

# **FASHION GROUP SOLUTIONS**

**Sustainability Policy**

*2019, V1.3*

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**AMERICA<sup>®</sup>  
TODAY**

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**COOLCAT<sup>®</sup>**

## Fashion Group Solutions

Fashion Group Solutions is part of the Coolinvestments Group, which has its roots in the CoolCat retail format established by Roland Kahn in 1979. Fashion Group Solutions consists of the fashion retail companies America Today, MS Mode, Coolcat and Sapph.

The four brands touch the lives of many people, including customers, employees and all the people involved in our supply chains. What we do and the way we do it has an impact on all these people. We aim to add value to their lives with our products and through our operations, every day again. Our roots remain guiding in our approach to business today. We are guided by commitment to the following principles:

- ✓ Leadership
- ✓ Inclusivity
- ✓ Transparency
- ✓ Social connectedness
- ✓ Continuous Improvement

## Vision & mission

We recognize that our business operations impact the world around us and believe that it is the responsibility of a business to give back to the world, just as it gives to us. Therefore, we strive to take responsibility for our supply chain and for the impact that our business has on people and the environment, both nationally and internationally.

We envision a future in which Fashion Group Solutions' brands are part of an industry that respects human rights, contributes to a fair sharing of prosperity and cares for the environment. It is our mission to add value to the lives of our customers, employees and business partners, every day again, by offering collections that are made in a safe, fair and clean way.

## Approach to sustainability

We work towards realizing our vision and mission by upholding our ethical standards, respecting the law and pro-actively addressing the risks in our supply chains.

We commit to conduct business responsibly<sup>1</sup>, with integrity and respect for human rights. We want our business to meet the highest standards of ethics and professionalism. We will promote safety and fair trading, respect towards the consumer, anti-bribery and anti-corruption practices. We honor our internal policies and strive to be open and transparent towards our stakeholders.

We commit to uphold national and international laws, standards and statutory regulations. We observe community values and ensure that all our business operations are legitimate. We endorse the following international agreements and guidelines: The Universal Declaration of Human Rights, incorporated into the International Bill of Human Rights<sup>2</sup>, the United Nations Guiding Principles on Business and Human Rights, the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and

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<sup>1</sup> Responsible Business Conduct (RBC) as foreseen in the OECD Guidelines for Multinational Enterprises.

<sup>2</sup> The International Bill of Human Rights, consisting of the Universal Declaration of Human Rights (UDHR) and the main instruments through which it has been codified: The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Development (OECD)<sup>3</sup>, the eight fundamental Conventions of the International Labour Organisation as covered in the ILO Declaration on Fundamental Principles and Rights at Work<sup>4</sup>, and the Five Freedoms for Animal Welfare<sup>5</sup>. Our policies and approach are informed by and built on these agreements.

In harmony with the 'Protect, Respect and Remedy' Framework<sup>6</sup> of the UN Guiding Principles on Business and Human Rights, the Fashion Group Solutions brands commit to respecting human rights. In line with the OECD Due Diligence Guidance for Responsible Business Conduct, the Fashion Group Solutions brands commit to cease, prevent or remedy to the best of their abilities the (potential) adverse impacts related to human rights, the environment, workers and industrial relations, disclosure, bribery and corruption, consumer interests and corporate governance that may be associated with their business activities, products, supply chains and other business relationships.

We commit to conducting our due diligence by continuously increasing our knowledge of our supply chains from raw material to end product and the related risks. We prioritize the risks based on the severity and likelihood of the harm and improve our practices and policies to cease, prevent or mitigate the risk. Where relevant we encourage, support and collaborate with suppliers to prevent, cease or mitigate impacts. Where appropriate, we will provide for or cooperate in the remediation of harm. We aim to be open and transparent towards our stakeholders about the risks and our approach to address them, and value their input.

We acknowledge and encourage the positive contributions that business can make to economic, environmental, and social progress by implementing the OECD Due Diligence Guidance for Responsible Business Conduct.

## Pillars & statements

Fashion Group Solutions sustainability work is based on four pillars and 13 policy statements. The pillars and statements were determined in line with our vision, mission and approach.

### Pillar 1: Supply chain responsibility & transparency

Our goal is a supply chain that is 100% transparent. We are committed to ensure that our suppliers manufacture our products in a responsible and sustainable way.

1. *Transparency*  
We aim for full transparency of our supply chains.
2. *Responsible supplier relationships*  
We aim to build fair and sustainable supplier relationships.
3. *Due diligence*  
We aim to know and address the risks in our business operations in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct.

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<sup>3</sup> The term 'multinational' as stated in the OECD guidelines, is defined as companies working in or sourcing from other countries

<sup>4</sup> Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Forced Labour Convention, 1930 (No. 29), Abolition of Forced Labour Convention, 1957 (No. 105), Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1999 (No. 182), Equal Remuneration Convention, 1951 (No. 100), Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

<sup>5</sup> Freedom from hunger and thirst, Freedom from discomfort, Freedom from pain, injury or disease, Freedom to express normal behavior, Freedom from fear and distress (FAWC, 1993).

