



TRANSPARENCY REPORT 2020

A CONSCIOUS
DESIGN JOURNEY

ANNUAL REPORT

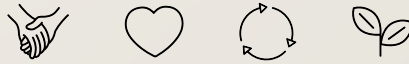
ELK



*The data presented in this report
is for a 12 month period from
1st January to 31st December 2019.*

*Due to the global pandemic, this report
is 6 months later than initially scheduled.
So, we have also included information
about some of our 2020 initiatives.*

END TO END



FROM OUR FOUNDERS	4	TOWARDS ZERO WASTE	44
		REMNANT AND DEADSTOCK	46
OUR ROADMAP	6	MATERIAL MATTERS	50
FROM OUR ETHICS AND SUSTAINABILITY MANAGER	8	PHASING OUT THE CONVENTIONAL MATERIAL USE	52
ETHICAL AND ENVIRONMENTAL MISSION	10	MATERIAL SOURCING GUIDE	54
2025 GOALS	11	2025 MATERIAL GOALS: OUR PROGRESS	56
PARTNERS	12	MATERIAL POLICIES	59
HIGHLIGHTS	13	PLANT DERIVED FIBRES	60
		ANIMAL DERIVED MATERIALS AND FIBRES	66
LOCAL + GLOBAL	14	OTHER MATERIALS AND FIBRES	72
WHERE TO FIND US	16	A GLOBAL FAMILY	74
SALES BY COUNTRY	16	FACTORY VISITS	76
SALES OVERVIEW	17	SUPPLY CHAIN	82
		MONITORING	84
PEOPLE + CULTURE	18	LIVING WAGE	85
FROM OUR PEOPLE AND CULTURE MANAGER	20	OUR TIER ONE CORE SUPPLIERS	88
PEOPLE STRATEGY	21	SUPPLIER LIST	90
COVID-19 IMPACTS	22	INDUSTRY ACTIVE	94
DIVERSITY AND INCLUSION	22		
WHO WE ARE	23	NEXT STEPS	98
LEADERSHIP TEAM	24		
		THE JOURNEY CONTINUES	99
COMMUNITY SUPPORT	26		
FUNDRAISING	28		
OUR FOOTPRINT	32		
REDUCING OUR IMPACT	34		
PACKAGING + PRINTING	38		
ELK FITOUTS	42		

ACKNOWLEDGMENT OF COUNTRY

We acknowledge the Traditional Custodians of the land on which we live and work, the Woi Wurrung People of the Kulin Nation, and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

FROM OUR FOUNDERS

MARNIE + ADAM

“Encouragement to push on was received loud and clear and our fear of total honesty was unfounded as the first report was accepted without criticism. And so it was not only us that felt emboldened – it was our whole team, our customers and our peers – we now know that it’s ok to not have all the answers, as long as we don’t stop trying to find them.”

Eighteen months on from the launch of our first Transparency Report we have the chance to recap on what has passed and feel ready to now share what is to come. It is stating the obvious to say that since our last report, business and life for all of us has been tough, particularly as a Victorian based business.

We are six months late; the April 2020 deadline for our second report came and went. Our plans for launch shifted as we dealt with the shock of a horrific fire season and then watched as COVID-19 spread to our shores. We shifted our focus towards saving the business, preserving our team, and working with our suppliers to keep the wheels turning in the hectic spin of a pandemic.

Throughout this time, media and consumers were asking if the vital work that businesses like ours were doing would be put on hold. Truthfully for a moment, we did have to sidestep; we had to take a moment to fight and we had to make some tough decisions. But we came back quickly, feeling an even greater sense of urgency to push on.

The anxiety we felt before the launch of the 2019 report dissipated following an incredible reaction. In some ways, we were able to breathe a sigh of relief. We have had the opportunity to meet new people, speak to different audiences, and to connect with our industry on so many levels. Encouragement to push on was received loud and clear and our fear of total honesty was unfounded as the report was accepted without criticism. It was not only us that felt emboldened – it was our whole team, our customers, and our peers – we now know that it is ok to not have all the answers, as long as we don’t stop trying to find them.

The pandemic has thrown us challenges which have sadly set us back. We have lost time in what is already a slow journey and we are certain the routines we had as a fashion business will never go back to the way they were. We have tightened the size of our collections and travel will be less frequent, forcing us to work remotely with our suppliers – something we never wanted to be limited to.

We can’t risk losing the good work we have done. So, our time continues to be spent on researching, learning, and trying to figure out the best solutions. We are using the resources we have to build networks of like-minded suppliers and are partnering with providers to help accelerate specific projects.

Encouragingly, our story resonates with so many both in and out of fashion circles and we feel a sense of optimistic solidarity. Although, it is not enough for the fashion industry to work on these issues alone. Much of the change is being led by private businesses like ELK and we believe our government needs to work with industries closely to overcome the roadblocks to advance further. It’s going to cost and it’s going to need brave, revolutionary decisions to be made if we are to radically reduce impact and emissions and work towards a more circular economy. We need technological innovation, supporting industry, and investment in solutions.

The simple reality is that change and finding these solutions takes time. So how do we balance this need for more time that in reality we don’t have? The truth is we don’t entirely know. With Erika Martin, our Ethics and Sustainability Manager, driving us along, we are making progress. Erika has authored this report updating where we are at, what we have done, and has called out the things we are still trying to figure out.

In truth as founders, we have the weight of responsibility and expectation on our shoulders. This way of doing business for us is not simply a concept, it is a reality. We will face the challenges that come our way and the pandemic has shown us that we are strong enough to get through, we have a united team with a great sense of purpose. So we will continue to do our bit and share along the way.

It is important for us to point out that what we do today may change tomorrow... which is ok because it will always be change for the better.

Marnie Goding and Adam Koniaras
ELK Co-founders





IMAGE: ELK garment in production during a factory tour with Eastlink

OUR ROADMAP

We support the United Nations Sustainable Development Goals

We are ensuring the actions we take align with these seventeen collective goals. Although our strategy touches on many of the SDGs, we have identified six core goals that as a fashion label we believe we can contribute to in a meaningful way. These goals support gender equality, clean water and energy, decent work, responsible production and life on land. With 10 years remaining on the UN deadline for these goals to be achieved, and much work still to be done, we will continue to work with others within and outside of the fashion industry to make progress towards the SDGs.

SUSTAINABLE DEVELOPMENT GOALS



FROM OUR ETHICS AND SUSTAINABILITY MANAGER

ERIKA

“From devastating bushfires to a global pandemic to widespread Black Lives Matter protests, the past year has been a tumultuous reminder that we need to take greater care of our planet and the people that live on it.”

In 2019, a United Nations report on biodiversity and ecosystems warned that extinctions are accelerating as a result of human actions and climate change, with estimates of up to 1 million species threatened with extinction, many within our lifetimes. Much of this is driven by increased consumption and disposal of materials, with the fashion industry being a large contributor to this. The urgency to act is greater than ever, and requires everyone to play a part, including governments, businesses and individuals.

In our second transparency report, we are revisiting our 2025 goals and reporting on our progress over the past year towards achieving these goals. We have continued to research and refine our thinking as to how we can make a difference, and this has informed some updates to our approach and some exciting new initiatives.

We are proud to share our “Preferred Fibres and Materials Guide”, which grades the fibres and materials that we use in our products based on their ethical and environmental footprints. It is very difficult to find a “perfect” material, with each having a list of pros and cons, so this guide will help our design team to select lower impact fabrics, yarns and other materials for use in ELK products.

Another exciting project was the installation of 77kw of solar across three of our buildings, providing around 50% of electricity for those sites. We are already seeing the benefits through reduced electricity costs, which in turn allows us to invest the savings in other social and environmental initiatives.

With recent calls to “re-wild” our planet, we have gone back to basics with the launch of our tree planting initiative in partnership with TreeProject. With so much of our environmental footprint still unmeasured and much work still to do, by planting trees we can make an immediate and tangible contribution to addressing climate change.

As existing linear models of take – make – waste drive increasing consumption, our focus remains on slowing down and becoming more circular, through our products and packaging, as well as how we operate our business.

We believe the collective discussions we have around these issues are so important, and yet another reason for developing this report. We want to hold ourselves accountable, to lead by example and to spark conversations on these complex topics. We are happy to share what we are doing, and equally happy to listen to other perspectives and learn from the work of others.

The COVID-19 pandemic has impacted our business and our team, as well as our customers, suppliers and local communities. There is a long road to recovery and uncertainty remains around the longer-term impacts and how we will need to adjust our approach as we come out of the extended lockdown in Melbourne.

Rather than reverting to business as usual, this is an opportunity to take stock and collectively re-imagine how businesses and supply chains can operate more sustainably. We believe the UN Sustainable Development Goals provide a framework to achieve this and are more important than ever right now.

My hope is that this report inspires positive change, whether big or small, and I look forward to sharing more of our story in future reports.

Erika Martin
Ethics and Sustainability Manager






IMAGE: Erika Martin during a factory visit with Wellsilk

ETHICAL AND ENVIRONMENTAL MISSION

To responsibly create products that are good for people and our planet. To support traditional trades and a circular economy whilst ensuring the creation of safe, fair and inclusive work. To operate ethically and transparently, minimise our environmental footprint and promote positive social practices.

OUR APPROACH

 PEOPLE	 PLANET	 PRODUCTS
<p>OUR PEOPLE</p> <p>We offer our employees family friendly flexible work options and a range of benefits to support health and wellbeing.</p>	<p>CARBON FOOTPRINT</p> <p>We are working towards being a carbon neutral, zero-waste business, by investing in renewable energy, becoming more energy efficient, recycling our waste and offsetting any unavoidable emissions.</p>	<p>CIRCULAR DESIGN</p> <p>We are reducing production waste, using more recycled materials, designing for long-life and developing a product take-back program.</p>
<p>COMMUNITY</p> <p>We give back to our community and support positive change by donating to local and international charities and community organisations.</p>	<p>PACKAGING + PRINTING</p> <p>We are removing unnecessary packaging, designing for re-use, and increasing our use of recycled and environmentally preferred materials.</p>	<p>OUR MAKERS</p> <p>We work with a mix of small and large independent suppliers around the globe who are demonstrating their commitment to ethical practices and environmental stewardship.</p>
<p>DIVERSITY + INCLUSION</p> <p>We value diversity, and will promote inclusiveness through our employment practices, product design and marketing.</p>	<p>ELK SPACES</p> <p>We are designing ELK spaces to be better for people and the environment by using repurposed furniture, low impact materials and eco-friendly cleaning products.</p>	<p>RESPONSIBLE MATERIALS</p> <p>We are supporting sustainable forestry, regenerative farming and clean chemistry by switching to ethically produced and environmentally preferred fibres and materials.</p>

ELK 2025 GOALS

We will continue to review and add to these goals as we progress our strategy in various areas.



CARBON FOOTPRINT

We will be a carbon neutral and zero waste business¹



TRANSPARENCY

We will trace and publish 100% of our defined tier 1 – 4 suppliers



PACKAGING

100% of packaging + printed materials will be either reusable, recyclable, or compostable



SUPPLY CHAIN

100% of our core suppliers will have globally recognised social or environmental credentials²



PAPER + CARDBOARD

At least 60% recycled or next generation paper fibre content³, with all virgin paper fibres FSC certified



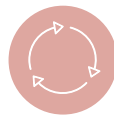
PRODUCTS

Our products will be made with at least 80% environmentally preferred materials⁴



PLASTICS

We will eliminate problematic single-use plastics from our packaging



CIRCULARITY

At least 20% of our fibres and materials will be from recycled sources⁵

1. Zero waste means 100% of waste generated from our direct business operations will be diverted from landfill.
2. Core suppliers are our direct product suppliers with greater than USD\$50K annual spend. Acceptable social or environmental credentials include certifications such as SA8000, Fairtrade, Fair Wear Foundation, WRAP, and B-Corporation, as well as participation in Better Work or Sustainable Apparel Coalition HIGG Index programs.
3. Applies to packaging and printed materials, and includes post-consumer recycled fibres and fibres from agricultural residues.
4. As defined by our ELK Preferred Fibres and Materials Guide.
5. As percentage of total annual materials usage, by weight.

PARTNERS

We are not alone on our journey. We encourage a collaborative environment that promotes sharing, learning and giving back.

We carefully select the organisations that we work with. Each partner is considered and an ongoing commitment beyond a simple signature is testament to our approach of building long term, results driven collaborations.

INDUSTRY AFFILIATIONS



CHARITIES SUPPORTED



2019–20 HIGHLIGHTS



GREEN POWER

A 77kw solar system has been installed across three of our buildings, which provides around 50% of electricity for those sites. Additional electricity is certified carbon neutral and purchased from Powershop.



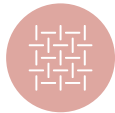
TREE PLANTING

We launched a long-term tree planting initiative working with TreeProject to support revegetation projects in Victoria. For every online order we are donating \$2 and to date we have supported the planting of 16,832 seedlings.



CLIMATE ACTION

In September 2019 we declared that this is Not Business As Usual and temporarily closed our Little Collins Street store and supported employees across our business to join the Global Climate Strike.



PREFERRED MATERIALS

We have developed and published our preferred materials guide to support our design team in selecting fibres and materials with the least environmental impact.



PREFERRED COTTON

Our organic cotton use increased from 6% to 29% of total 2019 cotton use, and we used recycled cotton for the first time in our 2019 ranges.



NEW MAKERS

We have commenced working with some impressive new makers, including Saitex International in Vietnam for our denim program and Hemp Fortex in China for hemp and organic cotton garments.



BETTER PACKAGING

We joined the Australian Packaging Covenant Organisation (APCO) and Canopy's Pack4Good initiative, committing to improving our packaging and increasing our use of recycled and sustainable materials.



REDUCING SINGLE USE PLASTICS

We have eliminated single-use plastic garment bags for our denim products and are switching to an FSC certified paper bag for the bulk of our apparel.



RECYCLING

95% of the waste from our business operations was diverted from landfill in 2019, including organic waste, paper and cardboard, soft plastics and e-waste.



ELK SPACES

Our warehouse refurbishment and two new ELK stores were designed and built using recycled and low impact materials and secondhand fixtures and fittings.



RECOGNITION

ELK was awarded the inaugural Sustainable Innovation award at the 2019 Australian Fashion Laureate, and was a finalist in the 2019 Banksia Foundation Awards.



TRANSPARENCY

We have mapped 53% of our materials supply chain, and have published a full list of our tier 1 suppliers and significantly expanded our published list of tiers 2, 3 and 4 suppliers.



IMAGE: Steph, our Assistant Retail Store Manager Preston



LOCAL AND GLOBAL

Located in Melbourne, Australia, ELK has held a steady place in the independent fashion space since 2004. The collections resonate with a global audience through sustainable and ethical practices, design refinement, trend curation and a style that is easily identifiable. With four standalone retail stores and a wholesale stockist business spanning four continents, the customer base is growing as the awareness for brands producing socially and environmentally conscious product grows.

WHERE TO FIND US

Through 2019 we saw considerable growth in our retail and online sales. This is due, in part, to the opening of two new retail stores and the launch of a new website in late 2018.

RETAIL STORES



PRESTON
395 Plenty Road,
Preston, Australia



MELBOURNE CBD
182 Little Collins Street,
Melbourne, Australia



ALBERT PARK
119 Dundas Place,
Albert Park, Australia



EASTLAND SHOPPING CENTRE
Level 2, 175 Maroondah Highway,
Ringwood, Australia

OPERATIONS

HEAD OFFICE
365 + 395 Plenty Road,
Preston, Australia

WAREHOUSE
122–124 Henty Road,
Reservoir, Australia

WHOLESALE SHOWROOM
435 Plenty Road,
Preston, Australia

AGENTS AND SHOWROOMS

USA

- Chicago
- Portland
- Boston
- New York

CANADA

- Vancouver

JAPAN

- Tokyo (Distributor)

UNITED KINGDOM

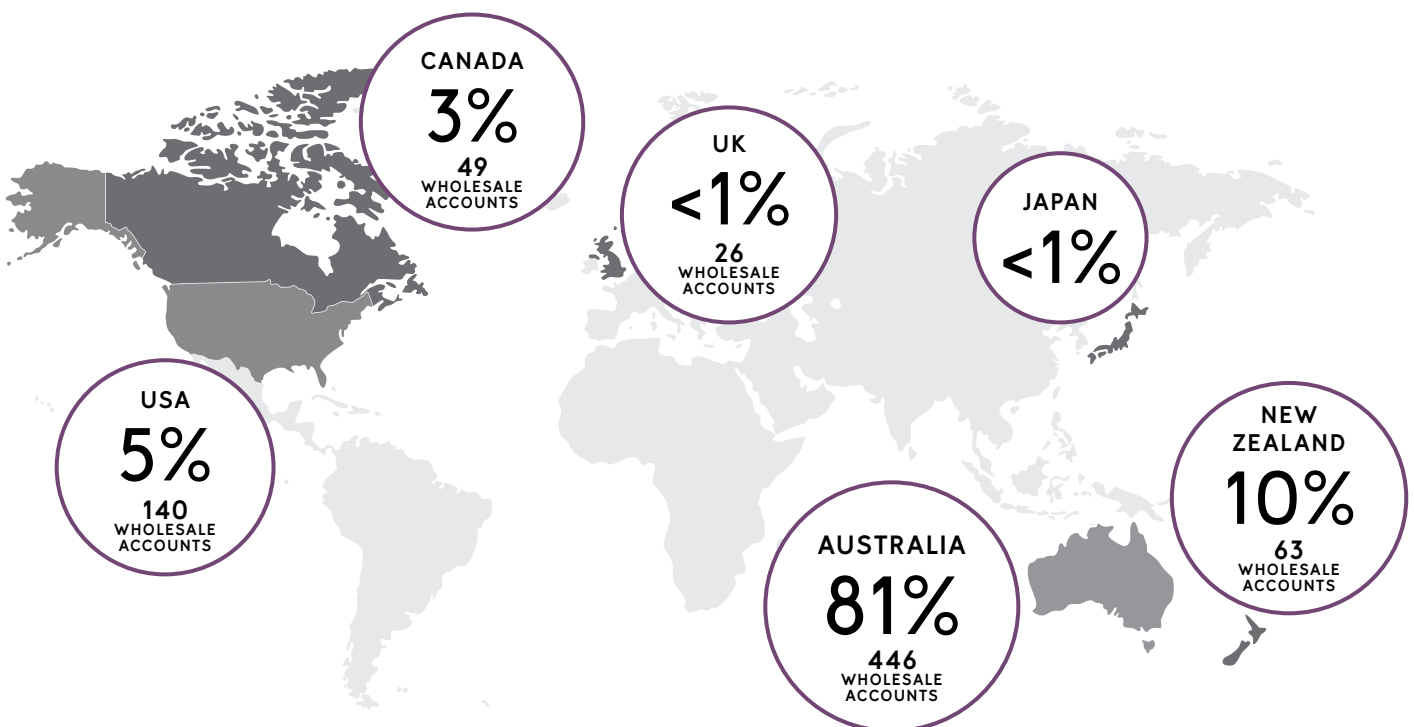
- London

NEW ZEALAND

AUSTRALIA

- Sydney
- Northern NSW
- Adelaide
- Perth
- Queensland
- Melbourne

2019 SALES BY COUNTRY



2019 SALES OVERVIEW

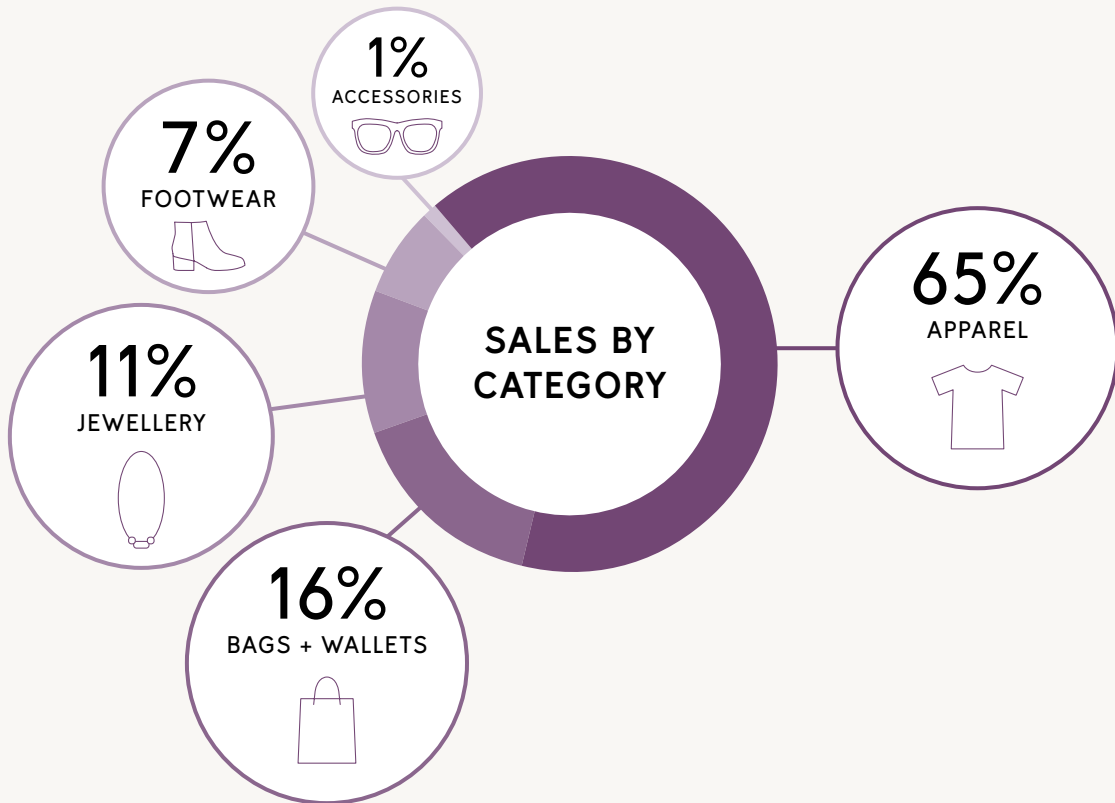




IMAGE: Beeswax wraps workshop using remnant fabrics



PEOPLE AND CULTURE

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



PEOPLE AND CULTURE MANAGER

IMAGE:
Katrina,
our People
and Culture
Manager



"As we grow and expand our influence across the local employment landscape, I look forward to maintaining what we are great at, continuing to evolve the way we work to set us up for the future, and delivering benefits back to our incredible team."

I have personally struggled with the challenges of balancing my professional career (which I love and adore) with my own health, and that of my family. I was looking for a business that aligns closely with my personal values and that genuinely puts their people at the heart of everything they do. I was looking for a business that values inclusivity, community and a genuine work life balance.

