

A large clothing warehouse with rows of racks and numbered signs. The racks are filled with various clothing items, and the signs are numbered from 16 to 32. A large green graphic element, resembling a stylized 'Q' or a circular arrow, is overlaid on the left side of the image.

2021 RESALE REPORT

THREDUP

FOREWORD

We are in the early stages of a radical transformation in retail. Consumers are prioritizing sustainability, retailers are starting to embrace resale, and policy makers are getting on board with the circular economy. Pollutive industries have the power to transform when technological innovation collides with the motivations of consumers, businesses, and government. We've seen it with electric cars, solar energy, and next, circular fashion. With this year's Resale Report, we hope to shine a light on the positive power of resale, and create a catalyst for further collaboration and action across the industry.

– James Reinhart, thredUP Co Founder & CEO



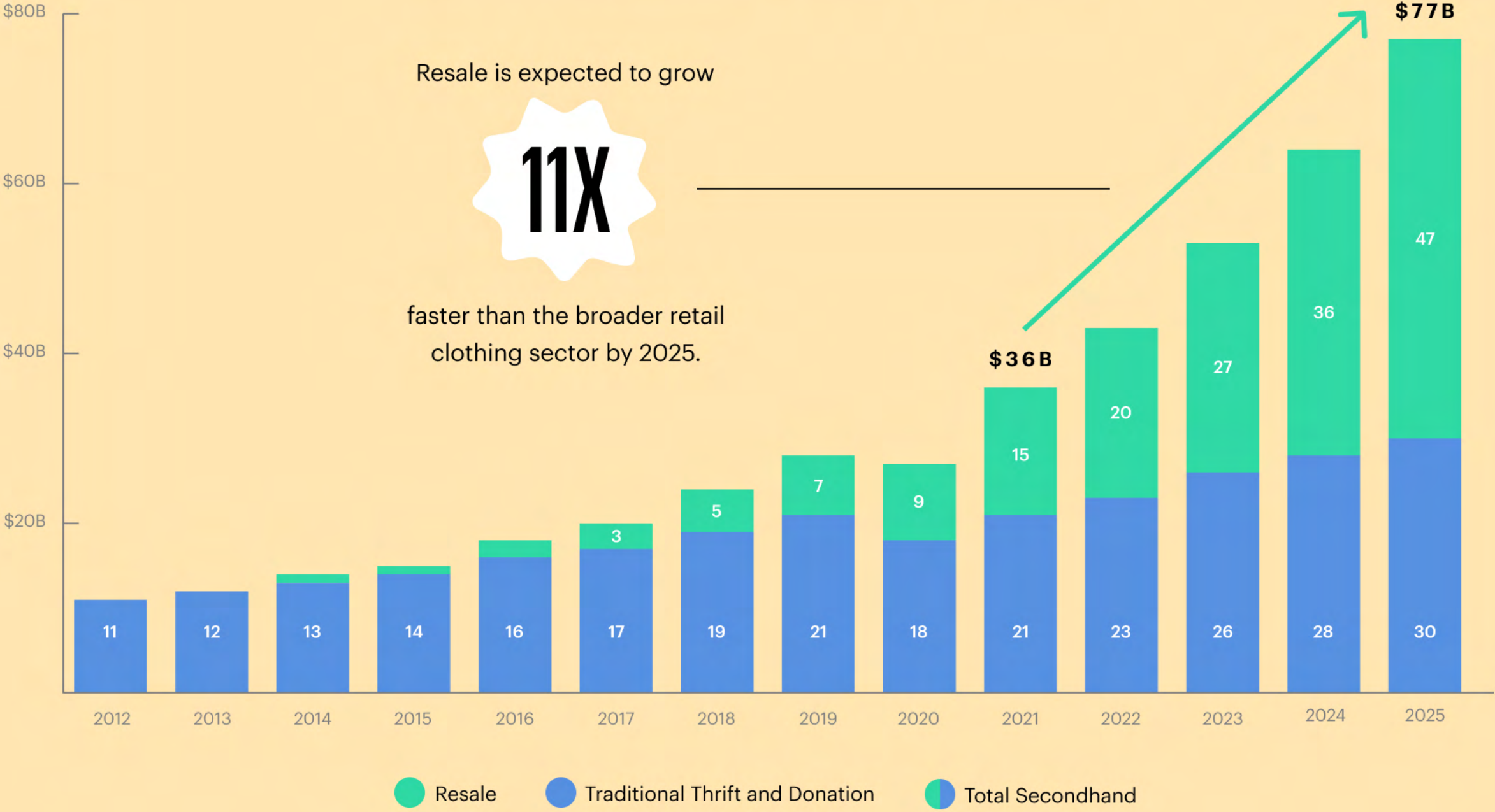
01

RESALE INDUSTRY

SIZE & IMPACT OF RESALE

Secondhand Market Is Projected To Double in the Next 5 Years, Reaching \$77B

