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CEO AND CSR MANAGER COMMENTS

At Mini Rodini, sustainability goes to the heart of our business. From the very beginning, when we opened up our first store in Stockholm, it was a given for all staff to have a conscious mind and give consideration towards people and planet. This care and attention springs from the bottom up, it is a mindset rooted in our whole workforce and is implemented in all parts of our business.

What is of importance here is not to say the right thing or create a good image – it is to make a real difference in the world we live in. It is about minimising the impact that our business has on our planet, and it is about safeguarding and promoting workers' human rights. Because we cannot think of one single reason why we should not act sustainably, and a million reasons why we should.

2017 has been an eventful year. First of all, we must mention our greatest achievement – winning the Most Sustainable Brand of the year award, at the Swedish Habit Fashion Awards. This award served as a big pat on the back for everyone in the business, who everyday work to drive our sustainability agenda forward. This year we also developed new ways to recycle materials, and have for example created a recycled knitted jumper made from recycled denim. We continued to only use organic cotton and introduced the new sustainable material Tencel® to our range. Our work to improve the working conditions in our sewing factories has grown stronger this year. We extended our Living Wage project to three more factories, and became members of the Fair Wear Foundation (FWF) Living Wage Incubator where we contribute with our experiences in paying fairer wages in the factories we source from. We had our first FWF Brand Performance Check, where we were scored the level "Good" with 73 %. We were very happy with such a high score in our first year as a FWF member brand, and intend to push ourselves even harder in our work on social justice in the years to come.

We think it's fantastic that you are interested in sustainability and want to read more about how we at Mini Rodini work to care for our people and planet. If you have any questions, please feel free to email us on csr@minirodini.se.

Johan Larsson
CEO

Karin Iseman
Sustainability manager

ABOUT MINI RODINI



Mini Rodini is a Swedish childrenswear brand that was founded in 2006 by illustrator Cassandra Rhodin as a tribute to all children, their imagination and sense that everything is possible.

Mini Rodini's mission has always been to make it both easy and exciting for parents and gift buyers to buy better products in regard to the design as well as environmental and ethical aspects

of the production. While the playful and humorous aesthetics may speak directly to the children, the quality of the products is equally important. A Mini Rodini garment is not only fun to wear or just look at, but is also produced in a way that is kinder to the environment and the people behind it.

When Mini Rodini first started in 2006, the aim was to add something new and

something better to a market that was already rapidly growing. Since then Mini Rodini has been, and still is, a fast-growing company. What started with cotton leggings and tees in the now iconic robot print has grown to large collections consisting of outerwear, organic denim, accessories and everything in between. Today, Mini Rodini's range is one of the most sustainable on the market.

Highlights 2017



We had our first Fair Wear Foundation brand performance check, scoring the level “Good” with 73 %.

100%

of all cotton and wool was organic (just like last year, and the year before that)

We had our first production of garments made of the environmentally friendly fibre Tencel®.

99 % OF ALL PRODUCTS in volume were made better, meaning they contained at least 80 % sustainable materials.

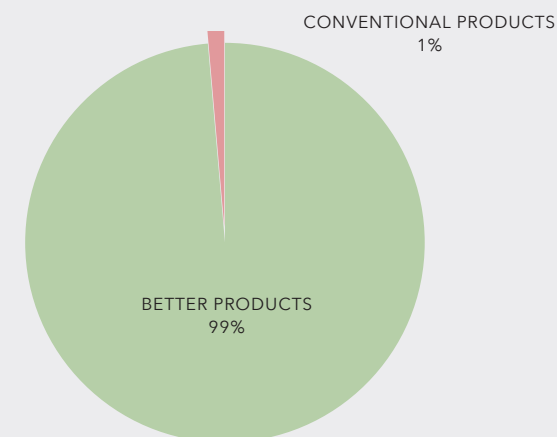


We continued to sell products from our Adidas Originals collaboration, with sustainable materials in every product item.

We won the Sustainability Award for 2017 at the Swedish Habit Fashion Awards.



SUSTAINABLE/CONVENTIONAL PRODUCTS 2017



Better products are made in a minimum of 80% of the, according to us, sustainable materials; organic, recycled, upcycled and Modal.

A living wage system was implemented with three more factories.

We used recycled denim for the first time, turning them into knitted jumpers.



Textile Exchange's latest Market Report included us in the **100 % club** for organic cotton, recycled polyester and man-made cellulosic fibres.



Our pattern makers made **41 %** fewer last minute changes, reducing the amount of overtime in factories.

We were asked to become members of the Fair Wear Foundation Living Wage Incubator.

We organised training sessions for factory workers on their employment rights.

WORLD OF MINI RODINI



520 RETAILERS WORLDWIDE

AUSTRALIA	ICELAND	SPAIN
AUSTRIA	ISRAEL	SWEDEN
BAHRAIN	ITALY	SWITZERLAND
BELGIUM	JAPAN	TAIWAN
CANADA	KAZAKSTAN	TURKEY
CHINA	KOREA	UNITED ARAB EMIRATES
CZECH REPUBLIC	KUWAIT	UNITED KINGDOM
CYPRUS	LATVIA	UKRAINE
DENMARK	NETHERLANDS	UNITED STATES
ESTONIA	NEW ZEALAND	
FINLAND	NORWAY	
FRANCE	POLAND	
GERMANY	PORTUGAL	
GRECE	RUSSIA	

MINI RODINI AROUND THE WORLD RETAILERS

SWEDEN, STOCKHOLM HEAD OFFICE WAREHOUSE 3 MINI RODINI STORES 3 MINI RODINI SHOP-IN-SHOPS	SWEDEN, UPPSALA 1 MINI RODINI SHOP-IN-SHOP
SWEDEN, GOTHENBURG 1 MINI RODINI STORE 2 MINI RODINI SHOP-IN-SHOPS	FINLAND, HELSINKI 1 MINI RODINI STORE 1 MINI RODINI SALES OFFICE
SWEDEN, MALMÖ 1 MINI RODINI STORE 1 MINI RODINI SHOP-IN-SHOP	NORWAY, OSLO 1 MINI RODINI SHOP-IN-SHOP
	DENMARK, COPENHAGEN 4 MINI RODINI SHOP-IN-SHOPS
	NETHERLANDS, AMSTERDAM 1 MINI RODINI SHOP-IN-SHOP

SUPPLIERS / FACTORIES

UNITED KINGDOM, LONDON 1 MINI RODINI SALES OFFICE
TURKEY 44%, 3 SUPPLIERS, 9 FACTORIES
INDIA 7,5%, 2 SUPPLIERS, 5 FACTORIES
CHINA 29,5%, 4 SUPPLIERS, 9 FACTORIES
LITHUANIA 15%, 2 SUPPLIERS, 2 FACTORIES
PORTUGAL 4%, 1 SUPPLIER, 2 FACTORIES

Sustainability according to us

SUSTAINABILITY IS TO US

- A core value since the start
- An obligation
- An aspect in everything we do
- For the people and the planet

WHY OUR SUSTAINABILITY IS FRONT-RUNNING

A young and small, yet profitable and already responsible company.
A broad assortment, yet most sustainable.
Upcycling where we create value out of our waste is made on routine.
Responsible sourcing focusing on living wages.

