

SUSTAIN-
ABILITY
REPORT
2018

mini rodini



Sustainability report 2018

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CEO and CSR manager comment

Mini Rodini has been working with sustainability from day one. It was one of the primary reasons as to why Cassandra Rhodin started the business together with her husband Jon in 2006. When they had their first child, they assiduously looked for a childrenswear brand that took great care of our natural and social environment, whilst keeping a style they related to and liked. This fared far more difficult than they had first imagined. After having failed to find the type of brand they were looking for, they decided to stare at the person in the mirror and take on the challenge to do it themselves.

The dedication and care that all employees at Mini Rodini place on the protection of our people and planet is inspiring. Every member of staff has their own story for why they chose to work at Mini, and all these stories relate in one way or another to sustainability and the person's conviction that we need to take better care of our mother earth.

With such devoted and courageous members of staff, we are convinced we can push the boundaries for what is possible and year on year be as sustainable as we possibly can be. The challenge is great, but the alternative is for us unthinkable. We must continue to always seek improvement and never become complacent. Because we cannot think of one single reason why we should not act sustainably, and a million reasons for why we should.

In 2018 we opened a new store in Stockholm with a whole new concept. The shop is called Treasures and is aimed to keep all of our products in circulation for longer. In the first stage we have focused on offering some hidden gems to our customers, products with some of our favourite prints that we have kept safe for many years. The idea is that all of our products keep their value and stand the test of time. In the second planned stage, we will use our Treasures shop as a space where we can repair, mend and upcycle products that have been torn through wear and play. We want "Wear, Repair & Reuse" to be a reality for all our products and Treasures will help us achieve this aim.

2018 has also been a year where we have started to dig a bit deeper. We have focused on auditing more factories and

supporting them in making improvements. We extended our Living Wage project to four new factories, and in our AW18 collection 39% of our products had been produced in factories that are part of our Living Wage project. This is extremely exciting for us, and our project is by many seen as a pioneering initiative within the textile industry.

In 2018 we had our second FWF Brand Performance Check, where we were scored the level "Leader" with 77%. We were very thrilled and proud to receive the highest score in our second as an FWF member brand, and are exciting to bring on new challenges and projects in the year 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

HÅKAN STRÖM
CEO

KARIN ISEMAN
Sustainability Manager



Our story

Mini Rodini was created in 2006 by the illustrator and artist Cassandra Rhodin as a tribute to all children, their imagination and sense that everything is possible. Since then the brand has become known for its unique prints, great quality, and dedication to sustainability. The playful patterns are inspired by everything from wild life and pop culture, as well as the fantasy and free spirit of children. Creativity has always been a key focus.

However, the beating heart is the brand's pioneering ethical spirit and production line. Cassandra's personal dedication to sustainability, dislike for grownups stereotyping kids, beliefs in fair working conditions for everyone, and concern for the environment is woven into the DNA of the brand.

As a result Mini Rodini carries one of the most sustainable ranges on the market with collections made up of over 99% sustainable materials. The brand has long been recognized as a thought leader in sustainable fashion, with 2018 seeing the company achieving leader status within sustainability by the Fair Wear Foundation.



**THE EARTH
IS OUR
MOTHER
WE MUST TAKE
CARE OF HER**

2018 Highlights

We continued to use the environmentally friendly fibre Lyocell Tencel.

Our new denim supplier works with some of the most sustainable denim machinery in the world.

For the first time, we participated in Textile Exchange's 2018 Materials Report in full, and we were included in the 100% club for organic cotton, recycled polyester and man-made cellulosic fibres.

The UN affiliated New York based organisation SHIFT included Mini Rodini's Living Wage project as a case study in their latest report on the UN Sustainable Development Goals.

A living wage system was implemented with four more factories, and in AW18 39% of all our garments were produced in factories where we have a Living Wage project.

We focused on auditing more factories and offered training and support to rectify any issues found.

We started to partner with a Swedish/Indian IT start-up to map our lower tier supply chain.



BETTER PRODUCTS

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

99% of our products fulfill these criterias.

WE DONATED THE PROFITS FROM OUR CARRY BAGS TO THE CHARITY OCEAN CLEANUP.



We partnered with the non-profit marine conservation organisation Sea Shepherd, and donated 20% of our proceeds from our Sea Shepherd collection to them.



We started to offer the washbag Guppy Friend to our customers, to minimize microplastics in our waterways



We were graded as "Leader" in Fair Wear Foundation's Brand Performance check.



We introduced a new type of vegan leather that is way better for the environment compared to conventional vegan leather.



We started to make Upcycling products on routine instead of as one-off projects.

100% of all cotton and wool was organic (just like last year, and the year before that)

Sustainability according to us

At Mini Rodini, we define sustainability as:

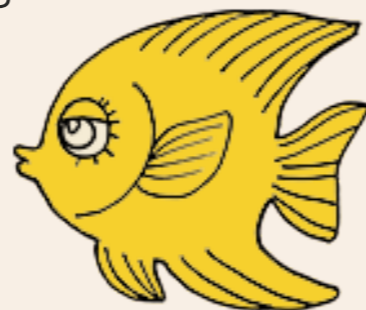
- An act that does not take anything away from nature or from people...
- But ensures they are protected and sustained into the future.

Sustainability is important for Mini Rodini because:

- We see it as an obligation.
- It was a core value from the start.
- We believe we can ignite change.

Mini Rodini's sustainability work is unique because we:

- Are young and small but already a responsible company.
- Have a broad assortment, yet most is sustainable.
- Have strict rules on what "sustainable" means.
- Do upcycling on routine.
- Source sustainably and focus on living wages.