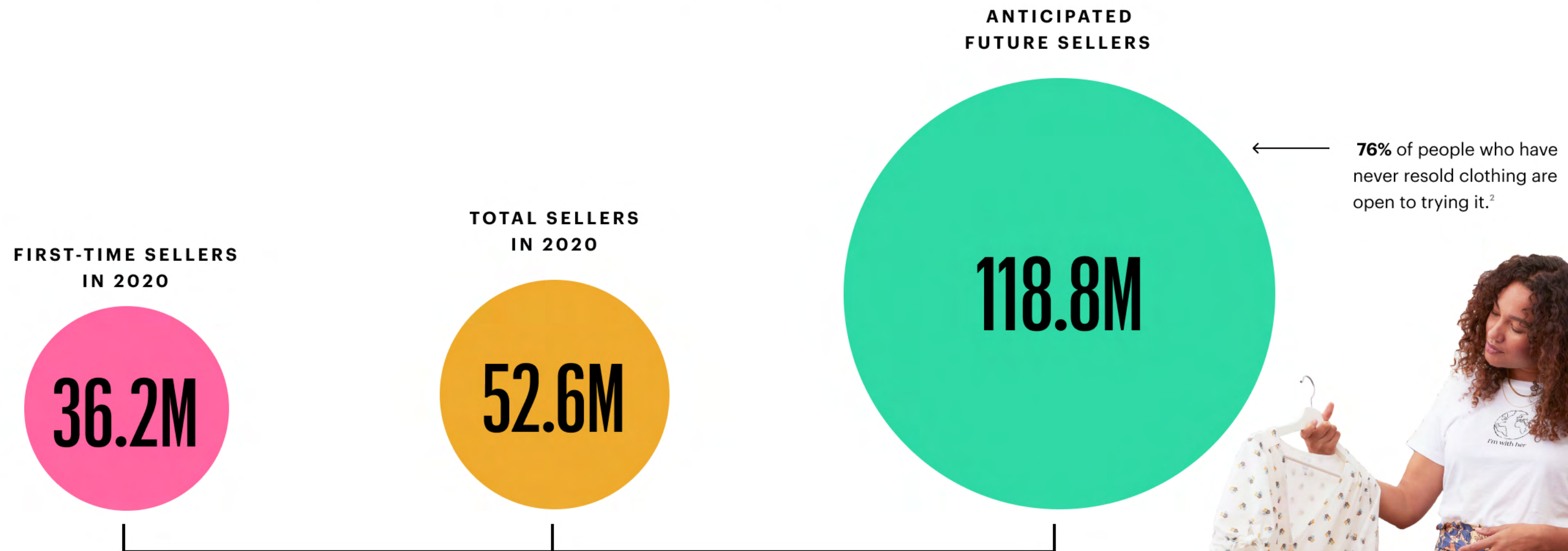
Resale, the sector of secondhand that includes more curated assortments, is driving the growth.



GlobalData 2021 Market Sizing and Growth Estimates

Resale's Projected Growth Is Driven by More Sellers Putting Great Product Into the Market

As it becomes easier to sell clothes online, more consumers are purging their closets.



GlobalData 2021 Resale Consumer Survey



There Is a Massive Supply of Clothing That Could Be Resold

9B

is the estimated number of clothing items that are hardly worn or sitting idle in consumers' closets.²



36B

is the estimated number of clothing items thrown away in the US each year. **95%** of which could be recycled or reused.^{3 *}

1.1B

is the number of Clean Out Kits that could be filled in one year with the reusable clothing items that are currently being thrown away.*

*Assumes one item weighs 1/2 pound and an average thredUP Clean Out Kit contains 15 pounds of clothing.

Thriftling Became a New Pandemic Habit That Is Expected To Stick

While consumers bought less apparel overall throughout the pandemic, many turned to thrifting, picking up a habit they plan to keep.

