

— 2018 —

CARE TODAY, BUY FOR TOMORROW

America Today Sustainability Report



TABLE OF CONTENTS

Introduction	5
About America Today	6
America Today's approach to sustainability	6
America Today's sustainability pillars	7
Code of Conduct	7
Supply chain responsibility & transparency	9
Transparency	10
Materiality	12
Responsible supplier relationships	14
Respecting human rights	16
Children and young workers safeguarding	16
Decent working hours	16
Fair remuneration	17
No forced labor	17
Healthy & safe industrial communities	19
Health & Safety	19
Healthy environment	20
Sustainable material use	20
Sustainable use of chemicals, water & energy	20
Own operations & logistics	21
Stakeholder engagement	23
External stakeholders	23
Overview of memberships	24
Multi-stakeholder initiatives	24
Monitoring initiatives	24
Certification bodies & standards	24
Scope of information	25
List of abbreviations	25
List of definitions	26



INTRODUCTION

We are happy to share with you our first sustainability report, where you can read about our sustainability achievements so far and about the challenges we still face.

Our customers, many of them students or young adults, are central to our business and it is our goal to add value to their lives. We do this by offering a casual fashion basis that inspires independence, fun and the confidence to achieve their ambitions, but also by protecting the earth on which to make those ambitions a reality. The negative effects of the way the industry treats the earth will be experienced by the younger generation and we want to be a part of the inevitable change towards a sustainable fashion industry.

We are determined to act in a responsible way and contribute to a sustainable industry to the best of our abilities. One of our strengths is that we are a dynamic, flexible company, which means that we can adapt to innovative solutions relatively quickly. Many of our colleagues in the America Today family feel very strongly about sustainability and we work together with experts and our suppliers to offer a more sustainable collection.

How we do this? By producing a low impact jeans that uses less chemicals, water and energy together with our suppliers. By collaborating with other industry partners in the Agreement on Sustainable Garments and Textiles. By matching our collection to what our customers want and producing more of our collection closer to home, which reduces material and energy use. These and many more of our actions are small steps that bring us closer to a sustainable business. You can read about our actions in this report. We set goals for ourselves on where we want to be in the future, and we work every day to achieve those goals. We care today, so you can buy for tomorrow.

Kind regards,

Peter van Kampen
CEO America Today



ABOUT AMERICA TODAY

In 1989 three Dutch friends opened a clothing store in the Amsterdam Sarphatistraat. A place to buy cool American brands for a good price. The concept was brand new in the Netherlands and quickly attracted many customers from all over the country, in search of the authentic 'American heritage' look.

Since 1989, America Today is the place to go to for American brands. Eastpak, Levi Strauss, Wrangler and Russell, all brands that we were the first ones to sell in the Netherlands. With the introduction of our own label, we have added a premier: a Dutch-born brand inspired by the American College Lifestyle. Our formula is unstoppable and currently has established over 70 stores and active web shops in the Netherlands, Belgium and Germany.

Mission & Vision

At America Today we believe that with the right dose of confidence, everybody can achieve their ambitions. A good basis is essential to achieve these ambitions. There's a lot you need to take into your own hands, but you can go to America Today for a good look. With our relaxed and on-trend items, you have the tools at hand to create a casual fashion basis. A foundation for a

lifestyle whereby quality and fun join forces. We work hard to produce this casual fashion basis in a responsible way, where we treat our employees, customers, suppliers, the environment and local communities as we want to be treated ourselves. Care Today, Buy for Tomorrow.

Values

This is who we are. Our core, the building blocks of our identity. View it as a family, and like any family our values determine what we stand for and how we do things.

We value independence

We are different and we're proud of that. Where others follow, we choose our own path. This while we are always connected with others.

We value being down to earth

Why would you not be yourself? We believe in no-nonsense and are always authentic, relaxed and real.

We value fun

Life is short, so enjoy it. We do too. We don't take ourselves too seriously and always focus on the positive things in life.

— AMERICA TODAY'S APPROACH TO SUSTAINABILITY —

We work hard to offer our customers products that are produced sustainably, with respect for people and the environment. We have already learned a lot and have taken the first steps towards sustainability. Many challenges remain for us and we believe that by working hard, learning, innovating and collaborating with experts, competitors and our business partners, we become a more responsible and sustainable business every day.

We recognize that conducting business activities can have adverse impacts related to human rights, our business relationships and the environment, and we commit to avoid and reduce those impacts to the best of our abilities.

To be able to operate more sustainably and address impacts, it is important to know our supply chain. We started by mapping our most direct suppliers in 2014 and are continually moving deeper into our supply chain and getting to know our indirect business partners, like wet-processing facilities and fabric suppliers. Then, we research the (possible) adverse impacts that can occur in our supply chain, by consulting experts and reports, and address the most important ones based on likelihood and severity. When we have tackled the most pressing impact, we move on to the next one. Through this process we continually increase the sustainability in our supply chains. This approach is in line with the OECD Due Diligence Guidelines for Multinational Enterprises.

— AMERICA TODAY'S SUSTAINABILITY PILLARS —

In line with our company's vision and mission and based on the research we did on our supply chain, we identified four pillars that form the basis of our work on sustainability.

- 1. Supply chain responsibility & transparency**
Our goal is a supply chain that is 100% transparent. We are committed to ensure that our suppliers manufacture our products in a responsible and sustainable way.
- 2. Respecting human rights**
Treat people the way you want to be treated yourself and expect the same from your partners. That is the basic principle we live up to.
- 3. Healthy & safe industrial communities**
We work towards a safe and healthy working environment for everyone who touches our products
- 4. Healthy environment**
We want to enable our customers to buy more a sustainable collection and reduce their and our footprint.



— CODE OF CONDUCT —

The design and sales of our clothing is done by us. Production takes place at specialized suppliers, many of whom we have worked with for a long time. Our values and standards have been included in our [Code of Conduct](#), which forms the basis of our relationship with our suppliers. This is a statement where we describe how we work and how we want our business partners to treat their employees. We treat everyone as we would like to be treated ourselves and expect the same from our partners.

FACTSHEET

TODAY...

