



hunkemöller

Our World

SUSTAINABILITY REPORT

2017 - 2018





CONTENT

INTRODUCTION

- 1 • Statement
- 2 • From Our CEO
- 3 • 2018 achievements

FROM IDEA TO MARKET

- 5 • From idea to market
- 6 • Design & Developments
 - Manufacturing
- 7 • Sourcing
 - Quality control
- 8 • Logistics
 - Merchandising

OUR BUSINESS

- 11 • Our story
 - We are Hunkemöller
- 12 • Timeline
- 13 • Business summary
- 14 • Our Sheroes
- 15 • Our people

SUSTAINABILITY SUMMARY

- 18 • Sustainability at Hunkemöller
- 19 • Sustainability vision
 - Our commitments - summary
- 20 • Sustainability Milestones
- 21 • Governance

SUSTAINABILITY STRATEGY & GOALS

- 23 • Sustainability Strategy
- 24 • United Nations sustainability goals
- 25 • Our most important UN goals

Hunkemöller goals / Aspiration 1: Workplace

- 26 • Commitment A: Supply chain transparency
- 28 • Commitment B: Positive social impact
- 39 • Commitment C: Diversity & equality
- 41 • Commitment D: Workforce well-being
- 42 • Commitment E: Workforce sustainability engagement

Hunkemöller goals / Aspiration 2: Environment

- 43 • Commitment A: Reduce environmental impact
- 46 • Commitment B: Design sustainable collections

Hunkemöller goals / Aspiration 3: Community

- 48 • Commitment A: Employee well-being
- 49 • Commitment B: Animal Welfare

CSR POLICES & REPORTING

- 51 • Policies
- 53 • Reporting



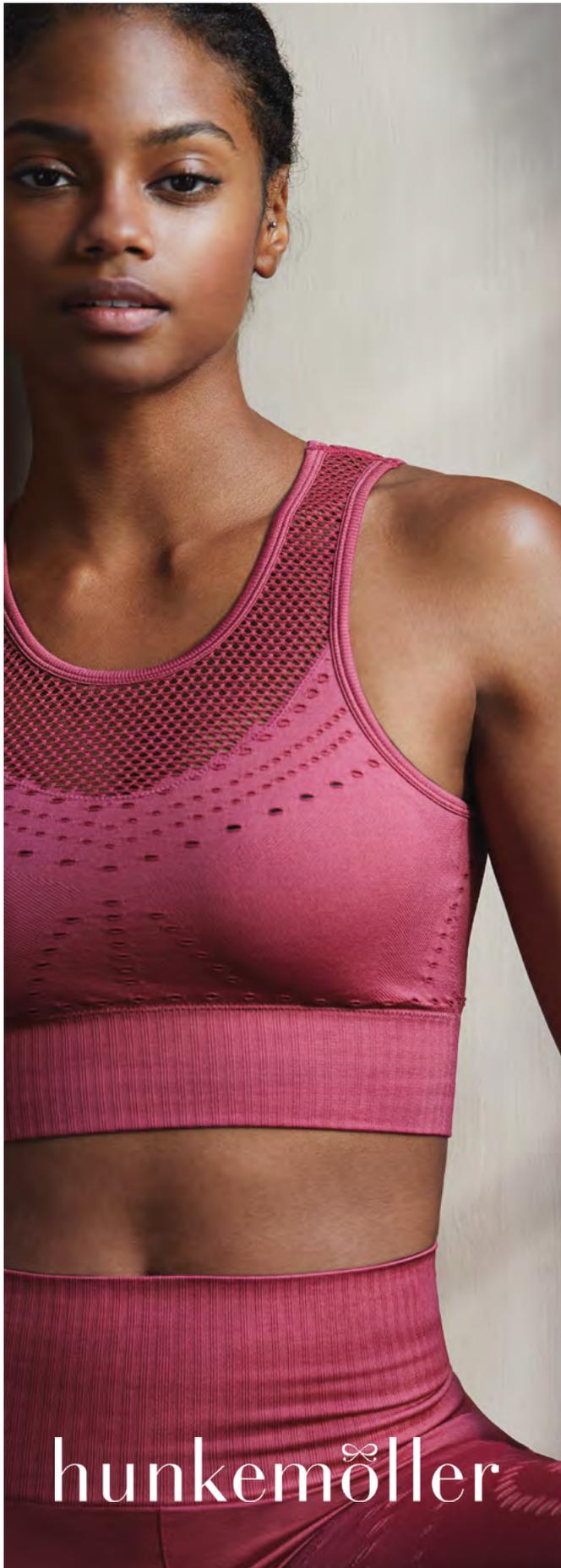
INTRODUCTION

hunkemöller

A young woman with dark, wavy hair is smiling broadly, winking with her right eye. She is wearing a white floral-patterned top with red and blue flowers. She is in a closet, with various clothes hanging on a rack behind her. The background is a green wall.

A BRAND BUILT WITH PASSION

**WE HAVE A PASSION TO CREATE A SUSTAINABLE BUSINESS WHERE
EVERYONE MAKES THE BEST DECISIONS TO PROTECT THE ENVIRONMENT
AND LOOK AFTER THOSE WE WORK WITH.**



FROM OUR CEO

A social business – in more ways than one

We have around 7,000 employees in over 914 stores (incl. 40 franchise) in 20 countries. As our brand grows, so does our corporate and social responsibility. With a mission to be a much-loved, global and social brand, we recognise two dynamics that create a social brand: i) being open and engaged with each other and our customers and ii) taking our role and impact in the world seriously and with care.

We call our customers our Sheroes and they are at the heart of our business. They are attracted by inspiring stores and web-shops, well-designed products with our distinct brand hand-writing, great prices and, not least, our inclusive approach to make every Shero feel their most beautiful self. Increasingly and rightly, our customers want us to proactively make the environment better and look after those we work with.

Simply, it's about creating a sustainable and inclusive business.

Sustainability for Hunkemöller is a journey - something that we are building into our mindset and delivering across our brand: from leaders to designers, from our sourcing team to our store employees and the workers

in the contracted factories that make our products.

We source beautiful and inspiring products from all over the world and our commitment to social responsibility means we are relentless in our work to partner with suppliers and organisations who share both our sustainability passion and vision.

The biggest challenges facing the world cannot be addressed by one company alone. By collaborating with others we aim to deliver positive social and environmental change and achieve true sustainability. We are committed to driving this change in line with the United Nations' Sustainable Development Goals, to create impact at scale.

With this report, we would like to share our journey so far. We want to be open and transparent and show what we have achieved and what we aim to achieve. We are proud of what we have accomplished so far, and in the coming years we aim to take further steps to make Hunkemöller even more sustainable.

Philip Mountford
CEO

2018 ACHIEVEMENTS

In 2018 we took many steps to ensure our social responsibility is integrated in every aspect of our business. Here are the headlines:

47% OF VALUE SPENT
IN A OR B RATED
FACTORIES



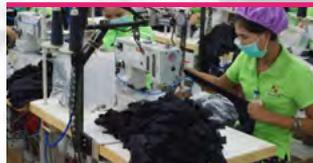
NO CHILD LABOUR
FINDINGS
(EVER)



NO BONDED LABOUR
FINDINGS
(EVER)



NO FATAL ACCIDENTS
(EVER)



100% OF TIER 1
SUPPLIERS IN RISK
COUNTRIES AUDITED



ACCORD
on Fire and Building Safety in Bangladesh

BANGLADESH ACCORD:
95% INITIAL FINDINGS
CORRECTED

100% FUR, LEATHER
AND FEATHER FREE
PRODUCTS



100% HANGER
RECYCLING IN
NETHERLANDS AND
GERMANY



4376 CARTONS AND/
OR PALLETS OF WRITE-
OFFS DONATED TO NEW
LIFE CHARITY



100% NEW STORES
HAVE ENERGY SAVING
LED LIGHTS





FROM IDEA TO MARKET

hunkemöller

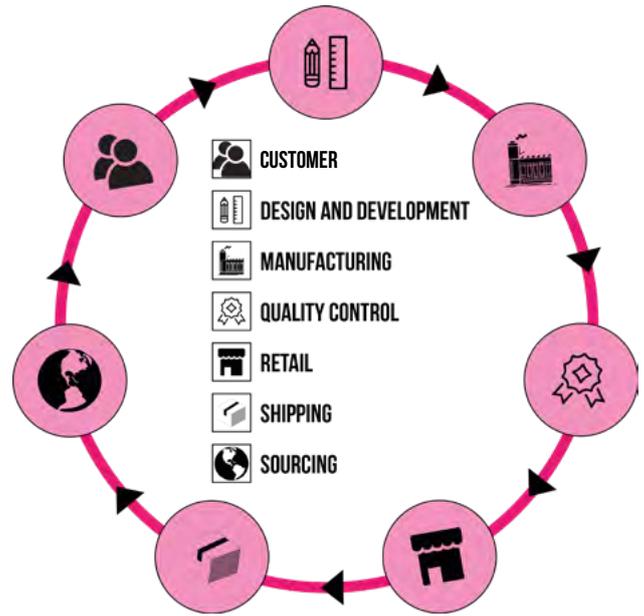
FROM IDEA TO MARKET

To make the right decision about areas to focus on, we have looked at (potential) risks in our existing value chain.

The value chain view is important as most of our environmental and social impacts and opportunities occur within our influence, but outside of our direct control. By engaging with stakeholders, keeping ourselves updated by attending events, conferences and workshops, and by conducting risk and impact assessments, we have been able to identify, prioritise, and assign accountability to significant areas across our entire value chain.

The focus areas identified were evaluated by management, and subsequently prioritised as the key risks and opportunities related to sustainability that Hunkemöller has addressed for this reporting period.

Each area identified brings with it the measurement for future benchmarking and opportunity for improvement. Our assessment, together with our strategic direction, is the foundation for this report.



DESIGN AND DEVELOPMENT

We design, produce and sell all our own collections. The whole process from design to delivery in stores is managed with love from our head office in Hilversum, the Netherlands. We offer a variety of looks, and therefore we work with different suppliers across the world, each with their own skills and talents.

Our team of international designers is passionate about creating the perfect products for our “Shero” – our ideal customer. Alongside traditional techniques, the design team uses state-of-the-art design technology to create products that combine superior functionality and fashion. About 95% of our products are designed in-house by an internal team of international designers who have created a clearly defined product handwriting.

Leading the design process from the very beginning, our designers play a key role in developing strong, commercial yet fashionable products for the “Shero”.

From sub-brands to designer collaborations and the creation of their own ‘designer capsule’ collections, the design team has a clear goal in mind: to establish Hunkemöller as the leading fashion lingerie brand in Western Europe and beyond.

We believe it is important to make well-thought-out decisions from the very beginning of the design process. We want to choose the right materials and trims and design for optimal use in terms of longevity, adaptability and material cyclability. By maintaining full control of the entire design process, we continually develop new colours, prints, shapes and design details, all seasonally relevant while maintaining our brand’s unique handwriting.

MANUFACTURING

We do not own the factories that make our products, so it is crucial for us to work in partnerships with our suppliers to improve labour conditions in the supply chain.

Our supply chain is complex and entails different stages from farming, ginning, spinning and weaving, to sewing and transportation to our distribution centre. In some cases, the suppliers own the factories directly, in other cases they act as an agent. We aim to build long-term relationships that benefit both sides. All our suppliers, all over the world, follow the same social and environmental guidelines to make sure our products are up to the standards set in our Ethical Code of Conduct.

We maintain a flexible supplier base across countries, with a total of 52 suppliers in the year ended 31 January 2019. Our top 10 suppliers represented approximately 70% of our total buying requirements in the year ended 31 January 2018. Our top

supplier accounted for 24% of costs of goods sold. We have long-standing relationships with most of our main suppliers. This has enabled us to build strong partnerships, leverage scale, achieve consistent quality and strengthen our negotiating power.

We generally use fixed prices in our procurement arrangements with our suppliers, for the duration of the supply contract. Contracts related to the core product lines are re-negotiated every 2 to 3 years. Most main suppliers have duty-free routes. At least once a year, we review KPIs (such as product quality, on-time delivery and social responsibility), sets targets and agree on action plans with these suppliers.



SOURCING

We outsource the manufacture of our products to carefully selected third-party manufacturers, and we focus on delivering quality, value and consistent products.

In the year ended 31 January 2018, we sourced the majority of our products (approximately 95%) in Asia, with approximately 53% of our sourcing volumes originating from duty-free or reduced-duty countries. The remaining products are sourced from European countries. We continuously monitor potential new sourcing markets and suppliers for new product manufacturing opportunities and to benchmark current supplier competencies. Our sourcing strategy is centred around six principles: continuity of supply, optimisation of the sourcing routes, minimisation of dependencies and risks, supplier KPIs, ongoing price negotiations and social and ethical compliance.

Before a new supplier and/or factory can be approved, they need to go through a step-wise approval process. This is in order to keep the supplier and factory base manageable, and to reduce risks both regarding quality and social compliance. It is prohibited to place Hunkemöller orders at unauthorised suppliers and/or in unauthorised factories.

QUALITY CONTROL

We hold our suppliers to a high quality standard.

To ensure that all of our products meet this standard, we have implemented strict control mechanisms throughout the production process, from the design to the finished product. When Hunkemöller and a supplier have agreed on a design for a product, the supplier provides us with a “Gold Seal Sample” of that product, which reflects the design and quality that was agreed upon and that we may expect for the full order. The sample is subject to approval by Hunkemöller, and functions as the standard to which we may hold the finished products.

In addition, we subject all manufactured products to a risk assessment process, in which our technical team checks whether the products are “fit for purpose” and meet all testing and legislative requirements.

Our suppliers also perform

chemical testing of the products, and, where appropriate, submit to us the relevant testing certificates for textile products (OEKO-TEX certificates). Prior to shipping the finished products, the supplier must perform a final acceptance sampling test of the order, after which all sub-standard products (below quality) are removed.

We carry out regular visits to our suppliers’ production sites and factories, to monitor and maintain our product standards. We aim to perform these visits on a yearly basis.



LOGISTICS

Hunkemöller has an in-house distribution centre in Hilversum, the Netherlands, complemented by a nearby flexible storage location in Almere, the Netherlands. The total space of both distribution centres is 14,500 m². In the year ended 31 January 2019, the Hilversum distribution centre handled a total of 57 million units. The utilisation rate of the Hunkemöller distribution centre reached 87% in the year ended 31 January 2019, nearing full capacity and maximum productivity and efficiency levels.

