

PANGAIA

Modern Slavery & Supply Chain Transparency Statement 2021





PANGAIA Modern Slavery & Supply Chain Transparency Statement FY 2021

Introduction

PANGAIA's mission is to inspire and accelerate an Earth Positive future. This means we are building a business that creates value while elevating human, animal, and plant quality of life, bringing us in harmony with nature and giving back more than we take. As a purpose led business, we strive to put people and planet first, protecting and respecting the human rights of anyone connected to our value chain. It is a collective effort to uphold these fundamental values and we acknowledge our role in conducting business with ethics and integrity.

Despite recent progress in protecting human rights through new legislation and systems, the prevalence of modern slavery remains widespread. Globally people remain vulnerable to modern slavery and the global pandemic has only exacerbated inequalities and abuse.

This statement is made to communicate our commitment to the UK's Modern Slavery Act 2015, California Transparency in Supply Chains Act of 2010 and in respect to global legislation bringing accountability to businesses for their role in removing slavery from operations and supply chains¹. It is our second annual statement and sets out our approach along with the steps we have taken during financial year 2021 (from January 2021 until December 2021).

Understanding Modern Slavery

Modern slavery is an extreme violation of human rights where a person has control over another and where victims are denied their basic rights of freedom, security and dignity. To provide context and common language we have outlined the key terms and current state of slavery in the world as we understand it.

Terminology

Modern slavery is the umbrella term that is used to describe several types of slavery, the four main areas are:

Forced labor: Any work or service that people are forced to carry out against their will or under threat.

Bonded labor: Anybody forced to work to pay off a debt, resulting in them working for little or no pay, and having no control over their debt.

Human trafficking: The act of putting someone into a situation of exploitation. Often moving someone across borders, but not always.

Child labor: Any work that exploits a child (usually under 15 years old) for someone else's gain.

Victims are caught in a situation where they are often powerless and vulnerable, and therefore unable to leave because they are subject to deception, mental and/or physical violence, isolation, financial indebtedness, threats and punishment.

¹ Legislation: Australia Commonwealth Modern Slavery Act 2018, United Kingdom Modern Slavery Act 2015, California Transparency in Supply Chains Act 2010, French Corporate Duty of Vigilance Law 2017, Dutch Child Labour and Due Diligence Law 2019, and forthcoming Swiss Mandatory Human Rights Due Diligence, Norwegian Transparency Act, German Due Diligence in the Supply Chain Act, and EU Human Rights Due Diligence.



Facts & Figures

- 40.3 million people are enslaved globally today (Anti-Slavery International)
- 24.9 million people are in forced labor, making it the most prevalent type of slavery (International Labour Organisation)
- Almost three quarters, 71% of slaves are women and girls (Walk Free Foundation)
- Trafficking people has an annual value of around \$150 billion (International Labour Organisation)

There are many drivers of slavery that contribute towards its proliferation, such as:

- Conflict where laws and normal protection systems are not working e.g., the ongoing refugee crisis in Syria.
- Repressive regimes where the government puts population to work e.g., evidence of forced labor including indentured servitude in North Korea.
- Poverty and the lack of economic opportunities, access to formal jobs or lack of choices.

Modern slavery is present across all industry sectors, especially in labor intensive processes such as in mining, agriculture and fisheries. Walk Free Foundation and Anti-Slavery International have recognized that the apparel, textile and accessories industry is one of the most impacted industries by slavery and that there is a significant number of people in forced labor within this industry. Due to the hidden and complex nature of supply chains it is highly unlikely for any business to say with complete certainty that they are slavery free.

Business Overview

PANGAIA was founded in 2019 by a collective of scientists, designers, technologists, and creatives who wanted to create a new kind of business and pursue an Earth Positive ambition and philosophy. To us Earth Positive means we are building a business that creates value while elevating human, animal, and plant quality of life, bringing us in harmony with nature and giving back more than we take. As a material science company, we have developed our products using innovative technologies and scale these innovations through networks, collaborations and partners to a wider market.

PANGAIA is headquartered in London, UK, with satellite teams in New York City and Los Angeles in the USA, Paris, France, Florence, Italy, and Porto, Portugal. Initially founded by a core collective of 7 people, in 2021, we employed 143 people globally, who work either in our offices, from home, or a hybrid. Predominately our products were and continue to be sold directly to customers through e-commerce and we had 5 pop-up stores in 2021. We have also since 2021, provided a Business-to-Business solution, offering the selection of innovative materials that we work with to industry partners and beyond.