Our sustainability dimensions

BETTER PRODUCTS

- Better materials
- Better certifications
- Better chemicals

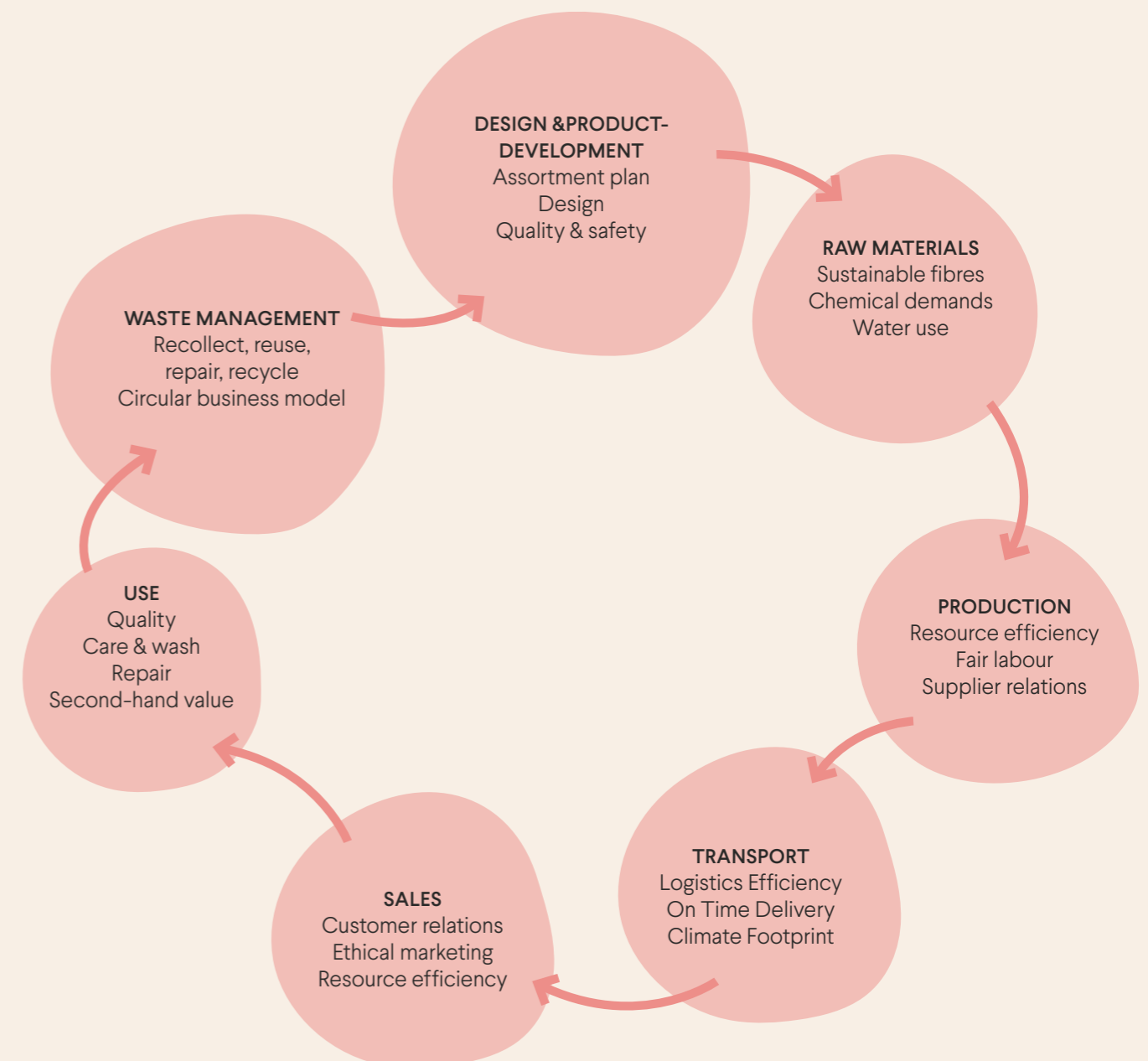
SOCIAL JUSTICE

- Responsible sourcing
- Fair wear foundation
- Living wages

AT HOME

- Responsible organisation
- Ethical values
- Ecological footprint

Our supply chain



World of Mini Rodini

520 retailers worldwide

- | | | |
|----------------|-------------|----------------------|
| Australia | Greece | Portugal |
| Austria | Iceland | Russia |
| Bahrain | Israel | Spain |
| Belgium | Italy | Sweden |
| Canada | Japan | Switzerland |
| China | Kazakhstan | Taiwan |
| Czech Republic | Korea | Turkey |
| Cyprus | Kuwait | United Arab Emirates |
| Denmark | Latvia | United Kingdom |
| Estonia | Netherlands | Ukraine |
| Finland | New Zealand | United States |
| France | Norway | |
| Germany | Poland | |

Mini Rodini around the world retailers

- | | |
|---|---|
| Sweden, Stockholm
Head office / Warehouse
3 Mini Rodini stores
3 Mini Rodini shop-in-shops | Finland, Helsinki
1 Mini Rodini store
1 Mini Rodini sales office |
| Sweden, Gothenburg
1 Mini Rodini store
2 Mini Rodini shop-in-shops | Norway, Oslo
1 Mini Rodini shop-in-shop |
| Sweden, Malmö
1 Mini Rodini store
1 Mini Rodini shop-in-shop | Denmark, Copenhagen
4 Mini Rodini shop-in-shops |
| Sweden, Uppsala
1 Mini Rodini shop-in-shop | Netherlands, Amsterdam
1 Mini Rodini shop-in-shop |
| | United Kingdom, London
1 Mini Rodini store
1 Mini Rodini sales office |

Suppliers / factories

- | |
|--|
| 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 |





BETTER PRODUCTS

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

... 99% of our products fulfill these criterias.

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 is what we do. 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.

Split into 8 collection releases in 2018, we produced a total of 625 different styles compared to 611 styles in 2017. In volume, we increased our production, from products 930 374 products produced in 2017 to 975 446 products produced in 2018. In this, we increased the number of better products produced in 2018, with 970 723 pieces now classified as better, totalling 99,5% of our production in volume. This is 0,5% higher than in 2017

and means we in 2018 met our goal to have 99,5% better products in 2018. 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 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 vegan leather to our collection. This PU leather uses 95% less water, 50% less energy and cuts its carbon footprint by up to 45%, compared to other types of PU vegan leather. We also started to work with a new denim supplier in Turkey, that invests in some of the most sustainable denim washes and finishing techniques

in the world. Denim trousers are washed with just a cup of water in the machine, that washed the denim through steam. And instead of using chemicals to spray onto jeans to give them a nicer look – the supplier uses an advanced laser technique which does not pose any negative consequences for the workers or for the environment.

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 in 2018 been working hard on a new Quality Guide which we hope will help us and our suppliers to work towards better quality standards and consistency between all products.

On Sweden's largest second-hand online marketplace, Mini Rodini is the most searched word under the Childrenswear category. This goes to show how our high quality keeps our clothes in motion long after they have left our shops.

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. 2018 was the first year we participated in full in their annual Textile Exchange Market Report. Through participating in this report, we can see how we compare to other brands in using sustainable materials and it's great to see that we are in the same league as some of the worlds' most inspiring and prominent sustainable brands.

In the 2018 Textile Exchange 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. As always, 100% of our polyester is recycled and in 2018, 59% of our polyamide was 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.

LYOCELL

Lyocell is also a more environmentally friendly version of viscose. It is derived from forested wood, and an overall majority of our Lyocell is sourced from sustainable forestry. The chemicals used are reused and recycled in a unique closed loop system. Lyocell requires very little water and land area, in comparison to organic cotton that requires large amounts of water and large pieces of land. Most of our Lyocell is made by the Austrian producer Lenzing and is called Lyocell Tencel. They have state of the art machinery that holds the highest environmental standards.

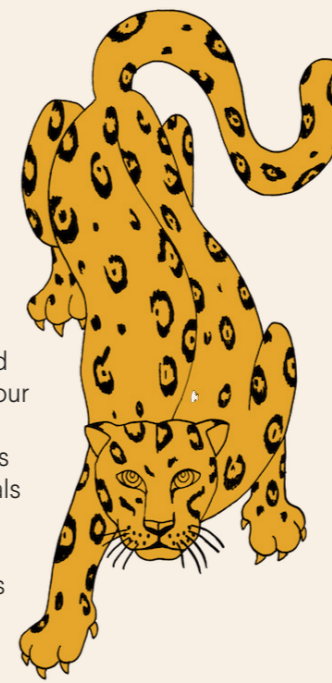
MATERIALS WE DON'T USE

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, and rayon.

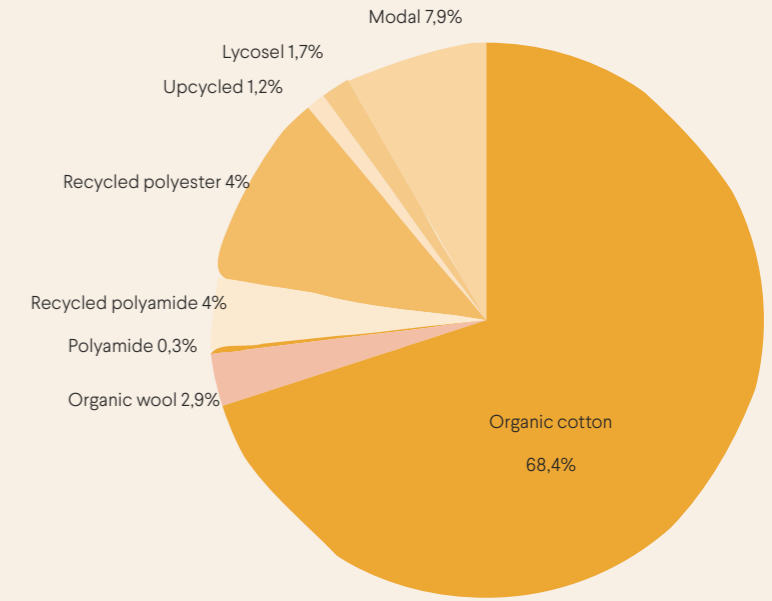
Protecting our animal kingdom

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



Materials 2018



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. On 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 2018 we had one product category that contained less than 80% sustainable materials – these are the accessory products in our Explorer range.

