



pantys

Pantys UN Communication on Progress (CoP) Report

October 2020

Section 1: Letter from CEO

Since the launch of Pantys in 2017, we have built a business where our success is synonymous with impact. Since day one, it was very clear that the mission of the company was to innovate to improve the health of women and the planet: we want to break taboos and change the feminine care industry. And now, we are reaching more women in Brazil and developing innovative projects for empowering them to take better care of the planet.

In order to innovate and change the industry we are focusing on four areas:

- women's empowerment,
- planet,
- product innovation and
- our people.

These are the strategic areas driving our long-term goals on sustainability.

We want to ensure that all **women** have the same opportunities, confidence and empowerment to achieve their dreams and their independence. We identify environmental opportunities as the **planet** is our most important stakeholder and for each process, we ensure to cause a positive impact on climate action, biodiversity and natural resources. **Product Innovation** is a pillar that always pushes us to deliver the most comfortable, healthy and modern product to our customers. It is only possible to grow as a company and achieve these goals because of our most important resources: **our people, partners and employees** from the production to the marketing team makes sure we deliver the most responsible experience to our customers. For this reason, we have dedicated many efforts on reviewing our processes and internal culture. We want to be a company that together with our employees continuously improves to be our best and provides all opportunities to achieve it.

We strive towards the new business norm where sustainability is at the heart of everything we do and where the UN Sustainable Development Goals are at the core of all our sustainability initiatives.

By publishing this report, I want to proclaim our continuous commitment to the UN Global Compact as the basis for how we look upon the bigger picture and our role in society. At Pantys we encourage other businesses to follow the UN Global Compact as the initiative framework provides the critical guiding principles to our sustainability strategy.

Emily Ewell 10/10/2020



Section 2: Pantys + Our business

Pantys is the first period proof underwear brand in Latin America and created with the mission to improve women's health and the planet's health. Since day one, sustainability has been one of the pillars of Pantys: by consuming period underwear, a woman can save up to 200 single-use pads or tampons a year. We have been engaging with sustainability and community impact through some initiatives like our donation program (donation of panties to women who do not have access to basic hygiene products), the carbon neutral label, the refugee program employee, the biodegradable fabric and others.

As a B Corporation and a UN Global Compact signatory, we believe it is very important to work with external companies to build a more sustainable and ethical development. Using tools like the 10 principles, the 17 Sustainable Development Goals and the B Lab Impact Assessment can provide companies a series of important metrics on environmental, social and transparency performance. These external companies also offer events, group meetings and case studies that are used as inspiration at Pantys.

Through this report, we will share our approach and actions taken to assure each one of the 10 principles in the areas of Human Right, Labor, Environment and Anti-Corruption.

Section 3: Human Rights (Principle 1 and 2)

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

Our Approach

At Pantys, we base our human rights commitment on the Universal Declaration of Human Rights (in line with the UN Guiding Principles on Business and Human Rights).

Our approach is to promote human rights not only in our internal operations but also in our relationships with suppliers and other business partners. Another important point of our approach is that we know how important it is to be certified or a signatory of a third-party external initiative, that's why we value working with B Corps, UN Global Compact and Woman Empowerment Principles. The business principles or requirements of those external initiatives bring us inspiration to innovate bringing positive change for the environment and to the people. We believe that every employee should have access to information about human rights and what it means in a corporate context, for this reason our goal is to conduct a specific annual training about human rights categories at Pantys.

