2020
IMPACT
REPORT



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Mission Statement

Launched in Tokyo in 1961, the EDWIN brand set the standard for Japanese denim production. In 2019, EDWIN USA launched with a new purpose: To radically transform the denim industry from a take-make-waste linear economy into a restorative circular economy that fosters mindful consumption. That's why our materials are sourced from a carefully selected network of suppliers; our jeans are made at Saitex, the world's cleanest denim factory; and in the future we will offer free repairs for life alongside forward-thinking recycling and upcycling programs. Our overall aim at EDWIN USA is to improve our environmental, social and economic impact, and lead the way in building a more sustainable and circular fashion industry.

We believe that EDWIN USA is more than a denim brand — it's a platform for change. Our core values reflect that philosophy and are woven into everything we do as a company.

Edwin USA Core Values

PROTECT PEOPLE & OUR PLANET

We strive to make the most responsible jeans by using materials and processes that are gentle to our planet and the people. Our customers, employees, community and environment are always considered in the impact of our decisions.

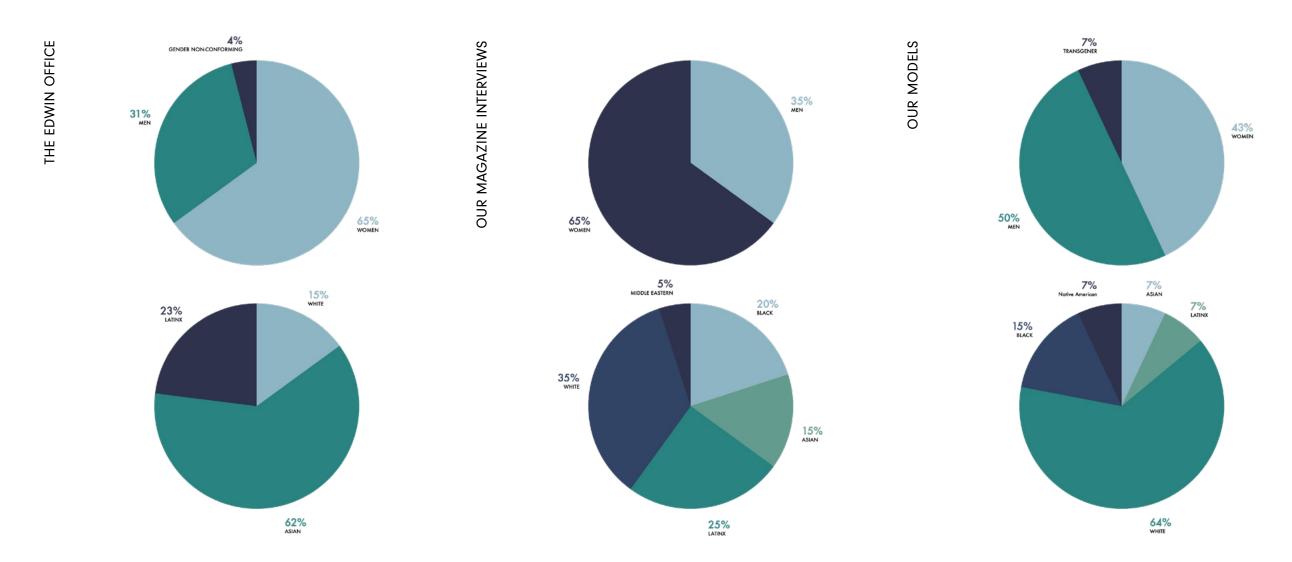
CIRCULARITY

We believe that sustainability and circularity start at the design stage. We utilize circular design thinking and sustainable manufacturing processes to make responsible jeans that last. Our jeans will never end up in a landfill. When you are done wearing your EDWIN USA Jeans, we encourage you to send them back to us and we will close the loop by giving them new life.

INCLUSIVITY

Our team consists of people with different ideas, strengths, interests and backgrounds, working collaboratively toward a common purpose. We respect and encourage each other and show gratitude in our words and actions.