For our Explorer accessory 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 accessories for children on the market today. The crux in this product is the outer shell fabric, which is a non-recycled polyamide. However 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 that is free from fluorocarbons, formaldehyde and paraffin. 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 2018.



Microplastics

What are they?

Microplastics are as the name suggests – tiny particles of plastics. In diameter they range from 5 millimetres to 100 nanometres in size and they pose great danger to our planet by polluting our oceans. They can arise in one of two ways; from the small plastic particles that can be found within synthetic textiles and personal hygiene products, or from larger pieces of plastics that over time have broken down into smaller fragments.

In the first scenario, we see microplastics entering our fresh waterways, where they either stay or go further into our oceans. They are released into our waters when our washing machines pump out left over water after a laundry wash containing synthetic clothes. In this we include polyester, acrylic and nylon (conventional as well as recycled) which amongst others can be found in many sports clothes, dresses, outerwear, underwear and bathing suits. Microplastics are also released into our fresh waterways when we for example wash off personal hygiene products such as soap or shampoo in the shower or wash off makeup or toothpaste by the bathroom sink. All these tiny particles get pushed into our wastewater treatment plants and sneak between any filters that are meant to keep our waters protected from our household discharge.

Microplastics can also enter our waters by way of larger pieces of plastics, from for example PET bottles, plastic bags, flip flops or fishing nets, being littered into freshwaters and oceans, and slowly breaking down into smaller and smaller particles. In time these big bits of plastic become millions of smaller pieces of plastic.

WHY THEY SUCK

Microplastics are very harmful for marine life and aquatic ecological systems. It can take hundreds if not thousands of years for plastic to break down, and during this time, microplastics enter the bellies of marine animals such as plankton, fish, seagulls, shellfish, sharks, whales, dolphins and turtles. Once in their bellies, the microplastics can cause gut blockage, physical injury, changes to oxygen levels in their cells, and reduce feeding and thus energy levels. This in turn can affect growth and reproduction. There have been reports of sharks mistaking microplastics for plankton, and as the plastics sit in their stomachs without digesting, they start to build up and eventually weigh more than the animal itself. The sharks have then sunk to the bottom of the ocean bed and died.

Another way that microplastics harm marine life, is in how they can act as carriers of harmful chemicals. The toxic

chemicals attach to the plastics and once in the bodies of marine animals, they are released and harm the animals from the inside.

Microplastics are not only consumed by animals. Humans who eat fish and shellfish also stand further down the food chain and consume microplastics and associated toxic chemicals through our food. This will range from anything like mussels, oysters, fish and shellfish. Also, sea salt has been found to be a source of microplastics that enters our bodies. Research varies on what the harmful consequences are for humans who consume microplastics. The more alarming research says that humans will be greatly harmed by the plastics whilst the more optimistic research still admits that they are unsure, which even that is a reason to prioritise the issue.

WHAT CAN WE DO

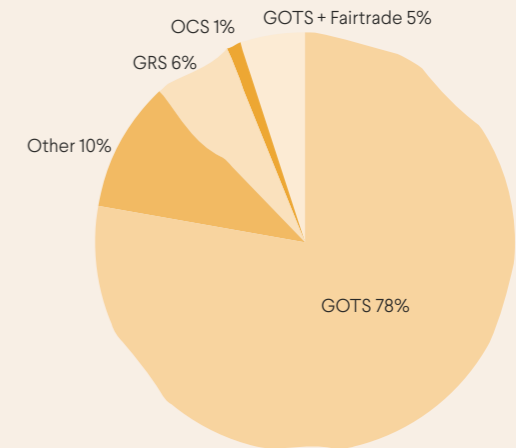
The long-term solution to stop microplastics from entering our waters from our washing machines, would be for the manufacturers of washing machines to find better filters that stops the microfibers from being discharged into our water pipes. This is something that many companies are working on and we hope to see some development on this soon. There are also developments on how garments could be designed and constructed in better ways, so they release fewer plastic fibers.

Until these developments are finalised, we need to have a short-term solution. In 2018, Mini Rodini started to partner with the organisation STOP! MICRO WASTE as we started to sell their washing bag Guppy Friend in our stores. We sell the bags without taking a profit, as we want as many people as possible to be able to purchase and use the bag. The bag captures nearly 100% of the microfibers in the wash and it also protects the garments from releasing microfibers. With using the bag, 75-86% fewer microfibers are released from the garments.

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.

Certified products 2018



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



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.



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.



FSC – FOREST STEWARDSHIP COUNCIL

Most of our materials derived from wood are FSC certified. This means the materials come from unthreatened and responsible forested woods and plantations.



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 well being.

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.

RESTRICTED SUBSTANCE LIST - RSL

We have restrictions on all chemicals related to our product assortment. It is based on the European legislation REACH but goes further and includes stricter requirements. Our RSL is updated twice a year, and signed after each update by all of our suppliers.

HEALTH AND SAFETY IN FACTORIES

Our factories are monitored by social audits, whereby auditors go into our factories to evaluate 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 well being.

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.

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 2018, we performed random chemical tests on 38% of our main production order volume.

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 our suppliers to not only follow our RSL and REACH, but also their own local chemical laws (if applicable) that exist within their production country.

EDUCATION AND SURVEILLANCE

Mini Rodini is a member of the Chemical Group at Swerea, a network where approximately 110 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.

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.



TREASURES

In the summer of 2018 we opened our Mini Rodini Treasures store. This is a new concept store for us, that serves as a type of museum for old time favourite Mini Rodini treasures, that puts on offer samples that would otherwise be placed in our head office sample sales, and that offers repairs for returns and damaged products.



The idea is simple – to minimise waste and to ensure the love and care for our products is not dictated by when they were released but lives on for many years to come. Our founder Cassandra has through the years put aside some of her favourite prints and proven that the design carries a timeless quality and style that can be appreciated many years after they were first released.

Huge amounts of love and care are placed in every Mini Rodini product, from the design and development stage, to the factories' sampling and re-sampling, the choice of fabric qualities and prints, the production by the sewing workers across the world, through to shipment and delivery into our stores. The Treasures store aims to honour this process and ensure that all products are cared for. This will ensure that our samples, that were perhaps voted down in our head office (maybe we chose to go for a different colour or replace a zipper for buttons) is still awarded the value it deserves and can be offered to our customers. It will also ensure that our returns, for example a pair of leggings that needed to be shortened a few inches on one leg, will not be sent back across the world to the producing factory, but can be repaired in the Treasures store in Stockholm. Most of the products received by Treasures come from our warehouse in the south of Stockholm. Many are simply not fit for sale due to stains or dirt from production or from time spent displayed in our stores. As of August 2018, the Treasures store has access to the laundry room of the residential building where it is situated and so can wash garments and give them back their value.

Garments are also repaired. The garments needing mending will mostly be damaged by small holes, which we will sew together or patch up, and seams that have come undone will be fixed.

Garments marked REMAKE consist mostly of products that have been repaired or washed. Since opening, we have sold 781 of these products. Our outerwear REMAKE products were very popular in 2018, most of which had been repaired by mending the zippers, but also by attaching loose buttons or repairing broken reflexes. The highly skilled team developed a new way of mending zippers without replacing them – which saved a lot of time and resources.

The response from our customers towards our Treasures store has been very positive. Many have been pleased that you can find old treasured prints and that they can purchase our products for a whilst also caring for the environment. As a company, we are also extremely pleased by how well the shop and repair workshop is working out and we are excited about how it can develop into the future.

In our Treasures store we hope to inspire our customers to repair more, waste less and value all things that have been taken from the earth's resources, and through people's work and skill, been made into a fantastic product.

