

# ADORE ME

## 2022 ESG Report







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# Introduction

INTRODUCTION

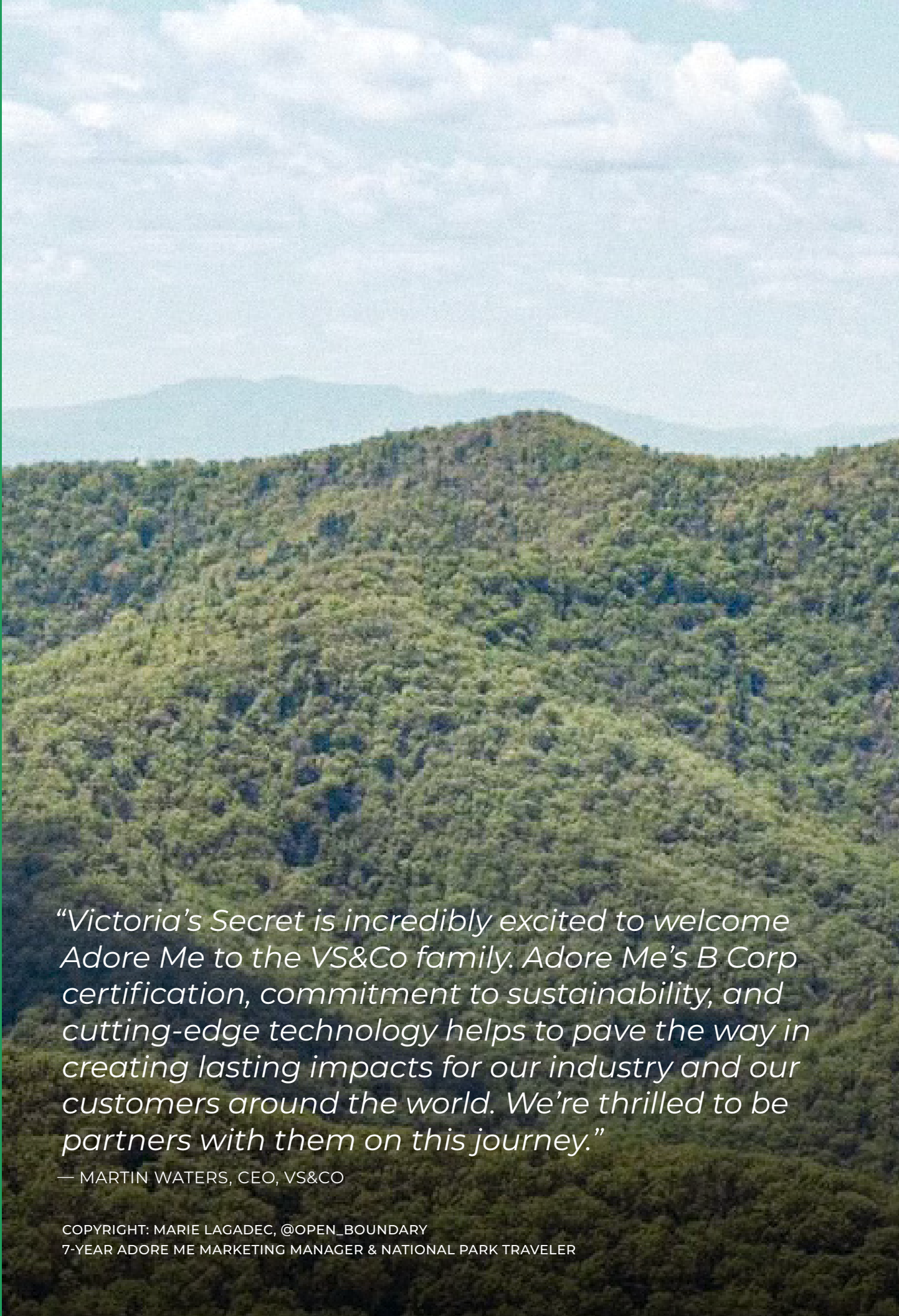
GOVERNANCE

ENVIRONMENT

SOCIAL

GLOSSARY

APPENDIX



*“Victoria’s Secret is incredibly excited to welcome Adore Me to the VS&Co family. Adore Me’s B Corp certification, commitment to sustainability, and cutting-edge technology helps to pave the way in creating lasting impacts for our industry and our customers around the world. We’re thrilled to be partners with them on this journey.”*

— MARTIN WATERS, CEO, VS&CO

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7-YEAR ADORE ME MARKETING MANAGER & NATIONAL PARK TRAVELER

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OUR PROGRESS



# A Message From Our CEO

*“We view accessible sustainability as a mandatory business practice rather than a one-off movement.”*

While Adore Me is a lingerie brand, our teams put a heavy focus on the not-so-sexy parts of sustainable fashion. As a Public Benefit Corporation and a recently B Corp Certified brand, we’re doing everything we can to move fashion forward. This 2022 ESG Report is meant to chronicle the initiatives we set into motion in the last year. It will serve as a testament to Adore Me’s improvement since the very beginning, and our commitment to carry it forward.

2022 was a year about resilience. It came with economic trends that posed a unique challenge to retailers like Adore Me—specifically inflation and supply chain issues. When I look back on this past year, I take pride in the progress we made, and I embrace the challenges that came along with it. Adore Me’s teams, from our designers to our data engineers and everyone in between, continued to find opportunities to make our goals come to fruition. We continued to make positive and impactful changes, and put new initiatives in place that allow us to be catalysts in the collective effort the fashion industry needs to take towards sustainability.

We’ve always believed that *real* sustainability in fashion won’t happen until it’s made available to every consumer, no matter their budget. This poses a two-fold responsibility: to produce better products *without* imposing a premium on our customers. This year we utilized more recycled materials, preferred fibers, and responsible manufacturing processes than we ever have before, while still maintaining the affordable prices our customers are used to. We view accessible sustainability as a mandatory business practice rather than a one-off movement. Every single team at Adore Me continues to

transform our brand by looking at their everyday operations through the lens of improvement and sustainability—and it’s because of that outlook that we’ve been able to make the progress we have.

As we start to see regulators and standard setters worldwide focus on the issue of sustainability in fashion, the question is not *if* the industry will transform, but *when* it will transform. Three years ago, as many other brands and retailers have, we started our journey toward a more sustainable future, and we can only hope that transformation will accelerate in the coming years. I’m proud to say that our expertise in data analytics and technology has placed us in a favorable position to tackle some of the most pressing issues the industry faces today—things like transparency, traceability, and GHG emissions management.

I look forward to seeing what 2023 has in store for both the industry as a whole, and for Adore Me as a company. I’m confident that, despite the inevitable-but-unexpected challenges that will come our way, our teams will continue to maintain their focus on Adore Me’s mission: to make sustainable fashion the norm. As we transform from a brand with little experience in sustainability to a brand that has seen and is working toward great progress, we encourage others within the industry to join us on the journey toward a more responsible future.



**MORGAN HERMAND**  
Founder & CEO





## About Us

In 2011, AdoreMe Inc. was founded with the mission to solve a single problem: Help women buy bras online. This may seem like a simple feat, but bras are incredibly complex to produce and personal to buy—not to mention the difficulty of managing the logistics of selling bras online (product forecasting, customer experience, and more). Achieving our mission was an uphill climb, but in solving this problem we built a foundation for us to take on more and more ambitious challenges. Adore Me grew into one of the first major online players in the lingerie industry,

and the first lingerie brand to introduce extended sizing across all its categories. Since our beginning, Adore Me has launched a number of initiatives that continue to evolve and improve in an always-changing industry—the most important of them being an affordable sustainability model that has acted as a bottom-up transformation of our brand as we knew it. Today, as a brand that wasn't founded with “sustainability” as a mission, Adore Me's goal is to disrupt the entire fashion industry with a holistic business model that makes sustainable

*Adore Me has a history of taking on seemingly impossible challenges.*

clothing not only available, but a default—no matter the consumer's budget, shape, or size.

We are proud to be a Public Benefit Corporation (PBC) with a commitment to “changing fashion for good by fostering inclusivity and environmental sustainability in the production, distribution, and marketing of products.”

As of September 2022, Adore Me is also proud to be B Corp Certified, making us officially counted among businesses that are leading a global movement for an inclusive, equitable, and regenerative economy.

We know that transforming the industry is no small task. When we started our company-wide transformation, we admittedly had little experience with sustainable fashion. We're proud of the huge strides of progress we've made in just a few years—but that doesn't mean we're stopping there. Adore Me (and the fashion industry as a whole) still has a lot of work to do—and while we may never attain perfection, we're going to continue working to effect positive change.





**OUR 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. Implementing positively impactful changes into our business model, and doing it quickly, is important. Time, resources, and energy are precious, so we focus on what will have the greatest impact—because sometimes “good” progress today is better than “great” progress tomorrow.

**We embrace differences.**

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

**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. Together, we reimagine what’s possible.

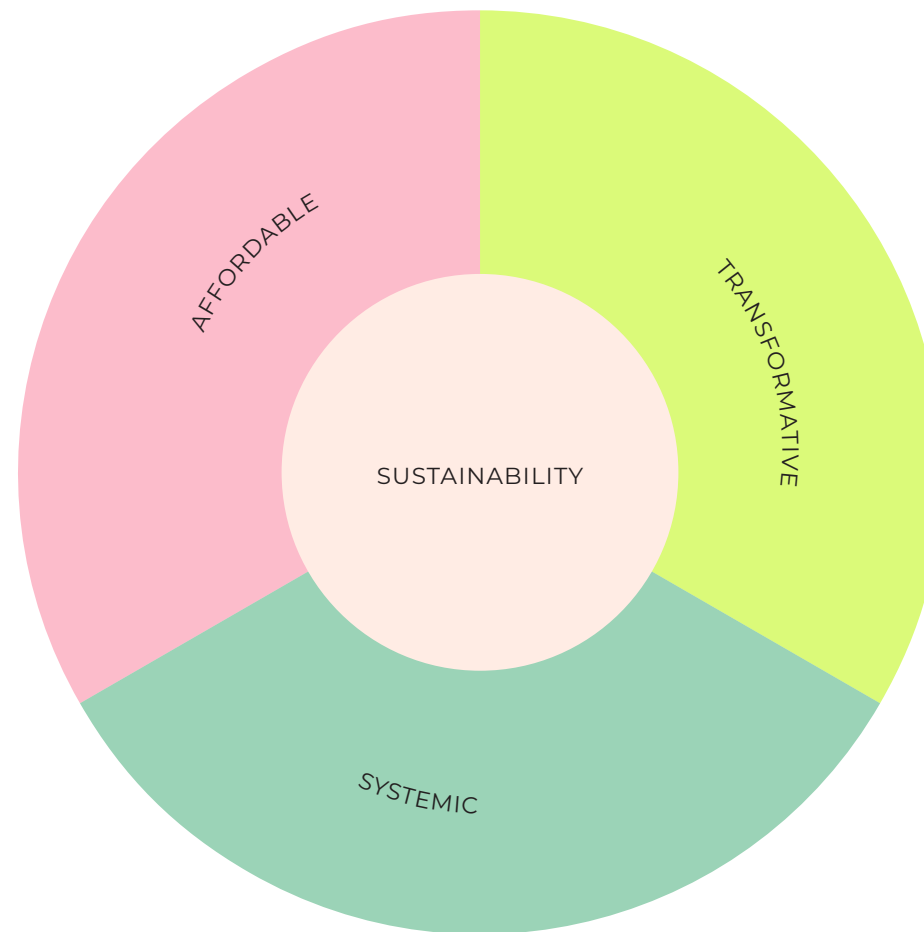
*Sustainability is not a competition with other brands or a way to sell a product. It’s a race against ourselves and a reason to continue improving.*

**OUR APPROACH TO SUSTAINABILITY**

Adore Me’s bottom line is that sustainability shouldn’t be an ad-hoc exercise—it should be considered business as usual. Instead of consulting with an isolated sustainability team, our *entire* team, no matter the job title, works with sustainability in mind. Instead of offering sustainable capsule collections, we work tirelessly to incorporate sustainability elements in as many styles as we can. Instead of using sustainability as a marketing tactic, we use sustainability as an opportunity to educate and inform—because

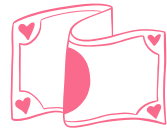
sustainability initiatives shouldn’t be amplified, they should be delivered with an asterisk.

We believe that managing our impact is just as important as managing any other business constraint—so Adore Me is taking action to integrate environmental, social, and governance externalities into every corner of our business model. By mainstreaming sustainability and by approaching it with **affordability, systemic change, and industry-wide transformation** in mind, we know we can change fashion for *good*.





ADORE ME IN NUMBERS



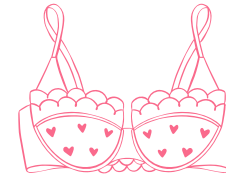
~\$250 MM

Revenue<sup>(1)</sup>



555

Number of Employees<sup>(1)</sup>



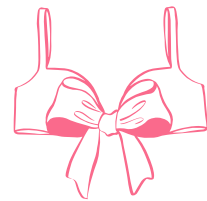
67

Number of Bra Sizes Offered



3

Number of Offices



33%

Percentage of Plus-Size Sales



6

Number of Retail Stores



2

Number of Logistic Centers



7

Number of Prominent Categories Offered



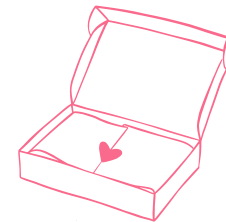
34%

Percentage of Sustainable<sup>(2)</sup> Units<sup>(3)</sup> Purchased from Suppliers



100%

GHG Emission Assessment (Scopes 1-3) Completed



100%

Percentage of Recycled & Recyclable External Packaging



78%

Percentage of Units<sup>(3)</sup> Purchased from Suppliers with Positive Chemical Attributes

(1) This number represents data surrounding both Adore Me and DailyLook.

(2) Sustainable products are defined as products with a score of 1 or above against the Adore Me Impact Matrix (AIM).

(3) From Adore Me's most prominent categories: Bras, Panties, Lingerie, Loungewear, Sleepwear, Activewear, and Swimwear.



# About This Report

## PURPOSE

Reporting on our ESG performance continues to be part of Adore Me's larger strategy of collaboration and accountability. Our very existence is indebted to the infallible support of our customers, employees, suppliers, and investors—and we recognize that transparency is crucial in nurturing the trust that acts as the foundation of our relationship with our stakeholders. ESG reporting has allowed us to formally articulate our sustainability strategy, structure our upcoming ESG initiatives, refine and better track our goals, and ensure that we are focused on achieving tangible outcomes.

As a Public Benefit Corporation, we are also required to report on how we promote the public benefits and the best interests of those materially affected by our business conduct. The Report is designed to provide answers and insight surrounding where Adore Me stands as a PBC, as well as our plans for the future.

## SCOPE

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

The Report covers all of AdoreMe Inc.'s operations, which includes AdoreMe Retail (6 brick-and-mortar stores), AdoreMe France, AdoreMe SRL ("AdoreMe Tech" in Romania), as well as AdoreMe Services, which manages our two delivery centers in Secaucus, New Jersey and Tijuana,

Mexico (together referred to as "Adore Me"). The Report also covers, to a limited extent, data concerning DailyLook, which was acquired by AdoreMe Inc. in March 2022.

While the reporting period is fiscal year 2022, certain factual information falling outside of this timeframe may be included for context. Many of the initiatives described in the Report are ongoing, and related data may therefore be incomplete.

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

## Limitations and Exclusions

In March 2022, Adore Me acquired premium personal styling service DailyLook to collaborate on logistics, customer service, and new customer acquisition in the try-at-home retail space. The DailyLook acquisition is an exciting opportunity for both companies to shape the future of the try-at-home retail space together. The Report generally excludes data from DailyLook, unless otherwise noted.

In December 2022, AdoreMe, Inc. was acquired by VS&Co with the intent to leverage our expertise and technology to enhance the Victoria's Secret customer shopping experience and modernize VS&Co's digital platform. We are thrilled to work alongside them to lead the global intimates category in a more inclusive, tech-forward, and sustainable manner. The Report covers Adore Me and, to a limited extent, DailyLook. The Report does not include VS&Co data.



## FORWARD-LOOKING STATEMENTS

The 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 are based on current expectations, assumptions, estimates and projections. As such, these statements or commitments are not guarantees. They involve a number of risks and uncertainties, which may cause actual performance or achievements to differ

significantly from expected performance or results, whether they are explicitly stated or implied. These uncertainties include fast-changing scientific or technological developments, ever-evolving legal and regulatory requirements, the evolution of available data, among others.



## METHODOLOGY

Taking our learnings and experience from publishing our first ESG Report in 2022 (for fiscal year 2021), our methodology this year was more deliberate—even if it involved a lot of the same groundwork.

We acknowledge that there will always be room for improvement, and we continue to welcome feedback from readers so that, as vectors of transparency and accountability, ESG Reports can continue to improve in the future.

### Data Collection

In the preparation of the Report, we worked extensively with teams across Adore Me to extract data sets we needed, to confirm or challenge assumptions, and to select relevant KPIs. The collection of data was a cross-functional effort that acts as a testament to how the sustainable-forward mindset is embedded in every corner of the organization.

### Analysis, Copy, and Content

Many team members contributed to the research and development, drafting, editing, and reviewing of the content of the Report. With regard to content—remaining consistent with an overall increasing focus on climate-related risks and opportunities within the fashion industry—we have decided to dedicate a more substantial section of the Report to our carbon accounting efforts.

### Design

While designing the Report, the team put a lot of thought into the visual nature of the content—not only to make it more effective and engaging, but also to communicate some of the most complex pieces of information in a way that is both accessible and meaningful to our stakeholders.

Adore Me intends to publish similar reports on an annual basis moving forward. While it is likely

that the form and substance of our reporting will evolve and improve over time—especially as new reporting standards and requirements emerge—we recognize that comparability is an important feature of sustainability reporting, and we have tried in this year's edition of the Report to be as consistent as possible with last year's.

