

SUITSUPPLY

ON CIRCULAR ECONOMY:
VISION, SCOPE AND
TARGETS FOR 2020

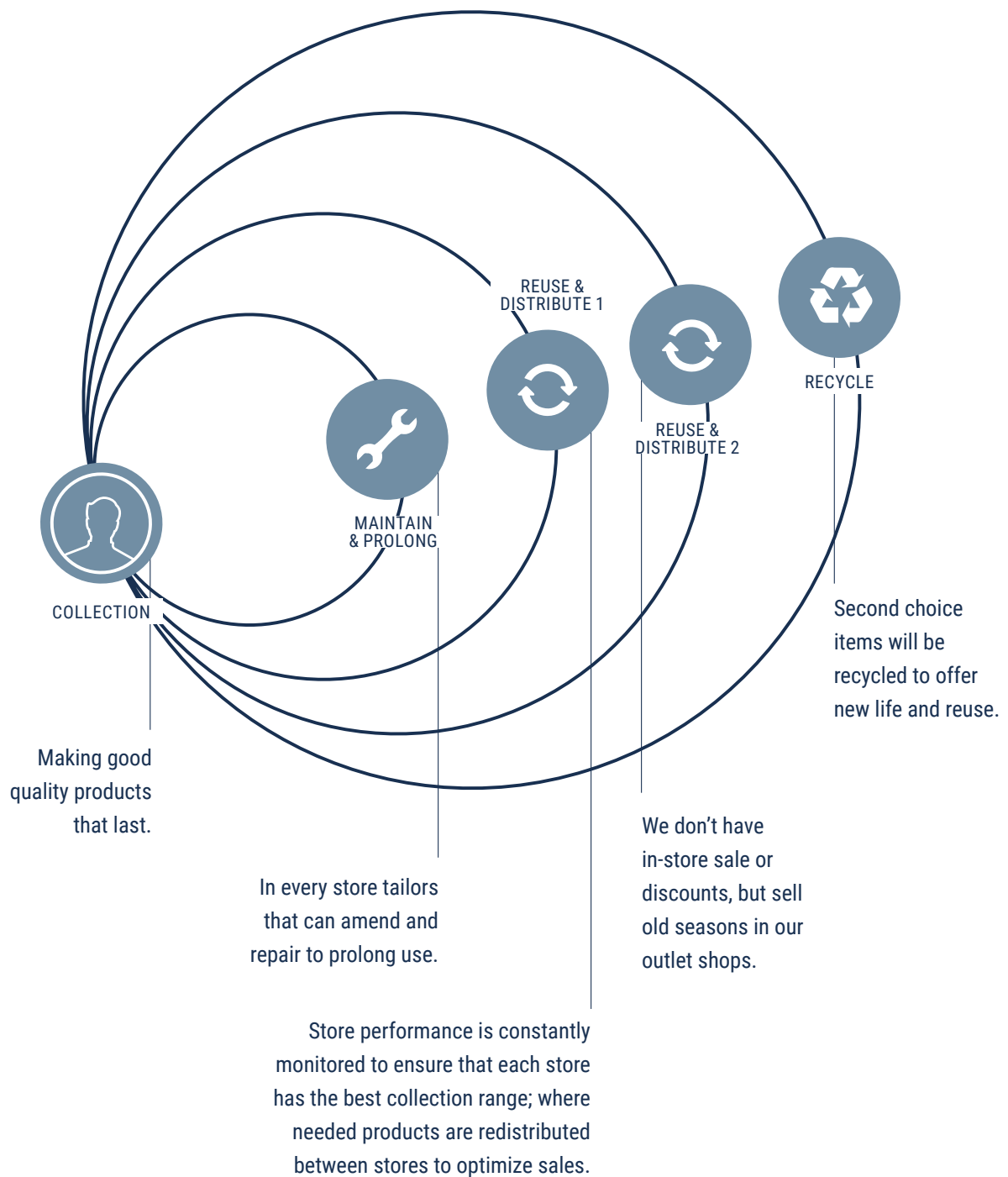


Our Down To Earth Approach

A circular economy seeks to rebuild capital, whether this is natural, financial, manufactured, human or social. It is characterized as an economy which is regenerative by design, with the intention to retain as much value as possible of products, parts and materials. It aims to create a system that allows for long life, optimal reuse, restoration, remanufacturing and recycling of products and materials in open or closed loop systems.