Hunkemöller is currently looking at space for a new distribution centre to replace its current facilities in Hilversum and Almere, which it plans to open

in 2021. Hunkemöller is investigating further productivity and efficiency improvements.

Within the distribution centre, cardboard and plastic are collected for recycling purposes. Where possible, goods are packed in plastic crates, which can be re-used, while other goods are packed in crates made out of (partly) recycled cardboard. The distribution processes in NL/BE/LUX/DE are also collecting cardboard/plastic from our stores for centralised recycling.

The distribution of products to stores is executed by third-party logistics providers who consolidate Hunkemöller's shipments with shipments

from other customers to get efficient loaded trucks. The goal is to have an optimised delivery process with fewer but larger deliveries, while maintaining the highest product availability in the stores.

The logistics and warehousing for all online activities, including transport, are performed by Hellmann, a third-party provider from Germany. For the final deliveries to customers Hunkemöller uses, amongst others, DHL and PostNL.



ASSORTMENT PLANNING AND MERCHANDISING

Customer sizes and fit preferences vary significantly across countries and regions. In addition, customer needs are continually evolving. Hunkemöller uses a modular assortment planning approach and tailors its product offerings to the particularities of regions. This results in flexible and dynamic stock management and merchandising, with a focus on active in-season management and flexible replenishment with weekly store deliveries. In the year ended 31 January 2019, the average in-store availability of Hunkemöller's core products reached 92%. Planning also affords clear visibility on and a disposal strategy for old stock for each country and online outlets.

In order to create clearance capacity, Hunkemöller sells old stock through

its designer and hybrid outlets. Hunkemöller currently has 19 designer outlets (in Germany, the Netherlands, Sweden and Spain). It plans to have one offline outlet store for every 40 regular stores, using a mix of designer and factory outlets in high-density residential areas. In the future, Hunkemöller intends to use the data gained from own stores, online and its CRM system to make more informed assortment planning decisions and to engage in more accurate planning of space by category, sub-brand, product type and size, to drive higher full price sell-through.

In 2018, Hunkemöller implemented a new allocation system which should enable Hunkemöller to make more customer-focused allocation and replenishment decisions.



“

At Hunkemöller we are proactively working to minimise our emissions by packing our goods in the most effective way. We are also working on production planning to ensure suppliers meet delivery deadlines that allow for shipping by sea freight - and avoid air freight as much as possible.



Marcel Guldmond
Head of Logistics

A woman with long brown hair, wearing red sunglasses and a red lace bikini, is posing against a background of yellow, pink, and light blue. A pink infinity symbol is overlaid on her chest. A black rounded rectangle with the text "OUR BUSINESS" is positioned over her midsection.

OUR BUSINESS

hunkemöller

OUR STORY

Hunkemöller's history traces back to 1886 when Wilhelm Anton Casper Hunkemöller and his wife Josephina Lexis opened the first special store for corsets and bustles in Amsterdam, the Netherlands, under the name "Hunkemöller Lexis". From 1886 onwards, the family expanded its business and opened stores in the major Dutch urban centres including Amsterdam, Rotterdam and Utrecht.

In 1974 we were acquired by Confendex B.V. Hunkemöller continued expanding and stores were opened in Belgium (1977), Luxembourg (1986), Germany (1987), Denmark and France (2001). In 2003, online operations were launched in the Netherlands. Following franchise store roll-out in the Netherlands, in 2005, international franchise stores were added.

In 2006 Hunkemöller was sold to Maxeda Retail Group. In 2009, online operations were launched in Belgium and Germany. Maxeda Retail Group sold Hunkemöller to Paribas Affaires Industrielles (PAI) in 2010. Under Maxeda's and PAI's ownership, Hunkemöller continued to expand rapidly, opening new stores in existing as well as new markets. These new markets included Spain (2007), Austria (2011) and Sweden (2012).

In 2010 we launched a new branding strategy to evolve from a retailer into a true high street brand. We adapted our overall marketing communication strategy to utilise emerging channels including social media and be when and where our customers want us via the creation of a market-leading CRM platform and loyalty product.

Also in 2010, we opened our first store with the distinctive 'bow concept' design. The 'bow' store concept has since been rolled out to the majority

of our global stores. The bow concept roll-out was complimented by an ambition to offer world-class service and training for our teams to deliver this every day, in every store.

We further developed our brand with collaborations with recognised fashion and TV icon Sylvie Meis as our ambassador from 2012 until 2016 and since 2016, with internationally renowned fashion model Doutzen Kroes.

The Carlyle Group completed their acquisition of the business in 2016. Since then, we have experienced substantial further growth. In the year ending 31 January 2018, we re-acquired 62 franchise stores in the Netherlands as part of our strategy to retain full control of our business and the customer journey. In June 2019 we opened in our first physical store in China accelerating our growth beyond Europe.



WE ARE HUNKEMÖLLER

Vision

At the heart of our brand is the belief that we can create a highly-inspiring shopping experience that is inclusive and accessible to all. We are one team with one dream.

Mission

To always be a much-loved, global and social brand. To maintain a continuous 2-way conversation with our customers, our suppliers and our employees. To be aware of Hunkemöller's role within the communities we operate in.

Values

Our values are fun, inspiring, passionate, sexy and in-touch. We enjoy what we do, and through creativity and passion we aim to provide world-class service to all our customers.

We are proud of our brand and of what we do.

TIMELINE TO A MUCH-LOVED, GLOBAL & SOCIAL BRAND



BUSINESS SUMMARY

We are the leading women’s bodywear retailer in Western Europe by market share.

Our core markets are Germany, the Netherlands, Belgium, Spain, France, Denmark, Austria and Sweden.

We offer a full range of body apparel products, including bras, underwear, nightwear, swimwear and beach coordinates, hosiery, beauty and sportswear.

We operate an omni-channel retail model, supported by a state-of-the-art IT platform. Our omni-channel strategy is focused on delivering a seamless customer shopping experience across integrated online touch points (such as Hunkemöller’s webshop, mobile app and third-party online platforms) to facilitate Click & Collect, Check & Reserve, Order in Store and Return to Store and, not least, the Hunkemöller online stores.

To reach our target customers, we use a multi-channel marketing strategy with a differentiated media mix that includes TV, social media, PR events, e-mail, outdoor media and mobile applications, adapted to local markets, with a focus on the right channel on the right device at the right moment to the right customer segment. We use consistently inspiring store fronts to create brand awareness and to incentivise customers to enter the store or view products online and our commitment to physical store retail and the role we play in towns and cities is second-to-none. Our stores are no longer just places for our customers to browse and buy: they’ve become part of a much larger omni-channel journey, which can have multiple start points. Our Sheroes can now place an online order in-store

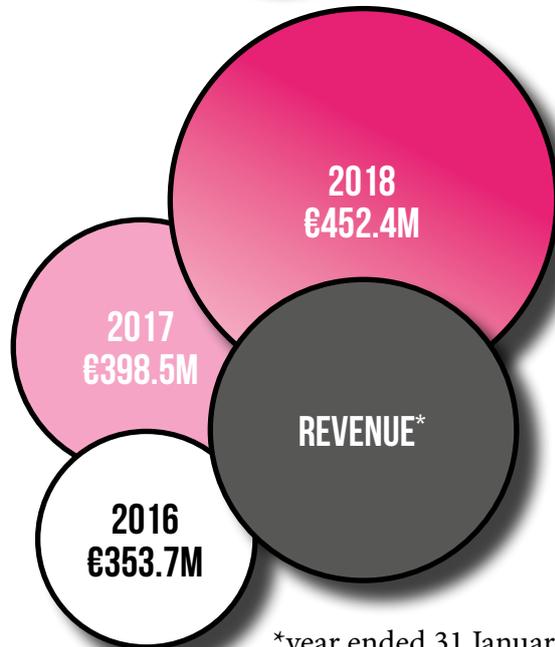
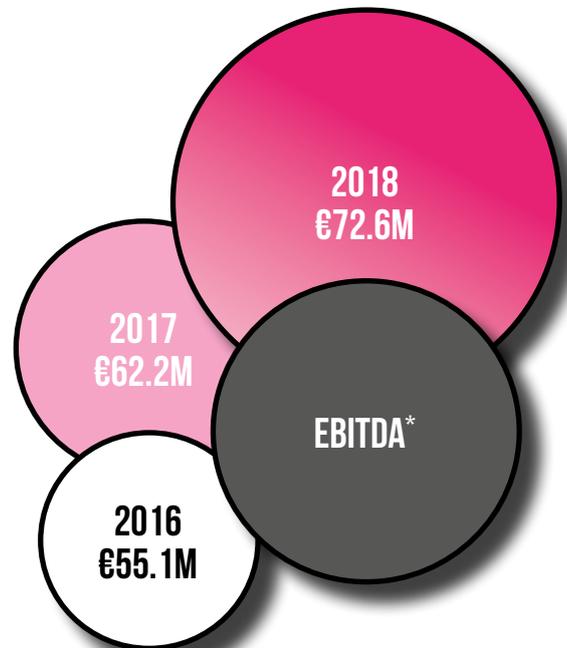
via Order in Store (OiS), return or collect items she ordered or reserved online, or digitally browse the whole collection with our staff .

Our renowned world-class service has traditionally meant a welcoming meet-and-greet, inspiring advice and the ‘kiss goodbye’. Now, in the current omni-channel retail environment, this has become so much more. Our store staff are now trained to offer a seamless experience regardless of where our Shero starts or ends their shopping journey, which makes them multi-channel brand ambassadors! This could mean retrieving an order, processing an online return, or placing a new order via our app or in-store ordering system.

We want all our customers to have a welcoming and inspiring shopping experience. In our stores we can have a positive impact by showing inclusion and diversity as well as working for more sustainable consumption.

Our service should exceed our customer’s expectations, however and whenever they shop with us.

We want to encourage our Sheroes to return as often as possible, tell their friends and family about the great shopping experience they’ve had and help us build a sustainable business.



*year ended 31 January 2019

OUR SHEROES

Our marketing strategy is centred around the 'Shero', a fictional persona that represents our core target customer and that serves as a tool to deliver customised communication and services to our customers.

Our Shero is at the heart of everything we do. She keeps us consistent and makes sure we continually check what our customers want and need.

So, who is she? In short, she is our muse. A character we created out of everything we know about our target market. 'Be your most beautiful self' is her mantra. She is 100% in touch with herself, she is fun and positive and lives her life to the fullest. She is health-conscious and enjoys her social life, but equally values her 'me time'. She is a real 'Generation Z' and is always online, waking up with her smartphone in her hand. She shops in the city but also online, and loves fashion. She values quality over quantity and

is loyal to the brands that give her a great shopping experience, both in terms of product and service. She responds better to messages from real people rather than real companies, and social media is a key way for her to find out information.

Above all else, our Sheroes care about the world around them and the role they can play to make things better.



OUR PEOPLE

Hunkemöller believes that attracting and retaining the best people is crucial to build a sustainable business.



Our recruitment strategy is captured by our motto: 'Hire for attitude and train for skill'. The quality of customer service is dependent on the skill, knowledge, and experience of the product experts in our stores. Technological developments, fast-changing fashionable products, retail and process innovations require ongoing education and development. We invest heavily in continuous training for all store-based employees. Our global store training network includes 5 regional trainers and 80 training ambassadors.

The Hunkemöller Academy is the heart of our learning and development activities. It is a global online training platform for all store employees and store interns. The online Academy provides 5 modules to transform our employees into true certified experts in customer service excellence and health and safety.

Another communication platform for our employees is our InTouch app, which provides access to, among other things, further training and product videos. The app allows our employees to train themselves and to enhance their training and development. In addition, the app provides access to individual human resource files and salary payslips, and allows an employee to monitor their KPIs and targets.

Our latest innovation in learning and development is a global, social and interactive introduction programme called 'Live It Up', which transforms employees into brand ambassadors in just ten days.

The programme is video-based training for store-based employees that is accessible via learning tablets in stores.

In 2017, the 'Live It Up' programme was named the best mobile learning solution at the International Technology Awards. In addition, we launched a 'Welcome' app to help employees prepare for their first day. In 2017, Hunkemöller won the award for 'Best Use of Blended Learning Solutions' at the International Learning

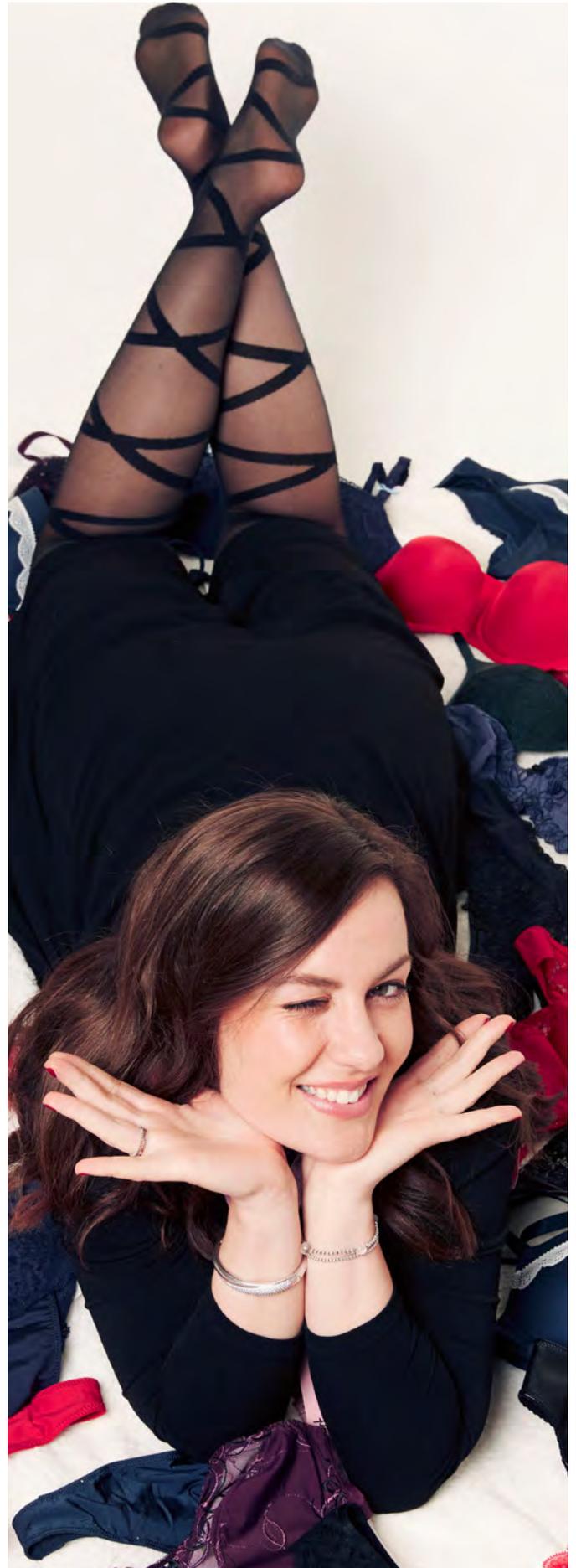
Technology Awards. In February 2018, we received an accreditation as 'Top Employer', from the Top Employers Institute, a global certification company recognising excellence in the conditions that employers create for their employees. As of 31 January 2018, we employed 6,501 employees of which 3,147 were full-time/full-time equivalent.





