

SUSTAINABILITY REPORT 2018

CKS

**SUSTAINABILITY
REPORT 2018**

CKS-FASHION.COM

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As mother of five
wonderful children,
I try to give them
a bright future.

MESSAGE FROM THE FOUNDER



Anja Maes

As a mother of five wonderful children, I try to give them a bright future. I try to tell them how precious all life is and that, as a humble part of nature, we should take care of it with great respect. I explain to them that being gifted turns into happiness if you learn how to give. I hope when they grow up, they will realise that they live in prosperous circumstances, a quite unique position.

As founders of a great company, we try to give our people a bright future. I don't have to tell them how precious life is, they know. They show respect in the way they take care of each other. They have strong opinions on sustainability and we can only encourage that. They share and grow their talents beyond company borders. We realise that we build our story in prosperous circumstances, a quite unique position.

As directors of a complex production chain, we feel responsible for all of the people involved. We're determined to improve the lives of our suppliers' employees. We make a great effort to diminish our footprint, thereby conserving the earth's resources for generations to come. I dream about prosperous circumstances for all and that starts with ourselves. In every act, in every choice, lies the possibility of change. A unique position?

Anja Maes | FNG founder & Head of Corporate Social Responsibility (CSR)

Happiness
is a way
of life

NOTES FROM THE BUSINESS UNIT MANAGER



Ann-Sophie Theuwis

As a 100% Belgian label, CKS creates high-quality, easy-to-wear items for women, kids and men, with powerful prints, colours and surprising eye-catchers. In 2018 CKS has introduced a brand update that intensifies that instant happy feeling of the collections even more. Our collections consist of reinvented wardrobe essentials that fall back on the meaning of CKS: Contemporary Key Styles. These styles concern timeless items that are making their comeback, reinvented by CKS. By mixing and matching these key styles in an innovative, bold way, every look becomes one-of-a-kind. This is how we inspire you with endless outfit combinations, a perfect reflection of your style.

Corporate responsibility has an important place in the mission and vision of our company. As a Business Unit Manager I try to carry out the vision of our founders day in, day out. Sustainability is therefore a systematic point on our agenda and creating awareness and support from our people around this is not necessary. It is already here.

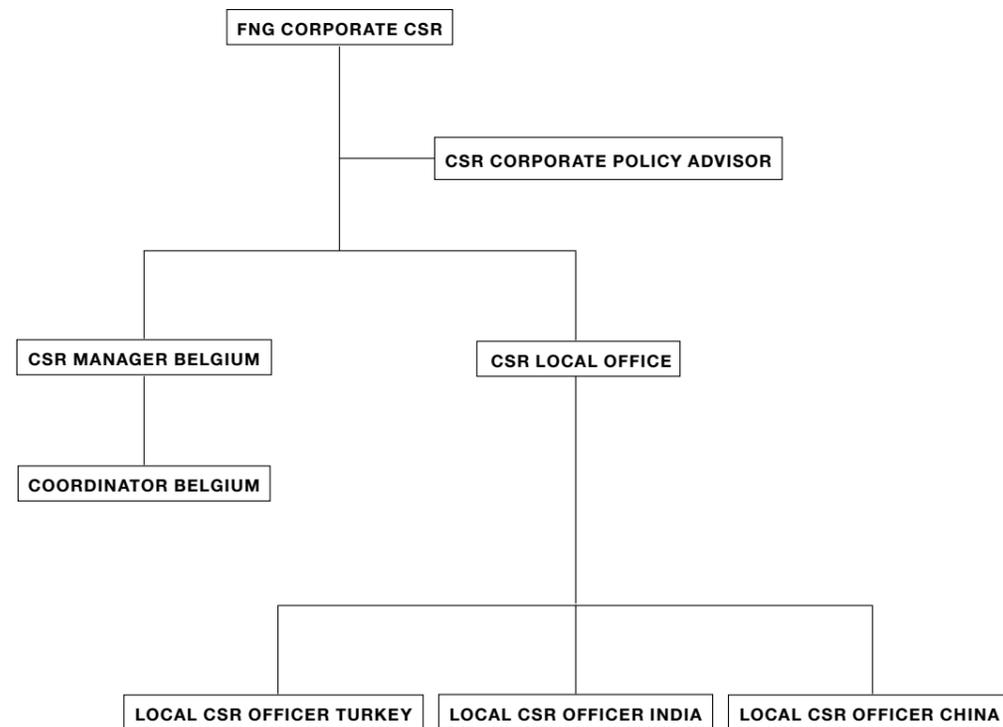
CKS as a brand stands for Instant Happiness. My mission is to make products which our customers gladly buy and our people proudly sell. We are very aware of the possible impact of the clothing industry on the world around us. We insist on maintaining valuable relationships with our colleagues, our partners around the world and our customers. I am very proud of the results of our first Fair Wear Brand Performance Check and all our initiatives that have contributed to a sustainable and better society.

Ann-Sophie Theuwis | CKS business unit manager

OUR STRUCTURE

CKS is proud to be a part of FNG, a rapidly growing Benelux fashion group with activities throughout Europe. FNG designs and distributes clothing and shoes for men, women and children through its own concept stores at top locations in Belgium and the Netherlands, as well as through a network of multi-brand stores in the Netherlands and abroad. FNG is a listed company on the official market of Euronext Brussels and has more than 3,000 employees.