Being diverse and inclusive is essential to EDWIN USA



Our Team

Women make up 65% of our team, including our top-level executives. Our team consists of people from many different backgrounds, and we are committed to improving our recruiting and hiring strategies and increasing the diversity of our team as we grow. In addition, EDWIN USA's digital magazine highlights women, POC and those from the LGBTQ+ community, and the brand featured a trans model in a previous campaign. In continuing with that ethos, EDWIN USA introduced its first gender-neutral collection for Fall 2020. The gender-inclusive line consists of three styles for him, her and them.





Latest Achievements

We measure the environmental impacts of all of our products through Life Cycle Assessments.

We onshored our production to the US with the Saitex USA factory in LA reducing the CO2 emissions resulting from the shipping process.

Edwin partnered with STELAPOP (Save Trees, Eliminate Landfills And Protect Our Planet) to up-cycle denim scraps using a proprietary binding agent, so that they may be used in place of wood to build furniture and home accessories.

Collaborating with Rekut, a social entrepreneurship project that provides employment to differently abled people and those coming from disadvantaged backgrounds in Vietnam. A free mask made by the Rekut team now comes with every purchase from the EDWIN USA website. (www.rekut.org)

In 2020 our production became Fair Trade-certified, which means that by buying our products you contribute to a fund managed directly by the factory employees who made them, who are empowered to decide how to use these funds.

Sustainable Development Goals

In 2015, the United Nations adopted a plan that would eliminate extreme poverty, fight inequality and injustice and protect our planet. At the core of this plan are the 17 Sustainable Development Goals (SDGs), which outline how that can be achieved by 2030. Governments worldwide are already working toward these goals, and we at EDWIN USA are too. We utilize the SDGs to put sustainability at the heart of our business strategy, measure and manage our impact, report and communicate the results and set future goals. Below we outline the SDGs that are most relevant to us as a business and brand.























10 REDUCED INEQUALITIES





GENDER EQUALITY

Our team (page 5)
Our magazine & models (page 5)

CLEAN WATER AND SANITATION

Recycled water at our factory (page 15)

AFFORDABLE AND CLEAN ENERGY

Energy efficiency at our factory (page 13)
Clean, alternative energy sources at our factory (page 15)
Air-drying at our factory (page 15)

DECENT WORK AND ECONOMIC GROWTH

Fair Trade (page 15)
Local economic & community development (page 21)

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Automation (page 16) Laser (page 17) Ozone (page 17)

REDUCED INEQUALITIES

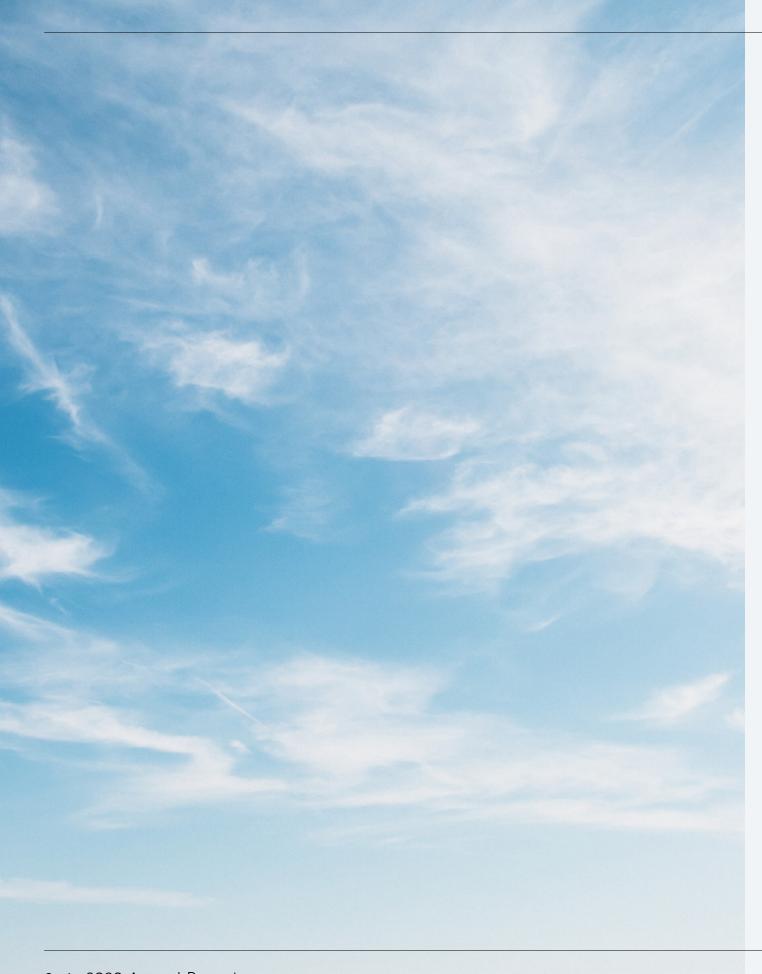
Living wage (page 21) Rekut (page 21)

