2017 Community Impact Report

a REUSEFUL impact

value village™
Great strides have been taken to reuse and recycle paper, bottles and cans, but what about our other stuff? We fill our closets and homes with new clothing and household goods, not realizing the impact our footprint has on our environment. With over 300 stores and nearly 22,000 team members, Value Village is committed to helping communities and our planet thrive by giving consumers a reason and an avenue to shop smarter, and get rid of the things they no longer want or need the right way.

Why? Because we want to ensure our landfills don’t become laundry piles. An alarming 26 billion pounds of clothing and textiles end up in landfills each year, when 95 percent of these items could be recycled or reused.1

That’s where we come in.

Value Village recognizes the importance of ensuring every item we touch realizes its full potential, whether purchased at one of our retail locations, or given a second chance at life through our partnerships with reuse and recycling partners at home and around the globe. Last year was no exception, with our stores diverting more than 700 million pounds of reusable clothing, textiles and other items from the waste stream. But we know there is more to be done.

We also believe in the power of business to create meaningful benefits for society. Which is why we choose to purchase pre-owned goods from nonprofit organizations to supply our stores. Last year alone, we purchased more than $170 million of clothing and household items from these nonprofits, providing them with revenue to advance their missions, empower their causes and serve a wide range of local community needs. From helping young children and veterans, to providing services for people with disabilities and achieving breakthroughs in medical research, we’re proud to partner with so many charitable organizations as a vital part of our supply chain.

Beyond our business model, in 2017 we found new opportunities to help lead our industry through community partnerships, cross-sector collaborations and an ongoing commitment to rethinking reuse.

Every day at Value Village, we strive to find additional ways to maximize our impact in our stores and communities, and for the benefit of the planet. As a purpose-driven retailer from our beginning, this is what drives us.

Sincerely,
The Value Village Leadership Team
A model for good

RESALE ON THE RISE

Resale is a rapidly expanding industry with more than 25,000 resale, consignment and not-for-profit thrift shops in the United States alone. The used-merchandise industry is no. 12 on the top 50 fastest-growing industries list, and Value Village has had six successful decades in this ever-changing thrift marketplace.

90%

of clothing and household items at Value Village sold for under $10

With more than 90 percent of clothing and household items at Value Village sold for under $10, we offer consumers quality one-of-a-kind items at prices within reach of their budgets. But for us, it’s more than just offering our shoppers a great deal.

As our company continues to grow within this booming industry, we want to impact the way people think about their shopping habits so fashion can truly become more sustainable.

Consumers ages 18 to 24, for instance, are 77 percent more likely to buy from environmentally-conscious brands, but eco fashion is often out of their price range. So, how can they make conscious shopping decisions without breaking the bank?

71%

of consumers plan to spend more on resale shopping in the next 5 years

36%

of consumers say thrifting has become more popular among their generation

51%

of consumers say they are more likely to change their behavior to be more environmentally-conscious to benefit the world at large

66%

of consumers use thrift to buy better brands they would otherwise never pay full price for
OUR MODEL

At Value Village, we strive to approach consumption differently by emphasizing reuse. Instead of the traditional linear model of taking, making and disposing, we focus on a circular model of reusing, reducing and recycling.

Here’s how it works:

People donate items to nonprofits
Individuals donate unneeded or unwanted clothing and household items to nonprofit organizations partnered at the Community Donation Center located at our stores or directly to the nonprofit, rather than sending reusable goods to landfills.

Nonprofits sell items to Value Village
Those community-based nonprofits then sell the items to us, so we can fill our racks and stock our shelves with merchandise for resale in our stores. By purchasing these goods from our nonprofit suppliers, the same nonprofits our communities depend on, we provide steady revenue streams that help to support each of their missions.

Items sorted and placed on the sales floor
Once an item comes through our doors, they get sorted and only the best are priced at a great value and placed on our sales floors.

Items sold for reuse
Our circular model comes to life when clothing and household items are purchased by local shoppers and given a second chance.