FNG is aware of the potential impact of the apparel industry on society and the environment. Corporate social responsibility (CSR) principles are deeply ingrained within our business structure and corporate culture. FNG has invested in a well-thought-out organisation that takes its CSR responsibilities seriously – both at our Mechelen headquarters and in our three biggest production countries. This is how we ensure that our CSR policy extends throughout the entire value chain.



OUR CODE OF CONDUCT



CKS aspires to bring products to the market that are produced in a fair, honest and environmentally-friendly manner; with respect for the people who work hard and commit their time and effort to creating them.

CKS works under the FNG Code of Conduct. All our suppliers are expected to uphold the principles enshrined in this document. We only commence production once our suppliers and manufacturers have committed to respecting these norms.

Following all legal requirements

No forced labour

Legal work contracts

Freedom to join a union

No child labour

No discrimination

Fair treatment of employees

A safe and healthy workplace

A fair remuneration policy

Environmental and product safety

Animal welfare

PARTNERING WITH EXPERTS



MEMBERSHIP OF THE FAIR WEAR FOUNDATION

CKS is proud to be a member of the Fair Wear Foundation and MODINT.

We have opted to partner with the Fair Wear Foundation due to its people-oriented approach. Together with this non-profit organisation, we work towards improving workplace conditions in our production countries. We have agreed to adopt the Fair Wear Foundation Code of Labour Practices and to ask our suppliers to comply with these guidelines.

CKS not only communicates these principles to its customers, but also to the factories in which the clothes are manufactured. We ask our partners to prominently display a Worker Information Sheet in their local language. This document, devised by the Fair Wear Foundation, informs factory workers about the Fair Wear Foundation's Code of Labour Practices regarding human rights and working conditions. It also contains a hotline-number that workers can call if they feel their human rights are being violated.

MODINT MEMBERSHIP

CKS' membership of MODINT provides countless opportunities to learn more about sustainable materials and new developments within the textile industry. MODINT regularly updates us on sustainable innovations in fashion and guides us in finding better alternatives.

CLOSE THE LOOP PARTICIPATION

CKS joined the Close The Loop project in 2018, an initiative of Flanders DC and Circular Flanders. This scheme focuses on garment life cycle and the avoidance of waste. The CKS team works in close collaboration with the Close The Loop sustainability experts on developing strategies and action plans that impact upon every stage of our value chain: the sourcing of raw materials, design, production, merchandising and sales, usage and end-of-life.

Our partners share their knowledge and expertise via an open and honest dialogue. We appreciate their active support of our sustainable development plans and for keeping us motivated in the quest to produce clothes with integrity.



SUSTAINABLE SOURCING STRATEGY AND SUPPLY CHAIN MONITORING



SOURCING STRATEGY & PRICING

We aspire to build strong and long-lasting partnerships that are rooted in trust and transparency. Several key pillars determine our sourcing strategy. As we strive to optimise our supply chain and make it more cost-effective, while also increasing the speed with which goods reach the market and elevating quality, we place a strong emphasis on sustainability. All CKS suppliers are continuously screened for their commitment to sound CSR principles.

Up-to-date market knowledge on the production expertise available in different countries allows for pricing optimisation. Both the CKS sourcing team at our headquarters and in our local buying offices are aware of the individual components that comprise the product cost.

In addition to contractual agreements, CKS requires its suppliers to comply with the FNG Code of Conduct and the Fair Wear Foundation Code of Labour Practices, our Restricted Substances List and the FNG Product Policy.

Vendor set-up procedure allows visibility to all departments as a new supplier needs to be audited on quality assurance systems, financial stability and compliance with social requirements. Before production commences, specialised CSR officers (trained in local legislation) will visit factories and conduct an initial audit.

ORGANISATION OF THE SOURCING DEPARTMENT

The CKS sourcing department at our headquarters consists of the following teams: buying and production, planning and administrative support, the styling team, and product development.

The buyer is responsible for selecting the right manufacturers for the right product, achieving the correct price point and meeting retail delivery schedules. The buying and production process are supported by the buying administration team. The styling team creates our collections, while the product development team oversees fit and evaluates each garment from a technical point of view.

Our local buying offices in Turkey, India and Hong Kong maintain close contact with the buying team and the suppliers. They coordinate the production planning, oversee quality control in our partner factories and support the buying team at our headquarters via cost analysis reports.

The CSR coordination team at our headquarters works closely with the sourcing team. Regular progress meetings ensure the effective monitoring of our suppliers' performance across multiple criteria and allow us to share ideas for future development. As we are moving through the supplier awareness raising phase, cooperation between the CSR Coordination and the buying team is crucial for showing that sustainability and business are working hand in hand.

PRODUCTION CYCLE & PLANNING

CKS' annual production cycle is split into two broadly seasonal collections with three to four delivery schedules. Lead times can vary from 8 to 16 weeks depending on the source country and the product complexity. Before the season begins, collection planning calendars, the projected number of styles and critical path analyses are shared with suppliers. This allows them to study the deadlines in relation to their production and procurement capacity, thereby ensuring that all goods are shipped according to schedule.

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

As a part of sustainable sourcing strategy, we never make business decisions without considering the social and environmental implications of our actions. Every season, our suppliers are evaluated with a scorecard that takes quality, timely delivery, production capabilities and CSR into account.

Our policies encourage suppliers to continually improve on these parameters. The sourcing teams (buyers & local merchandising) are in constant contact with our headquarters-based CSR coordination team. All updates on the local CSR officers' audits are shared and discussed internally and Corrective Action Plans formulated (when necessary). Buyers table any points of concern during meetings with suppliers.

