



ADORE ME

2023 ESG Report

Introduction

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“We continue to be proud of the progress Adore Me is making within their sustainability initiatives, including partnerships and continuous improvement programs. Through innovative partnerships, we can work collaboratively to address challenges and share best practices to help build a better future for all of retail.”

— MARTIN WATERS, CHIEF EXECUTIVE OFFICER, VICTORIA'S SECRET & CO.

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OUR PROGRESS

A Message From Our CEO

2023 was a year of continuous improvement and collaborative engagement at Adore Me.

The entire team at Adore Me works with a shared mission to create not only company-wide change, but also industry-wide impact. This third-annual ESG Report is a chronicle of the progress our team has made toward that mission in the last year, a commitment to transparency with our customers and stakeholders, and a promise to continue working toward fashion that is both accessible and sustainable.

Our Industry's Landscape

In recent years, we've witnessed the fashion and textile industries evolve in the face of cycling trends and constantly changing consumer behavior. As an organization that exists within this landscape, we recognize that today, our industry is at an inflection point—and that meaningful change needs to happen now. Sustainability initiatives can no longer afford to be secondary thoughts. Systemic change is critical, and it needs to happen across the entire industry—not within just one organization.

Our Year In Review

As the industry rounds this turning point, intentional partnerships and strategic investments are more important than ever. Collaboration is an absolute requirement. That's why in the last year, Adore Me's most imperative initiatives involved the support and engagement of our own suppliers, customers, and trusted third parties.

I'm pleased to announce that in 2023, our team launched the Adore Me Sustainability Accelerator (AMSA): a first-of-its-kind sustainability program that places strategic partnerships at its core. The program aims to give carefully selected startups access to Adore Me's internal workings to help scale their technology and services for a wider market, while simultaneously fostering long-lasting collaborations.

With the help of the organizations we've partnered with through AMSA—startups like Carbonfact and CommonShare—our team has been able to expedite and further implement many of our sustainability-related goals and initiatives. In 2023, Adore Me offered and sold more sustainable products than ever, had access to more granular data surrounding our product-level carbon impact, improved transparency throughout our value chain, decreased our absolute carbon footprint compared to our 2021 baseline, and much more. This progress is a testament to the fact that working together toward meaningful change benefits more than just a single organization—it benefits our world.

Our Look Into the Future

Looking to the future, we are fully committed to creating lasting value that reaches beyond our stakeholders. Economic uncertainties may arise, markets will likely fluctuate, standards will change, and consumer demand will follow unpredictable patterns—but I'm confident that one thing will remain constant: the Adore Me team will

continue to move the needle. Instead of waiting until the demand for sustainable fashion rises to the top, we're assuming the immediate responsibility of *supplying better*—so our customers have the opportunity to buy better.

I want to thank all of you—Adore Me's teams, partners, and customers—for your unwavering support as we continue to transform from a brand with little experience in sustainability, to a brand that has seen and is working toward systemic change within the industry. Through the collaborative engagement of all of you, Adore Me is stronger now than it ever has been. Our organization's values and visions have surpassed the world of the small start-up we once were, and have proven to inspire change in the new world we operate within. It's my promise to you that moving forward—despite inevitable challenges—Adore Me will continue to innovate, collaborate, and push the boundaries.

Now, more than ever, it's an absolute necessity.

MORGAN HERMAND

Founder & Chief Executive Officer
Adore Me



About Us

In 2011, AdoreMe Inc. was founded with the mission of helping women buy high-quality, well-fitting bras online. While this may seem like a simple feat, bras are incredibly complex to produce and personal to buy—not to mention the intrinsically nuanced logistics that come with selling bras online. Achieving our mission was an uphill climb—but in solving this problem, we built a foundation for us to take on more and more ambitious challenges. Adore Me quickly grew into one of the first major online players in the lingerie industry, and the first lingerie brand to introduce extended sizing across all its categories.

Today, we're taking Adore Me's ethos of inclusivity and accessibility and using it to take action toward a more sustainable future. Sustainable fashion typically comes with a big price tag—but our team knows that if sustainable fashion isn't available to everyone, then its impact will remain limited. In an effort to make a notable impact—within our company and within the industry—Adore Me adopted an affordable sustainability model, which has acted as a bottom-up transformation of our brand as we knew it. Every day, the Adore Me team works to disrupt the fashion industry and inspire other brands with a holistic business model that strives to make

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

Adore Me is proud to be a Public Benefit Corporation (PBC) with a commitment to “changing fashion for good by fostering inclusivity and environmental sustainability in the production, distribution, and marketing of our products.” We're also very proud to be B Corp Certified™, making us officially counted among businesses that are leading a global movement for an inclusive, equitable, and regenerative economy.

We know that changing the industry is no small task. When we started our company-

wide transformation, we admittedly had little experience with sustainable fashion. We're proud of the huge strides we've made in just a few years and are empowered by the knowledge we've gained. There remains a lot of work to do, but we are confident in the path we have chosen. While we may never attain perfection, it's our mission to continue working toward positive change.

OUR GUIDING PRINCIPLES

We Commit to Our Mission

Adore Me's work has the power to drive positive change in the fashion industry—so we're committed to continuously learning and excelling at what we do. Implementing positively impactful changes into our business model—and doing it quickly—is of the utmost importance to us. Time, resources, and energy are precious, so we focus on what we believe will have the greatest impact. Sometimes “good” progress today is better than “great” progress tomorrow.

We Embrace Differences

We believe resilience is fueled by diverse teams and strong collaborations. We also believe diverse mindsets are instrumental in identifying and implementing effective solutions to the challenges our business is facing. Adore Me's team is comprised of unconventional backgrounds, wide ranges of experiences, and unique sets of skills. We continue to seek out different perspectives—internally and through carefully selected partners—so we can make better decisions and build better products.

We Live and Breathe Data

Our data-driven culture not only fosters efficiency, but also positions us to remain agile and responsive while facing the dynamic demands of our industry. Data analysis is ingrained in the functions of every team at Adore Me—positively influencing decision-making processes, project planning, and daily operations.

We Lead with Optimism

We believe in our mission, embrace challenges, and remain confident that solutions are within reach. We see the world as it is, set ambitious goals, and inspire one another with generosity. Together, we reimagine what's possible.

OUR APPROACH TO SUSTAINABILITY

In 2019, Adore Me embarked on a transformation journey, establishing a formal approach to making sustainable fashion accessible to a broader audience. In everything we do, we work to drive the industry into a new phase where sustainable fashion is not a luxury—but the standard.

One of Adore Me's most significant achievements is our rapid rise from being relatively new in the sustainability space, to becoming a relevant and respected player that other brands look to for guidance on their own sustainability journeys. By leveraging data-driven insights, advanced technology, and data analytics—while revolutionizing our operations in the process—our team progressed toward a goal that's not always easy to progress toward. With a deep understanding of the importance of innovation, transparency, and cost-effectiveness, we plan to continue our work in making sustainable fashion available to the largest audience possible—with the hope of eventually eradicating “green premium” practices.

Our sustainability journey relies on three guiding principles. We believe the only way to overcome the challenges our industry is facing is to approach sustainability in an **affordable, systemic, and transformative** manner.

Affordable

We're dedicated to ensuring that sustainable fashion is accessible and affordable—because if it's not available to everyone, its impact is limited.

Systemic

In an effort to apply systemic change in our own operations, Adore Me embeds a sustainable mindset into every single corner and function of our business.

Transformative

We craft our sustainability initiatives to extend change beyond Adore Me—starting with our entire value chain, and through collective efforts with other industry players.



Q&A with Romain Liot

Co-Founder & Chief Operating Officer

What has it been like to watch Adore Me grow in the sustainability space?

ROMAIN: *“To say that it's been exciting would be an understatement. Our level of understanding and sophistication surrounding sustainability is so much more defined than it was a few years ago. Every year our team is more knowledgeable than the last—which means we only continue to access deeper understandings, more granular data, and improved insights on sustainability. We've outperformed our own KPIs time and time again, and received external validation from trusted third parties that we're on the right path. Is the path perfect? No, I'm not sure a perfect path exists. But the one we're on is uniquely ours.”*

What do you think other brands need to start prioritizing to see a notable change?

ROMAIN: *“I think real transformation is what needs to be prioritized. Progress needs to be more than just organic cotton and recycled materials. So many other things need to be considered and prioritized at the same time: transportation emissions, sourcing, lifetime value, and of course accessibility. Customers really do want to shop more sustainably—but they don't want to pay more. And they shouldn't have to! Sustainable fashion isn't impactful unless everyone has access to it, so these efforts are really worth replicating across the industry.”*

What are you most excited for in the next year?

ROMAIN: *“2024 is going to be an interesting year. It's a major milestone because it marks 5 years since we started our sustainability journey at Adore Me. I think what I'm most excited about is helping other companies advance in the sustainability space by applying the formula that's worked so well for us in the past. We really believe that these efforts have to be replicated across the industry to be impactful—so I'm excited to see Adore Me start helping other brands make progress.”*

ADORE ME IN NUMBERS



~\$281 MM

Revenue

Representing both Adore Me and DailyLook.



602

Employees

Representing both Adore Me and DailyLook.



33%

Plus-Size Sales

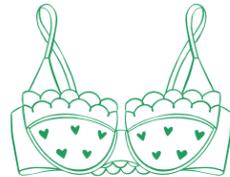
Spanning across VIP and Pay-As-You-Go customers.



6

Retail Stores

Retail stores are located in Staten Island, NY; Providence, RI; Natick, MA; Bridgewater, NJ; Wayne, NJ; and Chattanooga, TN.



67

Bra Sizes Offered



7

Key Categories Offered

Key categories are those featured on our website: Bras, Lingerie, Swimwear, Activewear, Loungewear, Sleepwear, and Panties.



36%

Sustainable* Sales

Spanning across VIP and Pay-As-You-Go customers.



55%

Sustainable* Units Ordered from Suppliers



4

Offices

Offices are located in New York, NY; Bucharest, Romania; and Los Angeles, CA (DailyLook).



3

Logistics Centers

Logistics centers are located in Secaucus, NJ; Tijuana, MX; and Los Angeles, CA (DailyLook).



9

Charitable Donations

Refer to page 108 for more information on charity support.



8%

Reduction in Average Product-Level Footprint

In 2023 compared to 2022.

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

About This Report

PURPOSE

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

ESG reporting is also turning into a compliance exercise as regulators are increasingly requiring businesses to report on a wide range of sustainability issues related to their operations. Regulations, standards, and guidelines are currently spreading worldwide—and while this may lead to increased complexity in ESG reporting, we remain committed to make our best efforts to bring our stakeholders the information they need in an accessible way.

Adore Me's third-annual sustainability report (the Report) is designed to provide an update on our performance and plans regarding relevant environmental, social, and governance-related matters, as well as to provide insight surrounding where Adore Me stands as a PBC.

SCOPE

The Report covers all of AdoreMe Inc.'s operations: AdoreMe Retail (6 brick-and-mortar stores), AdoreMe France, AdoreMe

SRL ("AdoreMe Tech" in Romania), as well as AdoreMe Services, which manages our two delivery centers in Secaucus, New Jersey and Tijuana, Mexico (together referred to as "Adore Me"). The Report also covers, to a limited extent, data concerning DailyLook, which was acquired by AdoreMe Inc. in March 2022, but continued to operate independently of Adore Me's systems in 2023.

While the reporting period is fiscal year 2023, certain factual information falling outside of this timeframe may be included for context. Many of the initiatives described in the Report are ongoing, and related data may therefore be incomplete. The information and opinions contained in the Report are provided as of the publishing date of the Report and are subject to change without notice.

Importantly, any references to "sustainable" products or designs in the Report are intended as references to the internally defined criteria of Adore Me only and not to any jurisdiction-specific regulatory definition.

Limitations and Exclusions

Two years ago, AdoreMe, Inc. acquired premium personal styling service DailyLook to collaborate on logistics, customer service, and new customer acquisition in the try-at-home retail space. The DailyLook acquisition was an exciting opportunity for both companies to shape the future of the try-at-home retail space together. Because DailyLook continued to operate independently of Adore Me's systems in 2023, the Report generally excludes data from DailyLook, unless otherwise noted.

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

FORWARD-LOOKING STATEMENTS

The Report includes forward-looking statements, including statements regarding our initiatives, targets, goals, commitments, or expectations. Forward-looking information contained in the Report is included to provide our stakeholders the opportunity to understand Adore Me's management's current beliefs and opinions in respect of the future. These statements are based on current expectations and projections. As such, these statements or commitments are not guaranteed. They involve a number of risks and uncertainties, which may cause actual performance or achievements to differ significantly from expected performance or results, whether they are explicitly stated or implied. This includes fast-changing scientific or technological developments, legal and regulatory requirements, and the evolution of available data, among others.

METHODOLOGY

Building upon the strengths of our two previous reports, we have evolved our approach for this edition by incorporating valuable insights gained through a deeper understanding of ESG issues and by leveraging a more extensive and refined dataset. Our continuous collaboration with third-party experts has also guided our work, always with a view to provide our stakeholders with a nuanced and informed perspective on our environmental, social, and governance-related performance.

The iterative process of publishing annual ESG reports aligns with our commitment to continuous improvement and the delivery of ESG reports that best reflect the evolving landscape of sustainable business practices.

The information provided within the Report reflects Adore Me's approach to ESG and data available to Adore Me at the time of the drafting of the Report and is subject to change without notice. We will not undertake to systematically update information provided within the Report. When newly discovered data or updated methodology may affect prior claims, we will do our best to explain the discrepancies transparently, providing updated and accurate information to maintain the integrity of our reporting.

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

Data Collection

In the preparation of the Report, we worked extensively with teams across Adore Me to extract data sets, confirm or challenge assumptions, and to select relevant KPIs.

The collection of data was a cross-functional effort that acts as a testament to how a sustainable-forward mindset is embedded in every corner of our organization.

This year, we have also increasingly relied on work performed by third-party experts who are providing instrumental support on some of our most complex initiatives, including carbon accounting and traceability.

Analysis, Copy, and Content

Many team members contributed to the analysis, drafting, editing, reviewing, and quality assurance of the Report. The variety of people and the number of teams that were involved in the process sheds light on not only the precision with which the Report was crafted, but also the importance that each team at Adore Me places on sustainability. The teams involved in the content of the Report include—but are not limited to—P2M (Product to Market), Logistics, Retail, Technology, Supply Chain, Creation, Production, Human Resources, and even our own customers.

With regard to content—building upon Adore Me’s 2022 ESG Report, which particularly highlighted our carbon accounting efforts—this year we put a focus on strengthening our reporting surrounding social issues. This includes the substantial work we’ve done with three key stakeholders: suppliers, employees, and customers. In addition,

in comparison to our 2022 ESG Report, we have made significant updates to the Governance section of the Report.

Design

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

Adore Me intends to publish similar reports on an annual basis moving forward. While it is likely that the form and substance of our reporting will evolve and improve over time—especially as new reporting standards and requirements emerge—we recognize that comparability is an important feature of sustainability reporting. Thus, while visual improvements and changes have been made to this year’s Report to better reflect new information and initiatives, the design framework is generally consistent with that of last year’s (with a continued focus on clarity and accuracy).

Reporting Standards

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



The Global Reporting Initiative (GRI) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

Adore Me GRI Content Index			PAGE 125	
STATEMENT OF USE	Adore Me has reported the information cited in this GRI content index for the year 2023 with reference to the GRI standards.			
GRI 1 USED	GRI 1: Foundation 2021			
GRI STANDARD	STANDARD/DISCLOSURE	LOCATION (ESG REPORT)	STANDARD/DISCLOSURE	LOCATION (ESG REPORT)
GRI 2: GENERAL DISCLOSURES 2021	1. The Organization and its Reporting Practices			
	2-1 Organizational Details	6-17, 94		
	2-2 Entities Included in the Organization's Sustainability Reporting	6-17		
	2-3 Reporting Period, Frequency, and Contact Point	6-17		
	2-4 Restatements of Information	63		
	2. Activities and Workers			
	2-6 Activities, Value Chain, and Other Business Relationships	6-17, 46-59, 86-93		
	2-7 Employees	12-13, 94-107, 120-121		
	2-8 Workers Who Are Not Employees	120-121		
	2-9 Governance Structure and Composition	6-17		
GRI 3: MATERIAL TOPICS 2021	3. Governance (Continued)			
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	32-33		
	2-13 Delegation of Responsibility for Managing Impacts	32-33		
	2-14 Role of the Highest Governance Body in Sustainability Reporting	32-33		
	4. Strategy, Policies, and Practices			
	2-22 Statement on Sustainable Development Strategy	6-17		
	2-23 Policy Commitments	24-27, 86-93		
	2-24 Embedding Policy Commitments	24-29, 32-33, 37, 40-41, 60-69, 86-93		
	5. Stakeholder Engagement			
	2-29 Approach to Stakeholder Engagement	34-35, 118-119		
GRI 4: SUPPLIER SOCIAL ASSESSMENT 2016	3-1 Process to Determine Material Topics	34-35, 118-119		
	3-2 List of Material Topics	118-119		
	306-4 Waste Diverted from Disposal	74-77, 120-121		
	414-1 New Suppliers That Were Screened Using Social Criteria	70-71, 86-93		
	03-1 Occupational Health & Safety Management System	98		
	03-2 Parental Leave	104-106		
	03-3 Worker Participation, Consultation, and Communication on Occupational Health & Safety	98		
	03-4 Worker Training on Occupational Health & Safety	98		
	03-5 Promotion of Worker Health	104-106		
	03-6 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	98		
	03-7 Programs for Upgrading Employee Skills and Transition Assistance Programs	100-101		
	03-8 Percentage of Employees Receiving Regular Performance and Career Development Reviews	27		
	08-1 New Suppliers That Were Screened Using Environmental Criteria	24, 26, 86-93		
	08-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	26-27, 40, 52-55		

A GRI Content Index is provided in the Appendix.

If any questions remain concerning information provided in the Report, please contact: sustainability@adoreme.com.

2023 Highlights

APRIL

- Calculates Scope 1, 2, and 3 emissions in line with GHG Protocol Standards with the support of Carbonfact



JUNE

- Donates to the Ali Forney Foundation in honor of Pride Month

FEBRUARY

- Visits main manufacturers in Asia for the first time post-COVID

MARCH

- Introduces central fabric library as a resource to improve raw material and fabric management
- Edits and publishes first formal Eco Design Guide to serve as a practical guide to sustainable practices for designers everywhere

MAY

- Collaborates with East Olivia and launches the first of three limited-edition capsule collections that leverage on-demand, waste-minimizing, water-efficient printing technology from Prompt.ly by Twinery

ADORE ME x
EAST OLIVIA

ADORE ME
cares

AUGUST

- Launches Adore Me Cares Program in AdoreMe Retail and formal sustainability training for AMR employees
- Accepts Intimates Industry Reinventor 2023 FEMMY Award
- Partners with Everdye to detoxify dyeing processes

JULY

- Publishes second-annual ESG Report
- Partners with CommonShare on Digital Product Passports Initiative
- Participates in the NYC Green Summit



girls who
CODE

NOVEMBER

- Launches the Adore Me Sustainability Accelerator
- Sells the highest percentage of sustainable* products in 2023
- Partners with Girls Who Code to aid in the facilitation, participation, and promotion of GWC programs across middle schools and high schools

DECEMBER

- Launches the third iteration of AIM to include new fibers, manufacturing processes, point-allocation adjustments, and more
- Collaborates with the Adore Me's first African manufacturer, based in Ghana

OCTOBER

- Sustainability survey in Adore Me stores confirms increasing customer interest in sustainability
- Partners with the American Cancer Society for Breast Cancer Awareness Month at Central Park's *Making Strides* Walk



*Sustainable products are defined as products with an AIM score of 1 or above.

Our Progress

KEY:
■ Completed
■ In Progress
■ Early Stages
■ Complete After Initial Target

	GOAL	TARGET YEAR	STATUS	COMMENT
TRANSPORTATION	Decrease the share of inbound air shipments to less than 5% of units.	2022		In 2023, only 3.4% of units were transported by air (inbound only).
SUPPLIERS	Resume in-person audits with key manufacturers.	2022		In-person factory visits resumed in Q12023. In February 2023, Adore Me met in-person with six manufacturers and visited two factories. This trip marked the launch of Adore Me's internal social audit program, which was piloted with our three main manufacturers.
SUPPLIERS	Complete supply chain due diligence for all Tier 1 suppliers.	2023		All Adore Me's Tier 1 suppliers are carefully selected on the basis of many considerations, including their sustainability-related practices and their compliance with Adore Me's corporate values and objectives. In addition, Adore Me manufacturers undergo a rigorous semi-annual evaluation and review process, which is conducted by key internal stakeholders and, if necessary, results in a personalized 6-month action plan to address any highlighted development areas.
PACKAGING	Complete rollout of recycled and recyclable internal packaging (poly-bags) and recycled hang tags.	2023		As of 2023, all internal poly-bags and hang tags are made from recycled and recyclable materials.
GHG EMISSIONS	Disclose carbon footprint management strategy and tools.	2023		Adore Me's carbon footprint continues to be disclosed on an annual basis and our team is working closely with our partners to strengthen reduction and mitigation strategy. See pages 60–69 for more details.
GHG EMISSIONS	Continue reduction trend against baseline in line with net-zero path.	2024		Adore Me's reduction of carbon emissions across our value chain continues to be a key focus of our sustainability efforts.
PRODUCT	Increase sales of products meeting sustainability threshold to 50% in our 7 key categories	2024		At the time of the drafting of the Report, sustainable sales make up 36% of overall sales for VIP and PAYG customers.
PRODUCT	Increase use of recycled synthetic materials in our products.	2024		At the time of the drafting of the Report, recycled synthetic materials represented 27% of all synthetic materials used in our products. Our team is actively working to implement more recycled synthetic materials in the production of new products.
PRODUCT	Launch pilot Digital Product Passport.	2025		At the time of the drafting of the Report, the Adore Me team is working with the CommonShare team to develop a Digital Product Passport, aiming to provide various stakeholders with detailed information about our products throughout their lifecycle.
PRODUCT	Improve upon the sustainability attributes of all new designs to meet updated internal sustainability threshold.	2025		Adore Me's Creation team is continuously improving the sustainability of new products and is on track to meet our target by 2025.
SUPPLIERS	Complete supply chain due diligence for all Tier 2 suppliers.	2025		Tier 2 suppliers are fully mapped to be further assessed for alignment with our environmental and social commitments as part of a broader due diligence project.
PRODUCT	Maintain 100% "sustainable" products in Adore Me's inventory.	2026		In 2023, Adore Me ordered more sustainable products from our suppliers than we did non-sustainable products—a trend that puts us on track to meet this target.
PRODUCT	Maintain 100% traceability of our key raw materials.	2030		The mapping of our Tier 3 suppliers is ongoing at the time of the drafting of the Report. Adore Me has also completed our work on a "fabric library," an important step towards reliable traceability.
GHG EMISSIONS	Decrease Scopes 1, 2, and 3 carbon emissions to be in accordance with the SME Climate Commitment.	2030		Adore Me's reduction in product-level footprint is in line with net-zero targets.
GHG EMISSIONS	Achieve net zero emissions in accordance with the long-term SME Climate Commitment.	2050		Adore Me's reduction in product-level footprint is in line with net-zero targets.

Governance

1

ETHICS & INTEGRITY

2

TRANSPARENCY

3

SUSTAINABILITY INTEGRATION

4

STAKEHOLDER ENGAGEMENT

5

DATA GOVERNANCE

6

GOVERNANCE OF SUSTAINABILITY TOOLS



Ethics & Integrity

CODE OF CONDUCT

Adore Me has both an Employee Handbook (adjusted for each of our entities and locations) to govern our employment policies and practices, as well as a company-wide Code of Conduct—which outlines all rules, values, principles, and expectations for Adore Me employees. Adore Me is also subject to Victoria's Secret & Co.'s Code of Conduct.

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

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

We deal fairly.

We deal fairly with our community. We do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation, or any other unfair dealing. We do not misuse our position at Adore Me to circumvent our Upstream Supply Chain Guide (USG) or seek preferential treatment from customers or vendors. Our direct suppliers are required to sign our USG, which includes stringent ESG compliance requirements.

We respect the environment.

We conduct our business with the highest commitment to respecting the environment in a responsible

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

We uphold human rights.

We respect human rights, provide fair working conditions to our employees, and prohibit the use of any forced, compulsory, or child labor by or for Adore Me and our vendors.

We do not permit bribery.

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

We comply with trade regulations.

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

PHOTO SHOOT COMPLIANCE

Adore Me has increased governance surrounding photo shoots and has adopted Victoria's Secret's Photo Shoot Procedures, which now apply to all Adore Me photo and video shoots involving external talent. These procedures strictly prohibit bullying, discrimination and harassment of any kind, as well as any form of incivility or disrespectful behavior. Every Adore Me photo shoot must adhere to a specific protocol, which includes a formal approval of all third-party crew members participating on set and the mandate of an authorized compliance monitor to provide oversight and ensure compliance with Victoria's Secret's Photo Shoot Procedures.



SUPPLY CHAIN MANAGEMENT

Contract Requirements

Adore Me holds our direct suppliers contractually accountable through our Upstream Supply Chain Guide (USG), which was revised in 2023. Our USG holds suppliers to the following (among other legal obligations):

- 1 Comply with best industry practices and Adore Me standards relating to human rights, environmental conservation, and product safety.
- 2 Conduct business in an honest and ethical manner.
- 3 Provide a safe, healthy, and clean environment to employees.
- 4 Warrant none of the products sold to Adore Me are manufactured, assembled, or packed using forced, prison, dangerous or concealed labor, and/or labor involving children under the age of 16.
- 5 Recognize and respect the right of all of their workers to organize, bargain collectively, and to strike.
- 6 Comply with all applicable laws and regulations of the countries and regions in which it operates and the countries and regions in which its products are delivered and are intended to be sold.
- 7 Comply with rules of conduct stated in fundamental International Labor Organization (ILO) conventions regarding the freedom of association, abolition of forced labor, equality, and child labor.
- 8 Comply with applicable labor laws governing working hours and allow workers no less than one day off every seven days.
- 9 Comply with all applicable labor laws governing discrimination in the workplace.
- 10 Comply with all applicable labor laws regarding all forms of harassment, including but not limited to sexual harassment in the workplace.
- 11 Do not tolerate, permit, or engage in bribery, corruption, or unethical practices.
- 12 Comply with environmental laws applicable to air emissions, waste handling and disposal, water use, wastewater discharges, and hazardous and toxic substances.