34% of our cotton is organic or Better Cotton

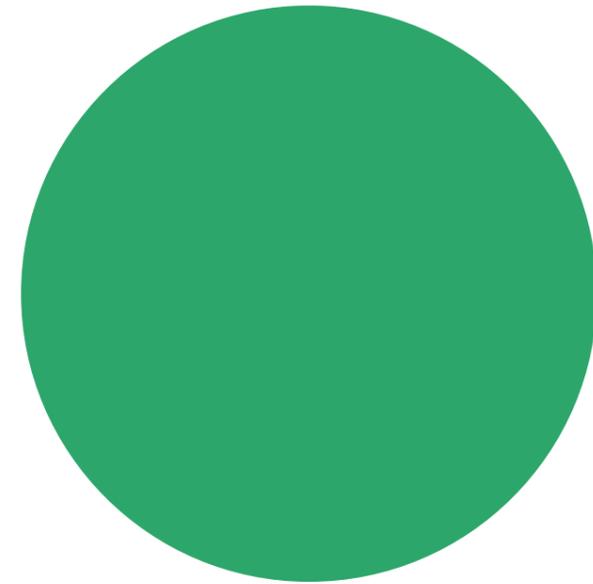
85% of our production locations are socially audited

22% of our jeans styles are low-impact

we **CREATED** our first materiality matrix

we **HOSTED** our first stakeholder dialogue

we **PUBLISHED** our first sustainability report!



SUPPLY CHAIN RESPONSIBILITY & TRANSPARENCY

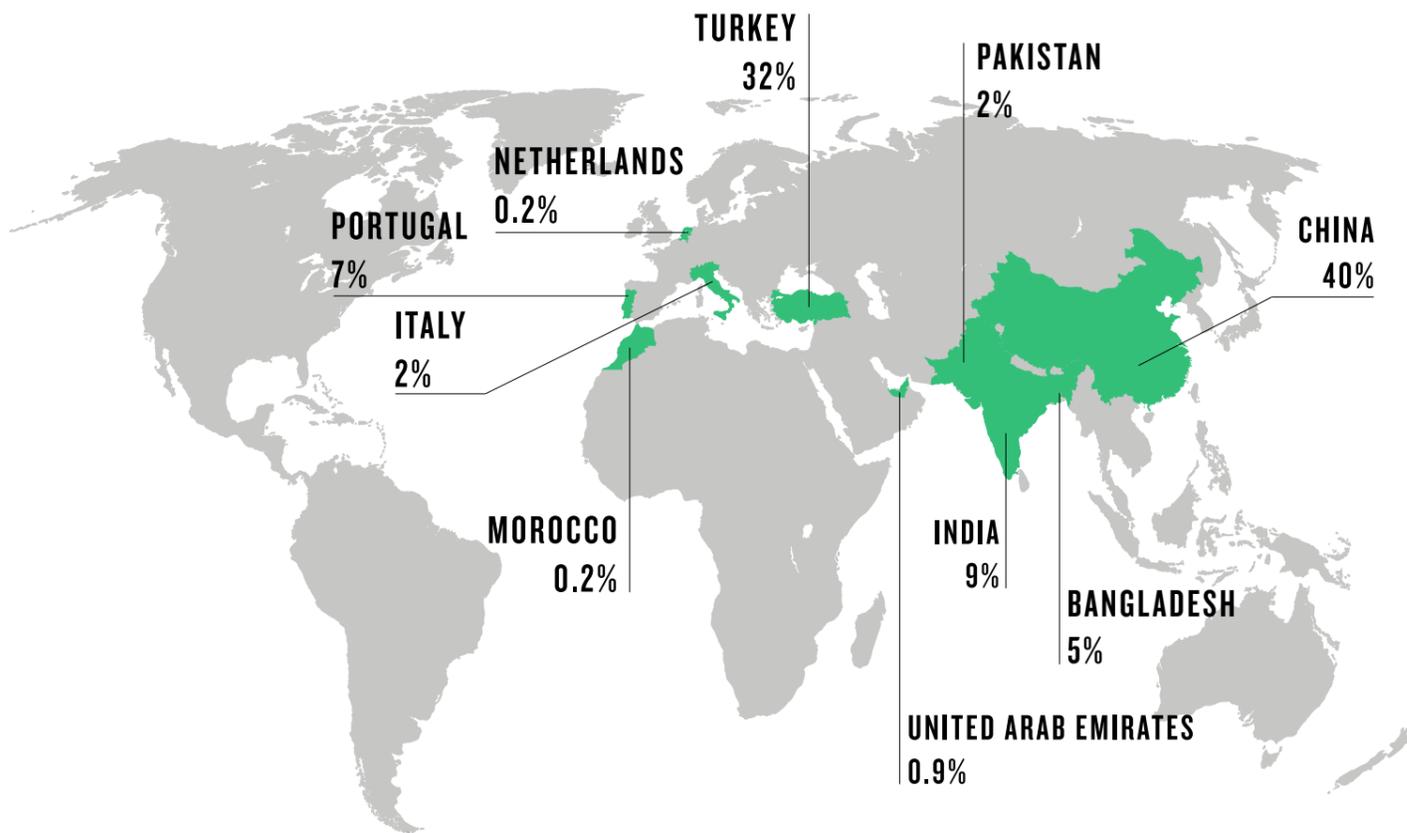
Our goal is a supply chain that is 100% transparent, from raw material to your favorite item. The apparel supply chain is very complex. We believe that a transparent supply chain is the first step towards responsible supply chain management. We are committed to ensure that our suppliers manufacture our products in a responsible and sustainable way, and we want to show you where your favorite items came from and who made them.

— TRANSPARENCY —

America Today aims for full transparency of our supply chain. Through transparency of our supply chain and the materials used in our products, we gain insight in our (potential) impacts. It is therefore the first step to take on our journey towards more sustainable business operations. In addition, we want to be transparent towards you, our consumers, to empower you to make informed choices.

Today

We already have a good overview of the production locations where our products are stitched together (tier 1) and a part of the locations that wash, dye, print and embroider our products (tier 2).



*82% of our production locations are based in risk countries as defined by UN Development Index. We share our list of production locations with the Dutch Agreement on Sustainable Garments and Textiles (AGT), of which we are a proud signatory since 2016. The aggregated list of production locations of all the Agreement signatories can be found [here](#).

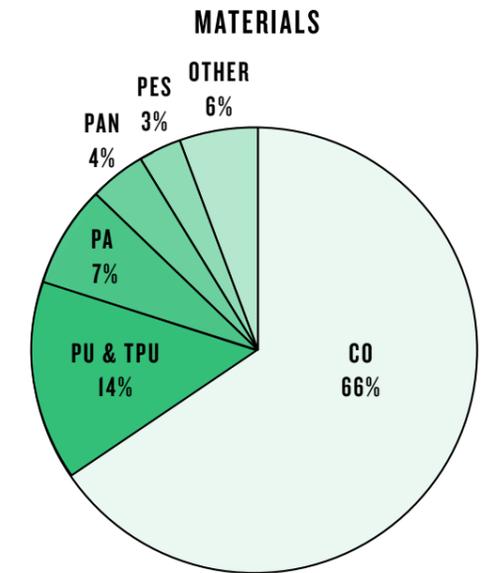
To achieve greater transparency, we participate in a [project on supply chain mapping](#) with one of our first tier suppliers and two second tier suppliers in Bangladesh. The project is set up as part of the [AGT Working Group on Combating Child Labor](#). The Center for Child Rights and Corporate Social Responsibility (CCR CSR) gives trainings to the suppliers to explain the importance of supply chain mapping and risk mapping and to help us better understand possible barriers from the supplier side.