If a partner factory is willing to take steps towards improvement, even though the Corrective Action Plan might contain a long list of working points, our policy is to offer support. We do this by providing guidance and adopting a collaborative attitude towards problem-solving. This is proving to be the most efficient way to create positive change, and we believe that we have a duty to assist our partners.

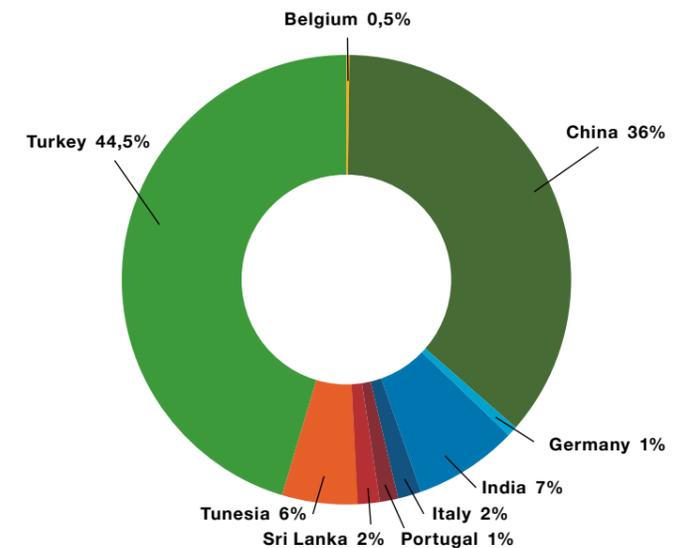
The members of the CKS team are open advocates of social dialogue, transparency, mutual respect and cooperation. These are the values we look for in our suppliers and

which lead to stable and enduring partnerships. The close collaboration between our local CSR officers, our CSR team in Mechelen and our buying teams allows us to identify and take prompt action in respect of human rights violations and health & safety issues. Maintaining trustworthy relationships with our suppliers is a vital part of this process.

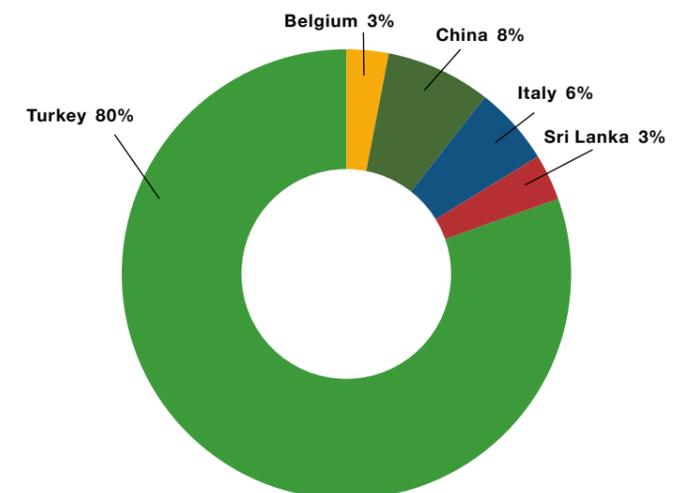
PRODUCTION TRANSPARENCY AND TRACEABILITY OF THE SUPPLY CHAIN

Manufacturing is fully outsourced to our partner factories across the globe. In order to effectively and efficiently monitor our supply chain, we have shared the complete list of all known production locations with the Fair Wear Foundation (details include the name, address and the production processes at each factory).

