SANVT

IMPACT REPORT 2022

Status: March 2023

FOREWORD

2022 - WHAT A YEAR...

I'm honoured to present our 2022 Annual Impact Report. It's the culmination of four years of hard work and the kick-off for the next years to come.

With this report, I'd like to announce that we have been updating our mission: to empower people to live their best lives with the least impact on the planet. This is a people focus with an environmental lens, and includes our customers, supply chain partners and team members.

It's not a new concept, but it feels needed given the state of the planet today.

War, pandemics, the rise of dictatorships, divided societies, the climate crisis - difficult times which affect everyone.

Other than political developments, the climate crisis is here to stay. It is now up to us to come up with actions, not words. The climate crisis affects everyone.

We believe that together we can tackle the most important issue humanity is facing!

At SANVT, we want to change the way the fashion industry works. From the design process to production: we try to minimize the negative impact on the environment, while having a positive impact on the lives of people that work with us. We also design products that are built to last.

It might sound contradictory, but we genuinely want our customers to buy less (but better) clothing.

We work with individuals, suppliers and brands to accelerate the change we need. In this report, you'll see that we've made great progress across many metrics, including a zero carbon strategy both on a product and corporate level.

That's progress, but we have much more work to do.

Our focus will be on adapting the business model to circularity in every process we work with, thus building a strong, sustainable fashion company in the coming years.



Benjamin Heyd Co-Founder of SANVT

TABLE OF CONTENTS

<u>01</u>

Our Mission & Vision

02

Our year in numbers (p. 10)

03

Objectives of 2021 vs. Reality

<u>04</u>

Transparent Production

<u>05</u>

Being Carbon Neutral 06

Tree Planting 07

Low Impact Materials

<u>08</u>

Sustainable

Dyes

<u>09</u>

No Plastic <u> 10</u>

Locally Social

<u>11</u>

Objectives for 2023

OUR MISSION

To be the basis of a better everyday life with the future of the planet in mind.

OUR VISION

To rethink the way the fashion industry works by living up to our brand name*. We stand for long lasting essentials that are produced with minimal negative impact on humans and nature.

We want to inspire customers to live a less but better lifestyle.

*SANVT derives from "sanft" - German for soft or gentle.

2022 IN NUMBERS

CARBON OFFSET

94.849 KG

IN COLLABORATION WITH CLIMATE PARTNER

TREES PLANTED

> 35.000

IN COLLABORATION WITH EDEN PROJECTS

GOALS VS. REALITY



READ MORE ABOUT OUR PROGRESS AND HOW WE MANAGED TO TURN GOALS INTO REALITY.

1

Supplier

Goal for 2022

Expand our supplier base by 2 additional production partners that are fully certified (GOTS) and based in the EU.

Reality

Finding new manufacturing partners can take time. As we only launched one new collection, we only added one new factory to our supplier base. This new partner produces our knitwear collection according to the Global Recycled Standard (GRS). Our new supplier is based in Portugal, as all our garment producers are.

3.

Trees

Goal for 2022

Plant 50% more trees than in 2021.

Reality

In 2021 we planted just over 32,000 trees, while in 2022 we planted 3,000 more (> 35,000 trees) than in the previous year. Unfortunately, we didn't reach our goal of planting 50% more trees because - unlike last year - we didn't do any tree planting actions on Black Friday. Instead we focused strongly on reducing (and offsetting) our carbon emissions and consequently increased our financial support for carbon offsetting projects.

2.

Carbon emissions

Goal for 2022

Further reduce carbon emissions of our production while continuing to be carbon neutral (100% offset of our carbon emissions).

Reality

Reducing emissions from production is part of our long-term strategy as it is strongly related to our production partners (so not in our direct control). We only work with manufacturing partners that incorporated environmentally friendly production methods. In 2022 we have offset all our production and - for the first time - also our corporate carbon emissions.

4.

Materials

Goal for 2022

Minimise our environmental footprint even further by focusing on resourceful materials: our objective is to reduce the usage of conventional cotton to less than 10% (currently 27%).

Reality

Unfortunately we did not find an organic equivalent to ELS cotton (extra long staple). The cotton variety that we use for the production of the Perfect T-Shirt. Even though ELS cotton is not 'organic', we are determined not to compromise on quality: we believe longevity is crucial for a more holistic approach in terms of sustainability.

BASED ON OUR VALUES WE...



...analyze, minimize & offset our production related emissions.

...plant a tree for every garment we sell.

...use the most sustainable (natural and biodegradable) fibers possible.

...minimize the negative impact of dyes on the environment.

...avoid plastic (packaging).

...support local communities in need.

PRODUCTION



KNOWING OUR PRODUCTION PARTNERS

We believe it is vital to know exactly where and how our essentials are made. Our expectation towards more traceability verify the quality of our products and ensure ethical production processes.

Better insights enable us to achieve bestin-class production standards and ultimately better garments. Achieving higher levels of traceability will make our supply chain future-proof - ready to meet any challenges that may arise.

100% TRACEABILITY

During the four years of SANVT, our collection has grown to a total of 18 different essentials in 2022. As a result, our network of manufacturing partners has grown from one direct partner (producing <u>The Perfect T-Shirt</u>) to seven.

Having visited all of our garment producers in 2022 in Portugal, we can genuinely say that we are in direct contact and follow a collaborate approach with all of our production partners in order to minimise the environmental impact.

Over 75% of our production volume comes from suppliers we have worked with for over 3 years: We directly and actively monitor 100% of our partners and their nominated subcontractors for sewing, washing and finishing. Knowing and securing our supply chain is therefore the basis of our work. We only work with partners that we trust to provide decent wages and worker safety.

2ND & 3RD TIER SUPPLY

As a start-up business, it is not always easy to get fully vertically involved in your supply chain. However, we are proud to say that we know five (out of eight) of our fabric suppliers directly.

All of our garments are pre-washed - meaning they are being washed after cutting & sewing.

Together with our garment factories we carefully select local laundries to ensure transportation is being kept to a minimum.



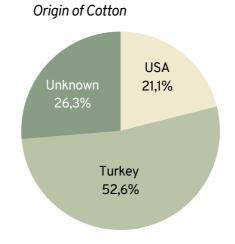
COUNTRY OF ORIGIN

In 2022, 100% of our garment production was sourced in the European Union (Portugal). This includes not only our garment manufacturing partners. subcontractors and laundries. Thanks to our manufacturing process being exclusively based in Western Europe, we have minimised transport and ultimately carbon emissions.

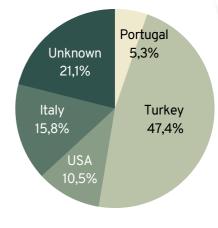
While one fabric producer (Heavyweight Chino) is based in Italy, the remaining seven (out of eight) are based in Portugal.

Sourcing as local as possible is a crucial element in keeping our production-related carbon footprint as low as possible. In the future, we will therefore continue with the same strategy when adding new essentials to our collection.

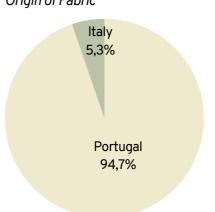
Our product portfolio consists of 18 Essentials (or rather 19, because our Perfect T-Shirt in Grey Marl has a different manufacturing method). Here are some interesting statistics about the origin of all of our raw materials:











PORTUGAL

7/7 Garment Factories 7/8 Fabric Supplier

ITALY

1/8 Fabric Supplier

SUPPLIER AUDIT

SANVT is committed to working with suppliers that identify priorities for action and opportunities for improving environmental impacts and workers' basic. We require all suppliers to comply with our **Code of Conduct** and adhere to the same standards for labor, health, and safety as we do.



