

FASHION  
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BRINGING SUSTAINABLE FASHION FORWARD

SUSTAINABILITY  
REPORT 2018

BESTSELLER





FASHION  
**FWD** ▶▶  
BRINGING SUSTAINABLE FASHION FORWARD

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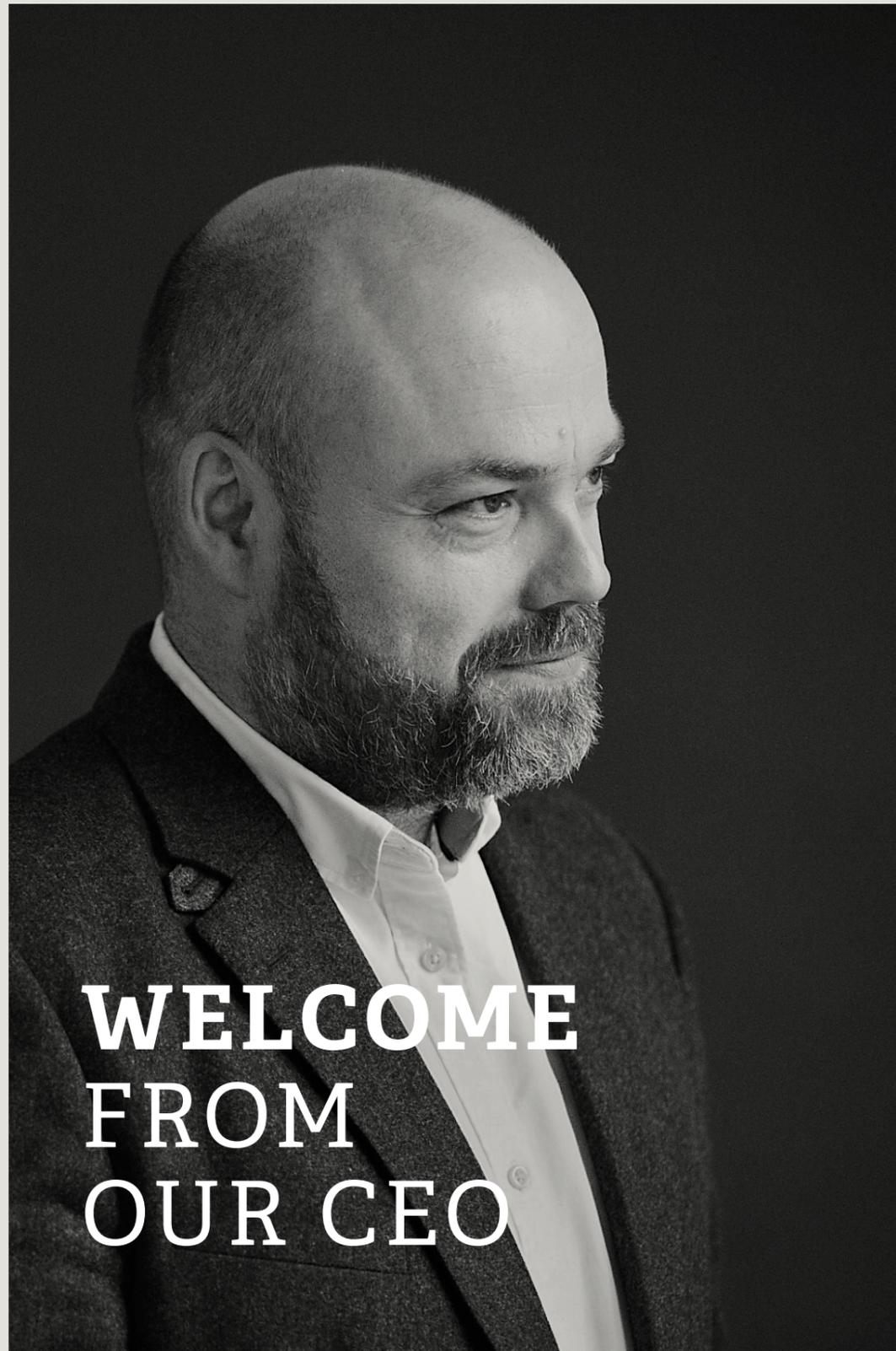
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►► We have reached a defining moment in time. The fashion industry must significantly accelerate efforts to address our shared sustainability challenges. Facing the harsh realities of climate change, pollution and resource scarcity is a strategic imperative. We must seize this opportunity to reinvent the way we design, make and deliver fashion.

Building on our existing foundations, our new Fashion FWD strategy will put social and environmental principles at the heart of our company, taking us to the next level. Our ultimate ambition – our North Star – is to bring Fashion FWD until we are climate positive, fair for all and circular by design. Importantly, we will leverage our agility and responsiveness to rapidly evolving trends to deliver specific, measurable goals in the short, medium and long term.

To accelerate our journey, we are investing throughout our value chain, partnering with our suppliers and across our industry to drive positive change.

We are already starting to deliver, and will quickly gain momentum. In 2018, more sustainable cotton represented over 62% of our cotton, and many of our brands are making significant progress on integrating more sustainable materials and processes within their products. We have committed to setting rigorous science-based greenhouse gas reduction targets, and forged a ground-breaking partnership to source renewable energy for all our owned and operated buildings. Additionally, we have offered our employees targeted development opportunities, and taken steps to empower our future leaders.

Collaboration and partnerships continue to be vital in achieving the scale and leverage we need to address systemic industry issues. In particular, we are playing an active role in the Sustainable Apparel Coalition's efforts to raise the bar on environmental performance by advocating that our suppliers adopt the Higg Index Facilities

Environment Module. As an active signatory of the Bangladesh Accord, we continue to support our suppliers in implementing fire and building safety improvements, and we have joined the ACT collaboration to promote fair living wages for garment workers.

Circularity is a vital component of our strategy, and as the global population expands, creating value from waste and conserving natural resources will become ever more important. We will continue to invest in innovative materials and promising solutions to recapture end-of-life clothing and transform it into raw materials for new products, including through our contribution to Fashion for Good and the Ellen MacArthur Foundation.

Our compliance programme is the foundation of our sustainability efforts. Therefore, we continue to expand and strengthen the minimum standards within our value chain, as we simultaneously work to accelerate via our Fashion FWD strategy. There is a lot of work to be done and we must maintain this dual approach if we are to reach a more sustainable reality.

It has been encouraging to see how positively our colleagues and business partners have responded since the launch of Fashion FWD. We must all do our part to implement the necessary changes to our business and industry.

  
Anders Holth Povlsen  
Owner & Chief Executive Officer

# BRINGING SUSTAINABLE FASHION FORWARD

To address the critical environmental and social issues facing the fashion industry and BESTSELLER, we are channelling the natural strengths of our business to accelerate more sustainable fashion and provide the type of products that consumers increasingly demand.

Taking bold action to address social and environmental challenges is not simply the right thing to do. It is vital to our future success as a business – from our ability to engage with consumers, to attracting talented employees and competing with diverse industries for skilled workers. We must transform the way our products are designed, made and consumed.

And with regulations evolving ever more rapidly, growing pressure on business to contribute to sustainable development and stakeholders demanding to know how our products are made, we must delve deeper into our supply chain to drive change throughout every tier. An overriding commitment to transparency will play a central role.

We do not underestimate the amount of work in front of us. We are widening and deepening our efforts to accelerate lasting change.

## INTRODUCING OUR FASHION FWD STRATEGY

Our Fashion FWD strategy seeks to harness the agility, speed and responsiveness of our business to help accelerate the fashion industry's journey towards a more sustainable reality. Building on our longstanding efforts to raise our social and environmental performance, it is a holistic, inclusive strategy for positive change throughout our value chain towards 2025, with an increasingly robust, scientific approach to improving our environmental impacts.

We believe this is the best, most effective way to address the scale and complexity of the challenges we face as a company and an industry. What's more, it will see us making some substantial changes in the way we do business. Fashion FWD puts sustainability at the core of our business, providing us with ambitious, measurable goals to guide our progress and inform our decision-making. We will continuously evaluate and improve our performance, communicating our progress transparently with our stakeholders.

“It is only by fast forwarding and making some major shifts that we will successfully transition to a new business reality. Sustainability is vital to our resilience as a business and our ability to remain competitive in a fast-paced industry.”