We also have good insight in the materials used in our products, allowing us to set goals and measure our progress on the use of more sustainable materials in our collections.

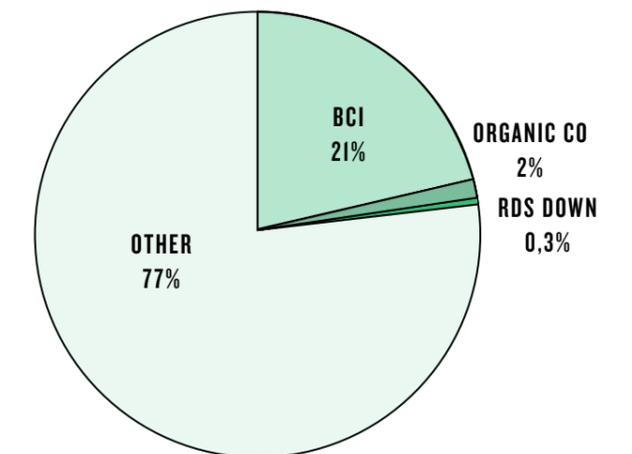
23,3% of the materials we use are considered more sustainable according to the criteria used by the Dutch Agreement on Sustainable Garments and Textile.

Tomorrow

We aim to have full insight in all our tier 1 and 2 production locations, as well as our priority tier 3 locations (fabric suppliers) in 2020. We want to become even more transparent about where our products are made, therefore, we will publish the list of our production locations on our website next year.



MORE SUSTAINABLE MATERIALS



MATERIALS	ABBREVIATION
COTTON	CO
POLYURETHANE	PU
THERMOPLASTIC POLYURETHANE	TPU
POLYAMIDE (NYLON)	PA
ACRYL/POLYACRYL	PAN
POLYESTER	PES

MATERIALS	ABBREVIATION
BETTER COTTON	BCI
ORGANIC COTTON	ORGANIC CO
DOWN, DUCK OR GOOSE RDS CERTIFIED	RDS DOWN

— MATERIALITY —

We know that the production of clothes can have adverse impacts related to human rights, our business relationships and the environment. Therefore, we continually map the risks related to our supply chain and products and commit to make our best effort to address them. Since we cannot address all risks at once, we prioritize them and start with the most important ones. We aim to know and address the risks in our business operations in accordance with the OECD Due Diligence Guidelines.

Today

We conducted a risk analysis on our full supply chain this year. We scoped the (potential) adverse impacts of our production and products per country, material, production process and per specific production location. We prioritized the risks based on the likelihood and severity of the impact on people and the environment, while also taking our potential to address the risk with reasonable effort into account.

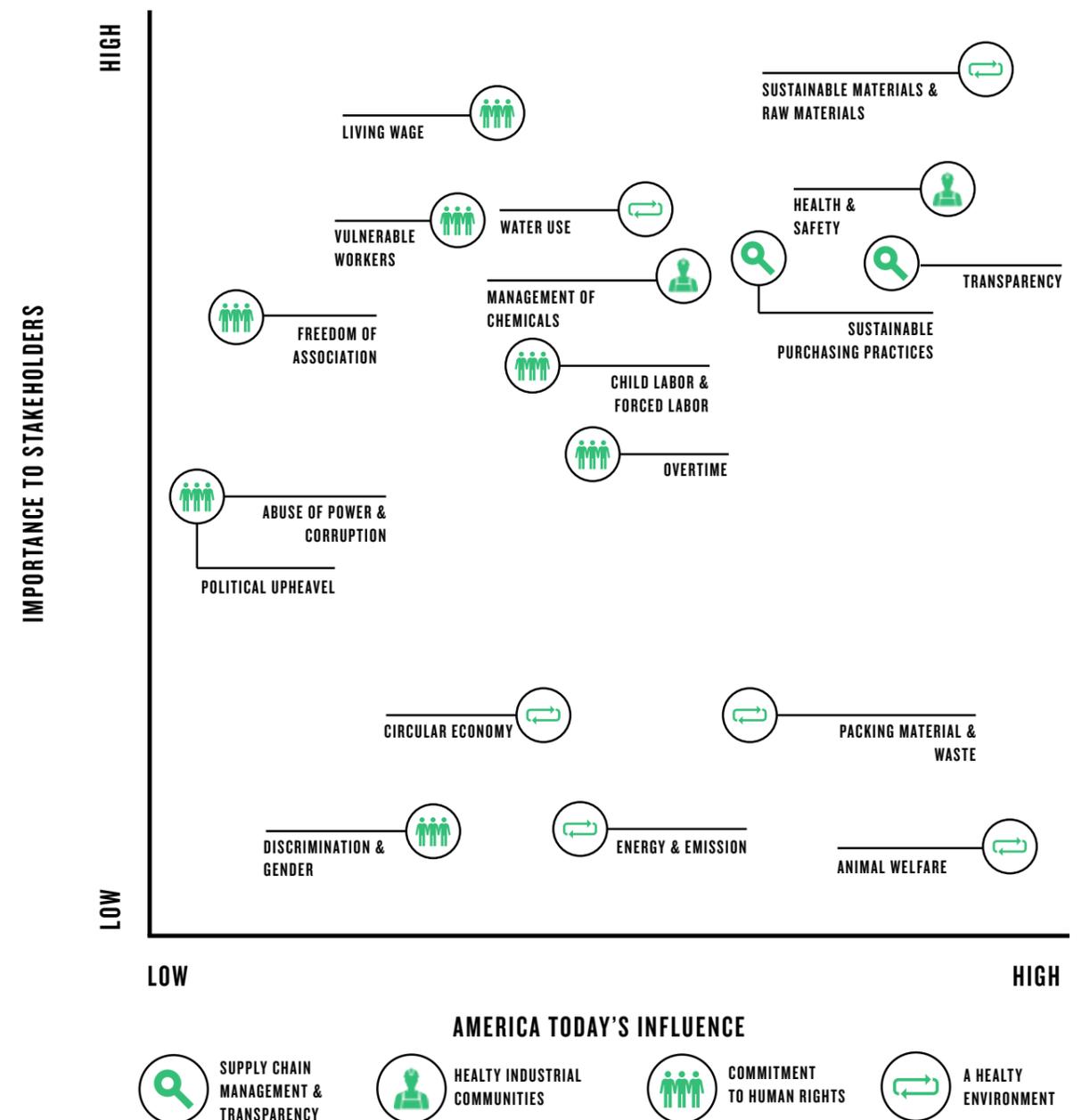
Besides our own research into risks, we also consulted our stakeholders. We did this in three different ways, by conducting interviews with internal stakeholders, where we analyzed the internal interest regarding sustainability, by sending out surveys to external stakeholder to analyze their interests and hosting a stakeholder dialogue with different stakeholder groups. External stakeholder groups we consulted are industry associations,

trade unions, suppliers, competitors, industry initiatives and NGOs focusing on various topics including labor rights, environment and animal welfare. We attach great value to working together with different stakeholder groups; to remain informed of new developments, to learn from others who have more expertise than us, and to share our progress and challenges with them. In the stakeholder dialogue, we requested the stakeholders to determine the most important risks in our production countries. After this scoping exercise, we prioritized the risks together, and the stakeholders shared their ideas on how to address the risks. The stakeholder dialogue forms the basis of our materiality analysis.

