

O MY BAG
A M S T E R D A M



Sustainability Report

2022

Certified



Corporation

Contents

4	2022 IN A NUTSHELL	20	CHALLENGES
4	Achievements	21	Company carbon footprint
5	Challenges	22	Our footprint reducing efforts
6	Year overview	23	Carbon intensity
7	INTRODUCTION	23	Production delays
7	Our 2030 vision	23	Container shortages
8	Due diligence	24	Sustainable hardware
8	Our certifications	24	Producer unable to reach our quality standards
9	Producers, Tanneries and Lining, Webbing Straps & Dustbags	26	GOING FORWARD
11	ACHIEVEMENTS	27	Updating our life cycle assessment
12	Increasing the number of lives positively impacted	27	Living Wage Premium structurally paid
12	Lives we count as positively impacted	28	Continuous training at our producers
13	Training at the producers	28	Continue testing new leather alternatives
14	Scaling up the Living Wage project		
15	Piloting the digital worker survey		
15	Introducing woven leather		
16	Switched to 100% recycled cotton		
17	36% sea shipments and full O My Bag containers		
18	Improving our material use		
18	Growth of Pre-Loved sales		






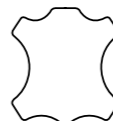

2022 in a nutshell

ACHIEVEMENTS

<p>8</p> <p>TRAININGS on product quality and gender awareness completed at producers</p>	<p>628</p> <p>BAGS RECEIVED A SECOND CHANCE AT LIFE leading to a total of 1,610 bags getting a new owner through our Pre-Loved Program</p>	<p>36%</p> <p>of our bags were SHIPPED BY SEA and our first full O My Bag containers coming from India</p>
<p>60</p> <p>ADDITIONAL FAIR JOBS created at producers due to larger order volumes of O My Bag</p>	<p>3.627</p> <p>LIVES POSITIVELY IMPACTED IN INDIA making a total of 12,816 since O My Bag started</p>	<p>3x</p> <p>The number of workers receiving our LIVING WAGE PREMIUM tripled</p>
<p>Switched to</p> <p>100%</p> <p>RECYCLED COTTON for our signature striped lining</p>	<p>283</p> <p>factories' employees completed an EMPLOYEE SATISFACTION SURVEY conducted by an external party. Improvement points are discussed and initiated in action plans</p>	<p>40</p> <p>WOMEN in the rural villages close to Kolkata were able to acquire an ADDITIONAL INCOME thanks to the woven leather collection</p>

2022 in a nutshell

CHALLENGES

 <p>A GROWING ENVIRONMENTAL FOOTPRINT A company footprint of 582 tons CO2eq (compared to 229 tons in 2021) and a carbon intensity score of 98 (compared to 62 in 2021)</p>	 <p>PRODUCTION DELAYS leading to more air shipments than expected</p>	
 <p>One of our producers was UNABLE to reach our QUALITY STANDARDS</p>	 <p>Delays in leather transport due to CONTAINER SHORTAGES in the international sea shipping market</p>	 <p>We did not succeed in our goal to source more SUSTAINABLE HARDWARE</p>

2022 in a nutshell

YEAR OVERVIEW

1. Gender awareness training with the Dustbag Ladies
2. Our flagship store was renovated
3. We hired Shubham Pandey as our first intern based in Kolkata, India
4. Living wage and financial training at EMA
5. We moved into our new office in Amsterdam
6. We expanded our Apple Leather range
7. We grew our team to 26 full time employees
8. We rocked 6 international sales fairs



COMPANY HIGHLIGHTS

- Available in 409 stores in 26 countries worldwide
- 101,843 O My Bag products sold
- 55% revenue growth compared to 2021

Introduction

O My Bag's mission is to make a positive difference in the world. All our bags are ethically made with sustainable materials. We are an impact driven company, meaning that our growth enables us to maximize our positive impact. At the same time, we

work on reducing our negative impact on the environment as much as we can. In this report, we discuss the sustainability goals that were achieved in 2022. We've had a successful year with 55% revenue growth. But our growth comes with

negative impacts on the environment too. It's important for us to be honest about our sustainability challenges, and not only talk about our successes. This way we hope to be an inspiration and offer encouragement for the whole industry.

OUR 2030 VISION



DUE DILIGENCE

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 report, 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 plans at the start of every year.