OUR DIMENSIONS

BETTER PRODUCTS

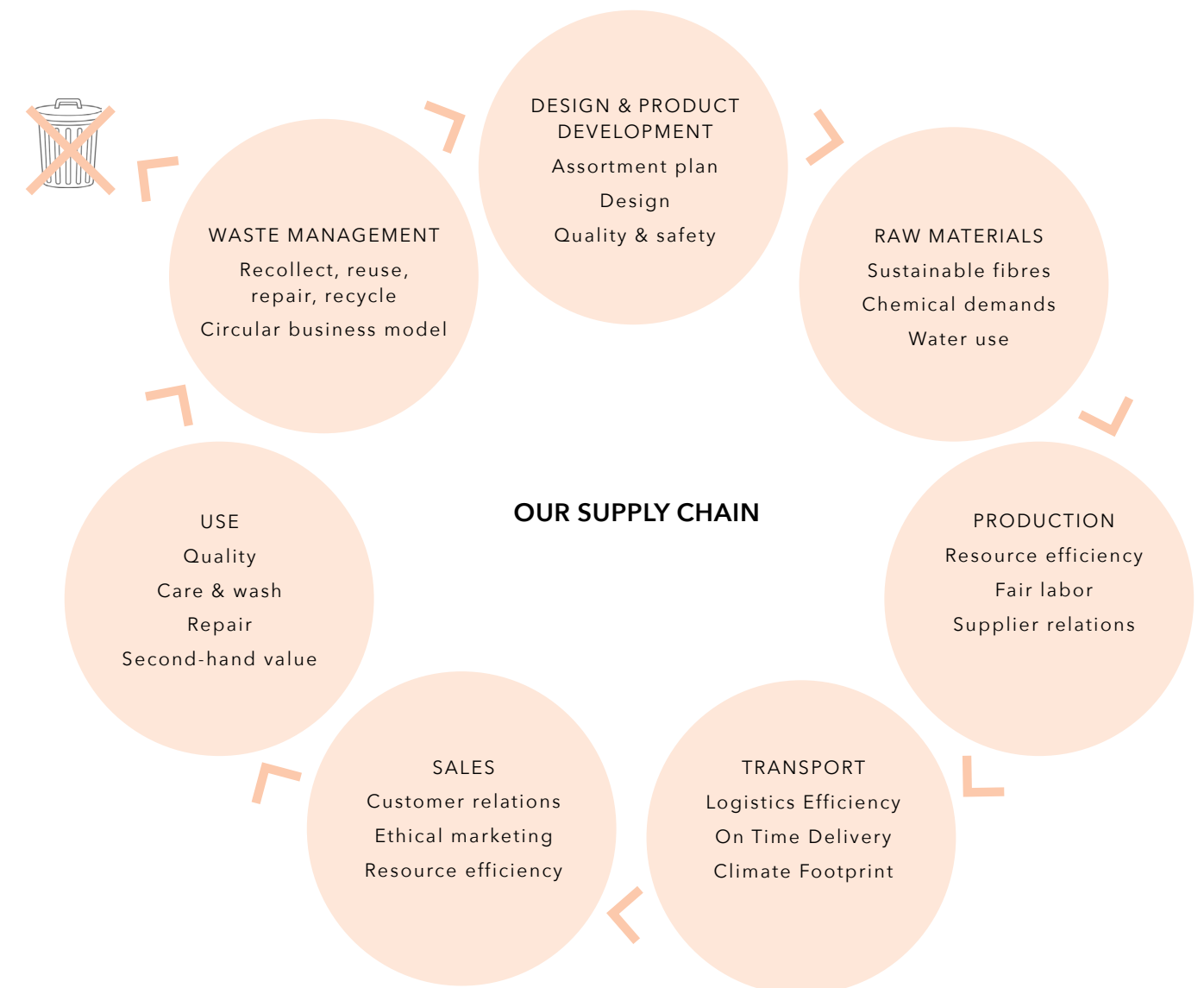
Better materials
Better certifications
Better chemicals

SOCIAL JUSTICE

Responsible sourcing
Fair wear foundation
Living wages

AT HOME

Responsible organisation
Ethical values
Ecological footprint



Better products

The fact of the matter is: producing new products will always have an impact on our planet. This is so, even if the product is considered sustainable, as we are still taking resources from Mother Earth, transforming them, transporting them and consuming them.

The difference we can make, lies in how much, or rather how little, impact our products will have on the planet. It lies in how much better they are compared to conventional products on the market.



Designing, developing and producing new products lies at the heart of our business. This process, unfortunately, will have some negative impact on the planet – why do it then? Because we can do it better than most other brands on the market. We can design more durable products, with more sustainable materials, and made in fairer and more environmentally friendly factories with least harmful chemicals. We do it because we believe kids should be able to wear fun and exciting products. Clothes that don't hold back on kids play, but that offers them warmth when building snowmen, air when running on beaches, and an openness to grow into whoever it is they wish to become.

We are one of the top three best-selling kids brands on Swedish second-hand online marketplaces – which goes to show how our high quality keeps our clothes in motion long after they have left our shops.

Split into 11 collection releases in 2017, we produced a total of 611 different styles compared to 734 styles in 2016. This decrease in the number of styles has helped us to compress our supply chain and reduce the number of different materials

and chemicals used in our business, which helps us to better manage our supply chain. In volume, we increased our production, from 793 444 products produced in 2016 to 930 374 products produced in 2017. In this, we increased the number of better products produced in 2017, with 920 808 pieces now classified as better, totalling 99% of our production in volume. This was the same as in 2016, and hence we did not reach our goal to reach 99,5 % better products in 2017. This was due to the fact that we kept our sunglasses this year, and they contained conventional materials. We are committed to reaching the goal of having 100 % better products by 2021 and are working hard to find new developments in materials that offer the best quality whilst having the lowest impact on the environment.

A founding principle of our business is aesthetics. And we are aware that the overall look of our collections would benefit from a greater variety in materials and products. However, our uncompromising dedication to always use better materials hinders us from using any materials that are still considered non-sustainable. Instead, we hold our horses, do our homework, and with patience search

for new and exciting sustainable materials. With patience comes success, and this year we were able to introduce a new recycled faux fur to our collection.

Fabrics and materials are very complex and do not always do as you please. Sometimes the construction of a button does not agree with the fabric, or the print on a T-shirt refuses to stay put. Because of this, we have a large team of dedicated staff in our head office that works through potential problems in order to assure the best quality products to our customers. We have designers, pattern makers and product developers following each and every product every step of the way from initial design right to where it hits our warehouse. We further work closely with our suppliers, who also work hard to ensure the highest quality and product safety. Finally, we have independent quality controllers stationed in each country we produce in, who make inspections on our products. However, with all of these controls in place, problems can still arise and we have experienced a higher concentration of issues in 2017. This is something we take extremely seriously, and we will create a new more rigorous quality control procedure for 2018 in order to tackle this.

BETTER MATERIALS

Mini Rodini has a rigorous policy on what materials we consider to be sustainably better.

We are gaining recognition in how far we have come in this work. The Textile Exchange is leading the world in the effort to create a more sustainable textile industry. In their latest 2017 Market Report, we were included in the 100% club for organic cotton, recycled polyester and man-made cellulosic fibres.

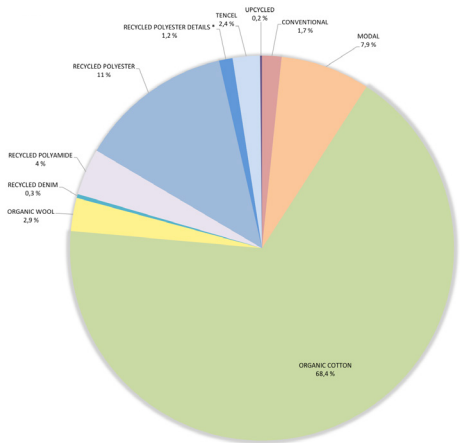
ORGANIC Organic materials include, for example, organic cotton and organic wool, and all of the cotton and wool in Mini Rodini products is organic. Pesticides and genetically modified seeds are not used in organic cotton cultivation. Harmful chemicals are restricted in the processing of organic cotton and wool.	RECYCLED Recycled materials include, for example, recycled polyester and recycled polyamide. 100 % of our polyester and 81 % of our polyamide is recycled.	UPCYCLED We use leftover waste materials from previous productions to create new products with new life and new value. This process creates a lesser impact on natural resources, both from reusing what would otherwise gone to waste, and by not having to source new materials for future collections.
MODAL® Modal® is a more environmentally friendly version of viscose. It is derived from sustainably forested wood, mainly beech trees, and the chemicals used are reused and recycled. Modal® also requires very little energy when being produced, in comparison to organic cotton that requires large amounts of water and creates a high amount of greenhouse gases.	TENCEL® Tencel® is also a more environmentally friendly version of viscose. It is derived from sustainably forested wood, mainly eucalyptus trees. The chemicals used are reused and recycled in a unique closed loop system. Tencel® requires very little water and land area, in comparison to organic cotton that requires large amounts of water and large pieces of land.	MATERIALS WE DON'T USE Besides using more better materials, we also have a responsibility to opt out materials that are considered non-sustainable. Materials we choose not to use are, for example, conventional cotton, non-recycled polyester, rayon and acrylic.

PROTECTING OUR ANIMAL KINGDOM

There are many risks involved when extracting fibres from our animal kingdom. The welfare of the animals may not always be secured, and the chemicals used in the treatment can be dangerous for the animal, the environment and the workers who handle them. For this reason, we have chosen not to use the following animal fibres in our products:

- Leather
 - Fur
 - Conventional wool
- Exotic skins
 - Down
 - Angora wool
- Suede
 - Feathers
 - Conventional silk

MATERIALS 2017



Better products are made in a minimum of 80% of the, according to us, sustainable materials; organic, recycled, upcycled and Modal.

WHAT WE MEAN BY BETTER

The definition of sustainability has endless shades of green, and it is not easy to know what every brand means when they say they have an “Organic range” or a “Super Caring range”, or whatever buzz words are in right now. Often brands’ self-made requirements for defining what it is that makes their range sustainable are not very robust. Sometimes all that is required is that 30-50 % of the garments’ composition is deemed sustainable (for example composed of organic cotton). The rest will be conventional cotton, or perhaps a non-recycled polyester.

For Mini Rodini, that isn’t good enough, because it certainly isn’t good enough for our planet. As already mentioned, we have a number of materials that we flat out ban from our business, such as conventional cotton. This principle alone takes us far along the journey of only using materials that have a minimal impact on the planet. Top of this, the definition we use for ourselves and our customers in describing whether a product is sustainable or not, is based on an 80 % threshold. This means that at least 80 % of the garment is made from more sustainable materials (such as organic wool or Modal®).

