

# Impact Progress Report

2020 / 2021

**Otrium**

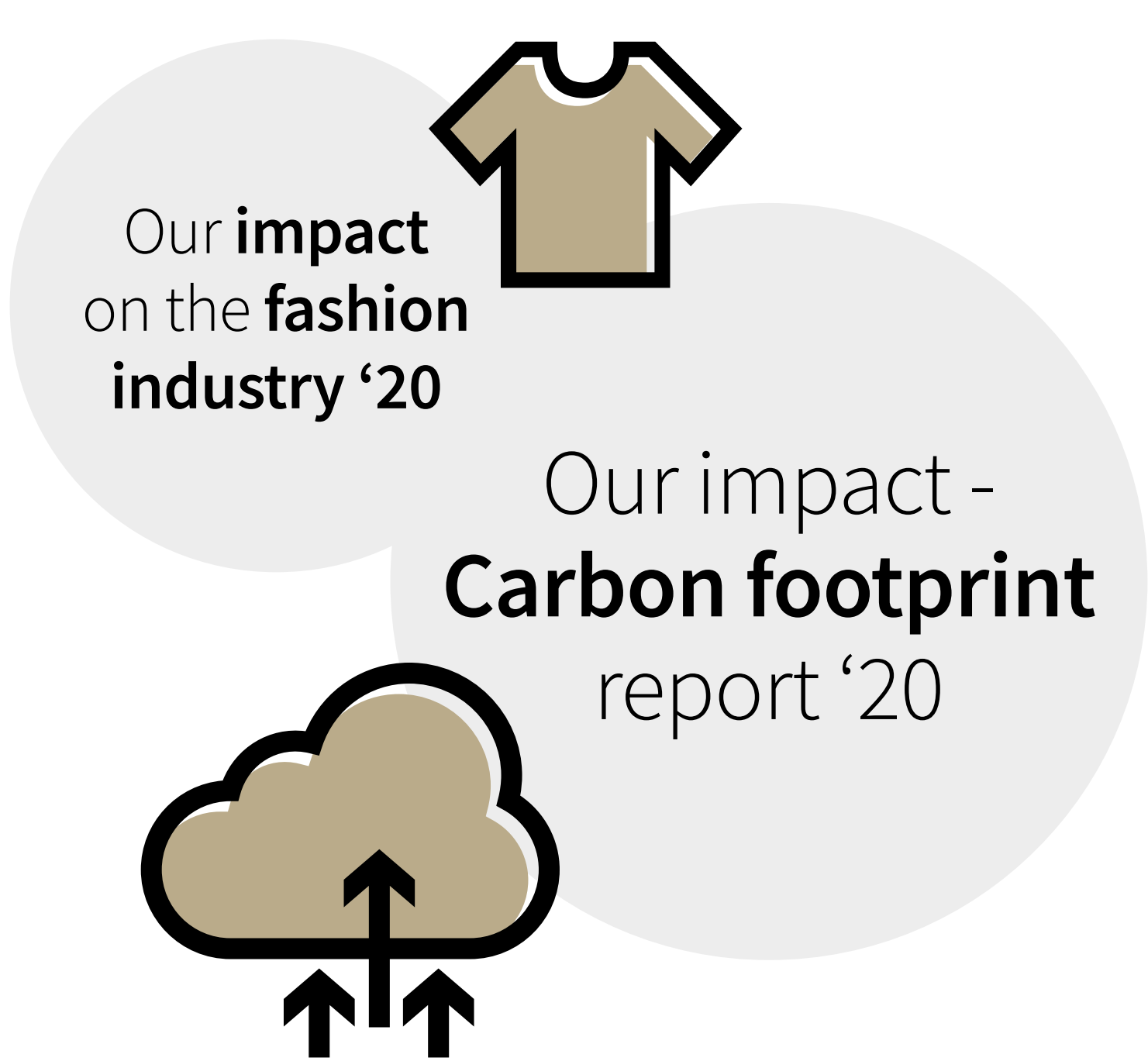




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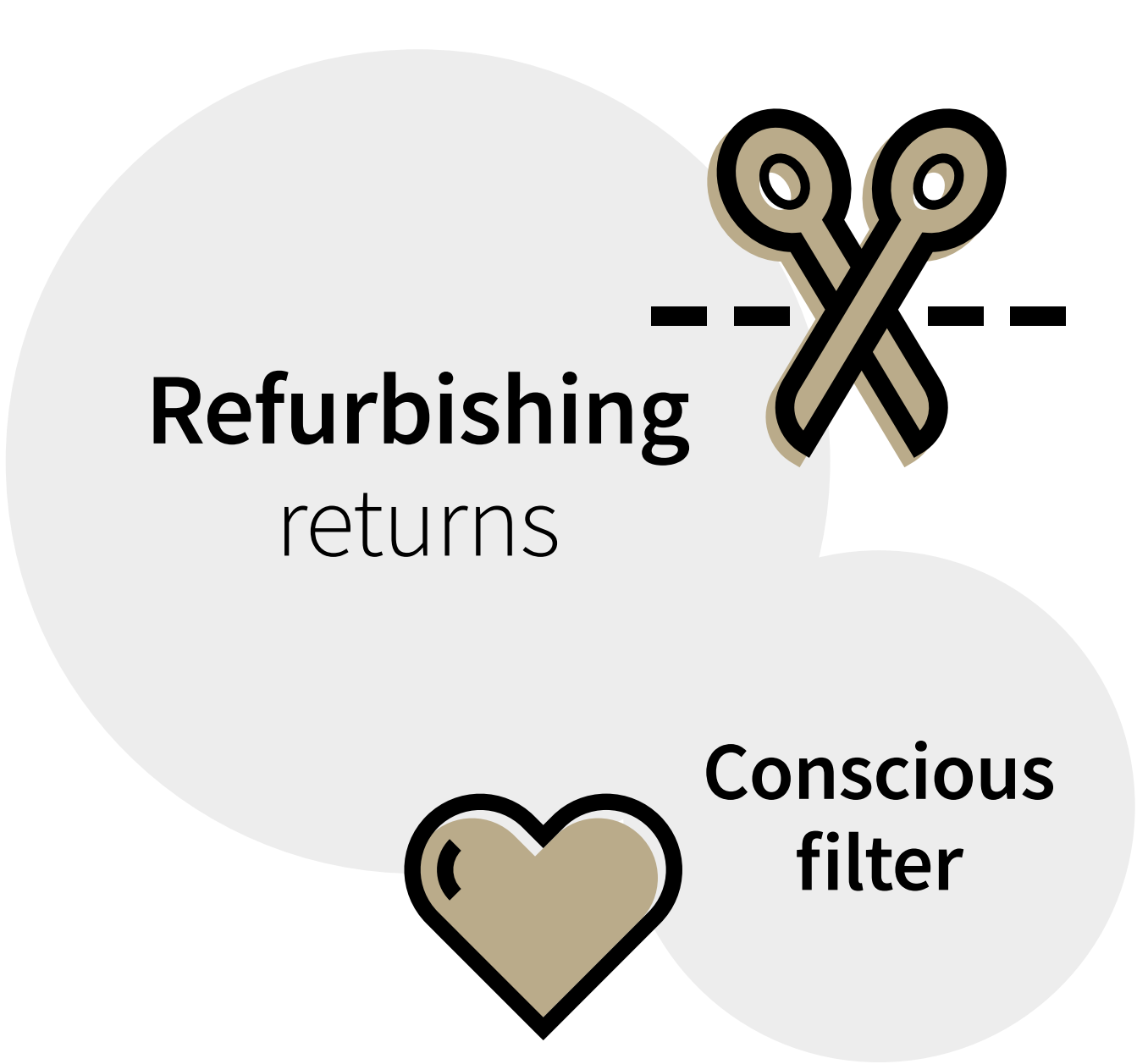
## Why? To measure our impact over 2020

These reports function as a baseline to understand our impact and set goals, next to functioning as a benchmark for our future reports.



## Why? To understand our impact on the fashion industry

Creating a smarter fashion industry. By building the world’s leading online platform to make sure every clothing item produced is worn.



# Overview

## Why? To know our own impact

Improving our own impact. By making the smartest decisions to improve our own practices.



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Looking at the **past**  
to create a **smarter** →

**future**





## Dear reader,

Welcome to our first Impact Progress Report. It takes a look back at our impact in 2020 and progress of 2021 – with the goal of moving forward on our purpose that all clothing should be worn.

We want to share our purpose and efforts with the world. As a business, we are not obliged to report on our impact yet. However, as a group of people, we believe it's our responsibility to share the work we are committed to together with our partners, customers, team members and wider society.

While 2020 and 2021 have been pretty unpredictable, we made more progress than we had initially thought possible. On the other hand, we are aware making a positive impact is never a done deal.

This report is the first step into reporting our impact on a yearly basis, with the goal of keeping ourselves accountable for the progress we make. We're committed to constantly evolving and combining data and technology to change the way fashion is created and sold.

Thank you for being part of our purpose. Let's create a smarter fashion industry together.