CODE OF ETHICS (IN EMPLOYEE HANDBOOK)

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

ANNUAL WORKER SURVEY

To ensure we get first hand information from the people making our bags about how they perceive their jobs.

ANNUAL SUPPLY CHAIN OVERVIEW

To ensure we have a clear overview of our tier 2 and 3 suppliers.

PRODUCERS



EQUITABLE MARKETING ASSOCIATION (EMA)
Baruipur, India

- A partner since 2010
- Guaranteed Member of WFTO



STC
Kolkata, India

- A partner since 2015
- SA8000 certified



DAS STYLE
Kolkata, India

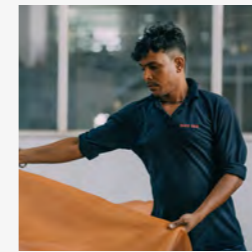
- A partner since 2019
- SA8000 certified



SPRINGFIELD
Kolkata, India

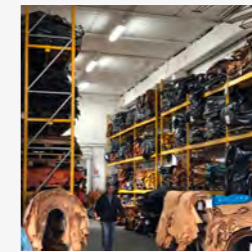
- A partner since 2015
- SA8000 certified

TANNERIES



SHEE SEN TANNERY
Kolkata, India

- A partner since 2021
- LWG gold rated



CONCERIA NUOVA GRENOBLE
Ponte a Egola, Italy

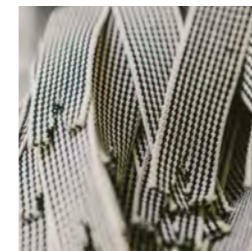
- A partner since 2015
- LWG silver rated



MABEL SYNTHETIC
Florence, Italy

- A partner since 2021
- Producer of AppleSkin™

LINING, WEBBING STRAPS AND DUSTBAGS



ELASTIC INDIA
Chennai, India

- A partner since 2015
- Providing our GOTS certified webbing straps



DIBELLA INDIA
Bangalore, India

- A partner since 2021
- Providing our GRS certified signature lining



THE DUSTBAG LADIES
Bhatpao, India

- A partner since 2018
- Providing our GOTS certified dustbags

OUR CERTIFICATIONS





~~Make~~
Wear a
difference

Achievements

WHAT WE'RE PROUD OF

INCREASING THE NUMBER OF LIVES POSITIVELY IMPACTED

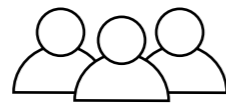
We believe in [trade, not aid](#). Increasing our orders volumes has a positive impact on jobs available at our producers. Next to that, we donate 1% of our annual revenue to the [social impact projects](#) surrounding our production. This policy connects the success of our brand directly to the positive impact we make. We keep track of our progress by counting the moments during which we had a positive impact on someone's life.

By 2030, we want to have had a positive impact on at least 100.000 lives in India. This target keeps us sharp. To get there, we need to scale up our impact every year and keep it in line with our growth as a company. In 2022, our target for moments in which we positively touched someone's life in India, was 2.803. We ended the year at 3.627 and the current total since the start of O My Bag is 12.816. This means that we have our work cut out for ourselves, but we like a challenge.

LIVES WE COUNT AS POSITIVELY IMPACTED

372

PARTICIPANTS in KMWSC skills development project



497

people participated in TRAINING at our producers

2.317

BRICKFIELD SCHOOLS BENEFICIARIES meaning children, teachers and families on several occasions, such as medical examinations, awareness raising sessions and parent meetings

24

CHILDREN THAT GRADUATED from the Brickfield Schools and transferred into formal education in government schools

357

people received our LIVING WAGE PREMIUM



60

NEW HIRES at partner factories due to larger order volumes

KMWSC

Through our long term partner Kolkata Mary Ward Social Centre (KMWSC) we support the Brickfield Schools and the Skills Development project. With our 2022 funding, three new Brickfield Schools are fully operational, and 372 vulnerable women and girls from Kolkata are able to follow courses amongst others on computer skills, tailoring and fashion designing

TRAINING AT THE PRODUCERS

India is a patriarchal society, in which women often get less opportunities. Raising awareness on gender issues is a first step to improve the position of women in our supply chain. That is why it is a key focus of O My Bag. In 2022, we added two new organizations to our network in Kolkata that help us improve on these topics directly in our supply chain: Swayam and Jabala Research Organization. Both of them are female led, feminist organizations, focused on improving the position of vulnerable women and girls in Kolkata by providing jobs and training.

