



A Year In Review

The apparel industry is one of the world's largest contributors to pollution, from the chemical dying of textiles contaminating water, to the release of CO2 into the atmosphere and microplastic pollution in our oceans. We believe beautiful clothing and a beautiful planet shouldn't be mutually exclusive, which is why we started our LILYSILK Zero Waste Movement project, advocating for zero waste, zero scraps and zero leftover inventory.

# Zero Inventory

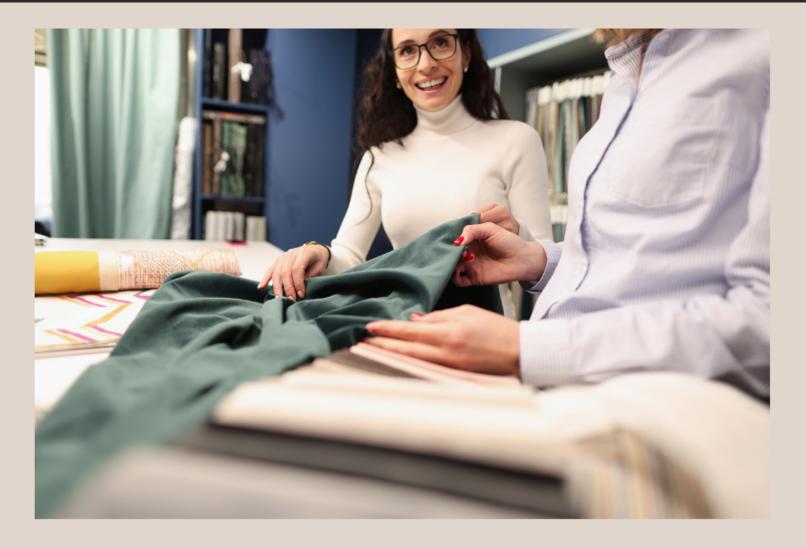


## What Is LILYSILK "Zero Inventory"

LILYSILK's "zero inventory" model is our promise to customers and the planet to provide sustainable silk products. After the customer places the order, our manufacturing facility produces their garment within 48 hours, and ships the package through express delivery with an average of just 2-3 business days to reach the destination.

To ensure each garment is made efficiently, our enterprise resource planning (ERP) system transfers the garment data to our automatic precision fabric cutter, which can cut fabric pieces in under one minute. From there, the fabrics are sent to our production team where each individual barcode is scanned through an app to create custom sewing instructions.





### Why Zero Waste

The average production of a garment will generate 25% waste since the remaining material cannot be reused to make full-sized garments after cutting. This waste can add up to over 5.6 tons of leftover fabric in a single year.



#### What We Do

However, using our Zero Waste method, we are able to convert this 5.6 tons of surplus material into additional silk products including approximately 8,000 eye masks and 6,000 protective masks.



5.6

tons of surplus material into additional silk products



8000

eye masks are from surplus material



6000

protective masks are from surplus material





## Why Zero Scraps

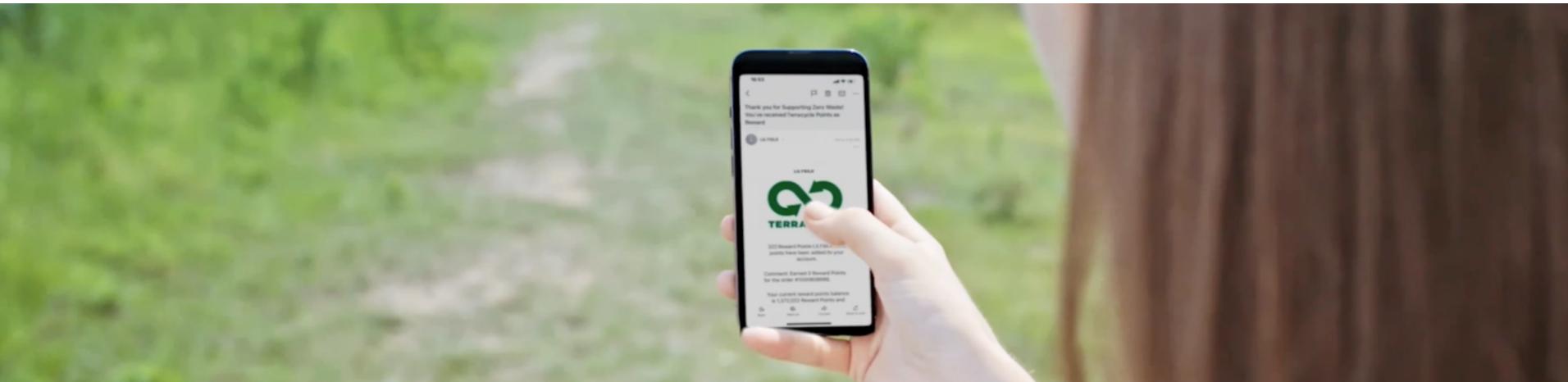
In the United States, the average adult throws away approximately 70 pounds of clothing each year, 95% of which could be recycled for another purpose. To address this issue, we partnered with TerraCycle®, allowing customers to recycle their clothing and give it a second life that benefits communities.

CHECK OUT OUR ADVICE FOR MAINTAING AND LENGTHENING THE LIFESPAN OF YOUR ITEMS.

### What We Do

In just half a year, over 165 pounds of LILYSILK fabrics were successfully recovered, with over 440 pounds of clothing expected to be recovered by the end of this year, and hopefully 4500 pounds by end of 2023. This recycling program is an exciting opportunity for LILYSILK customers to enjoy their silk products for years to come, while also ensuring the long-term protection of the planet.





Improper packaging contributes to large amounts of waste and environmental pollution. That's why, in addition to our fabrics, LILYSILK's packaging is also created with sustainability in mind. In 2022 we made 99% of our outer packaging degradable, with the goal of achieving 100% degradable packaging next year.





# Eco-Friendly Packaging

In addition, we've simplified our packaging, converting our conventional box packaging into paper bags. Doing so has allowed us to reduce our paper usage by 78.2 tons in 2022, saving the equivalent of 148 trees.