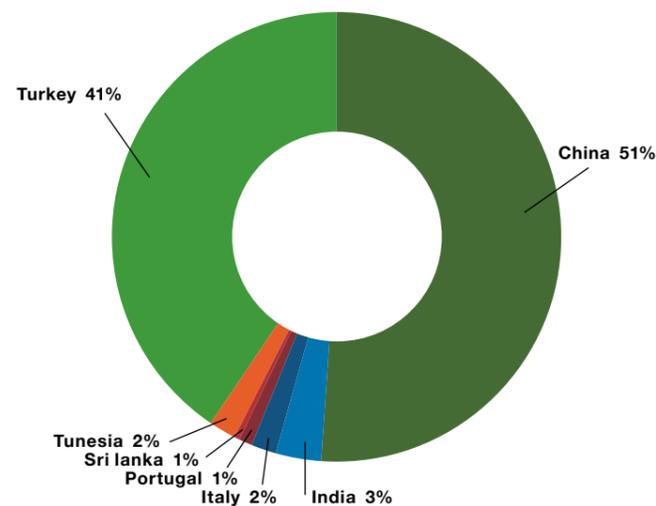
PRODUCTION COUNTRIES SHARE | CKS KIDS



PRODUCTION COUNTRIES SHARE | CKS MEN



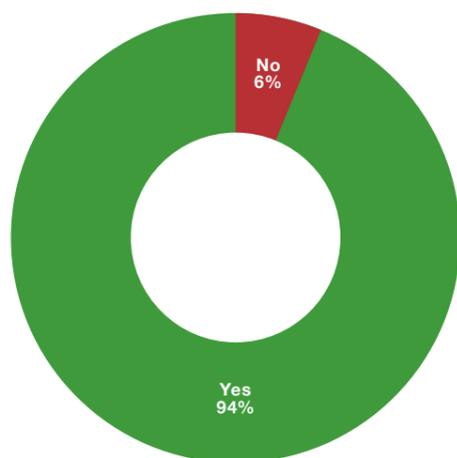
PRODUCTION COUNTRIES SHARE | CKS WOMEN



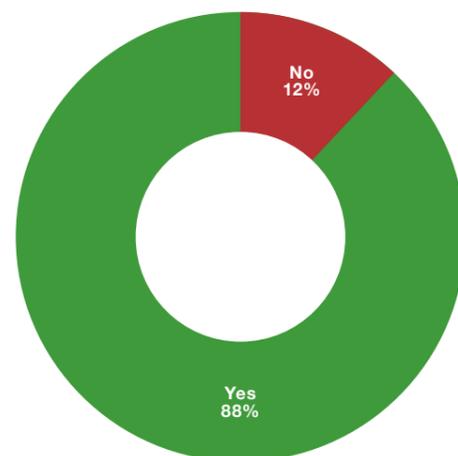
In our three largest production countries in Asia – Turkey, India and China – we are supported by FNG’s local buying offices. Close collaboration between our headquarters and the local offices leads to smoother communication with our suppliers. The local offices mean that CKS has a visible presence on the factory floor.

FNG has invested in a dedicated local team of CSR officers in all of the aforementioned countries. The staff are specialised in the social and environmental aspects of production and are experienced in factory auditing. Our CSR officers are responsible for verifying whether our Code of Conduct is being respected and applied. As brand ambassadors, they uphold and advance our vision by training the local work force, raising awareness and assisting factory management teams to implement remedial plans.

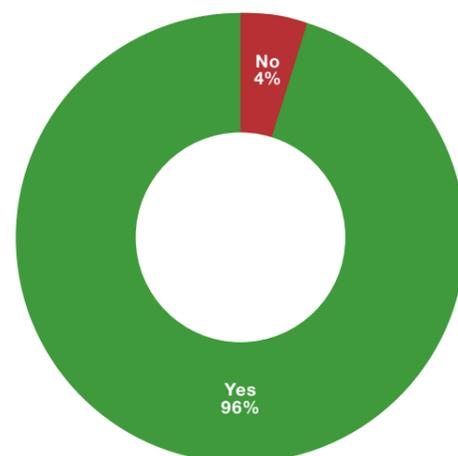
PRODUCTION MONITORING % | CKS KIDS



PRODUCTION MONITORING % | CKS MEN



PRODUCTION MONITORING % | CKS WOMEN



One of our primary tasks has been the monitoring of production locations in high-risk countries. Given that our biggest partners operate in some or all of these territories (based on FOB annual turnover), our local CSR officers are tasked with conducting comprehensive initial factory audits. They also follow-up on the progress of the Corrective Action Plans. The Fair Wear Foundation’s local auditing teams have also conducted audits at our production sites in the past, and will be conducting verification audits in the coming year.

In addition to conducting full audits of our most important partner factories in high-risk countries, our buyers and the CSR coordinator based at our headquarters have also visited our key suppliers in low-risk European countries, such as Portugal and Italy. These suppliers tend to be smaller and therefore take noticeably fewer orders. Among the suppliers in the low-risk countries, our primary focus is on those involved in garment manufacturing. In the meantime, we are actively working on consolidating accessories suppliers and arranging a monitoring plan for the near future.

Our experience to date demonstrates that our suppliers are becoming appreciably more familiar with our CSR vision. On the other hand, it can be difficult to implement change when order numbers are low as our leverage is less. We remain convinced, however, that a strategic approach and mutual understanding will yield positive results.

COUNTRY-RELATED MATRIX

In order to better address the potential problems in our supply chain, we have developed a country-related risk matrix. This tool is based on country-specific research and takes as its starting point the commonly known production problems in each of the territories in question. Our local CSR officers have personalised our matrix by adding their own audit findings. This helps us to define and quantify difficulties at the partner factories with greater precision. It also determines the urgency with which we need to act.

TURKEY

Being our most important production country, Turkey has been and will remain one of our main focuses. Our local CSR officer has visited all of our production locations in the country, conducted full preliminary factory audits and has been closely following-up on the improvements made in response to Corrective Action Plans. Fair Wear Foundation auditing team, also conducted five initial audits in the past, which we have followed up internally with our teams. One of the most common difficulties we face in Turkey is the lack of an age verification system at the production sites. Not all factories have a developed HR structure, which means that factory managers do not always conduct a full background screen of their employees in advance of them starting work. Our CSR officer has taken swift action, primarily by informing the factory managers of the potential risks this may cause, but also suggesting and guiding the management towards solutions. This is a recurrent problem in Turkish factories, but one that is relatively easy to resolve: we have advised our partner factories that, in the future, they should collect a copy of an identification document for all new workers.

Our CSR officer has also identified health & safety issues at various production facilities in Turkey. However, we believe these kinds of problems are easy to remedy, provided the factory is given the right support.

A further issue is the presence of Syrian immigrants working in the factory without adequate documentation. Since this was an urgent matter, and one that needed tackling promptly and effectively, we have been collaborating with a Turkish NGO that is dedicated to the integration of Syrian refugees in Turkey. We took immediate action: firstly by educating factory management and the workers about the issue and the possible solutions, secondly by bringing the workers into contact with the NGO. The managers of the factories reacted

positively to these interventions, which once again proved that patience and sharing information and knowledge is the most efficient way to implement a Corrective Action Plan.

