

ADORE ME

2021 ESG Report



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ADORE ME ENTERPRISE & SUSTAINABILITY

Without major change to production processes and consumption patterns in fashion, the social and environmental costs of the sector will continue to mount.

— UN FASHION ALLIANCE

MESSAGE FROM OUR TEAM

We're excited to launch Adore Me's first public ESG report. As you scroll through this document, it's packed with information around our proprietary assessment methodologies, compliance and contractual language, supplier assessments, and other elements that really dig into the nuts and bolts of how we're building the Adore Me enterprise.

We want to be clear that this is not a marketing document. This is an exercise in bringing transparency across the structure of our organization and shedding light on our approach to tackling critical industry challenges. Our guiding principle is that ESG must be integrated at every level of the organization and we've succeeded when these elements become business-as-usual. In this document you'll find components familiar to these reports—goals, pledges, sustainability innovations—but for Adore Me, these elements drive the way we govern ourselves and inform how every teammate approaches their respective jobs.

Adore Me's vision is a world where customers who might not fit the stereotypical mold of a sustainable fashion consumer have access to buying products that are made in a better way. The fashion industry can only make the

urgent transformations it needs to when all customers are included and every company has a clear path to improving itself.

Adore Me did not launch as a sustainability-focused brand. While recognizing this, we launched a companywide effort in 2019 to inject more environmentally conscious ways of doing business throughout our organization. We've been steadily working to rewrite the code that underlies every part of our company and this report will outline the work we've done in 2021.

One important change to highlight: in 2021, Adore Me became a Public Benefit Corporation (PBC) and in our company charter we formally pledged to change fashion for good by fostering inclusivity and environmental sustainability in the production, distribution, and marketing of its products. This commitment is one technical but important step in our journey.

In addition to how we govern ourselves, this report will dive into how we mitigate our company's environmental impact, along with how we're pushing forward in

building a better company for our employees, our manufacturers, and our customers.

We will lay out the work we've done in building a Sustainability Toolkit that has been purpose-built for helping us, and similar companies, chart our progress. We'll dig into the material innovations and technologies we're leveraging to make better products.

While we are a lingerie brand, we strive to focus on the non-sexy parts of supply chain sustainability, such as high-impact actions like minimizing air shipping or delivering best-in-class inventory management to reduce waste. Our manufacturing partners have become incredibly important partners in this journey and we will outline both the work we're doing together and the principles that guide our relationships.

Our mission is to bring sustainable fashion to an increasingly broader and more inclusive customer base—and we've been working hard to push change at every level of the company to make this possible. The Adore Me team is incredibly excited to build on the findings in this year's report with more initiatives and outcomes in the annual editions to come.



AME IN NUMBERS

\$200M+

REVENUE

37M+

ONLINE VISITORS IN THE US

1.2M+

CUSTOMERS SERVED

67

BRA SIZES OFFERED

30%

OF SALES IN PLUS SIZE

4.4M+

FOLLOWERS ACROSS SOCIAL MEDIA

392

EMPLOYEES

3

OFFICES

2

FULFILLMENT CENTERS

9

SISTER BRANDS

6

RETAIL STORES

GUIDING PRINCIPLES

We commit to our mission.

Our work has the power to propel fashion for good. That's why we strive to continuously learn and excel at what we do. Time, resources, and energy are precious, so we focus only on what will have the greatest impact. Sometimes good today is better than great tomorrow.

We embrace differences.

Diverse teams are stronger, and inclusive cultures are more resilient. We embrace our internationality and fusion of backgrounds. When we seek out different perspectives, we make better decisions and build better products. We dig deeper.

We lead with optimism.

We believe in our mission, and we believe in each other. We see the world as it is, set ambitious goals, and inspire one another with generosity of spirit. Together, we reimagine what's possible.

ABOUT THIS **REPORT**

PURPOSE

Reporting on our environmental, social and governance (ESG) performance is part of a larger strategy of collaboration and accountability. We know we wouldn't exist without our customers, employees, suppliers and investors, and transparency is necessary to feed the trust that is the backbone of our relationship with all our stakeholders.

When we became a public benefit corporation (PBC) with the stated purpose to “change fashion for good by fostering inclusivity and environmental sustainability in the production, distribution and marketing of its products”, we also committed to report on how we promote the public benefits and the best interests of those materially affected by our business conduct. This report is designed to provide some answers.

SCOPE

This first sustainability report (the Report) covers Adore Me's strategy and performance with regards to its mission to foster inclusivity and environmental sustainability in the production, distribution and marketing of its products.

The Report covers all of Adore Me Inc.'s operations, which includes Adore Me, as well as Adore Me Services, which manages two delivery centers in Secaucus and Tijuana, and Adore Me Retail, which covers our 6 brick and mortar stores.

While the reporting period is fiscal year 2021, certain factual information falling outside of this time frame may be included for context. Also, many of the initiatives described in this report are ongoing and related data may therefore be incomplete.

The information and opinions contained in this report are provided as of the date of this report and are subject to change without notice.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements, including statements regarding our initiatives, targets, goals, commitments, or expectations.

Forward-looking information contained in the Report is included to provide our stakeholders the opportunity to understand Adore Me's management's current beliefs and opinions in respect of the future. These statements or commitments are not guarantees. They involve a number of risks and uncertainties, which may cause actual performance to differ significantly from expected performance or results, whether they are expressly stated or implied. These uncertainties include fast-changing scientific or technological developments, ever-evolving legal and regulatory requirements as well as the evolution of carbon markets, among others.

Thus, although forward-looking statements contained in the Report are based upon what management of Adore Me believes are reasonable assumptions, the reader is cautioned not to place undue reliance on them.

METHODOLOGY

While we are generally ambitious, especially when it comes to sustainability and the need to do better, faster, we must remain humble and acknowledge that this is our first attempt at reporting on these often complex issues. We had to start somewhere, but our efforts won't stop here.

This material was prepared with reference to the 2021 Global Reporting Initiative Standards. The GRI Standards are used by over 10,000 companies worldwide to provide transparency on their contribution to sustainable development. These standards are based on expectations for responsible business conduct set out in authoritative intergovernmental instruments, such as the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

A GRI content index is provided at the end of this report.

We have tried our best to be clear and accurate with regard to the data provided throughout the report but if any questions remain, please contact legal@adoreme.com.

We intend on publishing similar reports annually going forward. It is likely that the form and substance of our reporting will evolve and improve over time. However, we recognize that comparability is an important feature of sustainability reporting and we will try our best to be consistent.

KEY CONCEPTS DEFINED

Sustainability: There are many definitions of the term and we chose to adopt the 1987 the United Nations Brundtland Commission's definition as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

ESG refers to environmental, social and governance criteria used to assess a company's performance. ESG criteria may be used for risk management purposes as well as drivers of long-term value for the business and its stakeholders.

ELDF is an acronym mainly used internally at Adore Me, which stands for "embrace life, disrupt fashion." It is used as an umbrella term covering all our internal sustainability initiatives and reflects our vision that the fashion industry should be a force of good rather than a contributor to environmental and social disasters.

For more definitions, please refer to the glossary.

IMPACT & IMPROVEMENT **HIGHLIGHTS**

Adore Me Enterprise operates in the apparel industry and offers a growing variety of lingerie, loungewear, swimwear and beauty products to its customers, mostly in the United States.

Unlike most of our competitors, we rely on a fairly concentrated supply chain, including less than 15 tier-1 suppliers on average.

In line with best practices, we think of the potential and actual impact of our operations along our products' life cycle. This means that we need to consider not only our company's direct externalities but also our suppliers' to the extent they are involved in manufacturing our products, as well as our customers' use and disposal of the products.

We are not in a position to share our full impact assessment this year as the initiative was just launched in 2021 and is currently underway. However, we believe it is important to start disclosing more information about our commitments and progress and how they relate to each step of our products' life cycle.

