# SUSTAINABILITY REPORT 2018

MRFG THE HOME OF

MARYLISE Remboskyling-

Designed with passion in Belgium Made with love in Portugal

## **ABOUT THIS REPORT**

Name of the organization

## Marylise & Rembo Fashion Group NV

Generaal Belliardstraat 21-23 2000 Antwerpen Belgium

#### Rembo Confeccoes LDA

Rua do Pinhalzinho 2 2420-348 Quintas do Sirol Portugal

#### **ACTIVITY**

Marylise & Rembo Fashion Group NV designs and produces wedding dresses that find their way to brides worldwide via stores specializing in wedding wear.

#### **SCOPE**

The information, figures and ambitions in this report concern our activities in Belgium and Portugal.

#### REPORTING DESIGN, PERIOD AND FREQUENCY

This is our first sustainability report. It represents our CSR ambitions in six areas that we consider very important when we want to design, produce and distribute wedding dresses in a more sustainable way.

The figures quoted mainly relate to the financial year 2018. In this sense, this report constitutes a baseline measurement and are the ambitions included in it our CSR to do list.

Although this report has many features, it does not fully follow the reporting standard of the Global Reporting Initiative (GRI - www. globalreporting.org). For example, we cannot go back three years in time for all recorded figures. And because we mainly "just wanted to start", it did not lead to a formal stakeholder consultation and materiality exercise.

What is not, will come. We prefer, however, in an organized organic way to grow towards a GRI-compliant sustainability report.

We intend to report every two years on our CSR policy and, more importantly, on its results.

We also always link our ambitions to the United Nations Sustainable Development Goals that are involved.

#### **OUR CSR PARTNERS**

Path guidance:
Flanders DC with support from OVAM
(Flanders Circular)
Advice:
Roosmarie Ruigrok from Clean & Unique
Annet Sunderman from Fabric Consulting
Frank Van Damme from Commotie

## **TABLE OF CONTENTS**

#### Contents

Ambition 6.5 A sneak preview

| Introduction About Marylise & Rembo Styling Our CSR topics and the run-up to them On the way to our CSR topics                                 | 5<br>5<br>8<br>9 |
|--|------------------|
| A sneak preview  | 10               |
| CSR-TOPIC 1: MATERIALS MATTER! The context Ambition 1.1 Ambition 1.2 Ambition 1.3 Ambition 1.4 Ambition 1.5 Ambition 1.6 A sneak preview       | 11               |
| CSR-TOPIC 2: NO TIME FOR WASTE The context Ambition 2.1 Ambition 2.2 Ambition 2.3 A sneak preview  | 14               |
| CSR-TOPIC 3: WHO MADE MY DRESS? The context Ambition 3.1   | 16               |
| CSR-TOPIC 4: RESPECT! The context Ambition 4.1 Ambition 4.2 Ambition 4.3 A sneak preview   | 18               |
| CSR-TOPIC 5: GETTING OUR MESSAGE OUT The context Ambition 5.1 Ambition 5.2 Ambition 5.3 Ambition 5.4 Ambition 5.5 Ambition 5.6 A sneak preview | 21               |
| CSR-TOPIC 6: NOT JUST ANOTHER DAY AT THE OFFICE The context Ambition 6.1 Ambition 6.2 Ambition 6.3 Ambition 6.4                                | 24               |

#### **PREFACE**

When we registered for the "Close the loop" trajectory in September 2018, we could never have predicted the impact.

Our selection ensured that every facet within our organization got examined in order to be able to implement more sustainable business processes. The ambitions were prepared for the short term, but also for the future. Because we believe that leading a company in 2019 is inextricably linked with respect for people and planet.

It is our responsibility to do an effort to contribute to a more conscious society. We take this responsibility even more seriously since the "Close the loop" process started.

The outlines are laid out, the direction is determined and we put our shoulders fully under it.

This report is both the end point of the guidance process and the start of our CSR strategy.

#### **ABOUT MARYLISE & REMBO STYLING**

Marylise & Rembo Fashion Group (MRFG) is a Belgian family business that for four generations has been involved in the design, production and selling of creative and high-quality wedding dresses.

Everything started in 1926 with a hat shop - Le Chapeau. From hats, our activity evolved into wholesale of bridal accessories with its own small bridal collection. Today MRFG is a beautiful family business that inspires two Belgian bridal brands: "Marylise" and "Rembo Styling".

Regardless of the creative aspect, all wedding dresses bear the stamp of unique craftsmanship. They are produced in Portugal in an artisanal but very efficient and lovingly tailor-made way by highly skilled seamstresses, piece by piece. We truly consider our Portuguese atelier, which we acquired through the acquisition of the Rembo collection in 2008, as the soul of MRFG.

What we design in Belgium and produce in Portugal, we sell through roughly 653 independent points of sale worldwide. Future brides can buy our creations in Europe as well as in the United States, Russia, Australia, China and Japan. And of course also in Belgium where we work together with 29 stores.

