

WORLD MODE HOLDINGS

Sustainability Report

————— *2021* —————

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Introduction

The purpose of publication

In 2020, the world was hit hard by the threat of a new coronavirus. The great turmoil caused people to feel anxious, and one by one, “everyday life” was taken away. The coronavirus has caused a shift in the social environment to a new one, one in which the old norm is no longer applicable. In the wake of the coronavirus disaster, we are now in the midst of a transition to a new social environment in which the old norms no longer apply, and not only our daily lives but also the role of companies in society is about to change dramatically.

In the fashion industry, where as a company are engaged in business activities, it has been pointed out over the past few years that we have fallen behind in addressing sustainability issues, including environmental and ethical issues, and we face a number of problems that need to be resolved. We must not allow our business activities to undermine the sustainability of our planet. Research has shown that consumers' awareness of sustainability is increasing through the Covid disaster period. Corporate sustainability is not just a one-time measure, but a guideline for all corporate business activities and that the situation calls for immediate action.

WMH has long believed that contributing to the development of the fashion industry and supporting the enrichment of the lives of people around the world is the best way for us to contribute to society. Now, we recognize that social and environmental sustainability, which supports the development of the industry, is an important issue for our corporate activities.

For the future of the fashion industry

With the aim of taking the initiative ourselves, World Mode Holdings has launched a Group-wide sustainability project. In FY2020, the first year of the project, WMH engaged in activities such as customer dialogues and SDGs webinars for sales staff, in addition to events and trainings to raise awareness of sustainability among Group company employees. Each of these initiatives is still a small step, but we sincerely hope that by building on these activities, starting with our colleagues at WMH group companies and involving our clients and the industry as a whole, we can contribute to the development of the fashion industry and help create a prosperous society of the future.

Letter from the CEO

We put hope in making the fashion industry more prosperous 30 years from now: to bring happiness to the people and companies of Fashion so that Fashion will continue to have impact for all inhabitants on earth to bring happiness.

The key to realizing our vision is for the fashion industry to continue to develop and enrich the world into the future. The fashion industry all over the world has been hit hard by the impact of the coronavirus pandemic. Our company is also working hard to rebuild and restructure our business model to cope with the post-covid society. In this process, we have studied the various issues facing the fashion industry and was made keenly aware that the concepts of Sustainability and the SDGs are essential in the sustainable development of the industry. The aspiration of our founder to improve the social status of our sales staff remains our guiding principle for our actions. We also believe that our WORKING DREAM © concept, which supports the dreams of workers while pursuing a training system and promoting the empowerment of women, is in line with the SDGs. WMH believes that in order for the fashion industry to be more prosperous and to ensure the continued happiness of its workers and all of our fellow inhabitants of the planet, it is necessary for the industry as a whole to become more sustainable at a faster pace. WMH believes in the power of fashion that brings joy to people. We are committed to working with the fashion industry to accelerate the actions on sustainability to enrich the world.

Shinsuke Kafuku
World Mode Holdings K.K.
CEO



Our Business in 2021

Management Policy

Specializing in the fashion and beauty industry, we aim to contribute to the success of our clients, the development of the industry and the community by combining diverse services provided by our professional teams.

Business

Provides multifaceted solution of services to the fashion industry in human resources, education and training, store operation management, visual merchandising, marketing, E-commerce, CRM, retail tech and global business.

Business Scale

Annual sales of 15 billion yen (fiscal year ending February 2021)
 6 operating companies and 23 offices in Japan, 4 overseas companies
 Approximately 10,000 Group employees in Japan and overseas (including outsourcing employees)



History of WORLD MODE HOLDINGS

WMH is a group that was founded in 1999 by I.D.ACCESS Inc. (now iDA Inc.) as a consulting company that aimed to solve problems in the fashion industry. The company's major turning point came when it was commissioned to manage the stores of a foreign cosmetics brand when it entered the Japanese market, and when the brand subsequently withdrew from the Japanese market, it provided outplacement support for approximately 300 employees. Focusing particularly on the needs of store sales staff, we continued to contribute to the revitalization of storefronts by working together as partners with our clients' personnel and store management personnel, sincerely committed to the success of their brands, on the strength of our expertise in fashion sales and human resource development.

As we worked together to pursue the success of brands and the realization of workers' dreams for the development of the fashion industry, we realized that in order to solve our clients' essential issues, we needed to respond to a wide range of needs in addition to human resource services, education and training. In order to realize solutions to issues, we created new businesses and conducted M&A to have our top-class professional colleagues in the industry join us, and expanded our services to include store operation agency, visual merchandising, marketing, and digital measures such as E-commerce, SNS, and CRM, etc. from various angles.