Having been with the business just on 18 months, I can genuinely say I've found it. The team at ELK are committed and connected towards achieving the same goal; they are led by a senior leadership team of strong, independent, capable leaders who empower their teams, and role model inclusivity, community and genuine work life balance.

As we grow and expand our influence across the local employment landscape, I look forward to maintaining what we are great at, continuing to evolve the way we work to set us up for the future, and delivering benefits back to our incredible team.

Our people are the reason we exist as we are today, and I'm looking forward to working closely with the team to enhance our culture into the future.

Katrina Bakht
People and Culture Manager

PEOPLE STRATEGY

OUR ELK PEOPLE STRATEGY FOCUSES ON THREE KEY PILLARS:



COMMUNITY

Giving back to our local community is an integral value of ELK. We are looking for ways to engage our team with the organisations that we work with and provide them opportunities to contribute personally in a way that's easy and meaningful for them.



FOUNDATIONS

At ELK we strive to set people up for success. We are strengthening our people foundations including regular, transparent two-way communication; clearly articulated policies and benefits; and building capability through internal training and development opportunities.



HEALTH + WELLBEING

We continue to look for ways to recognise, reward and support the health and wellbeing of our team. Our focus is on offering flexibility and a family friendly work environment, as well as a range of initiatives to support physical, mental and financial wellbeing.



"By providing work flexibility ELK demonstrates through example that you can have a viable business in tandem with a more humanistic approach where creativity thrives. There is so much opportunity for other brands to follow ELK's lead."

Nelly
Senior Marketing +
Communications Manager

ANNUAL LEAVE PURCHASING SCHEME

All permanent employees are able to purchase an additional 2 weeks Annual Leave per year

VOLUNTEER LEAVE PROGRAM

All permanent employees are provided up to 2 days paid volunteer leave per year



"We truly operate as a family: we have close, respectful friendships; we collaborate and everyone has a voice. In my role here I have the space to be innovative, my voice and my opinions are welcomed and valued. I'm pleased to know that the ELK culture aligns perfectly with my personal values – I'm really excited to be here."

Steph
Design Assistant

COVID-19 IMPACTS

As the impacts of COVID-19 were being felt around the globe, and Australian cities moved into lockdown in March 2020, we quickly moved to close our retail stores and set our team up to work from home where possible.

Our priority over the past 8 months has been to maintain regular, transparent communication with our entire team and ensure the safety and security of our people (from our warehouse team who continued to work on site throughout the lockdown, to safely transitioning our office team to working from home), and to secure JobKeeper. Throughout the second lockdown in Melbourne, we are grateful to have had the opportunity to provide redeployment opportunities for our permanent team which has provided them with meaningful work, in addition to developing a broader range of skills.

We are also mindful of the physical and emotional impacts from the extended lockdown in Melbourne and have set up a range of remote health and wellbeing initiatives, including workshops on ergonomic home offices, mindfulness sessions, online social events, and a Step Challenge to see us into our first month of Spring.

LOOKING FORWARD

An upside coming out of this lockdown period is that we have established fully flexible, effective, remote working systems and expect to be able to continue to offer our broader team flexibility with their working arrangements.

Our team consistently demonstrates a high degree of resilience as we work through this period – we continue to learn, adapt and change the way we work to ensure we stay connected as a team.

Training has been delivered remotely, which has given our team the flexibility to up-skill and connect at a time suitable to them. We have implemented a remote lunch hour, with the option for staff of joining our virtual lunch room to connect socially with colleagues; to free themselves from their home offices; or take time outside – no meetings can be scheduled during this lunch hour every day.

We are in the process of reviewing our Health, Wellbeing & Volunteer initiatives for the year ahead to ensure we can continue to provide a meaningful, inclusive offering to our entire team.

DIVERSITY & INCLUSION

The Black Lives Matter protests earlier this year have shone a light on systemic issues around discrimination against black and indigenous people of colour around the world. While we think this is a very important conversation, for ELK diversity and inclusion is a much broader topic and encompasses diversity of gender, sexuality, body size, age, ethnicity, religion, physical abilities as well as neurodiversity. The issues are complex and the considerations many, and we recognise that we still have a lot to learn about how we can be a truly inclusive business.

We are committed to engaging with people and organisations that can help us to understand and apply best practice to our policies and practices. We will take the time to ensure we are implementing meaningful and sustainable change in our business; we do not want our efforts to be token.

OUR TEAM

We are proud to have successfully established and maintained a flexible working environment, genuinely focused on work life balance. We are also proud of the significant representation of women across our Senior Leadership Team, and our ability to role model flexibility across all levels of our business. We do recognise that there is room to improve the diversity within our team and will actively work to address this.

Our intention is to have no discrimination at ELK, with employees recruited and promoted on merit. To support this, our Employee Code of Conduct contains an anti-discrimination and harassment policy.

Over the next 12 months we will seek to further explore what diversity and inclusion means to us and our team; and have reached out to Diversity Council Australia regarding diversity training for our management team. With a greater understanding of the issues around diversity and inclusion, and how we can make a meaningful difference, we will develop an ELK Diversity and Inclusion policy, including a roadmap of relevant, achievable goals for the future.

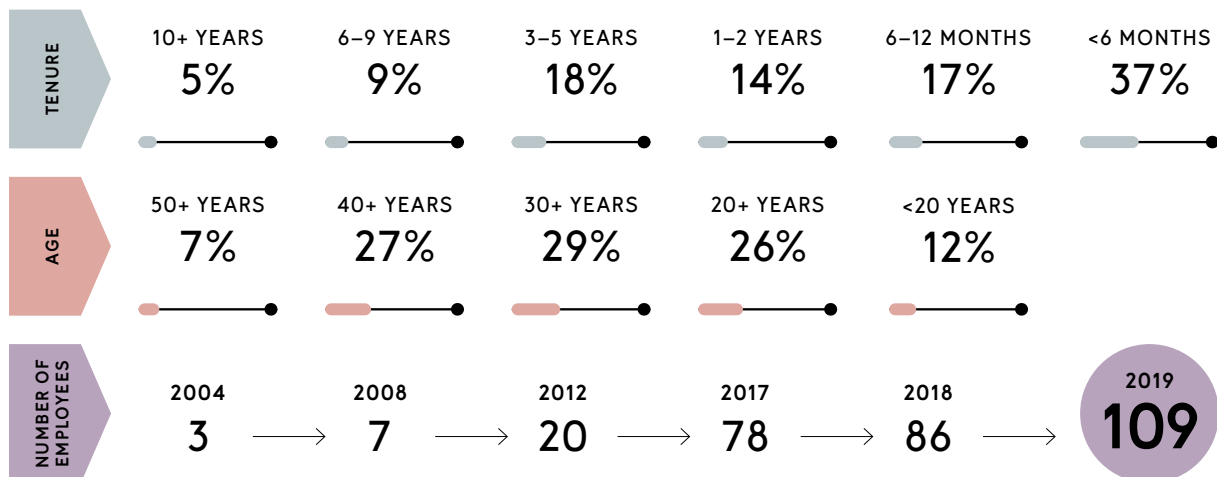
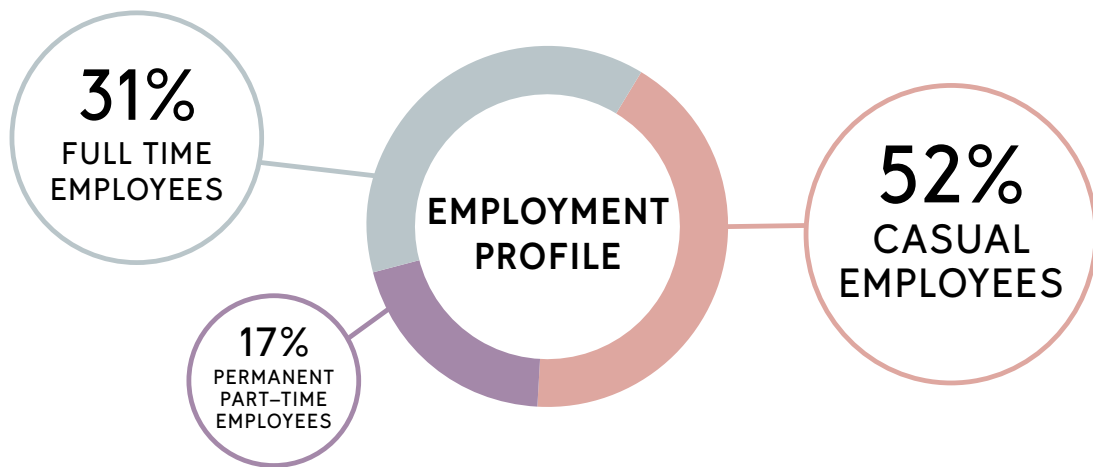
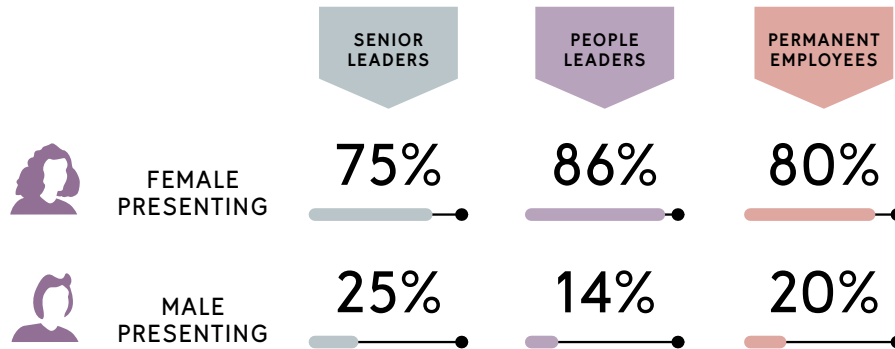
DESIGN AND MARKETING

ELK boasts an incredibly diverse customer demographic. With a customer base that spans seven different clothing sizes and can be aged anywhere from 18 to 80, we need to make sure we present our products on a variety of different people.

We select our photographic models from various agencies and work with a number of different influencers, always being mindful to represent a positive body image and working with talent from differing backgrounds and ages.

We do believe that we have some critical thinking to do around the representation of differently abled bodies and are always open to feedback from our audience particularly if we fall short of providing a sufficient and inclusive portrayal of our community.

WHO WE ARE



56%
OF ALL LEADERS
HAVE FLEXIBLE WORK
ARRANGEMENTS

60%
OF ALL SENIOR
LEADERS HAVE
FLEXIBLE WORK
ARRANGEMENTS

78%
STAFF
RETENTION

We are proud to have a strong representation of female employees through every level of our company, including our leadership team.

LEADERSHIP TEAM AND DEPARTMENT HEADS

(LEFT TO RIGHT)

Amanda McCabe-Phillips
Chief Operating Officer

Callie Dixon
Merchandise Manager

Wally
Zen master

Adam Koniaras
Co-Founder & Company Director

Marian Gilmore
Accounts Manager

Chris Borbidge
Chief Technical Officer

Katrina Bakht
People and Culture Manager

Nid Kelly
Director of Sales

Amadio Colafella
Head Designer

Nelly Phelan
Senior Marketing and
Communications Manager

Erika Martin
Ethics and Sustainability Manager

Marnie Goding
Co-Founder & Creative Director

Greta Kerstens
Acting Warehouse Manager
(Absent)







IMAGE: ELK
team members
in our bushfire
fundraiser tee's



COMMUNITY SUPPORT



FUNDRAISING

We are giving back to our local and global communities by donating to a range of charities both big and small and supporting the amazing work they do. Some of these relationships are ongoing, and others involve one-off support of a campaign or fundraising event. We give to a broad range of not-for-profit organisations throughout the year, and do not limit our options for charitable partnerships.

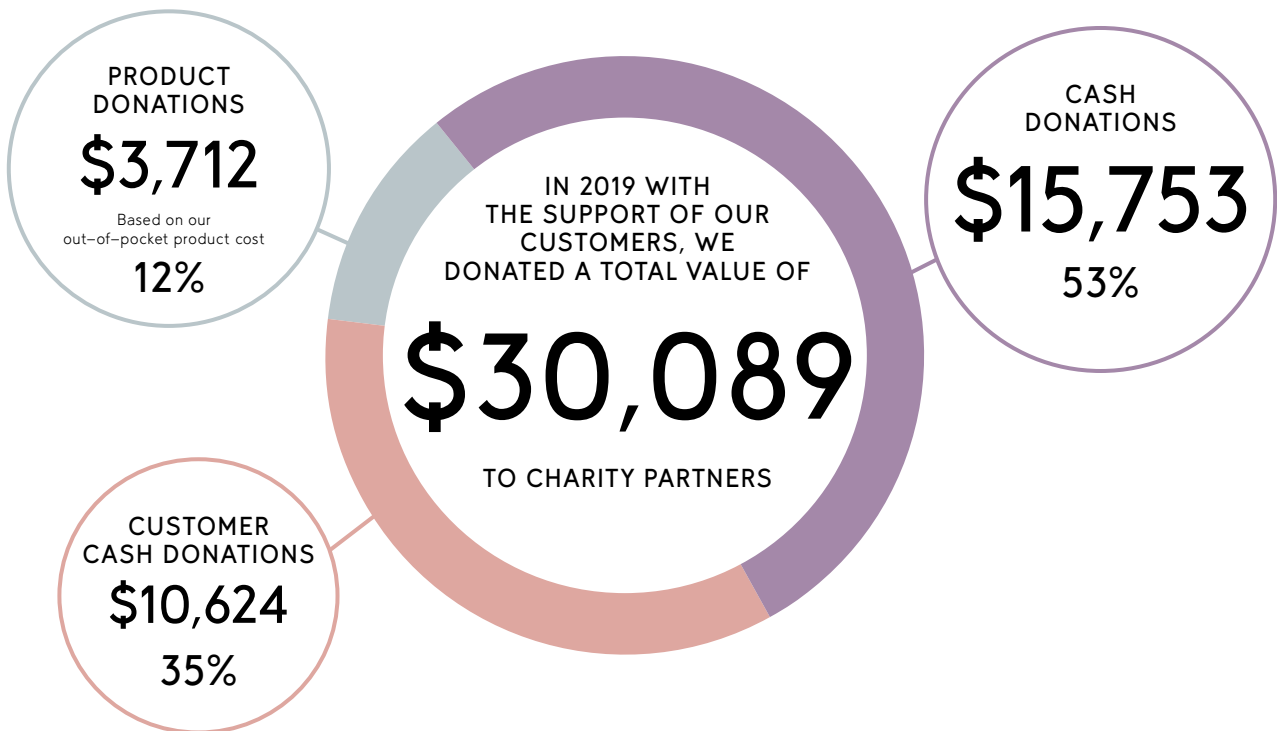
Through 2019 we donated a total of \$30,089 in cash and ELK products to the various organisations that we support. International children's charity UNICEF was the main recipient of these donations, and we were able to significantly increase our support for local charity sleepbus® through fundraising initiatives at our warehouse sales. We also donated ELK products in

support of more than 100 different fundraising events run by smaller, local not-for-profit organisations and schools.

January 2020 saw the long-awaited launch of our ELK Employee Volunteer policy, which provides all permanent ELK staff with 2 days of paid volunteer leave each year. Alongside this new policy we will be coordinating some group volunteering events throughout the year for the ELK team.

In response to the devastating Australian bushfires we coordinated a range of initiatives from November 2019 – February 2020 to support bushfire relief efforts. Along with our employees and customers we were able to collectively donate just over \$28,000.*

*These donations are not included in the 2019 data.





UNICEF

We continued our support of UNICEF throughout 2019 and into 2020 through their Platinum Champion for Children program. Along with our generous customers we donated a total of \$15,898 to UNICEF in 2019. In June 2020 we were also extremely proud to reach the milestone of having raised more than \$225K in total for UNICEF since 2011.

These funds contribute to programs both in Australia and internationally that support the world's most vulnerable and marginalised children and provide access to education, healthcare, shelter, nutrition, safe water and protection from harm.

Now more than ever the work that UNICEF do to improve the lives of children is needed. On 12 June 2020 to coincide with World Day Against Child Labour, UNICEF released a report on the impact of COVID-19 on child labour. The global COVID pandemic has already pushed millions of families into poverty and reduced children's access to education, food and health services.

In January 2020, UNICEF Australia also outlined their Bushfire and Drought Response plan, and how they would be supporting children and young people in affected Australian communities through the three stages of relief, recovery and rehabilitation.

WE WEAR AUSTRALIAN

In April 2020 we joined the We Wear Australian initiative along with a host of other amazing Australian fashion labels to raise awareness for those in the Australian fashion industry who have been deeply affected by the global COVID pandemic.

As part of this promotion we committed to donate one new piece of clothing for every five that we sold over a three week period to Thread Together, an Australian charity who clothe those in need by taking excess stock from brands and redistributing to vulnerable people.



SOCIAL PROCUREMENT - USING OUR BUSINESS SPEND FOR GOOD

In the past year we have increased our purchasing from businesses that donate a percentage of their profits. We switched our toilet paper to Who Gives A Crap and hand wash to Thankyou in 2018 and have recently started using Dirt to launder our garments. Asylum Seeker Resource Centre (ASRC) Catering supplied an amazing breakfast spread for one of our staff events in 2019 and we now have a list of social enterprise caterers that we will use for future events. Buying goods or services from a social enterprise delivers benefits to individuals and communities and is another way ELK is supporting positive social change.

TOP LEFT: ELK team making joey pouches from upcycled fabrics



TOP RIGHT: Workshopping the design of our bushfire fundraiser tee



BOTTOM RIGHT: Glossy Black-Cockatoo, photo by Jan Werger

BUSHFIRE RELIEF EFFORTS

We were heartbroken to witness the devastating bushfires that unfolded across large parts of Australia in late 2019 and into 2020. The unprecedented fires burnt an estimated 18.6 million hectares and many of our stockists, customers and even some of our team were personally affected.

With so many communities, families and native animals in need of help following these bushfires, we coordinated a response along with the help of our ELK Community to support the bushfire relief initiatives being run by some amazing organisations.

From November 2019 to January 2020 we ran an online fundraiser for Red Cross Australia, with all contributions from staff, customers and the general public matched dollar for dollar by ELK. Our initial target was exceeded and together we donated \$12,000 to support the essential work that Red Cross Australia are doing to provide affected communities with immediate emergency relief and support their recovery over the coming months and years.

The fires also had a devastating impact on our native animals with so much forest and bushland destroyed by the fires. To support the tireless work being done by Wildlife Victoria to rescue and rehabilitate injured wildlife in the aftermath, and longer term to restore and protect their habitats, the ELK team raised \$240 during a morning tea bake-off with an additional \$5,000 being donated by ELK.

ELK team members donated a collection of non-perishable food items that were delivered to our local Foodbank distribution centre, as well as holding a sewing bee at the ELK office to make joey pouches for injured wildlife.

We especially want to recognise and thank the tireless work of firefighters and emergency services who put themselves at risk to protect communities, homes, lives, bush lands and wildlife.

ELK X MEERI ANNELI

The bushfires burnt around 200,000 hectares of land on Kangaroo Island in South Australia, putting the future survival of many unique and endangered animals at risk due to loss of critical habitat, including the critically endangered glossy black cockatoo which is only found on the island.

To support rehabilitation efforts for this unique and beautiful bird, we teamed up with local illustrator Meeri Anneli to create a limited-edition tee. Meeri took her inspiration from photographer Jan Wegner who photographed this beautiful bird in its native habitat. 100% of profits earned from the sale of the tees was donated to the Kangaroo Island Glossy Black-Cockatoo Recovery Program via the Nature Foundation SA. The response to this initiative was overwhelming, and we raised over \$11,000.



OTHER COMMUNITY INITIATIVES

SLEEPBUS®

We continued our fundraising initiatives for sleepbus® and raised more than \$8,000 to support the work they do providing safe sleep spaces for people living on the streets in Melbourne. We invited staff to donate their pre-loved ELK to be sold at our two warehouse sales, with all money received being donated towards development of the "Pink" sleepbus® service specifically for women and their children and currently planned for launch in late 2020.

LAUNCH HOUSING

Launch Housing is a charity working to give those in crisis a sustainable, supported pathway out of homelessness. Their East St Kilda branch offers crisis accommodation, case management and advocacy to women experiencing homelessness in Melbourne, with many of the residents having experienced violence and trauma.

In December 2019 we donated 50 ELK leather handbags as a Christmas gift for the women staying at the East St Kilda crisis centre – a small gesture to brighten their day and show them they are valued.



WINTER CLOTHING APPEAL

Through July 2019, we ran a Winter Clothing Appeal, asking our team and our customers for donations of pre-loved coats and jumpers in all sizes. We collected around 5 large boxes worth of clothing and these were passed on to two inspiring local charities, Big Group Hug and Hayden's Helping Hands. ELK also donated \$1,500 to Hayden's Helping Hands to support their work providing food, clothing and connection to people experiencing homelessness in Melbourne.



LEFT: Edwina and Amadio wrapping gifts for women staying at Launch Housing

RIGHT: Adam and Hayden from Hayden's Helping Hands loading donations from our Winter Clothing Appeal

WALK IN HER SHOES

For the week leading up to International Women's Day 2020, we took part in CARE Australia's Walk in Her Shoes challenge. CARE Australia are a charity working to create a more equal world for women and girls. The money raised through this initiative helps them provide women and girls with the education and life-skills they need to build a better, brighter future.

The ELK employees that joined the challenge formed teams and pledged to walk 10,000 steps each day for 7 days. As well as being great fun we raised a total of \$703 for CARE Australia.

LOOKING FORWARD

Over the past 18 months the Australian bushfires closely followed by the global COVID-19 pandemic has meant globally more people are in need of support. Our business and many of our wholesalers have also been significantly impacted by these two disasters. During this period we still launched our tree planting project and have continued on with our UNICEF fundraising along with other small initiatives.

While we are not actively seeking opportunities right now beyond our core ongoing relationships, we also haven't had the same level of enquiry for product or financial support that we have had historically. So, this means that for the next 12 months these figures will look quite different. As we start to open back up again and work on recovering from the financial losses, we will resume our efforts to support our community and charity partners.



IMAGE: Our kitchen garden



OUR FOOTPRINT

6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



3 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



REDUCING OUR IMPACT

Over the past year we have continued to work towards our goals of being a carbon neutral, zero waste business.

We are doing this by investing in renewable energy, installing energy efficient lighting and equipment, increasing our recycling and composting our organic waste. We are also redesigning our packaging and printing to have a lighter environmental footprint.