**Dorthe Scherling Nielsen,**  
Head of Corporate Affairs,  
BESTSELLER

## BUILDING FROM A STRONG FOUNDATION

When developing our Fashion FWD strategy, we decided to focus on aspects that go beyond compliance in order to significantly accelerate sustainable fashion. This report primarily focuses on introducing Fashion

FWD. Meanwhile, we continue to monitor and improve compliance within our value chain. The success of Fashion FWD remains inextricably linked with our compliance programme – it is our foundation.

BESTSELLER's Code of Conduct was first published in 2000 and is a key pillar in our compliance work (see page 49). It is based on universally respected principles and guidelines, and sets out the ethical, social and environmental practices we expect from suppliers. In 2018, our compliance specialists and third party auditors conducted 953 factory visits.

Chemical management has been a key aspect of our compliance work for many years (see page 43). Our Restricted Substances List (RSL) is updated annually to correspond with benchmark legislation and standards. Alongside our 2018 RSL update, we have conducted 125 chemical management training sessions and continued our extensive product and materials testing programme. We regularly adopt progressive industry standards, including the ZDHC's Manufacturing Restricted Substances List (MRSL).





## OUR NORTH STAR

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



### CLIMATE POSITIVE

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



### 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.



### 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.

Our North Star is our ultimate ambition. As a shared goal for our employees and partners, it sets a clear direction for our entire organisation, guiding our strategy and actions. Our Fashion FWD strategy, as outlined on the following pages, will launch us towards our North Star with goals to achieve from 2019 to 2025.

# OUR APPROACH TO BRINGING FASHION FWD

►► Our Fashion FWD strategy is built around four focus areas, underlining our commitment to holistic change and symbolising the importance of circularity in our future.

Fashion FWD will help us move rapidly from ambition to reality, launching us towards our North Star. Split into four focus areas – Creating FWD, Making FWD, Engaging FWD, and Delivering FWD – our strategy sets multiple social and environ-

mental goals, from 2019 to 2025, across every aspect of our value chain. This holistic and circular approach will help us transform the way our products are created, made and consumed. To accelerate progress, we are also focusing



on innovation, investing in promising, scalable solutions through Invest FWD – BESTSELLER's new investment platform. Additionally, we are continuously improving performance within our business and supply chain, and partnering across our industry to achieve positive, lasting change.

In seeking to empower people, protect the environment and support developing communities in our production countries, our sustainability strategy will also contribute to the UN's 2030 Sustainable Development Goals (SDGs). In particular, through our efforts, we will be contributing to gender equality (SDG 5), clean water and sanitation (SDG 6), decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), climate action (SDG 13), biodiversity (SDG 15) and partnerships for the goals (SDG 17).

To drive progress on sustainability, we are investing, innovating and working in partnership across our value chain. We are taking action on the goals we have defined within our four focus areas, and will continuously re-evaluate our approach in response to the changing external landscape. Throughout all our efforts, we will seek to increase transparency and improve the traceability of our products and materials. That's why we are building our people's capacity to deliver change, collaborating across our industry to stimulate innovation, and partnering with suppliers to improve their social and environmental performance. Together, we will raise the bar on sustainability.

## HOW WE DEVELOPED OUR FASHION FWD STRATEGY

Our world needs answers to the deepening climate challenge, including questions surrounding pollution, waste and pressure on natural resources. It is vital that our sustainability strategy focuses on the social and environmental issues that matter most to our business, stakeholders and civil society.

To develop our Fashion FWD strategy, we undertook a wide-ranging, inclusive materiality and stakeholder engagement exercise. We conducted in-depth research into our principal impacts as a business, holding interviews and workshops with more than 100 people including employees, wholesale customers, NGOs and sustainability experts, and analysing the relative importance of each impact. Additionally, we consulted respected sustainability frameworks including UN SDGs, the Global Reporting Initiative and Sustainability Accounting Standards Board.

Focusing our efforts in this way allowed us to identify our key risks and opportunities for improvement, and where we stand to make the greatest impact. It has helped us determine the relevant goals to manage our material impacts towards 2025 in a robust and more transparent way. Ultimately, it paves the way to integrating sustainability into our decision-making from the outset. In a rapidly changing world, this is essential to both achieving substantial change in the short- and mid-term, and ensuring long-term business success.

Now, we must harness the commitment, agility and talents of our employees and partners in the most effective way possible to achieve our goals. We have already begun to deliver, and are determined to succeed.



# INVEST FWD

▶▶ To accelerate our journey towards our North Star, take responsibility for our impacts and help transform our industry, we have created a new investment platform, Invest FWD, **focusing on promising and commercially viable innovations and solutions**. In this way, we will build resilience in our business while making a positive contribution to our industry, people and the environment.

Through Invest FWD, we are taking a strategic, targeted approach to investment, directing funds to a range of innovators, from entrepreneurs to research institutes and fashion hubs, working on sustainable solutions and innovations across the full lifecycle of fashion. Our Invest FWD team will assess the capacity of each initiative to create lasting change. For example, we plan to invest in low impact and circular materials, supply chain technologies, new business models and renewable energy.



# INVEST FWD THREE OPENING INVESTMENTS

## 1. INNOVATING TO TRANSFORM FASHION

We have become a strategic partner in Fashion for Good, a global fashion community united in a collective push towards a fairer, more sustainable and equally prosperous future for the industry. Through Fashion for Good's Innovation Platform, we will focus on new material solutions, circular design and advanced technologies. We are also helping to define Fashion for Good's innovation strategy, select new innovators, and provide expertise and mentorship to participating start-ups.

“The focus areas of Fashion FWD – ranging from innovative new materials to circular business models – are perfectly aligned with Fashion for Good's innovation agenda. Together we want to speed up the transition towards good fashion.”

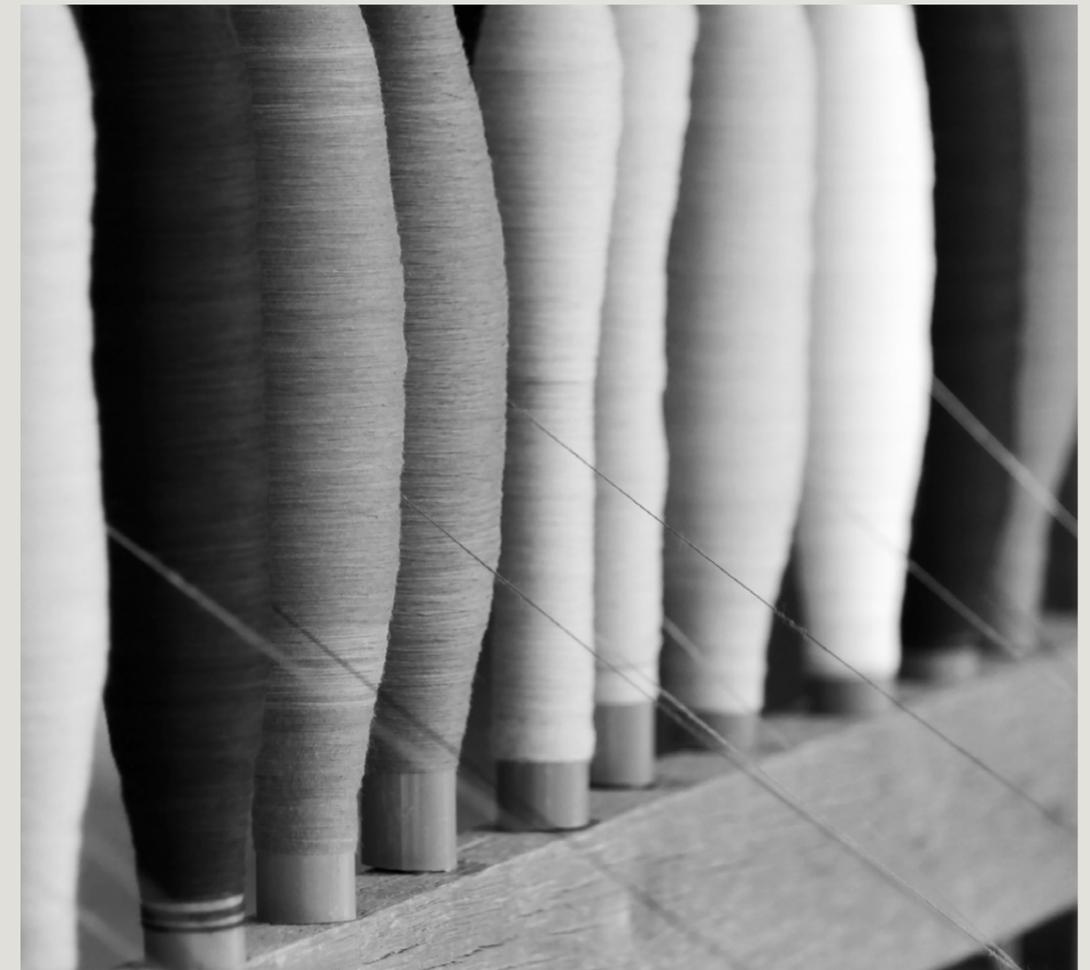
**Katrin Ley**  
Managing Director  
Fashion for Good

## 2. RETHINKING MATERIALS

BESTSELLER has also joined forces with *pond*, a biotech pioneer researching a renewable, bio-based alternative to conventional, oil-derived polyester and plastic. *pond* is looking to make the new material biodegradable and is working to improve its recyclability. Our investment will help the company to deepen and expand its research on this vital topic, while our market insights and commercial expertise will support the innovative new material in reaching market scale.

