SUSTAINABILITY REPORT 2020

FASHION FAMION F

BESTSELLER



2020 SUSTAINABILITY **HIGHLIGHTS**

JACK & JONES' Low Impact Denim (LID)
products now account for approximately
15 percent of the brand's denim production and this year JACK & JONES

further tightened the requirements for when a product can be categorised as LID.

We trained all our buyers and designers in circular design principles through workshops and online training and several of our brands have included circular styles in their collections.

We have set **greenhouse gas reduction** goals in line with the Paris Agreement and a 1.5°C pathway through the Science Based Targets initiative (SBTi).





of our total cotton consumption in 2020 was sourced more sustainably with organic cotton accounting for 23%.

76%

of NAME IT's cotton was sourced from organic sources in 2020, while SELECTED and Y.A.S achieved 67% and 66%, respectively.

Together with CYCLO, BESTSELLER has developed a **closed-loop system** in conjunction with our biggest jersey supplier in Bangladesh

– GMS Composite Knitting. CYCLO recycles our brands' own cutting scraps to make useable cotton yarn and fabric.







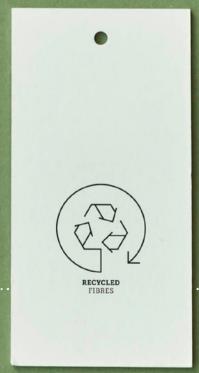
We increased our use of more sustainable man-made cellulosic fibres from 11% to 34%. Our biggest contributors were VERO MODA and ONLY, who respectively reached 54% and 32% of their total supply.

Our **recycled polyester** use accounted for 10% of all polyester sourced. SELECTED and Y.A.S increased their recycled polyester consumption to respectively 33% and 25% of their overall supply.

As a member of ACT, we have actively participated in setting industrial structures and mechanisms for **enhancing social dialogue and freedom of association** in the global textile supply chain.

suppliers completed a
Higg FEM assessment,
representing 86% of our
supply chain by value (tier 1 and 2). 96
suppliers' results were verified, with
an average score of 51, improving on
2019's average score of 45.

We launched **Our People's Voice** – our employee engagement survey – and achieved an engagement score of 79, which is seven points higher than the external global benchmark.



By the end of 2020, HERproject[™] programmes had reached 81,975 people in BESTSELLER's supply chain. The launch of HERessentials to combat COVID-19 was intergral to this progress, which saw us achieve our Fashion FWD goal of reaching

100,000 workers in March 2021.

Our brands VERO MODA, OBJECT and SELECTED became some of the first fashion brands to produce garments at market scale from **Renewcell's fibre Circulose®**, which is made from discarded textiles, such as production waste and worn-out garments.



A MESSAGE FROM OUR CEO & OWNER

As we look back on 2020 and reflect on a momentous year, it is striking – for all the talk of 'a new normal' – how much the values that define BESTSELLER remain relevant. Honesty, loyalty, a strong work ethic, a willingness to cooperate and an inquisitive mind – all of these factors are as important today as they were when BESTSELLER began almost half a century ago.

While the initial shock of COVID-19 has worn off, our industry – like global society – continues to grapple with massive challenges related to the virus. The textile supply chain remains seriously disrupted. While we have adapted quickly to the market, allowing us to continue submitting orders and help keep the wheels in motion at many of our suppliers, we must accept that the effects of the global pandemic will be long-lasting. Our social sustainability work remains as important as ever to foster safe working environments and fair outcomes for everyone in our supply chain.

We never doubted that we would make it through the global pandemic. It was just a matter of how we would manage it in the best way possible. There is no learning experience like a crisis, and in BESTSELLER, we have learned a lot. One of the more important lessons has been that we must accept a certain amount of uncertainty and the best response is to be proactive.

There are a number of similarities between the pandemic and the broad planetary crisis. We cannot build walls strong or high enough, and neither can we run away fast or far enough, to simply avoid the global challenges we are facing – or are about to face. We live in a connected world, which makes contemporary challenges and opportunities so multifaceted that our approach must be collaborative, and our solutions must be holistic. Everyone has a responsibility to do their part. Our actions must be based on the

measurable needs of our planet, which is why we are pleased our climate goals have been approved by the Science Based Targets initiative in early 2021.

With 2021 well underway, we are investing even more time and resources to create a digital and sustainable future for our company. The consequences of depleting our natural resources are becoming ever clearer and even though we do not have all the solutions we cannot allow that uncertainty to paralyse us.

Our sustainability strategy Fashion FWD continues to guide us, and its overall impact will be dependent on us striking the right balance between short-term wins and long-term focus. We must keep an open mind and remain innovative about how we think about our future business, collaborating across our industry and value chain to identify and develop more sustainable solutions. BESTSELLER is committed to adopting and investing in innovation to futureproof our company. The establishment of Fashion FWD Lab in 2020 was a critical step in our innovation work, as it supports innovators and entrepreneurs so they can tailor their concepts for widespread use in the fashion industry.

Markets are continuously changing and our customers' expectations are higher than ever. We have to remain focused on continuously improving and using our business to create positive impact. By staying loyal to our suppliers, business partners and customers, working hard, collaborating throughout our industry and seeking out new solutions, we can build a more sustainable and prosperous future together.

Anders Holch Povlsen

BESTSELLER's CEO & Owner

"We live in a connected world, which makes contemporary challenges and opportunities so multifaceted that our approach must be collaborative, and our solutions must be holistic. Everyone has a responsibility to do their part. Our actions must be based on the measurable needs of our planet."

Anders Holch Povlsen,
BESTSELLER's CEO & Owner

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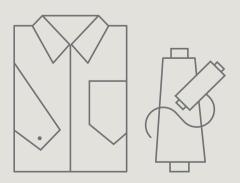


ABOUTBESTSELLER

BESTSELLER is an international, family-owned fashion company with a strong foundation.

Founded by the Holch Povlsen family in 1975, BESTSELLER has always remained true to the family values at its core. We are proud of our origins and we work hard every day to bring people and fashion together to achieve positive results for everyone.

BESTSELLER has a global reach, with products for men and women of all ages. From clothes to accessories, BESTSELLER brings fashion to our customers across the world. Our brands include JACK & JONES, VERO MODA, ONLY, MAMALICIOUS, VILA, OBJECT, SELECTED, JUNAROSE, Y.A.S, NOISY MAY, PIECES and NAME IT.



BESTSELLER AT A GLANCE

70 markets

2,600 branded chain stores

17,000 people

15,000 multi-brand and department stores

24.1 billion DKK net turnover 2019/20



BRINGING FASHION FWD UNTIL WE ARE CLIMATE POSITIVE, FAIR FOR ALL AND CIRCULAR BY DESIGN

At BESTSELLER, we want to make our company and our industry more sustainable, so we can help create the kind of future we all need and safeguard the world we live in. We are embracing change because the challenges we face are diverse, complex and considerable.

As a significant actor in the global fashion industry, BESTSELLER is well-positioned to take responsibility, do our part and create genuine change. Our approach is a holistic one where we work to integrate sustainability into all elements of our business. By embracing innovation,

mitigating risks and increasing transparency, we can future-proof our company and inspire positive social, economic and environmental progress.

To help us chart our course we have developed our North Star: Bringing Fashion FWD until we are climate positive, fair for all and circular by design. This is our ultimate ambition – a guiding light for our Fashion FWD strategy and our future sustainability efforts, as we strive to become as sustainable as possible, as soon as possible. We are convinced that we need to outline our chosen destination, so we can plan the route to get there. We need to operate our business ethically, produce our products responsibly, build a resilient supply chain, greatly respect everyone involved and provide value to our stakeholders. We will continue to accelerate each year and we will not stop until BESTSELLER has achieved its ultimate ambition.

"Sustainability is increasingly
a part of how we see ourselves
at BESTSELLER and this
shift in mentality is critical
to our company's future.
At BESTSELLER, sustainability
means creating long-term
value and prosperity."

Dorte Rye Olsen,
Sustainability Manager,
BESTSELLER.





Climate Positive

Our business will have a positive impact on our planet's climate across our value chain by removing more greenhouse gases than we emit.



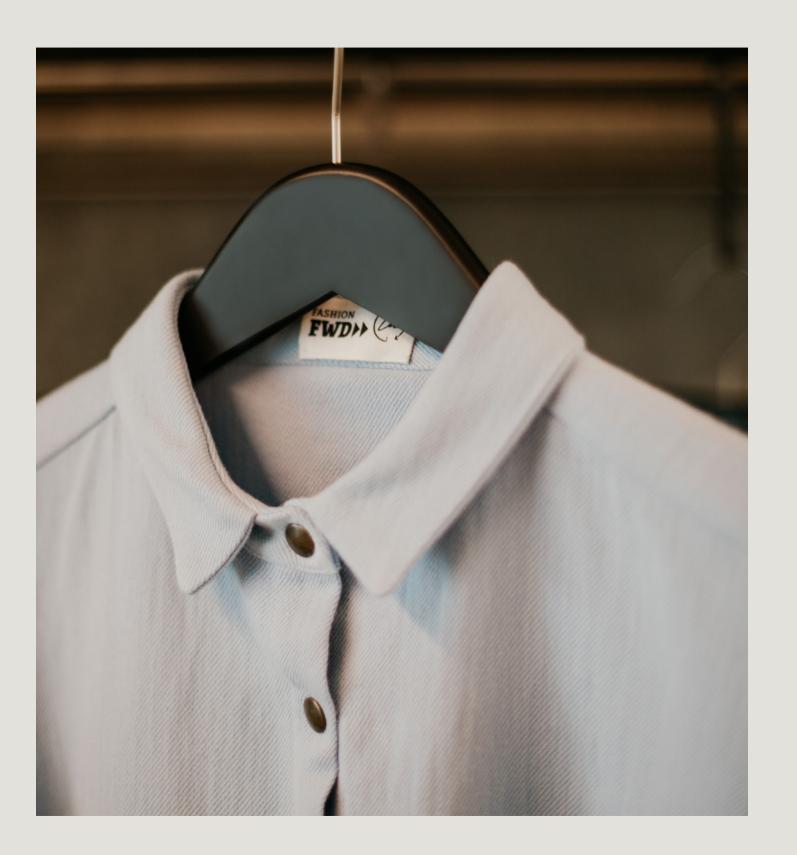
Circular By Design

Our business model will be based on design principles that prioritise efficiency and the reuse of resources at every level, from fibres to water and chemicals to post-consumer, in order to minimise waste and keep resources in use.



Fair For All

Everyone working in our value chain will be empowered by jobs that are safe, that protect human rights and provide fair incomes and opportunities for everyone to reach their personal potential.



As part of our sustainability strategy Fashion FWD, we split our sustainability work into four focus areas: Creating FWD, Making FWD, Engaging FWD and Delivering FWD. Within each of these areas, we have set short and medium-term goals to achieve by 2025, while our holistic approach to sustainability means that some themes cut across the entire strategy.

Creating FWD focuses on the materials in our products, Making FWD relates to the environmental footprint of our operations and supply chain, Engaging FWD sets our direction for social sustainability and Delivering FWD refers to product use, circularity and packaging.

In addition to these four focus areas, our Fashion FWD strategy also underline the central role innovation will play in preparing BESTSELLER for a more sustainable future. The strategy's launch marked the birth of Invest FWD – a sustainable investment platform run in collaboration with BESTSELLER's parent company HEARTLAND.



Our commitment to finding, funding and supporting innovative and disruptive solutions has since been expanded with the development of Fashion FWD Lab – BESTSELLER's sustainability innovation hub.

STAKEHOLDER ENGAGEMENT

At BESTSELLER, we acknowledge that collaboration will be critical to creating a sustainable reality for the fashion industry. Understanding and engaging with our stakeholders is therefore essential. We categorise our stakeholders as those individuals, groups and organisations that influence our business and that we have an impact on. Our stakeholders include – but are not necessarily limited to – colleagues, suppliers, workers, civil society, industry associations, customers/wholesalers, retailers, end-consumers, peers, policy makers and the media.

In practice, we engage with our stakeholders in a variety of ways – from smaller-scale meetings, interviews and workshops to industry-level events and multistakeholder initiatives and organisations. BESTSELLER is an active member of the following industry-wide collaborations: The Sustainable Apparel Coalition (SAC) and the Apparel & Footwear International RSL Management Working Group (AFIRM), the Better Cotton Initiative (BCI), Organic Cotton Accelerator (OCA), Ethical Trade Initiative (ETI) and Textile Exchange (TE), the Bangladesh Accord on Fire and Building Safety (ACCORD) and Action Collaboration Transformation (ACT). (See page 67).



CLIMATE POSITIVE

Our business will have a positive impact on our planet's climate across our value chain by removing more greenhouse gases than we emit.



CLIMATE POSITIVE GOALS





COMMITTED TO BECOMING CLIMATE POSITIVE

As a global fashion company, we have a responsibility to transform our business so that our environmental footprint is in line with the needs of our planet. Some of the biggest challenges our world faces are related to our planet's natural resources and we must rethink the way we consume them throughout our value chain.

BESTSELLER is committed to becoming climate positive through our work in Making FWD, Creating FWD and Delivering FWD. To achieve this ultimate ambition, we must produce and operate leaner, significantly and continuously reducing the energy, water and chemicals we use and the waste we create. Collaboration and transparency throughout our supply chain will be vital to our success, as this is where we have the biggest environmental impact.

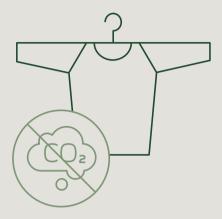
To meet the needs of our planet and remove more greenhouse gases than we emit, our approach must be based on the most up-to-date science and data available. That is why BESTSELLER has set greenhouse gas reduction goals through the Science Based Targets initiative and has committed to the Fashion Pact. We cannot simply set incremental goals – we must find a way to operate and grow our business in line with science.

In this chapter, we will outline our progress with regards to climate impact, energy consumption, as well as other environmental impacts such as chemical and water management in our supply chain.

"The Science Based Targets initiative is the major league for climate targets, and when we set our Fashion FWD ambition to ultimately be climate positive, we knew we had to do it right. The size of our company and our ambitions obligate us to act and push for change, which is why we committed to tackling climate change through science already in 2018."

Anders Holch Povlsen,
BESTSELLER's CEO & Owner

ALIGNING OUR BUSINESS WITH OUR PLANET



When launching Fashion FWD in 2018, a key focus was to commit to a climate strategy with concrete targets to reduce greenhouse gases (GHG). We therefore announced that BESTSELLER had officially committed to setting science-based targets (SBTs) on GHG through the Science Based Targets initiative (SBTi) – a critical step on the way to creating a solid climate strategy and achieving the following goal: By 2020, we will set science-based goals on greenhouse gas emissions.

The SBTi is the leading corporate collaboration for ambitious action on climate change and is focused on helping companies reduce their carbon emissions in line with the Paris Agreement. In 2019, BESTSELLER reiterated its commitment to SBTs and reducing our climate impact by becoming an inaugural member of the Fashion Pact.

While BESTSELLER is already on its way to reducing emissions in its owned and operated buildings through renewable energy and reduction in energy consumption, this only

constitutes around five percent of the company's total GHG emissions (see page 15). The majority of our climate impact comes from scope 3 – our supply chain, the transportation and distribution of our products and the consumer use phase (washing and caring for our products).

2020 PROGRESS & IMPACT

In late 2020, we sent our SBTs to the SBTi for approval to achieve our aforementioned Fashion FWD goal, concluding a year-long project of data collection to set our baseline, analysis to understand our climate impact and subsequent modelling of our targets. Our targeted reductions are based on our baseline year of 2018.

A company's targets can only be validated if they are in line with the Paris Agreement, and BESTSELLER's SBTs were approved in early 2021, as they are aligned with the most ambitious goal of a 1.5°C pathway.

BESTSELLER'S APPROVED SBTs ARE:

BESTSELLER commits to reduce absolute scope 1 and 2 GHG emissions by

50% ¥

by 2030 compared to its base year of 2018*

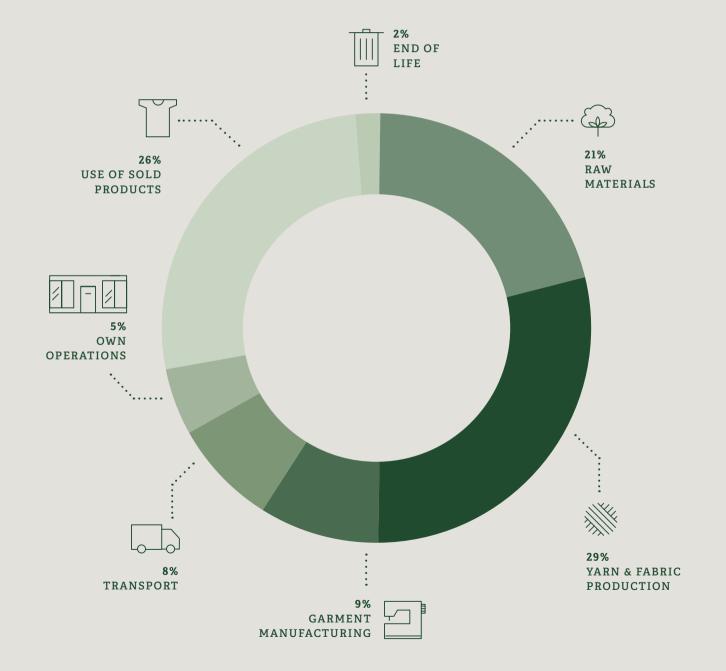
BESTSELLER commits to reduce absolute scope 3 GHG emissions from purchased goods and services and upstream and downstream transportation by

30% ¥

over the same timeframe**

CLIMATE IMPACT 2018

Calculations show that BESTSELLER's total GHG inventory across our entire value chain reached approximately 2 million tonnes CO_2e in the base year of 2018.