7 GARMENT FACTORIES



100% IN PORTUGAL



43% WOMEN LED &
MAJORITY OWNED BY
WOMEN



>75% OF WORKFORCE IS FEMALE



WOMEN AND
MEN GET THE SAME
WAGE



100% PAY AT LEAST THE MINIMUM WAGE



AVERAGE AMOUNT OF OVERTIME 4,3h



100% USE RECYCLING PROCESSES

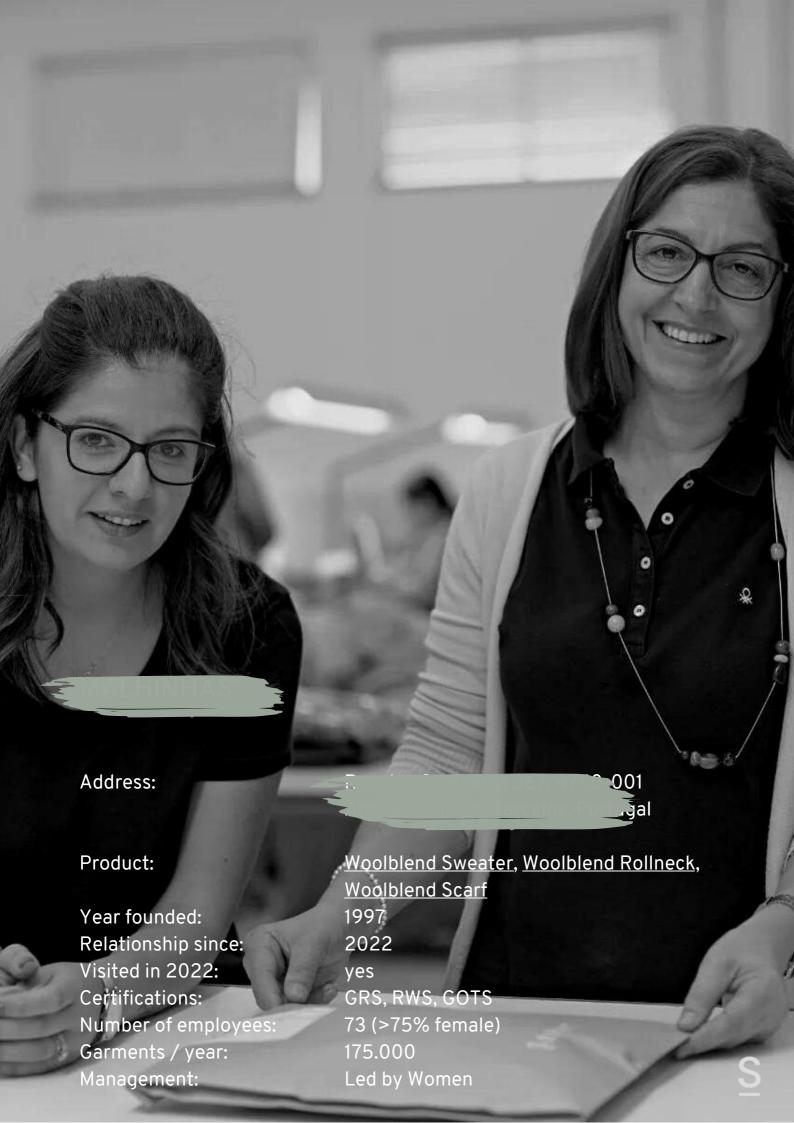


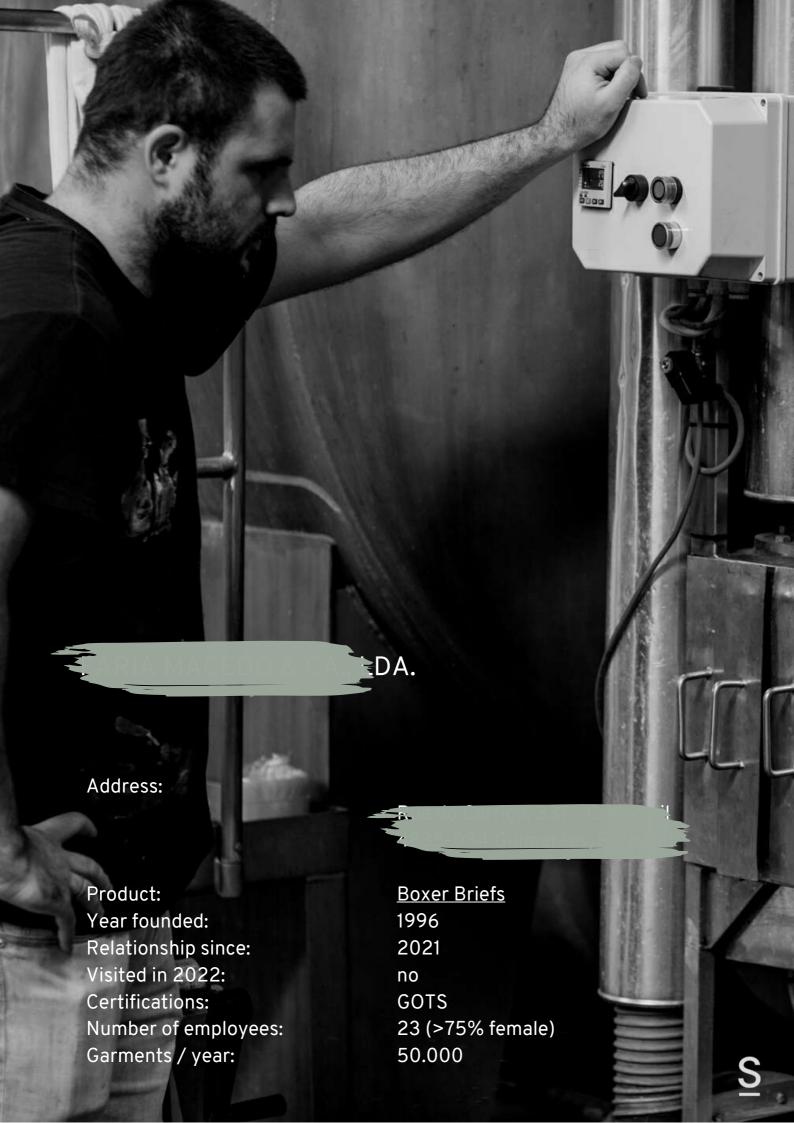












CARBON FOOTPRINT



FACING CLIMATE CHANGE

The release of harmful greenhouse gases has a major negative impact on environment. Not only the production, but especially in shipping of raw materials and finished garments, high emissions are generated. Every year, the fashion industry causes almost 1.2 billion tons of CO2. That is more than international air and cruise ship traffic combined.

CLIMATE NEUTRAL PRODUCTS

At SANVT, we have always strived to produce fashion that does not harm people or the environment. That's why we've been working with industry experts for years. Together with <u>ClimatePartner</u>, we are able to calculate and offset the CO2 emissions of our essentials.

The basis for calculating the CO2 emissions of our products is the internationally recognised GHG Protocolalso known as the Greenhouse Gas Protocol. The protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) and sets standards for offsetting greenhouse gas emissions. ClimatePartner bases its calculations precisely on these standards.

