

GYRE BV – EVERLESS – Communication on Progress (COP)

Period covered 20.07.2020 to 20.07.2021

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

Please use the box below to include the statement of continued support signed by your company's chief executive

July 15, 2021
Amsterdam, Netherlands

To our stakeholders:

I am pleased to confirm that EVERLESS reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. The Ten Principles of UN Global Compact are leading in our business decisions. We adhere to the SDG's in general and in particular focus on #5, #8 and #12.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Joost De Muinck Keizer,
CEO and Founder EVERLESS

2. GENERAL

Needless to state that this period of reporting 2020-2021 has been an unprecedented time. As said in our last year's report, the challenging times also offer a unique opportunity for radical change. To act on this moment is key, now is the time.

The SDG's offer a comprehensive and clear path towards sustainable growth. We have used this time to reflect on the SDG's as a whole and to prioritize several SDG's as key for us. We have chosen #5 (Gender Equality), #8 (Decent Work & Economic Growth) and #12 (Responsible Consumption and Production) as main focus for our company. These key SDG's are guiding in our current and future

business decisions. We have chosen these SDG's because we think these are the ones where we can realize a real impact, and by our business and actions influence directly.

The very reason we founded the impact startup EVERLESS, is to make a massive impact on minimizing single use plastic pollution. So it is inherent in our DNA that we do everything in our power to be as sustainable, fair and transparent in every aspect of our business as we possibly can be. The very reason of our existence is to make a sustainable impact. This is what we fight for every day. This can be challenging at times for SME's like us, as we rely on partners around the globe to support our goals. Our partners are SME's, and we have chosen them after visiting and assessing their factories and on recommendation of Dutch government.

The way we work and the terms under which we do so, are ever more important. Both consumers and businesses are looking more for the *why* and the impact behind the work and products we develop and offer. EVERLESS aims to maximize wellbeing for both consumers and the environment, both short and long term and at the same time to minimize impact on the environment. Also, we aim to be an actor in 'educating' the consumer by communicating in transparent way on our products and way of doing business. This supports consumers to make informed sustainable choices. Not only in the Netherlands where our company is based, but globally. The SDG's give us the tools to bring our vision alive and create a common language. At the same time a cool design in combination with practical functionality will stimulate consumers to actually use the bag every day.

EVERLESS is committed to implementing the United Nations Sustainable Development Goals (SDGs) at the local level and has installed an indicator working group to support the SDG implementation process while our startup company is scaling.

Coinciding with the installation of a National SDG Commission, a SDG-Indicator Working Group (SDG-IWG) is installed in September 2019 and is a joint effort between employees, collaborators, and all stakeholders we work with, to inform them about the steps we are planning to take to implement the SDG's. There are many areas in which EVERLESS already produces the SDG indicators on a local level. The main challenge that remains however is addressing our overseas supply chain partners.

By streamlining efforts and with strong collaboration, EVERLESS can reach its objective of monitoring and harmonizing its process.

With the adoption of the 2030 Agenda for Sustainable Development, EVERLESS has identified monitoring and evaluation as an important tool to foster sustainable development. The SDG agenda states the international community's realization of the need to move away from 'business as usual' to a local, regional and international support for a process that enhances the business' capacity to implement the SDGs; data and statistics being imperative to effectuate this agenda.

According to the 2030 Agenda¹, follow-up and review processes at all levels will be “rigorous and based on evidence, informed by business-led evaluations and data which is high-quality, accessible, timely, reliable and disaggregated by income, sex, age, race, ethnicity, migration status, disability, geographic location and other characteristics relevant in national contexts.”

To meet this demand, our CEO has set specific hours to invest how EVERLESS can maximize impact on a local and global level and meet the SDG standards in 2030, creating optimal synergy to the implementation process.

3. DESCRIPTION OF ACTIONS

As a start-up we are learning along the road, we learn from others and by doing. At the same time, being small offers a unique opportunity to lay the foundations for an integrated approach. In our supply chain, we preferably work with smaller partners, with whom we can be in direct contact. We co-develop the products, exchange expertise and knowledge, and help each other to grow and improve. The SDG approach is new for some of our partners. We first need to explain the importance and also the ensuing long-term gains for all parties involved. We realize this is not done overnight and will take time and patience. Needless to say, we intend to establish long-term relationships.