95%

of BESTSELLER's greenhouse gas emissions come **exclusively from scope 3**

GOING FORWARD

In the coming years, BESTSELLER will report transparently on its SBT progress. We do not have all the answers yet and we will learn as we go but initiatives are already being developed and internal goals and roadmaps are being adopted to set a direction for how we will reach our overall SBTs by 2030. For example, we have developed a programme, which focuses on reducing energy consumption and carbon emissions in our stores (see page 15), while another programme – known as Environment FWD – is being put together to tackle our supply chain (see page 18). However, our SBTs will require massive internal effort and significant collaboration with our partners if we are to succeed.

Apart from our ongoing work to source more circular and sustainable materials, BESTSELLER will focus on increasing traceability and transparency with regards to the fabric mills that weave, knit and dye BESTSELLER's materials due to the considerable impact related to materials processing. Improving our data management— such as supplier and facility business data improvement and facility energy data verification— will also help us target our efforts.

BESTSELLER is also looking to align our climate targets with Science-Based Targets for Nature – a new concept developed by SBTi that is focused on global water systems and biodiversity.

^{*} Scope 1 (2%) and 2 (3%) include electricity use, heating and cooling of buildings and use of vehicles owned or controlled by BESTSELLER.

** Scope 3 (95%) includes raw material, yarn and fabric production, garment manufacturing, transport, packaging, use of sold product and the product's end-of-life – the extended value chain.

REDUCING OUR DIRECT CARBON FOOTPRINT

At BESTSELLER, we believe that all actors in society must work collaboratively towards a low carbon future for our planet. With our stores, distribution centres, warehouses and offices across the globe, we can reduce our direct footprint with energy reduction targets and renewable energy.

As part of Fashion FWD, BESTSELLER has set two goals related to our direct energy consumption and carbon emissions:

By 2021, our owned and operated buildings globally will be powered by 100 percent renewable energy.

By 2025, our energy consumption in our owned and operated buildings globally will be reduced by 30 percent.

Regarding the first goal, in 2019, we announced a partnership between BESTSELLER's parent company HEARTLAND and renewable electricity provider Better

Energy to build a 200 megawatt (MW) capacity subsidyfree solar plant. This solar plant will produce more than the equivalent of BESTSELLER's entire global energy consumption for owned and operated buildings under a power purchase agreement (PPA) with BESTSELLER.

The solar plant will cover our use of electricity in the European Union and European Economic Area in line with the RE100 market boundary criteria. As BESTSELLER also has owned and operated facilities outside Europe, we are currently looking into sourcing renewable energy to cover these regions.

There are synergies between energy reductions and renewable energy. By sourcing renewable energy, we offset the emissions related to our electricity consumption, and by reducing our use of energy – and thereby decreasing our energy demand – we increase the amount of renewable energy on the market.

2020 PROGRESS & IMPACT

In August 2020, we took a significant step towards 100 percent renewable energy for our owned and operated buildings, as construction of the new solar power facility began in the municipality of Holstebro. It will provide additional green energy to the electricity network when the solar plant is connected to the grid, which is expected to be in 2021.

BESTSELLER made a number of important changes to our E-Commerce and Logistics operations in 2020 as part of our focus on reducing energy consumption and carbon emissions. In E-Commerce, we focused on packaging, transportation and zero product waste. For example, all waste cardboard and plastic packaging is collected, compacted and sold to commercial recyclers. We also use extra tall boxes to take full advantage of the height of transport trailers. In addition, none of our left-over products are put into landfill or incinerated—clearance products are offered through various distribution channels and tarnished products are sold to second-hand stores.

Reducing the cost and environmental impact of heating in Logistics was a priority last year, with a particular focus on better solutions for the operational offices at our warehouses and distribution centres.

GOING FORWARD

In 2021, we will put our second Fashion FWD goal of reducing our owned and operated energy consumption in focus. Having calculated a baseline from 2018 data, we are work-

ing hard to reduce our energy consumption by 30 percent. A key step will be the adoption and implementation of our Stores FWD programme. To reduce our stores' energy consumption, the focus in 2021 will be on lighting, which typically accounts for half a store's electricity use. Further down the line, BESTSELLER will also focus on HVAC (heating, ventilation & air conditioning) systems and phasing out gas, oil and refrigerants from 2025. Our distribution centres, warehouses and offices will have a similar focus.

In E-Commerce, we are putting an end to the use of plastic delivery bags. As we begin our transition to paper delivery bags, all of our current plastic delivery bags – which contain at least 50 percent recycled plastic – will be replaced by an alternative made from at least 80 percent recycled material. BESTSELLER is also working on CO₂ compensation systems for all our e-commerce deliveries having successfully adopted this in Switzerland, as well as transitioning to vehicles with a lower carbon footprint powered by bio-diesel, hydrogen or electricity.

BESTSELLER will continue to upgrade and optimise our warehouses and distribution centres to reduce energy consumption. For example, we are upgrading the lighting in our warehouses to SMART LED and introducing – where possible – high-speed doors to minimise heat loss.

SUPPLIER OWNERSHIP ENVIRONMENTAL MANAGEMENT

Our biggest environmental impact comes from the manufacturing of our products. To reduce the consumption of water, chemicals and energy, as well as the production of waste, we must work closely with our supply chain partners for our mutual benefit.

To meet our targets on climate, water, and circularity, our products need to be consolidated with suppliers that are open and willing to move forward with us on this journey.

Each supplier must meet our environmental management requirements, which outline standards and expectations on chemical and environmental management in the supply chain. Our local Chemical & Environment teams monitor each supplier's performance through our Factory Standards Programme (See page 49). The environmental section of the rating applied to each supplier will serve as part of the foundation for fulfilling the following Fashion FWD goal: By 2025, 75% of all product orders will be consolidated in suppliers that are highly rated in our sustainability evaluation.

Our focus is on empowering suppliers to own and improve their sustainability performance. We provide suppliers with training, so they can self-report their sustainability credentials and performance on an ongoing basis. Our local Chemical & Environmental teams also provide guidance and support during routine inspections and afterwards.

One tool we use is the Higg Facility Environmental Module (Higg FEM) Index, which is designed for the apparel and footwear industry to measure performance across seven impact areas, environmental management systems, water use, wastewater, chemical use, waste management, energy use and greenhouse gas emissions. Higg FEM is an industry-wide tool developed by the Sustainable Apparel Coalition (SAC). (See page 67).

In China, BESTSELLER cooperates with the Institute of Public Affairs (IPE), a non-profit environmental research organisation based in Beijing that monitors many aspects of environmental supply chain management and records suppliers' performance on a public database.

2020 PROGRESS & IMPACT

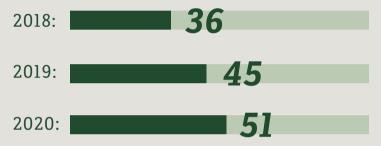
Since 2017, we have found that factories using the Higg FEM for the first time often struggled with data management and tracking. BESTSELLER works with independent third parties to verify our suppliers' Higg FEM self-assessment results, and there has often been a wide gap between the self-assessment and the verified data.

This year however, we saw great progress with only a two percent point difference between the average self-assessment score and the average verified score.

In 2020, 219 tier 1 and tier 2 (Preferred Materials Suppliers) suppliers completed a Higg FEM assessment. They covered 86 percent of our orders by value. Verification of these scores was difficult to secure due to the pandemic and each country's restrictions. However, 96 suppliers' results were verified, with an average score of 51. This was an improvement on the past two years' average scores.



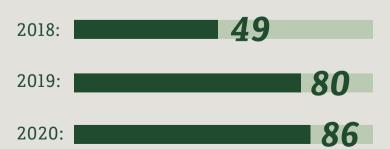
Average
Higg FEM
verified score





Higg FEM coverage

- Supply chain by value (%)
(Tier 1 and tier 2 Preferred Material Suppliers)



Our local teams conducted 29 training sessions with our suppliers, with over 1,150 participants attending courses on topics including Higg FEM, chemical management, wastewater management, and environmental best practices.

29 training sessions with our suppliers, with over 1,150 participants

Having joined IPE's automated supply chain environmental management tool – the Blue EcoChain system – in 2019, we began using it to supervise our suppliers in 2020. On top of that, BESTSELLER made disclosing environmental performance data to the EcoChain a requirement for any new suppliers onboarded into our supply chain. With the support of our colleagues, our suppliers remediated 14 pollution issues, which were verified by IPE's auditors.

Building on last year's progress, this year 24 of our suppliers in China disclosed PRTR (Pullutant Release and Transfer Register) data to the IPE. By publishing an annual PRTR data form, suppliers demonstrate they are monitoring their overall environmental footprint and setting targets to reduce their impacts.

BESTSELLER also improved its score on IPE's Corporate Information Transparency Index (CITI), a scoring system on the environmental management systems and engagement. In 2020, we rose seven places in the rankings, and were 32nd out of 540 evaluated Chinese and multinational brands.

BESTSELLER ranked **32nd** of 540 in the CITI evaluation

BESTSELLER joined IPE's Global Brand Map initiative, a publicly accessible map where you can see 95 of our suppliers' environmental performance in real time and a history of our remediation actions. The factory list covers 16 tier 1 garment/finished product factories with washing/dyeing process, 30 tier 1 cut-pack factories and 49 tier 2 materials manufacturers, representing roughly 80 percent* of our purchase volume in China.

	2018	2019	2020
CITI rank	43/306	39/438	32/540

Over the past year, BESTSELLER has engaged consultants to accurately map our environmental footprint via scoping exercises and create development plans on engagement priority and regional reduction opportunities. This will serve as the foundation for setting science-based targets for our supply chain.

GOING FORWARD

In 2021, BESTSELLER will continue to use Higg FEM as a tool to track and support environmental management improvements across our supply chain. We also aim to integrate IPE performance data into our Factory Standards Programme grading matrix (see page 49). This will mean that if a supplier has an outstanding environmental violation on IPE or doesn't report PRTR data as required, they will score poorly.

In connection with our overall focus on science-based targets, we will also be developing science-based targets for our supply chain (see page 13).



*It is difficult to provide an exact figure regarding our suppliers and factories in China because contracts and partnership between BESTSELLER brands and suppliers change over the course of the year.

ENVIRONMENT FWD PILOT IN BANGLADESH

This year, in collaboration with Bangladeshi consultant ERI, BESTSELLER has created a programme to partner with our suppliers in Bangladesh to make our supply chain more sustainable. Our plan is to have sustained engagement with suppliers that focuses not just on assessing their environmental credentials, but training teams in hard skills like chemical management and soft skills like presentation and communication skills.

The aim is to create a knowledge and skill base to protect and advocate for environmental stewardship within the supply chain. Over the next two years, all of our key suppliers in Bangladesh will be trained on how to assess environmental performance over multiple sessions, provided with data on their factories' performances, and work together to find solutions and remediate issues. Over the following two years of training sessions and assessments, factory leadership will be encouraged to address issues raised in the assessments. At the end of the period, the focus will shift to giving the participants the opportunity to discuss their experiences with other factories and share best practices.

Starting in February 2021, key suppliers in Bangladesh will be introduced to the programme and provide feedback on how it should be implemented. From there, we will schedule and conduct eight workshops with each factory over two years covering technical, environmental, soft skills and leadership. The training areas will be determined by a needs assessment.

Examples of potential training areas:

- Resource Efficient Production and Management
- Chemical Management
- Higg FEM
- Environment Management Plan/Environment Management Systems
- Leadership, Soft-skill Development and High-level
 Communications
- Steam Engineering and Equipment
- Energy Efficient Equipment and Process
 Improvements

There will also be four knowledge sharing sessions toward the end of the two-year period where teams from each factory share and present their experiences, hurdles and how they overcame them.



WATCHING OVER OUR WATER

Water is a vital and more or less constant component in textile production and garment manufacture, and the fashion industry's negative impact on global waterways is substantial. BESTSELLER is committed to exploring and sourcing more sustainable materials and adopting new production techniques to reduce our water use and safeguard water sources for the future.

The use of water in the global fashion value chain is wide-spread: from crop irrigation to the dyeing of fabric, and the washing of garments. As such, BESTSELLER's approach to water stewardship is comprehensive. We focus on sourcing more sustainable materials that involve more efficient water use in their production, while also cooperating with suppliers to promote more responsible water management. Additionally, our membership of the Fashion Pact – which has a focus on Oceans – supports our overall ambitions regarding water.

As part of Fashion FWD, BESTSELLER set a goal that: By 2021, we will set targets to safeguard future water resources. While our focus on water stewardship is nothing new, framing a more explicit water strategy will only help to address our water risks and opportunities in a more efficient way. We are a member of the Alliance for Water Stewardship (AWS), which has developed a standard framework for major water users to understand their water use and impacts and create holistic benefits within a river catchment area. BESTSELLER's use of the framework is just one example of how we are working with stakeholders to develop strategies to improve our water impact.

2020 PROGRESS & IMPACT

In 2020, we have continued to focus on reducing our water impact throughout our business. This includes identifying new dyeing and washing techniques in the production of our denim, using Higg FEM to track and improve our suppliers' water impact, as well as prioritising raw materials with a more sustainable water footprint – such as organic cotton. (See page 23 and 27).

Additionally, BESTSELLER has had a clear focus on effluent management in 2020. Effluent is a by-product of various garment production processes, as the water used can contain pollutants such as dyes, dissolved solids, and toxic metal traces at the end of the process.

Although most effluent is treated at effluent treatment plants (ETP) within the factories, the process does result in leftover sludge that typically ends up in landfill and can leak into the water system.

One solution is to reuse textile mill sludge in the making of cement. BESTSELLER has partnered with Bangladesh's only integrated cement plant that can transform ETP sludge this way – the Lafarge Surma Chhatak plant – to

safely dispose of our suppliers' waste. By the end of 2020, eight suppliers, including GMS Composite Limited – one of our largest suppliers, had signed up to the scheme, which is run by one of the plant's subsidiaries – Geocycle.

GOING FORWARD

In the coming year, BESTSELLER will support more suppliers in signing up to the Geocyle project. Geocyle already has a similar initiative in India and, if more suppliers sign up in Bangladesh, Geocycle will be able to invest in vital infrastructure such as specially-designed transport vehicles and storage facilities.

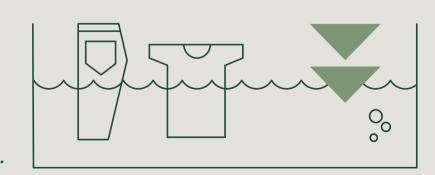
Significantly, the experience we have gained from this project and our other water-focused initiatives will also serve as the foundation of a new water strategy that we plan to complete in 2021 to achieve our Fashion FWD goal. We are mapping our water use throughout our value chain, identifying risks and setting a baseline for our future targets.

For example, with three of our suppliers in Karachi, Pakistan having begun working with AWS' standard framework in 2020, we are reviewing their experiences to identify how they could potentially be applied to other water-stressed regions in our supply chain.

"We are very happy with this service offered by Geocycle because it gives us the ability to safely dispose of these hazardous waste products. We are encouraging all of our suppliers to sign up, with the aim of making this an industry-wide solution for the country. Bangladesh is a small and densely populated country and we hope this new initiative will help us better protect our waterways and all those who depend on them."

Dewan Nurul Islam, Chemical & Environment Manager in Bangladesh, BESTSELLER.

We focus on sourcing more sustainable materials that involve more efficient water use in their production, while also cooperating with suppliers.



CONTROLLING OUR CHEMICAL USE

Chemicals are used in each stage of the production of garments and footwear. As well as working hard to monitor what goes into the products at the start of the supply chain, we have a thorough testing programme to ensure all products meet our requirements. Our Restricted Substances List (RSL) and Packaging Restricted Substances List (PRSL) catalogue chemicals that are banned and restricted in our final products. It is updated annually based on the latest legislation, as well as precautionary principles and industry best practice.

Through our Chemical Testing Programme, we systematically test our products and materials at certified global independent laboratories approved by BESTSELLER to ensure full compliance with our requirements, and rework those that do not meet these requirements.

2020 PROGRESS & IMPACT

Our testing programme tested a total of 8,044 different styles in 2020, resulting in a failure rate of 6.5 percent.

This is a rise compared to last year, and largely due to the fact that our manufacturers' own supply chains were disrupted by COVID-19. This meant, for example, that if chemicals or raw materials were no longer available, a factory could inadvertently replace them with materials that do not meet our standards.

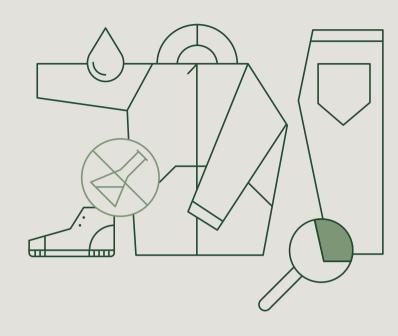
We also upgraded our internal chemical testing data management so that all the test data is now uniform and structured. This new data platform will enable us to pinpoint areas for improvement and help us identify materials, chemicals, suppliers or countries where we are struggling in terms of compliance, enabling us to be more proactive in flagging problems and working on solutions to address them.

In 2020, BESTSELLER started a project to reduce volatile organic compounds (VOC) in our products – VOCs are emitted from certain solids or chemical products and can have adverse health or environmental effects. We are exploring numerous options for addressing this issue at multiple points along our supply chain: in production, transportation and during storage.

One initiative that is currently being trialled is a VOC-adsorbing bag developed by Swiss specialty chemical company Clariant. Clariant's adsorbents are based on a naturally-occurring, non-toxic clay with a unique surface structure, which is dried as granulate and contained in air-permeable sachets or bags. Because VOCs can accumulate every time manufactured goods are stored in enclosed spaces, in our trial we are placing Clariant's VOC-adsorbing bags in containers before they are shipped from China to our warehouse in Denmark to see whether we can reduce the potential exposure of shipment handlers, merchants, and consumers to VOCs from the enclosed manufactured products.

GOING FORWARD

In 2021, we will continue to prioritise areas of concern for product safety. With our new data platform, we will be more responsive and proactive in collaborating with suppliers, laboratories and chemical managers. We will also be focusing on ensuring our processes align so that all our stakeholders fully understand our requirements.