TIERED SUPPLY CHAIN EXPLAINED

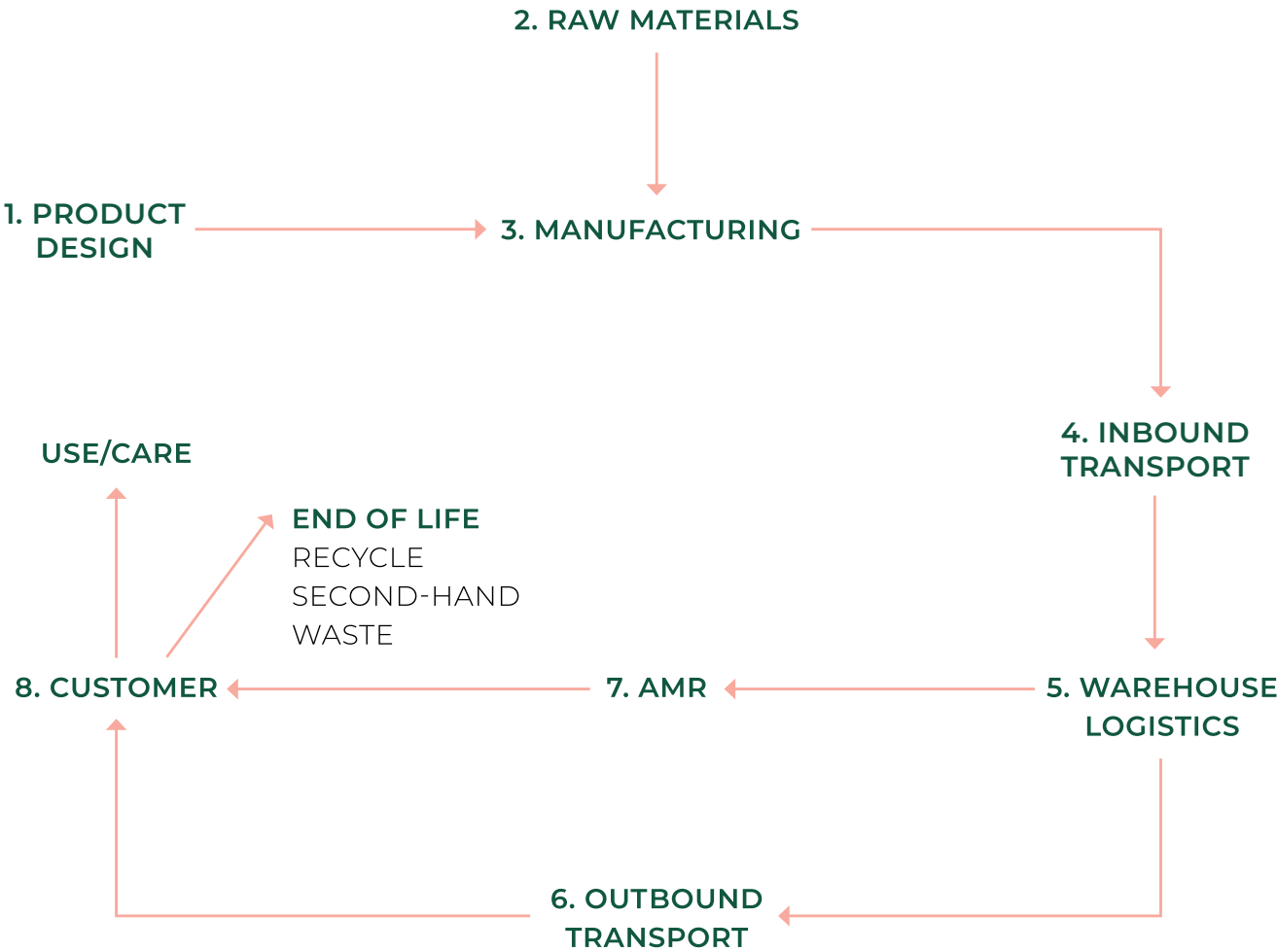
Tier 1 Suppliers: our direct partners, who manufacture our finished products.

Tier 2 Suppliers: they provide our Tier 1 suppliers with components or materials that will go into the finished product (e.g., a fabric mill.)

Tier 3 Suppliers: they are one step further removed, and provide our Tier 2 suppliers (e.g., a cotton farm.)

VALUE CHAIN & IMPACTS

Adore Me Value Chain



INITIATIVES & INTERNAL TOOLS

PRODUCT LIFE CYCLE	ADORE ME INITIATIVES	SUSTAINABILITY TOOLS	ADORE ME TEAMS
1. DESIGN	<ul style="list-style-type: none"> Preferred materials included in product mix (recycled, organic, certified, etc.) Manufacturing innovations (CYCLO®, seamless, Dope dyeing, etc.) Early involvement of technical design team Inclusive women health needs addressed (period panties, maternity, pre-menopause and menopause) 	AIM AMME	Creation Tech design Production
2. RAW MATERIALS	<ul style="list-style-type: none"> Assess environmental impact of raw materials 	AIM MAT	Creation Production
3. MANUFACTURING	<ul style="list-style-type: none"> Long term relationship with suppliers Strict USG requirements Semi-annual performance evaluations of the suppliers that manufacture our products (AMME) Piloting environmental performance program (GAME) 	USG GAME AMME SUP	Production P2M Supply chain
4. INBOUND TRANSPORT (TO WAREHOUSE)	<ul style="list-style-type: none"> Carbon footprint calculation (port to warehouse) Offsetting all inbound transport carbon emissions 	Internal carbon assessment methodology	Supply chain
5. WAREHOUSE LOGISTICS	<ul style="list-style-type: none"> Energy efficiency technology Recycled & recyclable external packaging Biodegradable mailers 	N/A	AMS
6. OUTBOUND SHIPMENTS (TO CUSTOMERS)	<ul style="list-style-type: none"> Calculating all outbound transport carbon footprint (warehouse to customers + returns) Offsetting all outbound transport carbon emissions 	Internal carbon assessment methodology	Supply chain
7. RETAIL	<ul style="list-style-type: none"> Motion-sensor lighting in fitting rooms Contact-less water in bathrooms Recycled and recyclable bags Free the Girls collection bins 	N/A	AMR
8. CUSTOMERS	<ul style="list-style-type: none"> Online fitting guide Increased transparency on sustainability program Standard shipping selected by default 2021 shipping and returns' carbon emissions offset Free The Girls collection bins at retail stores 	Fitting Guide AIM front end Internal carbon assessment methodology	Tech design Copy UX AMR

COMMITMENTS & PROGRESS

Inclusivity & Environmental Sustainability

Commitment: “change fashion for good by fostering inclusivity and environmental sustainability in the production, distribution and marketing of its products”.

Progress

2019-2020

- Launching ResponsibleShipping.org with like-minded industry players

- GAME pilot launched

- Transition to fully recyclable materials for external packaging

- First internal ELDF contest–inception of GAME

- AIM launched

2021

FEBRUARY

- [Twitter](#) post calling out TikTok’s discriminatory algorithm
- Collaboration with Evolved by Nature for Gentrue

JUNE

- Joining the SME Climate Hub
- Development of MAT

NOVEMBER

- C-suite reaches gender equality
- [Fitting guide video published](#)

MAY

- PBC conversion – stated purpose to “change fashion for good by fostering inclusivity and environmental sustainability in the production, distribution and marketing of its products.”

OCTOBER

- Second ELDF contest

DECEMBER

- Transportation: Assessment and offset of all carbon emissions through December 2021 in partnership with [Pachama](#)

SME CLIMATE COMMITMENT*

- **Halve emissions by 2030.** Adore Me committed to cut its greenhouse gas emissions by at least 50% before 2030, from a base year not more than 2 years back in time. This means that Adore Me's emissions (both scope 1 and scope 2 emissions), as well as those emissions related to business travel must be cut in half this decade.
- **Calculate Scope 3 emissions** and reduce them by 50% by 2030 (vs 2020).
- **Reach Net zero status by 2050** (which is a consistent target to achieve no or limited overshoot of 1.5°C above pre-industrial levels).
- **Share progress on a yearly basis.** Adore Me commits to communicate its progress on an annual basis.

*In line with SME Climate Hub pledge.

TARGETS

The targets listed below are based upon what the management of Adore Me believes are reasonable assumptions. They are guiding the work of many of our team members. However, due to the risks and uncertainties affecting any forward-looking statements, these targets should not be seen as guarantees.

GOALS FOR 2022

- End design of products with AIM score at 0
- At least 40% of hang tags and polybags made of recycled materials
- Lower inbound airship to < 5% of units
- Complete carbon footprint assessment (scope 1 and 2) and launch carbon footprint assessment (scope 3)
- Complete mapping of tier 1 and 2 suppliers
- Systematize stakeholder engagement on sustainability issues

GOALS FOR 2023

- 0 new product offered with AIM score at 0 after July 2023
- 100% traceability of our key raw materials
- Reduce scope 1 & 2 carbon footprint by 20% (vs 2021 baseline)
- Complete scope 3 carbon footprint assessment
- Release carbon footprint management strategy and tools
- Complete tier 1 due diligence process

GOALS FOR 2025

- All new designs with AIM score ≥1
- Reduce scope 3 carbon footprint by 20% (per unit sold vs 2021 baseline)
- Complete tier 2 due diligence process

GOALS FOR 2030

- Halve scope 1, 2 and 3 carbon emissions per unit sold (vs 2021)

GOALS FOR 2050

- Net zero status

GOVERNANCE

PUBLIC BENEFIT CORPORATION

In May 2021, Adore Me became a Public Benefit Corporation with the purpose to “change fashion for good by fostering inclusivity and environmental sustainability in the production, distribution and marketing of its products”.

ETHICS & INTEGRITY

Adore Me has adopted both an Employee Handbook (adapted for each of our entities and locations) governing our employment policies and practices, as well as a company-wide Code of Conduct.

Adore Me is committed to building a diverse workplace where everyone feels welcome, and has a strong non-harassment policy, an anti-sexual harassment policy as well as ethical requirements for all employees.

Adore Me's Code of Conduct, which was last updated in June 2021, incorporates the standards of conduct expected of everyone working at Adore Me, including the following commitments to our community:

We deal fairly. We deal fairly with our Community. We do not take unfair advantage of anyone

through manipulation, concealment, abuse of privileged information, misrepresentation, or any other unfair dealing.

We respect the environment.

We conduct our business with the highest commitment to respecting the environment in a responsible and sustainable manner, and we are committed to proactively countering the planet's gathering ecological crises. We embrace our responsibility to change fashion for good, and lead the way to minimize the ecological footprint of our operations and our duty to empower and incentivize those with whom we do business to do the same.