Rerouted items
Goods that don’t end up being sold at one of our stores can be reused in other ways, as well. This may include offering clothing and household items to community organizations in the form of in-kind donations, or selling reusable goods to resale customers domestically and abroad. Items that cannot be utilized in their current state may be repurposed by our reuse partners or recycled for materials— including some textiles that can be broken down for insulation.

LIFECYCLE OF A VALUE VILLAGE ITEM

- 45% is reused as second-hand clothing
- 30% is upcycled or down-cycled into reusable products
- 20% is turned into post-consumer textile fibers
- 5% ends up as waste
OUR NONPROFIT SUPPLIERS

The suppliers we work with provide a wide range of impactful services to the communities they serve. Here are a few.

Some of the causes addressed by our nonprofit partners include:

- **Youth and mentoring** for young children who are at-risk or living below the poverty line
- **Services for people** with disabilities including home care, inclusive education and employment
- **Medical research** that works to achieve breakthroughs in finding cures and better treatments for diseases
- **Veteran programs** that help these citizens adjust back into their lives as they return home from serving their country

In the fall of 2017, we launched our partnership with Veterans Emergency Transition Services (VETS) Canada to provide move-in kits as part of their community engagement programs. The kits, filled with move-in essentials, are intended to give veterans a chance to get back on their feet.

What began as an initiative by a store manager has since expanded into a national Canadian program, offering basic home essential kits to veterans. The kits are comprised of gently-used, quality items, including bedding, silverware, dishes and kitchen appliances.
CREATING SOCIAL GOOD

Purchasing clothing and household goods from nonprofits to supply our stores allows communities to flourish.

As a result of the purchase and sale partnership with Value Village:

Diabetes Canada raises funds to support world-leading diabetes research, send 2,400 kids, youth and families to D Camps, provide education, programs, services and advocacy for the 11 million Canadians living with diabetes or prediabetes.

Revenue earned through selling donations of clothing and household goods helps Big Brothers Big Sisters of Puget Sound serve over 3,500 youth, parents and mentors annually.

The Epilepsy Foundation of Greater Chicago is able to offer free programs and services for nearly 140,000 individuals and families living with epilepsy in the Chicagoland area.

The Kidney Foundation of Canada has been able to support more than 4 million Canadians living with chronic kidney disease, and invest over $3 million in kidney research annually.

FUNDrive® EVENTS

FUNDrive® events provide an easy fundraising opportunity for local schools, sports teams and other nonprofit organizations to host donation drives and collect goods from the communities they serve.

Organizations that participate in FUNDrive events also act as our suppliers by collecting and delivering the goods to Value Village for payment.

In 2017, more than 7,000 community-based nonprofits utilized our FUNDrive program totaling more than $3.5 million in earned revenue for their efforts.
OUR SOCIAL AND ENVIRONMENTAL IMPACT

Value Village is a far-reaching company with meaningful impact in communities across the U.S., Canada and Australia.

In 2017, we diverted more than 700 million pounds of reusable clothing and household goods from local landfills and provided more than $170 million in revenue to nonprofits to help support their missions.
EXTENDING THE LIFE OF REUSABLE GOODS

Value Village is a dedicated industry leader in textile reuse and recycling, with hundreds of millions of items repurposed annually.

From to to we see the potential in every item that comes through our doors.

265 million tops
26 million dresses
30 million pairs of shoes
71 million pairs of pants
18 million coats
32 million accessory items

OUR REUSE AND RECYCLING CUSTOMERS

Reuse has been the core of what we do, so we know there is demand all over the globe for reusable and recyclable goods. With the help of our shoppers, our reuse and recycling customers, more than 90% of the clothing and textile items we handle can be repurposed in some way.

Only 5% of these items end up as true waste.
We choose to do business with organizations who are like-minded in our desire to extend the life of reusable goods beyond our sales floors. And we hold ourselves accountable by selling unsold items directly to well-established reuse and resale customers.