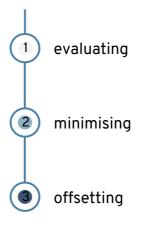
The cradle-to-customer and end-of-life approaches are also used. In this way, all emissions at each stage of a product's life cycle can be considered. From the extraction and processing of raw materials to production, storage and disposal, ClimatePartner uses transparent data sets to calculate the total CO2 emissions of a product.

TRANSPARENCY

But that is not all! Emissions that cannot be directly attributed to the product, such as business travel or our employees' daily commute, are also included in the calculation on a pro-rata basis.

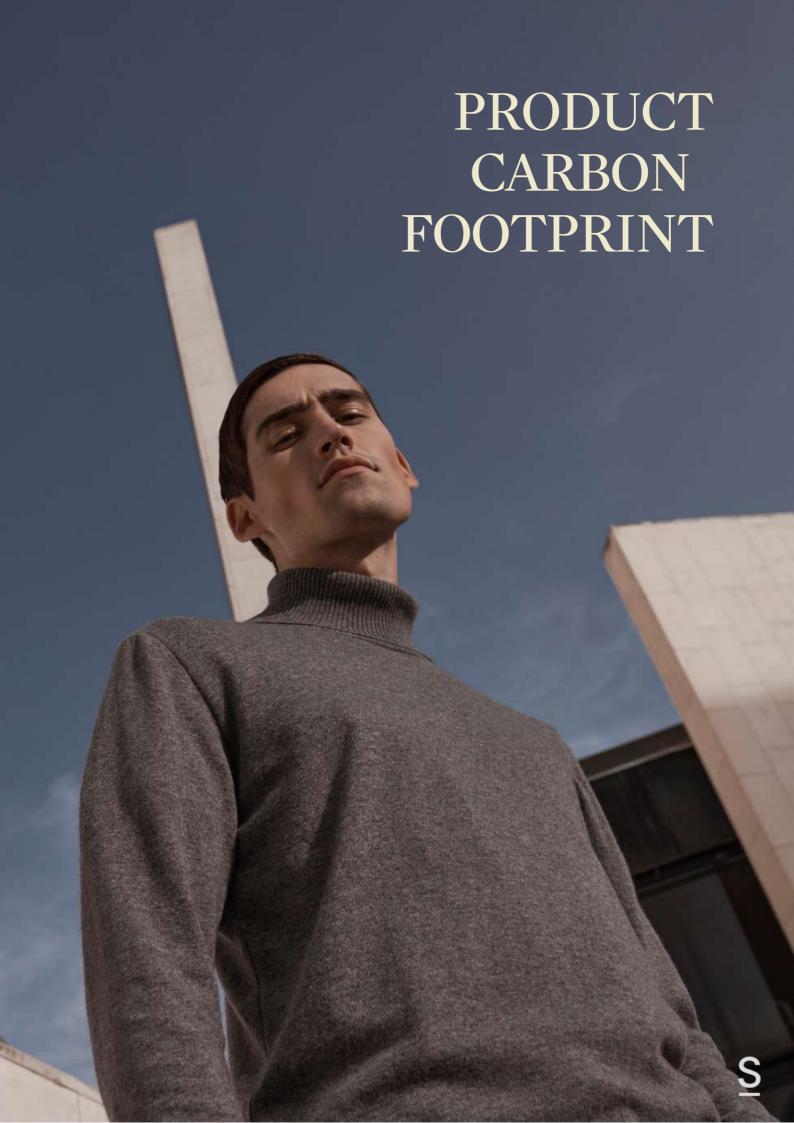
THREE STEPS

Becoming more environmentally friendly and climate-neutral means:



WE HAVE ANALYZED DIFFERENT SOURCES OF EMISSIONS

PRODUCT - VS.
CORPORATE CARBON
FOOTPRINT



PRODUCT CARBON FOOTPRINT

As described in previous chapter - together with ClimatePartner - we continuously calculate the carbon footprint for all our products using the "cradle-to-customer plus end-of-life" approach.

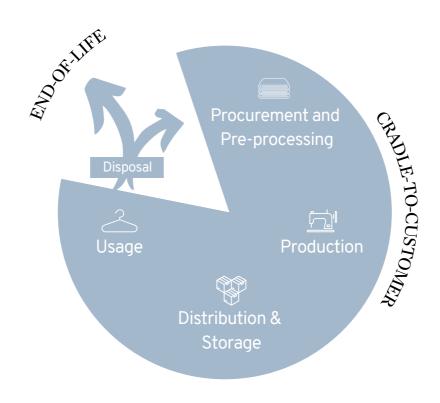
Therefore emissions along the following life cycle phases are taken into account. This includes, the extraction and pre-processing of raw materials and packaging, production, delivery of the product to the customer's door, and relevant disposal emissions of the product and packaging.

In the "cradle-to-customer plus end-of-life" approach, the focus of the calculation is on those processes that can be controlled by SANVT. The emissions from the use phase are mostly not controllable and are therefore not been taken into account in the calculation.

Where possible, primary data was used in the calculation. Where this was not possible, secondary data from recognized sources were used. The emission factors were taken from internationally recognized databases such as ecoinvent or GEMIS.

All relevant greenhouse gases were considered, but for better comparability, CO₂ equivalents were used.

Emissions that cannot be directly attributed to the product, but are necessary for the production, such as employee travel or business trips, were also included in the calculation.



CO2 EMISSIONS BY ESSENTIAL

T-SHIRTS



The Perfect	3,4 kg
The Heavyweight	4 kg
The Longsleeve	6,2 kg
The V-Neck	3,4 kg
The Lightweight	3.7 ka

TROUSERS & SHORTS



The Smart Chino	11 kg
The Winter Chino	14 kg
The Sweatpants	8 kg
The Smart Shorts	9,5 kg

SWEATSHIRTS



The Perfect Sweatshirt 6,2 kg The Hooded Sweatshirt 8,5 kg The Zip Hoodie 9 kg

SHIRTS & POLOS



The Oxford Shirt The Polo Shirt

6,2 kg 4,3 kg

KNITWEAR



The Sweater The Roll Neck The Scarf

12,1 kg 12,4 kg 17,7 kg

EXAMPLARY CALCULATION:

HOW THE CARBON EMISSIONS OF OUR LATEST ESSENTIAL (ROLL NECK) COME TOGETHER



Emission sources	kg CO2	%
Procurement of materials and Pre-processing	re-processing 10,20	90,4
Raw materials	9,88	87,6
Inbound logistics	0,18	1,6
Packaging	0,13	1,2
Production	0,13	1,2
Electricity	0,13	1,2
Distribution and Storage	0,04	0,4
Outbound logistics	0,04	0,4
Disposal	0,06	0,6
Disposal	0,06	0,6
Non-attributable processes	0,85	7,5
Common emissions	0,85	7,5
Total	11,28*	100,0

^{*}To ensure that all generated emissions are compensated, a security surcharge of 10% is added to the overall result. This compensates for potential uncertainties in the underlying data, which differ e.g. through the use of database values, assumptions or estimates. **This results in a total emission of 12,4 kg.**

CO2 EMISSIONS: ROLL NECK



*calculated in cooperation with ClimatePartner. Learn More.

12,4 KG CO2...



