

MADE-BY principles [®]

1. MADE-BY Vision: a mainstream approach

The social and ecological problems in the global fashion industry (1.000 billion consumer turnover in 2000), such as sweatshop labor and use of dangerous chemicals and pesticides, require an effective solution. It is unacceptable to MADE-BY that beautiful clothes are made under harmful circumstances. The vastness of the fashion industry makes that the answer lies not in approaching a niche market of consumers that explicitly buy sustainable fashion. Only by engaging the mainstream industry and fashion brands in a corporate social responsibility approach, enough leverage can be achieved to really impact production circumstances. MADE-BY aims to build a coalition with suppliers, brands and NGO's that is active on an international platform.

The bulk of consumers will not buy clothes because they are responsibly made, but because they fit their style. MADE-BY does believe however that consumers do appreciate a garment which is responsibly produced. In this way, production with respect for people and planet offers a fashion brand added value, without playing a dominant role in the positioning of a brand.

For MADE-BY it is crucial to address the whole supply chain, from raw material to garment. We also believe that, to truly achieve sustainable production, both social and environmental circumstances should be addressed. The norms that are used to define and achieve sustainable production should be independent and internationally acknowledged.

Transparency is crucial to MADE-BY. Being open about a company's activities is the starting point for improvement of processes and production throughout the chain. It shows the brand is actually taking responsibility for its supply chain. By opening the door to the production process and the people in it for the consumer, MADE-BY shows the personal side of fashion production and aims to create greater involvement from the public.

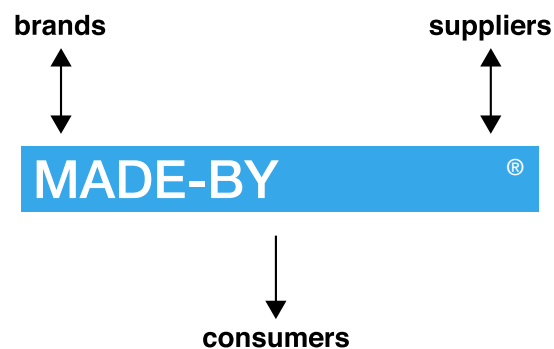


Figure 1: MADE-BY environment

2. MADE-BY Mission: enlarging the market for sustainable fashion

MADE-BY strives to enlarge the market for sustainable fashion.

3. MADE-BY Long Term Strategy: engaging fashion brands to approach the consumer market

MADE-BY stimulates the production and consumption of sustainable fashion by making sustainable produced fashion available to the consumer. To reach the consumer, MADE-BY engages and supports fashion brands that take responsibility for and are transparent about the social and ecological circumstances of their supply chain.

Hereto MADE-BY will:

- actively approach fashion brands to become a MADE-BY licensee and improve their products' sustainability (marketing/sales task);
 - A process approach is followed: the brand becomes a MADE-BY member right away and improves continuously over the years. Progress is checked by MADE-BY. Improvement efforts are focused on key-suppliers.
 - MADE-BY uses the Dutch market as a base and pilot market. From there, expansion to other European markets will take place.
- build a network of certified sustainable suppliers from raw materials to end product to offer to licensees (producer development task);
 - The MADE-BY norm for social responsible production is SA 8000 certification for garment suppliers. FWF verification is accepted as an alternative next to SA 8000.
 - The MADE-BY norm for ecologically responsible production is organic cotton for cotton items. Wet processes policy is being developed, suppliers are required to give openness about chemicals used and waste water disposal. Ecological policy for other materials such as leather and wool is being developed.
- offer tools and guidance to help brands increase their supply chain transparency and ensure responsible sourcing (supply chain management task);
 - Implementation of a track & trace system at garment suppliers and organic cotton supply chains to obtain transparency throughout supply chains.
 - Clear action plans will be made and evaluated yearly together by brand and MADE-BY to plan and monitor the improvements.
- create consumer preference in the market for fashion produced under the MADE-BY label (communication task).
 - MADE-BY acts as a shadow label: product and brand come first, MADE-BY message is supportive.
 - To increase credibility, progress and improvement results will be communicated to the consumer. The consumer will also be able to view the supply chain for products.
 - Fashion produced under the MADE-BY label has to become visibly recognisable on the shop floor.

All MADE-BY activities are carried out on a not-for-profit basis. Market demand is the starting point in MADE-BY strategy and activities. MADE-BY activities should not hurt the commercial position of the companies involved (brands and suppliers). Therefore, MADE-BY will always fit improvement actions into the existing business frame.