As a solutions group, WMH has begun a new phase of development. Our global expansion now includes Singapore, Taiwan, Australia and Vietnam. Six years after the WMH Group began its group management in fiscal 2020, it now has more than 250,000 registered talent and provides services to more than 1,000 corporate clients and brands in Japan and global countries.

Sustainability Project

The sustainability impact for the Fashion industry possible for WMH

Project Inauguration

In recent years, actions based on the premise of sustainability have begun to take root in society in our daily lives, such as the introduction of plastic bag fees, the revitalization of the sharing economy, and media outlets that promote the SDGs. We believe that sustainability activities are not a fad, but an essential activity that should permeate society as the basis of all decision-making criteria, so that the social issues of today do not persist in the future.

In the fashion industry where we operate, it has been pointed out over the past few years that there has been a delay in addressing environmental, ethical, and other sustainability issues, and although some brands are actively addressing these issues from the perspective of product development, we believe that overall awareness within the industry still needs to be improved. We must not allow our business activities to undermine the sustainability of the earth. Corporate sustainability is not just a one-time measure, but a guideline for action that will be the basis for all corporate business activities, and it is a situation that cannot wait.

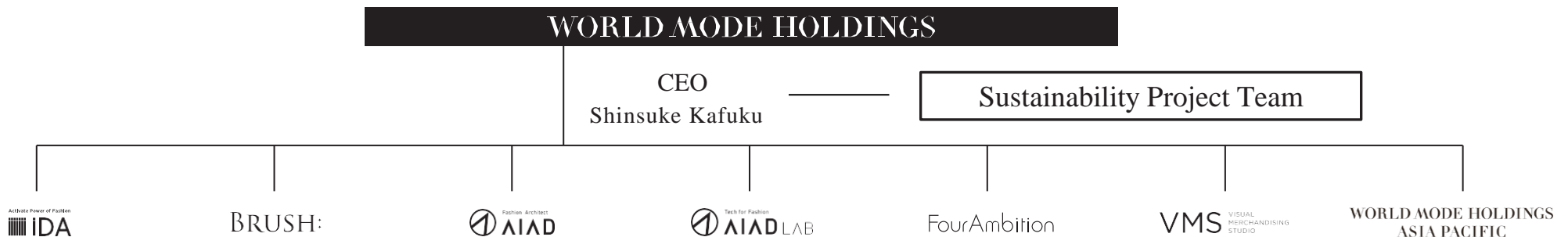
With more than 1,000 clients in the fashion industry and over 250,000 registered retail talent, the WMH Group has much to contribute to sustainability within the retail industry. In order to take action, we positioned sustainability as a key theme in our corporate activities and launched the Sustainability Project in June 2020.

Initiatives under the direct control of the President & CEO

The concept of sustainability is not a business strategy nor a one-time project, but the foundation of corporate management. This is because unconscious business actions should not undermine the sustainability of the earth. We also believe that we can contribute to people and companies in the fashion industry by further promoting and embedding sustainability activities in the industry. Therefore, we have positioned the Sustainability Project as under the direct control of the WMH Group Representative. The Sustainability Project Team will lead all employees of the WMH Group to understand and take action on the purpose of sustainability.

Members gathered through in-house recruitment

The members of the Sustainability Project Team were selected through an application process by those who volunteered to be a representative within the Group. The team was made up of a diverse range of employees, transcending the boundaries of operating companies, divisions, job titles, work locations, and years of employment, and included not only employees from Japan but also from global subsidiaries. All members have high awareness and aspirations to contribute to unifying the will of the entire WMH Group through regular meetings by connecting all group companies across the board to spread and practice the concept of sustainability, which is the foundation of corporate management.



WMH's Sustainability Mission

Leveraging on the collective strengths of the WMH Group while connecting our clients to the consumers, we are able to contribute to the sustainability efforts of the entire fashion industry.

Retail stores serve as a place for consumers to experience the philosophy and worldview of brands and the appeal of its products. Even so, through our research, it was revealed to us that there is room for improvement as well as gaps in the awareness for sustainability that permeates through to the staff working in the fashion companies.

The solutions that WMH provides to our fashion clients focus on the “last mile” front-line staff who directly activates communication with the customers, namely talent acquisition. Scaling from this human resources foundation, we provide services in visual merchandising, digital marketing, online to offline sales skills, and more. This is why WMH is uniquely positioned to make sustainability impact through the services and connections we create in the fashion industry.