AFIRM

BESTSELLER is a member of the AFIRM group whose mission is to reduce the use and impact of harmful substances in the apparel and footwear supply chain. Through our engagement in AFIRM, we can align with the industry on restricted substances, the limits to be set, test methods and chemical investigations and responses to legislative updates. We have found that AFIRM provides a perfect forum to discuss chemical details, legislative changes and different materials. It is also a great resource for us and other companies like us, as it produces materials in various languages that we can use in training for suppliers and stakeholders.

In 2021, we will continue to support AFIRM and participate in the associated working groups.



IMPROVING CHEMICAL INVENTORY TRANSPARENCY

BESTSELLER has committed to removing the use of hazardous chemicals from manufacturing sites during production,
and we have a goal that by 2025 all our core products (core
products represent 75% of our products by value) will have
been produced using approved and traceable chemistry. To
support the achievement of this goal, we have partnered
with sustainability accelerator GoBlu to pilot an innovative
platform attempting to bring transparent chemical usage
to the global textile supply chain.

BESTSELLER's suppliers are already required to maintain inventories of what chemical products are used on-site and provide a chemical inventory in a format agreed with our chemical team – a laborious and time-consuming task for each supplier.

GoBlu's solution is the BHive app – a digital solution for chemical inventories enabling factory managers to photograph a chemical's label, which is then cross-checked across BHive's database and BESTSELLER's Restricted Substances List, providing both the factory and the brand with detailed product information.

"Historically, the apparel industry model has been to check the chemical content of products after they have been made with chemical testing programmes. BHive brings transparency to the start of the supply chain, marking a big leap forward for the industry."

Lars Doemer, co-founder of GoBlu.

BESTSELLER was one of four companies to pilot BHive. BHive's chemical database holds over 85,000 chemical products, including information about each product's environmental credentials and certifications. Each product in a factory's inventory can be screened against a brands' restricted substances list, ensuring full transparency on compliance performance.

2020 PROGRESS & IMPACT

In 2020, 71 wet processing units (WPUs) activated accounts with BHive, with 25 of those completing the process to share their chemical inventories on the platform. Being a digital solution, WPUs could connect with BHive and begin the process without travelling for a face-to-face tutorial, minimising the risk of contracting or spreading COVID-19.

Of the almost 7,000 chemical products uploaded to chemical inventory lists in 2020, 74 percent were verified as meeting industry-standard requirements. This was an improvement on 2019 where 67 percent of all chemicals uploaded by WPUs in our supply chain were verified as meeting industry-standard requirements.

GOING FORWARD

BESTSELLER's suppliers are already expected to maintain chemical inventories and understand what chemical products are used on-site and whether they comply with our standards. In 2021, it will be a requirement that all suppliers with WPUs to use BHive or provide a chemical inventory log in a format agreed with our chemical team.

One of GoBlu's aims for 2021 is to bring certification and auditing bodies on board to integrate BHive into their services and programmes, reducing the need for multiple on-site audits, a laborious and often repetitive process for suppliers.

"Not only are we able to be more transparent about the chemicals going into our products, but we are also raising the performance of our suppliers across the board, no matter what brands they produce for, taking leadership at an industry level in a very practical and impactful way."

Felicity Tapsell,
Responsible Sourcing Manager, BESTSELLER.



2019:

18 factories

1,150 chemical products uploaded

67%met industrystandard requirements

2020:

25 factories

7,000 chemical products uploaded

74%
met industrystandard
requirements



OUR DENIM EVOLUTION

Denim has been central to BESTSELLER's business model for decades. It is stylish, timeless and versatile. Unfortunately, traditional methods of denim production can be harmful to the environment. Our brands are therefore constantly analysing the denim they use and working with innovative denim manufacturers to identify ways to improve the jeans and other denim products they sell.

JACK & JONES is the BESTSELLER brand best known for its denim heritage. For the best part of a decade, JACK & JONES has been working on its Low Impact Denim (LID) concept. This is a holistic approach that focuses on fibre composition, fabric dyeing and the finishing process. With a commitment to replacing all conventional processes with more sustainable alternatives, LID jeans are arguably some of the most sustainable on the market. In 2020, JACK & JONES further tightened the requirements for when a product can be categorised as LID. LID products accounted for approximately 15 percent of JACK & JONES' denim production last year and acted as the brand's showcase for what is possible within more sustainable denim.

At ONLY, 2020 saw the launch of Swan Jeans – the brand's most sustainable jeans to date. The jeans

are certified by the Nordic Swan Ecolabel and the EU Ecolabel, which has evaluated the full lifecycle of Swan Jeans from raw materials to manufacturing and post-production waste. ONLY re-evaluated every single production process in its development of Swan Jeans: all raw materials are either organic or recycled, the clean dyeing process uses minimal water, the trim and branding details are recycled and recyclable, and the wash involves low impact treatments.

SELECTED reached two significant milestones with their denim in 2020. All cotton in their jeans is now organic, while all new jeans are also Responsibly Washed – SELECTED's finishing process that involves less water, less energy and less chemicals than regular methods.

Our colleagues at NAME IT have set themselves a goal of including styles from their Better Denim concept in every collection. In 2020, they took orders for around 200,000 Better Denim pieces. Better Denim is NAME IT's comprehensive approach to more sustainable denim, which prioritises more sustainable materials and production processes for every element of the garment. It is made from a blend of organic cotton and recycled polyester, water in the washing process is recycled and advanced technologies like Waste-Heat-Recovery boilers are used.





CIRCULAR BY DESIGN

Our business model will be based on design principles that prioritise efficiency and the reuse of resources at every level, from fibres to water and chemicals to post-consumer, in order to minimise water and keep resources in use.



CIRCULAR BY DESIGN GOALS

2022

> 100% of our man-made cellulosic fibres will be sourced responsibly in line with industry best practice, such as the Forest Stewardship Council (FSC).

We will source 100% of our cotton from more sustainable alternatives.

2023

we will provide
our customers and
consumers with
information on
the environmental
impacts of our core
products, and we
will show year-onyear improvements.

2025

be sourced in line with industry best practice, such as the Responsible Wool Standard (RWS).

Within our 100% more sustainable cotton supply, we will source 30% from organic cotton.

2025

We will have tested and implemented circular business models in selected key markets with relevant partners.

We will source 50% of our polyester from recycled polyester or other more sustainable alternatives.

We will facilitate the development of more sustainable fibres and materials at market scale through innovation and industry collaborations.

2025

All consumer-facing packaging will be 100% reusable, recyclable or compostable.

We will have phased out single-use virgin plastic, wherever possible.

 We will drive forward postconsumer waste and circular infrastructure solutions, engaging in collaborative initatives to turn waste into valuable resources.



THE CIRCULAR & DIGITAL BUSINESS MODEL

At BESTSELLER, we are committed to a circular future. The fashion industry must move away from its traditional linear model of take-make-waste and embrace circularity where finite resources are protected and waste is eliminated. Each year, it is estimated that less than one percent of material used to produce clothing is recycled

into new clothing, representing a loss of more than USD 100 billion worth of materials*.

To achieve our ultimate ambition of being circular by design, we are working towards a Circular & Digital Business Model for BESTSELLER. This is a disruptive approach

RESOURCE MATERIALS CIRCULAR **MATERIALS** AND CHEMISTRY **TECHNOLOGY** CIRCULAR RECYCLING **TECHNOLOGIES** USE DIGITAL TRACEABILITY & INTEGRITY CIRCULAR DIGITAL RETAIL & E-TAIL **BUSINESS TECHNOLOGY** MODELS

that prioritises innovative solutions connecting nature, technology and fashion to create a sustainable future. We need new ways of thinking throughout our value chain and from all sections of our business. Circular principles can already be seen in the way we are reusing our own textile waste to create new fibres, specifically designing products

RETURN TO

that can be repurposed or recycled, and identifying and prioritising production technologies that reuse and reduce water and chemicals. In this chapter, we will outline our work within Creating FWD and Delivering FWD with a focus on more sustainable materials, innovation, circular design, digitalisation and plastics and packaging.

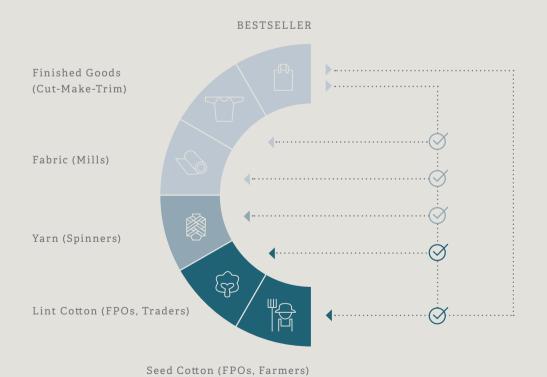
SUSTAINABLE

^{*} A new textiles Economy by Ellen MacArthur Foundation and Circular Fibres Initiative.

MORE SUSTAINABLE COTTON LEADING THE WAY WITH FUNDAMENTAL FIBRE

As our most important raw material by volume, cotton has been a key focus of BESTSELLER's transition to more sustainable materials for many years. In 2020, we again took significant strides forward.

From
Seed to
T-shirt
Direct-to-farm
approach



Cotton is natural and renewable, while its production also supports millions of people around the world. However, conventional cotton growing can have a considerable impact on the environment, which is why we are actively supporting more sustainable cotton farming practices and working towards only sourcing more sustainable alternatives. BESTSELLER's more sustainable cotton portfolio consists of organic, recycled, CmiA (Cotton made in Africa) and BCI (Better Cotton Initiative) cotton.

BESTSELLER has committed to sourcing 100 percent of our cotton from more sustainable sources by 2022 as part of our Fashion FWD strategy. In addition, 30 percent of our more sustainable cotton supply must be organic by 2025.

With our relatively high cotton footprint, we have a big opportunity to use our influence to promote change in the fashion industry and to stimulate both demand and supply of more sustainable cotton. For example, BESTSELLER has implemented a direct-to-farm approach to invest in the growth and integrity of the organic cotton industry and – by extension – secure our future supply. A direct-to-farm approach helps protect farmers making the switch to organic cotton by ensuring the organic premium ends with them. With global demand for organic cotton increasing and far outweighing current supply, it is vital that brands like BESTSELLER invest in the industry's growth.

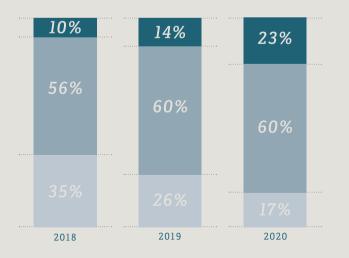
BESTSELLER is a proud member of BCI, which is the largest cotton sustainability programme in the world. With members spanning the entire cotton value chain, BCI focuses on training cotton farmers in more sustainable farming practices. Licensed BCI farmers produce cotton in a way that cares for the environment and follows decent work principles. The more Better Cotton we source, the greater impact we can achieve. By actively contributing to the BCI Growth and Innovation Fund, BESTSELLER is also helping BCI expand its work through strategic investments. Better Cotton is sourced via a system of Mass Balance and is not physically traceable to end products.

2020 PROGRESS & IMPACT

In 2020, 84 percent of the cotton BESTSELLER sourced was more sustainable, with organic cotton accounting for 23 percent. This is a considerable increase compared to 2019.

Our improvement in 2020 was recognised by the Sustainable Cotton Ranking – an organisation committed to accelerating the demand and uptake of more sustainable cotton. BESTSELLER was the biggest improver between 2017 and 2020, achieving 'Leading the Way' status for the first time. We are one of 11 companies to achieve the Sustainable Cotton Ranking's highest classification. BESTSELLER also achieved the highest possible score (4 points) for cotton in Textile Exchange's Corporate Fiber & Materials Benchmark for 2020.

84% more sustainable cotton (target 100%)



CONVENTIONAL



ORGANIC

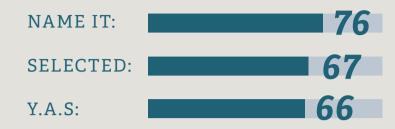


Our brands have been integral to this transition, with a number of them focusing almost exclusively on organic cotton. To support the brands' efforts and to invest in the growth of the organic cotton industry, BESTSELLER officially became a partner of the Organic Cotton Accelerator (OCA) in 2020. OCA is the only multi-stakeholder organisation fully dedicated to organic cotton. It is committed to bringing integrity, supply security and measurable social and environmental impact to organic cotton. Through OCA, BESTSELLER signed agreements with two farm groups in India – totalling approximately 1,800 organic cotton farmers – to source 1,100 tonnes of organic cotton direct from farmers, which is the equivalent of eight percent of BESTSELLER's organic cotton consumption in 2020.

In addition, BESTSELLER committed to purchasing CmiA's new organic standard in 2020. While our order was not of the same magnitude as our OCA agreement, the CmiA-Organic deal represents BESTSELLER's widespread dedication to direct-to-farm sourcing of organic cotton. CmiA-Organic cotton will be first used in some of our products in 2021.

Our ongoing support of the BCI Growth and Innovation Fund contributed to BCI farmer projects supporting 1.8 million cotton farmers in Asia and Africa in the 2019-20 growing season. We will continue this support and BCI cotton will remain central to our more sustainable cotton sourcing strategy in 2021.

Top 3 brandssourcing **organic cotton**by % of their total cotton
consumption for 2020





Through OCA, BESTSELLER signed agreements with two farm groups in India.

1,800

Organic farmers

1,100

tonnes of organic cotton sourced directly

=

8%

of BESTSELLER's organic cotton consumption in 2020

Photo credit: STAC



GOING FORWARD

The efforts to transition from conventional cotton to more sustainable sources has unearthed challenges that BESTSELLER will focus on in 2021. For example, as organic cotton is estimated to account for just one percent of the global cotton supply, and integrity and transparency of supply is becoming an ever-increasing priority throughout the marketplace, there is a lack of certainty around our ability to source enough organic cotton. BESTSELLER has an ambition to further expand our direct-to-farm approach in 2021, with Pakistan and Turkey amongst the markets

to be included. Additionally, BESTSELLER is looking into how we can further support farmers looking to transition from traditional cotton farming to organic methods.

This conversion requires investment and commitment, as it typically takes three years for a farm's soil to reach the level required before a crop can be labelled organic. In 2021, BESTSELLER is therefore investigating how we could include this 'in-transition' cotton, which is grown from organic seeds and according to organic principles but isn't officially certified 'organic', in our more sustainable cotton portfolio.

VERO MODA ITEMS CERTIFIED WITH THE EU ECOLABEL

In 2020, VERO MODA achieved EU Ecolabel certification for its jersey supply chain for three AWARE styles and sold 32,663 items carrying the label last year. The certified styles contained organic cotton, LENZING™ ECOVERO™ and/or TENCEL™ LYOCELL.

Generally known for certifying household items, the EU Ecolabel is increasingly popular in the fashion industry as it is widely recognised as a label of environmental excellence, setting strict environmental and chemical requirements for products and services, while also promoting the circular economy.



32,663 items sold

"This is the start of a learning process for VERO MODA and we are not stopping here. VERO MODA is aiming to have the majority of its jersey styles certified within the next couple of years. The circular mindset that EU Ecolabel promotes is very important for us and central to VERO MODA's sustainability journey. We are investigating other supply chains and additional certifications where we can see a global potential."

Maria Højholt Jensen, Sustainability Responsible, VERO MODA.

RECYCLED MATERIALS KEEPING RESOURCES IN USE FOR LONGER

Using recycled materials reduces our environmental impact. It diverts waste from landfill and gives it a second life, it reduces our consumption of water, energy and chemicals that are used to make virgin materials, and it reduces our CO₂ emissions.

BESTSELLER brands use recycled polyester, cotton and wool when making their products, while we are also working with man-made cellulosic (MMC) fibres such as Circulose® that use recycled cotton in their production.

In our Fashion FWD strategy, BESTSELLER has set the following goal related to recycled polyester: By 2025, we will source 50 % of our polyester from recycled polyester or other more sustainable alternatives. Polyester accounts for more than half of all the fibres used in the textile and apparel industry, but it is based on non-renewable petroleum and it is non-biodegradable. Whilst we see a role for polyester as a key fibre in the near term,

we need to make every effort to minimise its negative impacts, as well as investigate alternative fibres for long-term viability.

By using recycled polyester, we limit our climate impact by reducing our reliance on fossil fuels for the production of virgin polyester.

The majority of recycled polyester is based on the recycling of PET plastic bottles, but BESTSELLER is also tracking innovation focused on textile-to-textile recycling of post-consumer polyester garments, as this would be a major breakthrough for the fashion industry.



JACK & JONES FOCUSES ON BIG IMPACT

One area where our brands have made a quick and significant impact transitioning to recycled polyester has been in outerwear, with an initial focus on the lining and filling. For example, JACK & JONES has completed the shift to 100 percent recycled polyester outerwear linings. This transition means each outerwear garment sold by JACK & JONES now includes up to 25 percent less virgin polyester.

JACK & JONES' process started with a review of the brand's supply chain to identify which major manufacturers could provide suitable recycled polyester, with their quality department heavily involved to ensure existing standards were met. "It made sense to start with linings, as they represent around 20-25 percent of the polyester we use on outerwear. Having made the switch with linings, the next step will be our shell fabrics before we finally transition trims and padding. In the end, our ultimate goal is to make full garments in recycled polyester."

Mikkel Arentsen Hinge Product Manager, JACK & JONES.

1 JACKET = 21 BOTTLES

To raise awareness of the global importance of reducing plastic use and plastic pollution, as well as promoting their work with recycled polyester, SELECTED partnered with Danish NGO Plastic Change in 2020. The partnership included the release of #plastichanger jackets for men and women, and a vest for men. Each garment was made with a blend of recycled polyester that included the equivalent of between 20 and 26 discarded plastic bottles depending on the style. SELECTED will continue the partnership in 2021.