We uphold human rights. We respect human rights, provide fair working conditions, and prohibit the use of any forced, compulsory, or child labor by or for AdoreMe or our suppliers.

We do not permit bribery. AdoreMe's policy against bribery is clear—we never make or accept bribes to advance our business. We do not offer or give anything of value for an improper or corrupt purpose, whether in dealings with a government official or the private sector, and regardless of the norms of local custom. We follow Adore Me's Anti-Corruption Policy and ask Adore Me's legal team if we have questions.

We comply with trade regulations.

We comply with import and export laws and act in accordance with U.S. economic sanctions and embargoes that prohibit or restrict trade with certain countries or individuals.



SUPPLY CHAIN MANAGEMENT

Accountability

Contract requirements - Adore Me holds its suppliers accountable contractually through its Upstream Supply Chain Guide (USG) which is regularly updated.

Upon signing the USG, suppliers specifically commit to (among others):

- comply with best industry practices and Adore Me standards relating to human rights and environmental conservation as well as product safety;
- warranty not to manufacture, assemble or pack our products using forced, prison, dangerous or concealed labor and/or child labor involving children under the age of 16;
- comply with rules of conduct stated in fundamental ILO conventions including on freedom of association, abolition of forced labor, equality and child labor;
- comply with applicable labor laws governing working hours and allow workers no less than one day off in every 7 days;
- comply with all applicable labor laws governing discrimination in the workplace;
- comply with all applicable laws regarding all forms of harassment, including, but not limited to, sexual harassment in the workplace;
- provide a safe, healthy and clean environment to their employees;
- conduct their business in an honest and ethical manner;
- not tolerate, permit, or engage in bribery, corruption or unethical practices.

Audits - While Adore Me's general practice is to conduct regular in-person visits of our suppliers, the Covid-19 pandemic forced us to adapt. We have worked hard in 2021 to efficiently replace in-person meetings with enhanced virtual communications. We are hoping to resume in-person meetings and on-site visits in 2022.

Performance evaluation - Our manufacturers undergo a rigorous semi-annual evaluation and review process which is conducted by key internal stakeholders and leads to personalized 6-month action plans to address any identified development areas. We take responsible business conduct seriously. Any identified violation of applicable laws, regulations, or best industry practices may lead to the unilateral termination of a manufacturer.

Sustainability Scoring and Improvement plan - As part of our sustainability efforts, we have launched the Green Adore Me Manufacturing Evaluation (GAME) program. Through the GAME program, Adore Me scores its manufacturers' social and environmental performance and engages in a collaborative effort to improve their performance over a 2-year period. At the end of the improvement plan's implementation period, Adore Me re-assesses the enrolled manufacturers to track their progress. The objective of the GAME Program is to incentivize and support its manufacturers as they move towards more sustainable practices.

While the full implementation of this program was slowed down by the pandemic and related supply chain disruptions, we were able to enroll five selected manufacturers in a pilot version of the program in 2021. We are hopeful to resume our coordinated efforts in 2022.

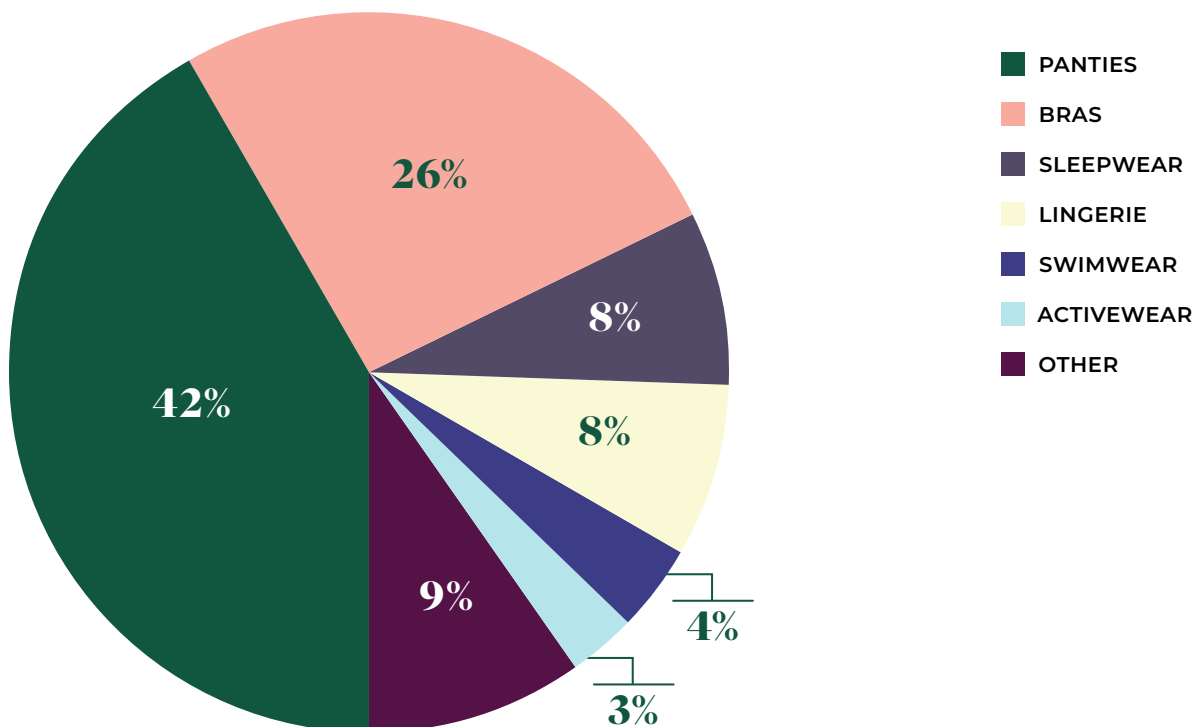
Transparency

The purpose of this entire report is to increase transparency with regard to our activities. Below are illustrations of our supply chain and product mix. We will work to include more granular information in future editions.

2021 Tier 1 Suppliers Maps



Distribution of Purchase Orders (AM and SBs) per Product Category



STAKEHOLDER ENGAGEMENT

At Adore Me, we value all our stakeholders and believe that they are the backbone of our company's resilience, as was demonstrated this past year through endless unpredictability. We involve our employees, customers and suppliers in virtually everything we do. Sustainability is no different.

Employees

From 2019 onwards, our employees have been heavily involved in the company's sustainability journey through the "Embrace Life, Disrupt Fashion" (ELDF) challenge. The ELDF challenge is a contest among employees from all teams with the purpose of generating innovative proposals on how Adore Me may become more sustainable. The winning project is implemented. This initiative has proven fairly effective at promoting a culture of sustainability within Adore Me.

In 2021, our employees were invited to participate in the second edition of the ELDF challenge. Eleven teams competed with sustainable projects relating to packaging, customer education and engagement, carbon neutral shipping, innovative technologies and more.

The winner of the 2021 challenge was a project addressing the carbon footprint of shipping our products. This project received support from our leadership and led to the calculation and complete offset of Adore Me's 2021 carbon emissions from its products' transportation.

Suppliers

As part of its supply chain due diligence and monitoring practices, Adore Me has developed the **Adore Me Manufacturing Excellence (AMME) Program**, under which Adore Me conducts semi-annual performance evaluation of our tier 1

suppliers that manufacture our products.

AMME evaluations are completed by key internal stakeholders who work closely with each of our suppliers.

- Evaluation results are shared with the supplier
- Key areas for improvement are reviewed and discussed
- Manufacturer feedback is solicited
- Action plans to address development areas are co-developed

AMME includes operational and financial KPIs as well as sustainability and transparency performance indicators.

While we continue to engage with our stakeholders through ad hoc sustainability-related initiatives in 2022, we will also assess their priorities to ensure that our sustainability strategy and reporting are aligned with their concerns.

SUSTAINABILITY INTEGRATION

Committed to effectively pursuing its stated mission, in 2021 Adore Me started building a sustainability compliance function. The newly created team will strengthen and oversee the integration of sustainability within Adore Me's sourcing, design, production, and marketing, among others. The goal is to move away from seeing sustainability as a topic for ad hoc initiatives and ensure that it is fully integrated within the company's strategy.

DATA GOVERNANCE

Adore Me is a data-driven tech-heavy company. When faced with the seemingly insurmountable challenge that is reducing and mitigating our business' impact on the environment, we started building a suite of tools to help us assess and improve the impact of our operations.

We are aware of the proliferating methodologies that exist on the sustainability market but our initial assessment led us to conclude that they were either expensive, not tailored to the specifics of the lingerie industry, or unreliable.

We decided to develop internal tools to:

- Better understand our value chain and build stronger partnerships with our suppliers
- Ensure they were tailored to our specific business, taking into account its complexities
- Avoid the common flaw of focusing on scoring rather than focusing on progress
- Embed sustainability in our company culture by engaging most – if not all – our teams in our transformation process
- Avoid “expert” bias often excluding smaller brands or sustainability beginners
- Enable versioning, iterating, and innovating

This is not to say that our own methodologies are flawless. In fact, in 2021 we started a thorough review of our tools to ensure that they were as strong as they could be. They have been and continue to be revised as more information becomes available and more trusted third parties provide input. As we continue to increase the volume of sustainability-related data we collect and analyze, we are strengthening our assessment tools and methodologies.