We know more needs to be done to reduce our environmental footprint and we will continue to set the bar high and challenge ourselves to improve what we do.

CARBON FOOTPRINT

We measured our organizational carbon footprint again for CY2019 with the support of the Carbon Reduction Institute, looking at the scope 1, 2 and 3 emissions from our electricity and gas use, fuel consumption, waste, corporate flights and staff travel.

The results show that our overall carbon emissions have increased by 22% over the past year to 257 tCO₂e (up from 211 tCO₂e in CY2018). The biggest increases were seen in staff travel and flights, mainly due to the growth of the business including opening two new stores and additional staff joining our team.

These carbon emissions have been 100% offset through a combination of purchasing carbon neutral electricity through Powershop and carbon credits from China Wind Projects.

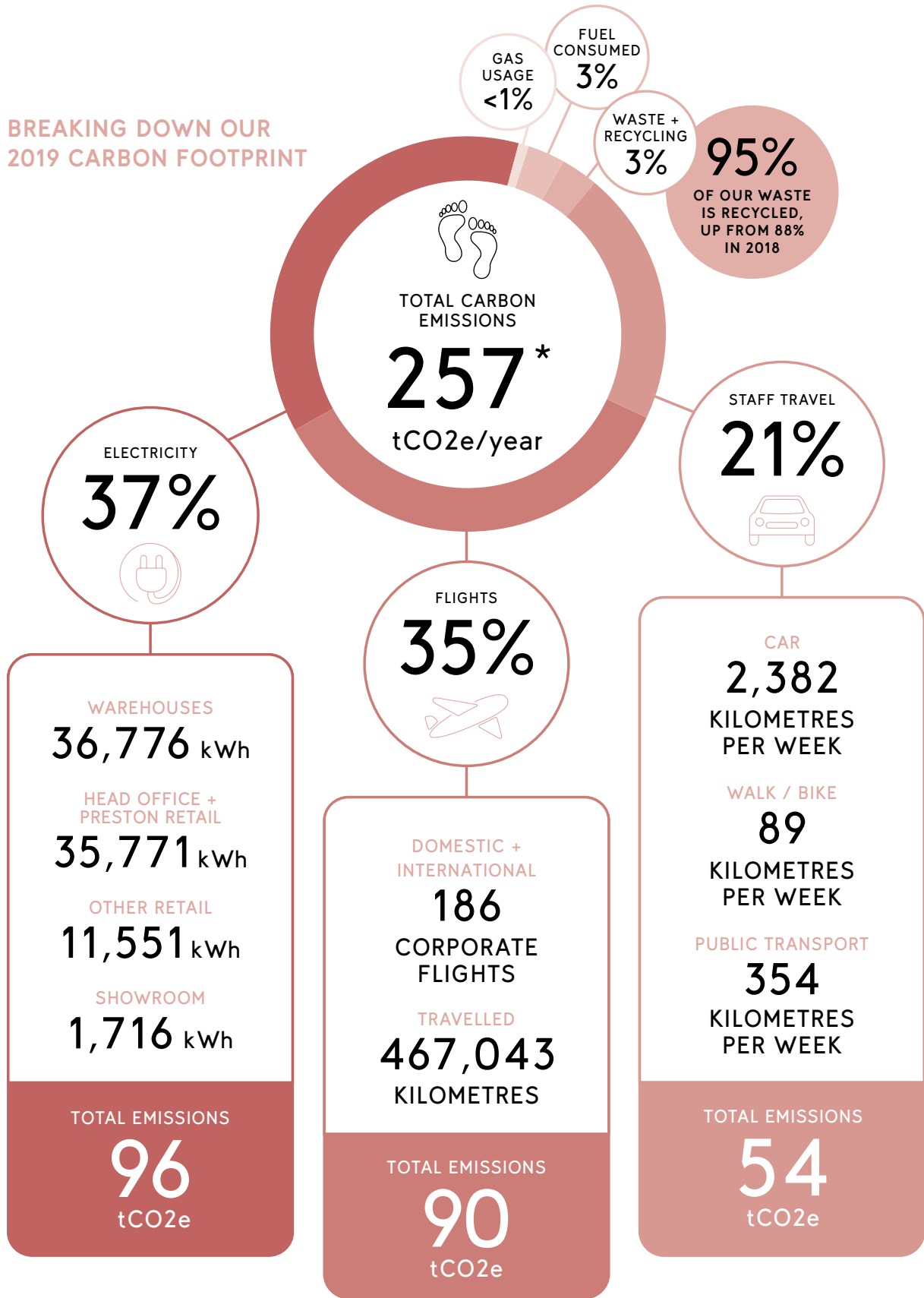
ENERGY

The most significant energy project undertaken over the past year has been the solar installations across three of our buildings, through the Darebin City Council Business Solar Savers program. We have installed 77kw of solar panels, providing around 50% of the electricity for these three sites, and also putting electricity back into the grid. Remaining electricity is sourced as carbon neutral through green electricity retailer, Powershop.



IMAGE: Newly installed solar panels at our Preston location

BREAKING DOWN OUR 2019 CARBON FOOTPRINT



Note – A correction has been made to our CY2018 total carbon footprint, which was overstated in our 2019 Transparency Report due to the waste footprint calculation being too high. Corrected total CY2018 carbon emissions for ELK are 211 tCO₂e, with emissions from waste of 6.81 tCO₂e (3%).

*This figure represents our partial organisational footprint, covering scopes 1, 2 and 3 emissions from our electricity and gas use, fuel consumption, waste, flights and staff travel.



WASTE AND RECYCLING

We are passionate about achieving our goal to be a zero-waste business and we follow the principles of refuse, reduce, reuse and recycle. Our aim is that nothing from our business should go to landfill.

In 2019, 95% of our waste was diverted from landfill and recycled, compared to 88% in 2018 – a great result!

2019 was a challenging year for recycling in Australia and particularly in our local area with the closure of a major recycling contractor. Unfortunately, there was a short period of time during the year that the co-mingled recycling collected by councils was going to landfill, but thankfully that has now been resolved. The price of paper pulp has also dropped significantly, making this a less desirable material to recycle for contractors and as a result the cost to recycle paper and cardboard has increased.

On a positive note, we were able to gradually downsize the permanent skip bins in our warehouses and these have now been eliminated so that we are only using a few small council bins for our weekly landfill waste. Our worm are busily working to compost our organic waste, with the worm farms operating at full capacity.

PONYUP FOR GOOD

Our e-waste is recycled through social enterprise, PonyUp For Good, who work with recycler MRI to refurbish and resell usable old tech with 50% of the profits donated to SecondBite.

OUR 2019 DONATIONS TO PONYUP RESULTED IN:

 **108kg** OF TECHNOLOGY KEPT OUT OF LANDFILL

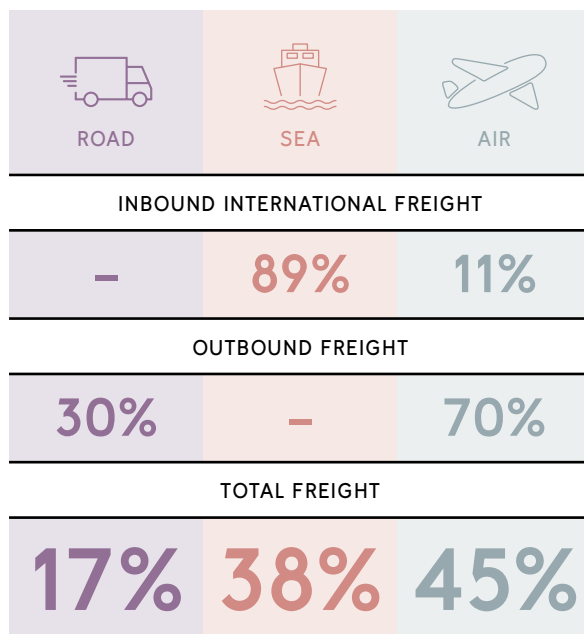
 **6.5%** OF TECHNOLOGY REUSED

 **133** FRESH MEALS DONATED TO SECONDBITE

FREIGHT AND TRANSPORT

We continue to preference sea freight rather than air freight for our bulk inbound products; however, this is not always possible due to unforeseen supply chain delays. In 2019 we significantly decreased our inbound airfreight percentage, resulting in 11% goods sent by air down from 21% by air in 2018.

We will continue to review opportunities to decrease our reliance on airfreight into the future.



NOT BUSINESS AS USUAL

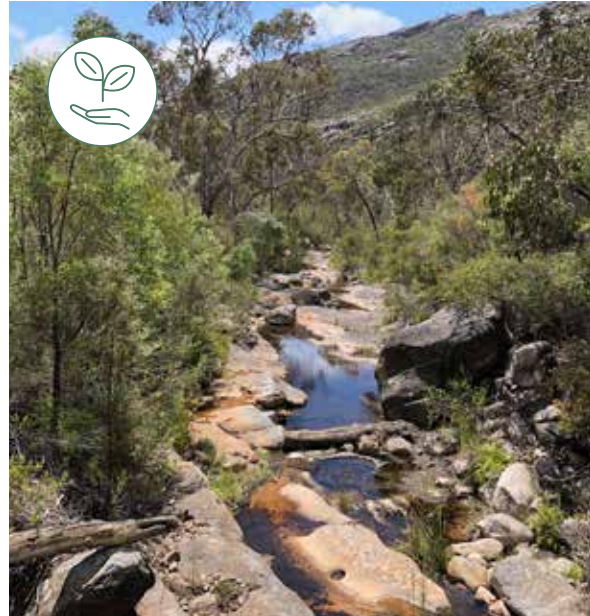
In September 2019 we joined a group of businesses across Australia and New Zealand and around the globe declaring that taking action on climate change is not business as usual. As part of this initiative we supported staff from right across our business to join the climate strike in Melbourne by offering them paid leave, and we also closed our Little Collins Street store during the strike to allow staff from that store to participate.



IMAGE: Some of the ELK staff who attended the Melbourne Climate Strike

A NEW WAREHOUSE

Our online and bulk warehouses are now housed under the one roof at our Reservoir site. Aside from providing the warehouse team with a much more comfortable and efficient working environment, this move eliminates the need to transport stock between the two warehouses which significantly reduces fuel use and kilometres travelled by our delivery vans.



LEFT: Adam, ELK co-founder, in our new warehouse space

RIGHT: Native Australian vegetation

TREE PLANTING

Planting trees is one of the most cost effective and scalable ways that we can mitigate climate change. Trees sequester carbon as they grow, by removing carbon dioxide from the atmosphere and converting it to oxygen. In Australia we were also faced with the devastating destruction of large areas of native forests due to the unprecedented bushfire season this year. In response, we are turning our focus to tree planting and looking at ways that we can incorporate this into our business activities. In April 2020 we launched a tree planting initiative with \$2 from every online order donated to Victorian not-for-profit TreeProject to support their revegetation work. Every \$2 donated assists in getting one seedling planted.



BIKE HOOPS

With the support of Darebin City Council we have installed bike hoops outside our office and warehouse to support staff riding to work, as well as customers who are riding to our Preston store or warehouse sales.



KITCHEN GARDEN

We have established two wicking garden beds to grow herbs and vegetables for use by the ELK team. Thanks to Darebin City Council for their generous donation of one of these beds. We plan to host two beehives as the next addition to our garden, sitting alongside our fruit trees.



PLASTIC FREE JULY

We participated in Plastic Free July by holding a beeswax wrap making session for the ELK team at our office. We used remnant ELK fabric to make more than 30 wraps in a range of sizes for staff to use at home instead of plastic clingwrap.

PACKAGING AND PRINTING

While we recognise the important role packaging plays in protecting ELK products during transport to ensure they arrive in our warehouse and to our customers in good condition, there is a significant environmental cost in the production and disposal of these items. We are working to reduce these impacts by continuing to review and improve our packaging and other printed materials.

OUR PACKAGING GOALS

Our approach to more sustainable packaging is to eliminate packaging where possible and switch to using recycled or environmentally certified materials. We are also exploring reusable options and ensuring all packaging is either recyclable or compostable at its end of life.

We have set out the following goals for our packaging, which align with the Australian government 2025 National Packaging Targets and our commitments as part of the Canopy Pack4Good initiative:

BY 2025:

- All ELK packaging will be reusable, recyclable or compostable.
- At least 60% recycled or next generation paper fibre content,¹ and 100% of virgin paper fibres will be FSC certified.
- At least 50% recycled content across all ELK packaging.
- All problematic or unnecessary packaging, including single-use plastic packaging, will be phased out.
- We will move from single-use formats towards reuse models where possible.

OUR PROGRESS

Over the past year we have continued to improve the bulk packaging we receive products in from our suppliers. This project included a review of the individual packaging components and formats from each supplier and product category to identify opportunities for improvements. Some of the changes that we have made include:

- Replacing our plastic poly garment bags with a lightweight paper tissue bag that is sustainably forested (FSC certified), recyclable, compostable and biodegradable. A wide range of bag options were considered and sampled, and we have selected this paper bag because it can be readily recycled by our warehouse and wholesale customers. These bags are currently being phased in with all apparel suppliers throughout 2021.
- The redesign of our shoebox, now made from a lighter weight, unbleached, recycled board.
- Designing FSC certified recycled swing tickets for our apparel, and these are being phased in from S20.
- Our denim and some other garments are now roll packed and tied with compostable raffia or denim offcuts, and bulk packed into a carton with a single poly bag plastic liner.
- Eliminating plastic shoe inserts and replacing with a recycled cardboard option when needed.

In addition, we are removing all unnecessary individual plastic poly bags and other plastic wraps. Wherever paper is required for padding or additional protection within cartons, we are working with suppliers to ensure this is either recycled or FSC certified.

Our commitment to sustainable packaging and specific requirements for apparel suppliers have been shared with them through our newly created ELK Supplier Packaging Guideline document.

IMAGE:
Garments packed in old style plastic garment bags of the left, and packed in new paper garment bags on the right



1. This applies to packaging and printed materials, and includes post-consumer recycled fibres and fibres from agricultural residues.

PACKAGING SNAPSHOT



GARMENT BAGS

Use: Apparel
Material: Glassine FSC accredited paper printed with water based inks
Next Steps: Roll out across all suppliers



APPAREL TYING

Use: Denim product from select suppliers (Hemp Fortex + Saitex)
Material: Denim offcuts or raffia



REUSABLE BULK LINERS

Use: Wooden jewellery from Earth Works
Material: Upcycled rice bags
Next Steps: Complete trial and implement ongoing usage



REMNANT JEWELLERY POUCHES

Use: Instore and online jewellery purchases
Material: Remnant fabric from apparel production



FELT JEWELLERY POUCHES

Use: Instore and online delicate jewellery purchases
Material: Recycled polyester



SHOEBOXES

Use: Footwear packaging
Material: 100% unbleached recycled kraft board



PRODUCT TICKETING

Use: All product
Material: Recycled paper and organic cotton
Next Steps: Roll out with all suppliers



CARTONS

Use: Online consumer and wholesale orders
Material: 100% recycled bleach-free board printed with biodegradable vegetable inks, made in Australia



MAILING SATCHELS

Use: Online orders when cartons are not suitable
Material: Certified home-compostable corn starch



PROTECTIVE PACKAGING

Use: Online consumer and wholesale orders
Material: Re-purposed perforated cardboard wrap made in-house or perforated FSC certified kraft paper wrap



PRINTED PROMOTIONS

Use: Consumer and wholesale
Material: FSC certified paper stocks, preference for recycled stocks



BANNERS

Use: Wholesale instore display
Material: 100% organic cotton
Next Steps: We have discontinued these for future ranges and continue to upcycle old ones



GIFT BOXES

Use: Gift wrapping
Material: Uncoated paper (unknown source)
Next Steps: Re-sourcing in sustainable material



RIBBON

Use: Gift wrapping
Material: 100% organic cotton



RETAIL BAGS

Use: Instore
Material: 100% recycled paper printed with soy-based inks and with organic cotton handles from 2021

IMAGE: Denim garment from Hemp Fortex tied with raffia



A NOTE ON MATERIAL CHOICES

There are pros and cons with using different materials and it is hard to make a perfect decision when considering all the variables. Single-use plastic is made from non-renewable fossil fuels and is extremely problematic when it ends up in landfill or as litter in the environment. Soft plastics are also much less likely to be recycled than a material such as paper or cardboard. Although we recognise that plastic is an important material in some industries, we do not think there is a place for single-use plastics in our supply chain.

As we are removing single-use soft plastics from our packaging, we are introducing more paper-based options. We are mindful to not reduce environmental pressure in one ecosystem, such as plastic pollution in oceans and on land, just to increase it in a different one, such as deforestation and forest degradation resulting from paper production.

To reduce this risk, our preferred option for paper is post-consumer recycled fibre and, where this is not available, we will ensure the paper fibres are sustainably forested. Where a soft plastic is required to be used, we will look for recycled options. We also use some certified compostable bio-plastic in our online packaging, however commercial composting options for these are currently limited, so we are continuing to monitor developments in this area.

All single-use packaging, whether plastic or plant based, has an ecological impact and we need to find the right balance between low impact materials, packaging that is fit for purpose, practical end of life solutions and cost considerations.

CHALLENGES

Although we have made some great progress with improving our packaging, there have been some obstacles along the way and there are still some problematic packaging components that we do not currently have a solution for.

One challenge has been availability of the sustainable options that we are searching for and, when we do find them, we are often faced with significantly higher prices or unworkable minimum order quantities. This is improving rapidly as more options are becoming available and production is scaled up due to greater demand.

Another consideration for us when selecting materials is the end of life recovery options available, and in some cases even if a material is technically recyclable there is insufficient infrastructure for recycling or composting on a larger scale for it to be practical.

We are encouraged by the investment and innovation into more sustainable and circular packaging solutions and will continue to explore new options as they become available.

CANOPY PACK4GOOD

To further support our commitment to source sustainable paper-based packaging, we joined the Canopy Pack4Good initiative in June 2020. We are very proud to be working alongside Canopy and the other participating brands to meet the shared goal of ensuring our paper-based packaging does not include fibre sourced from Ancient and Endangered Forests by the end of 2022. We are committed to protecting forests by increasing the use of recycled fibre and smart design for our packaging and shifting our supply chain towards next generation solutions.

AUSTRALIAN PACKAGING COVENANT ORGANISATION (APCO)

As members of the Australian Packaging Covenant Organisation (APCO), we have established a packaging action plan and are applying the Sustainable Packaging Guidelines (SPGs) to all new and revised packaging formats. We also reference the APCO Collective Impact Framework and their 2025 recycled content targets for individual materials to inform our packaging strategy and goals. Our first annual report with APCO is due by 31st March 2021, and we look forward to sharing our progress through this platform.

PRINTED MARKETING MATERIALS

We produce a range of printed materials throughout the year to support our seasonal collections, including catalogues, post cards and in-store signage. Key environmental issues for printers are air pollution from the solvents used, handling and disposal of chemical and solvent waste and the energy consumed during the printing process.

All of our marketing material is locally printed. We are transitioning all our print work over to our preferred print supplier and working to the following standards:

- Paper stock: Ecostar 100% post consumer recycled
- Digital printing: HP Indigo printing with ElectroInk
- Offset printing: Vegetable based inks
- Print method: Gang printing to minimise waste

ELK FIT OUTS

Over the past eighteen months we have opened two new ELK retail spaces, and relocated our warehouse. Through the design process for all three projects we aimed to keep the environmental footprint as small as possible. Our approach was to use low impact materials and design for durability to extend the life of the fit-outs.

Wherever possible we have used recycled and refurbished materials as well as fixtures and fittings such as shelving and furniture. Where new materials were required, we have looked for environmentally sustainable options. Low VOC paints and adhesives have been used in the finishing. Energy efficient lighting and appliances have been installed where needed.

ALBERT PARK STORE

For our Albert Park store we were excited to connect with a local shop fitter that was highly engaged with our request for sustainable options and proactive in finding solutions for us. Our intention was to create a modular system using a simple and clean linear design that we could move and relocate as required and allow them to be reused in other stores and projects.

These modules were constructed with E0 grade MDF, and the paint applied was low VOC and cleaned up onsite using the Envirowash system. Recycled oregon salvaged from train yards was used for the timber drawer bases, and all existing lighting was replaced with energy efficient LED lamps.



TOP RIGHT:
Eastland store
front

BOTTOM LEFT:
Albert Park
store interior

EASTLAND STORE

Our Eastland Store opened in late 2019, and a key consideration in our decision to take the space was that the previous tenant had left behind most of the fixtures and fittings, including mannequins, coat hangers, jewellery rises, and point of sale equipment. We were able to keep the environmental footprint of the new fit out low by refurbishing and reusing what was already there. Any items we could not use were either donated or stored for use in the future. The only new item purchased for the store was a single chair from a local maker.



HENTY STREET WAREHOUSES

Comfortable work environments are critical to success not only in terms of productivity, accuracy, and efficiency but for a happy team as well. Our move in February 2020 to a new, purpose designed warehouse space gave us the opportunity to rethink our workflows and consider what elements can help guarantee success for all parts of the business.

We fitted out this space by reusing, refurbishing, and upcycling as much of the existing infrastructure as possible. Almost all major acquisitions were purchased second hand, including 95% of the warehouse racking and furniture for the staff kitchen. The work benches, office furniture and other warehouse equipment was brought across from our existing warehouse.

We were unable to purchase a secondhand kitchen, so this was custom manufactured for us and incorporated low VOC paints, energy efficient appliances and LED lighting as well as water efficient tapware.

The space is large and bright with a huge amount of natural light. However, as a working warehouse facility it has a very industrial atmosphere. To soften the space and improve air quality we are planning to place a range of indoor plants throughout the building.



IMAGE: Newly refurbished Henty Street warehouse



IMAGE: End-of-roll
ribbon offcuts



TOWARDS ZERO WASTE

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



REMNANT AND DEADSTOCK MATERIALS

As designers we are adaptive. It is in our nature to find creative solutions and our desire to increase the use of pre-existing materials is one such creative challenge that means we have to think about our design process differently.

Usually we create new products starting with an idea, a sketch or a re-imagining of an existing product. We then assign a material to the design to achieve a look, feel or specific fit. We have a stockroom of materials that we like to use time and time again because we know they perform and that our customers have been happy with them.

We are acutely aware though, that within each market and with many suppliers and mills there are stocks of ready materials called remnant or deadstock. One of our major commitments is to increase the use of such materials in our bid for zero product waste and to reduce the impact of making new materials.

REMNANTS are offcuts or over ordered fabrics with from tier one suppliers.

DEADSTOCK materials in larger quantities or uncut meterage with our tier two and three suppliers from calculation errors, production mistakes or overruns from orders from a variety of clients. Incorrect fabrics are still in A grade condition – just not to a designer’s brief.

