

PRINCESS POLLY

2021 SUSTAINABILITY RECAP



CONTENTS

A REFLECTION FROM OUR CEO

ETHICAL SOURCING

Building Knowledge
Listening to our Team
Released our first Modern Slavery Statement
Began Tier Two Tracing
Participated in the Ethical Fashion Report
Expanded our Ethical Sourcing Library

SUSTAINABLE PRODUCTS

20% of our Products were made from Sustainable Materials
Launched a Sustainable Vegan Capsule
Adopted a Restricted Substance List

PROTECT THE PLANET

Calculate our First Carbon Footprint
Launched 100% Recycled Content Packaging

EQUALITY & COMMUNITY

Launched Princess Polly Society
Charity Partner Spotlight - Butterfly Foundation

THE FUTURE

Our 2022 goals



A REFLECTION FROM OUR CO-CEO

Princess Polly is a global fashion industry leader and we're committed to doing our best in all aspects of business. As a company, we are actively engaged in creating lasting change in our industry to put people, the planet and the community first.

Cue Princess Polly Earth Club. Our Princess Polly Earth Club mission is led by four impact areas – Ethical Sourcing, Sustainable Products, Protect the Planet and Equality & Community. We developed our mission in 2020, which I was proud to share with the Princess Polly team and our community, along with our 2025 roadmap and future goals.

Our Earth Club commitments reflect our dedication to meaningful change towards 2025 and beyond:

- Princess Polly is committed to operating ethically, from respecting and promoting human rights, to supporting workers and empowering women in our supply chain.
- We've pledged to reduce emissions, drive waste reductions, and centralise biodiversity and circularity. To achieve this, 100% of our range will be made from sustainable materials by 2030.
- We are dedicated to collaborating and listening to our partners, suppliers, customers and others to evolve our approach to the best model possible.

We will achieve all of this by embracing a diverse team and striving for inclusivity and equity. We have fostered partnerships and aligned with suppliers and respected organisations that embody our values and embrace a shared vision of ethics and sustainability; The Supplier Ethical Data Exchange, The Mekong Club, the Fashion Industry Charter for Climate Action and the United Nations Global Compact, to name a few. We're proud to be participants of the Global Compact and have aligned ourselves and our Earth Club mission with the Ten Principles of the United Nations Global Compact and the United Nations Sustainable Development Goals.

Transparency is key to our accountability and at the heart of everything we do. This, our first standalone sustainability report, explores our progress through 2021 on our Earth Club commitments. I would like to thank all team members for their dedication and contributions, which led us to successfully completing the 8 initiatives we committed to in March.