Although our threshold is set at 80 %, almost all of our products contain between 95-100 % sustainable materials and thus exceed our set limit. However, in 2017 we had two product categories

that contained less than 80 % sustainable materials - these are the products in our Explorer range and our sunglasses. For our Explorer range, we recognise that although the products do not meet our threshold of containing at least 80 % sustainable materials, it is still by far the most sustainable heavy-duty winter outerwear for children on the market today. As it actually is far more sustainable than most other competing products and meets all our standards as far as possible, we mark it as a better product. The two different linings and all the paddings used are recycled, all material components are certified to Oeko-Tex® 100 Standard and the waterproof impregnation BIONIC-FINISH ECO® is a more environmentally friendly alternative free from fluorocarbons, formaldehyde and paraffin. (Bionic Finish Eco®). Additionally, this product range has a very high functional quality and we want it to be durable for children’s outdoor play. We are yet to find a recycled shell fabric that meets our standards without compromising on our high-quality demands, and have been working hard on this in 2017.

As for the sunglasses we sold in 2017, these were what we would call completely conventional. We were unable to find recycled plastics and for this reason decided not to produce them for 2018. Our Spring-Summer range in 2018 will be our first collection without any conventional products.

THE DEVIL IS IN THE DETAIL

COROZO BUTTONS

This year we started using the 100 % natural Corozo buttons in some of our products. The material is derived from the Tagua (or corozo) nut and is made into very durable and long-lasting buttons.

We always look at the whole composition of a product and aim to only include sustainable trimmings in our collections. Trimmings include all of the things that make a garment hold together, such as threads, buttons and zippers.

It's not an easy task, as some trimmings just don't have a sustainable alternative on the market yet, such as certified metals for some of our buttons. Each year we work hard together with our suppliers to see if there are any new sustainable developments that we can adopt in our collections.

The majority of the labels in our products are already organic or recycled, certified by GOTS, GRS and Oeko-Tex® 100 Standard. The hanging labels attached to our products are in paper certified by FSC. Our paper products in stores and marketing are also FSC certified and our plastic bags are biodegradable.

REPAIR PATCHES

Kids will be kids and clothes will get worn. To increase the lifecycle of our garments and to help our customers to make their garments last longer, we have developed new repair patches that can easily be sewn or ironed onto our products. This year, we developed patches made from our jersey scrap fabrics. And not only does this fix tears and holes and asks less from the worlds already scarce resources, it also adds a new feature to the look of a garment



BETTER PRODUCT NEWS IN 2017

In the textile world, there are many new innovative developments emerging each year, with ideas on how we can reuse fibres or use fibres more efficiently. We strive to always stay at the forefront of adopting new sustainable developments, and in 2017 we introduced the following.

TENCEL®

Tencel® is a more environmentally friendly version of viscose. It is derived from sustainably forested wood, mainly eucalyptus trees, and the chemicals used are reused and recycled in a unique closed loop system. Tencel® also requires very little water and land area, in comparison to organic cotton that requires large amounts of water and large pieces of land.

SWEDISH WOOL

Sadly, 70 % of Swedish wool ends up as waste. To support the Swedish wool industry and take better care of this fantastic fibre, this year we made a wool blanket from 100 % Swedish wool processed at an organic farm where sheep roam free.

RECYCLED FAUX FUR

We introduced, in our opinion, the worlds fuzziest and cuddliest faux fur, made from recycled polyester.

RECYCLED DENIM

In 2017, we produced a knitted jumper made from recycled denim fabrics, saving great amounts of natural resources, water and chemicals. Used vintage denim clothes were cut and torn back down into fibres, and re-spun into this new un-dyed yarn.

RECYCLED SUSPENDERS

In 2017, we made a pair of suspenders that were made from recycled materials.

THE IMPACT OF ORGANIC COTTON

The story behind conventional cotton is not as fluffy and soft as it may feel. The use of water, pesticides, and land are three reasons for why you may want to give this fibre a second thought. At Mini Rodini, all cotton is 100 % organic. This means no GMO seeds, a healthy soil and in the end – a soft fabric that is kind to both nature and your skin.

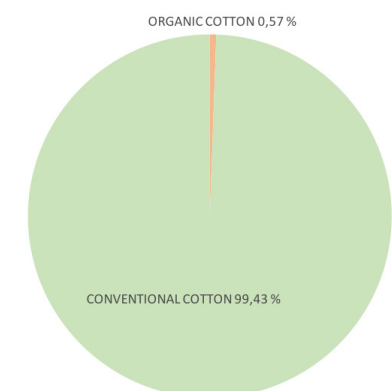
Cotton is a highly versatile, breathable and durable fibre. It is very comfortable to wear because it absorbs and releases moisture relatively quickly. It accepts many dyes and can be treated in many ways – it can be made fuzzy inside a sweatshirt and textured in a flowy summer dress. For this reason, it is one of the worlds' leading agricultural crops and the second most common fibre used in the world (22 % compared to 64 % for polyester).

The cotton industry is unfortunately not so very hunky dory. Around 20 million tons of cotton is produced every year, and between 8,000-22,550 litres of water is required for one kg of cotton. The 8,000 litres if it is produced in the highly industrial USA, and the 22,500 litres if it is produced in India where irrigation systems are badly run, and poor management of pesticides is rampant. Cotton farming uses more pesticides than any other area of agricultural production. This has an effect on the planet, ruining waterways, soil and air quality, and affecting the surrounding ecosystem. It also has a great impact on the people who manage the pesticides, with between 1- and 3 % of cotton growers suffering from acute pesticide poisoning, with at least 1 million people requiring hospitalisation each year.

This is why we have chosen to only use organic cotton in all of our products, and we have done so since 2015. Organic cotton does not use genetically modified seeds and bans all use of pesticides, meaning the soil stays fertile for future generations. This has a massive effect on both people and planet, as well as for us – it's a no brainer.

The 2017 Textile Exchange Market Report included us in the 100% club for organic cotton (as well as recycled polyester and man-made cellulosic fibres), meaning, we are globally, amongst a small group of brands that only use organic cotton in their products, together with brands such as Patagonia and KnowledgeCottonApparel. This isn't very common, as only 0,57 % of all the cotton grown globally in 2016 was organic.

World market share of Organic Cotton



This being said, organic cotton isn't in itself the solution to the whole problem. Even organic cotton is very resource heavy, and this is why we are constantly looking for new sustainable fibres to introduce to our range, such as Modal® and Tencel®.

* Information from The Textile Exchange Preferred Fibre Material Market report 2017, ecooutfitters.co.uk and organiccotton.org



BETTER CERTIFICATIONS

It's not enough for our suppliers to say something is organic or recycled, we also need proof to ensure our products are really sustainable. There are loads of certifications out there, and we have chosen to only go by the most comprehensive ones on the market.



GOTS - GLOBAL ORGANIC TEXTILE STANDARD
This is one of the strictest global standards for organic materials, and it certifies a product from raw material to finished product. Fibres are sent to laboratories to verify no pesticides or genetically modified seeds went into the agriculture, and that no hazardous chemicals were involved in the production.

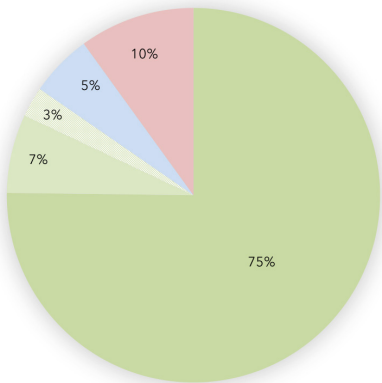


OCS - ORGANIC CONTENT STANDARD
GOTS requires 70-95 % organic fibres in the composition of a product. Where we mix the organic fibres with for example Modal® or Tencel®, we use OCS to assure there is organic content in the fabric.



GRS - GLOBAL RECYCLING STANDARD
Like GOTS, GRS traces the product from raw material to finish, and includes criteria on banning hazardous chemicals. It is the strictest standard for recycled materials on the market.

The textile supply chain is a complex beast with many different streams. One single cotton T-shirt will need to go from cotton picking, to ginning, to spinning and knitting, into factories for sewing before it is labelled, packaged and shipped to our warehouse. Even then, we haven't started to look at the thread or if there were any buttons or prints involved in the garment. As supply chains are so complex, we need certifications that help assure us of what actually went into our garments. Our prioritised and most used certifications are GOTS, GRS, OCS, Oeko-Tex® standard 100 and FSC.



CERTIFIED PRODUCTS 2017

- GOTS
- GOTS + FAIRTRADE
- OCS
- GRS
- OTHER*

** Styles with only material certification instead of final product certification.*



FSC - FOREST STEWARDSHIP COUNCIL
Most of our materials derived from wood are FSC certified. This means the materials come from un-threatened and responsible forested woods and plantations.



FAIRTRADE
The Fairtrade certification assures cotton farmers get a fair pay for their cotton, regardless of what the price is on the global market. The cotton farmers also get a premium which they can choose to spend on developments in their local community, such as schools, roads or better tools.



OEKO-TEX® STANDARD 100
Oeko-Tex® Standard 100 is an additional control we use to ensure that our materials are healthy for nature, worker and user. The independent chemical tests give us an extra assurance that our products are free from harmful chemicals, in addition to our own even stricter chemical management system.

BETTER CHEMICALS

Chemicals are a blessing and a curse. They are the building blocks of life, such as water without which there would be no life. But they also hold the power to destroy life, such as when excessive use of lead produces adverse effects to people and planet.