### **Max Klijnstra**

Co-founder and CEO

### **Milan Daniels**

Co-founder and CEO

### **Zuhairah Washington**

President in Board

### **Marlot Kiveron**

Sustainability Lead



# Our philosophy

Fashion is trapped in a broken cycle. Trends come and go at breakneck speed, creating stress and waste for brands, people and natural resources.

Clothing is worn not only to insulate our bodies but also as an outlet for creative expression, a source of joy and to provide a sense of belonging.

Because fashion is such an important part of our lives and is also a significant contributor to the climate crisis, we must build a smarter fashion industry.

A fashion item that is produced with materials from the earth and creative passion from people, should not collect dust in a warehouse or end up in a landfill. Instead, at Otrium, we see a future where every clothing item produced is worn.

We **must** build a  
**smarter**  
fashion industry

# All clothing should be worn

## Our purpose

Currently waste and excess inventory is built into the fashion industry’s model. We are working to create a future where all clothing is worn - by eradicating unsold inventory and moving towards a demand-based fashion industry.

We’re developing technology and using data to match supply and demand within the fashion industry to reduce waste. Our goal is to change the way fashion is created and sold through technology and data.

**The core of our business model is selling the unsellable by:**

01

Receive and polish unsold items to regain their value

02

Smartly match unsold inventory items

03

Create data made fashion that doesn’t end up unsold

04

Repair and refurbish returned items



Polish  
Match  
Refurbish  
& Prolong →





# Smarter for the industry

01

Receive and polish unsold items to regain their value

Ensure every aspect of every item we receive is brand new from photography and descriptions to packaging and pressing, in our state of the art warehouses.

02

Smartly match unsold inventory items

Find an owner for every item for the best possible price on our platform. For the small proportion of items that cannot be sold on our platform we supply to stock buyers.

03

Create data made fashion that doesn't end up unsold

Reduce future waste by data-enabling brands to take a demand-based approach to clothing creation.

From using excess fabrics for future items to whole collections, data made fashion ensures certainty in sell through.

04

Repair and refurbish returned items

Extending the life cycle of slightly imperfect returns by refurbishing them by hand to as-new condition and offering them a second chance to find a new owner on our platform.

# What we do



# Our progress

While 2020 and 2021 have been pretty unpredictable, we made more progress than we had initially thought possible. On the other hand, we are aware making an impact is never a done deal.

On the next page, we highlight a few initiatives in order to map the progress we made in the years 2020 and 2021.

Our approach to tackle responsibility is twofold:

## **01 Creating a smarter fashion industry**

By building the world's leading online platform to make sure every clothing item produced is worn.

## **02 Improving our own impact**

By making the smartest decisions to improve our own practices.



**‘19 to ‘20**  
**Refurbishing returns**

Extending the life cycle of slightly imperfect returns by refurbishing them by hand to an as-new condition and offering them a second chance to find a new owner on our platform.



**March ‘20**  
**100% recycled packaging**

Our shipping boxes are made out of recycled cardboard. Based upon the measurements of the pallets of our forwards to ship as efficiently as possible. Our poly bags are made out of 100% recycled polyester and only used in case an incoming item is missing one.



**April ‘20**  
**Improving the last mile**

The start of our last mile project. Improving the carbon footprint of our shipments by working with new initiatives like bicycle couriers in The Netherlands.



**2020**  
**Highlights**



March ‘21  
Sustainability function

Otrium was founded as a purpose-driven company. Hiring a dedicated Sustainability Lead while growing fast as a company ensures this will stay at the core of everything we do.



July ‘ 21  
Official fur free retailer

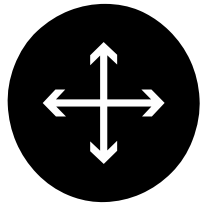
This accreditation made the fur-free status official – for our customers and for our partners. From a day-to-day perspective the platform stayed the same, as we did not have any garments that contained real fur.



**Sustainability** is at  
the core of **everything**  
**we do**

April ‘21  
Fit finder

Implementation size recommendation tool to reduce returns. The tool combines production size chart data and body-modelling knowledge with the world’s largest collection of sales and return records to provide the most accurate fit prediction.



August ‘21  
Position Green

Starting making use of a data-driven platform called Position Green, to collect, manage, visualize and report ESG and sustainability related data. By collecting and managing this in one platform we are enabling ourselves to report transparently.