Supply Chain Visits & Audits

In 2023, the Adore Me team worked hard to replace virtual communications (which were a result of the COVID-19 pandemic) with in-person meetings and on-site visits as quickly as possible. In Quarter 1, a cross-functional group of team members from our Creation, P2M, Production, and Purchasing teams traveled to Asia to meet with six of our Tier 1 manufacturers, one of our Tier 2 suppliers, and two of our Tier 1 factories. During the visit, Adore Me launched a pilot of our first internal social audit, which assesses the practices of our manufacturers as it pertains to risk areas we identified as particularly relevant to our business. This includes forced labor, child labor, living wages, working hours, health & safety, discrimination, harassment, employee wellbeing, freedom of association, and grievance mechanisms.

While we are consistent in our communication with manufacturers, in-person meetings are critical in strengthening our working relationships and enabling alignment on strategy/expectations on both sides. The Adore Me team is looking forward to building and expanding upon our supply chain due diligence and oversight in 2024.

Performance Evaluations

Consistent with prior practice, Adore Me manufacturers undergo a rigorous semi-annual evaluation and review process, which is conducted by key internal stakeholders and, if necessary, results in a personalized 6-month action plan to address any highlighted development areas. Any identified violations of applicable laws, regulations, or best industry practices are taken seriously and may lead to the unilateral termination of a manufacturer.

Supplier Communication Guidelines

Surrounding transparency between Adore Me and our suppliers, Adore Me follows an internally developed communication framework—which includes clear communication guidelines for our

teams in terms of call frequency, best practices, and more—to act as a catalyst for open and candid dialogue.

Sustainability Scoring & Improvement Plans

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

The objective of the GAME program is to incentivize and support our manufacturers as they move toward more sustainable practices. When scoring our manufacturers, we engage in a collaborative effort to improve their performance over a 2-year period. At the end of the improvement plan's implementation period, Adore Me re-assesses the enrolled manufacturers to track their progress.

In 2023, we resumed our work on the GAME pilot program with our two primary manufacturers. We look forward to reviewing updated assessments for the two piloted manufacturers in Q22024. Adore Me also kicked off a workstream to develop a simplified version of GAME in 2023—designed specifically for new and less mature manufacturers—with the goal of ensuring that our entire supply chain can eventually be onboarded to the GAME program in 2024.

Transparency

TRACEABILITY

Having the ability to systematically track, record, verify, and eventually disclose the origin, journey, and transformation of our products along the value chain is increasingly important from both a business optimization and compliance standpoint. The challenge of traceability is one the entire fashion industry is facing—and like most challenges, Adore Me has turned to advanced and cutting-edge technology to find an automated, reliable, secure, and scalable solution.



Q&A with Christina Chang VP Sustainability

In 2023, Christina contributed to Adore Me’s collaboration with CommonShare to enhance product traceability access to our entire supply chain.

Why did you choose to partner with CommonShare?

CHRISTINA: “The nature of Adore Me’s product bundling, integration with internal systems, and monthly ordering processes create significant complexities within our supply chain. We chose to partner with CommonShare so we could build the architecture that will support digital product passports—without creating an unreasonable burden for our manufacturers.

Through our partnership with CommonShare, we now have a system in place to gather comprehensive information surrounding product origin, composition, certification, and environmental impact. CommonShare built this collaborative platform that tracks all relevant data no matter where it lives—in Adore Me systems, with our suppliers, in certification bodies’ databases, etc.—and then matches it to Adore Me’s individual products to increase transparency and compliance.”

In your opinion, what have been the best features of CommonShare so far?

CHRISTINA: “Previously, we would store our suppliers’ certifications in PDF files in organized folders—which was an extremely manual process for a technology-first company. With CommonShare, having access to a decentralized digital compliance tool for our suppliers’ certifications has not only saved a lot of time, but has also reduced the margin for error.

“CommonShare brings a swift and collaborative approach to supply chain transparency and accountability that’s typically extremely difficult to manage unilaterally.

The Adore Me team started mapping out our supply chain and, through our internal system, collected information

from our manufacturers on our products—but through this process, we ran into a common industry-wide issue: We had very little access to the deeper end of our supply chain. With CommonShare, our manufacturers are invited to join the traceability platform and become co-collaborators in driving transparency. Our manufacturers don’t fill out endless questionnaires anymore, but enter only the information they have (e.g., composition, certifications, raw material origin, etc.) with the opportunity to pass on the requests to their own suppliers. This new process has created a chain of accountability that prepares us for incoming legislation.”

From a technical point of view, what do you think CommonShare brings to the table that other solution providers have not?

CHRISTINA: “CommonShare managed to build a product grounded both in innovation and data governance. Their networked approach works with us as a retailer, and also brings benefits to our supply chain partners and certification bodies. The complexity of validating product variants in a methodology that doesn’t inconvenience all participants was a key consideration in our selection of CommonShare.”



The screenshot shows a product detail page for 'Gynger Unlined' by Adore Me. It includes a photo of a woman in a red bikini top. The interface displays the following information:

- SKU:** -
- UPC:** -
- Brand:** Adore Me
- Categories:** Bras & Panties
- Variants:** Gynger Unlined
- Materials:** Recycled Polyester (27%), Polyester (65%), Spandex (8%)
- Traceability:** Material: Polyester
- Material Breakdown:**
 - 18,810 KM: Polyester
 - Polymer Synthesis
 - 1,859 KM: Polyester Pre-treated
 - Spinning
 - Weaving
 - Dyeing
- Adore Me:** Visit Profile

The above visual is provided for illustrative purposes only and may not reflect current data.

ADORE ME CARES

In recent years, Adore Me has devised an extensive plan to participate in a more equitable and sustainable future—one in which everyone can trust our supply chain to provide affordable and increasingly sustainable styles in their size. This marked the beginning of a company-wide transformation supported by numerous sustainability-focused initiatives. In 2022, we launched the Adore Me Cares program, which was built to provide transparency to our stakeholders about all of our current sustainability initiatives and our ambitions for the future. Today, the program continues to be updated and improved upon as the industry evolves, as new information comes to light, and as governing standards and best practices continue to change.

The Adore Me Cares program acts as an informational and educational resource surrounding Adore Me's projects geared towards reducing our environmental impact across our value chain, including through product design, supplier selection, shipping emissions reduction and offsets, packaging optimization, and more. It also compiles information on our sustainability partners as well as product care tips to empower our customers in prolonging the life of the pieces they purchase.



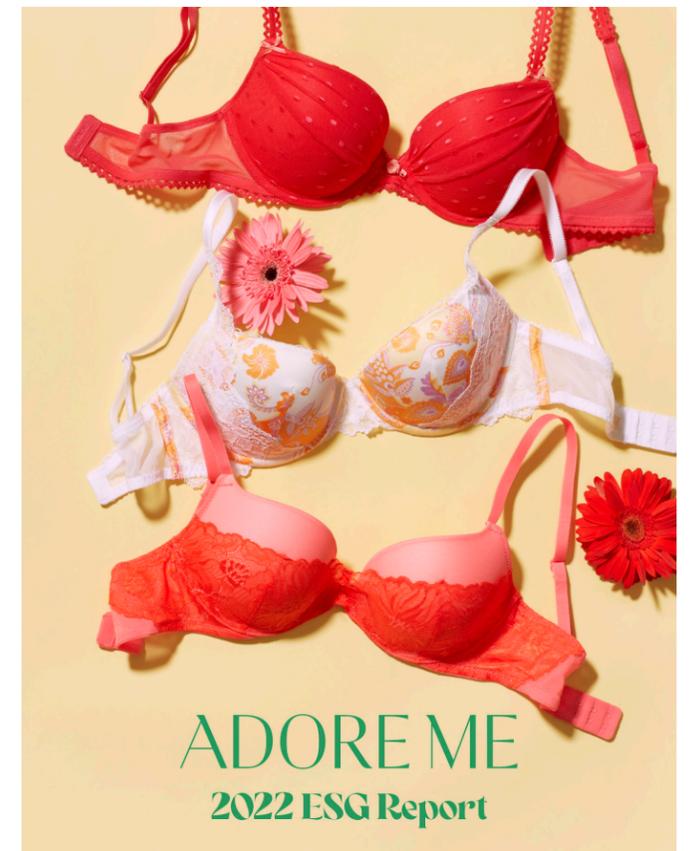
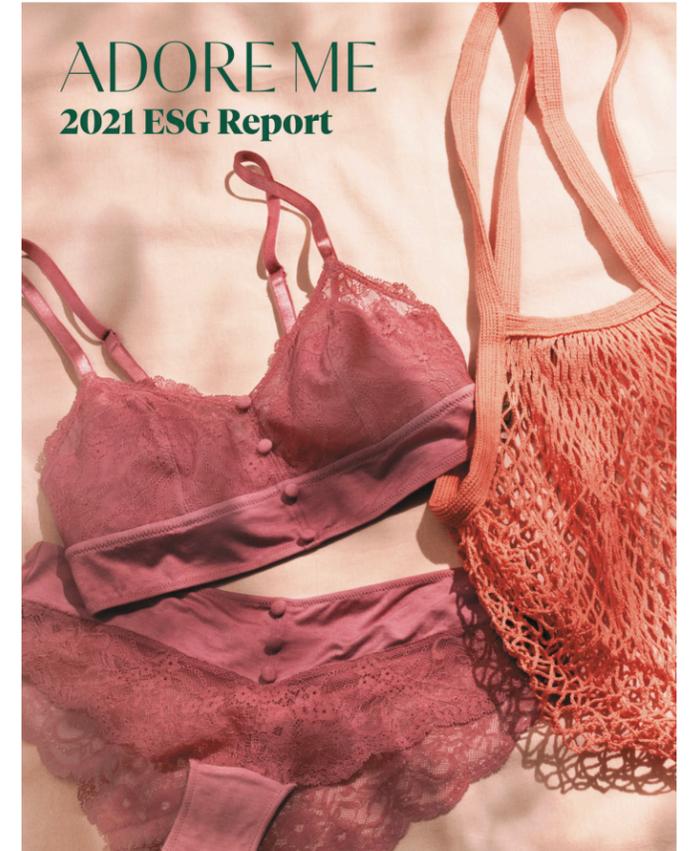
ESG REPORTING

Three years ago, Adore Me published our inaugural ESG Report, where we outlined our approach to critical ESG initiatives by highlighting our then-current efforts to integrate sustainability into every element of our business.

Since then, Adore Me has refined and made improvements to our reporting process, allowing us to focus even more on stakeholder demands, reporting requirements, and increasingly complete and accurate substance.

In this third-annual Report, we are proud to share with our customers and stakeholders a comprehensive outline of Adore Me's commitment to long-term improvement and positive change within the fashion industry.

Recognizing that ESG reporting is an important part of being transparent with our stakeholders on our progress within our sustainability journey, Adore Me will continue to report on our ESG performance on an annual basis.



Sustainability Integration

In the last few years, “sustainability” at Adore Me has progressed from an ideal principle to move toward, to an integral part of our company’s DNA and business model. Adore Me has officially changed our by-laws to reflect our commitment to operate in a responsible and sustainable manner—reflected by our PBC status. Becoming B Corp Certified in September 2022 also confirmed our commitment to continuous improvement. Internally, sustainability has mobilized an increasing number of employees across all teams and offices to ensure systems, data, product design/manufacturing, logistics, supply chain, marketing, sales, and people management all operate with sustainability in mind.

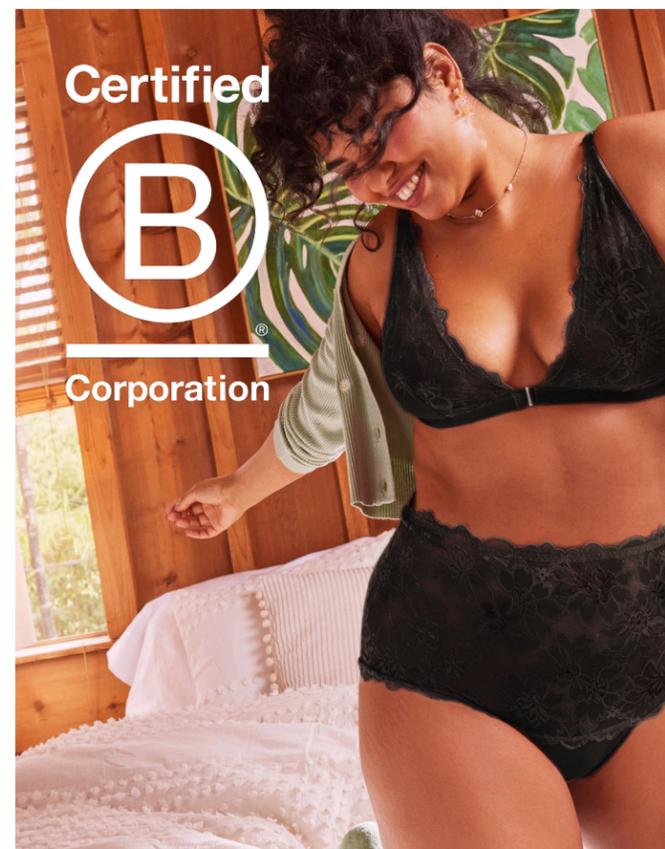
PUBLIC BENEFIT CORPORATION

We are proud to be a Public Benefit Corporation (PBC) with a commitment to “changing fashion for good by fostering inclusivity and environmental sustainability in the production, distribution, and marketing of our products.” Public Benefit Corporations are for-profit corporations that are intended to produce public benefits and operate in a responsible and sustainable manner. As such, Adore Me’s management is required to balance the stockholders’ pecuniary interests, the best interests of those materially affected by our corporation’s conduct, and the public benefit stated within our by-laws. This legal status is a testament to Adore Me’s commitment to “walk the talk” by legally binding ourselves to pursue certain public benefits, along with financial results benefiting our stockholders.

B CORP CERTIFICATION

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

In compliance with B Lab rules—which mandate B Corp Certified entities to recertify following any significant change to their business operations, such as an acquisition—Adore Me underwent an expedited recertification process following our acquisition by VS&Co. This process, originally scheduled for 2025, was expedited to ensure alignment with B Lab standards. After preparing and submitting an application for recertification, Adore Me currently maintains certified status and will do so until any alteration is communicated by B Lab.



SUSTAINABILITY STRATEGY WORKING GROUP

Adore Me has a dedicated working group tasked with overseeing our sustainability strategy and monitoring the status of its implementation. The working group is a cross-functional team of leaders from every corner of our brand—including operations, compliance, P2M, technology, marketing, and strategy. The diversity of the team and the wide range of professional experiences within the working group is a testament to how integrated sustainability efforts are across Adore Me’s entire organization.

Roles of the Sustainability Strategy Working Group include, but are not limited to:

- Ensuring sustainability is integrated in general company strategy
- Guiding the implementation and status of Adore Me’s sustainability strategy
- Monitoring key performance indicators relevant to Adore Me’s sustainability initiatives and progress
- Overseeing sustainability-related communications (e.g., ESG reporting)
- Monitoring key developments affecting sustainability within fashion and retail industries

COMPLIANCE

In 2023, we strengthened our dedicated ESG compliance team, who is tasked with integrating responsible business practices throughout our organization and managing ESG-related risks. Collaborating closely with all departments, this team works hard to strengthen the integrity of our ESG initiatives and maintains alignment with our core values and objectives.

SUSTAINABILITY OPERATIONALIZATION

With a clear and defined strategy, as well as an increase in both internal and partner-provided resources, Adore Me continued to execute

sustainability initiatives and considerations into nearly every business function in 2023. From supplier selection, product design, all the way to user experience—it’s virtually impossible to find a team at Adore Me that hasn’t been involved in the organization’s sustainability efforts this year.

Sustainability-related insights were increasingly inserted into already-existing processes and roadmaps throughout the organization. This mindset and practice of continuous improvement and evolution has fueled our teams’ progress toward more sustainable business practices, and will continue to act as a catalyst toward further improvement and advancement.

Of course, sustainability is deeply embedded in our systems as it pertains to data on product composition and manufacturing attributes. With increasingly accurate and more-frequent data points surrounding our most important KPIs and ESG-related information, Adore Me continues to increase transparency and communication with our stakeholders.

Stakeholder Engagement

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

In 2023, we carried out our second sustainability survey, asking our stakeholders to share their interest on 20 different environmental, social, and governance (ESG) topics. The results of this survey provide us with valuable year-over-year data, and shed light on the ESG issues that matter most to our stakeholders—allowing us to adjust our strategy and communication along the way.

KEY FINDINGS

<p>Customer Alignment There is a strong alignment between Adore Me's internal stakeholders and our customers on the importance of product quality, social issues such as workers' health and safety, fair compensation and well being, as well as ethics and compliance.</p>	<p>Importance of Product Quality While Adore Me customers continue to find product affordability to be highly relevant, in 2023, product quality became even more important to customers—leaving product quality with an average score of 4.7 out of 5.</p>
<p>Employee Engagement Adore Me employees find environmental, social, and governance issues increasingly important overall, with higher scores for nearly all issues when compared to 2022.</p>	<p>Increasing Customer Interest Over 1,500 customers responded to our survey in 2023 (a significant increase in comparison to 2022), reflecting growing customer interest on sustainability issues.</p>

Learning from two years of integrating stakeholder engagement on sustainability issues, we are looking to strengthen our methodology in 2024 and to adopt more creative approaches to collect more representative and valuable insight from all our stakeholder categories moving forward.

STAKEHOLDER INTEREST IN ESG-RELATED TOPICS
Results are based on Adore Me's 2023 sustainability survey.



NOTE:

- While we strive to capture representative feedback and seek insight from multiple stakeholder categories (employees, suppliers, customers, and even social media creators), respondents may not be representative of their category, which could introduce biases into our analysis.
- Aside from customers, the number of respondents within each category remained small, limiting the weight we can give to our overall findings.
- While we did include suppliers and influencers in the conduction of this survey, the number of respondents was too limited to provide valuable insight. As a result, they are not included in the above matrix.

Data Governance

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

CYBERSECURITY

Data, connectivity, and security are integral parts of our work at Adore Me, so we continue to invest in managing our cybersecurity risk to ensure the protection and integrity of our computing environment. To this end, our team has implemented a framework of effective controls that mitigate risks surrounding the virtual access, change management, effectiveness, and security of Adore Me’s computing environment. Specifically, among other functions, these controls were built to protect the personal data of our customers and employees, prevent data theft or manipulation, and provide a level of trust and credibility to our stakeholders.

In 2023, an external auditor conducted a full penetration test of Adore Me’s website to help identify real-world attacks that could succeed at accessing our systems. During the penetration test, no high-risk vulnerabilities, loopholes, or issues were

identified within our infrastructure as a result of the web application security assessment. All medium- and low-risk findings were presented to our Technology team, who quickly remediated the findings with effective controls and/or supportive measures. Additionally, no cybersecurity-related incidents affecting the access, security, or integrity of our customer data were reported within the entirety of 2023.

Additional security measures that were rolled out in 2023 include:

- Implemented additional protection against PII access surrounding users in call centers.
- Mandatory single-sign on (SSO) authentication was deployed for all customer software administrators through Microsoft Azure.
- SSO was extended to additional external tools commonly used by our teams, ranging from collaboration and visualization, financial management, development and version planning, enterprise resource planning.
- All tools covered by our SSO provider also benefit from strong multi-factor authentication (MFA), one of the most effective countermeasures against modern cyber threats.
- A cloud security tool that tracks vulnerabilities across cloud projects for continuous security monitoring was implemented.
- Internally developed bot-defender and shadowban tools.

Recognizing that our employees have

a professional, legal, and ethical responsibility to protect all data related to our organization, Adore Me rolled out a mandatory cybersecurity training program for all employees with access to our systems. Topics covered within the training program include multiple factor authentication, password security, phishing, identity theft, malware, ransomware, smishing or device security, and more.

IT EFFICIENCY

In 2023, Adore Me further enhanced our IT efficiency by improving and building upon our suite of tools to help achieve the following objectives:

- Increase automation of internal processes as well as processes involving our suppliers.
- Improve traceability and auditability of product-related data.
- Strengthen data analysis capabilities with dedicated dashboards and data analysts.
- Ensure the adequacy and effectiveness of our tools to our specific business, taking into account its unique complexities.
- Improve interconnectivity.
- Avoid “expert” bias, which often excludes data from smaller/less-known brands or “sustainability beginners.”
- Continue versioning, iterating, and innovating.

We work hard to continually advance with new innovations and the evolution of technology. To this end, we continue to invest in not only cybersecurity risk management, but also in the strengthening of our internal systems and of our own technology teams.

THIRD-PARTY TOOLS

While in-house development has always been a preferred method at Adore Me, we continue to rely on carefully selected third-party software to take on issues requiring specific expertise we don’t possess internally. In 2023, Adore

Me continued to partner with Carbonfact for carbon-accounting and product life cycle assessment. This year, we also embarked on a new partnership with CommonShare to assist in the acceleration of our traceability efforts. (See pages 28–29 for more information on Adore Me’s work with CommonShare.)

“Cybersecurity is at the core of our Technology team’s focus. It’s not just a priority—it’s our business imperative. Safeguarding our systems and customer data is non-negotiable. It’s the key to our resilience and success.”

— EUGENIU PĂTRAȘCU, TECHNOLOGY & CYBERSECURITY MANAGER

LEVERAGING DATA



Q&A with Mihai Bizovi

Head of Data Science

As the Head of Data Science, Mihai has witnessed and participated in the deployment of Adore Me's Data Power User (DPU) program—shown to boost Adore Me's overall performance by leveraging data.

As a digitally native company at our core, Adore Me has always taken a very data-centered approach—which has proven to be instrumental in the organization's success. Can you tell us more about how Adore Me leverages data?

MIHAI: “When Adore Me was founded—before we had any meaningful traffic or significant revenue—everyone on the team was obsessed with measuring every type of relevant outcome. This mindset is extremely difficult to replicate, and has to be cultivated patiently over time. You can teach people the technical details of data analytics and critical thinking, but you can't teach people to prioritize them.

At the beginning, the way we leveraged data was artisanal—there wasn't much automation—but the goal was always (and still is) to make better-informed decisions. How does one make a better-informed decision? You need an accurate assessment of where you stand, and then

you need inspiration. We use data to get insights, playing the role of a detective to formulate a hypothesis, to understand why something is happening, and to come to a conclusion on what to do about it.”

What is the DPU program, and how did this initiative start at Adore Me?

MIHAI: “DPU stands for Data Power User (yes, at Adore Me we love acronyms). The DPUs are usually people inside business teams who are highly familiar with SQL—who are not only data literate, but enthusiastic about answering questions with data. They can be data scientists, statisticians, or just very passionate about data.

The story of the DPU program started around 2015, when Adore Me only had one singular person trying to take care of a vast amount of data-related questions. Obviously, this business intelligence role quickly became too much to be handled by only one person. Around the same time, we started to face more complex challenges—particularly within the advertising space—and we saw that we needed more innovation in data. The only way to achieve that was to make it accessible to more people across the organization.

In the face of these challenges—and with potential data-related bottlenecks looming—we quickly realized that we didn't know much about data warehousing, how to scale this whole “data” thing, or how to democratize it so that more people can leverage the insights. It was clear that as Adore Me was expanding, we needed to expand the Data team as well. We hired someone with a lot of experience in data modeling

in big corporations—and our (at the time) three-person team started to tackle all Adore Me's data-related needs. This included:

- **Business Intelligence** — Making data as intelligible, accessible, and as democratized as possible.
- **Data Engineering** — Pulling and organizing data from many different sources, both internally and externally.
- **Data Science** — Using data to make predictions and optimize the supply chain, the demand planning, the marketing spend, etc.

“In order to prevent the data team from becoming a bottleneck within the company, we needed to decentralize it. That's how the DPU program came to fruition.

When it came to organizational design, we chose to have three strong core teams and a quickly growing team of data analysts and DPUs to spread across diverse functions at Adore Me: marketing, engagement, acquisition, and more. Today, nearly every team within our organization has a DPU—there's even one working on sustainability!”

How has the DPU program evolved over time?

MIHAI: “The current DPU program has a bottom-up approach that places the needs of the DPUs at its core. DPUs self-organize so that they can identify pain points impacting different business functions and address them systemically—and it makes a big difference. Thanks to the in-depth knowledge they have

around the data they handle, DPUs have collectively enabled Adore Me to have a cleaner, more reliable, and more intuitive ecosystem of data and KPIs.”

What impact did the DPU program have on Adore Me's operations?

MIHAI: “The impact is significant. It empowers business units with data-driven, cutting-edge methodologies. Teams have constant access to reliable and timely data from all the platforms and models they need to optimize operational decisions. Accessing clear and timely reporting and analytics on different areas—from CRM, to merchandising, to pricing, and performance—is key to making informed decisions.”

Governance of Sustainability Tools

In Adore Me's ongoing pursuit of continuous improvement, our team has developed a robust array of sustainability-focused tools designed to drive progress across various facets of our operations. These tools encompass critical aspects of our business—ranging from design, production, marketing, industry innovations, and more. The year 2023 stands as a pivotal milestone in our journey, as we took significant strides to consolidate and strengthen a core segment of our sustainability toolkit.

AIM

AIM is an internal tool used to score the environmental sustainability of a product based on its design and certain manufacturing attributes. At a product level, AIM enables us to score Adore Me products based on 4 key impact areas: Fiber, Waste, Water, and Chemicals. It's important to note that AIM does not measure a product's environmental impact, but rather values decisions made by Adore Me's design and production teams that tend to reduce the impact of Adore Me's products.

In 2023, we launched the third iteration of AIM and undertook a comprehensive consolidation of its processes. This iteration includes updates to our alignment with always-evolving industry standards and practices. The historical evolution, architecture, and governance of AIM have all been formally documented in an internal resource document, which serves as a reference for all teams within the organization that use, rely on, or communicate on AIM.

GAME

In 2023, Adore Me renewed our

commitment to sustainability by revisiting our efforts within the GAME (Green Adore Me Manufacturing Evaluation) program, which assesses our manufacturers across five critical categories: Energy Savings & Emissions, Water Management, Chemicals Management, Waste Management, and People & Community. More than just an evaluation program, GAME serves as a robust capacity-building initiative, igniting conversations about sustainability achievements and long-term aspirations. With GAME, the goal is to fortify our supplier relationships and partnerships, progressively evolving them into strategic alliances. A simplified version of GAME is planned to be rolled out in 2024 for our new and/or less-mature manufacturers.

ADORE ME SUSTAINABILITY ACCELERATOR

In 2023, the Adore Me team was proud to announce and implement the Adore Me Sustainability Accelerator (AMSA): a program that gives startups access to our organization's internal workings to help build out case studies and improve their products for the wider market. The program consists of a six- to twelve-month partnership that includes onboarding, testing, and integrating the startups' technologies or services with Adore Me's operations.