For example, Jabala hosted an informal training session with the Dustbag Ladies, who produce the organic cotton dustbags that protect all our leather items. The

training helped the women gain more confidence in speaking up for themselves when necessary. Swayam organized a training on sexual harassment and gender awareness at Springfield. The training included both men and women, sensitizing all participants about their gender stereotypical beliefs and developing a better understanding of appropriate and inappropriate behavior in the workplace.

Next to these, with our local partner ASK India we organized multiple trainings on financial household management in line with our living wage project. The workers are often unaware of the best possibilities to start a savings account at local banks, or they don't know how to apply for government subsidies for which they would be entitled to get.

Another important activity is a collaboration with a European technical leather quality consultant, meant to enhance the skill set of the workers at our producers. Together with him, our producers have made improvements on the production floor that will advance workmanship and enables them to produce bags of higher quality.

TRAININGS COMPLETED IN 2022:

- 3 gender awareness trainings
- 3 living wage and financial management trainings
- 2 trainings on improving product quality



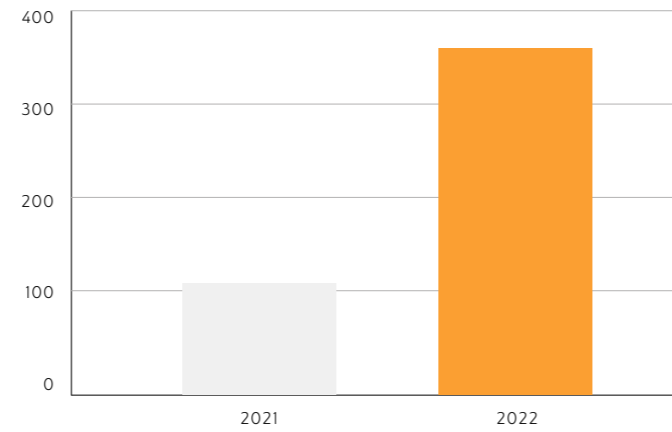
The Dustbag Ladies at their training with Jabala, alongside Femke and Jessica

SCALING UP THE LIVING WAGE PROJECT

In 2022, we have rolled out our [living wage project](#) to two additional factories, meaning that now Springfield, STC and EMA are included in this project. We have increased our living wage premium from €5.058 in 2021 to €21.126 in 2022.

The number of workers that have received the premium increased from 105 at one factory in 2021 to 357 at three factories in 2022.

Nr. of workers that received the living wage premium



PILOTING THE DIGITAL WORKER SURVEY

We want to ensure good working conditions for everyone making our bags. To continuously improve on this, it is important to get first hand information from the people working in our partner factories. That is why in 2022, we organized a digital worker survey with the help of an independent interviewer at Springfield, STC, and EMA. In total, we received 283 answers. Those answers provide us with insights into necessary improvement points for better working conditions at every factory.

For example, we learned that at one of our producers the hygiene of the drinking water facilities was below standards, and they did not have fans installed in the lunch area. So we discussed this with the producers and they implemented suitable solutions. These might seem like small quick wins, but they are directly improving the working conditions in our partner factories. Bigger issues such as financial struggles of workers (often due to

inflation) also reached us through the survey, reconfirming the importance of our living wages project. We also found out that the share of jobs for women in our supply chain remains relatively low, and that generally women in the factories are slightly less happy with their job and salary than their male

colleagues. Based on all improvement points, we made an action plan and timeline with every producer, to ensure that the working conditions and gender equality will actually change for the better. From now on, the digital survey will take place every year, which allows us to monitor progress over time.



INTRODUCING WOVEN LEATHER

In 2022, we learned about a leather weaving project through Nassir, one of the employees at Springfield. Nassir and his wife Monira accept orders of woven leather from local factories and distribute those to housewives in their village Bilpar, a suburb of Kolkata. We were inspired by their talent and sense of community, and therefore we decided

it was time for O My Bag's very first [woven leather collection](#). Currently, there are around 40 housewives in Bilpar who supply us with woven leather. They work from their homes with minimal investment, which allows them to earn a sustainable income while still fulfilling their responsibilities, such as taking care of their families.