Actions

1. Employee Code of Conduct:

Our Code of Conduct ensures we promote the human rights through our business, but here we will highlight some actions:

- Through the way we manage the business and the salaries paid, we promote the right to adequate standards of living.
- Through the way we manage the business we promote the right to freedom of expression.
- We promote the right to safe and healthy working conditions through managing the work environment and through a comprehensive Health and Safety policy. We conduct a Health and Safety training twice a year for all employees and have conducted an analysis to evaluate what are the potential risks for safety at work at Pantys.
- Our Code of Conduct highlights the importance of diversity and inclusion at the workplace and we have developed actions to hire as diverse groups as possible, for example: specific job spots for refugees and regulation on posting jobs for the black community before it is public.
- Our Code of conduct highlights the importance of antidiscrimination conduct, making it clear that discrimination is something we do not tolerate. We have a specific anonymous form for when people witness discrimination. We highlight that as a company we do not discriminate regarding gender, race, nationality, age etc. It means these factors should not be considered when promoting or hiring an employee.

2. Supplier Code of Conduct

Our Supplier Code of Conduct ensures we promote the human rights through our business, but here we will highlight some actions:

- Once a year, we each one of our suppliers to make sure they are following all the regulations (including Human Rights principles that are laws in Brazil).
- We choose our suppliers and business partners based on rigorous criteria of employee empowerment and human rights policy.
- Our suppliers answer an annual questionnaire about their conduct towards human rights, minority groups empowerment, environmental impact and transparency

3. Anti-racist Handbook

We have developed an internal antiracist handbook in order to nominate a few commitments towards inclusion and representation of the black community in many areas of our business (executive positions, stores, brand photoshoot) and build a more equal environment. All employees receive this handbook on their onboarding journey and it also can be used as a guide to improve our actions towards inclusion & diversity.

4. Refugee Employment Program

We have started the Refugee Employment Program in 2020, which consist on an opening specific job positions exclusive for refugee woman in Sorocaba, Brazil. In the first round of the program we have employed four Haiti women to work at the packaging department of Pantys.

Relevant Results

Pantys registered zero ongoing judicial processes or penalties related to human rights.

The Employee Code of Conduct and Supplier Code of Conduct is reviewed every semester.

The Supplier questionnaire where it is submitted advancements on human rights policies are reviewed annually.

In 2020 we registered a total of two people being hired to work at the company coming from a vulnerable background (refugee).

In 2020 Pantys has signed the antiracist commitment from B Corp in order to communicate at the company's website every year the number of black people in high management level.

Section 4: Labor (Principles 3, 4, 5 and 6)

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labor.

Principle 5: The effective abolition of child labor.

Principle 6: The elimination of discrimination in respect of employment and occupation.

Approach:

As a Brazilian based company, our risk of contributing to detrimental impact on labor rights is very low, because the labor principles are structured laws in Brazil. However, we believe that excellent labor practices are fundamental for assuring the laws are being followed.

Actions:

1. Brazilian workers law and compliance.

The labor law in Brazil contemplates all the labor principles, therefore we believe it is important to communicate our work towards labor rights that is covered by the country's law since it varies from country to country. Here we will highlight the how the basic Brazilian regulation is related to the labor principles:

- Child labor
- Hours of work
- Parental leave
- Minimum salary
- "Décimo terceiro" a double payment in the last month of the year equivalent to two salaries
- Holidays
- Life insurance

2. Code of Conduct

Our Code of Conduct ensures we promote labor principles through our business, but here we will highlight some actions:

- We regularly review and update our employee handbook, which covers employee benefits and rules, code of conduct, human resources policies, health and safety procedures.
- Our Code of Conduct affirms that all employees are free to join a union if they wish and they cannot be discriminated because of this.
- As stated in Brazilian law for companies, Pantys does not use any kind of forced or compulsory labor.
- As stated at the Brazilian law for companies, Pantys does not use any kind of child labor, all the employees are over eighteen years old.
- Our Code of Conduct highlights that we do not tolerate any kind of discrimination towards gender, race, age, social background etc.
- The human resources team work on actions to reduce the inequality social gap for minority groups: we have developed the "antiracist handbook" - a handbook covering laws and initiatives to promote racial diversity in the company.
- We are an equal opportunities employer with regards to both our employees and recruitment processes.
- All permanent employees have access to a range of wellbeing services including private health insurance.