Our aim in using remnant and deadstock materials is to:

- Divert materials that may have been destined for landfill into useful products, particularly for less stable materials that have a limited shelf life (eg leather), or from down-cycling (eg fabric as furniture filler).
- Take responsibility for our own production offcuts or overruns in our commitment to zero waste.
- Make limited run items, more quickly – something we normally can’t do – as the materials are ready to go. This allows us to inject limited edition pieces.

Our remnant program incorporates either remnant or deadstock materials.

REMNANT FACE COVERINGS

In response to government guidelines to wear appropriate face coverings in public to help reduce the spread of COVID-19, we have produced masks from our remnant fabric. We are selling these through our online platform with 100% of the profits to be donated directly to the Asylum Seeker Resource Centre (ASRC).

The ASRC is Australia’s largest human right’s organisation, supporting people seeking asylum and empowering them to live safely, sustainably, independently and equally. The ASRC does not accept any Federal Government funding and relies on the generosity and compassion of the community. Donations enable the ASRC to implement programs that support people with their basic needs and help them maximise their own physical, mental and social well being.



IMAGE: Masks made from remnant fabric

100%
OF PROFITS
DONATED TO



IN 2020
WE MADE

1300+

GARMENTS FROM
OUR REMNANT
FABRIC

4

CLASSIC ELK
TOP STYLES

17

COLOUR + PRINT
VARIATIONS



IMAGE: Model wearing shirt constructed from remnant fabric



BOOMERANG BAGS

We continue to support Boomerang Bags with regular fabric donations. Their volunteer sewers use this fabric to create their recycled and reusable bags. These bags are sold through the ELK retail stores, with all profits going back to Boomerang Bags.



REPAIRS

We offer a repair service in an effort to avoid products being discarded. Where possible, we will repair ELK items regardless of age. This is often done free of charge or for a small fee depending on the circumstances.



WOVEN LABELS

We have developed recycled polyester woven labels to be sewn into garments. These are being phased in now.



ELK REWEAR PROGRAM

As part of our commitment to circularity and taking responsibility for our products throughout their whole lifecycle, we are very excited to be launching our long-planned product take-back program – ELK REWEAR.

We plan to launch this program in 2021 and will set up a repair studio and extensive recycling program.



FIBRE RECYCLING FACTORY

ELK visited the Novetex recycling factory, The Bille, in Hong Kong. This visit has resulted in one of our knitwear suppliers sending their production waste to this factory for recycling.



UPCYCLED JEWELLERY

We donated approximately 950 items to four local schools who used them for a range of projects, including Christmas decorations and a Zero Waste Art Project.



RIBBON OFFCUTS

We donate our ribbon and other material offcuts to local primary schools to use for art and craft projects.



LEATHER SCRAPS

RMIT's School of Fashion and Textiles is taking approximately 20kg of our leather scraps to use for design projects in late 2020 when they reopen.



BEES WAX WRAPS

ZERO WASTE INITIATIVE

We love that many of the initiatives we have brought into the workplace have filtered into the homes of our team. In order to encourage this and to showcase the talents of some of our crew we are running small workshops throughout the year on DIY projects like making Bees Wax Wraps (run during Plastic Free July!).

Using remnant cotton fabric from our Summer 17 collection, a few kilos of pure, locally sourced bees wax, and our (ancient) oven, we made around 30 wraps which we all took home to use. We love these sessions as they are quick, engaging, use waste and result in something functional that replaces a less eco friendly, domestic consumable.

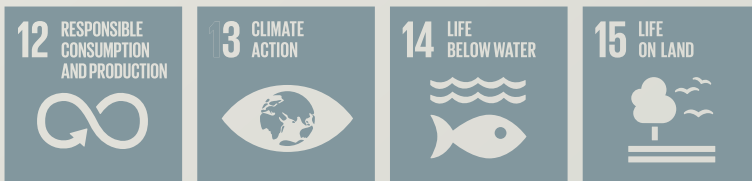




IMAGE: Raw cotton



MATERIAL MATTERS



PHASING OUT THE CONVENTIONAL

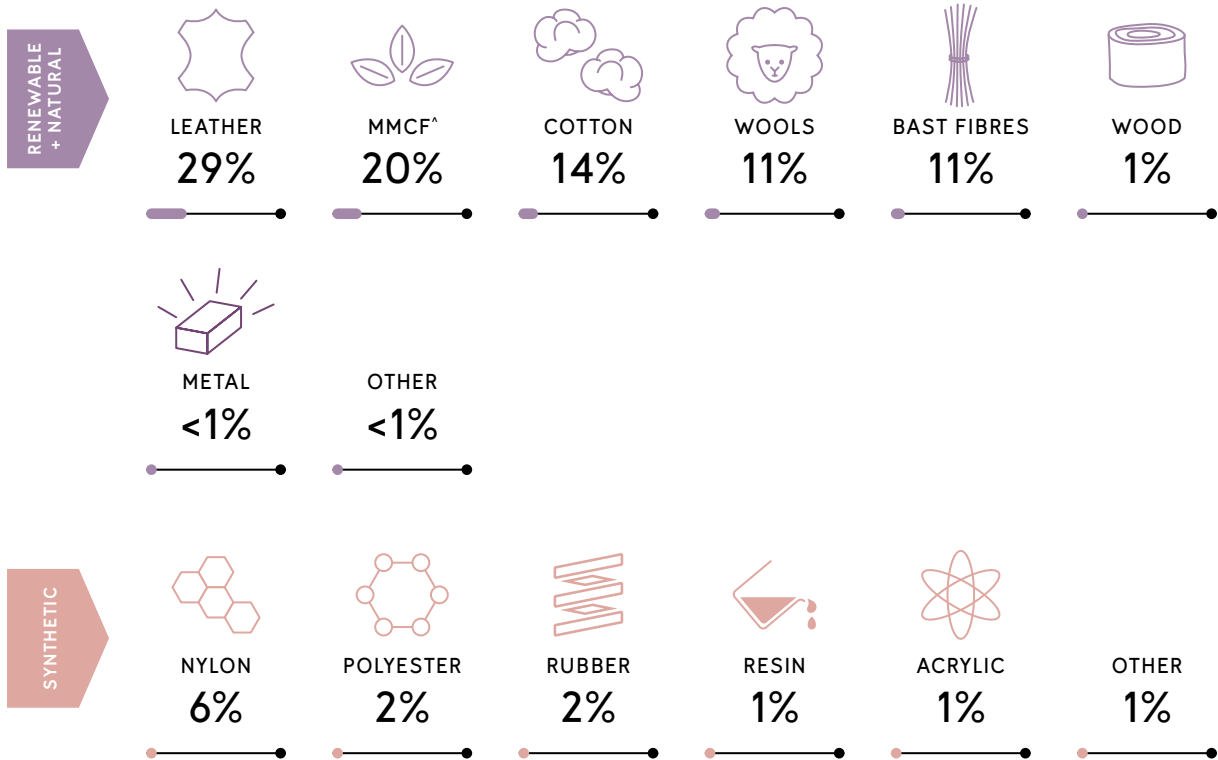
Our efforts are firmly focused on where we have the greatest environmental footprint. This is through our materials, and we are replacing what we can with more sustainable options. To do this we have created a material and fibre sourcing guide and rating system to help our design team make preferred materials choices.

Across every category all material choices are under review – from the leather we use to the thread we stitch our garments with. The key considerations for switching to a new material or trim is based on the material having the following:

- A smaller environmental footprint
- Transparency or clear provenance
- Quality, performance and durability
- Recyclability /circularity
- Wearability
- Affordability
- Certifications

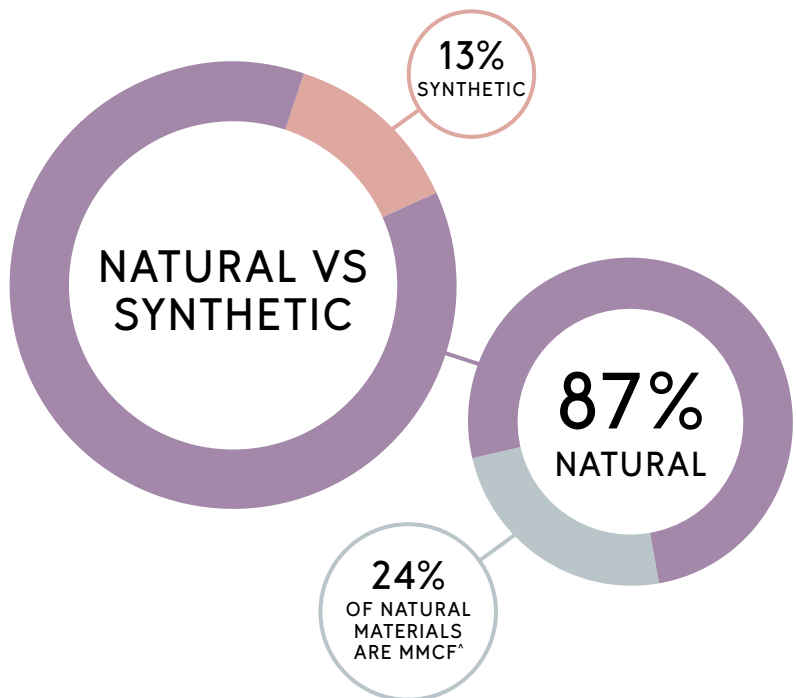
Our preference is to maintain price points to be as close to what we currently offer however the reality is that more sustainable options are always more expensive. So our prices are increasing, and we need to communicate the “why” of this to our customers; not letting price goals prohibit the use of more sustainable materials and trims.

TOTAL 2019 MATERIAL USE BY WEIGHT*



NATURAL VS SYNTHETIC

We prefer to work with natural materials, that are renewable and biodegradable. We recognise that conventionally produced natural materials aren't always great for the environment, so we are transitioning to using certified environmentally preferred natural materials that have a smaller environmental footprint. We will keep our use of synthetics to a minimum, and only use them where required for performance. Where we do use synthetics, our aim is to only use recycled fibres to reduce the embodied impact and support circular systems.



*Figures based on 2019 unit purchases, product weight and composition. Where data was not available, we have used averages to calculate as accurately as possible. Data excludes trims and hardware.

[^]Man-made cellulosic fibres

MATERIAL SOURCING GUIDE

To guide our design team when fabrications are being sourced for our collections, we have put together an ELK Preferred Fibres and Materials guide which breaks down the materials we work with by category based on their ethical and environmental credentials, as well as our approach to sourcing responsibly. The A & B categories make up our preferred fibres and materials, aligned with our 2025 materials goals. Our aim is that by 2025, ELK products will be made with a minimum of 80% ELK preferred materials.

PREFERRED FIBRES AND MATERIALS		
A	B	C
TOP PERFORMER	GREAT OPTION	COULD BE BETTER
<p>These low impact materials are our first choice for ELK products, and include options that are renewable, biodegradable, recycled, as well as sustainably grown and processed.</p>	<p>These materials have strong environmental credentials, and are a better choice than most. Where a top performer is not available, we consider these to be a great option.</p>	<p>We will continue our search for more sustainable or certified options for these materials.</p>
COTTON (RECYCLED)	COTTON (ORGANIC)	COTTON (TRANSITIONAL)
LINEN (ORGANIC/NATURALLY RETTED)	COTTON (FAIRTRADE)	BAMBOO VISCOSE
HEMP (ORGANIC/NATURALLY RETTED)	COTTON (myBMP – AUSTRALIAN)	LYOCELL (GENERIC)
TENCEL™ LYOCELL	LINEN (CONVENTIONAL)	WOOL (VERIFIED NON-MULESED)
TENCEL™ LYOCELL FIBRES WITH REFIBRA™ TECHNOLOGY	HEMP (CONVENTIONAL)	SILK (CONVENTIONAL)
TENCEL™ MODAL	JUTE	LEATHER (FULL VEGETABLE TANNED)
NEXT GEN MMCFs (RECYCLED TEXTILES + AGRICULTURAL WASTE)	LENZING™ VISCOSE	LEATHER (LWG)
LENZING™ ECOVERO™	BAMBOO LYOCELL	WOOD (UNCERTIFIED)
BIRLA CELLULOSE™ LIVAECO	BEMBERG® CUPRO	RESIN
WOOL (RECYCLED)	MMCF "GREEN SHIRT" RATED (CANOPYSTYLE)	RUBBER (SYNTHETIC)
ALT LEATHER (PLANT DERIVED)	NAIA® TRIACETATE	POLYURETHANE
WOOD (RECYCLED)	WOOL (ORGANIC)	
	WOOL (RWS)	
	SILK (ORGANIC / PEACE)	
	LEATHER (RECYCLED)	
	LEATHER (REMNANT)	
	RECYCLED SYNTHETICS (POLYESTER, NYLON & ELASTANE)	
	WOOD (FSC / PEFC)	
	CORK	
	NATURAL RUBBER	

PERCENTAGE OF 2019 BUY BY WEIGHT



D	E	?
PHASING OUT	WE AVOID	STILL RESEARCHING
We are working to phase these materials out, however if they are needed for performance and a better option isn't available, we will use them if less than 10% of the total composition.	These materials are not produced in an ethical or environmentally responsible way, and we will not use them.	We are still researching these materials and will look to rate them in the future.
COTTON (CONVENTIONAL)	UZBEKISTAN COTTON	YAK
	TURKMENISTAN COTTON	ALPACA
WOOL (CONVENTIONAL, MULESED)	MMCF "RED SHIRT" RATED (CANOPYSTYLE)	CELLULOSE ACETATE
VISCOSE /RAYON (CONVENTIONAL)	MOHAIR (ANGORA GOAT)	BIO-BASED SYNTHETICS (PLA, PET, PTT)
SYNTHETIC FIBRES (VIRGIN)	CASHMERE (GOAT) CONVENTIONAL	METALS
LEATHER (CONVENTIONAL)	ANGORA (RABBIT)	GLASS
	COW HIDES FROM BRAZIL	CERAMIC
		TRIMS

Key sources referenced: Textile Exchange 'Preferred Fiber & Materials Market Report 2019', Sustainable Apparel Coalition Higg Material Sustainability Index (Higg MSI), Made-By 'Environmental Benchmark for Fibres'

LEARNINGS AND CHALLENGES

As we continue to research better alternatives for our materials, we are encouraged by the pace of development and innovation in the fashion and textiles industry. Circular options are becoming more readily available, and there is a focus on developing improved supply chain systems for traceability and verification.

We have however found some obstacles as we work to our transition to our preferred options. A key challenge we have when making decisions about switching to

better materials is to ensure we are not switching out one negative impact for another, so a range of ethical and environmental variables need to be considered. At the same time, we need to balance quality, functionality, aesthetics, availability and cost. Sometimes we are unable to proceed with a new material because it doesn't perform well during our testing. Other times we may not be able to meet the minimum order quantities or the cost is prohibitive.

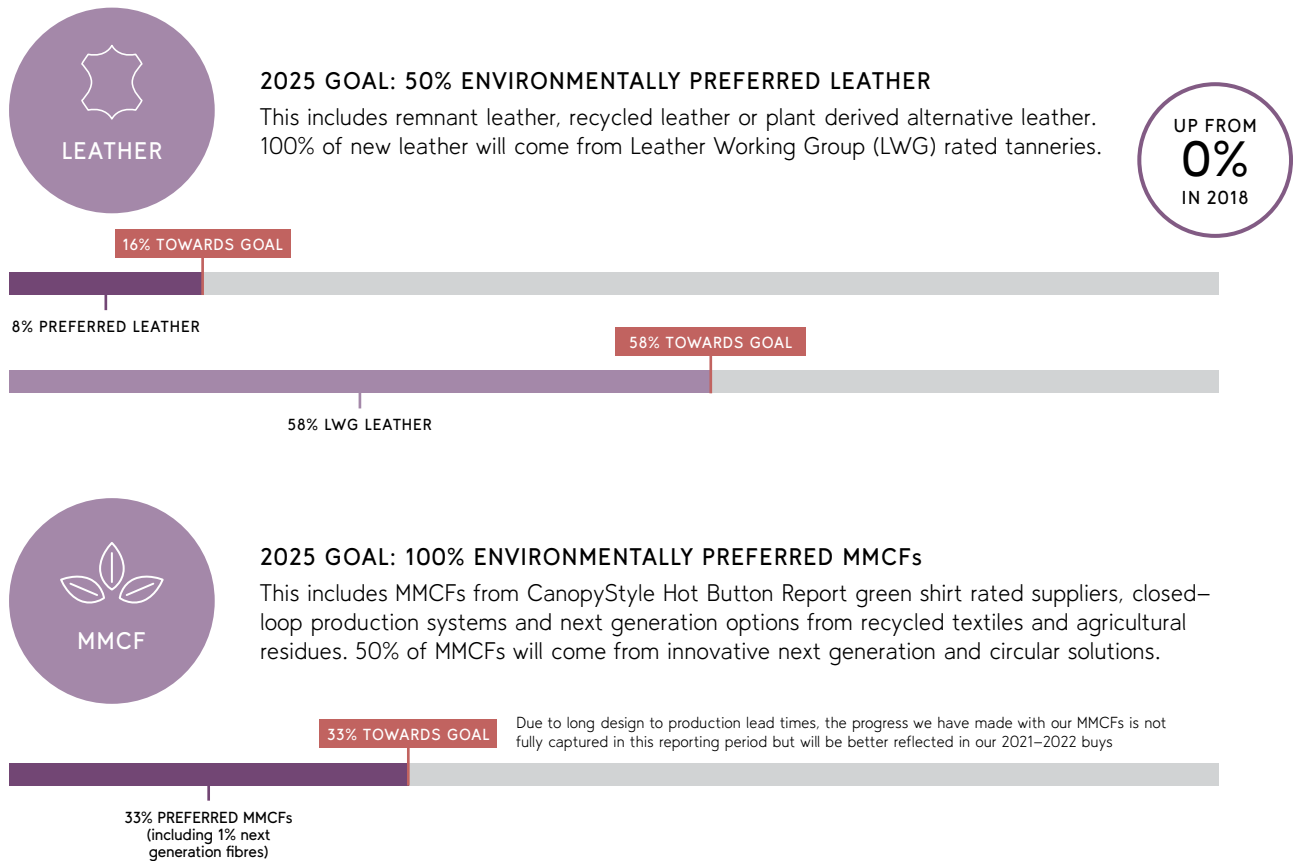
2025 MATERIAL GOALS: OUR 2019 PROGRESS

Over the past 18 months we have continued to make progress towards our goal of using more ethically and environmentally preferred fibres and materials. The greatest progress has been in our use of organic cotton in 2019, with this increasing to 29% of our total cotton use. We have also introduced some new preferred materials into our seasonal collections, including recycled cotton, TENCEL™ Lyocell fibres with REFIBRA™ technology, hemp, jute, recycled leather and natural rubber.

We continue to search for more sustainable options and learn more about production processes, preferred fibres, fibre suppliers and mills. As a result, we have adjusted our sourcing approach and 2025 goals for some of our materials. With long lead times of around 18 months from product design to launch, the results of our research aren't immediately reflected in our products, but we will see more preferred materials used in our products over the next 12 to 24 months.

THESE SIX MATERIALS MAKE UP APPROXIMATELY 94% OF OUR TOTAL USAGE BY WEIGHT

2019 material choices were selected during the 2018 design process, prior to establishing our 2025 material goals. Our progress on these goals will be better reflected in our 2021–2022 ranges.

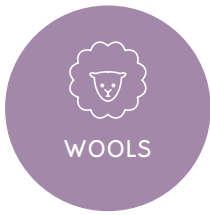




2025 GOAL: 100% MORE SUSTAINABLE COTTON

This includes certified organic, Fair Trade, Australian, or recycled cotton.

UP FROM
6%
IN 2018



2025 GOAL: 100% RESPONSIBLE WOOL

This includes certified Responsible Wool Standard (RWS), certified organic, recycled or wool from farms using regenerative farming practices. 100% of our new sheep wool will be verified non-mulesed.

0% TOWARDS GOAL

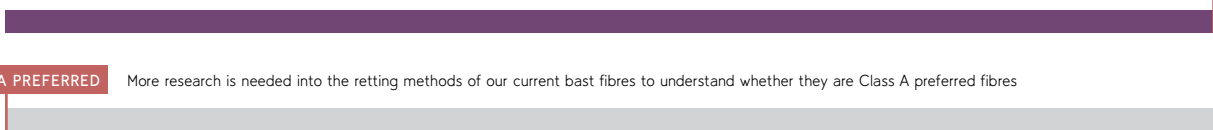
Currently due to minimum order quantities we have not been able to work with RWS certified wools. We will continue to look for ways to incorporate responsible wool fibres into our ranges.



2025 GOAL: 100% PREFERRED BAST FIBRES

All linen, hemp and jute fibres are considered preferred ELK fibres. Our stretch goal is for 50% of these to be Class A preferred (organic or naturally retted).

100% TOWARDS GOAL



0% CLASS A PREFERRED

More research is needed into the retting methods of our current bast fibres to understand whether they are Class A preferred fibres



2025 GOAL: 100% RECYCLED SYNTHETIC FIBRES (APPAREL)

We will keep our overall use of synthetics to no more than 10% of total fibres used (by weight). 100% of synthetic fibres used will be certified recycled.



4% TOWARDS GOAL

Most of our synthetic fibres are used in blends, where it is often harder to source recycled options

87% NATURAL FIBRES

13% SYNTHETIC FIBRES

4% RECYCLED SYNTHETIC



MATERIAL POLICIES

FOREST FABRICS POLICY

We are committed to protecting the world's forests through our approach to procurement of fabrics, and are working to ensure that our man-made cellulosic fabrics are not coming from ancient and endangered forests and that they are manufactured using processes that are safe for people and the environment.

By the end of 2020, we will require that MMCFs come from "green shirt" rated staple fibre producers, according to the most current CanopyStyle Hot Button Report. We will request that all fabric sourced from forests are from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system. We also require that our man-made cellulosic suppliers use best practice available environmental processes for processing, such as the 'closed-loop' lyocell process.

Our suppliers must also respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their territories, land and resources.

We continue to assess our existing use of man-made cellulosic fibres and eliminate any sourcing from endangered species habitat and ancient and endangered forests, and/or from companies that are logging forests illegally. Should we find any fibres that are sourced from ancient and endangered forests, we will engage with suppliers to change practices and/or re-evaluate our relationship with them.

We will work with Canopy and our suppliers to support solutions that protect remaining ancient and endangered rainforests and will encourage the development of next generation innovative fibres with a focus on agricultural residues and recycled fabrics.