We believe in the true quality of craftsmanship, high attention to detail, Italian fabrics, responsibly produced products that last. Circularity fits in with this belief, by retaining and optimizing value as already existing within the way we make our products and our company's processes:

SUITSUPPLY'S CIRCULAR ECONOMY:

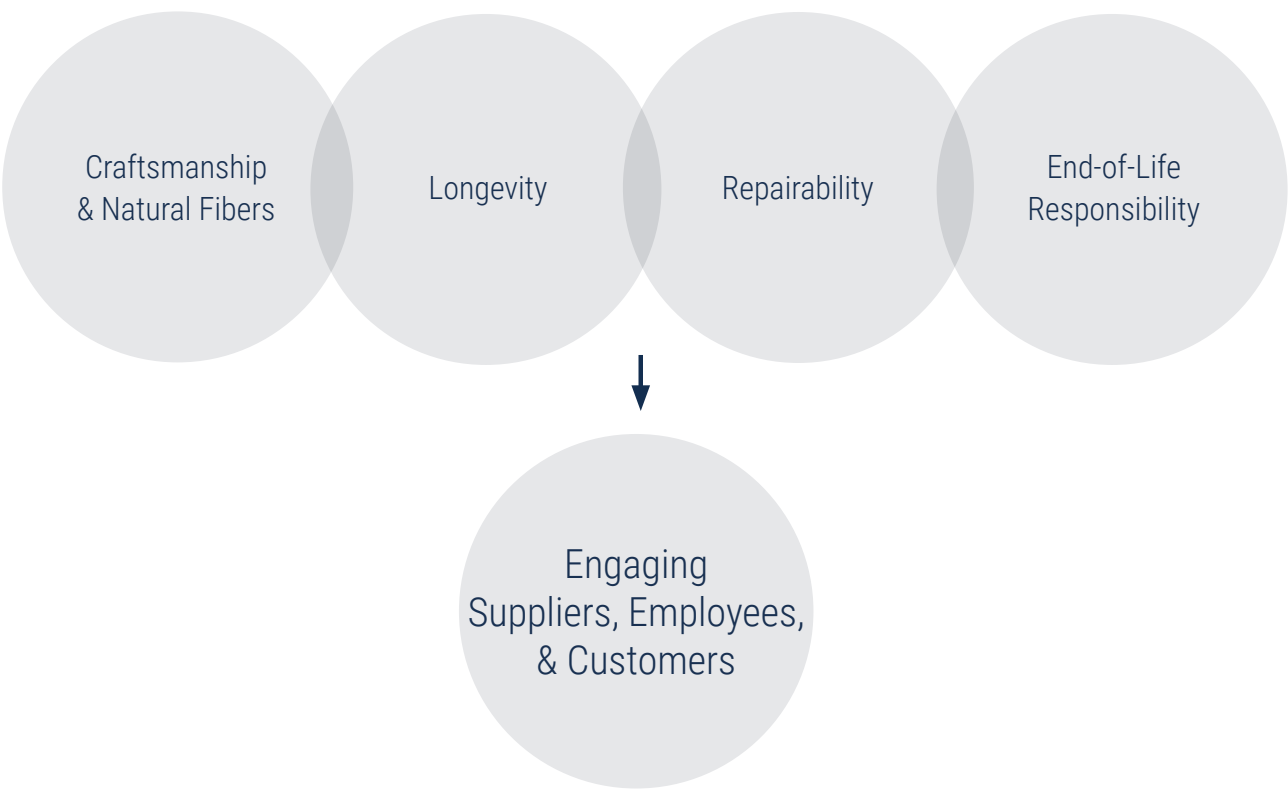


Our Global Fashion Agenda Commitment, Scope & Approach

To accelerate the transition from the linear ‘take, make, waste’ economic model, the Danish platform ‘Global Fashion Agenda’ has launched ‘a call to Action for a Circular Fashion System’ outlining four action points:

- 1. Increasing the volume of used garments collected
- 2. Implementing design strategies for cyclability
- 3. Increasing the volume of used garments sold
- 4. Increasing the share of garments made from recycled textile fibers

We have signed this commitment in May 2017 and were part of the first group of brand signatories presented on the Copenhagen Fashion Summit. Although we have set targets in line with the action points, our overall vision goes beyond; for us its about keeping and retaining value, to create change beyond our own practises & deeper into our value chains, with engagement of suppliers, employees and customers:



In practice this means that our scope includes:

- | | | |
|--|--|--|
| <p>1.
Use (higher) quality materials that keep their shape during use</p> | <p>2.
Extending the life of products (technically and emotionally)</p> | <p>3.
Offering custom made/ made to order: extends the life and increases the emotional value of garments</p> |
| <p>4.
Providing the possibility to repair clothing</p> | <p>5.
Providing information on better maintenance of clothes to make them last longer</p> | <p>6.
Providing take back of old used garments for recycling</p> |

FOR US ITS ABOUT KEEPING AND
RETAINING VALUE, TO CREATE CHANGE
BEYOND OUR OWN PRACTISES & DEEPER
INTO OUR VALUE CHAINS, WITH
ENGAGEMENT OF SUPPLIERS,
EMPLOYEES AND CUSTOMERS

Sustainable Design - Loyal to Craftsmanship, Heritage & Use of Natural Fibers.

Design stands at the heart of longlasting high quality garments enabling reparability, re-use, upcycling and recycling. We at Suitsupply believe in craftsmanship and using quality materials in our products, not blending natural and synthetic fibers is one of the ways we do this. Our garments are made at carefully selected factories in Europe, Asia and South America, with most of our fabrics are made at renowned Italian weavers like Vitale Barberis Canonico, Barbera, E. Thomas and Ferla. These companies are centuries old, combining tradition, innovation and heritage into the highest quality fabrics that keep their shape and feel overtime.

They produce their fabrics with the utmost respect for people and the environment; they are all REACH and/or Oekotex100 compliant to make sure no harmful chemicals, dyes and additives are used to harm the environment or the people that work with the fibers during production, nor our customers that wear our garments afterwards.

Personal Tailoring & Made To Order - Tackling Over Production & Stimulating Responsible Consumption.

In addition to our ready-to-wear collection we offer an online design tool to engage consumers in the design process and allow them to create their own version of a Suitsupply product through our Design Your Own service.

Designing on demand (custom-made) can be optimally made for each specific user in fabric and material choice, style and fit, by customizing their purchases a products perceived value and likely lifespan will increase; it is our answer to overproduction without compromising on quality or service. Using data analytics collated from the Design Your Own service, we have created an information portal that shows us how to further improve our buying practices, such as avoiding over stock in colors, fits or sizes that are not commercially mainstream but can still be offered in a more service oriented collection range.

Our Design Your Own service can currently be used to design suits, jackets, trousers and shirts and we are currently developing a shoe configurator to further extend this program.



76%
of fabrics in our range
are biodegradable



79%
of fabrics in our range are made
with only natural fibers



54%
of fabrics in our range
are made with monofibers

Longevity - We Care About Product Care

Since we are all about making quality products that last, it is equally important to us that we offer our customers the right tools and tricks to keep our products in the best condition.

Therefore, this year we have decided to expand our shoe care line with products from the well-known French shoe care brand Saphir Medaille D'or. The range we offer consists of shoe polishes, a renovator and suede cleaner, brushes and cloths to keep our handcrafted shoes in perfect condition.

In coming years we plan on expanding our product care range into laundry detergents for woolen knitwear and delicate fabrics.

In addition to these initiatives we want to create an online maintenance page with advice and guidance on how to best take care of our products to keep them in shape and quality for as long as possible, whilst taking care of the environment. Since 25% of the apparel footprint comes from how products are cared for and treated after purchase, we feel it's important to provide our customers with the tools to extend the life of our products and enjoy them for longer.



Repairability - In Store Tailors in all Suitsupply Stores

Tailoring and delivering the perfect fit is at the core of our business, and the reason why our tailors are always placed in a central position in store, visible for everyone to see. Next to making sure everyone leaves with their perfectly fitted suits and shirts, our tailors also repair and alter already bought products to extend use and life.

Repairing and extending the life of products really matters; extending the average life of clothes by just 3 months of active use can lead to a 5-10% reduction of carbon, water and waste footprints.

90%
of the total Suitsupply
collection can be
altered and repaired
in-house.

142
well trained
in-store tailors

16,000
garments are
amended, altered &
repaired each week

90+
stores in 3
continents



End-Of-Life Responsibility - Garment Collection & Recycling of Pre-Loved Garments



Pre-consumer waste is equally, if not more pervasive in the global apparel supply chain than post-consumer waste, think of fiber and yarn waste, waste from trials and cutting waste from garment manufacturing. One of our main goals is not to only look closer at our practices, but also include and engage our suppliers in this process; one of our important 2020 targets is to help the majority of our T1 & T2 suppliers set up their own waste reduction plans and link them to local recycling facilities.