3. Supplier Code of Conduct

Our Supplier Code of Conduct ensures we promote the labor principles through our supply chain, but here we will highlight some actions:

- Our Supplier Code of Conduct affirms that all employees should be free to join a union if they wish and they cannot be discriminated because of this.

- Our Supplier Code of Conduct highlights that we do not tolerate any kind of discrimination towards gender, race, age, social background etc.
- As stated at the Brazilian law for companies, we do not tolerate suppliers using any kind of child labor, all the employees must be over eighteen years old.
- As stated in the Brazilian law for companies, we do not tolerate any form of forced labor, all employees must be properly paid and have the right to choose or not to perform a job.

4. Educational and Empowering trainings

We promote monthly training to in order to educate and empower our employees about important themes, here we will highlight some examples of training themes we promote through the year:

- Sustainability
- Pantys & Certifications
- Women's Health and Sexuality
- Women's basic Nutrition Guide
- Transparency and Work relations
- Financial Independency
- Mental Health and Wellness

5. Health Insurance

Relevant Results

- 92% women workforce company
- 14% black community workforce
- The Health and Safety questionnaire is reviewed every month.
- All of our employees have access to health plan insurance through the company
- There is no investigation or ongoing process related to workers law

Section 5: Environment (Principles 7, 8 and 9)

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Approach:

Pantys mission is to improve women's health and the planet's health. Sustainability is a big pillar of our company and since day one we have been taking actions to generate the most

positive impact as possible for the environment. The main areas of work to ensure our environment performance is improving, is looking at our product development area and internal process to learn how we can make it even more sustainable. Another important point is to engage our stakeholders (employees, customers, suppliers and business partners) with sustainability education, therefore we can have an even bigger positive impact on the planet.

Actions

1. Biodegradable fabrics

At Pantys first year anniversary, we changed the fabric of our products to a biodegradable fabric, it means that when the panties are disposed of at landfills, it takes at most three years to decompose.

2. Recycled packaging

Our packages are made of recycled materials, both e-commerce and stores packaging. We have a partnership with a Brazilian company (eureciclo) that offsets our plastic and paper production by recycling the same amount of it in different regions of Brazil.

3. Carbon Neutral Label

In August 2020, we have created the first carbon neutral label at Brazilian fashion industry. In a partnership with WayCarbon we have developed the carbon life cycle assessment of each one of our products and communicated its carbon footprint through a label in the packages and the products webpage. We offset 100% of our carbon footprint through three programs: the protection of an area of the Amazon forest, investing in wind power generation and transforming methane to oxygen in landfills

4. Educate our customers towards sustainability (waste calculator)

We are committed to bringing more sustainability information to the customer daily routine, for this reason we often create marketing campaigns providing sustainability tips. Another important tool developed by Pantys is the waste calculator, in which the customer enters his/her personal information and as a result the calculator shows how many single use tampons and money they have already used and how many they can save from now on.

5. Sustainability for Employees: Monthly sustainability challenge and goals to reduce water and energy use

We believe that the information about sustainability should be also incentivized inside the company, with our employees. That is why we have created the sustainability challenge, a challenge related to sustainability (reduce consumption of meat, reuse old clothes) in

order to empower our employees about sustainability topics. Another action is monitoring our consumption inside the company and setting specific goals (reduce 5% of energy and water consumption) to the whole team.

6. Tracking Sustainability through the supply chain: Supplier Survey

We take responsibility for the whole life cycle of our products, consequently the close contact and tracking of environmental performance is essential for our selection and partnership with selected suppliers.

Relevant Results

- There is a total of zero judicial processes, fines or investigations related to environmental performance at Pantys
- The supplier annual questionnaire is reviewed every semester
- 100% of products sold in 2019 are carbon neutral and plastic neutral (we offset it)

Section 6: Anti- Corruption (Principles 10)

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Approach:

With a large variety of stakeholders and a vast supply chain, it is necessary that we take actions against any form of corruption, in every part of the supply chain, that is why our employee and supplier code of conduct emphasizes the importance of transparency and accountability in business, considering every step of the supply chain.

