RHOBIE: Impact and Sustainability Report 2024

INTRODUCTION

At Rhobie, our mission—*Empowering Everyday Confidence and Responsible Luxury*—is a guiding principle that drives us to integrate sustainability into every aspect of our strategy. Sustainability is not just a pillar of our business; it is central to our identity.

In 2024, we continued to face a world shaped by rising geopolitical tensions, with conflicts disrupting global supply chains and markets. These challenges underscored the urgency for transformation within the fashion industry, as we move toward a more sustainable and equitable future by 2025.

Our commitment to sustainability is built on protecting both people and the planet, while maintaining the high standards our customers expect. We strive to deliver impactful, meaningful solutions that empower our communities and redefine what responsible fashion can achieve.

SUSTAINABILITY VISION AND GOALS

The fashion industry remains one of the most environmentally impactful sectors, contributing to pollution, waste, and excessive carbon emissions. Its traditional reliance on finite resources and overproduction has fuelled overconsumption. At RHOBIE, we are committed to challenging this paradigm and reshaping the industry to reflect values of innovation, responsibility, and consciousness.

Our sustainability vision is guided by clear, actionable goals:

- **100% Sustainable Material Sourcing**: Transitioning all raw materials to sustainable alternatives.
- **Transparent Production**: Ensuring every step of the production process aligns with ethical and sustainable practices.
- **Traceable Supply Chain**: Leveraging technology to create full visibility and accountability across our supply chain.

Through these efforts, we aim to lead the way in building a circular fashion economy that decouples growth from environmental degradation.

ADDRESSING CLIMATE ISSUES

The past year saw extreme climate events across the globe:

- Severe heatwaves in South and Southeast Asia.
- Widespread flooding in Brazil, the UAE, Kenya, and Spain.
- Cyclonic devastation in Bangladesh and India.
- July 2024 marked the *warmest month on record*.

These events are a stark reminder of the climate crisis and its impacts on communities, resources, and industries. In response, RHOBIE is accelerating efforts to mitigate our environmental footprint and adapt to these challenges through proactive, innovative solutions.

Decoupling Growth from Resource Consumption:

At RHOBIE, we recognise that sustainable practices are not just an ethical imperative but a strategic investment. While the upfront costs may be significant, the long-term benefits—from enhanced brand loyalty to resource efficiency—far outweigh these initial investments.

Sustainability is embedded in every decision we make, ensuring our growth does not come at the expense of the planet or future generations.

As we continue our journey, we remain dedicated to redefining what luxury means in the 21st century: a harmonious blend of confidence, responsibility, and innovation. Together with our partners, customers, and stakeholders, we aim to set a new benchmark for sustainability in the fashion industry.



Goals:

As part of RHOBIE's forward-looking sustainability agenda, we remain committed to leading the charge in addressing environmental and social challenges through bold and ambitious goals:

- Taking a Step Ahead of EU and US Regulations: Proactively adopting sustainable practices to meet and exceed anticipated legislative requirements.
- Managing the Economic Impact of Climate Change: Developing resilient systems to safeguard against disruptions and drive economic sustainability.
- Decoupling Growth from Resource Consumption: Innovating to create value while minimising resource dependency.
- Driving Transparency with Digital Product Passports (DPPs) and AGEC: Empowering customers with clear insights into the environmental and social footprint of our products.
- Improving Social Responsibility in Supply Chains: Ensuring fair wages, safe conditions, and a dignified livelihood for all workers.
- **Prioritising Next-Generation Materials**: Expanding the use of innovative, eco-friendly materials in all collections.

ETHICAL AND SUSTAINABLE PRACTICE

Materials:

RHOBIE's design ethos is deeply rooted in innovation and circularity, championing next-generation materials to redefine modern fashion.

In 2024, we proudly partnered with Pyratex® to explore revolutionary fabric technologies, introducing our first knitwear line made partially from seaweed. Highlights include:

• **The JONA Dress**: Crafted with Seacell fiber, a blend of seaweed and wood-based solutions. This material is sustainably sourced using selective harvesting that promotes natural regeneration. The production process is closed-loop, taking place in Austria, with yarn spun and knitted in Portugal by Pyratex®. Cultivated with organic farming techniques that eliminate synthetic pesticides and fertilisers, preserving soil health and providing breathable, skin-friendly fabrics.