RESPONSIBLE CONSUMPTION AND PRODUCTION

Upcycling through STELAPOP (page 22)

CLIMATE ACTION

Carbon Neutrality (Page 8)
Reduce carbon emissions at our factory (page 8)
Reduce carbon in transport (page 8)



Carbon Neutrality

One of our biggest goals at EDWIN USA is to be carbon neutral. The first step in achieving carbon neutrality is to calculate our carbon footprint, which is why we measure the carbon emissions of our jeans through Life Cycle Assessments (LCAs). Currently, an average pair of EDWIN USA jeans emits 8.018334402 kg of equivalent CO2, which has a global warming impact that is 62% lower than the average pair of jeans. However, we want to reduce our carbon footprint to zero and are doing so through a combination of in-house efficiency measures and external emission reduction projects. For example, nearly half of the cotton we use is certified organic, which emits 46% less greenhouse gas than conventional cotton. To offset current emissions, our factory in Vietnam has planted 8,000 trees in the industrial zone and has started a collaboration with local NGO Gaia to plant 27 hectares of mangroves (99,927 trees) and 57 hectares of endangered forest (42,572 trees). This project isn't only aimed at offsetting carbon, but also at supporting hundreds of families living in nearby areas that need healthy nearby forests for having clean water, protecting their fields from salinity, and fishing.

Circular Economy

Here at EDWIN USA the concept of circularity starts at the design stage, that's why we design garments that are made to last but can also be recycled in the future.

We design jeans that last

We try our best to choose materials that are recycled or can be in the future

We use 100% ZDHC certified chemicals that are not harmful for the environment or people

We design for disassembly and upcycling/recycling

Starting in 2022 we aim to offer free repairs for life

As part of our upcycling initiative, we've partnered with STELAPOP to prevent jeans from ending up in landfills.

Supply Chain



FABRIC MILLS

Candiani S.p.A, Milan, Italy

Candiani has been operating since 1938. Candiani is a leader in sustainability and advancements in production. The mill itself is situated within a nature reserve and as a result is subject to strict environmental rules and regulations. The local environmental regulations are stricter than those of any other denim mill. But rather than move the company to an area which had fewer environmental constraints, this became a point of pride and principle.

Kaihara, Okayama, Japan

Kaihara is one of the oldest denim mills in Japan with a 110-year history of making quality, authentic denim products. Kaihara has always taken cautious and protective measures to minimize its impact on the environment. For example, Kaihara mills are equipped with state-of-the-art effluent treatment facilities, and abide by internal treatment standards that are far stricter than the national standard.

Calik Denim, Istanbul, Turkey

Weaving denim since 1987, Calik Denim continues to reduce the environmental impact of its operations through innovative technologies. It created the Transparency Monitoring System, through which the electricity, steam, air and water consumption of its plants and machines are monitored, and the total impact of the production phase is reported. Calik Denim is also certified by the Higg Index Facility Environmental Module developed by the Sustainable Apparel Coalition.