MRFG had 54 employees in 2018, including 14 in Belgium and 40 in Portugal.

#### Mission and values

The mission of Marylise & Rembo Fashion Group? Inspire brides all over the world and give them an unforgettable wedding day.

The MRFG corporate culture helps us achieve that mission every day. It has six basic values:

- Team spirit
- Creativity
- Respect
- Responsibility
- Continuity
- Reliability

#### Solid company

2026 is in the offing. MRFG will then exist for 100 years. A beautiful milestone that we look forward to. What applies to people, however, also applies to companies: without good health you cannot touch 100 candles on your cake. And thus that same milestone proves that MRFG is a solid whole with a well-considered policy.

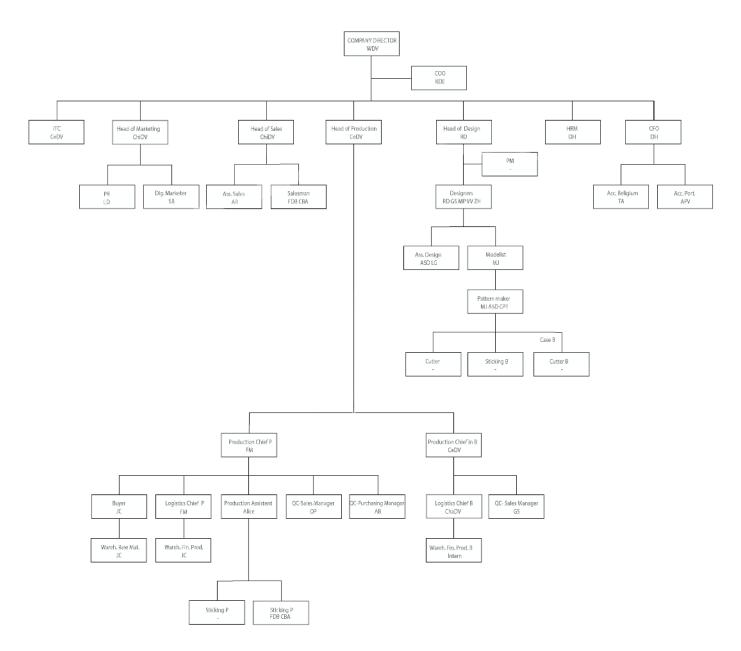
With "solid" we imagine not so much growing sales and profit figures. A steady increase in one's own capital (capital + reserves + transferred result) combined with solid solvency (debts in % of equity).

|          | MARYLISE     | MARYLISE REMBO FASHION GROUP —— |              |  |  |  |  |  |  |
|----------|--------------|---------------------------------|--------------|--|--|--|--|--|--|
|          | 2016         | 2017                            | 2018         |  |  |  |  |  |  |
| EQUITY   | 1.126.745,00 | 1.130.044,00                    | 1.273.249,00 |  |  |  |  |  |  |
| DEBT     | 1.063.854,00 | 1.664.041,00                    | 1.380.505,00 |  |  |  |  |  |  |
| SOLVENCY | 51,44%       | 40,44%                          | 47,98%       |  |  |  |  |  |  |

|          | REMBO CONFECÇÕES LDA |              |            |  |  |  |  |  |  |
|----------|----------------------|--------------|------------|--|--|--|--|--|--|
|          |                      |              |            |  |  |  |  |  |  |
|          | 2016                 | 2017         | 2018       |  |  |  |  |  |  |
| EQUITY   | 410.888,26           | 674.629,67   | 950.406,00 |  |  |  |  |  |  |
| DEBT     | 989.770,75           | 1.152.510,84 | 892.027,00 |  |  |  |  |  |  |
| SOLVENCY | 29,34%               | 36,92%       | 51,58%     |  |  |  |  |  |  |

The shares of MRFG are 99.8% owned by Vlimmo NV, the holding company of the De Vlieger family. MRFG, in turn, owns 100% of the shares of Rembo Confeccoes LDA; the production entity in Portugal.

#### ORGANOGRAM BELGIUM AND PORTUGAL



### The MRFG management team consists of:

- Werner De Vlieger
- Karine Debusschere
- Cedric De Vlieger
- Chiara De Vlieger

This management team discusses four times a year the strategy, opportunities, challenges and results with the advisory board, consisting of:

- Daisy Hiel
- Stan Schoonbaert
- Stephan Baptiste
- Pierre De Maerel

#### The Rembo Confeccoes management team has two people:

- Florival Mendes
- Ana Paula Viana

In the course of 2018 we created a CSR team that will provide direction to our sustainability efforts. It is composed as follows:

- Chiara De Vlieger
- Cedric De Vlieger
- Ruth Donné
- Ann-Sofie D'Hollander

#### OUR CSR TOPICS AND THE PATH TOWARDS IT

#### Fashion in turbulent water

Anyone who holds fashion against the light of sustainable business sees things like:

- Textiles from fossil raw materials
- Cotton that cannot do without pesticides and huge amounts of water
- Limited recyclability
- Overstocks that largely end up in the landfill or incinerator
- Poor working conditions and others questionable practices in the production chain
- ..