“Our partnership and investment from Invest FWD make it possible for us to expand quickly and develop our business, and we see this as a first step towards a bio-based material society.”

**Thomas Brorsen Pedersen**  
CEO and Co-founder  
*pond*



## 3. POWERING OUR OWNED AND OPERATED BUILDINGS WITH 100% RENEWABLE ENERGY

In early 2019, we took an important step on our journey to becoming climate positive. BESTSELLER and its parent company HEARTLAND launched a major partnership to power our owned and operated buildings with 100% solar energy. The 125 megawatt solar power plant developed by our partner, Better Energy, will both produce the equivalent amount of clean energy needed for our entire global operations, while also helping advance society's transition to renewable energy. The solar power plant is scheduled to be operational in 2021.

“BESTSELLER is part of a new global wave of companies that are playing a major role in the development of a clean energy economy.”

**Rasmus Lildholdt Kjær**  
CEO  
Better Energy

# 2018 HIGHLIGHTS

## CREATING FWD ▶▶

**We have become** a strategic partner in Fashion for Good, a global fashion community that seeks to identify and scale sustainable innovations that can positively transform the industry.

**Read more on page 12**

**We reached** more than 62% of our 100% more sustainable cotton target.

**Read more on page 20**

**60%** of SELECTED's 2018 styles were made from more sustainable fibres, with recycled polyester representing 34% of its polyester volumes.

**Read more on page 27**

**ONLY** launched ONLY LIFE, a collection of styles made from more sustainable fibres such as TENCEL™ lyocell and organic cotton, with more than 1 million ONLY LIFE styles reaching stores.

**Read more on page 28**

**VERO MODA** sold more than 1 million styles containing more sustainable materials.

**Read more on page 28**

## MAKING FWD ▶▶

**We officially committed** to set our GHG goals through the Science Based Targets initiative (SBTi), a global collaboration that helps companies set climate goals in line with limiting global warming to 1.5°C.

**Read more on page 36**

**We implemented** the Higg Index FEM environmental measurement tool among 150 suppliers in 7 production countries to better understand our suppliers' impacts and drive improvements.

**Read more on page 38**

**JACK & JONES** launched its most sustainable collection of 'Low Impact Denim' jeans to date, offering consumers the opportunity to buy jeans with a 50% lower water and environmental footprint.

**Read more on page 40**

## ENGAGING FWD ▶▶

**Through our ongoing HERproject** a women's empowerment programme in Bangladesh, women in our supply chain are learning more about diverse aspects of female health, including personal hygiene, birth control, maternal health, contagious diseases and nutrition.

**Read more on page 56**

**To build momentum** on fair living wages for workers, we joined the Action, Collaboration, Transformation (ACT) apparel industry initiative in 2018.

**Read more on page 55**

**We raised the bar** for our suppliers on protecting workers' rights by including more requirements for suppliers deeper within our supply chain, including garment wet processing facilities.

**Read more on page 49**

**By the end of 2018**, we had addressed 96% of the fire and building safety issues identified by Accord inspections in our suppliers' factories.

**Read more on page 50**

**In 2018**, BESTSELLER was rated highly as a place to work in our global employee engagement survey.

**Read more on page 60**

## DELIVERING FWD ▶▶

**As a strategic partner** of the Global Fashion Agenda (GFA), a leadership organisation for fashion industry collaboration on sustainability, we helped define and continue to define the CEO Agenda, which spells out the eight most crucial sustainability priorities for fashion CEOs to focus on each year.

**Read more on page 63**

**Through our membership** of the Ellen Macarthur Foundation, we became a participant in the Make Fashion Circular initiative in 2018. Make Fashion Circular brings fashion industry leaders together to drive the creation of a new textiles economy.

**Read more on page 67**

## INVEST FWD ▶▶

**BESTSELLER joined forces** with *pond*, a biotech pioneer researching a renewable, bio-based alternative to conventional, oil-derived polyester and plastic, in order to accelerate the development of biodegradable materials.

**Read more on page 12**

**In early 2019**, we launched a major new partnership with Better Energy to power our owned and operated buildings with 100% solar energy.

**Read more on page 13**



## CREATING FWD

### Our vision

We will increase the use of more sustainable materials year-on-year until all our products are circular by design.

### TOWARDS RESPONSIBLE DESIGN

The cultivation and production of our materials represents our largest impact on the environment. It is vital that we act to reduce this impact by optimising our most important fibres, maintaining the same quality while helping our suppliers to farm and produce materials in ways that conserve natural resources and protect the environment. Without this shift, we will simply not be able to source the materials we need in the future.

We take a strategic approach to maximising our positive impact by defining specific targets for menswear, womenswear and individual brands, based on our use of key materials. We also partner with our direct suppliers to help them fulfil our requirements on quality, sustainability and certification.

Importantly, we always seek to go further by identifying innovative new fibres, partnerships and best practice. We engage with major sustainable textile initiatives, such as Fashion for Good, the Textile Exchange and the Better Cotton Initiative (BCI), and participate in the Ellen MacArthur Foundation's design workshops to promote clothes recycling, and explore new ways of doing business with consumers.

“Sustainability can't happen without collaboration. Sourcing raw materials responsibly means forging links throughout our business and supply chain, and partnering across our industry to accelerate innovation and promote positive change.”

**Camilla Skjønning Jørgensen,**  
Sustainable Materials Manager,  
BESTSELLER

# CREATING FWD GOALS

**BY 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).

**BY 2025**

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

**BY 2025**

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



**BY 2022**

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

**BY 2025**

100% of our wool will be sourced in line with industry best practice, such as the Responsible Wool Standard (RWS).

**BY 2025**

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

# SOURCING MORE SUSTAINABLE COTTON

► Cotton is our most important raw material by volume, representing 40% of our fibre use.

Cotton is a renewable material, and its production creates employment for hundreds of millions of people globally. However, cotton growing puts pressure on the environment, particularly fresh water supplies, and is vulnerable to poor working conditions. As a major user of cotton, we have an opportunity to help boost the demand for and supply of more sustainable cotton, promoting positive change at field level and safeguarding our future supply of this vital material. By 2022, we have committed to source 100% of our cotton from more sustainable sources.

To achieve our goal, we are sourcing more sustainable cotton through globally recognised schemes such as the Better Cotton Initiative (BCI) and Cotton Made in Africa (CmiA), as well as certified organic cotton and recycled cotton. Organic cotton has the least impact on the environment and, for this reason, we aim for 30% of the sustainable cotton we use to be organic cotton by 2025.