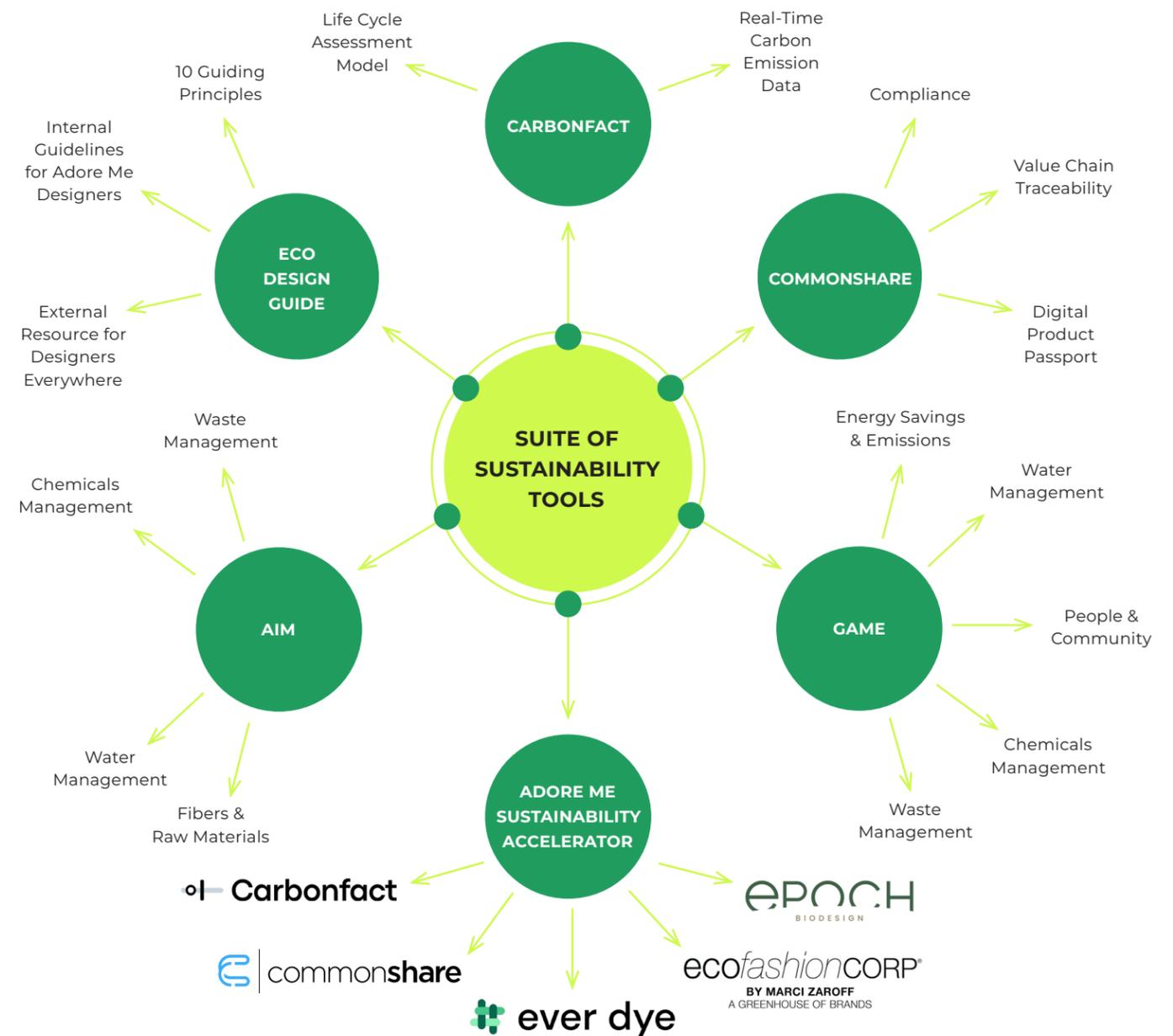
With the goal being industry-wide progress in the sustainability space, AMSA fosters collaborative partnerships and welcomes companies looking for an ideal "first customer" to help test their technologies and/or services.

Carbonfact was the first climate-tech startup that Adore Me began working

with as part of the Sustainability Accelerator. Our collaboration with Carbonfact gave the Adore Me team the appropriate insight and information to determine the sources of our organization's environmental impact—which has allowed us to take the appropriate actions toward reducing our carbon footprint. As it pertains to the advancement of Carbonfact's organization, Adore Me inspired and helped design a carbon simulator that may now be used by other Carbonfact customers.

Additionally, as an AMSA partner, CommonShare is currently developing a comprehensive traceability solution aimed to facilitate sustainability compliance. We are actively working with the CommonShare team to improve the traceability of our products and to create a digital product passport, which will provide various stakeholders with detailed information about our products throughout their lifecycle.

ADORE ME SUITE OF SUSTAINABILITY TOOLS



Environment

1
OUR ENVIRONMENTAL
SUSTAINABILITY INITIATIVES & TOOLS

2
ECO DESIGN

3
CARBON FOOTPRINT

4
SUSTAINABLE MANUFACTURING

5
TECHNOLOGY

6
ADDITIONAL UNDERTAKINGS



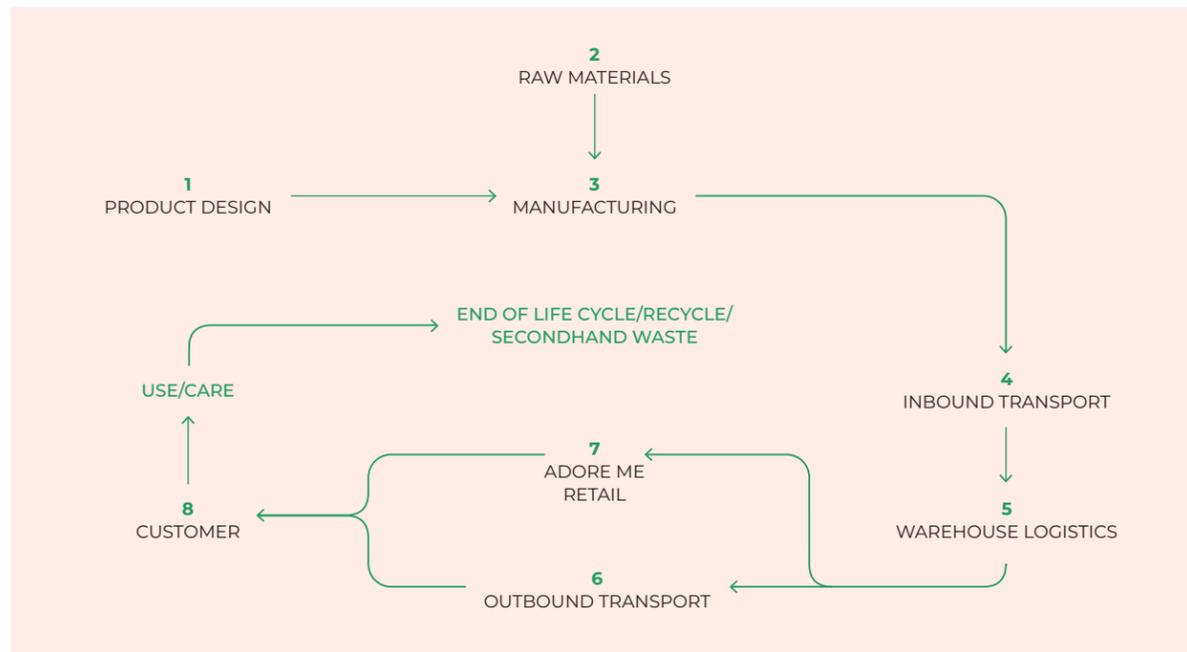
Our Environmental Sustainability Initiatives & Tools

This Environment section of the Report details Adore Me’s sustainability-based initiatives and tools, outlines our approach in minimizing our environmental impact, shares data on our climate impact, and highlights our progress and achievements within the last year.

Measuring, analyzing, reducing, and mitigating the environmental impact of the fashion industry are incredibly complex challenges that require immediate recognition by every organization within the fashion and textile industries. At Adore Me, we believe that real progress requires a transformative and collective effort—one that involves everyone within the industry—to bring forward sustainable practices and circular economy-based principles.

OUR COMPREHENSIVE APPROACH TO ENVIRONMENTAL SUSTAINABILITY

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



While assessing environmental impact along our value chain, we heavily rely on our suite of internal tools that provide data, analysis, and systemic mitigation capabilities surrounding our impact. To supplement our suite of internal tools, we also leverage third-party tools and software to provide specialized expertise when we don’t possess it internally. The chart on the right outlines how Adore Me applies, implements, and leverages our internal tools as well as those of our trusted partners.

INTERNAL INITIATIVES & TOOLS

PRODUCT LIFE CYCLE	INITIATIVES	ADORE ME SUITE TOOLS	TEAMS INVOLVED
1 DESIGN	<ul style="list-style-type: none"> Use of preferred materials Manufacturing innovations Improved fit Inclusive size and product range Re-engineering of selected products to reduce impact 	AIM, AMME, ECO DESIGN GUIDE	CREATION, TECHNICAL DESIGN, PRODUCTION, TECHNOLOGY
2 RAW MATERIALS	<ul style="list-style-type: none"> Intentional raw material selection LCA of GHG emissions per product Traceability of value chain 	FABRIC LIBRARY , AIM, CF, CS	CREATION, PRODUCTION, TECHNOLOGY
3 MANUFACTURING	<ul style="list-style-type: none"> Long-term supplier relationships Contract requirements Vendor performance evaluations Environmental performance program Demand forecasting Return analysis LCA of GHG emissions per product Traceability of value chain 	USG, GAME, AMME, SUP, CF, ECO DESIGN GUIDE, CS	PRODUCTION, P2M, SUPPLY CHAIN, TECHNOLOGY
4 INBOUND TRANSPORT	<ul style="list-style-type: none"> Carbon accounting Reduction of emissions through scaling of second distribution center LCA of GHG emissions per product Traceability of value chain 	INTERNAL CARBON ASSESSMENT, CF, CS	SUPPLY CHAIN, AMS, TECHNOLOGY
5 WAREHOUSE LOGISTICS	<ul style="list-style-type: none"> Energy-efficient technology Local sourcing of external mailers LCA of GHG emissions per product Traceability of value chain 	CF, CS	AMS, TECHNOLOGY
6 OUTBOUND SHIPMENTS	<ul style="list-style-type: none"> Carbon accounting Defaulted standard shipping Reduce emissions through scaling of second distribution center LCA of GHG emissions per product 	INTERNAL CARBON ASSESSMENT, CF	SUPPLY CHAIN, AMS, TECHNOLOGY
7 RETAIL STORES	<ul style="list-style-type: none"> Motion-sensor lighting in fitting rooms Contactless faucets in bathrooms Recycled and recyclable bags Water coolers in brick-and-mortar stores Sustainability training for Store Associates 	ADORE ME CARES PROGRAM, AIM	AMR
8 CUSTOMER USE & END OF LIFE	<ul style="list-style-type: none"> Improved fit Adore Me Cares Program LCA of GHG emissions per product 	ADORE ME FIT GUIDE, AIM FRONT-END DISPLAY, CF	TECHNICAL DESIGN, COPYWRITING, UX, AMR, TECHNOLOGY

NOTE: Bolded items reflect new initiatives or tools that were rolled out in 2023. References to CF (Carbonfact) and CS (Commonshare) reflect tools developed by external partners.

Eco Design

The earliest stages of design and development play an imperative role in the environmental impact of a product throughout its lifecycle. Raw material selection, consistent fit and sizing, production processes, and more all come with vast consequences when not considered carefully. To mitigate our product-level impact as much as possible, Adore Me's Creation and Production teams place eco design considerations at the center of their work—emphasizing that some of the earliest decisions within the design process have some of the greatest impact.

ECO DESIGN GUIDE

In 2023, our team edited Adore Me's first formal Eco Design Guide: a guide of 10 key design principles that address essential aspects of sustainable design. By leveraging methodology that Adore Me applies to our more complex eco design tool (AIM), the Eco Design Guide serves as an accessible and practical guide for designers everywhere who are looking to incorporate more sustainable materials and manufacturing techniques into their practice.

"I'm proud to lead a team of designers for whom the development and creation of sustainable-leaning fashion is simply second nature."

— HELEN MEARS, CHIEF DESIGN OFFICER



10 Guiding Principles

- 1. Choose Better Raw Materials:** Preferred fibers are eco-conscious alternatives to standard materials (e.g., organic cotton, recycled materials, Tencel® – Lyocell Fiber, etc.). They typically require less water or chemicals in production, generate less carbon emissions, and avoid the production of petroleum-based fiber.
- 2. Reduce Waste:** Adore Me encourages less wasteful manufacturing techniques in three different ways: incorporate recycled materials, reclaim deadstock fabric, and optimize production practices.
- 3. Promote Inclusivity:** Designing garments that are accessible and welcoming to individuals of all backgrounds and identities is an imperative practice—because if sustainable fashion only includes people of certain sizes or economic demographics, then its impact will remain limited.
- 4. Reduce Harmful Chemicals:** We favor better chemical management whenever we can—with practices like digital printing and natural dyeing alternatives—and we work with our suppliers to figure out the best ways to do it.
- 5. Experiment on Capsule Collections:** We explore innovative designs and production methods in limited-edition collections that are aligned with our sustainability goals. This is an important step in testing the demand for the collection so as not to over-produce.
- 6. Leverage Technology:** We've started incorporating state-of-the-art technology in our production streams whenever possible. New technologies are some of the biggest levers in optimizing garment manufacturing processes, especially in an industry that requires old practices to adapt to environmental challenges.
- 7. Cultivate Long-Term Relationships with Suppliers:** The relationship between brands and suppliers can no longer be purely transactional. Today, in order to truly put environmental impact on the forefront of your brand, your relationship with your manufacturers & suppliers has to be about more than just cost and lead times.
- 8. Look for Certifications:** In a world where greenwashing is everywhere, there's a lot of uncertainty that comes along with sustainability claims. By favoring carefully selected certified materials or processes, brands and customers alike can rest assured that all sustainability claims are actually verified by trusted third parties.
- 9. Anticipate End of Life:** To ensure that sustainability is built into every aspect of a garment, the product's end of life should be anticipated during the design stage—one of the earliest stages of the process, where raw materials are considered.
- 10. Focus on Great Fit:** To reduce waste and to ensure garments can be worn frequently and over extended periods of time, fit must be particularly qualitative. When a product fits well, consumers typically don't feel the need to replace it with something new.

The Eco Design Guide is not by any means exhaustive, as the 10 guiding principles are meant to evolve and be improved upon as new discoveries come to light. By sharing them, we aim to inspire designers across the industry and to provide them with a foundation for their own sustainability journey.

This year, the Adore Me's Eco Design Guide was introduced to two French fashion schools—IFA Paris and Mod'Art—serving as a vehicle to share our team's knowledge on sustainable design techniques with stakeholders that may influence the fashion industry. Whether today or far into the future, the Eco Design Guide promotes transparency and possible collaboration for the continuous improvement of design practices within the fashion industry. The interest of young readers and emerging designers will likely lead to new versions of the Eco Design Guide in years to come—and with these readers, we look forward to making improvements to the guide as new information, technology, and practices come to light.

Capsule Collections Featuring Prompt.ly by Twinery

One of the ways we use continue to promote eco design is by using recent and innovative technologies, one of them being Prompt.ly printing technology. Adore Me partners with Twinery by MAS Holdings to release our limited-edition capsule collections—and with Prompt.ly technology, we're able to print on an on-demand basis, efficiently manage inventory, and invest in technology that uses significantly less water (and with shorter lead times) than traditional printing processes.

Digital Printing	Uses 99% less water than traditional printing processes
On-Demand Printing	Reduces waste and optimizes inventory planning
In-House Manufacturing	Reduces transportation footprint
Optimized Efficiency	Reduces lead time
Adjustable Order Volumes	Reduces excess inventory
Customization	Allows adaptation to customer demand and preferences

“As an artist, being involved in this manufacturing and digital printing process was important to me. With Prompt.ly’s waste-minimizing printing technology, I was able to preview samples of my illustrations on the product in real life before we scaled the collection to Adore Me’s customer base.”

— CAMILA MONTENEGRO, ART DIRECTOR

Adore Me x East Olivia

In May 2023, Adore Me launched a capsule collection in collaboration with East Olivia: a neighboring New York-based florist and creative agency. The collection featured watercolor prints that were hand-drawn by Adore Me's Art Director, and then digitally printed using Prompt.ly printing technology.



Adore Me x Sanctuary

In December 2023, in response to our customers' high engagement in horoscope-related creative assets, we launched a second capsule collection in collaboration with Sanctuary™: an interactive astrology and horoscope reading app. Taking inspiration from horoscope readings at Sanctuary™, as well as the concept of “power colors” in relation to auras, Adore Me's Design Director created five exclusive prints to test within the capsule collection.



FABRIC LIBRARY

“The fabric library is a key resource for the Design and Technical Design teams. It allows us to use standard fabrics across styles to help ensure overall fit and quality are always meeting our requirements.”

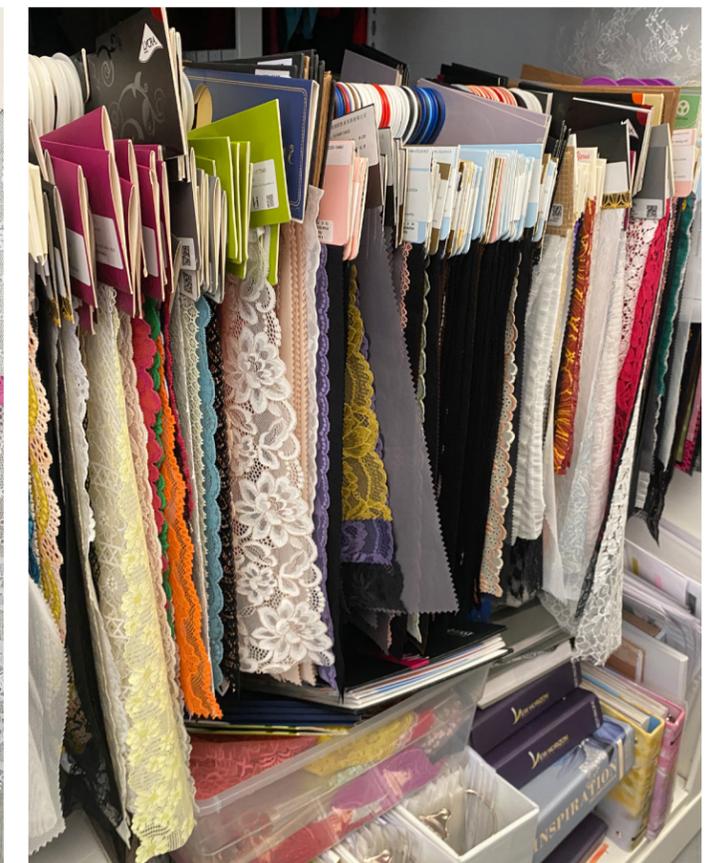
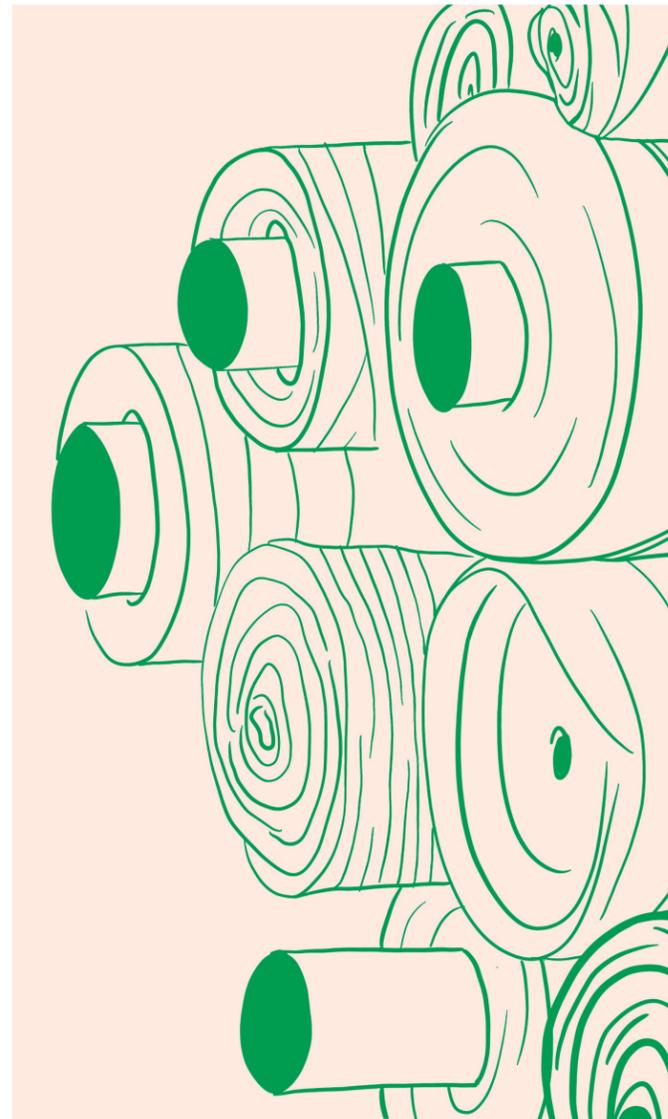
— ARIANNA LEVIN, DESIGN DIRECTOR

In 2023, Adore Me implemented higher governance surrounding raw material selection by establishing a “fabric library” that houses the most commonly used materials in our products (mesh, lace, jersey, flannel, tulle, satin, georgette, etc.). The fabric library includes both physical samples and detailed photos of each fabric. By working closely with our Design and Technical Design teams, valuable information was gathered and is now stored within the centralized fabric library, including:

- Fabric descriptions and compositions
- Textile formations (eg., knitted, woven, etc.)
- Applicable fabric-related certifications (Global Recycled Standard, OEKO-TEX®, etc.)
- Measurement specifications (e.g., width, GSM, decitex, denier, etc.)
- Printing processes used

Serving as a valuable resource to improve our raw material and fabric management, the fabric library strengthens the consistency of composition claims—both from an external and internal standpoint. The fabric library also increases the granularity and detail of information available on our fabrics (e.g., origin, technical specifications, etc.), which in turn enhances our team’s work in minimizing environmental impact.

Carbonfact (Adore Me’s LCA partner) was also able to leverage the fabric library to significantly reduce the level of uncertainty around the calculation of our product-level carbon footprint.



ECO DESIGN MATRIX (AIM)

Recognizing that we take part in an industry that causes significant environmental impact—from carbon emissions, to waste and water pollution—Adore Me uses AIM as a tool to intentionally minimize our production’s footprint. From material selection to manufacturing techniques, our products are assessed against AIM—encouraging our Creation and Production teams to continue improving and gradually phasing out our lowest-scoring products.

AIM is a homegrown tool that was built to score the design of each individual product based on the following impact areas: fiber, waste, water, and chemicals. While the tool was not designed to calculate the environmental impact of our products, AIM provides insight surrounding where and how we can improve our design and manufacturing processes to reduce impact.

AIM gives each Adore Me product a score that ranges from 0–5, 0 being the lowest score and 5 being the best score possible. Knowing that even the most sustainable products currently on the market have room for improvement and further enhancement, AIM was designed so that no product could receive a perfect score of 5. Based on industry practices as well as our own design/manufacturing capabilities, Adore Me currently considers any product with an AIM score of 1 or higher to be “sustainable.”



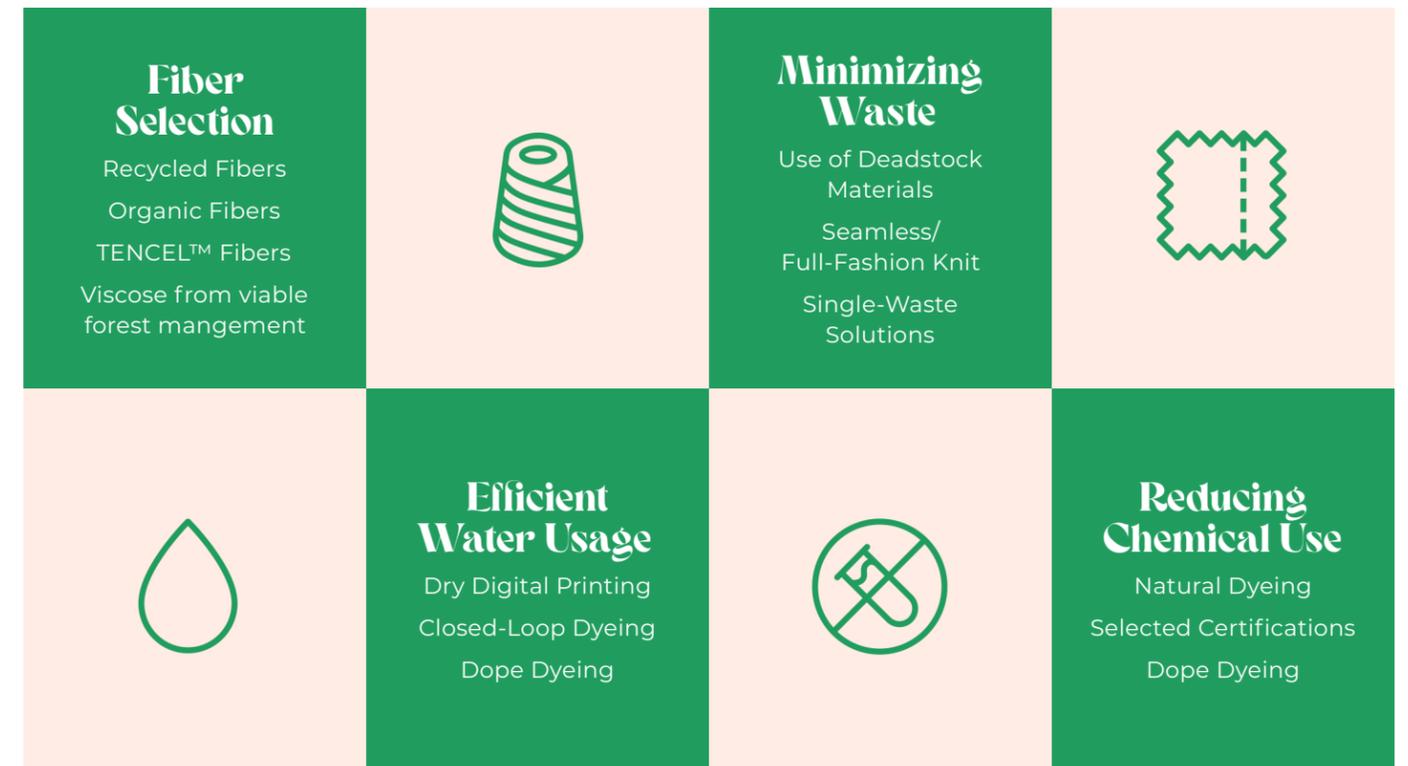
Sustainability Features ^

-  Includes preferred fibers
-  Waste-minimizing manufacturing
-  Water-efficient manufacturing
-  Reduced chemical use

Details v

While AIM is primarily an internal tool with limited customer-facing output, the tool acts as a resource for our Marketing team to accurately communicate relevant sustainability efforts during our customers’ shopping experience. All products with an AIM score of 1 or higher are displayed on our website with an “Adore Me Cares” badge to reflect that those products are part of a wider sustainability program. Additionally, AIM is leveraged to communicate with our customers whether a specific product was made using preferred fibers, waste-minimizing manufacturing, water-efficient manufacturing, and/or reduced chemical use—requiring a score of at least 2 out of 5 in that respective AIM attribute. These sustainability-focused product descriptors are communicated to the customer directly on a product’s shopping page, as seen on the left.

