

SUSTAINABILITY REPORT

**AMERICA
TODAY**

2021

MILESTONES 2021

USED THE HIGG BRAND
& RETAIL MODULE
FOR THE FIRST TIME

SUCCESSFULLY CONCLUDED OUR
PARTICIPATION IN THE DUTCH
AGREEMENT ON SUSTAINABLE
GARMENTS & TEXTILES

100%
transparency
of tier 1 and...

71%
of tier 3 and...

87%
of tier 2 and...

27%
of tier 4

SIGNED THE INTERNATIONAL
ACCORD FOR HEALTH & SAFETY
IN THE TEXTILE & GARMENT
INDUSTRY

SUSTAINABILITY HIGHLIGHTS

STARTED THE PROJECT BETTER
BUSINESS FOR CHILDREN IN THE
TURKISH APPAREL SECTOR

67%

of our collection was from
sustainable materials or
sourced more sustainably

26%

of our jeans had a low-
impact wash

STARTED MONITORING WET
PROCESSING FACTORIES

TABLE OF CONTENTS

02

Introduction
America Today at a glance
Sustainability goals

03

**SUPPLY CHAIN
TRANSPARENCY &
RESPONSIBILITY**

Transparency | 03
Risk assessment | 04
Responsible supplier relationships | 05

07

**RESPECTING HUMAN
RIGHTS**

Children & young worker safeguarding | 07
Worker representation | 08
Decent working hours | 08
Occupational health & safety | 09

11

HEALTHY ENVIRONMENT

Sustainable material use | 11
Sustainable use of chemicals, water & energy | 16

17

OWN OPERATIONS

Textile waste management | 17
Packaging | 17

19

SCOPE OF INFORMATION

Abbreviations & definitions | 20

INTRODUCTION

In this 2021 update to our Sustainability Report of 2020, we share with you the progress that we made in 2021 on our sustainability goals, new risks we identified, and new goals set. Why do we write this update report instead of a full new report? First, because most of the risks we described in 2020 remain relevant today, and our approach, commitment and goals remain largely the same as well. What changed is where we are in our journey to achieve our goals, and that is what we share with you in this report. Second, writing a full report takes time, and we prefer to spend that time working on our sustainability goals. But we want to be open and transparent about our journey, challenges, and progress and therefore we share with you this shorter update report. The information from our 2020 report remains relevant unless specified otherwise here.

AMERICA TODAY AT A GLANCE



56 STORES

Germany, Belgium, Luxembourg, Netherlands



390 EMPLOYEES



STORES GENDER:

and 73% women, 27% men

HQ GENDER:

67% women, 33% men

MANAGEMENT TEAM:

50% women, 50% men

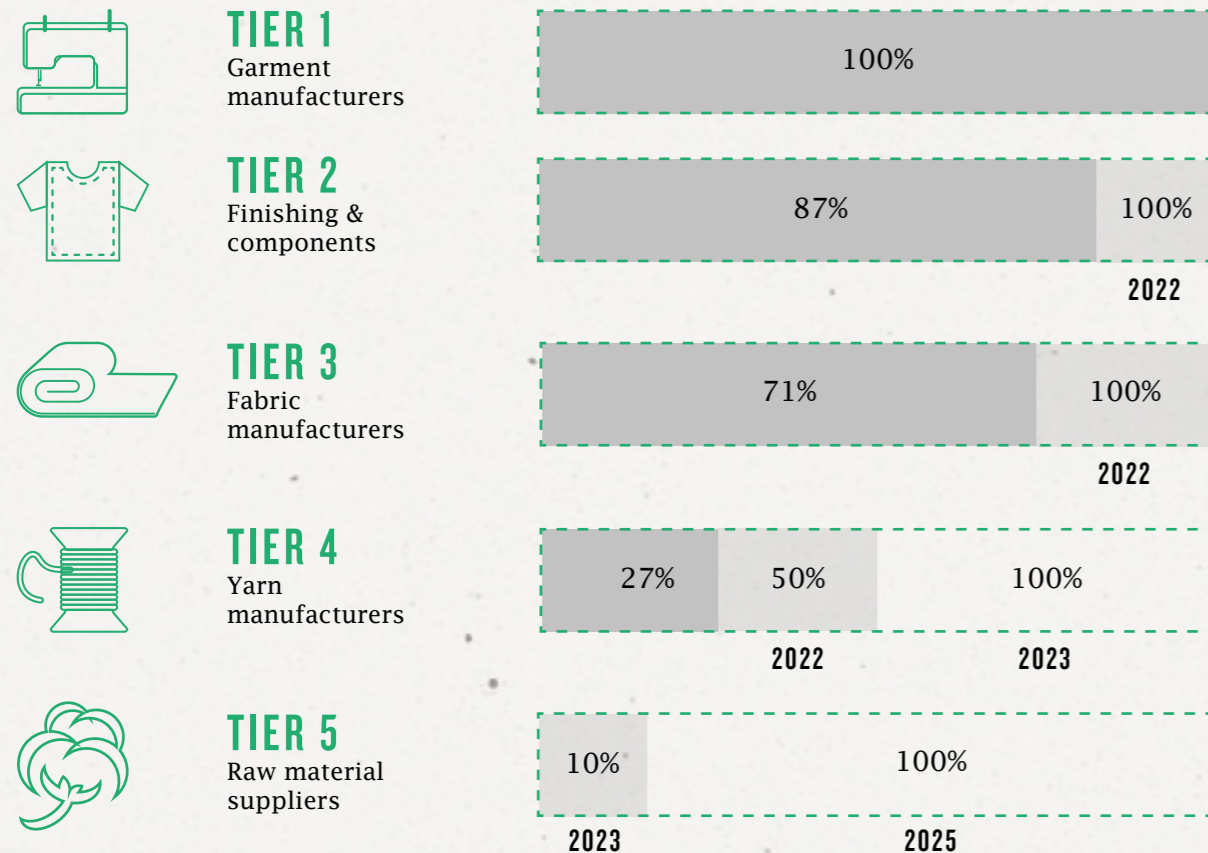
SUSTAINABILITY GOALS

	Goals	2020	2021	2025
Transparency	Supply chain transparency until the raw material	Tier 1: 100% Tier 2: 78%	Tier 1: 100% Tier 2: 87% Tier 3: 71% Tier 4: 27%	100%
	First-tier factories in risk countries have a valid independent audit	94%	99%	100%
	Wet processing factories are audited on social & environmental standards	-	14%	100%
Human rights	70% of our purchase value is with factories that have an A or B audit result or equivalent	26%	28%	70%
	All first-tier factories have an A result or equivalent on health & safety in audit	70%	68%	100%
	70% of our purchase value is with factories that have effective worker representation & grievance mechanisms	-	-	70%
	70% of our purchase value is with factories that have decent working hours	39%	36%	70%
Environment	Use sustainable or sustainably sourced materials in our collections	56%	67%	90%
	Offer our customers a vintage collection in our stores	5	5	35
	Our denims have a low-impact wash	Not measured	26%	100%
	Measure our CO2 emissions and set science-based reduction targets	-	-	SBT
	Collect used clothes in our stores for reuse or recycling	-	-	100%

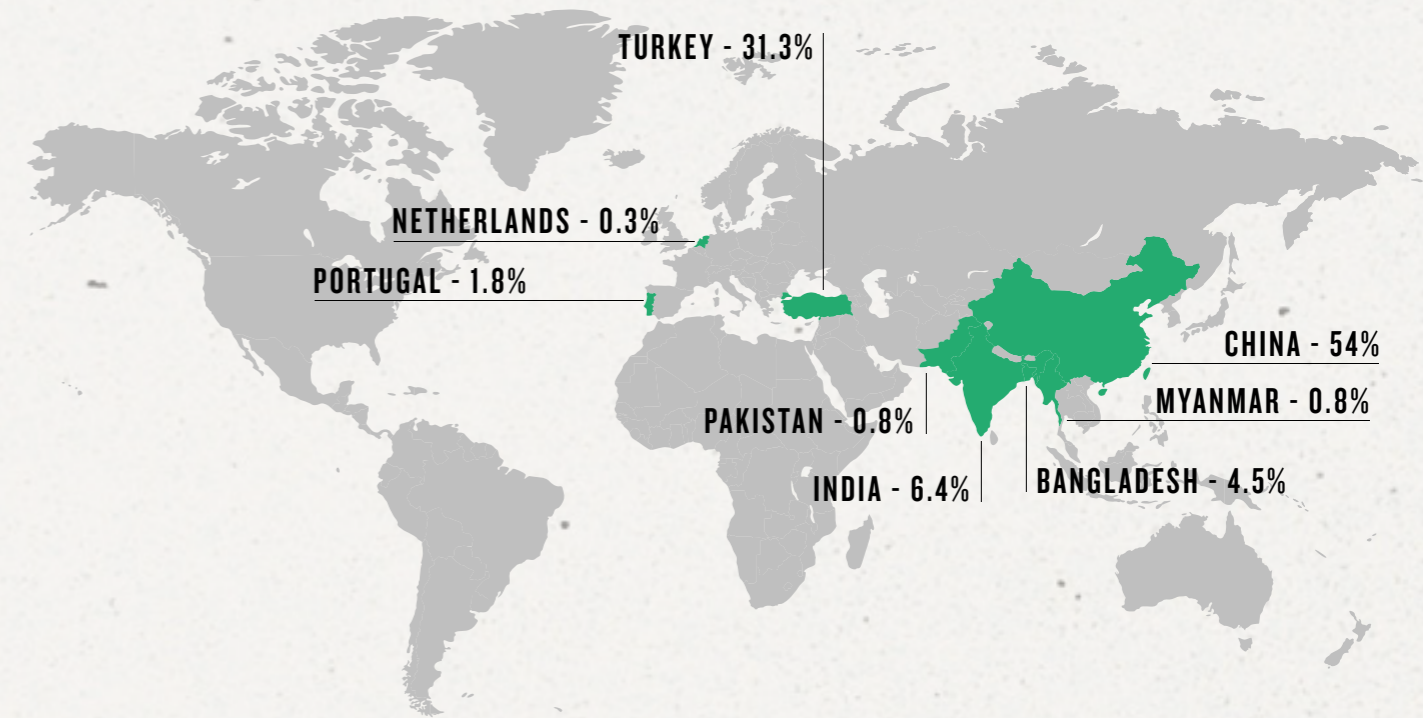
SUPPLY CHAIN TRANSPARENCY & RESPONSIBIL- ITY