All this beauty effortlessly places the fashion sector in the top five of the world's most polluting sectors. Especially NGOs, civil society organizations and conscious consumers (organizations) have therefore been under pressure for several years. This also applies to bridal fashion, albeit to a lesser extent.

In addition to global production and product-related CSR themes, there is also something nearer like the footprint of your own organization. And you better look at it quite broadly. How sustainable do you manage operational aspects such as communication, IT, storage and distribution? What is the water and electricity consumption and the 'facility management' in general? Are we trying to limit waste? To sort? Are 'people' really 'our most valuable asset'?

There was therefore plenty of opportunity to make "local" corporate social responsibility concrete.

#### And MRFG?

As we indicated, MRFG is a family business with deep roots; a Flemish SME that, like so many Flemish SMEs, follows its own cost-conscious course with respect for people, customers and the environment (in this order).

With Flemish SMEs, a lot is already happening at a CSR level. Because tradition wants it, because the healthy common sense knows that it is good or because, very simply, it is more profitable. However, it rarely contains structure. And at least as often, they had to go the extra mile.

And then the questions from expectant brides regarding the circumstances in which their dress will be sewn start to come. And by who? And from which material?

And then a fourth generation comes. Millenials. It is said that they are looking more than previous generations to meaning; that they want to make a positive contribution to the world.

And then there is an advisory board that, in addition to the sustainable, also sees the strategic benefits of a structured CSR approach.

Does it still have to be said that the project call "Close the Loop" from Flanders DC (with support from Flanders Circular) was perfectly timed? We were happy that "our file" was picked out; especially when we learned that there were no fewer than 32 candidates for the eight available counseling programs.

#### ON THE WAY TO OUR CSR TOPICS

In the context of this sustainability report, it would lead us too far to describe the guidance process in detail.

In short, it boiled down to - in consultation with Flanders DC employees and the experts they appointed - being able to map the domains in which sustainability for MRFG proved realistic and impactful. We always defined our ambitions, linked with a planning in time.

They eventually became six domains; six "CSR topics" that we have each given a "call sign". We list them below and each time briefly describe what is going on.



In 2018 MRFG purchased more than 260 km of fabrics of various types. How can we make the textile flow more sustainable?



How can we limit production waste to an absolute minimum?



How far can we go in closeby sourcing and producing?



Because our "people" and our "planet" deserve that.



How can we make our packaging and communication more sustainable?



CSR in a radius of five meters around your desk. And more.



In what follows, every CSR topic forms a chapter. We always describe the context(s) and contrast our ambitions with a timeframe within which we want to realize them.

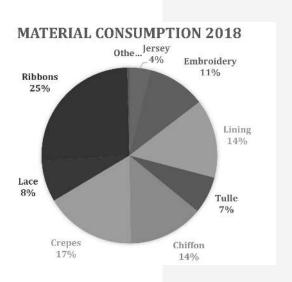
know how things are going in the meantime within countless CSR topics. To prevent that you have to go away empty-handed until mid-2021 when our next sustainability report appears, we already give a "sneak preview" of the results achieved. Completely in line with the efforts in our sector, you will find it with every topic under the heading "A sneak preview".



#### **CSR-TOPIC 1: MATERIALS MATTER!**

## The context

MRFG purchased roughly 263 kilometers of textiles in 2018. At a rate of around 15 meters of fabric per dress, that meant an annual production of 17,533 wedding dresses that included the following types of textile.



| MATERIAL CONSUMPTIONS 2018 |                   |  |  |  |  |  |  |
|----------------------------|-------------------|--|--|--|--|--|--|
| TYPE OF FABRIC             | QUANTITY CONSUMED |  |  |  |  |  |  |
| Jersey                     | 10287 m           |  |  |  |  |  |  |
| Embroidery                 | 28122 m           |  |  |  |  |  |  |
| Lining                     | 38087 m           |  |  |  |  |  |  |
| Tulle                      | 17980 m           |  |  |  |  |  |  |
| Chiffon                    | 36447 m           |  |  |  |  |  |  |
| Crepes                     | 43871 m           |  |  |  |  |  |  |
| Lace                       | 19945,37 m        |  |  |  |  |  |  |
| Ribbons                    | 67303,01 m        |  |  |  |  |  |  |
| Organza                    | 510,45 m          |  |  |  |  |  |  |
| Cotton                     | 569,93 m          |  |  |  |  |  |  |

The context can be sketched quite simply: no meter of the substances in the overview above can claim the designation 'sustainable'. It is therefore obvious that we can achieve a major impact within this CSR topic, albeit that we will have to be cautious and systematic.