PANGAIA is overseen by an Executive Board of Directors that meets once a week and engages an advisory board to provide support on areas that include brand strategy, sustainability, and innovation strategy. The Board has 7 members, 5 of which identify as women. Our environmental and social purpose is represented and advocated for by the SVP Global Engagement and the Chief Impact Officer, who is also a founding member of PANGAIA.

In addition to this leadership representation, our Earth Positive ambition is integrated into all decision-making, with each department having specific Impact-focused objectives. The Impact department is made up of subject matter experts whose remit is to work collaboratively towards the Impact strategy across the business and with external partners. Responsibility for policies, training, risk assessment and due diligence on modern slavery is held by the Impact department who work cross functionally to embed responsible business practices across the business.



Our Commitment

At PANGAIA we recognize the rights of every individual and their needs as defined within the UN Declaration of Human Rights and our responsibilities under the UN Guiding Principles on Business and Human Rights. We commit to act ethically and with integrity in all our business operations.

We support dignified work and the individual and collective wellbeing of our employees, workers in our supply chain, the communities where we operate, those affected by our operations, and our customers. We do not condone nor will we tolerate abuse of human rights within any part of our business or supply chain, and we take seriously any allegation that human rights have not been respected. We are committed to acting with due diligence to avoid infringing the rights of others and addressing the adverse impacts of our global operations and to prevent slavery and human trafficking from taking place in our supply chains or in any part of our business.

Policies

Commitment to the protection and respect for all human rights and social wellbeing is enshrined in our internal values and practices as well as in our expectations of our external partners.

For our supply chain

The cornerstone of our commitments to human rights is found in our Code of Conduct, which covers labor rights, safe working conditions, wages, discrimination, as well as how we monitor and remediate social issues. Our Code of Conduct is based on internationally agreed principles in the UN Charters, International Labour Organisation's Core Conventions, and is aligned with the ETI Base Code and Fair Wear Foundation standards.

We have been rolling out our Code of Conduct to partners across our supply chain, principally through the introduction of PANGAIA's Vendor Manual and a formal supplier onboarding process.

Compliance is monitored by site visits and through third-party audits. We enlisted Intertek, a quality assurance auditor, to assess PANGAIA processes in comparison with industry standards. From this work we developed a number of processes and policies to align PANGAIA supplier management with industry standards on social and environmental expectations. We have also established an internal escalation process in the event of a zero-tolerance incident.

PANGAIA has a zero-tolerance approach to certain issues which we believe contravene the most basic of human rights and unethical practices. These issues include modern slavery of any form (including forced labor, bonded labor, or human trafficking), child labor, abusive harassment, the risk to life or limb, the non-payment or payment under the legal minimum of wages, extreme environmental degradation, and bribery or corruption. While we are not naive to these practices existing in the fashion industry, we believe in having a strong stance that we shall not tolerate this type of exploitation if uncovered in our supply chain. We are developing tailored escalation and remediation processes and will be conducting PANGAIA-wide training on these topics to ensure our teams are well-equipped to adequately identify and respond to such violations.

To give more details of our expectations we have also developed a Child Labor and Young Worker Policy which outlines our commitment to safeguarding that no children are exploited in our supply chain and that the rights of young workers are respected. All children have the right to have a childhood, to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with their education, or to be harmful to their health or physical, mental, moral, or social development. We acknowledge that children can be connected to supply chains, and



that there is a high potential for them to the present at raw material sourcing stage, present on family farms and homeworking arrangements, or connected with informal economies.

As most exploitation and abuse, including modern slavery, is more likely to occur in hidden parts of the supply chain we have developed a Subcontractor Policy. This policy outlines our intention to ensure we know where every PANGAIA product is made and to stop unauthorised subcontracting. We have an open approach to subcontracting (including homeworking) on the basis that PANGAIA is notified, and approval is given prior to any production taking place.

To ensure that our policies are understood we are rolling out communications and trainings both internally and externally, for more on this see the training section of this statement.

For PANGAIA employees

In 2021 we drafted our first comprehensive employee handbook for all UK employees. This handbook captures key policies, expectations of behaviors, how we manage people and the benefits that PANGAIA provides.