The development of our employees is the key for us. We truly believe that great people power great brands. We would not be able to do what we do nowadays, to grow and be so successful as we are, without the effort and hard work of all our employees. Every day we have the vision and goal to become a much-loved global and social brand.

Anne Jaakke - Global HR Director





SUSTAINABILITY SUMMARY

hunkemöller

SUSTAINABILITY AT HUNKEMÖLLER

We are building a socially-responsible and environmentally-friendly brand, by proactively integrating sustainability in every part of the process - from production to sale in stores. Taking responsibility for the environment and the people that are affected by our business is of great importance to Hunkemöller, and we aim for constant improvement.

Although we face many challenges in the world today, we believe that through our business we

can support and influence positive change.

We are committed to improving conditions in the apparel industry, and through our obligation to the Dutch Agreement of Sustainable Garments and Textiles (AGT) our progress is verified on a yearly basis. We are committed to working with our suppliers to solve sustainability challenges that are present within our wider sustainability context and countries they produce in.

We endorse the objective behind the AGT agreement and its identified 9 improvement areas:

- **DISCRIMINATION AND GENDER**
- **CHILD LABOUR**
- **FORCED LABOUR**
- **FREEDOM OF ASSOCIATION**
- **LIVING WAGES**
- **SAFE AND HEALTHY WORKING ENVIRONMENT**
- **RAW MATERIALS**
- **WATER POLLUTION AND THE USE OF CHEMICALS, WATER AND ENERGY**
- **ANIMAL WELFARE**

On a yearly basis, we report on our progress to the Secretary of the Dutch Textile Covenant and get reviewed.



Collaboration and long-term solutions are necessary to achieve true sustainability worldwide. With our new Sustainability Strategy, we believe that in collaboration with our suppliers, industry peers and other stakeholders, we can deliver a long-term systematic shift in the way our industry addresses key social and environmental challenges.

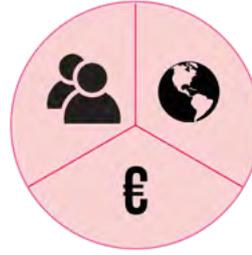
We aim to drive supplier know-how, reward the 'extra mile' and measure performance beyond social compliance. The changes we want to make and the accomplishments we want to achieve will take time and mean that every part of our business needs include sustainability in the core processes and be part of pushing the boundaries.

Rebecka Sancho - CSR Manager



OUR SUSTAINABILITY VISION

Our vision is to create a business with the right balance of people, planet and profit.



AND THIS IS WHAT WE COMMIT TO...

AMBITION	We take our responsibility seriously to adopt a holistic sustainable approach to all our business processes with the right balance between people, planet and profit.		
ASPIRATIONAL GOALS	ASPIRATION 1 - WORKPLACE	ASPIRATION 2 - ENVIRONMENT	ASPIRATION 3 - COMMUNITY
	Improve workplace health, safety, equality and development. Ensure fair working conditions for 65,000 workers by 2024	Reduce our environmental impact of direct and indirect operations by 20% by 2024	Empower customers and employees to live a more healthy, active, animal-friendly and sustainable life by 2024
COMMITMENTS	Promote transparency Have a positive impact on the lives of all people who are in touch with the products Work for empowerment, diversity and equality Form a fit, vital and happy workforce Engage with all employees on sustainability	Reduce the environmental impact of our direct operations Reduce the environmental impact of our indirect operations Design sustainable products and collections	Ongoing contribution to the people where we work and live Ensure all goods are manufactured in a manner that is not harmful to animals
GOAL	To deliver long-term sustainable value creation		



INCREASINGLY SUSTAINABLE & INCLUSIVE

SUSTAINABILITY MILESTONES

2004 BSCI MEMBER

2012 NEWLIFE – THE CHARITY FOR DISABLED CHILDREN

2014 DESIGNATED CSR TEAM

2015 BANGLADESH ACCORD SIGNATORIES

2015 PINK RIBBON LAUNCHED 1ST SUSTAINABILITY STRATEGY

2016 BRING SEXY BACK I: COLLECT

2016 SIGNATORY OF THE DUTCH AGREEMENT ON SUSTAINABLE GARMENTS AND TEXTILE

2017 PARTICIPATION IN JOINT CHILD LABOUR PROJECT

2018 SIGNATORIES OF THE 2018 TRANSITION ACCORD

2019 FIRST CSR REPORT



SUSTAINABILITY GOVERNANCE

Sustainability is a shared responsibility at Hunkemöller, governed from our Hilversum head office in the Netherlands.

Our Board of Directors are responsible for integrating and prioritising sustainability in our corporate strategy and objectives. Our functional leads then integrate our corporate strategy into their departmental objectives, goals and processes. Since 2014, we have a dedicated CSR team based in Hilversum. The CSR team reports directly to a member of our trading board.

The CSR team is responsible for the development of the Sustainability strategy and also to implement activities and driving performance, managing progress against targets and engaging with internal and external stakeholders. Responsibilities to carry out the strategy set by the CSR Manager are also within several departments, such as buying, technical, marketing and operations.



**SUSTAINABILITY STRATEGY
& GOALS**

hunkemöller

SUSTAINABILITY STRATEGY

We are serious about achieving growth - and we are serious about growing in a way that adds social value and reduces environmental impact. Our first Sustainability Strategy was introduced in 2015 and develops on a yearly basis.

We take our responsibility seriously and we aim to adopt a holistic, sustainable approach to all our business processes - with the right balance between people, planet and profit. To create a better everyday life for the many, and to ensure further success for Hunkemöller, we know collaboration with our partners and stakeholders is essential. We have identified three challenges that are highly relevant for our business:

- Responsible Manufacturing
- The Environment
- Community Involvement

The ambitions, goals and commitments in this section that support our strategy are structured as follows:

- The United Nations Sustainable Development Goals
- The 8 UN goals most important for Hunkemöller
- Hunkemöller Goals | Aspiration 1 - Responsible Manufacturing and the commitments that support this.
- Hunkemöller Goals | Aspiration 2 - The environment and the commitments that support this.
- Hunkemöller Goals | Aspiration 3 - Community and the commitments that support this.





SUSTAINABLE DEVELOPMENT GOALS

UNITED NATIONS SUSTAINABILITY GOALS

In September 2015, the UN member states adopted Agenda 2030 including the Sustainable Development Goals (SDGs), in order to jointly work towards a sustainable future. The SDGs included 17 goals that will make our world a better place.

To meet the goals, a great commitment is required from all of us, both on a national and international level. We recognise our role and responsibility, together with other industry peers, to drive change towards a more sustainable future for both the planet and the people living on it. All 17 goals are equally important and only by working as a collective can we reach all goals.

The SDGs work as a framework bridging our work with that of others to achieve a sustainable future. We are proud of the work we have done so far in terms of equality, health and reducing electricity and chemical waste. We are determined to find more sustainable processes and excel in our mission year after year.

On the next page, you can see the 8 goals we have selected that speak directly to us, and where we think we can have a higher level of influence.

Saving the earth's resources, securing human rights and ethical working conditions are close to our heart, and we constantly work to make this happen. Using the SDGs is key to our successful collaboration across the industry.



OUR MOST IMPORTANT UN GOALS

3 GOOD HEALTH AND WELL-BEING
GOAL 3: GOOD HEALTH AND WELLBEING

Ensuring everyone can live a healthy life and work for all people's well-being at all ages. Good health is a fundamental prerequisite for a person's ability to reach their full potential and to contribute to the development of society.

Examples of our contribution:

Internal fit, vital, happy programme (PG. 42), health workshops for members / customers (PG. 15), setting requirements and ensuring healthy working conditions in the supply chain.

5 GENDER EQUALITY
GOAL 5: GENDER EQUALITY

Achieve equality and empowerment of all women and girls. Gender equality is more than a basic human right, it is a fundamental basis for a peaceful, prosperous and sustainable world.

Examples of our contribution:

Work for diversity and equality internally (PG. 39) and in our supply chain (PG. 32). From brand perspective support diversity message across communications.

6 CLEAN WATER AND SANITATION
GOAL 6: CLEAN WATER AND SANITATION

Ensure access to clean and sustainable water and sanitation for everyone. Water is a basic prerequisite for all living on earth, and thus also a

prerequisite for sustainable development.

Examples of our contribution:

Choosing more sustainable processes and limit chemicals in the production of our garments (PG. 47).

8 DECENT WORK AND ECONOMIC GROWTH
GOAL 8: DECENT WORK AND ECONOMIC GROWTH

Work for inclusive and long-term sustainable economic growth, full and productive employment with decent working conditions for everyone. More than half of the world's workers are in precarious employment, often trapped in a vicious circle of low-productive professions with poor pay and limited access to both education and social security.

Examples of our contribution:

Setting requirements and ensuring good working conditions in our supply chain (PG. 31) and in our own operations (PG. 41)

10 REDUCED INEQUALITIES
GOAL 10: REDUCE INEQUALITIES

Reduced inequalities within and between countries. Economic development can lead to reduced poverty for the individual and society. We must work to ensure that access to resources and the opportunity to participate in and influence social development are fair, within countries as well as between countries.

Examples of our contribution:

Developing a roadmap towards living wages in the supply chain and support sector level negotiations for wage increase (PG. 32).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GOAL 12: RESPONSIBLE PRODUCTION AND CONSUMPTION

Promote sustainable consumption and production patterns. Conversion to sustainable consumption and production of goods and services is a necessity in order to reduce the negative impact on climate and the environment and the health of people.

Examples of our contribution:

Taking responsibility for the production environment (PG. 43), and have products made using sustainable production methods (PG. 46). Offer a bring back system to customers (Pg. 43).

13 CLIMATE ACTION
GOAL 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts. Looking at ordable, scalable solutions enabling cleaner, more resilient economies. Climate change is a global challenge that affects all, and solutions need to be cross-sectoral.

Examples of our contributions:

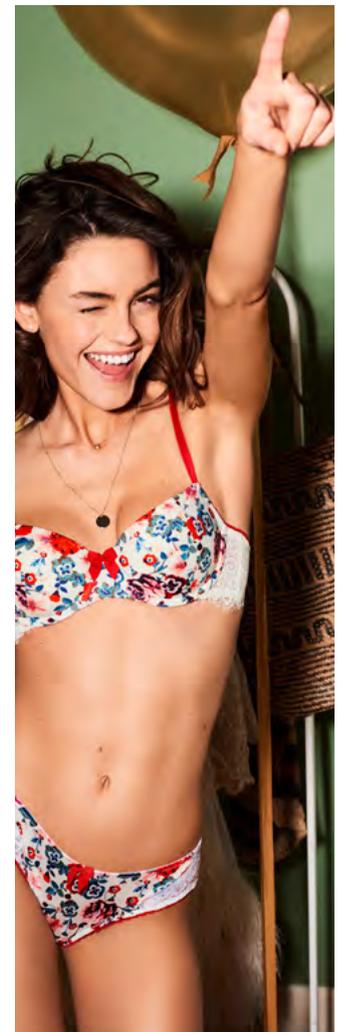
Opting for sustainable transport to reduce environmental impact of transportation (PG. 44) and increasing amount of products made with sustainable processes (PG. 43).

17 PARTNERSHIPS FOR THE GOALS
GOAL 17: PARTNERSHIP FOR THE GOALS

Strengthen the implementation tools and revitalise the global partnership for sustainable development. The scope and ambition of the new agenda require the addition of the global partnership to be revitalised to ensure the implementation of the agenda.

Examples of our contributions:

Participating in joint collaborations such as the Accord (PG. 33), Amfori (PG. 28) and the Dutch Agreement of Sustainable Garments and Textiles (PG. 18).



HUNKEMÖLLER ASPIRATION GOALS

We have 3 areas of Hunkemöller aspiration goals identified to compliment and enhance the UN goals.

ASPIRATION 1 - WORKPLACE

Aspiration 1 is for the workplace and the following section outlines 5 commitments A – E designed to improve workplace health, safety, equality and development, ensuring fair working conditions for 65,000 workers by 2024

COMMITMENT A - SUPPLY CHAIN TRANSPARENCY

We believe transparency can lead to positive changes in the industry.

It is important for us to know how and where our products are made, to be able to prioritise risks, and to work towards improvements and an ideal situation. To ensure sustained improvements are made, we are committed to working across our industry with a multi-stakeholder approach, including initiatives such as the

Dutch Agreement on Sustainable Garment and Textiles, which has the aim (among others) to support brands and retailers in gaining more visibility. Furthermore, in 2017 we introduced nominated material and trim suppliers for fabrics, laces, cups, pads and wires. In 2017, Hunkemöller worked with 51 suppliers and production took

place in 87 factories in 12 production countries. In 2018, Hunkemöller worked with 43 suppliers and production took place in 68 factories in 11 production countries. An overview of all production locations (by number) is below.

OVERVIEW OF ALL PRODUCTION LOCATIONS

2017		2018		
AMOUNT OF FACTORIES	SUPPLIERS	51	SUPPLIERS	43
	BANGLADESH	13	BANGLADESH	12
	CAMBODIA	04	CAMBODIA	03
	CHINA	36	CHINA	32
	INDIA	05	INDIA	02
	INDONESIA	01	INDONESIA	01
	ITALY	01	ITALY	02
	MYANMAR	06	MYANMAR	01
	POLAND	01	POLAND	01
	SRI LANKA	03	SRI LANKA	03
	THAILAND	01	THAILAND	01
	TURKEY	07	TURKEY	05
	PORTUGAL	03		
	TOTAL	81	TOTAL	63

COMMITMENT A - SUPPLY CHAIN TRANSPARENCY

In terms of value and volume, more than 75% of our production takes place in China and Bangladesh.