After all, a survey with our current suppliers showed that, in the best case scenario, some were at the start of the journey to a sustainable variant of their product. For most it turned out sustainable textiles, however, still a small dot on a far horizon.

#### So switch over?

Yes, but...

- You do not "just" break a commercial relationship that sometimes goes back to three generations.
- These long-term relationships are based on continuity in service and quality. What will new suppliers offer in this area.

• Who are those "new" suppliers, by the way? Where can we find them? What are their (reliable) certificates, their prices, their minimum order quantities, their references ...?

And so we had to reconcile our urge for impact with an approach that involved a cautious evolution rather than a brutal revolution.

This balancing act delivered the following ambitions and planning.

## MA Ambition 1.1

We visit the important textile fairs - such as Future Fabrics Expo and Première Vision - with the specific objective to get to know suppliers of sustainable fabrics and their products. Second objective is to examine how the current suppliers evolve and raise awareness.

We pass on the knowledge acquired in this way to the design team. We set up an inventory system that makes the possible choices easier. The team also receives a training course "zero waste design" or "how do I design with less material?"

## (L) Timing

Continuing from summer 2019.

## Ambition 1.2

We are developing a capsule collection of six models within the Rembo Styling collection. These models must contain the highest possible percentage of sustainable textile materials.

## (L) Timing

A first prototype must be completed by September 2019. We provide a soft launch in London during White Gallery. The official launch for the launch to the wider B2B audience will be during the B2B event Barcelona Bridal Week in April 2020.

## Mark Ambition 1.3

We translate what we learn from the responses to the capsule collection into adjustments in the purchase and in production department in order to expand the number of "sustainable models" in all collections with 5% per year. In addition, we should be able from 2021 to offer a sustainable alternative from basic materials.

## (L) Timing

Continuously from April 2020.

#### Ambition 1.4

We draw up a code of conduct that stipulates that the supplier who signs it respects the universal human rights and the conventions of the International Labor Organization, complies with environmental and other legislation in the countries in which it operates...

The top 80% of our suppliers must sign this code of conduct.

## (L) Timing

Continually from September 2019 to spring 2020.

#### MAMbition 1.5

All our suppliers must prove their products are Oekotex certified. Thi way we are sure that we are nothing processing containing carcinogenic or other harmful substances. In addition, we collect the other certificates from all our suppliers (GOTS, Global Recycling Standard ...).

## (L) Timing

Continuing from September 2019 to spring 2020.

### Mark Ambition 1.6

In Portugal we will switch to recycled pattern paper of a lower weight.

## (L) Timing

Course of 2019.

#### **SDGs**

If we achieve these ambitions, we will contribute to the realization of the following sustainable development objectives









## 📝 A sneak preview

We visited the Future Fabric Expo and Première Vision. That resulted in a lot of new, sustainable fabrics that we have thoroughly tested since then. Not unexpectedly, we constantly ran on high minimum order quantities (usually minimum 5,000 m2).

- That prototype is coming. And indeed September 2019!
- We came in contact with Solid. This is a non-profit organization that motivates and guides young, unskilled women in Peru to develop and produce sustainable textile fabrics. The revenues from this activity meanwhile feed a lot of families. Their story fits in nicely with ours and in addition, their minimum order quantity is acceptable. We are very curious as to where our further discussions will lead.
- A Code Of Conduct was drawn up and the main suppliers were asked to sign and comply.



## **CSR-TOPIC 2: NO TIME FOR WASTE**

#### The context

Who does not dream of producing without waste? We certainly do! And so we started working on this "zero waste" topic

Also here, the context can be summarized quite simply. In the fashion sector waste is generated in roughly three ways:

- by producing too much, creating overstocks. A high percentage of these overstocks still end up in the garbage belt or in the incinerator; very unjustified as waste considered;
- with the design. Designers simply have to make prototypes, which results in cutting and packaging waste. In addition, the prototypes cannot be preserved forever;
- during production. In this case it is not limited to cutting waste and packaging, but also waste specific to the production method, rejected items or production runs, etc.

#### **Overstocks**

When it comes to waste, the context at MRFG differs from that of the fashion sector in one important point: we only work on order. Our retail customers worldwide make their choice from our collections each year, present that range to their customers, and then we tailor the ultimately chosen model and deliver it to the retail customer. No stocks, nor overstocks. We are therefore doing well in this area.

#### **Prototypes**

Every fashion house has prototypes and models. That is no different with bridal fashion. MRFG has 60 models per collection, each preceded by two prototypes. Those models "go on a journey" and

visit the wedding stores. They can order the models as long as the fabrics are in stock.

But what do you do with the models once they have been taken out of production? We used our move to our new office (see CSR topic 6) to organize a "stock sale".