In 2018, we have been primarily working on supplier education and awareness raising, through numerous dialogs and trainings - both in the factory as in our offices. We have worked on further and more detailed implementation of initial supplier screening, which has taken a lot of effort both from the sourcing teams at the headquarters, as the local merchandising and CSR team. This meant mostly paying special attention to the start of new business relations, transparency and agreeing on CSR norms before the production would start. Implementing this procedure meant the sourcing and the CSR teams had to work together even more than before, since it was crucial to request, screen, approve and place orders with a new supplier in a correct way, with both teams being mutually updated in a timely manner. With fashion production in Turkey moving faster than ever, following all the steps has been a fair challenge for everybody. Fortunately, a very open internal communication and support had brought results we are today proud of.



INDIA

When it comes to India, most common problems are related to gender discrimination, which places the female factory workers in difficult situations. Being a woman herself, our local CSR officer in India is vigilant to the issue and pays close attention to the potential problems that can arise. She never misses the chance to inform factory employees of the Fair Wear Foundation hotline, a number that employees can call to report problems of this kind. Discrimination and workers’ rights are a vital aspect of every audit, which also evaluate freedom of speech and the grievance mechanisms within the factories. Other problems within India relate to difficulties with factory documentation and follow-up. We have discovered, for example, that factory administration is not always as transparent as it could be. Inconsistencies between working and payment records have also been identified. This is a common problem, which has our full attention. Step by step, we are working towards mutually beneficial solutions. Through open and honest dialogue, we encourage our partners to work towards greater transparency. When production issues are identified, we search for solutions in tandem with the factory managers.

CHINA

Our second-most important production country is well-known for issues around excessive working hours. This is mainly related to labour shortages. Our local CSR officer in China has made this one of his main action points and is actively developing a country-specific approach to the issue. During the factory audits, our CSR officer investigates the reasons that contribute to excessive working hours and, in so doing, hopes to identify appropriate responses. When it seems to be an issue confined to peak manufacturing seasons, we search for the best solutions in dialogue with our partners. Encouraging the factory managers towards greater administrative transparency remains at the top of the agenda during the follow-up audits. Our experience tells us that honesty is vital. Instead of issuing demands or turning our backs, we talk to our partners. Collaboration and joint action are essential, and the results are encouraging. Health & safety issues are another concern in China but we believe these can be resolved when the factory managers are supported and committed to implementing the Corrective Action Plan. We have also discovered that irregularities at the production locations are often due to a lack of information and knowledge. Our local CSR officer's mission, therefore, is to share his experience and expertise in the field of sustainability. He does this via regular visits and, in so doing, is able to educate both the factory management and the employees.

PRODUCT QUALITY AND SAFETY

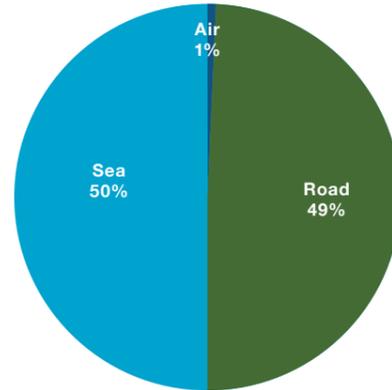
The products that are brought to market under the CKS label need to comply with REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) legislation; this law forbids the use of harmful chemicals in products that are sold in Europe. All applicable chemicals are communicated to our suppliers via the FNG Restricted Substances List (RSL). This list is continuously adjusted and updated to meet the stipulations of the latest legislation. Each season, our suppliers recommit to following these rules. Our RSL can be consulted by the public via the FNG website.

CKS is not just committed to mitigating the negative impact of our production processes but to going one step further: we want to make a positive social and ecological difference. We hope our actions will pave the way towards a cleaner textile industry. To this end, we share the FNG Product Policy with all our suppliers. This document outlines our vision, guidelines, requirements and preferences for the ethical purchase of (sustainable) materials. The Product Policy is available for public consultation via the FNG website.

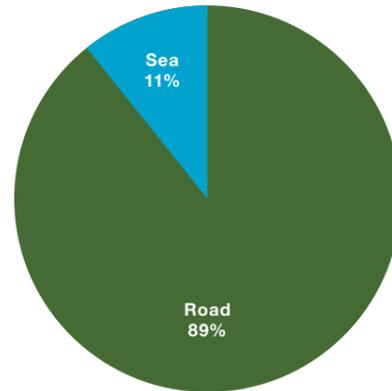
TRANSPORT OF GOODS

The global quest to reduce CO2 emissions means that we constantly evaluate shipping logistics. Some of the transportation is our own responsibility, at other times it is arranged by our suppliers. In both cases, we ask our non-European suppliers to use sea freight as the preferred option. We only use air freight on the rare occasions that a shipment is extremely late. Products made on the European mainland and in Turkey are nearly always transported by road.

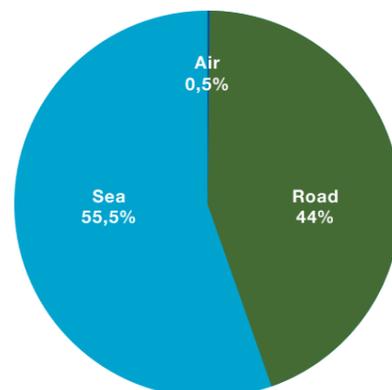
TRANSPORT % ROAD, SEA, AIR | CKS KIDS



TRANSPORT % ROAD, SEA, AIR | CKS MEN



TRANSPORT % ROAD, SEA, AIR | CKS WOMEN





HIGHLIGHTS OF 2018

When it comes to sustainable supply chain management, our actions during the past year have focused on different phases of our value chain, and can be roughly split into those with a 'social' or 'environmental' emphasis:

- Further monitoring of Tier 1 partnering factories and their subcontracted partners – where processes of cutting and sewing take place;
- More in-depth mapping of Tier 2 factories – with which partner suppliers collaborate for the purpose of garment printing, dyeing and embroidery;
- Monitoring of European production locations by the CSR coordinator based at our headquarters;
- Waste management during the production phase.