Looking ahead at our production forecast, China's position is stable, with no growth of manufacturing forecasted for the coming 3-5 years. Bangladesh continues to be dominant in the region: currently around 33% of Hunkemöller products and approximately 51% of Hunkemöller bras are sourced in Bangladesh. We believe that building long-term relationships with suppliers is the key to success, both in terms of business success, and for trust and cooperation between the partners to carry out our Sustainability strategy.

In 2017 and 2018 more than 50% of our purchase value was spent at suppliers we have worked with for 10 years or longer.

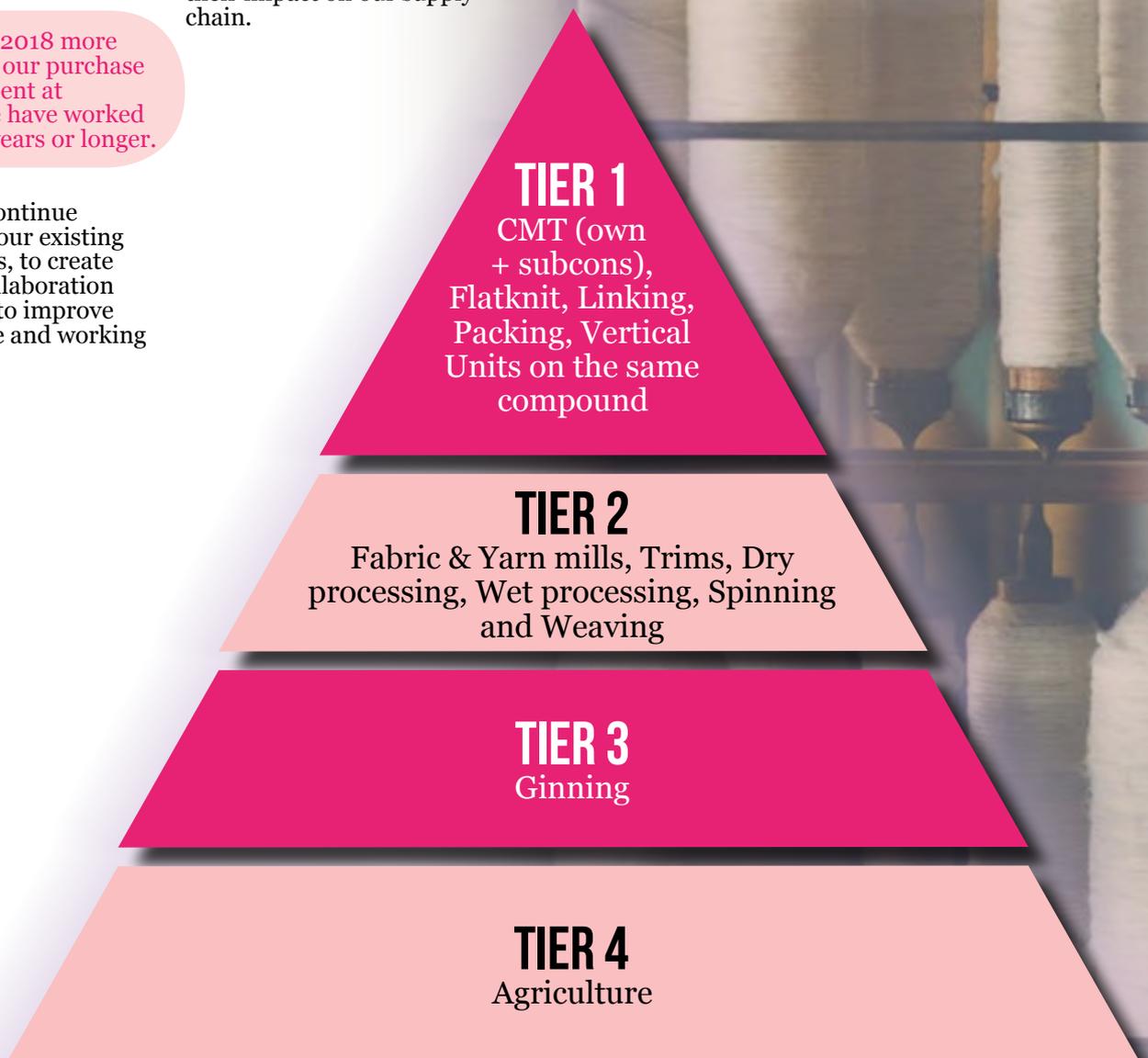
We aim to continue building on our existing relationships, to create trust and collaboration on the road to improve performance and working

conditions. We are not in favour of any cut-and-run policies. Where improvements need to be made, we work together to achieve them. This is the way we can make a real difference.

Hunkemöller is committed to get full visibility of our supply chain. In 2018 we started mapping our supply chain beyond direct manufacturing locations. Our aim is not only to prevent undeclared subcontracting, but also to identify risks more easily, and therefore be in a position where we can manage and mitigate their impact on our supply chain.

TRANSPARENCY TARGETS

By 2024 - 100% supply chain transparency (tier 2 and 3) of direct suppliers to direct business partners.



COMMITMENT B - POSITIVE SOCIAL IMPACT

Have a positive impact on the lives of all people who are in touch with our business and the making of our products (SDGs 8 and 17)

Hunkemöller work towards ensuring products are manufactured by suppliers who manage and operate their factories in a socially responsible manner and according to local laws.

It is important for us to have a strong social management system, to continuously improve workplace conditions and to invest in our supplier base. To achieve better working conditions we use four different measurements:

- Social Audit Programmes
- Social Performance Scorecard
- Bangladesh Accord
- Own Audits

Social Auditing Programme

It is mandatory for all factories to be audited under an accepted social audit scheme. All production locations are audited according to the BSCI Code of Conduct, or another equivalent system that is approved and accepted by Hunkemöller. All audits are further performed by internationally-accredited independent auditors.

The purpose of recognising standards equivalents to the already accepted BSCI is to reduce the cost

of certification (from suppliers perspective), to decrease audit fatigue and to acknowledge standards with shared principles.

A social audit scheme can only be accepted if it fully covers Hunkemöller requirements and if the follow-up and implementation plan towards continuous and sustainable improvements is both serious and credible. Equivalent standards must be stronger or equal to the requirements of



the already recognised standards. We envisage that all business partners share these values and principles and, when relevant, are monitored against a social standard or certification which also shares the same values and principles.

If an audit reveals less than full compliance with the BSCI Code of Conduct (or equivalent system), the factory must take the prescribed corrective actions without delay.

The period of time the supplier/production location has to implement these corrective measures will be agreed upon with the auditors and/or the Hunkemöller CSR team, but may never exceed twelve months. Our aim is

to partner with the right suppliers, independently from the country they are located in.

A majority of audits are semi-announced - the factory agrees to a timeframe of a month, during which the auditor is free to come unannounced and carry out the inspection. In some cases, for example with new business relations, we do a fully announced audit to build mutual trust.



COMMITMENT B - POSITIVE SOCIAL IMPACT

Business Social Compliance Initiative

Factories audited under BSCI are assessed through 13 performance areas and receive a performance rating between A (outstanding) and E (unacceptable). Depending on the different combinations of ratings per performance area, the factory will receive a final audit result (in the A to E range). The 13 performance areas are:

1	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	Set of processes and procedures that enable a company to analyse, control and reduce its social impact
2	WORKERS INVOLVEMENT AND PROTECTION	Workers are included and understand their rights and responsibility
3	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	Freedom of association and the right to collective bargaining are respected
4	NO DISCRIMINATION	No discrimination is practiced
5	FAIR REMUNERATION	Legal minimum and/or industry standard wages are paid
6	DECENT WORKING HOURS	Working hours are compliant with the national laws and do not exceed 48 hours + 12 hours overtime
7	OCCUPATIONAL HEALTH AND SAFETY	The workplace is safe and healthy
8	NO CHILD LABOUR	Child labour is prohibited
9	SPECIAL PROTECTION FOR YOUNG WORKERS	Young workers are protected against work which is prejudicial to their health, safety and development
10	NO PRECARIOUS EMPLOYMENT	Employment does not cause social and economic vulnerability
11	NO BONDED LABOUR	There is no forced labour or disciplinary measurements
12	PROTECTION OF THE ENVIRONMENT	The environment is respected
13	ETHICAL BUSINESS BEHAVIOR	There is an anti-bribery and anti-corruption policy



COMMITMENT B - POSITIVE SOCIAL IMPACT

Compliance scores

In 2018 all approved factories located in a risk country were in a valid audit cycle. Hunkemöller accepted social compliance audits under the following audit schemes:

To ensure equal scoring criteria independently of where the manufacturing location is located, what products they are making or under which audit system they are audited under, Hunkemöller uses an internal scorecard which was developed in 2017. Each manufacturing location is scored on five levels, ranging from A to E, where A is best-in-class locations and E equals to locations with major findings requiring immediate action. The scorecard includes in-depth information per location in with regards to e.g. wages, working hours, safety etc.

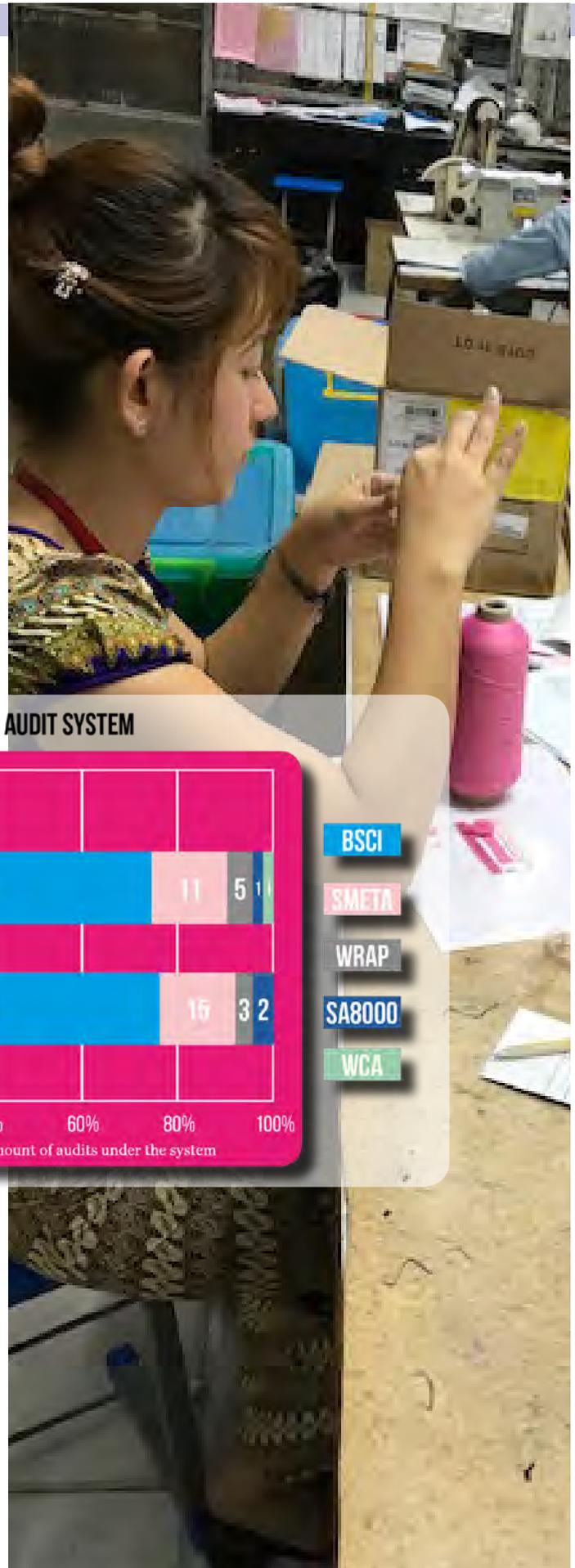
manufacturing locations to develop the action plan and, if necessary, to correct the audit findings.

Depending on the seriousness of the findings, immediate action can also be required. For factories that scored a C or below, a follow-up audit ensues within a 12-month period, to ensure actions have been followed through and improvements have been made.

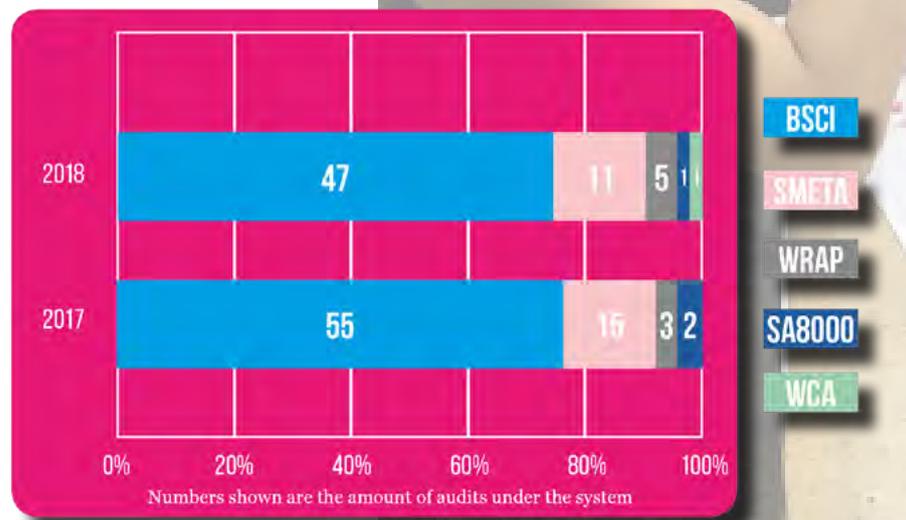
In cases where Zero Tolerance will be found, immediate action will be taken and BSCI Zero Tolerance protocol (or equal) will be followed.

Manufacturing location with a rating of C or lower are required to submit a Corrective Action Plan (CAP) within an agreed timeframe.