Actions:

1. Employee Code of Conduct

Our Code of Conduct highlights the importance of transparency in our acts and covers corruption as something we do not tolerate. The code of conduct outlines our rules for how we deal with areas of risk related to corruption, covering the following topics:

1. Corruption
2. Bribery
3. Gifts and Favor
4. Indirect Corruption or Bribery
5. Being open and clear on the communication

2. Supplier Code of Conduct

Our Suppliers are chosen on rigorous criteria of transparency performance, answering an annual questionnaire about the company's improvements towards it. Our Supplier Code of Conduct highlights the importance of transparency and covers corruption as something we do not tolerate, here we will highlight some important areas we cover when it comes to the company's relationship with suppliers:

1. Corruption
2. Bribery
3. Gifts and Favor
4. Providing clear financial information

3. Corruption Risk Assessment

We have conducted an ongoing Corruption Risk Assessment where we analyze the potential risks of any form of corruption in all phases of the value chain and evaluate if the risk is high, medium or low and which actions the company has to battle this kind of corruption. It is an important tool since we can always add potential risk and improve our action to battle it. Our goal is to have this assessment certified by an external audit.

4. Governance training (ethics, corruption etc.)

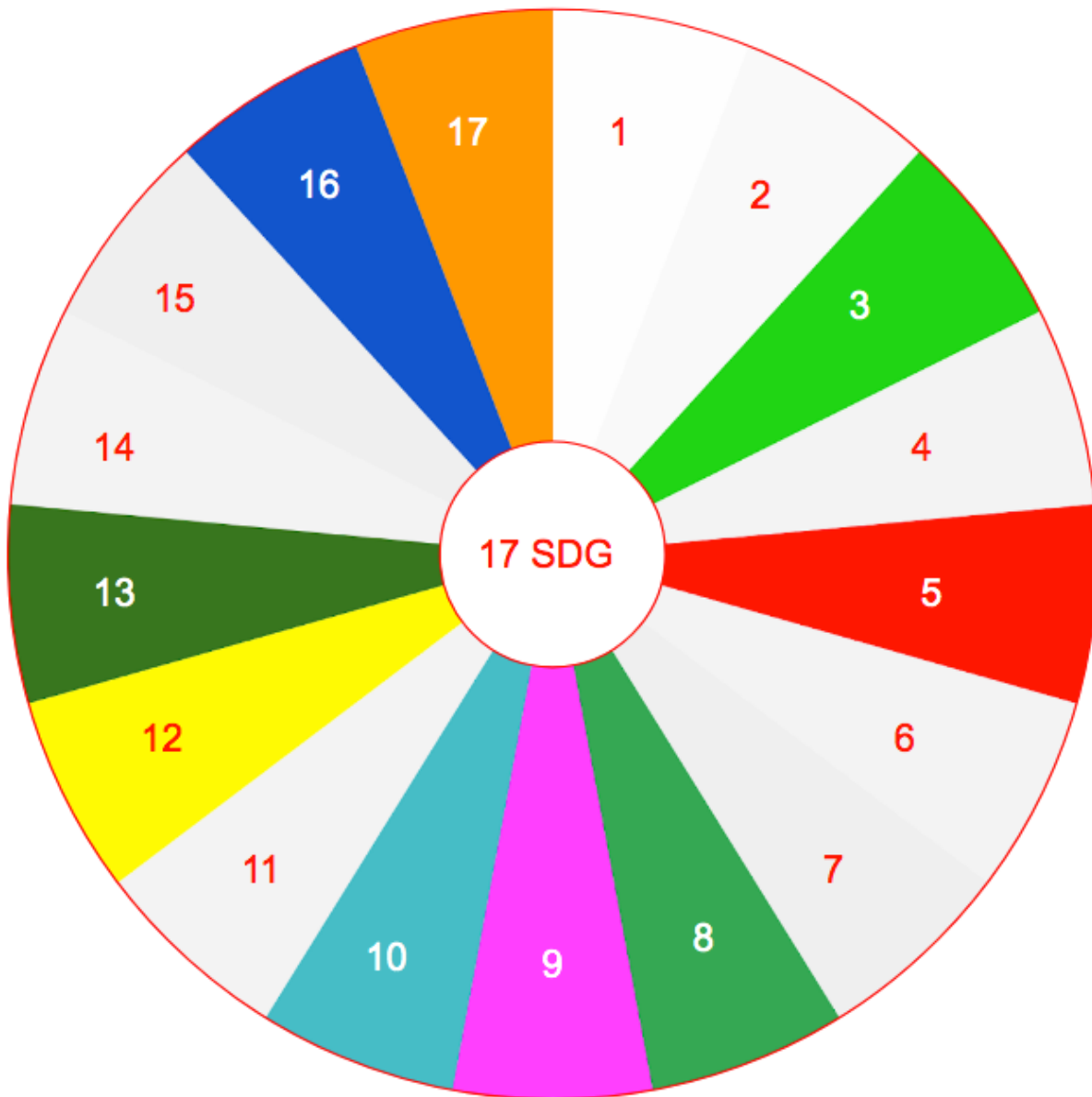
Measuring Results

- The Corruption Risk Assessment is reviewed every month, therefore new ways to mitigate corruption can be implemented
- There are a total of zero judicial processes, fines or investigations related to corruption at Pantys

The 17 Sustainable Development Goals

At Pantys, we firmly believe that the seventeen sustainable development goals are a guide on social, environmental and economic scope to be followed, for this reason we have developed some projects and actions that meet the SDGs. In this section we will review some of the ongoing projects that are directly connected to the SDGs and next goals.

Directly related projects



Goal 3: Ensure healthy lives and promote well-being for all at all ages:

The mission of Pantys is to promote health to the planet and to women in society, it highlights that the SDG 3 is directly connected to our business and we are always investing in initiatives related to it. Here some highlights of 2020:

In 2020 we became the first absorbent underwear brand in the world to be clinically and gynecologically tested and approved.