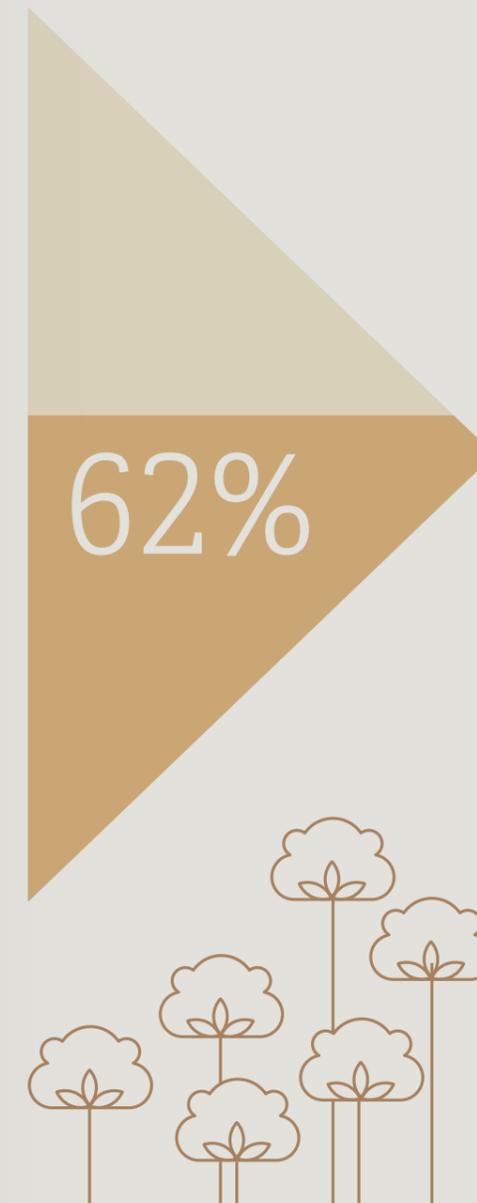
In 2018, we reached more than 62% of our 100% more sustainable cotton target. We are making more rapid progress by sourcing Better Cotton, which represents 55% of

our cotton, with our brands VILA, JACK & JONES and ONLY performing particularly well. BCI supports cotton farmers worldwide in adopting more sustainable practices and improving their livelihoods. The more Better Cotton we source, the greater impact we can achieve. By actively contributing to the BCI Growth and Innovation Fund, we are also helping the organisation to expand its work through strategic investments in farmer training.

Certified organic cotton seeks to make a positive impact on the environment, prioritising soil health, promoting biodiversity, and restricting the use of synthetic pesticides and fertilisers. Our NAME IT and SELECTED brands increased their organic cotton use significantly in 2018. Overall, organic cotton currently represents 8% of our total cotton use, which reflects the low volumes available globally. Organic cotton currently represents less than 1% of the global market.<sup>1</sup> The barriers to scaling up the cultivation of organic cotton include a weak business case for farmers, particularly with unstable demand, lower yields (than conventional cotton) and difficulties in obtaining authentic organic cotton seeds. Transparency and traceability is also a challenge which is jeopardizing the integrity of organic cotton throughout the supply chain. That is why we must redouble our efforts to help the industry overcome these challenges and scale up the cultivation of this fibre.

<sup>1</sup>) The Textile Exchange 2018 Organic Cotton Market Report

In 2018, we reached more than 62% of our **100% more sustainable cotton target**



## BRANDS USING HIGH VOLUMES OF BETTER COTTON



- VILA, 75%
- JACK & JONES, 72%  
*100% Better Cotton for its denim ranges*
- ONLY, 47%

## BRANDS USING HIGH VOLUMES OF ORGANIC COTTON



- NAME IT, 45%
- SELECTED, 44%

▶▶ BESTSELLER  
BRANDS MAKE  
GREAT STRIDES  
ON MORE  
**SUSTAINABLE  
COTTON**





### JACK & JONES INCREASES ITS FOCUS ON RECYCLED MATERIALS

In addition to sourcing 100% BCI cotton for its jeans, JACK & JONES has increased its focus on recycled materials in 2018 by working closely with a key denim supplier to develop jeans styles using 20% post-consumer recycled cotton. We have introduced the styles within our 'Never out of stock' (NOOS) range in 2017, and **to date, we have produced 353,000 pairs of jeans**. Building on this partnership, JACK & JONES aims to double the proportion of post-consumer recycled cotton it uses by 2020.



### SELECTED RAPIDLY EXPANDS ITS ORGANIC COTTON USE

In 2018, SELECTED sourced 83% more sustainable cotton, including 57% organic cotton and 43% BCI. Overall, organic cotton represented 44% of its total cotton use. The brand has achieved a rapid increase since 2017 by engaging with the cotton industry, fabric mills and manufacturers, converting nearly all of its jersey tops, men's shirts and the majority of jeans to organic cotton. During 2019 all jeans will be converted to organic cotton, hereby taking the next steps towards the goal of 100% more sustainable cotton.

In 2018, SELECTED sourced 83% more sustainable cotton, including 57% organic cotton and 43% BCI



### NAME IT PROMOTES ORGANIC COTTON GROWTH

BESTSELLER's NAME IT brand is on track to reach its goal of organic cotton representing 50% of its cotton use by 2019, reaching 45% in 2018. As part of BESTSELLER's push to shift to sustainable materials, NAME IT is developing organic cotton strategies for all its product categories, and has already established a goal to source 100% organic cotton for all jersey and sweater products in the baby category by 2021.

BESTSELLER's NAME IT brand is on track to reach its goal of organic cotton representing **50% of its cotton use by 2019, reaching 45% in 2018.**



“Our teams have increased our organic cotton volumes significantly by making sustainability a key priority in every material sourcing discussion and collaborating both internally and with our preferred suppliers to achieve our goals together.

We wish to take part in pushing the sustainability agenda globally – this by increasing the demand for more sustainable materials – and by setting ambitious goals of turning our raw materials into more sustainable options”.

**Joan Søndergaard Nielsen**  
Sustainability Manager  
NAME IT



# SCALING UP OUR USE OF RECYCLED POLYESTER AND MORE SUSTAINABLE MAN-MADE CELLULOSIC FIBRES

►► Through Creating FWD, we continuously evaluate new options and seek innovative materials that are better for consumers and the environment, from recycled polyester to sustainably sourced cellulosic fibres (derived from wood pulp) such as viscose.

## TRANSFORMING WASTE INTO RECYCLED POLYESTER

Polyester is a versatile and low maintenance synthetic fibre used across many of our collections. However, polyester is derived from fossil fuels, its production is energy-intensive and it does not biodegrade in the environment. To reduce the impact of polyester and help create a new life for waste plastic while we explore alternative fibres for the long term, we are increasing our use of recycled polyester made from waste such as plastic bottles and leftover fabric. We aim for at least half of our polyester to be from recycled sources or more sustainable alternatives by 2025.

In 2018, our brands continued to increase their use of recycled polyester, with SELECTED, for example, using the equivalent of 15 plastic bottles per item to create recycled polyester for some of its most popular styles, totalling over 1,360,000 plastic bottles annually. Recycled polyester currently represents 34% of SELECTED's polyester use.

## INCREASING OUR FOCUS ON MORE SUSTAINABLE VISCOSE

Beyond polyester, we also aim to source 100% of cellulosic fibres responsibly in line with industry best practice, such as the Forest Stewardship Council, by 2022. To achieve this, we are identifying viscose suppliers within our supply chain that adhere to our requirements. We are also sourcing Lyocell, a regenerated cellulosic fibre. TENCEL™ lyocell is derived from sustainable forestry and produced in a 99% closed loop system, whereby water and chemicals are recycled, conserving natural resources and limiting the use of chemicals in production. In 2018, TENCEL™ lyocell represented 66% of VERO MODA's Lyocell use.

We will explore more sustainable alternatives and recycled fibres through strategic partnerships with circular fashion initiatives (see page 65), and investments in innovative textiles practices and technologies (see page 12).

**Recycled polyester**  
currently represents 34% of  
SELECTED's polyester use.



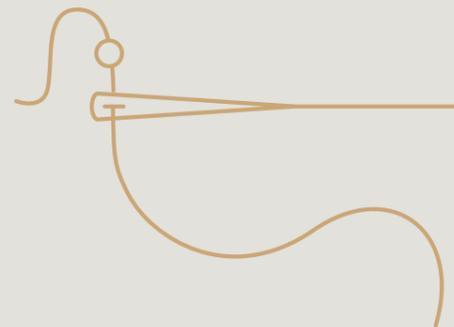
## VERO MODA MAKES GREAT STRIDES ON MORE SUSTAINABLE MATERIALS

In 2018, VERO MODA sold more than 1 million pieces containing more sustainable materials, including some items comprised of 95% organic cotton and T-shirts and tops containing 100% TENCEL™ lyocell.

The brand's sustainable standalone collection – AWARE by VERO MODA – highlights what fashion can achieve in the sustainability sphere. In 2018, 73% of all polyester used by AWARE by VERO MODA was recycled, while 80% of cotton in jersey and sweat was organic.