#### Waste

For our activities in Belgium, with a focus on design and distribution, we mainly look for sustainable solutions for cutting waste. After all, we sort paper, cardboard, plastic, etc. and go along with the standard waste collection for recycling.

In addition to cutting waste, the production in Portugal supplies plastic and cardboard waste. This is about one container per month of which 80% is filled with cutting waste. The remaining 20% is equally divided between plastic and cardboard waste. As far as Portugal is concerned, we have been working for a long time with a recycling company that collects the container every month for a fee.

We know that the plastic and cutting waste is recycled into construction materials. The cardboard is "just" recycled.

To realize our ideal of zero waste we came to following ambitions.

## Ambition 2.1

We are looking for solutions for Belgian cutting waste. Thinking tracks here are:

- Cooperation with the "Carpet of Life" project
- Collaboration with companies such as <u>Recovertex</u> or <u>Hifesa</u>, who transform textile waste again to yarns
- ..

## (L) Timing

Continuously in 2019.

## Ambition 2.2

In Portugal we will mainly focus on plastic waste. Because we have just invested in a new cutting machine, we can only check at this stage whether we can work with an alternative (thinner plastic or bio plastic). In collaboration with machine manufacturer Gerber, we will examine how far we are and can go into this and what that means in terms of less kilograms of plastic waste.

## © **Timing** 2019

#### Ambition 2.3

We organize stock sales every five to ten years to get rid of prototypes and models in a responsible way.

## (L) Timing

2024

#### **SDGs**

If we fulfill these ambitions, we will contribute to the realization of the following sustainable development objectives







## A sneak preview

- The possibility for spinning yarn from Portuguese textile waste, died. The large variety of fabrics within our cutting waste stood in the way of the quality standards. We search further.
- Cutting machine manufacturer Gerber has passed successful tests with biodegradable plastic. This could therefore be an alternative, but the cost price is considerably higher.



## **CSR-TOPIC 3: WHO MADE MY DRESS?**

## The context

"Who made my clothes?" is a question that sounds louder every year since the Rana Plaza drama in 2013.

It explicitly highlights the often miserable working conditions in the fashion industry. It implicitly refers to the equally dubious practices in the production chain of clothing where transparency is hard to find:

- how, from which and where was the textile produced and what is its quality?
- what environmental impact does textile and clothing production have?
- how large is the waste mountain and what happens to it?
- what distance did that dress, those pants, that shirt, ... travel to the warehouses and store shelves?
- ...

Brides-to-be who would ask these questions about our collections, we can reassure them. The working conditions in our production

atelier in Portugal we dare to call excellent. They are discussed in detail in the next CSR topic around "Respect". In addition, our own purchase and our "local" production have positive consequences for the footprint of our production chain.

#### The period before Rembo Confeccoes LDA

In 2008 we acquired Rembo Confeccoes LDA; our Portuguese production unit. Until then, we produced our collections through joint ventures in the Far East. First in Taiwan, later in Xiamen.

Our partners there have always given us the guarantee that the production took place under the best possible conditions. That was also apparent every time we visited the production site ourselves, which we did about 16 times a year.

However, we have never received certificates and it appears not be available today.

#### ...and the period after

Our "Rembo move" heralded the transition of production, mainly from China to Portugal. Although it required investments in the first phase, we knew that the people from Rembo Confeccões, their know-how and the machinery were almost guarantees for a bright future.

Today - and for a long time - everything runs smoothly. Portugal now accounts for 94% of our total production. We produce the remaining 6% elsewhere in the world. That is a deliberate plan. After all, production breakdowns can never be excluded. And forest fires two years ago remained just one kilometer from our atelier ...

#### Sourcing

In addition to (the location of) production, sourcing also determines how local is local. If three-quarters of your raw materials come from the other end of the world, the "local" label loses a lot of its luster.

At MRFG we know very well why we choose which fabrics. Quality always has an advantage in that choice. But whether we are aware of the distance that these substances have to travel? Therefore ...

## Ambition 3.1

We make a baseline measurement that tells us:

- Which textile fabric is purchased where
- What percentage of the purchased volume is purchased within which radius of our atelier.

We set targets to reduce those distances. Below an overview of the current situation.