By listening to the interests of our stakeholders and taking our own potential to address the risks into account, we were able to create a materiality matrix. Here the themes emerge that are most material for America Today. These themes form the basis for our goals and actions. Further information about the specific risks that were identified and prioritized, as well as our approach to address them, can be found per theme in the following chapters.

Tomorrow

Next year, we will organize another stakeholder dialogue to dive deeper in one of the priority risks and to gain input for an effective plan to address the specific risk.



— RESPONSIBLE SUPPLIER RELATIONSHIPS —

America Today aims to build fair and sustainable supplier relationships and we want to enable and support our suppliers to work with respect for human rights and the environment. We acknowledge that our purchasing practices may contribute to risks in our supply chains, like overtime, low wages or hidden subcontracting. Therefore, we want to buy in such a way as to make it possible for our suppliers to create safe and fair working conditions for the workers involved in the production of our products, and to protect the environment and communities impacted by our production processes.

Today

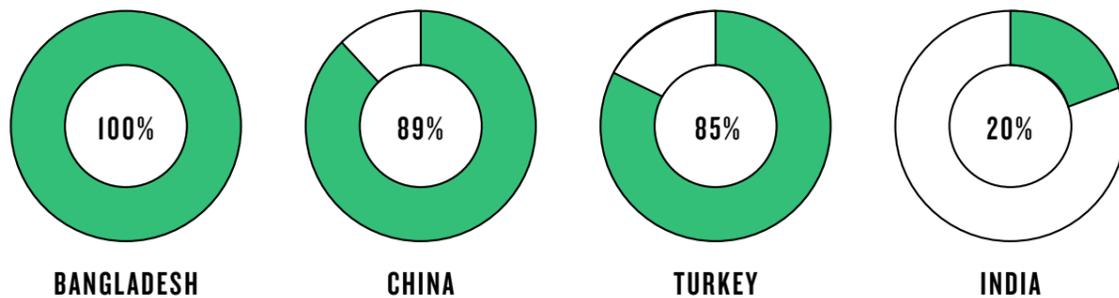
Our Code of Conduct is at the basis of our relationship with suppliers. We request all our suppliers to sign it. We have worked with many of our suppliers for a long time and have established strong relationships with them. We visit many of our suppliers regularly to assess the factory conditions and quality of our products with our own eyes. Our local purchasing offices in Asia carry out inspections in the factories, focusing on working conditions, safety and quality of products.

In addition, the conditions at our suppliers are monitored continually through independent audits, mainly via the amfori Business Social

Compliance Initiative (BSCI). We are capable of invoking some positive changes in the factories where our clothes are produced alone, but we can do a lot more if we combine our forces and collaborate with others in the industry, for example via BSCI. Today, 85% of our tier 1 production locations in risk countries are audited via BSCI or another accepted social audit system. Of the production locations audited through BSCI, 95% have at least a "C" result. We try to support suppliers in the process of improving working conditions at their factories, for example by giving input on their Corrective Action Plan (CAP) and following up on the improvements. Our suppliers can also follow BSCI trainings on topics relevant for them in their own country. We also collaborate with suppliers on more specific improvement projects, which will be explained in more detail in the following chapters.

Based on purchase value, 96% of our production happens in the risk-countries Bangladesh, China, Turkey and India and in the non-risk the countries Portugal, Italy, the Netherlands and the United Arab Emirates.

Percentage of production locations audited in our main production countries classified as risk countries:



OVERVIEW OF BSCI AUDIT SCORES OF OUR AUDITED PRODUCTION LOCATIONS IN MAIN RISK PRODUCTION COUNTRIES:

	A	B	C	D	E
BANGLADESH			4		
CHINA		3	69	6	
TURKEY	4	3	3	2	
INDIA		2			

New suppliers are assessed against sustainability criteria. If the supplier does not meet the basic requirements, the sustainability team has a veto right to stop production being placed there.

Amfori BSCI also provides a platform where individuals or organizations can submit grievances about wrong or unfair treatment. More information about the process of the amfori External Grievance Mechanism can be found [here](#). Our suppliers and their workers can also submit complaints and grievances at the Agreement on Sustainable Garment and Textiles. All grievances are reviewed, addressed and remedied in a manner specific and suitable to the grievance.

Tomorrow

We are currently working on an improved and more elaborate version of our Code of Conduct, in which we state our principles and outline what we expect from our suppliers, including communication of our principles to suppliers further in the chain. It is our aim to share this new code with all our suppliers in 2020, request them to sign it and organize meetings with our suppliers in the production countries to explain our sustainability goals and expectations further and address any questions or concerns they may have. We will also pay attention to clear communication of how to use our grievance mechanisms.

Our aim for 2020 is to have 90% of our factories in a valid audit cycle. Since our visibility in India is lowest, we will focus our attention mainly on our suppliers there. In 2024 we aim for 100% of our suppliers to be audited. To improve the conditions at the factories, it is important that our suppliers draft and implement CAPs and attend trainings to continue learning, just like we do. We intend to actively offer support to priority suppliers to encourage them to work on important improvement areas. In 2020, we will also update the vendor score card we currently use to include more environmental and social performance indicators.

All new suppliers will be assessed against stricter sustainability requirements before production is placed. Working solely with factories that are already performing well does not drive change. Therefore, one of the main indicators we will assess is if the factory is willing to improve and work on sustainability requirements.

Another important goal we have set for ourselves for the next year is to critically look at our own purchasing practices and analyze if there are any practices that might contribute to potential adverse impacts, for example the delivery times or prices we agree with our suppliers. We will then adjust our practices in line with expert recommendations to prevent and mitigate the adverse impacts. We also plan to consult our suppliers on how and if they experience adverse impacts from our purchasing practices via an anonymous survey so we can improve even more.