AIM's Eco Design Pillars



NOTE: The tools, practices, and materials in the above graphic are not an exhaustive list of the measures Adore Me takes to improve our product selection, but instead are indicative of the most prominent ways we make improvements.

What AIM Isn't

Impact Measurement Tool

AIM does not measure a product’s environmental impact (volume of waste, water used, chemicals released, etc.), but instead attributes points to decisions that were made during the design and production processes that tend to reduce a product’s impact.

Independent Industry-Wide Assessment Tool

AIM is an internally developed tool designed by and for our Creation and Production teams.

Eco Design Guide

More than just a guide, AIM is a matrix that supports the scoring of each individual product based on its composition and the manufacturing processes used in its production.

Social Impact Assessment Tool

The most current iteration of AIM considers only the environmental benefit of certain design and manufacturing decisions. It does not look into social practices followed in the supply chain.

Marketing Tactic

AIM is an internal tool used to measure our teams’ progress and room for improvement. It is not used to amplify existing sustainability efforts.

Life Cycle Assessment

Key impact stages—such as customer use and end of life—are excluded from the measurement process in the most recent iteration of AIM. As such, AIM does not account for the complete life cycle of a product.

AIM Version 3

To ensure alignment with prevailing industry standards and scientific/technological advancements, a new iteration of AIM is introduced on an annual basis. With our expanding expertise and the help of recommendations from trusted third parties, Adore Me released the third version of AIM in 2023. Updates within this third iteration include the addition of new fibers and manufacturing processes, point-allocation adjustments for more accurate and granular scores, and a strengthened methodology.

AIM has proven to be an instrumental and reliable tool when it comes to scaling and tracking sustainability efforts across our organization, and the Adore Me team is excited for AIM to evolve and improve as we continue to learn more about different ways to mitigate our impact surrounding upstream activities.

ADORE ME'S SUSTAINABLE DESIGN KPIS

97% of Adore Me panties ordered (unit level) from our manufacturers incorporate a Chemical Management Attribute, scoring at least 2 out of 5 in this AIM impact area.

55% of units purchased from our manufacturers meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM—surpassing the 50% benchmark.

62% of Adore Me bras ordered (unit level) from our manufacturers meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM.



41% of Adore Me sleepwear and loungewear units purchased from our manufacturers meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM.

Over half of Adore Me swimwear ordered (unit level) from our manufacturers incorporate a Waste-Management Attribute, scoring at least 2 out of 5 in its respective AIM category.

Over ¼ of lingerie units sold meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM.



77% of Adore Me swimwear ordered (unit level) from our manufacturers incorporate a Preferred Fiber Attribute, scoring at least 2 out of 5 in this AIM area.

39% of Adore Me lingerie ordered (unit level) from our manufacturers meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM.



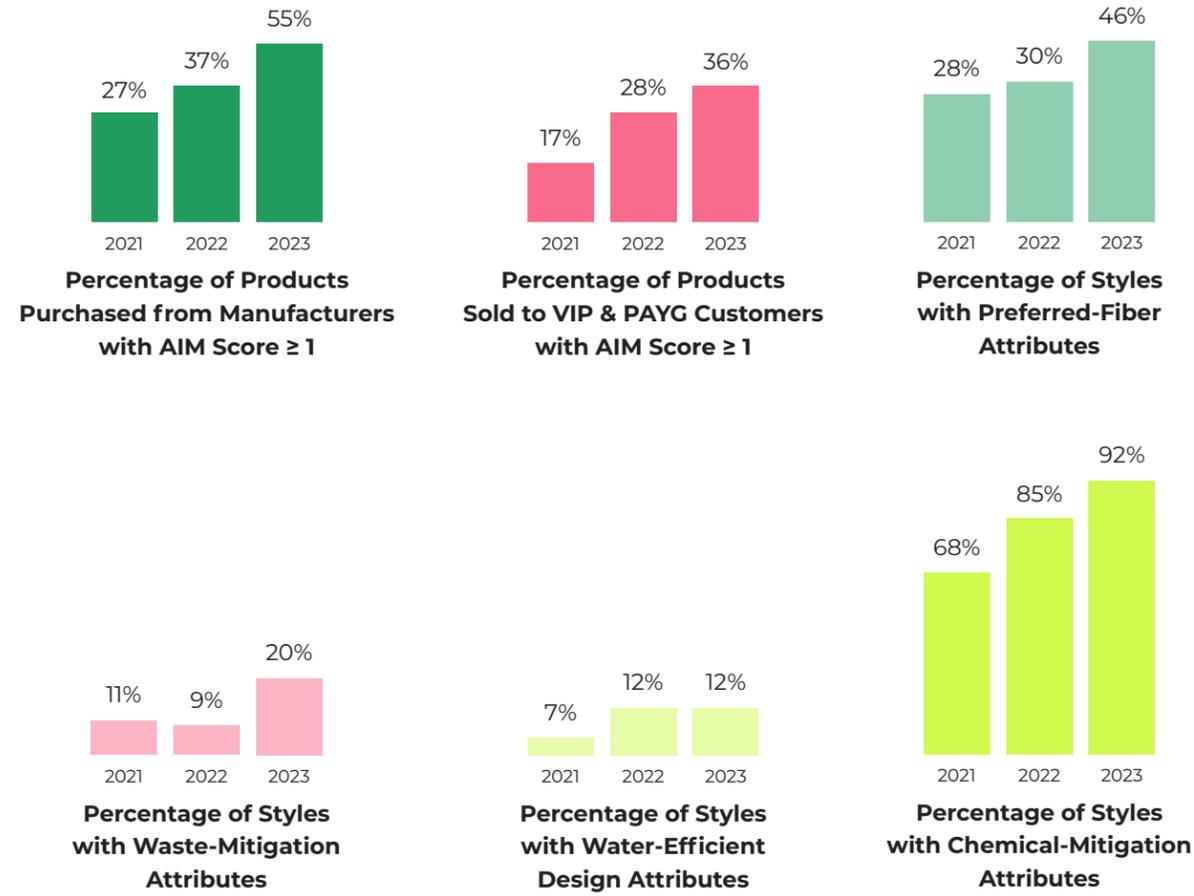
21% of bra units sold in our brick-and-mortar stores meet our internal environmental sustainability threshold by scoring 1 or higher (out of 5) against AIM.

NOTES:

- All figures provided are based on 2023 data, using the purchase order month as a reference for products purchased from manufacturers, and year of sale for sales data.
- All figures provided are based on Adore Me's VIP and PAYG customers only, unless otherwise specified. Products related to Adore Me's Elite Box try-at-home subscription model are excluded from the dataset used for this analysis.
- Figures provided are based on data available at the time of the drafting of the Report. Numbers are rounded down for purposes of this graph.



ADORE ME'S ECO DESIGN PROGRESS REPORT⁽¹⁾



NOTES:

- Preferred Fiber, Waste, Water, and Chemical Mitigation attributes are granted to any Adore Me product when it has a score of 2 or higher within its respective AIM pillar.
- All sales-related KPIs pertain to VIP and PAYG customers only, excluding other Adore Me sale channels (Elite Box try-at-home subscription, AdoreMe Retail, marketplaces, etc.).
- Sales data is available at set-level (e.g., bra & panty set) and is based on order date from January 1 to December 31.
- Historical figures shared in our previous ESG report are restated in brackets in the table to the right as a reference and should not be compared to the data provided for 2023. As continuous improvements are made to the AIM scoring process through increased data quality and availability, certain product scores may have evolved or been corrected this year, creating discrepancies that affect YoY comparability.
- All 2023 figures and prior-year figures not reflected in brackets are based on data available at the time of the drafting of the Report. Numbers are rounded down. All sales-related KPIs provided were based on the year of sale. All other data provided are cumulative figures based on the month that purchase orders were placed with our manufacturers.

ADORE ME PRODUCT SUSTAINABILITY KPIs (WITH RESTATEMENTS)

KPI	2021	2022	2023
Percentage of Products Purchased from Manufacturers with AIM Score ≥ 1	27% [24%]	37% [34%]	55%
Percentage of Products Sold to VIP & PAYG Customers with AIM Score ≥ 1	17%	28% [27%]	36%
Percentage of Styles with Preferred-Fiber Attributes	28% [27%]	30% [28%]	46%
Percentage of Styles with Waste-Mitigation Attributes	11%	9% [10%]	20%
Percentage of Styles with Water-Efficient Design Attributes	7%	12%	12%
Percentage of Styles with Chemical-Mitigation Attributes	68% [66%]	85% [79%]	92%

Continuous Improvement

Adore Me is proud to share that in 2023, our team saw improvement in every recorded sustainability-related design KPI compared to 2022—and we are excited carry this progress forward in years to come. Below is a non-exhaustive list of the most prominent advancements we've made in the last year.

- 1 55% of products procured from our manufacturers were considered sustainable—exceeding both the benchmark of 50% for the year and 2022's performance of 37%.
- 2 Sustainable products represented one third of Adore Me's sales (in U.S. dollars) on AdoreMe.com to VIP and PAYG customers, where in 2022 sustainable products represented closer to one fourth of overall sales. In 2024, it's our goal that sustainable products represent half of Adore Me's overall sales in our key categories.
- 3 Products sold on AdoreMe.com to VIP and PAYG customers had an average AIM score of 0.80 out of 5—a notable increase compared to the average AIM score of 0.42 out of 5 in 2022. In 2024, it's our goal that products sold average an AIM score of 1 out of 5.
- 4 As of Q32023, all products designed by our team are required to meet an AIM score of at least 0.25 out of 5.
- 5 Following the completion of a dedicated sustainability dashboard, our team is now able to track the progress of KPIs in real time on a precise and granular level, allowing us to adjust our business decisions accordingly as metrics rise/fall.

RAISING THE BAR

Raising the Bar for New Products

In order to continuously improve within the sustainability space, it's important for our team to gradually raise our baseline and—as we meet our milestones—reach toward more ambitious goals. When it comes to the design and fabrication of new products, raising the bar is especially important as preferred fibers become more accessible and as manufacturers gain further access to increasingly efficient technology. We owe it to ourselves to ensure that, over time, it gradually becomes more difficult to meet our internal sustainability threshold: an AIM score of 1 out of 5 points.

For this reason, we periodically reassess and raise the internal sustainability threshold that we grade all Adore Me designs against. Doing so not only ensures accuracy in measurement, but also further challenges ourselves as new standards come to life. For example, when Adore Me appears to overperform against any given KPI, we consider it to be an indication that we need to raise the bar (as opposed to it being a testament to our own success).

The third iteration of AIM involved a number of point allocation adjustments, making it more difficult for new products to meet our own sustainability threshold. In practice, this means that some products that were considered sustainable against AIM V2 are no longer [internally] considered sustainable against AIM V3. For more details on AIM V3, refer to page 54.

Raising the Bar for Existing Products

In order to make meaningful change within our organization and meet our own targets, it's imperative that we make improvements to already-existing designs. Product re-engineering work typically follows two principles: incorporating better fabrics and preferred fibers; and fine-tuning our vendor selection based on their production capacity, sustainability efforts, and innovation strategies. Based on these principles, we regularly challenge our vendors and communicate with them any improvement opportunities we see for existing bestselling products. Whether it be a migration to using recycled and/or organic materials, an implementation of certified fabrics, or a leverage of dry digital printing techniques, all avenues surrounding product improvement are considered.



In 2023, more than 20 existing products were re-engineered and improved upon prior to replenishment (including panties, bras, lingerie, and sleepwear bestsellers).

Adore Me's bestselling sleepwear set (named Matilda) was recently re-engineered to include preferred raw materials. While the original iteration of Matilda was largely composed of virgin rayon, the latest iteration (renamed to Matylda) was re-engineered to include 95% FSC-certified eco-enhanced Viscose (Livaeco™), GRS-certified poly satin, and OEKO-TEX®-certified elastic. The re-engineering of this product and sourcing through a new vendor also led to a significant improvement surrounding product-level carbon emissions. These changes were made without sacrificing the appearance, hand feel, or quality of the product—resulting in a product with improved composition that looks and feels the exact same as it did prior to re-engineering.



Matilda (Original)	Matylda (Re-Engineered Version)
AIM V2 Score of 0.25/5	AIM V2 Score of 1.25/5
Carbon Footprint of 22 kgCO2eq (+/- 4.1)	Product Footprint of 18 kgCO2eq (+/- 5.1)

Raising the Bar for Adore Me Customers

We strongly believe that it's our responsibility as a brand to not only offer increasingly sustainable products to our customers, but to do so without compromising the affordability, inclusivity, or quality of our products themselves.

In fact, Adore Me's online customer behavior validates our efforts in migrating our product selection to be a more sustainable mix. In recent years, purchase orders to our manufacturers reflect an increasing share of sustainable products (27% in 2021, 37% in 2022, and 55% in 2023). This upward trend can also be observed when looking at the share of sustainable sales in Adore Me's annual revenue. In 2023, 36% of online revenue (coming from VIP and Pay-As-You-Go customers) could be attributed to the sale of sustainable products—a notable increase from the 28% in 2022. This share is expected to grow to 50% by the end of 2024.

Carbon Footprint

OUR APPROACH TO CLIMATE ACTION

As a company, we recognize that our operations continue to have a significant impact on the environment, and we embrace our role in addressing climate change. We remain committed to reducing our carbon footprint in tandem with promoting sustainable practices internally and in our supply chain. Where we haven't been able to reduce emissions, we will continue to look to reliable carbon credits as a way to mitigate our remaining impact.

Adore Me's efforts regarding our climate impact revolve around three workstreams:

1. Measuring Emissions

We effectively measured our organization's emissions for the calendar year 2023, and will continue to do so on an annual basis.

2. Prioritizing Actions

The team at Adore Me prioritizes avenues for emissions reduction that are actionable, operationally feasible, and have the most significant impact.

3. Reducing Greenhouse Gas Emissions

Many teams across our organization actively work on reducing greenhouse gas emissions by leveraging key effective practices and tools.

In an effort to drive meaningful change and refine our reduction strategy, our team continues to partner with Carbonfact in what is now a 2 year-long collaboration. In an effort to increase transparency and enhance traceability, Carbonfact syncs with our company's internal systems to provide real-time insights surrounding our carbon emissions at a product level. For Adore Me, this means Carbonfact's software automatically pulls data—things like material type and weight—from our orders with suppliers to calculate associated carbon emissions.



Carbonfact, Adore Me's carbon-accounting partner of 2 years.

SCOPE 1

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

SCOPE 2

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

SCOPE 3

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

GHG CALCULATION METHODOLOGY

The emissions calculation and reporting process Carbonfact uses to assess Adore Me's carbon footprint adhere to the Greenhouse Gas Protocol's "Corporate Accounting and Reporting Standard" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard." Carbonfact's model uses databases including IEA, EPA, GHG Protocol, Ecoinvent, UK Defra, and GLEC depending on the scope and scope category.

In the past year, Carbonfact has worked to make improvements to and revise its methodology, with progress made to 13 different versions of their tool in 2023 alone. These updates inherently impact historical emissions calculations, which are restated within the Report for transparency on page 65. Below are the most prominent methodology changes implemented by Carbonfact:

- Improved data collection flows to ensure purchase order data is pulled from Adore Me's systems in a more efficient manner and avoids inclusion of duplicative data.
- Increased use of primary data collected from Adore Me's main manufacturers, including information surrounding composition, material modifiers (DTEX, GSM, etc.), and country of origin of materials. While the increased use of primary data is a good development in terms of data governance and carbon assessment methodology, it also necessarily hindered the comparability of 2023 with prior years' footprints. This comparison base variance is expected to disappear over time.
- Phased out certain proxy data, leading to increased accuracy and precision.
- Integrated information regarding cup composition, country of origin, and weight for 17 styles of bras collected from our three main Tier 1 suppliers.
- Reorganized the measurement of products' footprints to be displayed according to manufacturing process step, allowing for a more granular view of the footprint of each product.
- Implemented processes for screen and digital printing.
- Updated the use model to reflect the latest recommendations from PEFCR with a revised emission factor for the electric mix (~400g CO2e/kwh).

Scopes 1 & 2 Details

To calculate GHG emissions for Scopes 1 and 2, Carbonfact has updated its methodology and is using the latest emission factors from reputable sources such as the International Energy Agency (IEA), and the United States Environmental Protection Agency (EPA). They primarily relied on primary data to run their calculations, including energy bills for all Adore Me facilities—including offices, stores, and warehouses—for electricity and natural gas consumption.

NOTE: 2021 and 2022 heating was previously accounted for in Scope 2 but is now included in Scope 1 in line with GHG Protocol guidelines.

Scope 3 Details

In regards to Scope 3 emissions—specifically category 3.1, “Purchased Goods and Services”—Carbonfact employed a comprehensive carbon footprint model that encompasses all production stages, from sourcing to finishing and assembly of purchased products. The foundation of the product LCA model Carbonfact developed is based on the latest draft of the Product Environmental Footprint Category Rules (PEFCR) for Apparel and Footwear. In 2023, Carbonfact improved its LCA model through 13 different versions. Key updates particularly relevant to Scope 3 emissions include the enabling of process-level measurements, leading to significantly increased accuracy of emission factors used to adjust to different processes such as textile formation, coloration, or printing.

Regarding the “Purchased Goods and Services” category specifically, Carbonfact collected as much product-level primary data as possible from Adore Me and, more generally, our suppliers. Primary data collected by Carbonfact included production volumes, as well as product-level data such as composition, weight, textile formation, and more. Carbonfact also considered the specific location of all production phases, from the production of fibers to textile production and product assembly, whenever possible to feed into its model and determine our overall carbon footprint. When primary data was not available, Carbonfact used compliant databases including Environmental Footprint (EF) 3.1.

Key changes in methodology in this year’s carbon footprint assessment can also be found in the calculation of the Scope 3 category “Upstream Transportation and Distribution.” Improving upon previous manual calculations performed internally by Adore Me relying on DHL data, 2023’s calculation was performed directly through Carbonfact’s model using primary data and leveraging Ecoinvent, GLEC, and GHG Protocol databases.

Carbonfact’s LCA model was also updated in 2023 with regard to the calculation of “USE” emissions. Previously, each product would be attributed a fixed value for USE-related emissions based on its category. (For example, underwear would be assessed at 0.34 kgCO₂e.) These values were based on early PEFCR assumptions (including the category’s default weight), while energy-consumption emissions were calculated using emission factors for France’s electricity grid. Following the model update, USE emissions are calculated using the weight of the individual product. The USE emission factors are built on newer PEFCR assumptions (number of washes, quantity of water and electricity used, etc.) and energy consumption emissions are now calculated using emission factors for the broader EU’s electricity grid (0.38891 kgCO₂e/kWh, from EF 3.1), which is comparable to the United States’ electricity grid.

Regarding the “Use of Sold Products” category, Carbonfact continued to use the results of the LCA model based on PEFCR defaults. These defaults are based on use habit (wash and dry) statistics collected in the draft of PEFCR, as well as waste treatments including the share of recycling, landfill, and incineration.

IMPORTANT DISCLAIMERS:

- Carbon accounting and LCAs are complex endeavors. It is important to acknowledge the following limitations and uncertainties when reading any carbon-related disclosure made in the Report. We will continue our work alongside our partners to improve data quality and completeness, as well as to reduce any methodology-related uncertainties.
- Carbon calculations can involve various methodologies. Our Scopes 1, 2, and 3 emissions were calculated in line with the GHG Protocol Standards. For reference, GHG Protocol supplies the world’s most widely used greenhouse gas accounting standards, which are designed to provide a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions.
- In line with GHG Protocol Guidance, our Scope 3 emissions calculation relied largely on Carbonfact’s life cycle assessment methodology applied through their LCA engine. Generally, LCA methodologies and data sources have limitations, such as data gaps or uncertainties, which can impact the precision or accuracy of the results. Additionally, assumptions made during the calculation process, such as emission factors or system boundaries, can also affect the precision of the final results.
- Carbonfact’s methodology is based on the ISO 14040 standard as well as the Product Environmental Footprint Category Rules, which is a harmonized methodology defined by the European Commission. The methodology includes a number of industry-specific assumptions by which Carbonfact compares the carbon footprint of a product with a representative product. Those benchmarks are still being developed by the PEF working groups and are likely to evolve over time. More information on the assumptions used may be provided upon request.
- Further, a significant amount of data used to assess our products’ cradle-to-grave footprint, particularly concerning materials used, weight, and manufacturing processes, was sourced from our suppliers. While we work in good faith with our suppliers, Adore Me is not in a position to guarantee the completeness or accuracy of any third-party data.
- Finally, but importantly, due to its ongoing integration, DailyLook fell outside of the scope of our carbon accounting efforts in the LCA conducted with Carbonfact in 2023. We are hoping to effectively include DailyLook in our assessments by 2025.

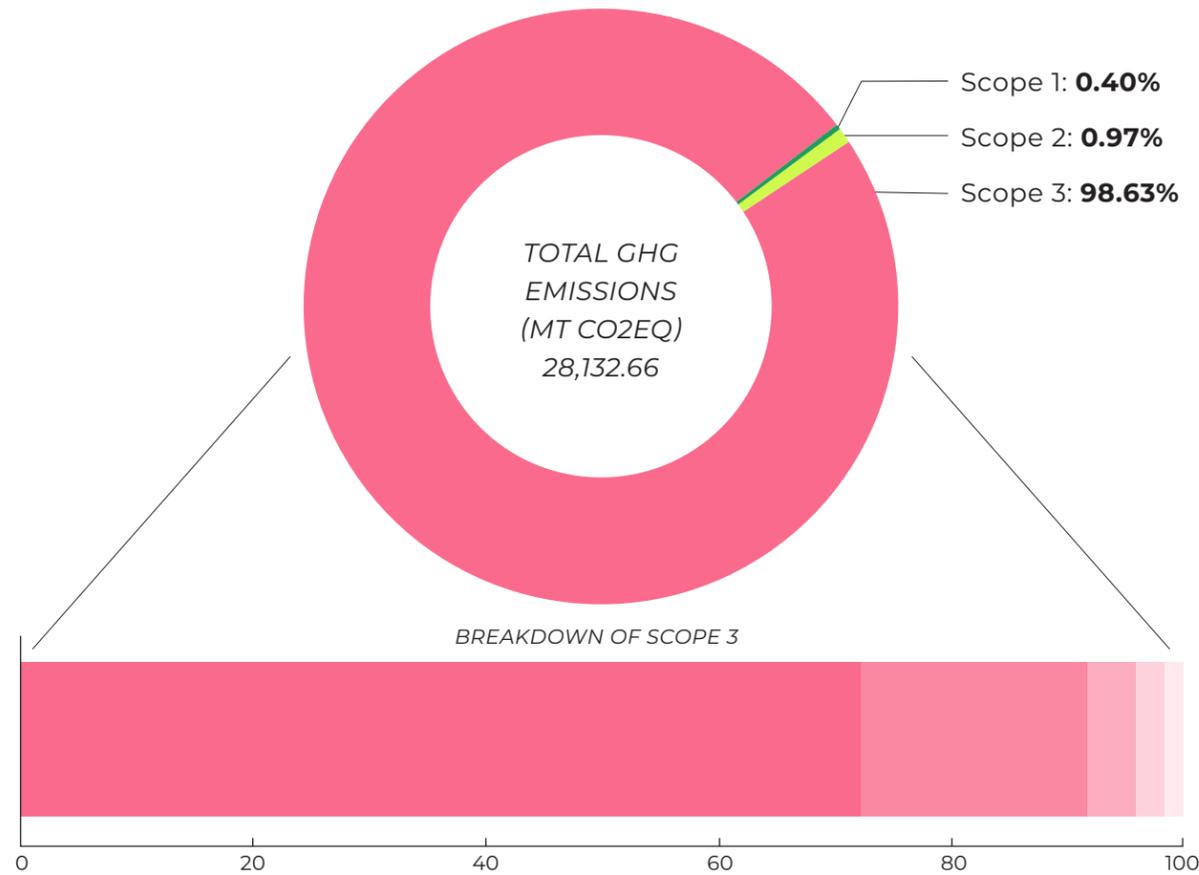
RESTATEMENT:

Within the Report, we are restating our historical carbon footprint data to reflect corrections and improvements in the amount and quality of data that is now at our disposal, as well as the improved methodology embedded in Carbonfact’s model. The revision of our carbon footprint data over time underscores our commitment to transparency and accuracy in reporting, and ensures a higher level of comparability of data over time.

CARBON PROGRESS REPORT & LEARNINGS

In 2023, the vast majority of Adore Me's emissions continued to come from our value chain, with our Scope 3 emissions accounting for 98% of our overall footprint.

Adore Me's Total Greenhouse Gas Emissions by Scope (2023)



LEGEND

- Purchased Goods and Services: **20,055.77 (72.28%)**
- Use of Sold Products: **5,349.98 (19.28%)**
- Transportation: **1,171.88 (4.22%)**
- End of Life: **669.04 (2.41%)**
- Others: **500.23 (1.80%)**
- TOTAL: 27,746.9**

The Purchased Goods and Services category, which includes all upstream (i.e., cradle-to-grave) emissions from the production of products purchased or acquired by Adore Me in 2023, represents 72% of our Scope 3 emissions, which is why we have focused most of our reduction efforts on reducing the carbon footprint at the manufacturing stage. Refer to pages 70–71 for more information on sustainable manufacturing.