TRIM SUPPLIERS

Vivolo s.r.l., Bologna, Italy

Founded by Luciano Vivolo, this Italian leather accessories company has been in business for over 40 years, working with the most prestigious international fashion brands such as Gucci, Louis Vuitton, Hermes and Chanel. Quality, transparency and traceability are essential values of Vivolo, and in March of 2020 it introduced a range of non-leather alternatives (such as patches made of jacron, recycled cotton or even apple skin), which we are working toward incorporating in future collections.

The Revolution Group, Los Angeles, California

The Revolution Group specializes in state-of-the-art labels, hang tags and patches that build a strong, recognizable brand identity. They offer an array of sustainable options, from buttons made of discarded coconut shells to a leather-like fabric made from the leaves of pineapples. Our labels at EDWIN USA are made from recycled plastic (PET) bottles, and our hangtags are FSC-certified (meaning the paper was harvested in a responsible manner).

STC-QST, Los Angeles, California

Upholstery fabric supplier STC-QST is committed to providing apparel manufacturers with consistency and transparency throughout its supply chain and has developed green criteria for its fabrics that reflect a commitment to the environment and sustainability. The lining STC-QST supplies to EDWIN USA is 65% recycled polyester and 35% organic cotton.

YKK, Dong Nai, Vietnam, and Macon, Georgia

Along with improving its sustainable production, zipper manufacturer YKK continues to develop and introduce sustainable products, including zippers made of organic cotton and plant-based materials. Beginning with our Fall 2020 collection, all EDWIN USA zippers are made with YKK NATULON, a low waste and energy-saving zipper made of recycled materials.



Near Chemica, Milan, Italy

Near Chemica is a manufacturer in Italy from which EDWIN USA sources most of its chemicals. They work closely with ZDHC (Zero Discharge of Hazardous Chemicals), a project that emerged from the Clean Clothes Campaign by Greenpeace and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), a European Union regulation that ensures the environmental sustainability of their products.





Manufacturing

Saitex is the first B Corp-certified factory in Asia and the only large-scale denim manufacturer to meet the standards set forth by B LAB.

SAITEX

EDWIN USA is responsibly manufactured at Saitex. Committed to creating a circular economy to not only reduce impact but also bring real benefit to the environment and communities, Saitex has also received bluesign, Organic and LEED certifications, among others. As a Fair Trade-certified factory, Saitex upholds internationally recognized labor standards, providing its employees with living wages, ensuring ethical, respectful working conditions and employing sustainable production methods. Saitex even has hydroponic farming on site, to provide its employees with products and knowledge about clean food production. In the spring 2021, Saitex has opened an additional factory in Los Angeles, where EDWIN USA will also be produced. Onshoring production helps create jobs for local workers and further reduces carbon emissions, getting us closer to our circularity and sustainability goals. Saitex is also in the process of building its own mill, which will allow it to control the full sustainability of the input material, and therefore of all Edwin garments.