"We wanted to raise awareness of plastic pollution and promote more sustainable fibre options. Our communication needed to be simple and visual. For example, we consistently used taglines like '1 jacket. 21 bottles.' Based on the positive feedback we have received on the products, I would say that we have succeeded in getting our message across," says Louise Lund, Sustainability Manager, SELECTED.





561,769discarded plastic bottles



2020 PROGRESS & IMPACT

In 2020, we more than doubled our use of recycled polyester compared to 2019. Recycled polyester accounted for 10 percent of our overall supply, which puts us on track to achieve our 50 percent recycled polyester goal by 2025, according to our internal yearly targets.

There remains a significant amount of work to do but our brands' success stories from last year give us cause for optimism.



Use of recycled polyester in 2020 (%)



BESTSELLER: 10

SELECTED: 33

Y.A.S: 25

In terms of recycled cotton, we almost tripled our total consumption from 30,000kg to 111,000kg in 2020, although it still represents a relatively small proportion of our more sustainable cotton. BESTSELLER initiated two key projects in 2020 with the aim of increasing our use of recycled cotton going forward.

Together with our biggest jersey supplier in Bangladesh – GMS Composite Knitting – BESTSELLER teamed up with recycled cotton producer CYCLO to create a system that turns our brands' own textile cutting scraps into useable yarn and fabric. At an industry level, BESTSELLER was also

an inaugural member of Global Fashion Agenda's Circular Fashion Partnership – an initiative that aims to achieve a long-term, scalable transition to a circular fashion system. Both projects are based in Bangladesh and came under the umbrella of BESTSELLER's sustainable innovation platform Fashion FWD Lab. (See page 36).

The Circular Fashion Partnership is focused on Bangladesh due to the significant amount of textile waste produced in the country and the fact that most of that waste is either exported or downcycled. It is estimated that Bangladesh produces around 400,000 tonnes of textile waste per year but less than five percent is recycled domestically.

By facilitating circular commercial collaborations

for its members, which include fashion brands, manufacturers and recyclers, the Circular Fashion

Partnership is looking to stimulate new systems that can convert preconsumer fashion waste into new products.

Having marginally increased our use of recycled wool from 2018 to 2019, BESTSELLER achieved a significant rise in 2020. In gross terms, we doubled the amount of recycled wool sourced, while recycled wool increased its share of our overall wool use from 15 percent in 2019 to 35 percent in 2020.

Two of our biggest brands were key movers, with VERO MODA increasing their share of recycled wool from 25 percent to 69 percent, while JACK & JONES went from a standing start to 49 percent. SELECTED (41% recycled wool) also impressed, with their two best-selling suits now made from recycled polyester and recycled wool.

GOING FORWARD

Through our partnership with Canopy, BESTSELLER has committed to promoting the use of recycled feedstock in the production of more sustainable man-made cellulosics, which will continue in 2021.

We will also continue to investigate and develop opportunities to increase the use of recycled materials in our collections. This will include our ongoing focus on sustainability innovation through the Fashion FWD Lab.

Use of recycled wool (%)



VERO MODA: 69

JACK & JONES: 49

SELECTED:

CHEMICAL TESTING FOR RECYCLED MATERIALS

Transitioning to clean and reliable sources of recycled materials is one of our Fashion FWD goals. That transition presents several challenges, however, including the lack of knowledge about the chemical content within post-consumer recycled textiles. To address this, BESTSELLER is participating in a large-scale study led by H&M Group and Inter IKEA Group to understand how post-consumer recycled textiles measure against existing chemical standards.

In 2021, the study group will pool its test results and share its findings. The goal is to develop an evidence-based action plan for the wider industry adoption of recycled textiles that meets strict chemical and safety standards.



MAN-MADE CELLULOSIC FIBRES COMMITTED TO PROTECTING ANCIENT AND ENDANGERED FORESTS

Man-made cellulosics (MMC) are the third most-used fibre for apparel, with a 6.2 percent share of total global use. While MMC fibres are plant-based, there are two major impacts related to their production.

Firstly, the raw wood used for viscose – the most common MMC – often comes from unverified sources, meaning it could be illegally logged or originate from endangered forests, which contributes to deforestation. Secondly, MMC fibres are not categorised as natural materials due to the chemical processing required to turn wood pulp into a fibre. Conventional processing techniques of MMC fibres are water, energy and chemical intense.

To work towards more sustainable MMC solutions both the fibre source and processing techniques need to be verified. Preferred suppliers source and supply certified wood from sustainably managed forests or – alternatively – waste

materials. Secondly, they process the wood pulp in facilities where chemical, energy and water use is controlled – ideally, in a closed-loop solution that recycles water and chemicals again and again – resulting in a lower environmental impact.

As part of Fashion FWD, we set this goal related to MMC: BESTSELLER has committed to responsibly sourcing 100 percent of our MMC fibres in line with industry best practice, such as the Forest Stewardship Council (FSC) by 2022. To help set a framework for achieving this goal, we have partnered with the environmental organisation Canopy. We are continuously exploring, researching and adopting industry best practices and incorporating emerging and circular economy innovations to our sourcing strategy. As such, we give preference to MMC fabrics containing at least 50 percent innovative fibre sources to replace virgin wood pulp.

To accelerate our transition to more sustainable MMC, BESTSELLER is focused on sourcing so-called branded MMC fibres (e.g. LENZING™ ECOVERO™, TENCEL™ LYOCELL and Livaeco by Birla Cellulose™) as their reduced impact is supported by verified data and they are traceable.

2020 PROGRESS & IMPACT

BESTSELLER's commitment to more sustainable MMC was highlighted by two significant actions in 2020: we developed a Forest Protection Policy and partnered with Canopy, which focuses on conserving the world's endangered forests by harnessing the power of brand partners to transform unsustainable supply chains. As part of our commitment to Canopy, we joined two of the organisation's initiatives – CanopyStyle and Pack4Good – and pledged to stop sourcing MMC and paper and packaging sourced from the habitats of endangered species, as well as ancient and endangered forests. This commitment is in line with our Fashion FWD target to responsibly source 100 percent of our MMC fibres by 2022. Additionally, we began tracing the wood pulp sources in our supply chain.

As a *CanopyStyle* partner, BESTSELLER has committed to sourcing all MMC from low-risk rated pulp suppliers, as defined by the Canopy Hot Button annual report. As a first step, we traced the key wood pulp sources in our supply chain. This helps us identify strategic supply chain partners through our preferred supplier programme.

Additionally, we continue to source branded more sustainable MMC. After 11 percent of our MMC came from these sources in 2019, we increased that figure to 34 percent in 2020.

As a member of Fashion For Good, we also joined a pioneering consortium working on a solution to verify MMC fibres



More sustainable sourced MMC (%)



2019:

2020: 34



Two brands

contributed the most

to sourcing more

sustainable MMC

in 2020 (%)

ONLY:

32

VERO MODA:

54

from preferred suppliers throughout the fashion supply chain using innovative blockchain technology. Together with Kering, BESTSELLER has provided blockchain innovator TextileGenesis™ with access to its global viscose supply chain that spans eight countries to fully test the latter's solution.



GOING FORWARD

To move forward on more sustainable MMC, we will continue to utilise a two-pronged approach – increasing our sourcing of the verified branded fibres and enhancing traceability in our supply chain to identify and promote viscose suppliers that live up to the Canopy Hot Button standards. Furthermore, in an effort to identify new more sustainable MMC options, BESTSELLER is investigating two innovative fibres in 2021 as part of our Fashion FWD Lab. (See page 36).

Firstly, BESTSELLER is involved in the product development phase of LENZING™'s is carbon neutral fibres. Known as LENZING™ CARBON-ZERO TENCEL™, they are biodegradable and certified CarbonNeutral® products with the emissions associated with their production, manufacturing and distribution having been calculated and offset. BESTSELLER's collaboration with LENZING™ means that five of our brands are involved in exploring and testing the capabilities of LENZING™ CARBON-ZERO TENCEL™.

BESTSELLER is also working with a materials science company called Circular Systems, which is developing a biofibre called Agraloop™ that is made from food-crop waste such as the trunks of banana trees or corn stalks, and only

generates beneficial effluents. Our brands are supporting Circular Systems with the development of Agraloop™.

"Traceability in the textile value chain is challenging due to high industry fragmentation and global supply chains. We see sustainability and traceability as two sides of the same coin and our purpose is to accelerate the realisation of 100 percent sustainable fibres pledges by providing radical transparency in the textile value chain."

Amit Gautam, CEO and Founder, TextileGenesis™.



OTHER FIBRES VARIOUS CHALLENGES FOR NICHE FIBRES

At BESTSELLER, there is a number of fibres we use that constitute a minute percentage of our total materials. These include animal-based fibres (wool, cashmere, alpaca and silk), other natural fibres (e.g. linen and hemp) and non-textile materials (leather and down).

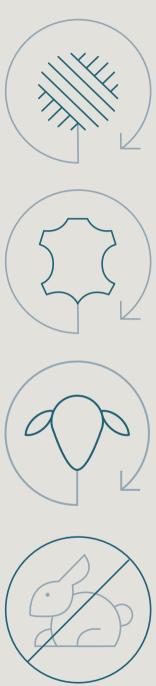
The farming of livestock is responsible for substantial greenhouse gas emissions, while animal grazing can impact the health of the world's grasslands - particularly in drought-prone regions, degrade soil, cause erosion and - in some regions - is linked to forest and biodiversity loss.

While less than one percent of our total material consumption comes from animals, we have a strict Animal Welfare policy. Animals must not be harmed for the manufacturing of our products. For example, BESTSELLER has been a fur-free company for more than a decade and we are a member of the Fur Free Retailer programme*, so it is easy for our customers to recognise that BESTSELLER does not sell real fur. BESTSELLER has also adopted the Good Cashmere Standard® by the Aid by Trade Foundation (AbTF).

Other animal-based materials include leather and down. While leather is not among the most-used materials in BESTSELLER, it is a high-risk material due to various social, environmental and animal welfare problems related to its production. For example, the tanning of rawhide Through our membership of **Textile Exchange**, we are engaging in animal welfare discussions and since 2018 we have committed to sourcing all our down according to the **Responsible Down Standard** unless recycled down is sourced.

to make leather involves toxic chemicals that often end in local waterways causing serious health and environmental problems. BESTSELLER has therefore concluded that leather cannot be referred to as a sustainable material and we are actively seeking innovative alternatives to leather.

Through our membership of Textile Exchange, we are engaging in animal welfare discussions and since 2018 we have committed to sourcing all our down according to the Responsible Down Standard unless recycled down is sourced.





* BESTSELLER has entered the Fur Free Retailer program together with The Fur Free Alliance (FFA). The FFA is an international coalition of animal protection organisations working to bring an end to the exploitation and killing of animals for their fur.

2020 PROGRESS & IMPACT

We updated BESTSELLER's Animal Welfare policy to further elaborate on our responsible sourcing programme and to betterreflectourFashionFWDtargetforwool, which states: By 2025, 100 percent of our wool will be sourced in line with industry best practice, such as the Responsible Wool Standard.

We also updated our ban on mohair. Having completed the phasing out of mohair in 2020, BESTSELLER will continue to ban the material until we can identify and verify responsible sources.

With regards to responsible sourcing, BESTSELLER partnered with The Good Cashmere Standard® to help promote more sustainable practices within cashmere farming and began sourcing cashmere fibres through this programme.

Through our Fashion FWD Lab, we linked up with Danish innovators Beyond Leather, who are developing a leather alternative made with apple pulp, which is left over following the production of juice or cider.

GOING FORWARD

BESTSELLER will continue to adopt relevant animal fibre standards as they are launched, as well as investigate innovative alternatives to traditional animal-based materials. For example, we are working with Textile Exchange on the development of its Responsible Alpaca Standard (RAS), which is expected to be made public in 2021. As soon as RAS fibres are available on the market, BESTSELLER will engage its supply chain partners to source them.





SUSTAINABILITY INNOVATION INVESTING IN OUR INDUSTRY'S FUTURE

At BESTSELLER, we believe that it is only through innovation that the global fashion industry will truly achieve a sustainable transformation. BESTSELLER is committed to identifying and accelerating new and innovative solutions for our company and the wider fashion industry. We have set three goals that specifically relate to innovation:

By 2025, we will facilitate the development of more sustainable fibres and materials at market scale through innovation and industry collaborations.

By 2025, we will drive forward post-consumer waste and circular infrastructure solutions, engaging in collaborative initiatives to turn waste into valuable resources.

By 2025, we will have tested and implemented circular business models in selected key markets with relevant partners.

There are two main elements to BESTSELLER's innovation approach. Our Fashion FWD Lab is an experimental platform with a focus on pilot collaborations with innovators and entrepreneurs that test and promote new solutions. Invest FWD is our investment platform that provides capital investments to scale promising solutions for BESTSELLER and the broader industry.

2020 PROGRESS & IMPACT

BESTSELLER increased and broadened its focus on sustainable innovation for the fashion industry with the launch of Fashion FWD Lab in September 2020. Fashion FWD Lab focuses on new low-impact circular materials, better production, new business models and smarter ways of manufacturing. Most of all, the lab acts as a catalyst for collaborations consisting of pilot projects, workshops, case studies and more in order to accelerate sustainable change.

Between the launch of Fashion FWD Lab and the end of the year, BESTSELLER introduced five new innovation partnerships under its umbrella.

In the field of innovative materials, we linked up with Spinnova (a Finnish innovator creating fibres from sustainably sourced wood without harmful chemicals), Infinited Fiber (a closed-loop solution producing a new cotton-like fibre made from waste) and Beyond Leather (a leather replacement based on fruit waste).

BESTSELLER was introduced to Spinnova through the Fashion for Good initiative, which we have been a strategic partner in since 2019. This partnership underlines the collaborative nature of our Fashion FWD Lab. BESTSELLER benefits from working with the latest in innovative materials and – potentially – a more sustainable material in the years to come. Spinnova gets access to BESTSELLER's wide range of brands, such as VERO MODA, VILA and SELECTED, as part of a joint product development phase, investigating which commercial products would suit their sustainable fibre, which is made from wood without any harmful chemicals.



"We're looking for the holy grail of sustainable solutions. Nothing less. Fashion FWD Lab is our playground where we can experiment and enable innovators. It requires resources and long-term commitment to work with innovation.

We don't engage in innovation projects merely for BESTSELLER – we're trying to move the entire fashion industry forward."

Camilla Skjønning Jørgensen,
Sustainable Materials & Innovation Manager, BESTSELLER.

"Having great brand partners like
BESTSELLER, with the expertise
and resources to collaborate with
an innovator like us, has been
crucial to our material development.
BESTSELLER has guided us
in finding the right brands and
prototype products in their
portfolio that we could create
with our material and perhaps
introduce even before they are
commercially available."

Janne Poranen,
CEO and co-founder, Spinnova.

In the field of pre and post-consumer waste solutions, BESTSELLER began collaborating with Renewcell and CYCLO. Our brands VERO MODA, OBJECT and SELECTED became some of the first fashion brands to produce garments at market scale from Renewcell's fibre Circulose®, which is made from discarded textiles, such as production waste and worn-out garments.

Together with CYCLO, BESTSELLER has developed a closed-loop system in conjunction with our biggest jersey supplier in Bangladesh – GMS Composite Knitting. CYCLO recycles our brands' own cutting scraps to make useable

cotton yarn and fabric. SELECTED, VERO MODA, NAME IT and JACK & JONES have signed up for the pilot project and their first collections made from their own textile waste will be ready in Spring 2022.

Fashion FWD Lab collaborations:

- Spinnova (textile fibres produced from wood without harmful chemicals)
- Infinited Fiber (a closed loop solution producing a new cotton-like fibre made from waste)
- Beyond Leather (a leather replacement based on fruit waste).
- Renewcell (low impact circular material Circulose®)
- CYCLO (Recycling of local cutting scrap into new yarn and fabric)
- LENZING™ CARBON-ZERO TENCEL™ (See page 34)
- Circular Systems (transforming waste into fibre)
 (See page 34)

GOING FORWARD

In 2021, we are working on our overall innovation strategy to further guide our work in this vital sphere. Building on last year's launch of Fashion FWD Lab, we will continue to collaborate with these innovators, while also identifying and investigating potential partners and projects for both Invest FWD and Fashion FWD Lab.

In Spring 2021, a physical base for Fashion FWD Lab has been set up at our office in Aarhus, Denmark. This makes it possible to see, feel, touch, and grasp current and future innovations.



CLOSING THE LOOP THROUGH CIRCULAR DESIGN

With a vision of becoming circular by design, designing for circularity is essential. In step with our circularity partnerships in Fashion FWD Lab (see page 36), BESTSELLER is constantly analysing and rethinking how our products are made, used and reused through design. Additionally, we are also focused on eliminating waste from the very beginning of our design phase.

We are training relevant colleagues in circular design principles so that they consider the entire lifecycle of a product, as it is our belief that circularity will be expected from all products in the near future. We need to decouple growth from virgin and finite resource usage, and – fundamentally – change how products are made and used.

2020 PROGRESS & IMPACT

Besides the aforementioned circularity efforts and waste utilisation projects in our Fashion FWD Lab, we had two strategy goals connected to circular design to be reached by the end of 2020: By 2020, we will have conducted a pilot with two jeans styles containing recycled post-consumer cotton to be included in our 'never out of stock range' within JACK & JONES.

By 2020, all of our designers and buyers will have completed a training module on circular fashion design.

The first target was reached already in FY 2018/19, as JACK & JONES produced two styles made with post-consumer waste (PCW) cotton – one of them sold more than 100,000 pieces in their Never Out of Stock (NOOS) programme. For 2020, JACK & JONES produced 14 styles made with PCW cotton, some of them NOOS as well.

In February 2020, we achieved our second target, as BESTSELLER Sustainability hosted a circularity workshop for brands, as part of a planned Circular Design Challenge. While the competition element was interrupted due to COVID-19, the lessons from the workshop remained, paving the way for a number of circular capsules. Furthermore, another session – this time virtual – on circular design was hosted in January 2021 to make sure all our designers and buyers are introduced to the principles of circular design and – on the basis of this – brand specific workshops are also planned.