NOTE: All carbon measurements included in the Report are provided in kilograms (kg) of equivalent CO2 (or kgCO2e) or metric tons (t) of equivalent CO2 (or tCO2e). That quantity describes, for a given mixture and amount of greenhouse gas, the amount of CO2 that would have the same global warming potential (GWP) when measured over 100 years. The following gasses are included in the calculation: CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3.

ADORE ME'S ANNUAL CO2 EMISSIONS BY SCOPE

	2021 Emissions (tCO2e)	2022 Emissions (tCO2e)	% Variation vs. 2021	2023 Emissions (tCO2e)	% Variation vs. 2021
SCOPE 1 TOTAL	107.83	172.81	60.26%	112.81	4.62%
SCOPE 2 TOTAL	370.34	426.38	15.13%	272.95	-26.30%
SCOPES 1 & 2 TOTAL	478.17	599.19	25.31%	385.76	-19.33%
SCOPE 3					
Purchased Goods and Services	55,900.67	14,634.44	-73.82%	20,055.77	-64.12%
Upstream Transportation and Distribution	3,178.33	1,052.65	-66.88%	1,171.88	-63.13%
Use of Sold Products	14,405.29	3,604.31	-74.98%	5,349.98	-62.86%
End of Life of Sold Products	2,027.96	484.85	-76.09%	669.04	-67.01%
Other	339.93	371.69	9.34%	500.22	47.15%
SCOPE 3 TOTAL	75,852.18	20,147.94	-73.44%	27,746.89	-63.42%
TOTAL (tCO2e)	76,330.35	20,747.13	-72.82%	28,132.5	-63.14%

Adore Me's overall carbon footprint decreased by 63% in 2023 compared to our 2021 baseline.

Scopes 1 & 2 Details

Scopes 1 & 2 emissions combined (<2% of Adore Me's total carbon footprint) have decreased by 35% in the last year. The limited 19% reduction against our 2021 baseline for these combined scopes can be explained by a number of factors, including the following: 1) 2021 was a year with relatively low Scopes 1 and 2 emissions due to low office attendance caused by the COVID-19 pandemic, and 2) Adore Me's second distribution center based in Tijuana, Mexico was not fully operational in 2021, causing a significant increase in 2022 emissions when it did start to be fully leveraged.

Scope 3 Details

Driven by Scope 3 emissions, Adore Me's overall carbon footprint increased in 2023 compared to 2022, mainly due to the unusual state of Adore Me operations in 2022. As disclosed in our 2022 ESG Report, a number of business and contextual factors (including the aftermath of the COVID-19 pandemic, inflation, and geopolitical events) had caused a steep reduction in purchase order volume as well as purchase order postponements. As these contextual factors receded, our operations have resumed and our organization expectedly experienced an increase in procurement levels in 2023, resulting in an increase in Scope 3 emissions when compared to 2022 data.

In regards to Scope 3, our 63% decrease against our 2021 baseline maintains Adore Me's emissions far below the net-zero path.

Scope 3 “Transportation & Distribution” Category Details

Adore Me’s Transportation & Distribution emissions decreased from 2022’s restated data (2,039 tCO₂e), but slightly increased by +11% when compared to updated 2022 calculations. This increase is far lower than originally predicted based on the increased number of orders from manufacturers in 2023 as compared to 2022. In fact, this year, the share of transportation emissions in Adore Me’s overall footprint decreased by nearly one percentage point (from 5.07% to 4.16%). Adore Me was able to limit the impact of increased orders on transportation emissions through a number of initiatives, including the continued limitation of airship “exceptions” and a reduction in the number of Tier 1 manufacturers (thereby reducing emissions linked to transportation from factory to warehouse). In 2023, inbound emissions amounted to 682tCO₂e, with only 3.24% of units transported by air. In order to limit emissions related to customer shipments (outbound), standard shipping continued to be applied by default in 2023, and represented ~90% of orders. Outbound shipments generated 489tCO₂e (air and ground) in 2023—a number nearly 10% lower than 2022 outbound shipments (542tCO₂e). Outbound air shipment emissions alone decreased by 30% between 2022 and 2023.

Scope 3 “Others” Category Details

Adore Me’s increase in emissions related to the “Others” category in Scope 3 can be attributed to employee travel and commute, mainly due to the availability of more reliable and precise data this year.

Scope 3 “Purchased Goods & Services” Category Details

Absolute emissions related to Purchased Goods and Services increased in 2023 as compared to 2022, driven by an increase in number of units ordered from manufacturers. This category of emissions maintained a sharp decrease (-64%) against our 2021 baseline. As further explained below, emissions by products continued to decrease year-over-year in 2023.

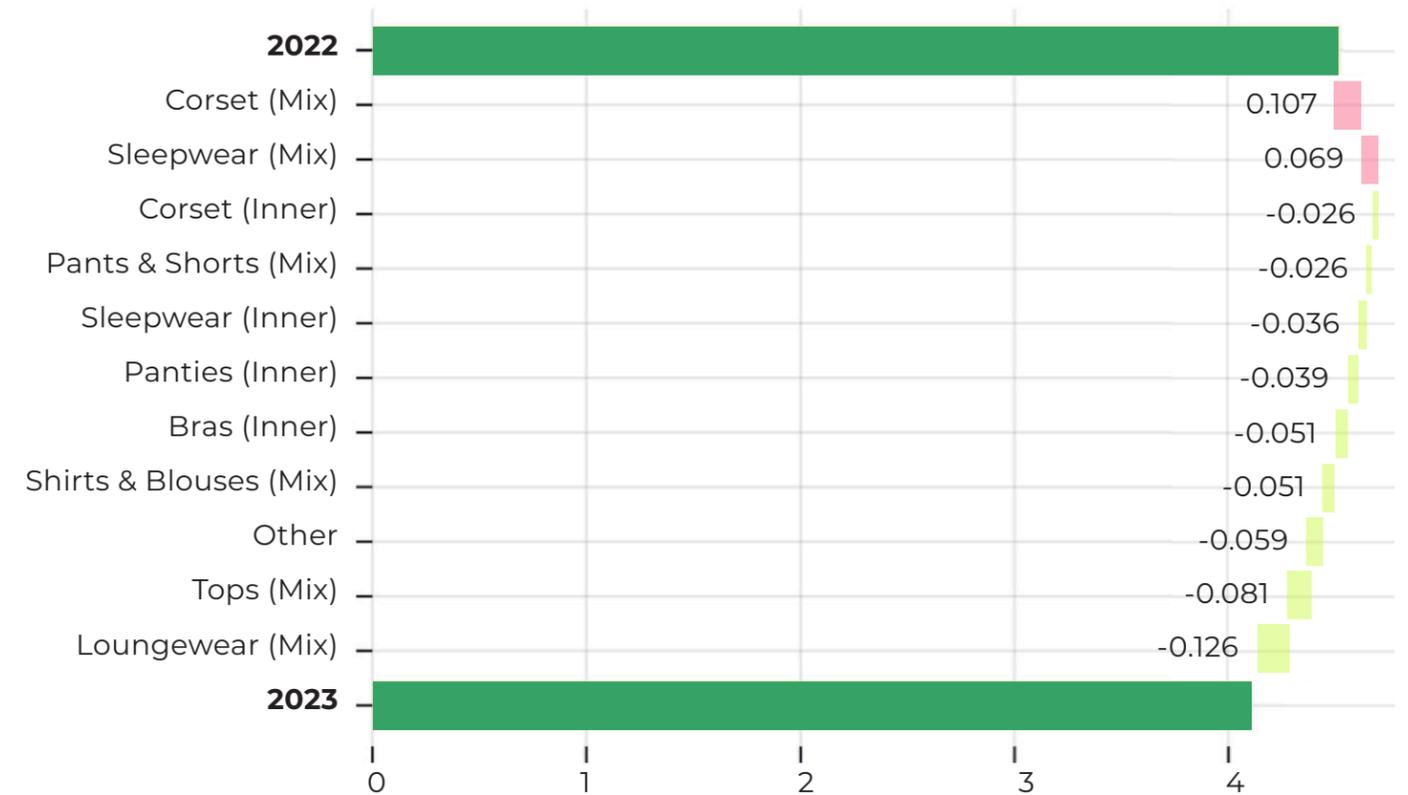
PRODUCT LIFE CYCLE ASSESSMENT

Decreasing Our Product-Level Footprint

In 2023, Adore Me saw an 8% reduction in our product-level footprint when compared to 2022 updated data, or a 12% reduction from our updated 2021 baseline of 4.11 kgCO₂e/unit. This variance is largely due to a lower average weight per unit in 2023 (from 90g to 82g, on average), driven by a lower share of heavier products ordered for our Loungewear category.

Overall, Adore Me’s average product-level footprint decreased from 3.94 kgCO₂e/unit in 2022 to 3.62 kgCO₂e/unit in 2023.

ADORE ME’S 2022 TO 2023 FOOTPRINT TREND PER CATEGORY



NOTE: The chart above explains the variation of Adore Me’s YoY carbon footprint in kgCO₂e/unit between 2022 and 2023 per product category. The change in the average footprint is decomposed into two components: the change in the average footprint of each product category (“Inner”) and the change in the share of each category within Adore Me’s product portfolio (“Mix”). For instance, Corset is a product category that has a higher carbon footprint than average Adore Me products. Since its share has increased in 2023, it contributed to an increase in Adore Me’s average carbon footprint. On the other hand, the Bras category decreased its average carbon footprint, meaning its “Inner” component contributed to a decrease in Adore Me’s average carbon footprint.

Adore Me’s product assortment includes categories with significantly different average footprints. For example, on average, Adore Me’s Panties category has a carbon footprint of 1.58kgCO₂e/unit, compared to 6.80kgCO₂e/unit for our Loungewear category. Product footprints also vary within each product category based on design and materials used, among other factors.

Increasing Our Use of Recycled Materials

One of the many remarkable trends of 2023 included the increase of recycled materials (particularly synthetic materials) in our product selection compared to 2022, which has helped to decrease our overall and product-level footprint. In 2023, recycled synthetic materials represented 27% of all synthetic materials used in our products—a steep increase from just 10% the previous year. The two main recycled synthetic materials used remain to be recycled polyamide (59%) and recycled polyester (41%). However, thanks to the work of our suppliers, Adore Me was also able to source recycled elastane in 2023, and we look forward to incorporating it more broadly across our product selection in 2024.

MITIGATING OUR CARBON IMPACT

In 2023, Adore Me continued to rely on carbon credits to mitigate the carbon emissions that remained despite our reduction efforts. While we are working on developing and strengthening emissions-reduction strategies, we recognize that carbon credits remain one of the few available tools to contribute to global carbon neutrality goals.

In line with our approach of continuous improvement, Adore Me offset more emissions than we ever have before—offsetting the entirety of Scopes 1 and 2 emissions and the majority of Scope 3’s emissions categories (a notable improvement from 2022, where only Scope 3’s Transportation emissions were offset). Scope 3 categories covered by our carbon offset projects include: Fuel and Energy Related Activities, Upstream Transportation and Distribution, Waste Generated in Operations, Business Travel, Employee Commute, Upstream Leased Assets, and End of Life of Sold Products. To offset these categories, we continued to contribute to three projects that we had supported in previous years through trusted partners: Pachama and Reforest’Action.

Reforest’Action

Reforest’Action is a B Corp Certified company dedicated to preserving, restoring, and creating forests throughout the world in response to the climate emergency and biodiversity loss. Since its creation in 2010, Reforest’Action has planted and regenerated more than 20 million trees in 42 countries thanks to the contribution of 3,000 companies and 300,000 citizens. Through Reforest’Action, Adore Me supports the Rimba Raya project, located in Indonesia.

Rimba Raya

Rimba Raya works to preserve tropical peat swamp forests against deforestation and to preserve wildlife within those forests. Rimba Raya biodiversity notably includes the endangered Bornean orangutan (*Pongo pygmaeus*) and the only great ape outside of Africa, whose populations have declined 95% in the last century. This project is certified as meeting the Sustainable Development Verified Impact Standard (SD VISTA), the premier standard for certifying the real-world benefits of social and environmental projects.



Complete project area for the Rimba Raya Project. Source: Reforest’Action

Pachama

Pachama is a technology company whose mission is to restore nature and solve climate change. Pachama harnesses AI and remote-sensing technology to verify and monitor carbon captured by forests to help finance conservation and reforestation. Through Pachama, Adore Me’s supports and contributes to two different projects: Pacajá Pará and Manoa Farm—both located in Brazil.

Pacajá Pará

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

Manoa Farm

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



The Pacajá River is the main transport route for communities within the region. Source: Pachama

Sustainable Manufacturing

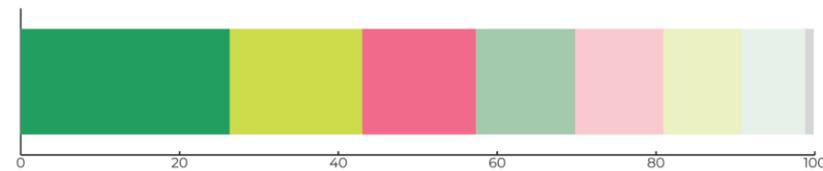
MANUFACTURER SELECTION

Beyond raw materials, the early stages of garment production are inherently energy-intensive, and therefore they carry the greatest carbon footprint within the entire manufacturing process.

MATERIAL & PROCESSING FOOTPRINT BREAKDOWN

LEGEND

- Raw Materials: **26.30%**
- Textile Formation: **16.70%**
- Finishing: **14.30%**
- Assembly: **12.50%**
- Coloration: **11.10%**
- Yarn Formation: **9.80%**
- Preparation: **8.10%**
- Other



Source: Carbonfact
NOTE: All data was acquired and validated at the time of the drafting of the Report (March 1, 2024).

Collectively, these early stages represent an inflection point for effective intervention to reduce emissions—proving the role that our suppliers step into to be instrumental in managing our value chain’s footprint.

Adore Me’s suppliers are carefully selected on the basis of many considerations, including their sustainability-related practices and their compliance with Adore Me’s corporate values and objectives.

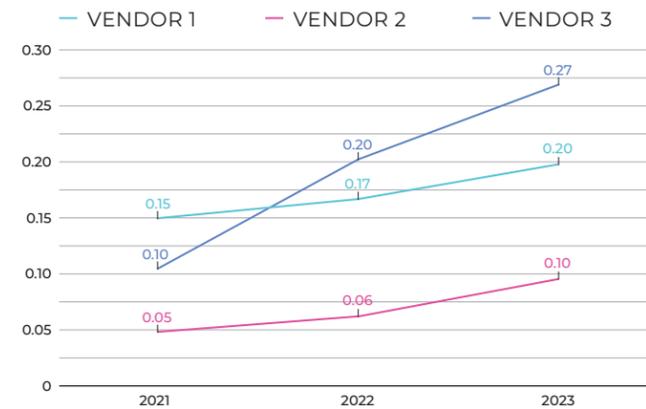
To further minimize impact in the early stages of garment production, specifically surrounding Adore Me’s already-existing products, our teams may choose to reallocate sourcing/production from one manufacturer to another whenever this change can reduce impact. In 2023, Adore Me reallocated the manufacturing process of the Matilda Pajama Set from a manufacturer based in China to one based in India, based on their ability to work with preferred and certified materials like FSC-certified eco-enhanced Viscose (Livaeco™), GRS-certified poly satin, and OEKO-TEX® fabric.

MANUFACTURER & PARTNER COLLABORATION

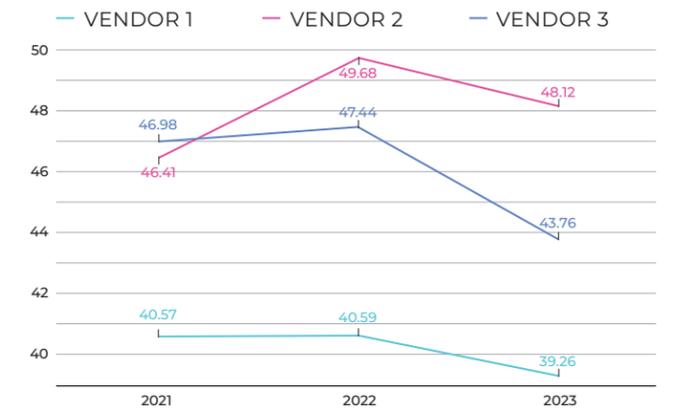
Through close collaboration with our Tier 1 manufacturers, strong data management, and the invaluable support of Carbonfact, Adore Me is now able to track our carbon emissions per manufacturer over time with increasing granularity.

With the help of the extensive data-analysis capabilities of a tool developed by Carbonfact, our teams now have access to nuanced insight that surpasses the calculation of absolute carbon emissions—even at a supplier level. This deeper understanding of our manufacturers’ environmental impact has been a catalyst in Adore Me decreasing our overall carbon footprint per unit manufactured in 2023. For example, we are now able to manage our sourcing to favor suppliers who are improving their carbon emissions management, leading to larger overall impact.

SHARE OF WEIGHT BY VENDOR Adore Me’s Top 3 Manufacturers



FOOTPRINT PER WEIGHT BY VENDOR Adore Me’s Top 3 Manufacturers



Much of the progress Adore Me has made surrounding garment production is documented and traceable with the help of our dedicated partners. Thanks to Carbonfact—whose homegrown tool meets our need to dynamically assess both impact and levers (giving us real-time data beyond just absolute footprint per manufacturer or footprint per unit)—Adore Me was able to uncover that despite an average increase in the weight of product mix manufactured in 2023 (due to extended size ranges and broader product categories), our largest* suppliers successfully reduced emissions per weight of garment produced.

SCAVI HUE PRODUCTS AND FOOTPRINT DATA OVER TIME

	2021	2022	2023
Weight per unit (g)	47.0	↑50.0	↑56.0
Footprint per weight (kgCO2e)	47.0	↑47.4	↓43.8
Footprint per unit (kgCO2e)	2.2	↑2.4	2.4

Scavi, a long-time supplier for Adore Me, successfully maintained the carbon footprint per unit of Adore Me products (despite a significant increase in the average weight of the products it produced for Adore Me)* by selecting less carbon-intensive raw materials.

To supplement the work we do with our Tier 1 suppliers to measure and minimize our impact in the early stages of garment production, Adore Me is continuing to increase the depth of our supply chain mapping—in parallel with our traceability efforts with CommonShare—with the goal of understanding our suppliers’ carbon footprints beyond the Tier 1 level. Additionally, we are actively working to develop emission-reduction strategies that focus on the highest emission sources within our supply chain.

*Based on volume of units produced in 2023.

*Due to extended size ranges and product offerings.

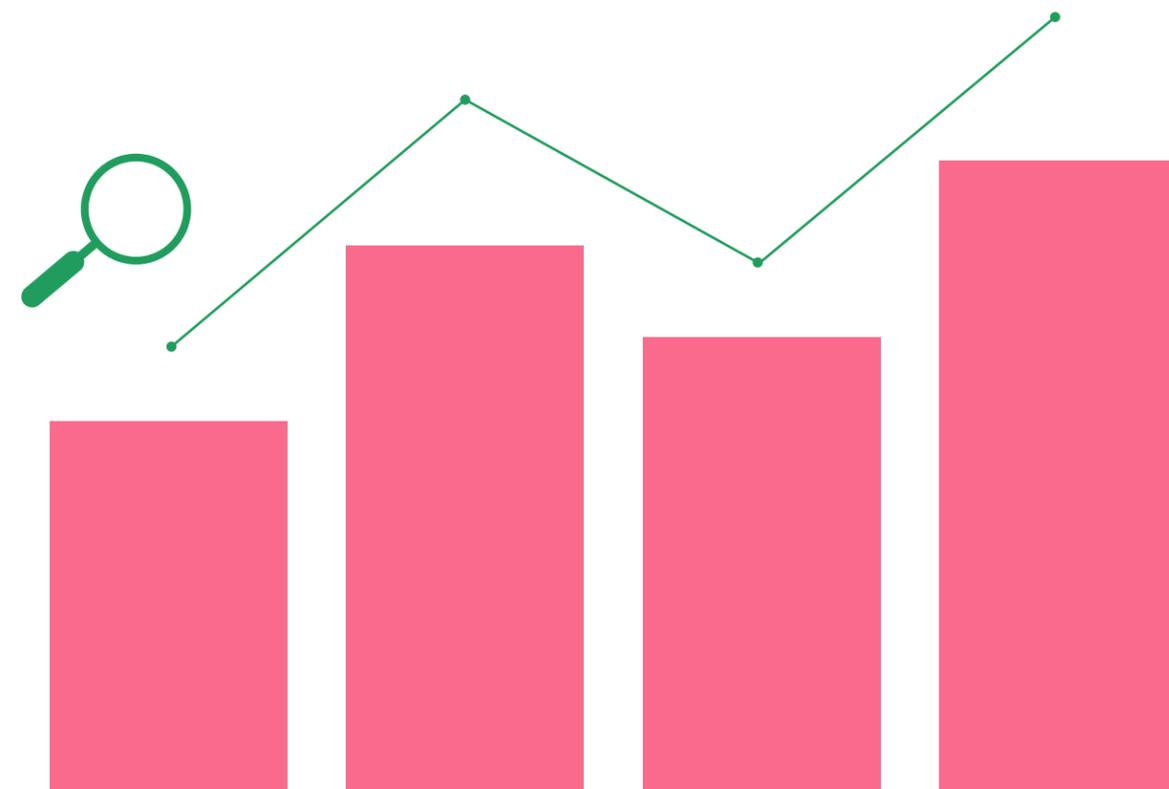
Technology

Adore Me is just as much of a data-driven technology company as we are a lingerie brand. Knowing that the very nature of our business is constantly changing, along with the increasingly complex challenges our industry is facing—environmental, geopolitical, regulatory—we follow our belief that to increase our resilience, technology must be embedded into any and every business function. We are also certain that technology will be one of the biggest levers in our sustainability journey, because if there's one trend that our teams have experienced to be consistent, it's this: The fashion industry is continually being disrupted by new technology and the external factors that come along with it.

Below are a few ways in which technology is helping us strengthen the sustainability of our business.

ADORE ME SCALE-UP PLANNING (SUP)

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



GOOGLE CLOUD

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

With data centers that are, on average, 1.5 times as energy efficient as a typical enterprise data center, Google is committed to run on 24/7 carbon-free energy on every grid where they operate by 2030. Carbon-free energy that may be used by Google includes wind, solar, geothermal, biomass, nuclear, and hydropower. Google is also committed to becoming water positive by 2030, meaning they will replenish 120% of the water they consume on average across offices and data centers in an effort to help restore and improve the quality of water and the health of ecosystems in communities where they operate.

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

OTHER TECH-BASED LEVERS

Our external partners play an integral role in developing the technology-based ecosystem that Adore Me is evolving in. Our two most important partners in 2023 were [Carbonfact](#) and [CommonShare](#), who provide critical tools to fuel our carbon emissions management and traceability efforts. We're also proud to partner with [Twinery by MAS Holdings](#), who we leverage waste- and water-minimizing digital printing technology from to release limited-edition capsule collections—allowing our teams to more efficiently manage inventory and print on an on-demand basis.

Additional Undertakings

ADOREME RETAIL

While continuing the implementation of energy efficiency, recycling, and water-efficiency, AdoreMe Retail teams further worked on developing increasingly sustainable business practices at our six brick-and-mortar stores in 2023.

In-Store Supplies Policy

In June, the AdoreMe Retail team implemented a new In-Store Supplies Policy across all six store locations. The policy includes guidelines surrounding the installation and use of water coolers to prevent single-use water bottles, a decreased frequency in the online orders of store supplies to limit carbon emissions related to shipping/delivery, the use of low-impact cleaning supplies, and more.

Customer Sustainability Surveys

In October, the AdoreMe Retail team conducted a sustainability survey with store customers, and the responses showed that sustainability is heavily valued among this stakeholder group. In fact, 70% of AdoreMe Retail customers who participated in the survey noted that it was very important to them that Adore Me spread awareness about our sustainability initiatives in our brick-and-mortar stores—expressing that they're not only willing, but eager to learn more.

Adore Me Cares

In August, we brought Adore Me Cares—an informational program surrounding the organization's sustainability-related projects—to life within our brick-and-mortar stores. In an effort to give more visibility to our customers, all Store Associates participated in a tailored training on communicating the initiative to customers prior to the store launch of Adore Me Cares. To this end, all products with an AIM score of 1 or higher can now be identified within the stores by their "Adore Me Cares" badge, which reflects that those products are part of our organization's wider sustainability program.



2023 Sustainability Highlights

79% of swimwear units sold in AdoreMe Retail brick-and-mortar stores were sustainable*.

44% of sleepwear and loungewear units sold in AdoreMe Retail brick-and-mortar stores were sustainable*.

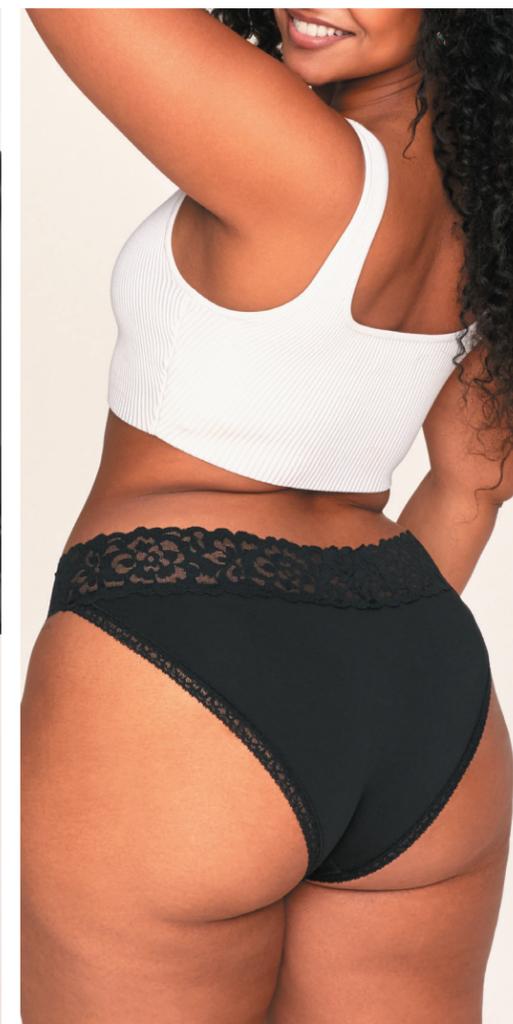
29% of panties sold in AdoreMe Retail brick-and-mortar stores were sustainable*.

Over a quarter of units sold in AdoreMe Retail brick-and-mortar stores were sustainable*.