### Reporting Standards

The Report was prepared using the GRI Sustainability Reporting Standards as a reference. 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 in the Appendix.

If any questions remain concerning information provided in the Report, please contact [sustainability@adoreme.com](mailto:sustainability@adoreme.com).







## 2022 Highlights

### January

- Sustainable production roadmap is rolled out

### March

- Acquisition of DailyLook

### July

- Adore Me publishes our first ESG Report

### November

- Adore Me partners with Carbonfact to bring dynamic life cycle assessment across organizations

### February

- First dedicated anti-greenwashing training is completed

### April

- Launch of the Adore Me Cares program
- Launch of the first capsule collection leveraging Prompt.ly technology in collaboration with Smiley® and the Yarza Twins

### September

- Adore Me officially becomes B Corp Certified
- Adore Me orders more sustainable\* styles than non-sustainable styles from suppliers (a continuing trend for the remainder of 2022)

### December

- Adore Me is acquired by Victoria's Secret
- Adore Me sponsors the MAS Foundation for Change to replant over 2,500 mangrove seedlings in Sri Lanka

\*Sustainable products are defined as products with a score of 1 or above against the Adore Me Impact Matrix (AIM).



# Our Progress

**KEY:**  
● Completed ● In Progress  
● Target Setback ● Early Stages

	GOAL	TARGET YEAR	STATUS	COMMENT
<b>PRODUCT</b>	Prohibit the creation of new designs with an AIM score of 0.	<b>2022</b>	<span style="color: green;">●</span>	In 2022, a policy prohibiting the creation of new designs with an AIM score of 0 was implemented.*
<b>TRANSPORTATION</b>	Decrease the share of inbound air shipments to less than 5% of units.	<b>2022</b>	<span style="color: pink;">●</span>	In 2022, Adore Me decreased the percentage of inbound air shipments to ~5% units and we are actively working to continue this progress.
<b>TRANSPORTATION</b>	Decrease the number of upgraded orders by 50% in comparison to 2021.	<b>2022</b>	<span style="color: green;">●</span>	Adore Me successfully met our goal of decreasing the number of upgraded orders by over 80% in 2022, in part by leveraging our second distribution center in Tijuana, Mexico.
<b>SUPPLIERS</b>	Complete supply chain mapping for Tier 1 and Tier 2 suppliers.	<b>2022</b>	<span style="color: green;">●</span>	In 2022, Adore Me completed supply chain mapping for all Tier 1 and Tier 2 suppliers.
<b>SUPPLIERS</b>	Resume in-person audits with key manufacturers.	<b>2022</b>	<span style="color: pink;">●</span>	Due to external and internal factors, in-person factory visits resumed in Quarter 1 of 2023.
<b>PACKAGING</b>	Fully transition to local sourcing of external packing.	<b>2022</b>	<span style="color: green;">●</span>	In March 2022, Adore Me received our first order of locally sourced external packing, and we're looking forward to purchasing from our local vendor in the future.
<b>GHG EMISSIONS</b>	Complete Scope 1, Scope 2, and launch Scope 3 of the Greenhouse Gas Protocol's GHG calculation methodology.	<b>2022</b>	<span style="color: green;">●</span>	Calculation of Adore Me's gross GHG emissions were performed and completed by Carbonfact, for Scopes 1-3, in line with the GHG Protocol Standards.
<b>GOVERNANCE</b>	Systematize stakeholder engagement in sustainability issues.	<b>2022</b>	<span style="color: green;">●</span>	Adore Me currently engages stakeholders—customers, employees, associates, leadership members, etc.—in sustainability issues, and we plan to carry that engagement forward in years to come.
<b>PACKAGING</b>	Complete rollout of recycled and recyclable internal packaging (polybags) and recycled hang tags.	<b>2023</b>	<span style="color: yellow;">●</span>	At the time of the drafting of the Report, 100% of Adore Me's polybags are recyclable, and 78% of Adore Me's polybags and hang tags ordered this year are made from recycled materials. Due to supply chain disruptions in 2022, the rollout was not fully implemented—however, we expect 100% of Adore Me's polybags and hang tags to be made from recycled materials in 2023.
<b>GHG EMISSIONS</b>	Complete Scope 3 of the Greenhouse Gas Protocol's GHG calculation methodology.	<b>2023</b>	<span style="color: green;">●</span>	The calculation of Adore Me's Scope 3 gross emissions was completed by Carbonfact in 2022, ahead of schedule.
<b>SUPPLIERS</b>	Complete supply chain due diligence for all Tier 1 suppliers.	<b>2023</b>	<span style="color: yellow;">●</span>	Tier 1 suppliers are mapped to be assessed for alignment with our environmental and social commitments as part of a broader due diligence project.
<b>GHG EMISSIONS</b>	Release carbon footprint management strategy and tools.	<b>2023</b>	<span style="color: yellow;">●</span>	Adore Me's carbon footprint and experimental tools were released in Quarter 1 of 2023, and we look forward to continuing to work on our strategy with our partners throughout the remainder of the year.
<b>PRODUCT</b>	All new designs will meet updated internal sustainability threshold.	<b>2025</b>	<span style="color: yellow;">●</span>	Over 1/3 of the styles from Adore Me's most prominent categories meet our internal environmental sustainability threshold of an AIM score of 1 or higher, and we're proud to be on track to carry forward that progress toward new designs in the future.
<b>SUPPLIERS</b>	Complete supply chain due diligence for all Tier 2 suppliers.	<b>2025</b>	<span style="color: yellow;">●</span>	Tier 2 suppliers are mapped to be assessed for alignment with our environmental and social commitments as part of a broader due diligence project.
<b>PRODUCT</b>	Maintain 100% "sustainable" products in Adore Me's inventory.	<b>2026</b>	<span style="color: yellow;">●</span>	In the second half of 2022, Adore Me ordered more sustainable products from our suppliers than we did non-sustainable products—a trend that puts us on track to meet this target.
<b>PRODUCT</b>	Maintain 100% traceability of our key raw materials.	<b>2030</b>	<span style="color: yellow;">●</span>	Traceability mapping of our Tier 3 suppliers is currently underway. Adore Me is also working on the implementation of a "fabric library" that will compile key materials that are approved from a design and fit perspective.
<b>GHG EMISSIONS</b>	Decrease Scopes 1, 2, and 3 carbon emissions to be in accordance with the SME Climate Commitment.	<b>2030</b>	<span style="color: blue;">●</span>	Adore Me is actively working on refining our carbon emission-related targets and strategies with our partners in 2023.
<b>GHG EMISSIONS</b>	Achieve net zero emissions in accordance to the long-term SME Climate Commitment.	<b>2050</b>	<span style="color: blue;">●</span>	With carbon accounting and LCA exercises completed, Adore Me plans to move forward with our partners on designing a credible, actionable, and realistic reduction strategy in 2023.

\*One exception was identified in the enforcement of the prohibition policy, covering a single product in two different colorways and size ranges.



# Governance

1

B CORP CERTIFICATION

2

ETHICS & INTEGRITY

3

TRANSPARENCY

4

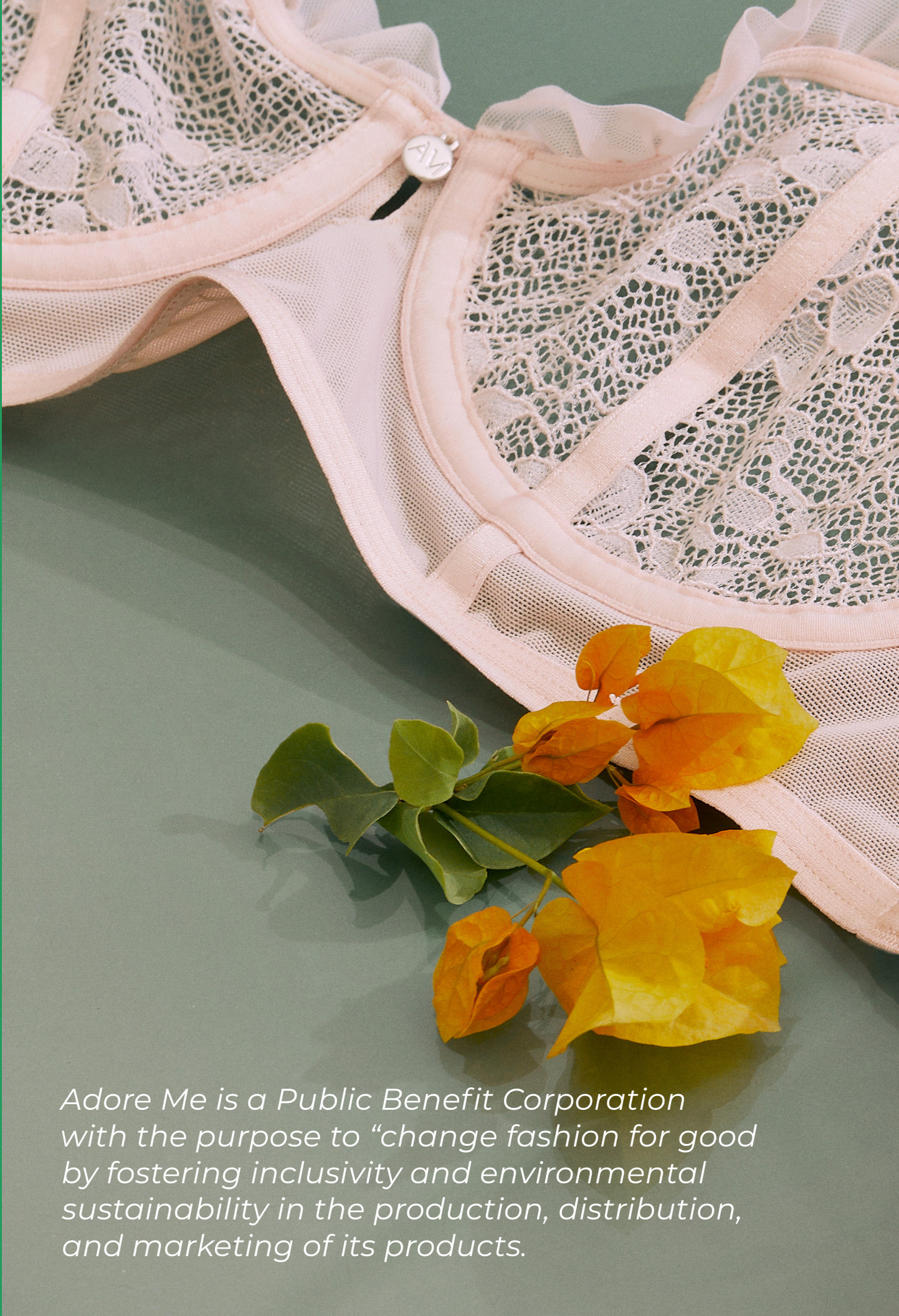
SUSTAINABILITY INTEGRATION

5

STAKEHOLDER ENGAGEMENT

6

DATA GOVERNANCE



*Adore Me is 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.*



Certified



Corporation

# Certified B Corporation™

As of September 2022, Adore Me is one of the few lingerie brands in the world to be B Corp Certified. Achieving B Corp Certification demonstrates that we are joining other leaders in the global movement for an inclusive, equitable, and regenerative economy.

The certification process is led by B Lab, a nonprofit network conducting an assessment of a company's performance across five major categories: Community, Customers, Environment, Governance, and Workers. Everything from how we make our products, to how we treat our team and partners, to how we engage with our communities, and much more was scored and verified.

The B Corp Certification process comforted us in the idea that there was always room for improvement. Our B Corp Certification is not an end point, but a step in our journey towards continuous improvement. In the 3 years following the certification date, Adore Me will need to maintain and improve the standards that it set. Learn more about our B Corp Certification at Adore Me's B Corp Certification informational page.

ADORE ME B IMPACT SCORE



- 107.1 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

*“Adore Me’s Overall B Impact Assessment Score is a testament to how hard our team has worked in transforming our business and impact for the better.”*

— ROMAIN LIOT, COO & CO-FOUNDER OF ADORE ME



# Ethics & Integrity

## CODE OF CONDUCT

Adore Me has both an Employee Handbook (adjusted for each of our entities and locations) to govern 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 adopted a 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 do not misuse our position at Adore Me to circumvent our Upstream Supply Chain Guide (USG) or seek special treatment from customers or vendors.

### **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 ecological crises. We embrace our responsibility to change fashion for good. We lead the way to minimize the ecological footprint

of our operations, and we recognize 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 Adore Me and our vendors.

**We do not permit bribery.** Adore Me'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 consult with Adore Me's legal team when questions arise.

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

## SUPPLY CHAIN MANAGEMENT

### **Audits**

In 2022, Adore Me worked hard to replace virtual communications (which were a result of the COVID-19 pandemic) with in-person meetings and on-site visits as quickly as possible. While on-site visits were planned for 2022, they took place in Quarter 1 of 2023.

### **Contract Requirements**

Adore Me holds its suppliers contractually accountable through its Upstream Supply Chain Guide (USG), which is updated on an ad-hoc basis. Upon signing the USG, suppliers specifically commit to the following (among others):

1. Comply with best industry practices and Adore Me standards relating to human rights, environmental conservation, and product safety.
2. Warrant not to manufacture, assemble, or pack products using forced, prison, dangerous or concealed labor, and/or labor involving children under the age of 16.
3. Comply with rules of conduct stated in fundamental International Labour Organization (ILO) conventions regarding the freedom of association, abolition of forced labor, equality, and child labor.
4. Comply with applicable labor laws governing working hours and allow workers no less than one day off every 7 days.
5. Comply with all applicable labor laws governing discrimination in the workplace.
6. Comply with all applicable labor laws regarding all forms of harassment, including but not limited to sexual harassment in the workplace.
7. Provide a safe, healthy, and clean environment to employees.
8. Conduct business in an honest and ethical manner.
9. Do not tolerate, permit, or engage in bribery, corruption, or unethical practices.

### **Performance Evaluations**

Our manufacturers undergo a rigorous semi-annual evaluation and review process, which is conducted by key internal stakeholders and, if necessary, results in a personalized 6-month action plan to address any identified

development areas. Any identified violations of applicable laws, regulations, or best industry practices are taken seriously and may lead to the unilateral termination of a manufacturer.

Surrounding transparency between Adore Me and our suppliers, we worked hard in 2022 to strengthen our communication framework—which includes clear communication guidelines for our teams in terms of call frequency, best practices, and more—to act as a catalyst for open and candid dialogue.

### **Sustainability Scoring & Improvement Plans**

The Green Adore Me Manufacturing Evaluation (GAME) program is an internal tool designed to understand the environmental and social impacts of our suppliers and support individual improvement strategies. With GAME, Adore Me has the capability to evaluate our manufacturers & suppliers across five categories: Energy Savings & Emissions, Water Management, Chemicals Management, Waste Management, and People & Community. With supply chain partnerships becoming more and more strategic over time, GAME has been successful in starting conversations about sustainability achievements and long-term goals for the future.

The objective of the GAME program is to incentivize and support our manufacturers as they move toward more sustainable practices. When scoring our manufacturers, we engage 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.

While the expansion of the GAME program was slowed down by supply chain-related disruptions, we are excited to resume our coordinated efforts in 2023.



# Transparency



## Q&A WITH ALIX COUCARDON

VP of Branding & Customer Insights

In 2022, Alix orchestrated the rollout of Adore Me Cares: a formal consolidation of Adore Me's sustainability efforts into one cohesive program.

**In 2022, Adore Me launched its first customer-facing sustainability program called Adore Me Cares. Could you tell us more about the Adore Me Cares program?**

**ALIX:** "When I joined Adore Me, there were many sustainability initiatives in place; they were excellent, but they were quite complex. We knew that our customers were generally not looking for sustainability initiatives from us, but at the same time, they were happy to learn more about what we did. In order to promote awareness of our diverse sustainability efforts, we established a program that consolidates our work in a manner that is both easy to understand and aligned with our values and the identity of our brand."

**What was the motivation behind launching the Adore Me Cares program?**

**ALIX:** "The motivation behind this program was truly to educate our customers—to increase transparency while helping them learn about the different actions that we were putting in

place. Previously, interested customers had to independently search for all the different initiatives across our business. With Adore Me Cares, all of those initiatives are grouped together in a single location that can easily be found on our website."

**What are some of the key learnings from the Adore Me Cares program after a year?**

**ALIX:** "We've learned a lot since the launch of the program. We knew that, generally, our customer base wasn't seeing sustainability as the main driver of their purchasing decisions. We had tried to push some communications about the sustainability attributes of our products on social media in the past, only to find out it was negatively impacting our engagement.

However, we found success in educating about sustainability in a more customer-friendly way: by making sustainability sexy. For most of our customers, sustainability is like the cherry on top of the cake. The products are comfortable, beautiful, often sexy—and on top of that, they're a little better for the planet. A year into Adore Me Cares, we've found that our customers are supportive of our initiatives and curious to read about them. We also see our customers positively responding to the transparency aspect of the Adore Me Cares program. It's really cool to have direct visibility on whether the products you're shopping are sustainable—and to not have to do independent research to find that information."

**What's next for Adore Me Cares in 2023?**

**ALIX:** "We are currently working with suppliers and partners on different opportunities and collaborative projects that we're excited to see come to fruition. We will also continue to work on improving our already-existing initiatives and making them more visible to our customers. Collaborations and transparency are really the main drivers for Adore Me Cares in 2023."

*"For most of Adore Me's customers, sustainability is like the cherry on top of the cake. The products are comfortable, beautiful, often sexy—and on top of that, they're a little better for the planet."*

— ALIX COUCARDON, VP OF BRANDING & CUSTOMER INSIGHTS



ADORE ME  
*cares*





**ADORE ME CARES PROGRAM OVERVIEW**

In recent years, Adore Me has devised an extensive plan to participate in a more equitable and sustainable future—one in which everyone can trust our supply chain to provide affordable and increasingly sustainable styles in their size. This marked the beginning of a company-wide transformation supported by numerous sustainability-focused initiatives. In 2022, we launched the Adore Me Cares program, which was built to provide transparency to our stakeholders about all of our current sustainability initiatives and our ambitions for the future.