Another circularity initiative worth mentioning comes from VERO MODA: the brand has created three denim styles made with 100 percent recycled cotton, which has been partly sourced from old hotel towels. One of the key challenges of turning old cotton into new fabric is removing polyester and other contaminants, but when using a high quality and homogenic source like hotel towels, it is possible to make jeans from pure recycled cotton. The jeans were designed as part of the Ellen

MacArthur Foundation's 'Make Fashion Circular' initiative that seeks to drive the fashion industry towards a circular economy, reducing fashion waste and pollution. The initiative was launched in 2018, and VERO MODA joined The Jeans Redesign project in 2019 to promote circular products.

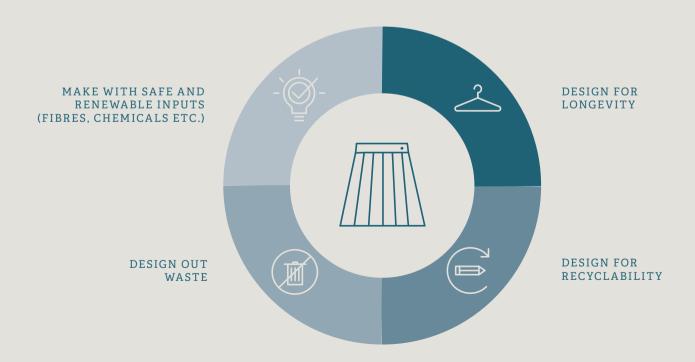
GOING FORWARD

Our programme for educating and training our designers and buyers in circular design principles remains ongoing. This will provide the foundation our brands require to further explore how they can turn waste into valuable resources through creative approaches.

Furthermore, our Fashion FWD Lab will continue to engage in projects and partnerships, determined to find solutions that enable full circularity on a wider, commercial scale.

Specifically for 2021, BESTSELLER is collaborating with over 20 renowned fashion brands, manufacturers and recyclers in the new initiative Circular Fashion Partnerships, facilitated by Global Fashion Agenda. The partnership enables circular commercial collaborations to develop and implement new systems to capture and direct post-production fashion waste back into the production of new fashion products. The business model and project learnings will be presented at the end of 2021 in a 'Circularity Playbook for Bangladesh', which will be used as a guide to replicate the partnership in other countries.

A CIRCULAR PRODUCT THAT CAN BECOME ANOTHER CIRCULAR PRODUCT



FORGING AHEAD WITH CIRCULAR DESIGN

While BESTSELLER's internal competition 'Circular Design Challenge' was interrupted by COVID-19, OBJECT and SELECTED continued to explore circular design throughout 2020.

SELECTED has included 10 circular styles in its Autumn 21 collection. To highlight SELECTED's thorough approach to circular design, each garment includes a label inside that outlines how it has been designed for circularity and longevity, with a focus on refashioning, reusing and – eventually – recycling the piece. For example, the collection includes a pair of black jeans for women, which have dotted lines on the inside to indicate how they can be transformed into cropped capri and different styles of shorts.

As part of its Pre-Spring 21 collection, OBJECT included four styles using circular design techniques, made to be easily recycled.

"It has been great to see how OBJECT and SELECTED – despite the disruption of COVID-19 – have continued to work with circular design following BESTSELLER's internal circularity workshop in February.

OBJECT and SELECTED

are contributing to become

'circular by design' by challenging
the status quo and rethinking
the standard design process,
so they consider everything
from choice of materials to
a product's end of life."

Pernille Kramer,
Senior Project Specialist, BESTSELLER.

"We are really proud of the result as our small capsule sold just over 5,000 pieces.

More importantly, it became the kick-off for our circularity journey. Since this initial capsule we have included between 16 to 36 circular design styles on each main collection."

Gitte Skals Hauge,
Project & Sustainability Manager,
OBJECT.



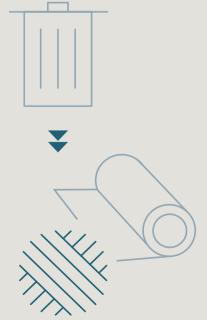




▶► REFINING OUR CIRCULARITY FOCUS

When launching Fashion FWD, we committed to re-evaluating our strategy and our goals when required. As part of our research into garment collection systems, we have become convinced that the greatest impact we can have is by focusing on driving the development of systemic infrastructure mechanisms at a multinational level. Therefore, at this point of time, we have decided not to invest in an individual brand garment collection channel and we will therefore prioritise other solutions instead of the following Fashion FWD goal: By 2020, we will offer and promote a used garment collection channel to consumers in selected markets together with relevant partners.

In 2021, we will join initiatives aiming to develop and facilitate pan-European textile recycling solutions. This will be a critical step in achieving this goal: By 2025, we will drive forward post-consumer waste and circular infrastructure solutions, engaging in collaborative initiatives aimed to turn waste into valuable resources.



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Our consumers will be a critical part of our journey towards a sustainable reality. At BESTSELLER, we want to empower our consumers to make more sustainable choices. One area where we can inspire them is in terms of extending the use of our products by designing for longevity and repair, as well as engaging with them on wear and care.

BESTSELLER has published a wear and care guide on our corporate website, and in 2020, some of our brands developed similar communication. SELECTED put together care guides for different product categories, while ONLY took a different approach with a social media campaign focused specifically on wear and care. ONLY will continue this approach in 2021.

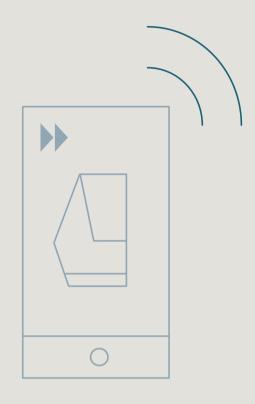
Last year also saw our e-com project Return Revolution come to its scheduled end. The project had been focused on reversing BESTSELLER's online return rate that had been steadily increasing over the past five years. With initiatives such as environmentally friendly cleaning and repair equipment at our Return Centre in Poland, Return Revolution successfully turned the tide with regards to online returns. During its 12-month existence, Return Revolution investigated 100 initiatives for reducing the business and environmental cost of returns. This focus and the lessons learned lives on in BESTSELLER E-Commerce's new Customer Team, which was formed in 2020.





SPEEDING UP DIGITAL ACCELERATION IN BESTSELLER

At BESTSELLER, we see digitalisation as central to our future, as it can make us more efficient, more agile and more sustainable.



COVID-19 has only served to reinforce our belief that digitalisation is the way forward. Throughout BESTSELLER, digitisation initiatives (converting analogue systems to digital) and digitalisation projects (optimising our business practices through digital technologies and data) are accelerating rapidly.

One area where digitalisation is directly linked to our sustainability agenda is with our work to reduce the use of physical samples, with regards to the design and sale of our products.

In connection with Fashion FWD, BESTSELLER has a goal that: By 2025, the volume of samples we produce will be significantly reduced by investing in digital solutions and collaborating closely with our key suppliers. To reach

this goal, BESTSELLER is working with brands to reduce their demand for physical samples, while also developing and implementing alternative digital solutions.

2020 PROGRESS & IMPACT

As part of BESTSELLER's ambition to reduce physical samples, VERO MODA, ONLY and JACK & JONES have adopted selective sample packing for their markets to reduce the number of samples sent from our distribution centre in Denmark to the brands' sales representatives throughout the world.

Since this initiative began in 2019, we have seen a general decline in the percentage of samples being distributed

for each collection. In 2020, ONLY's selection percentage dropped as low as 31 percent for one collection. We believe that this initiative will alter our company's mindset regarding samples and reduce our demand.

Another key project for reducing samples is our digital showroom. BESTSELLER has been working on digital showrooms for a couple of years and 2020 was a significant year in their development. While the project was initially paused following the global outbreak of COVID-19, it was quickly identified as even more important in a world of social distancing, resulting in some modifications and the completion of Digital Showroom 2.0 by the end of last year.

Elsewhere in BESTSELLER, our focus on digitalisation in the midst of a global pandemic has seen a huge increase in digital development. For example, SELECTED is now presenting all new collections 100 percent digitally, while JACK & JONES developed an extensive live-streaming setup in 2020, which has seen them execute a two-day global collection launch, a comprehensive sustainability webinar for internal and external stakeholders, and many other smaller online events.

In BESTSELLER PEOPLE, our in-house training experts have identified a number of advantages of converting traditional face-to-face courses to online. (See page 60)

GOING FORWARD

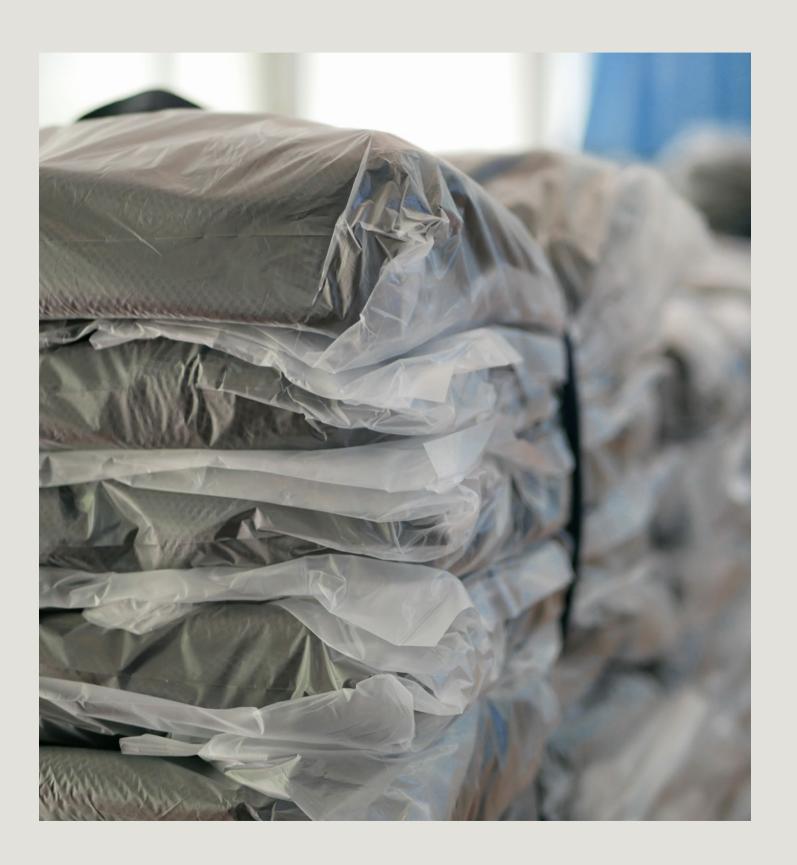
In January 2021, the Digital Showroom concept went live at BESTSELLER Germany's head office in Hamburg. The updated setup has been rolled out in 12 VERO MODA showrooms in Germany, Austria, Denmark and France. Some sales representatives are also using the programme on their laptop computers for remote selling.

"We have chosen to do an aggressive rollout, as we have high expectations to the Digital Showroom and we believe that the combination between digitalising the showrooms, without sacrificing physical nearness is right way to do it. We believe in a future where we can reduce our amount of physical samples significantly, while maintaining nearness to our customers," says Peter Dahl, VERO MODA's Sales Director.

BESTSELLER is working on a scalable solution, so the Digital Showroom can expand further in 2021. We expect to add further VERO MODA markets this year, while NAME IT is also in line to adopt the technology. We are also looking to get more brands on board with selective sample packing in 2021.

"The importance of digitalisation and sustainability are becoming increasingly clear in all parts of society. Now, more than ever, we need to accelerate our journey towards a sustainable reality and a truly digital future. This is key to the continued development of our company."

Anders Holch Povlsen,
BESTSELLER's CEO & Owner.



ELIMINATING VIRGIN PLASTIC FROM OUR PACKAGING



At BESTSELLER, we are committed to reducing the environmental impact of our packaging connected to the transportation and sale of our products. While packaging is vital for protecting our products, there is a growing awareness of the problems posed by traditional production techniques and a lack of circular solutions to reduce packaging waste.

We have set two goals regarding plastics and packaging: By 2025, all consumer facing packaging will be 100 percent reusable, recyclable or compostable.

By 2025, we will have phased out single use virgin plastic wherever possible.

BESTSELLER has developed two policies regarding packaging – one focused on plastic packaging and the other dedicated to paper and cardboard. The policies cover all packaging including trim and marketing. The purposes of the policies are to reduce our consumption, give priority to recycled materials, and to support high-quality recycling.

Plastic use and its subsequent waste is a critical problem for society, as it is often made from non-renewable petroleum and is non-biodegradable. Plastic has long been recognised as a significant contributor to the pollution of the world's oceans, while in recent years, the impact of microplastics on the environment, including animal and human health, has been in the spotlight.

Paper and cardboard packaging is a major contributor to global deforestation and biodiversity loss. Each year, three billion trees are logged for packaging. BESTSELLER has partnered with the environmental organisation Canopy to help eliminate the use of paper and cardboard packaging sourced from ancient and endangered forests. (See page 33 and 67).

BESTSELLER is an inaugural member of the Fashion Pact, which was launched at 2019's G7 Summit in Paris. As a signatory to the Fashion Pact, BESTSELLER has agreed to three key commitments regarding climate, biodiversity and the world's oceans. (See page 67).

2020 PROGRESS & IMPACT

In 2020, we focused on further development of our policies regarding plastic and paper packaging, and their initial rollout phase. These policies apply to our entire value chain and will set the standards required for BESTSELLER to achieve our Fashion FWD goals.

A key area of focus was the switch to polybags made from 100 percent recycled polyethylene certified by the Global Recycling Standard, which are also designed for subsequent high-quality recycling. This change is predicted to save approximately 1,750 metric tonnes of virgin plastic per year. Polybags remain business critical for BESTSELLER, as they remain the best solution to date to protect our garments. Producers of paper-based alternatives to polybags are currently not at the scale required to meet BESTSELLER's needs. In the fourth quarter of 2020, we converted approximately 28 percent of our polybags to recycled – and we expect that the transition will to completed during 2021.

GOING FORWARD

In 2021, we will continue to remove virgin plastic polybags from our value chain, and expand our focus by targeting the larger shipping polybags used in e-commerce when sending orders to consumers. These polybags are currently produced of 51 percent recycled plastic but we are working on upgrading to 80 percent recycled plastic in 2021, with more innovation to follow in the coming years, as we work towards replacing shipping polybags with a paper-based option.

All polybags to be

100% recycled polyethylene certified by Global Recycling Standard by the end of 2021.



2020 progress recycled polybags (%)



Predicted saving approx.

1,750 metric tonnes of virgin plastic per year.





FAIR FOR ALL

Everyone working in our value chain will be equally empowered by jobs that are safe, that protect human rights and provide fair incomes and opportunities for everyone to reach their personal potential.



FAIR FOR ALL GOALS

2020

We will analyse
and strengthen
our leadership
pipeline and initiate
implementation
of training for all
manager roles.

2021

- We will complete the global rollout of our online engagement surveys and define common metrics to benchmark engagement across our markets.
- We will publish a list of our key material suppliers.
- We will complete the global rollout of our diversity and inclusion policy and the accompanying awareness programme.

2021

We will achieve 100% remediation and safety training under the Bangladesh Accord.

We will have evaluated and redesigned our

Productivity & Social
Dialogue programme
based on learnings from
Myanmar and Bangladesh
and further implemented
improvements for
management and workers
in partnership with our
key suppliers across key
sourcing countries.

2022

We will train 4,000 people through our internal Academy to further develop and enhance their skills.

2025

Workers and managers in all factories in our Productivity and Social Dialogue programme will engage in social dialogue, driving productivity improvements and greater shared social value.

2025

Through industry

collaboration, we will

implement mechanisms to

promote fair living wages.

We will support 100,000 women in tier I factories to achieve workplace empowerment and improved life-skills.

All suppliers will have invested in fire, electrical and building safety and show continuous improvement.



COMMITTED TO PROMOTING FAIR WORKING CONDITIONS FOR ALL

BESTSELLER is committed to promoting dignity, equality and safe working conditions for all people across our value chain through our work with Engaging FWD. People from across the world play a role in designing, manufacturing, transporting and selling our products, as well as supporting those who do so. We strive to be fair for all and we are focused on creating a positive impact for people through our business activities.

BESTSELLER's Code of Conduct outlines the ethics and behaviour we expect from the suppliers and subcontractors we partner with. We also maintain close relationships with our suppliers and take an active role in addressing issues through our various sourcing offices around the world. Additionally, we advocate for higher standards and more stringent legislation at an industry level as a member of various international multi-stakeholder organisations.

While social sustainability in the fashion industry is very focused on supply chains, we are also committed to

providing an enriching, supportive and fair workplace for BESTSELLER's direct employees. Attracting, developing and encouraging talent has always been central to our business model, and this ability to unleash human potential will also be vital for our sustainability aspirations.

In this chapter, we will outline our progress with regards to human rights in our supply chain, factory standards and fire safety, social dialogue, women's empowerment, talent development and employee engagement.



PROTECTING HUMAN RIGHTS IN OUR SUPPLY CHAIN

At BESTSELLER, we uphold the principles of good governance, as well as social and environmental sustainability, and promote ethical corporate culture to all our stakeholders to strengthen respect for fundamental human and labour rights across our value chain.

Our approach to human rights is articulated in our Human Rights Policy, Code of Conduct and responsible sourcing policies, which commit to the International Bill of Human Rights, the UN Guiding Principles and the International Labour Organisation's core conventions.

Our policies are continuously updated to reflect issues identified through our Factory Standards Programme, our engagement in industry initiatives and other forums for stakeholder dialogue such as Ethical Trading Initiative (ETI), and ACT on Living Wages, which provide guidance and advice on mitigating and remediating problems in our supply chain, as well as human and environmental risk assessments.