Human Rights

- in our social media campaign we actively communicate topics on human rights and gender equality.
- our manufacturing partners run decent businesses, adhere to local laws, and offer a safe and healthy working environment with equal opportunity, equal pay.

Labour

- we have visited most of our manufacturing partners in 2019 and have done due diligence on labour conditions (pay, working hours, access to sanitary facilities, lunch breaks, social security systems, zero tolerance in forced labour or child labour etc).
- strict commitment to local labour laws.
- we have chosen our manufacturing partners based upon recommendation by official representations like the Consulate of The Netherlands and/or other contacts.
- we hope to be able to visit our manufacturing partners again in 2022 (2020-2021 impossible due to Covid restrictions). Meanwhile we are in direct (phone, skype) contact with our manufacturing partners.

Environment

- our company has been founded with the very purpose of reducing impact on the planet by minimizing single use plastic. We support consumers in making educated choices.
- we continually balance the need for less products (hence Everless !) and at same time products with a longer lifecycle. Our choice of materials is guided by this dual need. This means that we choose the material for our bags that ensures the desired durability. This means that for now a virgin material is preferred over a recycled version.
- we continue in 2021 our search for a recycled material that ensures durability and function for the textile part. The casing part is made from sustainable material.
- Across the world, the need to eliminate single use plastic bags has gained top priority. The Everless bag presents a durable alternative and is reusable endlessly. See below for several observations re single use plastic bags.
- In Japan, in 2020, in an effort to discourage use of single use plastic bags, the government has decreed that consumers need to pay for a single use plastic bag. Everless has launched a successful campaign in Sept-Nov in Japan offering the Everless bag as a sustainable alternative.
- Everless launched a campaign in USA in 2020 where several States banned single use plastic bags in 2020. However, due to Covid, this ban of single use plastic bags was halted because of sanitary reasons. We of course hope that the measures will be reinstalled post-Covid in 2022.

Several observations re reusable shopping bags:

1. It is estimated to take between 15 and 1,000 years for the average plastic bag to decompose, depending upon the type of environment. A typical landfill environment causes plastic bags to just sit for decades or centuries with minimal breakdown.
2. Up to 1 million birds, 100,000 turtles, and many other sea animals die annually from taking in plastic bags. Animals can confuse floating bags with sea life to eat, such as plankton and jellyfish. Once they eat it, the plastic clogs up their digestive tract. The animals typically starve to death. Other animals may drown after they are entangled in plastic bags.
3. The cost of recycling plastic bags is relatively high and many recyclers will not accept them. Plastic bags are commonly discarded into landfills. It is estimated that only 2% is recycled.
4. A consumer can use a reusable shopping bag for years and never throw them away. They can be washed and reused. They are stronger than single use plastic bags.
5. The Danish government has done an LCA on shopping bags comparing various materials (cotton, polyester, PP).
<https://www2.mst.dk/Udgiv/publications/2018/02/978-87-93614-73-4.pdf>
6. Important is to note that reusing the same bag is key. There is no point in having 100s of bags. Cool design combined with practical functionality will invite consumers to use their bag with pride and care. Everless offers just that.

Anti-Corruption

- our Asian manufacturing partner is actively involved in our manufacturing process from technical product development phase to final product, and present in the factory. Communication lines are direct and short. Regular visits were scheduled. Unfortunately, Covid did not allow us to visit in the past 16 months. We hope to visit in 2022.
- we have a personal relationship with our injection molding factory and have visited many times.
- Scaling our production volumes, also will allow us to work with larger manufacturing partners, who will have checks and balances integrated and certified.

3. Conclusion

This work is never finished and ever-challenging. We diligently continue to integrate and implement the SDG's in our systems, in our way of doing business and in our supply chain partners. We look forward to continually improve our product itself, collect data, communicate in a transparent way and educate consumers so they can make informed sustainable choices. We hope to contribute to the end of single use plastic.