this project to our portfolio since women empowerment is a core focus of O My Bag.



## HURDLES

- Due to the pandemic and national lockdowns in India, KMWSC had to **suspend physical classes of the Brickfield Schools**. To combat this, KMWSC continued education through door-to-door visits by teachers and providing home assignments to the children. Doing so, they observed a considerable dilution of attention from children towards education. When children are together, their full attention remains fixed on the class. During door-to-door visits, the teachers saw children paying more attention towards household activities like cooking, washing and helping their family, which strongly limited their time to focus on school. Hopefully, this will improve now physical classes are the norm again.
- In May 2021, **West Bengal suffered from the super cyclone Yaas**. It left behind a trail of damaged homes and flooded farmland. The teachers and the children of the Brickfield

Schools faced travelling and network issues because of the cyclone.

- The vocational training project for women & girls usually **organizes many practical classes and activities, which were very difficult to plan** in 2021 due to the pandemic. Additionally, public transport has been irregular, so it often proved difficult for the students to reach the training centre.
- In 2021, we planned to set up a long term training program for our producers as part of our giving back strategy. Unfortunately we were hindered by COVID and **did not dedicate enough time to setting this up**, and we have only been able to do the leather skills and living wage training mentioned in chapter 3. This delay is partially caused by the change of sustainability managers, and partially due to the pandemic and closed factories.

### KMWSC

The Kolkata Marie Ward Social Center has been our partner since 2017. Their goal is to reduce all forms of violence against women and girls, to ensure that every child and woman is supported with love and care, and to promote gender equality and empowerment at all levels through education and creative opportunities.



## FUTURE FOCUS

- In our BHAG, we've set ourselves the target of 100,000 lives positively impacted in 2030. To get there, we need to scale up. Since our revenues are increasing every year, so will our donations. Although we greatly value KMWSC as our long term partner, we would like to differentiate our donations more. In 2021, we couldn't find new project partners since we weren't able to travel to India, but this is definitely planned for 2022.
- At the same time, the budget for 2022 will also be dedicated to setting up a more structured training program for our producers based on their needs.



# Materials

For the sourcing of materials, we work with two guidelines to ensure the most sustainable materials: the Preferred Material Matrix and the Sourcing Guidelines.

The Preferred Material Matrix is an internal document that visualizes the materials we prefer to work with and the needed classifications. The matrix is split into three main sustainable categories highlighted in green, a non-sustainable category, and a restricted materials category to minimize and move away from the most detrimental options.

The Sourcing Guidelines for suppliers is a document that lists nominated component suppliers and all requirements related to material composition or certifications. We share this document with our suppliers, discuss it with them and ask for their suggestions. This creates more clarity for our tier 1 suppliers, supports them in making sustainable sourcing decisions and helps us get full traceability on tier 2 suppliers.

## IN NUMBERS

100%

LGW CERTIFIED  
LEATHER



30%

RECYCLED  
COTTON IN  
SIGNATURE LINING

8



O MY BAG STYLES  
AVAILABLE IN  
APPLE LEATHER

1st



VEGAN ALTERNATIVE  
LEATHER COLLECTION,  
CALLED APPLE LEATHER

100%

CERTIFIED  
ORGANIC COTTON



MATERIAL	Sustainable Materials			Non-Sustainable Materials	Do Not Use
	Class One	Class Two	Class Three		
LEATHER	Certified Vegetable Tanned Leather	Certified Chrome-free tanned leather (wet white)	Sheong Shi chrome-free leather	Vegetable/chrome-free tanned leather, not certified Chrome tanned leather, LGW gold rated	Chrome tanned leather without any certification
LEATHER ALTERNATIVES	Apple Leather/plant-based material made of waste * made of fruit industry waste * transparent sustainable production	Plant-based material (data based on Pinatex)	Synthetic leather based on recycled materials *GRS certified	Virgin PU / Synthetic Leather	
FABRICS	Certified recycled cotton * virgin cotton share: certified organic  TENCEL™ Lyocell	Certified organic cotton, traceability to the farm level  Certified recycled polyester	Organic linen Organic jute	Conventional cotton	Virgin polyester
ZIPPERS	Certified recycled cotton zippers Certified recycled polyester zippers	Certified organic cotton zippers	Conventional cotton or polyester zippers, certified	Conventional cotton or polyester zippers, no certification	
THREAD	Certified recycled polyester thread	Certified organic cotton thread		Virgin polyester thread	

Based on the Higg Material Sustainability Index (environmental footprint) and the Sustainable Material Guide of Modint.