Processing Highlights

Certifications at our factories















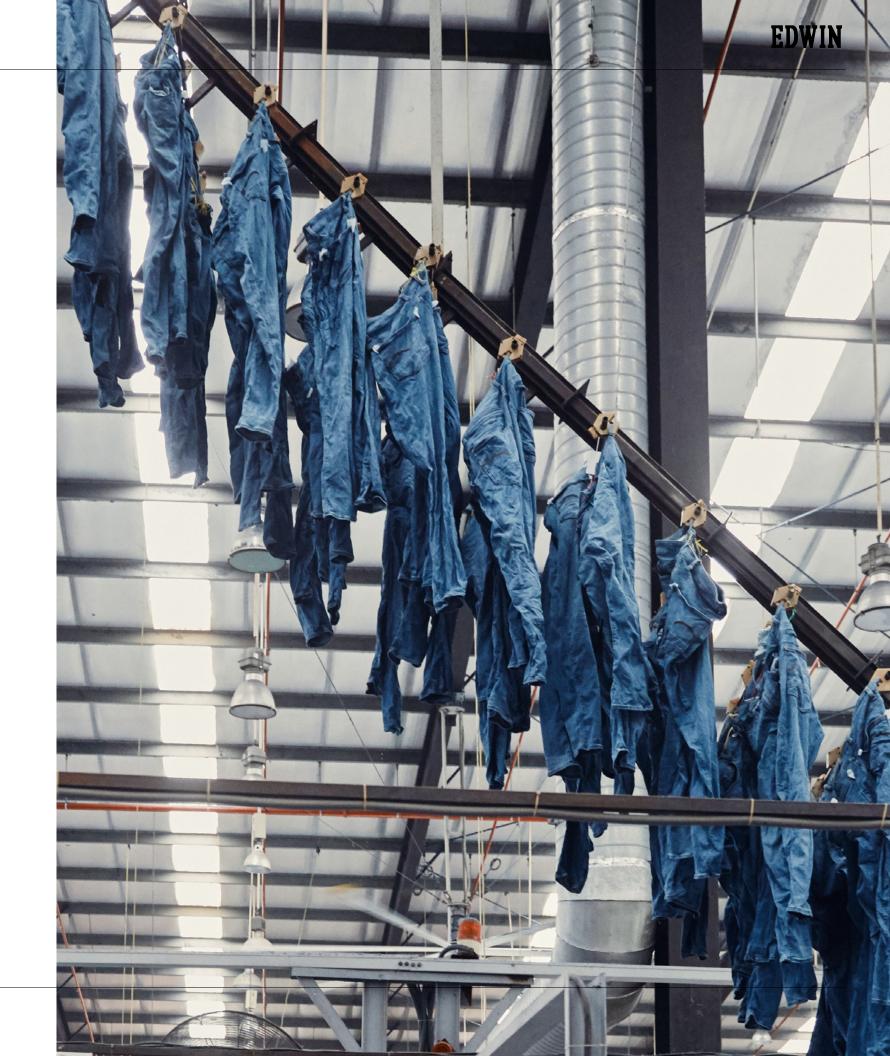






Social Certifications at our factories

- SA 8000: 2015
- Better Work
- WCA (Workplace Conditions Assessment)
- C-TPAT 13





Saitex is a zero-discharge facility and recycles 98% of the water it uses

WATER

Saitex is a zero-discharge facility and recycles 98% of the water it uses (the remaining 2% is evaporated). This filtration method is called reverse osmosis and filters all indigo and fiber residue out of the water, resulting in purified water that is cleaner than your average drinking water. This closed-water system saves 450-million liters of water per year, which is the equivalent of the annual water consumption of 432,000 people. In 2019, EDWIN USA jeans used 400 less liters of water per jean than the industry average, saving a total of 17,752,000 liters of water (approximately 58,781 bathtubs).

ENERGY AND CO2

EDWIN USA jeans are made with clean alternative energy sources: 40% of the electricity Saitex uses comes from solar and hydropower, and 100% of the heat it uses comes from biomass generators that burn wood shavings and coconut husks instead of fossil fuels. Our jeans are then air-dried in an aerial drying system, which is a simple conveyor: garments hang in the upper area of the factory for up to three hours to dry. This process reduces the dryer time from 105 minutes to just 25. By conserving energy, EDWIN USA jeans used 229MJ less of non-renewable energy than the industry average in 2019, saving a total of 9,567,555 MJ, and generate 13 kg less of CO2 equivalent, for a total savings of 554,056.88 kg.

Technologies

Edwin utilizes an advanced hybrid model of production intermixing robots and humans to mechanize sustainability and consistency in production.

At EDWIN USA, we believe in the power of innovation. Our factory utilizes an advanced hybrid model of production intermixing robots and humans to mechanize sustainability and consistency in production. Automation decreases human contact with chemicals and exacts efficiency of the applied effects, reducing both time and waste.