TRANSPARANCY

In 2021, we increased our knowledge of the locations where our products are sewn (tier 1), where the products are washed, dyed, printed, and embroidered (tier 2), where the fabrics are produced (tier 3) and where the yarns (tier 4) are coming from. We currently have the following insight:



So where were our products made in 2021?



RISK ASSESSMENT

As described in the 2020 Sustainability Report, our approach to sustainability is based on the OECD Due Diligence Guidelines for Multinational Enterprises. Every two years we conduct a full risk assessment, and we continuously analyze risks, receive grievances and prioritize the most salient ones to address first. The full risk analysis can be found in the 2020 report, and below you can find information about the new risks and developments that 2021 brought, as well as the grievances we received in 2021.

Our due diligence approach developed in line with the goals of the Dutch Agreement on Sustainable Garments and Textiles, of which America Today was a signatory since the start in 2016. After five years the Agreement has now been concluded. It provided us with valuable knowledge, tools, collaborations, and guidance. We closed the Agreement with a rating of 83%, surpassing the minimum requirements. A new industry agreement is in development. In 2021 we filled in the Higg Brand & Retail Module for the first time. This assessment helped us measure our social and environmental performance in all aspects of our business including our supply chain, products, offices, stores and transport.

With these results, we were able to identify risk areas for improvement and we have included the most important topics in our goals and targets as shared in this report.

RISKS

The risks identified in the 2020 Sustainability Report remain relevant and the basis for our goals and action plan. In 2021 and 2022 the developments related to the pandemic, transportation issues and the war brought additional risks and challenges. We still want to offer our consumers quality products made with sustainably sourced materials for a good price, but due to the rising material and energy prices this has become challenging. Our factories face these developments as well and we see the effects of the lockdown and transportation issues reflected in more risks related to health & safety and decent working hours. Together with our suppliers we look for solutions to ensure that the focus will not shift away from sustainability. So far, we have managed to make progress on most of the goals we set out and we have not adjusted our goals for the next years, since we are hopeful that we can still meet them.

GRIEVANCES & FEEDBACK

In 2021 we conducted in-depth conversations with several of our main suppliers in which we requested feedback on our buying process. The suppliers provided insightful information on how we can improve to reduce risks, like overtime. The information was discussed with the buying team to improve the process.

Four complaints from factory workers reached us via the RSC safety and health complaints mechanism and amfori BSCI. Three of the complaints were about dismissal. We followed up on the cases with the factory and/or worker and solutions were found depending on the specific situation; one complainant was reinstated in the workforce; another received his severance pay and the third dropped the complaint. The fourth complaint was about safety in the factory due to obstruction of aisles and exits. This issue was solved by the factory.