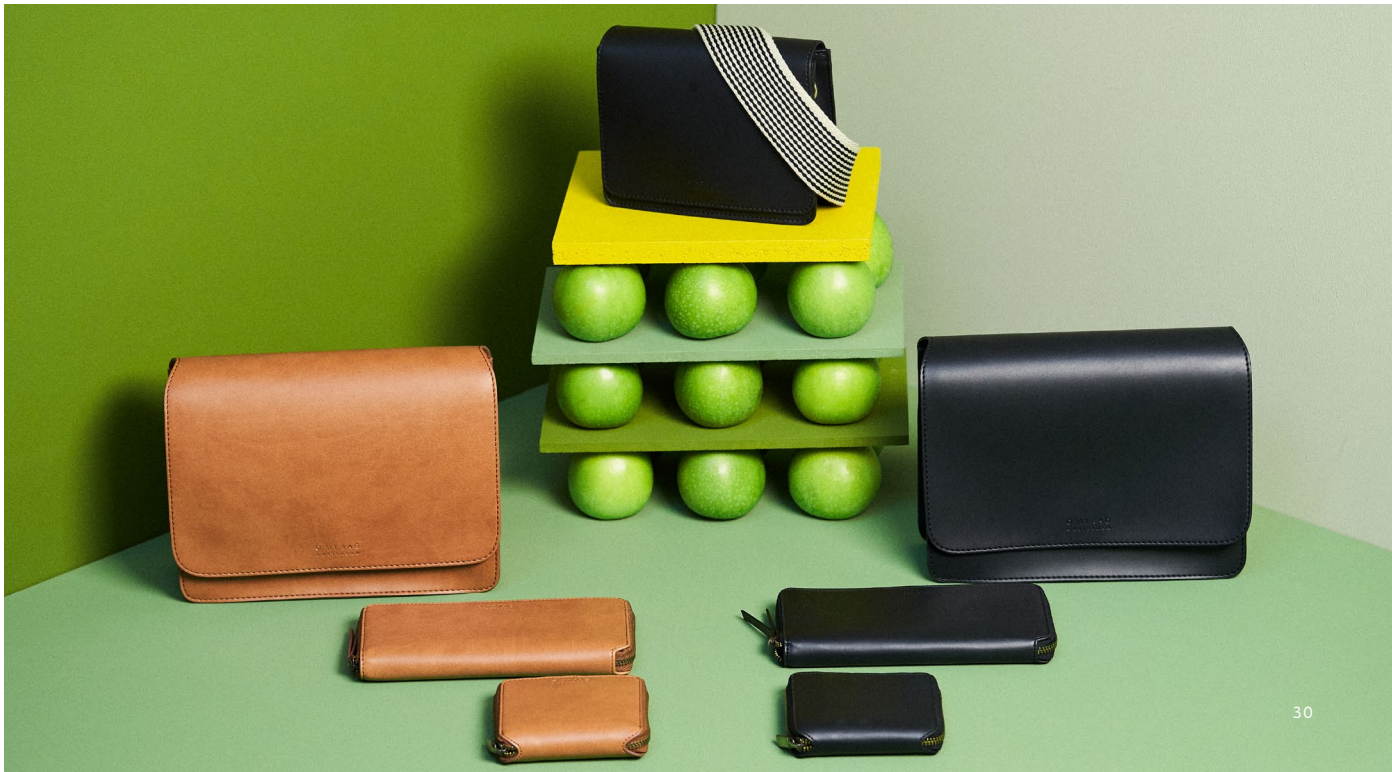
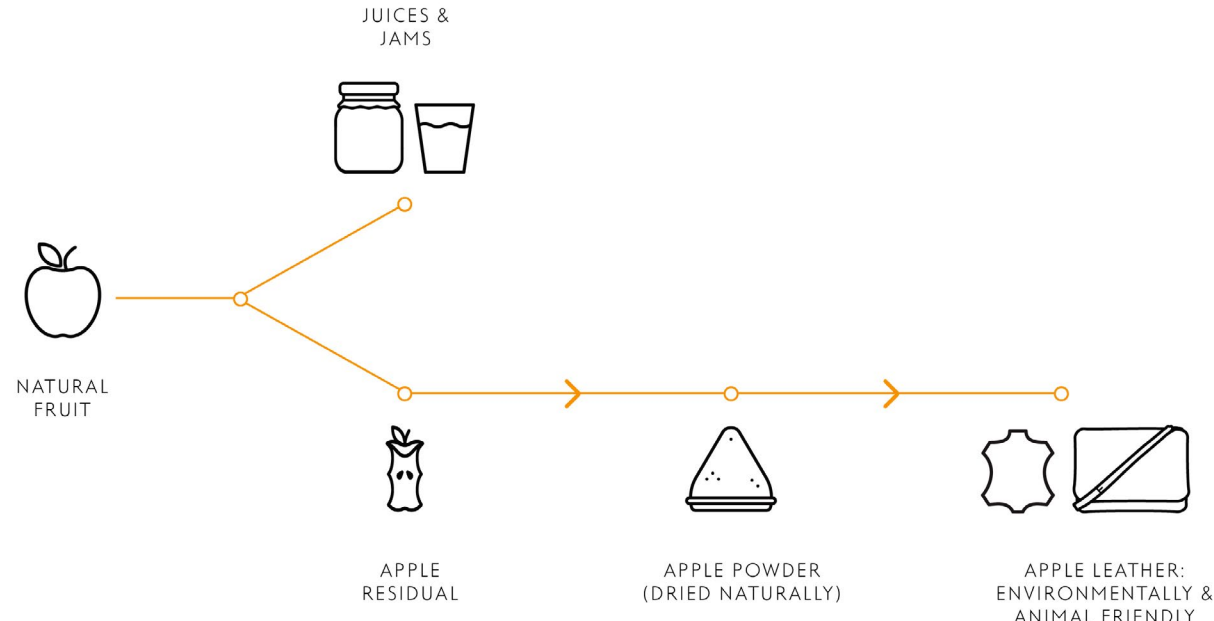
Additional criteria:

- Durability
- Circularity: biobased, recycled, recyclable, biodegradable. Mono-materials are preferred.

Certifications: we rely on various certifications, since they ensure content or manufacturing processes of a material are as sustainable as possible and hazardous chemicals are avoided. These are mainly: LWG, GOTS, GRS, Oeko-Tex 100 and Bluesign.

# PROGRESS

- Our biggest 2021 win in terms of materials is the introduction of our very first leather alternative made of apple leather. To accommodate our customers who chose not to purchase animal products, we'd been looking for a durable, low-impact leather alternative. After years of testing, in 2021, we launched our first AppleSkin™ collection. Our real leathers are known for their quality, thickness, and natural ageing process. It was important for us to find a leather alternative with similar qualities. We evaluated different materials such as pineapple and cactus leathers; however, AppleSkin™ was the superior option for O My Bag. In addition, the developer and producer of this material have set high sustainability targets for their operations and the material. They want to become 100% circular before 2030 and switch to recyclable materials only.
- Eight O My Bag styles are available in apple leather. They became so popular that they sold out almost immediately after the launch in October 2021.

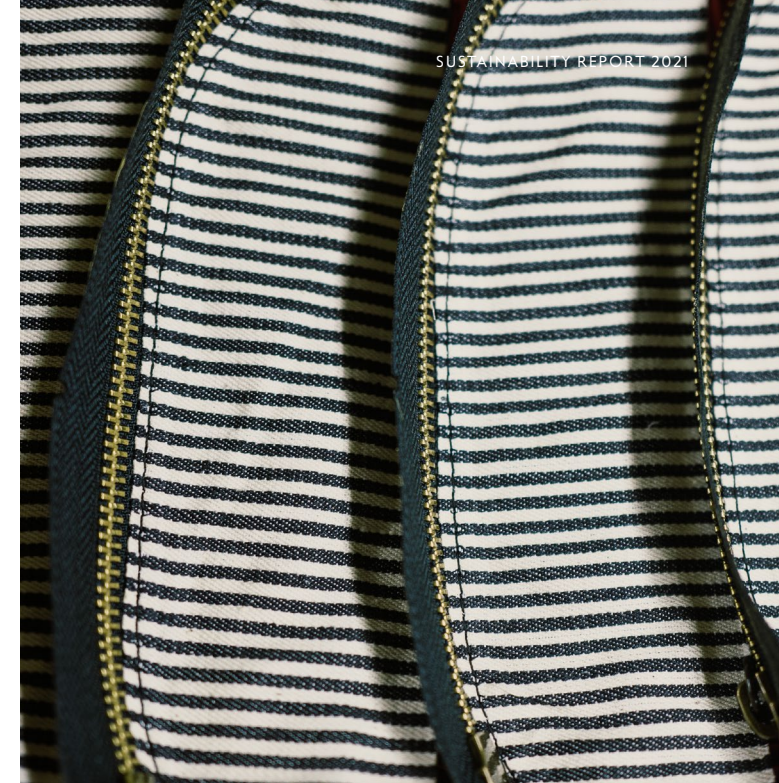




- In 2021 we started working with a fabric mix of 30% recycled cotton (GRS certified) and 70% organic cotton (OCS certified) for our signature lining to have an even lower impact on the environment. Our signature lining has this recycled and organic mixture. Our webbing straps, tote bags, dustbags and canvas collection are still made of organic cotton (GOTS certified). Avoiding or minimizing the use of virgin fibers and increasing the use of recycled fibers significantly lowers a product's environmental impact - especially when considering water usage. 100% recycled cotton currently isn't strong enough yet, therefore, a mix of materials is needed, but we are looking to increase our use of recycled cotton.
- Since the switch to a new tannery in Kolkata, all our leather is LWG certified, meaning that it adheres to the most strict environmental requirements for the production of leather.
- At O My Bag, we aim for full traceability of all components of our products. We have 100% traceability on our tier 1 suppliers, the producers of our bags. In 2021, we reached 100% traceability on tier 2 as well. This means that we have mapped all direct suppliers of our producers, so we know exactly where all cotton, hardware, thread, cardboard boxes, paint etc. are produced.