LASER

EDWIN USA jeans are made with innovative manufacturing techniques, such as lasers that etch natural wear marks on denim. Laser transforms a 20-to-30-minute manual process to just 90 seconds, and replaces the conventional use of sandpaper and the chemical potassium permanganate to create a worn-in effects on jeans. This laser process helps to create consistency in the work, minimizes difficult manual labor and reduces chemical usage.

OZONE

We at EDWIN USA use an ozone air (natural gas) finish on many of our washes. Ozone technology acts as a mild bleaching agent as well as a sterilizing agent without using chemicals, bleach, or steam. It uses the natural bleaching capabilities of ozone gas to give a desired wash effect with substantially reduced environmental impact. The process: oxygen (O2) is converted to ozone gas (O3), jeans can be dry or dampened with water, exposed to the ozone, and rinsed; the ozone is reconverted to ordinary oxygen before being released into the environment. Chemical bleaching or stone washing can take up to six washes and rinses cycles, while ozone finishing can reduce the wash cycle to as little as two to three washes. Ozone technology does not eliminate water usage; however, it does substantially reduce the consumption of water as well as energy, chemicals, enzymes and stones.

Materials

CERTIFICATIONS

Without certifications, sustainability claims are just that. The certified materials we use are evaluated by third parties and meet strict social and environmental criteria.













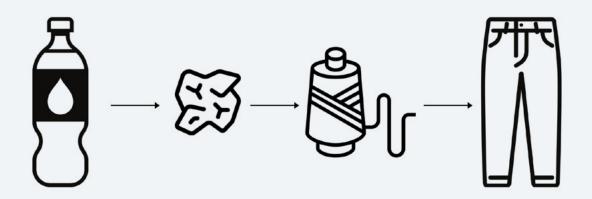


EDWIN

Organic Cotton

While less than one percent of global cotton production is organic, nearly half of the cotton we use at EDWIN USA is certified organic by the Global Organic Textile Standard (GOTS) or the USDA Organic, and we're dedicated to increasing our use of it throughout our collections. Here's why that's important: Organic cotton is grown using methods and materials that have a lower impact on the environment, and sustain the health of soils, ecosystems and people. In contrast to conventional cotton, which uses genetically modified organisms (GMOs) and toxic pesticides and fertilizers that degrade the soil, organic cotton is grown without harmful chemicals, and the soil is enriched through crop rotation, intercropping and composting. Because the soil is healthier and it retains water more efficiently, organic cotton uses 91% less water and emits 46% less greenhouse gas than <u>conventional cotton</u>. It is also better for the health of the farmers who grow it and their communities. Edwin aims to use 100% organic cotton by 2022





TRIMS

At EDWIN USA, we make every effort to use sustainable and circular materials. All of our buttons, rivets and snap fasteners are made at an environmentally safe (EMAS) factory. Our labels are made from recycled plastic (PET) bottles, and our hangtags are FSC-certified (meaning the paper was harvested in a responsible manner). By the fall of 2020, our jeans will also be made with YKK NATULON, a low waste and energy-saving zipper made of recycled materials; pocketing made of 65% recycled polyester and 35% organic cotton; and premium sewing thread made from 100% recycled plastic bottles.

PACKAGING

A huge problem in the take-make-waste economy is the packaging that products come in, as most of it is made by petrochemicals and ends up in landfills. At EDWIN USA, we use sustainable plastic alternatives as much as we can, such as using compostable plant-based envelopes and packaging, and will continue to work toward reducing our waste, and adopting more sustainable shipping methods.

Fair Labor

LIVING WAGES

Saitex provides ethical, respectful working conditions at its factories, and pays its employees a Living Wage based on data from Social Accountability International. A Living Wage provides a worker in a particular place enough weekly income to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, healthcare, transportation, clothing and other essential needs such as savings for unexpected events.