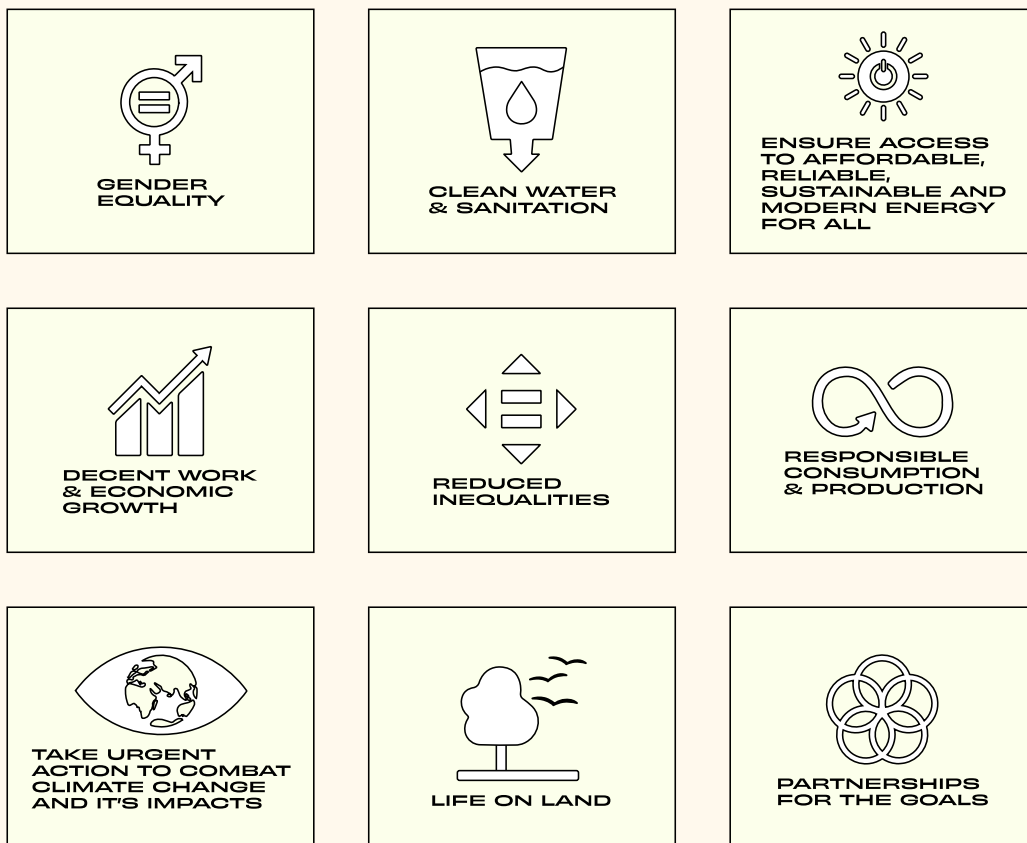
Eirin Bryett

Co-CEO, Princess Polly

It's our mission to lead the fashion industry with sustainable, yet accessible fashion that is always on trend.

2021 was the year that solidified our sustainability mission. Our four impact areas: Ethical Sourcing, Sustainable Products, Protect the Planet and Equality & Community, allowed us to drive real change. We are proud of the impact we have and will continue to make, to ensure supporting important causes isn't a trend but the lifeblood of our company.

At Princess Polly, we understand the key to sustainability is through transparency, accountability and collaboration. To kick off 2021, we became a participant of the [United Nations Global Compact](#) and aligned our sustainability mission with the [United Nations Sustainable Development Goals](#) (SDGs). The SDGs help us to centralise the most important issues facing our world - we have identified 9 of 17 SDGs to which we can best contribute to:





ETHICAL SOURCING

Audited 100% of our factories

In 2021 we worked with our suppliers to ensure that every site producing Princess Polly items registered with the Supplier Ethical Data Exchange (SEDEX) and underwent an independent audit.

Each independent audit allows us to understand how our factories' practices reflect our Code of Conduct, including wages, working hours, upholding freedom of association and recognising the right to collective bargaining. An independent auditor visits the factory, checks a selection of policies and records, and interviews production workers. An audit covers the protection of human rights, including health and safety, grievance mechanisms, elimination of forced and child labour, anti-discrimination and much more.

100% of our tier 1 factories we work with have valid ethical audits - this includes non-stock factories that are responsible for our packaging too!

Once a factory audit is completed, we work with our suppliers to create a remediation plan to fix and improve any items found by the auditor. By December 2021, 59% of our factories were graded Gold or Silver and 36% of improvements had already been made and checked by the auditor.

Testimonial from Sedex

"Princess Polly has achieved fantastic things in 2021, building on the solid foundations of earlier years to have fully audited its entire T1 supply chain, and collected significant additional data points from two-thirds of its direct supplier base. This has helped not only further embed ethical and responsible sourcing, but also identified areas for capacity building across their supplier base, targeted education and incentivisation. Sedex Australia is proud to work with Princess Polly and greatly appreciates their support through practice sharing forums like the Sedex ANZ Advisory Group."

Building Knowledge

E-LEARNING MODULES

We take forms of forced labour such as bribery and extortion extremely seriously. This is why we launched an online training program with ELEVATE to provide an interactive approach to educate at a supplier and factory management level. It's imperative for our factory managers to not only understand forms of forced labour but also be confident in identifying and reporting potential cases to effectively implement improvements within their factories through corrective action plans.

- By the end of 2021, over 75% of our suppliers and factory managers had participated in e-learning courses on Preventing Forced Labour and Corrective Action Plans.