Current Status of SDGs in the Fashion Industry

According to the United Nations Conference on Trade and Development (UNCTAD), the fashion industry is the second worst environmentally polluting industry in the world, and with deep regret, we feel the need to seriously address this issue. In addition to environmental issues such as the enormous amount of water and electricity used in the manufacturing of apparel and products, CO2 emissions, over production of inventory, and disposal after use, ethical issues such as child labor and other human rights issues at production sites are also coming under close scrutiny. In response to these issues, global fashion brands in Europe and the United States have begun to take a clear stance toward improvement. The Japanese fashion industry as well are beginning to make efforts to create brands and products that take sustainability into consideration. Consumers' awareness of sustainability issues is also on the rise.

According to an external survey, about 50% of consumers said they are aware of social issues in the fashion manufacturing process, and about 70% said they would like to adopt environmentally and socially conscious fashion.

We at WMH, mainly responsible for the frontline of the retail industry as we provide the service of sales staff placement and marketing activities, began by conducting a survey of our important client companies and sales staff to understand their attitudes and awareness level in sustainability. We had the intention to make the most impact for the industry as a whole.

Sustainability Survey

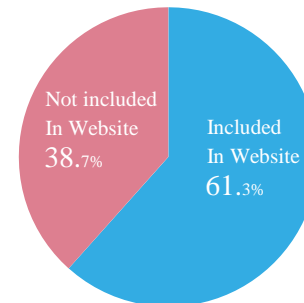
1. Survey of key customers

A survey of 111 major clients revealed that approximately 80% of client companies are taking some kind of action related to sustainability, and 61.3% of these companies have published reports or guidelines on their own websites. On the other hand, a global company that is advanced in sustainability commented, "In Japan, we are focusing on thorough branding and employee training based on the guidelines of our home country, but there is a difference between our home country and Japan in terms of efforts." Another person in charge responded, "We are aware of our own company initiatives, but there are gaps regarding the awareness of each and every employee from the office to the stores floor."

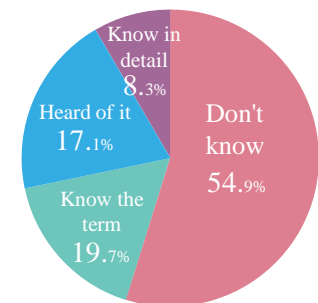
2. Sales staff awareness survey

A survey of 315 sales associates employed by iDA and working at client brand stores revealed that 54.9% of the respondents had never heard of the SDGs. This indicates that information on sustainability and the SDGs has not been sufficiently disseminated at the point-of-sale. On the other hand, almost all respondents answered that it is "meaningful" for sales staff to learn about sustainability and the SDGs and to communicate brand activities to consumers.

1. Sustainability information on clients' websites



2. Are you familiar with the term SDGs? < WMH Survey September 2020 >



Our actions to contribute to the industry

In order to fulfill our responsibility as a member of the international community to contribute to the SDGs, we leveraged on our strength as a whole of the WMH Group companies. Because we are in the position to link companies and consumers in the field of fashion in fulfilling sustainability missions, we as WMH organized the exploration into target audience and scope in various stages.

We started by clarifying the direction of our efforts by dividing them into three levels, starting with our company: A. For the Team (our own actions), B. For the Client (support for client company actions), and C. For the Industry (actions that contribute to the fashion industry as a whole). We began by clarifying the direction of our efforts in each of these areas.

A. For our ORGANIZATION

First of all, as a company, we ourselves must take the initiative to correctly understand the nature of the problems facing the fashion industry and the planet as a whole, and why we must now focus on the issues of sustainability. The first step is to use the SDGs as the goal post for our own proactive efforts. It all starts by having all members of the WMH Group companies to realize their own awareness for sustainability in their daily actions.

B. For the CLIENT

Our client companies are becoming increasingly aware of the importance of sustainability, and there are many ways in which we can support that.

We will deepen our understanding of each client company's sustainability policy and create learning opportunities for the sales representatives we dispatch. We will also strive to contribute to the sustainability of our clients through our services, accumulate know-how, and improve the value of our offerings.

C. For the INDUSTRY

We believe that we can do this because we have a wide range of client companies across the fashion industry. We believe that the fashion industry must change to sustainable value systems and continue to be attractive to people for a long time to come. To achieve this, we will continue to contribute to the future development of the fashion industry by imagining and implementing industry-wide sustainability actions.

SDGs as Core Guidelines

In 2015, the Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly. The SDGs, which are due to be achieved by 2030, consist of 17 goals and 169 targets, and aim to realize an international society in which all people can enjoy peace and prosperity by solving social problems such as the environment, poverty, inequality, and education in all countries and regions of the world. The SDG philosophy of "leaving no one behind" in achieving the goals is also in line with WMH's corporate philosophy, which we have been committed to since our establishment. Therefore, we have positioned the SDGs as a core guideline for our sustainability activities, and we will start by ensuring that all WMH employees have a proper understanding of the SDGs and put them into practice in their personal lives. Then, out of the 17 goals of the SDGs, WMH will initially focus on the following five and take fruitful actions.