#### FABRIC

|    | JERSEY | LINING | TULLE    | CREPE | CHIFFON | BEADINGS              |        | DIDERY  | EMBROIDERY<br>LACE |
|----|--------|--------|----------|-------|---------|-----------------------|--------|---------|--------------------|
| FR | 100%   | 4%     | 3%       | 0%    | 0%      | 0%                    | 3      | %       | 100%               |
| IT | 0%     | 0%     | 75%      | 43%   | 4%      | 100%                  | 3      | %       | 0%                 |
| ES | 0%     | 0%     | 20%      | 0%    | 0%      | 0%                    | 94     | 4%      | 0%                 |
| PT | 0%     | 96%    | 1%       | 19%   | 0%      | 0%                    | 0      | %       | 0%                 |
| нк | 0%     | 0%     | 0%       | 38%   | 96%     | 96%                   | 0      | %:      | 0%                 |
|    |        |        |          |       |         |                       |        |         |                    |
|    | 1.405  | MIKADO | IACOUADD | OBCAN | 74 545  | 000000                | JERSEY | - LIBBO | NDEDV              |
|    | LACE   | MIKADO | JACQUARD | ORGAN |         | EMBROIDERY<br>RIBBONS |        |         | DIDERY<br>ATIONS   |
| FR | 61%    | 0%     | 0%       | 0%    |         | 0%                    |        | 0       | %                  |
| IT | 1%     | 100%   | 100%     | 0%    |         | 0%                    | 0%     | 0       | ¥:                 |
| ES | 15%    | 0%     | 0%       | 100%  |         | 4%                    | 0%     | 4       | %                  |
| PT | 0%     | 0%     | 0%       | 0%    |         | 10.0%                 | 0%     | 10      | 0%                 |

The next step in this process will tell us where the textile is actually produced.

## (L) Timing

Zero measurement in 2019.

#### **SDGs**

If we fulfill these ambitions, we will contribute to the realization of the following sustainable development objectives





## **CSR-TOPIC 4: RESPECT!**

## The context

It has already been discussed in this report. Working conditions are a tricky theme in the fashion industry. As an almost 100-year-old Flemish SME, respect for our employees is almost ingrained. We therefore believe that we are right in this area, but want to avoid complacency by making explicit in this the sustainability report the respect and to follow it up. Respect for "people" does not stop with a fair wage and a respectful interaction. Working conditions are also part of this. We translate that into the state of the buildings in which our people work. You will then quickly come to water management, energy consumption, safety, ... In addition to

respect for "people", we also include respect for "planet" in this topic.

#### Our employees

| PORTUGAL  | 2016  |     |       | 2017  |      |       | 2018  |      |       |  |
|-----------|-------|-----|-------|-------|------|-------|-------|------|-------|--|
|           | WOMEN | MEN | TOTAL | WOMEN | MEN  | TOTAL | WOMEN | MEN  | TOTAL |  |
| PORTUGAL  | 28    | 3   | 31    | 32    | 3    | 35    | 36    | 3    | 39    |  |
| WORKERS   | 24    | 1   | 25    | 26    | 1    | 27    | 30    | 1    | 31    |  |
| EMPLOYEES | 4     | 2   | 6     | 6     | 2    | 8     | 6     | 2    | 8     |  |
| BELGIUM   | 2016  |     |       |       | 2017 |       |       | 2018 |       |  |
|           | WOMEN | MEN | TOTAL | WOMEN | MEN  | TOTAL | WOMEN | MEN  | TOTAL |  |
| BELGIUM   | 18    | 2   | 20    | 12    | 3    | 15    | 11    | 2    | 13    |  |
| WORKERS   | 9     | 3   | 11    | 7     | 3    | 10    | 6     | 2    | 8     |  |
| EMPLOYEES | 9     |     | 9     | 5     |      | 5     | 5     |      | 5     |  |
| TOTAL     | 46    | 5   | 51    | 44    | 3    | 50    | 47    | 5    | 52    |  |

Our published social balance sheets for Belgium and our reporting required by law to the Ministry of Employment in Portugal, together provide the following picture.

#### Wages

- In Belgium we follow the agreements within PC 215 (Clothing and confection (employees)) and PC 109 (Clothing and confection company).
- In Portugal we follow the wage scales of the textile industry. Portuguese labor legislation requires companies to audit their personnel administration every two years. Since the takeover in 2008, we have had this audit carried out by external consultants. We never had a comment.
- Men and women receive equal pay for equal work.
- The group bonus system provides a bonus for every employee in Belgium and Portugal, regardless of his or her position, if the sales objective is achieved.

#### Education

- Team marketing followed a course in 2018 in Porto called "Curso Intensivo en Estratégia de Marketing para Redes Sociais".
- The IVOC training "international trade documents" was followed.
- At VOKA we participated in the "Leadership" training.
- The Excellence in Supply Chain Management course was followed at Vlerick

In addition, various employees will follow Italian,
 German and Dutch courses in 2018

#### Sick Days - Accidents

In 2018 there was 9% illness compared to the total number worked days. No industrial accidents were reported.

#### ... and their working environment

Regarding the Belgian situation, refer to CSR topic 6 on page 24. In short: if the working conditions at our old location in Herentals were already okay, the move to a new location in Antwerp in 2019 offered many opportunities to improve and even better - and especially more sustainable - to tackle.

In Portugal we have invested in different areas in recent years:

- In solar panels: 20% of our energy consumption is now renewable energy
- In air conditioning: it is now present everywhere in the buildings
- In safety: in any case, there is the legally required annual safety inspection, but we also paid extra attention to it in Portugal safety and evacuation training

## Ambition 4.1

Mobilizing the staff to come to work in a more sustainable way (public transport or bicycle).