REKUT

EDWIN USA is collaborating with Rekut, a social entrepreneurship project that provides employment to differently abled people. The Rekut production line currently has 73 fulltime employees with different abilities, both physical and developmental, who were hired from nearby areas. Numerous measures were taken in collaboration with expert NGOs and UNDP when designing the working space, recruitment process and training, to ensure their safety, comfort and success. Prior to working on the line, each person received five months of training, and are now fully independent in being part of a team making products such as apparel and furnishings. They also receive Vietnamese and Life Skills lessons, as many of them were not allowed to finish school. Beginning in a month, a free mask made by the Rekut team will come with every purchase from the EDWIN USA site, which protects the health of our customers and gives jobs to the people who need it most.





Upcycling

EDWIN USA has partnered with the Thailand-based upcycling facility STELAPOP (an acronym for Save Trees, Eliminate Landfills And Protect Our Planet), which embraces circularity and tackles waste by giving new life to garment offcuts and deadstock. EDWIN USA is upcycling all of its textile waste, at both the pre- and post-consumer levels, through STELAPOP. Using a proprietary binder, STELAPOP transforms discarded EDWIN USA denim into multipurpose panels that can be used in the place of wood to build furniture, helping to save trees and eliminate landfills for a regenerated future.

Future Goals

To eliminate the use of virgin polyester and elastane materials. Up until this point, we have been using virgin LYCRA in our products to provide comfort and durability. By 2024, we will replace LYCRA with more sustainable alternatives, such as elastane made with pre-consumer recycled materials, or biodegradable elastane that breaks down over time.

To use 100% Bluesign certified chemicals by the end of 2021

To increase the percentage of our jeans made with organic or recycled cotton from 60% to 100% by 2022.

To Increase our use of recycled materials.

We will continue to search for new ways to recycle and upcycle, closing our loop and bringing us closer to 100% circularity and 0 % waste, including taking back our used jeans.

Create our first carbon-neutral jeans by 2022.

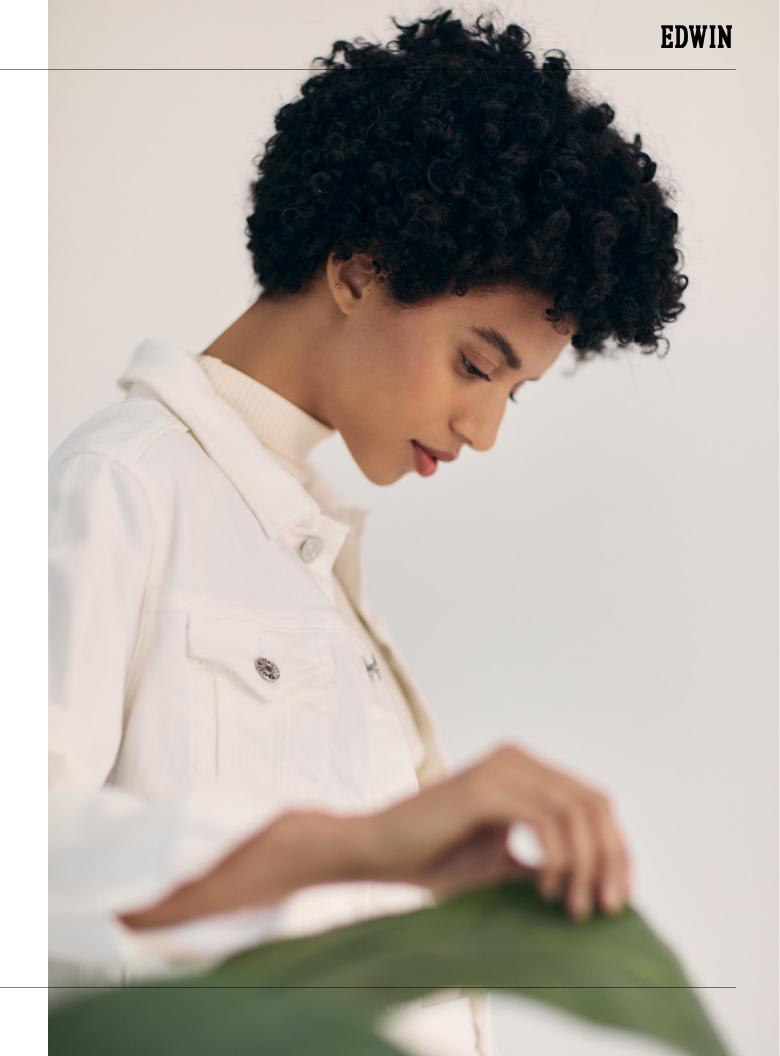
Provide more transparency in our supply chain through the integration of innovative technologies such as FibreTrace.