RESPECT AND EMPOWERMENT PROGRAM PILOT

Respect and empowerment are critical elements of our Human Rights Policy. To strengthen how we utilise these values in practice Princess Polly, alongside our partner ELEVATE, piloted an in-factory train-the-trainer program to three factories. All levels of management were guided to understand and act on these values, and pass on this knowledge to all factory workers. The program builds knowledge to effectively and collaboratively encourage a respectful workplace with an emphasis on anti-discrimination, women empowerment, refining policies and managing effective grievance channels.

Testimonial from Elevate

"Over the past 12 months, ELEVATE has been a proud partner of Princess Polly in preventing forced labour by providing various services, such as the implementation of the online learning (eLearning) platform. This was deployed to both their internal teams, as well as factories and suppliers.

A total of 41 internal staff members Across Australia and United States were assigned eLearning courses. There was an 87.8 percent completion rate with an average completion period of 12.3 days. 170 courses had been assigned to 56 factories and suppliers over the last 12 months with an average completion period of 16.9 days. 90% of the sites and suppliers have completed these trainings to date. The courses assigned are Corrective Action Plans and Forced Labour Prevention for Factories. These are outstanding results across both internal and within their supply chain.

ELEVATE were able to successfully implement the eLearning courses throughout their supply chain with the assistance of Princess Polly and will continue to assist Princess Polly with their Social Responsibility goals and create a positive impact."

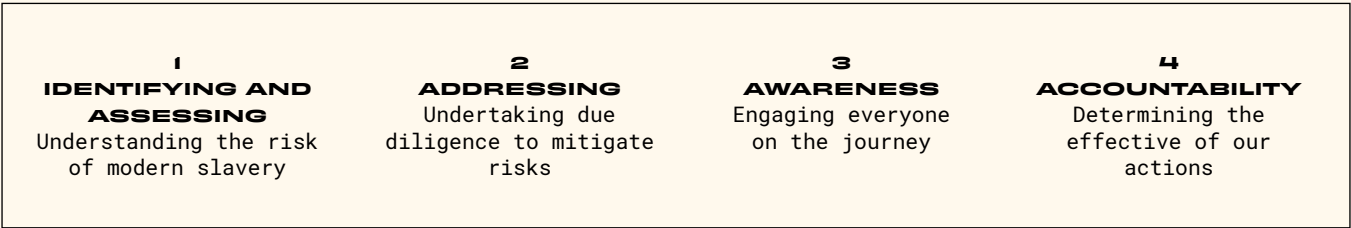
Listening to our Partners

Every voice matters and really listening to our partners is fundamental to the way we nurture our relationships and how we conduct our business. To live this value, in 2021:

- Over 65% of factory managers completed a self-assessment questionnaire.
- 100% of factory managers have been given access to an anonymous survey in English and Mandarin.
- 25% of workers were anonymously surveyed about their experiences at work.

Released our first Modern Slavery Statement

Modern slavery is an incredibly serious issue that we believe must be addressed in-depth and at all levels. In June 2021, we were proud to release our first Modern Slavery Statement, taking a 360-degree approach.