For our ORGANIZATION

To enhance our team to take initiative to learn and act.

The starting point of our sustainability activities, is the people we work with. We believe that it is important for all of our employees and staff involved in our business to work in an environment of gender equality and to make their work purposeful and worthwhile. This is part of the SDG goals. To this end, it is essential that everyone in the company correctly understands the essence of the SDGs and sees the need for sustainability activities in the fashion industry as their own mission.

That is why we organized "Sustainability Month," an event to deepen the fundamental understanding of the SDGs among all of our employees. Along with this initiative, we have linked key measures that WMH has already been focusing on for some *time to support the improvement of the status of our sales staff* and make their work more rewarding.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

The image shows two SDG icons. The top one is for Gender Equality (SDG 5), featuring a red square with the number 5, the text 'GENDER EQUALITY', and a white icon of a circle with three horizontal lines and a cross. The bottom one is for Decent Work and Economic Growth (SDG 8), featuring a dark red square with the number 8, the text 'DECENT WORK AND ECONOMIC GROWTH', and a white icon of a bar chart with an upward-pointing arrow.



1. Implementation of "Sustainability Month" involving the entire group company teams

In order for the WMH Group to instill our sustainability activities, we felt that it was important for our employees to understand sustainability and the SDGs and to actually take action on them. We have designated December 2020 as "Sustainability Month" and various awareness-raising events were held across the entire group companies. This resulted in all employees to have the opportunity to enjoy and learn from the participatory events which was organized by the Sustainability Project Team.. For this initial year, we started by learning about the SDGs, which we consider as the guideline for our sustainability activities. As a way to do this, we divided the SDGs into three processes: "to understand," "to act," and "to share." Within each process, unique action plans were set up and implemented.

Understand

All employees "to understand" about the SDGs and to be motivated to take action in their own way.

- Distribution of a booklet to deepen the understanding of the 17 goals of the SDGs so one can share with their families at home. This action was taken to make SDGs more familiar and approachable.
- Each day, one simple SDG topic was posted within the company in the form of a quiz, creating an opportunity for people to focus on various issues previously not so well known.
- In addition, we distributed a seminar video for everyone to learn more about the SDGs specific to fashion and created an opportunity to think of ways the fashion industry can contribute to a sustainable planet.

Act

Promote actions that lead to SDGs in our own life and work

- We encouraged employees to bring their own water bottles and shopping bags. Created an internal platform where employees can share photos of their favorite "My Bottles" and "My Bags."
- "Give and Receive Community" was established so that employees can give away and receive items that were destined to be thrown away to give a new destination to items that were to be discarded and to encourage people to use things with care.
- We participated in an NPO activity to clean beaches and experienced the importance of nature while observing the actual condition of the waterfront environment.

Share

Act on SDGs and sustainability activities as if they were your own, and deepen your understanding by "sharing" with others.

- We made it a point to share our learnings through the Sustainability Month to our business partners and family members at home to spread the awareness for sustainability issues.
- We launched an SNS site to disseminate information on internal activities.
- At the end of the Sustainability Month, we conducted an internal survey, which showed that many employees learned the essence of the SDGs and took action. We will connect those comments and voices to further share and link to our future sustainability activities.

2. Outcome of the Sustainable Month

Our Sustainability Month began with an on-line pre-launch event in the evening of November 30, which was attended by nearly 80 employees. The four-week Sustainability Month was a time to elevate the SDG mindset of employees across departments, starting from the base foundation of knowledge about SDGs and to take some action, which resulted in a sure way to permeate into the company awareness for sustainability. An unexpected benefit of the Sustainability Month was the increase in conversation and communication among employees via the topic of SDGs. By having conversations about sustainability issues with among colleagues among otherwise unfamiliar employees and those who did not have common ground, more employees met one another and as a result, strengthened the collaboration efforts in business as well. By the end of the month, we recorded 100% of employees in awareness for SDGs with much positive feedback and positive expectations for continued efforts into the next year.

Comments from Employees

I felt a shift in the atmosphere within the company. I believe that the awareness for sustainability was everywhere and that we were able to create a sense of unity through upgrading our daily actions and routines. I would like to continue the circle of sustainability from within the company to our families, friends, and iDA staff.

(Staffing and Sales Department Coordinator)

I looked forward to the little newsletters every morning, they were very good! I was able to learn things I didn't know and also was able to teach them to others. At the end of the year, I went to the social welfare center to donate food. I feel grateful for learning and being aware, thanks to the Sustainability Month.