RESPECTING HUMAN RIGHTS

Treat people the way you want to be treated yourself and expect the same from your partners. That's the basic principle we live up to. America Today touches the lives of many employees, workers in our supply chains and customers. What we do and the way we do it has an impact on all these groups of people. That is why we are committed to conduct our business with respect for human rights and want to work with suppliers who do the same.

—CHILDREN AND YOUNG WORKERS SAFEGUARDING—

We commit to permanently eradicate child labor from our supply chain, thereby ensuring that child labor is not displaced or relocated to other sectors or countries. We commit to the safeguarding of young workers that contribute to the production of our products. In many of the countries where we produce our clothes, it is a risk that underaged workers are hired to work in the factories, mainly beyond the first tier, where we have less visibility. We take this risk very seriously because it can affect the health and development of the child. Underlying causes to child labor in these countries can be, for example, that education is not compulsory or that the wages of parents are too low to provide for a decent living standard. We believe that all children should go to school and have the right to grow up while learning and playing, therefore we want to eliminate all child labor from textile supply chains.

Today

We communicate clearly to our business partners that child labor is strictly prohibited in the production of our products, through our Code of Conduct. We monitor our first tier production locations on child labor and the safeguarding of young workers via audits. No underaged workers were found working in the factories in the previous years.

We have less insight in the situation at subcontracting suppliers and suppliers further down the chain. Therefore, we participate in a [collective project on Combating Child Labor](#) in the Garment Supply Chain together with partners like Unicef, since October 2017. One of our first tier suppliers and two of our second tier suppliers in Bangladesh are participating in the project and receiving trainings on the importance of child labor prevention and child safeguarding in business, and how

to include this in their policies and operations. One of the factories receives more elaborate support through [Unicef's Better Business for Children Programme](#). A due diligence program focusing not only on child labor prevention and protection of young workers, but also on children's rights and safety of children of garment workers more generally. The factory situation is assessed and in collaboration with all stakeholders a plan of action is designed to strengthen the positive impact and mitigate the risks. The tools and lessons learned from this exercise will be made available so that other companies' in the sector can also use them.

Tomorrow

We are currently working on a more elaborate guidance for our suppliers on how best to verify the age of their workers, and what we expect from them should an underaged worker be discovered working in their factory, and also what they can expect from us. The procedure has been reviewed by one of our external stakeholders, an expert organization on the subject, and will be shared with our suppliers in 2020.

We want to improve our insight in the situation of factories beyond the first tier. We also plan to upscale the lessons learned and tools from the Combating Child Labor Project to our other suppliers in Bangladesh and to other risk countries.

—DECENT WORKING HOURS—

We commit to ensure that all workers in our supply chain work decent hours. In the production of clothes, unfortunately excessive overtime is common in many of our sourcing countries. Long working hours and not enough time to rest can compromise the workers' health. Underlying causes can be a low minimum wage in the country, which leads workers to work long hours to sustain them and their family, and the purchasing practices of companies, for example when there is high delivery time pressure. We believe that all people have the right to work decent hours and enjoy enough breaks and leisure time.

Today

We monitor our first tier production locations on decent working hours via audits, CAPs and monitoring of progress.

Tomorrow

We will more clearly communicate our require-

ments in relation to working hours, breaks and holidays with our suppliers through an updated version of our Code of Conduct in 2020.

We will evaluate and improve our purchasing practices to ensure we do not contribute to this issue through our practices (see chapter on responsible supplier relationships).

Based on analysis of BSCI audits, China is one of the countries where overtime happens most in the production locations we source from. Since we do not have the knowledge and capacity to immediately address this risk in all our production countries, we will look to start up or join a project in China in 2020 to better understand the issue and improve the situation starting in one factory or region. Based on the results and lessons learned, we can scale up our actions.

—FAIR REMUNERATION—

We aim to enable a living wage for all workers in our supply chains. In many of the countries we source from, the legal minimum wage is too low to allow for a decent living standard. This often results in worker wages that are below living wage. In addition, there are risks in relation to fair payment of overtime and on-time payment. A possible contributor to this risk are the purchasing practices of companies, for example when the price agreed with suppliers is too low to allow for a living wage. In our view, all workers should receive a living wage from which they can provide a decent living for themselves and their families. A living wage can also indirectly address adverse impacts like excessive overtime and child labor.

Today

We communicate through our Code of Conduct to our business partners that we expect our them to pay fair, timely wages and aim for a living wage. We monitor our first tier production locations on fair remuneration via audits, CAPs and monitoring of progress.

Living wage is a topic that we and our stakeholders consider very important. We also find it very challenging. For us alone it is difficult to make the change, but we try our best to learn by reading reports and participating in workshops. We also learn by looking at companies that are doing better than us and have already started to roll out projects to establish a living wage in their facto-

ries or are collaborating in industry initiatives like ACT. From there we believe we can improve our practices and collaborate with others to improve the industry baseline. As a start, we currently request our suppliers to share their price build up for one of our product groups, so we have more insight in what part of the price is paid to the workers.

Tomorrow

We will evaluate and improve our purchasing practices to ensure that we do not contribute to this issue through our practices (see chapter on responsible supplier relationships). We also aim to evaluate our suppliers' price build up for more products in the next years, which will provide us with a clear overview per product of costs for e.g. materials, workers, investments in improvements for safety and sustainability and profit for the factory.

In 2020, we will calculate the living wage gap in our main production countries and investigate the possibilities of working with a supplier to pilot a living wage project that will provide us with better insight in the challenges and possibilities. If successful, this can form the starting point of a larger scale roll out.

—NO FORCED LABOR—

We commit to permanently eradicate modern slavery from our supply chain. We are aware that in some of the regions where our products are produced, risks of forced labor have been reported by research organizations. The most important risks are related to forced labor in the Dandong region in China where North-Korean migrants are put to work and to informal employment of Syrian refugees in Turkey. We take these risks very seriously because it is related to lack of employment rights and legal protection and can be linked to other risks like long working hours, child labor and low salaries. We believe that no one should have to work involuntarily or informally and therefore aim to ensure that forced labor is not used in the production of our products.