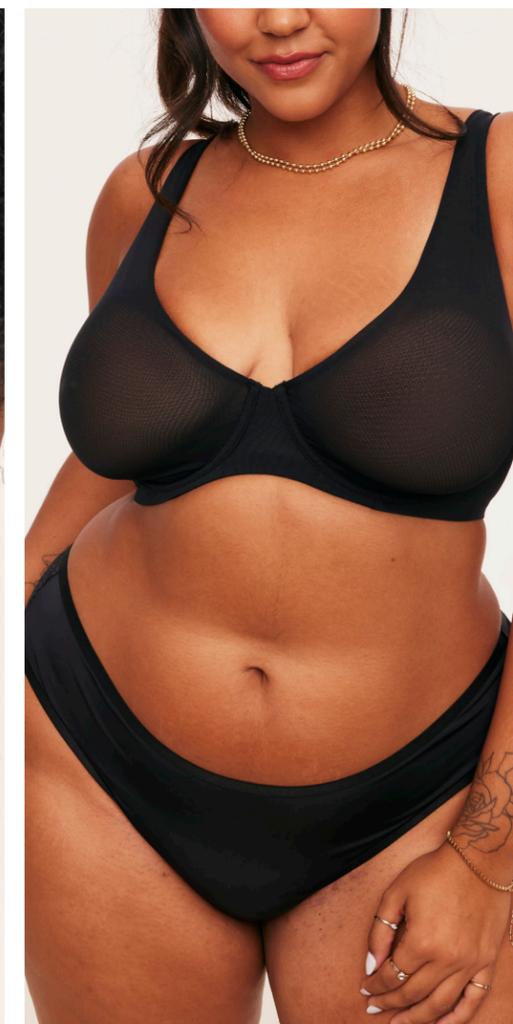
AdoreMe Retail's Top-Selling Sustainable* Products



Romina Robe



Joanie Bikini Panty



Ivy Mesh Underwired Triangle Bra

*Sustainable products are defined as products with an AIM score of 1 or above.

ADOREME TECH

In 2023, AdoreMe Tech—based out of our Bucharest, Romania office—implemented a comprehensive recycling program in collaboration with Green Global Future: an accredited partner dedicated to the selective collection of waste. By partnering with Green Global Future, AdoreMe Tech has strengthened our commitment to sustainable waste management while also fulfilling annual reporting requirements to the Romanian National Environmental Protection Agency.

In 2023, AdoreMe Tech successfully recycled 2.34 tonnes of waste in collaboration with Green Global Future.

To further advance our recycling efforts in 2023, AdoreMe Tech collaborated with iStyle: a Bucharest-local organization that specializes in refurbishing, reselling, recycling, and repurposing electronic equipment and devices. Through this collaboration, AdoreMe Tech successfully established a formal program to facilitate the responsible disposal of the Bucharest office's electronic equipment—diverting the waste from landfills and contributing to the circular economy.

PACKAGING

As an e-commerce company, packaging is an inherently important subject to us. While it's necessary in protecting the integrity and quality of our products in transit, we recognize that disposable packaging is a contributor to our waste generation. To minimize the impact of our packaging, and to make it easier for consumers to properly dispose of our packaging, we continuously look for ways to incorporate more recycled and recyclable materials.

External Packaging & Mailers

In 2023, Adore Me's external boxes continued to be made from recycled and recyclable materials. 56% of Adore Me's poly-mailers continued to be made from 100% recycled materials. Due to a change in vendors, the remaining 44% of the poly-mailers were made from 95% recycled materials—and we are actively working toward meeting the 100% recycled materials threshold while ensuring compliance with regulations surrounding recycled content claims. All poly-mailers are printed with non-toxic ink. All cardboard boxes used to ship Adore Me products are made from 100% FSC-certified recycled materials in 2023.

Shopping bags distributed at Adore Me's brick-and-mortar store locations are made from 80% FSC-certified post-consumer waste and are 100% recyclable. Our team is actively working on increasing the post-consumer waste content of our shopping bags, with a plan to meet 100% within 2024.

Internal Poly-Bags

Consistent with previous years, Adore Me's internal poly-bags—provided by our suppliers to protect individual products—are made from 100% recycled materials. As of 2023, these internal poly-bags are also 100% recyclable.

Hang Tags

Consistent with previous years, Adore Me's hang tags are made from 100% recycled materials and are also 100% recyclable.



NOTE: In 2023, Adore Me terminated the relationship with our historical supplier of poly-mailer bags and is no longer in a position to make claims surrounding their biodegradability. In addition, our new poly-mailer supplier calculates recycled content of its products in line with a different methodology from our historical supplier, which is the reason for the restated claim.

DISTRIBUTION CENTERS

In the last year, the AdoreMe Services (AMS) teams at our distribution centers in Secaucus, New Jersey (AMS 1) and Tijuana, Mexico (AMS 2) continued to both carry forward already-existing sustainability initiatives as well as implement new strategies. These efforts not only reflect our dedication to minimizing energy consumption and waste production, but also further contribute to our larger mission of sustainability in every corner of our business.

Solar Panels

In 2022, a roof upgrade began at AMS 1 in Secaucus, New Jersey in preparation for a solar panel installation. In 2023, over 900 solar panels were installed on the AMS 1 facility's roof—designed to generate nearly 470 kWh of clean, renewable electricity every single year.

The installation of the solar panels at AMS 1 resulted in notable figures surrounding solar electricity generation and usage:

Solar Electricity Usage (Network + Solar) (kWh):

In 2023, AMS 1 harnessed 187,900 kWh from solar energy, or 40% of the facility's total electricity usage, demonstrating our commitment to sustainable practices.

Solar Generation Output (kWh):

In 2023, solar panels at AMS 1 generated 255,945 kWh of clean energy. Any surplus energy that could not be absorbed by AMS 1's needs was exported back to the grid.

In 2023, AMS 1 leveraged newly installed solar panels for nearly half of its electricity needs, while exporting 68,045 kWh of excess energy back to the grid for other users' benefits.

Storage Optimization

Consistent with previous years, AMS 1 continues to use AutoStore™ technology: a self-optimizing automated storage and retrieval system that works to reduce our storage footprint by 60% compared to traditional storage space with aisles and shelves. In addition to physical space savings, increased order accuracy, and increased fulfillment rates, AutoStore™ mitigates potential issues relating to workers' safety and wellbeing (e.g., improved ergonomics, reduced noise level, improved cleanliness, optimized work stations, and more).

MAS FOUNDATION FOR CHANGE

In 2023, Adore Me continued to support the MAS Foundation for Change by funding a three-year mangrove re-plantation project that aims to plant over 2,500 mangrove seedlings across more than 6 acres of degraded land in the Trincomalee District of Sri Lanka's Eastern Province. Phase 1 of the project—which includes planting the mangrove propagules and implementing their structural support—was implemented in March 2023 with significant participation within the community.

Mangroves—among the world's most productive ecosystems—are crucial for their protection against natural disasters, provision of livelihoods, and their ability to store three to four times more carbon than terrestrial forests. Sri Lanka, a mangrove hotspot with 22 species of plants, has seen 50% of its mangroves destroyed by farming, tourism, settlement, and pollution. This project signifies a vital effort in conserving and restoring these critical ecosystems.



Source: The MAS Foundation for Change

Social

1

OUR CUSTOMERS

2

OUR SUPPLIERS

3

OUR EMPLOYEES

4

OUR CHARITY SUPPORT



Our Customers

UNDERSTANDING OUR CUSTOMERS

Our customers are at the core of everything we do at Adore Me—so getting to know the customer on a personal level is imperative to us. In 2023, Adore Me's Customer team conducted regular interviews with real Adore Me customers to better understand what they're interested in, why they shop with Adore Me, and—most of all—who they really are.



Q&A with Desta White

Consumer Insights Manager

In recent years, we've been connecting with real-life customers more and more frequently. Why is this important?

DESTA: "We've seen so much success with connecting with our customers on a more personal level. As an organization, it's important for us to learn about what our customers are interested in and what their lives are like. These one-on-one conversations help us understand the customer better, which allows us to tailor our product offerings and our marketing strategies to them in a much more impactful way."

How do you engage with customers and gather their feedback?

DESTA: "We reach out through various channels, including email, phone calls, social media, and surveys. Personally, I find one-on-one conversations and focus groups to be the most valuable because they provide an environment that allows the customer to be candid in their responses."

What insights have you collected about customers' expectations on sustainability?

DESTA: "We've gathered a lot of insight on this. We recently conducted a customer survey that focused on the interest of Adore Me's sustainability efforts—and we saw that customers not only valued these efforts, but often specifically sought them out. During a focus group we hosted at the end of 2023, one customer mentioned that she shopped with Adore Me because of our sustainability efforts, while emphasizing how important it is that her most intimate pieces be made from natural materials."

During your interviews, do our customers seem to have an appetite for sustainable fashion?

DESTA: "It's definitely a growing appetite. Although sustainable fashion is not a deal-breaker for a lot of customers, it's an interest that we're starting to see take off. Right now, some of our customers specifically seek out sustainable fashion, and some just see it as an additional plus to what they would have purchased anyway—but as the interest continues to grow, and as education surrounding sustainable fashion becomes more commonplace, we anticipate sustainability to move from being a benefit to a necessity for the customer."

HANDLING CUSTOMER REQUESTS WITH STRONG CUSTOMER SERVICE

As an organization that prioritizes customer needs and satisfaction above all else, it's important for us to have controls and processes in place to remediate any inconveniences. For any customer concern, including the number of potential issues that are out of our control—supply chain delays, missing packages, incomplete returns, etc.—Adore Me's Customer Care team is on standby and available by phone or email from 8:30 AM through 8:30 PM ET every single day (excluding federal holidays). With a team of over 50 representatives, we are able to quickly get in contact with any customers who have concerns and efficiently assist them with

a resolution and/or escalate their concern when necessary. Aligned with best industry practices, our Customer Care team meets the following performance metrics:

- 100% resolution rate, in line with Adore Me's Customer Care Policy
- 1-minute average response time for claims received over the phone
- Only 25% of claims need to be escalated to second-level Customer Care Agents for additional support
- Less than 1% of claims need to be escalated to manager-level Customer Care Agents for additional support

Testaments from Adore Me Customers

"I think all the fabrics that I've had from Adore Me have all been really nice. I absolutely love it and it's just so comfortable. The quality really sets Adore Me apart, and it makes me genuinely enjoy wearing the set. — NICOLE, VIP CUSTOMER

"The staff at the store were not only attentive but informative, helpful, genuine and friendly. All options are true to size and don't make you feel limited or self-conscious like other lingerie stores. — RETAIL CUSTOMER

"I love that all the different styles come in all the sizes. Even if I don't settle on something, I appreciate that Adore Me offers that. — SARAH, VIP CUSTOMER

"I am 45 and this was the first time I was ever sized for a bra, and I had the most wonderful experience. The customer service was great. I tried on five bras, and I will definitely be back! — RETAIL CUSTOMER

NOTE: Customer reviews have been lightly edited for length and clarity.



“The customer is at the core of everything we do! Our role in the stores is to make them feel comfortable, confident—always. That’s our #1 priority every day.

— PAULA ANGELOCCI, DISTRICT DIRECTOR

PUTTING OUR CUSTOMERS FIRST AT BRICK-AND-MORTAR STORES

Adore Me’s brick-and-mortar storefronts continue to be a key contributor to our brand’s engagement with our customers. By offering real-life opportunities to meet with and get to know our customers, our stores serve as a window of communication, transparency, and genuine connection. Similar to previous years, the AdoreMe Retail team hosted a number of seasonal events at our brick-and-mortar locations to further connect with customers. This includes interactive events for Valentine’s Day, Galentine’s Day, Memorial Day, Back to School, Black Friday, and more.

All six of our brick-and-mortar locations offer customers personalized 1:1 assistance and measuring services to ensure that customers walk away more knowledgeable and confident about their size and fit. Any customer with a niche bra size that is unavailable in stock at the store is given the opportunity to select a bra in their size online to be directly sent to their home.

COMMUNICATING WITH OUR CUSTOMERS ABOUT SUSTAINABILITY

Transparent communication surrounding Adore Me’s sustainability initiatives is every bit as important to us as the actual initiatives themselves. In a landscape that is saturated with sustainability claims, the team at Adore Me takes great care and pride in being transparent by communicating our progress in a way that’s both honest and digestible for our customers.

To us, sustainability has never been a marketing angle. Rather, it’s a responsible business angle—and we reflect that angle in our communications to customers with product transparency and educational content surrounding manufacturing techniques, product fabrication, and more.



“We talk about sustainability because we think it’s a critical and responsible role that every brand needs to step into. It’s rare that a customer’s reason for making a purchase is sustainability alone—but we communicate with them in a way that makes them more educated and interested in it. Educating our customers is what’s key.

— ALIX COUCARDON, VP OF BRANDING & CUSTOMER INSIGHT

Recent customer surveys have shown that—while the interest in sustainable fashion is certainly on the rise—it isn’t currently a make-or-break consideration for most of our customers. As a brand, we believe it to be our responsibility to not only provide better (even when customers don’t demand it), but to also communicate clearly about why it’s important to us that we do. The Adore Me team continues to follow a careful communication strategy that details and explains our efforts surrounding both our products and our business practices. This includes ESG reporting, the Adore Me Cares Program, and a number of higher-level educational resources available to any individual looking into our brand (email communications, social media posts, website features, etc.).

Our Suppliers

SUPPLY CHAIN MAPPING

Mapping our supply chain is an extremely large undertaking that the team at Adore Me took on a few years ago. Not only is it essential for ensuring transparency and accountability, it also allows us to better understand our operational footprint and helps us to identify present or potential risks, opportunities for improvement, and areas that could benefit from more sustainable practices throughout our entire supply chain.

Adore Me's Supply Chain In Numbers

17

Tier-1 Suppliers

177

Tier-2 Suppliers

80+

Tier-3 Suppliers

The Adore Me team has already mapped over 80 Tier 3 suppliers, and we are continuing our work toward complete supply chain traceability, as further detailed below.

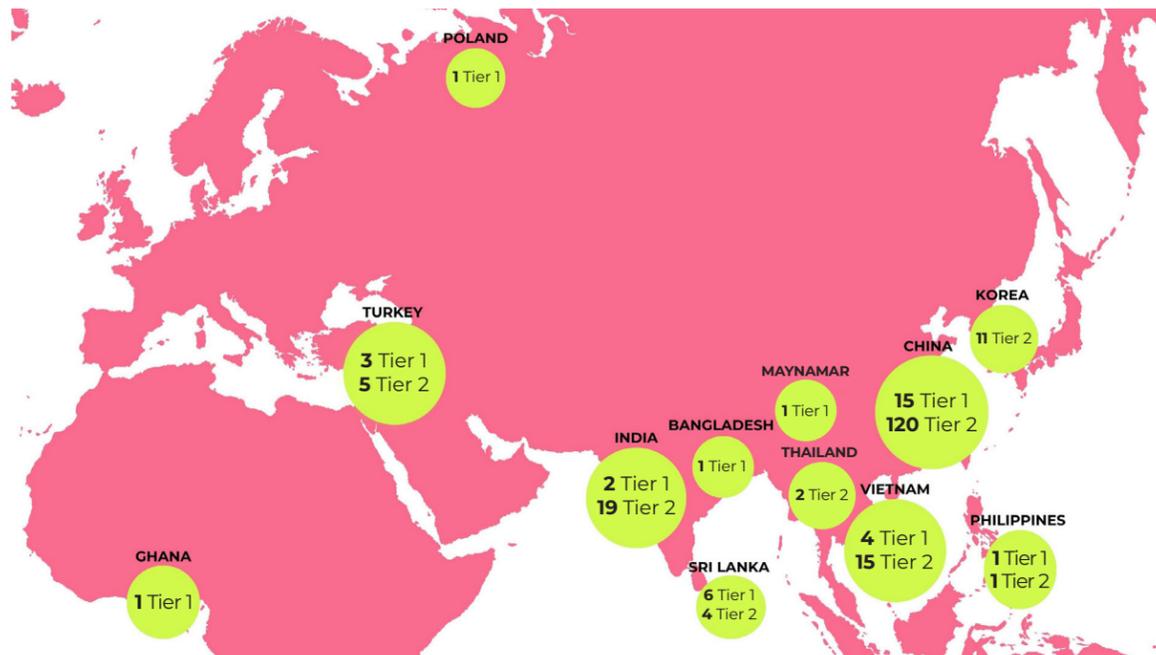
Tier 1 Suppliers: Direct partners who manufacture our finished products.

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

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

Tier 4 Suppliers: Raw material suppliers (e.g., farms and synthetic material factories).

MAP OF ADORE ME'S TIER 1 & TIER 2 FACTORIES



TIER 1 SUPPLIERS

In 2023, Adore Me successfully mapped our Tier 1 suppliers, showing that we purchased products from 17 active* Tier 1 suppliers (making our products in 35 factories), the majority of which have been long-standing suppliers of our organization. Adore Me's Tier 1 suppliers are currently operating in the following countries: Bangladesh, China, Ghana, India, Myanmar, Philippines, Poland, Sri Lanka, Turkey, and Vietnam.

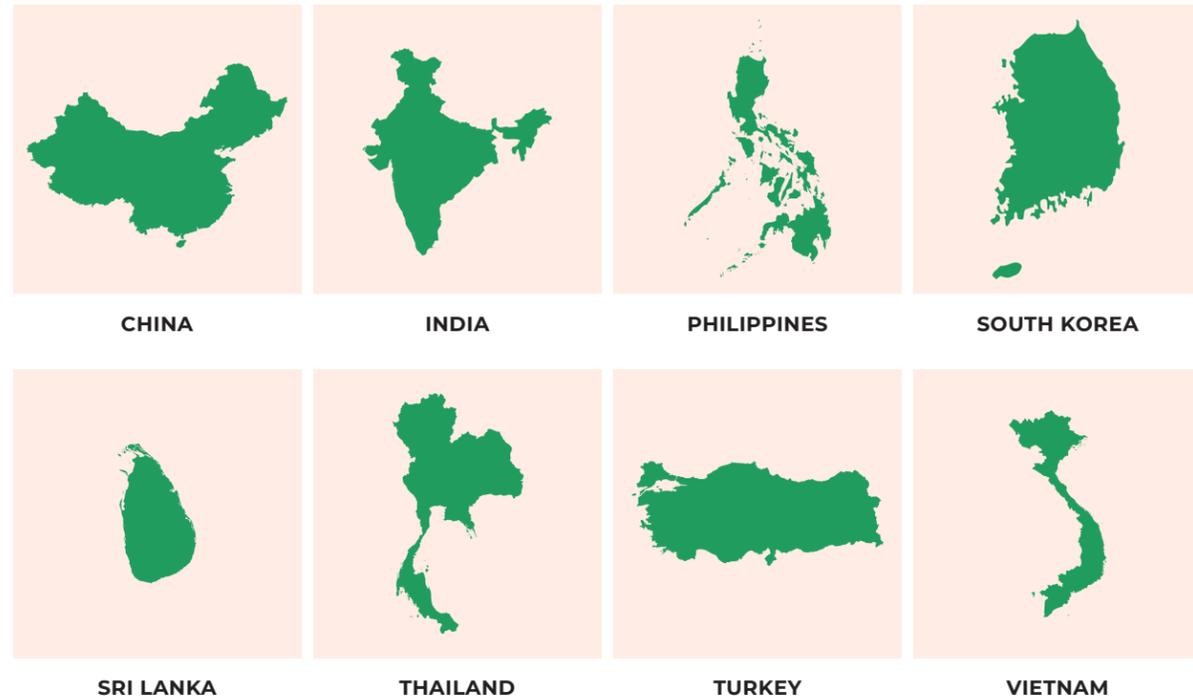
The following Tier 1 suppliers represent over 75% of Adore Me's orders in 2023, based on product quantity and purchase order placement date.

SUPPLIER	HEADQUARTERS	FACTORY LOCATION	COLLABORATION START DATE	PRODUCT CATEGORIES OFFERED
SCAVI	France	Thua Thien Hue Province, Vietnam	2013	Bras Plus-Size Bras Panties Swimwear Lingerie Activewear Loungewear Sleepwear Ready to Wear
Delta Bogart	Hong Kong, China	Thar Yar Industrial Zone 4 Hlaing Thar Yar Ts Yangon, Myanmar	2015	Bras Plus-Size Bras Lingerie Loungewear Panties Activewear Swimwear
Lim Ying Ying Ltd.	Hong Kong, China	Longhu District, Shantou, China	2018	Bras Plus-Size Bras Panties Lingerie Sleepwear Loungewear Activewear Swimwear

*Active Tier 1 suppliers are defined as suppliers that received at least one purchase order from Adore Me in 2023 and have not been terminated as of December 31, 2023.

TIER 2 SUPPLIERS

In 2023, Adore Me successfully mapped our Tier 2 suppliers, showing that we indirectly worked with 177 active Tier 2 suppliers, including suppliers of labels, hang tags, and polybags. Adore Me’s Tier 2 suppliers are currently operating in the following countries:



TIER 3 SUPPLIERS

At the time of the drafting of the Report, a complete mapping of Adore Me’s Tier 3 suppliers is not available due to substantial challenges our team faced during the collection of data. While the Adore Me team started this process in 2023, we ultimately decided that our mapping process was inherently too manual and risk-tolerant. To address the challenges associated with manually mapping our Tier 3 suppliers, Adore Me is actively working in collaboration with a trusted traceability partner, CommonShare, to digitize the supply chain mapping process through a platform equipped with state-of-the-art traceability and verification technology. The digitization of this process and all of its corresponding data is indispensable in effectively and reliably conducting this mapping exercise. It is our goal to map our supply chain down to include Adore Me’s Tier 3 suppliers, Tier 4 suppliers, and beyond.

MAINTAINING STRONG RELATIONSHIPS & DIVERSIFYING OUR SUPPLIER BASE

In 2023, Adore Me strategically focused on maintaining strong relationships with our top three manufacturers, which collectively represent over 75% of our inventory purchased in 2023. In addition to fostering long-standing supplier relationships, Adore Me has taken active steps toward enhancing the geographic diversity of our supplier base by reinvesting in sourcing from India and introducing operations in Ghana and Turkey. By expanding our selection of suppliers—each possessing a specific expertise—we’re augmenting our capabilities and adding a layer of resilience to Adore Me’s operations in the face of political, economic, and environmental disruptions.

Ethical Apparel Africa

Ethical Apparel Africa is a manufacturing & sourcing company that enables brands to diversify their supply chains through ethical production in West Africa. Founded in 2015 by two female founders—Keren Pybus and Paloma Schackert—EAA delivers high-quality products while ensuring workers are respected, empowered, and paid living wages.

With a new manufacturing model that puts people first, and with a strong commitment to ethical garment manufacturing, EAA created 500 jobs within a ‘Model Factory’ that leverages technology and lean management—creating a virtuous cycle of productivity and investment in people.

One of the biggest priorities identified by our stakeholders, and a topic that the Adore Me team places significant emphasis on when it comes to supplier selection, is workers’ health/wellbeing and women empowerment. EAA offers the following workers’ benefits that contribute to ethical and sustainable employment, as well as a multitude of initiatives and training for their female employees that encourage them to grow in confidence within their roles.



Source: Ethical Apparel Africa
Ethical Apparel Africa’s Model Factory, fully powered by solar panels.

Worker Health and Wellbeing

- Health education programs (sexual/reproductive health, Malaria prevention, cancer awareness, eye screenings, hygiene/sanitation, and more)
- On-site nursing care and support in accessing preventative care
- Daily meals, transport support, attendance bonuses, long-service awards, contributions for births/bereavement, etc.
- Digital literacy trainings on computers and mobile applications

Women Empowerment

- Training for women in high-skill, traditionally male-dominated areas (mechanics, digital patterns, cutting, etc.)
- Empowerment of women in management, with over 50% of management at the factory being comprised of women
- Dignified, fair, and well-compensated employment with extensive benefits that prioritize women’s experiences and needs

As West Africa’s largest solar-powered garment factory, EAA is also actively working to help the industry “go green” by providing roadmaps to other factories on the implementation of solar energy. To date, they have avoided over 190,000 kg of CO2 emissions.

Ulupinar Tekstil

Adore Me's newly established Turkish presence acts as a direct response to our growing sustainability requirements. The Ulupinar Tekstil factory in Ulupinar, Turkey—the first facility we've partnered with in the country—employs a workforce of 49% women, including a management team of over 50% women. At Ulupinar Tekstil, food and transportation is offered to employees without charges, among other initiatives that support quality of life and sustainable employment. Ulupinar Tekstil also holds certifications in accordance with the following standards, further contributing to Adore Me's increasingly sustainable product assortment: Recycled Claim Standard (RCS 100), OEKO-TEX® Standard 100, and Organic Content Standard (OCS V3.0).



Source: Ulupinar Tekstil

EMPOWERING OUR SUPPLY CHAIN TO ADAPT

As the topic of sustainability becomes more pivotal within the fashion industry, we recognize the importance of empowering our supply chain partners to respond to more complex demands. Adore Me's commitment to ESG principles extends far beyond our own operations—it encompasses our entire value chain. Through collaboration with our suppliers—and by providing them with the necessary tools to swiftly adapt as the industry evolves—we aim to drive positive change and create a more sustainable and transparent ecosystem within the fashion industry.

Data Transparency And Reliability

Without complete, reliable, and verifiable data from our supply chain, it's virtually impossible to measure and reduce our overall impact. Knowing that suppliers commonly suffer from audit fatigue while facing complex challenges in meeting sustainability-related goals, we're committed to providing our suppliers with the resources they need to make meaningful progress. This includes investing in cutting-edge technology, facilitating data collection, providing access to relevant training, and fostering partnerships that encourage and drive innovation.

To further aid in data collection and transparency, Adore Me onboards all of our selected manufacturers in our eco-design scoring process. Our internally developed eco-design assessment tool, AIM, heavily relies on information provided by our manufacturers surrounding product composition, manufacturing techniques used in production, and more. To acquire this data, our team created a user-friendly questionnaire for suppliers to fill out—replacing what would otherwise be hundreds of emails surrounding the sustainability attributes for each product manufactured for Adore Me. The questionnaire was introduced to our suppliers in 2023, and includes thorough instructions and tutorial videos available in their respective native languages.

Through the increasingly collaborative utilization of AIM, Adore Me's Creation and Production teams work even more closely with our manufacturers to improve new products and to re-engineer existing products by incorporating materials and manufacturing processes with lower impacts. For more information on product re-engineering surrounding Adore Me's Matylda Sleepwear set, refer to page 59.