© Timing Ongoing

## Ambition 4.2

Installation system D for purifying the air in the office for a healthier working environment.

Timing May 2019.

## Ambition 4.3

The new building in Antwerp is supplied with 100% green energy.

© Timing: May 2019 SDGs we achieve these ambitions, we will contribute to the realization of the following sustainable development objectives

























Since our move, we have been providing more sustainable commuter traffic by making train subscriptions and an electric bicycle available to our employees.



## **CSR-TOPIC 5: GETTING OUR MESSAGE OUT**

#### The context

A cornerstone of a sound CSR policy is transparent, consistent and sustainable communication.

"Transparent" because within a CSR philosophy the stakeholders of a company - and not least the employees - have the full right to correct information, to the "why" of the actions related to the CSR policy, ...

"Consistent" because it makes little sense to communicate about your CSR plans once in a while then continue to work quietly in a corner ... or stop, but still pretend. "Sustainable" because every form of communication - so not only that good-looking company brochure - also has a footprint that you can limit.

#### The advantages

Successful CSR communication has following benefits:

- She puts your organization on the map when it comes to CSR. At MRFG, we firmly believe that CSR will offer an increasingly important competitive advantage; that a sustainable offer will attract more and more expectant brides. But then we have to tell, substantiate and radiate "it".
- It creates involvement with employees and other stakeholders. That involvement in turn generates a catalyzing effect that should not be underestimated.
- It provides opportunities. After all, both suppliers and bridal shops who also hold CSR at high priority will contact us and come up with proposals.

 More specifically, the sustainability report outlines the CSR path and thus forms a very useful management tool.

There is of course the risk of "greenwashing"; unfairly put CSR feathers on your hat. We hope that the reader of this sustainability report will be convinced of the sincerity of our sustainability efforts. In addition, this sustainability report cannot only bring the good news; just messages about the ambitions we have achieved. We will probably have set the bar too high here or there, we will have to postpone a deadline, etc. We will also discuss this here so that everyone has the opportunity to learn from it.

'Getting our message out 'is our slogan for this CSR topic that includes an extensive set of ambitions.

#### Ambition 5.1

We bring our CSR efforts together in one sustainability report that we will publish every two years. We are gradually evolving towards a sustainability report that meets the reporting standard of the Global Reporting Initiative. In that report, we also make our efforts to the United Nations Sustainable Development Goals.

## (L) Timing

The first sustainability report must be published in October 2019.

#### Ambition 5.2

Our B2B customers (the points of sale) together with our B2C customers (every expectant bride) form an important stakeholder group. We want to raise their awareness, involve them in our CSR story, and even look for new solutions together with them.

Our B2B customers will increasingly receive questions about sustainability. In order that they can respond with confidence, we develop a guide that provides the necessary information and also sensitizes them. In addition, there is the sustainability report.

We will inform our brides about our CSR efforts through the channels that we already use now: the website, newsletters, "behind the scene stories", ... To the styling tips we will systematically add tips on how to give their wedding dress a second life if they want to (because often it stays lovingly kept in the wardrobe): how to make a top and a skirt, a christening rug ...

## (L) Timing

We are launching the guide for our points of sale in the spring of 2020.

The expansion of our communication to our end customers with

CSR information we will start as soon as possible in 2019.

#### Ambition 5.3

In 2019 we will move from our old site in Herentals to Antwerp. This results in new house style printing (letterheads, covers, name cards, etc.), which we will fully realize on FSC-certified recycled paper. We are looking for solutions for the old house style printing so that it gets a second life.

## (L) Timing

The move is planned for May 2019.

#### MAmbition 5.4

Brochures, lookbooks, posters, promotional newspaper, ... in short, all commercial printing will also be done on FSC-certified recycled paper.

## (L) Timing

The entire switch must be completed by 31/12/19.

#### Ambition 5.5

We believe that the "hang tags" that we attach to our wedding dresses, including the cords with which that happens, are part of our communication. We are looking for a sustainable version that we want to use for the first time for the sustainable capsule collection (see ambition 1.2). We do use the rule of thumb that for the other dresses in both collections we first eliminate our current stock of hanging tags before also switching to the sustainable version.

## (L) Timing

First practical application for the launch of the sustainable capsule collection, so spring 2020.

## Mambition 5.6

What we think of our hang tags, we also think of our clothing covers, outer boxes and coat hangers: they are part of our communication. That is why we will also look for more sustainable clothing coves and outer boxes.

We prefer not to deliver on coat racks even though many B2B customers demand this. Working without coat hooks is nevertheless an advantage for our B2B customers. They wear after all, the transport costs and flat transport is once cheaper than hanging. In addition, every coat rack less means reduced material consumption and waste.