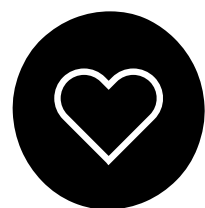
2021  
Highlights





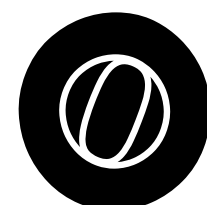
## September '21 Conscious filter

We've launched a conscious filter on brand-level based upon the sustainability ratings of Good On You. With the goal of highlighting brands that go the extra mile on their sustainability efforts and making them easy to find for our customers.



## September '21 ODIE progress

The Otrium Diversity Inclusivity and Equity board was formed in 2020. A report containing research by an external consultant was conducted and published in September 2021. With the goal to establish guidelines for how we should operate as a diverse, inclusive and equal organization.



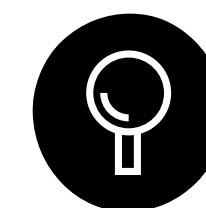
## October '21 ESG first steps

ESG is an abbreviation of environmental, social and governance (ESG). It's sustainability in the broadest sense. We made first steps by choosing a framework Global Reporting Initiative (GRI) and writing the first documents to govern our impact.



## October '21 Sustainability team

To scale the impact we can make within the fashion industry we hired a Sustainability Communications and Stakeholder Engagement Manager. We opened a vacancy for a Circularity Manager, rolling out our new circular business propositions.



# 2021 Highlights





# Measuring our impact

One of our company wide values is relying on data. This means we use facts and metrics to support our decisions. We're transparent on results and outcomes and we validate our gut feeling through data.

The goal of these reports is to have reliable data to feed our sustainability strategy moving forward. The reports are based on the year 2020. These reports function as a baseline to understand our impact and set goals, next to functioning as a benchmark for our future reports.

We measure our environmental impact two-fold:

## **01 Our impact on the fashion industry**

The goal of this research is to understand if, and to what extent, Otrium's business model has an impact on the fashion industry. As well as quantifying the impact based on valid data-points.

## **02 Our own impact - Carbon footprint report**

We conducted our carbon footprint analysis of 2020. Functioning as the base to set goals and improve our impact to become carbon neutral.



# Reporting on 2020

## Our impact on the fashion industry

This impact research conducted by sustainability consultancy Sustainalize, was initiated to understand and quantify the impact of Otrium on the environmental footprint of the fashion industry. The results are insightful and a good starting point. Based on the research we are able to draw the initial conclusion that Otrium has a positive impact on the fashion industry.

[Download report here](#)

## Our impact - Carbon footprint report

Scope	Tons CO2-eq.	Share
Scope 1	15,2	2%
Scope 2	0	0%
Scope 3	742,9	98%
Total	758,1	100%

[Download report here](#)





We are purpose-led and exist to make positive **impact on a global scale**. This means we care about the world. With a clear aim to reduce fashion's impact on the environment.

We always take sustainability or consciousness as we call it into account when making decisions.

# Stepping forward →

**Our ambitions are two-fold:**

**Our impact on the fashion industry**

Help fashion brands and our members to become more circular with creating an infrastructure to regain value of inventory streams and repurpose all items. Using data and tech to create a smarter fashion industry where all clothing is worn.

**Our own impact**

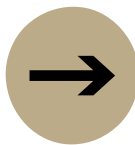
We are committed to measure and manage our environmental impact. How? By making smart choices. Package redesign, bike delivery, solar panels and electric vehicles are just some examples of these. We are setting targets within the environmental management system to achieve optimal and continual improvement.



# Coming up

## Otrium rescued

Scaling refurbishment by taking in slightly imperfect items from our brand partners, refurbishing them by hand to as-new condition and offering them a second chance to find a new owner on our platform.



## Redesign of the packaging

We redesigned our shipping boxes to lower our carbon footprint. Using thinner, unbleached, recycled cardboard. As well as adding an envelope to avoid shipping air for smaller items.



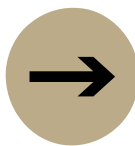
## Our carbon call to action

We will be implementing an environmental management system, monitoring our environmental performance based on our own impact. We will annually measure our Carbon Footprint and include this in an annual Impact Progress Report.



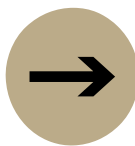
## Onboarding more conscious brands

We are in the process of onboarding more fashion brands that are rated conscious by Good On You.



## Solar panels on our warehouse

Our warehouse and fulfilment partner is working on a zero-waste program and transitioning to run on their own energy generated by solar panels.



Follow our footsteps  
to **decrease** our  
**carbon footprint**



## Our sustainability partners and accreditations

good on you® 





# Otrium

Amsterdam | New York | London | Paris

HQ in the cloud

[conscious@otrium.com](mailto:conscious@otrium.com)