At Mini Rodini we work very hard with chemical management, to ensure our products are the safest on the market, to ensure the workers who produce our products are not exposed to harm, and to ensure our natural environment is protected from toxins.

Chemical safety is one of Mini Rodini's highest priorities. As we work with children's clothes, it is paramount that our products are safe and free from toxins. It is also of great importance as harmful chemicals can have an extremely damaging effect on our planet. Some chemicals never degrade in nature so once made, they will never go away. Other chemicals cause devastating effects on our natural environment and animal kingdom, which is unacceptable. Lastly, chemicals can be very harmful for those who are handling them. We are very committed to the welfare of all of the people who work in our supply chain, and hence ban all chemicals that can jeopardise their wellbeing.

As stated above, chemicals are tricky little things. While some are harmless, others are toxic, and some only harmful if they reach a certain limit value. Chemicals can also be very elusive.

Meaning that even if a factory does not use a certain chemical in our products, they might still use it in other products for other customers. The chemical may then unintentionally find its way into our products, unless the factory follows a very good chemical management procedure.

At Mini Rodini we have adopted a number of measures to minimise the risk of any harmful chemicals entering our products. We have created an extremely robust Restricted Substances List (RSL), which is updated twice a year and signed after each update by all of our suppliers. In our social audit controls, we check that our factories are maintaining a good chemical management procedure. As an extra safety measure, we conduct random chemical tests for each season, to ensure our RSL is upheld.

OUR CHEMICAL MANAGEMENT

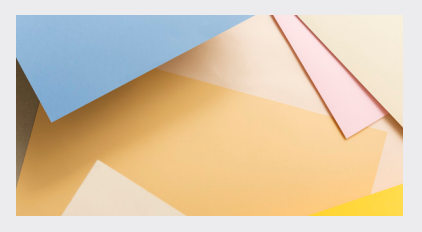
DESIGN
Rather than having our design decisions dictating which chemicals we use, we do it the other way around. The types of chemicals we allow dictate how we design our products. For Mini Rodini, chemical safety goes before all other decisions.

EDUCATION AND SURVEILLANCE
Mini Rodini is a member of the Chemical Group at Swerea, a network where approximately 90 brands in a similar industry to us learn about new relevant chemical laws, current risks in the industry and more sustainable substitutions of substances and processes. The Chemical Group offers support and guidance and gives us great connections to other businesses that may be experiencing the same challenges as us in regards to chemical safety.



LABORATORY TESTING
Each season we arrange chemical tests by third party laboratories. When deciding which products and materials are to be tested, we perform a risk assessment. The risk assessment evaluates legally prohibited substances, currently observed high-risk substances in the industry, order volume, variety of styles, material composition, fabric function, supplier relation, production country context, etc.

In 2017, we performed random chemical tests on 42 % of our main production order volume (in 2016 it was 26 %).



FLUOROCARBONS AND BIONIC FINISH ECO®
Since 2014, we have required all our water-resistant outerwear to have the eco-friendlier impregnation BIONIC-FINISH ECO®, free from fluorocarbons, formaldehyde and paraffin. These are persistent chemicals that do not disappear from the face of the earth after having been created, and they cause harm to both people and planet.

**RSL - RESTRICTED
SUBSTANCE LIST**
We have restrictions on all chemicals related to our product assortment. It is based on the European legislation REACH but also has more strict values added. Each supplier needs to sign this list before receiving an order and in 2016, it was updated to be even more strict and more custom-made to our specific assortment.

RECIPES
When we introduce a new fabric or finish to our collections, we ask for the recipes of the chemical formulas and mixes. These recipes become part of a standardised safety data sheet, used to instruct employees in production on how to handle the chemicals safely and informing them on what influence the chemicals have on the environment and human health.

COMPETENCE TESTING LABORATORIES
The laboratories performing our random chemical tests must first pass our competence test. This competence test ensures us the laboratories are of high quality and follow the relevant international standards, as well as our own requirements on methods and equipment.

LOCAL LAWS
In our supplier agreements, we require them to not only follow our RSL and REACH but also their own local chemical laws (if applicable) that exist in their production country.

HEALTH AND SAFETY IN FACTORIES
Our factories are monitored by social audits, whereby auditors go into our factories to ensure the welfare of all workers. Chemical safety is evaluated in these visits, to ensure workers are trained in how to handle chemicals and to ensure their work does not pose any harm to their wellbeing.

Status of our 2017 improvement plans in Better Products		
2017 GOAL	STATUS DECEMBER 2017	COMMENT
Increase products made with sustainable materials to 99,5 % of our yearly collection.	Not accomplished.	In 2017, we were not able to meet this goal, but we were not far off with 99 %. We expect to reach this goal in 2018.
Increase upcycled products from 71 % to 80 % of our total waste at applicable suppliers.	Not accomplished.	In 2017, we changed how we calculate our leftover fabric. We also decided to keep some fabric for a bigger future upcycling project.
60 % of all product trimmings are sustainable	Accomplished.	We had 68 % sustainable trimmings in 2017.
Release our first circular product concept	Not accomplished.	We worked hard on this goal in 2017 but it is yet to be released.

Our goals in Better Products onward

2018 GOAL	2021 GOAL
Increase products made with sustainable materials to 99,5 % of our yearly collection.	100 % of all products are made with sustainable materials.
Upcycle 13 % of our total waste at applicable suppliers and include Upcycling as a part of our core business model.	100% of all product trimmings are sustainable.
Increase sustainable trimmings from 68 % to 70 %.	Our business model is circular with a re-collect / repair / reuse / remake / recycle system on routine.
Release our first circular product concept.	

Social justice

The textile industry is one of the most labour-intensive industries on the planet. Almost all garments have been held by several pairs of hands and inspected by multiple pairs of eyes. This gives us as a brand a lot of responsibility to ensure social justice is real for all people involved in making our products.

For us, social justice means ensuring that the people who make our products are treated with fairness and respect. We appreciate the time and effort that each worker puts into making our products, and we owe them our time and consideration. Because without all of the dedicated, skilled and professional people who make the products which in turn make our brand, we would be nothing more than an empty store.

CODE OF CONDUCT

Our code of conduct is an agreement about labour rights and working environment each supplier needs to sign and comply with. The criteria are based on the regulations by International Labour Organization (ILO), the UN Universal Declaration of Human Rights and the Code of Labour Practices by Fair Wear Foundation.

HEADLINES OF OUR CODE OF CONDUCT

- Employment is freely chosen
- There is no discrimination in employment
- No exploitation of child labour
- Freedom of association & the right to collective bargaining
- Payment of a living wage
- No excessive working hours
- Safe and healthy working conditions
- Legally-binding employment relationship
- Environmental impact obligations
- National and international legal obligations

During 2016, our code of conduct was updated to follow FWF criteria deeper as well as some more custom-made requirements on responsibilities between the parties focusing on transparency and subcontracting.

KEY ACHIEVEMENTS ON SOCIAL JUSTICE IN 2017

- We had our first Fair Wear (FWF) Brand Performance Check, where FWF scrutinised how we work with social justice
- We extended our living wage project to three more factories
- We were asked to become members of the FWF Living Wage Incubator group
- We commissioned trainings on how to improve labour standards in two factories we source from
- We handed out FWF info cards during factory trips in China, to inform workers about their rights
- We reduced last minute changes in design and production stage which helped to reduce working hours in the factories we source from.



2017 was our first full year of Fair Wear Foundation (FWF) membership. FWF is a multi-stakeholder initiative with the mission to improve labour conditions in production countries around the world. It is considered to be the most robust independent standard for third party auditing available in the marketplace, and adopts a unique, holistic and long-term approach to improving workers' rights. In order to join FWF, brands must make a commitment to make continuous improvements to labour conditions in the factories they source from. They must set aside monetary and human resources to this cause, and show improvement year on year. FWF helps us in this work by offering expert advice, performing third party audits and offering training to factory managers and factory workers alike, on areas such as worker empowerment and labour rights.

One of the things that makes the FWF system unique, is that we are held accountable for the claims we make. This means that a brand cannot talk the talk without walking the walk. We keep in close contact with FWF throughout the year, and once a year they visit our office and review how well we maintained the FWF Code of Labour Practices in our production locations. This verification is called the annual FWF Brand Performance Check (BPC). For example, they will check our feedback from social audits, how often we visit our factories, and what progress we are making in our living wage project. Our customers, stakeholders and the wider public can follow the progress we make through FWF's BPC report, which grants legitimacy to the work we do. As new members of the organisation, we experienced our first BPC in 2017 in May last year. By FWF coming to our Head Office and

interviewing key persons in our different teams, FWF evaluated how well we had been working with labour rights issues during 2016, and so our next BPC in 2018 will be looking at the work we have done in 2017.

The BPC for 2016, which involved numerous interviews and document controls, evaluated how well Mini Rodini had met the FWF requirements and implemented the Code of Labour Practices in its supply chain. Member companies are rated as "needs improvement", "good", or "leader" and our BPC resulted in an overall score of "Good" with 73 %. We were very proud to achieve such a high score in our first year, and will work hard to keep up the good work and push ourselves even harder in years to come. FWF were pleased we implemented a social monitoring program in 92 % of our supply base, which is well over the required 40 % for a FWF member brand's first year. They were also pleased with how we responsibly source new factories, taking into account country risk studies, policies, the FWF wage ladders as well as sources such as the UN Guiding Principles on Business and Human Rights.