In 2021, we started working on the development of a meta-index that integrates our existing indices and tools all in one place. We are working hard at it and should be able to share more on this soon.

ENVIRONMENT

OUR ENVIRONMENTAL SUSTAINABILITY TOOLKIT

Most of the environmental impact of our industry is caused by the production of raw materials used to make our garments (i.e. the fibers), and the activities necessary to manufacture the garment.

3 internal tools play a key role in assessing our environmental performance at product level: AIM, MAT and GAME.

PRODUCT VALUE CHAIN	ADORE ME INTERNAL TOOLS
Product Design	<p>AIM (ADORE ME IMPACT MATRIX)</p> <p>AIM is an internally developed tool assessing the environmental sustainability of a product based on its design and certain manufacturing attributes. It assesses a product's sustainability performance across four essential categories:</p> <ul style="list-style-type: none">· Fiber (e.g. organic > virgin fiber)· Water (e.g. digital vs classic print)· Waste (e.g. seamless > classic cuts)· Chemicals (e.g. pre-dyed > classic dye)
Raw Material	<p>MAT (MATERIAL ASSESSMENT TOOL)</p> <p>MAT attributes a score based on a products' components' environmental impact in terms of:</p> <ul style="list-style-type: none">· Carbon Emission· Water Scarcity· Fossil Fuel Usage
Manufacturing	<p>GAME (GREEN ADORE ME MANUFACTURER EVALUATION)</p> <p>The GAME program works to effectively evaluate suppliers across the following criteria:</p> <ul style="list-style-type: none">· Energy Savings & Emissions· Water Management· Chemicals Management· Waste Management· People & Community <p>Following an initial assessment, Adore Me collaborates with the supplier to develop and implement a plan to improve its score within a 2-year horizon.</p>

OUR ENVIRONMENTAL SUSTAINABILITY TOOLKIT, CONT.

ENVIRONMENTAL IMPACT AREAS	ADORE ME TOOLS	RELEVANT STAGE OF PRODUCT LIFE CYCLE
WATER	GAME, AIM, MAT	Design, raw materials, manufacturing
FIBER	AIM, MAT	Design, raw materials
CHEMICALS	GAME, AIM	Design, raw materials, manufacturing
WASTE	GAME, AIM	Design, manufacturing
CLIMATE CHANGE (CO ₂ EQ EMISSIONS)	MAT, GAME, Internal carbon assessment methodology	Raw materials, manufacturing, transportation

SUSTAINABLE DESIGN METHODOLOGY

AIM explained

AIM is a tool assessing the environmental sustainability of a product based on its design and certain manufacturing attributes. It was developed internally by Adore Me's creation team to leverage their expertise in fiber selection, dyeing or printing processes among others.

At product-level, AIM enables us to score various sustainability attributes based on 4 key impact areas: fiber, waste, water and chemicals. As such, certain fibers will earn more points than others. For example, organic fibers will earn more points than their conventional counterparts. Similarly, a dyeing technology such as DyeCoo, that requires no water, will earn a perfect score in the "water" impact area, significantly better than more conventional dyeing techniques. Based on this matrix, a product is scored from 0 to 5 in each of the key impact areas. The product's average score across areas becomes its AIM score. It is important to note that AIM is built so that it is virtually impossible for a product to get a perfect score. Indeed, the tool was built to be realistic and leave a lot of room for improvement.

Significantly, AIM is embedded in AME's operations and acts as a driver of change. Our creation team and our suppliers look to AIM as they work on raw material selection or design improvements. Our production team relies on AIM to design its development strategy and to set KPIs. Our UX team also leverages

AIM to enhance customer disclosures on our website.

AIM is not perfect but it has proven to be a useful tool to push change within Adore Me from the start of our products' lives. As new fibers and manufacturing techniques are being developed, the matrix will need to make room for these innovations so that best performers continue to be scored higher than others. To ensure that we adapt to these changes, we are regularly versioning AIM. We are currently using V2. AIM V3 will likely be released before year-end.

We are also working on upgrading AIM so it can be used by other brands looking to transform themselves.

2021 overview

- ~ 5% of our inventory was sustainable*
- ~ 10% of products developed this year were sustainable
- Less than 4% of orders on AdoreMe.com were placed for sustainable products
- More than 45% of orders from Adore Me sister brands were placed for sustainable products

*Products with an AIM score >1 are considered sustainable for purposes of this analysis.

We are working to reach 100% sustainable* products in our inventory by 2026.

CYCLO

CYCLO® uses cutting waste from garment manufacturers to make a recycled colored yarn, produced without using water, dyes or chemicals.

DIGITAL PRINTING

Instead of pressing pre-mixed colors of dye on the fabric through rotary screens, the digital textile printer uses a printable image (design) of a graphical data file, reads the right color information by using a LAB or RGB system and prints the desired color onto the fabric with miniscule droplets of ink. Digital printing uses significantly less energy and water than rotary screen printing. It also limits waste and the disposal of excess dye and chemicals.



SUSTAINABLE MANUFACTURING

GAME explained

The Green Adore Me Manufacturer Evaluation tool (GAME) assesses our tier 1 suppliers' efforts towards more sustainable practices, and promotes transparency at factory level. Beyond the assessment tool, GAME is part of a wider program that promotes ongoing dialogue with suppliers to help them mitigate the environmental and social impacts of their activities. Similar to our other tools, GAME is evolving. The data provided here is accurate as of December 2021.

GAME evaluates each supplier across a number of criteria including Energy Savings & Emissions, Water Management, Chemicals Management, Waste Management, People, Certifications & Reporting.

100 points are distributed across 4 categories (Energy, Water, Chemicals and Waste) and an additional 10 points are distributed for People and Certifications. For each of these categories Adore Me assesses our suppliers' efforts and commitment to make their practices more sustainable. The evaluation process is based on certifications/documentation, onsite visits, ongoing monitoring and information from external auditors. GAME is currently in a pilot phase, with five manufacturers enrolled.

RAW MATERIALS ASSESSMENT

MAT explained

AIM was a design-driven tool, not an impact assessment tool, and as such, it failed to fully capture the environmental impact of the materials used to make our products. To account for this shortcoming, we developed the Material Assessment Tool (MAT), which measures the environmental impact of our key product components in line with the key indicators used by HIGG's MSI tool. This tool enables us to assess the main and secondary fabric used in a product.

CLIMATE CHANGE

In order to limit global warming to 1.5°C by 2050, we need to change how our business operates. Measuring, reducing and/or offsetting have become necessary tasks to meet our medium and long term goals.

Measuring

We approached carbon footprint measurement like many of our projects at Adore Me: try, test and develop.

We chose to start with a defined segment of our value chain: transportation. Transportation can mean different things: shipments from our suppliers, deliveries to our customers, etc. We included any transportation that involves our products. This means inbound transportation and outbound shipping.

Now we are not in the business of calculating carbon footprints so we had to implement processes leveraging both data and best practices to determine our own transportation carbon emissions.

We are still analyzing our findings, but here are a few highlights that will continue to inform our emission reduction strategy:

- our Co2 emissions were reduced by approximately 100 MT in 2021 (vs 2020) by limiting air shipping
- inbound emissions still represent 73% of all transportation emissions
- upgraded outbound shipments, which were partly driven by pandemic-related delays in deliveries, represented less than 15% of outbound orders shipped in 2021

We are happy to share that at the time this report is being published, we have launched an initiative to measure all of our scope 1, 2 and 3 Co2 emissions. We are working with trusted partners on this and intend on providing further data in next year's report.

Inbound Transport Carbon Emissions

*Ocean & truck emissions
(90% of imported units):*

846 MT* Co2

Air emissions:

+ **1066 MT Co2**

Total Inbound: 1912 MT Co2

* Metric Ton

Outbound Transport Carbon Emissions

Standard shipping:

362 MT* Co2

Priority & Express shipping:

90 MT Co2

Upgraded orders:

181 MT Co2

Returns:

80 MT Co2

Returns to sender:

+ **4 MT Co2**

Total Outbound: 716 MT Co2

* Metric Ton

CLIMATE CHANGE, CONT.

Reducing

In 2021, we moved approximately 90% of imported units to sea shipment to both delivery centers. This number is still not perfect given the Covid-19 pandemic context. This decision resulted in a large carbon emission reduction because air shipment generates approximately 16 times more carbon emissions for every unit shipped from our suppliers than sea shipping.

We have also implemented standard shipping as a default for all our brands, which avoids air shipping.

We will continue to look for ways to reduce our transportation carbon footprint as well as our GHG emissions company-wide.

GHG transportation goals for 2022:

- <1% inbound air shipping for imported units
- Half the number of upgraded orders (from 2021)

Offsetting

Offsetting our carbon emissions is not our goal but it is still a necessary step towards net zero carbon impact.

So far, all of our 2021 carbon emissions from shipping (2628MT) were offset. We have compensated our transportation emissions by partnering with Pachama on two projects:

- The TNC-Chestnut Mountain Improved Forest Management Project, located in White County, Tennessee
- The ONF-Fazenda Sao Nicolao Reforestation Project, located in the Amazon rainforest in Brazil.