PANGAIA is committed to conducting all our business in an honest and ethical manner. We have a zero-tolerance approach to blackmail, bribery, and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. Our Anti-Bribery and Corruption Policy outlines these expectations and behaviors. It is important to PANGAIA that any wrongdoing at work is reported and properly dealt with. We will not tolerate any victimization of individuals because they have raised a genuine concern. Employees can follow the process outlined in our Whistleblowing policy to raise any concerns they have.

We are committed to being a business in which equality of opportunity is a reality and in which every individual can seek, obtain and enjoy employment without unfair discrimination. Our commitment to Equal Opportunities is enshrined in our policy. We will do our best to ensure that PANGAIA is a place where individuals are treated equally and fairly and decisions on recruitment, selection, training, pay, promotion and career management are based solely on objective and job-related criteria.

We require all PANGAIA team members to co-operate with measures introduced by us to ensure equal opportunity and non-discrimination and to inform an appropriate person if they suspect that discrimination is taking place. If a team member believes they have suffered discrimination, they must notify their manager or the People team and they can use the Grievance or Anti-Bullying and Harassment policies in place.

Team members at PANGAIA have the opportunity to raise a grievance or concern relating to their employment or the way they have been treated through our Grievance Policy. They can raise these concerns directly with their manager and or the People Team. Where appropriate we will try to resolve these concerns informally. Team members can voice any concerns without fear of victimization or retaliation.

Planned Policy Development

We are establishing a more formal system for updating our policies and intend to review them on a bi-annual basis. As well as reviewing our existing policies we also have planned to develop policies on:

- Migrant Workers Policy
- Non-Standard Employment (including Homeworkers) Policy
- Human Rights Policy
- Employee Handbook for other territories (including USA).

Sourcing Landscape and Supply Chain

At PANGAIA, we partner with suppliers who share our goals and values for sustainable material development and responsible production. Preference is given to suppliers who are on a similar journey of monitoring social and environment impact areas to heighten awareness and be a source for positive change, as well as creating value that gives more than it takes.

Our sourcing landscape is global and covers everything from the origin of raw materials (which we call Tier 5) to the manufacture of finished goods (called Tier 1) – and everything in between. We undertake supply chain traceability to help us assess and combat risks of modern slavery to structure this mapping we have defined the tiers of our supply chain.

Supply Chain Mapping

PANGAIA has committed to disclosing key information about our supply chain by tier as and when we map the facilities and sites used to create our products. To enable us to disclose these we have been undergoing a process of tracing our products through their supply chains.

To help focus this work we have defined our supply chain by tiers based on the production stages product travels through, not the business relationship we hold with the supplier. This is not an exact science so sometimes we have to use make a judgement call for what tier a facility belongs to. These definitions have been based on industry expectations and standardized reporting requirements to help with more consistent industry disclosure.

Tier Name	Tier Description	Facility/Process Example	Level of Traceability
Tier 0 : Office, Retail & Distribution Centre	Distribution, retailing, offices, research.	E.g. warehouse, stores, offices, research centers.	Fully mapped
Tier 1 : Finished Product	Factory which cuts, sews and finishes product and ships to PANGAIA.	E.g. stitching, assembly, quality control, packing, approved CMT subcontractors (indirect relationships).	Fully mapped
Tier 2 : Material Processes or Product Enhancements	Provider of one or more processes to materials or enhancements to the product.	E.g. printer, dye house, fabric treatment, electroplating, laundry/wash house, embroiderer, pleating, tooling, cutting, lasering, embossing, embellishment, quilting, firing.	Partially mapped
Tier 3 : Material Production & Component Supplier	Material manufacturing and processing, and component production.	E.g. mill (spinning, knitting, weaving), tannery, hardware, components, trims, moulding (shoe soles), labels, packaging, casting.	Partially mapped
Tier 4 : Fiber Processing	Processor of raw fibers or ingredients or feedstock.	E.g. fiber producer, refiner, ginner, recycling/sorting center, smelting, refiners.	Not yet mapped – some oversight

Tier 5 : Raw Fiber, Ingredients or Feedstock source	Origin of raw fibers, ingredients or feedstock.	E.g. cultivation (farm, forest, mine, oil field), recycling collection.	Not yet mapped – some oversight
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Finished Goods

Like most brands, PANGAIA partners with trusted suppliers across the world to produce our goods. For our finished products we work with 18 factories across 6 countries. For PANGAIA, our Tier 1 facilities (see definitions above) are located in 6 key countries, in order of volume importance: Portugal (where 87% of our collection is produced), Italy (5%), Bulgaria (4%), Turkey (3%), Romania (1%) and China (<0.5%, water bottles only). From our initial visits, we found that our Tier 2 processing facilities are found close to key Tier 1 sites and are therefore in the same countries.