Manufacturing & Supply Chain:

Partnerships with like-minded suppliers remain a cornerstone of RHOBIE's sustainable initiatives.

- In 2024, we exclusively collaborated with Tier 1 manufacturing facilities, ensuring that all products were ethically made in Europe.
- Most materials are traceable back to subcontractors and origins, supported by localised warehouses to reduce lead times and carbon emissions.
- A stringent onboarding process guarantees alignment with RHOBIE's *"earth-positive*" values.

ENVIRONMENTAL IMPACT

Carbon Footprint:

Our carbon reduction roadmap aligns with the Paris Agreement's 1.5°C target. Achieving **Net-Zero by 2030** is a top priority, with significant focus on Scope 3 emissions, which form the largest share of our footprint.

Waste Management:

- **Circular Economy Practices**: Designing products with minimal waste and maximising the reuse of materials.
- By 2026, RHOBIE will implement an initiative to repurpose unsold items and past collections.
- Tracing products destined for landfills, we aim to intervene and redirect materials into new cycles of production.
- **Packaging**: Transitioning to biodegradable and recycled plastic, ensuring minimal environmental impact.

Social Responsibility:

At RHOBIE, people are at the heart of everything we do. Our initiatives include:

- **Human Rights**: Upholding dignity, safety, and equity throughout the supply chain.
- **Fair Wages**: Guaranteeing all workers are paid fairly and live with dignity.
- **Community Engagement**: Actively fostering diversity, inclusion, and empowerment at every level.
- Rigorous due diligence ensures all partners align with RHOBIE's ethical standards, prioritising safe working environments and sustainable practices.

FUTURE PLANS AND AREAS FOR IMPROVEMENT

Despite meaningful progress, challenges remain, and we are committed to continuous improvement:

- **Sustainable Materials**: Transitioning hardware and auxiliary materials to sustainable alternatives.
- **Packaging**: Focusing on compostable, fully decomposable packaging solutions.
- **Traceability**: Investing in advanced digital infrastructure to track product lifecycles and circularity.
- **Stakeholder Collaboration**: Engaging in collective initiatives to address systemic social issues and maximise impact.

End-of-Use:

The end-life of a product is a shared responsibility, and RHOBIE is dedicated to fostering a circular economy that minimises waste and maximises regeneration.

Key Pillars:

- 1. Supporting systems that use biocompatible inputs and materials.
- 2. Acting as an ethical business to positively impact lives throughout the supply chain.
- 3. Aligning with cutting-edge science to combat climate change, protect water resources, and enhance biodiversity.
- 4. Empowering communities and restoring balance to nature through collective action.

By embedding circularity into every stage of our operations, we aim to build a prosperous, responsibly made apparel business that gives back more than it takes.

RHOBIE's journey toward sustainability is an ongoing commitment to innovation, transparency, and social equity. Together with our partners and customers, we are setting a new standard for what responsible luxury truly means in the fashion industry.

PERSONAL STATEMENT

Communication is Key.

At RHOBIE, we firmly believe that the strength of our communication will define the success of our mission. Transparent and consistent dialogue with all stakeholders—both internal and external—is essential to building the synergy required for long-term viability and meaningful change.

Our approach to sustainability is structured and intentional, with objectives categorised and addressed under three pillars:

- 1. **Environmental Impact**: Mitigating our ecological footprint and driving innovation for a greener future.
- 2. **Social Impact**: Upholding human rights, empowering communities, and creating equitable opportunities across our supply chain.
- **3. Value Creation**: Ensuring the brand remains both profitable and purposeful, delivering long-term value for all stakeholders.

Starting in 2025, RHOBIE commits to sharing *actual numbers and metrics*—the "ugly truth." This transparency is vital for accountability as we continue to track emissions comprehensively, particularly within Scope 2 and 3, to achieve netzero by 2030.

"We will continue to follow initiatives that matter, partner with charities and meaningful organisations, and actively give back to communities and nature."

At RHOBIE, sustainability is not a reactive effort but a proactive mission. It's about balancing trade-offs, embracing innovation, and evolving toward a profitable, conscious, and inspiring future. Together, we're creating a brand that stands not only for luxury but also for purpose—a future we're proud to build and share.

"Big thank you to the **Stanford Graduate School of Business** and the faculty of the *Sustainability Strategies: Develop Initiatives to Transform your Business* course to teach and support me on forming RHOBIE's sustainability outlook."

Sincerely,

Paula Lipinski CEO