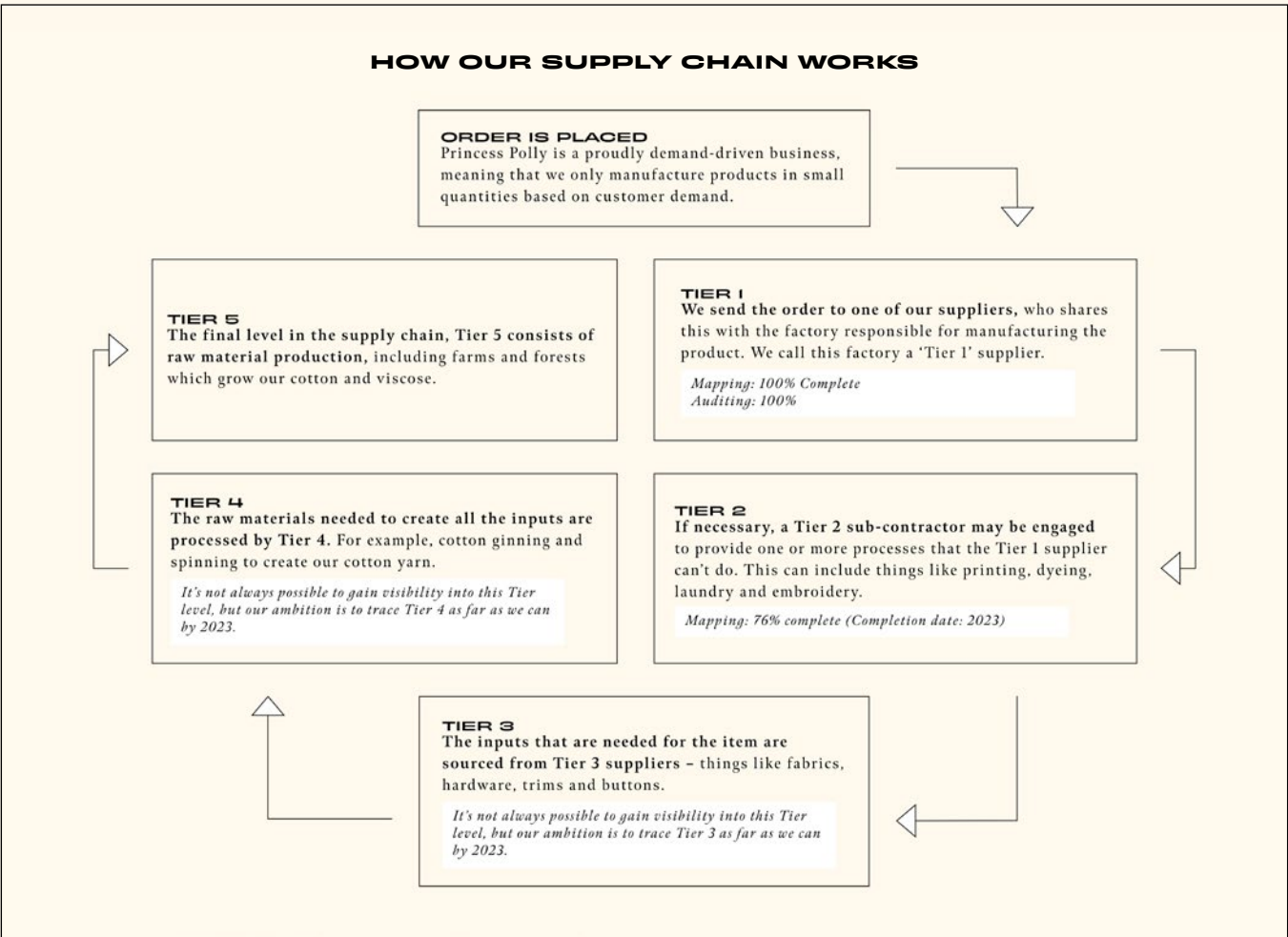
This will be something that we do each year as we continue to assess and improve our practices and protect each individual that works with us.

In 2021 our entire Merchandise team undertook training on Modern Slavery, Responsible Purchasing and Human Rights.

Began Tier Two Tracing

On occasion, a Tier 2 sub-contractor may be engaged to provide processes that our Tier 1 factories can't perform (like printing graphics or embroidery).

To date, we have traced 76% of subcontracted processes to the Tier Two factories that provided them. Plus, we also traced 30% of fabrics back to the mill and metals back to the processing factory.



Participated in the Ethical Fashion Report

Released annually by Baptist World Aid, the Ethical Fashion Report reviews the performance of companies across a range of ethical and environmental indicators.

Princess Polly participated for the first time in 2021, receiving a B grading. We are proud of what we have achieved and acknowledge where we can further develop our practices.