#### LEATHER WORKING GROUP (LWG)

Leather Working Group (LWG) is a non-profit organization that works to provide best environmental practices in the leather industry while working with the UN Sustainable Development Goals. LWG works with representative stakeholders including audited members, leather suppliers and manufacturers, technical advisors, traders and brands.



## HURDLES

- In 2021 both us and our producers experienced **heavy price increases and production delays** for a lot of our materials, leading to out of stocks of our best sellers. Price increases are caused by shortages due to lower production volumes caused by lockdowns, shipping delays and taxes by the Indian government. This caused us to reassess our pricing throughout our supply chain and will lead to higher prices for our bags.
- Unfortunately, something went wrong in production, causing the fabric of our partially **recycled cotton lining to tear easily**. In order to prevent production delays, we ordered an extra batch of 100% virgin certified organic cotton, until the tearing issue was resolved.
- **We're still on the lookout for more sustainable hardware for our bags.** From a life cycle analysis (LCA) of 2019, we know that the production of zippers, buttons, and hooks is one of the most damaging stages in our production process in terms of CO2 emissions. Although we know where these components are produced, it's challenging to get full transparency on production processes, so there might be social risks involved too. Therefore in 2021, we set the goal of finding a more sustainable alternative for the hardware. There are sustainable, non-steel alternatives available, such as recycled plastics, but those do not have the required strength for our bags. Since we promise that our bags will last a lifetime, we cannot compromise on the quality and strength of the zippers, doghooks and buttons. So, even though finding more sustainable hardware has been on the agenda for a while, it didn't have enough priority yet.
- **We want to improve the quality of cardboard boxes used for shipping to customers.** We want to improve the sizing, so we avoid using boxes that are too big for the product and the boxes also need to be secured better, in order to avoid theft during transport. However, we've not been able to find a new supplier, due to high prices and shortages of materials, even the samples were hard to get.



## FUTURE FOCUS

- We need help in our search for more sustainable hardware. We are exploring opportunities with Wageningen University & Research to see if a group of students from the bachelor Environmental Project Studies can develop an advisory report and a decision-making framework for us on how to best source sustainable hardware while not compromising on the quality and longevity of the bags.
- Leather & certified organic cotton are our primary materials, and we have direct working relations with the tanneries and cotton fabric suppliers. Since these materials are so crucial to O My Bag, there's a need to look further into those supply chains. For cotton, it's easy since we know the farmer's association that Dibella buys the virgin cotton from, but it's more complicated for leather. We know that the skins are a by-product of the meat and dairy industry and that they are often sold to tanneries by agents. In 2022, we aim to get in touch with all those agents and find out at which abattoirs they buy the skins and what the conditions are in those abattoirs, both for the animals and the people employed there. LWG added inbound material traceability to their requirements in 2021, so we plan to follow those guidelines.



- We are planning to expand our leather collection. We'll add more of our styles in apple leather and continue to test other alternative materials.
- The producer of AppleSkin™ is working hard to replace the polyurethane coating, currently crucial to give the apple leather the strength and durability we demand, by an organic-based, biodegradable coating. This will further lower the footprint of our apple leather and increase the recyclability of the material.

### TRACEABILITY IN LEATHER

In 2021, LWG added incoming material traceability to their audit protocol. This new section of the certification assesses tanneries' ability to trace their incoming hides back to the slaughterhouse or region of origin. LWG also added new requirements for those tanneries sourcing from geographies where expansion of cattle ranching is causing illegal conversion of natural landscapes.

# Carbon Footprint

In 2021, our total carbon footprint was 229 tons of CO<sub>2</sub>. This can be compared to 70 return flights from Amsterdam to New York (JFK). Our carbon footprint had decreased by 18% compared to 2020, when it was 280 tons in total.

We account for Scope 1, 2 and 3 emissions. We prioritize directly eliminating emissions in our supply chain (insetting) as much as possible. We calculate our carbon footprint every year with the model built by Sustainalize, a Dutch sustainability consultancy firm, and base our plans on our Life Cycle Assessment (LCA), which shows where the heaviest impacts are. The emissions that cannot be prevented will all be offset in the Indian clean cooking stoves project of FairClimateFund.

Even though our footprint was lower in 2021, for growing companies like us, it is very likely that the footprint will increase on the longer term. For that reason, it is essential to measure our progress with carbon intensity, which shows our emissions in relation to our annual revenue in Euros.