The Adore Me Cares program acts as an informational and educational resource surrounding Adore Me’s projects geared towards reducing our environmental

impact across our value chain including through product design, supplier selection, shipping emissions, packaging and more. It also compiles information on our sustainability partners as well as product care tips to empower our customers in prolonging the life of the pieces they purchase.

Through the Adore Me Cares program, we are able to identify products that meet our internally developed sustainability requirements by labeling them on our website with a dedicated Adore Me Cares badge. The badge is applied to all products with a score equal or greater than 1 out of 5 against the Adore Me Impact Matrix (patent-pending), which we currently use as a reference to define a product as “sustainable.”

**ESG REPORTING**

Last year, Adore Me published our inaugural ESG Report where we outlined our approach to critical ESG initiatives by highlighting our then-current efforts to integrate sustainability into every element of our business in a way that was both holistic and ambitious. The 2021 Report covered all sectors of our business, including product design, raw materials, manufacturing, transport, warehouse logistics, and retail.

Adore Me plans to continue to publish ESG Reports on an annual basis, outlining again the progress made on previously outlined goals and new projects we are taking on.





# Sustainability Integration

In 2022, Adore Me established a dedicated working group tasked with overseeing Adore Me’s sustainability strategy and monitoring the status of its implementation. The working group is comprised of cross-functional team leaders from every corner of our brand, including operations, compliance, P2M (product to market), technology, marketing, strategy, user experience, and design. The diversity in teams and the

wide range of professional experiences within this working group is a testament to how integrated sustainability efforts are across the entire organization. The goal of the dedicated working group is not only to move away from viewing sustainability as an ad-hoc initiative, but to ensure that sustainability efforts are treated like the rest of Adore Me’s business-as-usual strategy.

*“Every team, from every corner of our business, views their operations through the lens of sustainability. It’s a default mindset—not a secondhand thought.”*

— ROMAIN LIOT, COO & CO-FOUNDER

# Stakeholder Engagement

At Adore Me, we value all of our stakeholders and we believe they are the backbone of our organization’s resilience, as has been continuously demonstrated through years of unpredictability and change. We highly value the opinions of our stakeholders and recognize their critical role in shaping our brand, including the work that goes into sustainability initiatives and efforts. To ensure alignment with their expectations and needs, we regularly engage our stakeholders—including customers, employees, associates, and leadership members—in nearly everything we do.

As part of our stakeholder engagement, in 2022 Adore Me conducted our first

sustainability survey, which covers 20 different environmental, social, and governance (ESG) topics. This exercise was designed to help us determine the ESG-related issues that matter most to our stakeholders, and allowed us to better prioritize our own efforts and communications in accordance with our wider ESG strategy. To ensure alignment with and to provide transparency to our stakeholders, Adore Me plans to reach out to them and report on our findings on a regular basis.

The key results of Adore Me’s 2022 survey are reflected below. Topics that were noted as most important by our stakeholders appear in bold letters.

## ADORE ME 2022 STAKEHOLDER SURVEY RESULTS

STAKEHOLDERS	FOCUS AREA
Customers	<ul style="list-style-type: none"> <li>• <b>Workers’ health &amp; safety</b></li> <li>• <b>Workers’ wellbeing</b></li> <li>• Workers’ fair compensation</li> <li>• Product quality</li> <li>• Ethics &amp; compliance</li> <li>• Water usage &amp; pollution</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• <b>Workers’ health &amp; safety</b></li> <li>• <b>Carbon emissions &amp; climate change</b></li> <li>• Workers’ wellbeing</li> <li>• Workers’ fair compensation</li> <li>• Water usage &amp; pollution</li> <li>• Product quality</li> </ul>
Associates	<ul style="list-style-type: none"> <li>• <b>Workers’ fair compensation</b></li> <li>• <b>Product quality</b></li> <li>• <b>Workers’ health &amp; safety</b></li> <li>• Diversity &amp; inclusion</li> <li>• Women empowerment</li> <li>• Ethics &amp; compliance</li> </ul>
Leadership	<ul style="list-style-type: none"> <li>• <b>Carbon emissions &amp; climate change</b></li> <li>• <b>Workers’ health &amp; safety</b></li> <li>• Workers’ fair compensation</li> <li>• Technology &amp; innovation</li> <li>• Ethics &amp; compliance</li> <li>• Product quality</li> </ul>



# Data Governance

Adore Me is a data-driven, tech-heavy company—and we recognize how important data governance is for the performance and resilience of our business. Protecting the quality, availability, integrity, and usability of data within our organization is crucial in mitigating our organization's impact on the environment. Not only does data governance enable our leadership to make informed decisions based on reliable data, but it also has a far-reaching impact on sustainability-related topics—things like optimized inventory management, shipping strategies, carbon accounting, and emissions-reduction strategies.

A key aspect of data governance is cybersecurity, and it's a topic that Adore Me takes seriously across all of our platforms and systems. Effective

cybersecurity-related controls protect the personal data of our customers and employees, mitigate the risk of data theft or manipulation that could disrupt business operations, and provide a level of trust and credibility to our customers and business partners.

In addition to the implementation of effective controls, Adore Me rolled out a cybersecurity training program for the leadership and finance teams in 2022. Topics covered within the training program include 2-factor authentication, password security, phishing & identity theft, ransomware, spear phishing, email misdelivery, and more. Training on company-wide issues such as password security, phishing, and general cybersecurity awareness are also conducted on an ad-hoc basis and available to all employees.

In 2022, we improved our internal technology tools to help achieve the following objectives:

- Enable teams to build stronger partnerships with our suppliers.
- Ensure the adequacy of our tools to our specific business, taking into account its unique complexities.
- Avoid the common flaw of focusing on sustainability scoring rather than focusing on progress made.
- Embed sustainability in our company culture by engaging most—if not all—of our teams in our transformation process.
- Avoid “expert” bias, which often excludes smaller brands or “sustainability beginners.”
- Enable versioning, iterating, innovating.

While in-house development has always been a preferred method at Adore Me, we also recognize

the benefit of choosing third-party software—especially on issues requiring specific expertise we don't possess internally. Carbon accounting is a perfect example of a complex exercise that, instead of homegrown solutions, required best-in-class support. In 2022, Adore Me selected Carbonfact to conduct carbon-accounting and life cycle assessment work on our behalf, with the ability to successfully leverage our data through seamless integration in as little as a few weeks. (For more information on Carbonfact, refer to pages 40-42.)

All of this is not to say that our methodology is exhaustive and as strong as it could possibly be, as there is always room for improvement. We are constantly working on strengthening our internal tools, and we continue to invest in our technology teams.



# Environment

1

SUSTAINABILITY INITIATIVES & TOOLS

2

CLIMATE CHANGE

3

SUSTAINABLE DESIGN

4

SUSTAINABLE MANUFACTURING

5

TECHNOLOGY

6

ADDITIONAL UNDERTAKINGS





# Our Environmental Sustainability Initiatives & Tools

From greenhouse gas emissions, water use and pollution, waste generation, chemical use, and biodiversity loss—the fashion industry is responsible for significant environmental impacts. Addressing these issues requires a transformative change within the industry, including the adoption of both increasingly sustainable practices and circular economy-based principles.

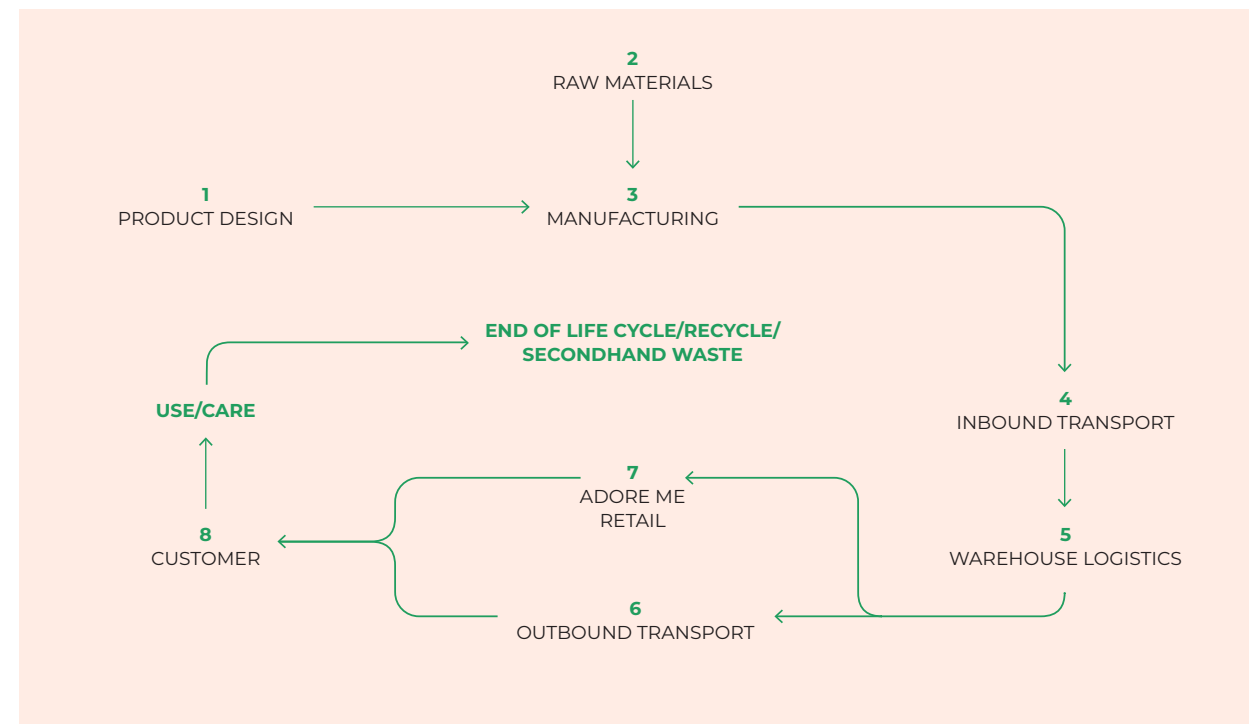
In this section of the Report, we will outline our sustainability-based initiatives and suite of tools, which serve three main purposes: to promote sustainable practices, to engage with and provide

transparency to stakeholders, and to act as a catalyst for collective actions towards a more sustainable future. This section of the Report will also highlight Adore Me's achievements in the past year, as they continue to play a large part in the operationalization of our overall sustainability strategy.

### OUR COMPREHENSIVE APPROACH

Adore Me takes a comprehensive and strategic approach to mitigating our environmental impact—which means we assess that impact during every point of our value chain, from product design through the end of a product's life.

ADORE ME VALUE CHAIN



At Adore Me, we consider ourselves a technology company just as much as we do a lingerie brand—and our technology-forward teams developed a suite of internal tools that provide transparency, data, and systemic mitigation capabilities surrounding our impact along our value chain. In addition to our suite of internal tools, we also leverage third-party tools and software when a specific expertise that we don't possess internally is needed. Provided below is a list of our sustainability-related tools and offline initiatives.

### ADORE ME'S INITIATIVES & SUITE OF TOOLS

PRODUCT LIFE CYCLE	INITIATIVES	ADORE ME SUITE TOOLS	TEAMS INVOLVED
<b>1 DESIGN</b>	<ul style="list-style-type: none"> <li>Use of preferred materials</li> <li><b>Manufacturing innovations<sup>(1)</sup></b></li> <li>Improved fit</li> <li>Inclusive size and product range</li> </ul>	AIM, AMME	CREATION, TECHNICAL DESIGN, PRODUCTION, TECHNOLOGY
<b>2 RAW MATERIALS</b>	<ul style="list-style-type: none"> <li>Impact of raw materials assessment</li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	AIM, MAT, CARBONFACT <sup>(2)</sup>	CREATION, PRODUCTION, TECHNOLOGY
<b>3 MANUFACTURING</b>	<ul style="list-style-type: none"> <li>Long-term supplier relationships</li> <li>Contract requirements</li> <li>Vendor performance evaluations</li> <li>Environmental performance program</li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	USG, GAME, AMME, SUP, CARBONFACT <sup>(2)</sup>	PRODUCTION, P2M, SUPPLY CHAIN, TECHNOLOGY
<b>4 INBOUND TRANSPORT</b>	<ul style="list-style-type: none"> <li><b>Carbon accounting</b></li> <li>Offset inbound transport emissions</li> <li>Reduce emissions through scaling of second distribution center</li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	INTERNAL CARBON ASSESSMENT, CARBONFACT <sup>(2)</sup>	SUPPLY CHAIN, AMS, TECHNOLOGY
<b>5 WAREHOUSE LOGISTICS</b>	<ul style="list-style-type: none"> <li>Energy-efficient technology</li> <li>Recycled &amp; recyclable mailers</li> <li>Biodegradable mailers</li> <li><b>Local sourcing of external mailers</b></li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	CARBONFACT <sup>(2)</sup>	AMS, TECHNOLOGY
<b>6 OUTBOUND SHIPMENTS</b>	<ul style="list-style-type: none"> <li><b>Carbon accounting</b></li> <li>Offset outbound transport emissions</li> <li>Defaulted standard shipping</li> <li>Reduce emissions through scaling of second distribution center</li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	INTERNAL CARBON ASSESSMENT, CARBONFACT <sup>(2)</sup>	SUPPLY CHAIN, AMS, TECHNOLOGY
<b>7 RETAIL</b>	<ul style="list-style-type: none"> <li>Motion-sensor lighting in fitting rooms</li> <li>Contact-less water in bathrooms</li> <li>Recycled and recyclable bags</li> <li>Free The Girls (2) collection bins</li> </ul>	N/A	AMR
<b>8 CUSTOMER USE &amp; END OF LIFE</b>	<ul style="list-style-type: none"> <li>Improved fit</li> <li><b>Adore Me Cares Program</b></li> <li>Free The Girls (2) collection bins</li> <li><b>LCA of AM products' GHG emissions</b></li> </ul>	ADORE ME FIT GUIDE, AIM, FRONT-END, INTERNAL CO2 CALCULATOR, CARBONFACT <sup>(2)</sup>	TECHNICAL DESIGN, COPYWRITING, UX, AMR, TECHNOLOGY

(1) Bolded items reflect new initiatives that were rolled out in 2022.  
 (2) Reflects the involvement of third party or externally developed tools.



# Climate Change

As a company, Adore Me recognizes the critical role we play in addressing climate change and we remain committed to reducing our carbon footprint in tandem with promoting sustainable practices. In this section of the Report, we will outline our efforts in assessing our carbon footprint: the first step—and an indispensable step—towards meeting any reduction targets.

## OUR APPROACH TO CLIMATE ACTION

Adore Me's efforts regarding our climate impact revolve around three workstreams: measuring emissions, prioritizing actions with the most significant impact, and acting on key levers to reduce greenhouse gas emissions.

As a brand, the first steps in reducing your environmental impact are assessing where you stand, and determining where you have room to improve. To do just that, Adore Me partners with third-party experts who share similar values surrounding sustainability, data, and technology—as they are best positioned to aid us in calculating our carbon footprint, as well as identifying areas where we could reduce emissions.

In an effort to drive meaningful change and refine our reduction strategy, Adore Me is partnering with Carbonfact, who syncs with our company's internal systems to provide real-time insights surrounding

*“Carbonfact has made the goal of affordable & sustainable fashion attainable by democratizing and automating the LCA process, and we're proud to work side-by-side with them as pioneers in decarbonizing fashion.”*

— ROMAIN LIOT, COO & CO-FOUNDER

our carbon emissions. For Adore Me, this means Carbonfact's software automatically pulls data—things like material type and weight—from our orders with suppliers to calculate carbon impact. Through this partnership, we've identified that the vast majority of our emissions come from the raw materials we purchase to make our products.

## OUR PARTNERS

Carbonfact is a start-up company that provides fashion brands with a dynamic life cycle assessment (LCA) of their products through a platform that can easily be leveraged by designers and production teams to estimate, simulate, and incorporate carbon impact in the earliest stages of the design and sourcing processes. Adore Me's partnership with Carbonfact enables us to conduct a dynamic LCA throughout our product selection and identify key levers (from raw materials to supplier selection)—paving the way towards at-scale sustainable design, and making low-impact lingerie more accessible and affordable to customers. Partnering with LCA experts like Carbonfact, who are dedicated to making progress toward sustainability within the fashion industry, has been a catalyst in Adore Me's success despite the complexities and intricacies that come along with manufacturing lower-impact lingerie.



## ROUNDTABLE INTERVIEW WITH CARBONFACT

**ANGIE WU**, Head of Operations at Carbonfact

**MARTIN DANIEL**, Chief Product Officer at Carbonfact

### Can you introduce Carbonfact and your team?

**ANGIE:** “Carbonfact is the only Carbon Management Platform for the fashion industry. Equipped with our tool, brands can run life cycle assessments (LCA) in a fraction of the time and cost of traditional methods. They can then identify key emission drivers and paths to decarbonize their supply chain.”

**MARTIN:** “Our team is composed of LCA experts from the textile industry, as well as software engineers and data scientists from companies like Google, Alan, and Airbnb.”

### Can you explain the different scopes applied to us?

**ANGIE:** “Following the Greenhouse Gas Protocol, we have calculated emissions along Scopes 1, 2, and 3. Scopes 1 and 2 account for direct energy-consuming activities such as electricity and heat consumed in Adore Me's offices and warehouses. Scope 3 accounts for indirect emissions mostly coming from the purchased goods and services. Scope 3 accounts for ~95% of Adore Me's footprint.”