Expanded our Ethical Sourcing Policy Library

We understand the importance of implementing robust policies and regularly evaluating them and our procedures to best support our teams. As a result, we updated our Code of Conduct to ensure the highest standards are upheld within our operations where our emphasis is always zero-tolerance towards child & forced labour, discrimination and modern slavery. Throughout the year we also included two new policies in our library:

- Our Gender Equality in Supply Chains Policy
 - » This guides our team to create better experiences for women in our supply chain.
- Our Responsible Purchasing Policy
 - » This establishes a standard for how we interact with all our suppliers





SUSTAINABLE PRODUCTS

20% of our products were made from sustainable materials

We also published our Material Guidelines, so that you can be sure that only products made with sustainable materials can wear the sustainable tick of approval! A fully certified sustainable item must be created with at least 70% lower-impact materials and our blended items must contain at least 40%.

We strongly support and encourage the use of environmentally friendly technologies and materials with our suppliers. In 2022, we will continue exploring new sustainable materials that meet our Material Guidelines to reduce our environmental impact.

ORGANIC MATERIALS

are grown using less water and without the use of harmful pesticides, herbicides and fertilizers

RECYCLED MATERIALS

are created with existing fabrics and plastics, which prevents unnecessary waste to landfill and gives used materials a second life

WATER-BASED PU

is created using only water-based solvents that are kinder to our planet

FOREST-FRIENDLY MATERIALS

are materials made from wood using innovative technologies that preserve natural resources

Created a Sustainable Vegan capsule

With our focus on animal welfare, we created 50 sustainable products that are PETA-Approved Vegan. Our latest capsule is certified cruelty-free and is made of recycled PU and water-based PU, two materials that are kinder to our planet, a.k.a. animal habitats.



Adopted a Restricted Substance list

Reducing the use of hazardous substances in our supply chain and ensuring that our products do not put any undue risk to our customers or our team is a must.

We prohibit the use of chemicals considered harmful or toxic, defined through the adoption of the AFIRM Restricted Substance List. In 2021, we enforced the prohibition of substances listed in this List and tested new materials for compliance.

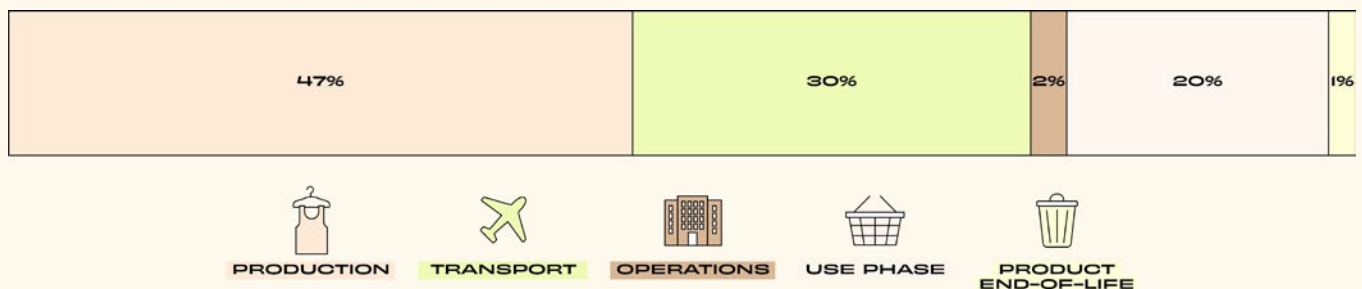


PROTECT THE PLANET

Calculated our first Carbon Footprint

The materials, production methods and processes used to get our customers' 'fits to their doors can all contribute to a significant environmental footprint.

In 2020, our carbon baseline was 87,940 metric tonnes of CO2 equivalent:



With this knowledge, we are actively seeking and implementing alternatives that will help us reach ZERO net carbon emissions, supporting a precautionary approach to environmental challenges. As part of our commitment as a participant in the United Nations Fashion Industry Charter for Climate Action, we're dedicated to reducing our carbon emissions by a minimum of 30% by 2030 and are exploring Science Based Targets initiative to set a second reduction target in line with a 1.5-degree temperature rise.

INSTALLED SOLAR PANELS ON OUR AU HQ

At our HQ in Australia, we're running on the sun! Installing solar panels helps us achieve our goal of running on 100% renewable energy and operating a carbon neutral office space.