BESTSELLER also conducts human rights and environmental risk assessments to identify how workers and their local communities may potentially be exposed to adverse effects or infringement of labour and human rights. We implement preventive measures for any identified risk, according to the nature and scale of the risk and have standard procedures for how to remediate.

>> SOURCING REGIONS WITH PARTICULAR RISK OF HUMAN RIGHTS VIOLATIONS

At BESTSELLER, we acknowledge our responsibility to respect human rights but understand our limitations as an individual company. That is why we collaborate with industry and external partners to promote respect and support of human rights. Such collaboration is particularly important when dealing with regions where there is an increased risk of human rights violations.

BESTSELLER's Sourcing Regions of Particular Human Rights Focus Policy describes our approach when dealing with such regions. While some regions are banned from BESTSELLER production, others are subjected to a particular Human Rights Due Diligence focus. As the situation in these regions can change rapidly, you can find the latest status on our website.

INSPIRING POSITIVE CHANGE AT FACTORIES

Our Factory Standards Programme identifies and addresses environmental, labour and human rights issues at tier 1 suppliers. It is designed to build transparency into our supply chain to prevent, mitigate and address risks and to promote positive change in partnership with our suppliers, incentivising them to take ownership and improve human rights and environmental performance rather than just comply.

To be approved for production for BESTSELLER, factories must fulfil BESTSELLER's Basic Requirements within social and labour, chemical and environmental performance and pass a comprehensive onsite assessment conducted by a member of the BESTSELLER in-country team or a third-party auditor.

At routine intervals, all suppliers in our supply chain conduct a self-assessment covering 16 social, labour and environment areas. Our local teams of specialists verify the suppliers' answers to the self-assessment during on-site performance evaluations. The visits can be announced, semi-announced or unannounced depending

EMBRACING TRANSPARENCY TO INSPIRE PROGRESS

Transparency enables BESTSELLER to address risks, promote positive change and further trust with our stakeholders. We publish an updated list of our on-boarded tier I garment manufacturing factories on our website twice a year. We will continue to bring further transparency to our supply chain and we have a target to publish our key materials suppliers in 2021, and we are well on the way, as all Chinese material suppliers, who represent the majority, are published through the IPE (see page 17).



TIER 1 FINISHED GOODS ASSEMBLERS All production units involved in the make-up and finishing of garments and products, including subcontractors. Includes cut-pack, embroidery, washing, dyeing, printing and finishing of garments or finished products.



TIER 2 MATERIALS MANUFACTURERS All production units involved in finished materials production, including subcontractors. Includes fabric and trim manufacturing ("trims" include plastic buttons, metal zippers, rivets, etc.), dyeing, printing, finishing, tanning and laminating of materials.



TIER 3
FIBRE
PROCESSORS

All production units involved in fibre processing, including spinners and feather/down processors.



TIER 4
RAW
MATERIALS
SUPPLIERS

Agriculture and extraction of raw material.

on the situation and follow clearly defined methodologies, protocols and performance indicators.

Each supplier is given a weighted performance rating. If the supplier goes beyond what is normally expected in a particular area, they are rewarded in the performance rating. Unsatisfactory results are also graded according to their severity and given corresponding protocols and timelines for remediation. Our local social and labour and chemical and environment specialist teams conduct follow-up visits to advise and check on the remediation progress in person.

In addition to our own assessments, we work with the Social & Labour Convergence Programme (SLCP), the Higg Facility Environmental Module (FEM) and Facility Social & Labour Module (FSLM) tools. (See page 16).

2020 PROGRESS & IMPACT

Onsite risk assessments and assistance with remediation was severely hampered in 2020 by the COVID-19 pandemic. Special protocols were developed for this situation, including virtual factory assessments and cross-referencing self-assessments with official registers and maintaining relationships with suppliers over the phone and via online applications.

In 2020, we conducted 28 investigations into potential cases of critical non-compliance (labour rights, health and safety, and/or environment). Eight of these cases were dismissed after investigators found no evidence of non-compliance. Of the remaining 20, 13 were fully resolved in accordance with corresponding protocols. In seven cases, although the issues were partly or fully resolved, the unsatisfactory resolution process led us to re-evaluate our relationship with these suppliers. BESTSELLER decided to end the business relationship going forward and off-

boarded the suppliers in accordance with our standard operating procedures. Fourteen of the cases were resolved with collaboration between BESTSELLER and local and/or international labour unions.

BESTSELLER worked hard to support our key suppliers deal with reduced cashflow and lockdowns when the pandemic hit. We temporarily decreased payment terms to 10 days, so suppliers were better equipped to pay salaries and avoid or reduce any layoffs.

In cases where layoffs were unavoidable, BESTSELLER has a clear process to research, review and – if required – remediate the situation.

We will continue to support the rights of workers to bargain collectively and encourage all parties to use the proper mechanisms to address their grievances.

BESTSELLER is a signatory to the SLCP, which aims to reduce duplicative social and labour audits by offering one Converged Assessment Framework (CAF) that is accepted across multiple brands. To save suppliers both time and financial resources in 2020, we decided to accept verified SLCP assessments, as equal to third party audits.

GOING FORWARD

We intend to improve our supplier and factory rating system to ensure data consistency and alignment by investing in new IT tools for training suppliers on how to complete the self-assessments, as well as updating our data collection and management systems internally.

Having updated our reporting templates for social and labour and environmental verification, as well as Above and Beyond indicators for exceptional performance in 2020, we will be holding seminars with our local teams on

these updates in 2021, so they can guide suppliers in completing the self-assessments. We will also train our teams in SLCP and FSLM strategies, so they can disseminate this information among our suppliers.

We will be reviewing and updating supplier requirements regarding our Fire, Building and Electrical Safety programme based on a risk-based approach in sourcing countries not covered by the Life and Building Safety (LABS) Initiative and the Accord. (See page 51 and 52).

Suppliers:

386

Tier l factories:

653

Onsite factory visits:

659

480 performed by local BESTSELLER teams and 179 by approved third parties





ACHIEVING LANDMARK CHANGE IN BANGLADESH

In 2013, BESTSELLER signed up to the Accord on Fire and Building Safety in Bangladesh – an agreement between the international union IndustriALL, UNI Global Union and more than 200 apparel brands and retailers to make fire, electrical and structural improvements in the Bangladeshi ready-made apparel industry.

Over the last seven years, we have worked with the Accord to make significant improvements at factories in Bangladesh that manufacture our products. Today, the Accord covers over 1,600 factories in Bangladesh, representing over 2 million workers. As per the agreement, 100 percent of our suppliers are under the Accord programme, and suppliers that do not agree to Accord monitoring and training are not onboarded into our supply chain. In our Fashion FWD strategy we have set a target that by 2021, we will achieve 100% remediation and safety training under the Bangladesh Accord.

In May 2021, the Accord will be replaced by the RMG Sustainability Council (RSC), an initiative to carry forward the accomplishments already made on workplace safety

in Bangladesh. BESTSELLER will continue its support and alignment with the RSC.

2020 PROGRESS & IMPACT

As per the agreement, 100 percent of our suppliers in Bangladesh are covered by the Accord programme and in 2020, BESTSELLER made electrical and building safety assessments mandatory for onboarding new factories in Pakistan.

Accord covered factories are assessed by independent inspectors, and provided with Corrective Action Plans as well as training.

Bangladesh represents roughly 33% of BESTSELLER's production volume and employs an estimated 270,000 workers.

In 2020:

29

factories completed 100% remediation on initial assessment

28

factories have completed all the initial findings and waiting for their remediations to be verified by BESTSELLER

38

factories completed RSC safety training (health and safety training)

270,000 workers



"For me, the biggest impact comes from teaching factory workers about how to identify issues and raise them. Some of the people we meet at the factories don't know how to read and write, but we don't let that become a barrier – after our training sessions they know what to do and what not to do to keep themselves and their workplace safe, and that is all that matters."

Zahangir Alam,
CSR Manager in Bangladesh, BESTSELLER.

GOING FORWARD

The Accord was a landmark agreement and it has shown how relevant stakeholders can collectively develop obligations to improve human rights conditions in the supply chain, even in a notoriously high-risk sector and country.

Its emphasis on empowering workers by training them in identifying and mitigating risks was ground-breaking, as was giving them an anonymous platform to raise any workplace-related issues. The impact of the Accord illustrates the power of brands working together to support a supplier in improving standards and incentivise best practices. BESTSELLER will continue to advocate for a collective approach among our peers in the industry.

As a result, thousands of individuals have been trained on how to spot and remediate risks and establish health and safety committees at factories, increasing ownership of risks and developing ambassadors for safe practices. Many of the procedures and requirements under the Accord have been integrated into our Factory Standards Programme, which applies to all our suppliers.

▶▶ LIFE AND BUILDING SAFETY (LABS) INITIATIVE

LABS aims to improve worker safety in the apparel and footwear industry by identifying and remediating fire, electrical, and structural building safety risks. LABS does this through developing a single country-based, life-safety programme to assess factories and provide a framework for monitoring and ensuring mitigation and remediation.

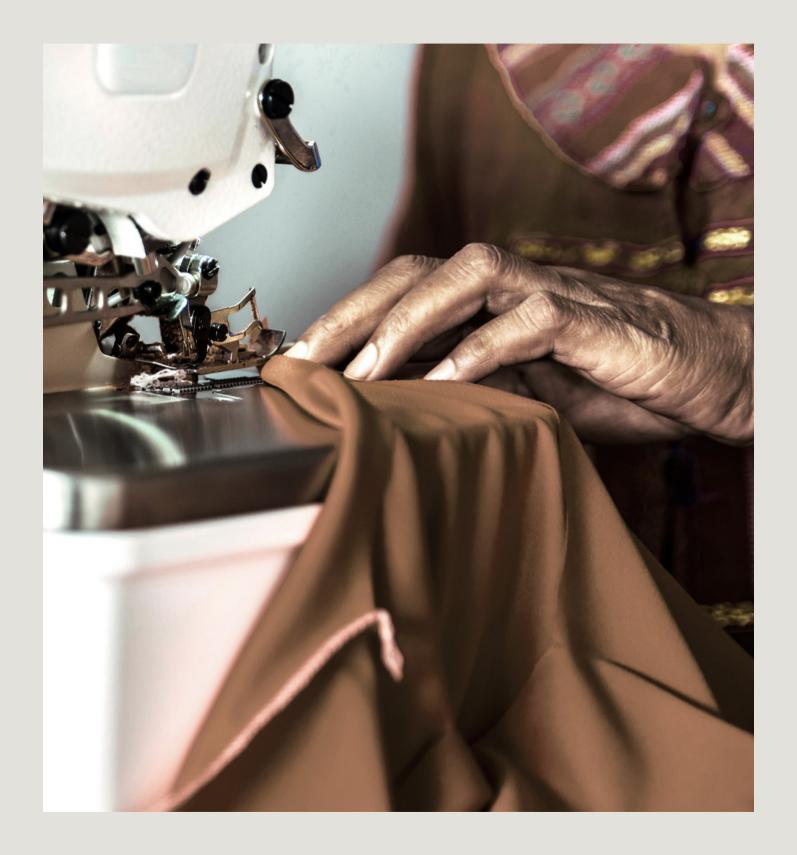
We were a steering committee member of LABS and supported the development of its programmes and eventually piloted the programme with some of our suppliers in India.

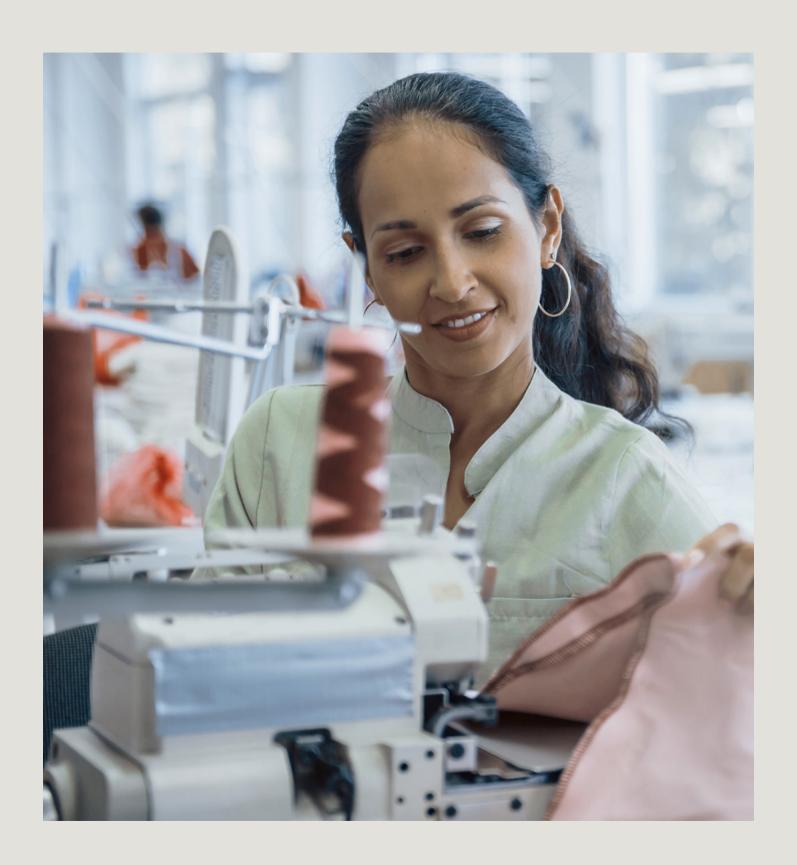
2020 PROGRESS & IMPACT

Nine factories are currently enrolled in the programme and are implementing the advised remediations. COVID-19 has made implementation challenging, but we are seeing good progress across all factories.

GOING FORWARD

We are evaluating the potential for further factories to join the programme in 2021. We will look into incorporating some of the experiences we have gained through LABS into our own Factory Standards Programme.





HELPING WORKERS **BE HEARD**

Strong social dialogue is key to ensuring the opinions of factory workers and factory management come together in factory decision making processes. It encourages good governance and advances social and industrial peace and stability, ultimately resulting in a more fulfilling work-life for the people in our supply chain.

In 2017, BESTSELLER joined the Myanmar Productivity and Occupational Health and Safety Project (MYPOD). The project focuses on building the capacity of workers and factory management to establish workplace social dialogue, and highlighting how those forums can improve working conditions and increase productivity.

Some issues in our supply chain stem from a lack of well-established social dialogue mechanisms on issues such as health and safety, wages, and freedom of association. Our goal is to have our own internal Productivity and Social Dialogue Programme for all suppliers that incorporates lessons from two initiatives (the ongoing MYPOD in Myanmar and the completed POSH in Bangladesh) to encourage and support social dialogue and drive productivity.

In our Fashion FWD strategy, we have set two goals: By 2021, we will have evaluated and redesigned our Productivity & Social Dialogue programme based on learnings from Myanmar and Bangladesh and further implemented improvements for management and workers in partnership with our key suppliers across key sourcing countries.

By 2025, workers and management in all factories in our Productivity & Social Dialogue programme will engage in social dialogue driving productivity improvements and greater shared social value.

2020 PROGRESS & IMPACT

In 2020, we designed BESTSELLER's Productivity and Social Dialogue Programme based on lessons learned from our initiatives in Bangladesh and Myanmar.

The programme works on two interdependent levels:

- 1) A focus on productivity (e.g. communicating with workers on solutions for streamlining production processes, warehousing inspection processes, product safety).
- 2) Social-dialogue training sessions, focused on raising awareness and implementing mechanisms for improving social dialogue.

The programme aims to help workers and management work together to contribute to improved worker wellbeing and productivity.

We had been planning on piloting the new programme in 2020 with one of our long-term suppliers in Turkey, Deniz Tekstil, which nominated one of their factories for the pilot. Pamukkale Technical University had also agreed to be the productivity implementing partner. We were searching for a partner to carry out the social dialogue-related training sessions. However, the COVID-19 pandemic disrupted implementation plans, and we will relaunch the pilot in 2021.

Regarding MYPOD, at the start of 2020, the Industrial Workers' Federation of Myanmar agreed to participate in MYPOD's social dialogue training. These plans were put on hold due to COVID-19 and later in the year, the project was reviewed and redesigned.

The new project focuses on:

- Developing trade union capacity to train workers representatives on freedom of association, social dialogue and occupational health and safety.
- Supporting union representatives, labour inspectors, and company representatives to redesign the produc-

- tion flow to incorporate COVID-19 regulations set by the government.
- Collaborating with ACT to developing training for unions and employers on Freedom of Association Guideline (FoA GL) for Myanmar, to raise awareness of FoA GL and increase the reach of MYPOD beyond factories supplying for BESTSELLER. (See page 56).

GOING FORWARD

Having redesigned our Productivity and Social Dialogue Programme in 2020, we are on track to achieve our associated Fashion FWD goal in 2021. Another key step will be the completion of our planned pilot in Turkey, and we will use that experience to present a business case to other suppliers and thus broadly promote social dialogue and productivity in our supply chain.

The redesigned MYPOD project is scheduled to be launched in 2021 and implementation will depend on the developments in Myanmar.

>> QUIZRR TRAINING ON SOCIAL DIALOGUE

In some of our sourcing countries, there is a general lack of understanding of workers' basic rights, strategies and mechanisms for ensuring their rights are protected. At BESTSELLER, we want to support our suppliers in this capacity building, so we have teamed up with Quizrr – a global organisation that provides digital training solutions specifically for educating workers and mid-level managers using real-life situation videos and questionnaires via digital tools. We piloted Quizrr at two factories in China and two factories in Bangladesh in 2019, training 4,162 workers and managers.

2020 PROGRESS & IMPACT

In 2020, in spite of the challenges posed by COVID-19, 11 factories participated in Quizrr training sessions (8 in Bangladesh, 3 in China) for a total of 3,455 employees.

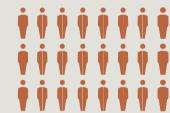
GOING FORWARD

In 2021, as the pandemic and restrictions allow, we will evaluate the possibility to enroll more suppliers in the Quizrr programme and will continue to monitor its effectiveness.