Create jeans that are accessible to an even wider audience of consumers through the introduction of Edwin Plus and Edwin Maternity by 2021.

Begin offering free repairs for the life of our jeans to help reduce post-consumer waste.

To keep supporting the Fair Trade program and the people who make our clothes.

To encourage other brands and companies to follow our example and learnings.



Supplier Code Of Conduct

The EDWIN USA Supplier Code of Conduct embraces our core values and provides a quideline for ourselves and our manufacturing and supplier partners. We are committed to managing, minimizing and reporting our impact on the environment and upholding our standards throughout our supply chain.

Code Compliance

Our manufacturing and supplier partners shall implement and maintain this Code. Partners must communicate the Code to all employees and individuals involved in the EDWIN USA Supply Chain.

Involuntary Labor

Manufacturing and supplier partners shall not use involuntary or forced labor in all its forms.

Child Labor

Manufacturing and supplier partners shall not employ minors. EDWIN USA defines minors as those persons who have not reached their 16th birthday, or the minimum age of employment permitted by the law of the country or countries where the performance of a contract takes place.

Nondiscrimination

Manufacturing and supplier partners shall not apply any type of discrimination during any stage of the employment relationship based on race, religion, nationality, gender, sexual orientation, age, physical or mental disability, marital status, union membership, political affiliation and/or any other protected classification.

Association

Manufacturing and supplier partners will respect the rights of the employees to associate, organize and bargain collectively in a lawful and peaceful manner without penalty and interference.

Harassment, Harsh or Inhumane Treatment

Manufacturing and supplier partners shall treat their employees with dignity and respect. Harassment, harsh or inhuman treatment in any form — physical, psychological, sexual, verbal — is not tolerated in the EDWIN USA Supply Chain.

Health & Safety

Manufacturing and supplier partners must provide a safe and hygienic workplace to their employees ensuring all applicable laws of the country in which they operate are followed. They must take the precautionary steps to prevent accidents and injuries to the health of their employees.

Compensation

We expect manufacturing and supplier partners to recognize that every employee has a right to wages that meet essential needs and provide some discretionary income. Employers will, at the minimum, comply with all applicable wage and hour laws and regulations, including minimum wages, overtime, maximum hours and other facets of compensation.

Hours of Work

Manufacturing and supplier partners shall not require employees to work more than the lesser of 48 hours per week and 12 hours overtime or the limits on regular and overtime hours allowed by the law of the country of manufacture. Employees shall be allowed at least one day of off every seven-day work period.

Environment

At EDWIN USA we are constantly evolving and searching for ways to reduce our impact on the environment. We encourage our manufacturing and supplier partners to practice the highest levels of natural resource conservation, recycling and re-use of materials and waste reduction or elimination.

Material Sourcing & Traceability

At EDWIN USA we strive to use materials that are ecologically and socially better. Our manufacturing and supplier partners are expected to share certifications to verify the criteria for traceability.

Transparency

Manufacturing and supplier partners must be transparent and allow access to monitoring activities to confirm compliance with this Code. Manufacturing partners will not subcontract production without written consent that acknowledges their commitment to this Code.

Community

We align with partners that share our goals to create positive social impact through enhancing the communities we produce in. We want to be a key part of the global shift to better our communities by redefining responsible production and actioning diversity, job creation, civic engagement and charitable giving.