### Can you walk us through the process of calculating carbon impact?

**MARTIN:** “Our carbon footprint calculation process is now automated and seamlessly integrated with Adore Me's data systems. With each new purchase order, we automatically extract key information, such as the bill of materials, fabric type, and supplier details. Any irregular data entries are flagged, and we use a specific set of rules to complete any missing information. After the data has been cleaned, we calculate the carbon footprint for each product, which is then made accessible through the Carbonfact platform.”

**ANGIE:** “We continuously refine the set of rules we apply as we gain a deeper understanding of Adore Me's supply chain. For instance, we know the majority of the footprint for synthetic fibers, such as Polyester or Polyamide, arise in Tier 2, which is the material formation. Thus, we start with a basic rule for such materials and refine it over time as we gather more data from suppliers. By doing so, we can improve the accuracy of our carbon footprint calculations for these materials.”



### What is the role of technology in carbon-reduction efforts?

**MARTIN:** “The use of technology has the potential to significantly reduce measurement costs. Conducting a conventional Life Cycle Assessment can be a lengthy and expensive process, taking several months and costing thousands of dollars. However, by automating and standardizing this process, brands can make more informed decisions when working towards decarbonizing their supply chain.”

### What are your key learnings from working with Adore Me?

**MARTIN:** “Adore Me has made significant investments in its technology and data infrastructure, enabling easy access to information regarding products, suppliers, and purchase orders from a data warehouse. This has facilitated scalable data ingestion. Our experience working with Adore Me has highlighted the fact that achieving sustainability in the fashion industry primarily relies on effective data engineering. Building a foundation of reliable, consistent, and trusted data is critical to developing a sound decarbonizing strategy.”



### Q&A WITH MARIE EL GUENNOUNI

Production Manager at Adore Me

#### What led you to work with Carbonfact?

**MARIE:** “Assessing Adore Me’s carbon footprint was a key step in our efforts to meet our sustainability and transparency commitments. We couldn’t manage or improve what we didn’t know—so getting accurate and real-time data about our carbon impact was an essential requirement if we wanted to develop and implement strategic actions aimed at reducing it.”

Adore Me had already started to work internally on assessing our carbon footprint surrounding transportation, but we knew that assessing our impact would require a specific expertise that we did not possess internally, and that calling on experts to perform the assessment for us would be the best option. Carbonfact was simply the best fit for us. They are a strong team with a balanced mix of developers, LCA and UX experts. Their recognized methodology is based on the ISO 14040 Standard, GHG Protocol, and Product Environmental Footprint Category Rules (PEFCRs). Their software is also able to automatically pull data (e.g., product type and weight) directly from our orders with manufacturers, which increases the speed of the data collection process and eliminates manual tracking.

We’re not climate experts, but the developers and engineers at Carbonfact are—and through our work with them, we’ve been able to assess the environmental impact of our supply chain and make informed decisions on how to reduce it.”

#### What does Carbonfact’s carbon footprint assessment entail?

**MARIE:** “There are three different phases within Carbonfact’s carbon footprint assessment: Data Collection, Evaluation, and Reduction.”

##### Data Collection Phase

“In order for Carbonfact to properly assess our impact, they first needed access to relevant data we held in our systems. The volume of data required to precisely assess impact is large—but the flexibility of their tools allowed them to proceed with their assessment while gradually improving it as more data became available. We started with a pilot of data surrounding 3 products, and from there increased the volume and precision of data (suppliers and manufacturer data, product details, etc.) enabling Carbonfact to reduce uncertainty around their assessment”

##### Evaluation Phase

“Once Carbonfact had enough data to work from, they provided an initial assessment of our products’ impact and an analysis of the distribution of our emissions by product category, manufacturer, and raw material type.

It is pretty incredible to see a live feed showing what contributes to a product’s overall carbon footprint. The Carbonfact platform is fed by our data in real time, so we now have access to a dynamic overview of our products’ footprint—which is very different (and an improvement) from having to rely on static carbon footprint calculations.”

##### Reduction Phase

“After completing the Data Collection and Evaluation Phases, we’re able to focus on identifying where and how to reduce our impact in our supply chain—specifically when it comes to raw materials. Carbonfact has been informative and supportive when it comes to better understanding how the choices made during the earliest stages of product design affect the overall carbon footprint of the product—and they are aiding us in identifying ways to optimize our products and sourcing operations.”

#### What has been the most remarkable moment of your experience with Carbonfact so far?

**MARIE:** “The most remarkable moment of my experience with Carbonfact was when they shared the result of the pilot data transfer we had done on a few products. Some statements were eye-opening and even unexpected. It’s really interesting to realize that, while many of our efforts are already going in the right direction, there are many other impactful levers we can still work with.”

**A Life Cycle Assessment (LCA)** is a systematic analysis of the potential environmental impact(s) of a single product during every stage of its life cycle (production, distribution, use, and end-of-life). An LCA also includes upstream (e.g., suppliers) and downstream (e.g., waste management) processes associated with the production, use, and disposal of the product.



## GHG CALCULATION METHODOLOGY

The emissions calculation and reporting process Carbonfact used to assess Adore Me's carbon footprint in 2021 and 2022 adhere to the Greenhouse Gas Protocol's "Corporate Accounting and Reporting Standard" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard."

To calculate GHG emissions for Scopes 1 and 2, Carbonfact used the latest emission factors from reputable sources such as the International Energy Agency (IEA), GHG Protocol, Department for Environment, Food, and Rural Affairs (DEFRA), and the Association of Issuing Bodies (AIB). They primarily relied on energy bills for all Adore Me facilities—including offices, stores, and warehouses—for electricity and natural gas consumption.

In regards to Scope 3 emissions—specifically category 3.1, "Purchased Goods and Services"—Carbonfact employed a comprehensive carbon footprint model that encompasses all production stages, from sourcing to finishing and assembly of purchased products. The foundation of the product LCA model Carbonfact developed is based on the latest draft of the Product Environmental Footprint Category Rules (PEFCR) for Apparel and Footwear. As such, in instances where specific information about production or supplier transport was unavailable, they used the defaults suggested by PEFCR for Apparel and Footwear.

For the "Purchased Goods and Services" category, Carbonfact collected as much product-level primary data as possible from Adore Me's suppliers. When primary data was not available, Carbonfact used compliant databases including "ecoinvent

3.9": a widely used Life Cycle Assessment database. Carbonfact also utilized third-party reviewed studies like Mistra Future Fashion Report.

To measure a detailed carbon footprint of Adore Me's products, Carbonfact gathered data on production volumes as well as the mass of materials used for each garment. This includes main fabric, lining, and trims like bands, pads, metal, and buttons. This data was generally sourced from our suppliers.

Additionally, Carbonfact considered the specific location of all production phases, from the production of fibers to textile production and product assembly, whenever possible. This information was used to feed into Carbonfact's LCA model, which determined our overall carbon footprint.

Finally, for "Use of Sold Products" and "End-of-Life Treatment of Sold Products," Carbonfact used the results of the LCA model based on PEFCR defaults. These defaults are based on use habit (wash and dry) statistics collected in the draft of PEFCR as well as waste treatment including the share of recycling, landfill, and incineration.

**Note:** All carbon measurements included in the Report are provided in kilograms (kg) of equivalent CO<sub>2</sub> (or kgCO<sub>2</sub>e) or metric tons (t) of equivalent CO<sub>2</sub> (or tCO<sub>2</sub>e). That quantity describes, for a given mixture and amount of greenhouse gas, the amount of CO<sub>2</sub> that would have the same global warming potential (GWP) when measured over 100 years. The following gasses are included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.

**Important Disclaimers:** Carbon accounting and LCAs are complex endeavors. It is important to acknowledge the following limitations and uncertainties when reading any carbon-related disclosure made in the Report. We will continue our work alongside our partners to improve data quality and completeness, as well as to reduce any methodology-related uncertainties.

Carbon calculations can involve various methodologies. Our Scopes 1, 2, and 3 emissions were calculated in line with the GHG Protocol Standards. For reference, GHG Protocol supplies the world's most widely used greenhouse gas accounting standards, which are designed to provide a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions.

In line with GHG Protocol Guidance, our Scope 3 emissions calculation relied largely on Carbonfact's life cycle assessment methodology applied through their LCA engine. Generally, LCA methodologies and data sources have limitations, such as data gaps or uncertainties, which can impact the precision or accuracy of the results. Additionally, assumptions made during the calculation process, such as emission factors or system boundaries, can also affect the precision of the final results.

Carbonfact's methodology is based on the ISO 14040 standard as well as the Product Environmental Footprint Category Rules, which is a harmonized methodology defined by the European Commission. The methodology includes a number of industry-specific assumptions by which Carbonfact compares the carbon footprint of a product with a representative product. Those benchmarks are still being developed by the PEF working groups and are likely to evolve over time. More information on the assumptions used may be provided upon request.

Further, a significant amount of data used to assess our products' cradle-to-grave footprint, particularly concerning materials used, weight, and manufacturing processes, was sourced from our suppliers. While we work in good faith with our suppliers, Adore Me is not in a position to guarantee the completeness or accuracy of any third-party data.

Finally, due to its recent acquisition and ongoing integration, DailyLook was not included in our carbon accounting efforts or in the LCA conducted with Carbonfact in 2022. We are hoping to include DailyLook in our assessments by next year.

### SCOPE 1

Direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g., any owned offices, buildings, facilities, vehicles, and/or equipment).

### SCOPE 2

Indirect GHG emissions from the generation of purchased energy from a utility provider (e.g., leased offices, buildings, facilities, vehicles, and equipment).

### SCOPE 3

Indirect GHG emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions (e.g., production of products, transportation, end of life, employee commuting, etc.).



## CARBON PROGRESS REPORT & LEARNINGS

We're proud to say that for the first time at Adore Me, our teams have a well-rounded and informed understanding of our overall carbon footprint.

**Based on Carbonfact's GHG Protocol-aligned methodology, our estimated footprint was 69,272 tCO<sub>2</sub>e in 2021, and 23,865 tCO<sub>2</sub>e in 2022.**

While we knew a vast majority of our environmental impact came from our value chain rather than our own operations, reviewing the result of the carbon accounting exercise conducted by Carbonfact gave us confirmation about where we needed to act first and what we needed to make the biggest priority.

### ADORE ME'S ANNUAL CO<sub>2</sub> EMISSIONS BY SCOPE

		2021 (tCO <sub>2</sub> e)	2022 (tCO <sub>2</sub> e)	EVOLUTION (%)
<b>SCOPE 1</b>		<b>1.13</b>	<b>1.13</b>	0
<b>SCOPE 2</b>		<b>496.86</b>	<b>648.23</b>	+30%
<b>SCOPE 3<sup>(1)</sup></b>	Purchased Goods & Services	59,877.06	16,006.36	-73%
	Transportation	2,814.69	2,039.00	-27%
	Use of Sold Products	4,274.90	3,566.05	-16%
	End of Life	1,343.54	1,120.76	-16%
	Others	464,35	483,59	+4%
	<b>SCOPE 3 TOTAL</b>	<b>68,774.54</b>	<b>23,215.76</b>	-66%
<b>TOTAL ESTIMATED FOOTPRINT<sup>(2)</sup></b>		<b>69,272.53</b>	<b>23,865.12</b>	-65%

(1) Scope 3 emissions calculations are based on Carbonfact's LCA as of May 2023. Carbonfact's ongoing work, which is reflected in the regular versioning of the platform, may significantly impact the numbers provided here.

(2) Adore Me only - does not include DailyLook.

### Key Findings:

- **In 2022, Adore Me's absolute carbon footprint decreased by 65%, mainly due to a reduction in purchase order volume as well as the postponement of certain purchase orders into 2023, following a number of business and contextual factors including the COVID-19 pandemic, inflation, and geopolitical events.**
- Consistent with industry data, our Scope 3 emissions represent over 95% of our carbon footprint.
- Due to the fact that Adore Me doesn't have any operations that directly consume fuel or generate direct GHG emissions, we uncovered that our direct emissions (Scope 1) results were considered negligible when looking at our total carbon footprint.
- While our Scope 1 emissions remained stable, our Scope 2 emissions did increase in 2022 due to the full operationalization of our second logistic center located in Tijuana, Mexico, which led to an increase in energy-related emissions by over 100% for the facility.
- The drop in purchase order volumes and postponed purchase orders primarily accounts for the significant decrease in Adore Me's Scope 3 emissions. The reduction of transportation emissions, further detailed on pages 49–50 of the Report, also contributed to this trend.
- Excluding "purchased goods and services" and "transportation" categories, which are heavily influenced by the volume of orders, other Scope 3 emissions have remained relatively stable, with an expected increase in employee commute and travel emissions as employees returned to the office and resumed in-office visits in 2022.



**LIFE CYCLE ASSESSMENT  
PRELIMINARY FINDINGS**

While our teams are only beginning to analyze the data we uncovered through our work with Carbonfact, it's important to us that we share our preliminary findings of our products' life cycle assessment, which constitutes the vast majority of the emissions in our overall footprint.

**Between 2021 and 2022, Adore Me's average product footprint decreased from 3.85 kgCO2e to 3.64 kgCO2e—a 5.45% reduction.**

Note that Adore Me's product assortment includes categories with significantly different average footprints. For example, on average, Adore Me's Panties category has a carbon footprint of 1.83 kgCO2e per unit, compared to 9.34 kgCO2e for our Sleepwear category. Product footprints

*PRODUCT FOOTPRINT EXAMPLE*

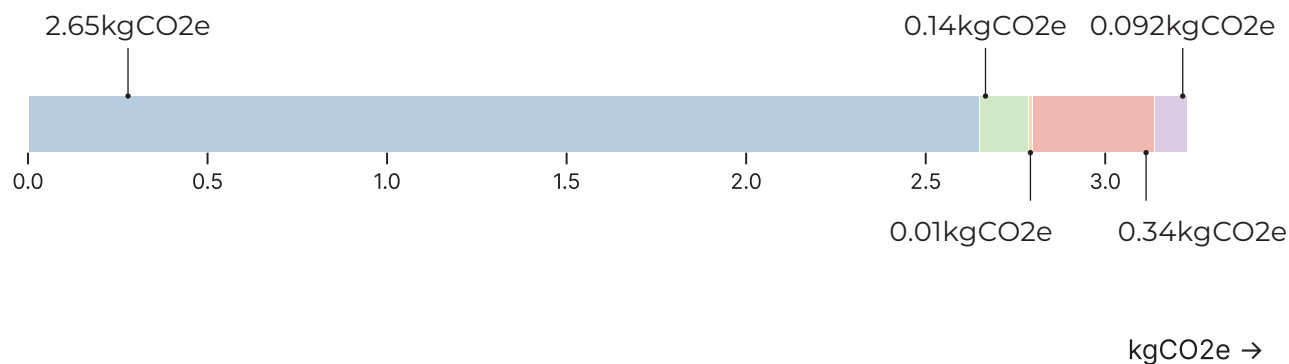


**Nymphadora Contour Bra**

Color: Black  
Size: 36C

**3.23 ± 1.24kgCO2e**

- KEY:**
- **MATERIALS:** 2.65kgCO2e
  - **MANUFACTURING:** 0.14kgCO2e
  - **DISTRIBUTION:** 0.01kgCO2e
  - **USE:** 0.34kgCO2e
  - **END OF LIFE:** 0.092kgCO2e



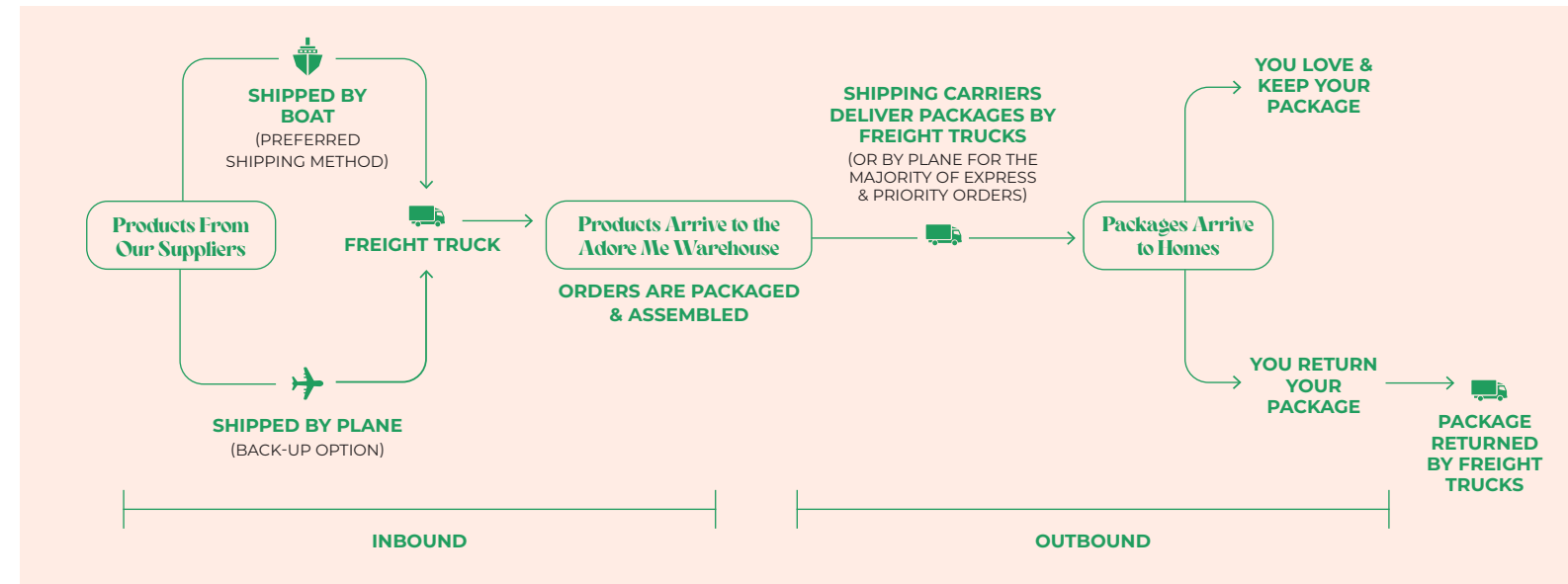
also vary within a product category. Thus, any change in Adore Me's product assortment within our existing categories or the creation of new categories could significantly impact Adore Me's average product footprint in the future.