In Brazil, many women do not have access to menstrual education, for this reason we created the menstruation portal: a website page where we share information about sexuality, women's health, menstruation cycle etc.

Goal 5: Achieve gender equality and empower all women and girls

Gender Equality is the SDG which is most connected to our business because our product and brand directly connects with it, therefore we always create innovations to empower women:

Donation Program

In 2019 we started the donation program, which for every picture posted on Instagram tagging our products, we donate a period panties for a woman living in vulnerable conditions, it is a very special project and since 2019 we have donated more than 1500 panties to different groups: indigenous communities, teenage girls at school, healthcare professionals fighting covid-19 etc.

Financial Independence

In partnership with Finanças Femininas (Feminine Finances) we have developed a program to bring basic financial education to women, in a series of videos available on our social media, she explains about topics like how to save money, handle your own bank account, in order to bring economic independence for women.

Education

We know that as a brand we have a voice and we want to use it as a positive influence to our community, that is why we have created a blog where we can share posts about black communities, self-love, body positive and interesting indications of books to educate ourselves.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Good working conditions are a human right and corporations must follow the laws to promote a safe and inclusive working environment for all employees. At Pantys we promote an equal working place, with educational trainings for all employees, respecting all working Brazilian laws and our employee code of conduct, as it was mentioned before.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Pantys changed the feminine hygiene market through innovation, since our foundation we have been product innovation oriented and our mission is to offer the best product for women's health and planet's health. For this reason, we have achieved some product advancements through the year:

Amni Soul Eco

Biodegradable fabric Amni Soul Eco: in 2018 we have changed the fabric of our panties to a natural and biodegradable one,

Peta - Approved Vegan:

Our product and process are completely vegan and cruelty free, therefore we received the Peta - approved Vegan certification for the product.