Shubham (O My Bag), Manas (ASK) and Debarati (EMA) handing out living wage premium checks at EMA



SWITCHED TO 100% RECYCLED COTTON

In 2022, we started the switch to 100% recycled cotton for our signature striped cotton lining, which will be used in our production from 2023. As it was technically not possible to make a 100% recycled cotton before, our supplier Dibella has been mixing organic cotton with recycled cotton. This year Dibella brought us the good news that they are now able to produce high quality, 100% recycled cotton lining. Increasing the use of recycled fibers is a priority for us, because avoiding or minimizing the use of virgin fibers significantly lowers the fabric's environmental impact. In particular, using

recycled cotton saves a lot of water usage in the cultivation phase of cotton. During their trip in May 2022, our Production Manager, Jessica, and Sustainability Manager, Femke, visited the Global Recycled Standard (GRS) certified mill in Erode in the South of India. This is where the pre-consumer excess fabric (e.g. cut offs from the manufacturing process) is turned into recycled yarn. During an extensive tour around the facility, they saw the incoming fabric (as shown in the photo below), the sorting process, the milling, the facilities solar panels, and the spinning of the yarn that is eventually woven into O My Bag's signature striped lining.



36% SEA SHIPMENTS AND FULL O MY BAG CONTAINERS

In order to reduce carbon emissions of our inbound shipments, we have worked hard to increase our sea shipments for products coming from India to our warehouse in the Netherlands. Compared to shipping by air, the emissions per ton shipped by sea are significantly lower. But shipping by sea is not as easy as it sounds. Whereas an air shipment only takes a couple of days to arrive in our warehouse, a sea shipment can take around 3 months, with higher risks of mold or other damages. Nevertheless, in 2022 we wanted to ship at least 30% by sea shipments, and we have reached 36% by improved planning and forecasting with our producers. The impact of this result is best visible in the total emissions of our inbound shipments.

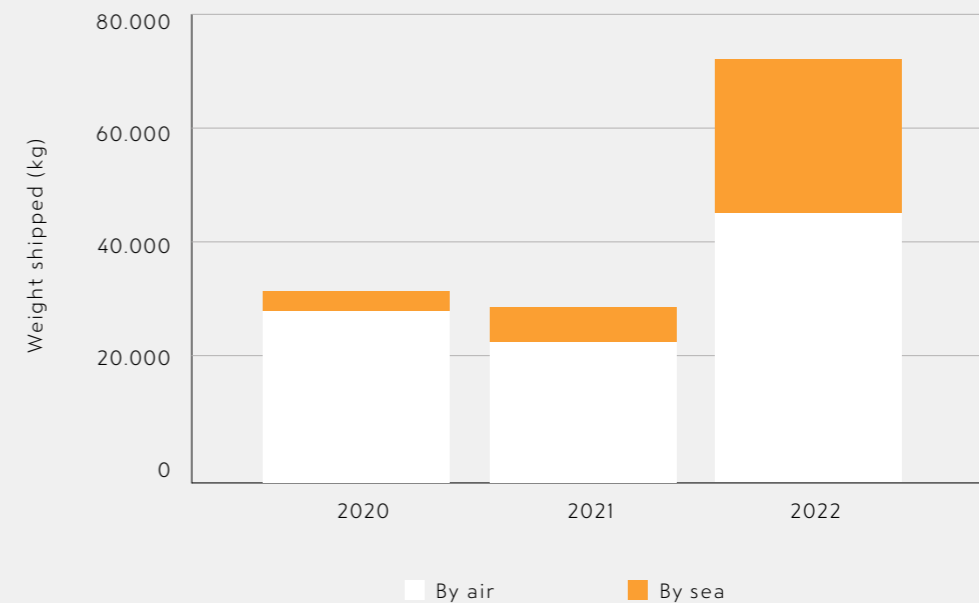
Whereas the total of kilograms shipped has increased 175%, our shipping emissions increased 131%. To eliminate our shipping emissions, all our inbound and outbound shipments are included in the GoodShipping Program.

A related milestone is that since this year we were able to fill our first two 40ft sea containers with only O My Bags, and we've added three 20ft containers later in the year! This way, our producers can oversee the packing of the containers, which decreases the possibility of damages, mold or contamination by other products added in the container.



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.