## IN NUMBERS

# 229

TONS OF CO<sub>2</sub>  
EMISSIONS

# 45%

IS INSET WITH THE  
GOODSHIPPING  
PROGRAM

# 55%

IS OFFSET WITH  
CERTIFIED PROJECTS

# 62

CARBON  
INTENSITY

# 18%



LOWER FOOTPRINT  
COMPARED TO 2020

EMISSIONS PER SCOPE:

SCOPE 1: (0.07%)

# 162kg

SCOPE 2: (3%)

# 6815kg

SCOPE 3: (97%)

# 222.606kg



# 40%

LOWER CARBON  
INTENSITY  
COMPARED TO 2020

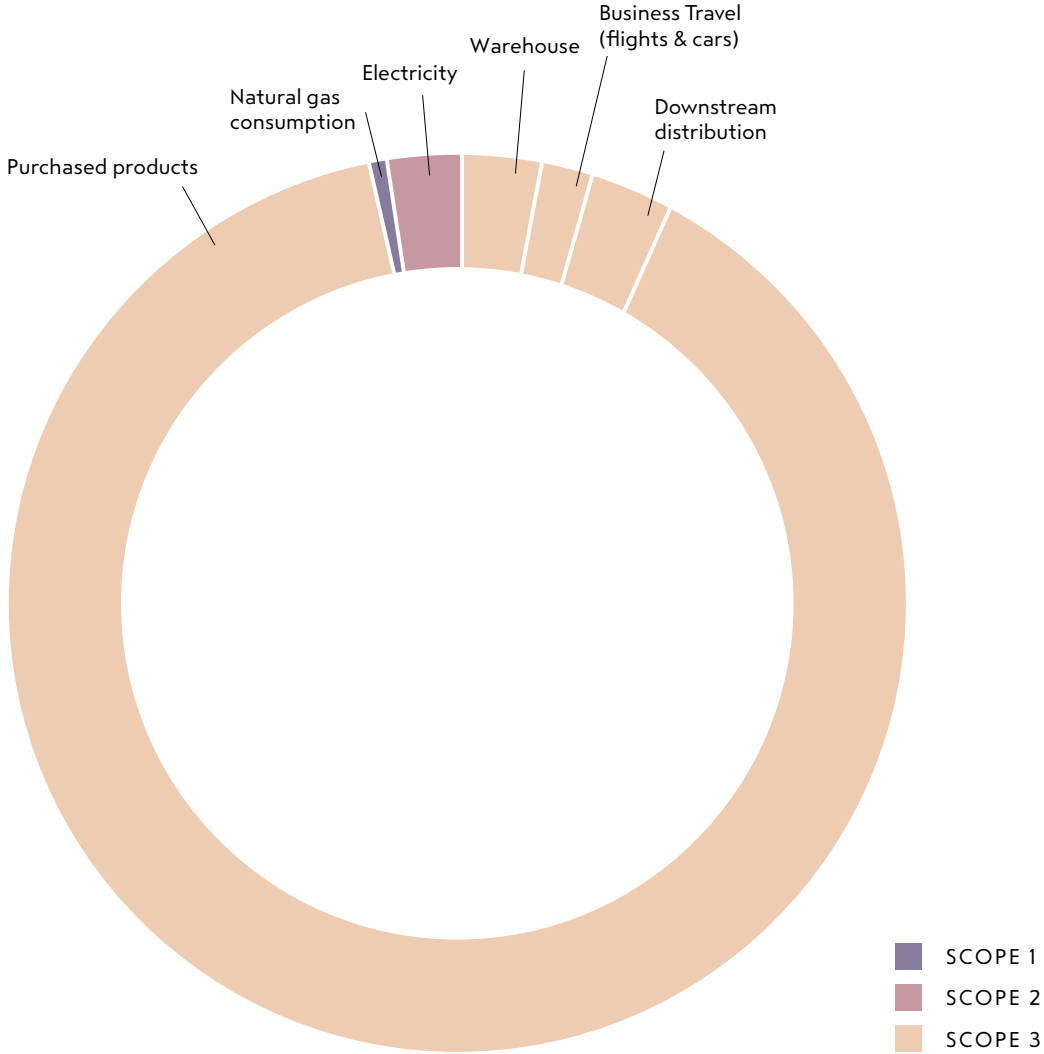
IN 2021, O MY BAG EMITTED 229 TONS OF CO<sub>2</sub> WHICH EQUALS:



**70**

RETURN FLIGHTS FROM AMSTERDAM TO NEW YORK

Scope	Emission Source	Kg CO <sub>2</sub> -eq	Share
Scope 1	Natural gas consumption	162	0,07%
	Company cars	0	0%
Scope 2	Electricity	6851	2,98%
Scope 3	Business travel (flights)	140	0,06%
	Business travel (car)	515	0,22%
	Warehouse	6815	2,97%
	Purchased products	209 217	91,11%
	Downstream distribution	5919	2,58%
TOTAL		229 619	100%