The variance of **-0.213 kgCO2e** per product may be attributed to a number of factors, which Carbonfact helped us identify through a thorough contribution analysis. Looking at the main contributors for the overall variation, data shows that our Bras category was the biggest contributor to the decrease in our entire product mix—owed to the fact that in 2022, we incorporated more recycled materials into the Bras category than we ever had before. With the help of Carbonfact, Adore Me was also able to identify which of our suppliers played the biggest role in this decrease.

**TRANSPORTATION**

Transportation emissions represent less than 10% of Adore Me's carbon footprint—however, transportation is where we started measuring our footprint in 2021, so a dedicated update for 2022 is provided.

*ADORE ME TRANSPORTATION FRAMEWORK*



**Key Findings:**

- **In 2022, Adore Me's transport emissions amounted to 2,039 tCO2e, a decrease of 27% from 2021.\***
  - Inbound transportation emissions (from supplier to warehouse) amounted to 1498 tCO2e;
  - Outbound transportation emissions (from warehouse to customer) amounted to 541 tCO2e (refer to table on page 50).
- This significant decrease is **largely due to supply chain disruptions linked to the COVID-19 pandemic as well as other external factors that have impacted the business in 2022.**
- For example, the postponement of purchase orders from 2022 into 2023 moved ~342 tCO2e to 2023.
- In addition, air shipment emissions were cut in half in 2022 when compared to 2021 after largely moving to ground and sea shipping.
  - Inbound air shipments decreased from ~8% in 2021 to ~5% in 2022. In absolute terms, inbound air emissions were reduced from 1,249 tCO2e in 2021 to 644 tCO2e in 2022.
  - The development of our second distribution center in Tijuana, Mexico allowed us to service West Coast and South West customers more efficiently and contributed to a decrease in priority shipments, which are often and generally air shipped.
  - Emissions linked to priority shipments to customers were reduced from 494 tCO2e to 121 tCO2e in 2022.

*\*Adore Me's transport emissions for 2021, adjusted to be comparable to Adore Me's 2022 transport emissions calculated in coordination with Carbonfact, amount to 2,814.69 tCO2e. Note that 2021 transport emissions as reported in Adore Me's last ESG Report were based on a different methodology and used a different metric.*



ADORE ME 2022 TRANSPORT EMISSIONS

Inbound Transport Emissions	Outbound Transport Emissions
Ocean & Truck Emissions: <b>854 tCO2e</b>  + Air Emissions: <b>644 tCO2e</b>	Standard Emissions: <b>323 tCO2e</b>  Priority & Express Emissions: <b>131 tCO2e</b>  Return & RTS Emissions: <b>72 tCO2e</b>  + International Emissions: <b>15 tCO2e</b>
Inbound Total: <b>1498 tCO2e</b>	Outbound Total: <b>541 tCO2e</b>
2022 Total: <b>2039 tCO2e</b>	

**Updated Transportation-Emissions Methodology**

Inbound emissions are estimated per shipment (coming from our Tier 1 manufacturer to one of our distribution centers) by factoring the volume, weight, and transportation method used. Units included in the estimates are products ordered for 2022 Showrooms (monthly collections) only. Similar to 2021, we leveraged the DHL carbon footprint calculator to estimate our inbound emissions. Adjustments were made to account for rescheduled orders, container sizes used, and consolidation of shipments. Ports and airports from origin to destination were also used as reference points in our calculations.

When calculating our outbound emissions (shipments going from one of Adore Me's distribution centers to our customers), our methodology changed in 2022, as

this past year we started using the GHG Protocol Downstream Transportation and Distribution Framework ( $\sum (quantity\ of\ goods\ sold\ (tonnes) \times distance\ traveled\ in\ transport\ legs\ (km) \times emission\ factor\ of\ transport\ mode\ or\ vehicle\ type\ (kg\ CO2\ e/tonne-km))$ ). Emissions surrounding returns to senders, returns from customers, and replacement orders were included in this calculation for completeness.

Inbound emissions were measured in metric ton CO2 (tCO2) & Wtw (greenhouse gas emissions from the production, transportation, transformation, and distribution of the fuel used to power the vehicle). Outbound emissions were measured in metric ton CO2 equivalent (tCO2e). This is a change from last year's calculation for inbound and outbound shipping emissions, which were provided in metric ton CO2 (tCO2).

**Carbon Credits**

In 2022, Adore Me continued to rely on carbon credits to mitigate our shipping-related carbon emissions (2,039 tCO2e). While we continue to develop and strengthen emissions-reduction strategies, we recognize that carbon credits are and will likely remain a necessary tool to contribute to global carbon neutrality goals. In doing so, this year Adore Me partnered with Pachama and Reforest'Action on three different projects.

**Pacajá Pará (Brazil) – Pachama**

Pacajá Pará is a conservation project protecting at-risk forests in the heart of the Amazon from deforestation. This project was classified by the Brazilian Ministry for the Environment as a priority area for conservation with neighboring municipalities having the highest deforestation rate within the Amazon in recent years. The project also supports the economic development of local communities through the sustainable use of natural resources and aligns with a number of United Nations Sustainable Development Goals.

**Manoa Farm (Brazil) – Pachama**

Manoa Farm supports sustainable forest management in an area that serves as a shelter for several threatened and endemic species including jaguars, ocelots, birds, and monkeys. Manoa Farm has been recognized by the FAO (Food and Agriculture Organization of the U.N.) as an exemplary case of sustainable forest management. It aims to train local stakeholders in forest protection as well as support socio-economic development through skilled-labor workshops on non-extractive forest management.

**Rimba Raya (Indonesia) – Reforest'Action**

Rimba Raya works to preserve tropical peat swamp forests against deforestation and to preserve wildlife within those forests. This project is certified as meeting the Sustainable Development Verified Impact Standard (SD VISTA), the premier standard for certifying the real-world benefits of social and environmental projects.

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# Sustainable Design

## THE ADORE ME IMPACT MATRIX

Consistent with last year, our products' sustainability continues to be measured against the Adore Me Impact Matrix (AIM). AIM (patent-pending) is a tool used to assess the environmental sustainability of a product based on its design and certain manufacturing attributes. AIM was developed internally by Adore Me's creation team as a way to leverage their expertise in fiber selection, dyeing or printing processes, and more.

At a product level, AIM enables us to score Adore Me products on a scale from 0-5 based on 4 key impact areas: Waste, Water, Fabrics, and Chemicals. For example, when scoring under Fabrics, organic fibers will earn more points than their conventional counterparts. Similarly, using a digital printing technique, which requires less water than conventional

screen printing, will earn a higher score in the Water impact area. It is important to note that AIM is built in a way that makes it virtually impossible for a product to get a perfect score—a testament to the fact that, no matter how "good" a product is, there's always room for notable improvement. As such, when a product has an AIM score higher or equal to 1, we refer to it as "sustainable."

AIM is not perfect—but it has proven to be a useful tool that's embedded in every corner of our business to drive positive 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 their development strategy and to set KPIs, and our UX team also leverages AIM to enhance customer disclosures on our website.

## ADORE ME'S SUSTAINABLE DESIGN KPIS

**34%** of units from our most prominent categories meet our internal environmental sustainability threshold of scoring 1 or higher (out of 5) on the Adore Me Impact Matrix—an 8 percentage points improvement from 2021.

**95%** of swimwear units included Preferred Fibers

**28%** of the styles from our most prominent categories include Preferred Fibers.

**Over 1/4** of our sales (27% of products sold) were of sustainable products as compared to 17% in 2021.

**21%** of units from our Activewear category incorporate a Water Attribute.

**78%** of our entire product mix (unit level) incorporates a Chemical Attribute, including 88% of our Bras category.

In **September 2022** we ordered more sustainable units from our suppliers than we did non-sustainable products—a trend that continued through the end of the year.

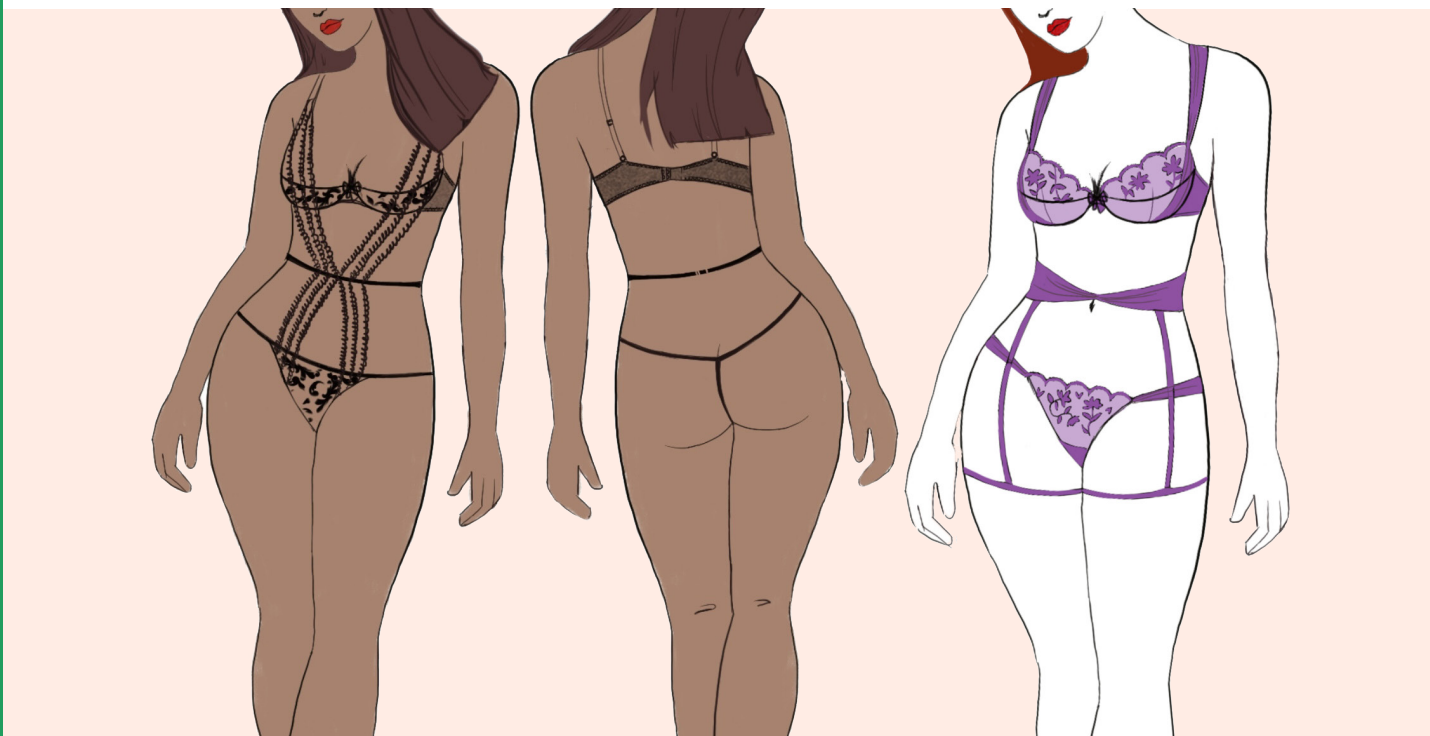
**73%** of the styles from our Lingerie category incorporate a Chemical Attribute.

**13%** of the styles from our most prominent product categories incorporate a Water Attribute.

**10%** of our styles ordered from our suppliers in 2022 incorporated a Waste mitigation attribute across all product categories.

### Disclaimers:

- Sustainable products are defined as products with AIM scores equal or greater than 1 out of 5.
- Preferred Fiber, Waste, Water, or Chemical Attributes are granted to a style when it has an AIM score of 2 or higher in each relevant category.
- Adore Me's most prominent categories as it pertains to this analysis include Bras, Panties, Lingerie, Loungewear, Sleepwear, Activewear, and Swimwear.
- Figures provided are estimates based on data available at the time the Report was drafted. Numbers are rounded down for purposes of this graph.
- 2022 and 2021 data are not perfectly comparable as certain adjustments and improvements were made to AIM since 2021.
- Figures provided are based on 2022 data using the purchase order month as a reference.
- Products related to Adore Me's Elite Box try-at-home subscription model are excluded from the dataset used for this analysis.



COPYRIGHT: Leila Francomb, Assistant Designer at Adore Me





### OUR SUSTAINABLE DESIGN EFFORTS

The vast majority of a garment's environmental impact relates to the choice of the materials composing it. One of our production team's key priorities in 2022 was to support our designers in their efforts towards creating more sustainable pieces.

As a technology-forward company, most of the decisions made at Adore Me are grounded in hard data. Our design and production teams rely on our homegrown internal matrix (AIM), which has allowed us to significantly improve our impact this year. In 2022, 34% of the units we ordered from manufacturers (reflecting quantities ordered, which corresponds to 38% of styles) met our internal sustainability threshold—a notable increase from the 24% we saw in 2021. We are working hard and looking forward to continuing our progress surrounding the share of “sustainable” products in our orders to our manufacturers.

**We increased our number of sustainable products by focusing on four strategies.**

**(1)** *We made improvements to new products.* We knew we wanted our latest novelty styles to be better than the average product—so we applied stricter criterias to new designs than we have in the past. In 2022, new designs were required to meet a minimum AIM score of 0.25. In 2023, we will increase the minimum AIM score to 0.50. Mechanically, this strategy prevents the creation of new styles with limited sustainability attributes.

**(2)** *We established a plan for replenished products.* At the time of the drafting of the Report, we are still accepting replenished products with an AIM score of 0—but starting July 2024, all replenished products will be required to meet a minimum AIM score of 0.25.

**(3)** *We re-engineered existing products into more sustainable versions of themselves.* One of Adore Me's most classic and successful products—the Gynger Unlined Bra & Panty Set—was created 5 years ago, long before the start of our sustainability journey. The design was produced in two different factories

without any sustainability attributes.

In 2021, we reworked the material composition of the Gynger Unlined Bra & Panty Set (in a limited size range) to include approximately  $\frac{1}{3}$  of recycled fibers. We also fully integrated materials that had been independently tested for harmful substances in accordance with strict scientific criteria that go beyond legal regulations.

In 2022, we reworked the material composition of the remaining sizes of the Gynger Unlined Bra & Panty Set to include approximately  $\frac{1}{3}$  of recycled fibers, again fully integrating materials that had been independently tested for harmful substances in accordance with strict scientific criteria that go beyond legal regulations. In addition, all production lines for the Gynger Unlined Bra & Panty Set were moved to a single factory. Consolidating our production enabled us to make more efficient use of fabric rolls and save around 7% of fabric waste across all sizes.

At the time of the drafting of the Report, the Gynger Unlined Bra & Panty Set is reaching an AIM score of 1.25. Converting a classic, bestselling product into a sustainable version of itself and selling it without a cost increase to our customers

was a significant achievement and a crucial consideration for Adore Me.

**(4)** *We introduced new technology to reinvent entire categories.* Two years ago, none of the styles in Adore Me's Swimwear category were produced with sustainability attributes. In 2022, we were approaching 100% of the Swimwear category being composed of sustainable designs. Re-engineering the Swimwear category required a number of steps and initiatives, including the introduction of digital-printing technology that uses less water and less chemicals during the manufacturing process.

### Impact Training

In the spring of 2022, our production team attended a dedicated training on Climate Change (Climate Fresk). Following this training, we've expanded internal trainings on the specific impact of the fashion industry on the environment to continue to raise awareness within our company and to enable our teams to address the negative externalities of our operations within their daily work.



## Sustainable Manufacturing



*“With supply chain partnerships becoming more and more strategic as time goes on, GAME has acted as an amazing catalyst in opening up conversations about sustainability achievements and long-term goals.”*

— CHRISTINA CHANG, VP OF PRODUCT TO MARKET (P2M)

### SUSTAINABILITY SCORING & IMPROVEMENT PLANS

As part of Adore Me’s company-wide sustainability efforts, our teams launched the Green Adore Me Manufacturing Evaluation (GAME) program in 2021 with a mission to understand how our suppliers address their environmental impact and to help them improve their practices.

Through the GAME program, Adore Me is able to evaluate our manufacturers across five categories: Energy Savings & Emissions, Water Management, Chemicals Management, Waste Management, and People & Community. The evaluation is a collaborative effort and forms the baseline to improve our suppliers’ performance over a two-year period. At the end of the improvement plan’s period, Adore Me re-assesses the enrolled manufacturers to track their progress—working to support them as they move toward more sustainable practices.

In 2021, Adore Me enrolled five selected manufacturers in a pilot version of the GAME program. The manufacturers partaking in the pilot program account for greater than 75% of Adore Me’s production, and are thereby a strong

representation of our supply chain. The full roll out of the program was delayed mainly due to COVID-19, but in 2023 we will resume our coordinated efforts to: (1) conduct a re-assessment of our pilot program participants, (2) collaborate with pilot program participants to craft a two-year development plan of projects to undertake and targets to meet in the next two years to improve their assessments, and (3) roll out a simplified version of the assessment to the remainder of our manufacturers.

Additionally, in our supplier selection process, we are careful to choose partners who align with our commitment to environmental sustainability. If a candidate was unable to provide evidence of policies or practices designed to mitigate their environmental impact, they would no longer be considered for partnership.





# Technology

At Adore Me, we've always considered ourselves just as much of a data-driven technology company as we are a lingerie brand. Knowing that the very nature of shopping is always changing, we follow our belief that in order to successfully adapt, technology must be embedded into any and every business function—one of the biggest levers in our sustainability journey.