CAN FILL 2.530 AIRBALLONS



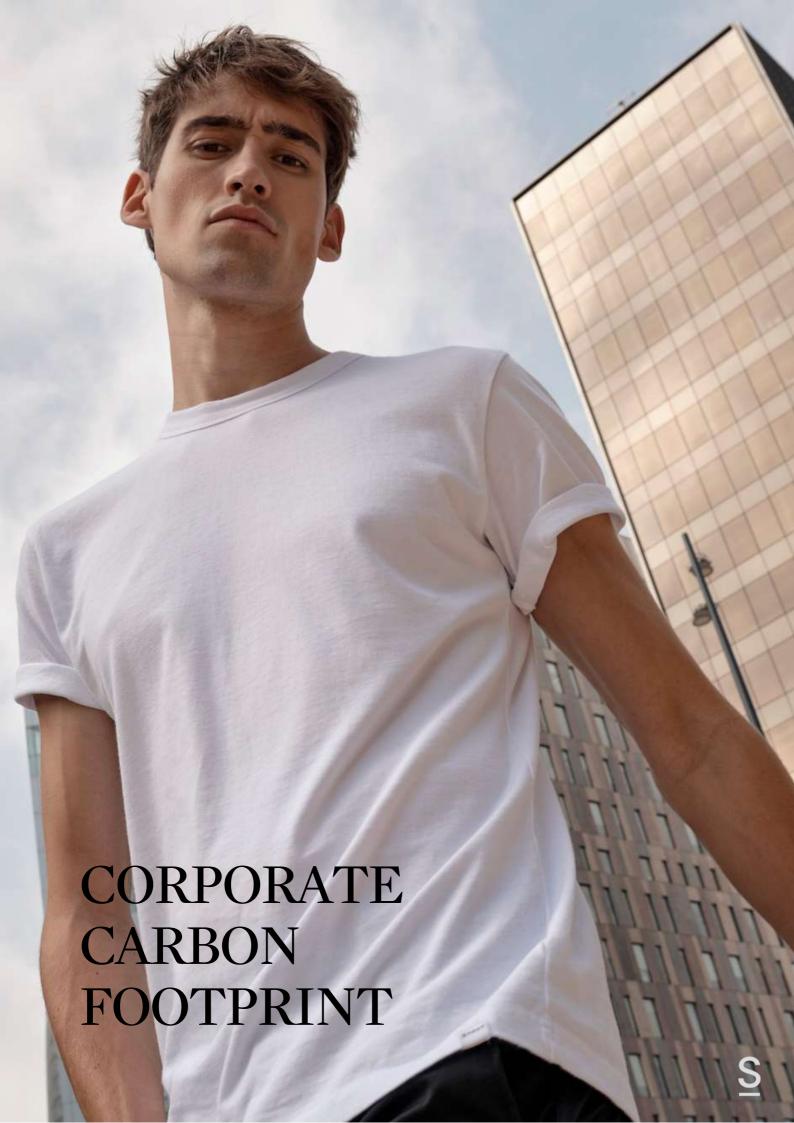
ARE A 80 KM JOURNEY BY CAR



ARE 281 HOURS
OF VIDEO
STREAMING



ARE A 992 KM JOURNEY BY TRAIN



CORPORATE CARBON **FOOTPRINT**

It is not only the production of our clothing that causes CO2 emissions, but also our company itself (think office, business travel, etc.). In order to effectively combat climate change within the company, the Corporate Carbon Footprint (CCF) must also be taken into account.

with Since already cooperate ClimatePartner regarding product carbon footprint we found this to be an ideal match. The calculation is based on the auidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

CCF: BASIS FOR CLIMATE PROTECTION

Calculate, reduce, offset - this is crucial for climate protection in the sense of the Paris Agreement.

If you know your carbon footprint, you know where and how much CO2 is being emitted. At the same time, the carbon footprint makes it possible to identify avoidance and reduction potential, set reduction targets and develop and implement appropriate measures. subsequent years, the report can be used to check whether targets have been met. in which areas progress has been made and where emissions should be reduced even more. If the emissions caused are offset, climate neutrality is achieved.

The CCF is the sum of the CO2 emissions caused by a company within the defined system boundaries over a specified period of time. We - at SANVT - have calculated our Corporate Carbon Footprint together with ClimatePartner.

THE RESULT

The calculation of the Corporate Carbon Footprint 2022 has resulted in the following emissions for the period Jan. 2022 - Dec. 2022. The analysis was executed and certified by ClimatePartner:



OPERATIONAL SYSTEM BOUNDARIES

The operational system boundaries indicate which activities are included in the carbon footprint. The different emission sources have been divided into three scopes according to the GHG Protocol:

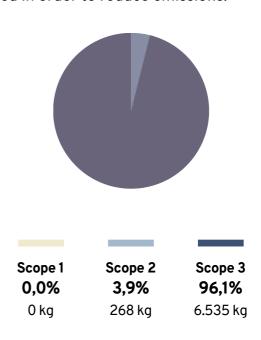
Scope 1 includes all directly generated emissions, for example from companyowned facilities or fleets.

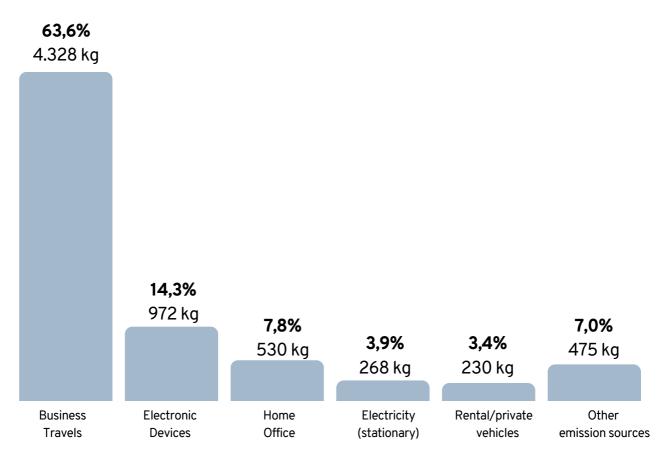
Scope 2 lists emissions generated by purchased energy, for example electricity and district heating.

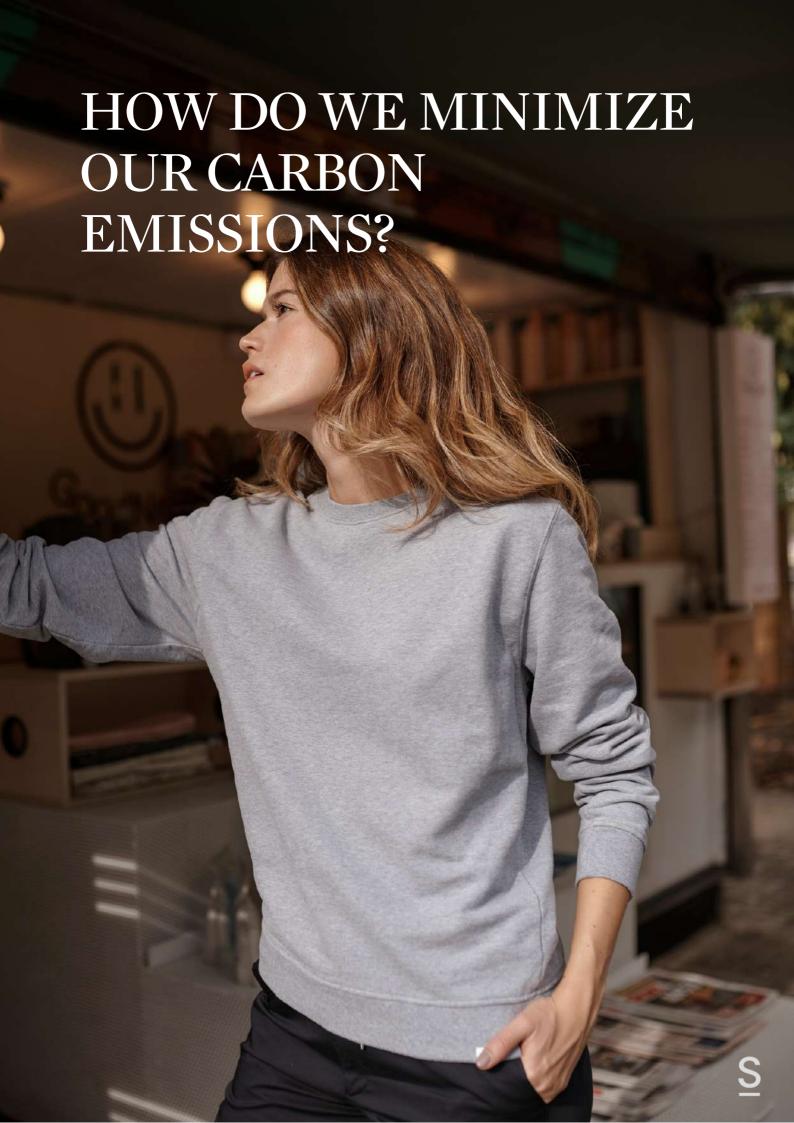
Scope 3 includes all other emissions that are not under the direct control of the company, such as employee travel or product disposal.

