More than a good deal
# A model for good

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our model</td>
<td>2</td>
</tr>
<tr>
<td>The lifecycle of a Value Village® Item</td>
<td>3</td>
</tr>
<tr>
<td>Our nonprofit suppliers</td>
<td>4</td>
</tr>
<tr>
<td>Creating social good</td>
<td>6</td>
</tr>
<tr>
<td>Fundrive® events</td>
<td>7</td>
</tr>
<tr>
<td>Our social and environmental impact</td>
<td>8</td>
</tr>
<tr>
<td>Extending the life of reusable goods</td>
<td>10</td>
</tr>
<tr>
<td>Our reuse and recycling customers</td>
<td>12</td>
</tr>
</tbody>
</table>

# Rethink Reuse®

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A challenge to act</td>
<td>14</td>
</tr>
<tr>
<td>2018 State of Reuse Report</td>
<td>16</td>
</tr>
<tr>
<td>Removing plastic bags</td>
<td>16</td>
</tr>
<tr>
<td>National Thrift Shop Day</td>
<td>16</td>
</tr>
<tr>
<td>Ontario Textile Diversion Coalition</td>
<td>18</td>
</tr>
<tr>
<td>Waste Reduction Week</td>
<td>18</td>
</tr>
</tbody>
</table>

# What matters most

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our core values</td>
<td>21</td>
</tr>
<tr>
<td>Our people</td>
<td>22</td>
</tr>
<tr>
<td>Creating meaningful impact</td>
<td>24</td>
</tr>
</tbody>
</table>

# Looking ahead

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our commitment</td>
<td>27</td>
</tr>
</tbody>
</table>
As consumers, our first instinct when we shop is to look at the price tag. At Value Village, we know there is a much higher cost to our clothing—the natural resources we are depleting to create millions of new garments every day. Whether it's because of the 700 gallons of water it takes to produce just one new cotton T-shirt, or the 1,800 gallons it takes to make a new pair of jeans, the fashion industry has become one of the world's biggest polluters. We don't think about this when we buy our clothes. And beyond that, we don't think about where most of our clothing (and ultimately our natural resources) ends up just shortly after purchase: in the garbage.

Each North American throws away about 81 pounds of clothing and textiles every year, and the average number of times a garment is worn before it gets tossed has decreased by nearly 40 percent over the last 15 years. If that's not enough, 60 percent of clothing produced ends up just shortly after purchase: in the garbage.

Rethink Reuse: A challenge to act

That's why we recognize the power of reuse—giving items their next place in the world, a chance to be useful again. Reuse is a simple solution each of us can incorporate into our day-to-day lives. We are particularly proud to provide consumers a sustainable avenue to shop—thrift! Our team members sort through thousands of items each day and offer shoppers a fresh assortment of quality and affordable secondhand items in our stores. We want people to love thrift as much as we do, but we also want them to see it as a solution.

Every day, we strive to educate consumers to think differently about reuse. Our teams work beyond our stores to share research and create thoughtful community programs and raise public awareness campaigns to highlight the massive environmental impact our clothing and textiles have on the planet. Reuse is not a word we take lightly—it is our reason for being. It is our how and why we operate the way we do.

Our impact

Since we opened our doors more than 65 years ago, we have partnered with local nonprofit organizations to supply clothing and household items to our stores. When we purchase used goods from nonprofits in communities across the U.S., Canada and Australia, the revenue these nonprofits earn helps empower them to continue to serve a wide range of community needs. From helping young children and veterans, to providing services for people with disabilities and achieving breakthroughs in medical research, we’re honored to partner with so many charitable organizations as a vital part of our supply chain.

More than 700 million pounds of reusable goods are diverted from landfills. Hundreds of millions of clothing and household items are given a new home. And, more than $160 million is paid to our local nonprofit partners each year for used clothing and household items that fill our racks and shelves. To many people, these might just be numbers, but to the 21,000 of us working for the Value Village family of thrift stores—Savers®, Value Village®, Unique™ and Village des Valeurs™—these numbers show our commitment to do good for local communities and for our planet.
Resale on the rise

Through greater awareness around environmentally friendly consumption, consumers across the globe have shown an appetite to rethink their clothing footprints and consume in a way that doesn’t harm the planet. This has propelled the resale industry into the top 20 fastest growing industries, according to the U.S. Department of Labor. As we look ahead, given the value and environmental benefits it provides, we know the thrift and resale industry’s future is extraordinarily bright.
At Value Village™, we approach consumption differently by emphasizing reuse. Instead of the traditional linear model of taking, making and disposing, we encourage a circular model focused on durability, reusability and renewability.