If there's one trend that our teams have experienced to be consistent, it's this: The fashion industry is continually being disrupted by new technology and the external factors that come along with it. Recognizing that changes to shopping and fashion are inevitable, our team of technical engineers introduced their own suite of proprietary software and technology used to adapt and expand into new markets, new business models, and new sustainability-focused practices.

## ADORE ME SCALE-UP PLANNING (SUP)

Scale-Up Planning (SUP) is an internally developed software tool used to forecast the demand of products in any given period, allowing the Adore Me teams to make more informed decisions when it comes to sourcing the right number of products. Because SUP is a homegrown tool, our team of technical engineers are able to customize the tool to adapt to new practices and industry trends—further enhancing its effectiveness in limiting waste from procurement.

## GOOGLE CLOUD

Starting in 2017, Adore Me's website data, internal tools, development and test environments, and all miscellaneous data are hosted on Google Cloud. With data centers that are twice as energy

efficient as a typical enterprise data center, Google is currently carbon-neutral and committed to becoming carbon-free. Carbon-free energy used by Google includes wind, solar, geothermal, biomass, nuclear, hydropower, and pumped storage/battery storage discharge. Google is also committed to becoming water positive by 2030, meaning they will replenish 120% of the water they consume on average across offices and data centers in an effort to help restore and improve the quality of water and the health of ecosystems in communities where they operate.

*All information surrounding Google and Google Cloud were obtained from their own public disclosures at the time of the drafting of the Report.*

## CAPSULE COLLECTIONS FEATURING PROMPT.LY BY TWĪNERY

Using waste-minimizing Prompt.ly printing technology, Adore Me partners with Twinery by MAS Holdings to release limited-edition capsule collections featuring unique designs and collaborations. With Prompt.ly technology, Adore Me is able to print on an on-demand basis, efficiently manage inventory, and invest in technology that uses significantly less water and with shorter lead times than traditional printing processes.

Most of Adore Me's 2022 capsule collections using the Prompt.ly technology were designed by the Yarza Twins: an award-winning design agency out of London and Paris.

The first capsule collection was launched in April, in honor of Earth Day and in collaboration with Smiley®. In reinforcing

our commitment to reducing water waste, Adore Me donated 1% of revenues from the Smiley® capsule collection, which was launched in April 2022, to Thirst Project. 100% of Adore Me's donation helped to fund the implementation of a freshwater well in the Kingdom of Eswatini. Thirst Project is a non-profit organization that works with the support of young people to end the global water crisis by building freshwater wells in developing communities that need safe, clean drinking water.

The second capsule collection was launched in June, in honor of Pride Month and in collaboration with one of our favorite creators. In

celebration of this collection, Adore Me donated to the Ali Forney Center, thus continuing the partnership started in 2021. The Ali Forney Center is a not-for-profit organization whose mission is to protect LGBTQIA+ youths from experiencing homelessness and empower them with the tools needed to live independently. Since its launch in 2002, the organization has grown to become the largest agency dedicated to LGBTQIA+ homeless youths in the country.

The third capsule collection was launched in September, with the digital prints featuring elevated Halloween-inspired designs that were offered in a full size range (XS–4X).





# Additional Undertakings

## PACKAGING

As an e-commerce company, packaging continues to be an important subject for us. We are continuously looking for ways to improve our packaging practices, and we are proud of the milestones we achieved in 2022.

- 100% of Adore Me's external packaging is made from recycled materials.
- 100% of Adore Me's poly-mailer bags are biodegradable.\*
- 100% of Adore Me's external boxes are recyclable.
- 100% of Adore Me's poly-mailer bags are printed on with non-toxic ink.
- 100% of Adore Me's internal packaging/polybags are recyclable.

*\*Using BDP™ patented technology provided by Breakdown Plastic Inc., which accelerates the biodegradation of plastic in anaerobic landfill environments. The process is enzymatic, allowing microbes to consume the entire plastic mass.*

- 78% of Adore Me's internal packaging/polybags and hang tags ordered this year are made from recycled materials. We expect 100% of Adore Me's internal packaging/polybags to be made from recycled materials by the end of 2023.
- Boxes ordered from suppliers to ship products to Elite Box customers are made from FSC-certified 100% recycled materials.
- As prefaced in the 2021 Report, Adore Me has fully transitioned to local sourcing for our external packing and we're happy to announce that we received the first order of locally sourced external packing in March 2022.



Adore Me Store located in Chattanooga, TN

## ADOREME RETAIL

In 2022, the AdoreMe Retail teams continued to work toward mitigating the environmental impact of our six brick-and-mortar stores. These initiatives include motion-sensor lighting in fitting rooms to preserve energy when not needed, contact-less water faucets in bathrooms, and 100% recycled and recyclable shopping bags. With every purchase made at a brick-and-mortar store, customers are also encouraged not to use a shopping bag and to receive their receipt via email. While these initiatives may seem small compared to large-scale, company-wide carbon management efforts, we believe them to be both valuable and reflective of our employees' commitment to raising awareness amongst our customers.

Adore Me has also continued to support Free The Girls in 2022 by donating a total of 4,666 bras to the organization. Drop-off bins can be found in all six of our brick-and-mortar storefronts, where customers are encouraged to donate new or gently used bras that, through Free The Girls, will become inventory for the micro-enterprises of formerly trafficked women.

## ADOREME SERVICES

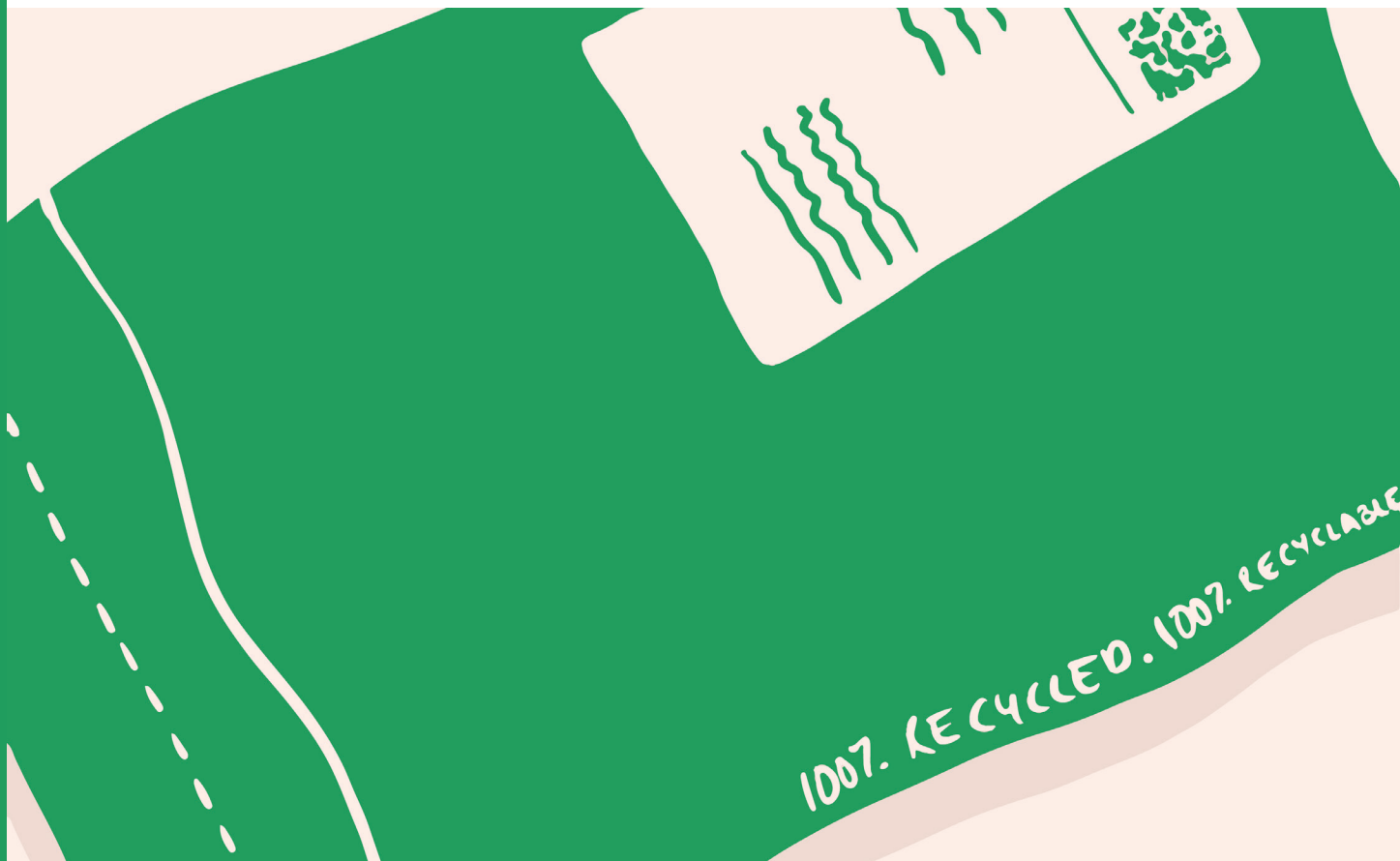
The AdoreMe Services (AMS) teams at our distribution centers in Secaucus, New Jersey (AMS 1) and Tijuana, Mexico (AMS 2) continue to both carry forward already-existing sustainability initiatives as well as implement new strategies.

At AMS 1, AutoStore™ technology is maintained to save energy, space, and time, as well as to improve workers' safety conditions. AutoStore™ is a self-optimizing automated storage and retrieval system that works to reduce our storage footprint by 60% compared to traditional storage space with aisles and shelves. In addition to physical space savings, increased order accuracy, and increased fulfillment rates, AutoStore™ addresses issues relating to workers' safety and wellbeing (e.g., improved ergonomics, reduced noise level, improved cleanliness, optimized work stations, and more). Both AMS 1 and AMS 2 also utilize LED lighting as well as fans (rather than AC units) to further limit energy consumption.

2022 also came with a new milestone for AdoreMe Services. In 2022, a roof upgrade began at AMS 1 in Secaucus, New Jersey in preparation for a solar panel installation. At the time of the drafting of the Report, over 900 solar panels have been installed on the facility's roof—designed to generate nearly 470 kWh of clean, renewable electricity every single year. The implementation of the solar panels will lead to a significant reduction in the carbon emissions of the distribution center.



COPYRIGHT: Solar Energy Systems





# Social

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OUR SUPPLIERS

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OUR EMPLOYEES

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OUR CUSTOMERS

4

OUR CHARITY SUPPORT



INTRODUCTION

GOVERNANCE

ENVIRONMENT

**SOCIAL**

GLOSSARY

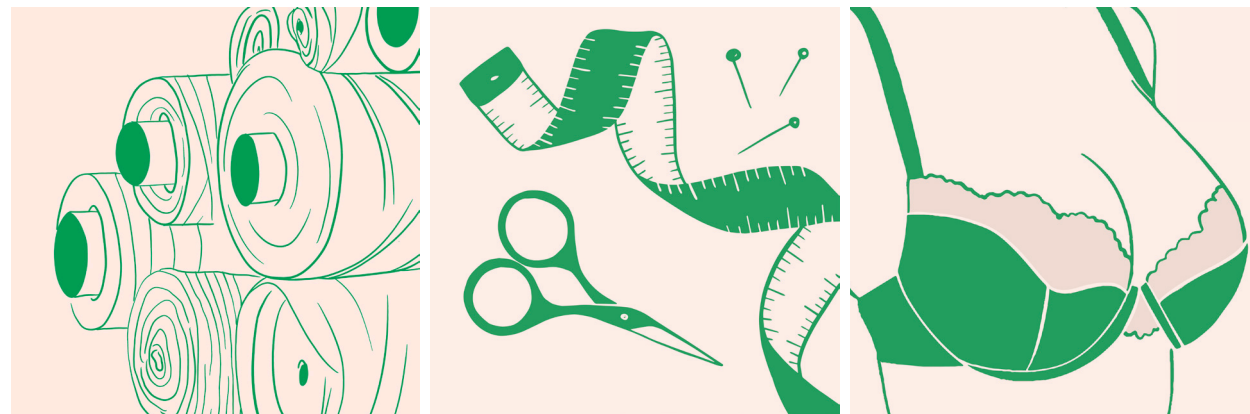
APPENDIX



# Our Suppliers

## TRACEABILITY

Traceability is essential for ensuring transparency and accountability. At Adore Me, we typically rely on a limited number of trusted manufacturers with whom we've developed long-term partnerships, which naturally facilitates discussions around traceability. In 2022, approximately 57% of units Adore Me ordered came from 3 Tier 1 suppliers. Our long-standing relationships with our suppliers have allowed us to leverage their expertise, as well as to collaborate with them in sustainability-related initiatives to better manage environmental and social externalities. The GAME Program, which Adore Me launched in 2021, is a good example of this as it acts as a key facilitator of an ongoing conversation around sustainability and improvement with our suppliers. (For more information on GAME, please refer to pages 27 and 56 of the Report.) To further improve the traceability of our products along the value chain, and in line with the commitments made in last year's ESG Report, Adore Me completed the mapping of our Tier 1 and Tier 2 suppliers during 2022.



### Tier 1 Suppliers:

Direct partners who manufacture our finished products.

### Tier 2 Suppliers:

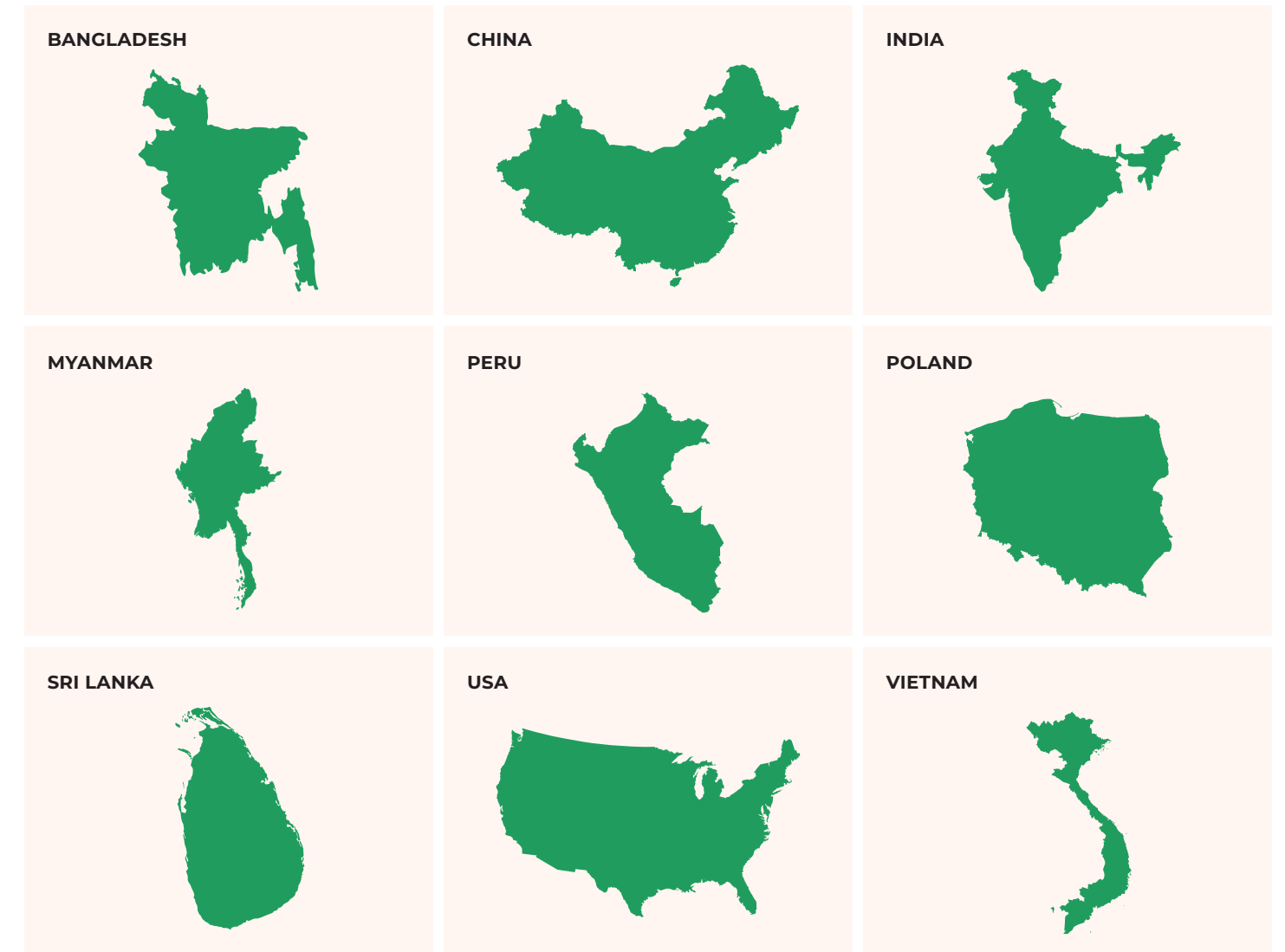
Facilities that provide Tier 1 suppliers with fabrics or components that will go into the finished product (e.g., fabric mills) as well as packaging supplies (e.g., hang tags, care labels, and polybags).

### Tier 3 Suppliers:

Facilities that are one step further removed from Tier 2 suppliers (e.g., yarn mills).

In 2022, Adore Me successfully completed the mapping of Tier 1 and Tier 2 suppliers, showing that we purchased products from 30 Tier 1 suppliers across 9 different countries, as well as sourced materials from 170 Tier 2 suppliers in 2022, located across 8 different countries. At the time of the drafting of the Report, Adore Me has started to map our Tier 3 suppliers.

MAP OF ADORE ME'S TIER 1 SUPPLIERS



While our traceability initiatives continue to involve significant manual data collection, we are also looking into innovative solutions to accelerate our work on this important issue and will continue to report on progress made.