## PROGRESS

Overall, we are happy to report an **18% lower footprint** and a **40% lower carbon intensity** compared to 2020. This lower footprint and carbon intensity have several causes:

- By reducing air shipments in 2021, we reduced our shipping footprint significantly. When shipped by sea, the transportation time is around four months, while an air shipment only takes a few days. So we've given a lot of attention to improved forecasting and planning ahead with our producers in 2021, leading to this decrease in shipping emissions.
- A win and a hurdle at the same time: due to the pandemic, we had almost no business travel in 2021. Although we hope that travelling will be possible again, we're also happy it saved a lot of emissions.
- In 2021 we closed our store in The Hague, which accounted for a large part of our gas and energy consumption.
- As mentioned at the beginning of this report, 2021 was a successful year for O My Bag in terms of revenue. While our revenue grew 35%, our footprint decreased by 18%. This resulted in a 40% lower carbon intensity in 2021. The revenue growth is reflected in the overview of the emissions. For example, compared to 2020, the footprint of our warehouse has grown, as well as outbound shipping emissions.




**18%**  
 DECREASE IN  
 OUR CARBON  
 FOOTPRINT


**40%**  
 LOWER CARBON  
 INTENSITY



 **GoodShipping**

- A big win in 2021 was that, due to the larger share of sea shipments, we could start a partnership with GoodShipping to inset our 2021 inbound and outbound shipping emissions. GoodShipping changes the fuel mix in large cargo ships from fossil fuel to sustainable biofuel. This biofuel is made of residuals such as used cooking oils or residual pulp from the paper industry, and therefore, it directly eliminates emissions and reduces our international shipping footprint.
- In Kolkata, leather from Shee Sen Tannery is transported to our producers by trucks. In 2021, our producer STC arranged that the leather they work with is transported to them by an electric vehicle, thereby eliminating the fuel consumption.

#### WHY GOODSHIPPING?

We are aware that our international shipping accounts for a large portion of our emissions. Moving to more sea shipments helps to reduce emissions, but carbon impact remains high in this part of our supply chain. The GoodShipping Program offers the solution to fully eliminate shipping emissions by switching traditional fossil fuels in container ships with sustainable biofuels, directly preventing emissions going up into the air. This means that instead of offsetting we are moving to inseting - preventing emissions directly inside the supply chain where they are caused.



## HURDLES

- **We have not met our 2021 target of 20% sea shipments.** Instead, the year ended at a total of 16%. We've been experiencing many production and shipping delays due to the pandemic, leading to out of stocks. To limit the out of stocks, we needed to ship by air more than we liked.
- In 2021, **international shipping costs** for both air and sea shipments **almost doubled** compared to 2019, before the pandemic started.
- **It wasn't easy to receive correct data from our producers for our scope 3 emissions.** Every year we request data from our producers. By doing so, we aim to have better insights every year. The more primary data we receive, the more accurate the calculation is. Getting correct data proved to be a challenge, causing us to rely more on industry averages than we liked. Nevertheless, we believe that this yearly calculation helps us implement effective reduction measures and monitor our progress over time.

## FUTURE FOCUS

- Since the introduction of our apple leather collection, we've been curious to know the exact difference in environmental footprint compared to our eco-leather. Mabel Synthetic published a LCA of the material, which gives insight into the exact composition of the material, and where the environmental impacts are. This also helps us inform our customers better and have effective conversations about further improving the sustainability of our apple leather. Something we will definitely work on in 2022.
- One of our goals is to focus more on insetting instead of offsetting. That means we want to produce less CO2 in the first place rather than offset emissions afterwards. So clearly, we will continue to increase sea shipments. The target for 2022 is 30%.
- Our work on insetting will continue through the partnership with GoodShipping and hopefully finding new, more sustainable hardware for our bags.
- Our producer STC is in the process of installing solar panels on their building terrace, by which they will shift 25-30 % of their energy consumption to solar energy in 2022.

# Pre-Loved & Repairs

One of the most responsible things we do for our planet is to make high-quality products that can be worn and used for years. We help our customers take good care of their O My Bag's by giving tips on leather care, treating different types of stains, and by explaining how customers can repair minor defects themselves. We also have a repair service for our customers. Most repairs are on us, for some we ask a small fee. By repairing the item, we extend the product lifetime, and we save emissions for producing and selling a new bag to the customer.

Nevertheless, we know that style and taste evolve. Customers might outgrow their bags or just don't use them often enough. That's why we encourage our customers to bring back their old O My Bag's, so that we can make sure it will find a new loving owner in our Pre-Loved Program, available in both our stores and webshop.