BIG EMISSIONS: BIG REDUCTION POTENTIAL

The CCF makes it possible to identify the largest sources of emissions. In this way, the most important fields of action can be defined in order to reduce emissions.







REDUCING PRODUCT EMISSIONS

Calculating emissions is not the end of the story. Experts agree that the first step is to reduce avoidable emissions.

Only then should emissions that can't be managed be offset. The task now is to further optimise the production process, reduce emissions and compensate for unavoidable emissions. This is the only way to make a product carbon neutral.

POSSIBILITIES TO REDUCE

There are generally two possible courses of action for avoiding and reducing production emissions.

1.

Through good product design and the associated reduction in material, better energy efficiency in production and regional procurement of raw materials and packaging, emissions are avoided before they occur.

2.

By making a conscious decision in favor of low-emission raw materials and packaging, energy sources or means of transport, the emissions of the product can be further reduced.

PRODUCING IN THE EU

Our emissions are lower than those of our competitors because we work with small factories and specialist ateliers in Portugal to make every piece in our collection. All factories are carefully selected and share our commitment to exceptional quality and sustainable production processes.



We personally visit each supplier at least three times before entering into any type mass production. As well as working conditions, we also factories' commitment look at the sustainability. We only work with partners who minimise the negative impact on nature and the environment, for example by using only energyefficient machines and sustainable fabrics for production. We, at SANVT, frequently visit our manufacturing partners to maintain relationship and inspect conditions. In 2022 we visited all of our tier 1 production partner.

As they are all based in Portugal (Europe), we can also guarantee short delivery routes, which also saves carbon emissions.

SUSTAINABLE DESIGN

At SANVT we only use natural and biodegradable fibres. Most of our products (around 80% of our range) are made from organic cotton.

It is produced in an environmentally friendly way, using less water and no chemicals. As organic cotton must be grown according to organic farming guidelines, chemical fertilisers and pesticides are strictly prohibited. It also reduces a lot of CO2.

At the same time, we try to reduce fabric waste. For example, our knitwear collection is hand-knitted using the fully fashioned knitting technique. Rather than cutting excess fabric from laid-out pattern pieces, this production method uses only the amount of fabric needed, resulting in zero waste and reduced production emissions.

ORGANIC COTTON

VS.

CONVENTIONAL COTTON

20% less nutrient inputs into the soil

70% less impact on soil acidification

91% less water consumption

46% less CO2 emissions

62% less energy consumption



REDUCING CORPORATE **EMISSIONS**

Businesses have a crucial responsibility in achieving the 1.5 degree target. There is no alternative but to reduce emissions significantly and structurally. Reducing internal emissions is therefore important part of SANVT's climate change strategy.

WAYS TO REDUCE

Similar to production-related emission, there are generally two possible courses of action avoiding and reducing corporate emissions.

Limit activity by reducing consumption

LIMIT ACTIVITIES OF SCOPE 3

We - at SANVT - work from home or shared coworking spaces. SANVT also does not own any cars or a cooperate vehicle fleet. Consequently we don't have any Scope 1 emissions (i.e. directly generated emissions: from company-owned facilities or fleets)

and very few Scope 2 emissions (emissions from purchased energy, such as electricity and district heating).

Most of our emissions come from Scope 3 (emissions that are not under the direct control of the company), so the easiest way to reduce corporate emissions is to limit Scope 3 activities and reduce resources.

LESS TRAVELS

We already try to make as few business trips as possible, but some trips are unavoidable, such as the annual visits to our factories. To reduce emissions, one goal is to combine the visits to the individual factories and visit them all at once. If it can be avoided, alternative means of transport are being used, e.g. bus or train.

We also pay attention to climate-friendly transport options on the way to work and in everyday life. In fact - most of our colleagues come to the office by foot or bike.

TRANSPARENCY

We are focusing on increasing transparency in our supply chain to further reduce emissions. If we have more information about, for example, the energy efficiency of our factories and their subcontractors, we encourage them to take action and do more to protect the climate. As we are in close contact with all of our factories, we regularly audit all of our partners to get an overview of their environmental impact in order to make our entire supply chain as sustainable as possible.

IN 2022,
WE COMPENSATED
ALL OUR
CARBON
EMISSIONS

REACHING CLIMATE **NEUTRALITY**

The implementation of CO2 reduction measures is usually a 'step-by-step approach' and takes a longer period of time. This is why ClimatePartner recommends offsetting the remaining emissions through certified carbon offset projects. In this way, we - at SANVT - can take responsibility for today's emissions while continuously minimising them further in the future while continuously reducing emission with every production run.

THIS IS WHY **OFFSETTING WORKS**

Greenhouse gases such as CO2 are evenly distributed throughout the atmosphere. gas concentrations Greenhouse therefore similar all over the world. For the global concentration of greenhouse gases and the greenhouse effect, it is therefore irrelevant where emissions are produced - or avoided. Emissions that we at SANVT have not yet been able to avoid can therefore be offset by protection projects elsewhere.

MORE THAN JUST **PROTECTION**

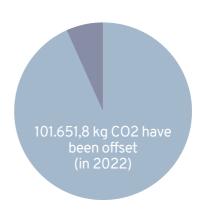
Carbon offset projects remove CO2 from the atmosphere, for example through reforestation, or prevent further CO2 emissions, for example through the development of renewable energy.

Quality carbon offset projects promote economic, social and sustainable development in the region. Projects must be certified according to international standards. This makes it clear: climate protection projects improve both the lives of local people and the climate.

CLIMATE NEUTRALITY

Climate neutrality is achieved by offsetting the emissions caused.

To ensure that all emissions generated are offset within the system boundaries, a safety margin of 10% is added to the overall result. In this way, uncertainties in the underlying data are compensated for, which naturally arise through the use of database values. assumptions estimates. See the graphic below for SANVT's compensation efforts in 2022:



Product Emissions 93,2% 94.849 kg

Corporate **Emissions** 6,7% 6.802,74 kg

WHAT DID WE DO TO COMPENSATE FOR OUR CARBON EMISSIONS?

SUPPORTING LOCAL REFORESTATION PROJECTS

A CLOSER LOOK AT OUR REFORESTATION PROJECTS

We offset our carbon emissions in full through certified carbon offset projects in India and Germany. To promote regional climate protection, we are involved in an initiative in Bavaria to protect, conserve and maintain forests, especially mountain forests and cultural landscapes in Germany. In this way, we can guarantee climate neutrality and promote regional climate protection.