Purchased products



IMPROVING OUR MATERIAL USE

Due to growing demand for our [AppleSkin™](#) collection, we added 5 more styles in this innovative material in 2022. 10 of our best-selling items are now available in this leather alternative. It's important to us to offer a collection to customers who prefer not to wear animal products. Additionally, we strive

to continuously improve our material use and keep searching for and experimenting with innovative sustainable materials with high durability and low impact on the environment.

With Shee Sen tannery, we started working on replicating European vegetable tanned

leathers with hides sourced and tanned in India, close to Kolkata. This allows us to shorten our leather supply chain, which decreases our leather's environmental footprint.

GROWTH OF PRE-LOVED SALES

Our [Pre-Loved Program](#) remains highly popular and 2022 was the best year in terms of Pre-Loved sales so far. We have found new loving owners for 628 Pre-Loved O My Bags! Since the start of this program, we have saved 1.610 bags from landfill, and we hope many more will follow in the years ahead.



Hold my bag while I change the world

Challenges

WHAT WE STRUGGLED WITH

COMPANY CARBON FOOTPRINT

We are a fast growing company with an international supply chain. That means that, inherently, we have an environmental footprint. We see our carbon footprint as the most important indicator of our environmental performance and therefore we monitor it on a yearly basis.

When we calculate our company footprint, we take into account Scope 1, 2 and 3 emissions.

Our significant growth in revenue is directly affecting our company's total carbon footprint, which in 2022 has increased by 154% compared to 2021. This adds up to a total of 582 tons CO₂eq.

We calculated that 92% of emissions are coming from Scope 3, which is the production of our bags. Even though this growth of emissions can be explained, it remains a challenge for us.

SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions from operations e.g. use of company cars	Indirect emissions from utility supplier operations e.g. purchased electricity and heating in the office	Indirect emissions that occur in a company's value chain e.g. production in India, inbound and outbound shipping

SCOPE	EMISSION SOURCE	TOTAL KG CO ₂ -EQ	SHARE
SCOPE 1	Natural gas consumption	201	0,03%
	Company cars	0	0%
SCOPE 2	Electricity	11.941	2%
SCOPE 3	Business travel (flights)	9.395	1,6%
	Business travel (car)	1.571	0,3%
	Warehouse	9.333	1%
	Purchased products	533.696	92%
	Downstream distribution	15.673	3%
TOTAL		581.810	100%