ANIMAL WELFARE POLICY

We are committed to the humane treatment of animals and do not use fur or farmed fur, angora rabbit hair or mohair in any of our products.

We preference wool that is responsibly farmed and processed. We do not support the practice of mulesing and from Winter 2022 will be using 100% verified non-mulesed merino wool in our knitwear collections.

Leather and skins must be from domesticated farm animals and obtained as a by-product of meat production. This includes our hair on hide leather. We do not use or accept exotic skins.

We do not use any materials from vulnerable or endangered species which appear on either the IUCN Red List of Threatened Species or Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) lists.

Our Animal Welfare Policy outlines our requirements regarding the humane treatment of animals in our supply chain, and forms part of our ELK Supplier Code of Conduct.

CHEMICALS

ELK has developed a Manufacturing Restricted Substances List (MRSL), detailing the chemicals that must not be used in the manufacture of our products. It is based on the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) and relevant Australian and international safety standards.

This list includes banned azo dyes, skin sensitizing dyes, per- and poly-fluorinated chemicals (PFCs), chlorobenzenes, formaldehyde, alkylphenols (APs) and alkylphenol ethoxylates (APEs), organotin compounds, phthalates, chlorinated solvents, chlorophenols, short chain chlorinated paraffins (SCCPs), flame retardants, and heavy metals (chromium VI, lead, mercury, nickel and cadmium).

We recognise that this is just one step towards ensuring no hazardous chemicals are used in our supply chain, and we will work with our suppliers to ensure that any chemicals used meet these standards.



PLANT DERIVED FIBRES

BAST FIBRES

COTTON

MAN-MADE CELLULOSIC FIBRES

BAST FIBRES (HEMP, LINEN, JUTE)

STRATEGY AND GOALS

2025 GOAL: 100% PREFERRED BAST FIBRES

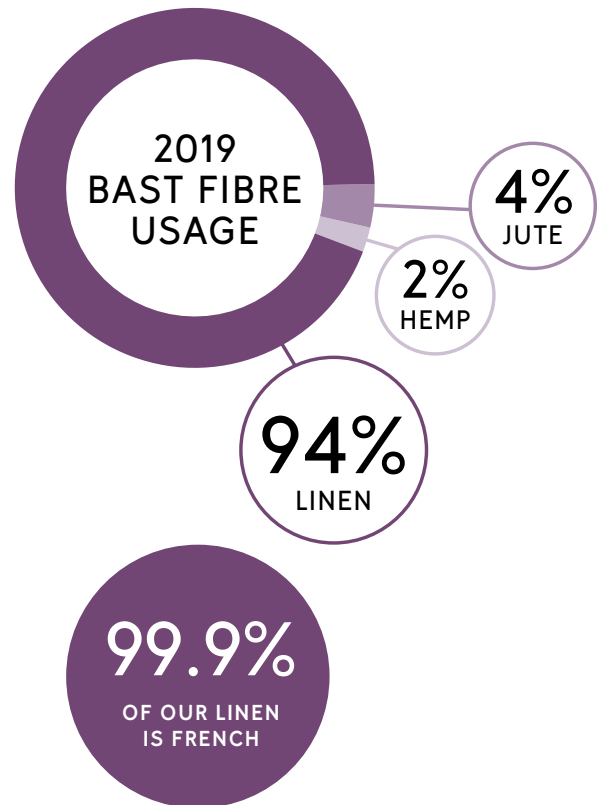
All linen, hemp and jute fibres are considered preferred ELK fibres. Our stretch goal is for 50% of these to be Class A preferred (organic or naturally retted).

OUR PROGRESS

Bast fibres, including linen (from flax), hemp and jute, are more environmentally sustainable options than other plant-derived fibres such as cotton, due to the lower impact cultivation methods required to grow these plants. Accordingly, all bast fibres are considered ELK preferred fibres. Through 2019 we have continued to use linen in our seasonal collections and have added two new bast fibres – hemp and jute.

Our research into bast fibres highlighted how the different retting methods used can impact the environmental footprint of the finished product. As a result, our preference is to use dew retted and naturally retted rather than chemically retted bast fibres, and we will continue to work with our suppliers to better understand how our bast fibres are processed.

We have also started working with a vertically integrated hemp producer and garment maker, Hemp Fortex. Their farm and factories in northern China have some great ethical and environmental credentials and use natural retting methods when processing the hemp. The first ELK garments made by Hemp Fortex were launched in 2020 as part of our Isle winter collection, and were made with organic cotton, hemp and yak fibre blends.



LEFT PAGE AND THIS PAGE: Images supplied by Hemp Fortex from their hemp farming

COTTON

STRATEGY AND GOALS

2025 GOAL: 100% MORE SUSTAINABLE COTTON

This will be achieved by increasing our use of certified organic cotton, either Global Organic Textile Standard (GOTS) or Organic Content Standard (OCS), working with Australian cotton, and sourcing cotton that is Fair Trade certified or recycled.

OUR PROGRESS

Through 2019, we increased our organic cotton use to 29% of total cotton, up from 6% the previous year, and recycled cotton was used for the first time in our Meldal knitwear collection.

Over the past 18 months, our cotton sourcing strategy has evolved due to our better understanding of the different options available and what is the best fit for our products and supply chain. Although we are supportive of the great work done by the Better Cotton Initiative, we decided not to proceed with membership and instead are focused on sourcing organic cotton, Australian grown cotton and recycled cotton.

AUSTRALIAN COTTON

We have been working with Cotton Australia to learn more about the benefits of Australian cotton and how it is produced, and we are happy to call Australian grown cotton a preferred ELK fibre. Australian cotton growers lead the way in clean, quality cotton fibres with reduced environmental impact. Over the past 30

years they have significantly reduced water, pesticide and land use and are working to improve soil health and biodiversity on their farms. Australian cotton is traceable from the field to the spinning mill, and supports families and communities in regional Australia. Our first styles containing Australian cotton fibres are due to be launched as part of our summer 2021 collection.

COTTON COMMITMENTS

We are signatories to the Responsible Sourcing Network Cotton Pledges. These pledges are a commitment to not knowingly source cotton from Uzbekistan or Turkmenistan due to known human rights violations and forced labour in these supply chains.

We are pleased that as a result of this campaign, significant progress has been made in Uzbekistan to eliminate forced labour. While the risk is still there, the government has acknowledged the issues and has taken great strides to end systemic forced labour.

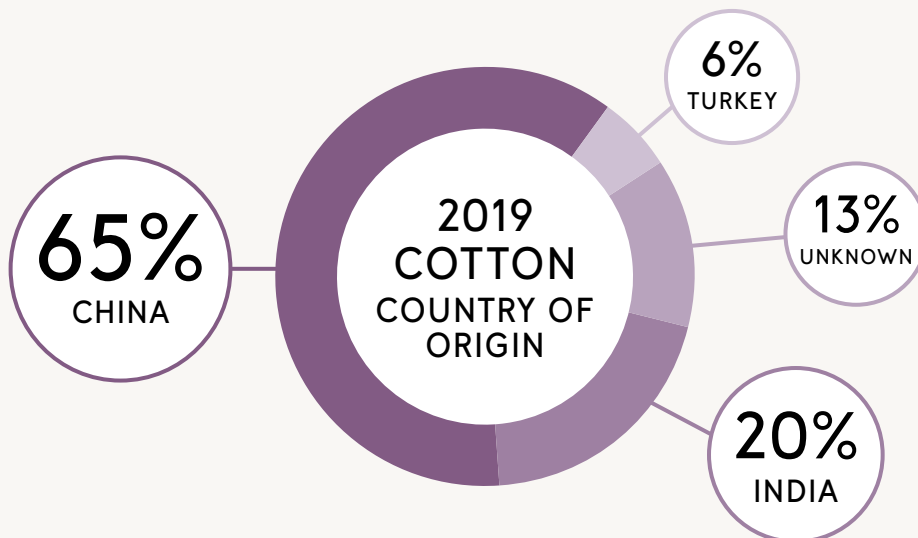
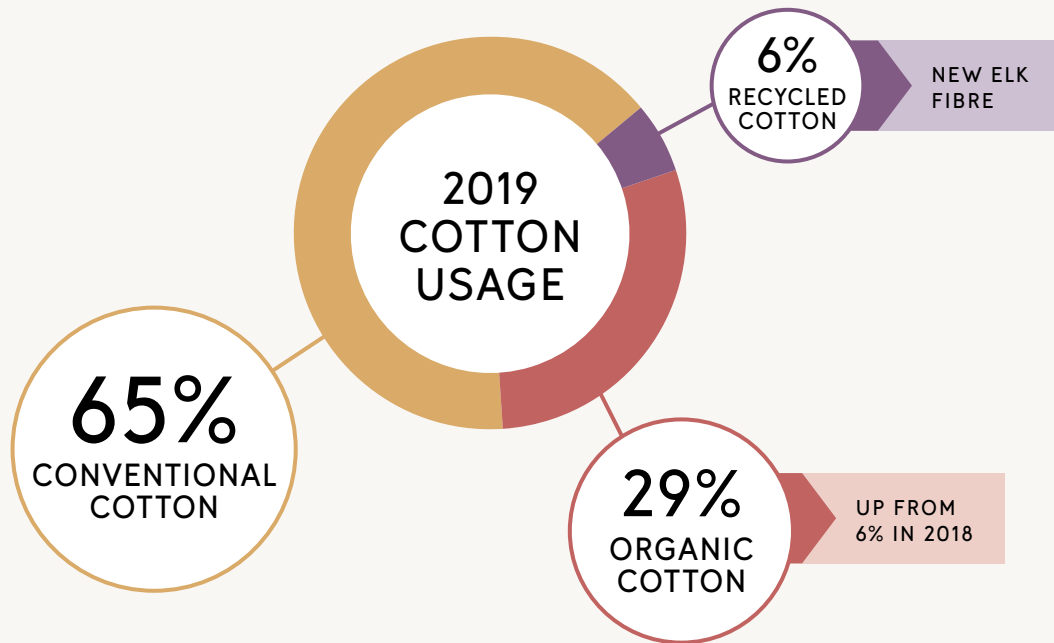
COTTON FROM XINJIANG

Additionally, due to the growing awareness of the inhumane treatment of the local Uighur (Uyghur) and Turkic minority Muslim populations in the Xinjiang province in China, and forced labour in the local cotton supply chains, we will no longer source cotton that is grown or processed in this area.

We continue to monitor these issues and progress made in these regions, and in the meantime are increasing our cotton sourcing from India, Turkey and Australia.



2019 COTTON BREAKDOWN



MAN-MADE CELLULOSIC FIBRES (MMCFs)

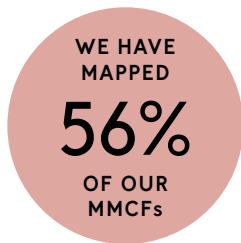
MMCFs are derived from a variety of plant sources. These sources, and the processes used by the mills determine the environmental impact of the end materials.

CANOPY AND THE HOT BUTTON REPORT

Over the past 18 months we have continued to trace and improve our sourcing of MMCFs, with the support of Canopy. We have been working to identify the staple fibre producers for our MMCF fabrics and yarns, and where possible source from suppliers with a 'green shirt' rating in the annual CanopyStyle Hot Button Report, as these suppliers are considered low risk, or have taken substantive action to eliminate know risk of sourcing from ancient and endangered forests.

We have traced back to the staple fibre producer for 56% of our 2019 production (by weight), with 28% of our fibres coming from 'green shirt' ranked producers, Lenzing and Xinxiang Bailu. We also identified Jilin Chemical Fiber Corporation as a significant producer of viscose staple fibres for ELK (23% of total) and they have achieved a "green shirt" rating in the recently released 2020 CanopyStyle Hot Button Report.

The 2020 edition of the CanopyStyle Hot Button Report highlights the significant progress being made in the industry, with 'green shirt' producers now accounting for 52% of global viscose production. Ten MMCF producers have earned green shirt designations, including Birla Cellulose and Lenzing obtaining the first-ever ranking of dark green shirts. A majority of the top 5 largest producers are investing significantly in progressing Next Generation Solutions, and 3 of these producers are selling viscose made from recycled textiles. The 2020 Hot Button report also includes information about chemical management performance for each producer, aligned with ZDHC guidelines.



STRATEGY AND GOALS

2025 GOAL: 100% ENVIRONMENTALLY PREFERRED MMCFs

This includes MMCF staple fibres from producers rated with a "green shirt" in the CanopyStyle Hot Button Ranking, fibres from closed-loop production systems and innovative next generation fibres made from recycled textiles and agricultural residues. By 2025 our aim is that at least 50% of our MMCFs will come from innovative next generation and circular solutions.

OUR PROGRESS

OF OUR TOTAL 2019 MMCF CONSUMPTION:



*This excludes fibres from Jilin, who are rated as green shirt in 2020 CanopyStyle Hot Button Report, as they did not have this rating during our reporting period.

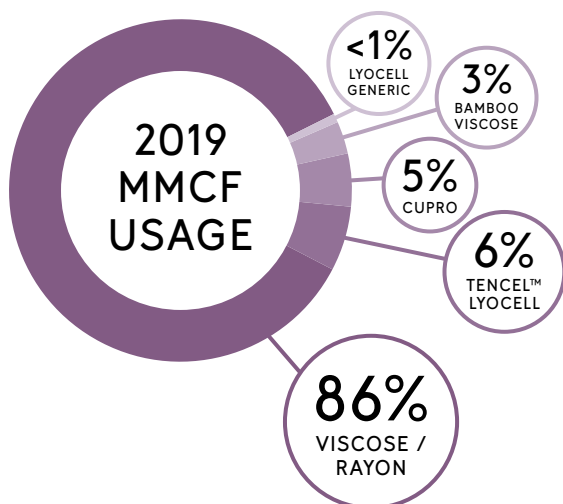
Preferred MMCFs made up 33% of our total MMCF purchase (by weight) in 2019. We are pleased with this progress however there is still a long way to go to achieve our 2025 goal of 100% preferred MMCFs.

In 2019 we made progress on our CanopyStyle commitments, mapping more than 50% of our staple fibre producers, and have continued to learn more about our MMCF supply chain and how to source these fibres responsibly. We are working with Lenzing to trace and verify their fibres in our supply chain and have been able to certify and register seven ELK products through the Lenzing system.

In 2019 we increased our use of cupro (an ELK preferred fibre) to 5%, up from <1% the previous year.

LEARNINGS AND CHALLENGES

One of the challenges we face is finding better MMCF options that also meet our aesthetic, technical and quality requirements. The different production processes used for MMCFs create very different end products, that are not suitable for every application. For example, lyocell fibres have very different properties to viscose, and we cannot simply switch out viscose for lyocell without significantly changing the look and feel of the garment. We have also learnt that the length of the staple fibre impacts the performance of the fabric, and we could not use a preferred MMCF in one of our 2019 styles, as the shorter fibre length resulted in unacceptable pilling in that fabric.



REFIBRA™ TECHNOLOGY

The pioneering REFIBRA™ technology involves upcycling a substantial proportion of cotton scraps eg. from garment production, in addition to wood pulp, where the raw material is transformed to produce new virgin TENCEL™ Lyocell fibres to make fabrics and garments.

Based on the same efficient closed loop production process as standard TENCEL™ Lyocell fibre, REFIBRA™ technology is Lenzing's first step to contribute to the circular economy in the textile industry.

This new next generation fibre was introduced into our winter 2019 apparel range, with our Cora Sweater containing 50% TENCEL™ Lyocell fibres with REFIBRA™ technology.

OTHER NEXT GEN FIBRES

We are exploring options for sourcing other Next Gen MMCF fibres, such as Liva Reviva by Birla Cellulose, which contains 20% recycled pre-consumer fabric waste, and ReVisco™ by Tangshan Sanyou incorporating 50% recycled cotton fabrics.



LYOCELL

Lyocell is made from cellulose fibre from wood pulp. It is produced using a closed-loop system and is therefore relatively eco-friendly. The risks with lyocell come from the wood sourcing.

TENCEL™

TENCEL™ is produced by Lenzing, a green-shirt rated mill. It is their trademarked version of lyocell and, in addition to be produced in a closed-loop system, all the wood is sourced from sustainably managed plantation forests.



VISCOSE

Viscose is made from cellulose fibre from wood pulp. Sadly, it is estimated that approximately a third of the world's viscose is made from ancient and endangered forests. Most viscose is also made using a conventional linear production process.

The good news is, there are mills out there producing viscose from sustainably managed plantation forests using low impact production systems.

We continue to focus on improving our sourcing of this fibre and testing different blends to ensure optimum performance with minimal environmental impact.

CUPRO

Cupro (cuprammonium rayon) fibres are made from a by-product of the cotton industry called cotton linter, the waste fibres that are too short to spin into cotton. We use Bemberg™ cupro, which is manufactured in Japan by Asahi Kasei using a closed-loop production system.

While linter is an agricultural residue waste product, conventional cotton is associated with several adverse impacts related to conversion, water and chemicals. This means that although cupro has a lower impact than fibre coming from ancient and endangered forests, it may not perform as well as fibres from alternative more sustainable sources.

We consider cupro to be an ELK preferred fibre, while we transition towards using better performing options as they become available.



TOP LEFT: Wood pulp courtesy of Lenzing, photo by Franz Neumayr

MIDDLE: Raw cotton

BOTTOM LEFT: Beech forest courtesy of Lenzing, photo by Markus Renner

BAMBOO

Bamboo is one of the most sustainable fibres to grow. It replenishes quickly, taking only 8–10 weeks to grow from first shoot to mature plant; needs very little, if any, irrigation; requires no pesticides or fertilisers; and releases high quantities of oxygen.

The environmental concerns with bamboo fabrics include the risk of forests being cleared for bamboo plantations, as well as the chemicals used in the manufacturing process. To our knowledge our bamboo fibres are produced using a conventional linear viscose production system. We will continue to look for options that are both FSC 100% certified and produced using a more environmentally friendly closed-loop lyocell process.



ANIMAL DERIVED MATERIALS + FIBRES

WOOL
LEATHER



WOOL



Wool is a renewable, durable, biodegradable and recyclable natural fibre. Potential issues arise around animal welfare and land degradation as a result of unsustainable farming practices.

STRATEGY AND GOALS

2025 GOAL: 100% RESPONSIBLE WOOL

This includes certified Responsible Wool Standard (RWS), certified organic, recycled or wool from farms using regenerative farming practices. 100% of our new sheep wool will be verified non-mulesed.

OUR PROGRESS

Through 2019 we continued to work on tracing our wool supply chains and have increased the verified non-mulesed merino wool used to 35% of total sheep wool. We are still working with our suppliers on improving the verification processes for non-mulesed wool.

We have sampled some great yarns made with RWS certified wool. Unfortunately, we cannot move forward with these currently due to minimum order quantities but will continue to look for ways to incorporate these yarns into our knitwear.

SOURCING APPROACH

The main supply country for our merino and other sheep wool is Australia, followed by Argentina and South Africa, and our alpaca wool is sourced from Peru.

We have connected with Melbourne based wool traders, Fox and Lillie, to learn more about the Responsible Wool Standard (RWS) certification for wool and their RWS program for Australian farms. The RWS certification best meets our preferred wool criteria, and for future seasons we will focus on sourcing RWS certified Australian grown wool that we can trace back to farm.

We continue to work with yarn producers UPW and Novetex to trial their more sustainable yarn options, to ensure the garments fit and wear well, as well as being better for people and planet.

There is still much work to be done to map existing supply chains for our wools, and to transition to 100% responsible wools by 2025.

ALPACA

Alpaca makes up 23% of our 2019 wool usage. We use this fibre in our knitwear because it is warm, lightweight, soft, and comfortable to wear. Our alpaca wool is primarily sourced from Peru, and we are working to ensure that the farming practices are humane and environmentally responsible. Textile Exchange has drafted a Responsible Alpaca Standard (RAS), aligned with their Responsible Wool Standard, and we will monitor the progress of this standard and look to source RAS certified alpaca wool when it becomes available.

CASHMERE

Due to the ethical and environmental concerns around farming cashmere wool, including land degradation caused by intensive farming, we will no longer use virgin cashmere fibres in our knitwear. We will use recycled cashmere where available.

Textile Exchange has established a Responsible Cashmere Round Table to identify opportunities for improving animal welfare as well as environmental and social outcomes for cashmere production. If we can source certified ethical and sustainable cashmere in the future, we will reconsider our position. This applies also to angora goat mohair, which we currently do not use in ELK products.

PURE VS BLENDS

Wool that has been blended with other fibres such as cotton or synthetics is currently harder to recycle. To date <1% of our wool used is in pure yarns, with everything else being a blend. Ideally all our knitwear would be made from pure yarns, however we find this difficult to achieve due to yarn performance issues, wearability, minimum order requirements and price.

The great news is that larger mills like Novetex and UPW are creating new, stock service sustainable wool blend yarns that we can select from. We continue to work on this area and look forward to seeing further developments in the creation of more sustainable wool yarns, and recycling innovations for blended fabrics and knitwear.

OUR POSITION ON MULESING

We do not support the practice of mulesing and by 2022 all wool used in ELK knitwear will be verified as non-mulesed.

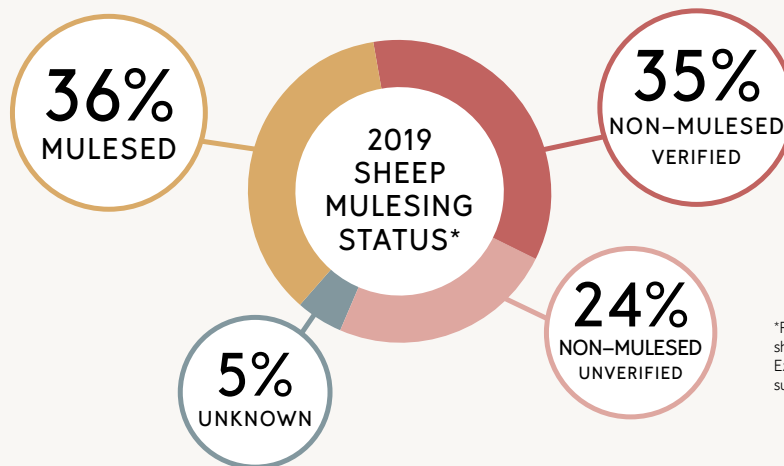
Sheep, especially merino, have woolly wrinkles and folds in their skin which can lead to painful and distressing fly infestations known as flystrike. Mulesing is a procedure which involves cutting strips of skin from the wrinkled skin folds around the breech and tail of lambs, to reduce the risk of flystrike. It is a painful procedure, predominantly practiced in Australia due to our climate, with healing taking up to 7 weeks.