## DUE DILIGENCE & AUDITS

All of Adore Me's suppliers are required to sign our Upstream Supply Chain Guide (USG), which includes strict requirements regarding compliance with best industry practices relating to human rights and environmental protection, as well as compliance with applicable labor laws and ethical business conduct. Notably, our USG includes explicit requirements of compliance with the fundamental International Labour Organization (ILO) conventions. For more information surrounding USG requirements, please refer to page 27.





### Q&A WITH NICOLAS GAND

VP of Production at Adore Me

#### How do you integrate sustainability in your supplier selection process at Adore Me?

**NICOLAS:** “There are two prominent ways we considered sustainability during our supplier selection process in 2022. First, our onboarding process has evolved to include a sustainability assessment with questions around whether our suppliers have partnerships with their own Tier 1 and Tier 2 suppliers (whether they’re pursuing sustainable practices, whether they have access to recycled materials and preferred fibers, etc.). Second, we’ve worked hard to diversify our sourcing strategy to mitigate risks—but also to favor suppliers that meet increased requirements in terms of transparency and sustainable practices.”

#### What has the integration of sustainability into your processes meant for Adore Me’s supply chain in 2022?

**NICOLAS:** “The inclusion of sustainability-related criteria in our suppliers’ assessment has resulted in notable changes for Adore Me’s supply chain. In 2022, we decided to part ways with one of our suppliers due to a lack of transparency surrounding the manufacturing processes associated with our products. On the contrary, we also on-boarded two new suppliers that met our heightened transparency requirements.”

#### Do you envision this new approach to have an impact beyond Adore Me?

**NICOLAS:** “It may be a bit early to draw any conclusions on the rollout of this new strategy, but something that’s already clear is that we’ve created a momentum where it becomes normal for manufacturers to share information on their Tier 1 suppliers and beyond. It’s proven that building a partnership around transparency is essential.”

#### SCAVI GROUP

SCAVI Group, one of Adore Me’s main Tier 1 manufacturers, was founded in 1988 by Mr. Phu Tran Van (Chairman, Founder, and CEO of Corèle International). SCAVI is committed to protecting the planet and ensuring all of its manufacturing operations and products meet stringent environmental standards. Additionally, they’re committed to using materials originated in Vietnam to further develop the local materials ecosystem.

SCAVI holds certificates of compliance to the following scopes, which cover—among others—the women’s apparel product category:

- BSCI, Higg-Fem, C-TPAT
- Worldwide Responsible Accredited Production (WRAP): Gold Certification
- OEKO-TEX®
- GRS 4.0 Global Recycled Standard
- Organic Content Standard (OCS)
- Recycled Claim Standard (RCS)

*“Having a close-working relationship with manufacturers is crucial in our industry—and we’re thankful for the effective communication and mutual understanding that has come along with our partnership with SCAVI. For years, their technical expertise has been essential for Adore Me’s progress in our sustainability journey.”*

— CARLA FIORUCCI, PRODUCTION & SUSTAINABILITY ENGINEER AT ADORE ME



#### SCAVI GROUP

**Year Of Collaboration:** 2013

**Headquarters:** France

**Number Of Employees:** Over 15,000 people

**Factory:** Thua Thien Hue Province, Vietnam

**Product:** Bras, Panties, Swim, Lingerie, Corsets



# Our Employees

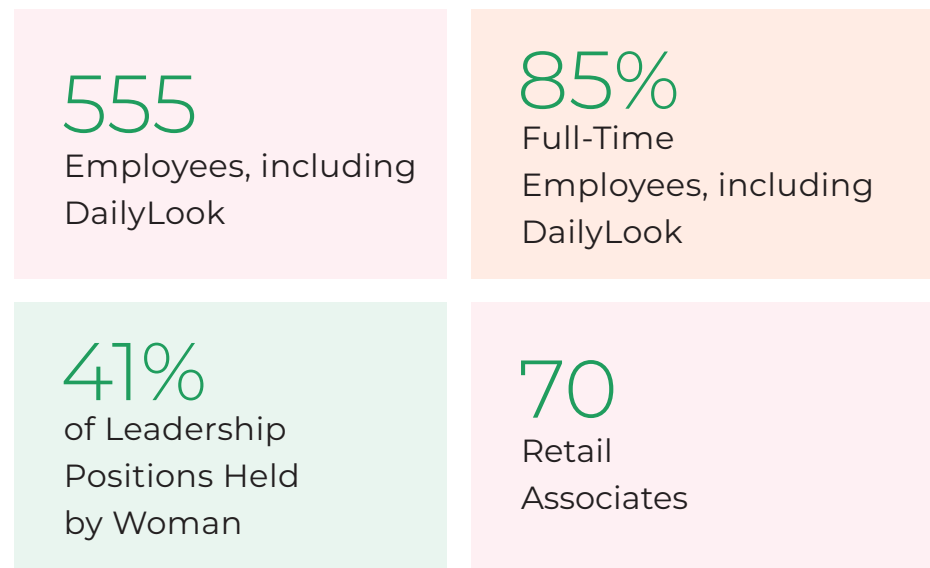
Adore Me thrives when our teams and employees represent the diverse world we live in. We know that diverse teams are stronger, and that inclusive cultures are more resilient. Adore Me’s leadership is committed to promoting our internationality and our fusion of unconventional backgrounds—one of the core assets of our company.

Adore Me highly values cross-team collaboration, in-person communication, and most of all, genuine connection within the workplace. In 2022, we were proud to see the entirety of our workforce return to the office for the first time following the COVID-19 pandemic with a flexible, hybrid work model. Adore Me was also proud to welcome the teams from DailyLook to our ranks—a testament to our ethos that, as an organization with diverse talent and strong purpose, we are *better together*.

### ADORE ME OFFICES

Adore Me has corporate offices located in three different countries: our headquarters in New York City, an office in Paris, France, and an office in Bucharest, Romania. We take pride in the unique office culture that spans across all three of these locations. At Adore Me, it’s important to us that our team members feel comfortable and at-home, but also engaged and productive within the office. In simple terms, we want our teams to feel excited to go to work every day.

#### THE ADORE ME TEAM\*



\*As of 12/30/2022



### Q&A WITH DAYSE ROCHA-CABALLERO

Manager of Employee Events & Engagement

#### Could you tell us a little bit about your role as Manager of Employee Events & Engagement at the NYC office?

**DAYSE:** “I have a lot of operational tasks and responsibilities—but my favorite of them is interacting and working with every single person in the office, no matter what team they belong to. I’ve actually kind of stepped into the “office mom” role, which is important because I get to support the team members in ways that are often overlooked. It’s such a fulfilling role, not only being able to provide feedback within every aspect of in-office life, but to also have visibility of every team member and to be able to recognize them for their contributions.”

#### What stands out to you when you think of the Adore Me team and the NYC office?

**DAYSE:** “The Adore Me team is just so fun to work with. You can tell that every single person is passionate about what they do. They work hard, and they play hard. One of the first things I noticed about the team is how often and how naturally they share ideas with each other. They’re always encouraged and willing to work in collaboration with teams with completely different functions and backgrounds—so you really see a lot of cross-cultural interactions.

*But I think what stands out to me the most is that the office is just always full of energy and laughter. It’s the perfect example of true teamwork.”*

#### What kind of office & wellbeing events do you organize at the NYC office?

**DAYSE:** “There are so many events in the office throughout the year—and they all strengthen our relationships and allow us to work together more efficiently. From daily office breakfasts, weekly office lunches, annual office retreats, and sporadic happy hours, there are constantly opportunities to get to know your colleagues better at Adore Me.

*When I first started working for Adore Me, I was impressed by all of the events we were encouraged to host on a philanthropic level. Throughout the year, we put a notable amount of time and energy into office events for Earth Day, Pride Month, Breast Cancer Awareness Month, and more. What’s great about these events specifically is that we get to engage with and meet people from our local community and give back to the community that we live in.”*

*“Life at the office is fun! It’s fulfilling to work with people you love and have created a relationship with. It sounds cliché, but it really does feel like a family.”*



## EMPLOYEE TRAINING & DEVELOPMENT

At Adore Me, all team members are encouraged to participate in training sessions and development opportunities. In 2022, numerous training sessions were offered to team members—both company-wide and office/segment-specific.

### Company-Wide Trainings

- Training: Nonviolent Communication
- Training: How to Prepare for SAR (Semi-Annual Review) Feedback
- Training: Leadership Skills
- Training: Anti-Sexual Harassment
- Training: How to Cultivate Focus
- Training: Managing Teams in Times of COVID
- MasterClass: Imposter Syndrome

### AdoreMe Retail Trainings

- Monthly Retail Associate Training (includes new-hire training, identification of strengths and development areas, the integration of new initiatives and/or practices, etc.)
- YOOBIC Training Modules (includes 24-hour training sessions surrounding brand and product knowledge, store procedures, visual merchandising skills, managerial skills, sales techniques, sustainability, etc.)

### AdoreMe Tech Trainings

- Training: Conflict Management
- Training: Building & Managing Development Plans
- Training: Self-Esteem
- Training: Quality Assurance Practices
- Training: Public Speaking
- Workshop: Agile Awareness

- Workshop: Storytelling
- Workshop: Soft Skills (Human Needs, Values, and Communication)

### AdoreMe Services Trainings

Adore Me's distribution center in Secaucus, New Jersey holds 90-minute "English as a Second Language" (ESL) classes with Premiere Language twice a week, every week. Throughout 2022, attendance varied anywhere from 8 to 18 people. In total, 9,360 hours of ESL classes were hosted at the distribution center. In addition, all Adore Me Services employees are required to attend regular health and safety trainings, which cover hazard prevention and control, worksite analysis, recordkeeping and program evaluation, and more.

### Semi-Annual Performance Reviews

Semi-Annual Reviews (SARs) are performed for 100% of Adore Me's workforce, and they provide constructive feedback to strengthen our most important asset as an organization: our people. SARs at Adore Me focus on a number of actions and attitudes of each employee (e.g., innovation, ownership, communications, leadership, and more). SARs are performed twice a year and are organized into the following two cycles:

1. The Winter Cycle includes in-depth discussions from all stakeholders, including peer-to-peer feedback, performance reviews, and discussions within the Compensation Committee and relevant Development committees.
2. The Summer Cycle focuses on reinforcing relationships between employees, including emotional intelligence discussions with managers and general discussions within the relevant Development Committees on existing team dynamics.

*"The training and development sessions we hold for our retail associates help to broaden our team's general knowledge on not only the products, but also the new sustainability attributes we continue to implement into them. Through the training sessions, they have the tools and language they need to inform and educate customers who come into the stores."*

— RACHEL BENVENISTE, RETAIL PERFORMANCE & OPERATIONS MANAGER AT ADORE ME





## EMPLOYEE BENEFITS

In 2022, we continued to prioritize our employees through competitive benefit programs that foster physical, emotional, and financial wellness across all Adore Me offices. The following health, wellness, and ancillary benefits are some of the many ways we support our workforce's wellbeing.

### Employee Healthcare

Adore Me offers all employees, both full-time and part-time, health insurance including medical, dental, and vision coverage.

### Retirement Plan

Adore Me offers our full-time employees important retirement savings opportunities through our 401(k) retirement plan, which is invested through Nationwide.

### Physical Fitness Memberships

Adore Me offers discounted memberships with ClassPass for New York City-based employees, which provides access to 41,500+ studios worldwide with the option to choose from a variety of fitness experiences. Adore Me also covers the cost of annual Citi Bike memberships for New York City-based employees.

### New York Disability Benefit Law

Under New York State's Disability and Paid Family Leave Benefits Law (Article 9 of the WCL), employees are entitled to weekly cash benefits to replace, in part, wages lost due to injuries or illnesses that do not arise out of or in the course of employment. If an employee gets injured or becomes disabled while eligible for or while collecting unemployment benefits, and if the injury or disablement results in the employee being ineligible for unemployment benefits, they are eligible for disability benefits. Disability benefits are cash-only. Benefits are 50% of the employee's average weekly wage

for the last eight weeks worked, cannot be more than the maximum benefit allowed under state law (currently \$170 per week), and is paid for a maximum of 26 weeks of disability during any consecutive 52-week period.

### New York Paid Family Leave

Under New York State's new Paid Family Leave Act, in 2022, eligible employees are 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 2022, 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 their child will be provided reasonable break times to express breast milk for their baby. Our New York headquarters are equipped with a dedicated nursing room, as well as a small refrigerator reserved for the specific storage of breast milk.



## EMPLOYEE WELLBEING

We believe employees perform better in an environment where they can easily balance their work life and their social life. In 2022, we saw our entire workforce return to the office for the first time following the COVID-19 pandemic, which involved significant adjustments for many of our employees. Adore Me implemented many logistical initiatives to aid in this transition, including a flexible in-office/work-from-home hybrid policy.

From a social aspect, Adore Me has implemented regular social initiatives during the work day to further promote a healthy work-life balance. Below are examples of Adore Me's social wellbeing initiatives for each office. While initiatives listed below do not make up an exhaustive list of what was implemented in 2022, we do believe they paint an accurate picture of the work-life balance within our organization.

### Bucharest Office

- Work anniversary celebrations
- Office-wide summer retreats
- Monthly board-game nights
- Holiday parties (Halloween, Christmas, Valentine's Day, etc.)
- Sporadic team events (bowling, go-karting, dinners, happy hours, etc.)

### Paris Office

- Team-building events (Climate Fresk)
- Holiday parties (Christmas, Valentine's Day, etc.)
- Sporadic team events (dinners, happy hours, etc.)

### New York City Office

- Office-wide summer retreats
- Holiday parties (Halloween, Christmas, Valentine's Day, etc.)
- Sporadic team events (bowling, karaoke, dinners, happy hours, etc.)
- Seasonal in-office celebrations (Pride Month, New York Fashion Week, Earth Day, Bring Your Kids to Work Day, etc.)

### AdoreMe Retail

- "Lunch On Us" Saturdays before Valentine's Day, Mother's Day, Black Friday, and the Saturday before Christmas
- Sporadic team events (dinners, happy hours, in-store social events, etc.)



## Our Customers

### Whatever you want to do in our lingerie, we're #HereForIt.

We've spent a lot of time getting to know our customers throughout the years, and what we've come to know is that we don't have just one "type" of customer—instead, we have a multitude of different "types" of customers that differ greatly in age, size, and budget. Put simply, our customer is everyone.

Adore Me's ethos has always been that everyone is welcome, and we take pride in recognizing that "everyone" encompasses millions of customers—all with different needs, personalities, and backgrounds. With an extended size range that spans across every category we offer, an affordable price point, and a high standard of quality, our teams are constantly echoing the very sentiment that Adore Me was built on, that "Whatever you want to do in our lingerie, we're #HereForIt."

In the same way our business and products have evolved over time, so have Adore Me's customers—and we continue to make improvements across our organization and product assortment to better suit their changing needs. In 2022, as our customers searched for more responsible ways to shop, 27% of Adore Me's sales consisted of "sustainable" styles—a notable increase when compared to about 21% in 2021. As we continue to respond to this demand and continue to improve the sustainable attributes of our product selection, Adore

Me expects to see this upward trend continue in years to come.

Adore Me's consumer insights team conducts customer interviews not only to further identify the always-changing needs of our customers, but also to obtain qualitative research to better understand their feedback and perceptions of our brand. As a result of this past year's interviews, our consumer insights team was able to successfully draw two conclusions:

1. Customers tend to shop with Adore Me because they need everyday bras that fit well, feel comfortable, are priced well, and are available in their size.
2. If customers aren't choosing items purely for comfort, they typically shop with Adore Me to feel bold and confident.

#### CUSTOMER ENGAGEMENT AT ADOREME RETAIL STORES

At Adore Me, we value connecting with our customers on a personal level—and our retail stores have a unique opportunity to engage with customers in-person on a regular basis. To take this customer engagement a step further from the standard in-store shopping experience, the AdoreMe Retail teams organize customer events throughout the year. In 2022, AdoreMe Retail hosted nine events that spanned across every store location, and over 20 local/individual store events. Customer engagement events included new collection launch parties, new collection previews, back-to-campus events, in-store Halloween makeup stations, boudoir shoots, burlesque shows, and more.

Here's what our customers said when we asked them why they shopped at Adore Me\*:

*"If you feel good underneath your clothes, then you have more confidence. I totally believe that. I knew Adore Me has sizes that fit me, so I figured I'd try it out and see what styles you offered."*

*"Adore Me appeals to the sense of wanting to feel sexy—but you also embrace that feeling, too. It's really empowering."*

*"Adore Me can be scandalous and sexy, but that's not all that it is. It can be comfortable, casual, and a little more everyday—but it's still high quality. That's what kind of drew me to Adore Me after my first couple purchases."*

*"From my girlfriend's perspective, she likes styles that are sleek and comfortable. Whether it's lingerie or pajama set, it's not hard to check those two boxes with Adore Me."*

*"When I first started shopping at Adore Me, it was one of those things where I was starting a new relationship and I thought I'd take a look at the lingerie to see what I could find. I thought it'd be nice to have something new as I get back into the dating scene."*

\*Customer reviews have been lightly edited for length and clarity.



### THE IMPORTANCE OF FIT AT ADOREME RETAIL STORES

Lingerie is an intimate product that's worn directly against the skin and often specifically for support, making comfort and fit even more important than it is for other apparel categories. Adore Me's technical design team works hard to continuously improve the fit of our products, not only to make them more comfortable, but also to encourage customers to keep and wear the product for a longer period of time—prolonging the product's life.

*“The trend of wearing a garment for a short period of time and then throwing it away because it doesn't fit right or because the quality deteriorated quickly is one of the biggest contributors of textile waste. Improving the fit of a garment can have a significant impact on its durability.”*

— EVE MOREL, ESG COMPLIANCE OFFICER AT ADORE ME

#### The “Adore Me Promise” Initiative

It's important to us that all customers find the perfect size and fit when shopping with Adore Me. Under the “Adore Me Promise” Initiative, sales associates in all AdoreMe Retail store locations provide free assistance with measuring and determining bra size. If a customer comes in with a niche bra size that we don't currently have in stock at the store, the customer will have the opportunity to select a bra in the appropriate size online to be sent directly to their home.