(Sales Promotion Department Sales)

Sustainable account was launched on Instagram. I could see the activities of our WMH employees on SNS and saw that there were many things one can do immediately like bringing our own water bottles to work and reduce paper cups and plastic. I realized that small steps which we take immediately are the sure steps to make a difference in the industry and the planet.

(Information Systems Dept.)

I felt a change in my awareness of the things I used to use and consume on a daily basis. There were many things I could do with a little shift in my thinking, and I hope to continue working on them.

(Marketing Department)

We were able to provide an opportunity for everyone to enjoy and take action by realizing: "I'm concerned about it, but what should I do?" "I am doing somethings but did not express them." and "I was doing it, but I don't realize it." "realizations. I am glad I was able to be a part of this activity.

(HR Human Resources)

I have been personally involved in environmental protection activities, but I am glad that the company I work for is also involved in this project. Seeing the energy of the project members and the response of the company members, I felt that when companies can create a team approach to take action, the world will naturally become a sustainable organization.

(Staffing and Sales Department Sales)

3. The philosophy of Working Dream that supports workers in fulfilling their career goals

Since its establishment, iDA has provided the opportunities where all workers can achieve their dreams under our philosophy of Working Dream. The company provides a different working model from the traditional outsourcing contracts that is maintained in the market. We provide opportunities in outsourcing status to change into permanent employee status, outsource status hire with plans for referral hire, talent acquisition and placement services and more. As a result of working towards meeting the needs of workers and client companies, the varied work style options and contracts have resulted in 1800 employees hired in fashion companies in the year 2020. As WMH, we also have various support systems in relevant skills improvement, leveraging on the professional links we have in the industry. We are constantly empowering and elevating those for success through our thorough support so that they can achieve their goals.

4. Securing and training excellent sales staff through the Ambassador System

In 2017, we introduced the Ambassador System as a new form of employment. As of March 2021, we have approximately 300 Ambassador employees in all and are active in various retail stores in Japan. Unlike general outsource employment, iDA's contract system is different. iDA selects the best candidates from among the outsourcing employees nationwide and sends them to companies under employment contracts as iDA representatives. iDA's unique personnel evaluation system allows for guaranteed employment, stable compensation, sales experience with many brands, and a rich career path. On the other hand, iDA is also focusing on recruiting new graduate ambassadors against the backdrop that companies are struggling to hire new graduates as the number of students interested in the fashion industry, especially in sales, is decreasing year by year. In addition to our year-round training programs, we offer skill development trainings to improve sales skills with the objective of securing talent in the fashion industry.

WORKING DREAM

-Improvement of the social status of sales staff working in the WMH Group iDA
iDA is a platform for various positions in the fashion industry, with more than 250,000 people registered nationwide, of which 6,000 are working as sales representatives for various brands under temporary contracts at any given time. In particular, iDA's distinctive initiatives under the banner of improving the social status of salespeople include intensive investment in skills development, promotion of employee status conversion, and the Ambassador system.

TOPICS

Sustainable Initiatives in Vietnam

Peoplelink (PPL) is an outsourcing, training, and payroll company that joined the WMH Group in FY2020. With over 3,000 staff, PPL has honed its operational capabilities as a partner in pursuit of its clients' business goals and has won numerous awards. PPL has been active in addressing social issues in Vietnam, particularly poverty, since its inception, and in 2020 distributed food, clothing, and books to children in poor communities. PPL's activities are in line with WMH's philosophy, and we will continue to work together to promote sustainable activities.



Interview with PPL Representative Sona

- What is the purpose of sustainability activities?
We have two objectives.: (1) to help as many poor people as possible, and (2) to connect Peoplelink members with people to make each other's lives more meaningful.

- When did you start your sustainability activities?
Since 2008, we have joined a charity group in Ho Chi Minh City to visit poor people in the Mekong region, providing them with food and other necessities and medical checkups. We collect donations internally, and each participating volunteer bears his/her own travel expenses.

B

For the CLIENT

We work closely with our clients' companies and align our actions

WMH currently serves over 1,000 clients. Among those companies, the approach to sustainability and their thinking were all varied. For this, we took the time to listen to their plans as our starting point in working with them about sustainability.

The year 2020 was a year in which the fashion retail industry was severely damaged by the Covid pandemic. From the time the store and business closures were issued, salespeople in particular were faced with uncertainty about their future and in addition the industry as a whole had to find individual ways to cope with the unprecedented

We were quick to help them find stability in their lives with stable employment to eliminate uncertainty. Post Covid, in order for brands to accelerate their sustainability efforts, improved knowledge of in-store sales associates were key. For this, we held online seminars that many could participate in.