Traceability

Enhancing traceability throughout our supply chain is an increasingly important initiative for

us. With full participation from our suppliers, Adore Me is working hard to systematically track the journey of raw materials from their source all the way to the finished product—ensuring transparency and accountability at every single step. In 2023, we're proud to have launched an initiative to onboard strategic suppliers on CommonShare's traceability solution—and we're excited to continue working hand in hand with our suppliers to guarantee these sustainability and traceability technologies are accessible throughout our entire supply chain. For more information on Adore Me's partnership with CommonShare, refer to page 28.

Traceability of our supply chain is also a key lever in reducing our impact. Adore Me proudly partners with Carbonfact to track our carbon footprint on an individual product level throughout its life cycle and to identify actionable reduction strategies. The contribution of two of our Tier 1 suppliers—SCAVI and The Delta Bogart Group—have been instrumental in refining the work of Carbonfact. By providing crucial data points, our suppliers enable us to improve our impact analysis and make increasingly well-informed decisions. For more information on Adore Me's partnership with Carbonfact, refer to page 60.



“I consider fit to be the most impactful ‘brick’ in the lifespan of a product. The fact that some major fast-fashion brands proceed to sell garments while overlooking the importance of fit is a huge setback when it comes to sustainability.”

— NICOLAS GAND, VP OF PRODUCTION

The Importance Of Fit

Fit is a frequently overlooked aspect of sustainability in fashion—but its importance is notable. When a garment actually fits well, it's significantly more likely to be worn more often and for a longer period of time—decreasing the likelihood of it turning to waste, and decreasing the need to replace it with a new garment. For this reason, the Adore Me team takes the consistency

and accuracy of fit very seriously—and we regularly collaborate with our manufacturers on fit recalibration, clarified size-grading systems, the implementation of digital-pattern software, in-factory fittings, and more. This collaboration with our manufacturers on fit is illustrative of how much we need to depend on each other to offer the best products possible to our customers—and to prevent financially and environmentally costly waste.

DUE DILIGENCE & AUDITS

All of Adore Me's suppliers are required to sign our Upstream Supply Chain Guide (USG), which was updated in 2023. Our revised USG continues to include strict requirements regarding compliance with best industry practices relating to human rights and environmental protection, as well as compliance with applicable labor laws and ethical business conduct. Notably, our USG includes explicit requirements of compliance with the fundamental International Labour Organization (ILO) conventions, as well as regulations prohibiting or preventing forced labor. For more information surrounding USG requirements, please refer to page 26.

At the beginning of 2023, Adore Me teams were able to resume global travel to conduct factory visits following the COVID-19 pandemic. Our Production team traveled to Asia to meet in-person with six manufacturers and to visit two factories. This trip marked the launch of Adore Me's internal social audit program, which was piloted in 2023 with our three main manufacturers.



Adore Me team members meet with long-time supplier, Scavi, on February 24, 2023 in Hué, Vietnam.

Our Employees

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

In the last year, brands across the industry have weathered rising inflation, economic uncertainty, unpredictable consumer behavior, supply chains disruptions, and many other challenges that can cause significant problems within an organization. The strength and resilience of the Adore Me team throughout these challenges have put us in a position to grow with confidence—while also serving as a testament to our ethos that, as an organization with diverse talent and strong purpose, we are better together.

THE ADORE ME TEAM IN NUMBERS



ADORE ME OFFICES & LOGISTICS CENTERS

Adore Me has corporate offices located in three different countries: our headquarters in New York City, an office in Paris, France, and an office in Bucharest, Romania—and we take pride in the unique office culture that spans across all three of these locations. As of March 2022 and the acquisition of Dailylook, Adore Me has maintained a presence on the West Coast, with Dailylook's office being located in Los Angeles, California.



New York City Office

New York City is the home of Adore Me's headquarters and remains the heart of our business. With 15 departments and nearly 100 employees, our NYC office serves as a hub for some of our organization's largest projects and biggest initiatives. 2023 was a big year for creativity and growth in the NYC office, and our team continued to find innovative ways to interact with the New York community and the people we're proud to call our neighbors.

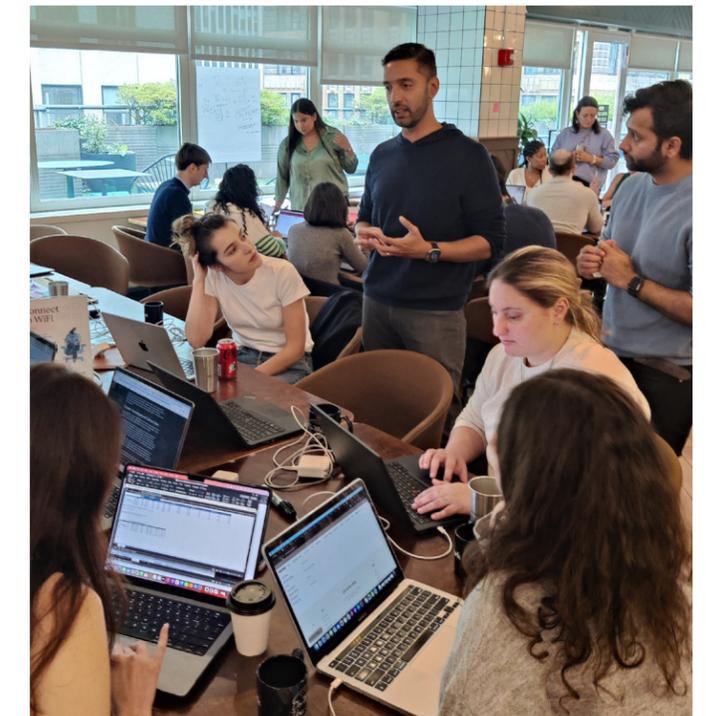


New York Fashion Week

In 2023, Adore Me was proud to participate in New York Fashion Week in both February and September. New York Fashion Week is a semi-annual series of events in Manhattan where international fashion collections are shown to buyers, the press, and the general public. In line with our brand's mission, Adore Me's fashion show featured many sustainable styles as part of the Adore Me Cares Program, an inclusive range of models that varied in both size and age, and a live-streamed shopping experience that gave customers across the country access to a virtual front-row seat at the show. Adore Me fashion shows and events at New York Fashion Week are produced in-house with the help of over 10 different teams—a testament to the innovation and collaboration that is so commonplace within our organization.

Values Day

Every year, all NYC-based employees take place in what is called Values Day: a day dedicated to learning more about the different teams at Adore Me and how we can come together in collaboration in unconventional ways. For the first time, our NYC orchestrated a Business Hackathon in 2023 to coincide with Values Day. This event shifted its focus toward areas like marketing strategies, operational enhancements, and social media initiatives. Throughout the duration of the Business Hackathon, employees engaged in collaborative brainstorming sessions, prototyping, and the development of innovative solutions tailored to address identified challenges. The most promising ideas were selected for implementation and are actively being worked on across multiple teams.



Paris Office

Adore Me's Paris office is a brilliant mix of various teams that include individuals who work within production, try-at-home, retail, branding, finance, and so much more. Paris is also the home and origin of the majority of Adore Me's sustainability-related work—including the Adore Me Sustainability Accelerator (AMSA)—as the European standards and regulations continue to lead the charge within the landscape of sustainability. The office is located at a strategic intersection that serves as a middle point between our suppliers and our headquarters, allowing for efficient communication across multiple time zones.

In 2023, our Paris workforce relocated to a new office that presented multifaceted benefits for our Paris-based employees. The new space fosters collaboration and inclusivity, with a layout that is optimized for teamwork, accessibility, and cross-team projects. This office relocation demonstrates a proactive approach to long-term value for our Paris-based employees and for the sustainability-related initiatives that are born out of this office.



Q&A with Silvia Târziu

Technology Innovation Coach

Silvia Târziu leads the Agile team at AdoreMe Tech in Bucharest, Romania. As a former programmer, she works to implement the Agile Manifesto for software development throughout Adore Me's tech stack and helps to lead her team toward technical excellence.

From an employee perspective, what were the major events that happened in the Bucharest office in 2023?

SILVIA: "Our annual Hackathon is a coveted and highly anticipated event in the Bucharest office. The Hackathon is my team's innovation playground—an arena for practicing Agile and innovation principles to spark new and daring ideas. The goal is to unleash creativity and cultivate a mindset of thinking differently through the process of brainstorming out-of-the-box ideas for our own organization. Many of the ideas that are pitched at the Hackathon actually become real projects at Adore Me, and 2023 was the year with the largest number of participants and highest number of pitches—10 total!"

How does the Agile method work, and what is special about AdoreMe Tech's approach?

SILVIA: "The Agile method is a project management approach that prioritizes cross-functional collaboration and continuous improvement. It divides large-

scale projects (like software development, app development functionality changes on our website, etc.) into smaller phases and guides teams through cycles of planning, execution, and evaluation.

For me, Agile is a mindset. The Agile Manifesto contains 4 values and 12 principles—that's it! As long as you follow those, the way I see it, you're working Agile. At AdoreMe Tech we have a system that works in a decentralized way. We customized each Agile principle based on the specific team and project needs. We don't believe in a one-size-fits-all approach. The Agile method is a continuous effort that, within our organization, requires modification and tailoring based on organizational design."

AdoreMe Tech has a culture oriented toward technical excellence, continuous improvement, and—most of all—people. It's a unique start-up spirit that we never want to lose. Not only is it a spirit created by excellent people, brilliant minds, and good coffee—it's also a liberty to contribute at every level.

— SILVIA TÂRZIU, TECHNOLOGY INNOVATION COACH



How does the Agile method influence people's work at AdoreMe Tech?

SILVIA: "In my opinion, the most powerful influence of the Agile method in our work is the mindset of continuous improvement: the process of allocating time to look back and talk about what went well and what could be improved. We've created a habit of doing this for all projects, no matter how small. We regularly facilitate 'lesson-learned' sessions for both cross-team projects and production incidents. By doing this, we've created a default mindset of continuous improvement—whether it's surrounding behaviors, processes, products, organizational design, or anything else."

AdoreMe Services

The AdoreMe Services (AMS) teams at our distribution centers in Secaucus, New Jersey (AMS 1) and Tijuana, Mexico (AMS 2) continue to be the heart of Adore Me's supply chain management process. Adore Me's distribution centers are where products are received from manufacturers, inventory levels are managed, orders are fulfilled and shipped, returns are processed, and much more. The teams at AMS 1 and AMS 2 play critical roles in ensuring Adore Me products are efficiently managed, accurately distributed, and delivered to customers in a timely manner—all vastly contributing to the very core of our brand's operations and success.



Safety Procedures & Protocols

We take the health and safety of all our employees seriously, whether they're located in an office environment or in a distribution center. As health and safety risks are inherently higher within a distribution center—where heavy machinery and equipment is operated on a daily basis—Adore Me has implemented specific safety training, protocols, and other measures to address the safety of our distribution center employees.

- **Safety training** is offered to new associates as part of their onboarding process.
- **Mandatory forklift training** is conducted by an external vendor for new associates.
- Incident reports are performed regularly and monitored by a newly instituted **Safety Committee** including workers' representatives.
- **Monthly safety inspections** are performed at the facility by warehouse management.
- **Safety shoes** are offered to employees working around and with forklifts.

AdoreMe Retail

AdoreMe Retail's (AMR) six brick-and-mortar stores—located in Staten Island, NY; Bridgewater, NJ; Providence, RI; Willowbrook, NJ; Natick, MA; and Chattanooga, TN—continue to be an in-person extension of our primarily online business. With the help of our Store Associates and Store Managers, customers are welcome to speak with experts regarding sizing, fit, product recommendations, and material composition.

The Store Associates and Store Managers at Adore Me's brick-and-mortar locations are key resources within our organization, and an integral piece of our overall team. To enforce a positive organizational environment that values employee satisfaction, AdoreMe Retail employees regularly partake in informal events sponsored by Adore Me (team lunches, holiday parties, seasonal events, etc.) to connect with their colleagues on a personal level—while also promoting collaboration and enhancing communication.



EMPLOYEE TRAINING & DEVELOPMENT

A large part of Adore Me's culture is cross-team collaboration. Our team members continue to step outside of their typical roles and partake in unconventional projects—a reflection of what we like to call Adore Me's "bamboo ecosystem." The bamboo ecosystem represents a complex network of bamboo shoots—or team members—that adapt to and support one another, while all being interconnected at the root. To further support this notion, Adore Me provides resources and centralized information to all employees that can be leveraged to develop new skills, enhance career trajectory, and encourage natural cross-team collaboration.

Looking ahead, we look forward to a future marked by a more deliberate, intentional, and expansive approach to learning and development. We're committed to enhancing our educational resources made available to employees and tailoring them to meet the diverse needs of our team. By fostering an environment conducive to ongoing learning and growth, we aim to cultivate a workforce equipped to navigate the complexities of an ever-changing landscape with confidence and resilience.

Well-rounded and comprehensive learning experiences are deeply ingrained in Adore Me's culture. Employees across every team step outside of their typical roles, so we centralize as much information and knowledge as possible so everyone at Adore Me has access to educational resources.

— MIHAELA PAVELESCU, PEOPLE EXPERIENCE LEAD

Innential At Adore Me

In 2023, we started leveraging Innential: a comprehensive AI-powered learning platform that empowers individuals to craft personalized plans for their professional advancement. Innential has served as a pivotal tool in facilitating learning opportunities for our team members, and has acted as a central source of all Adore Me-related information. In total, over 200 employees participated in the launch of Innential at Adore Me, engaging in over 2,000 hours of training.

Through the implementation of this platform, our employees have been able to pursue both job-specific skills and supplemental competencies with training on the following topics: communicating effectively in a team, communicating person-to-person, people development, stress management, time management, dealing with ambiguity, Agile methodology, change management, and much more. This participation has offered valuable insight into the educational journeys of our employees as they evolve over time, and has given us visibility on how to better tailor to our teams' diverse learning needs.

Other Training Opportunities

Beyond training opportunities offered through Innential, our employees were offered various training sessions in 2023 that spanned various topics: problem solving, communication skills, writing, data science, and more. Specifically, in Adore Me's Paris office, 14 employees participated in the "Fresque du Textile" collaborative workshop. This workshop was aimed at fostering awareness and encouraging conversation surrounding sustainability, ethical practices, and innovation within the fashion industry—and was brought to life through the creation of a collective mural depicting the different stages of garment production.



At AMS 1 in Secaucus, New Jersey, AdoreMe Services supports our diverse workforce by providing complimentary English as a Second Language (ESL) programs to all employees, regardless of their native language. These courses, which are fully funded by Adore Me and delivered by Premiere English, provide employees with the opportunity to enhance their English proficiency and facilitate integration into the professional environment. In 2023, 15 individuals participated in these ESL classes. This initiative aligns with Adore Me's broader commitment to fostering a culture of equality, diversity, and inclusivity among its employees.

With the goal of strengthening our teams' skills and giving our employees the tools they need to lead positive change within our industry, Adore Me also offered a training program on Circular Economy and Sustainability Strategies in 2023. Three individuals completed the program, which offered insight into building sustainable businesses by integrating circular economy principles, addressing environmental impacts, and fostering sustainability.

EMPLOYEE INITIATIVES

At Adore Me, we're dedicated to empowering our employees to take bold initiatives. We are proud of the numerous successful employee-led initiatives over the past year, which highlight our commitment to fostering a culture of creativity and ownership within our organization.

The Underwire Newsletter

Carrying forward Adore Me's ethos of inclusivity and transparency in communication, a weekly company-wide newsletter called *The Underwire* was launched in 2023 to bridge the gap and share stories between Adore Me's New York City, Paris, and Bucharest offices. The newsletter is sent to all Adore Me employees every Friday, and serves as a go-to source for need-to-know information, recaps of stories from the week across all three offices, and a celebration of employee/organization milestones and achievements.



Q&A with Grace Bohlen

Copywriter

Tell us about The Underwire. What is it? How did it get started?

GRACE: "The Underwire is Adore Me's weekly company-wide newsletter written by the Words team (also known as Adore Me's leaders in copywriting, brand voice, and written communications). The Underwire started in May 2023,

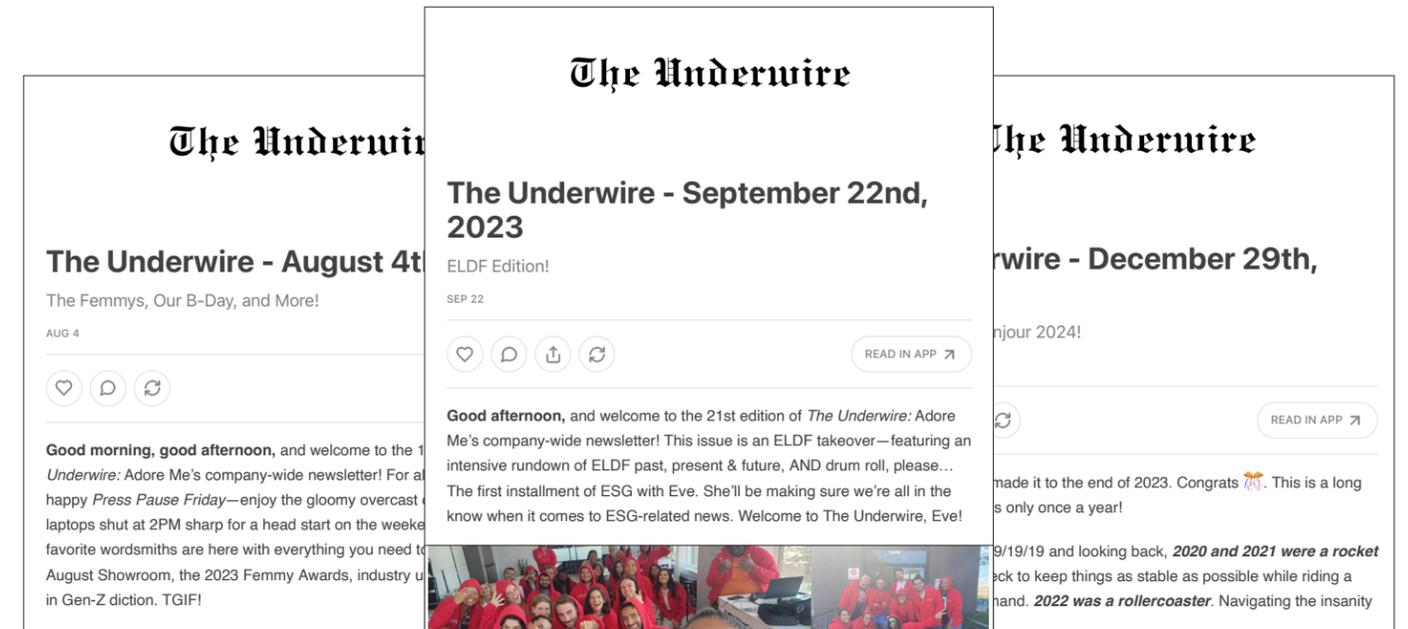
and it was inspired by the many stories at Adore Me that deserved recognition and spotlight, but didn't have an outlet. Since *The Underwire's* initial debut, we've covered new projects, special events, deep dives on fellow team members, new collections, internal strategy, industry news, and more."

What's the purpose of an internal newsletter?

GRACE: "We're all from different backgrounds, spread across time zones, and work from offices in NYC, Bucharest, and Paris. The Underwire is a way to stay connected despite the distance. We have a direct line of communication to the entire Adore Me team—which we use to spotlight and celebrate stories of people, projects, and teams that could otherwise go untold. It's also been an amazing tool in getting to know colleagues and teams that we don't work with on a day-to-day basis."

What impact has The Underwire had on Adore Me's company culture?

GRACE: "It's become a source of joy! People genuinely look forward to seeing *The Underwire* hit their inbox at the end of the week. I think people have been able to resonate so strongly with the newsletter because it encapsulates all the best parts of our extremely unique company culture. Each edition serves as a reminder of the innovation, care, creativity, intelligence, humor, and passion that live within Adore Me—and all we do is write it down in words."



Special Edition

New York

The Underwire



EMPLOYEE BENEFITS

In 2023, we continued to prioritize our employees through competitive benefit programs that foster physical, emotional, and financial wellness across all Adore Me offices. The following health, wellness, and ancillary benefits are some of the many ways we support our workforce's wellbeing.

Employee Healthcare

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

For New York City-based employees, Adore Me offers gynecology, fertility, and family-building care through Kindbody. The program offers annual check-ups, lab testing, fertility care including egg freezing and IVF, help with family planning services like adoption or surrogacy, and more. Adore Me also offers online mental health therapy through Talkspace, which provides access to thousands of licensed therapists and 400+ self-guided and interactive courses with Talkspace Go.

Retirement Plan

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

Physical Fitness Memberships

Adore Me offers annual Peloton memberships for New York City-based employees, which provides preferred pricing on Peloton equipment, free virtual fitness classes, and access to Peloton studios in New York. Adore Me also covers the cost of annual Citi Bike memberships for New York City-based employees. Comparable benefits are offered to employees in our Paris and Bucharest offices.

Employee Assistance Program (EAP)

Sponsored by VS&Co., all full-time employees have access to an Employee Assistance Program that offers free and confidential emotional support, interactive behavioral health tools/resources, one-on-one mental health coaching, short-term counseling, virtual support through GuidanceResources® Online, and more.

New York Disability Benefit Law

Under New York State's Disability and Paid Family Leave Benefits Law (Article 9 of the WCL), employees are entitled to weekly cash benefits to replace, in part, wages lost due to injuries or illnesses that do not arise out of or in the course of employment. If an employee gets injured or becomes disabled while eligible for or while collecting unemployment benefits, and if the injury or disablement results in the employee being ineligible for unemployment benefits, they are eligible for disability benefits. Disability benefits are cash-only. Benefits are 50% of the employee's average weekly wage for the last eight weeks worked, cannot be more than the maximum benefit allowed under state law (currently \$170 per week), and is paid for a maximum of 26 weeks of disability during any consecutive 52-week period.

New York Paid Family Leave

Under New York State's Paid Family Leave Act, in 2023, eligible employees are entitled to take up to 12 weeks of Paid Family Leave (PFL) and receive 67% of their average weekly wage, capped at 67% of the Statewide Average Weekly Wage (SAWW).

Because Adore Me recognizes the monumental importance of the birth, adoption, or fostering of a child, and

wants to fully support our employees in these endeavors, Adore Me offers employees who have given birth and/or are the primary caregivers of newly born, adopted or fostered children and have elected to take PFL in 2023, their full salary for the full 12 weeks of PFL. Further, secondary caretaker for a newly born, adopted, or fostered child who have elected to take PFL are offered their full salary for the first 3 weeks of PFL.

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



EMPLOYEE WELLBEING

We believe employees perform better in an environment where they can easily balance their work lives and their personal lives. In 2023, Adore Me continued to implement an in-office/work-from-home hybrid policy that allows room for both in-person collaboration and ample time at home every week.

From a social aspect, Adore Me has implemented regular social initiatives during the work day to further promote employee wellbeing and a healthy work-life balance. Below are examples of social wellbeing initiatives that span across all three of our offices. While this is not an exhaustive list of what was implemented in 2023, we do believe these initiatives paint an accurate picture of the social culture at Adore Me.

- Holiday parties
- Seasonal in-office celebrations (Pride Month, New York Fashion Week, Earth Day, Bring Your Kids to Work Day, Bring Your Pets to Work Day, etc.)
- Company-sponsored participation in the 2023 TCS New York City Marathon
- Annual office-wide summer retreats
- Office-wide walking challenges
- Company-sponsored office-wide yoga and spin classes
- Skill-specific workshops (e.g., soft skills, communication, etc.)
- Mental health support and initiatives (personalized counseling, courses geared toward emotional support, etc.) sponsored by VS&Co.



Our Charity Support

THE ANNUAL GIVE BACK CONTEST

Adore Me's Annual Give Back Contest is an event where employees are encouraged to pitch and present different charities that they hold close to their hearts, to which Adore Me could potentially make corporate donations. The Give Back Contest serves as an opportunity for us to further expand our philanthropic efforts, and also acts as an avenue to give back to our employees in a way that is meaningful and impactful for them. Charities that received corporate donations from Adore Me as a result of the 2023 Annual Give Back Contest include the following:



**Humans
in the Loop**

Humans In The Loop Foundation

[Humans in the Loop](#) has a mission to improve the lives of conflict-affected people by offering asylum seekers and refugees the opportunity to learn new skills and increase their employment prospects through the use of technology and innovation.



The ALS Association

[The ALS Association](#) is a non-profit organization with a mission to discover treatments and, eventually, a cure for Lou Gehrig's disease. They actively work to serve, advocate for, and empower people affected by ALS to live their lives to the fullest extent.



National Eating Disorders Association

[The National Eating Disorders Association](#) (NEDA) is a non-profit organization devoted to preventing eating disorders, providing treatment referrals, and increasing the education and understanding of eating disorders, weight, and body image. They work to advance research, build community, and raise awareness to support the nearly 30 million Americans who will experience an eating disorder in their lifetimes.

ONGOING PHILANTHROPIC EFFORTS

In addition to the Annual Give Back Contest, Adore Me supports numerous different charities and NGOs that fight for causes that we believe in. From breast cancer research, type 1 diabetes research, women's and girls' rights, clean water access, LGBTQIA+ support and safety, local community outreach, and more—our team continued to nurture existing partnerships while also initiating new philanthropic efforts in 2023.



The Ali Forney Center

In honor of Pride Month, Adore Me donated to the [Ali Forney Center](#) in 2023, continuing a long-standing partnership that was first established in 2021. The Ali Forney Center is a not-for-profit organization based in New York City whose mission is to protect LGBTQIA+ youths from experiencing homelessness and empower them with the tools needed to live independently. Since its launch in 2002, the organization has grown to become the largest agency dedicated to LGBTQIA+ homeless youths in the country.



The American Cancer Society

For the third year in a row, in 2023 Adore Me was an [American Cancer Society](#) (ACS) flagship sponsor for the annual Making Strides Against Breast Cancer Walk in Central Park. The American Cancer Society works tirelessly to help people and families impacted by breast cancer in communities across the nation. From prevention, screening, treatment advances, and comfort care, ACS plays a role in every stage of breast cancer—even before a diagnosis. As an American Cancer Society flagship sponsor, Adore Me committed to fundraising and donating money to ACS to support their contributions to people and families that have been affected by breast cancer in any capacity.



Dress For Success

In March 2023, in honor of International Women's Day, Adore Me proudly supported [Dress for Success](#): a global not-for-profit organization that empowers women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and in life.

Girls Who Code

In September 2023, Adore Me kicked off a new collaboration with [Girls Who Code](#): an international nonprofit organization that aims to support and increase the number of women in computer science. At Adore Me, we consider ourselves just as much of a technology organization as we do a lingerie brand, making GWC a perfect organization to partner with. Adore Me employees regularly engage in GWC-sponsored events by speaking with students on topics such as generative AI, software development, gaming, and how to prepare for the job opportunities available in these respective fields.