Today

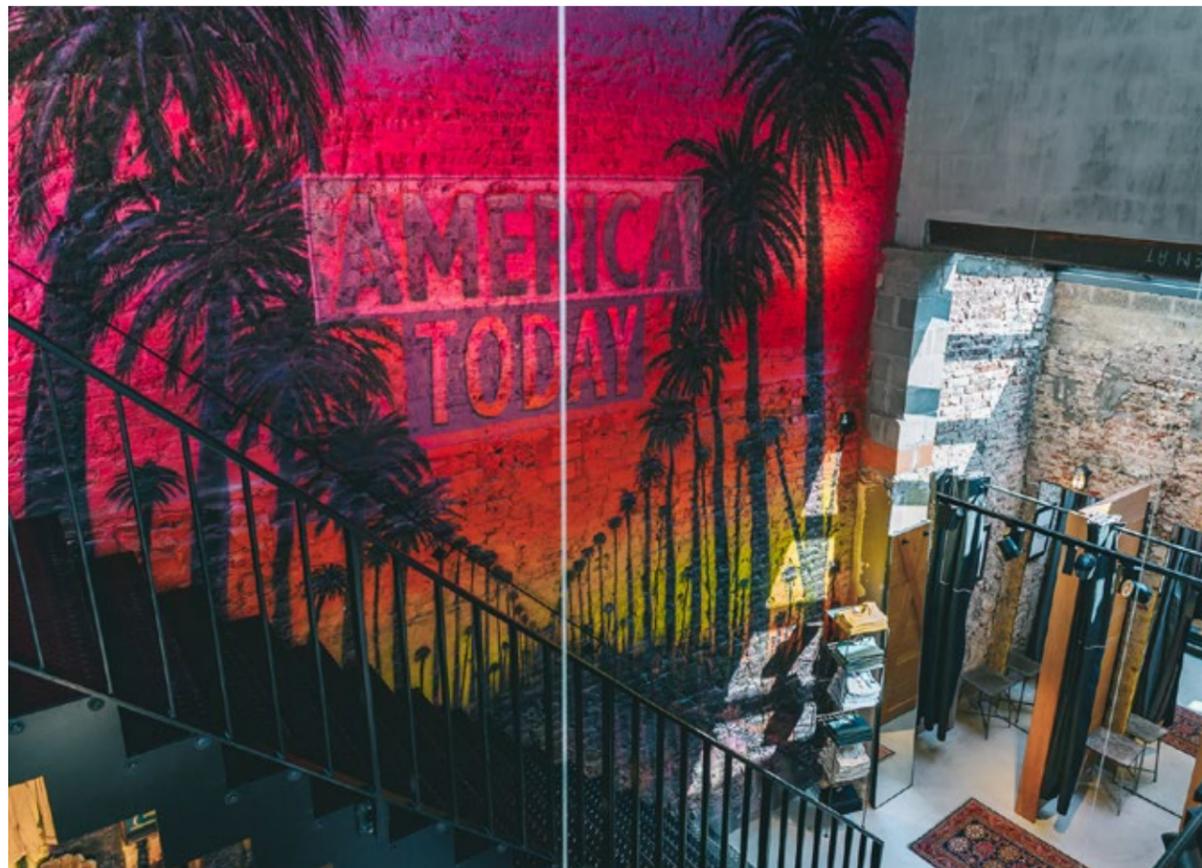
We communicate our commitment to this principle through our supplier Code of Conduct. We monitor our first tier production locations on forced labor via audits. No issues were found in the audits in factories in the previous years.

Because we know that there are particular risks in Turkey and in the Dandong region in China, we paid extra attention to these production locations. In Turkey, audits were conducted by an independent audit firm. It was ensured that any migrant workers working in the factories have an official work permit and have the same rights and salaries as Turkish workers. Points of improvement for the factories are related to embedding these practices in official hiring procedures. In the Dandong region, we are in the process of assessing the situation together with the colleagues from our local buying office. An approach will be determined based on the assessment.

Tomorrow

We are currently working on an addition to the Code of Conduct in which suppliers can find more information about what we expect from them to prevent any use of forced labor and if the principle is not complied to. Special attention is paid to refugee and migrant workers.

We will follow-up with and provide support to Turkish suppliers on the points of improvement. We will further assess the situation in China and follow up on the results of the assessment. Where relevant we will collaborate with other brands and organizations to collectively come to better or more influential solutions.



HEALTHY & SAFE INDUSTRIAL COMMUNITIES

Everyone who is part of our supply chain must work in a safe and healthy environment. At the production locations in our supply chain, building safety must be ensured and measures must be in place to prevent work related accidents, injuries or illness. Workers should be provided with protective equipment, access to clean sanitary facilities and access to safe drinking water and safe and clean eating and resting areas. These are the minimum health and safety conditions we want to see at our suppliers.

— HEALTH & SAFETY —

We commit to ensure that our employees and all workers in our supply chain work under healthy conditions in a safe environment. Health and safety risks related to the production of clothes have been identified in some of our production countries: China, India, Pakistan, Bangladesh and Turkey. Examples of risks found are insufficient emergency systems, lack of proper ventilation, open wiring, or lack of proper medical care. Health & safety is one of our main material themes because areas of improvement are regularly identified in audits of our production locations and major risks related to this theme can have severe consequences for workers and communities. We believe everyone has the right to work in a safe and healthy environment.



Today

We share our commitment to health & safety with all our suppliers through our Code of Conduct. We conduct audits to monitor compliance and monitor progress through CAPs. Due to health and safety impacts, the use of sandblasting in the production of our jeans is strictly prohibited.

As a signatory of the [Bangladesh Accord](#), we collaborate with the industry to prevent and mitigate possible adverse impacts in factories in Bangladesh. All our production locations in Bangladesh are covered by the Accord and required to work on improvement plans for basic safety requirements.

Tomorrow

We will evaluate the issues noted in the audit reports of all our suppliers that score a C or lower in this performance area and have set the target for ourselves to reduce the major non-compliances on health & safety to zero in Bangladesh and by 90% in general by 2022. Our goal is to have eliminated all major health & safety issues in five years.

HEALTHY ENVIRONMENT

We want to enable our customers to buy a more sustainable collection and reduce their and our footprint. The production of clothes impacts the environment in many ways. To protect the communities living in that environment, and to protect our business in the long term, we need to work sustainably with nature rather than polluting and depleting it. We prefer to use more sustainable materials in our clothing and aim to rapidly increase our use in the next years. We are also committed to use more sustainable production processes, to ensure a healthy environment.

—SUSTAINABLE MATERIAL USE—



We aim to significantly reduce the impact of our products and their production processes on the environment, people and animals. We aim to improve our waste management and in the long term become a zero-waste circular business. Many of the materials and production processes used in our supply chain have shown an adverse impact on the environment. For example, conventional cotton is a highly water and pesticide intensive crop. The pesticides seep into the ground and pollute the groundwater and surface water. Since we use a lot of cotton in our collections, we want to take responsibility for the impact it has on the environment.

Today

We designed a roadmap that lists our preferred materials and our goals for increasing their use in our collections, while reducing our use of more impactful fabrics. It contains a convenient list of sustainable alternatives for our current materials. We also banned very risky or impactful materials from our collections: fur, exotic skins, silk, angora wool and mohair wool. In total, we already use 23,3% more sustainable materials.