The CAP must contain concrete actions for improvements, workable and acceptable timeline, responsible person and if possible a root cause analysis. Hunkemöller offers support to all



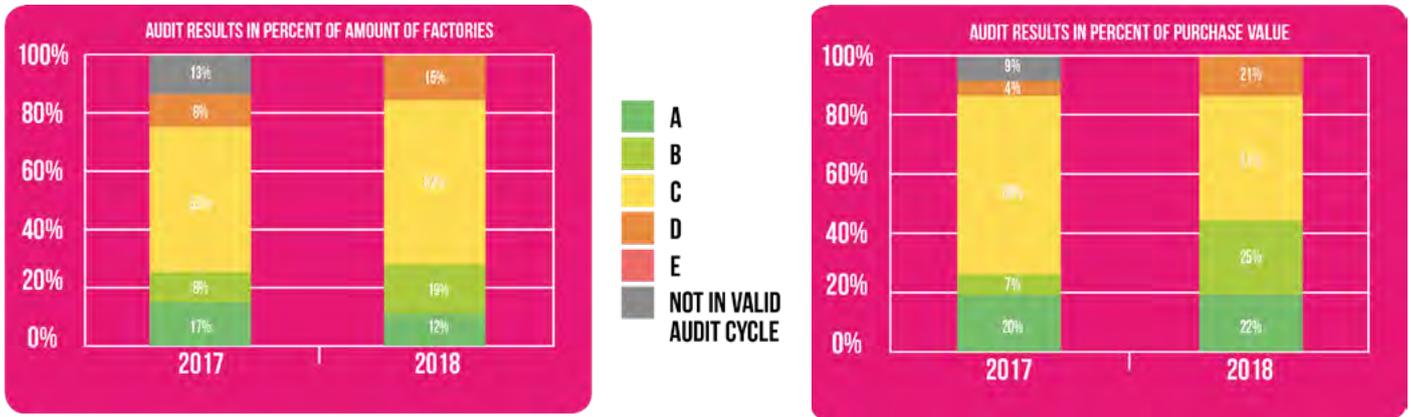
DISTRIBUTION AUDIT SYSTEM



COMMITMENT B - POSITIVE SOCIAL IMPACT

Compliance scores

The table below shows distribution of audit results (in 2017 and 2018) in terms of purchase value and amount of factories. In 2018 Hunkemöller spent 47% of purchase value in best-in-class factories. These are manufacturing locations which fully or almost fully live up to local laws and standards set by the different audit systems.



Working Conditions

We have a responsibility to ensure that the products we sell are manufactured under good working conditions. Long-term relations with our suppliers, clear requirements and systematic work on risk management as well as education are all important steps we take to ensure preferable working conditions. To go beyond the social auditing process and achieve improvements, we have engaged with our suppliers to scale-up the support we provide in audit follow-ups, offered training on several different human rights topics and taken part of multi-stakeholder initiatives and projects.



COMMITMENT B - POSITIVE SOCIAL IMPACT

Children's Rights – UNICEF's Better Business for Children Programme

We have already taken some important steps and are ready to do more to achieve our vision of eradicating child labour and build a better future for children.

Children's Rights have always been an important topic for Hunkemöller, and in 2017 we started our participation in a joint-project under the Dutch Agreement for Sustainable Garments and Textiles with 5 other brands and 4 NGOs. Together with UNICEF and two factories in Bangladesh we are currently implementing a children's rights programme.

The programme has been developed for companies that want to go the extra mile to respect and support the rights of children, working parents and young workers.

UNICEF's programme is based on the Children's Rights and Business Principles (CRBP), a set of 10 voluntary principles developed by UNICEF, the UN Global Compact and Save the Children.

The CRBP guide companies on the full range of actions they can take to respect and support children's rights. Garment manufacturers in this programme are supported to establish family-friendly workplaces that improve the situation of working parents and their children, adolescent workers. The project will run until the end of 2019 and some of the foreseen outcomes are the set-up of a functional, efficient day-care option, maternity support and provision policy, breastfeeding policy etc.

Forced Labour

Hunkemöller are working to ensure that forced labour does not find its way into our products.

We are aware of reports documenting the systemic use of forced labour in cotton production in Uzbekistan and Turkmenistan, and have therefore prohibited the use of cotton from these countries in our products.

Hunkemöller commits to not knowingly source cotton from Uzbekistan or Turkmenistan for the manufacturing of any of our products until the Government of Uzbekistan ends the practice of forced labour in its cotton sector. Until the elimination of this practice is independently verified, we will maintain this prohibition.

Fair Remuneration

In compliance with our Ethical Code of Conduct and local law, our suppliers are required to pay at least the country's statutory minimum wage to their employees.

In 2017 and 2018 all factories producing for Hunkemöller compensate the workers the minimum wage or higher.

At Hunkemöller we recognise that minimum wages are often at a level that only provides a small income and does not cover the workers' basic needs. It is also a common problem that incorrect wages are paid by suppliers. We therefore participate in networks that aim to create a shift in the industry.

In 2018 we carried out a wage study, and are currently exploring how we can incorporate the learnings in our further strategy towards living wages. Hunkemöller is also looking into collaborations with other organisations in order to find a collective scalable approach to the wage issue.

COMMITMENT B - POSITIVE SOCIAL IMPACT

Working Hours

Overtime that exceeds the limits set out in our code of conduct and does not follow local law is a common problem in some of our production countries. It is a challenging area to remedy as there are several reasons for overtime.

To eliminate the risk of excessive overtime and comply with the workers' right to rest, Hunkemöller works closely with suppliers and offers capacity-building programmes (via Amfori). We have also developed a guideline on how to overcome overtime which, if necessary, is shared with suppliers. On the buying side, buyers are well informed with regards to capacity per factory, and they work closely with suppliers with regards to supplying accurate production forecasts.



Bangladesh Accord

The Accord on fire and building safety in Bangladesh helps ensure that no worker needs to fear fire, building collapses or other accidents that can be prevented with reasonable health and safety measures.

The 2018 Transition Accord agreement consists of the following key features:

- Legally-binding agreement between brands and trade unions
- Brands' commitment to ensure safety remediation is completed and financially feasible
- Independent safety inspections and remediation programmes
- Disclosure of inspection reports and corrective action plans
- Safety committee and safety training Programme
- Safety and health complaints mechanism
- Protection of right to refuse unsafe work
- Ongoing promotion of right to freedom of association (FoA) to advance safety
- Training and complaints protocol to cover (FoA) rights
- Optional listing of home textiles and fabric and knit accessory suppliers
- Transition of Accord functions to a national regulatory body

At the end of 2018, factories under the Accord producing for Hunkemöller have an average correction rate of 92% in terms of correction of initial findings (97% progress rate of initial findings).

For the coming years Hunkemöller will continue its commitment to a safe working situation in Bangladesh and other production countries.



COMMITMENT B - POSITIVE SOCIAL IMPACT

BEST PRACTICES IN FACTORIES PRODUCING GARMENTS FOR HUNKEMÖLLER

VACATION BONUS

COMMUNITY GARDEN

FREE FOOD
3 MEALS PER DAY

COMMUNITY DONATIONS

PLANTATION PROJECTS

CHARITY DONATIONS

FREE TRANSPORTATION

ON-SITE FREE
CHILD CARE

GYM FOR WORKERS

SKILL DEVELOPMENT
TRAINING

DOCTORS ON SITE WITH
FREE HEALTH CHECKS FOR
WORKERS AND
FAMILY MEMBERS

3D TECHNOLOGY
(REDUCE SAMPLES)

COMMITMENT B - POSITIVE SOCIAL IMPACT

Onboarding

Before a new supplier and/or factory can produce for Hunkemöller, they need to go through a step-by-step approval process - in order to keep the supplier and factory base manageable, and to reduce risks both regarding quality and social compliance. To place Hunkemöller orders at unauthorised suppliers and/or in unauthorised factories is prohibited.

Each new supplier and/or manufacturing location needs to complete an approval form. This form requires details to be provided regarding (among others):

- Name, addresses, contact persons, for each of the manufacturing locations
- Addresses
- Production process details
- Production capacity
- Certifications (social, environmental, building safety)
- Payment detail (e.g. which bank account used by the manufacturer)
- Sign off by the supplier that it has read, understood and agreed to several legal documents:
 - Non-Disclosure Agreement and General Purchase Conditions
 - Hunkemöller Ethical Code of Conduct
 - Hunkemöller's Restricted Substances List (RSL)
 - Hunkemöller's Animal Welfare Policy
 - Hunkemöller's Material Policy
 - Hunkemöller's Child Labour Policy

By return the form is subsequently signed off by the requesting buyer, Head of Buying, CSR Manager, Head of Technical, Risk Officer, Head of Finance, General Council, Buying Director and CFO.

Active manufacturing locations

On a quarterly basis, the CSR Manager requests from the buyers an indication which factories will be used in the coming quarter for producing articles. Upon receipt of the information, the CSR Manager enters the information into a factory overview file and checks whether:

- a) There are active factories (used for production within the last 12 month) in the supplier portfolio of HKM with expiring or expired factory audit reports.
- b) There are factories that have not been used for over 12 months.

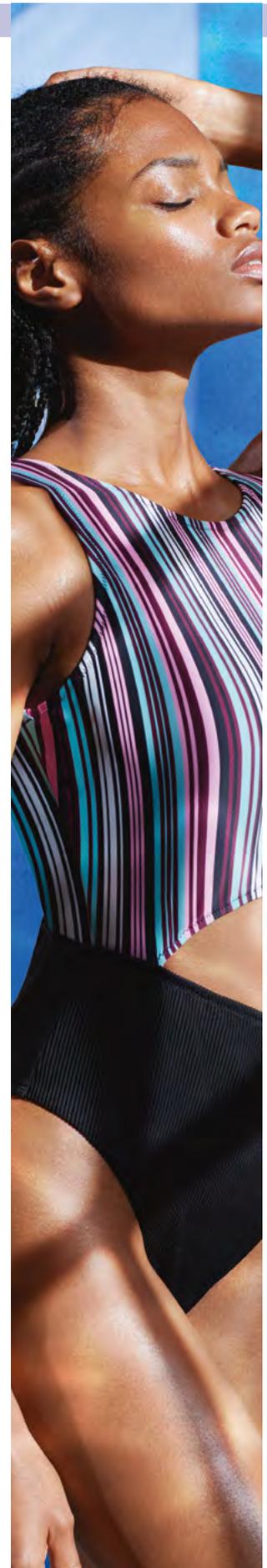
In both cases, the CSR Manager marks the factories not to be used until new audit reports are delivered within the factory overview Excel file, and informs the responsible buyer that new audit reports need to be requested from the supplier. The CSR Manager dates and signs the factory overview file and stores it in PDF format according to the local retention requirements on the CSR department's shared drive.

Survey

Internally, we have carried out a survey to understand more about how our buying practices can influence working conditions in factories. The survey looked into several topics such as:

- Planning and forecasting
- Design and development
- Cost and cost negotiations
- Sourcing and order placement
- Payment and terms
- Sustainable purchasing processes

With the findings we are looking into how we can improve our buying practices and take into account the needs of our suppliers to make sure the buying practices do not conflict with our sustainability work.





To work with sustainability in the core processes of our daily buying and sourcing operations is a priority for Hunkemöller, and a key factor in the decision-making process, both strategically and operationally.

The increased focus on responsible buying practices was a big achievement last year. We have renewed our onboarding process, further developed our supplier rating system and strengthened our buying and technical team with training and tools and we intend to do more in the coming years.

Charlotte Davies, Global Buying Director



COMMITMENT B - POSITIVE SOCIAL IMPACT

Capacity building

Factories producing for Hunkemöller are recommended to join BSCI workshops. In 2017 and 2018 representatives from 58 factories joined workshops or online training.

Classroom workshops – 74 attendees on the following topics:

- Getting started with Amfori BSCI
- Getting started with Amfori BEPI and introduction to environmental management systems
- Introduction to social management systems
- Responsible recruitment
- Worker involvement and protection (Grievance mechanism)
- Introduction to occupational health and safety
- Fair remuneration and decent working hours
- Drafting a remediation plan
- Environmental regulatory compliance

Online training – 11 attendees on the following topics:

- Risk assessment
- Responding to verbal abuse
- Introduction to social management systems
- Grievance mechanisms worker involvement
- Forced labour and modern Slavery
- BSCI Self-Assessment Process

In 2018 Hunkemöller also offered a workshop on supply chain mapping in Bangladesh. The workshop was provided by FLA as part of the project “Remedies towards a better workplace”. The aim of the training was to create transparency by providing key principles and tools for supply chain mapping. We had representatives from 5 out of 6 suppliers join the training.

In addition, as part of the Bangladesh Accord more than 17,000 workers in factories producing for Hunkemöller underwent trainings on workplace safety, safe evacuation and their rights under the Accord.



COMMITMENT B - POSITIVE SOCIAL IMPACT

Grievance mechanism

We currently receive grievances through our stakeholder engagements. It is also possible for stakeholders to raise grievances regarding the implementation of the Hunkemöller ethical policy across its supply chain directly via our customer service and/or our sustainability team.

All grievances logged under our internal grievance procedure will be dealt with in a timely manner, and all investigations and findings will be reported transparently. To ensure the effective implementation of the grievance procedure, an annual review of the procedure will be conducted from 2019 (and onwards), taking into consideration input received from stakeholders.

In 2017-2018 we received two grievances through our stakeholder engagements.

1. Workers at a factory felt their right to form a union was breached.

Status: After engagement with other brands and the factory and supplier, a union was formed and continues their work in the factory.

2. Labour dispute regarding dismissal at a factory not producing for Hunkemöller from a supplier producing for Hunkemöller

Status: Engagement with other brands and stakeholders, direct engagement with supplier to solve situation. Mediation process has started and unions have been introduced in the factory.

In addition, grievances from NGOs and labour rights organisations have been received on more general broader garment industry topics. For each case we engage with other retailers and brands on joint statements, as we believe larger transformation can only be achieved in collaboration with others.

TARGETS

- 100% factories rated C or better (of which 50% are scored A or B) in the Hunkemöller monitoring tool for social compliance before January 1st, 2024
- No forced labour found in direct manufacturing locations including nominated material and component suppliers
- 100% factories inspected by the Bangladesh Accord with 100% initial finding for fire, electrical and building safety corrected by 2021
- No fatal accidents in direct manufacturing locations including nominated material and component suppliers
- No children found in direct manufacturing locations including nominated material and component suppliers
- Collaborate with other industry peers to improve the production location wages with 50% (based on wage level 2018) before 2024 to achieve living wages.



COMMITMENT C - DIVERSITY & EQUALITY

OUR GOALS

Gender equality is one of the fundamental human rights and for Hunkemöller female empowerment is a must to ensure global development and economic growth. The majority of our employees, customers and the textile workers who produce our garments are female, and it therefore comes naturally as a focus area.

As an international lingerie company in a global market, we see diversity as one of our important competitive advantages. By using our employees' unique competencies and experiences, we can increase creativity and deliver growth and desirable results.