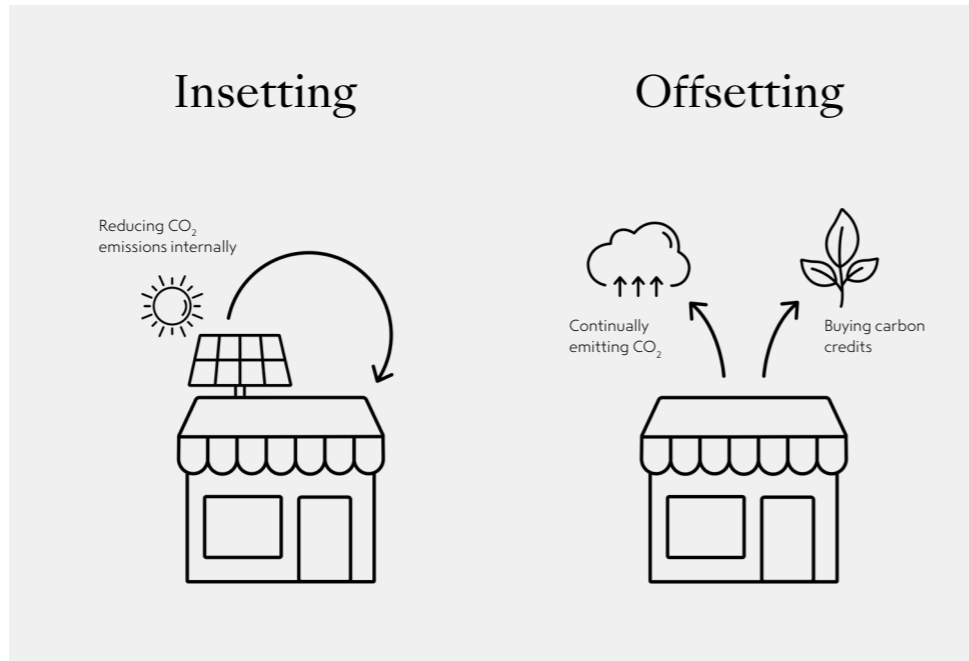
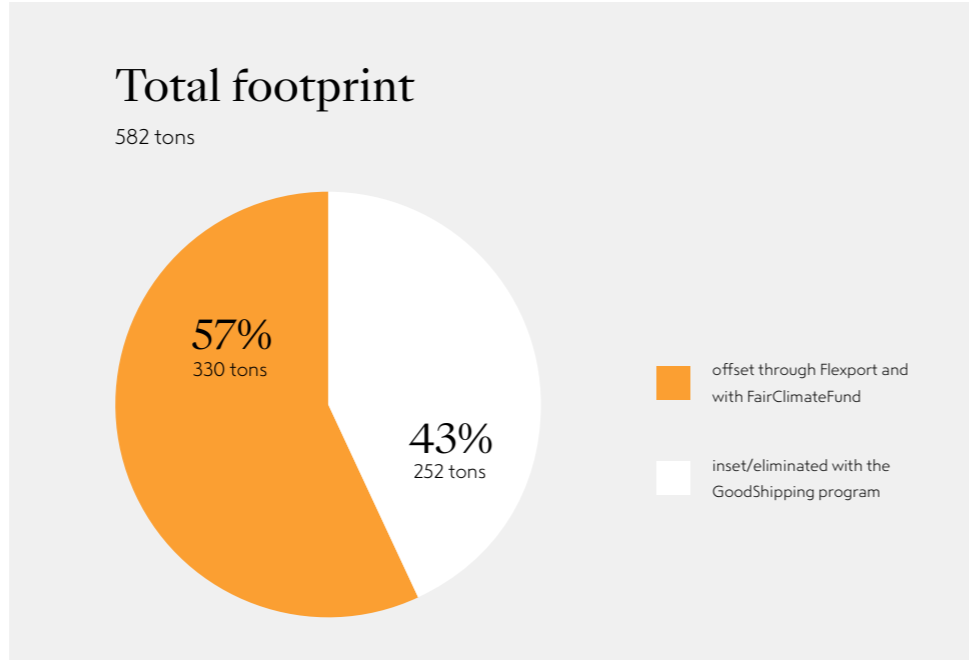
EXPLAINING OUR HIGHER FOOTPRINT

- 2021 was a COVID year. This means that in early 2022, we were still struggling with stock levels due to production delays in 2021. Therefore, in the first months of 2022, we worked hard to get enough stock in for the rest of the year, leading to high shipping emissions.
- Our stock levels and team grew, so we needed more space in our warehouse and we moved to a larger office.
- We experienced issues with producers who were unable to send out orders on time, leading to more air shipments than we had forecasted.
- Being able to travel again comes with a higher footprint, mostly coming from production trips to Kolkata.
- In line with our growth in (international) sales, the emissions of our outbound shipments increased from 6 tons to 16 tons.

OUR FOOTPRINT REDUCING EFFORTS

It is not easy to decarbonize as a fast growing business. We always prioritize **insetting** (directly reducing emissions inside our supply chain) over offsetting (not reducing emissions but instead buying carbon credits for compensation outside our supply chain). Increasing our sea shipments is an example of insetting, which we have successfully worked on in 2022. These results are reflected in our shipping footprint and carbon intensity which would otherwise have been much higher. On top of that, all our in- and outbound shipping emissions are inset with the GoodShipping Program. All remaining emissions are offset through FairClimateFund. Looking ahead, we took several measures that will help to lower our footprint in 2023:

- Increasing the share of sea shipments
- Working with recycled cotton
- Implementing green travel guidelines for the team to lower the number of business flights
- Producers shifting to solar energy



CARBON INTENSITY

To keep track of the effectiveness of our reduction efforts, we use the carbon intensity of O My Bag as the main indicator to track carbon emissions. Carbon intensity shows our emissions in relation to our annual revenue in Euros (to the million). Our 2022 carbon intensity result is 98. Although this is an increase compared to 2021 (which was a COVID year), when seen in relation to our significant revenue growth, it is a result that we are carefully positive about. It shows that our insetting efforts have an effect on our footprint, that would otherwise have been much higher.

PRODUCTION DELAYS

We have had issues with late and unclear communications from producers and their quality teams about the status of orders and quality issues, leaving us in uncertainty about incoming stock. Production delays or uncertainties are an issue because they lead to more air shipments, which are necessary to prevent out of stocks, but have a higher footprint. Because of these planning issues, we needed more air shipments than anticipated in 2022.