Material Production

We have a strong buying relationship with our key mills in Portugal and Italy and will be undergoing a process to map more mills connected with our production and better monitor working conditions and environmental practices. Due to the nature of our product development, we have working relationships with the majority of our mill and trim providers, that we purchase directly from.

As part of our work to deepen our understanding of our material footprint we work with our partners GreenStory, to conduct Life Cycle Assessments (LCA). Through these assessments we have been able to identify and understand environmental risk, and indicators of social risk from country and regional oversight. Through our LCA work in 2021 we analyzed the footprint of 96% of our products sold online which enabled us to better understand our product footprint. Whilst these assessments principally focus on environmental metrics such as blue water consumption, global warming potential and primary energy demand (we assess 13 impact metrics in total) we have been able to discern where our social footprint is at a country level. In the future we intend to use this information and approach to help assess social risks and understanding of the human context of our supply chain.

Raw Materials

We are committed to knowing our partners throughout every stage of our supply chain, but visibility decreases as we dive deeper into the tiers. Getting visibility to the cultivation and raw material stage of our supply chain (known as Tier 5) is notoriously difficult, but we are progressing on this front. For some of our raw materials, we directly purchase from cultivators or work very closely with our manufacturing partners to purchase. We have close relationships with these producers, and where feasible, a member of the PANGAIA team has visited the sites to understand their practices and innovations. From our connections further down the supply chain we are improving our understanding of the context and needs of the communities around our supply base. Practices such as wild harvesting or waste picking is usually a form of informal employment, which gives people from disadvantaged communities a supplementary income to support themselves and their families. While this is a positive stream of income to support livelihoods, the risks and impacts on the people working in these communities are not fully understood yet. We aim to dedicate more time and resources to understanding and supporting these communities so we can be confident we are positively impacting their quality of life through decent work.

Transparency

We are committed to gaining visibility and traceability of our products to ensure that we understand our impact; both socially and environmentally. We have recently taken a number of steps to progress on this important topic detailed below:

- The Transparency Pledge is an international voluntary commitment brands can make to publish information about their supply chain to show where their products are produced. PANGAIA are proud to align to the Transparency Pledge, and aim to go beyond these minimum requirements to further our commitment to disclosing our supply chain, practices and impacts in an open and honest manner.



- The Open Apparel Registry (OAR) is a textiles and apparel database of facilities which maps the footprint of our industry. Many international brands contribute to the database by publishing lists of their suppliers. It is a neutral platform that aims to drive standardized data and collective change to open up the industry. PANGAIA are contributing towards the database with our suppliers to demonstrate our commitment and accountability for the supply chain we are part of.

We believe that transparency of the supply chain, together with the collective efforts we make to improve the working conditions and manage our environmental impact, will assure our stakeholders that we genuinely work to improve all parts of our products and production.

Due Diligence, Assessing Risk & Understanding Worker Needs

We have assessed the risk of potential modern slavery across our business and considered in a geographic context, exposure to vulnerability, type of employment, visibility of working conditions, against the prevalence of slavery within that employment sector or country. From this assessment we have surmised that the level of risk is considerably higher within our supply chain than our direct business operations and own employees. We have therefore tailored our approach to focus on embedding practices, policies and processes to either understand and/or reduce the risk of slavery in our supply chain.

New territories

As our business has grown, we have expanded our supplier network. When sourcing from new regions, the Impact Team works with the Production, Product Development, Research & Development (R&D), and the Partnerships teams before selecting suppliers. In addition to individual supplier vetting, we also assess conditions at a country level to understand the cultural, social, environmental, and economic context of working within any given country.

For any newly proposed sourcing territory we have developed a process to review exposure to risk and openly discuss business opportunity, brand or reputational risk and the ethical and environmental potential negative impacts. It is also important for us to assess the feasibility to enact positive change and better understand the local sustainability behaviors and context.