Carbon Neutral Label:

In 2020 Pantys released the first carbon neutral label of the fashion industry, a label for each one of our panties that communicates the carbon footprint in each step of the product life cycle, we now offset all carbon footprint of all products.

Goal 13: Take urgent action to combat climate change and its impacts

Our carbon offset programs help focus on biodiversity, regeneration of land, and renewable energy sources.

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

We are committed to a responsible social and environmental production process through the supply chain, for this reason we ensure the supplier code of conduct is being followed every year with a visit in each of our suppliers, we also track environmental initiatives and performance through our annual questionnaire, with the goal to achieve the best positive impact possible through our production process.

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

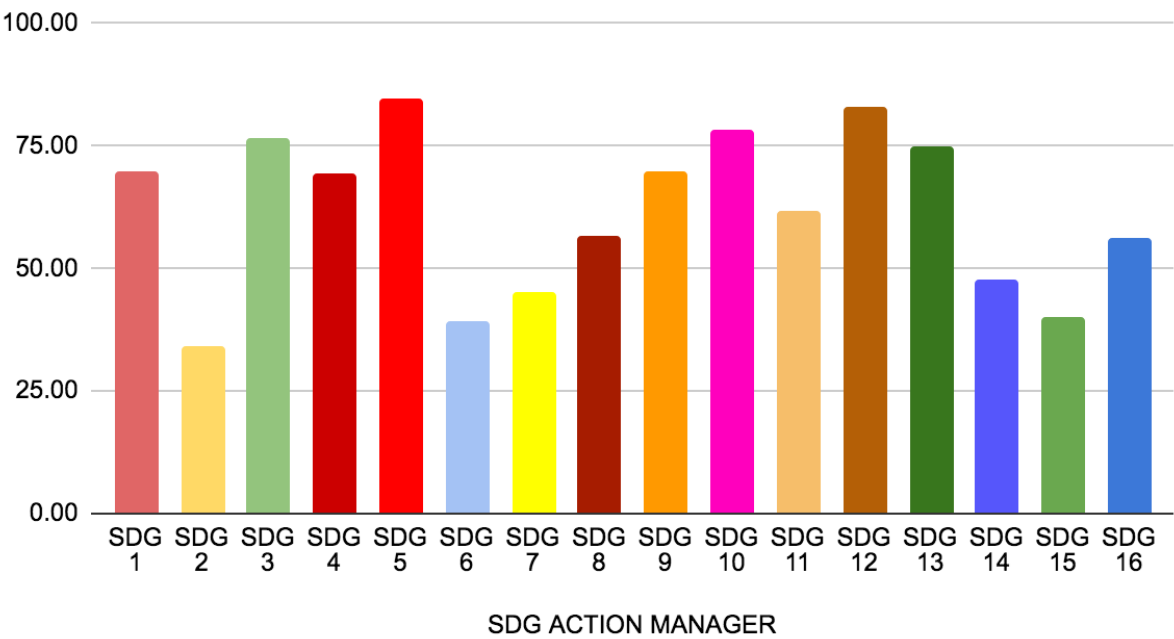
It is very important to measure the impact of our work and initiatives, for this reason we sign or partner with companies that can push us to doing better every day. It is an honor to be a signatory company of the UN Global Compact, Women Empowerment Principles and a B Corp, maintaining our Impact Assessment Score above the average in the segment and improving every year.