They wanted to see us providing more training in our factories on issues such as the FWF Code of Conduct, and offering workers more information on their workers' rights through handing out the FWF Information cards. The 2016 BPC also resulted in a workplan for 2017, which set the way for the various tasks we have undertaken throughout the year, such as expanding our Living Wages project and joining the Living Wages Incubator group, mapping our supply chain more efficiently, and reducing last minute changes from pattern making and design. We hope that, with the learnings and direction gained from these workplans, we will be well equipped to secure labour rights within our supply chain. For more information on our BPC result, please visit our Sustainability page on our website, under Sustainable Reports.

PRODUCTION LOCATIONS

In 2017, we worked with 13 suppliers, compared to 16 suppliers in 2016. Out of the 13 suppliers, we worked with 29 manufacturing factories, who performed the cutting, sewing, trimming and quality control of our products. In total, we ended our relationship with four suppliers, started relationships with two new suppliers, and we brought on board in total seven new factories whilst ceasing the relationship with eleven. More information is to be found below, but in summary we can confidently say that we are starting to achieve our aim in consolidating our supply chain and securing a factory base that safeguards labour rights whilst also providing us with the highest quality products with timely deliveries.

Ending a supplier relationship is not something we do lightly. It is far better to try and work through issues together with a supplier, rather than to leave them. Leaving will not help the workers in the factory, and will cultivate the ever fluctuating business culture within the textile industry. A culture where orders get dropped and picked up aimlessly, and workers are left with an unstable and insecure job market.

Issues in social justice, quality, deliveries and the like can often be solved through mutual dialogue. However often means not always, and sometimes we are unfortunately left in a situation where we must terminate a supplier contract. In this situation, we try to communicate our decision to the supplier as clearly and early as possible, so that they understand our decision and have time to re-plan their production schedule so as to ensure workers are not left without work.

In 2017, we initiated supplier relationships with two new suppliers. One of these suppliers made our wool blankets, from our first fibre sourced from Sweden - Swedish wool. We will unfortunately not continue with this supplier as they did not cooperate on our social requirements. The other new supplier was a new producer of jersey in Portugal, with two factory locations - one for sewing and one for packaging. We are happy with how this supplier relationship is progressing and expect to form strong and stable business ties far into the future.

As mentioned, last year we also changed the factories we work with in some product areas. In China, we had a number of changes. Our cap and backpack supplier was not willing to meet our new FWF requirements, so we were introduced to two new factories to produce these products by our already existing label supplier. Due to capacity constraints, our Chinese heavy-duty outerwear supplier introduced us to one new factory that took over our winter jacket orders for 2017. However, it transpired when we commissioned a FWF audit for this factory in October 2017 that the factory management did not have any intention to work together with us on improvements in social justice. As the factory management did not leave any room for dialogue, we were left with no choice but to cease the relationship. The supplier's other heavy-duty outerwear factory that used to focus on overalls and winter trousers will now also take on these jacket orders in 2018. Lastly, our Chinese raincoat supplier moved our production from one factory to another, because the new location was situated closer to the supplier's office.

In 2017, we unfortunately had to cease working with one of our factories in India, where we were also involved in a Living Wage project together with another FWF member brand. This was a tough decision to make, but it had to be made due to their quality not meeting our standards. We unfortunately also ceased working

with our Indian denim supplier for the same reason. Our largest supplier based in Turkey consolidated our supply chain somewhat and produced our orders in fewer factories. This was a positive as it means we now have larger leverage in a smaller number of factories, which helps us in our work towards improving labour conditions. We also ceased working with our sneaker supplier in Pakistan, as we decided not to design our own shoes in 2017.

The country where we have the largest volume of production is still Turkey, and this is where most of our jersey is made. Although they are relatively new production locations for us, our Lithuanian and Portuguese suppliers are stable business partners that have become important players to our business, much due to their high labour standards and shorter lead times with lower environmental impact from the transport. India is still where we chose to produce all of our woven items, and is also where our Home products are produced. China remains heavy on the heavy-duty stuff, together with lighter outerwear and accessories.

Into 2018, we do not foresee too many changes in our supply chain. We will begin working with a new denim supplier in Turkey and a new socks supplier in Lithuania. As stated above, we have two outerwear suppliers in China that will change some of their production factories and we will cease working with our Chinese sunglasses supplier as we have been unable to find a more sustainable material to produce them from. Lastly, we see our largest Turkish supplier consolidating their factory base even further, with two fewer factories in 2018 than we had in 2017.

SUPPLIER RELATIONSHIP AND ASSORTMENT PLANNING

In 2017, 44,5 % of our production was made in factories that we have worked with for five years or more. We aim to increase this number in the years to come, however as we are a new company that has experienced a dramatic increase in sales, we appreciate this will take a bit of time. Having steady supplier relations is important for many reasons. It gives us a better insight into the working conditions as we can see what improvements have come from our initiatives, such as training and a hotline phone number. It gives the factory more incentives in making improvements for workers, as they will see how their cooperation in social justice strengthens our trust in their company. It will also improve quality, as the workers and management will be used to working with us and our designs, and it helps with the logistics as we will have well-established ways of working with deliveries.

An important factor in maintaining a low number of suppliers, is to create an assortment plan with a minimal amount of niche products. Certain products, such as a specific accessory, will often be made in a specialised factory that only produces this type of product. As it is a niche product, this will in turn mean we place few orders in the factory. Placing few orders of a low selling product will mean we have very little leverage in the factory in question. For this reason, we work towards including a minimal amount of niche items in our assortment plan. In 2017, over 62% of our total order value came from factories where Mini Rodini has a leverage above 10%, meaning our orders stand for more than 10% of their total capacity. This is quite a good number for such a small brand within the textile industry, and in the future, we intend to increase the number of factories where we have a stable business relationship with high leverage.

RESPONSIBLE SOURCING

The best way to ensure workers are treated fairly, is to only work with factories who treat their workers fairly. This is why our selection process is so important. Along with our rapid growth and need to place larger orders, we have sourced new suppliers through a robust due diligence process.

Our sourcing process begins in conjunction with our bi-annual supplier evaluation meetings. These meetings are attended by the whole production team, consisting of 10 people including the Sustainability Manager. Suppliers are evaluated based on their performance in sustainability, communication, quality and delivery. Alongside this, suppliers are also asked to evaluate our performance, in areas such as communication, late changes and payments. This exercise fosters a mutually beneficial relationship between us and our suppliers, whereby we are partners working towards the same goals. At the end of the evaluation process, we try to as much as possible reward our higher performing suppliers by increasing orders.

It can happen that at the end of the evaluation process we find we need to replace a supplier due to them underperforming in areas such as quality or sustainability. This is always a last resort for us, as changing a supplier places workers’ job security in jeopardy. It will always be a last resort after we have tried to improve the business relationship and given ample warning to the underperforming supplier. The need to find a new supplier may also arise if our orders increase to such an extent that our current suppliers do not hold the capacity to produce our products. In either of these two cases, the Sustainability Manager heads out to search for a new supplier.

The first step in finding a new supplier is for the Sustainability Manager to use a checklist, checking a potential new suppliers’ own environmental and social commitments. These commitments can involve projects on wind or solar energy, or sponsorships to local schools. If the factory has had any social audits in recent years (such as a SA8000 audit), then this will be reviewed as well. We try to find new suppliers who already have environmental and social considerations embedded in their business, as it will often follow that they are open to and enthusiastic about our strict social requirements and have already come a long way to this cause. In this checklist exercise, the Sustainability manager also looks at the socio-political context in the area, using research materials such as the FWF Country Risk Studies, the FWF wage ladders as well as sources such as the UN Guiding Principles on Business and Human Rights.

Step two is to ask new suppliers to fill in the FWF self-assessment questionnaire. Only after these two steps have been taken, can the

A social audit is a term used for a type of qualitative inspection, made by trained third-party social auditors. These auditors inspect the working conditions in factories, and look at things such as pay, working hours and Health and Safety.