- We have conducted a risk ranking using international indicators to inform our macro assessment of country risks. We use data from global institutions such as the Global Slavery Index by Walk Free Foundation, the ITUC Global Rights Index, Freedom House Index and Corruption Perception Index.
- We compliment these high-level ranking with desk-based research using credible sources such as the World Bank, ITUC, ILO, WWF, as well as sources of wage or economic information, and industry reports to create country profiles to inform and guide business decisions.
- Internally we re-group and collectively make decisions on territory expansion, which is signed off by a senior leader.

Spotlight modern slavery risks

Each country where we either have production or are exploring future production we have assigned a color grading to denote level of social and environmental risk. From these high-level assessments, we have identified the most salient risks in each territory and identified several challenges which increase our risk of exposure to modern slavery. For these perceived risks we have conducted further due diligence in order to better understand context and how severe the risk is to us.

As of 2019, more than 3.5 million Syrians were reported to be living in Turkey and an estimated 98% of Syrian workers were employed illegally. Huge numbers of Syrian refugees accept dangerous working conditions and excessive overtime shifts because they have no other alternative. With this



international context we have engaged with our Turkish suppliers on the issue of Syrian workers. Whilst neither of our two Tier 1 factories in Turkey currently employ any Syrian refugees, they have both worked with previous employees to support workers accessing legal right to work in the country. We are committed to engaging with suppliers on this topic and better understanding the changing situation within the country to ensure that all workers have a legal right to work. We also intend to develop a migrant worker policy to enshrine this commitment into our policy framework and governance.

We are aware of reports of forced labor and trafficking of Uyghur and other ethnic or religious minorities including Turkic and Muslim peoples, particularly in the Xinjiang Uyghur Autonomous Region of China. We plan to take due diligence of our suppliers to check that we were not sourcing cotton from factories located in Xinjiang or from factories situated elsewhere in China where Uyghurs were working under forced labor conditions. From our initial sweep of our suppliers, we are confident that we have no factories or subcontractors in the region but are committed to greater visibility of cotton sourcing with full chain of custody as the only way to confidently be assured that no cotton is sourced from this region.

New Suppliers

Through our onboarding process, all new suppliers undergo a selection process to assess their ability to meet PANGAIA's sustainability and technical standards. Suppliers must provide PANGAIA with a recent social audit alongside any material or environmental certification. We review these documents and assign a grading which denotes if the manufacturing facility meets our expectations. We will only engage with new suppliers if they meet our requirements. Where feasible we will visit all new suppliers before production is placed so that we can verify the conditions ourselves. We believe it is important to build relationships with suppliers so that we can better understand each of our needs and become collaborative and respectful partners.

Existing Suppliers

Auditing across the supply chain is one way of ensuring suppliers are complying with ethical standards and fair labor practices as defined by our Code of Conduct. Audits are a useful tool in gaining insight into our suppliers' practices and potential risks in our supply chain – especially when we begin to work with a new partner. Annually requesting audits gives PANGAIA the opportunity to track progress through the years and to find out where there is still some work to do. Audits increase transparency and encourage PANGAIA to be accountable for the conditions in our supply chain.

Once an audit is received, we review the report and assign a grading based on any non-compliances that have been found and the severity of these issues. To ensure we have consistency across our supply chain we have standardized our grading. Introduced in 2021, all PANGAIA production sites (Tier 1) are required to have third-party social audits on an annual basis to ensure ethical trading and fair labor standards are met, as outlined in our Code of Conduct. We received third-party audits for 63% of our Tier 1 manufacturing sites, and we are working towards having 100% coverage of audits. We plan to incorporate Tier 2 and 3 suppliers into our factory assessment program, along with our Tier 0 warehouses over the next two years.