1. sales staff support project

At iDA, our Group company, provided sales staff with the information they need to reduce their anxiety about the Covid pandemic as soon as possible. We felt that providing sales staff with the latest course of action and options would also contribute to the client companies struggling with the situation. We immediately launched the “Sales Staff Support Project” site where sales staff that we outsource to client companies can access to gain updates information. This project was open to all, not only our registrants for job placement and as a result , it supported many through this information portal.

Providing information on compensation and benefits

In the midst of the Covid pandemic, the government and municipalities offered various compensation and monetary assistance, but it was not so clear if one qualified for them or not and how to apply. Therefore, iDA provided a concise guide to each benefit and government support funds in the "Sales Staff Support Project" website and how to apply for them, helping to provide relief to those who were struggling to make ends meet due to a decrease in income.

Providing a place to learn

To enable sales associates to study and improve their skills during their long period of stay at home, we provided free learning content on the "Sales Associate Support Project" website. The content included fashion sales training, customer service courses in English and Chinese, and a wide range of other content necessary for sales. iDA's registered as well as non-registered sales representatives were able to take the courses, and many of them said that it helped alleviate their mental anxiety.

“I was worried about my own life when the store was closed for business, but I was able to take advantage of that time to attend a wide range of skill improvement training.”

“I was anxious about my livelihood but because I had the support financially and a chance to study, I was happy to continue to be in the fashion industry to contribute my skills.”

From these and other comments from the participants, we heard many positive comments.

Through these measures, we were happy to contribute to the fact that :
“No salespeople involved in the fashion industry were left behind”

INTERVIEW-01

Need to raise awareness of sustainability among the sales team



Commercial Director, Stella McCartney Japan Inc.
Mr. Akimitsu Mori

- What kind of sustainability training do you provide to employees when they join the company?

A new employee training program called The Bigger Picture (meaning "take the big picture") has been launched worldwide from the start of 2019. The training uses digital materials and includes basic information about the company and sustainability. It is rooted in the brand's mindset of taking care of both mind and body, and includes Wellbeing activities.

- What are the key points in promoting sustainability in Japan?

We place great importance on each individual's understanding of "why sustainability is necessary. It is important to constantly ask "Why?" to the situation to gain first-hand awareness and to go through trial and error in search for an answer. It is also important for the team to not feel pressured and exhausted in the process.

- What are some links on sustainability with the customers?

We can point to the “We are the Weather” pop up store in Umeda Hankyu and Shinjuku Isetan as the link examples. We used organic cotton as wall paper and displayed our timeline of ways we developed materials, summarizing our sustainable fact history. The customers showed much interest and through conversation with the sales staff on history information, customers purchased our products while enjoying fashion.

- What do you look for in a salesperson?

We want those people who work with our brand to be curious. Curiosity allows us to be actively interested in sustainable activities as well.

INTERVIEW-02

Diversity and the environment are the essence of the brand



EQUIP Corporation

PR Ms.Tsutatani , HR Ms.Hirata

- What can you tell us about the Athletia brand?

The name “Athletia” expresses the idea of an active and a flexible and refined way of life, and the three-tiered logo represent the three lines. The first “a” and the backwards “a” at the end represents movement and stillness, mind and body, fluctuating condition regenerating back to balance with flexibility.

- What are some of the sustainability activities taking place at Athletia?

The three considerations we make are for nature, the environment, and society.

The brand's image visuals feature models of all nationalities, genders, and ages to emphasize the diversity of the brand. We also use environmentally friendly materials in our in-store sales promotion activities.

- What are the reactions of customers in the stores?

There is a slight variation by area. In our Omotesando store, many eco-conscious customers. We also have many male customers through our SNS sites. Regardless of gender, our customers understand our sustainable products and the background behind them and purchase them to support that vision.

- How do employees respond?

From the birth of the brand, a company-wide revolutionary change in awareness with interest and knowledge was happening. We feel that our way of life is also shifting through our link to the brand values and simple things like using a tumbler in place of plastic bottles is part of how we live our life.

2. SDGs education for internal and external audiences

iDA College, a learning division operated by iDA, and a WMH group company, started providing education on SDGs and sustainability this year. “Sustainable College” film was produced and distributed so that sales people and staff can all increase knowledge on sustainability in the fashion industry. In addition, our Sales Team communicating with client companies with deeper knowledge on this topic can promote more action. Because through this Sustainable College course offerings, one can learn more knowledge on SDGs, and the sales staff with this broad knowledge will utilize this for further support on sustainable actions on the sales floor of our client brands.