## ONLY INTRODUCING ONLY LIFE

In 2018, ONLY launched its new ONLY LIFE product line, incorporating more sustainable fibres into the products. ONLY LIFE contains products made from fibres including organic cotton, recycled polyester, LENZING™ ECOVERO™, TENCEL™ lyocell, TENCEL™ modal. To date, more than 1 million ONLY LIFE pieces have reached stores, each marked with a LIFE hangtag informing consumers of its more sustainable fibre content. The proportion of ONLY LIFE pieces in ONLY's collections will steadily increase.



## SELECTED RAISES CONSUMER AWARENESS OF ITS USE OF MORE SUSTAINABLE FIBRES

As consumer interest in sustainable materials grows, SELECTED launched a communications campaign to make a bold, clear statement about its brand promise and raise awareness of the importance of sustainable materials among both consumers and employees. The campaign focused on SELECTED's use of organic, recycled and innovative fibres.

By making sustainability a core value and focusing on continuous improvement, SELECTED ensured that 60% of its 2018 styles were made from more sustainable fibres. These efforts were transparently communicated to consumers.

Building on this success, SELECTED is playing an active role in helping to grow the market for sustainable fibres, contributing to BESTSELLER's efforts to stimulate industry innovation and switch to more sustainable materials.

“We are seeing a big movement towards consumers caring about sustainability and seeking greater transparency. They simply expect brands to have a sustainable mindset and approach, so in order to stay relevant, it is essential that SELECTED communicates its efforts to improve its impact on people and the environment.”

**Helle Fuglsang Vilsbøll,**  
International Marketing Manager,  
SELECTED



# ANIMAL WELFARE

▶▶ Animal welfare is a critical issue in the fashion industry and of real importance to our consumers. BESTSELLER takes a strong stance on animal welfare, requiring that there should be no harm to any animals in the manufacture of our products.

Any animal-derived materials used in our products must be sourced from animals that are treated humanely according to animal welfare laws and recommendations.

We have been a fur-free company for more than a decade, and make this clear to consumers through the Fur Free Retailer programme.<sup>2</sup> By 2025, we aim to source all our wool in line with the Textile Exchange's Responsible Wool Standard. As a committed member of the Textile Exchange, we also engage in animal welfare discussions on an ongoing basis, gaining insights to improve our strategy.

We only use leather, feather and down derived from animals that have been bred for the food industry. We do not source feather or down from greylag geese due to the risk that they may have been force-fed for the production of foie gras. Similarly, we require our suppliers not to source wool from sheep that have been exposed to the inhumane practice of mulesing. We have banned angora wool and, in 2018, we made a commitment to ban mohair, in response to reports on the treatment of goats in the mohair industry. We will phase out mohair by 2020.

BESTSELLER does not use materials derived from endangered species, and our direct suppliers must not be involved in any animal testing of cosmetic products and ingredients, or purchase ingredients

or products from suppliers involved in such practices.

We will continue to identify high quality, sustainable, commercially viable alternatives to animal-derived materials. In 2018, for example, our brand SELECTED explored the use of leather derived from discarded pineapple leaves from the pineapple harvest in the Philippines.

- ✓ **FUR-FREE COMPANY**
- ✓ **WE HAVE BANNED ANGORA WOOL**
- ✓ **WE WILL PHASE OUT MOHAIR BY 2020**

<sup>2</sup>) BESTSELLER has entered the Fur Free Retailer programme 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.



## MAKING FWD

### Our vision

We will continuously improve the environmental footprint of our products, operations and supply chain until they are in line with the needs of our planet.

To transform our environmental footprint and help address the global challenges of climate change and resource scarcity, we are taking an ambitious, interconnected approach. In particular, we are helping our suppliers adopt cleaner, leaner methods of production, saving energy, water and chemicals, and reducing waste.

To gain a deeper understanding of our footprint and further improve our performance, we engage in major industry collaborations such as the Sustainable Apparel Coalition (SAC). In this way, we are helping to promote change within our industry by supporting a shared way to measure and monitor the impacts of fashion.

BESTSELLER is committed to setting goals in line with the latest science on greenhouse gases. We will continue to direct our efforts to where we stand to make the greatest impact and review and increase our ambitions, in line with our North Star.

“We’ve developed a holistic, interlinking strategy to address our key environmental impacts, underpinned by strong, measurable targets to which we’ll hold ourselves accountable towards 2025. We’re confident that these goals and actions are the right ones, and will drive our innovation and progress.”

**Felicity Tapsell,**  
Environmental Sustainability Manager,  
BESTSELLER

# MAKING FWD GOALS

**BY 2020**

we will set science-based goals on greenhouse gas emissions. In 2018, we have officially committed to set these goals through the Science Based Targets initiative.

**BY 2021**

we will set targets to safeguard future water resources.

**BY 2025**

the volume of samples we produce will be significantly reduced by investing in digital solutions and collaborating closely with our key suppliers.

**BY 2025**

75% of all product orders will be consolidated in suppliers that are highly rated in our sustainability evaluation.



**BY 2021**

our owned and operated buildings globally will be powered by 100% renewable energy.

**BY 2025**

our energy consumption in our owned and operated buildings globally will be reduced by 30%.

**BY 2025**

we will have 100% approved and traceable chemistry in our core products.



## TOWARDS CLIMATE POSITIVE

With the fashion industry generating nearly 7% of global GHG emissions,<sup>3</sup> we have a clear responsibility to act. Our Making FWD climate goals will help us develop high impact approaches to improving energy efficiency and increasing our use of renewable energy, both within our business and supply chain.

In addition, we will further reduce our emissions by switching to lower impact materials and supporting lower carbon agriculture (see page 20), investing in low-carbon technologies, and exploring how best to offset the emissions created through the washing of our products.

3) Quantis, Measuring Fashion: Insights from the Environmental Impact of the Global Apparel and Footwear Industries study, 2019



## COMMITTING TO BOLD CLIMATE ACTION, GUIDED BY SCIENCE

In 2018, we officially committed to set our GHG goals through the Science Based Targets (SBT) initiative, a global collaboration encouraging companies to set goals in line with limiting global warming to 1.5°C. We will set and disclose our new goals by 2020. In preparation, we are working with a trusted third party to measure all our Scope 1 and Scope 2 emissions (produced by our operations and through purchased electricity, respectively), as well as our indirect, Scope 3 emissions (largely the emissions produced through our supply chain). As the best available science and policies evolve, or as new solutions emerge, we will take steps to reset our climate goals as appropriate.



## PROMOTING ENERGY EFFICIENCY AND RENEWABLE ENERGY

Our ambitious, science-based targets will require us to re-think the way we do business, informing our improvement programmes, as we work closely with our suppliers to help them invest and engage in energy efficiency and renewable energy. By 2021, we aim to power our owned and operated buildings globally with 100% renewable energy and, by 2025, we will reduce our energy consumption in these buildings by 30%.

We are already taking decisive action towards these goals, announcing plans in early 2019 to build our own 125 megawatt capacity solar plant, which will produce the equivalent amount of energy that we consume in our owned and operated buildings globally (see page 13). We will also partner with strategic suppliers to reduce the climate impact of their production.

To further accelerate our shift to renewables, we have joined RE100 – a coalition of companies committed to 100% renewable electricity, led by The Climate Group in partnership with CDP.



## WORKING WITH OUR SUPPLIERS TOWARDS CLEANER, LEANER PRODUCTION

We are committed to leveraging our influence as a major apparel company to work with our suppliers towards cleaner, leaner production. In particular, we are looking beyond compliance, partnering with both our suppliers and industry to help transform the way clothing is produced. To encourage our suppliers to invest in improving their energy, water and chemical use and reduce waste, we have committed to rewarding sustainability performance through increased business. By 2025, 75% of all product orders will be directed to suppliers with strong performance on sustainability.

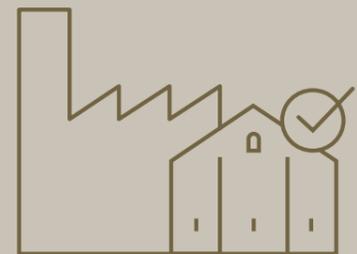
To help achieve this, we are continuously evolving our rating and evaluation system (see page 49) to encompass environmental and social sustainability criteria. We are also taking steps to improve the quality, depth and accuracy of information we gather on the impact of our suppliers' production, including through our SAC membership. By adopting the SAC's Higg Index Facilities Environment Module (FEM), an industry-wide environmental measurement and evaluation tool, we are helping to create a shared approach to monitoring suppliers' performance, reducing duplication and enabling our industry to focus its efforts on driving improvements.