## IN NUMBERS

344.000 

ACCOUNTS REACHED WITH OUR GREEN  
FRIDAY CAMPAIGN FOCUSED ON PRE-LOVED



492

PRE-LOVED BAGS  
SOLD IN 2021

45%

INCREASE OF  
PRE-LOVED SALES  
COMPARED TO 2020

1.61%

REPAIR REQUESTS  
FOR PRODUCTS SOLD

IN TOTAL,

982

BAGS SAVED FROM  
LANDFILL SINCE 2019

## PROGRESS

- Pre-Loved O My Bag's remained very popular in 2021. We sold 492 Pre-Loved items in 2021, adding to a total of 982 bags saved from landfills since the start of Pre-Loved in 2019.
- We've been improving our **data management for repairs and returns**. Due to better data collection and visualization, we're able to spot structural defaults in our designs much faster. For example, we noticed issues with doghooks. We were able to prevent more issues from happening with new doghooks by quickly replacing them with a new doghook that hardly ever breaks.
- In 2021, we encouraged our Amsterdam customers to **choose local pickups** in our stores. Picking up the order by bike instead of having it delivered to someone's doorstep saves emissions. In total, we had 100 in-store pickups in 2021.
- We tried something new for **Black-Green Friday** campaign in 2021. We did not offer any direct discounts but encouraged our customers to hand in their old O My Bags in exchange for a gift voucher. This way, we have promoted our Pre-Loved Library and at the same time raised awareness about durability and circularity. With this campaign, we have reached 344.000 Instagram users.





## HURDLES

- One of the objectives of our Green Friday 2021 campaign was to restock our Pre-Loved Library with 100 items. **We received only 15 bags.**
- Since we are selling more bags, we're also getting more bags back for repairs. In 2020 we did 75 local repairs, and in 2021 we did 159. So although local repairs more than doubled in 2021, we still notice that **most consumers prefer to ship their bag directly to us instead of choosing a local repair shop.** This leads to shipments from across the world to Amsterdam.

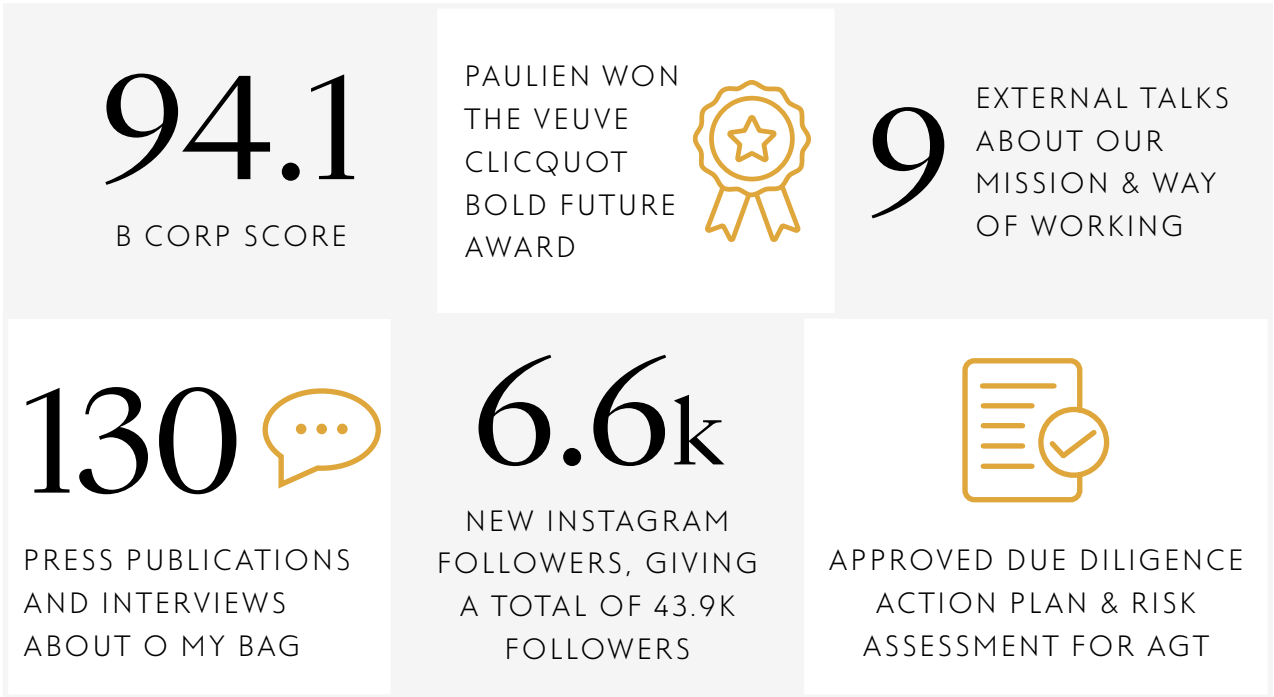
## FUTURE FOCUS

- We will develop local repair guides to stimulate local repairs even more. Currently, around 18% of repairs are done locally, but we want to raise that to 30% in 2022.
- We're moving from customer service to a more proactive customer experience (CX) strategy. This means we will set up a training program for all future CX hires to ensure alignment across team members on all service levels. We will also look into new CX satisfaction tools to better measure customer feedback. Considering the repair process, we want to optimize the customer experience by pre-made repair kits or listing recommended repair shops near the customer's location.
- Since we are a growing company, we will optimize the internal repair process by reducing the number of contact moments between customers and us. We will do this by improving online communication about repairs, better aligning B2B and B2C processes and anticipating more on potential production issues in India.