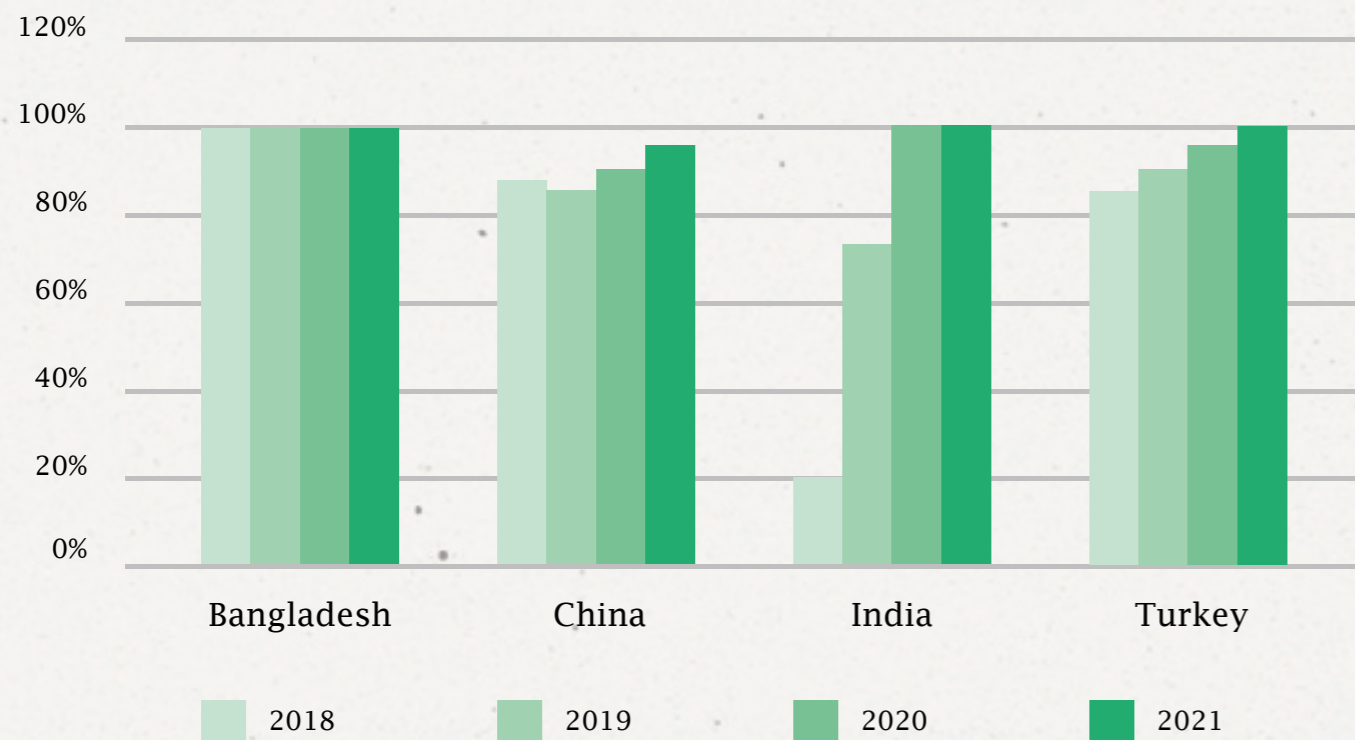
RESPONSIBLE SUPPLIER RELATIONSHIPS

MANUFACTURING FACTORIES

Based on purchase value, in 2021 98% of our production happened in the risk-countries Bangladesh, China, Turkey, India, Myanmar and Pakistan and 2% in the low-risk countries Portugal and the Netherlands.

In 2021, 99,5% of our first-tier production locations in risks countries were audited via BSCI or another accepted independent social audit system. 94% of the audited locations have at least a C result in the BSCI system or equivalent. Our goal is that 100% of the sewing factories that we work with in risk countries are audited via BSCI or another accepted independent social audit system by 2022 with at least a C result.

AUDITED FACTORIES PER RISK COUNTRY



AUDIT INFO 2021: OVERVIEW OF AUDIT SCORES*

	Bangladesh	China	India	Turkey	Portugal	Myanmar	Netherlands	Pakistan
A				3				
B	4	2	1	7				
C		37	1	5		1		1
D		1		1				
Low-risk country					5		1	

*audit scores are from BSCI. When a factory has another valid audit like Sedex, an own interpretation was made of the audit results to give it a score.

We see from the audit results that the last year has been challenging. After years of steady improvement, last year we saw a small decline in the results. We give extra attention to these cases. We continue to follow up on improvement plans with factories with a C result or below and try to offer constructive feedback.

Our goal for 2025 is that 70% of our purchase value is with factories that have an A or B result or equivalent or are in a low-risk country. To achieve this goal, we look at the most important improvement areas together with our largest suppliers and discuss the plan to get there.

WET PROCESSING FACTORIES

In addition to monitoring our manufacturing factories, we have started monitoring our second-tier factories: the wet processing factories. These are very different from the manufacturing factories, and therefore they face different risks and challenges. Examples of risks are the use of hazardous chemicals to dye the fabrics, or the treatment of wastewater. To be able to assess the factories well, our colleagues from the sourcing office followed expert trainings on the risks and the best way to conduct assessments. The first wet processing factories have now been visited and assessed. Currently, 14% of our known tier 2 factories are assessed through our own assessment or an independent audit. The goal for next year is to assess 40% of our wet processing factories.