As we progress on our emission assessment journey in 2022, we are planning on continuing to rely on carbon credits to meet our carbon neutrality goals.

Packaging

As an e-commerce company, we know that our products' packaging also has an impact on the environment and we are continuously looking for ways to improve our practices.

Where We Are

- All our external packaging is made of recycled materials (LDPE for mailers, recycled cardboard for boxes).
- In 2021, we transitioned to all FSC Recycled external boxes.
- While diverting materials from waste is a good start, we went a step further to ensure that our packaging wouldn't live forever. As of 2021, all our mailers are biodegradable and all our external boxes are fully recyclable.
- This year, we have also revised our requirements for all internal packaging (polybags) and hangtags to ensure they would be made of recycled materials. Implementation is expected to begin in 2022.

Where We Are Headed

- Complete roll out of recycled and recyclable internal packaging (polybags) (2023)
- Complete roll out of recycled hang tags (2023)
- Transition to local sourcing of external mailers (2022)



ADORE ME RETAIL

Mitigating our environmental impact is something we have worked on in our retail business as well. Here is a list of initiatives that have been implemented in the past few years in some or all of our stores:

- Motion-sensor lighting in fitting rooms
- Contact-less water in bathrooms
- Recycled and recyclable bags (in 2021, we moved to a paper cord handle making our bags 100% recyclable)
- Encourage customers not to use bag
- Email receipt offered
- Collection bins available (from Free The Girls program)



ADORE ME SERVICES

In the Adore Me Services NJ warehouse, Adore Me implemented a technology called AutoStore™ in order to save energy, space and time and to improve workers' safety and working conditions. AutoStore™ is a self-optimizing automated storage and retrieval system reducing the storage footprint by 60% compared to traditional storage space with aisles and shelves. In addition to space savings, increased order accuracy and fulfillment rates, AutoStore™ also addresses issues such as workers' safety and well-being (improved ergonomics, reduced noise level and cleanliness, optimized work stations, etc.)

The 2 logistics centers operated by Adore Me use LED lighting as well as fans rather than AC units to further limit energy consumption. They are also equipped with electric and propane forklifts.

TECHNOLOGY

Adore Me Scale-Up-Planning (SUP)

Adore Me has developed a powerful software tool called Scale-Up-Planning (SUP) in order to forecast the demand of products in a given period and thus source the right number of products. SUP is essentially limiting waste from procurement, by optimizing our forecasting system. SUP is a tool developed internally by Adore Me, which allows us to customize and adapt our practices.

Google Cloud

Adore Me's website, its internal tools, development and test environments and all of its data are hosted on Google Cloud. Google data centers are twice as energy efficient as a typical enterprise data center. Further, Google is currently carbon neutral and committed to become carbon-free. Carbon-free energy used by Google includes wind, solar, geothermal, biomass, nuclear, hydropower, and pumped storage or battery storage discharge. In addition, Google also committed to becoming water positive by 2030 – this means it will replenish 120% of the water it consumes, on average, across its offices and data centers and help restore and improve the quality of water and health of ecosystems in the communities where it operates.

SOCIAL

SUPPLIERS

Adore Me relies heavily on a strong network of suppliers to make the products we offer our customers. We firmly believe that long term relationships with suppliers is the only way to develop the trust needed to form a resilient and reliable supply chain. Our long standing relationship with our suppliers has also allowed us to leverage their expertise and encourage or collaborate in sustainability-related initiatives to better manage environmental and social externalities.

As an example, the GAME Program, which we launched in 2021, acted as a key facilitator of an ongoing conversation around sustainability with some of our closest suppliers.

Three of our tier 1 suppliers enrolled in the GAME Program are presented in the following pages. The information contained in the next 3 pages was provided by the covered suppliers.



SCAVI HUE - PHONG DIEN DISTRICT, THUA THIEN HUE PROVINCE, VIETNAM · CREDIT: SCAVI HUE



MAS SOLAR PANELS AT THE BODYLINE FACILITY IN HORANA, SRI LANKA, 2019 · CREDIT: MAS HOLDINGS



MAIN GATE BOGART FACTORY 2; 2022 · CREDIT: DELTA BOGART GROUP

SCAVI

YEAR FOUNDED: 2005

YEAR OF COLLABORATION: 2013

HEADQUARTERS: France

NUMBER OF EMPLOYEES: Over 15,000 people

FACTORY: Thua Thien Hue Province, Vietnam

PRODUCT: Bras, Panties, Swim, Lingerie, Corset

SCAVI

The SCAVI Group was founded by Mr. Phu Tran Van, Chairman-Founder-CEO of Corèle International, in 1988.

The SCAVI Group is committed to protecting the planet and ensuring all of its manufacturing operations and products meet stringent environmental standards. In addition, SCAVI is committed to using materials originated in Vietnam, to further develop the local materials ecosystem.

Besides the WRAP social certification (Gold), SCAVI holds certificates of compliance to GRS (version 4.0), OCS (Organic 100 and Organic Blended) and RCS (version 3.0, Recycled 100 and Recycled Blended) covering—among others – the women apparel product category.

The Foundation B'Lao, which was created by SCAVI's CEO in 2017, oversees initiatives addressing social and environmental issues in Vietnam. Among other key projects, the Foundation opened a kindergarten in 2017, in Phong Dien - Hue, next to the biggest industrial center of the group, welcoming children of SCAVI workers as well as children from the area. The school capacity is of 200 children, from 18 months to 6 years and it is open to all members' children regardless of their job position in SCAVI Group. Almost full scholarship on childcare and education is sponsored by the Group.



SCAVI KINDERGARTEN IN PHONG DIEN, THUA THIEN HUE PROVINCE, VIETNAM · CREDIT: SCAVI HUE

MAS

YEAR FOUNDED: 1987

YEAR OF COLLABORATION: 2019

NUMBERS OF EMPLOYEES: Over 110,000 people

HEADQUARTERS: SRI LANKA

FACTORIES: Panadura, Pannala, Palkelele, Middeniya, Biyagama, Koggala, Kuliyaipitiya - Sri Lanka

PRODUCTS: Intimate wear, active wear, adaptive apparel and fem tech

MAS Holdings

MAS was founded in 1987 by three brothers, Mahesh, Sharad and Ajay Amalean. Over the years, MAS became one of the leading manufacturers of intimate apparel, sportswear, performance wear and swimwear in South Asia, recognized globally for its ethical standards and sustainable manufacturing practices.

Today, the company's efforts to drive positive impact are outlined in its sustainability strategy, the MAS Plan for Change. The Plan for Change is a commitment to inspire sustainable change within the MAS business, amongst its customers, people and communities, and for the planet, under three areas of focus: products, lives, and our planet changed for good.

With a commitment to generate 50% of its revenue through sustainable products by 2025, MAS has brought sustainability to the core of its business: from sustainable sourcing and innovations that can unlock sustainable product and packaging solutions, to explorations in circularity.

Hoping to supply power to the Sri Lankan national grid while actively limiting emissions by powering their own operations with renewable

alternatives, MAS has set up solar panels across their factories in Sri Lanka. The company has also recently signed up for the Science Based Targets initiative (SBTi) with commitments to reduce absolute scope 1 and 2 GHG emissions 25.2% by 2025 from a 2019 base year.

MAS is also diverting waste from landfills, and working to reuse, recycle and upcycle their waste products. In 2020, MAS piloted the 'Ocean Strainer', Sri Lanka's first floating trash trap, aimed at stopping plastic waste from entering the ocean through inland waterways.

Through its Women Go Beyond programme, MAS also works to prevent gender-based violence, empower, educate, provide skill development, leadership development, and career advancement for women. MAS also offers pre-and post-natal programs, on/off-site childcare facilities, and lactation rooms among other benefits.

MAS holds a number of certifications to respected standards including WRAP (Platinum), GOTS, GRS, OCS (Organic 100 and organic blended), Oeko-Tex (Standard 100), and RCS (Recycled blended).

For more information on MAS Holdings initiatives, visit their dedicated site [here](#).



MAS OCEAN STRAINER – DEHIWALA CANAL, SRI LANKA; LAUNCH DAY, 2020 · CREDIT: MAS HOLDINGS

DELTA BOGART LINGERIE

YEAR FOUNDED: 1993
YEAR OF COLLABORATION: 2015
HEADQUARTERS: Guangzhou, China
NUMBER OF EMPLOYEES: 9,930
FACTORIES: Guangzhou (China), Bangsaothong (Thailand), Ayutthaya (Thailand),
Yangon (Myanmar)
PRODUCTS: Bras, Panties, Swim, Lingerie, Corset, Lounge, Active

The Delta Bogart Group

Founded in 1993 in the city of Hong Kong, The Delta Bogart Group now has multiple locations across Asia that serve renowned lingerie, sports and swimwear brands in the world.

Bogart developed an Environmental Management System (EMS) that is being led by employee officers certified on Environmental Management Systems. Bogart’s 2019-2025 EMS has clear and quantifiable reduction goals focusing on 3 main areas: energy, water and waste.

Bogart is accredited with Golden WRAP Certificate and a member of Myanmar Garment Manufacturer Association (MGMA).