Here's what our customers said when we asked them why they shopped at Adore Me\*:

*“The sales associate at Adore Me made me feel comfortable while trying on the bras. She ensured that I had the perfect fit, and it didn't take very long at all!”*

— STATEN ISLAND, NY CUSTOMER

*“I'm so happy with my visit to Adore Me! I came in to get a few new bras, not really knowing what exactly I was looking for. The sales associate was so helpful and knowledgeable. She listened to my needs and wants, and gave me exactly that.”*

— CHATTANOOGA, TN CUSTOMER

*“The sales associate at Adore Me was absolutely wonderful! She was so helpful, showing me multiple styles in my size, and even pulling things from the stockroom when needed.”*

— BRIDGEWATER COMMONS, NJ CUSTOMER

*“Some of the pieces I was trying on had a bit of a learning curve (like corsets), and some pieces had unique sizing. Both of the sales associates there helped me get the most out of these pieces.”*

— NATICK, MA CUSTOMER

*“I love that the sales associates measured me and gave me more information about my correct bra size. I was guided around the store to find exactly what I needed, and I was given the best assistance when trying on my items.”*

— PROVIDENCE, RI CUSTOMER

\*Customer reviews have been lightly edited for length and clarity.



# Our Charity Support

In 2022, Adore Me supported 17 different charities and not-for-profit organizations that fight for causes we believe in—from world peace, women’s and girls’ rights, clean water access, LGBTQIA+ support and safety, breast cancer support and research, type 1 diabetes support and research, local community outreach, and more. The partnerships listed below are not an exhaustive representation of Adore Me’s philanthropic efforts, but they provide an overview of our efforts to give back to our community.

## FREE THE GIRLS

Free The Girls is a not-for-profit organization that exists to help women exiting sex trafficking to reintegrate into their communities. They envision a world where previously enslaved women are leading vibrant, successful integrated lives. Since 2018, Adore Me has supported Free The Girls through the collection of customers’ donated bras in all of our retail locations. Drop-off bins are found in AdoreMe Retail stores and customers’ donated bras become inventory for the micro-enterprises of formerly trafficked women. In 2022, Adore Me donated over 4,500 bras.

## AMERICAN CANCER SOCIETY

For the second year in a row, in 2022 Adore Me was an American Cancer Society (ACS) flagship sponsor for the annual Making Strides Against Breast Cancer Walk in Central Park. The American Cancer Society works tirelessly to help people and families impacted by breast cancer in communities across the nation. From prevention, screening, treatment advances, and comfort care, ACS plays a

role in every stage of breast cancer—even before a diagnosis.

As an American Cancer Society flagship sponsor, Adore Me committed to fundraising and donating money to ACS to support their contributions to people and families that have been affected by breast cancer in any capacity. The Adore Me team actively participated in the Making Strides Against Breast Cancer Walk in Central Park by offering free bra fittings to breast cancer survivors at the event, providing informational cards on how to perform a self-breast exam, and engaging with members of the local New York City community who’ve been impacted by breast cancer. Adore Me plans to carry the flagship sponsorship with American Cancer Society forward in 2023.

## JDRF

In November 2022, Adore Me proudly joined forces with JDRF to show our support for the type 1 diabetes community during National Diabetes Month. JDRF is the preeminent organization in the global fight against T1D, with an unwavering commitment to funding groundbreaking research, advocating for crucial policy changes, and providing essential support to the T1D community. With millions affected by this condition worldwide, we were honored to contribute to raising awareness and funds for this critical cause that has directly impacted members of our community.

Adore Me’s partnership with JDRF included hosting a charity spinning class at SoulCycle, where a portion of

the proceeds went towards the initiative. We also pledged to donate 100% of the sales from our Jayne Pajama Set towards supporting the cause. The Adore Me community showed up in full force, demonstrating incredible support and generosity towards this meaningful initiative.

## THE ALI FORNEY CENTER

In honor of Pride Month, Adore Me partnered with The Ali Forney Center: a not-for-profit organization whose mission is to protect LGBTQIA+ youths from experiencing homelessness and to empower them with the tools needed to live independently. Since its launch in 2002, the organization has grown to become the largest agency dedicated to LGBTQIA+ homeless youths in the country. Adore Me’s donation to The Ali Forney Center was a continuation of the partnership we established in 2021, and was independent of any purchases made from our Pride Month Collection.

## THIRST PROJECT

In reinforcing our commitment to reducing water waste, Adore Me donated 1% of revenues from the Smiley® capsule collection, which was launched in April 2022, to Thirst Project. 100% of Adore Me’s donation helped to fund the implementation of a freshwater well in the Kingdom of Eswatini.

Thirst Project is a non-profit organization that works with the support of young people to end the global water crisis by building freshwater wells in developing communities that need safe, clean drinking water.

## MAS FOUNDATION FOR CHANGE

In 2021, Adore Me partnered with the MAS Foundation for Change to support their efforts to fight marine plastic waste through its ‘Ocean Strainer’ initiative. The MAS Foundation for Change was established by MAS Holdings (Pvt) Ltd, one of the world’s most recognized design-to-delivery solution providers in apparel and

textile manufacturing, to focus on creating cleaner oceans, enhancing life on our planet, and improving access to clean water through partnerships with innovators, implementers, and donors.

The Foundation’s goal is to drastically reduce the amount of waterborne waste reaching Sri Lanka’s oceans by deploying simple technology in key waterways, including the installation of Ocean Strainers.

In August 2022, leveraging funds pledged by Adore Me in 2021, Ocean Strainers were installed at two locations in Mattakkuliya, Colombo. Both sites block canals that feed into the Kelani River, the largest river in Sri Lanka’s industrialized Western Province. The two Ocean Strainers are expected to divert approximately 72,800 kg of waste from the ocean each year.

Adore Me is also sponsoring the MAS Foundation in a mangrove re-plantation project, which is scheduled to last three years. The project’s intent is to replant over 2,500 mangrove seedlings across 2.5 hectares of degraded land in the Trincomalee District of Sri Lanka’s Eastern Province. The project was launched December 2022.

Mangroves are amongst the world’s most productive ecosystems that thrive along estuaries and lagoons. They protect against natural disasters, provide livelihoods, and store three to four times more carbon than terrestrial forests. Sri Lanka is a mangrove hotspot, home to 22 species of plants—yet 50% of the mangroves have been destroyed by farming, tourism, settlement, and pollution.



# Glossary

INTRODUCTION

GOVERNANCE

ENVIRONMENT

SOCIAL

GLOSSARY

APPENDIX





**AIM:** Adore Me Impact Matrix

**AMME:** Adore Me Manufacturing Excellence Program

**B Corp:** B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

**B Lab:** B Lab is a global non-profit network transforming the global economy to benefit all people, communities, and the planet.

**ESG:** Environmental, Social, and Corporate Governance factors used as a framework to assess a firm's approach to sustainability.

**GAME:** Green Adore Me Manufacturer Evaluation

**GHG Emissions:** All carbon measurements included in the Report are provided in kilograms (kg) of equivalent CO<sub>2</sub> (or kgCO<sub>2</sub>e) or metric tons (t) of equivalent CO<sub>2</sub> (or tCO<sub>2</sub>e). That quantity describes, for a given mixture and amount of greenhouse gas, the amount of CO<sub>2</sub> that would have the same global warming potential (GWP) when measured over 100 years. The following gasses are included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>.

**GRI:** The Global Reporting Initiative is an independent standards setting organization whose mandate is to help businesses and other organizations take responsibility for their impacts by providing them with common sustainability reporting standards.

**GRS:** Textile Exchange's Global Recycled Standard

**ILO:** The International Labor Organization is a United Nations agency whose mandate is to advance social and economic justice by setting international labor standards.

**JDRF:** The Juvenile Diabetes Research Foundation is a leading organization in the global fight against Type 1 Diabetes. They fund groundbreaking research, advocate for policy changes, and provide essential support to the T1D community.

**LCA:** A life cycle assessment is a systematic analysis of the potential environmental impact(s) of a single product during every stage of its life cycle (production, distribution, use, and end-of-life). An LCA also includes upstream (e.g., suppliers) and downstream (e.g., waste management) processes associated with the production, use, and disposal of the product.

**MAT:** Adore Me's Materials Assessment Tool

**OCS:** Textile Exchange's Organic Content Standard

**OECD:** The Organisation for Economic Co-Operation and Development is an intergovernmental organization founded in 1961 to stimulate economic progress and world trade.

**PBC:** A Public Benefit Corporation is a for-profit corporation that is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner.

**Preferred Fibers:** Preferred fibers are more sustainable and/or socially responsible

alternatives to conventional fibers. They are selected for their reduced environmental impact, improved production methods, and resource conservation.

**RCS:** Textile Exchange's Recycled Claim Standard

**Recyclable:** To have capability to be recycled.

**Recycle:** To convert (waste) into reusable material.

**Scope 1 Emissions:** Direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g., any owned offices, buildings, facilities, vehicles, and/or equipment).

**Scope 2 Emissions:** Indirect GHG emissions from the generation of purchased energy from a utility provider (e.g., leased offices, buildings, facilities, vehicles, and equipment).

**Scope 3 Emissions:** Indirect GHG emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions (e.g., production of products, transportation, end of life, employee commuting, etc.).

**SDGs:** 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.

**SUP:** Scale-Up-Planning is a powerful tool developed internally by Adore Me that forecasts the demand of products in any given period.

**Sustainable:** Sustainable products are defined as products with a score of 1 or above against the Adore Me Impact Matrix (AIM).

**Tier 1 Suppliers:** Direct partners who manufacture our finished products.

**Tier 2 Suppliers:** Facilities that provide Tier 1 suppliers with fabrics or components that will go into the finished product (e.g., fabric mills) as well as packaging supplies (e.g., hang tags, care labels, and polybags).

**Tier 3 Suppliers:** Facilities that are one step further removed from Tier 2 suppliers (e.g., yarn mills).

**USG:** The Upstream Supply-Chain Guide is 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



# Appendix

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ADORE ME'S MATERIAL TOPICS

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ADORE ME'S ESG KPIS

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GRI INDEX





# Adore Me's Material Topics

Identifying the most significant environmental, social, and governance issues impacting our industry, our organization, and its stakeholders is critical in making informed decisions on prioritization, resource allocation, target setting, and even reporting. We have identified the following topics as being the most relevant to Adore Me based on extensive review and analysis of general and industry-specific ESG reporting frameworks and standards. We have also considered topics generally seen as material by other fashion brands and civil society organizations focusing on our industry.

## ESG TOPICS MOST RELEVANT TO ADORE ME

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

Note: Highlighted topics correspond to topics identified as most important by our stakeholders (please refer to page 33)

Adore Me is committed to contributing to the United Nations' Sustainable Development Goals: a blueprint to achieve a more sustainable future for all. We consider the following six SDGs as particularly relevant for Adore Me as areas where our efforts can have the most impact.



# Adore Me's ESG KPIs

PEOPLE	2021	2022
Number of AdoreMe Employees (Excluding Contractors and Agency Workers)	392	555 <sup>(1)</sup>
Percentage of Full-Time Employees	-	85%
Number of AdoreMe Headquarters Employees	-	64
Number of AdoreMe SRL Employees	-	87
Number of AdoreMe France Employees	-	22
Number of AdoreMe Retail Employees	-	70
Number of AdoreMe Services Employees	-	87
Number of DailyLook Employees	-	225
Percentage of Leadership Positions Held by Women	-	41%
Number of Company-Wide Trainings on Professional Development Topics	-	7
Percentage of Employees Receiving Periodic Assessment of Performance & Professional Development	100%	100%
Percentage of Employees that Received Anti-Corruption Policies & Procedures Communications	100%	100%
PLANET	2021	2022
Average Product Footprint (LCA) (kgCO2e)	3.85	3.64
Absolute Emissions Scope 1 (tCO2e)	1.13	1.13
Absolute emissions Scope 2 (tCO2e)	496.86	648.23
Absolute Emissions Scope 3 (tCO2e)	68,774.54	23,215.76
Absolute Emissions (Scopes 1-3)	69,272.53	23,865.12
Absolute Reduction of Greenhouse Gas (GHG) Emissions <sup>(2)</sup>	-	65%
Inbound Transportation Emissions (tCO2e) <sup>(3)</sup>	1,938.29	1,498
Outbound Transportation Emissions (tCO2e)	876.40	541
Total Shipping Emissions (tCO2e)	2,814.69	2,039
Carbon Offsets (tCO2e)	2,628	2,039
PRODUCTS	2021	2022
Percentage of Styles with Waste-Mitigation Attributes <sup>(4)</sup>	11%	10%
Percentage of Styles with Chemical-Mitigation Attributes	66%	79%
Percentage of Styles with Water-Efficient Design Attributes	7%	12%
Percentage of Styles with Preferred-Fiber Attributes	27%	28%
Percentage of Synthetic Fibers	72.50%	71%
Percentage of Sustainable Products Ordered From Our Suppliers <sup>(5)</sup>	24%	34%
Percentage of Sustainable Products Sold	17%	27%
Percentage of Sales in Plus Sizes	33%	33%
Bra Sizes Offered	67	67
PACKAGING	2021	2022
Percentage of Recycled Materials for External Packaging	100%	100%
Percentage of Recycled Materials for Internal Polybags & Hang tags	-	78%
Percentage of FSC-Certified External Boxes	100%	100%

(1) Including DailyLook Employees  
 (2) Mainly due to a reduction in purchase order volume as well as the postponement of certain purchase orders into 2023, which may be explained by a number of business and contextual factors including the COVID-19 pandemic, inflation, and geopolitical events.  
 (3) Adore Me's transport emissions for 2021 were adjusted to be comparable to Adore Me's 2022 transport emissions calculated in coordination with Carbonfact. 2021 transport emissions as reported in Adore Me's last ESG Report were based on a different methodology and used a different metric.  
 (4) Preferred Fiber, Waste, Water, or Chemical Attributes are granted to a style when it has an AIM score of 2 or higher in each relevant category.  
 (5) Sustainable products are defined as products with AIM scores equal or greater than 1 out of 5.



# Adore Me GRI Content Index

<b>STATEMENT OF USE</b>	Adore Me has reported the information cited in this GRI Content Index for the period January 1st, 2022–December 31st, 2022 with reference to the GRI Standards. <sup>(1)</sup>
<b>GRI 1 USED</b>	GRI 1: Foundation 2021

GRI STANDARD	STANDARD/DISCLOSURE	LOCATION (ESG REPORT)
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	<b>1. The Organization and its Reporting Practices</b>	
	2-1 Organizational Details	7-9, 14-15, 22, 68
	2-2 Entities Included in the Organization's Sustainability Reporting	14
	2-3 Reporting Period, Frequency, and Contact Point	17, 31
	<b>2. Activities and Workers</b>	
	2-6 Activities, Value Chain, and Other Business Relationships	8-9, 12-13, 34-35, 38-39, 56, 64-67
	2-7 Employees	12-13, 68, 69, 87
	<b>3. Governance</b>	
	2-9 Governance Structure and Composition	32
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	32

GRI STANDARD	STANDARD/DISCLOSURE	LOCATION (ESG REPORT)
<b>GRI 2: GENERAL DISCLOSURES 2021</b>	<b>4. Strategy, Policies, and Practices</b>	
	2-22 Statement on Sustainable Development Strategy	11
	2-23 Policy Commitments	11, 20-21, 25-27, 32, 56, 64-66, 86
	2-24 Embedding Policy Commitments	11, 26-27, 32, 35, 38-39, 56, 64-67
	<b>5. Stakeholder Engagement</b>	
	2-29 Approach to Stakeholder Engagement	32, 33
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-1 Process to Determine Material Topics	86
	3-2 List of Material Topics	86
	3-3 Management of Material Topics	7-11, 20-21, 26-61
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>	201-1 Direct Economic Value Generated and Distributed	12
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	72
<b>GRI 205: ANTI-CORRUPTION 2016</b>	205-2 Communication and Training About Anti-Corruption Policies and Procedures	26-27, 87
<b>GRI 301: MATERIALS 2016</b>	301-2 Recycled Input Materials Used	87
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	303-1 Interactions With Water as a Shared Resource	27, 39, 52-59, 61, 65-66, 79



GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
<b>GRI 305: EMISSIONS 2016</b>	305-1 Direct (Scope 1) GHG Emissions	44-47, 87
	305-2 Energy Indirect (Scope 2) GHG Emissions	44-47, 87
	305-3 Other Indirect (Scope 3) GHG Emissions	44-51, 87
	305-5 Reduction of GHG emissions	20-21, 40-43, 46, 87
<b>GRI 306: WASTE 2020</b>	306-2 Management of Significant Waste-Related Impacts	13, 27, 52-58, 60-61, 76, 78, 87
	306-4 Waste Diverted from Disposal	61, 78, 87
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>	308-1 New Suppliers That Were Screened Using Environmental Criteria	56, 66
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	56
<b>GRI 401: EMPLOYMENT 2016</b>	401-2 Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees <sup>(2)</sup>	72

GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>	403-5 Worker Training on Occupational Health and Safety	70, 71
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	26-27, 65-67, 70
<b>GRI 404: TRAINING AND EDUCATION 2016</b>	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	70-71
	404-3 Percentage of Employees Receiving Regular Performance and Career-Development Reviews	72, 87
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>	405-1 Diversity of Governance Bodies and Employees	68, 87

(1) The GRI standard disclosures listed in this Index are generally only partially reported in Adore Me's 2022 ESG Report.

(2) The disclosure inserted here is based on information relevant to full-time employees, without regard to whether the same benefits are awarded to part-time employees.