Most Australian growers that have transitioned to non-mulesing have used selective breeding to develop smoother skinned sheep which limits flystrike. Some growers conduct "crutching" more frequently during

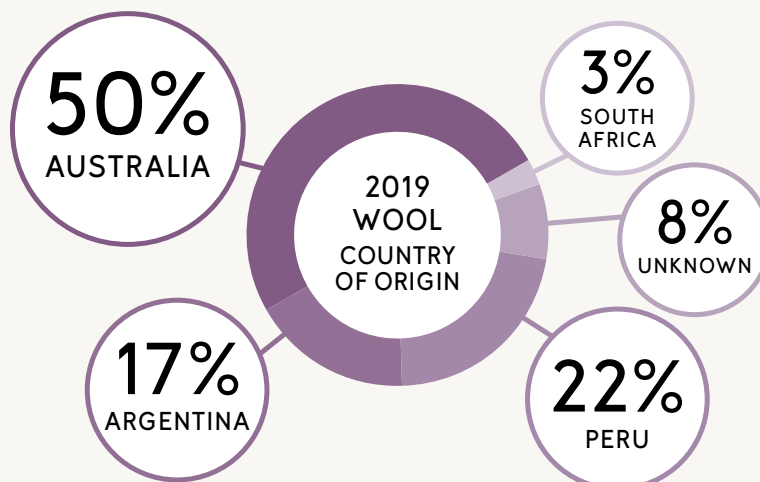
the year to remove the stained wool and old dag to avoid flystrike. Climate also plays a role, so the farm location can make it easier (or harder) to transition to a non-mulesed operation.

Some growers can't transition for a range of reasons, meaning not mulesing would be a worse outcome for the sheep. Where mulesing is practiced, most Australian growers do use pain relief and in July 2020 pain relief was made mandatory for any mulesing carried out in Victoria with similar legislation being considered in other Australian states. While we support pain relief as a positive step for animal welfare, our preference is still to source wool from non-mulesed sheep that have been bred or actively managed to avoid flystrike.*

*Information about Australian non-mulesing practices and considerations provided by Fox & Lillie.



*Percentages for new sheep wool only. Excludes other wool, such as alpaca.



LEATHER

Leather production has a significant environmental footprint, from the farming of livestock through to the processing of hides. As this is also our largest material usage by weight, it is a priority material for improvement. To reduce this impact we will increase our use of leather alternatives.

STRATEGY AND GOALS

2025 GOAL: 50% ENVIRONMENTALLY PREFERRED LEATHER

This includes remnant leather, recycled leather or plant derived alternative leather. 100% of new leather will come from Leather Working Group (LWG) rated tanneries.

OUR PROGRESS

In 2019 we introduced vegan bags (in jute and organic cotton) as well as recycled and remnant leather products to our ranges, and our goal is to increase these offerings in future ranges. Our progress may be slower than planned over the coming year as we have reduced our leather ranges and pushed some planned styles out to future ranges as a response to the COVID-19 impacts on our business and supply chain.

REMNANT LEATHER

We have a remnant leather program using existing remnant stocks that our manufacturers have on hand from our production as well as other brands, ensuring none of it goes to waste. We have continued to expand this offering, also exploring ways to use leather scraps in our jewellery.

RECYCLED LEATHER

We use recycled leather made from pre-consumer leather scraps from various factories, diverting them from landfill. The scraps are ground to a fine pulp, refined, mixed with binders and rolled into sheets ready to use. There is no additional tanning process involved in the making of recycled leathers.

ALTERNATIVE LEATHER (PLANT DERIVED)

There has been a rapid development of leather alternatives within the industry, including innovative plant leathers made from a range of waste materials including pineapple leaves, mushrooms, apple peel and cactus.

While many of these are not broadly available at this stage, as demand increases, so will access and quality. We continue to closely monitor and actively explore new options in this area.

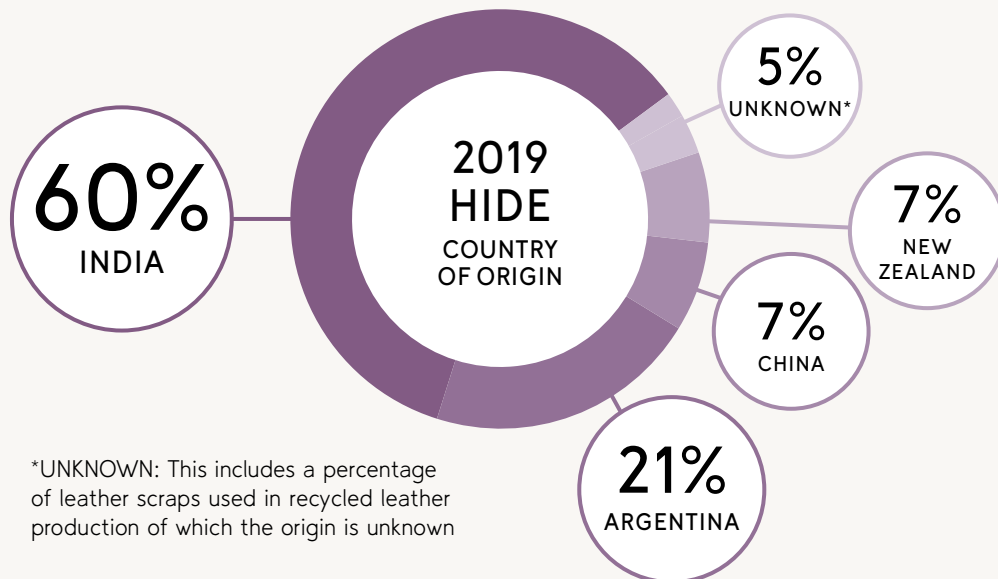
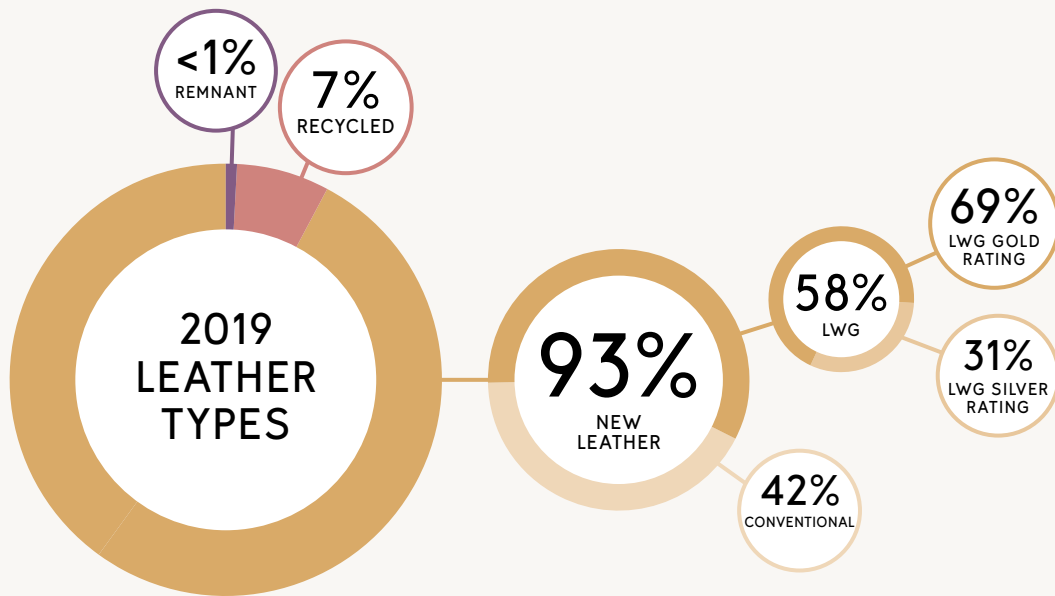
POLYURETHANE (PU) LEATHER

We will consider using 100% PU leather made from recycled materials and look to work with suppliers that can take the bags back at their end-of-use for recycling.



IMAGE: The recycling process, image supplied by one of our recycled leather suppliers, Recyc Leather™ who use a natural rubber binder

2019 LEATHER BREAKDOWN





OTHER MATERIALS + FIBRES

SYNTHETIC FIBRES

WOOD

METAL

RESIN

RUBBER

TRIMS + HARDWARE

SYNTHETIC FIBRES

STRATEGY AND GOALS

2025 GOAL: 100% RECYCLED SYNTHETIC FIBRES (APPAREL)

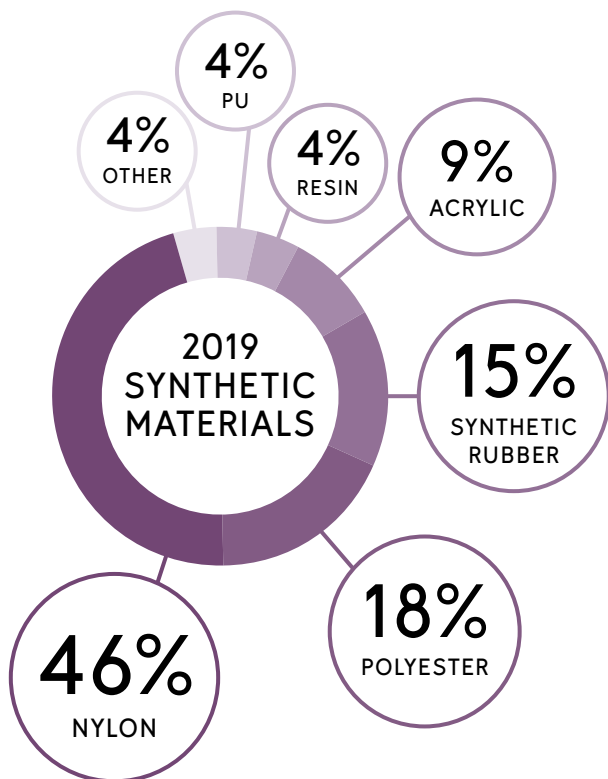
We will keep our overall use of synthetics to no more than 10% of total fibres used (by weight). 100% of synthetic fibres used will be certified recycled. This includes recycled polyester, recycled nylon and recycled elastane with Global Recycled Standard (GRS) or Recycled Claim Standard (RCS) certification.

SOURCING APPROACH

We apply the following guidelines to our synthetic fibre use:

- Certified recycled synthetic fibres can be used in blends up to a maximum of 50%
- Virgin synthetics can be used in blends up to a maximum of 10%

To help reduce microplastic pollution from washing garments that contain synthetic fibres, we are exploring options for effective washing machine filters and bags to include in our online product offering.



OTHER MATERIALS

WOOD

All wood used in ELK jewellery is from pittosporum pentandrum trees, also known as pangantoon or mamalis. The timber used is grown in the Philippines in sustainably managed plantations that we have been able to visit to learn more about where our timber comes from.

METAL

The metal used in ELK jewellery and other products is nickel free and meets the EU REACH standards. It can be recycled through kerbside recycling in many areas, or through specialist metal recyclers.

RESIN

Our resin is a synthetic polymer resin sourced from Germany. It is non-toxic, contains no acrylic and is distinguished by its durability and longevity.

RUBBER

We currently use all synthetic rubber in our footwear and jewellery. This is readily available, lightweight and durable. We have sourced a partially recycled rubber outsole from Portugal which will first feature in our Summer 21 range.

TRIMS + HARDWARE

Although we are mainly focused on re-sourcing the core materials for our products, we are also acutely aware that the trims we use on our products need consideration.

Our approach to trims is to eliminate anything that is not critical to its function or performance. For example, we have eliminated toggle ends from belts and the metal branded pips from our denim. We are also replacing feature details from apparel items like decorative buttons with clever sewing techniques that add detail.

Where trims are needed for functionality, we continue to search for more sustainable options, such as natural corozo or recycled polyester buttons, zippers made with recycled polyester or organic cotton tape, and recycled polyester thread.

NEXT STEPS

We continue to research these areas and look forward to introducing better options for trims, hardware and other materials in our future seasons.



IMAGE: Amadio, ELK Head Designer, during a factory visit with Fluid Connection



A GLOBAL FAMILY





Erick from Morinda International showing me the process of machine knitting panels at their Dongguan Yin Lun Knitting Factory

FACTORY VISITS

WRITTEN BY ERIKA MARTIN

In October 2019 I joined our Head Designer, Amadio Colafella, on one of his bi-annual trips to visit our apparel suppliers in China and see their factories and production processes first-hand. It was lovely to meet the contacts that I email with regularly, and to put faces to their names, as well as the people making ELK products. It was also a great opportunity to discuss ELK's social and environmental goals and priorities in more detail and to explore opportunities to work together on specific projects.

It was the first time I had seen the process of making woven and knitted garments end to end, and I really enjoyed learning about all of the different production processes, from quality checking the yarns and fabrics as they arrived in the factories, through to ticketing and packing the finished product ready for dispatch to the ELK warehouse. I saw first-hand the workplace health and safety procedures and equipment that the factories had installed, and the environmental initiatives that they had in place.

All the factories have installed energy efficient LED lighting, and all have recycling programs in place for their production offcuts and other consumables such as plywood panels. Dongguan Kinci Knitting Factory has trialled recycling their yarn offcuts and faulty knitted panels through the new Novetex textiles upcycling facility, The Bille, recently set up in the New Territories in Hong Kong.

Most knitwear factories send their garments offsite to be washed by dedicated laundries that must comply with the strict local EPA guidelines for water and chemical management. Dongguan Kinci Knitting Factory has been able to keep their laundry onsite, and have a water filtration and treatment plant, allowing them to recycle water back into their laundry facilities.

It was a whirlwind visit, involving a lot of great food, and I left with a better understanding of our suppliers' operations, as well as the complexity and challenges around some of the changes we have been discussing with them. The connections made and relationships deepened during my visit will help us to continue to improve our products and the way they are made.



MORINDA INTERNATIONAL (KNITWEAR)

DONGGUAN YIN LUN KNITTING (DONGGUAN)



The original Morinda factory was built 20 years ago by Erick's father Allan on what was then a green field site. Since then they have expanded their operations and now work across four separate buildings connected by a series of walkways and corridors.

Left: Waxing yarns before knitting into panels.

Top right: Quality checking the knitted panels.



Bottom right: Knitted panels waiting to go to the linking area.



WELLSILK INTERNATIONAL (WOVEN APPAREL)

WEISI GARMENT CO., LTD. BAO'AN FACTORY (SHENZEN)



Ellen Miao and her team hosted me on a tour through their very light, clean, and well-organised factory area.

Top Left: Paper patterns used to make woven garments.



Bottom Left: Bundles of cut fabrics waiting to be sewn.



Right: Cut fabric being checked, bundled and tied to send for sewing.



COOL PARTNERS (KNITWEAR)

COLT RISE (DONGGUAN)

Top left: Panels for the ELK Glenna knit on the linking machine.



Bottom left: ELK knitwear being pressed, and quality checked.



Top right: Cleaning up loose threads on an ELK Katalin sweater.



Bottom right: Automatic knitting machines making panels.



COOL PARTNERS (KNITWEAR)

DONGGUAN KINCI KNITTING FACTORY (DONGGUAN)

Left: Water is recycled through the reverse osmosis water treatment plant.



Top right: Panda from Cool Partners showing me through their knitwear factories.



Bottom right: Knitwear being pressed after washing.





FLUID CONNECTION (WOVEN APPAREL)
(HANGZHOU)



Left: Sewing production lines

Top right: ELK's Head Designer, Amadio Colafella, and our merchandiser at Fluid Connection, Nina, discussing ELK styles in production.

Bottom right: Fabrics from our Winter 2020 Isle collection being cut and bundled ready for sewing.



PROFILE: PING



Ping has been working at the Fluid Connection factory for two years as a sample maker. He learnt his sewing skills in his hometown of Sichaun, a 72-hour train trip from where he lives now, which is local to the factory. He most enjoys the friendships that he has made with his colleagues at the factory. When we spoke, he was looking forward to welcoming his first grandchild in November 2019, with his wife planning to travel back to Sichaun to help his son and daughter-in-law look after the new baby. When he is not working, he enjoys having dinner with his friends, and going for walks. For the future he wishes that his family will be happy and healthy, that the factory will be prosperous, and that the country will be strong.

PROFILE: FENG



Feng has been working at the Fluid Connection factory for 10 years, and her current role is sewing line leader. She first learnt to sew in her hometown in Jiangxi Province, a 6-8 hour drive away, and later continued her training in Hangzhou. She takes great pride in the quality of her work and the garments made on the sewing lines that she supervises. Her husband works in the same factory, and her eldest son attends school back in her hometown. Her youngest son lives with her in Hangzhou, and in her free time she likes to take her son to the shopping centre, on walks and to see movies. She is happiest when her family is all together, so she hopes in the future she can buy a house in Hangzhou so that all the family can live together.



JIMMY FASHIONS (WOVEN APPAREL) (TONGXIANG)

Top: Juna print fabric from the ELK winter 2020 collection on the cutting table.

Middle+ bottom left: A highlight of the visit was sharing a lunch with Jimmy Shen and his team at Jimmy Fashions, which was prepared by the inhouse cook Ying (picture with ELK's Head Designer, Amadio Colafella) from produce purchased fresh from the local market that day.

Middle right: Amadio and the Jimmy Fashions merchandising team.

Bottom right: Pattern making machine.





EASTLINK (WOVEN APPAREL)

SUZHOU MIAO YUN (SUZHOU)



Left: Crystal Wu, owner of Eastlink, showing me through the factory in Suzhou that they work closely with to make ELK products.

Top right: Our Abeline top in production during the factory visit.

Bottom right: ELK ticketing being applied after the garments are sewn.



NAME: ZENG



Zeng is one of the owners of the Suzhou Miao Yun factory. Before starting this factory, she was doing embroidery locally. In 2005 some friends suggested that she buy sewing machines and start a sewing factory – so she did! The business has grown over the years and she feels a strong responsibility to keep going, providing work for her team who have moved their families from inland China and settled locally. In line with their company values, they donate to the local Buddhist temple three times a year. In her free time, Zeng volunteers at the local temple, cooking and gardening. She listens to Buddhist music and plays this in the factory for her team while they work. Her hope for the future is that her daughter can marry a good guy and have a baby so that she can be a grandmother.

NAME: JIN



Jin has been working as a sample maker at the Suzhou Miao Yun factory for more than six years. She is from the local area and learned to sew more than 20 years ago. She has a husband and one son, who is already at university. In her free time, she enjoys cooking and dancing in the local square. Her favourite food is a local type of fish that is only found in Suzhou. Spring and autumn are her favourite seasons, as the temperature can be too hot in summer and too cold in winter in Suzhou. She enjoys listening to classical Chinese music, and family is the most important thing in her life. In the future she hopes to have some more time to herself as she is very busy right now looking after her family and working in the factory.

OUR SUPPLY CHAIN

As a result of widespread factory and retail store closures in early 2020 due to COVID-19, we pared back our Summer 20 Nomad collection in consultation with our suppliers and shifted some of the styles to future seasons. We worked with our factories to minimise impacts and did not cancel existing orders or negotiate on price or trading terms. We have committed to use all liability fabrics and yarns that our suppliers were left with due to these changes.

Our supply chain is global and complex, with materials often traveling across many continents and going through multiple suppliers and processes before they end up in ELK products. These materials, as well as trims, hardware and packaging, are purchased on our behalf by the suppliers that we work with directly to make ELK products.

We prefer to work with smaller, independent suppliers, matching our products to each makers' skill set and developing our designs with them. We want to work with suppliers that are going over and above compliance and demonstrating their values through implementing responsible social and environmental practices. Our approach is to form long term relationships with our makers, and we consider them to be part of our global family.

Each of our suppliers is at a different stage of their sustainability journey, with some just beginning the process and a handful at the other end showing real innovation and leadership. We want to bring our makers on this journey with us and work collaboratively with them to continue to source more sustainable materials and improve how our products are made.

COVID-19 IMPACTS

The 2020 global COVID-19 pandemic has had a significant impact on supply chains globally, with garment and footwear industries among the hardest hit economically. As local lockdowns were being implemented around the world in the first half of 2020, factories were forced to close, migrant workers were left stranded and brands began canceling orders. With reduced work, factories have been forced to lay off staff, reduce hours or furlough their employees.

Our supply chain was no exception, and we have worked closely with our key suppliers to support them through this difficult time. Production was delayed due to local lockdowns, and as the factories began to reopen, they needed to provide their workers with additional PPE such as masks and ensure work areas were regularly sanitised. Production delays were compounded by delays in receiving input materials, as well as transport restrictions and disruptions.

Due to these production delays, coupled with lockdowns in Australia that resulted in the closure of the ELK retail stores and the stores of many of our wholesale customers, we did need to review our 2020 ranges

and existing orders. As a result, our Summer 20 Nomad collection was pared back, with some of the styles shifted to future seasons in consultation with our suppliers. We worked with our factories to minimise impacts and did not cancel existing orders or negotiate on price or trading terms. We have committed to use all liability fabrics and yarns that our suppliers were left with due to these changes.

The longer-term impacts on textile and footwear suppliers and their workers is expected to be significant, resulting in many workers losing their jobs and being pushed into poverty, so we will continue to monitor this and provide as much support as we can.

We are also very humbled by the support that our suppliers have shown us in return, with words of encouragement and offers of supplying face masks, as we continue to work through the extended lockdown here in Melbourne.

WATER AND CLEAN CHEMISTRY

With the fashion industry being the second largest user of water globally, we know we need to address the critical environmental issues relating to water security and water pollution. We want to know that the chemicals used to manufacture our products are safe for people and planet, and that they do not end up in waterways.

Over the coming 12 months our priority will be to map more of our wet process suppliers — dye houses, printers and laundries — to better understand how they manage water and chemicals. We want to work with suppliers that have responsible water and chemical management systems, including using collected rainwater, water purification and recycling, safe and compliant chemical use and closed loop production systems.

Our approach to managing this ongoing will be to work with more vertically integrated mills that do their own inhouse printing and dyeing, and to look for wet process suppliers and materials that have clean chemistry certifications or credentials, including bluesign®, OEKO-TEX®, LWG and / or ZDHC.

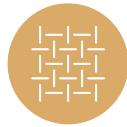
Although we already have in place a Manufacturing Restricted Substances List (MRSL), we will also focus on researching dyestuffs that meet our requirements for safety and environmental sustainability and develop a list of ELK preferred dyestuffs to share with our makers.

TIER ONE
 We have mapped
100%
 of our tier one
 supply chain
 (manufacturers)



Tier one suppliers are our direct product manufacturers who cut, sew, and assemble our products.

TIER TWO
 We have mapped
68%
 of our tier two
 supply chain
 (material finishers)



Tier two suppliers are our mills, dyehouses, printers, and tanneries.