CONTAINER SHORTAGES

In 2022, we also had problems further down our supply chain that impacted our efforts to lower our environmental footprint. For example, one of our producers experienced quality issues with leathers they received from Italy. The leathers had too many large stains or scratches and couldn't be used for production. Because we did not want to leathers to be discarded, we needed the tannery to fix them. The leathers needed to be shipped back to Italy. Then the next problem appeared - an international shortage of sea containers. The delays meant that we needed to shift production to other producers, impacting their time schedules, which led to delays and more air shipments.

SUSTAINABLE HARDWARE

All our bags have zippers, buttons and hooks. This is what we call the hardware of the bags. From the life cycle analysis (LCA) we did in 2019, we know that we can make significant improvements in the hardware of our bags. They involve high CO2 emissions and it's difficult to have transparency on the production processes so there might be social risks too. Therefore, we are looking for a more sustainable alternative for our hardware, while not compromising on quality.

In 2022, we invited 10 students from Wageningen University to help us with this search. We asked them to develop an advisory report and a decision-making framework on how to best source sustainable hardware, while not compromising on quality and longevity of the bags. Their research

helped us to get a better understanding of exact materials used in our supply chain, the sustainability per composition. Based on that we were able to find our preferred options,

such as recycled materials. However, we failed in finding better alternatives that are available locally and close to our production, so we will continue our search next year.



ONE OF OUR PRODUCERS WAS UNABLE TO REACH OUR QUALITY STANDARDS

We have been struggling to get the O My Bag standard product quality from one of our producers, leading to decreasing orders from our end. As part of our long term commitment as a buyer, we're continuously in conversation with this producer, give them time to improve, and look for alternative items that they can produce, to keep the relationship sustainable for both of us.



The bag you
carry tells a
story. Let it be
a good one.

Going Forward

ON THE HORIZON

UPDATING OUR LIFE CYCLE ASSESSMENT

To calculate our annual footprint we work with an extensive Life Cycle Assessment (LCA). The model was built in 2019 and will get an update in 2023. There are many improvements we've made in our supply chain since then, making a new LCA necessary:

- 1 We have a leather alternative (apple leather) now and we want to be able to compare the impact of this material to our other leathers.
- 2 We are now working with recycled cotton for our signature lining.
- 3 Producers have installed solar panels to power their factories.
- 4 The model relies on industry average data points that need to be updated to more recent years.



LIVING WAGE PREMIUM STRUCTURALLY PAID

From 2023 onwards we will structurally pay a higher price for our products to our producers to support living wages. This means that internally we are shifting the budget for this premium away from our Giving Back budget, into the cost sheets of our products, where it belongs.

At the same time we will have discussions with our producers about the fact that many

of their employees are struggling with their financial situation. The payment of a good salary cannot rest on our shoulders only, we want the producer's management and their other buyers to take responsibility too.

Lastly, we will keep on sharing our living wage strategy as much as we can, to inspire other brands to take action. We actively support the call for legislation and our

Sustainability Manager, Femke, will continue to have meetings with other brands that are interested in setting up living wages. We believe that proactively sharing our best practices and mistakes will help the transition towards living wages being the norm in the industry.

CONTINUOUS TRAINING AT OUR PRODUCERS

We included questions about training needs in the digital worker survey. Most workers answered that they would like to receive more 'on the job' training to improve the quality of their work. Since this type of quality training has proven to be beneficial for both the producers and us, we are happy to continue with that in 2023.

In 2023 we will also continue to work with our local partners in India to roll out a structural training program on gender awareness for all our producers.



All the Indian production photos were taken by the talented Shivam Pandey. After his studies, we helped him start up his photography business with a loan. To see more of his work, visit www.shivamphotofarm.com or view his prints on our website.

CONTINUE TESTING NEW LEATHER ALTERNATIVES

As we aim to be an innovative and inclusive brand, and developments in vegan alternatives for leather are going fast, we will continue to test and sample additional leather-like materials. So instead of launching new items in apple leather only, next year we will explore possibilities to add more organic-based, vegan items to our collection.



Contact

Want to know more? For any questions or queries relating to this report, please contact our Sustainability Manager, Femke. femke@omybag.nl