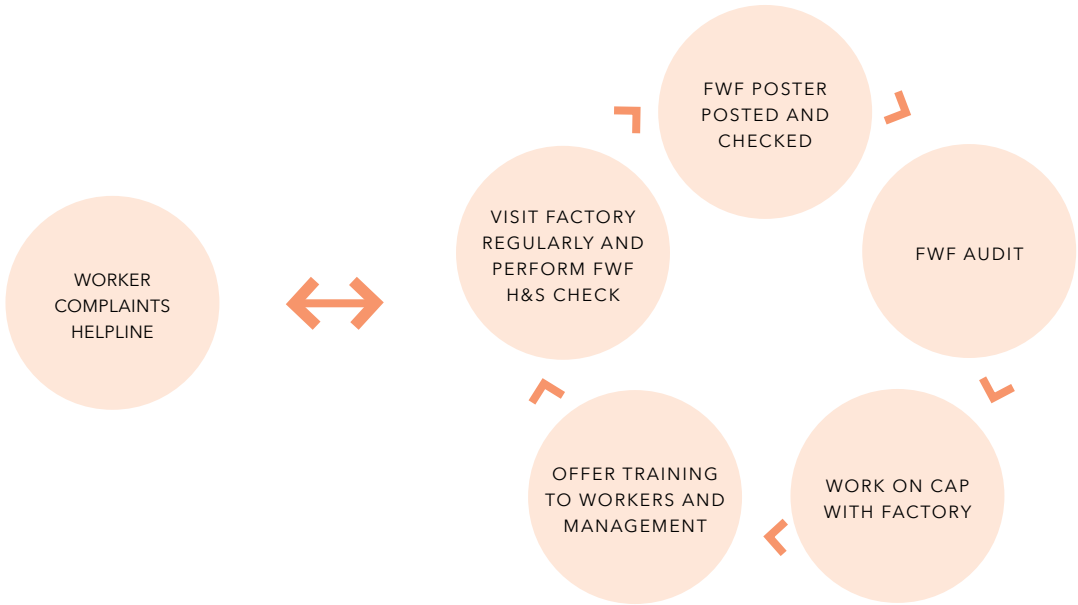
responsible buyer check the more business-related areas such as prices and lead-times. If the buyer is confident the supplier will be able to produce our products, the Sustainability Manager and buyer go on to step three – visiting the new supplier. They will check the factory, and ask the supplier to sign our code of conduct and ask them to fill in our Production Location Check, where all of the lower tier suppliers are listed. Only after step three is completed and the outcome is positive, will a buyer be able to place an order.

When an order is placed, the factory is enrolled in our social monitoring program. The FWF posters are hung on the wall, informing workers about their labour rights and providing them with a hot-line telephone number that they can call if they feel their rights have been breached. If the factory is in a country classed as “high-risk” (for Mini Rodini in 2017 this included China, India and Turkey) and they already had a social audit in place (such as a SA8000), we will compare the audit to the FWF Social Audit quality-check. Here we will assess whether we accept the audit or not. If accepted, we will work on a Corrective Action Plan (CAP) to address any of the remaining open issues.

If the factory did not have an acceptable social audit already in place, or if we assessed that there was a need for a new audit (perhaps the social audit was old, or had many issues that we needed to verify as rectified), we will commission a FWF audit to take place in the factory.

If the factory is in a “low risk country” (for Mini Rodini in 2017, this included Portugal and Lithuania), FWF does not require us to perform a social audit as these countries have robust governmental protections and institutions that safeguard labour rights. However, issues can still arise even inside of Europe, and for this reason, and because these two countries produce a high volume of products for us, we are planning to perform social audits in these countries in the years to come.

The Sustainability manager together with other people from the production team such as buyers and the pattern makers, will visit the factory on a regular basis, to build close ties to the factory management, follow up on CAPs, use the FWF Health and Safety check to review if any further issues have arisen in the factory since the last audit, and check that the FWF poster is posted clearly and correctly for all workers to see.



AUDITS AND REMEDIATION

Like most other brands, we do not own our factories. We find suppliers and factories all around the world who like us, are passionate about high quality products, and together we develop Mini Rodini’s products. As we are still a relatively small brand, we don’t as of yet take up much of a factory’s production, but we are a small player with a loud voice and work hard to ensure our code of labour practices is upheld in the factories we source from. We have been engaged in social auditing since 2013, where we have monitored the working conditions in our partnering factories. We have learnt a lot about where our responsibility lies in securing workers’ rights and we are committed to learn more and see further improvements in the years to come.

We commissioned four FWF audits in 2017 compared to eight in 2016. In 2017, we placed a lot of focus on the outcomes from the audits from 2016, by working on Corrective Action Plan (CAPs) and providing training to workers. Out of our total order value in 2017, 80,5 % of the factories we work with were audited, either by FWF or another third party audit methodology (sometimes a factory already has an audit available, which we will then accept if it meets the FWF audit requirements). Out of the 19,5 % non-audited factories by order value, only 0,5 % of these were located in high risk countries (China). The rest were in the low risk countries Lithuania and Portugal.

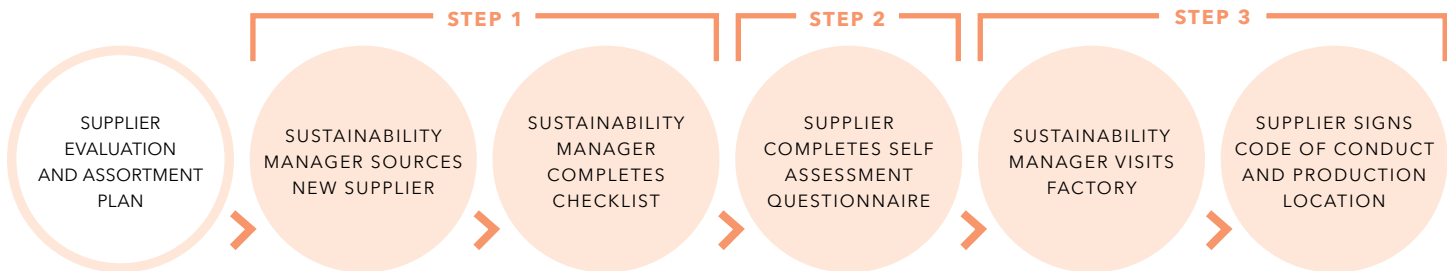
Our social audits are announced, which means the factory management will know when the social auditor is coming for their inspection. Some brands prefer to work with unannounced audits as they believe this will lead to more findings of breaches to labour rights. We however wish to create a mutually beneficial working relationship with our factories that builds on trust and cooperation. For this reason, we believe announced audits are the way forward.

In choosing which factories to audit in a given year, we perform a risk assessment, looking at order volume, country risks and the factory’s strategic positioning. Once we receive the audit report, we work on a CAP together with the factory management. The CAP

details all of the issues detected in the audit, and how they can be rectified, with time frames, and is followed up by visits, emails and skype calls until all issues have been picked apart. Some of our factories come through an agent, and in these cases the agent is also involved in the CAP. And some of our factories are shared by other FWF brands – in these cases we work with the other brands on following up on the CAP. In 2017, we increased the number of CAPs we were actively working on, and focused both on CAPs following FWF audits as well as CAPs following other types of third-party audits.

The most common issues we find in social audits are concerning overtime, wages and compensation, and health & safety. We acknowledge the responsibility we as a company bare in reducing working hours in factories. We have received feedback from suppliers, explaining how our last-minute changes in design have led to a tighter production schedule for them – in result leading to workers having to work overtime. In 2016, we implemented a better planning schedule in our production teams, so that our suppliers in turn could plan for their productions further in advance. In 2017, our pattern makers also started to track when they make changes and for what reason, in order to better analyse where we can make improvements in late changes. Our pattern makers have also worked hard through the year to make changes earlier on in the process and order more prototypes, to minimise last minute changes. This has given effect, and in our Autumn-Winter 2017 collection, 41 % fewer changes were made compared to the Autumn-Winter collection in 2016.

Other common issues in audits were that compensation (such as annual leave) and social insurances were not paid properly, and that wage and hour records were not kept properly. We did not once find an audit which stated that living wages were paid in the factories, as this is still extremely uncommon. We are working hard to see a change in the industry in this regard, please see further down for more information. Lastly, issues concerning health and safety are very common – such as fire extinguishers not being hung up properly or workers not wearing protective equipment such as masks.





Please see below information on some specific audit results and how factory managements and Mini Rodini have throughout the year worked on CAPs to address and rectify the issues.

JERSEY SUPPLIER WITH EIGHT PRODUCTION UNITS, TURKEY

In total, 40,28% of Mini Rodini production.
Visited by our Sustainability Manger and production team several times in 2017.

This supplier had eight factories working for us in 2017 and they all had FWF audits in 2016. During 2017, we have been working through the CAPs.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: Salaries were not being paid in bank transfer according to legal requirement.
CAP: This is a common issue found in Turkey. Often it arises because factory managements do not wish to declare all of their salary payments to the social security administration, as this would increase the taxes they have to pay. In 2017, the factory has implemented a gradual improvement plan, whereby they step by step start to declare their salary expenses and workers receive their full salaries through bank transfer.

AUDIT FINDING: Cotton bales were stacked too high.
CAP: The factory management assured they stopped stacking the bales as high and only store them twice a year. This was checked by the Sustainability manager in October 2017.

AUDIT FINDING: There was no Opening and Operating license in the building.
CAP: This was applied for once again, however the process had been prolonged due to legal changes and the factory management contemplating moving their factory to another building.

SWIMWEAR FACTORY, TURKEY

2,62% of Mini Rodini production
Visited by our Sustainability Manger and production team several times in 2017.

This factory had an FWF audit in 2016. During 2017, we have been working through the CAP.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: Living wages were not being paid.
CAP: The issue with living wages is as mentioned extremely common in the industry and is something we are working to address through our Living Wages program. We have started initiating this project in Turkey, and we plan to expand this project to more factories. This factory is very interested to join and we believe this will happen in 2018 or 2019.

AUDIT FINDING: Workers were not aware of the FWF Code of Conduct and their conjoining labour rights.
CAP: We organised a FWF WEP training in 2017 to inform workers about the FWF Code of Conduct and their labour rights.