Almost 150 million tons of clothing and shoes are sold worldwide every year. The majority of this ends up in landfills or is incinerated instead of being reused or recycled, wasting valuable resources and causing harm to the environment. This unfortunately includes a lot of the clothing donated to charities. Key reasons for this include low consumer awareness and urgency and a lack of collection structures and logistic

networks in many countries.

In Q3 of 2017 Suitsupply therefore launched its global Recycling Rewards program in collaboration with I:Collect (I:CO) across 68 stores on 3 continents. It's important to us to not only be the place for the next suit purchase, but also to be the place people donate their pre-loved products so we can take care for them and send them through to their next best use, preventing more items ending up in landfills.

Our employees are an important part of our promotion acting as ambassadors for the take back system, and are encouraged to inform our customers about this initiative we are undertaking. We are also setting up more comprehensive training to ensure our employees are informed and up to date on this subject.

How it all works:

1. Customers bring their old, worn clothing/other textiles/leather products (from any brand) to the nearest Suitsupply location.
2. As a thank you, customers receive a specially designed gift bag* (made with re-purposed fabrics from VBC) + have a chance to win a special trip to VBC in Biella, Italy.
3. The post-consumer waste will be sent together with our other returns to our warehouses where I:Collect will collect it ship to their nearest facility.
4. All textiles/leather will be passed on for their next best use and sorted into the following categories:

Re-wear: garments that are still wearable move on as second-hand clothing, not recognizable as Suitsupply products anymore.

Re-use: textiles that can't be worn anymore are turned into special products, such as cleaning cloths.

Upcycling: when the product is turned into another product of higher, or equal, quality.

Recycling: Everything that is not suitable for producing new garments is converted into recycled fibers and non-woven fabric.

The I:CO Take Back Logistic Cycle

The moment I:CO picks up the returns, the textile and leather products go into their organized logistic network:

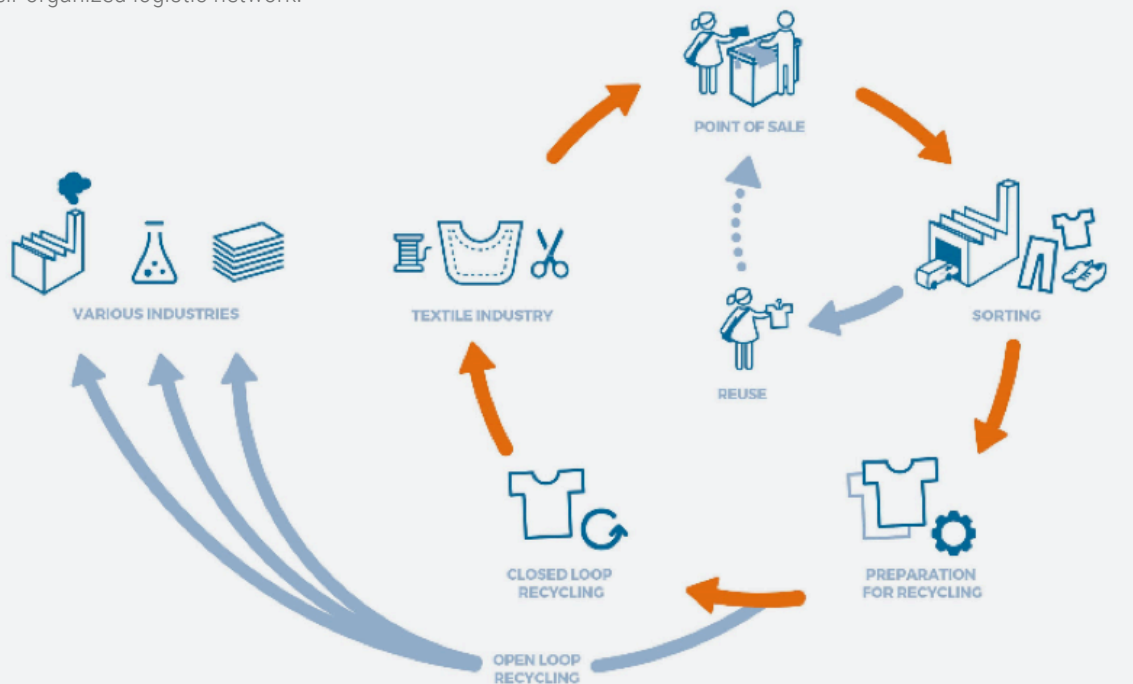
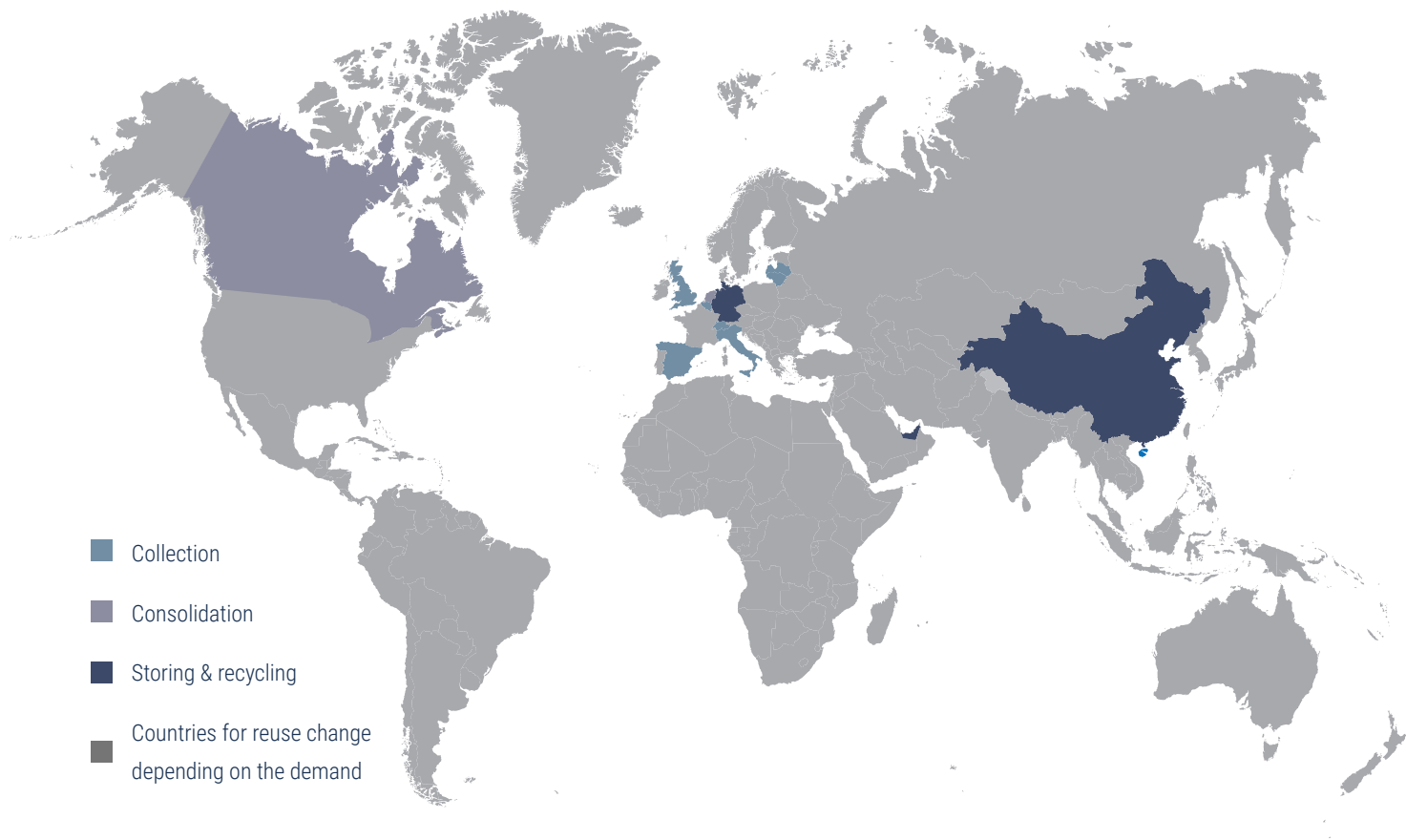


image: I:CO spirit www.ico-spirit.com/en

RECYCLING FOR US IS ABOUT EXTENDING
LIFE AND USE, SOMETHING CLOSE TO OUR
OWN PRACTICES BY MAKING HIGH QUALITY
PRODUCTS THAT LAST. OUR PARTNERSHIP WITH
I:CO GIVES US THE OPPORTUNITY TO MAKE AN
EVEN BIGGER IMPACT, BY RAISING AWARENESS
AND ENGAGING OUR EMPLOYEES AND
CUSTOMERS IN THE PROCESS.