Status of our 2018 improvement plans in better products:

2018 GOAL	STATUS DECEMBER 2018	COMMENT
Increase products made with sustainable materials to 99,5% of our yearly collection.	Accomplished	
Upcycle 13% of our total waste at applicable suppliers and include Upcycling as a part of our core business model.	Almost accomplished.	We upcycled 12% of our total waste.
Increase sustainable trimmings from 68% to 70%.	Not accomplished.	We had 68% sustainable trimmings in 2018.
Release our first circular product concept.	Accomplished.	We opened our Treasures store in 2018

Our goals in better products onward:

2019 GOAL	2021 Goal
Be innovative with new materials and recycled yarns.	100% of all products are made with sustainable materials.
Replace cotton with Lyocell in our Basic range.	Upcycling collections are integrated into our production time plan.
Create a new Upcycling plan for 2019 with realistic but ambitious targets and new routines.	Our business model is circular with a re-collect/repair/reuse/remake/recycle system on routine.
Start to repair garments in our Treasures store.	



SOCIAL JUSTICE



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.

KEY ACHIEVEMENTS ON SOCIAL JUSTICE IN 2018

- We were graded "Leaders" in Fair Wear Foundation's (FWF) Brand Performance Check, where FWF scrutinised how we work with social justice
- We extended our living wage project to four more factories
- The UN affiliated New York based organisation SHIFT included Mini Rodini's Living Wage project as a case study in their latest report
- We focused on auditing more factories and offered training and support to rectify any issues found
- We started to partner with a Swedish/Indian IT start-up to map our lower tier supply chain

"CSR, or Corporate Social Responsibility, is not about donations or PR. It is about taking responsibility for the affects that one's business has on people and society."

Code of conduct

Our code of conduct is a set of principles concerning labour rights that all of our suppliers must sign and comply with. The principles are based on the fundamental conventions by the International Labour Organisation (ILO), the UN Universal Declaration of Human Rights and the Code of Labour Practices by Fair Wear Foundation.

The Mini Rodini Code of Conduct is as follows:

- Employment is freely chosen
- 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

But a code is just empty words if it is not actively and thoroughly followed up on. This is why we adopt a strict social compliance program, and together with other brands work to improve the working conditions in the textile industry.



Fair Wear Foundation

2018 was our second 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 worker's 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.

We experienced our second BPC in May 2018. 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 2017, and so our next BPC in 2019 will be looking at the work we have done in 2018.

The BPC for 2018, 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 "Leader" with 77%. We were very proud to achieve such a high score in only our second year of being an FWF member, and we 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 97% of our supply base, which is well over the required 60% for an FWF member brand's second 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 were pleased that we work with suppliers where we have significant leverage and that we worked hard on mitigating root causes to labour right violations. FWF applauded us for extending our Living Wage project in 2017, and encouraged us to continue to take steps towards living wages throughout our supply chain. FWF saw challenges for us in maintaining stable business relationships and in us encouraging suppliers to participate in FWF's factory trainings, aimed at raising awareness about the existence and function of the FWF worker helpline.

The 2018 BPC also resulted in a work plan for 2019, which will set the way for the various tasks we will undertake throughout the coming year. This plan includes amongst others to extend our auditing and remediation work even further, to work better with communicating to the public about our work



with social and environmental sustainability, and tracing our lower tier supply chain. We hope that, with the learnings and direction gained from these work plans, we will be well equipped to secure labour rights within our supply chain.

For more information on our BPC result, <https://www.fairwear.org/member/mini-rodini/>

PRODUCTION LOCATIONS

In 2018, we worked with 14 suppliers, compared to 13 suppliers in 2017. Out of the 14 suppliers, we worked with 29 manufacturing factories compared to 26 in 2017, who performed the cutting, sewing, trimming and quality control of our products. In total, we ended our relationship with two suppliers, started relationships with three other suppliers, and we brought on board in total nine new factories whilst ceasing the relationship with six. More information is to be found below, but in summary we can say that in 2018 we did not manage to consolidate our supply chain, we even increased it this year. However we are starting to stabilise our supply base and the new factories were all brought on board for specific reasons and we expect the relationships to last into the future. Our ultimate aim is to have stable and long working relationships with our suppliers and factories so that we can safeguard labour rights whilst also ensuring 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 2018 we started working with three new suppliers. One of them is a specialised denim supplier, based in Turkey. This supplier works with the some of the most sustainable, modern and water saving machinery for denim in the whole world, so we were very excited to bring them on board. The second supplier was a new socks supplier in Lithuania, and the third a new woven supplier in India.

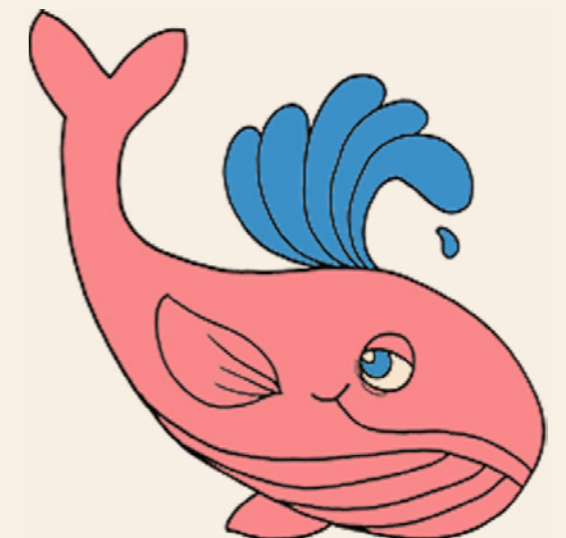
In 2018, we stopped working with two suppliers. One of these suppliers made our wool blankets, made of Swedish wool. However, as this supplier did not cooperate on our social requirements, we were forced to end the relationship. The other supplier was our sunglasses supplier with its two factories. We ceased this relationship as the sunglasses could not be made in sustainable materials. As our own demands for sustainable materials increase year on year, so do the demands we place on our suppliers.

The factory which produced our winter caps and gloves asked to stop working with us in 2017, as our orders were too small for them. During 2018 we hence found two new factories to start making these products. These two factories are new to working with our strict social requirements, so we have in 2018 offered them consulting help. This consulting project will carry on into 2019 and possibly even further, if required. The same supplier sourcing these two factories also consolidated all of their jackets production from the two factories they had in 2017, to one factory in 2018. This because one of the jacket factories did not live up to our social requirements in 2017 and they asked to cease the relationship.

In 2018 our spring jacket supplier in China swapped their factory that produces our rainwear, to a factory that was situated further south and hence closer to the supplier's office. In 2018 the same supplier also started to work with a factory which produced some lightweight back packs for us, for our SS19 collection. Additionally, our knitwear supplier in Turkey ceased working with one factory in mid 2018, as our orders were too small for the factory. For the following season we then started to produce our knitwear in a smaller factory nearby. Lastly, our Portuguese supplier which produces jersey for us, started to split our orders to keep some production in their existing factory and to move some into a new factory close by. This was due to our orders increasing and the supplier thus required more capacity.

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. China remains heavy on the heavy-duty stuff, together with lighter outerwear and accessories.

Into 2019, we do not foresee too many changes in our supply base.

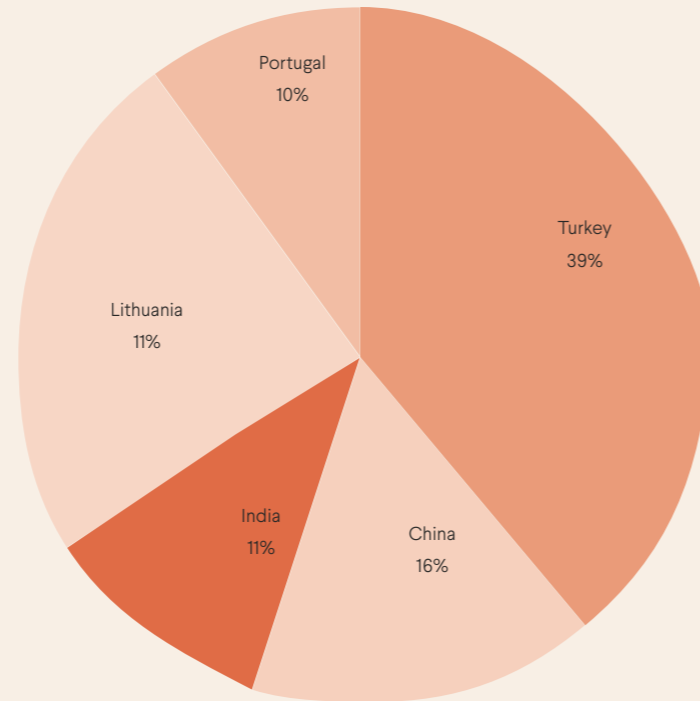


Production per country 2018

SUPPLIER RELATIONSHIP AND ASSORTMENT PLANNING
 In 2018, 45% 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 in some category areas, 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 2018, over 72% of our total order value came from factories where Mini Rodini has leveraged 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.