LIGHTWEIGHT JACKET FACTORY, CHINA

11,86% of Mini Rodini production
Visited by our Sustainability Manger and production team in May and October 2017.

This factory had an FWF audit in 2016 and we worked through the CAP in 2017.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: Living wages were not being paid.
CAP: The issue with Living Wages is extremely common in the industry and is something we are working to address through our Living Wages program – however the project is complex and we have not been able to initiate it in China as of yet.

AUDIT FINDING: Workers were not aware of the FWF Code of Conduct and their conjoining labour rights.
CAP: We organised a FWF WEP training in 2017 to inform workers about the FWF Code of Conduct and their labour rights. Further, when the Sustainability manager visited China in October 2017, FWF Worker Information Cards were handed out to workers to inform them of their rights and the FWF hot-line number.

AUDIT FINDING: Working hours were too high.
CAP: The root cause was that sometimes materials arrived late to the factory so that workers had to work overtime. They also worked flexibly, so sometimes they got half a day off if deliveries had not yet arrived and worked more the day after when materials had been delivered.

AUDIT FINDING: Fire safety issues.
CAP: All issues had been rectified and checked by the Sustainability manager during a factory visit. The only issue remaining is concerning a fire permit. The management explained that when the factory was built, 20 years prior, the government did not require fire permits to be issued. This issue is deemed closed as external third party fire inspections have been completed in the building.

KNIT FACTORY, TURKEY

0,24% of Mini Rodini production
Visited by our Sustainability Manger and production team several times in 2017.

This factory had an FWF audit in 2016. During 2017, we have been working through the CAP together with another FWF member brand who also produced there. We commissioned another FWF verification audit for late 2017, as the factory management and the FWF auditors had some conflicting opinions. This audit report will be released later in 2018.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: Overtime hours were too high.
CAP: The factory management hired more workers in 2017, so as to reduce the need for overtime hours and keep it within the legal limit.

AUDIT FINDING: The fire sprinkler system was not tested regularly.
CAP: The factory management were unsure how to test the system without damaging the materials placed in the room. They contacted a company specialising in fire safety that inspected the premises and wrote an approval report. This issue may have been revisited again in the later FWF audit.

HEAVY-DUTY OUTERWEAR JACKET FACTORY, CHINA

4,76% of Mini Rodini production.
Visited by our Sustainability Manger and production team in May 2017.

This factory had an FWF audit in October 2017. The issues involved more critical issues such as overtime and wages. As the factory management showed no interest in working with us to rectify them, we were left with no choice but to cease the relationship in late 2017.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: A piece rate wage system could not guarantee wages were in line with national minimum wage regulations. Not all social security or insurance fees were paid. Finally, annual leave payments were not paid according to national regulations.
Response: These wage issues were very serious and as the factory refused to improve, we had to cease the relationship with the factory.

AUDIT FINDING: The audit showed excessive overtime and lack of compulsory weekly rest days. Workers complained they had too high targets to reach which showed there was an unacceptable power imbalance between workers and management.
RESPONSE: Placing pressure on workers to work overtime is never acceptable and as the factory refused to improve, we had to cease the relationship with the factory.

HEAVY-DUTY OUTERWEAR OVERALL AND WINTER TROUSER FACTORY, CHINA

3,62% of Mini Rodini production
Visited by our Sustainability Manger and production team in May 2017.

This factory had an FWF audit in October 2017 and we are currently working on the CAP.

EXAMPLES OF AUDIT FINDINGS AND CAP REMEDIATIONS

AUDIT FINDING: A piece rate wage system could not guarantee wages were in line with national minimum wage regulations. Not all social security or insurance fees were paid. Finally, annual leave payments were not paid according to national regulations.
CAP: These wage issues were very serious and we are working actively to rectify them. The issue with wages is difficult, as almost all workers in China are paid by piece, and so are not secured a minimum wage. Although their monthly salary usually meets the minimum wage limit, this is not secured and so it cannot be fully verified. It is further not secured that workers get paid extra for working late and on weekends. And lastly, the factory must start paying the statutory annual leave benefits. Workers had themselves complained that the wages were too low, which we take seriously. The factory will review how they can calculate their wages and include annual leave, and a new audit will be performed in 2018 to see if things have progressed. The factory must also inform workers about the benefits with paying into the state social insurance system. Workers in China do not always want to pay into the system as they will only benefit from the security if they stay in the province they work in. As many Chinese workers come from other provinces different from where they work and where the factories are located, this is not always desirable for them.

AUDIT FINDING: The audit showed excessive overtime and lack of compulsory weekly rest days.
CAP: The factory management and our agent explained that this was a very special matter, due to it being peak season and orders needing re-finishing. As the hours were at an unacceptable level, we will commission another FWF audit to take place in 2018, to ensure this indeed was a special circumstance that will not happen again.

AUDIT FINDING: Workers were not aware of the FWF Code of Conduct and their conjoining labour rights.
CAP: We will organise a FWF WEP training in 2018 to inform workers about the FWF Code of Conduct and their labour rights. When the Sustainability manager visited China after the audit, FWF Worker Information Cards were handed out to workers to inform them of their rights and the FWF hot-line number.

AUDIT FINDING: Fire safety issues.
CAP: The factory will work on rectifying these issues and we will re-visit the CAP in early Spring to verify the issues have been addressed through desktop review.





CERTIFICATIONS

Some of the certifications our suppliers use are SA-8000, Fairtrade, GOTS and GRS. Like FWF, these are other types of independent monitoring systems, reviewing labour conditions in the factories and cotton fields we partner with. 85% of our total production comes from suppliers working with these four certifications. We regard these reporting methods as complimentary to our own stricter social monitoring system

COMPLAINTS

2017, we received one complaint from a worker via the FWF telephone hotline. This is quite a unique way for us to reach out to workers and try to give them a medium to make their voices heard. This is a significant reason for why we wanted to become members of FWF. By calling the number that is posted on the FWF poster in our factories, or posted on the FWF Worker Information Cards that are handed out, workers can speak to a complaints officer and raise their complaint. This is then handled by FWF who investigate the issue and try to find a solution to the problem. The complaint can either be handled anonymously, or not, depending on the workers’ wishes. FWF logs the complaint on the FWF member e-portal for us to see, and we work through the issue together with FWF. What we can do from our side, is mainly to mediate between FWF and the factory management. We need the management to know we have an interest in them reaching a solution that is good for everyone and ensures the worker’s voice is respected. It can happen that a complaint is raised in a factory that produces to several FWF member brands, and in these cases the brands can come together to put pressure on the factory management to reach a desired outcome. When a complaint is solved, it is reported to the public on the FWF’s website.

We welcome the use of this hotline as it shows we are doing our job in keeping workers informed about their rights. This information comes to them through the posters and information cards as mentioned, as well as from FWF training to workers. Apart from the FWF’s complaint mechanism, social audits also inspect whether factories have effective grievance procedures in place, and this is something that we also look for during our visits. *Please see below for more information about the complaint raised in 2017.*

WOVEN FACTORY, INDIA
4,85 % of Mini Rodini production.
Visited by our Sustainability Manger and production team twice in 2017.

COMPLAINT 27 OCTOBER 2017: A team leader claims unfair dismissal after having lost their job. They claim it was due to them stepping up to and supporting workers who were harassed by the person in charge, and this was not appreciated by senior management.

ACTION: The FWF country representative started an investigation and asked all parties for their side of the story. The HR team in the factory claimed the dismissed person had they themselves harassed the person in charge and this is why they were let go. The case has been followed closely by Mini Rodini’s Sustainability manager, who has been in contact with the FWF representative in India, the FWF Complaints team in the Netherlands, as well as the factory owner. The claimant contacted the labour union for support, and now the case is left in the labour court pending a hearing.

TRAININGS

Social audits and complaints raised through the telephone hotline only give us a snapshot of what issues might be present in a factory, but they do not help us in solving underlying issues. This is why trainings are so important. Trainings serve to go to the root cause of issues and try to ensure they do not arise again. Through workers knowing more about their rights, and them knowing FWF and Mini Rodini have their back if anything goes wrong, we hope issues will be reduced in the future. Training sessions can also be offered to management, so that they become more aware on how their behaviour has an effect on workers. After issues have been raised through a social audit or complaint, and the factory has undergone relevant training to address the issue, it is time to verify that things have in fact got better - through a verification audit.

In 2017, we commissioned our first FWF trainings in two factories we partner with - one in Turkey and one in China. Both trainings were FWF WEP (Worker Education Programs) trainings, where workers were informed about their labour rights, such as how to raise grievances and the rights they are granted by signing an employment contract.

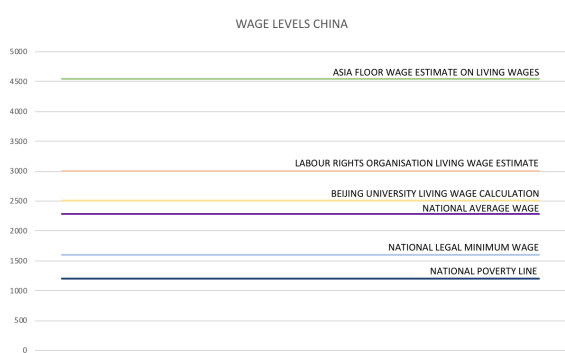
LIVING WAGES

Living wages is a term often used in politics and social debates, but not everyone understands exactly what it means. Put simply, it is the estimated wage that is required for a person to live a healthy and prosperous life. It should cover a person’s basic needs such as food, housing, clothes, healthcare, education, and the ability to make some savings.