QUIZRR IN NUMBERS



11 factories



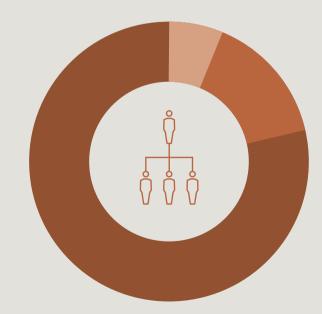
3,455 employees



11,140 sessions



1,802 women 1,653 men



2,699workers540middle-managers216managers

SUPPORTING MYANMAR'S GARMENT INDUSTRY

In 2013, the European Union (EU) lifted all economic sanctions on Myanmar after the local military relinquished power, paving the way for democratic reform.

BESTSELLER began sourcing in Myanmar the following year and has been supporting sustainable development of the local garment industry since then.

BESTSELLER joined SMART TAG – an EU co-funded programme – as an inaugural member in 2019. We have contributed financially and nominated suppliers for SMART TAG training.

These suppliers attend workshop programmes and onsite training sessions related to management of sustainability and social and labour compliance, health and safety, workplace dialogue, chemical risk management, child labour prevention etc. SMART TAG also trains local sustainability experts to support the sustainable development of the local garment industry on a broader level.

2020 PROGRESS & IMPACT

In the wake of COVID-19, in April 2020 SMART TAG decided to redirect its resources and with additional support from EU, established the Myan Ku Fund.

The Myan Ku Fund is focused entirely on supporting workers in the apparel sector, providing emergency cash payments to impacted workers. The fund was launched on 1 May 2020 and as per January 2021 the fund has made payments to about 60,000 workers, including over 900 pregnant workers, most of whom have completed as least one counselling session on maternal nutrition and infant health with Myan Ku's doctors.

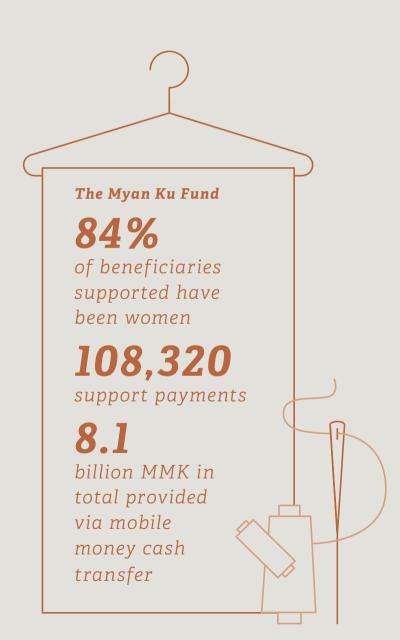
Additionally, BESTSELLER joined the European Chamber of Commerce in Myanmar in 2020 and we have been working with other brands in the Garment Advocacy Group (GAG) to support sustainable development of the garment sector.

GOING FORWARD

The Myan Ku Fund quickly mobilised resources and partners to provide support to a large number of individuals impacted by the pandemic. The Myan Ku Fund plans to continue its emergency cash transfers, with increasing focus on pregnant workers, workers with young children and migrant workers. It will also expand its counselling support, providing workers with nutritional counselling, and training on vocational support.

As business is returning to the factories after the initial impact of COVID-19 and as restrictions are being lifted, SMART TAG is trying to resume its regular training activities. These efforts will continue according to COVID-19 health and safety guidelines.

In light of the evolving political situation in Myanmar, the European Chamber of Commerce in Myanmar is closely monitoring the situation and sharing timely developments with us and our fellow members.



KEY STEPS TOWARDS LIVING WAGES

At BESTSELLER, we believe that all workers should receive a fair wage, which enables them to provide for their families and uphold a decent living standard. Since 2018, BESTSELLER has been a member of Action Collaboration Transformation (ACT) – an agreement between 21 major global brands and IndustriALL Global Union to support the development of an industry that prioritises decent work, based on freedom of association, collective bargaining and living wages.

In coordination with our fellow ACT brands, in light of COVID-19, BESTSELLER has been and continues to monitor payment of wages, severances, worker dismissal, and freedom of association in our factories together with unions and employers associations to identify and remediate any issues of non-compliance within our supply chain transparently and in concert with the relevant unions, brands and employer associations.

As an ACT brand, we also committed to taking responsibility in cases in which a supplier has incurred a fabric liability as a direct result of order amendments and to communicating any possible projections and stock information for the following months.

We are working internally to transform our own internal purchasing practices and externally by engaging with ACT's national working groups in key sourcing countries. These efforts will enable us to reach one of our Fashion FWD Goals: By 2025, through industry collaboration, we will implement mechanisms to promote fair living wages.

2020 PROGRESS & IMPACT

BESTSELLER took several key steps forward in 2020. Internally, we drafted new onboarding and offboarding policies for our brands that incorporate ACT's purchasing practices.

Externally, as part of ACT, we also worked on multiple projects. In Myanmar and Bangladesh we helped establish interim dispute resolution mechanisms (DRM). These interim dispute resolution mechanisms provide a platform to navigate and solve disputes between local labour unions and factory management in a peaceful and efficient way, providing workers with protection and support, which has been particularly crucial during a pandemic. These mechanisms cover freedom of association disputes and disputed cases linked to the dismissal of workers, wages and severance payments.

The Freedom of Association Guideline (FoA GL) for Myanmar was approved by the International Labour Organization and enacted by all ACT member brands in April 2020, and since May the DRM has been used in 10 cases, nine of which were resolved, with one ongoing.

In Bangladesh, as part of ACT's local working group, BESTSELLER was involved in discussions aimed at finding joint solutions to the challenges posed by COVID-19 in a rapidly changing environment. Together with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), IndustriALL and its national affiliates, ACT brands agreed on an internal DRM and developed a COVID-19 Joint Work Plan, which identified a set of key priorities that needed to be tackled collectively in response to the crisis. The Work Plan includes a system of monitoring and review to ensure workers are properly remunerated.

GOING FORWARD

In 2021, BESTSELLER will launch our new ACT-aligned responsible factory onboarding and offboarding policies. We will also train members of our purchasing teams on responsible purchasing practices.

In Myanmar, a review process for the FoA GL DRM started in January 2021 to assess its effectiveness in relation to crite-

"This is a good example
of how unions are working
with brands to develop supply
chain industrial relations as an
alternative to the corporate-led
audit and code of conduct
programmes that other
brands are using instead of
directly engaging with unions."

Christina Hajagos-Clausen,
Textile and Garment Industry Director,
IndustriALL.

ria of the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises for grievance mechanisms.

2020 illustrated that initiatives are most effective when multiple brands work together and show willingness to support suppliers achieve best practices. In 2021, we will continue our work on freedom of association advocacy across our sourcing markets, and work with employer organisations and unions that have the right to participate in collective bargaining and explore opportunities to support the development of these functions in countries where they do not yet exist.

MAKING A DIFFERENCE TO WOMEN'S LIVES

Empowering women creates social value for local communities and business value for workplaces. At BESTSELLER, we are committed to championing women's empowerment across our supply chain with the following Fashion FWD goal: By 2025, we will support 100,000 women in tier 1 factories to achieve workplace empowerment and improved life-skills.

Since 2012, BESTSELLER has been working with HERprojectTM – an initiative run by Business for Social Responsibility (BSR) that develops tailor-made workplace education programmes that increase well-being, confidence, and economic potential of low-income women working in global supply chains.

As well as giving women important life skills, our suppliers enrolled in the programmes report improved workplace communication and higher productivity, and workers report feeling more self-confident entering into dialogue with management to find common solutions to everyday issues.

2020 PROGRESS & IMPACT

By the end of 2020, HERproject™ programmes had reached 81,975 people in BESTSELLER's supply chain. In 2020, 16,700 women working in our supply chain completed HERproject™ programmes. This is lower than in 2019 because of the pandemic. Nonetheless, we managed to schedule workplace programmes in 10 factories, which will reach a further 10,030 women in 2021 and expect more programmes to be scheduled and completed in the coming year.

We also invested time and resources in helping to develop HERessentials, an app that provides critical information on health, financial resilience, and strategies for managing relationships and handling stress.

The programme is novel in that it aims to put technology in the hands of low-income women with low tech skills. In 2020, we organised for 5,788 women to complete the HER-essentials programme in 2021.

By the end of 2020, HERproject[™] programmes have reached 81,975 people in BESTSELLER's supply chain

in BESTSELLER's supply chain	COMPLETED	ONGOING	PRE-KICKOFF
	health topics, ally transmitted ition, and pregnancy. 36,468	3 16,283	2,954
	agement tools, g and financial 10,007	7 2,240	750
	cial inclusion finance for factories 5,390 pleted HERhealth before.	0	1600
	giene, nutrition, , family planning, nance tools.	0	5,788
HERrespect Gender equali	ty and respect.	0	495
TOTAL >>	51,865	18,523	11,587

We were also able to use our network of HERprojectTM-enrolled factories to disseminate COVID-19 related educational information, as we reported last year.

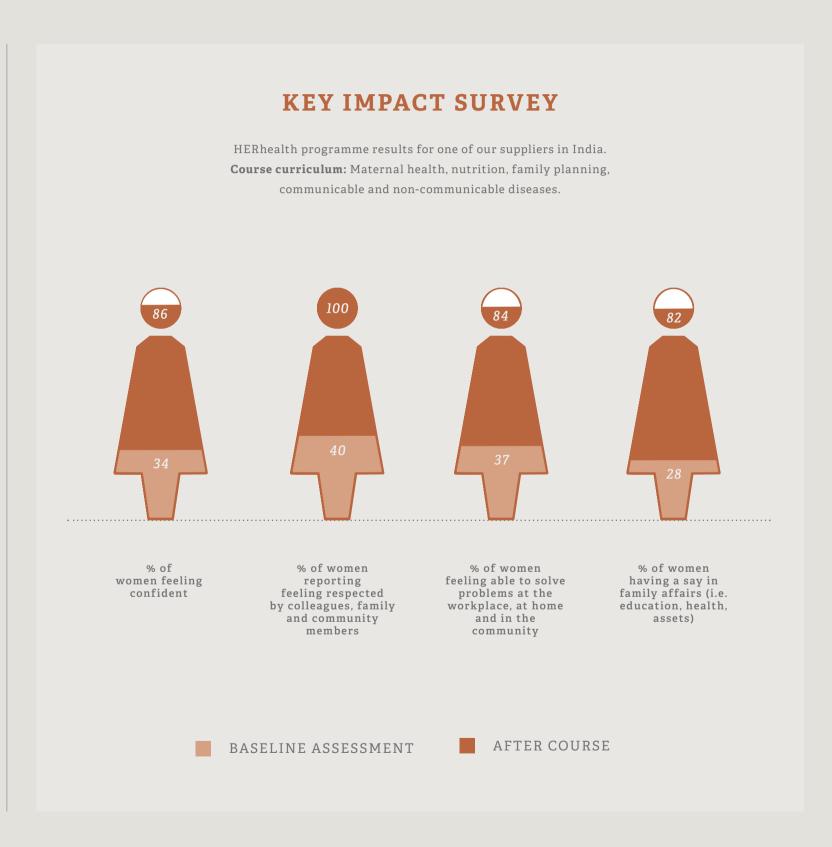
GOING FORWARD

In March 2021, we announced that we have achieved our Fashion FWD women's empowerment goal, reaching 100,000 women through different programmes – four years ahead of schedule. With a new ambitious target on the way, BEST-SELLER will continue to work with HERproject™ to empower even more women in our supply chain.

For example, BESTSELLER has signed an agreement with Work and Opportunities for Women (WOW), a programme funded by UK's Foreign, Commonwealth & Development Office (FCDO), to bring the HERessentials tool to Pakistan. The WOW programme is FCDO's flagship central programme on women's economic empowerment. WOW aims to improve women's access to more secure, safer and better paid work opportunities, improved working conditions, and build partnerships to deliver sustainable solutions that can also be scaled.

A locally tailored HERessentials programme will be piloted with a key supplier, Artistic Milliners. Our combined goal with WOW is to ensure low-income women workers have access to critical information on topics that have been exacerbated due to the COVID-19 pandemic.

We will also explore whether any of our Turkish suppliers are willing to engage with the HERprojectTM, or alternatively create a new programme to address women's empowerment.



In March 2021,
we announced that
we have achieved our
Fashion FWD women's
empowerment goal,
reaching

100,000 women through different programmes – four years ahead of schedule.

"Our mission is to get more suppliers, factories, NGOs and other brands on board, and work together to bring impact on a bigger scale and drive positive changes in the industry."

Andrei Vasiliev,
Social Impact Manager, BESTSELLER.

BUILDING OUR BUSINESS BY DEVELOPING OUR PEOPLE

Since our beginning in 1975, BESTSELLER has been a familyowned company and that heritage can still be felt today. A familial atmosphere remains a central element to BESTSELLER and our colleagues both contribute to and benefit from that.

Our colleagues are the foundation of what we do. Their expertise, knowledge and creativity are the reason for our successes, including within the sustainability sphere. By supporting our colleagues and providing them with a safe and inclusive workplace, we give them the best opportunity to grow and thrive, which – by extension – gives BESTSELLER the best chance of success.

The BESTSELLER culture and family feeling is stronger than ever. We felt this when our company was hit hard and stores around the world closed, which left us with little choice than to let go of 1,500 colleagues worldwide to ensure the future of BESTSELLER. In this exceedingly difficult and uncertain period in our company, we experienced that we have the right team that worked hard, loyally, and dedicatedly to get us through the worst crisis in our company's history.

>> STAYING VIGILANT WITH COVID-19

Since COVID-19's global outbreak, BESTSELLER has closely followed the authorities' guidelines in all our locations around the world, respecting the importance of doing our part to limit the spread of the virus. We are learning each day and adapting to the new reality we face, so we can continue to support our colleagues.

At BESTSELLER, we provide physical surroundings that make our colleagues, customers, suppliers and other business partners feel safe and secure. During the past year, we have naturally adapted our policies and behaviour to ensure our colleagues remain comfortable about coming to work. A COVID-19 task force committee was established in February 2020 to monitor the situation closely and communicate BESTSELLER's guidelines to all colleagues. There has been an overall focus on both physical safety (e.g. maintain-

ing distance, hygiene, face masks, working remotely) and mental health in this trying time.

The early lessons learned at our Global Sourcing offices in Asia were shared with the rest of BESTSELLER and used as inspiration for local working arrangements to ensure a quick response to this serious situation. At all times safety was our highest concern, so we also encouraged our colleagues to reach out to their managers or PEOPLE (HR) team, if they had any concerns or conditions to be considered.

Business travel was kept to a minimum during 2020 as travel security had top priority for BESTSELLER. We followed guidelines from global and local health authorities and, through our cooperation with 'International SOS', all colleagues had access to travel advice and the latest risk assessments. We encouraged our colleagues to maintain business relationships with suppliers and other business partners by using online meeting facilities.

During the past year, we have learnt a lot and made many changes in our ways of working and finding new creative solutions. We will use these lessons as inspiration for new recommendations regarding remote working to support our colleagues feeling safe and secure.

We will continue to support public test facilities and to encourage all working colleagues to be tested, as recommended or required by the public authorities.



MAINTAINING OUR **TALENT FOCUS**

Throughout BESTSELLER's history, a central theme has been our company's commitment to providing talented individuals with room to grow. By developing talent, we believe that we invest in BESTSELLER's future.

The right to education and training is very important to ensure that our colleagues reach their full potential and meet the needs of our business. In BESTSELLER, we have our own Academy team that supports the development of our colleagues by constantly offering them training to increase their skills and make sure they are equipped to get the job done. As part of Fashion FWD, we set a goal to train 4,000 colleagues through our internal Academy by 2022 to underline the importance of training internally.

Furthermore, we support local talent programmes and educational institutions to secure our talent pipeline, while also offering a number of entry-level programmes to identify the next generation of colleagues for BESTSELLER.

2020 PROGRESS & IMPACT

Our trainers in our internal academy had a full schedule for 2020 where they worked on our leadership and supportive training programmes as well as several local talent programmes. But due to travel restrictions and increasing demands for training they had to introduce new ways of learning. Therefore, we increased online training to meet the demands and requests of the company to develop the skills and employability of our people. The possibility to train more colleagues with no travel required, meant increased diversity amongst the participants in each trainning session since we could mix teams across countries.

2020 was also the year that a new master's degree in Commercial and Retail Management was launched at Aarhus University. The goal was to receive 30-40 applications, but almost 100 students started the new degree in September. BESTSELLER is supporting the new master's programme to secure a pipeline of skilled candidates with in-depth knowledge of retail management.

For the second year in a row, a BESTSELLER apprentice won the Danish Chamber of Commerce's prestigious

"Fagprøvepris" and another apprentice made the top 10. In total, 74 apprentices graduated from our Apprentice Programme in 2020.

In addition, our International Business Trainee Programme's (IBT) Class of 2018 graduated in 2020, with all nine graduates – representing nine separate nationalities – gaining fulltime employment with BESTSELLER.

Due to COVID-19, we did not hire any new Business Trainees in 2020. The recruitment process was cancelled when we realised that it would not be possible to set up a team in 2020.

GOING FORWARD

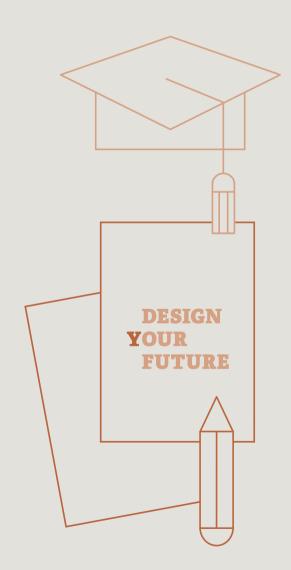
Online training continues to be a focus area, however, to meet the demands of the business for continuous learning, we are implementing an online learning platform, which will consist of communities with learning bites and community driven content. The idea is that the platform should become a rapid problem-solver for all, so that colleagues can quickly find solutions or inspiration from their peers. We expect all colleagues globally to have access by the end of 2021.