We start planning for coming seasons more than 2 years before the products will hit our stores. This is when we decide on which factories to use and we start working on samples. Some of our factories are managed through an intermediary, a supplier, and other factories we work with directly. Sometimes we will work with suppliers due to language barriers, as not all factory managers speak English. And sometimes we will use them due to the difficulty in us sourcing factories with the right competency and of the right size. But even when we do use suppliers, we are actively involved with the main partner, which is the factory. We visit our factories regularly and will always have meetings with the factory managements to discuss worker welfare and social responsibility.



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 as much as to 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 under-performing 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. We will go down this route only after we have tried to improve the business relationship and given ample warning to the under-performing 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.

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.

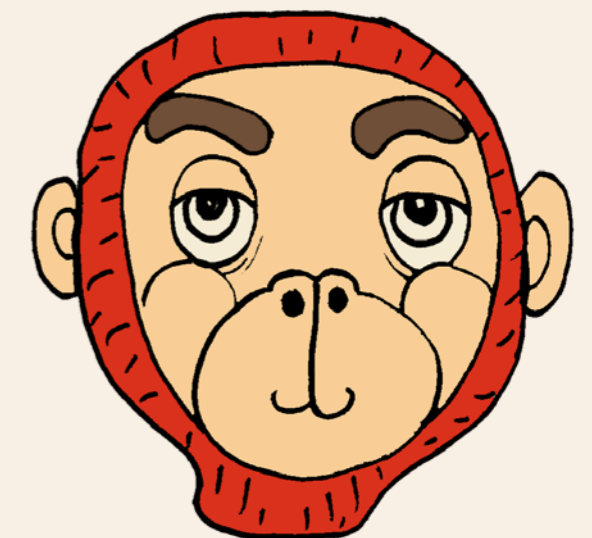
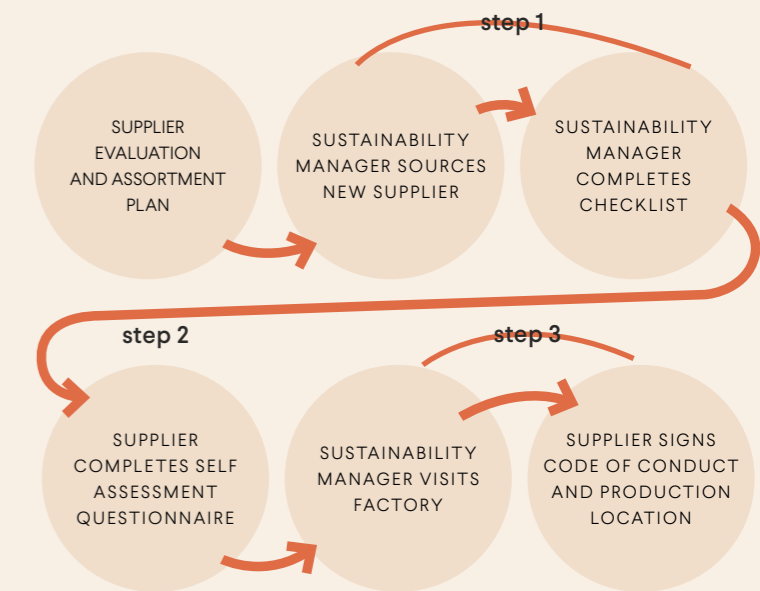
Step two is to ask the new supplier to fill in the FWF self-assessment questionnaire. Only after these two steps have been taken, can the responsible buyer check the more business-related areas such as prices and lead-times. If the buyer is confident the supplier will be able to produce our products, 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 their walls, 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 2018 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 and we needed to see if they had been rectified), we will commission a FWF audit to take place in the factory.

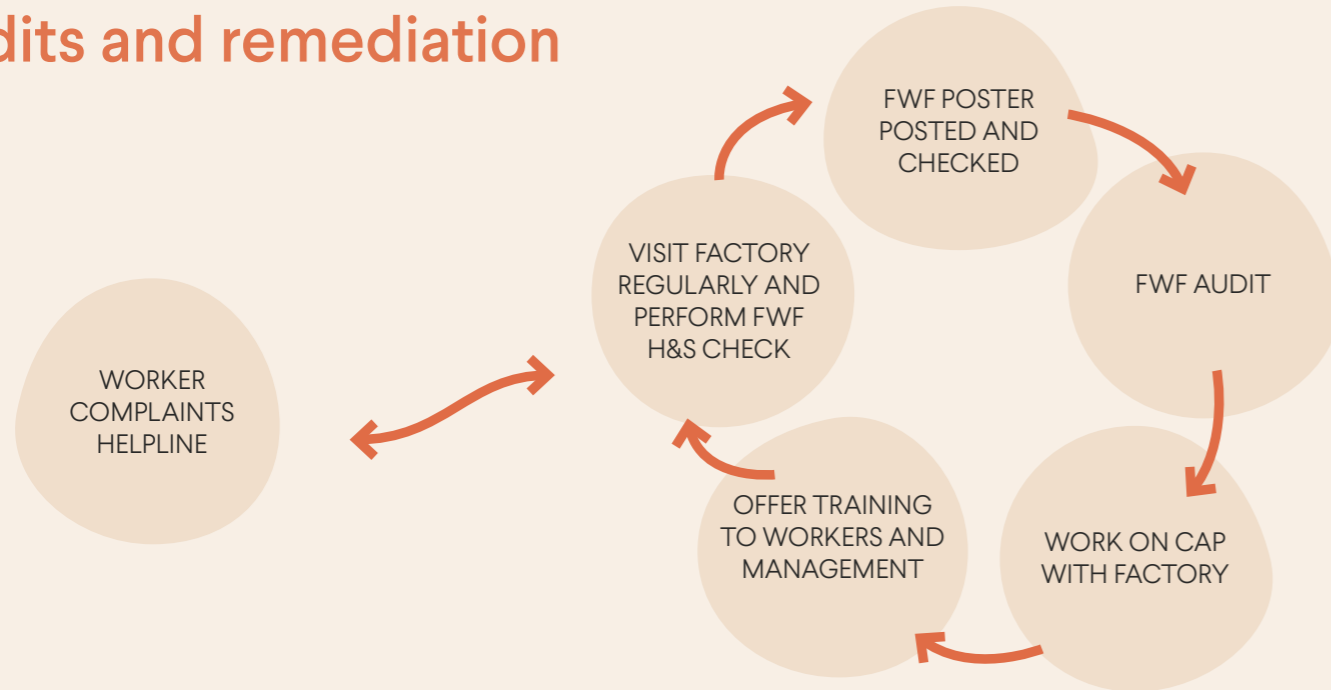
If the factory is in a "low risk country" (for Mini Rodini in 2018, this included Portugal and Lithuania), FWF does not require us to perform a social audit as these countries have robust governmental protections and institutions that safeguard labour rights. However, issues can still arise even inside of

Europe, and for this reason, and because these two countries produce a high volume of products for us, we plan to organise audits in the factories within the next two years.

The Sustainability manager together with other people from the production team such as buyers and pattern makers, will visit our factories on a regular basis, to build close ties with 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 one FWF audit in 2018 compared to four in 2017. We also had all seven factories belonging to our longest Turkish partner audited by FWF, as commissioned by themselves. FWF also audited another Turkish factory that we use in 2018, again according to their own random annual selection. Last we commissioned two factory consultancy projects in two Chinese factories. In total, 11 of the factories we work with were visited by external third party auditors in 2018.