<sup>6</sup> It rests on three pillars: states must protect, companies must respect, and those who are harmed must have redress.

## Pillar 2: Respecting human rights

Treat people the way you want to be treated yourself and expect the same from your partners. That is the basic principle we live up to.

### 4. *Safeguarding children and young workers*

We commit to permanently eradicate child labor from our supply chain, thereby ensuring that child labor is not displaced or relocated to other sectors or countries. We commit to the safeguarding of young workers that contribute to the production of our products.

### 5. *Decent working hours*

We commit to ensure that all workers in our supply chains work decent hours.

### 6. *Fair remuneration*

We aim to enable a living wage for all workers in our supply chains.

### 7. *No forced labor*

We commit to permanently eradicate modern slavery from our supply chain.

### 8. *Inclusion and equal opportunity*

We care about inclusion and equal opportunity.

### 9. *Freedom of association and collective bargaining*

We respect and support the right of freedom of association and collective bargaining.

## Pillar 3: Healthy & safe industrial communities

We work towards a safe and healthy working environment for everyone who touches our products.

### 10. *Health and Safety*

We commit to ensuring that our employees and all workers in our supply chains work under healthy conditions in a safe environment.

## Pillar 4: Healthy environment

We want to enable our customers to buy a more sustainable collection and reduce their and our footprint.

### 11. *Sustainable material use*

We aim to significantly reduce the impact of our products and their production processes on the environment, people and animals, by using more sustainable alternative materials where possible. We aim to improve our waste management and in the long term become a zero-waste, circular business.

### 12. *Sustainable use of chemicals, water & energy*

We commit to reduce and responsibly manage the use of chemicals, water & energy in our products and production processes by using more sustainable production processes where possible. In the long term we aim for zero discharge of hazardous chemicals.

### 13. *Own operations & logistics*

We commit to reducing the footprint of our operations in our head office and stores.

## Implementation of the policy

### Internal implementation

The policy statements are implemented through various procedures on Fashion Group Solutions level. In addition, for each of the four brands, goals and targets for the statements are elaborated in separate frameworks, roadmaps and internal procedures, specific to the priority risks in their supply chains. We continuously increase our transparency of and insight in our supply chain, production processes and materials and assess the related risks. We adjust our goals and actions accordingly. We strive to conduct due diligence of our supply chain from raw material to end product in a manner that fits with the size and situation of the Fashion Group Solutions companies.

The overarching Fashion Group Solutions sustainability team is responsible for steering, advising, supporting and aligning the efforts of the four companies on sustainability, and to encourage learning and collaboration among them.

The companies have their own working groups on sustainability that include people from various departments, supported by the sustainability team. They ensure the policies, goals and actions are rooted in the companies and driven and implemented by all departments. The goals and actions are embedded in the daily work of the departments through the roadmaps and internal procedures. All employees are expected to conduct their work in alignment with this sustainability policy.

The progress on sustainability goals and actions and the effectiveness of measures will be monitored and evaluated. Adjustments will be made where needed based on this for continuous improvement.

We do not want to contribute to any adverse impacts through our own business practices. Therefore, we analyze Fashion Group Solutions' purchasing practices to understand how they contribute to possible adverse impacts. We adjust our buying policies in line with the results.

### **Relationship with suppliers**

Our commitments and the expectations we have of our suppliers regarding our ethical, social and environmental standards are communicated in the Fashion Group Solutions Supplier Declaration on Social and Environmental Sustainability. Business partners will be required to sign the declaration and to share it with their suppliers, so the commitments are communicated further in the supply chain. We will explain the declaration to our business partners and answer any questions they may have to ensure their understanding and capability of compliance.

Before a relationship is started with a new supplier or production location, we assess their current situation in relation to sustainability and if they comply to our basic sustainability requirements. These requirements also apply to subcontractors of business partners. The sustainability team has a veto right on new production locations and materials.

The compliance of our business partners to the FGS Supplier Declaration is monitored via social audits. If improvements are needed, the supplier is required to create and implement a Corrective Action Plan.

We commit to hear and address all complaints and grievances against the Fashion Group Solutions companies regarding our operations, regardless of how they are raised.

We aim to work on sustainability in our supply chains in collaboration with our business partners, through long term and fair business relationships and by working together in projects for improvement.

### **Stakeholder engagement**

We value and actively seek the engagement of our stakeholders in assessing and prioritizing the risks related to our business operations and supply chains, and how best to prevent, cease or mitigate adverse impacts. We collaborate with other businesses, non-governmental organizations, government, and unions in industry initiatives to learn from others, share our knowledge, scale up our efforts and increase our influence and impact. Where possible, we build on existing solutions.

We believe that by working hard, learning, innovating and collaborating with experts, competitors and our business partners, we become a more responsible and sustainable business every day.

This sustainability policy has been drafted with the involvement of, and has been approved by, the management of the four Fashion Group Solutions companies. This policy will be updated and improved continually as we increase our knowledge and improve our practices.