Here’s how it works:

1. **People donate items to nonprofits**
   Individuals donate unneeded or unwanted clothing and household items to nonprofit organizations at the Community Donation Center® located at Value Village™ stores or directly to the nonprofit, rather than sending reusable goods to landfills.

2. **Nonprofits sell items to Value Village**
   Those 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.

3. **Items sorted and placed on the sales floor**
   Once items come through our doors, they get sorted and only the best are placed on our sales floors, priced at a great value.

4. **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.

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

60% is reused as secondhand clothing  
20% is upcycled or down-cycled into reusable products  
15% is turned into post-consumer textile fibers  
5% ends up as waste

Shopping at Value Village™ does not directly benefit any nonprofit organization.
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 mentoring**

for young adults and 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 our heroes adjust back into their lives as they return home from serving their country.

In-focus spotlight

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 program throughout Canada, 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, sends kids and youth with type 1 diabetes to D-Camps, and advocates on behalf of the 11 million Canadians living with diabetes or prediabetes.
- Northwest Center promotes the growth, development and independence of people with disabilities through therapy, education and work opportunity programs for over 2,200 children and adults across Washington State annually.
- Le Support supports the work of the Québec Intellectual Disability Society to rally, inform and equip those who aim to make a more inclusive society, helping defend the rights of 82,000 people in Québec.
- The Epilepsy Foundation of New England assists more than 100,000 individuals and their families suffering from Epilepsy and seizure disorders across Maine, Massachusetts, New Hampshire and Rhode Island.

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 2018, more than 7,000 community-based nonprofits used our FUNDrive program to hold more than 9,000 events totaling more than $3.8 million in earned revenue for their efforts.

More than $3.8 Million in earned revenue through FUNDrive events
Our social and environmental impact

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

In 2018, we diverted more than 700 million pounds of reusable clothing and household goods from local landfills and provided more than $160 million in revenue to nonprofits to help support their missions.

Numbers indicated are the number of pounds diverted from the waste stream in each area annually.
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 housewares to clothing and accessories, we see the potential in every item that comes through our doors. We help keep hundreds of millions of reusable clothing and textiles out of landfills each year.

259 million tops
69 million pairs of pants
31 million accessory items
29 million pairs of shoes
27 million dresses
18 million coats
Our reuse and recycling customers

Reuse is 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, and our reuse and recycling customers, 95% of the clothing and textile items we handle can be reused or repurposed in some way.

Only 5% of these items end up as true waste.

We choose to do business with like-minded organizations who desire to extend the life of reusable goods beyond our sales floors. And we hold ourselves accountable by selling unsold items from our sales floors directly to well-established reuse and resale customers across the world.

This coupled with regular visits to these overseas marketplaces has established Value Village™ as a preferred partner for many leading clothing and book resellers, wholesalers and overseas resellers.
That’s why we started our Rethink Reuse® initiative in 2016 to challenge consumers across North America to consider their clothing choices and ultimately, what it means for our planet.

This 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, annual campaigns, educational public art installations and online conversations, we set out to show that through shopping smart, and reusing clothing and household goods, we can all play a part in helping to reduce the environmental impact on our planet.

In 2018, we continued to drive this forward.

Each year, North Americans throw away about 86 billion pounds of clothing into our landfills. Thinking beyond our wallets, we want consumers to consider the actual cost of their clothing.
2018 State of Reuse Report

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

The report showed that 46 percent of consumers reported feeling like they had “way too much stuff,” and 53 percent were driven to give items away because they had accumulated too much clutter. However, the report also found 49 percent were unaware that extending the life of a garment reduces its environmental impact.3

These findings further emphasized the need for us to continue to address these important issues, providing more clarity on the importance of getting unwanted items back into the reuse stream to decrease our clothing footprint. To review the report in full, visit rethinkreuse.com.