2017

NUMBER OF EMPLOYEES

6272

MALE EMPLOYEES

121

FEMALE EMPLOYEES

6121

TRADING BOARD FEMALE MEMBERS

40%

EXECUTIVE BOARD FEMALE MEMBERS

0%

% OF STORE MANAGERS THAT ARE FEMALE

100%

2018

NUMBER OF EMPLOYEES

7048

MALE EMPLOYEES

134

FEMALE EMPLOYEES

6914

TRADING BOARD FEMALE MEMBERS

37.5%

EXECUTIVE BOARD FEMALE MEMBERS

0%

% OF STORE MANAGERS THAT ARE FEMALE

100%



COMMITMENT C - DIVERSITY & EQUALITY

Until 1 January 2020, Dutch law requires large Dutch companies to pursue a policy of having at least 30% of the seats on both the management board and supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women, to the extent these seats are held by natural persons. Under Dutch law, this is referred to as a well-balanced allocation of seats. We currently do not meet these gender diversity targets but aim to get a more equal share of seats in the coming years.

In terms of manufacturing locations, in 2018 we decided to focus on two areas: maternity and breastfeeding rights.

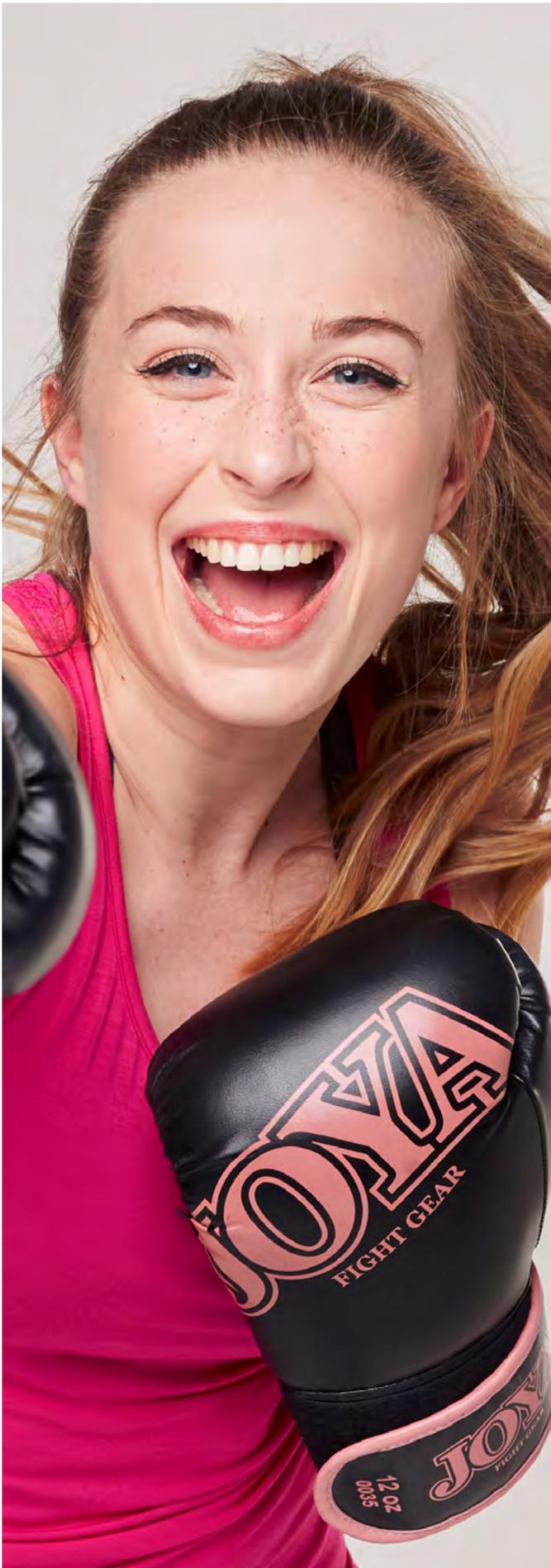
Under a joint project, we are working to ensure an effective implementation of maternity support policy in one factory in Bangladesh. The idea is to increase pregnant female workers' awareness of safe pregnancy and motherhood, as well as increasing the numbers returning to work after pregnancy and numbers following breastfeeding best practice.

In the factory we also aim to ensure effective and continued access to breastfeeding to increase exclusive breastfeeding rates for children in their first 6 months, and ongoing breastfeeding with complementary feeding for children 6 months to 2 years old.

TARGETS

- Achieve 100% gender parity in leadership positions by 2024
- Achieve 50% gender parity in factory management positions by 2024.





COMMITMENT D - WORKFORCE WELL-BEING

To achieve real change, we need to create a movement for sustainable growth within Hunkemöller. We constantly try to find new ways to engage our people on sustainability and to harness their passion to achieve our goals.

Our people are what make Hunkemöller special. Attracting and retaining the best people is crucial to our continued success – we aim for enthusiastic staff who are as passionate about our products as we are.

We hire for attitude and train for skill. This means we look beyond experience and are really interested in what drives our people and makes them tick.

As we hire for attitude, we have introduced video recruitment to our selection process. The Hunkemöller Academy is the heart and soul of our learning and development activities. It's our global online training tool – available in seven languages – and we use it to transform staff who are already engaged into true certified experts.

We want our employees to feel fit, energised, happy and to have fun at work. Our employee app is available on all mobile devices and learning tablets in store. It has become a social addiction amongst our teams and is totally interactive, giving our employees a voice. We are in touch 24/7 and are able to share fun and inspiring content quickly and direct to our staff.

In 2017, we launched Workday, an innovative Global HR system which became the hub for all our people data and processes.

Hunkemöller also has three Work Councils, one in the Netherlands, one in Belgium and one on a European level, in which discuss important developments within the organization with the CEO in an open and honest way. The Work Councils comes together six times of the year for a consultation meeting with the CEO.

There are three committees within the Works Council:

- **Social policy and working conditions:** Meeting with the Dutch HR manager to discuss topics regarding staff, such as working conditions, illness, policies regarding elderly staff.
- **Financial:** Meeting with the CFO three times a year and has access to all financial numbers for Hunkemöller. The committee asks questions about this to keep an insight into our financial status.
- **Constituency:** Responsible for the communication towards the employees and publishes the newsletter every month. This committee is actively involved with elections and recruitment of new members.

COMMITMENT D - SUPPLIER WORKFORCE WELL-BEING

Staying Fit, Vital & Happy

These are some of the improvements we have implemented in our Hilversum, NL Headquarters:

- Weekly offering of fresh fruit baskets around the office.
- Various initiatives undertaken by the Fit, Vital & Happy committee: nutrition workshop, deep relaxation sessions, stress management workshop, etc.
- Various sporting events: weekly bootcamp, yoga sessions, 10-week running clinic, participation in womens' run & mud run.
- Provision of a stop smoking course.
- Massage chair before the Christmas break to help you relax in between meetings.
- A good start to the day with the Barista coffee bar!

Restaurant

Our restaurant offers a wide diversity of food choices and variety of international dishes.

TARGETS

Reduce the average absenteeism rate per employee as a % of total working days by 2024

ABSENTEEISM TARGETS	
	2019
GERMANY	3.3%
NETHERLANDS HQ	3.8%
NETHERLANDS DC	5.9%
NETHERLANDS STORES	7.5%
BELGIUM	6.2%
FRANCE	1.0%
AUSTRIA	1.9%
LUXEMBOURG	5.2%
SPAIN	2.5%
SWEDEN	3.8%
DENMARK	3.3%
SWITZERLAND	1.0%

COMMITMENT E - WORKFORCE SUSTAINABILITY ENGAGEMENT

Our internal capacity building programme is based on our aspirational goals. Including all employees in our sustainability efforts is important for us. Only by knowing about our strategy, opportunities, current status and news, employees are able to be more accountable and responsible.

Every year we deliver training on sustainability topics such as (but not limited to):

- Human rights
- Sustainable materials
- Chemical testing

We also circulate a sustainability newsletter including:

- Current figures regarding compliance, donations, environmental measurements, recycling, etc.
- Industry updates (e.g. newly-set minimum wages in production countries)
- Educational elements
- Updates regarding industry innovations

TARGETS

By 2021 deliver quarterly training to directly involved employees (buying, technical, design) on sustainability topics.

HUNKEMÖLLER ASPIRATION GOALS

Aspiration 2 is for the environment and the following section outlines 2 commitments A and B designed to reduce our environmental impact of direct and indirect operations by 20% by 2024

ASPIRATION 2 - ENVIRONMENT

COMMITMENT A - REDUCE ENVIRONMENTAL IMPACT

Plastic and cardboard recycling

We are committed to improving our resource efficiency by reducing the amount of waste sent to landfill. We do this by increasing our waste recycling and recovery rate, and most importantly by avoiding creating waste in the first place.

In 2017 and 2018 Hunkemöller recycled 1,168 tons of cardboard and 46 tons of plastic collected in our Distribution Centre in Hilversum and stores.

We will intensify our efforts to make sure the waste we generate is reused, recycled and recovered as much as possible.

	CARDBOARD	PLASTIC
2017	568	25
2018	600	21
TOTAL	1168	46

Packaging

While we try to provide our operations with general information on efficient waste management and proper disposal, we focus on preventing waste by reducing packaging early in the supply chain, and by encouraging the reuse of materials.

In 2018 Hunkemöller started an investigation on how to reduce product packaging. We aim to finalise the research in 2019 and implement possible measurements. To reduce waste, since 2014 all our home

delivery packages reach our customers in boxes made out of 100% recycled cardboard. We also charge for plastic bags in the Netherlands and Germany to reduce their usage and have already seen a 50% reduction. We have also replaced some plastic bags with paper ones and have introduced a reusable shopper.

Recycling of hangers

Reuse or recycling of products have always been of great importance for Hunkemöller and together with our hanger manufacturer we have set up a reuse and recycling scheme, making sure all hangers collected from stores in Germany and the Netherlands are taken back and either reused or recycled.

Whenever possible hangers are reclaimed for reuse. Any hanger that cannot be reused is granulated and the reclaimed material is used for producing new hangers. Customised resorting/reuse facilities provide a highly efficient process and the recycling activity ensures that all of the waste streams are managed in the most environmentally responsible manner and that none of the waste material generated goes to landfill.

Bring Sexy Back

Hunkemöller has made resource-efficient management an integral part of the corporate strategy and committed ourselves to take responsibility for the re-

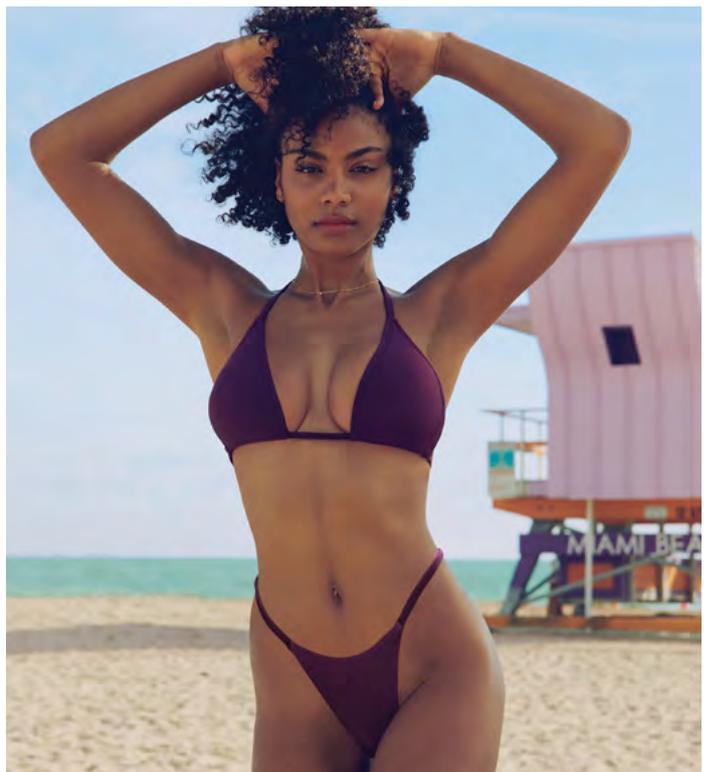
use or recycling of worn products. We believe that textiles used by customers can be re-worn or recycled after their first “life cycle”. Based on this idea Hunkemöller set up and started our own in-store take back programme, Bring Sexy Back, in all 180 stores in the Netherlands. The programme started in 2016 with a pilot in cooperation with I:Co.

Bring Sexy Back created the opportunity for our customers to return used textiles and be rewarded a 10% discount voucher. The returned used textiles are immediately reused wherever possible or, if this is not feasible, they are used as raw materials for new products. If it is not possible for the returned used textiles to be used as raw materials for new products, these materials are recycled properly,

particularly for energy generation purposes.

Furthermore, all of our old stock is sold or recycled in aid of Newlife: The Charity for Disabled Children. This organisation provides support to terminally ill and disabled children, whilst also making sure there is minimal impact on the environment. With the donations in 2017 and 2018, Hunkemöller has helped change the lives of up to 50 children through a piece of specialist equipment with an average cost of €1,500.

The donations in 2017 accounted for 1,918 bags/ cartons and 66 pallets, and in 2018 - 2,293 bags/ cartons and 99 pallets.



COMMITMENT A - REDUCE ENVIRONMENTAL IMPACT

Energy Management

In terms of energy management and energy savings Hunkemöller works towards continuous improvement. It is important for us that energy is used for the right purpose and at the right time. We aim to on a yearly basis improve the energy consumption in our head office and warehouse and for the lighting and heat in our stores.

In November 2016, the EU Commission proposed an update to the Energy Efficiency Directive, including a new 30% energy efficiency target for 2030. The Fourth Energy Efficiency Action Plan for the Netherlands was released in April 2017. Hunkemöller is currently working to ascertain the requirements for retail outlets and have started to develop an Energy Efficiency Action Plan. In the meantime, we have implemented some energy efficiency initiative such as equipping all new stores with LED lights. Since 2014 all the lights (except special future lights and lights above the till) in new and (fully) refurbished stores are LED

lights with an estimated energy efficiency of 80%-90% when compared to traditional lighting.

We aim to in the coming years switch to more green electricity contracts for our retail locations. We are currently consolidating our energy contracts (electricity and gas) for our head office, our distribution centres and retail locations. This will provide us with an opportunity to switch to greener electricity while still saving money compared to the old contracts.

Logistics/ transportation

We are working to optimise the efficiency of our transport in several ways, not only to gain financial benefits but also to decrease the CO₂ emission and our overall impact on the surrounding environment.

In the last year we have taken several measurements. We aim to improve route planning, load optimisation, carrier mix, and mode selection. We also integrate data with logistics and warehouse management processes to optimise both transport and warehouse networks.

In recent years we have been working to optimise the supply chain from production to store.