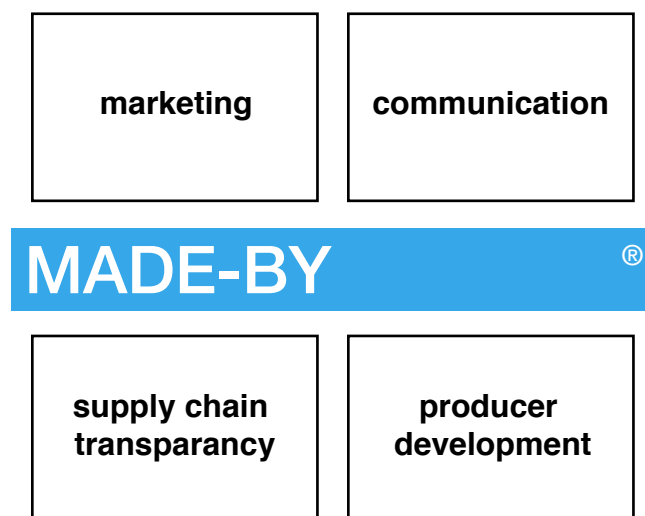


Figure 2: MADE-BY task fields

4. Consumer Product

The MADE-BY product is a consumer product, namely:

‘The added value that a fashion product is made with respect for people and planet.’

5. MADE-BY Value Proposition: value for consumers, brands and suppliers

5.1 Value for consumers: regular products made with respect for people and planet

- An independent recognisable label.

The MADE-BY label gives a consumer the assurance that a brand produces with respect for people and planet to its best efforts. The label is independent, not a marketing tool or an advertising text of the brand that carries it. The consumer knows that all brands with this label are laid along the same standard and are working on continuous improvement basis.

- Availability of responsibly produced products.

MADE-BY offers the consumer the opportunity to buy sustainable, without compromising taste or style. The mainstream approach ensures that sustainable fashion is now available in a style that fits any customer.

5.2 Value for brands: independent shadow label with integrated approach

- Clear and active market communication with the MADE-BY shadow label.

The MADE-BY label offers brands a clear and recognisable communication tool to the consumer. MADE-BY acts as a shadow label. It stands besides or behind the brand label to support it. MADE-BY actively approaches the market, seeking publicity for the MADE-BY label in order to create broad consumer preference.

- MADE-BY offers an independent license to operate.

MADE-BY uses existing independent social and ecological certificates that are audited by professional independent companies. The MADE-BY label offers the consumer an independent assurance that a best effort is made to render the whole supply chain of a garment sustainable.

- Tangible tools, advice and expertise.

By participating in MADE-BY, brands get direct access to the sustainable supplier network, as well as to the track and trace tool, used to obtain transparency through the supply chain. MADE-BY also offers personal guidance, advice and works together with the brand to achieve a sustainable supply chain. By joining forces with other brands in MADE-BY, more leverage towards suppliers can be achieved and costs as well as experiences can be shared.

- MADE-BY is an integrated approach.

MADE-BY integrates the social aspects as well as ecological aspects, in both agricultural as manufacturing stages, into one label. With the membership of MADE-BY brands ensure that they will address production circumstances throughout the whole supply chain, in all aspects.

5.3 Value for suppliers: support, a better profile and access to brands

- Certification support.

MADE-BY can assist suppliers in applying for and achieving social or organic certification. As a starting point, MADE-BY will carry out a base scan in which the status quo and the gap to fill are determined. In the process towards certification, MADE-BY can assist with advice and expertise, as well as with its extensive network of specialists if needed.

- Access to brands.

The growing MADE-BY network targets the European market and includes brands that have showed commitment to improving production circumstances in their supply chain. These labels are able and willing to pay a premium for clean production.

- Help in sourcing organic cotton.

By means of the MADE-BY supplier network, that contains farmers, ginnerers and spinners as well as fabric suppliers and sewing facilities, MADE-BY is able to assist suppliers in sourcing various sorts of organic cotton and organic cotton products.

- Social Responsible profile.

By participating in MADE-BY, suppliers gain a demonstrable good track record in social corporate responsibility. This is a definitive advantage in the market when doing business with international customers. The independent certificates that are endorsed by MADE-BY are recognised internationally. The SA8000 certificate that is the MADE-BY standard also covers the requirements of any other social certificate.