We have focused on biannual visits to the non-EU production locations with the aim of improving the lines of communication between our CSR, buying and design teams and the management teams of the partner factories. These visits also allow us to assist factory managers with the implementation of revised procedures. We have also endeavoured to educate factory workers on the issues surrounding sustainability and provided them with information about the Fair Wear Foundation.

Monitoring our sourcing sites in Europe was an important objective in 2018. By the close of the year, CKS' CSR coordinator had visited all of our Tier 1 partner factories and most of the Tier 1 factories in our biggest European production countries: Portugal and Italy. In 2019, we plan on visiting the remainder of the production sites in Europe.

With the environmental impact of our production processes uppermost in our minds, we have made waste management one of our top priorities. To this end, we have established sample and test-sample sales for employees based at our headquarters in Mechelen. These were also introduced at the buying offices in Turkey and Hong Kong, where they were open to the public.

Finally, we have invested in the wellbeing of employees and strive to ensure that they are happy and motivated. Wellbeing and sustainability have been the focus of various marketing actions with the aim of raising awareness of such issues, both internally (staff) and externally (customers).

CKS IS RATED 'GOOD' DURING THE FAIR WEAR FOUNDATION'S FIRST BRAND PERFORMANCE CHECK

The Fair Wear Foundation conducted its first Brand Performance Check on CKS in May 2018. This took place at our headquarters in Mechelen and was a landmark moment.

Members of the Fair Wear Foundation are expected to monitor a certain percentage of their total annual turnover across a range of manufacturing locations. Having joined the foundation in 2018, CKS was expected to monitor 40% of the annual turnover derived from a cross-section of suppliers. In addition to monitoring CKS' production locations, the Fair Wear Foundation also evaluates our purchasing practices, training and capacity building, internal communication procedures and transparency.

During the first year of membership, CKS prioritised the mapping of all suppliers, performing as many factory audits as possible and following-up on the Corrective Action Plans that resulted from these activities. Our selection and purchase standards were also extensively communicated and followed-up within the sourcing teams at both our headquarters and the local buying offices.

The Fair Wear Foundation's report highlights the positive results achieved to date, while also focusing on human rights and the local implementation and follow-up of the evaluation procedures. CKS' was praised for the broad implementation of its CSR policy and the associated action plans at the local buying offices in Turkey, India and Hong Kong and at our Mechelen headquarters. A second strength is the smooth start of audits and the execution of Corrective Action Plans with the suppliers in collaboration with local NGOs. The Fair Wear Foundation states that CKS 'has met most of the Fair Wear Foundation's performance requirements during the first year of membership'. From a final result of 69% of monitored turnover and a benchmarking score of 54 in total, CKS was rated as 'good'.

Naturally, issues that required further consideration were also raised. One of these is to focus on a more limited number of suppliers. The Fair Wear Foundation suggests that by placing larger order volumes with a smaller group of suppliers, we can better motivate them to follow CSR guidelines.

We have made the Fair Wear Foundation's full Brand Performance Report available to the public on our website.



TRAINING AND CAPACITY

HEADQUARTERS & SHOPS

All headquarter employees are regularly updated on company developments and principles. We hold several information events per year and regularly provide CSR updates. These events are generally combined with an activity designed to connect employees across different departments.

At least twice a year, we organise a one-day training course for our shop staff. This usually coincides with a new collection presentation and includes updates on the CSR policy, recent activities and future plans. These events also provide a wonderful opportunity to listen to feedback from the shop floor and to address the questions that customers typically raise. We use this information as a framework for future customer communication. In the meantime, the regional managers of CKS shops receive weekly internal news briefings which they share with the shop staff. In addition, we have adapted our sustainability policy and activities into a Q&A fact sheet. These are supplied to all branches as a way of enhancing customer service.

LOCAL BUYING OFFICES

Updates on the CSR policy and our related activities are also shared with our local buying offices. The local CSR officers and corporate buying department ensure that all of our colleagues are kept abreast of the latest developments and receive adequate training on the various topics and procedures, such as the supplier selection and monitoring scheme and our membership of the Fair Wear Foundation. It is essential that our sourcing teams, who have direct contact with the suppliers, are fully aware of our policy and how it is implemented within the supply chain.

Our headquarters-based CSR coordinator actively participates in various workshops, seminars and educational projects around sustainability and sustainable innovations. We have been represented at most of the local events and are looking forward to the ones yet to come!

AGENTS

In most cases, the CKS sourcing team works directly with our suppliers: some directly from our headquarters and others from our local buying offices. Only in two European countries do we work with agents: people with whom we have developed, or are developing, a long-lasting relationship. During their visits to the production countries, our buyers and designers always try to transfer our policy and values to the agents and the factory management. In addition, our CSR coordinator has visited all our production locations in Portugal and Italy: our biggest European sourcing countries. During such visits, we take time to explain our internal procedures and goals, while also sharing our vision on sustainability with our agents and the managers of our partner factories.

At least twice a year,
we organise a one-
day training course
for our shop staff.