While the first graduates from the new Commercial and Retail Management master's degree won't be available for hire until 2022, we will be able to get a first impression of potential candidates already in the second half of 2021 when they will spend their third semester as Business Interns.

In 2021, we will also resume our IBT programme with an expanded class of more candidates and new specialist fields. Our programme will include trainees within Buying, Retail Management, IT Technology & Development, Finance, E-commerce, Sales Management, Design, Logistics or Digital Learning & Development.

Our goal of **training**4.000 colleagues by
2022 was reached
in December 2020,
as we hit

4,043





STRENGTHENING LEADERSHIP CAPABILITIES

We want to be the best and continuous development of our leaders is important as it builds business resilience. In 2019, we introduced a leadership initiative to strengthen the leadership capabilities within BESTSELLER by ensuring that all managers work according to their specific leadership role and easily transition from one role to another. Our leadership approach is being embedded in the way we attract, recruit, develop and assess leadership in BESTSELLER.

To reach the Fashion FWD goal of analysing and strengthening our leadership initiatives and training of all manager roles by 2020, we have set 21 initiatives such as updating relevant PEOPLE processes and tools to support the managers being recruited, onboarded, developed, and evaluated based on the leadership standards defined per leadership role.

2020 PROGRESS & IMPACT

In November 2020, our Academy team started up online leadership training. It turned out to be a remarkable

success as the evaluation scores matched and even outnumbered the previous training. The participants were impressed by how well it worked online, how time flew by and that it was almost like doing the training at an offline training facility.

In total, we trained 401 managers during 2020 during a period of five months since our training activities were closed down from March to September.

By December 2020, we managed to reach 19 out of the 21 initiatives identified for the leadership capabilities. It was not possible to meet the goal since the scope was expanded, which means that the goal will continue in and expect to be completed by 2021.

GOING FORWARD

We will continue training our managers based on our lessions learned in 2020. We also expect to combine online and onsite training as soon as it can be done.

MAKING PEOPLE **FEEL WELCOME**

At BESTSELLER, we believe that it is vital to have an inclusive environment with a diverse workforce to bring sustainable fashion forward. To achieve this goal, we have committed ourselves to a global rollout of our diversity and inclusion policy and the accompanying awareness programme by 2021.

By focusing on diversity, we also enhance our talent pool both in terms of recruitment and our internal talent pipeline, as well as increased productivity, creativity and performance, which in the end reduces time and money spent on hiring, so it becomes the more sustainable choice.

2020 PROGRESS & IMPACT

To progress our work, we put together a team in PEOPLE (HR) to focus on promoting the Diversity & Inclusion (D&I) agenda in BESTSELLER. Our Social Responsibility team will also focus on sickness absence prevention, health and safety and promoting equality in BESTSELLER in general.

The team has gathered data to be able to design a roadmap for implementing D&I in all existing initiatives and processes. Another initiative has also been to design a framework for making a diversity report, which will become a reality when a new HR system has been implemented globally. We have also encouraged our markets and brands to achieve local goals to support the initiative and have already seen positive initiatives to back up the policy.

GOING FORWARD

To support our focus on D&I and reach our Fashion FWD goal by 2021, we will introduce an awareness programme for our colleagues in 2021 to create behavioural change. The focus of the programme is to eliminate biases, ensure equal opportunities and be transparent about promotion, reviews, and development opportunities. Our colleagues will also be able to learn more on the new online learning platform, where we can create awareness and share inspiration for initiatives to support our policy.

We will advocate for a work life that is healthy and sustainable no matter where you work and in which position. During 2021, we will focus on sickness prevention initiatives and revise our sickness absence policies to fit our global standards for BESTSELLER to improve our reporting and prevention strategy.

EQUALITY. IT MATTERS

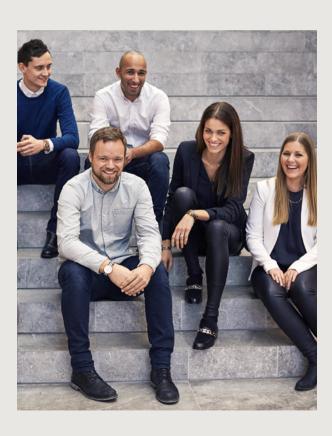
BESTSELLER UK has set out on a journey to promote inclusivity and to ensure fair and equal opportunities for all. Throughout FY 2020/21, the PEOPLE team is hosting a quarterly TED Talk where all UK-based colleagues are invited to watch the lecture and discuss it together afterwards.

The purpose of these talks is to open up the conversation around diversity, challenge our colleagues' assumptions and address their biases. The feedback and learnings are being used to create clear actions to increase the inclusivity at the office. The topics will include Race, Gender, Sexuality and Disability.

We are following the UK initiatives closely and we plan to use the lessons learned to increase diversity and equality throughout BESTSELLER.

"Every conversation has been unique, and every colleague has showed their passion and desire to become better educated, and more inclusive."

Frances Mathews,
Regional PEOPLE Business
Partner, BESTSELLER.



KEEPING COLLEAGUES **ENGAGED**

As part of Fashion FWD, we have committed to complete a global rollout of an engagement survey and defining common metrics to benchmark engagement across our markets by the end of 2021. We call it 'Our People's Voice'.

The purpose of Our People's Voice is to take the temperature on our levels of engagement by empowering our people to answer a set of questions about roles, leadership, teams, and BESTSELLER. We use the results to identify our strengths and opportunities with the final outcome to empower our managers to initiate a dialogue with their teams to take action together and drive our business forward.

2020 PROGRESS & IMPACT

Our People's Voice was launched in September in nine different languages to nearly 1,500 colleagues based in Denmark, UK, Canada, Austria, Greece and Turkey. We were very proud to reach a response rate of 82 percent, which was slightly above our target of 80 percent. We also received 1,680 comments from 385 individual commenters. All comments are read and handled with greatest respect. The result showed us that even at a challenging time for our company, our colleagues are very engaged. We reached an engagement score of 79, which is seven points higher than the external global benchmark. The engagement score was based on two questions where colleagues were asked how happy they are

working at BESTSELLER and how likely they would be to recommend BESTSELLER as a great place to work.

It also showed that we have opportunities where we can collaborate and take one step forward to increase engagement and meet our business goals. We learned that decision making and communication are key drivers of engagement at BESTSELLER and this is also linked to how satisfied our colleagues are with the leadership team.

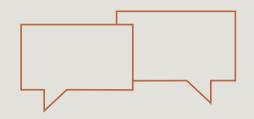
"Everyone knows that engaged colleagues create better results.

We owe it to our colleagues to let them know their engagement is important to us and to listen to their opinions. That is why we have implemented Our People's Voice."

Louise Sylvest, CPO & Head of Corporate Affairs, BESTSELLER.

GOING FORWARD

During 2021, more business units will be added, starting with more brands in Denmark and new markets in Europe such as the Netherlands, Poland, Sweden, France, Belgium and Luxembourg. Our goal is to maintain a high response rate and support our managers to act on the feedback provided. We will not reach our initial goal to onboard all colleagues in 2021 due to COVID-19, but we expect to have onboarded all colleagues during 2022.



In 2020, we launched the Our People's Voice survey to nearly **1,500 colleagues** in nine languages, reaching an **engagement score of 79%**

"Throughout our company's
history, we have always
considered BESTSELLER to be
more than just a workplace.
Our colleagues are like our family.
In challenging times,
I am pleased to see that
mindset remains widespread
in BESTSELLER."

BESTSELLER's CEO & Owner Anders Holch Povlsen.

TARGETING UNACCEPTABLE BEHAVIOUR

At BESTSELLER, we respect human rights, and it is essential to us that our business does not cause or contribute to adverse impacts on human rights. A whistleblower system was implemented in 2019 to report suspicions of serious violations of applicable law or ethical standards such as BESTSELLER's Code of Ethics and Code of Conduct.

The whistleblower system is further promoted in connection with our sexual harassment policy where we refer to the system in cases where our colleagues feel uncomfortable talking with their local PEOPLE (HR) team or manager.

We want to be transparent about the possibility of reporting cases and will promote our whistleblower system further by introducing it in the next version of our Code of Ethics.

2020 PROGRESS & IMPACT

At BESTSELLER we treat each other as family and thus have a zero tolerance of sexual harassment. While our stance regarding this is unchanged, we needed to clearly define this in 2020 due to developments in our surroundings and wider society.

The overall purpose of making a Sexual Harassment Prevention Policy was to make sure that all our colleagues feel safe at work and understand their rights. While the policy itself may be new, it is a continuation of BESTSELLER's long-standing principle of non-discrimination and the family values our company is built on. Nonetheless, it was important that we took a stand in our company and made our position clear.

BESTSELLER colleagues can choose to raise such concerns to their management or to the local PEOPLE department, where the matter will be handled by the local PEOPLE responsible or via our whistleblower system where colleagues can choose to report anonymously if they do not feel comfortable speaking to a colleague.



GOING FORWARD

In 2021, we are planning to roll out an updated version of BESTSELLER's Code of Ethics, which will include our Sexual Harassment Prevention Policy and an expanded focus on anti-discrimination with specific sections related to the prevention of bullying, threats and violence. This will be implemented globally and outline a clear process for how we will treat breaches of the policy.

We also expect to introduce specific anti-corruption training for colleagues that have direct contact with suppliers.

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)



At BESTSELLER, we believe in a holistic approach to sustainability. From the raw materials that we source and the working conditions in our supply chain to the transportation and post-consumer phases of our products, the scope of our sustainability work is broad and the challenges we face are interconnected. This is why BESTSELLER is aligning Fashion FWD with the United Nations' Sustainable Development Goals (SDGs), which provides a comprehensive shared blueprint of what the world needs for a better tomorrow.

The SDGs define 17 global development priorities to be achieved by 2030, serving as a global rallying call for positive economic, social and environmental change. Due to its holistic nature, BESTSELLER's Fashion FWD strategy strongly reflects and naturally contributes to the SDGs.

Considering our business model and industry, there are some SDGs where we have the opportunity to have a great-

er impact. To understand this better, we have compared and analysed Fashion FWD and the SDGs to identify clear links. For BESTSELLER, the following SDGs are where we can make a more relevant contribution:

- SDG 5 (Gender Equality)
- SDG 6 (Clean Water and Sanitation)
- SDG 8 (Decent Work and Economic Growth)
- SDG 12 (Responsible Consumption and Production)
- SDG 13 (Climate Action)
- SDG 15 (Life On Land)
- SDG 17 (Partnerships for the Goals)

While these are our key focus areas, the SDGs are all connected and our sustainability work therefore contributes across the board. The following graphic highlights some of our key efforts in relation to the SDGs but is far from comprehensive.





BRINGING FASHION FWD UNTIL WE ARE CLIMATE POSITIVE,

FAIR FOR

ALL AND

CIRCULAR

BY DESIGN



SDG 5

As of March 2021, we have reached over 100,000 women in our supply chain through **HERproject**TM's various programmes, achieving our associated women's empowerment Fashion FWD goal. Internally, our **Sexual Harassment Prevention Policy** plays an important role in making BESTSELLER a safe and inclusive workplace.



SDG 6

Our focus on more sustainable cotton helps to improve our water footprint by reducing our overall water use and limiting our impact on water sources through chemicals.

We use the **Higg FEM module** to measure environmental performance in our supply chain across seven impact areas, including water use, wastewater, chemical use and waste management.



SDG 8

Our business presence in developing countries throughout the world drives economic growth and decent work standards. To nurture safe and fair working conditions throughout our supply chain, we promote **social dialogue** to help give workers a voice, and work towards achieving living wages in the global garment, textile and footwear supply chain as a member of **ACT**.



SDG 12

At the heart of our Fashion FWD strategy is a commitment to transforming our business model to meet the demands of tomorrow. Our Fashion FWD Lab is one initiative that will drive more sustainable and circular business models forward by identifying and encouraging innovative solutions for BESTSELLER and the wider fashion industry.



SDG 13

We are taking action to limit climate change through our science-based targets, which commit us to significantly reduce our greenhouse gas emissions by 2030 in line with the Paris Agreement. We will power our owned and operated buildings globally with 100 percent renewable energy, with our parent company HEARTLAND building a 200 megawatt solar power plant in Denmark



SDG 15

As a member of Organic Cotton

Accelerator, we help protect biodiversity and local water sources, as the cultivation of organic cotton excludes chemicals and synthetic fertilisers, while also providing a healthier work environment for farmers. Our membership of Canopy and our Forest Protection Policy underlines our commitment to safeguarding the world's forests and associated ecosystems.



SDG 17

Accelerating a sustainable reality for the fashion industry requires collective effort to achieve lasting change. We are a member of various global organisations and industry associations to share knowledge, collaborate and implement solutions, including Fashion For Good, G7 Fashion Pact, ACT, Global Fashion Agenda, Sustainable Apparel Coalition and Textile Exchange.

MULTI-STAKEHOLDER PARTNERSHIPS AND COLLABORATIONS



FASHION FOR GOOD

Fashion for Good is a global community of brands, producers, retailers, suppliers, NGOs, innovators and investors united around shared ambitions of positively transforming the fashion industry. With our partnership, we aim to identify and grow new sustainable innovations and solutions through Fashion for Good's Innovation Platform.

SUSTAINABLE APPAREL COALITION (SAC)

SAC is a trade organisation comprised of brands, retailers, manufacturers, government, NGOs and academic experts, representing more than 40 percent of the global apparel and footwear market. SAC is working to reduce the environmental and social impacts of apparel and footwear products around the world.

MAKE FASHION CIRCULAR

Since 2016, we have been a member of the Ellen MacArthur Foundation, and in 2018 we became a participant in its Make Fashion Circular initiative. Make Fashion Circular drives collaboration between industry leaders and other key stakeholders to create a textiles economy fit for the

21st century. Its ambition is to ensure clothes are made from safe and renewable materials, new business models increase their use, and old clothes are turned into new. The new textiles economy will benefit business, society, and the environment.

TEXTILE EXCHANGE

Textile Exchange is a global non-profit that works closely with its members to drive industry transformation in preferred fibres, integrity and standards, and responsible supply networks. Through Textile Exchange, it is possible to identify and share best practices regarding farming, materials, processing, traceability and product end-of-life, reducing the textile industry's impact on the world's water, soil and air, and – by extension – the human population.

GLOBAL FASHION AGENDA (GFA)

BESTSELLER is a Strategic Partner in the GFA, which aims to mobilise the global fashion industry to change the way we produce, market and consume fashion. As a Strategic Partner, we also contribute to the development of the CEO Agenda, which spells out the eight most crucial sustainability priorities for CEOs on an annual basis.

THE BETTER COTTON INITIATIVE (BCI)

BCI is a global not-for-profit organisation and the largest cotton sustainability programme in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. BESTSELLER has been a member of BCI since 2012.

ORGANIC COTTON ACCELERATOR (OCA)

OCA acts as a catalyst for change by investing in farm-level programmes, which enable farmer education and support, develop new cotton cultivars and facilitate sourcing models linking brands, retailers and suppliers directly to the farm. These programmes bring additional transparency, integrity, supply security and measurable social and environmental impact to organic cotton. BESTSELLER became a member in January 2020.

CANOPY

In 2020, BESTSELLER partnered with the environmental organisation Canopy as we work to eliminate the use of man-made cellulosic, paper and packaging sourced from ancient and endangered forests in our supply chain. Canopy works with the forest industry's biggest customers and suppliers to develop business solutions that protect these last frontier forests.

THE G7 FASHION PACT

The Fashion Pact is a global coalition of companies who will collectively work to reduce our impact on climate, oceans and biodiversity. The coalition will promote existing programmes – some of which BESTSELLER is already

involved with, such as the Science Based Targets initiative on climate – to get more companies on board. The Pact will also work to further the global biodiversity conversation in order to identify a collective strategy in this space.

SCIENCE BASED TARGETS INITIATIVE (SBTi)

SBTi is a collaborative initiative organised by Carbon Disclosure Project, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi is also one of the We Mean Business Coalition commitments. BESTSELLER has set science-based goals on greenhouse gases through the Science Based Targets initiative (SBTi), which has an overall aim of making science-based target setting standard business practice by 2020.

RE100

Led by The Climate Group in partnership with CDP, RE100 is a collaborative initiative bringing together the world's most influential businesses committed to 100 percent renewable power.

BSR HERPROJECT™

BSR's HERproject™ is a collaborative initiative that strives to empower low-income women working in global supply chains. Bringing together global brands, their suppliers, and local NGOs, HERproject™ drives impact for women and business via workplace-based interventions on health, financial inclusion, and gender equality. BESTSELLER has been a member of BSR HERproject™ since 2012 and became a Catalyst member in 2018. In 2019, BESTSELLER has also established a five-year partnership with BSR's HERproject™.

THE BANGLADESH ACCORD ON FIRE AND BUILDING SAFETY

The Bangladesh Accord on Fire and Building Safety is an independent agreement designed to make all garment factories in Bangladesh safe workplaces. It includes independent safety inspections at factories and public reporting of the results of these inspections. BESTSELLER signed up on 24 June 2013. In May 2021, the Accord will replaced by the RMG Sustainability Council (RSC), an initiative to carry forward the accomplishments already made on workplace safety in Bangladesh.

THE ETHICAL TRADE INITIATIVE (ETI)

ETI is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. ETI's vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity. BESTSELLER was accepted as a Foundation Stage Member on 10 March 2016.

THE APPAREL AND FOOTWEAR INTERNATIONAL RSL MANAGEMENT GROUP (AFIRM)

AFIRM is an international group constituted by a number of apparel and footwear companies, which have a common mission to reduce the use and impact of harmful substances in the apparel and footwear supply chain.

ACTION COLLABORATION TRANSFORMATION (ACT)

As a member of ACT we are part of a global agreement to use our influence as brands to promote and work towards living wages for apparel workers at industry level through collective bargaining.