TIER THREE
 We have mapped
31%
 of our tier three
 supply chain
 (material processors)



Tier three suppliers are our raw material processors including staple fibre producers, scourers, spinners, and abattoirs.

TIER FOUR
 We have mapped
14%
 of our tier four
 supply chain
 (material producers)



Tier four suppliers are our raw material producers including farms and forests.

To support our mission to “create products that are good for people and our planet”, we are continuing to map our supply chain and trace our fibres and materials right back to their origin and working to better understand and improve the practices and processes in our supply chain.

As well as working with our existing suppliers and bringing them along with us on our sustainability journey, we are actively seeking out new suppliers that share our values. This is leading us to begin working with some larger suppliers with great ethical and environmental certifications and credentials.

To improve transparency, we are beginning to work with more vertically integrated suppliers which reduces the complexity of our supply chain and the distance between raw material to finished product.

STRATEGY AND GOALS

2025 GOAL: 100% OF OUR SUPPLY CHAIN WILL BE MAPPED AND PUBLISHED AND 100% OF OUR CORE SUPPLIERS WILL HAVE CREDIBLE, GLOBALLY RECOGNISED, SOCIAL AND/OR ENVIRONMENTAL CREDENTIALS.

OUR PROGRESS

Through 2019 and into 2020 we have continued to map our supply chain, and have now mapped 100% of our first tier suppliers (product manufacturers), 68% of our tier 2 suppliers (material finishers), 31% of our tier 3 suppliers (material processors) and 14% of our tier 4 suppliers (material producers).

We have also started to work with some great new makers with excellent social and environmental credentials and certifications, such as Saitex International and Nobland International in Vietnam, and Hemp Fortex in northern China.



*Figure based on our direct ELK product purchases in 2019, excluding trim, hardware, and packaging.

MONITORING

CODE OF CONDUCT

We have an extensive supplier code of conduct, based on the principles of the Ethical trading Initiative (ETI) Base Code, which all key direct suppliers have signed. For any areas of non-compliance, our approach is to work with our suppliers on improving their processes, rather than exiting, as this provides the best outcome for workers and the environment.

THE KEY REQUIREMENTS OF OUR SUPPLIER CODE OF CONDUCT INCLUDE:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- No child or forced labour used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is used
- Environmental stewardship is demonstrated
- Chemicals are managed responsibly
- Animals are treated humanely
- Ethical business standards are upheld
- No subcontracting without the consent of ELK

SEDEX

ELK is a member of Sedex, which is a collaborative platform for buyers, suppliers and auditors to store, share and report on supply chain information. We use the Sedex platform as part of our broader responsible sourcing approach, as it allows our suppliers to efficiently share information with us about their performance in terms of labour rights, health and safety, the environment and business ethics. This information helps us to manage and improve ethical standards within our supply chain. Sedex is not a standard setting body and does not approve or certify our policies and standards.

All core ELK suppliers must have current Sedex membership or have globally recognised third-party certification that demonstrates they are meeting our ethical and environmental standards.

AUDITS

We use a combination of social compliance audits and certifications to monitor the ethical and environmental practices in our supplier factories to ensure that they meet our standards. Social compliance audits look at the management systems, policies and practices relating to human rights, working hours, wages, health and safety, and business ethics.

Our preferred audit format is SMETA (Sedex Members Ethical Trade Audit), and we engage audit firm SGS to conduct these audits on our behalf. We also require that our audit firm and the individual auditors are members of the Association of Professional Social Compliance Auditors (APSCA).

If any issues are found that require corrective action, we will work with the supplier to ensure they are addressed in a reasonable timeframe relative to the urgency. The audit results inform the timing of any subsequent audits, with some factories requiring a follow-up audit within 6 months, but most are on an annual or biennial audit schedule.

We recognise that while audits and certifications play an important role, they do have their limitations and it is not enough to only focus on compliance. We are committed to working with our suppliers to build their capacity and processes beyond just meeting the audit requirements.

COVID-19 lockdowns and additional safety measures have limited the ability for auditors to conduct onsite inspections, and we are also mindful of not placing extra burdens on suppliers as they recover from the pandemic. We continue to work with our suppliers on closing out any previously identified non-compliances and exploring options for remote audits where required.

SOCIAL INSURANCES AND WORKING HOURS

The most common non-compliances reported in audits of China based factories, including our suppliers, are insufficient social insurance coverage and excessive working hours. We will continue to work with our suppliers on addressing these issues, however the root causes are complex and not always fully in the control of suppliers. Feedback has been that even where social insurances are offered not all workers will take them up as they may be difficult to transfer back to their hometowns or other regions when moving. Excessive working hours can be caused by contracted wages falling short of a living wage, however buyers' purchasing practices can also play a role, if orders are issued with insufficient lead-times, brought forward or increased without adequate planning or forecasting. This is something that we are mindful of, and we do consider maker capacity when reordering or setting delivery targets. Open communication with the factory is essential to understanding their ability to fulfill orders within their regular hours, and we will be looking at all of these areas in the coming 12 months as part of our responsible purchasing practices review.

LIVING WAGE

We define a living wage as a wage that is earned in a standard working week of not more than 48 hours, that affords a decent standard of living for the workers and their family. A living wage should cover adequate food, housing, healthcare, clothing, transportation, energy, water, childcare, education and allow for discretionary spending and saving for unexpected events.

We are committed to ensuring that the people who make our products are paid a living wage. While wages have been increasing over recent years and our factories all pay legal minimum wage or higher, living costs have also increased and we recognise that in many parts of the world there is a gap between minimum wage and a living wage. Flow on impacts of this to workers and their families include hunger, debt, poor living conditions, and not being able to access healthcare and education.

The issues around living wages are complex, and achieving them will require close collaboration between brands, factory owners, managers, governments, unions and NGOs.

As we develop our living wage roadmap, we are referencing the Oxfam 'A Sewing Kit For Living Wages' guidelines.

In our 2019 Transparency Report we defined a living wage and published our direct supplier list, as well as annual percentage of sourcing by spend from each country. This has been updated in our 2020 report, and we will continue to update this annually. Over the past 18 months we have been working on "Getting the Basics Right" and starting to develop our roadmap.

To increase our understanding of what a living wage means and how we can partly be this in our supply chain, in October 2019 three of our team attended a Living Wage Workshop organised by Social Accountability International and Oxfam Australia.

We have also conducted a desktop review of 17 of our factories, looking at policies, processes and wages documented in third-party audit reports, to see where the gaps are and inform our next steps. To benchmark living wages in our supplier regions we are referencing the Global Living Wage Coalition benchmarks¹, which use the Anker Method. Where these are not available, we reference the Asia Floor Wage², or any other acceptable benchmark.

The review indicated that most of the 17 factories have policies and procedures to support human rights and freedom of association, and grievance mechanisms that meet UNGP requirements. More work is needed to address any gaps that do exist and to understand if these grievance mechanisms are effective. We will also explore options for a confidential mechanism for workers to report directly to ELK if they are unable to resolve issues at a factory level.

A review of wages showed that all factories are paying at or above minimum wage, however on average the legal minimum wage is only 53% of a living wage, and the average lowest paid factory wage only 57% of a living wage. This is just indicative, as more work is required to capture employee benefits, such as bonuses or travel and meal allowances, that can be included in the wage assessment. Excessive overtime hours are a common non-compliance in the audit reports and may partly be caused by workers not being able to earn a living wage in a standard work week.

On a positive note, according to a third-party audit report, one of our suppliers, Wellsilk International, pays all of their workers at least a living wage³.

This work is ongoing, and we see this as a long-term project for ELK. The impacts of the COVID-19 pandemic will put additional pressure on wages and may slow progress on this issue in the fashion industry. Where we don't have the resources or leverage to work directly with factories on living wage, we will look to work with suppliers that have certifications with a living wage focus, such as Fairtrade.

We recognise that purchasing practices can influence worker wages, so we will also review our own purchasing practices and ensure they align with best practice guidelines.

1 <https://www.globallivingwage.org/>

2 <https://asia.floorwage.org/>

3. Comparing the lowest paid monthly wage for standard / contracted hours against the Anker benchmark (Global Living Wage Coalition – Shenzhen, China, 2019).

Top:
Threading a sewing machine at Saitex International

Bottom: Dying beads at Earth Works



GETTING THE BASICS RIGHT

Of the 17 factories reviewed:

- 76% have a policy statement to respect human rights
- 82% have a grievance mechanism, that meets UNGP requirements
- 82% have Freedom of Association policies or procedures
- 0% have a trade union / collective bargaining agreement
- 88% have a workers' committee or representatives
- 100% have anti-discrimination policies and procedures
- 0% have gender policies + targets

IN ADDITION

100% OF FACTORIES ARE PAYING MINIMUM WAGE OR HIGHER

44% OF WORKERS ARE EARNING ABOVE MINIMUM WAGE

45% OF MANAGERS + SUPERVISORS ARE FEMALE

MAKING IN VIETNAM

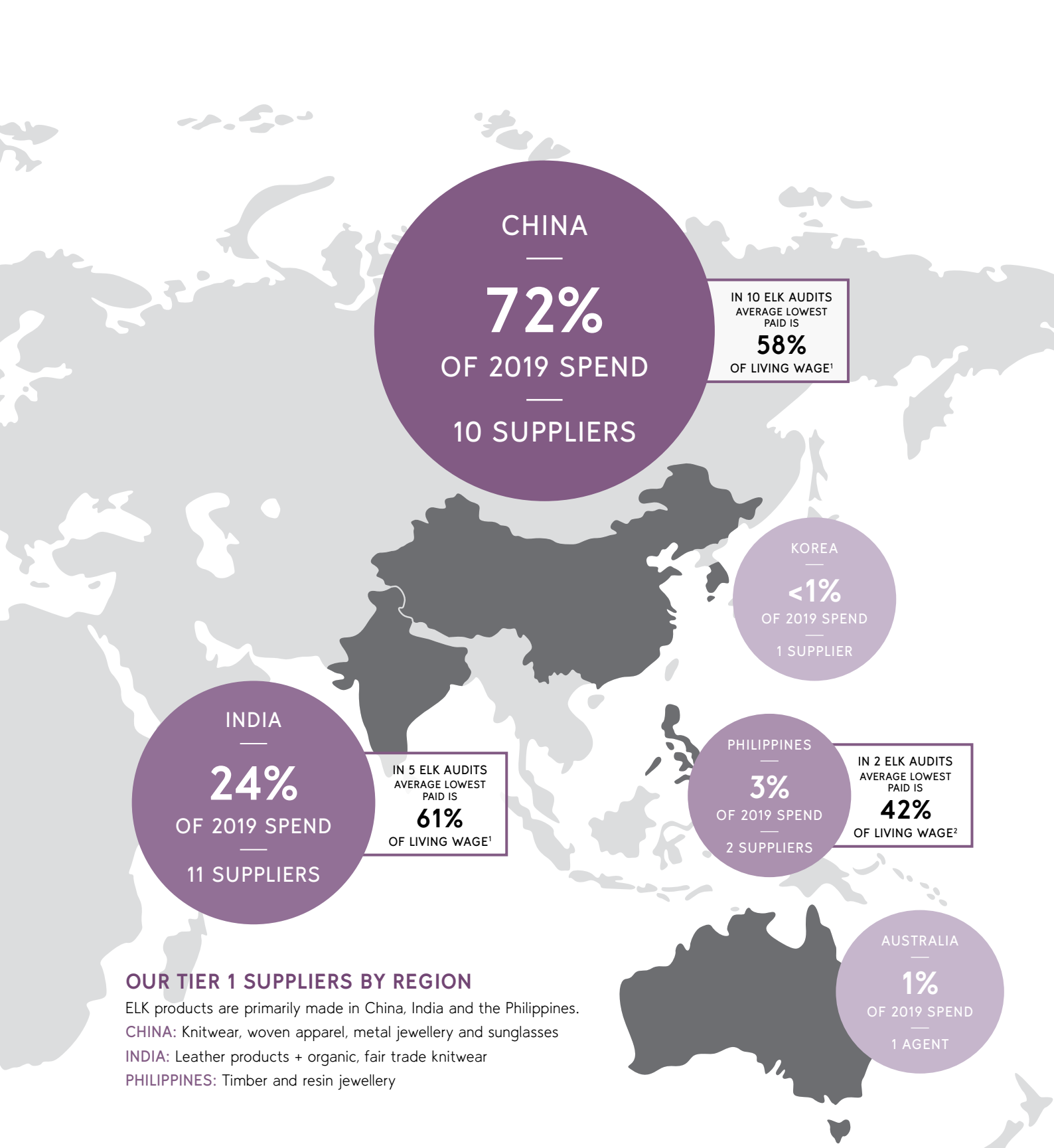
Our search for exceptional factories has led us to Vietnam, where we have started working with two new apparel suppliers, Saitex and Nobland. Both suppliers have great social and environmental practices and are located in Vietnam's administrative region 1. According to research undertaken by Oxfam, the average basic wage in this region meets or is very close to the Anker living wage benchmark⁴.

To further ensure that the factories we work with in Vietnam pay fair wages and provide a safe workplace, we look for manufacturing partners that are part of the Better Work Vietnam program, or have social accountability certifications such as SAI Global SA8000 or equivalent.

NEXT STEPS

- Develop and publish our living wage roadmap (2021)
- Review and strengthen our purchasing practices, ensuring they align with best practice guidelines and support workers in our supply chain (2021)
- Incorporate living wage assessment into our screening process for all new suppliers (2021)
- Address any policy gaps identified in third-party audit reports, including relevant policies on human rights, freedom of association, anti-discrimination, diversity and gender equality (2021)
- Explore options to strengthen workers' voice, including ensuring adequate workers' representation in our factories the absence of a union, more robust grievance mechanisms in factories and / or anonymous hotline if workers are unable to resolve issues at the factory level (2021)
- Conduct a living wage pilot with one or more supplier factories, considering options that will ensure the living wage component is protected in pricing models and passed on to workers (2022 onwards)

4. Based on Oxfam's 2018 report, "The Consequences of Low Wages – a Study on Fashion Suppliers in Vietnam", taking into account recent increases in local minimum wage and mandatory additional benefits.



OUR TIER 1 SUPPLIERS BY REGION

ELK products are primarily made in China, India and the Philippines.

CHINA: Knitwear, woven apparel, metal jewellery and sunglasses

INDIA: Leather products + organic, fair trade knitwear

PHILIPPINES: Timber and resin jewellery

OF THE 17 FACTORIES REVIEWED

THE
AVERAGE
LOWEST
FACTORY
WAGE IS

57% OF LIVING WAGE

¹ Using the Global Living Wage Coalition (Anker methodology) benchmarks.

² Using the Wage Indicator living wage benchmark (<https://wageindicator.org/>).

OUR 2019 TIER ONE CORE SUPPLIERS

*There were 27 tier 1 suppliers who made product for us in 2019.
The following 18 suppliers represent 97% of our production.*

COOL PARTNERS
INTERNATIONAL
CHINA 



DELUXE TECH
INTERNATIONAL
CHINA 



DH
SOLUTIONS
CHINA 



EASTLINK
SALES
CHINA 



FLUID
CONNECTION
CHINA 



HEMP
FORTEX
CHINA 



HOP
HING
CHINA 



JIMMY
FASHIONS
CHINA 



WELLSILK
INTERNATIONAL
CHINA 



CIELO
SERENO
KOREA/CHINA



BHARAT
ENTERPRISES
INDIA



BN
ENTERPRISES
INDIA



GUPTA
OVERSEAS
INDIA



MALHOTRA
LEATHER EXPORTS
INDIA



TRITAN
LEATHER WORKS
INDIA



EARTH
WORKS
PHILLIPINES



ZAI
DESIGN HIVE
PHILLIPINES



SAITEX
VEITNAM



TIER 1 SUPPLIERS

SUPPLIER	FACTORY (F) / ADDRESS (A)	LAST AUDIT	EMPLOYEES M / F	SUPPLIER SINCE	MEMBERSHIPS + CERTIFICATIONS
CHINA					
Cool Partners International	F: Dongguan Kinci Knitting Factory Co Ltd A: Zhen Xin Industrial Zone, Xie Gang Town, Dongguan City, Guangdong Province	17/10/19	213 M: 84 F: 129	2016	Sedex
	F: Colt Rise Apparel (Dongguan) Limited A: Block A, 68 Xi Xing San Street, Changping Town, Dongguan City, Guangdong Province	9/9/19	50 M: 23 F: 27	2019	Sedex
*Deluxe Tech International	F: Frankle Shoes Limited A: No.11, Lane 2, New Village Road, Jiaoyuan Hetian Village, Houjie Town, Dongguan City, Guangdong	28/10/19	70 M: 29 F: 41	2015	Sedex
DH Solutions	F: Dongguan Hengli Boyi Glasses Factory A: Chegang Village Commercial Street, Gekeng, Hengli Town, Dongguan City		54 M: 30 F: 24	2014	Sedex
Dongguan JuZhan Garment Company	F: Dongguan Juzhan Garment Factory A: No. 20 Yumin 1st Street, Qin Fu Road Community, Dalang Town, Dongguan City, Guangdong Province	8/3/19	81 M: 38 F: 43	2019	Sedex
Eastlink Sales	F: Suzhou Miaoyun Garment Co Ltd A: No. 155 Shizhong Road, Xukou Town, Wuzhong District, Suzhou City, Jiangsu Province	5/11/19	36 M: 11 F: 25	2011	Sedex
Fluid Connection	F: Hangzhou FC Fashion Co Ltd A: No.172 Lindong Road, Linping, Yuhang District, Hangzhou	29/8/18	116 M: 51 F: 65	2017	Sedex
Hemp Fortex	F: Hemp Fortex Industries (Rushan) Ltd A: No.808, Dagushan Town, Rushan City, Weihai	23/2/18	218 M: 54 F: 164	2019	OCS, GOTS, Fair Wear Foundation, WRAP
Hop Hing	F: Singtex Fashion Knitting Co Ltd A: No. 2 Industry Area, Shangkan Village, Changping Town, Dongguan City, Guangdong Province	17/1/18	245 M: 112 F: 133	2007	Sedex
Jimmy Fashions	F: Tongxiang Jimmyfashions Co Ltd A: Building 2, Juangjiang Pioneer Park, No 1087 Fazhan Avenue, Developing Area, Tongxiang, Zhejiang P.R.China 314500	31/7/19	55 M: 16 F: 39	2011	Sedex
*Precision Textiles (Agent)	F: Dongguan Jinhe Garment Factory A: 1B Ying Hu Industrial Area, Qingxi Town, Dongguan City, Guangdong Province	7/5/18	108 M: 56 F: 52	2018	-
Wellsilk International	F: Weisi Garment (Shenzhen) Co Ltd. Bao'an Factory A: 4/F, Building 7, Hui Ke Industry Park, Shilong Industrial Zone Avenue 2, No. 1, Shiyan, Bao'an, Shenzhen, Guangdong	3/1/19	231 M: 136 F: 95	2014	Sedex, Higg Index
INDIA					
B.N. Enterprises	F: B.N. Enterprises A: 30-E, Patparganj Village, 110091, Delhi	14/12/18	229 M: 229 F: 0	2010	Sedex
Bharat Enterprises	F: Bharat Enterprises A: 189, Udyog Vihar, Phase-I, 122016, Gurgaon	3/3/20	224 M: 227 F: 17	2016	SA8000, Sedex
Fashion Factory	F: Fashion Factory International A: C 68/1 Okhla Industrial Area Phase 2, Okhla, 110020, New Delhi	16/8/19	75 M: 73 F: 2	2013	Sedex
Gupta Overseas	F: Gupta H.C. Overseas PVT LTD Unit 1 A: 425, Near Tube Well Colony Bye Pass Road, Agra, 282007	25/8/20	1157 M: 1157 F: 0	2015	SA8000, Sedex, Higg Index
*Malhotra Leather Exports	F: Malhotra Leather Exports Pvt Ltd A: A-24, Sector-67, Noida, UP	24/4/19	82 M: 73 F: 9	2016	Sedex
*Multiple Exports	F: Multiple Exports A: F-27 Netaji Subhash Marg Daryaganj, Delhi, 110002	-	-	2015	-
*Nuovo	F: Nuovo Accessories Pvt Ltd A: F-431 Sector-63, Noida, Gautam Budh Nagar, Uttar Pradesh, 201301	25/12/19	10 M: 8 F: 2	2019	-
R.R. Exports (Totem)	F: R.R. Exports A: S-59, Ground Floor, Okhla Industrial Area, Phase-2, New Delhi, 110020	2/2/17	18 M: 13 F: 5	2019	GOTS
Rajlakshmi Cotton Mills	F: The Rajlakshmi Cotton Mills A: C-107, Sector - 65, Noida, 201301	30/11/18	185 M: 154 F: 31	2017	GOTS, SA8000, Fairtrade
SK4 Creations	F: SK4 Creations A: 59/2/25 Site 4 SBB GZB 201010 UP India	Nov 2018	47 M: 30 F: 17	2019	-

* Discontinued post 2019

SUPPLIER	FACTORY (F) / ADDRESS (A)	LAST AUDIT	EMPLOYEES M / F	SUPPLIER SINCE	MEMBERSHIPS + CERTIFICATIONS
Tritan Leather Works	F: Tritan Leather Works Pvt Ltd A: 44 Anna Salai, Nagalkeni, Chromepet, Chennai, 600044	4/9/19	463 M: 159 F: 304	2016	Sedex
Vijay Design Inspirations	F: Vijay Design Inspirations Pvt Ltd A: D-19, UPSIDC Site-IV, Greater Noida-201306, Uttar Pradesh	-	18 M: 17 F: 1	2019	GOTS, GRS
PHILIPPINES					
Earth Works	F: Earth Works Fashion Accessories Corporation A: P Burgos St, Alang Alang, 6014, Mandaue	7/6/18	41 M: 13 F: 28	2004	Sedex
Zai Design Hive (formerly Avatar)	F: Zai Design Hive A: Aries Compound, Sangi New Road, Lapu-Lapu City 6015, Cebu	23/5/19	23 M: 11 F: 12	2016	Sedex
KOREA (WITH CHINA BASED FACTORY)					
Cielo Sereno	F: Qingdao Quaxumei Jewelry Co., Ltd. A: NO. 1876 East Industrial Park, Zhongcun New Community, Chengyang Subdistrict, Chengyang District, Qingdao City, Shandong Province	19/7/19	13 M: 6 F: 7	2018	Sedex
Vietnam					
Saitex International	F: Saitex International Dong Nai (VN) Ltd A: Lot 225, Amata Industrial Zone, Bien Hoa, Dong Nai, Vietnam	26/11/18	4300 M: 1500 F: 2800	2019	B-Corporation, Bluesign, SA8000, Fair Trade, LEED, Sedex, Higg Index, Better Work Vietnam