## (L) Timing

The search for sustainable clothing covers and outer cartons must be completed by the end of 2019. We will start raising awareness in terms of coat hangers in 2019.

#### **SDGs**

If we fulfill these ambitions, we will contribute to the realization of the following sustainable development objectives





## A sneak preview

- All house style printing and our catalogs are now printed on FSC-certified recycled paper.
- More sustainable clothing covers are likely to turn into a cost issue.



## CSR-TOPIC 6: NOT JUST ANOTHER DAY AT THE OFFICE

#### The context

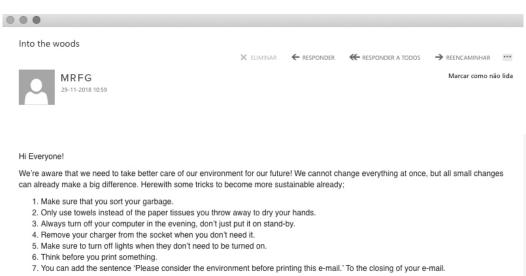
The guidance process of Flanders DC taught us two things almost on day 1:

- Making it more sustainable is best to start in the immediate environment. There is always a lot of "low hanging fruit" there; measures that you can take fairly easily and quickly, which almost immediately produce results and, as a result, involve employees in the CSR story. Often they pick things up "at home".
- Sustainability does not mean "doing something good once in a while". A CSR approach that keeps its name worthy is one that it is anchored in the policy; in the DNA of the organization.

In addition, the move from Herentals to our new headquarters in Antwerp also has many opportunities for "walk our talk".

#### Low hanging fruit

Even if we say so ourselves, we did not let any grass grow on it when it comes to the low-hanging fruit. Already in the course of November 2018, the e-mail below went out to all employees in Belgium and Portugal.



We will reconsider every aspect of our company to see how we can create less waste in the future (example; packaging, sustainable hangers, ...). Do you have any other ideas that we can do to help the environment in the meantime? Let us know by sending an e-mail to Chiara! Happy to hear your thoughts!

After this move, it was no longer just another day at the office for anyone. On the contrary. Since then, there has been a challenge for everyone to constantly look for ways to work in a more sustainable way. The quick wins were immediately turned into reality; we now drink fair trade coffee, use a filter system for our water, so that we are no longer a customer at sipwell (less plastic), we order fruit baskets for our employees on a weekly basis, printing on sustainable paper and computer screens are off outside working hours. Both in Belgium and Portugal we received a positive response to the initiatives

We further furnished this sixth and final CSR topic with the following ambitions.

#### Ambition 6.1

In our new Antwerp office we will:

- Replace traditional lighting with LED lighting;
- Replace the old windows with better insulating windows;
- Switch to green energy;
- Constructing green roofs;
- Install a ventilation system for clean air in the office;
- Encourage the use of public transport

## (L) Timing

Completed by our move in May 2019.

## Ambition 6.2

sustainable as possible. That means, for example that we only serve fair trade coffee, tea and fruit juice (both at the office and at fairs) and water via a so-called water filter system (tap water coolers and taps with cooled, sparkling and hot water), that we will use more sustainable cleaning products and recycled office paper, ... Sustainability is the starting point of all purchases.

## (L) Timing

From our move in May 2019.

#### Amibition 6.3

85% of our deliveries depart directly from our atelier in Portugal to the points of sale. Those that are located outside of Europe and in the Benelux are supplied from Antwerp. In both cases, our regular logistics partner is UPS, which is working hard to make its approach more sustainable. We are entering into discussions with UPS to find out how they can translate these efforts into our collaboration.

## (L) Timing

Walk 2019.

#### Ambition 6.4

When our production was still entirely in China, we flew there about 16 times a year for consultation. Now that we produce in-house in Portugal, the number of flights has risen to 25, albeit over a shorter distance. We certainly do not want to fly more and will examine whether and how we can reduce the number of flights.

## (L) Timing

In the course of 2019.

## Mambition 6.5

We anchor CSR in our company by adjusting our governance structures:

- We extend our advisory board with a member that has expertise in the field of CSR, sustainable chain management ...;
- We set up a CSR working group and plan four fixed consultation moments per year;
- CSR is firmly on the agenda of the Design working group that meets annually in July and is composed of designers, pattern makers and production managers.

## (L) Timing

In the course of 2019

#### **SDGs**

If we fulfill these ambitions, we will contribute to the realization of the following sustainable development objectives















## A sneak preview

- In the meantime, we have had a smooth move and can live well with our new location. The "interventions" mentioned under ambitions 6.1 and 6.2 have been successfully implemented.
- What we had not really thought about: previously our employees were almost 100% traveling to work by car, today already more then 50% is using public transport Great!
- We have now invested in a video conferencing system in Antwerp and Portugal. The purpose of this is to have more direct contact with them to reduce the number of flights.