Here is a summary of our audit findings:

Metric	KPI	FY20	FY21
Number of suppliers	Number of Tier 1 factories	13	18
Social compliance	% Tier 1 factories with social audit	0%	63%
	% Audits conducted by third-party auditor	0%	63%
	% Unannounced audits	Unknown	6%
	% Semi-announced audits	Unknown	33%
	% Fully announced audits	Unknown	17%

Worker overview	Total number of workers in Tier 1 factories	Unknown	1807
	% Female workers	Unknown	62%
	% Male workers	Unknown	38%
Worker representation	% Factories with formal worker representation (either worker committee or union)	Unknown	75%
	% Factories with an active collective bargaining agreement in place	Unknown	58%

Whilst we use audits to gauge the level of compliance within a facility, we believe that they are only one tool in our toolbox and do not intend to overly rely on them. Site visits are also essential to ensuring partners understand our expectations and we have visited over 90% of our Tier 1 suppliers to better understand their set up, explain our expectations and build relationships. Where an in-person visit has not been possible due to the pandemic and localized lockdowns we increased our use of video call discussions with suppliers.

Understanding Worker Needs

As a business it is vital that we understand our potential and actual social impacts and risks so we can better protect, respect and remedy any infringements of human rights, however we do not feel that this approach is inclusive enough of the needs of people. Therefore, we have pivoted our approach to also include an assessment and analysis of the social needs across our value chain.

In 2021 we conducted a social materiality assessment of these needs to capture where we should be directing our efforts. From this assessment we concluded that there are four essential areas of need that we could contribute to which positively impact the lives of people in our value chain. These are:

- The need for a fair and decent livelihood
- The need for voice and dialogue
- The need for equity and empowerment
- The need for health and wellbeing

We intend to use these categories to define our social impact strategy and program of work going forwards.

Remediation

PANGAIA's approach to assessing our supply chain is based on problem solving rather than fault finding. We do not expect perfection when we start working with facilities, but we do expect willingness to continuously improve, openness to collaboration and shared values of decent work, fairness and safety. If we do identify any non-compliance during assessments, we will work together with the supplier to put in place a corrective action plan and resolve any issues found.

We follow up with regular communications and visits to confirm that any issues identified have been addressed in a timely and appropriate manner. We expect the factory to make ongoing improvements over time with our support. If serious non-compliances are found (as identified in our zero-tolerance escalation process) or if repeated violations occur, PANGAIA reserves the right to conclude business with the supplier, following consultation and a responsible exit.

We do not currently have any external grievance mechanisms operating for workers in our supply chain to raise issues or concerns to us. We have escalation channels for our employees to raise any human rights concerns directly to the Impact Team who will investigate any concerns arising in our supply chain. We also have internal channels for PANGAIA employees to raise such grievances as detailed in our Employee Handbook. Through these we encourage anyone within our business to raise human rights concerns through these safe channels of communication without fear of reprisal.



We are committed to investigate all reports confidentially and fairly and provide remediation in the best interests of those affected. In the future we hope to establish external grievance processes for people within our supply chain accessibly and safely raise concerns or disclose information confidentially.

Training and Engagement

We want to ensure that every person who is interacting with our supply chain has the opportunity to engage with and understand social risks and issues that could exist. The Impact Team has a close relationship with all the departments who have touch points with both the supply chain and business partnerships; including Production, Sourcing, Research & Development and Partnerships Teams. The Impact Team has also organized a number of internal training sessions to deep dive into relevant topics.

Modern Slavery Training

We hosted several trainings on modern slavery for PANGAIA employees so our staff can understand the terminology and landscape of the issue, as well as how to recognize indicators and how to alleviate the risk of exploitation and slavery. Over 55% of employees attended these trainings including all employees directly working with supply chains, and our Executive Board. The Board also participated in additional leadership training to understand the legislative and reporting requirements as well as understanding their role if modern slavery is ever uncovered. These trainings are one way we are embedding responsible practices across our teams and helping create a common mindset which champions ethical business.

In the next year we aim to expand this training to our external partners so that we are engaging all our stakeholders on the topic of modern slavery and to be alert to the risks.

Collaborations

We know that we cannot enact change alone, so we have collaborated with a number of industry partners and voluntary initiatives to promote responsible practices, hold ourselves to account and learn from industry experts.

[PUR Projet](#) works with companies to regenerate the ecosystems they depend upon by empowering local communities to operate long-term socio-environmental projects, helping companies strengthen their supply chains through agroforestry, land restoration and sustainable agricultural practices in temperate and tropical countries.

[Textile Exchange](#) is a global non-profit that creates leaders in the preferred fiber and materials industry. As a member we support the aims of Textile Exchange and contribute to working groups to enable industry change.

[GreenStory](#) is a platform to measure and communicate the environmental impact of your products and offset their carbon footprint. We partner with GreenStory on our Life Cycle Assessment and utilize their methodology.