TIER 2 LEATHER SUPPLIERS

SUPPLIER	ADDRESS	LWG RATED	RATING	TRACEABILITY SCORE (PHYSICAL)
Ammar Tanning	16 El-Sekka El-Hadid St., Madabegh Misr El-Qadima, 11441 Misr El-Qadima, Cairo, Egypt	NO	-	-
Angel Leathers Pvt Ltd	111 Leather Complex, Kapurthala Road, Jalandar, India, 144021	NO	-	-
Arora International	Shop No. 8- 9- 10, W Z- 19, C H. Hardev Singh Complex, Jawala Heri, New Delhi - 110063, Delhi, India	NO	-	-
Curtiembre Arlei S.A. (Las Toscas)	Calle 23 #816 C.P.3586 Las Toscas, Santa Fe, Argentina	YES	GOLD	95%
Curtiembre Arlei S.A. (Salta)	Hipolito Irigoyen N° 125 Rosario De Lerma - Código Postal 4405 Salta, Argentina	YES	GOLD	100%
Danish Leather Exports	No. 122/31 C Ibrahim Moudha Street, Nagalkeni, Chrompet, Chennai, India, 600044	NO	-	-
Ever Dynasty Ltd.	XiaoBian No. 4 Industrial zone, Block 6, 1/F, ChangAn Town, DongGuan City, GuangDong Province, 523850, China	YES	GOLD	0%
Fibretech Leathers Pvt Ltd	150 Leather Complex, Kapurthala Road, Jalandhar-144021 Punjab (India)	NO	-	-
Glosun (Hong Kong) Enterprise Limited	38 Fukang Road, 7/F Junfu Building, Yuefan Shan, Houjie Town, Dongguan City, Guangdong Province, China	NO	-	-
JBS S/A Curtume Uberlandia	Rua Decio Spirandelli Carvalho, 205, Distrito Industrial, Uberlandia, MG 38402-342, Brazil	YES	SILVER	100%
Li Wei Seong & Brothers	Zone 1, Plot 70, Calcutta Leather Complex, Bantala, 24 Parganas (South) 743502, West Bengal, India	YES	SILVER	0%
Pahuja Tannery	2445/2446, MIE Part A, Bahadurgarh, Haryana, India, 124507	NO	-	-
Recycleather	Room 703, Carnarvon Plaza, 20 Carnarvon Road, Tsim Sha Tsui, Kowloon, Hong Kong	-	-	-
SJS Leathers	82 Matheswartalla Road, Kolkata, India, 700046	NO	-	-
Zuha Leather Pvt Ltd	1056/E, Konamedu, Vaniyambadi 635751, District Vellore, Tamil Nadu, India	YES	GOLD	0%

TIERS 2-4 SUPPLIERS

SUPPLIER	ADDRESS	CATEGORY
ARGENTINA		
Establecimientos Textiles Ituzaingo S.A.C.F.I.	Av. Corrientes 456, C1043 AAR, Buenos Aires	Mill
CHINA		
Alpaca Fibre International Co., Ltd.	B-14h Shenye Center, No.9 Shandong Road, Qingdao, 266071	Mill
Cai Yu Co., Ltd	Guangzhou City, Guangdong Province	Mill
Carl Zeiss Vision (Guangzhou) Ltd.	No. 88 Baoying Avenue, Free Trade Zone, 510730 Guangzhou	Inputs
Dezhou Heng Qiang Textile Co., Ltd	Nan Huan Ling Cheng District, Dezhou, Shandong Province	Mill
Dezhou Yuanji Textile Co Ltd	16 Shunhe West Road, Dezhou, Shandong Province 253002	Mill
Dongguan Langkun Textile Co.,Ltd	No.9, Kangfeng Road, Dalang Town, Dongguan City, Guangdong Province	Mill
Guangdong Rui Long Knit Textile Co., Ltd	No.13 Zhenhua Xi Zhi Street, Kai Ping City Guang Dong Province, China	Mill
Guangzhou Jeanious Laundry Co., Ltd	102, 3 Plant, 38-1, Qin Long Street, Liyeroad, Tung Chung Town, Nansha District, Guangzhou, Gangdong	Laundry
Hangzhou Dexuan Textile Ltd.,Co	No.223, Xinsi Rd., Yuhang Economic Development Zone, Yuhang Dist., Hangzhou, Zhejiang, 311100	Mill
Hangzhou Jingsheng Textile Ltd.,Co	Room 102, Floor 1, Building 6, No.101, Yunxi Road, Yunhe Sub-District, Yuhang District, Hangzhou, Zhejiang, 311100	Mill
Hangzhou Zhuoda Dyeing And Finishing Co.,Ltd.	No.2 Farm, Xiaoshan District, Hangzhou City, Zhejiang Province, China	Dyehouse
Hua Yi Plastic Products (Shenzhen) Co. Ltd.	Building No. 4, Long Quan Industrial Park, Hua Rong Road, Dalang, Longhua, Shenzhen, 518109	Raw Material
Jiangsu Dasheng Group Co., Ltd.	238 Waihuan West Road Nantong, 226006	Mill
Jilin Chemical Fiber Co., Ltd	No. 561-1 Jiu Station Street, Jilin City, Jilin Province	Raw Material
Kun Shan New Zeal Textile Co.,Ltd.	No.360 Insung Rd Shi Pu Town Kun Shan City, Jiang Su , China	Mill
Langkun Textile Co., Ltd.	Wuxi City, Jiangsu Province	Mill
Lenzing Fibers (Shanghai) Co., Ltd.	968 Beijing West Road Garden Square Unit 06-08, Floor 15th, 200001 Shanghai	Raw Material
Mozartex Co.,Ltd.	No.218 Xigan Rd, New District, Wuxi, Jiangsu, China 214111	Mill
Ningbo Xindachang Weaving Co., Ltd	No. 75, Lane 814, East Huancheng North Road, Jiangbei District, Ningbo,Zhejiang Province, China	Mill
Ningbo Yinzhou Jiyong Plastic Cement Co.,Ltd.	No.168 Jie Fang Bridge East, Hengjie Town, Ningbo 315181, China	Packaging
Nordik Light (China) Co. LTD.	Panyu, Guangzhou, China	Trims
Qinchun Textile Co. Ltd.	8-2 #, District No. 6, Silk Market, Shengze Town, Wujiang, Jiangsu, 215228	Mill
Qingdao Textiles Group Fiber Technology Co., Ltd	No. 80 Siliu Nan Road, Qingdao	Mill
Shandong Gainmore International Co., Ltd.	3rd Floor Qindao Mansion 89# Hongkong Middle Road, 266071 Qingdao	Mill
Shanghai Shenshu Textile Co., Ltd.	Room 1040, No.7, East Ring Road 65 Lane, Fengjing Town. Jinshan District Shanghai	Mill
Shanghai Shi-Kwan Textile Group Co.,Ltd	No.7001, Zhongchun Road, Minhang District, Shanghai	Mill
Shanghai Shufeng Cotton Co., Ltd.	No.158 Shuqiao Road, Shuxin Town, Chongming District, Shanghai	Mill
Shanghai YKK Zipper Co., Ltd	23 Rd Floor, K.wah Center, No.1010 Huai Hai Road, Shanghai 200031	Trims
Shaoxing Keqiao Meilaitextile Co.,Ltd.	Kebei Industrial Zone, Keqiao, Shaoxing City, Zhejiang Province, China	Mill
Shaoxing Wanxian Textile Ltd.,Co	Building A, Dulai Industrial Park, Fenglin Road, Keqiao, Shaoxing, Zhejiang	Mill
Shaoxing Zhaowang Textile Ltd.,Co	No.5 1st Floor, 12th Building, Jinggong Square, Keqiao,Shaoxing, Zhejiang	Mill
Shengfeng Dying House	No.97, Fugang Dong Rd., Fu Sha Town, Guang Dong Province China	Dyehouse
Shenghong Group Co.,Ltd.	The Oriental Market Of China, Shengze Town, Wujiang, Suzhou City, Jiangsu, 215228 China	Dyehouse
Siic Shanghai Intl Trade (Group) Co. Ltd.	30f., Siic Building No. 18 Cao Xi Bei Rd, Shanghai 200030	Mill
Su Zhou Xiao Jiao Textile Co., Ltd.	Shengtian Village 4 Group ⁹ Shengze Town, Suzhou, China	Mill
Sun Hing Textiles (Shenzhen) Limited	Shu Tian Pu Village, Guang Ming Xin Qu, Shen Zhen City, Guang Dong Province	Mill
Super Trims Co.Ltd	Guangdong, China	Trims
Suzhou Feimosi Co., Ltd,	South Of West Of Market, Shengze Town, Wujiang District, Suzhou, Jiangsu, 215000	Mill
Suzhou Zhenlun Spinning Co.,Ltd	No. 168 Shaungyang Road, Zhenze Town, Wujiang, Jiangsu, 215223	Mill
Tengding Co., Ltd	Room 218, No.283, Qianxin Road, Jinshanwei Town, Jinshan District, Shanghai 201500	Mill
Tongling Worldbest Linen & Ramie Textile Co., Ltd.	1139 Cuihu 3 Road Tongling, 244000	Mill
Zhejiang Charming Dyeing And Finishing Co., Ltd.	Industrial Park, Fengming Street, Tongxiang, 314505	Dyehouse
Tongxiang Fuxin Group Co., Ltd.	The Qianlin Village Of Wutong Street, Tongxiang City, Zhejiang	Dyehouse
Tongxiang Yongtai Knitting Co.,Ltd	Tongfu Country, Jiaying, 314505	Mill
Tune In Clothing Company Limited	Unit 6, Ground Floor, Block 4, Phase 1, Environmental Protection Base, Changping Town, Dongguan City	Laundry

SUPPLIER	ADDRESS	CATEGORY
Weixing Co.,Ltd. (Sab®)	3f Block 16 No.99 Tianzhou Road Caohejing Hi-Tech Park, Shanghai 200233	Inputs
Weixing Co.,Ltd. (Sab®)	No.8 South Qian Jiang Road, Linhai City, Zhejiang	Inputs
Wuhan Yuhua Textile Technology Co.,Ltd	5th Floor, Zhongfu Building, No. 725 Shengze Avenue, Shengze Town, Wujiang City, Suzhou, Jiangsu 215228	Mill
Wujiang Colorful Weaving Co., Ltd	Nanxiao Development Zone, Shengze Town, Wujiang District, Suzhou City, Suzhou Province	Mill
Wujiang Liufu Textile Ltd.,Co	No.1998, Xingye Building, Nanhuaner Road, Shengze Town, Wujiang District, Suzhou, Jiangsu	Mill
Xiajin County Yuen Wo Cotton Co. Ltd	Xishizhuang Village, Songlou Town, Xiajin County, Dezhou, Shandong Province	Mill
Xinao Textile Inc.	No.48, Zhenzhi Street, Chongfu Town, Tongxiang City, Zhejiang Province	Mill
Xinxiang Bailu Chemical Fiber Co., Ltd.	Jinyuan Road, Fengquan District, Xinxiang City, Henan Province 453011	Raw Material
YKK Zipper (Shenzhen) Co., Ltd.	Tangwei Industry Park, Fuhai Street, Baoan District, Shenzhen, Guangdong	Trims
Zhejiang Fulida	Linjiang High-Tech Zone, Dajiangdong District, Hangzhou City, Zhejiang Province	Mill
Zhejiang Houyuan Textiles Inc. (Zhejiang Xinao Textiles Inc.)	Industrial Park Of Development Zone, Chongfu Town, Tongxiang City	Dyehouse
Zhejiang Redsun Wool Textile Co., Ltd	No.1108, Yong Xing Road, Tongxiang, Zhejiang	Mill
Zhejiang Zhong Ding Textile Co.,Ltd	No. 388, Zhongshan Road, Chongfu Industrial Zone, Tongxiang City, Zhejiang Province	Mill
Zhuhai Lewaunion Spinning Knitting & Dyeing Company Limited (Novetex Textiles Ltd)	Nan Gang Centre Road, Nan Shui Town, Zhuhai 516050	Mill
HONG KONG		
A-TEX	Roxy Industrial Centre, Room B, 58-66 Tai Lin Pai Road, Kwai Chung, N.T.	Packaging
Cheung Hing Band	G/F 105 Nam Cheong Street, Sham Shui Po, Kowloon, Hong Kong	Trims
Clotex (Trimco Group)	Flat G, 8/F, City Industrial Complex, 116-122 Kwok Shui Road, Kwai Chung	Trims
INDIA		
Abhi Textfab Private Limited	Wz-316, Shakurpur Delhi DI 110034	Mill
Ajanta Labels Co. Pvt. Ltd.	6202/2, Block No.1, Dev Nagar, Karol Bagh, New Delhi-110005	Packaging
Disha Creations	No-4, Khullar Farms, Sultanpuri, Mehrauli, New Delhi, 110030	Packaging
K.C. Box	Rani Garden, Shastri Nagar, Delhi-110031	Packaging
Madura Coats Pvt Ltd	144, M.g. Road, Bangalore-560001	Trims
Mudit Polymer	C-136 Narain, New Delhi	Packaging
R.k. Textile	1116-B, Chandni Chowk Rd, Kucha Natwa, Chandni Chowk, New Delhi, Delhi 110006	Mill
The Rajlakshmi Cotton Mills Pvt Ltd	C-107, Sector - 65, Noida, 201301	Mill
YKK India Pvt. Ltd	3rd Floor, Tower B, Global Business Park, M.g. Road, Sikanderpur, Sector 26, Gurugram, Haryana 122002	Trims
ITALY		
Lineapiu Italia S.P.A	6F Via Brunelleschi, Campi Bisenzio, Capalle 50010	Mill
JAPAN		
Asahi Kasei Corporation	1-chome,1-2 Yurakucho, Chiyoda-ku, Tokyo	Raw Material
PHILIPPINES		
Cebu Hardware Corp	Manalili St. Cebu City	Trims
Corbox	Liloan, Cebu City	Packaging
CVRK Enterprises	292 Sanciangko St Cebu City	Packaging
Highlander Plastic Products	(PolyBag) Biasong Talisay, City Cebu	Packaging
Loreta Abece	Talisay City, Cebu	Raw Material
Modern Art Corp.	Mandaue City, Cebu	Raw Material
Nena Medalla	Asturias, Cebu	Raw Material
Oliver Renario	Asturias, Cebu	Raw Material
Wilfredo Villaplaza	Barili, Cebu	Raw Material
TAIWAN		
Homer Ching Enterprise Co. Ltd.	15F, 55-2, Alley 3, Lane 106, Min Chuan E. Rd., Sec. 3, Taipei	Mill
Qualipoly Chemical Corp.	2, Yeong Gong 5th Rd, Yeong An District, Kaohsiung City (828)	Raw Material



IMAGE: Marnie and Adam, ELK Co-founders, at Melbourne Fashion Week



INDUSTRY ACTIVE

17 PARTNERSHIPS
FOR THE GOALS



Top: Marnie at the 2019 Australian Fashion Laureate's award ceremony

Bottom: Some of the ELK team at Melbourne Fashion Week



AUSTRALIAN FASHION LAURETTE – AWARD FOR SUSTAINABLE INNOVATION

We were immensely proud to have won the 2019 Australian Fashion Laureate's award for Sustainable Innovation. This was a new award introduced to recognise Australian brands who are demonstrating leadership for best practices in sustainability.

It was a humbling recognition of our efforts particularly as we sat alongside other distinguished nominees. Our work towards transparency, our commitments to change and willingness to share information were catalysts for winning the award.

"The introduction of the Sustainable Innovation award category allows our industry to acknowledge the efforts and accomplishments of individuals and brands who are dedicated to lessening fashion's impact on our environment, and to celebrate the most noteworthy innovations shaping our industry and its future," Natalie Xenita, the executive director of IMG's fashion events group for the Asia-Pacific region"
Jenny Lim, October 24th 2019, www.vogue.com.au

BANKSIA FOUNDATION SUSTAINABILITY AWARDS – MEDIUM CATEGORY FINALIST

Founded in 1989 The Banksia Foundation exists to "Inspire Excellence in Sustainability" across all industries. We were proud to be shortlisted in the Medium Business category alongside other incredible businesses. The award was won by Queensland tourism based business Fun Over Fifty who's work left us totally inspired.

MELBOURNE FASHION WEEK – SUSTAINABLE BRANDS RUNWAY 6

Sending our Spring Summer 19 Collection "GLEAM" down Town Hall Runway 6 for the Melbourne Fashion Week Festival was a highlight for us not only as a chance to showcase ELK but to be alongside kindred brands. The runway was listed as "featuring designers who undertake sustainable practices, the runway features this season's must-have pieces designed for wardrobe longevity."

MENTORING

Following on from our first report we welcomed questions from many of our peers on how and why we created the piece of work. We continue to realise the enormity of the process we have undertaken and like it was for us – getting started is sometimes the hardest part.

So we have shared our time with a number of people over the last 12 months, answering questions where we can and sharing relevant information.

It is hoped that in the next 12 months we can spend more time with others sharing stories, solutions and helping each other to push forward. We welcome anyone to contact us – we can all learn from each other.





Image: Marnie speaking on the Future Fashion panel at VAMFF

PRESENTATIONS

Redesigning our business and our products to have less impact is achieved through a deep understanding and research into how, where and who makes our products. This process of achieving transparency in our supply chain is then extended to us sharing information, learnings and knowledge amongst our peers, customers and the public.

In Patagonia's book **The Responsible Company** (page 79–80) the authors write "The more you reveal about your environmental and social challenges and successes, the more you help others in your industry who are trying to reduce their social and environmental footprint. When it comes to protecting nature and human beings from harm, we are all on the same side."

We have been fortunate to share the stage over the last 18 months with many other amazing companies and inspiring individuals including:

- VAMFF Melbourne Fashion Festival March 2019 "Future Fashion: Is it a Stitch Up"
- International Sourcing Expo November 2019 "Transparency in the Fashion Industry is Here to Stay"
- Melbourne Fashion Week Summit – "Fashion's Next Frontier: Sustainable Style and Business Practice" September 2019
- VAMFF Melbourne Fashion Festival March 2020 "Financing Fashion"
- Legacy Summit March 2020 "Leadership in the Era of Accountability"

We look forward to strengthening our public presence to build awareness around the issues at hand and to encourage others on their journey towards greater transparency and better business.

RESPONSIBLE FASHION LABELS (RFL) GROUP

Formed by the Australian Fashion Council in 2018, this select group of small to medium sized like minded businesses come together once a quarter to network, table issues and share learnings.

In the time we have been involved we have noticed there are consistencies in challenges across each brand. Namely packaging, material sourcing, compliance and verification, human rights and living wage issues, climate change, waste and circularity amongst other things.

Each of us is at a different stage in our work and whilst we are tackling and winning in some areas we always seem to circle back to the need for broader industry solutions which point decidedly to the need for government input and support.


As a collective we hope to use our combined influence to motivate other businesses, influence decision makers and help to set industry standards for better fashion businesses.

The mission of the group is "an alliance of apparel brands, retailers and fashion industry bodies influencing positive change in social and environmental conditions where products are made".

Current members of the group include A.BCH, Arnsdorf, Bianca Spender, CAMILLA AND MARC, ELK, Helen Kaminski, Kit X, Kloke, Nique, Nobody Denim, Outland Denim, Viktoria and Woods

NEXT STEPS

Although there is still so much to be done, these are our priorities for the coming 12 months.

 PEOPLE	 PLANET	 PRODUCTS
<p>EMPLOYEE HEALTH + WELLBEING</p> <p>Continuing to offer more flexible work options to our team and developing a calendar of health and wellbeing initiatives throughout the year.</p>	<p>CARBON FOOTPRINT</p> <p>Expanding the boundary of our carbon footprint measurement, while further reducing our electricity use and waste to landfill volume.</p>	<p>CIRCULARITY</p> <p>Launching the ELK REWEAR product take back program, as well as sustainable garment care guidelines and an expanded repair service.</p>
<p>DIVERSITY + INCLUSION</p> <p>Increasing our knowledge and understanding of diversity considerations and best practice, and developing an ELK Diversity and Inclusion policy and roadmap.</p>	<p>PACKAGING + PRINTING</p> <p>Mapping our indirect packaging supply chain and continuing to improve the format and materials used in our bulk packaging, as well as our retail packaging and point of sale materials.</p>	<p>MATERIALS + TRIMS</p> <p>Increasing the percent of preferred materials used in our products, including the introduction of Australian cotton, responsible wool and more sustainable trims and hardware.</p>
<p>VOLUNTEERING</p> <p>Continuing to support our long-term charity partners and exploring new opportunities to give back to our community, including volunteering options for the ELK team.</p>	<p>WATER + CLEAN CHEMISTRY</p> <p>Developing a strategy to reduce water use in our business and supply chain and ensure that chemical use in our supply chain meets ZDHC guidelines or equivalent.</p>	<p>TRANSPARENCY + LIVING WAGE</p> <p>Continuing to map our supply chain, including our dyehouses, printers and fibre producers, and progressing our work on living wage, including strengthening workers' voice and ensuring responsible purchasing practices.</p>

WHERE TO NEXT?



This report is a snapshot of a busy 18 months, full of change and challenges. It highlights our progress and learnings and illustrates that we still have a great deal to do and lost time to catch up on.

We are proud of the progress made to date and want to thank the passionate ELK team and our suppliers for their commitment and hard work towards achieving our goals, as well as the external stakeholders providing us with guidance along the way.

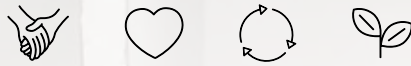
Over the next six months we will follow our roadmap and, where necessary, we will continue to implement more formal processes and improve the way we manage and share information. We are invested in using new data management tools, which will further improve tracking and reporting on our impacts and progress.

This report is a public statement that continues to guide us on a long and critical journey. We hope to inspire positive change for anyone that reads it and are excited to see further improvements coming into market in April 2021.

Marnie and Erika

We welcome questions, feedback and discussion.
Please contact Erika or Marnie at any time via email at
transparency@elkthelabel.com

Let's share in this journey together.



*This is our second annual Transparency Report.
It is a record of our progress and of the work we
have ahead of us.*



We have printed 20 copies of this report with a local, environmentally conscious printer on 100% post-consumer recycled ecostar+ paper stock which is FSC® certified and carbon neutral. We have taken great care to not print more copies than required. We have offset the carbon emissions from printing this report through the Carbon Reduction Institute.

ELK