Our globally implemented network connects our stores & DCs with sorting and recycling facilities:

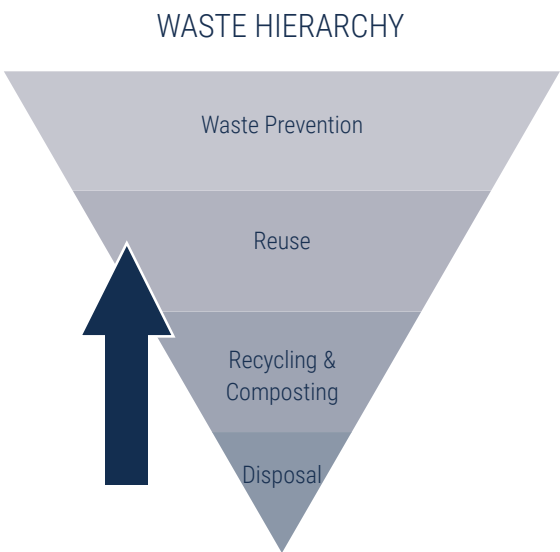


Waste Hierarchy

Both pre and post consumer waste products are collected and sorted by I:CO ensuring these products have an ongoing life cycle beyond their original purpose. I:CO is using the EU Waste Framework Directive in order to determine the next best use for the garment sent to their recycling facilities.

THE WASTE HIERARCHY GENERALLY LAYS DOWN A PRIORITY ORDER OF WHAT CONSTITUTES THE BEST OVERALL ENVIRONMENTAL OPTION IN WASTE LEGISLATION AND POLICY, WHILE DEPARTING FROM SUCH HIERARCHY MAY BE NECESSARY FOR SPECIFIC WASTE STREAMS WHEN JUSTIFIED FOR REASONS OF, INTER ALIA, TECHNICAL FEASIBILITY, ECONOMIC VIABILITY AND ENVIRONMENTAL PROTECTION.

EU Waste Framework Directive



Implementation of the waste hierarchy that I:CO uses to determine the next best use of all products donated:

REUSE

At sorting facilities, the pre and post consumer goods are sold to be reused in their original form, insofar as possible.

RECYCLING

If the I:CO Blue Products can no longer be worn, they run through a high-quality recycling process wherever possible. As part of such recycling methods, the textiles are processed for use as materials in the manufacture of other products through tearing and shredding, etc). The aim of such processes are to use the original textiles in other products such as insulation materials or mats for example.

ENERGY RECOVERY

If the products cannot be reused or pass a recycling processes, they will be recycled for energy recovery purposes. In this process I:CO will ensure that all relevant statutory and non-legislative provisions are observed. Through this careful system we can therefore avoid that textiles, leather and garments end up on landfills through disposal.

Donation Counts To What We Are Contributing

With the takeback from the garments, textiles and leather received, we support multiple nonprofit organizations, that impact lives all over the globe:



Housing Works

Housing Works is a NYC based philanthropic organization that fights for funding and legislation to ensure that all people living with HIV/AIDS have access to quality housing, healthcare, HIV prevention, and treatment, among other lifesaving services. Since 1990 they have provided comprehensive services to over 30,000 homeless and low-income New Yorkers living with HIV/AIDS or at-risk of infection. These services including housing, job training, legal assistance and healthcare.

www.housingworks.org



Little Boomerang

Is an upcycling kids wear brand that uses old menswear shirts and turns them into dresses, skirts and pants for children. Circularity is their key driver; they feel that by upcycling they fight the trend towards throwaway fashion and believe in bringing back the emotion into clothing by giving preloved shirts a new life. We support them by providing regular donations of used and second choice menswear shirts. www.littleboomerang.nl



Media Focus Africa

Media Focus on Africa designs and produces locally contextualized media programs for social change. Multi-media campaigns that simultaneously harness the potential of television, radio, print, mobile phones, and the Internet. These campaigns are combined with a strategy to strengthen the capacity of key actors who are able to influence the behavior, beliefs and perceptions of the public at large. Projects include gender equality in political campaigns and media roundtables. www.mediafocusafrica.org



The Kenya Fund/ Kenya Fonds

The Kenya Fund is a Dutch organization that contributes to the lives of young pregnant Kenyan girls between 10-18 by giving them prospects through education and support for entrepreneurship. Their organization is 100% volunteer run, ensuring that every euro spent will go directly to the program. Since 1991 they have successfully impacted and improved hundreds of lives.

www.kenyafonds.nl

Use Of Recycled Fibers- A Reality Check



Unfortunately, recycling clothes into new garments is not an easy task (yet).