[Eon](#) is a Digital ID platform which uses product passports to interactively disclose information about the product. PANGAIA uses Eon's technology to empower customers with product specific information.

[Transparency Pledge](#) is a voluntary industry initiative to encourage brands to be more open and for those brands to regularly disclose a list of suppliers used for their products. PANGAIA signed the Pledge and is committed to being more open about our supply chain.



[Open Apparel Registry](#) is an open-source map and database of global apparel facilities, their affiliations and unique OAR IDs assigned to each facility to enable greater transparency and alignment of the supply chain. PANGAIA is proud to contribute to the OAR and encourages other brands to disclose their suppliers through this platform.

Small Brands Working Group is a group of likeminded small and medium sized brands who share an invaluable platform in which ethical trading teams exchange resources, knowledge, practices and intelligence, as well as enabling us to identify where leverage can be gained through opportunities to collaborate.

Next steps

Transparency

We are committed to building on the work we have already carried out by broadening and deepening our visibility into our supply chain by mapping beyond Tier 1 to include Tier 2 processing facilities and Tier 3 mills connected with our production. We will also work to obtain the highest levels of accuracy possible and fill gaps in mapping.

Standards & Governance

Broaden our policies and practices to ensure better monitoring of working conditions and environmental practices. These will include the development of policies that cover non-standard employment and specific demographics such as migrant workers. We will also develop a remediation process for modern slavery in a similar format to the process we have for addressing child labor to ensure that if any evidence is uncovered, we have the right process in place to remediate the issue.

Due Diligence & Verification

We will expand our assessments of suppliers beyond Tier 1 and request third party audits for any Tier 2 and 3 suppliers to ensure we have better data and accountability of the practices in our supply chain. We will encourage the use of certification to provide a chain of custody and more visibility to practices across the supply chain.

Training

Our intention is to train our suppliers on the risks and indicators of modern slavery so they in turn can be vigilant to this issue in their supply chains. We will roll out this training in 2022 and 2023 as well as annually providing training for any internal teams working with supply chains. From 2022 we will be rolling out management training on our grievance process and policy which will be available for new managers annually. For all team members we are also launching annual diversity and inclusion and anti-discrimination and harassment training.

Partnerships

We want to collaborate more widely with human rights advocates and workers' rights stakeholders to learn from the incredible expertise within their respective fields. We would like to find collaborative partners to support on the ground programmatic responses and invest in projects that have a positive impact on the welfare and lives of those people touched by our supply chain or the apparel industry.

Capacity Building

This describes the actions we will take to develop the skills, abilities, processes, and resources that our partners need to progress towards the best ethical and social practices. This will start to be rolled out in 2022 and will follow industry guidance to elevate good work to benefit workers.

Living Wage

One of the key focuses for us will be wages and livelihoods. We will be developing a living wage and living income roadmap in 2022. We know that the best way for workers to have choice and opportunity



is to be paid a fair wage which reduces the cycle of poverty and raises families out of hardship. This in turn reduces vulnerability to exploitation, trafficking and slavery.

Community Investment

Our future ambition is to closely knit together our business relationships with investment into the local communities around where our suppliers are based. We aim to positively impact the surrounding areas along with the families of the workers who produce PANGAIA products. Once this approach is developed, we will share our plans and progress.

Glossary

Code Of Conduct: The detailed standards based on internationally agreed principles in the UN Charters, International Labour Organization's Core Conventions and the ETI Base Code to which PANGAIA holds its suppliers accountable.

Earth Positive: Both a goal and a philosophy, we are building a business that creates value while elevating human, animal, and plant quality of life, bringing us in harmony with nature and giving back more than we take.

Ethical Trading Initiative (ETI) Base Code: An internationally recognized code of good labor practice. It is founded on the conventions of the International Labour Organisation (ILO). PANGAIA's Code of Conduct is based on the core ETI principles.

Third-Party Audits: An assessment of the social conditions in a workplace performed by an external auditor who independently verifies that working conditions are safe, fair, and compliant against a code of ethics.

Vendor Manual: PANGAIA's central document that gives partners clear instructions on how we work and the processes they need to complete to be onboarded, it includes key policies and guidance.

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Statement signed by Krishna Nikhil CEO PANGAIA
26 July 2022