RESPECTING HUMAN RIGHTS

In 2021 our priority topics on human rights were the protection of children and young workers, worker representation, decent working hours and health & safety. More information about how and why we prioritized these topics can be found in the 2020 sustainability report.

CHILDREN & YOUNG WORKER SAFEGUARDING

We monitor our first-tier production locations on child labor and the safeguarding of young workers via audits and no issues were found on these topics in the audits. However, we have less insight in the situation at suppliers further down the supply chain. Therefore, from 2017 to 2020, we collaborated with UNICEF to successfully implement the project [Combatting Child Labor in the Garment Supply Chain in Bangladesh](#).

As a follow up to this project we are collaborating with the [Cool Foundation](#), the local non-profit organization [Phulki Foundation](#) and one of the participating suppliers in Bangladesh to set up a community-based daycare center for the children of the factory workers and workers of other factories in the area. The daycare is scheduled to open in 2022.



Phulki Day Care

In 2021 we started a new cooperation with UNICEF, this time in Turkey, together with one of our key suppliers. We are examining the entire Turkish supply chain and aim to address the most salient risks. More information regarding this project can be found [here](#).



UNICEF

WORKER REPRESENTATION

In 2021 we took part in the [AMPLIFY](#) project with the aim of improving employee representation and social dialogue between suppliers and their employees. The project was set up by Mondiaal FNV and CNV International. In the project we learned about the topic from experts and other brands, and we spoke with a selection of our suppliers and the worker representatives about the situation in their factories.

We are still learning and until today our work has focused mostly on collecting information and creating awareness.

We plan to elaborate our efforts in the next years and our goal for 2025 is that 70% of our purchase value is with factories that have effective worker representation and a functioning grievance mechanism.

DECENT WORKING HOURS

The risk of overtime is common in the clothing sector, and it is a challenging one. The pandemic and transport issues increased the risk of overtime in 2021, especially in the peak production season for some products. This is reflected in the audit results for this performance area, which dropped three percent.

In 2021 we focused our conversations with suppliers specifically on this topic to find ways to improve on the supplier and the buyer side. We requested feedback on our buying process and discussed how we could support suppliers in reducing overtime. All suggestions were discussed with the buying team to improve the process and reduce the risk. In the next audit cycle we hope to see the results of this reflected in a reduction of the overtime. We are not sure if this approach is enough to address the problem, especially since we are never the only brand that works with a factory. We will continue to monitor progress and look for other opportunities to do better. Our goal is that in 2025 70% of our purchase value is with factories that have decent working hours, which we define in an audit as minimum a B result, or equivalent, in this performance area.

OCCUPATIONAL HEALTH & SAFETY

America Today signed the International Accord for Health & Safety in the Garment & Textile Industry in 2021, after the Bangladesh Accord in 2013 and the Transition Accord in 2018. The International Accord is a legally binding agreement between garment brands, retailers, and trade unions to make Ready-Made Garment and textile factories safe. At our partner factories in Bangladesh, safety committees are trained, and all employees are informed about safe working conditions. The factories also undergo regular independent audits for fire and building safety as well as electricity. Over the years, they have worked hard and carried out many improvements. The progress rate of the original and new findings from the factory audits is 97 or 98%, with 100% of the fire safety and structural problems resolved and 90-95% of the electrical problems resolved.

In the 2021 International Accord the parties commit to continue the collective workplace safety program in Bangladesh and to expand safety programs to other countries based on the principles and standards of the previous fire and building safety Accords of 2013 and 2018.

The agreement is based on a number of fundamental principles including respect for freedom of association, independent administration and implementation, a high level of transparency, provisions to ensure remediation is financially feasible, Safety Committee training and worker awareness program, and a credible, independent complaints mechanism.

In all production countries we monitor the health & safety situation in the factories through independent audits and our own audits. Our goal is that in 2025 100% of the factories have the highest score (A or equivalent) in this performance area. In 2021 68% of our purchase value was with factories with an A result, and 86% had an A or B result. We regret to see a small decrease of three percent in the results since 2020, which we interpret as a result of the challenges of the pandemic. We follow up closely with the relevant suppliers on improvement areas by requesting continuous improvement plans and providing feedback or guidance where needed.