In 2018, Bogart opened up a Training Center, with trainers from the MGMA and in collaboration with the Yangon Technological Institute and Deutsche Investitions - und Entwicklungs GmbH from Cologne. Bogart and its partners developed an education facility and training program for Intimate Apparel Manufacturing that is, to this day, the only facility in Myanmar structured to teach operators and middle management in the Intimate Apparel Industry.



BOGART FACTORY 2 (QC DEPARTMENT - FINAL AUDIT QUALITY LEVEL); 2022 · CREDIT: DELTA BOGART GROUP

EMPLOYEES

Adore Me Enterprise has always considered its employees as a core asset of the company. Our leadership is committed to promoting a culture of equality, diversity and inclusivity among its employees.

The bamboo ecosystem. At Adore Me, employees are seen as bamboos evolving in an integrated ecosystem. The bamboo forest is a metaphor to describe how Adore Me develops, rewards, promotes, and recruits talents. A bamboo forest is a complex network of branches (culms) that adapt to and support one another, all while being interconnected at the roots. Our employees are interdependent and generally cross-functional. They are diverse and agile, which makes them highly adaptable and resilient in times of crises.

One of our key guiding principles is to **embrace differences**.

Adore Me Enterprise in 2021:

- **392 employees**
- **72% women**
- **50% with tech background**
- **24 nationalities represented in our workforce***

**Self-reported*

WE EMBRACE DIFFERENCES

“Diverse teams are stronger, and inclusive cultures are more resilient. We embrace our internationality and fusion of backgrounds. When we seek out different perspectives, we make better decisions and build better products. We dig deeper. The best solutions to meaningful challenges are rarely easy or obvious. We stay curious, balance our intuition with data, and decide with confidence.”





NETYSHA SANTOS LABORBE

Key Update

In 2021, Adore Me has hired a Chief People Officer to strengthen its human capital management.

Netysha began her career at bulge-bracket firms on Wall Street until the financial crisis in 2008. She received her MBA in 2010 from INSEAD, a global business school based in France and Singapore. Afterwards, she worked at Google assuming various roles in sales, marketing and business development/strategic partnerships. Concurrently, she led an organizational behavior consulting practice called The Modern Careerist where she worked with the world's top management consulting firms, financial institutions, law firms and tech companies. She left Google in 2017 to pursue it full-time. She also worked with Facebook's strategic partnerships group as the firm grew its footprints in online payments and cryptocurrency.

Employee Training & Development

At Adore Me, every employee is encouraged to participate in training and upskilling opportunities. In fact, our employees are required to commit to at least one (1) day (8 hours) of professional development in their field each year.

We also undertake Semi-Annual Reviews (SARs) to share feedback and strengthen our most important asset: our people.

SARs at Adore Me are typically organized in 2 cycles:

- The winter cycle includes in depth discussions from all stakeholders, including peer to peer feedback, performance review and discussions within the relevant Development Committees and Compensation Committee.
- The summer cycle focuses on reinforcing relationships between employees, including emotional Intelligence discussions with managers and general discussions within the Development Committees on the existing dynamics within the team.

In 2021, despite the fact that our offices had been closed since mid-March 2020, we felt that proceeding with SARs was more important than ever to maintain this key line of communication and ensure our workforce's resilience in the face of the pandemic.

Employee Healthcare

Adore Me offers all its employees health insurance including medical, dental and vision coverage.

Employees Wellbeing

We believe employees perform better in an environment where they can healthily balance their work with their personal life. While we try our best to

meet each and every employee's needs, we have developed a framework that takes into consideration a number of predictable life events that may impact our employees' work.

Under New York State's new Paid Family Leave Act, in 2021, eligible employees were entitled to take up to 12 weeks of Paid Family Leave ("PFL") and receive 67% of their average weekly wage, capped at 67% of the New York State average weekly wage which is \$1,450.17. PFL is 100% employee funded through payroll deductions (0.5111% of an employee's weekly wage, up to a max of \$385.34 per year).

Because Adore Me recognizes the monumental importance of the birth, adoption, or fostering of a child, and wants to fully support our employees in these endeavors, Adore Me offers employees who have given birth and/or are the primary caregivers of newly born, adopted or fostered children and have elected to take PFL in 2021, their full salary for the full 12 weeks of PFL. Further, secondary caretaker for a newly born, adopted, or fostered child who have elected to take PFL are offered their full salary for the first 3 weeks of PFL.

As part of our family-friendly policies and benefits, we support breastfeeding mothers by accommodating those who wish to express breast milk during their workday when separated from a newborn child. For up to one year after the child's birth, any employee who is breastfeeding her child will be provided reasonable break times to express breast milk for her baby. Our New York headquarters are equipped with a dedicated room, and a small refrigerator reserved for the specific storage of breast milk is available.

2021 Events Maintained Despite the Covid-19 Pandemic:

- Office breakfasts in NYC and Bucharest
- Weekly lunches at our NYC office
- Happy hours, summer retreats and other team building activities
- Bring your children to work day in NYC
- Company-wide ELDF challenge
- Holiday themed office events

Adore Me Services Initiatives**Disabilities Program**

One of the ways Adore Me lives by its commitment to inclusivity is by focusing on its employees with disabilities. Beyond the accessibility of our offices, we have worked to develop a specific employment program through our Adore Me Services office.

AMS Program:

- Work set-up adapted to the employee's specific needs
- Creation of a buddy program designed to help with full company integration
- Program-specific dedicated zone on AMS floor to facilitate access
- Continuous on-site support
- Adapted safety procedures
- Flexible attendance allowing for treatment and healthcare visits

English as a Second Language Program

Adore Me embraces the different cultures that make up its diverse workforce. In total, the company counts 24 different self-reported nationalities.

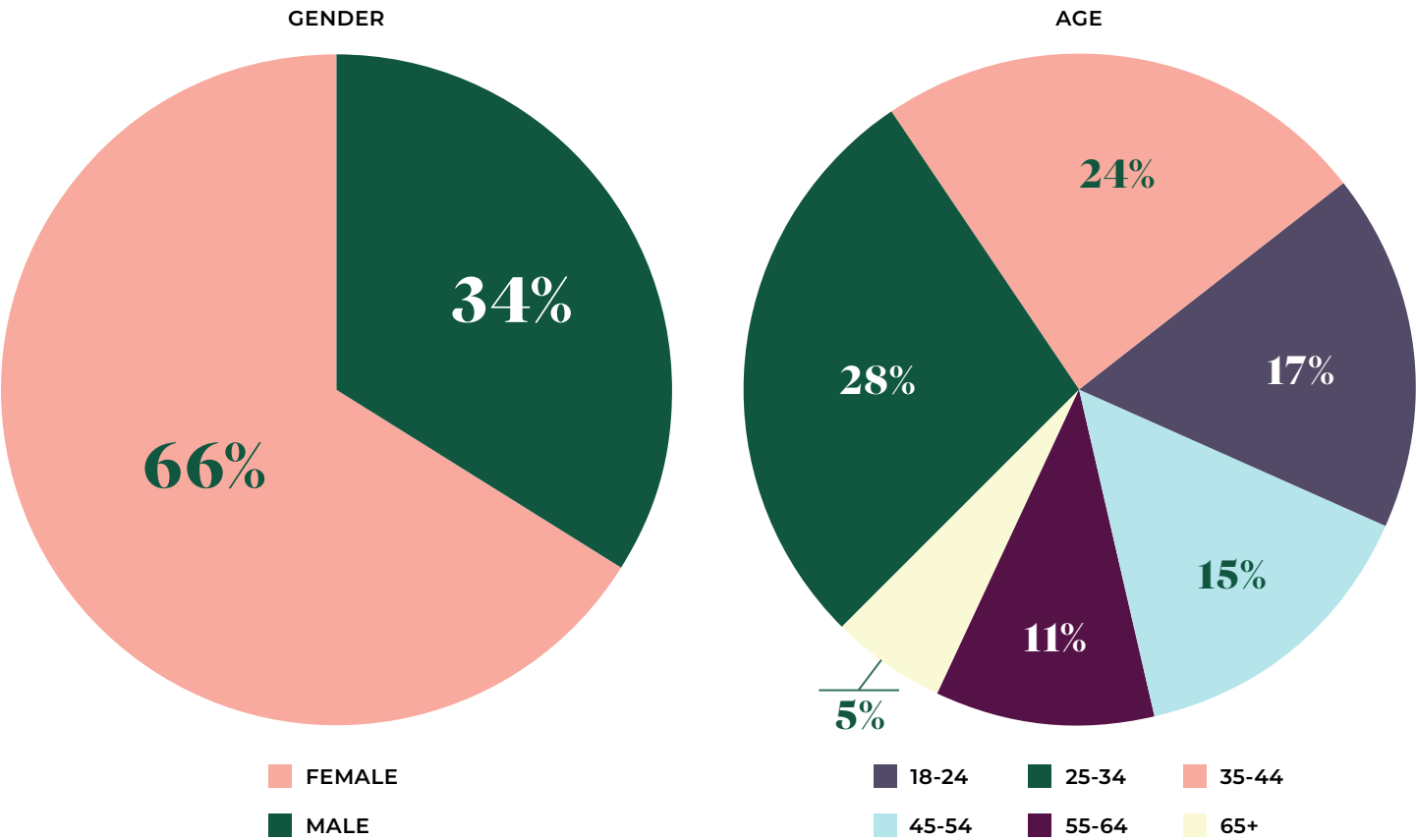
Adore Me Services employs a vast majority of non-native English speakers. In order to better support its employees, AMS offers all its employees based in the United States the opportunity to join a free English as a Second Language (ESL) program.