"SANVT COMBINES INTERNATIONAL AND REGIONAL CLIMATE PROTECTION PROJECTS."

All the CO2 generated by SANVT has been offset through carbon offset projects certified to international standards.

At SANVT, we have chosen a project that harnesses the power of the sun to produce renewable energy. Activities include the installation of PV solar panels in three Indian states. This international climate protection project in India is linked to our regional commitment, because we also want to do something for nature on our own doorstep: our regional initiative "Bergwaldprojekt e.V." protects natural habitats in Bavaria. Although this initiative is important for regional adaptation to climate change, it is not suitable for carbon offsetting due to the requirements for carbon offset projects.

By combining these two carbon offset projects, we can achieve carbon neutrality while promoting regional climate change mitigation.

BERGWALD-PROJEKT E.V.

Bergwaldprojekt e.V. is a local initiative that promotes forest restoration in the Allgäu Alps. Approximately 2,000 people work at 51 locations in Germany each year. Through their work, the initiative ensures that an intact ecosystem is maintained. They protect natural habitats such as native forests, moorland and the Alps, contribute to agricultural conversion. For example, they plant native species such as silver fir and sycamore maple to create a stable mixed mountain forest, because healthy, species-rich mixed forests are more resistant to the effects of climate change. Among other things, this can secure important habitats for animals.

TRANSPARENCY

In partnership with ClimatePartner, we

wanted to ensure highest levels of transparency. Therefore, you are able to trace the climate neutrality of our products and their carbon offset. Each of our



products features a QR Code on the inside of the garment. Once scanned with a mobile phone the Code gives an overview of the current progress of SANVT's carbon offset. By visiting the <u>corresponding website</u>, customers can also find further insights about each project that is financially supported by SANVT.

This transparent approach, was developed by ClimatePartner and is certified by the technical inspection authority TÜV Austria.

TREE PLANTING



TREES AGAINST CLIMATE CHANGE

Greenhouse gases emitted by humans cause excess carbon dioxide to build up in the atmosphere and contribute to climate change. Trees can control this. They absorb CO2, remove and store carbon, and release oxygen into the air. Planting trees is also one of many ways to help protect the climate.

SANVT X EDEN

In addition to our work with ClimatePartner and our local climate change projects in Bavaria, we also work internationally with the Reforestation charity organisation <u>Eden Projects</u>.

Together with Eden Projects, we want to make a positive impact on climate change while providing financial support to some of the world's poorest regions. That's why we're working with Eden Projects to plant a tree for every essential item we sell. And not by planting machines, but directly by people in local communities.

ABOUT EDEN PROJECTS

Eden Projects is operating in 10 countries: Madagascar, Mozambique, Kenya, Ethiopia, Nepal, Indonesia, Philippines, Haiti, Honduras and Brazil. Eden Projects startet their reforestation initiatives by connecting to local communities and building relationships with local leaders. Eden Projects uses economic incentives and simple planting techniques to help

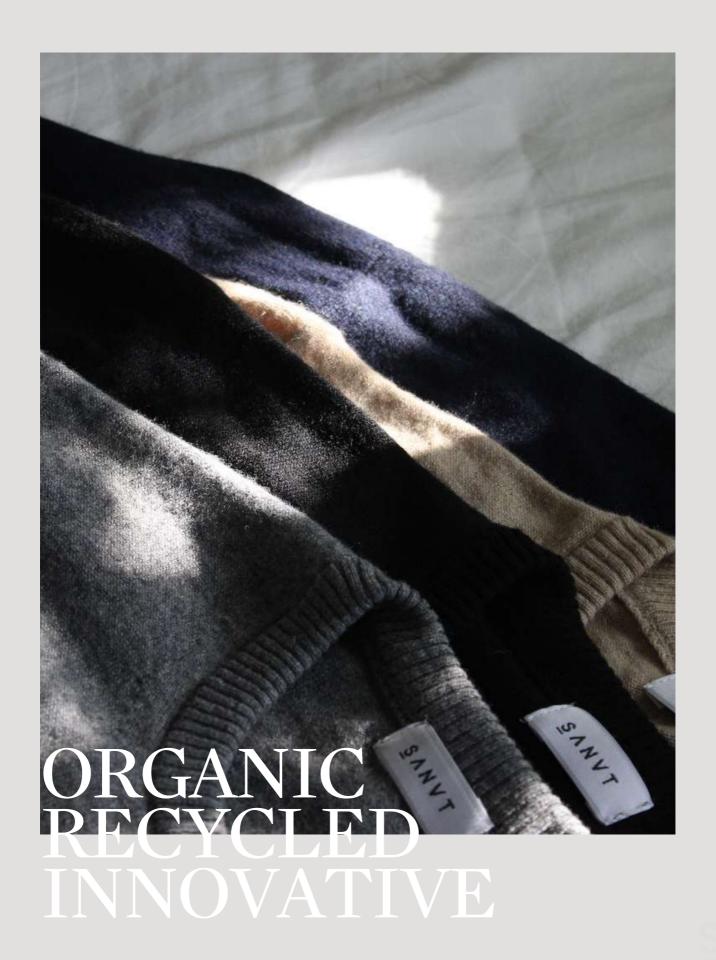
local communities restore their local environment and economy. They work with them to produce, plant and protect tens of millions of trees every month, creating jobs to help them restore their local environment and economy for the long term. Working in extremely remote areas, Eden Projects' National Directors lead these communities with courage and relentless determination through a range of challenges, from extreme weather and landslides to poachers, bandits and wild animals.

THE RESULT

In 2022 we planted in cooperation with Eden Projects more than 35.000 trees. Next year we definitely want to raise this number, because trees are an essential part of our environement.



MATERIALS



LOW IMPACT MATERIALS

Whether we are talking about carbon emissions, water use, waste generation, natural resource management or the ethical treatment of animals and workers, the decisions we make about our raw materials are perhaps the most critical to achieving our mission and values.

We aim to source fibres and materials that have high sustainability credentials - those that are certified by third party standards as recycled, organic or responsible. We prioritise materials with high quality and durability, established traceability and transparency, and lower impact compared to their conventional counterparts.

SUSTAINABLE SOURCING STRATEGY

Our material strategy includes to source raw materials from responsible, recycled, organic and renewable sources. This approach starts with traceability and transparency.

Through our traceability and transparency efforts, we seek to establish direct relationships with our mills and material suppliers. These relationships give us significant insights and control over the performance, quality and durability of the fabrics used in our garments - but it is not the whole story.

Our ultimate goal is to achieve full supply chain traceability back to the spinners and original growers or producers, mapping our entire supply chain in the process.

Our raw materials also offer significant opportunities to reduce our carbon footprint. Year on year, materials and their processing stages contribute around 60% of our total carbon emissions, so we focus heavily on sourcing and designing lower impact alternatives.

CERTIFICATES AND TRACEABILITY

We rely on third-party certifications and standards to verify that we're doing things right, but the work doesn't stop there. At the same time, we recognise the limitations of these systems.

Certifications can play an important role in verifying and validating content claims and impacts, but they must be part of a broader due diligence process.

We are committed to building long-term relationships with producers, building our supply chain from end to end, and using transparency as a key driver to build relationships and traceability.