We believe that our employees' and sales staff's extensive knowledge and in-depth understanding of sustainability in the fashion industry will support our clients' sustainability efforts and consequently contribute to the fashion industry.

Sustainability actions by VMS



- Sustainability actions by our client brands

I was impressed by what I learned from a kimono manufacturer. Kimono, which our Japanese ancestors wore on a daily basis, had a culture of careful use and repeated mending, and were passed down from parents to children from generation to generation. When the fabric became tattered, it could be transformed into a cushion or a fabric ball, and people lived with items that were transformed and passed on..

Looking back at my former employer, Louis Vuitton, the brand always prepared parts for repairs when new bags were sold. The company called their craftsmanship "savoir-faire," and they not only made things, but also offered their skills to customers so that they could enjoy their products for a long time. This way of thinking and behavior of selling as well as repairing was ever present in the brand. This way of life is a common thread in Japan as well as the world, today and yesterday.

- With the mindset of starting from what can be done today

Currently, VMS is increasingly working with beauty and apparel brands to develop fixtures made of recyclable materials and to reuse items that were originally intended to be discarded for display purposes. It is a very good trend that the industry as a whole is starting with what we can do, regardless of the size of the company or its financial resources. As a long-time fashion industry employee,

I see the Covid pandemic as a significant opportunity for the industry as a whole to change by further reevaluating its growing awareness of sustainability in recent years. I personally would like to act with a daily awareness of the circular systems and passing down the inheritance, taking good care of things.

For the *INDUSTRY*

For the fashion industry of the future

We want the future of the fashion and beauty industry to shine brightly and be recognized as an industry that contributes to sustainability. To this end, our activities must contribute to the sustainability of the industry as a whole. We believe that our goal is not only to benefit our own company, but also to achieve sustainability for the whole fashion industry through our daily economic activities.

As a step in this direction, we organized a sustainability webinar for our sales staff that anyone can attend free of charge. In addition, we have planned and managed a project to expand the circle of support for the industry through crowdfunding and other means for stores that lost and for companies that lost various business opportunities sales due to the Covid pandemic.

We will continue to contribute to the industry in order to fulfill our management philosophy of "Passion in Fashion".

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS



1. webinars to promote the SDGs in the fashion industry

Consumers' interest in sustainability is growing by the day, and knowledge of sustainability is essential for salespeople who are the link between brands and consumers.

To accelerate this need, the WMH Group developed and launched a webinar titled: What are the SDGs mean for the fashion industry? to support in-store sales staff to understand the needs of sustainability in fashion and to apply it to their work environments. This was an opportunity for the sales staff to gain specific knowledge and the importance of sustainability actions being in the store front through this session that was especially geared towards the fashion retail human resources. This webinar was co-hosted with the lifestyle magazine "FRaU" (Kodansha), which was the first women's magazine in the world to feature the SDGs in its entirety, and featured two speakers: Mr. Tatsuhiko Seki, Editor in Chief, and Mr. Hideki Yamauchi, Advisor to Pal Group, who has extensive knowledge on sustainability in the fashion industry. After an easy-to-understand explanation of the SDGs and a lecture on sustainability issues specific to the fashion industry, a panel discussion was held with the speakers. The session was interactive and in an informal style with participants asking questions and the panelists responding during the webinar. Leading to active participation.

For the first session in August, we received an overwhelming response, and since then, three additional sessions in September and November were held resulting in a total of nearly 3,000 participants.

WMH will continue to host webinars on the topic of SDGs for fashion industry professionals with new perspectives with the hope to further contribute to the industry in realizing fashion to become more sustainable.

Click here for the actual webinar >> <https://ida.qumucloud.com/view/EtM6l3NFxrw>

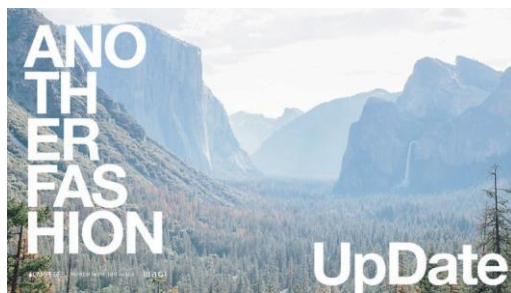
Webinar Participant Comments

It was very clear and interesting. I was made aware of information that I thought I knew about but did not. Know enough. I strongly felt that I still need to learn and act more.
(Sales staff)

Fashion is about creating new things, so we should be able to change the role of fashion retail to meet the changing times. I would be happy if there are more seminars like this one so that people like us that lead communication and creators that make products can expand our knowledge.
(Designer)