Because cotton has a lot of impact on the environment, we already use alternatives to conventional cotton: we work with organic cotton and cotton from the Better Cotton Initiative (BCI). We are signatory to BCI since 2018. In the first year, we already sourced 32% of our total cotton via BCI. An achievement that we can be proud of.

We care about animal welfare. Therefore, we exclusively use down with the Responsible Down Standard (RDS) certificate. This means that the down that we use is not plucked from living ducks and the animals have not been subject to any unnecessary harm.

Next to using more sustainable materials in our new collections, we also started selling a vintage collection in four of our stores: in Amsterdam, Utrecht, Den Bosch and Gent. Why vintage by America Today? It's like a treasure hunt, you never know what you are going to find. It's earth-friendly, buying vintage items is good for the environment. It extends the life of good quality items and every item has a story. Re-use of clothes is even more sustainable than using better materials in new items, because no new materials are needed. The vintage items are sourced from America. Be one-of-a-kind! Nobody else will own your same treasure.

Tomorrow

Starting this year, our buyers and designers will use the roadmap to guide their work. A training on sustainable materials will be organized to inform them about material risks and to explain which alternatives can be used. It is our goal to increase the total percentage of more sustainable materials in our products to 30% in 2020. Our goal for 2030 is to use 90% more sustainable materials, of which 50% recycled materials.

In the next year, we will continue to increase our share of Better Cotton, we will produce a T-shirt made entirely of organic cotton and in the summer of 2020, we will have our first collection of swimwear and jackets containing recycled polyester in stores.

To reduce waste, we will investigate the possibilities of using recycled cutting-waste in our products, in collaboration with one of our suppliers in Bangladesh.

—SUSTAINABLE USE OF CHEMICALS, WATER & ENERGY—

We commit to reduce and responsibly manage the use of chemicals, water and energy in our products and production processes. In the long term we aim for zero discharge of hazardous chemicals. There are various risks for humans and the environment related to chemical, water and energy use in the production of clothes. An example of a production process that uses a lot of water, chemicals and energy is the dyeing process. Possible adverse impacts related to this process are water scarcity and (water) pollution, which impacts the environment and the communities living near the production locations. In addition, the chemicals used in the dyeing process can form a health risk for the people working with them. We want to produce in a way that is not harmful for the environment or for people.

Today

We communicate our chemical requirements with our suppliers through our Restricted Substances List. For example, the use of PVC is prohibited in all America Today products.

Jeans are an important product for us, they are a favourite item in any wardrobe. It is also one of the products that comes with many risks in the production process. The colouring and finishing of jeans requires several processes that use a lot of water and chemicals. To manage and reduce the impact of these processes, we joined the Alliance for Responsible Denim (ARD) in 2016. ARD brings denim brands together to collectively take steps towards improving the ecological sustainability impact of denim production. As a result of this project, we developed our low impact never out of stock jeans. Since then, we have collaborated with our suppliers to produce more of our jeans sustainably. The impact of the jeans is measured with Environmental Impact Measurement (EIM) software by Jeanologia. In the autumn/winter season of this year, 30% of the men's jeans in our stores will be low-impact, as defined by EIM.

Tomorrow

We are in the process of updating our

Manufacturing Restricted Substances List and management system and will communicate the new requirements to our suppliers by next year. It is our goal to reduce the use of hazardous chemicals in the production of our products and eliminate the use of priority hazardous chemicals in our products entirely by 2030. To measure our progress towards this goal, we need to gain better insight in the energy, water and chemicals used in the production of our products, starting with our key tier 2 production locations. Therefore, in 2020, we will join an initiative or organisation that can help us track our environmental performance, as a starting point for better management and impact reduction.

—OWN OPERATIONS & LOGISTICS—

Many of our (potential) adverse impacts are related to our supply chain, but we also commit to work more sustainably in our own operations; in our daily work in our offices, stores and distribution center. Adverse impacts we address and want to further improve are for example related to waste separation, energy use, packaging materials and rest stock.

Today

At our head office in Diemen you will find a lot of re-used materials. For example, the doors and rugs are secondhand, or as we like to say: previously-loved. This contributes to the unique character at our office. In addition, our office has the label "energy class A" and our energy consumption is monitored by an external party that helps us to reduce our energy use. Our canteen is catered by OSP catering, a caterer who aims to be the best and greenest caterer of the Netherlands. Sustainable entrepreneurship and organic products are high on their agenda. We see and taste this daily, for example in our lunch that includes many regional, seasonal and organic products or when we collect coffee grounds that are re-used to grow mushrooms.

At our stores, we are working to structurally decrease our energy consumption and CO2 emissions. This is done by for example applying energy-efficient LED lights and smart meters in our stores. An external party then assesses the energy

consumption in our stores. This gives us a clear view of our consumption and helps us further reduce energy consumption. Our stores are mainly furnished with re-used and recycled materials: the unique style of for example used rugs and the history of old, leather sofas, gives our stores an authentic look that can't be found anywhere else. All hangers in our stores have the FSC label.

At our warehouse we use re-usable plastic crates to transport our products in. If they break, they are recycled. To increase efficiency and reduce emissions from transport, the crates are filled as much as possible, we plan our routes to supply our stores as optimal as we can, and we collaborate on transport with another Coolinvestments brand. As of august 2018, all our plastic web shop packaging is made of recycled material.

We are working to match our supply better with customer demand, so we have less rest stock, which saves material and energy use. Part of our strategy to achieve this is to produce more of our trend items closer to home, thereby also

reducing our emissions from transport. In 2018, 46% of our products were manufactured in Europe and Turkey. In general, we aim to transport our products from Asia by boat as much as possible, rather than by airplane.

Our samples are sold in sample sales and whatever is left over is donated to Kledingbank Nijmegen. Kledingbank Nijmegen aims to fight poverty by providing in the basic need for clothing and it contributes to the valuable use of residual items.

Tomorrow

We plan to conduct further research on possibilities for improvements at our head office and stores. One of the goals we have already set for ourselves is to reduce our waste production and to separate all waste in our stores and head office by next year. We also set goals to use more sustainable packaging materials, and in five years aim to have 100% carton, paper and plastic packaging from more sustainable sources (including recycled) in our supply chain and web shop.



STAKEHOLDER ENGAGEMENT

We greatly value engaging with our stakeholders in defining our sustainability goals and our approach to achieve them. Through stakeholder engagement we remain informed of new developments, we learn from others who have more expertise than us, and we are transparent about our progress and challenges.

We regularly receive input from stakeholders on sustainability topics, how best to approach them, and how to implement actions. We do this by requesting their input directly on specific topics or procedures and via more general workshops and trainings organized by, for example, the AGT. This year we also organized for the first time our own stakeholder dialogue on sustainability.