SUSTAINABLE MARKETING AND RAISING AWARENESS



CKS & TECHNO FOR HUMANITY

In April 2018 our Amelie Lens x CKS collection was sold also at Techno for Humanity. For each piece sold during this techno festival, CKS was giving 5 EUR to a charity cause. A total of 95 pieces was sold that day, resulting in a donation of 395 EUR to Animal Right Belgium & The Netherlands.



PLANT YOUR HAPPINESS

In May 2018 CKS has initiated an in-store event with 'Plant your Happiness' as a message! During the event all CKS shop staff was giving away flower pots with plantable confetti, both in the street and inside the store. The confetti contained flower seeds which the customers could plant right away in the pots provided, or save them for their own garden. To make this happen, CKS partnered up with Niko Niko - which supplied the confetti, and Elho - who took care of the flower pots. The result was beyond great: 3.800 flower pots and 19.000 flower confetti found a happy owner!



CKS & CENT PUR CENT

For the W19 Season Opening Events, CKS was inspired to show its customers how sustainability and beauty go hand in hand! With this goal in mind, we have found a perfect partner in the Belgian brand Cent Pur Cent, known by their 100% natural mineral and cruelty-free make-up. Cent Pur Cent's products contain no artificial colours, synthetic perfume or non-natural oils whatsoever. During these events there were also make-up artists present in 10 CKS shops making many CKS customers happy with a free touch up. As a matter of course, this was not all: the CKS customers also received a Cent Pur Cent eyeshadow as a present!



CKS & RODE NEUZEN DAG

In order to draw attention to the Rode Neuzen Dag (Red Noses Day in Belgium, initiative with a goal of raising awareness and breaking the taboo around psychological problems), CKS design team created a sweatshirt for women, man and children with the Rode Neuzen Dag logo. During this initiative CKS was publicly represented by a Flemish presenter and radio voice Heidi Van Tielen. CKS sweatshirts were sold via different channels, among which also our own concept stores: during these sales CKS was giving 5 EUR donation per sold piece. CKS contributed to the Rode Neuzen Dag with more than 15.000 sweatshirts and almost 5.000 Red Noses sold!



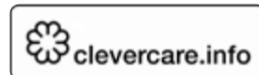
CKS & OVERKOP

CKS donated all the surplus from the Rode Neuzen Dag to OverKop, a center established by the Rode Neuzen initiative itself and focused on helping the youth in Belgium. OverKop supports young people until the age of 25 by offering them a safe place to come to, where you can count on being carefully listened to and provided with professional therapeutic help without getting labeled for it.



GARMENT CARE

Always having sustainability in mind, we try to provide our customers with what fits their needs the best. We listen to them and we choose solutions they seek for: sustainable fashion that surpasses trends. We create our clothes with a purpose of giving them a long life - with a proper care, they can last a lifetime. Having in mind that approximately 1/3 of a garment carbon footprint comes from the way we take care of it, CKS has made it its mission to keep our customers informed about their ecological impact when it comes to garment care, and in the same time support them in building a sustainable wardrobe.



During 2018 we have implemented a page on our website dedicated to garment care. On this page we have listed many tips we believe will help our customers prolong the life of their favourite garments. Moreover, we have added the clevercare symbol to our care labels and a special hangtag pointing out sensitive garments. Following the link from the care label, our customers can easily find out more about reducing the carbon footprint, but in the same also costs - by taking care of their clothes in a more nature-friendly way.



SUSTAINABLE SHOPPING BAGS

2018 was also a year when CKS said 'YES' to the nature once again: since the beginning of past year, CKS has only been giving sustainable paper bags with shop purchases. Our shopping bags made out of 50-50% mix of recycled paper and paper obtained from responsible wood sourcing ensure 100% instant happiness!

Our customers' voices are the lifeblood of our brand. For this reason, we always encourage them to contact us via email at mvo@fng.eu or via one of our shops. We know that customers have become more critical about sustainable fashion but are also curious to expand their knowledge. These sentiments have our wholehearted support and we will continue to sensitise our customers towards sustainable fashion and a better world for everyone.



Headquarters FNG Mechelen

A SUSTAINABLE BUILDING



Our headquarters are located in Mechelen, Belgium. The office building was constructed in 2015 using the most sustainable materials and energy systems currently available. Its position was chosen for strategic reasons: it is just a few minutes' walk from the train station and borders the Cycle Highway. Naturally, we actively support using public transport and provide a 100% refund on the cost of our employees' annual rail and/or bus passes.

At FNG, we believe that style and sustainability go hand in hand. Our commitment to the environment goes beyond fashion: on the green rooftop of our headquarters we provide hives for over 80,000 bees. We're joining the fight to reverse the decline of the honey bee.

Our office and shops use only LED lighting. Furthermore, motion sensors have been installed at our headquarters: the last person to leave never has to worry about turning off the lights. We have developed a system for rainwater recuperation, split into several cascades: first buffer rainwater is collected on our green roof. Recuperated water is used for toilets, cleaning and for watering our plants; the second buffer is achieved through the canal next to the building. The net result over three years is no rainwater into the sewer!

Our headquarters are not air conditioned because the building has a concrete core activation system. This keeps the temperature within the building as constant as possible, regardless of the season.

We also own company bicycles, which staff can use at any time, and provide facilities for cyclists including bike racks, showers and changing rooms.