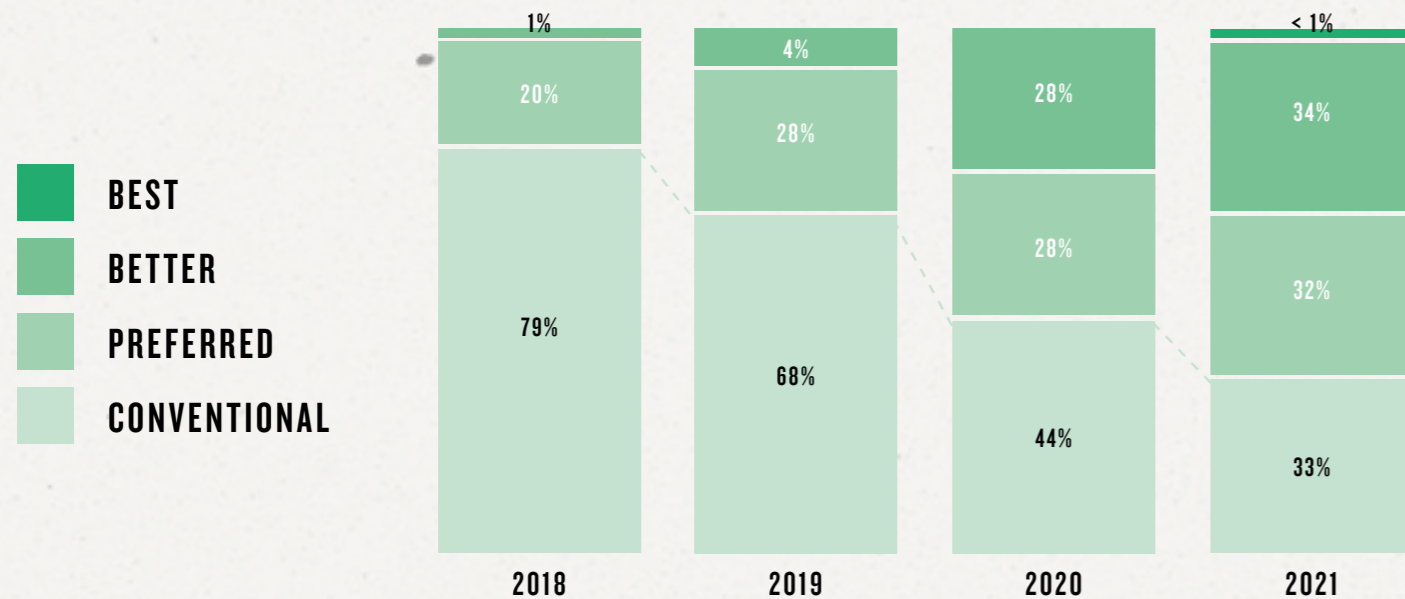


Cotton

HEALTHY ENVIRONMENT

SUSTAINABLE MATERIAL USE

For information on risks and goals related to material use, see the 2020 report. In the past year, we increased our total use of sustainable materials from 56% to 67%, exceeding our 2021 target.



To guide our choices for more sustainable materials, we use a list that ranks all the materials we use. This list ranks fibers based on their environmental impact and is based primarily on the [Modint Fiber Matrix \(MFM\)](#). We use some materials that are not included in the MFM and classify them in the list as 'conventional'. We also added the materials we specifically choose not to use. We continuously update the list according to the industry standards and developments.

BEST				
NATURAL: · Recycled cotton				
BETTER		SEMI-SYNTHETIC:		SYNTHETIC:
NATURAL: · Organic cotton		· Ecovero		· Recycled polyester (PET)
· Chemically recycled PA				
PREFERRED				
NATURAL: · Better Cotton · Linnen** · Hemp*		SEMI-SYNTHETIC: · Tencel Lyocell		ANIMAL: · Responsible wool standard (RWS)
CONVENTIONAL				
NATURAL: · Cotton		SEMI-SYNTHETIC: · Viscose · Lyocell · Modal		SYNTHETIC: · Polyester · Polyamide · Acryl
· Elastane · PU · Lurex**				
ANIMAL: · Leather · Wool				
DO NOT USE				
SYNTHETIC: · PVC				
ANIMAL: · Down*** · Fur · Leather from exotic animals				
· Mohair · Angora · Silk · Cashmere				

* Is not used anymore since 2018. ** Is not used anymore since 2019. *** last use of down was in 2018.

Our roadmap per material type:

	2020	2021	Goal 2022	Goal 2025
Total sustainable material	56%	67%	75%	90%
Total recycled material	20%	31%	35%	50%
Sustainable cotton (Better Cotton, organic and recycled cotton)	73%	84%	95%	100%
Sustainable synthetic fibers (recycled polyester, recycled acrylic)	43%	57%	65%	90%
Sustainable semi-synthetic fibers (LENZING Ecovero)	23%	26%	55%	90%
Animal (leather, wool)	0%	14%	30%	80%

COTTON

In 2021 we started using recycled cotton as a sustainable alternative to conventional cotton. Although recycled cotton only makes up 0,3% of our total cotton use, we are happy that we made a start. We increased our total percentage of sustainable cotton sourcing (Better Cotton, organic cotton, recycled) from 73% in 2020 to 84% in 2021. Better Cotton makes up 77% of this percentage of sustainable cotton. The Better Cotton Initiative has calculated that thanks to our sourcing of Better Cotton, in 2021:

An estimated
141.4 MILLION LITERS
of water were saved

An estimated
90 KG
of pesticides were avoided

Better Cotton Farmers benefited from an estimated
61 THOUSAND USD
additional profit*

*Better Cotton Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimized use of inputs (such as irrigation water, pesticides, or synthetic fertilizer).