It was educational since I learned about the issues and more facing the fashion industry. As some who loves clothes, we tend to want new things but after the seminar, I now think of how to take care of what I have and if not needed anymore, how to utilize them.
(Sales staff)

2. Supporting the adoption of crowdfunding within the fashion industry

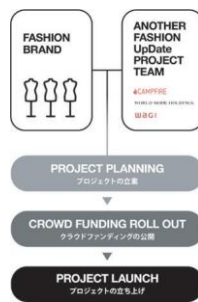
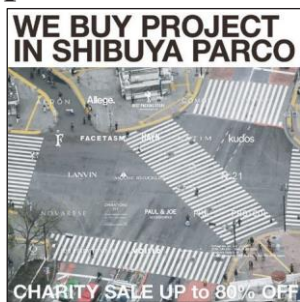


WMH tied up with WAG Inc. a public relations agency and CAMPFIRE Inc., a crowdfunding company to launch a project called ANOTHER FASHION UpDate in June 2020 to support the use of crowdfunding that will contribute to the fashion industry's growth. While the Covid pandemic created difficulties and stagnated the market for the fashion industry, this project supported those who want to start-up new fashion brands to create possibilities with the use of crowdfunding.

We helped more than a dozen companies to obtain funding and implement their projects, including a sustainable manufacturing system based on a made-to-order production, an establishment of a new unisex apparel brand, and a fashion brand that collaborates with stationery products.

The crowdfunding process created new relationships and bond between those seeking to start their own businesses and their customers. As a result, this action served as a catalyst for restoring vitality to an industry that had been decimated by the Covid pandemic.

3. Charity sale event amidst the Covid pandemic period



iDA created a joint project with Shibuya PARCO, a fashion retail building and the PR agency, WAG, Inc. for a 3-day charity sales event called WE BUY PROJECT in June 2020. The concept of this event was "to contribute to society through the power of fashion."

In this event, stock items of brands that were forced to temporarily close their stores or had to cancel their sales due to the Covid pandemic were sold at a special venue on the 9th floor of Shibuya PARCO. A portion of the proceeds was donated to the Tokyo Metropolitan Government's Bureau of Social Welfare and Public Health's "Protect Tokyo - Donation to Support Covid Countermeasures" fund. The event was well received as not only as a charity event to fight against Covid infection, but also a good initiative to expand sales opportunities for apparel brands due to the Covid pandemic restrictions.

Message from

Japan Sales Professionals Association

JASPA



Hironobu Shimizu,
Secretary General, JASPA

The Japan Association of Sales Professionals (JASPA) was founded with the desire to develop further the retail industry, improve the social status of sales professionals, and support the careers of women, who make up the majority of sales professionals. Currently, JASPA has approximately 80 member companies, including Japanese and international brands, department stores, and various retailers.

For the future of the fashion industry, knowledge of "sustainability" is indispensable for sales staff. This is partly because fashion brands are rapidly accelerating their sustainability initiatives, but mainly because customers are becoming increasingly aware of the importance of sustainability. As our important initiative we take as JASPA, we conduct the certification off sales professionals and are in the process of including sustainability knowledge in the requirements for certification.

We are strongly encouraged that WMH Group is taking a strong lead on sustainability and continue to do so for the fashion industry.

Our Vision

Together we develop as a company that provides the best service and continues to be loved by people and companies in the fashion industry

Looking back on 2020, while it was an unprecedentedly uncertain and challenging year for our company, it was also a year in which we were able to appreciate the bonds and warmth of people and strengthen our sense of our mission.

In the midst of hardship, the presence of colleagues and our clients provided sustenance to move forward, and cooperation across corporate boundaries was born as people and companies with similar aspirations and thoughts came together.

It is truly gratifying and irreplaceable to see the entire company working together to achieve our goals and to feel connected to the industry, the community, and the world. Due to the Covid pandemic, our lifestyles have changed rapidly and the environment surrounding the company has also changed dramatically.

We will see more and more digital progress, more people connecting with each other across borders, and more momentum for sustainability.

We are aware that we are supported by society and the environment, and we are determined to continue to grow toward our vision, taking into consideration the significance of our company's existence and our social responsibility. Fashion has the power to bring joy and influence to people and enrich lifestyles.

We want to be a company where people who love fashion and those who seek to enrich people and the society through fashion come together.

Even with small steps, if many people move together, it becomes a big movement.

By communicating, cooperating and constantly improving with our clients that support us, members and partners of our organization as we work together, we aim to create a beautiful fashion industry in a society that we can be very proud of.

At WMH, we will continue to learn and challenge and to realize a better society with all those involved.

Sustainability Report

————— *2021* —————

Passion in Fashion in Action
WORLD MODE HOLDINGS