In 2018 we outsourced the distribution to stores (in the Netherlands) to an external company to improve route-planning and optimise load. In the procurement of transport to stores we prioritised a supplier who work with similar clients. This enables combined transport for us and other brands that operate in the same shopping centre or area.

At Hunkemöller we also aim to fully load containers and boxes. We regularly measure and follow up on the filling degree of the boxes. In 2018 we were able to optimise filling ratio with 8% by packing 40 units per box instead of previous 37 units per box. For our customers we offer different size of boxes to maximise the filling ratio. All our customer facing boxes are made from recycled materials. Hunkemöller aim to always choose for the most environmentally friendly

option for transport. It is a known fact that sea freight is a more sustainable option than air freight and we always try to maximise the share of goods coming by the sea. Sea freight accounted for a major part of the transportation of goods from our production countries. In 2017-2018 75% of our goods were transported by sea freight, 20% by air freight and 5% by road transportation. Due to the negative impact on the environment air freight is only used by exception when there is a need for fast delivery because of delays and/or unforeseen events. For the future we are looking into using rail transportation to reduce CO₂ emissions.



COMMITMENT A - REDUCE ENVIRONMENTAL IMPACT

TARGETS

- By 2024 reach 30% renewable energy in owned or operated facilities and to encourage broader adoption of renewable energy as part of an effort to control absolute emissions
- Reduce the amount of air freight from production to warehouse to below 10% by 2024
- By 2024 have 100% stores operating a recycling programme to donate (resell, recycling) all store write-offs.
- Reduce the total amount of waste to landfill by 25% by 2024
- Reduce the total amount of pre-customer waste to landfill by 25% by 2024
- Reduce the total amount of water used for dyeing and finishing by 20% by 2024
- By 2024 reach 20% renewable energy in direct manufacturing locations including nominated material and component suppliers and to encourage broader adoption of renewable energy as part of an effort to control absolute emissions.





COMMITMENT B - DESIGN SUSTAINABLE COLLECTIONS

Raw materials and fibres

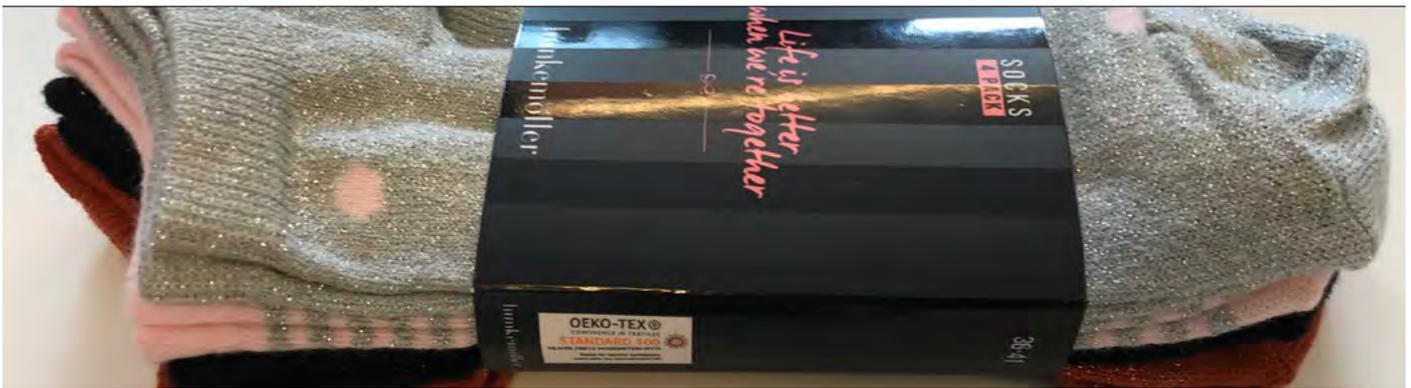
Advancing insight in the area of potential harmfulness of materials can signify that a substance that is considered safe today may become suspect tomorrow. We do our utmost to only use raw materials that are safe for human beings and the environment. If there is cause to doubt the safety of certain substances at any point, we will look for a safer alternative, in collaboration with our manufacturers and suppliers.

Chemicals

Hunkemöller actively work to reduce the use and negative impact of harmful substances in our production and supply chain. We fulfil our responsibilities under the chemical legislation REACH and our products meets the requirements of the legislation.

Restricted substance list

Hunkemöller has committed itself to develop responsible chemical management procedures for all products, including accessories attached to garments, prints and packaging materials. Hunkemöller expects the same commitment from its suppliers and have therefore developed a Restricted Substances List (Hunkemöller RSL 2.0) to inform all suppliers on all chemicals that are banned or restricted in Hunkemöller's production processes and finished products. The purpose of our Restricted Substances List (RSL) is to help reduce the use of hazardous substances in the textile and apparel supply chain.



Our RSL include:

- Legal requirements inside and outside the EU.
- Attention points in requirements from Eco label organisations or mentioned by NGO's, like Greenpeace and OEKO-TEX®

An increasing number of Hunkemöller garments and accessories are certified under the Oeko-Tex Standard 100. The standard guarantees us and our customers that a large number of substances hazardous to health have been excluded or limited in their use.

Offering our customers products that are safe is crucial for Hunkemöller. We have focused on this area for many years and are making every effort to have an increasing amount of our products made in Oeko-Tex certified factories. Oeko-Tex is the world's leading health labelling of textiles. The standard has been an international benchmark for safety throughout the entire textile chain since 1992. The requirements are regularly updated and adapted to the latest research within the medical sector and developments in the textile sector. The requirements are the same throughout the world - a necessity because of the differences which exist in statutory requirements and concepts of safety in different countries. Oeko-Tex goes further than required by law, and with stricter requirements than similar labels within the area of health hazards. These requirements concern the content of chemicals which

can, or which are suspected of being able to, cause skin irritation, allergy, cancer, damage to the nervous system and internal organs, and reproductive ability.

The list of substances which are prohibited or limited in Oeko-Tex labelled products is available at www.oeko-tex.com.



BPA

All water bottles we sell in store or on our website(s) are free from Bisphenol A (BPA) and made from safe materials, approved for food and according to the EU directive on plastics and packaging that comes into contact with food.

Network groups

We also participate in different networks that share information and knowledge about chemical risks in order to reduce the negative effects of using chemicals in production and to find substitutes for harmful and undesirable chemicals. Hunkemöller is a member of Modint and receives support regarding the testing processes and restricted substance list.

TARGETS

- Reach an annual growth of 5% sustainable materials
- 100% products compliant with the Hunkemöller material policy
- 100% materials in compliance with the Hunkemöller restricted substance list by 2022.



We recognise the huge impact chemicals have on our environment and health, but also recognise that chemicals are needed in the production of textiles. Our challenge is to reduce the use of harmful chemicals and to increase the use of better chemicals. To address this significant challenge we are constantly monitoring and updating our RSL (Restricted substance list) to ensure it is in line with the best practices within the textile industry.

Julie Scotney - Head of Technical



HUNKEMÖLLER ASPIRATION GOALS

Aspiration 3 is for the community and the following section outlines 2 commitments A and B designed to empower customers and employees to live a more healthy, active, animal-friendly and sustainable life by 2024

ASPIRATION 3 - COMMUNITY

COMMITMENT A - EMPLOYEE WELL-BEING

Helping the community

Hunkemöller actively supports recognised charities such as the breast cancer foundation Pink Ribbon campaign, the Dutch Cancer Society (KWF Kankerbestrijding), Newlife the Charity for Disabled Children, Resto du cœur and Secours Catholique.

Pink Ribbon

In 2016 Hunkemöller entered into a partnership with Pink Ribbon by supporting the organisation financially to help their cause of research in the field of treatment, aftercare and long-term effects of breast cancer.

We sell Pink Ribbon customised products such as bracelets and nightgowns in our physical and online stores. The profit for each product's sales is donated to the Pink Ribbon organisation.

We aim to actively encourage our employees to support the Pink Ribbon organisation, by offering new employees the opportunity to donate a small percentage of their monthly salary to the cause and by encouraging employees to participate in Pink Ribbon events to raise funds in our name, such as sponsored sports events.

In collaboration with Pink Ribbon, Hunkemöller designs and sells a special bracelet that launched for breast cancer day. Also from 2017, we have sold a Christmas bauble in our top stores in The Netherlands, Belgium and Germany for customers to hang on their Christmas trees. As with the bracelet, the profit will financially support Pink Ribbon.

Donations plastic bags revenue

The full revenue of the plastic bag charge in the Netherlands, Germany and Spain is donated to charity.

TARGETS

- From 2019 to 2024 double charity donations via the Hunkemöller Foundation
- Maximise social impact by offering a corporate volunteering programme for Hunkemöller.



As a globally operating business, we want to do our part and support good causes at a national level. It felt logical for us, as a women-oriented organisation to support Pink Ribbon in our two main countries. Hunkemöller wants to support women with breast cancer through campaigns and donations. We also encourage our employees to donate for pink ribbon via the salary donation programme. This way we, as an organisation, can contribute to funding breast cancer research and thus to a better and longer life of the (ex) breast cancer patients.

ALEXANDRA LEGRO
Global Marketing & Communication Director



COMMITMENT B - ANIMAL WELFARE

Animal Welfare

Hunkemöller currently do not offer any products in store or online of animal origin. We believe it is not acceptable for animals to suffer in the name of products we make and sell. No animals should be slaughtered or harmed to produce products sold by us. Hunkemöller is committed to ensuring all apparel, accessories, footwear and other products are manufactured in a manner that is not harmful to animals.

We have adopted a fur-free Policy and publicly re-affirmed our commitment to being a fur-free retailer by becoming a member of the Fur Free Alliance.

When applicable, we aim to source materials of animal origin in a humane, ethical and sustainable manner with respect to animal welfare, and species conservation.

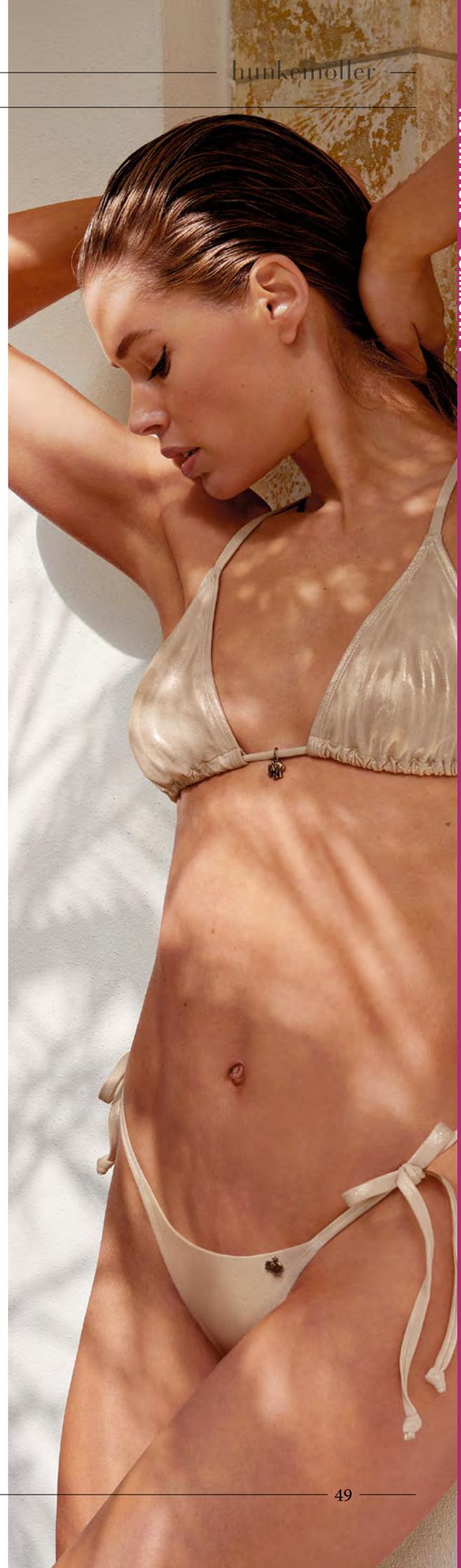
We refer to the “Five Freedoms” concept, promoted by the World Organisation for Animal Health (OIE), as the guiding principles for our animal welfare policies. Hunkemöller is committed to strictly complying with all applicable laws, conventions and regulations.

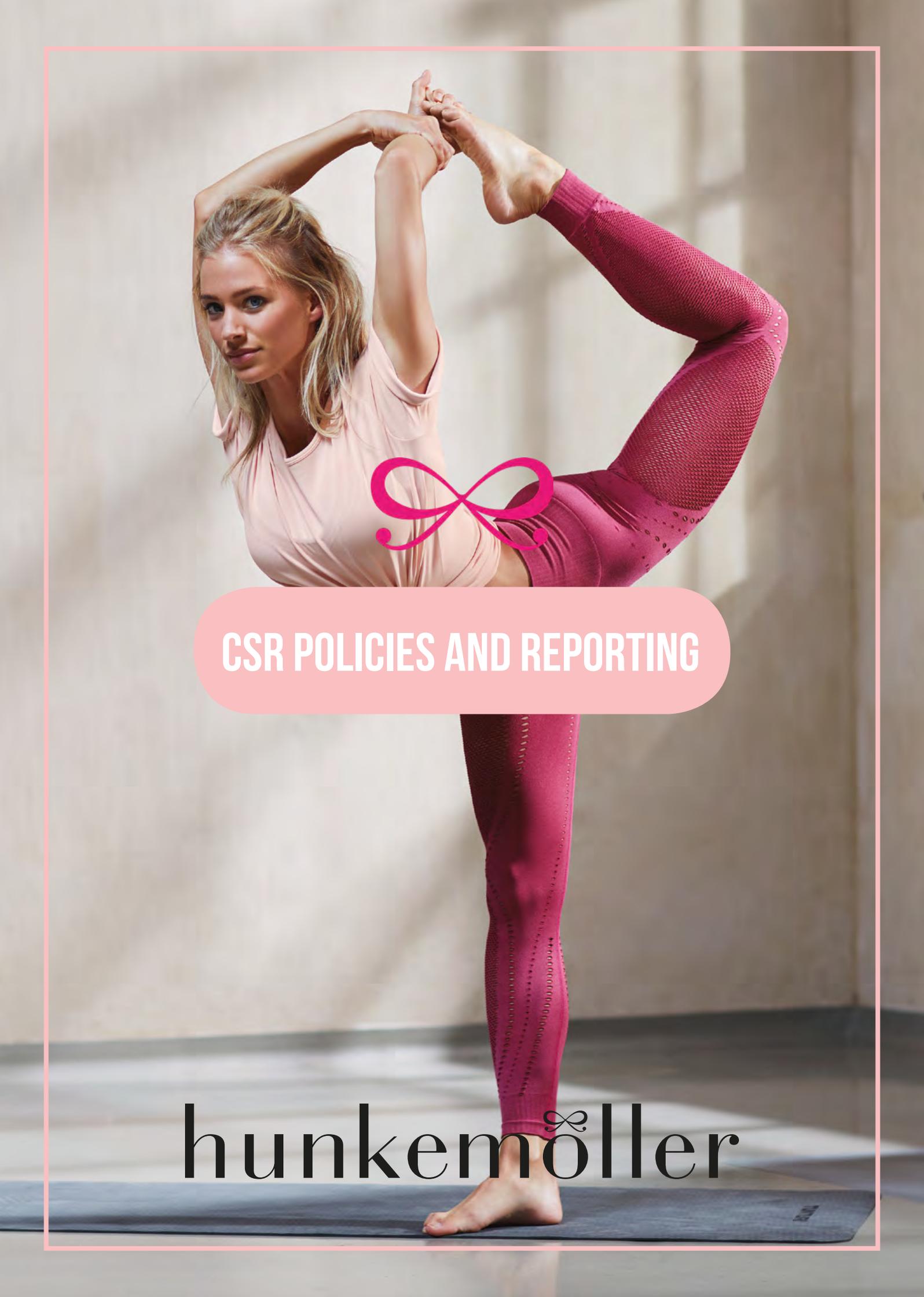
Additionally, we adhere to global guidance provided by the following conventions:

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendix I
- The European Commission Wildlife Trade Regulations
- Our standard and commitment can be found in detail in our Animal Welfare Policy.