Although we grew our sourcing of Better Cotton, our percentage of organic cotton decreased in 2021. The effects of the pandemic, logistic issues and the war brought challenges, including rising raw materials prices. This makes it more difficult for us to maintain our usage of organic cotton. We are sad about this, but we ensure that at least our total percentage of sustainably sourced cotton is rising. We are optimistic that soon we will get back on track with the goals we have set. For 2022 we even decided to make Better Cotton the baseline of our cotton use. Therefore from 2022 onwards, we will not give items sourced through Better Cotton a special hangtag anymore.



Cotton



Wool

RECYCLED POLYESTER

Our percentage of recycled synthetic fibers grew from 43% to 57%. One of the product groups we have changed to recycled polyester is our swim shorts, made from recycled plastic bottles and other materials. For several women's swimwear styles, we also use recycled polyester. The benefit of recycled polyester is that no new petroleum is needed. In addition, the production of recycled polyester requires 59% less energy and is estimated to have 32% lower CO2 emissions compared to new polyester.

ANIMAL MATERIALS

The amount of animal materials we use is small. The only animal materials we use are leather and wool. Our animal welfare policy specifies that animals must be treated with care and respect and our business partners must comply with EU and national legislation on animal welfare, transportation, and slaughter and only source animal materials from farms with good animal practices, at least in compliance with the Five Provisions and Aligned Animal Welfare Aims. We aim for full traceability of our leather and wool products by 2025.

From the end of 2021 we only buy leather that is vegetable tanned and that is produced at a Leather Working Group certified supplier. For more information about our animal materials and our requirements on animal protection, please read our full [sustainability report of 2020](#).

VINTAGE

The vintage collection that we started selling in one of our stores in 2017 is a big success. In 2021 we offered a vintage collection in five stores, and today already in 10 stores. In the coming years, we will roll out the vintage collection to at least 35 of our stores. Each vintage item discovered and sourced is American-inspired and has its own story. Re-using good quality clothes prevents the need to use new materials, and we are proud to offer our customers this choice.



**AMERICA TODAY'S SIGNATURE
'CARE FOR TOMORROW' PRODUCTS
OF 2021:**

Our raincoats are made from
±20 recycled pet bottles

Our swim shorts made from
100% recycled polyester

Our KID JR is made of **20% recycled
cotton with a low-impact wash**

Elly USA JR made of **100% organic cotton**



Our Elly USA JR



Our raincoats



Our swim shorts



Our KID JR

**SUSTAINABLE USE OF
CHEMICALS, WATER & ENERGY**

LOW-IMPACT JEANS

In 2019, 17% of our men's jeans had a low-impact wash, as defined by Environmental Impact Measuring (EIM) software from Jeanologia. In 2021, this percentage grew to 26% of all our jeans. It is our aim to offer 100% of our jeans with a low-impact wash by 2025. A low impact EIM score can be achieved by, for example, using recycled water, laser technology instead of chemicals, and energy-efficient machines.

LOW-IMPACT JEANS



BETTER MILL INITIATIVE

We are setting up a project in Bangladesh together with Solidaridad and three other brands: the Bangladesh Better Mill Initiative. The project focusses on laundry improvement. Washing has an adverse impact on the environment in many ways, such as water pollution due to chemicals and dyes, contaminating the water. Together with one of our suppliers and with the support of Solidaridad, we aim to reduce our impact on the environment by improving the laundry where possible. We have done the preparatory work now and look forward to starting the first phase of the project implementation soon.

CLIMATE & ENERGY

Climate & energy is one of our priority risk areas, and not a small one. We recognize the urgency of the climate crisis that we all face and want to do our part. Currently we work on reducing our emissions by using more sustainable materials and processes, but we need to do more and show the data. Therefore, we set the new goal for ourselves to measure our baseline and set Science Based Targets by 2025.



OWN OPERATIONS

TEXTILE WASTE MANAGEMENT

We try to adapt our collections as much as possible to the taste and needs of our customers, so that we have less residual stock. Our surplus items and samples are sold in outlet stores, in sample sales, or are donated.