Providing our customers with a strict quality assurance guarantee coupled with regular visits to these marketplaces has established Value Village as a preferred partner for many leading clothing and book resellers, wholesalers and overseas resellers.

Countries we sell reusable goods to:

Beyond Retro began in 2002 as a single warehouse-turned-retail store in East London. Since then, the company has become the leading vintage retailer across the U.K. and Sweden.

Their international team of trained trend specialists handpick unsold clothing items and textiles to upcycle from companies such as Value Village into new, unique items.

Beyond Retro consistently seeks out innovative avenues to make a lasting impact on the fashion landscape, while ensuring they do their part in keeping clothing out of the world’s landfills.

In-Focus Spotlight

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Countries we sell reusable goods to:
Most of us have **too much stuff,**
so what do we end up doing with it?

81** lbs.**

of textile waste is created
by the average person per year,
sometimes more.

With that in mind,
Value Village knew that something needed to be done.

That’s why we started our Rethink Reuse®
initiative in 2016 to challenge consumers
across North America to think about their
clothing footprint and ultimately, what it
means for our planet.

The multi-year, multi-phased initiative is
dedicated to shedding light on the
environmental impacts of the clothing
industry while informing people of the
easy steps they can take to make a
positive impact on their clothing footprint.

Through research, collective conversations,
educational public art installations, online
conversations and eco fashion shows,
we set out to show that through shopping
smart, and reusing clothing and household
goods, we can all take small strides to reduce
the environmental impact on our planet.

At Value Village, we are dedicated to raising
public awareness of the issue of clothing waste
while encouraging a shift in behavior toward
extending the life of reusable goods.

In 2017,
we did just this.
With consumers buying four times more garments than we did 30 years ago, the clothing industry has managed to become one of the biggest polluters in the world. Knowing these statistics, we created a movement called I Give A Sh!rt® asking North Americans to each help save 700 gallons of water through a simple request: forgo one new T-shirt purchase and buy a used one instead. With two million participants, over one billion gallons of water was saved—enough to fill more than 1,500 Olympic-sized swimming pools.

It takes over 700 gallons of water just to make one new cotton T-shirt—that’s more water than you’ll drink in 5 years.

For Earth Week in April 2017, we partnered with Recycling Council of Ontario (RCO) to bring high school students and teachers in Ontario an opportunity to organize a recycling drive for used clothing and textiles. The #IGiveaSh!rt Challenge provided a hands-on, educational opportunity for local students to learn about the environmental impacts of clothing consumption and textile waste, while providing them with an easy solution to address the problem. Looking ahead, we’re excited to expand this program to other provinces in Canada.

Last year, we commissioned our second annual State of Reuse Report to examine perceptions around clothing consumption and reuse.

The report showed that people are unaware of the impact their clothing has on the environment with 75 percent agreeing, “If I better understood how my actions hurt or helped the environment, I would be more likely to make environmentally conscious decisions.”

As we look to our 2018 report, Value Village will continue to shed light on these important issues, providing more clarity on misperceptions and suggesting ways we can all “give a shirt” about our clothing footprint.

To review the report in full, visit rethinkreuse.com.
We have been represented through memberships on the Canadian National Zero Waste Council’s Circular Economy Working Group and the Secondary Materials and Recycled Textiles Association (SMART) board—an international trade association focused on promoting high standards and best practices for reducing solid waste by recycling textiles and related secondary materials.

In addition, Value Village once again took the stage at Fashion Takes Action’s World Ethical Apparel Roundtable (WEAR) to share our dedication to reuse. We were also a proud sponsor of the Sustainable Brands conference and have

INDUSTRY LEADERSHIP

As a leader in the thrift industry, Value Village continues to find opportunities to provide new insights and develop partnerships that bring reuse to the forefront of retail conversations.