OUR CURRENT MATERIAL SPLIT

WHAT OUR ESSENTIALS ARE MADE OF

In the past, the focus of our essential collection is on Sweatshirts and T-Shirts - both made from Jersey fabric. Therefore it comes as no surprise that we use a lot of cotton fibre.

Last year, we have made a bold commitment to move all of our cotton usage towards certified organic sources wherever possible. Our objective was to reduce the share of conventional cotton in our collection to under 10%. This is particularly important as cotton continued to be the most important fibre we used in 2022, accounting for 72% of all materials we sourced for our products.

WHAT'S THE DIFFERENCE BETWEEN ORGANIC COTTON VS. CONVENTIONALLY FARMED COTTON?

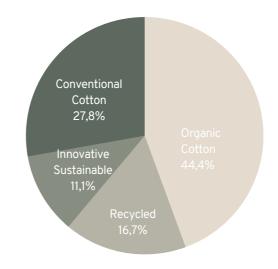
Certified organic methods are better for farmers, local communities and the planet. Instead of toxic pesticides, organic farming uses crop rotation and cover crops to build rich, life-supporting soil. In conventional cotton farming, pesticides have a bad habit of poisoning local waterways, endangering the people and wildlife that rely on them. By prioritising natural alternatives and old-fashioned farming techniques, farmers are spared potential effects of chemical the exposure.

Going forward we will increasingly focus on low(er) impact materials when designing new essentials (such as Modal / Lyocell / Tencel). In 2022 we used Lyocell for our <u>Lightweight T-Shirt</u> and our <u>Boxer Briefs</u>.

WE MINIMISE THE USE OF SYNTHETIC FIBERS AND TEND TO USE ONLY RECYCLED FIBERS.

Some of our essentials also contain synthetic fibres such as elastane, recycled polyester and recycled nylon, as well as smaller amounts of animal-derived materials such as recycled wool and recycled cashmere. Materials matter for our carbon footprint. Our choice of materials and how we process them accounts for around 60% of our total annual carbon emissions.

MATERIALS USED IN 2022



DURABILITY VS. ORGANIC

As mentioned above, one of our main goals for 2022 was to reduce the use of conventional cotton to less than 10%. However, our signature garment, The Perfect T-Shirt is made from 100% North American ELS cotton. Representing less than 1% of the global cotton production, the fibres of our extra-long staple cotton are twice as strong as conventional varieties. The stronger fibres resist pulling, breaking and tearing, resulting in a T-Shirt that is incredibly resilient and keep its form wash after wash.

MORE DURABLE. MORE SUSTAINABLE.

In the past 24 months we did extensive research, trying to find an equivalent (organic) alternative to our luxury ELS cotton. Since we didn't want to compromise on quality, we decided to continue using our premium American fiber as we think this doesn't mean that our T-Shirt is less sustainable. Quite the opposite:

Our shirt made from ELS cotton is not only super soft, it is also significantly more durable and long-lasting, and we believe that longevity is probably the most important consideration when it comes to sustainability. Here you'll find more info if you want to find out more about the benefits of ELS cotton.



RECYCLED MATERIALS

As well as our efforts to use organic and long-lasting fabrics, we also try to use recycled fabrics in our clothing. This year we launched a fully recycled Knitwear collection, which you can read more about on the following pages.



OUR FIRST COLLECTION MADE FROM 100% RECYCLED MATERIALS

Recycling is a buzzword often used in the fashion industry to market products as more sustainable. It gives us a sense of a circular economy, using fewer raw materials and creating less waste. But how does fashion recycling work in practice? At SANVT, we have just launched our knitwear collection - made from 100% recycled materials.

THE LAUNCH OF KNITWEAR

In December 2022, we released our knitwear collection, with knitwear being complete new territory for SANVT. Our knitwear collection consists of the following three essential garments:

- The Wool-Blend Sweater
- The Wool-Blend Roll Neck
- · The Wool-Blend Scarf

100% RECYCLED MATERIALS

The entire knit collection is made from 100% recycled and GRS certified materials. They are made from a blend of wool, cashmere, viscose, and polyamides, resulting in a high-quality, durable, and sustainable product that is carbon neutral and fairly produced.

Fashion recycling may not solve all of the problems in the fashion industry, but it is still an important issue that we should all address. This includes considering how many clothes we really need each year, what materials they are made of, and the environmental impact they have, as well as how we dispose of our old clothes. As buyers, this is the only way we can try to change the fashion industry until policymakers intervene.

GRS CERTIFIED

The GRS label guarantees that all social, environmental, and chemical regulations are followed in production and that both humans and nature (including animals) are not harmed by the manufacturing process.

MADE FROM

100%

RECYCLED MATERIALS

DYES



NATURAL DYEING METHODS

To protect our oceans from further pollution, the use of toxic chemicals in dyeing processes must be avoided. These toxic dyes, which release around 20,000 different chemicals into the environment, are considered to be the biggest problem in the fashion industry. The textile industry uses 1.9 billion litres of drinking water every year just to dye fabrics! And nearly three-quarters of that ends up as undrinkable wastewater - a toxic soup of dyes, salts, alkalis, heavy metals and chemicals that threatens ecosystems and wildlife in our oceans and on land. In total, the fashion industry is responsible for 20% of the world's industrial water pollution. That's why we rely on natural dyeing processes or avoid dyeing altogether.

NATURAL DYEING

We aim to eliminate all hazardous chemicals from our supply chain because they can contaminate air, water and soil, harming the environment and wildlife.

That's why our fabric suppliers focus on selecting products that are safer and more sustainable for people and the environment, and redesigning production processes and product design to increase production efficiency and minimise consumption.

It's also important to us that they comply with national and European legislation and meet the rigorous demands of legal and regulatory requirements such as REACH and STeP - Sustainable Textile Production.



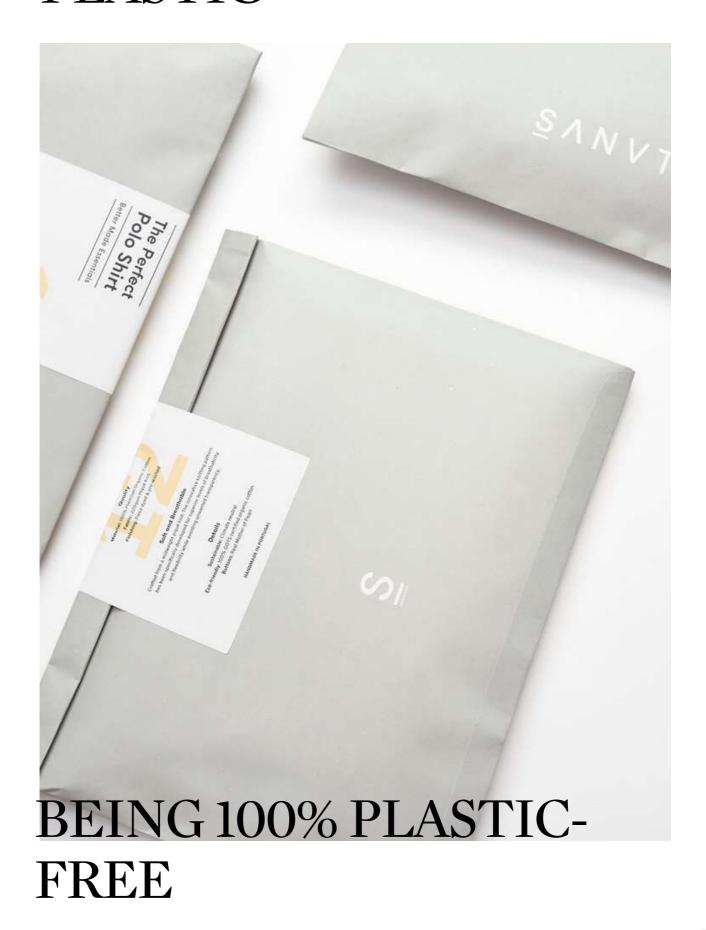
WATER RECYCLING

Many processes in the fashion industry, such as dyeing, use large amounts of water, making it a significant source of water consumption. That's why it's so important to work with suppliers who have high environmental standards in their dyeing processes.