We always try to donate the items that are still in good condition. For the remnants that have not been donated and the rejects, we contact Sympany and donate the items to them. Sympany is one of the largest textile collectors in the Netherlands. They sell the items that are still in good condition to countries in Europa and Africa. In Africa, Sympany sells clothing to regular trading partners in four countries: Malawi, DR Congo, Angola, and Zambia. The textile is sorted according to the specific wishes they have. The clothing that cannot be sold is recycled. We are aware of the textile mountains in countries worldwide, and we trust that Sympany does not contribute to this problem.

In 2021 we donated:

26 BOXES

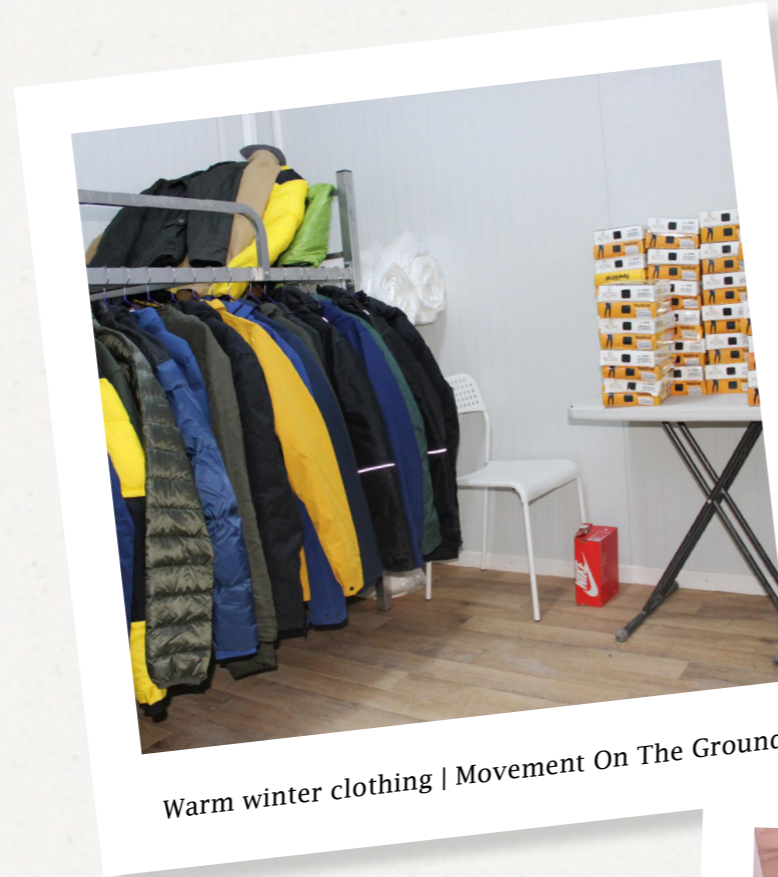
of men's, women, and children's clothing to The Netherlands Red Cross

14 BOXES

of warm winter clothing to Movement On The Ground

1650 SWEATS, 80 PALLETS

and an additional 25 sacks of clothing to Sympany



Warm winter clothing | Movement On The Ground



Donation Red Cross



Donation Leger Des Heils



Donation pallet

PACKAGING

E-COM BAGS:

100% recycled plastic

RETAIL SHOPPING BAGS:

100% recycled paper

POLYBAGS:

Switch to 100% recycled plastic in progress

SCOPE OF INFORMATION

The information in this report was collected and composed by America Today's Sustainability Team:

- Daphne van Esveld
- Aisha Talacua
- Kim te Vaanholt

with the support of colleagues at America Today and Fashion Group Solutions. This report is intended for America Today's customers, employees and other stakeholders. We try to be transparent towards our stakeholders to provide them with a clear understanding of our efforts for sustainability. The report is an addition to our report of 2020 and mainly covers our efforts in 2021, with some actions starting before 2021 and including some developments in 2022, to share the most up to date information.

If you have any questions or suggestions, please contact us by sending an e-mail to CSR@AMERICA-TODAY.COM.

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America Today
Diemermere 1
1112 TA Diemen
WWW.AMERICA-TODAY.COM



Cotton Threads Spools

ABBREVIATIONS & DEFINITIONS

AGT	Agreement on Sustainable Garment and Textile
BRM	Brand & Retail Module
BSCI	Business Social Compliance Initiative
CAP	Corrective Action Plan
EIM	Environmental Impact Measuring
LWG	Leather Working Group
MFM	Modint Fiber Matrix
OECD	The Organisation for Economic Co-operation and Development
RMG	Ready Made Garment
RSC	RMG Sustainability Council
SBT	Science Based Targets
Tier 1:	Garment manufacturers
Tier 2:	Finishing & components manufacturers
Tier 3:	Fabric manufacturers
Tier 4:	Yarn manufacturers
Tier 5:	Raw material suppliers

**FOR A BETTER
TOMORROW**

**AMERICA
TODAY**