To create new yarn/new fabric from used garments, the old clothes first must be chopped and shredded to be returned back into their raw material state, a process that is called mechanical recycling. However, the chopping-up process shortens the staple length of fibers and therefore impacts the quality of the original raw material - a quality standard that Suitsupply are not willing to compromise on.

Staple length plays an important role in determining the strength, durability and softness of yarn and how fine fabrics can be woven. The longer the staple, the better these char-

acteristics are; Supima, Pima, Giza & Sea Island cotton are all considered high quality cotton varieties due to their extra long staple lengths, and all cotton varieties used in our collections. It is why at this time, due to the quality degradation from recycling on the staple length we find it difficult to use recycled fibers in our products without compromising on quality.

Closed loop recycling is an exciting prospect but for now we can only contribute to other open loop systems and products with our resources, something that is still of great value.

Suitsupply, our mills and our spinners are following the developments and innovations in recycling closely, to see if we can make this work in the future.

Our 10 Targets For 2020

1.

By 2020, 100% of our stores will be enrolled in the recycling take back scheme (excluding franchise and concession stores)

2.

By 2020, 100% of our second choice garments will be sent through to their next best use (I:CO, charity, upcycling initiatives).

3.

By 2020, our goal is to have collected 25 tons of post-consumer garments, textiles and leather products.

4.

By 2020, 75% of our T1 + T2 suppliers should have developed and/or implemented waste reduction plan in their facilities

5.

By 2020, 50% of our T1 suppliers will be linked to local recycling facilities for surplus/ leftover garments and fabric, textiles, and leather products.

6.

By 2020, 50% of our T2 suppliers will be linked to local recycling facilities for surplus/ leftover fabric, yarn and/ or raw material.

7.

By 2020, our made to order 'design your own' program will be expanded with a shoe configurator.

8.

By 2020, our product care range will be expanded with more products in shoe care and laundry detergent.

9.

By 2020, our website will have a product care page to inform our customers how to best take care of their products while respecting the environment.

10.

By 2020, 100% of our store employees will be trained on creating awareness and encouraging our customers to use our take back recycling scheme.

Performance index- targets and KPI's to measure impact & progress

10 TARGETS FOR 2020	2017	2018	2019	2020
100% Suitsupply stores (excl. franchise & shop-in-shops) enrolled in recycling take back scheme*	75%			
100% of second choice collected and send to next best use (via I:CO)	Mapping			
25.000 kg collected post-consumer garments in Suitsupply stores by 2020*	Mapping			
75% of T1+T2 supplies developed/implemented waste reduction plans in their facilities	Mapping			
50% T1 suppliers linked to local recycling facilities*	Mapping			
50% T2 suppliers linked to local recycling facilities*	Mapping			
Design your own shoe configurator launched	To be developed			
Product care range extended	12 products			
Product care page Suitsupply website	To be developed			
100% of store employees that have been enrolled in training on recycling & take back asystem use*	0%			

Performance index- targets and KPI's to measure impact & progress

KEY PERFORMANCE INDICATORS	2017	2018	2019	2020
Stores participating per regio: EMEA	38			
Stores participating per regio: USA + CA	23			
Stores participating per regio: APAC	3			
Number/kg collected garments	Mapping			
Number/kg collected pre-consumer products/second choice	Mapping			
€ Funds raised for charity, direct/indirectly through garment collection	Mapping			
Amount of Suitsupply garments upcycled into new products	0			
% of garments recycled	Mapping			
% of garments re-sold	Mapping			
% of fabrics in range that are biodegradable	54,6%			
% of fabrics in range that are made with only natural fibers	79,3%			
% of fabrics in range that consist of only mono fibers	76,1%			
% of range that is fit for in-store repair	89,5%			
Number of tailors working in Suitsupply stores	142			
Numbers of alterations done on average per week	16.000			
Numbers of T1 suppliers (CMT factories)	44			
Number of T2 suppliers (weaving mills)	48			
Number of Suitsupply employees participated in training	0			



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