In 2018, we placed a lot of focus on the outcomes from the audits from 2017 and 2016, by working on Corrective Action Plan (CAPs) and providing training to workers. Out of our total order value in 2018, 85% of the factories we work with were audited, either by FWF or another third-party audit methodology (as sometimes a factory already has an audit available, which we will then accept if it meets the FWF audit requirements). Out of the 15% non-audited factories by order value, 7% of these were located in high risk countries (China). The remaining 8% 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 2018, we continued to increase 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 2018, we have started to make major changes in our production planning, which will come to have an effect in 2019. The plan aims to place more styles in production during low season, which we hope will reduce overtime and as well as a pressured work environment within the factories. In 2019 we plan to evaluate whether our new production schedule has had the desired effect.

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.

HEAVY-DUTY OUTERWEAR OVERALL AND WINTER TROUSER FACTORY, CHINA 10% OF MINI RODINI PRODUCTION VISITED BY OUR SUSTAINABILITY MANGER AND PRODUCTION TEAM IN MAY AND DECEMBER 2018

This factory had an FWF audit in October 2017 and later a Follow Up audit in December 2018.

Examples of audit findings and CAP remediation

Audit finding: Workers not aware of the FWF Code of Labour Practices.

CAP: Mini Rodini organised an FWF WEP training in August 2018 and will aim to organise another in 2019.

Audit finding: Workers were not all aware of the function of trade unions and did not know how their worker representatives were elected or what purpose they served. CAP: Factory will organise a new election and later have annual re-elections. Mini Rodini and the factory management also discussed ways for the factory to raise awareness and interest for worker representatives amongst workers.

Audit finding: A piece rate wage system could not guarantee wages were in line with national minimum wage 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. A minimum wage must be secured for a 40 hour working week, not taking into account overtime. It is further not secured that workers get paid extra for working late and on weekends. Workers had themselves complained that the wages were too low, which we take seriously. In 2019, the factory will set up a wage comparison system which will document all hours worked secure a minimum wage for a 40 hour working week.

Audit finding: Not all social security or insurance fees were paid.

CAP: Most workers are more than 45 year's old and already

have rural insurance, which covers many things but is not the same as a social insurance and the rural insurance does not cover some things that the social insurance does. But some workers don't want to pay into the social insurance. Everyone has insurance though, in one way or the other. This issue is difficult to address, but the factory management will discuss the benefits of the social insurance to workers.

Audit finding: Workers were not awarded statutory annual leave.

CAP: The factory must start paying the statutory annual leave benefits. They were not aware of this legal requirement and in 2019 will look at how to implement this.

Audit finding: The audit showed excessive overtime and lack of compulsory weekly rest days.

CAP: The factory plans to reduce overtime and ensure all workers have one day off in 7 days. The factory has invested in more efficiency by buying better machinery. The Mini Rodini supplier is 70-75% of the factory's business and it was said that the factory shouldn't take small orders from other smaller customers if this means that the factory will have to work overtime.

**SWIMWEAR FACTORY, TURKEY
3% OF MINI RODINI PRODUCTION
VISITED BY OUR PRODUCTION TEAM IN MAY
2018**

This factory had an FWF audit in 2016. During 2017 and 2018, we have been working through the CAP.

Examples of audit findings and CAP remediation

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 2020.

Audit finding: Workers were not aware of the FWF Code of Conduct and their conjoining labour rights.

CAP: In August 2018 we organised a FWF Communications training, which aims to provide tools which will make it easier for factory management and workers to communicate and raise concerns or suggestions. We also organised a FWF WEP training in 2017 to inform workers about the FWF Code of Conduct and their labour rights.

Audit finding: Factory has not written a formal anti-discrimination policy.

CAP: Factory management has written a policy and is working on having this translated, for the Mini Rodini sustainability manager to review.

**LIGHTWEIGHT JACKET FACTORY, CHINA
8% OF MINI RODINI PRODUCTION
VISITED BY OUR SUSTAINABILITY MANGER AND
PRODUCTION TEAM IN MAY AND DECEMBER
2018**

This factory had an FWF audit in 2016 and we worked through the CAP in 2017 and 2018.

Examples of audit findings and CAP remediation

Audit finding: Living wages were not being paid.

CAP: The factory is very engaged with living wages and worked out a calculation method in 2018 which would see what their lowest and highest earning workers earned. From analysis made in October 2018, there seemed to be a few workers below the living wage level, and all others earned above living wages. When we have statistics on more months we can draw conclusions and see how we can work to raise the lowest earners to above living wage levels, if needed. The factory also made a survey in 2018 to see what workers said they needed in order to earn a decent living.

**WOVEN GARMENTS FACTORY, INDIA
6% OF MINI RODINI PRODUCTION
VISITED BY OUR SUSTAINABILITY MANGER AND
PRODUCTION TEAM IN JANUARY AND APRIL
2018**

This factory had an FWF audit in 2017 and we worked through the CAP in 2018.

Examples of audit findings and CAP remediation

Audit finding: Updated FWF poster is not posted in factory.

CAP: The factory printed the new FWF posters and posted them throughout the factory.

Audit finding: The majority of workers did not know their rights under the FWF code of labour practices.

CAP: The factory arranged a training on FWF code of labour practices to all workers.

Audit finding: Factory management was involved in the worker committee meetings – they helped to take minutes.

CAP: Only committee members will take minutes at meetings.

**DENIM FACTORY, TURKEY
1% OF MINI RODINI PRODUCTION
VISITED BY OUR PRODUCTION TEAM IN MAY
2018**

This factory had an FWF audit in August 2018.

Examples of audit findings and CAP remediation

Audit finding: Living wages are not paid.

CAP: Factory will implement its own pilot living wage system in 2019 which aims to increase worker's wages based on their efficiency. If workers maintain 75% of the calculated top efficiency level, then they will receive a bonus.

Audit finding: There was no formal grievance procedure in the factory.

CAP: Factory management wrote a formal grievance procedure.

Audit finding: There were inconsistencies in working hours between production records and attendance records.

CAP: Factory installed a new finger printing system which did not work fully for the first 6 months. It has now been fixed and works very well, and is now used for all workers and senior management.

**WINTER HAT AND GLOVES FACTORIES, CHINA
0,7% OF MINI RODINI PRODUCTION
VISITED BY OUR PRODUCTION TEAM IN
DECEMBER 2018**

These two smaller production units had consultancy evaluations performed in 2018, by the sustainability consultancy firm Re-Assurance. In 2019, Re-Assurance will work closely together with the two units on improvements needed.

Examples of assessment findings and CAP remediation

Evaluation: Fire safety is not managed according to local law and there is now person responsible for fire safety such as fire drills.

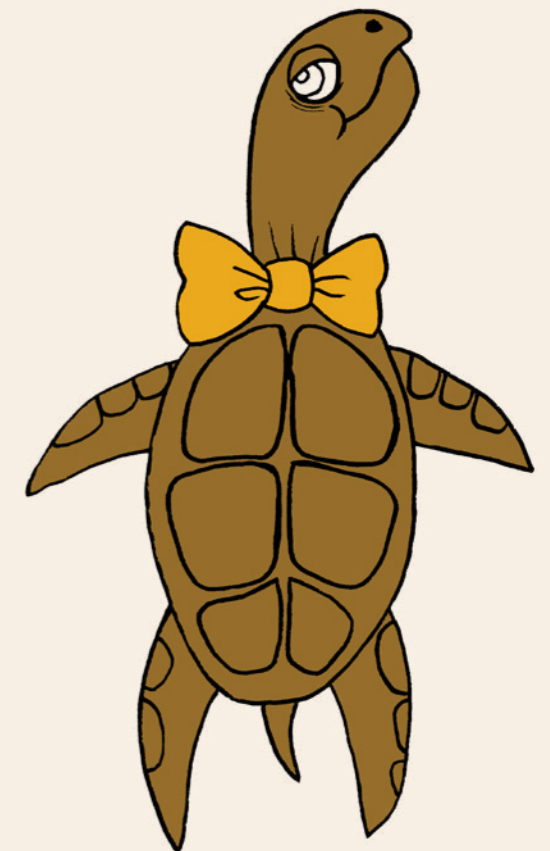
Discussion: The factory managements were not aware of the local law requirements. Re-Assurance will provide guidance in 2019 on what needs to be implemented.