Next Goals

Pantys Impact Score through SDG Action Manager

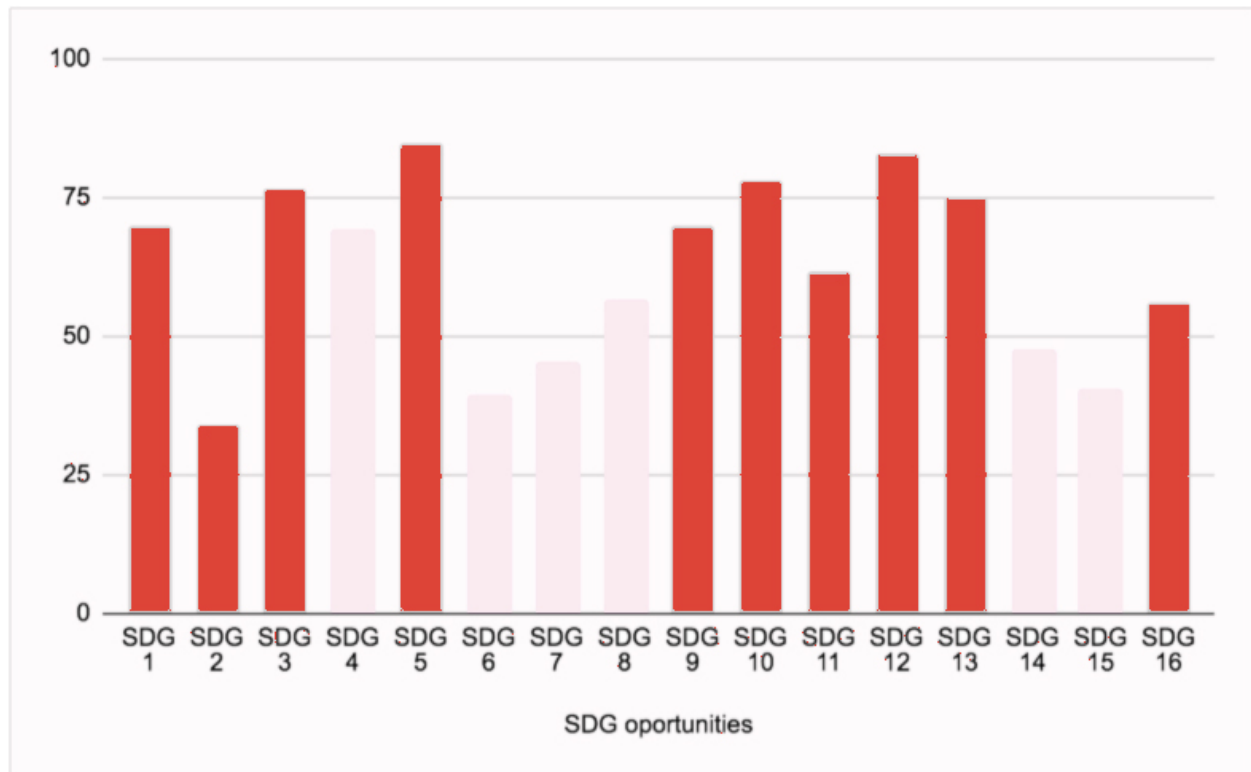
As a B Corp and UN Global Compact signatory, we had the opportunity to take the online questionnaire SDG Action Manager, which provides a performance score related to each of the UN sustainable development goals

SDG IMPACT



Pantys Score

After understanding the improvement focuses areas (the SDG's which we had a score under 75/100) and analyzing which are the ones most related to Pantys actual business model (from a graphic indicating low, medium and high relation to the company's business plan, we developed future goals for the next two years in the area of quality education, clear water and sanitation, affordable and clean energy, decent work and economic growth, life below water and life on land.



The goals are:

- Ensure every young girl at school feels confident about their period and have the tools to go through it not missing quality education opportunities.
- Implement reusable water in our distribution center.
- Develop initiatives to promote more transparency and empowerment tools through the supply chain
- Calculating the water life cycle assessment and develop a plan to reduce water consumption in our production process.
- Ensure we empower our community towards water and land biodiversity.

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