Removing plastic bags

We also made a commitment to eliminate plastic shopping bags from all store locations across the United States and Canada. As a company with reuse and sustainability rooted in its core, we wanted to encourage consumers to begin using reusable totes or paper bags at all stores, thus keeping tens of millions of plastic bags out of landfills and oceans for years to come.

National Thrift Shop Day: Thrifting Spaces

In honor of National Thrift Shop Day, we collaborated with interior designers and stylists to help shoppers see how they can use thrifted items for everyday spaces. With the help of these influencers, we transformed a shipping container into three unique spaces which included a modern breakfast nook, a dream closet and an eclectic living space.

Our goal was to encourage consumers to think reuse, rather than buying new, and to create unique spaces in your home with the unexpected items you may find at your local thrift store. Shopping thrift is not only affordable, but it is great for the environment because it keeps clothing and textiles out of landfills and in the reuse stream.
Waste Reduction Week in Canada

The clothing industry is one of the world’s biggest polluters. Each year, 26 billion pounds of clothing and textiles go to landfills—95 percent of which could be reused or recycled. As part of our annual “I Give a Shirt”® challenge, we partnered with the Recycling Council of Ontario to organize school clothing drives during Waste Reduction Week (Oct. 15-19, 2018) to help educate youth about the environmental impact of textile waste.

Extending our efforts even further, we also created our sixth North American public art installation to raise awareness of the issue. This time we held the event in Toronto’s Graffiti Alley, calling attention to the fact that it takes 700 gallons of water to produce a single cotton t-shirt and 1,800 gallons to create just one pair of jeans.

Looking ahead, we’re excited to continue finding ways to engage and educate consumers about the importance of resource efficiency, the circular economy and waste reduction. If we all make small changes in our day-to-day lives, we can create a big impact together.

Ontario Textile Diversion Coalition

During the last several years, we have worked with Fashion Takes Action and other key stakeholders in Ontario on the issue of textile waste diversion and recycling. This past year, we were proud to join efforts in a cross-sector collaboration to address textile waste diversion and recycling, and to align on four focus areas (regulation and policy, data and research, communications, and the recycling industry) to reduce textile waste and do more good for our planet.

Sustainable fashion doesn’t have to be a pipe dream.
What matters most

Our Core Values

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

2. Put customers first
   We strive to exceed expectations and offer exceptional service, value and selection in a fun, easy-to-shop thrift environment.

3. 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.

4. 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.

5. 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.

6. Innovate to grow
   We learn every day, adapt and continually improve our business in both small and transformative ways.
Their dedication is in direct correlation to our success as a business and a community partner. Our values and purpose—improving lives through the power of reuse—are core to who we are and how we operate, and our business model 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.

By recognizing and cultivating the talents and interests of our team members through a commitment to each team member’s well-being, we’ve seen long-term growth and success.

The majority of our store managers come up through the ranks of our teams, and nearly all of our district managers are internal promotions. Additionally, 67 percent of our management team, both at our store support center and in the field, consists of women.

Our committed employees and how long they have been with Value Village

- **5+ years**: 4,550 team members
- **10+ years**: 2,230 team members
- **15+ years**: 920 team members
- **20+ years**: 380 team members
- **25+ years**: 140 team members

Our people are at the center of who we are and everything we do.
Creating meaningful impact

700,000,000+
(700 million)
Pounds of reusable or recyclable goods kept out of landfills in 2018

$160,000,000+
Paid to our more than 100 nonprofit suppliers

21,000 Jobs
Held by team members across the U.S., Canada and Australia

10,000+ Items
Find a home by way of each of our stores every day

100+ Reuse & Recycling Partners
Across the world

17 Years
Average nonprofit supplier relationship
With more than 65 years under our belt, we remain committed to meeting the increasing demand for sustainable products in an affordable, accessible and stylish 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 and help people rethink their clothing footprint.

We’re proud that our teams found a reuse for more than 700 million pounds of goods last year alone—roughly the equivalent of 2 billion T-shirts. We’re also proud of our efforts 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 $1.5 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


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@savers.com.