In 2018, we focused on training our key suppliers in management systems, measuring environmental impacts and social governance, as we move towards consolidating 75% of our orders with suppliers performing strongly on sustainability. We also implemented the Higg Index FEM among 150 manufacturing facilities (representing 49% of our business by value) in seven production countries. The findings have been independently verified at 32 factories. We will use the findings to ensure we focus our partnerships with suppliers on addressing the issues that stand to make the greatest impact.

By 2025, 75% of all product orders will be directed to **suppliers with strong performance on sustainability**



**All key suppliers trained in Higg FEM**  
**143**  
participants



## SCREENING OUR FACTORIES IN CHINA

In China, we monitor whether any suppliers have broken environmental laws by using a specialist database developed by the Chinese Institute of Public Affairs (IPE). In 2018, we monitored nearly 400 sites, including all our direct suppliers' factories, as well as trim factories and fabric mills. We found 388 recorded incidents across 105 sites where environmental laws were contravened. 38 sites have responded to their recorded incidents, while another 32 have resolved the issues identified (as proved by independent audits). 37 sites had also disclosed their greenhouse gas footprint, including information on air pollution. In 2019, we will require all the suppliers to share this data, in line with our strategy.



**Sites monitored:**



**Sites with pollution records:**



▶ 2017 ▶ 2018

**Sites that responded to or resolved issues:**



# MAKING PROGRESS ON WATER STEWARDSHIP

The fashion industry uses water throughout its value chain, from cultivating raw materials to dyeing fabrics to applying the finishing touches to new garments. To conserve the quality and availability of water resources for our business and future generations, we are sourcing raw materials with a lower water footprint (see page 20), promoting water-saving in the manufacture of our products, and promoting safer alternatives to harmful chemicals (see page 43). By 2021, we aim to set targets to help guide our water stewardship ambitions, and in preparation, we will conduct a full analysis of our water use.

## SUSTAINABLE DENIM REACHED NEW HIGH AT JACK & JONES

In 2018, we continued to explore new production technologies and techniques to save water, participate in industry collaborations and support our brands and suppliers in making changes. For example, in August 2018, JACK & JONES launched its most sustainable collection of 'Low Impact Denim' jeans to date, offering consumers the opportunity to buy jeans with a lower water and environmental footprint.

Low Impact Denim requires a keen focus on clean production and supply chain transparency, with water, energy and chemical considerations factored in from the outset. To create its latest collection, JACK & JONES

developed sustainable solutions to all three elements of denim production – fibre, fabric and finishing – without compromising on quality, design or fit.

The fabric is comprised of organic cotton and either recycled cotton, recycled polyester or sustainable cellulosic fibres such as TENCEL™ lyocell. Meanwhile, JACK & JONES has reduced its water use for the dyeing of its Low Impact Denim collection by 55% by supporting a sustainable, water-saving process. Finally, in the finishing process, the team has identified safer alternatives to conventional bleach, and monitored energy and water consumption, using Jeanologia's Environmental Impact Measuring software. By identifying potential savings and helping suppliers to improve their practices, JACK & JONES has halved its water and energy use. Building on this success, the brand will aim for 25% of its jeans production to be low impact by 2020.

“We have taken a deep dive into every process of denim production, with one focus in mind: to make the most sustainable jeans to date.”

**Mikkel Albrechtsen,**  
Product Manager,  
JACK & JONES JEANS INTELLIGENCE





# MANAGING CHEMICALS RESPONSIBLY

Controlling and monitoring what chemicals are in our products has been a critical part of BESTSELLER's compliance work for many years and will remain a vital part of Making FWD in the future. This starts with improving the way our raw materials are produced (see page 38). Importantly, it also means addressing the chemicals, both in our products and throughout the manufacturing process.

Our Restricted Substances List (RSL) is based on progressive legislation, precautionary principles and industry best practice, and updated annually. In 2018, we updated our RSL and delivered 125 chemical management training sessions to 1,659 supplier participants in Bangladesh, Pakistan, India, China, Cambodia and Turkey.

Through our extensive product and materials testing programme, we maintained a strong focus on eliminating hazardous chemicals, including the 11 chemicals defined by our industry as key priorities. Materials that do not meet our requirements are not permitted within our products. For example, we tested 19,475 materials for APEOS in 2018, identifying a 0.8% failure rate, an improvement on the 1.5% rate we achieved in 2017.

We continue to support progressive industry standards, and have fully adopted ZDHC's Manufacturing Restricted Substances List (MRSL). In particular, we are helping our materials suppliers to improve

their chemical management processes on site, monitoring progress in relation to chemicals used in our products and in their manufacture. Additionally, we are supporting all our suppliers in achieving the highest level of performance possible outlined by the industry-wide Higg Index environmental measurement tool, which also encompasses chemical and wastewater management. And by 2025, we aim to scale up our impact by achieving 100% approved and traceable chemistry in our core products.



**125**  
CHEMICAL MANAGEMENT  
TRAINING SESSIONS TO

**1,659**  
SUPPLIER  
PARTICIPANTS



# ENGAGING FWD ▶▶

## ENGAGING FWD

### Our vision

We will promote dignity, equality and safe working conditions for all people across our value chain until fair incomes and respect for human rights are the norm.

As a global fashion business, people from across the world play a role in designing, manufacturing, selling and supporting our products. We aim to create a positive impact on everyone who contributes to our business, including both our own employees and the workers in our supply chain.

### PARTNERING WITH SUPPLIERS TO PROTECT WORKERS' RIGHTS

There remains a risk of unfair and unsafe working conditions, and a lack of opportunity for progression within the global fashion supply chain.

Protecting the human rights of the workers in our supply chain is integral to our values and also the right thing for our business – helping us to achieve greater stability.

We are promoting social dialogue, empowering women, and collaborating with our industry to achieve fair living wages and raise health and safety standards. In addition to helping our suppliers to meet our requirements, we encourage our best-performing suppliers to move beyond compliance and take ownership of raising ethical performance in their supply chains.

“We are laying the foundations to raise factories’ social and environmental compliance levels, and will continue to evaluate and expand our efforts in order to improve our performance and amplify our positive impacts.”

**Maria Kim Lassen,**  
Social Sustainability Manager,  
BESTSELLER

## ENGAGING FWD – SUPPLY CHAIN

# GOALS

**BY 2025**

through industry collaboration, we will implement mechanisms to promote fair living wages.

**BY 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 value.



**BY 2025**

we will support 100,000 women in tier 1 factories to achieve workplace empowerment and improved life-skills.

**BY 2025**

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



# SUPPLY CHAIN

## STRENGTHENING OUR FACTORY COMPLIANCE PROGRAMME

Embedding human rights in the apparel industry and achieving a fairer supply chain starts with defining and upholding rigorous standards of performance. Established in 2000, BESTSELLER's Code of Conduct is based on universally respected principles and guidelines, and sets out the ethical, social and environmental practices we expect from suppliers. Together with our human rights and sustainability policies, it guides our efforts to identify, address and prevent adverse human rights impacts on our employees and workers in our supply chain. To help ensure that suppliers meet our required standards, we operate a comprehensive social and environmental compliance programme.

Before any supplier can work with BESTSELLER, they must undertake a thorough assessment and demonstrate that they meet our minimum performance standards and local legislation. In 2018, we raised the bar by including more requirements for the onboarding of new factories. Suppliers who are unable to reach these levels will not be able to enter a business relationship with BESTSELLER.

Once a supplier has been approved, they are subject to regular, independent audits and visits from our own local compliance specialists, who monitor progress on social and environmental issues, and assess suppliers' ability to take ownership of compliance. We engage with suppliers that need to improve, providing training and

other assistance. We prioritise our strategic suppliers, who provide the majority of our products, as we work towards sourcing 75% of our products from suppliers that perform highly in our sustainability evaluation. Where issues are identified, we work with our suppliers to develop corrective action plans and assist them in making the required changes, following up on progress and offering dedicated training and advice as required. In 2018, our compliance specialists and third party auditors conducted 953 visits in total, providing advice and guidance on both short-term remediation and long-term improvement projects.

Looking ahead, we will continue to build our local teams' abilities to assess and collaborate with suppliers to improve their performance, gradually relying less on third party auditors by strengthening our own rigorous assessment methods. We will use the latest technology and innovation to expand supplier training and adopt more advanced monitoring and evaluation tools, working within our industry to establish standardised ways of measuring and reporting progress on social and labour issues. We remain committed to transparency, and publish our factory list twice a year (see page 68).

