



ENVIRONMENTAL POLICY

February 2022

Otrium

1. The purpose of this policy

The purpose of this Environmental Policy is to recognize the impact Otrium has on the environment and to set out a framework for our environmental impact strategy, with the goal to drive towards delivering ambitious corporate climate action.

Otrium wants to have a net positive impact. This means making a positive impact through our business model while taking ownership of the greenhouse gas emissions Otrium's own business creates. We are committed to continuously reduce our environmental impact and drive improvement in our supply and value chain.

Impact through our business model

Otrium is a purpose-led business: we see a future where all clothing is worn. Every year, countless fashion items are produced globally, but never sold nor worn. Clothing remains unworn and often ends up in landfills. Obviously, this is a huge waste of energy, labor, natural resources and investments. Otrium's aim is to change the fashion industry from the inside out: we are an online fashion outlet marketplace and we tech-enable designer brands to find an owner for every item they produce.

We do this by polishing and matching end-of-season fashion, this process involves receiving items in our warehouses and ensuring they are in perfect condition to be successfully matched with one of our members. Next to, helping brands move away from producing items in excess production and instead drive Data-Made Fashion. Data-made fashion enables brands to produce items based on the sales data of existing successful pieces, shopping habits, and customer demand.

Impact through our own business operations

As a business we take ownership of the greenhouse gas emitted through operational control. Taking into account direct emissions such as electricity and gas usage next to indirect emissions through the services we provide as well as purchased products and services.

We are committed to developing strategies to limit or reduce the impact of our business on the environment.

This Environmental Policy does not include goals and targets. A roadmap will be set out in a separate document and, on an annual basis, we will subsequently report on our progress. This Environmental Policy will be updated on a regular basis and will include quantitative targets as soon as those are defined.

2. The scope of this policy

Otrium's Sustainability Strategy is reviewed by the Management Board as well as Otrium's ESG committee, to ensure the implementation of the Sustainability Strategy within the company.

We are committed to measure and manage our environmental impact. This Environmental Policy covers all our operations including our relationships with suppliers, service providers and contractors and applies to all global entities and employees of Otrium.

We are focused on taking responsibility with respect to our environmental impact in two ways:

1. Our impact on the fashion industry: Eradicating unsold inventory from the industry and changing the way clothing is produced and bought:

- Becoming the leading marketplace for unsold inventory and in doing so reducing waste in the fashion industry;
- Using technology to help brands to take a demand-based approach to production.

2. Our own business impact: Making the smartest decisions to improve the impact of our operations and e-commerce practices:

- Warehouse and shipping: e.g. measuring warehouse efficiency (obtaining building certifications), running our warehouses on renewable energy and working together with partners who provide carbon-neutral transportation solutions
- Packaging: reducing use of over-sized packages and the use of sustainable materials.

3. Environmental impact objectives

In respect of the above, Otrium's has formulated four main impact objectives:

1. Eradicate unsold inventory from the fashion industry by becoming the leading marketplace for end-of-season fashion.
2. Change the way clothing is produced and bought by using technology to help brands to take a demand-based approach to production.

3. Reduce our own controlled CO2 emissions from a 2020 baseline to achieve net-zero impact across scope 1, 2 and 3 of our own E-commerce operations by latest 2050, in line with the Science Based Targets initiative. We will report on this on a yearly basis. In addition, we will reduce our own impact by changing our practices and processes and remove carbon which we cannot reduce by investing in new technologies.
4. Trusted partner for fashion brands in the process towards a more circular fashion industry.

4. Our commitment

As a technology-led disruptor of the fashion industry, Otrium's products and services help fashion brands to change the way clothing is produced and in doing so is bringing positive change to an industry with a large environmental footprint. As part of this journey, we are committed to the following environmental best practices:

a) Awareness and Governance

Awareness:

- We are giving appropriate weight to this Environmental Policy when making future planning and investment decisions;
- We are raising employee awareness by facilitating a masterclass on a regular basis, and key objectives to deliver in line with the company goals and supporting employees with creative and innovative solutions in delivering sustainability initiatives and meeting our sustainability goals.
- We are complying with, and aim to exceed, our environmental obligations by taking a proactive approach with respect to environmental legislation.
- We remain constantly vigilant regarding the impact of our business on the environment as a whole and we are prioritising responsible management of our operations

b) Monitor and Improve

Monitor:

- We monitor our environmental performance (measured in a yearly carbon footprint report) as well as our impact on the fashion industry as a whole (measured in a yearly impact research report);

Improve:

- We are minimizing the environmental impact of our operations through best practices

management of our use of energy; transportation; material consumption; water usage, waste and carbon emissions;

- We are encouraging business partners and suppliers to adopt the same or similar environmental principles as Otrium by signing onto the principles laid down in our Code of Conduct.
- We are considering the environmental performance of our suppliers (e.g. by assessing the ratings of our brand partners through Good On You as well as committing to being a Fur Free retailer).

c) Engagement and Transparency

Engagement:

- We are continuously promoting environmental awareness, responsibility and best practice and creating a sustainability-first culture within the company through education and participatory initiatives for our employees (e.g. volunteering days and activities).

Transparency:

- We are establishing a yearly review and we will report progress against objectives and goals with the continuous aim to enhance our environmental performance;
- We are reporting transparently and with benchmarks on our environmental performance. In order to do this we involve all stakeholders, including employees, customers, partners, suppliers, shareholders, community organizations, regulatory agencies and other key stakeholders. Our reports will be published on the Governance section of our website.

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