WASTE MANAGEMENT

Cardboard, glass, plastic, metal and textiles are separated for recycling at our headquarters and in our shops. We also reuse clothing hangers and boxes.

We are always looking for ingenious waste management solutions. At our headquarters, we provide a sustainable alternative to plastic single-use water bottles: glass carafes that are refilled from a specially filtered tap. Our shops also use filtered tap water instead of bottled alternatives. We strictly avoid single-use materials, both in our headquarters and in our shops. In 2018, all single-use plastics in our headquarters were replaced with sustainable and durable alternatives.

Shop window displays or photoshoots generally require new and specific materials. At our headquarters, we keep a separate stock of such items. Our first choice in these situations is to always use what is already available. When we are missing a vital piece of equipment, we always try to hire the item. On the rare occasions that we have to purchase new materials, we always do so with the intention of giving it a second life (if not a third or fourth!). These items are reused and alternated between different shops, fairs and events before finally being donated to charity organisations or second-hand shops.

NO CLOTHES IN A LANDFILL



OLD STOCK & SAMPLE SALES

We never want to throw away our old stock, which is why we have developed a comprehensive cascade structure: we sell items from previous seasons and our samples at heavily discounted prices via biannual stock sales. These are open to the public. Pieces that aren't sold during these events are offered to retailers in neighbouring countries.

TEST-SAMPLE SALES

During the creation of new collections, various test-samples are made by our suppliers. Not all of these garments will make the final selection and enter production. In 2018, we organised an internal test-sample sale at our Mechelen headquarters, whereby our staff were given the chance to purchase these unique pieces. This initiative had a dual objective: on the one hand, it was inspired by FNG's desire to implement a robust circular trading policy. On the other hand, we used it as an opportunity to support two local charities: TADA and TIC-TAC. We donated all of the profits from the sale to these organisations.

Similar sample sales are also held at our local buying offices in Turkey and Hong Kong, where many of the test-samples accumulate during the development stage. Sales are arranged once or twice per year and are open to the general public.

CLOTHING DONATIONS

As a way of fighting poverty, CKS helps various social initiatives by providing clothing and footwear donations. To serve this cause better, we have partnered with Wereld Missie Hulp, a Belgian-based international aid agency. This ensures that our clothes don't end up in a landfill but are reused by the people who actually need them. Articles with production defects are recycled by the partners of Wereld Missie Hulp.

We also donate our end-of-season shop uniforms to the organisation Moeders voor Moeders (Mothers for Mothers), which specifically addresses mothers with young children. This organisation provides material help to mothers with small children and helps them bridge critical situations.





HAPPY AND HEALTHY AT THE WORK FLOOR



A healthy and happy workplace is one of our key corporate goals. We want our staff to do what they love and enjoy coming to work. A healthy working environment, a pleasant atmosphere and employee welfare are our top priorities. We know that happy and healthy employees are the engine of our company.

We work in a fast-paced environment and this can lead to stress. We take the mental and physical wellbeing of our employees seriously and everybody is eligible for self-coaching and yoga sessions during working hours.

SELF-COACHING SESSIONS

During the self-coaching sessions, staff learn how to handle tension and think in a creative and positive way. They are taught strategies for managing time pressure, restoring a healthy energy balance, achieving goals and how to get a good night's sleep. Staff learn how to better identify the sources of stress and how to tackle anxiety.

YOGA SESSIONS

To reduce stress, improve concentration and relax both body and mind, yoga sessions are held at our headquarters. During these sessions, the focus is placed on the problems associated with desk-jobs, such as neck and shoulder pain or difficulty concentrating.

HEALTHY LUNCH BUFFET

Every day, our staff are offered a healthy lunch buffet at the office: a broad range of fresh fruit and vegetables, bread and soups are sourced via local partners. By providing less healthy drinks through vending machines only, we encourage our staff to opt for water, tea and fruit.

YOUTH GUIDANCE AND TRAINING

CKS actively mentors interns in almost every department of our company.

We are also a proud partner of YOUCA (Youth for Change and Action, formerly Zuiddag), an organisation that sets over 15,000 young people to work on a one-day placement during an annual action day. This organisation is run by young people for young people. YOUCA encourages teenagers and young adults to work together towards a sustainable and honest society, raises awareness of social themes and supports action and engagement.

'NO' TO PLASTICS

Every minute of every day, millions of plastic bottles are sold around the world. They are polluting the planet and destabilising our ecosystem. It takes approximately 1,000 years for a plastic bottle to fully degrade, while producing one requires at least twice the volume of water it will eventually contain.

Our sustainability policy addresses the issue of water consumption and waste reduction and prevention. We therefore encourage our employees to recycle as much as they can, both during their working hours and in their own time. Inspired by 'Take Back the Tap', a student campaign to eliminate bottled water from university campuses in the United States, our design team devised a sustainable CKS metal water bottle. Every member of staff received this unique bottle as a New Year's present.

Spread the word, take back the tap and contribute to a better planet!



NY present



PLEASE DO NOT PRINT THIS REPORT

**Our Sustainability Report has been designed specifically for online use.
CKS and the Earth are thanking you!**

DID YOU KNOW?

The average European citizen uses approximately 165 kg of paper per year. This is equivalent to an 800 km drive or approximately 100 kg of CO₂. Printing ink cartridges are made of plastic, magnets, steel and aluminium. It takes some 3 litres of oil to produce the plastic for each cartridge, while approximately 4 litres of petroleum are burned during the manufacturing process. This equates to 10 kg of CO₂ entering the atmosphere.