The weekly courses are fully funded by Adore Me and delivered by the organization Cultran Tutor at AMS's offices. So far, more than 50 employees have taken part in the ESL classes between 2019 and 2020. While these classes were suspended in the fall of 2020 due to the Covid-19 pandemic, they are scheduled to resume in 2022.

CUSTOMERS

Last but not least, AME's customers are at the center of all that we do.

Who They Are:



PRIVACY

Adore Me takes privacy seriously and maintains an updated [Privacy Policy](#) on its website in compliance with applicable laws and regulations.

Sustainability & Fit

Fit is key to meeting our customers’ needs. Our fit experts a.k.a the technical design team works hard and applies their expertise to make sure that our products are reviewed through multiple rounds of fitting on various sizes.

This year, we published a dedicated fit guide which is available on our Website to help everyone learn how to measure themselves, and find the right bra size for them.

This guide helps our consumers troubleshoot the most common bra fitting issues to ensure they can find the best bra and fit for their unique shape and size.

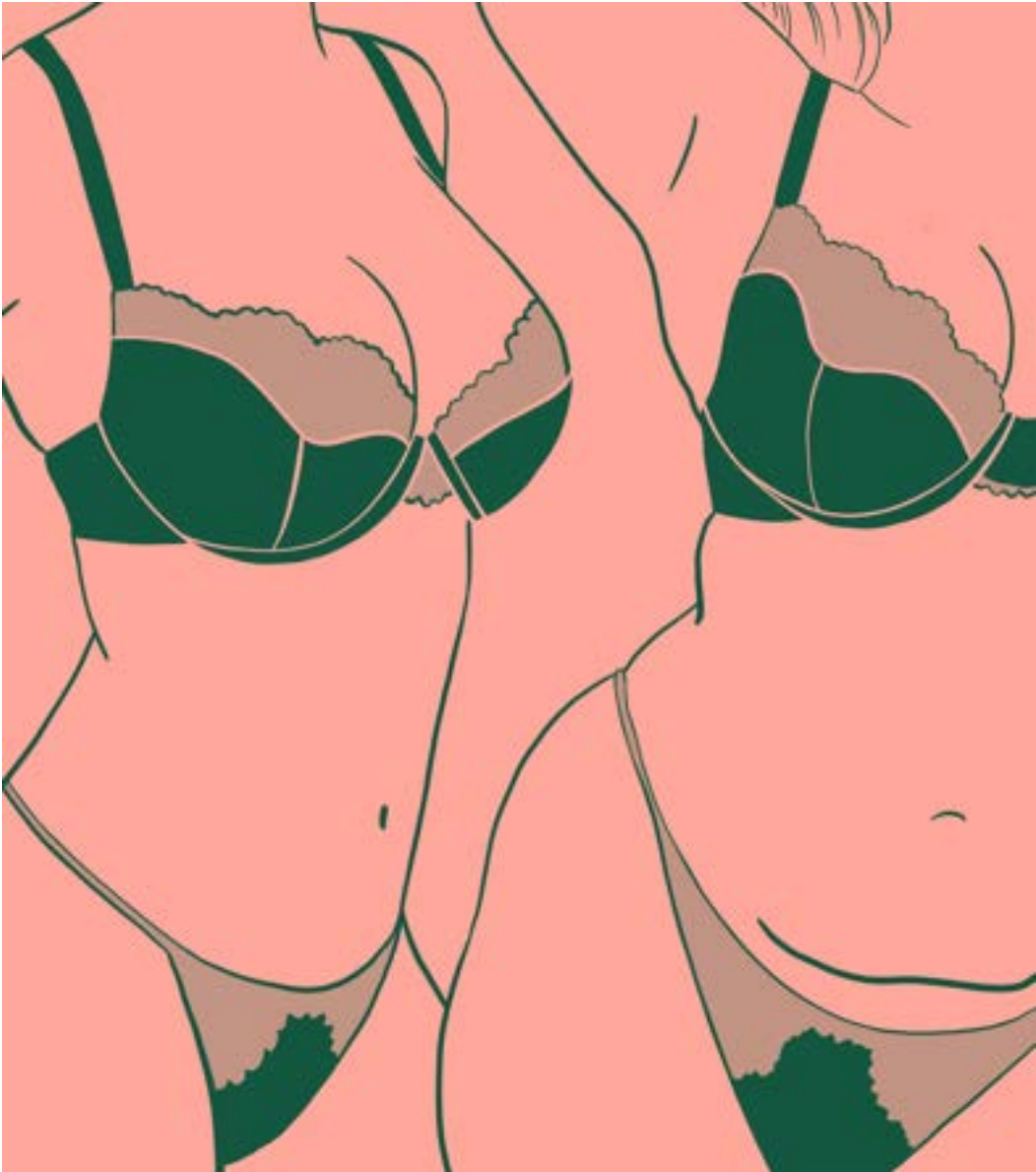
Fitting is part of the solution to make our industry more sustainable. When a product fits, it is worn rather than set aside to remain in a closet forever or worst, discarded and sent to a landfill.

What's your band size? Find the inch measurement you got from your ribcage using the range on the left column. The column on the right is your corresponding band size.

RIBCAGE MEASUREMENT	BAND SIZE
25-27"	30
28-29"	32
30-33"	34
34-35"	36
36-38"	38
39-41"	40
42-43"	42
44-46"	44
47-50"	46

What's your cup size? Subtract your ribcage measurement in Step 2 from your fullest bust measurement in Step 3. This inch number is your starting cup size—as seen in the chart below.

FULL BUST - RIBCAGE	CUP SIZE
4"	A
5"	B
6"	C
7"	D
8"	DD
9"	DDD
10"	G
11"	H
12"	I



CHARITY **SUPPORT**

Adore Me keeps its social engagement at the core of its culture. By partnering with various NGOs, every year, Adore Me Enterprise directly supports purpose-driven organizations to foster positive change in their communities.

In 2021, Adore Me Enterprise supported a total of 14 charities that fight for causes that we believe in.

Adore Me organized a Give Back Contest in December 2020, where employees were encouraged to compete by pitching and presenting different NGOs that Adore Me could support. Out of 13 proposals, 3 NGOs won the contest and received the biggest donations in 2021- [Immigrant Families Together](#), [JDRF](#) and [Pe Stop](#). Adore Me also donated to some of the other competing NGOs presented in the contest: Project Heal, Virunga National Park Foundation, Women In Need (WIN), Wildlife Conservation International, National Domestic Violence, and The Bail Project.

More generally, Adore Me is a proud partner of the NGO [I Support the Girls](#). In 2021, we advocated for period-

product accessibility to the underserved population of women that are homeless, victims of domestic violence, victims of sex trafficking, refugees and evacuees affected by natural disasters. In 2021, Adore Me donated a pair of period panties to a person in need every time a customer purchased one product from the Joyja website. Through this partnership, Adore Me donated period products valued at \$189,000, ensuring improved access to menstrual hygiene to the underserved population represented by the NGO.

Adore Me has had a continuous partnership with the NGO [Free the Girls](#). In 2021, we donated 3,912 bras to the charity. Free the Girls is an NGO that rescues women who are sex trafficking survivors and offers them the chance of a successful future. Adore Me Retail stores collected and donated used bras to Free the Girls, so that these women could sell the bras in their local marketplaces to make a sustainable, safe income. For reference, 4 donated bras represent the equivalent of a living wage for one woman in the Free the Girls El Salvador program.

For its annual Pride Campaign, Adore Me donated \$46,000 to the [Ali Forney Center](#) that were used to sponsor their Covid-19 vaccination and testing procedures in their resident centers. Ali Forney's mission is to protect LBTQ+ youth from the harms of homelessness and empower them with the tools needed to live independently.

On the occasion of the mental health awareness month, Adore Me partnered with the NGO [Sad Girls Club](#) to make a donation. Sad Girls Club is a non profit 501(c)(3) organization committed to destigmatizing mental wellness for millennial and Gen Z womxn, girls, and femmes of color.

Finally, in 2021, Adore Me donated to the [National Asian Pacific American Women's Forum \(NAPAWF\)](#) to celebrate the Asian American Pacific Islander Month in 2021.

In 2022, we intend on continuing to support the causes that we believe in, including through donations to Free the Girls and Ali Forney Center.



INITIATIVES **& AWARDS**

2021 HIGHLIGHTS



MARCI ZAROFF, CEO OF ecofashionCORP

EcofashionCORP

2021 was also marked by Adore Me's investment in ecofashionCORP, a sustainable lifestyle company built on a sustainable manufacturing ecosystem. Adore Me and ecofashionCORP align on their desire to democratize lifestyle products to bring sustainable fashion to scale and both companies leverage technology to meet their purpose. Marci Zaroff, founder and CEO of ecofashionCORP is a Board Member of the Textile Exchange and Organic Center/Organic Trade Association, and recipient of countless awards. She is a key figure of the movement towards a more sustainable fashion industry and we are grateful for her willingness to share her expertise and partner with us on exciting initiatives.