**426 NUMBER OF SUPPLIERS**

**788 NUMBER OF FACTORIES (TIER 1)**

# TOWARDS SAFE, HEALTHY WORKPLACES

A fundamental part of healthy and safe workplaces is that workers are safe from fire and electrical risks, and are able to work in safe, structurally sound buildings. We continue to support our suppliers in driving improvements and collaborate with our industry and relevant local stakeholders to make progress on this critical issue. By 2025, we aim for all our suppliers to have invested in fire, electrical and building safety and show continuous improvement.

In Bangladesh, we were signatory to the first Bangladesh Accord on Fire and Building Safety (the Accord) between 2013 and 2018. To date, we have addressed 96% of the issues identified by Accord inspections in our suppliers' factories, making and maintaining significant safety improvements and helping to create safer, healthier working conditions for 240,000 workers. The second Accord began in May 2018 with the ambition to firmly establish a culture of health and safety within factories, enabling workers and managers to discuss improvements through dedicated committees. However, its future is uncertain as the Bangladesh government may rule that the Accord should leave Bangladesh, with the government taking responsibility for ongoing improvements. Should this occur, we will continue supporting our suppliers in making changes through our compliance programme. However, to achieve robust, lasting change we believe that a strong overall authority or programme to oversee progress at a country level is vital.

To apply the lessons we have learnt from the Accord in other key production countries, we participate in the Life and Building Safety (LABS) initiative, supported and facilitated by IDH, the Sustainable Trade Initiative. Through our role on the steering committee, we are supporting the development of the programme and have involved key suppliers in pilot inspections in India. The focus is to improve working conditions for garment workers by addressing risks related to fire and electrical hazards, structural building safety and providing proper safety training for workers. As LABS progresses, we will look towards expanding to other key production countries outside of Bangladesh.





## PROMOTING SOCIAL DIALOGUE TO IMPROVE WORKERS' LIVES

Empowering workers to engage in constructive social dialogue – meaningful discussion between employers, workers and their representatives on social and labour issues – is vital to enabling workers to understand their rights, voice their needs and negotiate improvements. This is a long-term process, and in production countries where the workplace social dialogue model is not yet established, we collaborate with suppliers to involve government officials in discussing progress on labour rights.

Building on our social dialogue programme with three factories in Bangladesh, we have been a partner in establishing the MYPOD (Myanmar Productivity, Occupational Health and Safety and Social Dialogue) project with three factories in Myanmar. We are working with the Danish Ethical Trading Initiative, the Danish Union 3F, Aalborg University and key suppliers to help create high quality jobs and improve worker satisfaction, boosting productivity and helping Myanmar to establish itself as a significant contributor to the global apparel industry.

Ongoing political instability, civil unrest and a lack of industrial relations in Myanmar have slowed our progress on this project. However, in 2019, we will seek to further expand both programmes, including by helping factories to take responsibility for maintaining changes, and initiate new social dialogue programmes in more production countries.

In Bangladesh we have continued to expand on our social dialogue programme by engaging more factories and workers in the training, focusing on better tools for learning as well as refresher training for new workers. 1,836 workers were trained.

“Worker-management relationship has significantly improved in our factory through social dialogue project which conducted training and awareness sessions on grievance mechanism, scope and responsibilities of WPC representatives and many more on legal and social issues.”

**Mohammad Jahangir Alam**  
Head of Operations  
Genesis Fashions Ltd



## COLLABORATING TO ACHIEVE FAIR LIVING WAGES

Every worker has the right to receive a fair, living wage, enabling them to provide for their families and achieve a decent quality of life. We know that in many production countries, workers do not earn a living wage, and we are determined to help turn this around. However, influencing change in workers' wages is a complex issue, requiring long-term, systemic change. As a fashion business, there is a limit to what we can achieve alone. We can make strides on improving the way we work. But improving workers' wages can only be achieved if governments adopt progressive legislation, suppliers and brands improve their practices, and workers play a central role in negotiating the changes they need.

To build momentum on living wages, we joined the Action, Collaboration, Transformation (ACT) apparel industry initiative in 2018. Through ACT, we have committed to promote collective bargaining – enabling workers to negotiate better pay and conditions with their employees through elected representatives or trade unions – in our production countries. A key commitment is looking at our purchasing practices and we began evaluating how best to improve the way we buy products from suppliers. In 2019, we will continue to expand these efforts, introducing training for all our buyers.

# EMPOWERING WOMEN WORKERS

► Around 80% of the world's garment workers are women. Many see working in the apparel industry as a way to raise themselves out of poverty and create a brighter future for their families. Yet women workers are particularly vulnerable to harsh treatment, low wages and poor job quality. Our industry has significant progress to make on achieving fairer wages and creating opportunities for women to develop their skills and achieve promotion. By 2025, we will support 100,000 women in our direct suppliers' factories through dedicated training on work and life skills, enabling them to negotiate better pay and employment.

Through our ongoing partnership with BSR HERproject in Bangladesh, we supported women in learning more about diverse aspects of female health, including personal hygiene, birth control, maternal health, contagious diseases and nutrition. The women learn in small training groups from local education partners. As their awareness of health issues grows, the participating women become more self-confident in negotiating changes that raise their workplace health and wellbeing. A healthier workforce reduces staff turnover and absenteeism, helping factories improve their productivity and profit, which frees up funds for further potential investment in improved working conditions.

To make further progress, we have strengthened our partnership with HERproject, with a view to expanding our programme significantly in 2019 and beyond. We will focus on the issues that could make the greatest positive impact on women workers' lives: managing personal finances, gaining respect and independence at work and in the home, and improving health and wellbeing.



# OUR EMPLOYEES

## CREATING AN INCLUSIVE WORKFORCE

Attracting and retaining a diverse, talented employee community is critical to our ability to thrive as a company and achieve our sustainability ambitions. We listen to our employees and offer compelling development opportunities to help them to unlock their full potential. Importantly, we are focusing on diversity and inclusion as a key factor for success, and taking steps to strengthen our leadership pipeline.

“Our people define our company. We work hard to strengthen our offering to employees, and develop leaders who will help ensure our transition to a more resilient, sustainable company.”

**Louise Sylvest,**  
PEOPLE Director,  
BESTSELLER

## GOALS OUR EMPLOYEES

### BY 2020

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

### BY 2021

we will complete the global rollout of our diversity and inclusion policy and the accompanying awareness programme.

### BY 2021

we will complete the global rollout of our online engagement surveys and define common metrics to benchmark engagement across our markets.

### BY 2022

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



## ENABLING OUR EMPLOYEES TO THRIVE

To create a thriving, inclusive workplace, we offer our employees high quality learning opportunities within a dynamic environment. Our working culture is fast-paced yet friendly, respectful and informal, and our colleagues have plenty of independence to develop and implement their ideas, or work internationally.

## PROMOTING DIVERSITY AND INCLUSION

At BESTSELLER, we want each and every one of our colleagues to feel welcome and included at work. As we roll out our diversity and inclusion policy towards 2021, we will include diversity considerations within all our HR processes, from talent attraction to pay and workplace benefits to support our goals for this area. For example, within our e-commerce team, we have 250 employees of 40 nationalities based across four countries. We create regular opportunities for the team to come together, and offer flexible holidays and meditation rooms so that employees can continue to respect their cultural and religious traditions.

## ENGAGING EMPLOYEES

To meet our employees' needs, we seek their views through engagement surveys in several countries including Denmark, UK, France, Canada, Belgium and the Netherlands. We are proud to have a strong participation rate and to score highly on areas such as team work and whether our colleagues would recommend BESTSELLER as a place to work. We also explored best practice technology and processes to define common ways to measure engagement across our markets.

Additionally, we delivered training in China, Bangladesh and India on BESTSELLER's business culture, helping our HR teams in these countries to welcome new employees with an engaging introduction to our ethos and practices, in order to help create a strong common direction for our company.

## PROTECTING EMPLOYEES' HEALTH AND WELLBEING

As part of our ongoing commitment to employee health and safety, we introduced a process in 2018 to help avoid long-term illness and to support employees affected by illness to achieve a swift recovery. The tools help the manager to ensure a positive and open dialogue with the employee and to determine how the company can help, with solutions including flexible working, for example. We are monitoring sickness absence monthly in Denmark, and take steps to improve our rate of days lost to illness, focusing on job satisfaction. With the implementation of a new global HR system, we will be able to conduct this reporting globally.