JDRF

For the third year in a row, Adore Me proudly joined forces with and donated to [JDRF](#) to show our support for the type 1 diabetes community during National Diabetes Month. JDRF is the preeminent organization in the global fight against T1D, with an unwavering commitment to funding groundbreaking research, advocating for crucial policy changes, and providing essential support to the T1D community. With millions affected by this condition worldwide, we were honored to contribute to raising awareness and funds for this critical cause that has directly impacted members of our community. For the first time, in November 2023, Adore Me sponsored a group of 11 employees to run the TCS New York City Marathon on behalf of JDRF. In fundraising for the marathon, Adore Me raised over \$70,000 for JDRF.

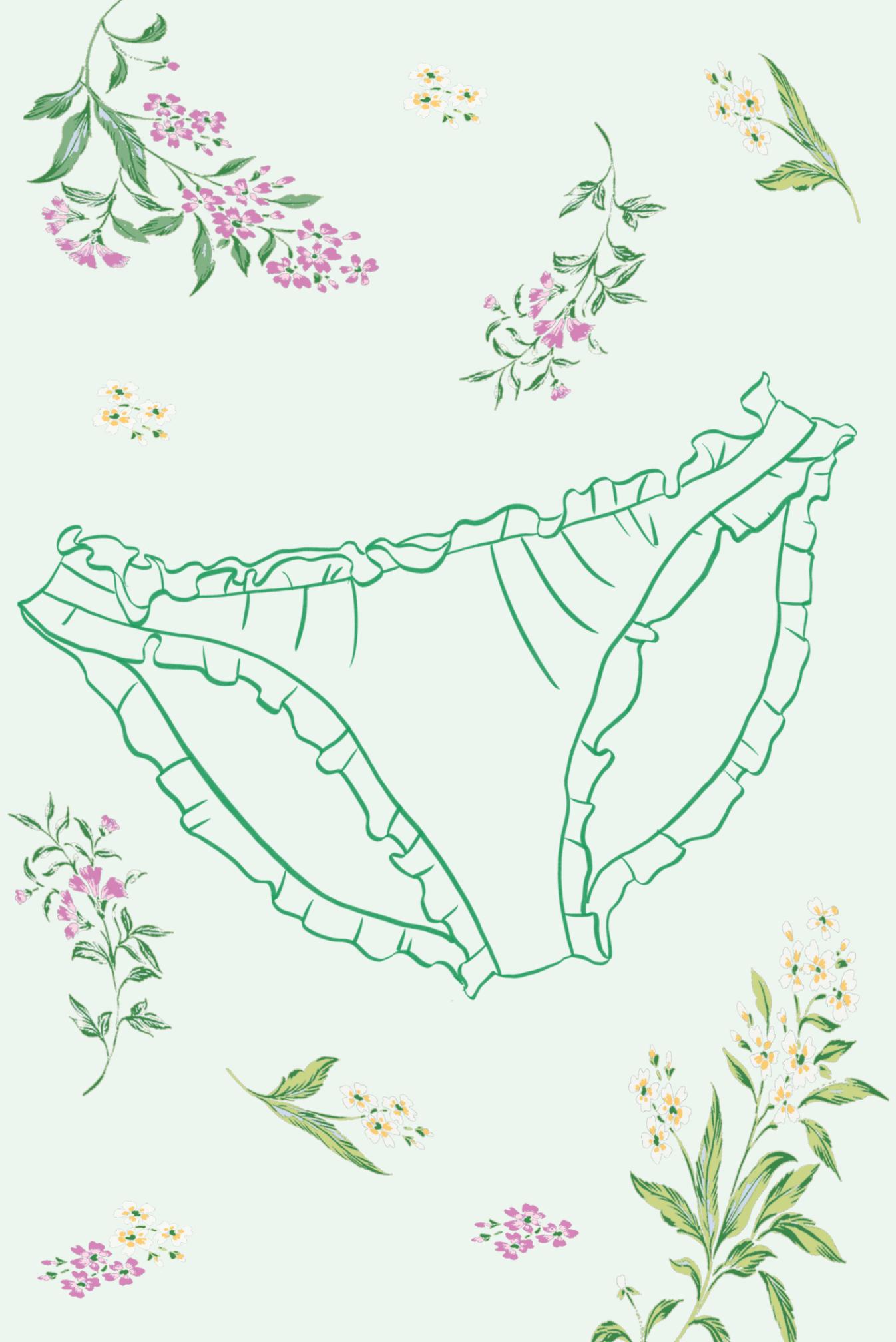


HUNGRY Catering & Food Solutions

In Adore Me's New York City office, weekly team lunches are catered by [HUNGRY Catering & Food Solutions](#), which champions local business, specifically those who were impacted during and following the COVID-19 pandemic. For every two meals purchased, HUNGRY donates one meal to local food banks. This initiative resulted in the donation of over 900 meals in 2023 to Feeding America. Additionally, any surplus of food from Adore Me's weekly team lunches is donated to NYC-local shelters.



Glossary



AIM: Adore Me's Eco Design Matrix

AMME: Adore Me Manufacturing Excellence program

AMR: AdoreMe Retail

AMS: AdoreMe Services

AMSA: Adore Me Sustainability Accelerator

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

Carbon Neutral: Balancing greenhouse gas emissions with an equivalent amount of independently verified carbon offsets.

DPU: Data Power User

Elite Box: The Elite Box is Adore Me's try-at-home subscription service that offers personalized and curated selections based on customer style preferences.

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

GAME: Green Adore Me Manufacturer Evaluation

GRS: Textile Exchange's Global Recycled Standard

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

LCA: A Life Cycle Assessment (LCA) is a systematic analysis of the potential environmental impact(s) of a single product during every stage of its life cycle (production,

distribution, use, and end-of-life). An LCA also includes upstream (e.g., suppliers) and downstream (e.g., waste management) processes associated with the production, use, and disposal of the product.

OCS: Textile Exchange's Organic Content Standard

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

Oeko-Tex: OEKO-TEX® is a standard owner enabling consumers and companies to make responsible decisions. Oeko-Tex's Standard 100 is one of the world's best-known labels for textiles tested for harmful substances.

PAYG: Pay-As-You-Go refers to one of Adore Me's shopping experiences/models that allows customers to make one-time purchases (as opposed to subscribing to a monthly VIP Membership).

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

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

RCS: Textile Exchange's Recycled Claim Standard

Recyclable: To be able to be recycled.

Recycle: To convert (waste) into reusable material.

Re-Engineering: Re-engineering refers to the process of changing and/or improving the design of a product. At Adore Me, products are re-engineered with sustainability in mind, which involves the incorporation of preferred fibers and working with carefully selected suppliers to improve manufacturing practices and reduce impact.

SBTi: The Science Based Targets initiative (SBTi) establishes and advocates for the optimal strategies in reducing emissions and achieving net-zero targets that align with climate science's principles of best practice.

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

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

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

SDG: The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

SSO: Single sign-on is an identification method that enables users to log in to multiple applications and websites with one set of credentials. SSO streamlines the authentication process for users.

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

Sustainability: Meeting our own needs without

compromising the ability of future generations to meet their own needs.

Sustainable: Products with a score of 1 or above against our internally developed eco design assessment tool: AIM.

Sustainable Sourcing: Also called "responsible sourcing," is the integration of social, ethical, and environmental performance factors into the process of selecting suppliers.

Tier 1 Suppliers: Direct partners who manufacture finished products.

Tier 2 Suppliers: Facilities that provide Tier 1 suppliers with fabrics or components that will go into the finished product (e.g., fabric mills).

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

Tier 4 Suppliers: Raw material suppliers (e.g., farms and synthetic material factories).

Traceability: The ability to identify, track, and trace elements of a product or substance as it moves along the supply chain from raw goods to finished products.

USG: An Upstream Supply Chain Guide is used as Adore Me's Code of Conduct for Suppliers.

VIP: VIP is used to refer to Adore Me's membership-based shopping model.

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

WRAP: Worldwide Responsible Accredited Production

Appendix



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Material Topics

Identifying the most significant environmental, social, and governance issues impacting our industry, our organization, and our stakeholders is critical in making informed decisions on prioritization, resource allocation, target setting, and even reporting. Based on our ongoing review and analysis of general and industry-specific ESG reporting frameworks and standards, we have identified the following topics as being particularly relevant to Adore Me. Topics identified as most important by our stakeholders were highlighted in the table below. Refer to pages 34–35 for further detail.

ESG TOPICS MOST RELEVANT TO OUR STAKEHOLDERS

Carbon Emissions & Climate Change	Chemicals Management	Diversity & Inclusion	Energy Efficiency
Ethics & Compliance	Procurement Practices	Product Affordability	Product Inclusivity
Product Quality	Responsible Marketing	Stakeholder Engagement	Supporting Local Communities
Tech & Innovation	Transparency & Reporting	Waste Management	Water Use & Pollution
Women Empowerment	Workers' Fair Compensation	Workers' Health & Safety	Workers' Wellbeing

Sustainability Survey Results

As a brand with customers that span multiple generations, lifestyles, backgrounds, and geographical locations, we pride ourselves in getting to know as many individual customers as we can on a personal level—and taking what they have to say seriously. In 2023, our team conducted extensive sustainability-related surveys with a wide range of customers. As a result, we gained invaluable insight surrounding their interest in sustainable fashion, the importance of sustainability when making a purchase, and many other considerations in regards to their behavior as a consumer. By leveraging these survey results, Adore Me is able to more accurately and efficiently predict and respond to our customers' demand—while also incorporating increasingly sustainable considerations into our practices.

	AMR	AMS	CUSTOMERS	OFFICE EMPLOYEES*	LEADERSHIP
Carbon Emissions & Climate Change	1: 5.3% 3: 5.3% 4: 15.8% 5: 73.7% Avg: 4.53	3: 8.3% 4: 25% 5: 66.7% Avg: 4.58	1: 11.6% 2: 6.5% 3: 16% 4: 22.1% 5: 43.8% Avg: 3.8	1: 0.9% 2: 0.9% 3: 6.4% 4: 26.4% 5: 65.5% Avg: 4.55	3: 6.7% 4: 13.3% 5: 80% Avg: 4.73
Chemicals Management	2: 5.3% 5: 94.7% Avg: 4.84	4: 8.3% 5: 91.7% Avg: 4.92	1: 2.4% 2: 3.4% 3: 12.2% 4: 21.8% 5: 60.2% Avg: 4.34	2: 0.9% 3: 3.6% 4: 20.9% 5: 74.5% Avg: 4.69	3: 13.3% 4: 13.3% 5: 73.3% Avg: 4.6
Diversity & Inclusion	3: 5.3% 5: 94.7% Avg: 4.89	4: 16.7% 5: 83.3% Avg: 4.83	1: 13.9% 2: 5% 3: 13.8% 4: 18.4% 5: 48.9% Avg: 3.83	1: 2.7% 3: 8.2% 4: 18.2% 5: 70.9% Avg: 4.55	2: 6.7% 3: 20% 4: 40% 5: 33.3% Avg: 4
Energy Efficiency	2: 5.3% 3: 15.8% 4: 26.3% 5: 52.6% Avg: 4.26	4: 33.3% 5: 66.7% Avg: 4.67	1: 8.5% 2: 7.3% 3: 22.7% 4: 27% 5: 34.4% Avg: 3.72	3: 8.2% 4: 28.2% 5: 63.6% Avg: 4.55	3: 26.7% 4: 33.3% 5: 40% Avg: 4.13
Ethics & Compliance	4: 15.8% 5: 84.2% Avg: 4.84	4: 16.7% 5: 83.3% Avg: 4.83	1: 1.9% 2: 2.2% 3: 11.1% 4: 21.9% 5: 62.9% Avg: 4.42	3: 5.5% 4: 22.7% 5: 71.8% Avg: 4.66	3: 20% 4: 33.3% 5: 46.7% Avg: 4.27
Procurement Practices	2: 5.3% 4: 26.3% 5: 68.4% Avg: 4.58	4: 25% 5: 75% Avg: 4.75	1: 3.6% 2: 4.6% 3: 17.5% 4: 31% 5: 43.3% Avg: 4.06	2: 1.8% 3: 8.2% 4: 36.4% 5: 53.6% Avg: 4.42	3: 13.3% 4: 33.3% 5: 53.3% Avg: 4.4
Product Affordability	4: 10.5% 5: 89.5% Avg: 4.89	3: 18.2% 4: 27.3% 5: 54.5% Avg: 4.36	1: 0.4% 2: 1.5% 3: 12.4% 4: 25% 5: 60.7% Avg: 4.44	1: 0.9% 2: 5.5% 3: 32.7% 4: 36.4% 5: 24.5% Avg: 3.78	3: 33.3% 4: 40% 5: 26.7% Avg: 3.93
Product Inclusivity	5: 100% Avg: 5	4: 41.7% 5: 58.3% Avg: 4.58	1: 8.8% 2: 4.7% 3: 14.3% 4: 22.9% 5: 49.2% Avg: 3.99	2: 0.9% 3: 11.8% 4: 29.1% 5: 58.2% Avg: 4.45	3: 13.3% 4: 46.7% 5: 40% Avg: 4.27
Product Quality	2: 5.3% 5: 94.7% Avg: 4.84	4: 33.3% 5: 66.7% Avg: 4.67	1: 0.6% 2: 0.6% 3: 2.8% 4: 19.9% 5: 76.1% Avg: 4.7	2: 0.9% 3: 4.5% 4: 25.5% 5: 69.1% Avg: 4.63	3: 6.7% 4: 40% 5: 53.3% Avg: 4.47
Responsible Marketing	4: 21.1% 5: 78.9% Avg: 4.79	3: 25% 4: 33.3% 5: 41.7% Avg: 4.17	1: 5.3% 2: 4.1% 3: 20% 4: 27.9% 5: 42.7% Avg: 3.99	2: 1.8% 3 20% 4: 25.5% 5: 52.7% Avg: 4.29	3: 26.7% 4: 40% 5: 33.3% Avg: 4.07
Stakeholder Engagement	4: 21.1% 5: 78.9% Avg: 4.79	4: 25% 5: 75% Avg: 4.75	1: 5.8% 2: 8.7% 3: 28.3% 4: 29.5% 5: 27.7% Avg: 3.65	2: 4.5% 3: 16.4% 4: 33.6% 5: 45.5% Avg: 4.2	2: 6.7% 3: 46.7% 4: 20% 5: 26.7% Avg: 3.67
Supporting Local Communities	2: 5.3% 4: 10.5% 5: 84.2% Avg: 4.74	3: 16.7% 4: 25% 5: 58.3% Avg: 4.42	1: 6.1% 2: 4.5% 3: 18.9% 4: 27.4% 5: 43% Avg: 3.97	2: 1.8% 3: 11.8% 4: 30.9% 5: 55.5% Avg: 4.4	3: 40% 4: 26.7% 5: 33.3% Avg: 3.93
Tech & Innovation	4: 15.8% 5: 84.2% Avg: 4.84	4: 25% 5: 75% Avg: 4.75	1: 5.3% 2: 8.9% 3: 32% 4: 28.1% 5: 25.8% Avg: 3.6	1: 0.9% 2: 0.9% 3: 9.1% 4: 27.3% 5: 61.8% Avg: 4.48	3: 13.3% 4: 60% 5: 26.7% Avg: 4.13
Transparency & Reporting	2: 5.3% 4: 10.5% 5: 84.2% Avg: 4.74	3: 8.3% 4: 16.7% 5: 75% Avg: 4.67	1: 4.4% 2: 4.7% 3: 19.2% 4: 27.5% 5: 44.3% Avg: 4.03	2: 1.8% 3: 8.2% 4: 22.7% 5: 67.3% Avg: 4.55	3: 20% 4: 20% 5: 60% Avg: 4.4
Waste Management	4: 15.8% 5: 84.2% Avg: 4.84	4: 25% 5: 75% Avg: 4.75	1: 4.4% 2: 4.6% 3: 15.4% 4: 26.1% 5: 49.5% Avg: 4.12	2: 0.9% 3: 10.9% 4: 23.6% 5: 64.5% Avg: 4.52	3: 13.3% 4: 26.7% 5: 60% Avg: 4.47
Water Use & Pollution	4: 5.3% 5: 94.7% Avg: 4.95	3: 16.7% 4: 8.3% 5: 75% Avg: 4.58	1: 4.5% 2: 3.7% 3: 14.8% 4: 26.6% 5: 50.3% Avg: 4.14	3: 5.5% 4: 14.5% 5: 80% Avg: 4.75	4: 6.7% 5: 93.3% Avg: 4.93
Women Empowerment	3: 5.3% 5: 94.7% Avg: 4.89	3: 8.3% 4: 25% 5: 66.7% Avg: 4.58	1: 9% 2: 4.1% 3: 16.5% 4: 22.2% 5: 48.2% Avg: 3.97	1: 1.8% 2: 0.9% 3: 8.2% 4: 15.5% 5: 73.6% Avg: 4.58	3: 13.3% 4: 13.3% 5: 73.3% Avg: 4.6
Workers' Fair Compensation	5: 100% Avg: 5	4: 16.7% 5: 83.3% Avg: 4.83	1: 2.4% 2: 2.1% 3: 8.1% 4: 21.1% 5: 66.3% Avg: 4.47	3: 0.9% 4: 10% 5: 89.1% Avg: 4.88	2: 6.7% 4: 13.3% 5: 80% Avg: 4.67
Workers' Health & Safety	4: 5.3% 5: 94.7% Avg: 4.95	4: 16.7% 5: 83.3% Avg: 4.83	1: 1.4% 2: 1.4% 3: 5.7% 4: 17.5% 5: 74.1% Avg: 4.61	4: 7.3% 5: 92.7% Avg: 4.93	3: 6.7% 4: 6.7% 5: 86.7% Avg: 4.8
Workers' Wellbeing	2: 5.3% 5: 94.7% Avg: 4.84	4: 8.3% 5: 91.7% Avg: 4.92	1: 2.1% 2: 2.3% 3: 10.3% 4: 20.4% 5: 65% Avg: 4.44	3: 1.8% 4: 11.8% 5: 86.4% Avg: 4.85	2: 6.7% 3: 13.3% 4: 26.7% 5: 53.3% Avg: 4.27

*Excludes office employees in Leadership.

ESG KPIs

PEOPLE	2021	2022	2023
Number of Adore Me Employees (Excluding Contractors and Agency Workers)	392	555 ⁽¹⁾	602 ⁽¹⁾
Percentage of Full-Time Employees	-	85%	85%
Number of Part-Time Employees	-	-	92
Number of AdoreMe Headquarters Employees	-	64	77
Number of AdoreMe SRL (Tech) Employees	-	87	103
Number of AdoreMe France Employees	-	22	23
Number of AdoreMe Retail Employees	-	70	55
Number of AdoreMe Services Employees	-	87	70
Number of DailyLook Employees	-	225	275
Number of Contractors and Agency Workers	-	-	542
Percentage of Women in Tech at AdoreMe Tech	-	26%	37%
Percentage of Leadership Positions Held by Women	-	41%	42%
Number of Company-Wide Trainings on Professional Development Topics	-	7	18
Percentage of Employees Receiving Periodic Assessment of Performance & Professional Development	100%	100%	100%
Percentage of Employees that Received Anti-Corruption Policies & Procedures Communications	100%	100%	100%
PLANET	2021	2022	2023
Average Product Footprint (LCA) (kgCO ₂ e)	4.11 [3.85]	3.94 [3.64]	3.62
Absolute Emissions Scope 1 (tCO ₂ e) ⁽⁷⁾	107.83 [1.13]	172.81 [1.13]	112.81
Absolute Emissions Scope 2 (tCO ₂ e) ⁽⁷⁾	370.34 [496.86]	426.38 [648.23]	272.95
Absolute Emissions Scope 3 (tCO ₂ e)	75,852.18 [68,774.54]	20,147.94 [23,215.76]	27,746.89
Absolute Emissions (Scopes 1-3)	76,330.35 [69,272.53]	20,747.13 [23,865.12]	28,132.65
Absolute Reduction of Greenhouse Gas (GHG) Emissions vs 2021 Baseline	-	72.82% ⁽²⁾ [65%]	63.14%
Inbound Transportation Emissions (tCO ₂ e) ⁽³⁾	[1,938.29]	[1,498]	682
Outbound Transportation Emissions (tCO ₂ e) ⁽³⁾	[876.4]	[541]	489
Total Shipping Emissions (tCO ₂ e) ⁽³⁾	3,178.33 [2814.69]	1,052.65 [2,039]	1,171
Carbon Offsets (tCO ₂ e)	2,628	2,039	2,998

PRODUCTS	2021	2022	2023
Percentage of Sustainable Products Ordered from Our Manufacturers ⁽⁵⁾	27% [24%]	37% [34%]	55%
Percentage of Sustainable Products Sold ⁽⁵⁾⁽⁶⁾ Share of VIP & PAYG Revenue	17%	28% [27%]	36%
Percentage of Styles with Preferred-Fiber Attributes ⁽⁴⁾	28% [27%]	30% [28%]	46%
Percentage of Styles with Waste-Mitigation Attributes ⁽⁴⁾	11%	9% [10%]	20%
Percentage of Styles with Water-Efficient Design Attributes ⁽⁴⁾	7%	12%	12%
Percentage of Styles with Chemical-Mitigation Attributes ⁽⁴⁾	68% [66%]	85% [79%]	92%
Bra Sizes Offered	67	67	67
Percentage of Sales in Plus Sizes (for VIP & PAYG) ⁽⁶⁾	33%	33%	33%
Percentage of Synthetic Fibers	72.5%	71%	83%
Share of Recycled Content Within Synthetic Fibers	-	10%	27%
Percentage of Semi-Synthetic Fibers	-	19%	12%
Percentage of Natural Fibers	-9%	9%	4%
PACKAGING	2021	2022	2023
Percentage of Recycled Materials for External Packaging	100%	100%	100%
Percentage of Recycled Materials for Internal Polybags & Hang tags	-	78%	100%
Percentage of Poly-Mailers Made of 100% Recycled Materials	-	-	56%
Percentage of Poly-Mailers Made of 95% Recycled Materials	-	-	44%
Percentage of FSC-Certified External Boxes	100%	100%	100%

NOTE: Historical figures shared in Adore Me's 2022 ESG Report are restated in brackets in the above table as a reference and should not be compared to the data provided for 2023. As continuous improvements are made to carbon accounting methodologies and to the AIM scoring process through increased data quality and availability, among others, numbers have evolved and been corrected this year, creating discrepancies that affect YoY comparability.

(1) Including DailyLook Employees.

(2) Mainly due to a reduction in purchase order volume as well as the postponement of certain purchase orders into 2023, which may be explained by a number of business and contextual factors including the COVID-19 pandemic, inflation, and geopolitical events in 2022.

(3) In 2023, transportation emissions were calculated based on an updated methodology as further detailed on page 62 of the Report. Thus, 2023 data is not comparable to previous year's reported emissions.

(4) Preferred Fiber, Waste, Water, or Chemical Attributes are granted to a style when it has an AIM score of 2 or higher in each relevant category.

(5) Sustainable products are defined as products with AIM scores equal or greater than 1 out of 5.

(6) Sales data are available at a set-level for VIP/PAYG customers. All VIP/PAYG data are based on order date starting from January through December. Figures provided span across all Adore Me product categories.

(7) The significant difference between restated and updated Scope 1 and Scope 2 emissions is largely explained by a change in methodology: Heating-related emissions were initially included in Scope 2 but are now reported under Scope 1.

Adore Me GRI Content Index

STATEMENT OF USE	Adore Me has reported the information cited in this GRI content index for the year 2023 with reference to the GRI standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
GRI 2: GENERAL DISCLOSURES 2021	1. The Organization and its Reporting Practices	
	2-1 Organizational Details	6-17, 94
	2-2 Entities Included in the Organization's Sustainability Reporting	6-17
	2-3 Reporting Period, Frequency, and Contact Point	6-17
	2-4 Restatements of Information	63
	2. Activities and Workers	
	2-6 Activities, Value Chain, and Other Business Relationships	6-17, 46-59, 86-93
	2-7 Employees	12-13, 94-107, 120-121
	2-8 Workers Who Are Not Employees	120-121
	3. Governance	
	2-9 Governance Structure and Composition	6-17

GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
GRI 2: GENERAL DISCLOSURES 2021	3. Governance (Continued)	
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	32-33
	2-13 Delegation of Responsibility for Managing Impacts	32-33
	2-14 Role of the Highest Governance Body in Sustainability Reporting	32-33
	4. Strategy, Policies, and Practices	
	2-22 Statement on Sustainable Development Strategy	6-17
	2-23 Policy Commitments	24-27, 86-93
	2-24 Embedding Policy Commitments	24-29, 32-33, 37, 40-41, 60-69, 86-93
	5. Stakeholder Engagement	
	2-29 Approach to Stakeholder Engagement	34-35, 118-119
GRI 3: MATERIAL TOPICS 2021	3-1 Process to Determine Material Topics	34-35, 118-119
	3-2 List of Material Topics	118-119

GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct Economic Value Generated and Distributed	12-13
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	104
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure Investments and Services Supported	68-69, 78-79
GRI 301: MATERIALS 2016	301-2 Recycled Input Materials Used	67, 120-121
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with Water as a Shared Resource	27, 40, 52-55
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG Emissions	60-69, 120-121
	305-2 Energy Indirect (Scope 2) GHG Emissions	60-69, 120-121
	305-3 Other Indirect (Scope 3) GHG Emissions	60-69, 120-121
	305-4 GHG Emissions Intensity	66-67, 120-121
	305-5 Reduction of GHG Emissions	58, 60-69, 120-121
GRI 306: WASTE 2020	306-2 Management of Significant Waste-Related Impacts	26-27, 40, 46-59, 76-79
	306-4 Waste Diverted from Disposal	74-77, 120-121

GRI STANDARD	STANDARD/ DISCLOSURE	LOCATION (ESG REPORT)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New Suppliers That Were Screened Using Environmental Criteria	24, 26, 86-93
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	26-27, 40, 52-55
GRI 401: EMPLOYMENT 2016	401-3 Parental Leave	104-106
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational Health & Safety Management System	98
	403-4 Worker Participation, Consultation, and Communication on Occupational Health & Safety	98
	403-5 Worker Training on Occupational Health & Safety	98
	403-6 Promotion of Worker Health	104-106
GRI 404: TRAINING AND EDUCATION 2016	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	100-101
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	27
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New Suppliers That Were Screened Using Social Criteria	70-71, 86-93