Material Change Index

In 2021, Adore Me joined Textile Exchange's Material Change Index (MCI), which is the largest peer-to-peer comparison initiative in the

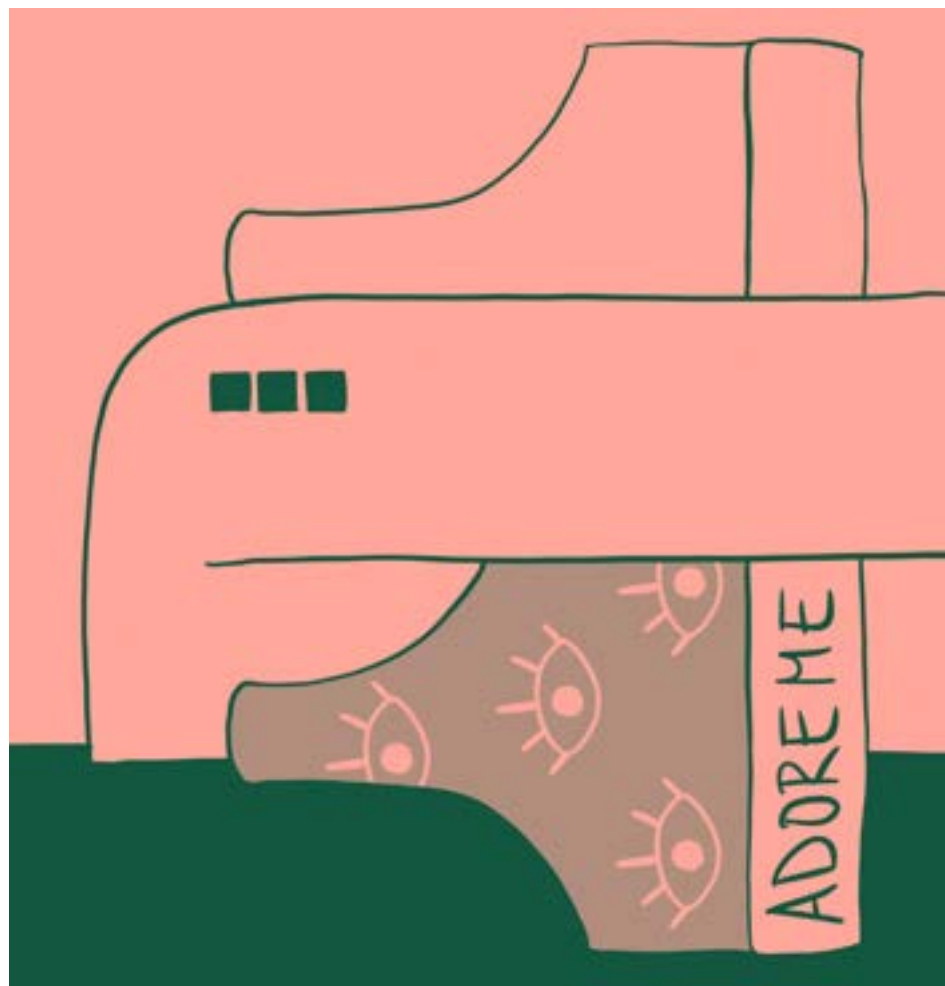
textile industry. MCI tracks the apparel, footwear and home textile sector's progress toward more sustainable materials sourcing, as well as alignment with global efforts like the Sustainable Development Goals and the transition to a circular economy.

Prompt.ly

We are proud to have engaged with MAS Innovation to be able to use its proprietary direct to garment digital printing technology. In 2021, we have taken the necessary steps to accommodate the Prompt.ly Technology machinery and hardware, and to integrate it with Adore Me's systems. Prompt.ly was fully operational by the end of 2021 for development, manufacture, marketing and sale of products to begin in 2022.

Sustainability Leadership Award

Adore Me won a 2021 Sustainability Leadership Award in the Business Intelligence Group 2021 program.



GLOSSARY

AIM: Adore Me Impact Matrix

AME: Adore Me Enterprise

AMME: Adore Me Manufacturing Excellence program

Carbon Neutral: Balancing greenhouse gas emissions with an equivalent amount of independently verified carbon offsets. Also referred to as net zero greenhouse gas emissions.

ESG: Environmental, Social, and Corporate Governance is an evaluation of a firm's collective conscientiousness for social and environmental factors.

GAME: Green Adore Me Manufacturer Evaluation

GOTS: The Global Organic Textile Standard. GOTS covers a wide range of a product's value chain, from the harvesting of the raw materials, environmentally and socially responsible manufacturing to labeling.

GRS: Textile Exchange's Global Recycled Standard

MAT: Adore Me's Materials Assessment Tool

Net zero: Reaching net-zero emissions for a company means achieving a state in which the activities within the value-chain of a company result in no net impact on the climate from greenhouse gas emissions.

OCS: Textile Exchange's Organic Content Standard

Oeko-Tex: OEKO-TEX® is a standard owner enabling consumers and companies to make responsible decisions. Oeko-Tex's Standard 100 is

one of the world's best-known labels for textiles tested for harmful substances.

RCS: Textile Exchange's Recycled Claim Standard

Recyclable: Able to be recycled.

Recycle: Convert (waste) into reusable material.

SB: Adore Me Sister Brand

Scope 1 Emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

Scope 2 Emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

Scope 3 Emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary. Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organization's total GHG emissions.

SDG: The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

SUP: Scale-Up-Planning (SUP) – a powerful tool developed internally by Adore Me and forecasting the demand of products in a given period.

Sustainability: Meeting our own needs without compromising the ability of future generations to meet their own needs.

Sustainable Sourcing: Also called “Responsible sourcing”, is the integration of social, ethical and environmental performance factors into the process of selecting suppliers

Tier 1 suppliers: Partners that we directly conduct business with, including contracted manufacturing facilities or production partners.

Tier 2 suppliers: They provide our Tier 1 suppliers with components or materials that will go into the finished product. For example, a fabric mill.

Tier 3 suppliers: They are one step further removed, and provide our Tier 2 suppliers with materials. For example, a cotton farm.

USG: Upstream Supply chain Guide – Adore Me's Code of Conduct for Suppliers.

Waste: Materials or substances that are discarded and no longer used, typically resulting in landfill, incineration, or leakage into the environment.

WRAP: Worldwide Responsible Accredited Production

ANNEX

ADORE ME'S MATERIAL TOPICS

Based on a preliminary analysis of actual and potential social and environmental impacts of the textile industry, and taking into account the organization's context, the following material topics have been identified. The topics below are listed in no particular order.

Economic Performance	Energy	Supplier Environmental Assessment	Diversity and Equal Opportunity	Local Communities
Indirect Economic Impacts	Water and Effluents	Employment	Non-discrimination	Supplier Social Assessment
Procurement Practices	Biodiversity	Labor/Management Relations	Freedom of Association and Collective Bargaining	Customer Health and Safety
Anti-corruption	Emissions	Occupational Health and Safety	Child Labor	Marketing and Labeling
Materials	Waste	Training and Education	Forced or Compulsory Labor	Customer Privacy

GRI CONTENT **INDEX**

Adore Me GRI Content Index (2021)

STATEMENT OF USE	Adore Me has reported the information cited in this GRI content index for the period January 2021 - December 2021 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	STANDARD/DISCLOSURE	LOCATION (ESG REPORT)*
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 10, 17, 18
	2-2 Entities included in the organization's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7, 8
	2-6 Activities, value chain and other business relationships	10, 17, 30-33
	2-7 Employees	5, 18, 34-36
	2-23 Policy commitments	15, 16
	2-24 Embedding policy commitments	15, 16, 19
	2-27 Compliance with laws and regulations	15, 16
	2-29 Approach to stakeholder engagement	13, 16, 18, 24, 30
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annex
	3-2 List of material topics	Annex
	3-3 Management of material topics	
	GRI 201: Economic Performance 2016	5
	GRI 203: Indirect Economic Impacts 2016	30-33
	GRI 204: Procurement Practices 2016	11, 15, 16, 18, 24
	GRI 301: Materials 2016	10, 11, 13, 21-24
	GRI 302: Energy 2016	10, 11, 13, 21, 24, 27-28
	GRI 303: Water and Effluents 2018	10, 13, 21-24, 27
	GRI 305: Emissions 2016	10, 13, 21, 25-26
	GRI 306: Waste 2020	10, 13, 21, 24, 28, 38
	GRI 308: Supplier Environmental Assessment 2016	10, 13, 16, 21
	GRI 401: Employment 2016	18, 34-36
	GRI 403: Occupational Health and Safety 2018	16, 27, 35-36
	GRI 404: Training and Education 2016	35, 36
	GRI 405: Diversity and Equal Opportunity 2016	5, 34, 36
	GRI 407: Freedom of Association and Collective Bargaining 2016	16
	GRI 413: Local Communities 2016	31, 32, 33
	GRI 414: Supplier Social Assessment 2016	10, 16, 21, 24
	GRI 416: Customer Health and Safety 2016	11, 27
	GRI 418: Customer Privacy 2016	40

*The GRI standard disclosures listed in this Index are generally only partially reported in Adore Me's 2021 ESG report.