# B Corp and Raising Awareness

Being transparent and making ourselves heard is a fundamental part of our Vision 2025. We proactively communicate hurdles and wins, commit ourselves to publish annual sustainability reports and share our story on different platforms around the world. Reporting serves as a tool to track our path towards sustainability and benchmark our progress both internally and externally. We are a signatory of the Dutch Agreement for Sustainable Garments & Textiles (which ended on 31 December 2021). The AGT helped us strengthen our commitment regarding due diligence, learn from others, and continuously do better over time and enabled us to become part of a group of Dutch frontrunners in sustainable fashion.

## IN NUMBERS





## PROGRESS

- **We became a B Corp!** In the summer of 2019, we started our application process towards B Corp certification. B Corp is an internationally renowned certification for companies that use business as a force for good. Becoming a B Corp is not easy because the application process involves many steps and a thorough company assessment. It's been a long journey, but we are super proud that we made it to the finish line in 2021, with a fantastic score of 94.1 points. We are now legally required to consider the impact of our business decisions on our employees, suppliers, customers, stakeholders and the environment. Besides external verification of doing good, we're now also part of a growing international community that actively promotes using business as a force for good.
- In October 2021, **Paulien won the Bold Future Award by Veuve Clicquot**. This award is given to stimulate female leadership and celebrate daring women. Paulien is the first to win this award and was chosen by the jury because of O My Bag's frontrunner position in fashion, its sustainability mission, and Paulien's unprecedented determination to implement it.

### B CORP CERTIFICATION

Becoming B Corp certified is just the start. The assessment is based on a points system. B Corp helps us to identify areas of improvement, ranging from having a strategy for a more diverse workforce to increasing the use of recyclable office materials. After 3 years, we'll get a re-assessment that will show us how we've done by a new points score.



- On 1 June 2021, we handed in our **Risk Assessment and Action Plan for improving due diligence to the Dutch Agreement for Sustainable Garments & Textiles**. After review, we had a full day meeting with their team to plan due diligence improvements in our supply chain. We were happy to hear that they consider us a frontrunner when it comes to due diligence in international fashion supply chains.
- In November 2021, we were invited to present **O My Bag's search for vegan alternatives** and the introduction of apple leather during AGT's live show with 116 participants. The

event was organized to look back on the successes of 5 years of working on sustainability.

- In May 2021, Paulien was asked to do a talk for **350 business master students of the University of Amsterdam**, in the city's biggest theater Carré. Her speech was meant to promote entrepreneurship amongst the students and to openly share her journey, sustainability goals and challenges she encountered along the way.
- In April, we successfully participated in the **2021 Fashion Revolution Week** on all our social channels, campaigning

for a clean, safe, fair, transparent and accountable fashion industry. With our posts, we have reached 118K users.

- We started our **first ambassador program in 2021** with focus on sustainability. For this program, we selected our three most trusted content creators who share our values and help to spread the word about sustainability and fair trade.
- In 2021, we were featured in **over 130 digital and print publications all over the world**, helping us raise awareness on issues most important to us.

## HURDLES

- We have noticed that we need to change our way of posting **sustainability updates**. **Generally they are not performing well** on our most important social media channel Instagram. We're working on finding a way that works better for our Instagram followers.
- We were just getting started when the **AGT announced their ending on 31 December 2021**. Luckily, we are quite advanced with due diligence, but we would have liked to use the expertise available through the Agreement more. So we're curious to see in what form the Agreement will evolve, and we will keep close contact with the involved parties.

## FUTURE FOCUS

- We've built an action plan for improvement based on the outcomes of our 2021 B Corp assessment. The action plan is divided into things that can be fixed in 6 months or a year and the larger projects that will take longer than a year to implement. We hope to obtain at least a total of 115 points in our following assessment through this plan.
- Instead of sticking to Instagram, we plan to use other channels such as our weekly mailer, TikTok, and LinkedIn more for sustainability updates. We will be sharing our story more in external talks in 2022, for example, by participating in round table discussions and joining lectures or fair fashion meetups. We will become an active member of the B Corp community and keep the team informed on our sustainable progress.

O MY BAG

A M S T E R D A M

# Thank you

## CONTACT

For any questions or queries relating to the content of this report, please contact our Sustainability Manager, Femke.  
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