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Eco Fashion

As a supporter of Vancouver, B.C.-based Eco Fashion Week, the world’s largest sustainable fashion event, we unveiled the 81 Pound Challenge to reflect the amount of clothing and textiles the average North American throws away each year. Local designers created upcycled collections from eighty-one pounds of gently-used fabrics, clothing and accessories from our stores. Continuing to engage influential figures within the fashion industry, we became the first eco brand to headline Toronto Women’s Fashion Week.

a voice on the topic of sustainable clothing.
Our Core Values

**Act with Ethics & Integrity**
We always strive to do the right thing. Ethics and integrity consistently guide our actions and decisions.

**Put Customers First**
We strive to exceed expectations and offer exceptional service, value and selection in a fun, easy-to-shop thrift environment.

**Invest in Team Members’ Success**
We recognize the potential of our team members. We’re committed to their well-being, growth and long-term success.

**Strengthen Communities**
By purchasing their donated goods, we provide a source of sustainable revenue for our nonprofit partners, enabling them to serve more individuals and families in every community where we do business.

**Protect the Planet**
Through the power of reuse, we extend the life of the goods we purchase, help protect the environment and fuel small businesses around the globe.

**Innovate to Grow**
We learn every day, adapt and continually improve our business in both small and transformative ways.
Our people are at the center of who we are and everything we do.

Their dedication is in direct correlation with our success as a business and community partner. We have a culture that embraces our values and our core purpose—improving lives through the power of reuse—and a business model that attracts individuals who want to make a difference in the world.

Whether working in our stores or at our store support centers, we provide a compelling employee value proposition, competitive benefits, including paid sick, vacation and holiday leave, total compensation, extensive training and development opportunities, and a team member discount to shop in our stores.

We value every contribution by recognizing and cultivating the talents and interests of our team members. We make a commitment to each individual’s well-being, and as a result, we’ve seen long-term growth and success. The majority of our store managers emerge through the ranks of our teams, and nearly all of our district managers are internal promotions.
Our nonprofit partners are also an important part of how we encourage and support our team members to do good and be great at what we do.

Our employees often choose to participate in volunteer efforts to support the missions of the many organizations we work with. And our work with nonprofits such as Northwest Center, Developmental Disabilities Association, and Canadian Association for Community Living have encouraged the implementation of programs that ensure we hire individuals of all abilities.

In recent years, Value Village has forged a partnership with RWA (Ready, Willing & Able), which connects employers, people with mental disabilities and autism spectrum disorders (ASD) and community agencies at the local, provincial and national level. RWA also promotes awareness among employers and the public on the benefits of hiring people with mental disabilities and ASD. Since partnering with RWA, we have hired more than 60 team members through the organization.

In-Focus Spotlight

Creating Meaningful Impact

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170+
MILLION
paid to our more than 100 nonprofit suppliers

7000+
MILLION POUNDS
of reusable or recyclable goods kept out of the waste stream in 2017

22,000+
JOBS
held by team members across the U.S., Canada and Australia

10,000+
YEARS
average nonprofit supplier relationship

100+
ITEMS
found a home by way of each of our stores every day

REUSE AND RECYCLING PARTNERS
across the world

What Matters Most
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With over 60 years under our belt, we remain committed to meeting the increasing demand for sustainable products in an affordable, accessible and fashionable manner.

When it comes down to it, it’s up to purpose-driven retailers like Value Village to educate and inspire consumers to participate in reuse. We’ll also continue to procure our merchandise in a way that supports local communities across the U.S., Canada and Australia.

Over the past 10 years, Value Village has purchased more than $1.4 billion of clothing and household goods from our nonprofit partner suppliers.

creating lasting impact on our industry, communities and planet.

But it’s just the start.
Footnotes


TVI, Inc. d/b/a Value Village, Savers and Unique is a for-profit professional fundraiser. Shopping at our stores does not directly benefit any nonprofit organization. See valuevillage.com/donate for more information.
Thanks for letting us share our Community Impact Report with you. We’d love to hear any feedback you might have on how we could continue to improve. Reach us at impact@valuevillage.com.