TARGET

- 100% products compliant with Hunkemöller Animal Welfare Policy.





CSR POLICIES AND REPORTING

hunkemöller



CSR POLICIES

We are proud of our company values and the trust we have built with our suppliers, employees and partners. Our employees and relations should always comply with the legislation and regulations of the countries in which we are active and comply with the values and standards that apply within Hunkemöller and which have been laid down in our Code of Conduct.

Hunkemöller Code of Conduct

Our internal Hunkemöller Code of Conduct sets out the basic standards we expect our colleagues to uphold. It is updated on a regular basis.

The Hunkemöller Ethical Code of Conduct

The Hunkemöller Ethical Code of Conduct sets out the minimum standards Hunkemöller requires from all suppliers who manufacture or procure goods or perform services for Hunkemöller.

The Hunkemöller Ethical Code of conduct is based on Hunkemöller's vision and commitment to improve health, safety, equality and development, and ensure fair and decent working conditions.

This Ethical Code of Conduct is applicable to all suppliers, their subcontractors and other business partners, who do business with Hunkemöller. Standards equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part-time, night, and migrant workers.

The Hunkemöller Ethical Code of Conduct has been created to fulfil our commitment to our employees, to our customers, to our shareholders and to other stakeholders.

The Hunkemöller Animal Welfare Policy

Business partners are expected to share Hunkemöller's commitment to strictly comply with all applicable animal welfare laws, conventions and regulations as set out in the Hunkemöller Animal Welfare Policy.

Manufacturing processes must not be harmful to animals and no animals should be slaughtered specifically to produce goods for Hunkemöller. Materials of animal origin must be sourced in a humane, ethical and sustainable manner with respect to animal welfare, and species conservation.

The Hunkemöller Material Policy

Hunkemöller is committed to source our materials in an ethical, transparent and responsible manner. Our requirements for sourcing of materials are set out in the Hunkemöller Material Policy.

We recognise that producing fibres and materials requires a lot of (non) renewable resources such as water, energy and chemicals, which all can have a major effect on people and the environment.

Our material policy includes our general standpoint on sourcing of materials and it covers mainly raw material production and expectations when sourcing sustainable materials. It also includes material-specific requirements since sourcing of these materials require due diligence processes at supplier level to ensure that any risks are identified and addressed.

CSR POLICIES

By working closely with Business partners and expert organisations we aim to source more sustainable materials to reduce our carbon, water and waste footprint but also to limit chemical and pesticide usage, prevent deforestation and protect fresh water and biodiversity.

The Hunkemöller Child Labour Policy

The Hunkemöller Child Labour Policy describes Hunkemöller's zero tolerance approach, the requirements for business partners and remediation process in the event of child labour allocation. Hunkemöller do not accept child labour at any locations in the supply chain. It is essential for Hunkemöller that children are not put at risk or deprived of an education or childhood.

Hunkemöller Restricted Substance List (RSL)

Hunkemöller is committed to responsible chemical management procedures for all products, including accessories attached to garments, prints and packaging materials. We expect the same commitment from our suppliers. Our requirements include the strictest legal requirements both inside and outside the EU, mostly covered by REACH and are described in the Hunkemöller Restricted Substance List.

We encourage employees and business partners to report code or policy violations using our confidential, anonymous grievance mechanism. This allows us to detect the first signs of wrongdoing quickly and carry out corrective measures without delay.

Memberships – Joint

Initiatives

BSCI

The Business Social Compliance Initiative (BSCI) is an initiative of the Foreign Trade Association (FTA) and a leading supply chain management system supporting Hunkemöller (and companies alike) to implement compliance and improvements within their global supply chain.

Hunkemöller has been an active member since 2004, and makes use of the Code of Conduct, management tools, monitoring system, capacity building and external auditing. Due diligence is at the core of the system, implementing a risk-based approach in order to proactively identify, prevent and address adverse human rights impacts detected in the supply chain.

ACCORD

In 2018, Hunkemöller signed the 2018 Transition Accord on Fire and Building Safety in Bangladesh, a follow-up on the Accord on Fire and Building safety (signed by Hunkemöller in 2015) designed to build a safe and healthy Bangladeshi Ready-Made Garment Industry.

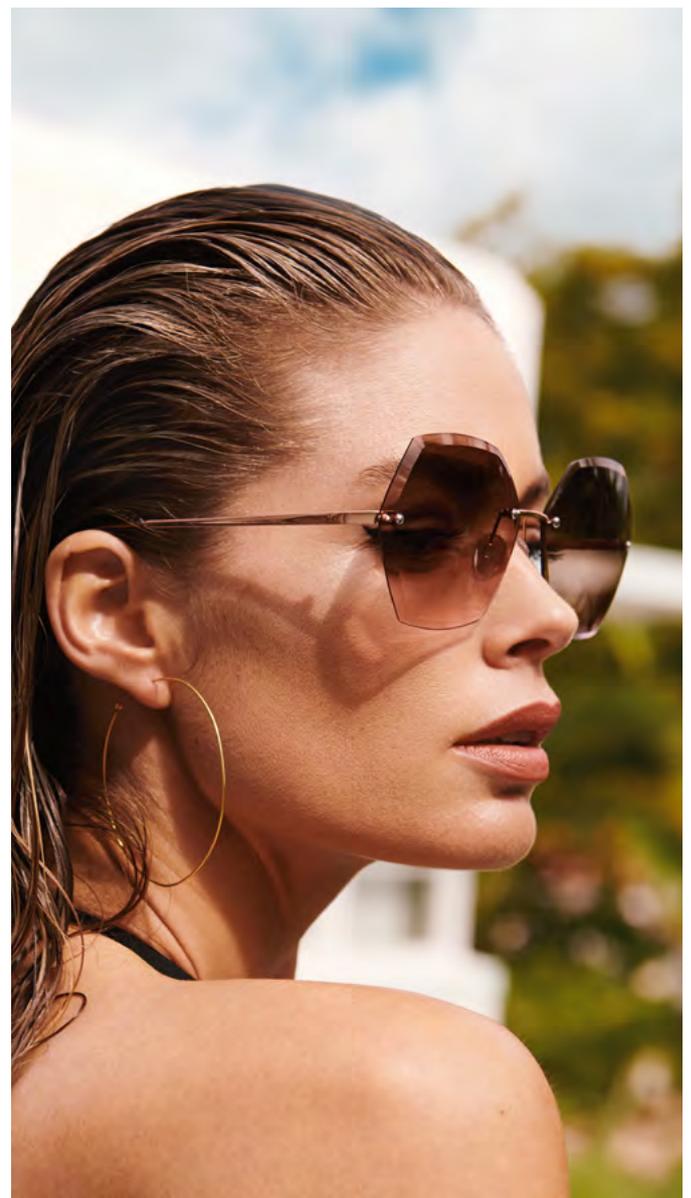
The agreement was created in the immediate aftermath of the Rana Plaza building collapse that led to the death of more than 1100 people and injured more than 2000. In June 2013, an implementation plan was agreed on, leading to the incorporation of the Bangladesh Accord Foundation in the Netherlands in October 2013. The Accord is a legally-binding agreement between global brands, retailers, the IndustriALL Global Union and UNI Global Union, and eight of their Bangladeshi affiliated unions, to work towards a safe and healthy garment and textile industry in Bangladesh.

AGT

On the 4th of July 2016, Hunkemöller became a signatory of The Dutch Agreement for Sustainable Garments and Textiles. This is the first of its kind and is a Dutch covenant that follows on from the original Dutch National Action Plan, first presented in 2013. The aim is to bring positive and sustainable change to the textile and garment industry all over the world and it is supported by trade unions, industry organisations, civil society organisations and the Dutch government.

Joint multi-stakeholders initiatives:

We are aware that the biggest challenges facing the world cannot be addressed by one company alone. Hunkemöller is changing as a business and want to help transform the system in which business is done. By collaborating with others through discussions, partnerships, joint project and shared efforts we aim to help deliver positive social and environmental impact at scale. We want to use our influence to bring transformational change and believe leveraging partnerships is the best road towards true sustainability.



HOW WE REPORT

This is Hunkemöller’s Sustainability Report for the period January 2017 to December 2018. The Sustainability Report 2017-2018 is Hunkemöller’s first published sustainability report. The contents are based on our sustainability strategy and performance analysis.

The information presented in the Sustainability Report is partially externally assured.

Stakeholders Engagement

We feel it is important to involve our stakeholders in our journey towards sustainability. For this reason, we do engage and seek collaboration with our stakeholders in multi-stakeholder initiatives – such as the Bangladesh Accord and the Dutch Agreement on Sustainable Garment and Textile. Engagement in multi-stakeholder initiatives and participation in joint projects makes it possible for us to take our stakeholders expectations into account when setting our strategy and working towards continuous improvement.

Although there is room for improvement, we are proud of the steps that we have taken and we will continue engaging in an active and regular dialogue with our stakeholders to be able to understand their expectations. To date, our sustainability efforts have not been fully publicly shared and we hope that by publishing this report we can provide more insight into Hunkemöller sustainability journey.

The table provides an overview of our identified primary stakeholders, how we interact with them and the topics we discuss.

	ENGAGEMENT PRINCIPLES	INTERACTION	KEY SUSTAINABILITY TOPICS
CUSTOMER	Our customer is at the heart of everything we do. We want to keep our customer satisfied by including her to achieve best sustainable outcome.	In-store interactions, social media, customers service, website, membership programme, newsletters, market research, customers surveys.	Labour practices, transparency, health and safety, animal welfare, sustainable materials, waste practices, recycling, charity work (e.g. Pink Ribbon).
EMPLOYEES	Our people are what make Hunkemöller special. Retaining the best people who are passionate about our products and our work is crucial to our continued success.	Newsletter, In-touch app, emails, presentations, workshops, meetings, surveys.	Labour practices, transparency, health and safety, animal welfare sustainable materials, waste practices, sustainable sourcing, sustainable design, recycling.
INVESTORS	We believe in transparency of our business operation towards our investors. Relevant information will be disclosed in a timely, appropriate and accurate manner.	Meetings, surveys, reporting and inquires.	Labour practices, transparency, health and safety, sustainable materials, waste practices, sustainable sourcing, charity work, recycling.
BUSINESS PARTNERS	We aim to work in partnership with our suppliers as sustainability improvements depends on collaboration and commitment from both parties.	Supplier conference, supplier manual, meetings, surveys, email, workshops.	Labour practices, transparency, health and safety, sustainable materials, waste practices, sustainable sourcing, sustainable design, recycling.
MEDIA	Our objective is to always have an open dialogue with media and value a collaborative approach to achieve best possible outcome.	Press release, interviews, press events website.	Labour practices, recycling, charity work (e.g. Pink Ribbon).
ASSOCIATIONS	We aim to continue our engagement with industry associations. Collaboration and discussion with other companies and stakeholders will result in better solutions to common challenges.	Networks, collaboration forums, workshops, website, meetings, projects, memberships.	Labour practices, transparency, health and safety, sustainable materials, waste practices, sustainable sourcing, sustainable design, recycling.

HOW WE REPORT

	ENGAGEMENT PRINCIPLES	INTERACTION	KEY SUSTAINABILITY TOPICS
NGOS	Our objective is to always have an open dialogue with NGOs and value a collaborative approach to achieve the best possible outcome.	Joint-projects, networks, collaboration forums, workshops, website.	Labour practices, transparency, freedom of association and the right to collective bargaining, health and safety.
UNIONS	Our objective is to always have an open dialogue with Unions and value a collaborative approach to achieve the best possible outcome.	Networks, collaboration forums, workshops, website, meetings, projects.	Labour practices, transparency, freedom of association and the right to collective bargaining, health and safety.
GOVERNMENT	We aim to continue our engagement with the government as we believe collaborations is the best way to industry wide success.	Joint-projects, networks, collaboration forums, workshops, website.	Labour practices, transparency, health and safety, animal welfare, sustainable materials, waste practices.



A woman with her hair in a braid, wearing a dark sports bra and leggings, stands in a gym holding two wooden rings suspended by black straps. The background shows a row of white lockers.

A BRAND BUILT WITH PASSION

This is Hunkemöller's first sustainability report. We are happy to share this with you and we are excited about continuing this work in the future. If you have any questions or concerns regarding our sustainability work, that you were unable to find the answer to in this report, we would be happy to help you via the postal or e-mail addresses below.

**WE ARE EXCITED ABOUT OUR JOURNEY AND LOOK FORWARD TO SHARING
NEW DEVELOPMENTS WITH YOU IN THE NEXT REPORT.**

Corporate Social Responsibility
Headquarters Hunkemöller International B.V.
Liebergerweg 28
1221 JS Hilversum
The Netherlands

Via e-mail: corporateresponsibility@hunkemoller.com



hunkemöller