Our main factory suppliers use low levels of water and therefore work with closedloop systems, ensuring that nothing is returned to nature that doesn't belong there.

By reusing water, closed loop systems reduce the amount of wastewater that needs to be treated and disposed of, which can save energy and reduce pollution.

PLASTIC



PLASTIC FREE ESSENTIALS

Plastic in clothing is major environmental problem. **Plastic** microfibres that break from synthetic textiles during washing can end up in the oceans and harm marine life. In addition, the production of plastic fibres and clothing often involves the release of harmful chemicals into the environment.

Furthermore, the production and disposal of plastic clothing contributes to greenhouse gas emissions and other environmental problems associated with the extraction and refining of petroleum, the primary raw material used to make plastic fibres.

Besides microplastic pollution from synthetic fabrics, plastic used in packaging is another problem. Fashion can only be truly sustainable if all the steps in the production chain are taken into account: from growing the materials to the final packaged product. That's why most of our products are plastic-free and we use plastic-free and recycled packaging for our essentials.

PLASTIC-FREE GARMENTS

We believe in reducing our impact and that's why almost all of our garments are made without the use of plastic. However, our knitwear-collection does contain a small amount of recycled polyamide, which helps to make it durable and long-lasting. But that's only 17% of our total collection.

Since knitwear should not be washed in the washing machine anyway, no microplastics end up in our oceans through washing.

BENEFITS OF PLASTIC-FREE BAGS

Plastic packaging is a major contributor to the world's waste problem, as it takes hundreds of years to break down and often ends up in the ocean or other natural habitats, where it can harm wildlife and ecosystems. It goes without saying that we don't use plastic bags or any kind of plastic to pack our clothes. Instead, our essentials get their final envelopes inside the factory - made from reusable and recycled paper. It's an eco-friendly packaging solution that reduces waste, natural conserves resources. and minimizes harm to the environment.

LOCALLY SOCIAL



TAFEL E.V."

ACTING LOCALLY SOCIAL

In addition to our long-term commitment to the environment, we also seek to act in a socially responsible manner. That's why we get involved in the "Münchner Tafel e.V." in Munich, Germany and address social issues.

In the end, it's about creating a sustainable future for everyone, and being a responsible member of the local community is an important step in achieving this goal.

SAMPLE AND B-WARE SALE

In February 2022, we held a successful sample sale where we sold samples and clothing with small flaws and defects. All proceeds from the sale were donated to Münchner Tafel e.V., supporting their mission to combat food waste and hunger in our local community.



"MÜNCHNER TAFEL E.V."

Münchner Tafel e.V. helps to combat food insecurity and poverty in the community. Providing food to those in need not only helps to meet their basic needs, but also improves their overall well-being and quality of life. It has a significant impact on reducing food waste and tackling hunger in the city of Munich, and supporting such initiatives is crucial to building a fairer and more sustainable society.

OUR AIM FOR 2023

In 2023, we want to continue to focus on social issues and are planning a new sample sale. Our aim is to increase the amount of money we donate. That's why this year, in addition to our samples, we will also be selling damaged clothes that have been refurbished. This will allow us to sell even more clothes and donate even more to the Münchner Tafel. It's also good for the environment because we're giving clothes a second life and keeping them out of the landfill.

By focusing on social support, we can work towards a more inclusive and just society.

OBJECTIVES FOR 2023



OUR OBJECTIVES IN 2023

We are not at the end of the road. There's always space to improve our standards, relations and processes.

That is why we have set goals for the new year that we want to achieve.

Garment Factories

We already know 100% of our garment suppliers and through them we know 75% of our fabric suppliers. For the future, our goal is to be able to trace the entire supply chain. So we have taken the first steps and asked all our suppliers to break down their supply chain from raw material to yarn to buttons and zips. We want to motivate our partners to also have a clear picture of the origin of all materials.

As we plan to launch new products in 2023, we want to expand our supplier base with additional partners who share our commitment to exceptional quality and sustainability.

Our goals: Expanding supplier base by two GOTS-certified production partners.

Carbon footprint

In terms of our carbon footprint, we want to continue our work with ClimatePartner as we find it the ideal partnership to analyse, minimise and ultimately offset 100% of our emissions.

Our goal is not only to remain 100% carbon neutral at product and cooperate level, we also want to reduce emissions where possible.

On the product side, we continue to work with our manufacturing partners, but in the longer term we want to encourage them to be even greener by using more sustainable resources, energy-efficient machinery or cutting or sewing techniques that reduce the amount of waste in production.

Our goals: Staying 100 % carbon neutral. Reducing an average (per product group) of 10% of our production related emissions.

Material

Around 78% of our fabrics are currently sustainable. For the remaining 22%, we have not yet found sustainable alternatives. That's something we want to tackle in 2023. Together with new fabric suppliers and advanced fabrics, we aim to reach over 80% sustainable materials.

The goal: Increasing share of organic or lowimpact fibres beyond 80%.

4

Trees

In 2022 we planted one tree for every essential we sold. However, we prioritised carbon compensation over additional tree planting initiatives. Consequently planted 35.000 (compared to 32.000 trees in 2021). We know that we can do better! So we aim to increase the number of trees planted with our partner Eden Reforestation Projects.

Our goal: Planting at least 50.000 trees in 2023.

5

Social commitment

In addition to our commitment to the environment, we want to improve our social impact. In 2023, we plan to hold a (the biggest ever) sample sale of all B-grade garments and recycled clothing. We commit to donate 100% of the proceeds to a social project in Munich (Germany): "Münchner Tafel e.V."

We want to develop this into a long-term collaboration and organise these sample sales on an annual basis.

Our goal: Achieving at least 2.500€ in revenue at our sample sale and donate 100% of the revenue to "Münchner Tafel e.V."

6

Transparency

In terms of our supply chain, we have 100% transparency on our garment supplier and 75% transparency on our fabric supplier. The aim is to have full transparency on where the fabric comes from. We also currently have 30% transparency on where our yarn comes from. Here we want to achieve at least 50% transparency.

Besides our goal to achieve full transparency over our supply chain, we want to become as transparent as possible for our customers. That's why we want to reach the big goal to become B Corp certified in 2023.

B Corp is an international certification awarded by the non-profit organisation B Lab to companies for their social and environmental impact. B Lab recognises companies that voluntarily meet certain standards of accountability and sustainability, and is one of the highest levels of transparency certification.

To become a B Corp, we undergo a rigorous assessment of our business practices, including a review of our governance, labour practices and overall positive social and environmental impact.

The B Corp certification process provides a level of transparency by requiring us to publicly report on our social and environmental impact and make this information available to consumers and stakeholders.

Our goals: Knowing 100% of our 2nd tier suppliers. Knowing 50% of our yarn supplier. Being B Corp certified by 2024.

AT A GLIMPSE: **OUR GOALS IN 2023**

Factories

Carbon footprint

Material

• Use more than 80% of sustainable

Trees

Social commitment

100% of the revenue (at least 2.500€)

Transparency