A living wage should cover basic needs such as food, housing, clothes, healthcare, education, and the ability to make some savings.

A living wage is not the same as a national minimum wage. A national minimum wage is a wage that a government sets and by law, obliges employers to not pay their workers below that level. Most countries in the world have been implementing their own minimum wage system since the early and mid-nineteen hundreds. However, although the amounts have increased for the past 100 years, they have not increased in line with the different countries’ inflation. Hence, even though most counties have a minimum wage, this will not actually cover what a person needs for living a healthy life.

For example, in China research studies show that the living wage is 52-66 % above than the national minimum wage. The reason why the different studies have such a different value, is because China is a very big country with different living costs depending on where you live; in the city of Shanghai or in the country side in Shaanxi. Also, many people will have different ideas of what needs to be covered in the living wage estimate and this will much depend on their living situation; if they are married without children, if they are a single parent, or if they are young and single. For this reason, we don’t have an exact number of what a living wage is in a specific region and for a specific person, but we do know that it is higher than the legal minimum wage in the countries we source from.



This is why Mini Rodini is implementing a Living Wage project, where we research living wage estimates in the factories we source from and work out a system to fill in the gaps. The extra money we send goes from our own pocket, and is not transferred onto the end consumer as a price increase. It is taken as an additional mark-up for each piece that is produced. This is because we think the price is ours to pay, in ensuring the people who make our products are able to go home after a shift and afford all the necessities they need to live a comfortable life.

We first got involved in a living wage project in 2014 in India, on the initiative from another FWF member brand. We no longer work with this factory, but we initiated our own living wages system in another Indian factory in 2016. This was a factory that we have a long-standing relationship with and it employs around 1000 workers. Even though we only take up 4 % of their production capacity, we pay all workers an additional premium on their normal wages during the time they produce our products.

In 2017, we extended our living wage project to three more factories in Turkey. This was the first time in Turkey that a foreign brand created a budget from its profits in order to provide workers with a living wage bonus. By Autumn 2017, 18 % of our products were made by workers receiving a living wage premium. In 2018, we aim to extend it to four other Turkish factories that we work with. Some quotes from workers receiving the additional wage can be found below.

“I want to use the bonus for my two kids and make them happy.”
“With this bonus, I don’t have to get an advance pay anymore.”
“I want to spend it on my little brothers’ football course.”

Finally, in 2016 we were asked by FWF to join their new forum for living wages, called the Living Wage Incubator. The members of this forum are all European companies who already work with or want to work more with living wages. We meet to share knowledge and experiences and work out ways to overcome challenges so that the projects can be advanced even further.

Status of our 2017 improvement plans in Social Justice

2017 GOAL	STATUS DECEMBER 2017	COMMENT
Implement a living wage payment system with two more sewing suppliers.	Accomplished, and then some.	We implemented the system in three more factories.
Make our first production made in Sweden.	Accomplished in part.	We sourced our first fibre in Sweden, which was wool.
Complete a mapping system of all products per factory.	Not accomplished.	We looked into new ways of mapping our supply chain, but we never completed a new system.

Our goals in Social Justice onward

2018 GOAL	2021 GOAL
Implement a living wage payment system with four more sewing suppliers.	We pay our share of a living wage at all sewing suppliers we partner with.
Hire people in our local community for our circular concept.	We create labour in our production for people in our local community.
Pilot a new Supply Chain mapping system, to increase our knowledge on our lower tier supply chain.	We have a traceability system for all our products on 100 % of our supply chain.

Mini Rodini at home

Our sustainability commitments extend further than making better products and securing social justice for the people who make our products. How we operate at home, in our offices, our warehouse and shops, is equally important. It is essential we extend the ethos of acting responsibly and with care to all corners of the business, as this too helps and protects people and planet.

THOUGHTFUL UNIQUE DESIGN

We do not divide our collections by gender. Quality, comfort, function and safety are always key words in our design and product development. We go our own way and do not follow trends.

ETHICAL MARKETING

We always keep our core values of equality and diversity in mind when we carefully choose which channels and in what ways our brand and our products are communicated.

INTERNAL PURCHASE POLICY

Every employee at Mini Rodini is to follow our internal purchasing guidelines on purchases made on Mini Rodini's accounts. It guides us on how we make our choices on food, travel, restaurants, cleaning products, interior design, tools, gifts, etc.

SUSTAINABLE STORE CONCEPT

We make our stores' interiors as sustainable as possible. We use LED lights, and several of the materials are sustainable, locally produced, Swan-marked and FSC certified. Some materials, like stone or metal, are used due to their durability and longevity.

WASTE SORTING

We recycle everything we can in all of our departments. That means paper, plastic, glass and metal as well as light bulbs and batteries.

INTERNAL SUSTAINABILITY CONFERENCE

Each year we have a full day Sustainability conference where all employees gather, listen to inspiring speakers, and in workshops work out how we can push the boundaries on sustainability.

RENEWABLE ELECTRICITY

Wherever possible, we use clean electricity from renewable sources like sun-, wind- and water-power in our own facilities.

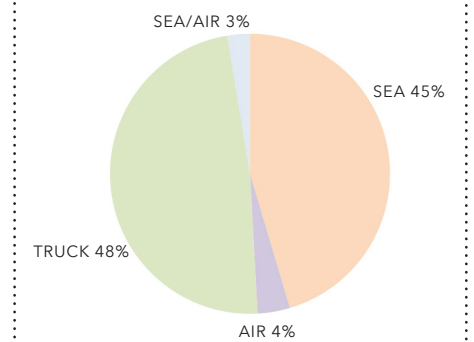
COMMUNICATION

Through our website and social media channels, we keep the public informed about our Sustainability commitments and any news in regard to this topic. In 2017, we updated our Sustainability section on our website to make it more interactive, and there readers can find further information about our FWF membership. Our Sustainability report is released in the beginning of each year, and the FWF Brand Performance Check results are released each year in the Summer.

LOGISTICS

When it comes to moving our products from the factories to our warehouse in Sweden and retailers around the world, we always prioritise sea and truck freights. We avoid airfreight to the furthest possible extent and consolidate as many orders as possible in each shipment to reduce the number of shipments that are made. The reason for why airfreight is still sometimes used, is in general due to tight lead-times and last-minute corrections leading to a delay in the production. In order to get the products to our stores and retailers in the promised timeframes, airfreight is sadly sometimes the only option. Airfreight decreased from 5 % in 2016 to 4 % in 2017.

FREIGHT MODES 2017



Naturskyddsföreningen

SWEDISH SOCIETY FOR NATURE CONSERVATION

In caring for our planet, Mini Rodini has been a member of the Swedish Society for Nature Conservation (SSNC) since 2015. This is a non-profit organisation that spreads knowledge, evaluates threats to our environment and works out solutions which they then push for politicians to adopt.

DONATION FROM SAMPLE SALE

All of the proceeds of our sample sales in 2017 went to Alla Kvinnors Hus, a non-profit independent Swedish



organisation working with supporting and protecting women and their children who have been exposed to domestic violence.

DONATION OF WINTER OUTERWEAR

In 2017, we donated some of our winter outerwear and shoes to a refugee camp in Syria. In total, 368 items were transported to the camp, to help keep children warm.



Status of our 2017 improvement plans in Mini Rodini at home

2017 GOAL	STATUS DECEMBER 2017	COMMENT
Set an external strategic Sustainability Statement platform.	Not accomplished.	We will carry over this goal into 2018.
Re-develop CSR communication on our website.	Accomplished.	
Create a system to be transparent with our sewing factories.	Not accomplished.	Being transparent of our factories is difficult as our prints often get copied. But we are committed to transparency and will continue working on this goal in 2018.
Make an action plan for more green overall logistics and freights.	Not accomplished.	We employed a new Logistics manager in 2017, who will take ownership of this goal.
Make an action plan to start making carbon footprint analyses.	Not accomplished.	We had an initial meeting in late 2017 and will continue the planning stage in 2018.

Our goals in Mini Rodini at home onward

2018 GOAL	2021 GOAL
Set an external strategic Sustainability statement platform.	We are a front-runner and market leader in sustainability efforts.
Create a model for how we as a company will communicate details of our supply chain to the public.	We are transparent with the suppliers we work with.
All departments will have a person responsible for their team's sustainability commitments.	
Make an action plan for more green overall logistics and freights.	
Make an action plan to start making carbon footprint analyses.	

ABOUT THE REPORT

This is Mini Rodini's fourth sustainability report. It covers the key areas we have focused on in 2017 in terms of environmental and social responsibility. As much as possible, the report follows the GRI standard for sustainability reporting, based on the current material and resources available. All facts and data are collected from internal systems, suppliers and partners.

To read more about GRI - Global Reporting Index, visit www.globalreporting.org.

mini rodini

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