Evaluation: Workers did not have signed contracts.

Discussion: Re-Assurance will help the production units in 2019 to implement HR systems, such as keeping labour contracts and keeping accurate time records.

Evaluation: Factory pays some workers after an order rather than monthly, and focuses on larger lump payments before Chinese New Year.

Discussion: Some workers prefer to receive lump sums. The production units will work with Re-Assurance in 2019 to see if they could at least pay the minimum wage each month, and the remaining wages in larger sums throughout the year (and particularly before Chinese New year).





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

In 2018, we received four complaints from workers 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. The worker helpline service 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 to workers, workers can speak to a FWF complaints officer and raise their complaint. This is then handled by FWF who investigates the issue and tries 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 the relevant brands to see, and we work through the issue together with FWF. What we can do from the brand's 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 that 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 positive outcome. When a complaint is resolved, 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 Mini Rodini also looks at during our visits.

Please see below for more information about the complaint raised in 2018.

WOVEN FACTORY, INDIA 6% OF MINI RODINI PRODUCTION VISITED BY OUR SUSTAINABILITY MANGER AND PRODUCTION TEAM IN JANUARY AND APRIL 2018

Complaint 11 January 2018: Two complainants, from the same factory, contacted the FWF hotline with similar complaints. Both complaints concerned the management in the factory. A new factory manager and new supervisors had started who spoke to workers in a harsh and disrespectful manner.

Action: FWF, Mini Rodini and the factory have been discussing these two complaints and the factory made their own suggestions on how to resolve the issue. They provided training to managers on how to communicate to their workforce in a respectable manner and they fired the specific manager who had been verbally abusive. The FWF called the complainants 10 months after the complaint was raised, and the complainants confirmed that the work environment had improved.

Complaint 5 February 2018: A tailor was asked to switch

positions and become a helper, which is a less senior position. She was told her work as a tailor did not meet the quality standards, but she would continue to receive her higher tailor wage. She wished to leave because of this and was not paid her dues when she had left.

Action: The FWF, Mini Rodini and the factory owners discussed this case and it was established that her dues were yet to be paid, because the factory had been falling behind on HR administrative tasks due to staff changes in the HR team. Once the HR team got their house in order, the complainants dues were paid. FWF called the complainant and it was confirmed that she had been paid and was happy.

Complaint 22 October 2018: A current female worker called and complained on behalf of herself and 3 friends who had quit the factory. She said that one of the factory managers and a few of the supervisors were verbally abusive. She also claimed that her three friends who had left the factory 9 months earlier were still waiting on their dues.

Action: The FWF, Mini Rodini and the factory owners discussed this case. The dues were delayed, due to a backlog in work within the factory's HR team. Also, there had been cases of supervisors being abusive, but they had since received better training on how to communicate with the workforce. It was established that there was one manager who had been verbally abusive and after he refused to improve, he was asked to leave.

HEAVY-DUTY OUTERWEAR OVERALL AND WINTER TROUSER FACTORY, CHINA 10% OF MINI RODINI PRODUCTION VISITED BY OUR SUSTAINABILITY MANGER AND PRODUCTION TEAM IN MAY AND DECEMBER 2018

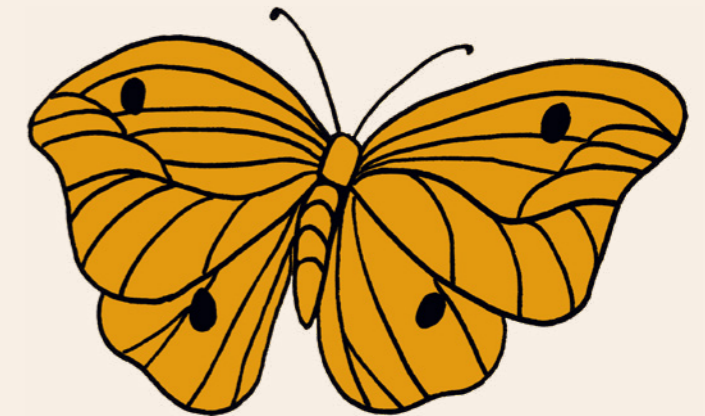
Complaint 14 November 2018: The husband of a finishing worker filed a complaint to FWF. He said he thought it was unfair that some workers were paid more than others. He also said that working hours were too long and sometimes workers worked consecutively for an entire month without a day off. Last he said that workers did not receive premiums for working overtime, as they should according to national law.

Action: The Mini Rodini sustainability manager had already planned for an FWF audit to take place in the factory just a few weeks after the complaint was raised. The FWF audit confirmed the complaint's main points. The Mini Rodini sustainability manager later visited the factory three weeks after the complaint was raised, to discuss the audit and the complaint. It emerged that the factory management did not have sufficient skills in planning production, to ensure that workers do not work excessive overtime and to ensure workers had one day off per week. The factory management also needed to implement a new payment system which would ensure workers were paid premiums for their overtime hours worked, as advised by national legislation. In terms of workers receiving different wages, this was in discussion seen to be justified, as some workers were more skilled than others and worked on more complicated garments. However, it was said the factory would need to better inform workers of the wage structures and why they differ, so that workers felt they were treated fairly.

TRAININGS

Social audits and complaints raised through the telephone hotline only give us a snapshot of what issues might be present in a factory, and 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 2018, we commissioned FWF trainings in three factories – two in Turkey and one in China. The training in China was a foundation training called FWF WEP (Worker Education Program) where workers and factory managements were informed about labour rights, such as how to raise grievances and the rights that workers are granted by signing an employment contract. The two trainings in Turkey were FWF Communications trainings, where workers and managements were equipped with tools aimed to make it easier to communicate and discuss concerns and suggestions.



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 keep as their lowest baseline wage to their workers. 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 countries have a minimum wage, this will not actually cover what a person needs for living a healthy life; i.e. a living wage.

For example, in China research studies show that the national minimum wage is around 50% lower than the estimated living 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. The funds go into a Mini Rodini fund, which is managed by a democratically elected worker committee.

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. Throughout 2018, we extended

the living wage project to include four more Turkish factories, so we now pay living wages premiums in 7 Turkish factories.

The UN affiliated New York based organisation SHIFT included Mini Rodini's Living Wage project as a case study in their latest report called the "Human Rights Opportunity – 15 real life cases of how business is contributing to the Sustainable Development Goals by putting people first". For more information, click here for the report and scroll down to page 20 where our project is mentioned.

https://www.shiftproject.org/media/resources/docs/WBCSD_HumanRightsSDGs_6-12-2018.pdf?utm_source=website&utm_medium=button-SDGs&utm_campaign=SDGs_Download-PDF

Some quotes from workers receiving the additional wage can be found below.

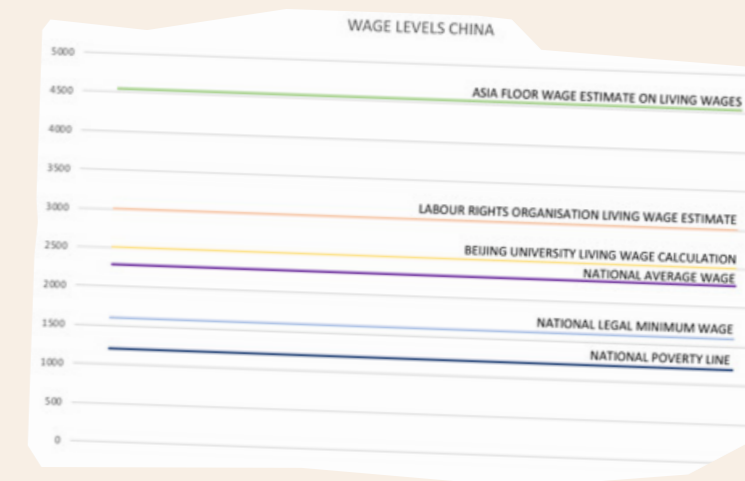
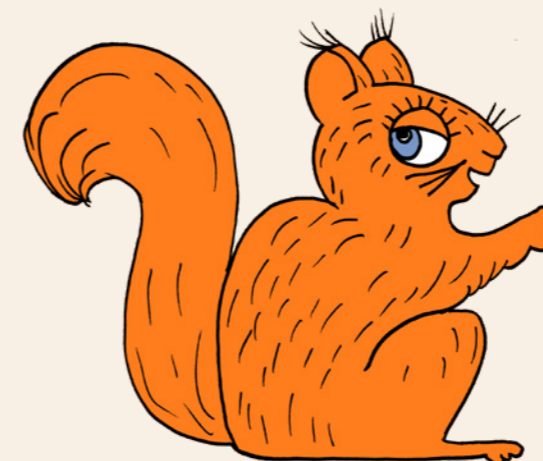
"I want to use the bonus for my two kids and make them happy."