SAVED 33% OF WASTE FROM LANDFILL

At our offices and distribution centres, we have three recycling bins and a compost bin to save as much waste from going to landfills as possible.



Launched 100% Recycled Content Packaging

Our packaging journey has been a learning journey for us! After launching our compostable packaging, our customers spoke and we listened. In 2021, we made the switch to 100% recycled packaging as an alternative that reflected both our sustainability values and safely delivering our clothes while minimising the environmental impact.

Our new packaging can easily be recycled again, is more accessible and supports the circularity of waste. It also uses 74% fewer emissions than virgin plastic.



EQUALITY & COMMUNITY

Launched Princess Polly Society

To ensure we have a positive impact on our community every year, we launched Princess Polly Society; our program for supporting organisations that are focused on one of our three impact areas: Equality, Mind + Body or the Environment.

In 2021 we:

- Donated \$500,000 to our Princess Polly Society partners
- Fundraised over \$59,000 through our cart donations for our partners Butterfly Foundation and the Loveland Foundation.
- Spent 480 hours volunteering with Butterfly Foundation, Fare Share, My Friend's Place and Stepping Stone House.
- Gave away over 250,000 products to our partners Thread Together, AWLQ, and Union Rescue Mission

Providing support to charities and making sure our marketing is representative of all people helps us ensure that diversity, inclusion and belonging are at the centre of everything we do.



Charity Partner Spotlight - Butterfly Foundation

Butterfly Foundation's mission is to bring about change to the culture, policy and practice in the prevention and support of those affected by eating disorders and body image issues

In May 2021, 29 Princess Polly employees volunteered at The Butterfly Foundation's Wandi Nerida treatment centre (Australia's first residential recovery centre for people affected by an eating disorder) to assist with its opening to the public.

Having been a major Australian Princess Polly charity partner throughout 2021, we're excited to continue working together on Wandi Nerida and body dissatisfaction education services in 2022.

Testimonial from Butterfly Foundation

Butterfly want to thank the team at Princess Polly for your ongoing support and commitment to bringing about change in the inclusion and diversity space. A few examples of this is through your CURVE range with the increase in sizing up to 24 and also the inclusion of diverse body shapes, colours and sizes on your website and social media.

Your donations and your staff volunteer day in May 2021 have directly supported us opening the doors at Wandi Nerida to participants. The promotion of Butterfly Foundation and our services through your support via your website and social media pages has helped increase our reach and pointed young people that required support for eating disorders in the right direction for support.

LAUNCHED OUR FIRST CURVE RANGE

In 2021, over 100 products were available in sizes US 0 - US 20 (AU 4 - AU 24).

"... I felt really happy today and I realised, it was because I was represented. I've been every size from 18-10 and it is so nice to see your models rocking some styles I wouldn't dare to wear with my curves and inspiring me to push my own boundaries of what I think is possible with my fashion."



LAUNCHED OUR DIVERSITY, INCLUSION AND BELONGING COUNCIL

A council of Princess Polly employees who are responsible for crafting and driving the strategies and best practices within the racial, social, sexual, religious, and gender diversity contexts of Princess Polly.





THE FUTURE

In 2022, we'll be focusing on reaching these ten goals:

1. Trace 100% of our Tier 2 supply chain.
2. Launch grievance hotlines in our factories to support and understand our worker's experience and address any issues raised.
3. Empower 1,000 women in our supply chain by providing detailed training sessions with industry partners.
4. Implement our living wage analysis of each of our factories in China and extend this to India.
5. 40% of our products will be made from lower-impact materials.
6. Transition all apparel to be 100% vegan by phasing out wool, leather and silk.
7. Launch an end-of-life program to help our customers to resell their Princess Polly products.
8. Make our assortment more inclusive by extending our Curve selection, and launch tall and petite collections.
9. Assess the environmental performance of our factories.
10. Conduct a reusable packaging pilot program

Keep up to date on our progress by checking in on our Sustainability homepage throughout the year. That's where we'll be keeping you in the loop with the latest on how we're working to make a positive difference to our people and planet – and how you can make a difference too.