Our BESTSELLER CARE Programme in Denmark seeks to promote employee wellbeing with health insurance coverage, in-house physiotherapy and nutritious food. Meanwhile, our UK team seeks to help remove the stigma attached to mental health issues and promote emotional wellbeing by participating in the country's Mental Health Awareness Week.

## EMPOWERING EMPLOYEES THROUGH HIGH QUALITY LEARNING OPPORTUNITIES

Supporting the personal and professional development of our employees is critical to helping them reach their potential, raising performance and meeting the needs of our business. Our internal Academy offers training for employees throughout our business – from designers to sales and retail staff to team leaders and senior managers – including practical, interactive classroom sessions and online courses.

Additionally, each brand and department develops specific training initiatives according to their needs. For example, in 2018, our Finance department launched a global 'Accelerate Talent' training programme to help strengthen our finance teams, foster a sense of team spirit and enable promising finance employees to advance and rotate internationally. Six colleagues from Denmark, Finland, France, the Netherlands and Spain participated in the inaugural Accelerate group at diverse BESTSELLER locations, focusing on specialist financial topics as well as key areas such as communication, teamwork and presentation.

"We are dealing with talented individuals within their specialist areas as well as within communication, teamwork and presentation. It is going to be two exciting years for us and our 'Accelerators'."

**Thomas Stenholt**  
PEOPLE Business Partner  
BESTSELLER

## DEVELOPING OUR FUTURE LEADERS

To help define a clear concept of good leadership within BESTSELLER and ensure it continues to grow, we are taking a structured approach to nurturing the next generation of leaders (our 'leadership pipeline'). To help achieve this, in 2018, we undertook a comprehensive research exercise to help understand perceptions of leadership in diverse countries, and identify the skills required to fulfil these visions, with a view to developing relevant training. We conducted 44 interviews with leaders from 13 brands in 13 countries, from team leaders to business and functional leaders, observing high levels of passion, loyalty and commitment. Building on this, we will prioritise short- and long-term initiatives to help people cultivate the leadership behaviours defined through this study and approved by our Executive team.

We also held our annual Leadership Summit in Denmark, focusing on future-proofing our company. A series of internal and external speakers explored how BESTSELLER can further improve its flexibility and achieve sustainable growth. Importantly, during this summit, we launched our Fashion FWD strategy.

**44**  
interviews with  
leaders from **13 brands**  
in **13 countries**



## DELIVERING FWD

### Our vision

We will engage consumers and partner across the industry to develop solutions until circularity and transparency is a mindset and consumers are empowered to act sustainably.

The fashion industry is at a crossroads. We must change the way clothes are produced and consumed, if we are to protect the environment and conserve natural resources, and continue making clothing for future generations. Fashion production has increased substantially over the past decades, with clothing increasingly being considered as 'disposable'.

Converting our industry's current 'take, make, dispose' model to a regenerative, circular approach will require a transformation. This starts with designing sustainably – using renewable, recycled or innovative materials, and creating longer-lasting, recyclable products. Crucially, we must treat waste as a resource, recapturing used products, so that materials can stay in use for longer. However, there are currently no widespread, established systems or technologies to capture end-of-life clothing from consumers and transform clothing into new products. Accelerating this journey means promoting circular design, exploring new business models, investing in user-friendly, mainstream garment collection options, and catalysing new fibre recycling technologies (see page 17). Consumers will play a significant role in making fashion circular, and we must therefore continue to communicate transparently, empowering consumers to make sustainable fashion choices.

As circular fashion extends beyond our own products and operations, we are collaborating with all stakeholders, from consumers and policymakers to industry associations. In particular, we are partnering across our industry to develop progressive solutions and unleash new ways of thinking, including through the Global Fashion Agenda (GFA), a leadership forum taking the global fashion industry towards sustainability, the Ellen MacArthur Foundation's Circular Economy 100 Group, and the Make Fashion Circular initiative.

“Circularity is vital to our industry's future where fashion must fit within planetary boundaries. We see exciting opportunities to invest in our industry's essential collective journey to transform the way fashion is produced and consumed.”

**Dorte Rye Olsen,**  
Sustainability Manager,  
BESTSELLER

# DELIVERING FWD GOALS

**BY 2021**

we will publish a list of key material suppliers.

**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.

**BY 2025**

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

**BY 2023**

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

**BY 2025**

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





## ACCELERATING TOWARDS CIRCULAR FASHION

Shifting towards a circular economy means rethinking both the way we use natural resources, and transforming the way our clothing is produced and consumed, so that materials stay in use for as long as possible. Our Fashion FWD strategy seeks to address every aspect of making this a reality. Through Delivering FWD, we are focusing in particular on how best to prolong our products' life, including exploring innovative solutions to recapture end-of-life clothing from consumers. By collaborating with industry partners and recycling specialists, we aim to have established post-consumer waste solutions and infrastructure by 2025.

## INNOVATING THROUGH INDUSTRY PARTNERSHIPS

Circular fashion will only be achieved with the commitment of the whole industry and collaboration among all stakeholders, from policymakers to industry associations and consumers. We are participating actively in industry dialogues and major forums on circular fashion. For example, we are a strategic partner of the Global Fashion Agenda (GFA), a leadership organisation for fashion industry collaboration on sustainability and, since 2015, we have also been a member of the Ellen MacArthur Foundation Circular Economy 100 (CE100) Group. Through our participation in CE100, we contributed to the New Textiles Economy report, which gave rise to the Make Fashion Circular industry initiative to stimulate innovation and collaboration towards a radical new way of creating and consuming fashion.

## INVESTING IN CIRCULARITY

In addition to our industry partnerships, we will invest time, energy and resources in transforming our performance, integrating circular principles in our daily work, increasing the volume of recycled and innovative fibres in our products (see page 27). Beyond our own business, we will invest in the development of new technologies, materials and business models, through Invest FWD (see page 11).

### UPCYCLING TEXTILES WASTE IN COLLABORATION WITH REALLY

In 2018, JACK & JONES partnered with Copenhagen-based company Really to provide stores with high quality, upcycled denim benches and dividing walls in its fitting rooms. Really seeks to reduce waste by upcycling end-of-life textiles to create innovative, circular materials for designers and architects. The new JACK & JONES fittings are made from Really's 'solid textile board', which is comprised of end-of-life cotton and wool captured from production offcuts and end-of-life clothing. There are no dyes, water or harmful chemicals used in the creation of Really's boards and both the material itself and any production waste can be recycled to form new boards.

# COMMUNICATING OUR PROGRESS TRANSPARENTLY

► To make sustainability part of everyday life for our business and consumers, we must be transparent about what we are doing and why it matters.

Importantly, equipping our wholesale customers and retail consumers with relevant information on the social and environmental performance of our products will help them to purchase and consume more sustainably. We listen to our consumers and take action to address the issues that matter most to them, including safe, decent working conditions and animal welfare.

BESTSELLER is committed to communicating where and how our products are made and how they impact people and the environment, and making this information available to everyone including our consumers, partners and suppliers. For example, in addition to our sustainability report and ongoing stakeholder engagement efforts, we publish a list of all on-boarded tier 1 factories (those cutting and sewing our finished garments, footwear and accessories) on our website, featuring their name, address, product type and number of workers. This list is updated twice a year. By 2021, we will expand our factory list to include our key materials suppliers.

Looking ahead to 2023, we will share information on the environmental impacts of our core products, demonstrating year-on-year improvements. Achieving full traceability and transparency in fashion supply chains is challenging due to their scale and complex, fragmented nature. For this reason,

we are working with our industry through collaborations such as the SAC to develop standardised approaches and tools to measuring and improving the impacts of our products, throughout their lifecycle (see page 38), and our suppliers' manufacturing facilities. As we move further towards our North Star, we are also prioritising sourcing from suppliers with strong performance on producing safe, high quality products in a way that respects the environment and workers' rights (see page 38).

Ultimately, communicating and reporting our progress transparently and maintaining ongoing dialogue with our stakeholders will help us to address risks and drive positive change – both at a product level and within our supply chain.

As we move forward in 2019, we will continue to be clear about our performance, as we build momentum on our Fashion FWD strategy, placing sustainability at the heart of the way we do business, interact with our stakeholders and measure our progress.



BESTSELLER