"With this bonus, I don't have to get an advance pay anymore."

"I want to spend it on my little brothers' football course."

In Autumn 2017, 18% of our products were made in the two factories where we had a living wages projects, and by Autumn 2018 it was 38% of our products, produced in a total of 8 factories.

As part of our mission towards reaching living wages in all the factories we produce in, we are members of the FWF Living Wages Incubator. This is forum for 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 our different projects can be advanced even further.



Tracing our supply chain

In 2018 we started to map our lower tier supply chain together with a Swedish/Indian IT start-up company. Gaining a view of our whole supply chain will lead to better transparency and closer ties to all of our suppliers, and will also provide us with a better understanding of the social and environmental risks and opportunities that lie within all of our producing units.

Human rights abuses and exploitation of workers is more commonly found further down supply chains; not within the sewing factories that are often visited by international brands and that themselves have the funds, knowledge and dedication to secure a good workplace for their workforce. No, abuses against worker's right are more common further down the line, in the producing units where fabrics are made, threads are spun and cotton is grown. Mini Rodini is dedicated to gain closer ties to our whole supply chain so we can get a clear picture of the working conditions for all those who helped make our products, and so we can work towards improvements if needed. In 2019 we will evaluate the pilot that we started with the Swedish/Indian IT start-up and decide on next steps.

Status of our 2018 improvement plans in social justice:

2018 GOAL	STATUS DECEMBER 2018	COMMENT
Implement a living wage payment system with four more sewing suppliers.	Accomplished.	
Hire people in our local community for our circular concept.	Accomplished in part.	Our circular concept has yet to fully hire a local sewing workforce.
Pilot a new Supply Chain mapping system, to increase our knowledge on our lower tier supply chain.	Accomplished.	

Status of our 2018 improvement plans in social justice:

2019 GOAL	2021 GOAL
Work out a scalable and realistic plan for achieving our 2021 living wages goals.	We pay our share of a living wage at all sewing suppliers we partner with.
Implement a mapping system that will give us information on our lower tier supply chain.	We have a traceability system for all our products on 100% of our supply chain.
Work on consolidating our supply chain. E44l.	We create labour in our production for people in our local community.



MINI AT RODINI HOME



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, 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. We discuss our FWF membership and how this is relevant when securing workers' rights in our supply chain.

RENEWABLE ELECTRICITY

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

COMMUNICATION

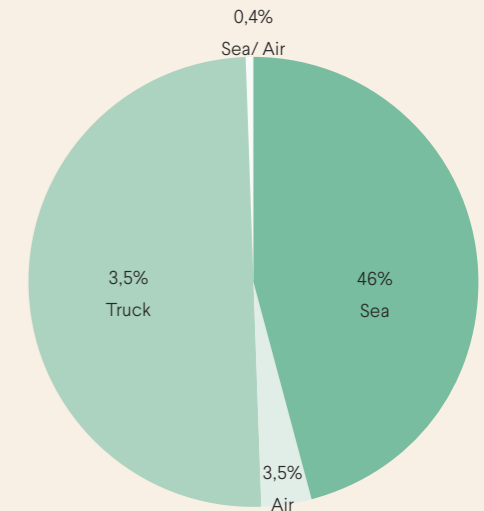
Through our website and social media channels, we keep the public informed about our Sustainability commitments and any news in regard to this topic. In 2018, we updated our Sustainability section on our website to include a "Sustainability school, aimed at helping our visitors, children and adults alike, on how they can think differently and become more sustainable. On our website, readers can also read our Sustainability report, find further information about our FWF membership, and see our results from the annual FWF Brand Performance Check.

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 time frames, airfreight is sadly sometimes the only option. Airfreight stayed the same in AW18 as compared to AW17, with 4% of our products being flown by air.



Freight modes 2018



SEA SHEPHERD PARTNERSHIP

In 2018, we partnered with the non-profit marine conservation organisation Sea Shepherd. This is an environmental law firm that is committed to saving marine wildlife and habitats. It does so by enforcing, strengthening and developing protective laws, treaties, policies and practices worldwide. They are serious about protecting whales from captivity and slavery, ending illegal fishing and saving marine habitats from destruction.

In collaboration with Sea Shepherd, we developed a collection with the slogan "Stop Whaling Now!" in the Autumn of 2018, and we donated 20% of our proceeds to the organisation. Inspired by the 70's activist movement, the aim of the collection was to inspire a new generation to join the movement against whaling. When we launched the collection in November 2018, we had also made "Stop Whaling Now!" fake kids tattoos, to bring the campaign to peoples' attention and engage kids as well as adults to the cause.

We also made a donation to Sea Shepherd as a Christmas gift for all employees in 2018.

OCEAN CLEAN UP SUPPORT

The Ocean Clean up is an environmental engineering environmental organisation based in the Netherlands. The organisation was founded by the then 16 year old Boyan Slat, who wanted to save our oceans from increasingly becoming plastic dumpsters. 5 trillion pieces of plastic currently litter our oceans and they are concentrated in 5 ocean garbage

patches, the largest one being the "Great Pacific Garbage Patch", situated between Hawaii and California. Ocean Clean up conducts research on these garbage patches and is trailing the world's first and revolutionary ocean barrier – a barrier placed far out at sea and aimed to capture plastic debris.

All of the profits made from the sales of our shopping bags in 2018 will be given to Ocean Clean up.

GUPPY FRIEND WASHING BAG

Under our section "Better Materials", you can read about microplastics and how they are entering our waterways and harming marine life and ecosystems. In 2018, we started to partner with the non-profit organisation STOP! MICROWASTE who make the washing bag Guppy Friend. By using the bag when washing synthetic clothes, garments release far fewer microplastics and those that are released, stay within the bag and do not enter our waterways.

In 2018 we started a donation project with the Swedish charity Ankarstiftelsen, whereby we will donate unsold products to children in need in Colombia.

Status of our 2018 improvement plans in Mini Rodini at home:

2018 GOAL	STATUS DECEMBER 2018	COMMENT
Set an external strategic sustainability statement platform.	Not accomplished.	We will carry over this goal into 2019.
Create a model for how we as a company will communicate details of our supply chain to the public.	Not accomplished.	We will carry over this goal into 2019.
All departments will have a person responsible for their team's sustainability commitments.	Accomplished in part.	During the Sustainability conference 2018, all departments were tasked with developing their own sustainability goals.
Make an action plan for more green overall logistics and freights.	Not accomplished.	
Make an action plan to start making carbon footprint analyses.	Not accomplished.	We will carry on working with this goal in 2019.

Our goals in Mini Rodini at home onward:

2019 GOAL	2021 GOAL
Set an external strategic sustainability statement platform.	We are a front-runner and market leader in sustainability efforts.
Make an action plan to start making carbon footprint analyses.	We are transparent with the suppliers we work with.
Create a model for how we as a company will communicate details of our supply chain to the public.	



WHAT YOU BUY MATTERS

About the report

This is Mini Rodini's fifth sustainability report. It covers the key areas we have focused on in 2018 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.

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