—EXTERNAL STAKEHOLDERS—

Customers

We communicate with our customers about sustainability via our website. Customers share their questions and ideas with us via our customer service. We value our customers opinions and welcome their ideas.

Associations

In collaboration with other brands, we work on improvements in the sector, coordinated by the industry associations INretail and Modint. We come together in workshops and information sessions. We also receive direct guidance on specific topics from the associations, such as new legislation and sector plans. America Today is a member of INretail.

Non-governmental organizations

We are in regular dialogue with various NGOs on specific topics. Their expertise and critical voice help us shape our strategy.

Suppliers

We engage with our suppliers on sustainability topics in visits by our buyers, our sustainability team and our buying office in Asia, in dialogue over phone or e-mail, and when we collaborate in projects for sustainability. We also invite our suppliers to take part in trainings organized by the Bangladesh Accord and amfori BSCI.

Unions

We are in dialogue with unions in our own country and internationally. We believe workers should have freedom of association.

Multi-stakeholder and industry initiatives

We collaborate with other brands and various other stakeholders through initiatives like the Dutch Agreement on Sustainable Garments and Textile, the Bangladesh Accord and amfori BSCI. More information about our participation in these initiatives can be found in the overview below.

OVERVIEW OF MEMBERSHIPS

—MULTI-STAKEHOLDER INITIATIVES—

Dutch Agreement on Sustainable Garments and Textile

We are proud to be part of the *Dutch Agreement on Sustainable Garments and Textile* (AGT) since 2016. Together with other clothing brands, the government, NGOs, branch organizations and labor unions we work on improving sustainability within the international clothing and textile sector. AGT is set up by the Dutch government, the Social Economic Council, and follows the United Nations' Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Labor Standards. A broad coalition of businesses and other organizations signed the Dutch Agreement on Sustainable Garments and Textile. The *Combating Child Labor in the Garment Supply Chain* project that we joined in May 2018 was set up as part of the AGT.

Alliance for Responsible Denim.

Another project that we participate in is the *Alliance for Responsible Denim* (ARD). The ARD is an initiative of Made-By, Circle Economy and the Amsterdam University of Applied Sciences. We joined the ARD in May 2016. ARD brings denim brands together to collectively take steps towards improving the ecological sustainability impact of denim production.

—MONITORING INITIATIVES—

Amfori Business Social Compliance Initiative (BSCI)

As a retailer we are capable of invoking positive changes in the factories, but we also understand that we stand stronger together. That is why we became member of the Business Social Compliance Initiative (BSCI) in 2014. This is an independent party with the aim of improving worldwide working conditions in production chains. Working with BSCI helps us and our partners comply with our Code of Conduct.

Accord on Fire and Building Safety in Bangladesh

America Today is Signatory to the Transition

Accord on Fire and Building Safety in Bangladesh since May 2018. The Accord on Fire and Building Safety in Bangladesh helps ensure that no worker needs to fear fire, building collapses or other accidents that can be prevented with reasonable health and safety measures.

The Accord is a legally-binding agreement between global brands & retailers and IndustriALL Global Union & UNI Global Union and eight of their Bangladeshi affiliated unions to work towards a safe and healthy garment and textile industry in Bangladesh.

—CERTIFICATION BODIES & STANDARDS—

BCI

Since 2018 America Today is a member of the Better Cotton Initiative. The Better Cotton Initiative was founded to improve the worldwide cotton production, for the people producing it, for the environment and for the future of the sector. The production of Better Cotton has tangible economic, social and ecological benefits. This is only possible by developing Better Cotton as a sustainable raw material.

Fur Free Retailer

Our products are not allowed to contain any animal fur or animal-unfriendly produced angora. We are listed on the Fur Free Retailers list. The use of feathers is only acceptable with a certificate of origin. The origin of the material and confirmation that the material was obtained in an animal friendly manner should be certified.

PETA

We are listed as Angora Free and Cashmere Free Retailer at the People for the Ethical Treatment of Animals (PETA) Foundation. The PETA Foundation is a UK-based charity dedicated to establishing and protecting the rights of all animals.

Responsible Down Standard

America Today exclusively uses down with the "Responsible Down Standard" certificate. This means that the down that we use is not plucked from living ducks and the animals have not been subject to any unnecessary harm.

SCOPE OF INFORMATION

The information in this report was collected and composed by the Coolinvestments Sustainability Team with the support of our colleagues at America Today. This report is intended for America Today's customers, employees and other stakeholders. We think it is important to be transparent towards our stakeholders to provide them with a clear understanding of our efforts for sustainability. The report mainly covers our efforts in 2018, with some actions starting before 2018 and including some developments in 2019, to share the most up to date information. The information applies only to America Today. If you have any questions or suggestions, please contact us by sending an e-mail to csr@america-today.com.

Text: Coolinvestments Sustainability Team

Publication date: June 2019
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LIST OF ABBREVIATIONS

- AGT** Agreement on Sustainable Garment and Textile
ARD Alliance for Responsible Denim
BCI Better Cotton Initiative
BSCI Business Social Compliance Initiative
CAP Corrective Action Plan
NGO Non-governmental organisation
OECD The Organisation for Economic Co-operation and Development
PETA People for the Ethical Treatment of Animals
RDS Responsible Down Standard

LIST OF DEFINITIONS

Due diligence

The process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts. Due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to the enterprise itself to include the risks of harm related to matters covered by the OECD Guidelines for Multi-National Enterprises (as defined in the OECD Guidelines for Multi National Enterprises).

Harm

The term “harm” is used to refer to adverse impacts.

Likelihood

The likelihood of the harm.

Materiality

The significance of social, environmental or economic matters or impacts to the organization and the organization’s stakeholders

(Potential) adverse impact

Impacts on matters covered by the OECD Guidelines which include adverse impacts related to disclosure; human rights; employment and industrial relations; environment; combating bribery, bribe solicitation and extortion; and consumer interests.

Remediation

The provision of remedy for adverse impacts.

Risk

Risk of harm to individuals, other organizations, communities or the environment in relation to human rights, labor rights and the environment.

Severity

The severity of the (potential) adverse impact, judged by the scale, scope and irremediable character of the harm on people, environment and society.

Tier 1

Sewing, Cutting, Linking, and cut, make, trim (CMT) workshops, vertically integrated companies

Tier 2

Washing, Garment Dyeing, Printing, Embroidery, Artwork enriching, Accessories, Finishing & Packing

Tier 3

Weaving and Knitting mills, Fabric Washing and Dyeing facilities, Textile producers

Tier 4

Spinning mills, Yarn Dyeing process(es), Fiber processing units and Ginning mills

Tier 5

Raw Material suppliers

Traceability/transparency

The process by which enterprises track materials and products and the conditions in which they were produced through the supply chain.