33M

consumers bought secondhand apparel for the **first time in 2020**.²

76%

of those first-time buyers plan to **increase their spend** on secondhand in the next 5 years.²

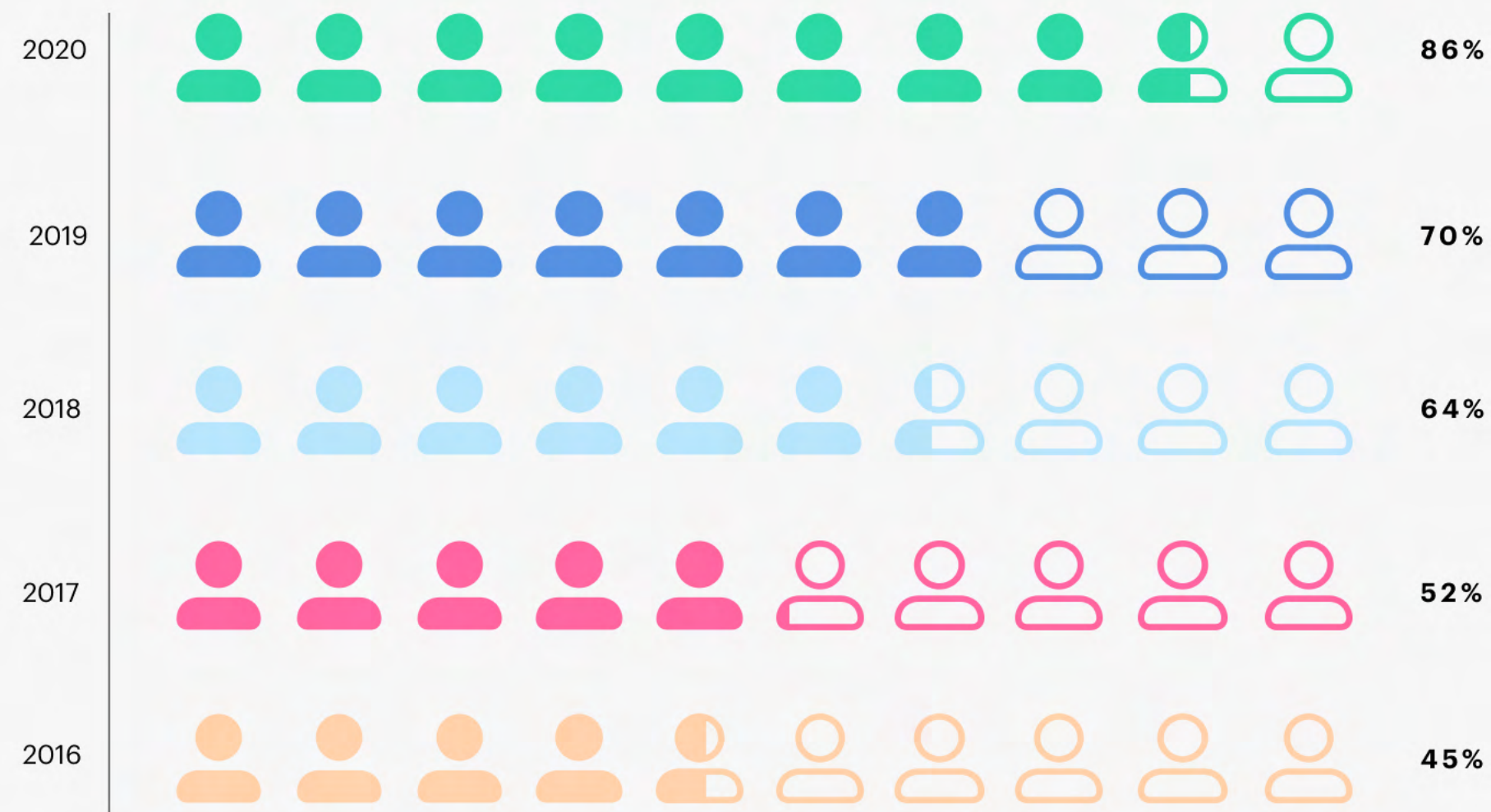
5.4X

is the amount resale is projected to grow over the next 5 years, **accelerating post-Covid**.¹



The Demand for Secondhand Is Just Getting Started

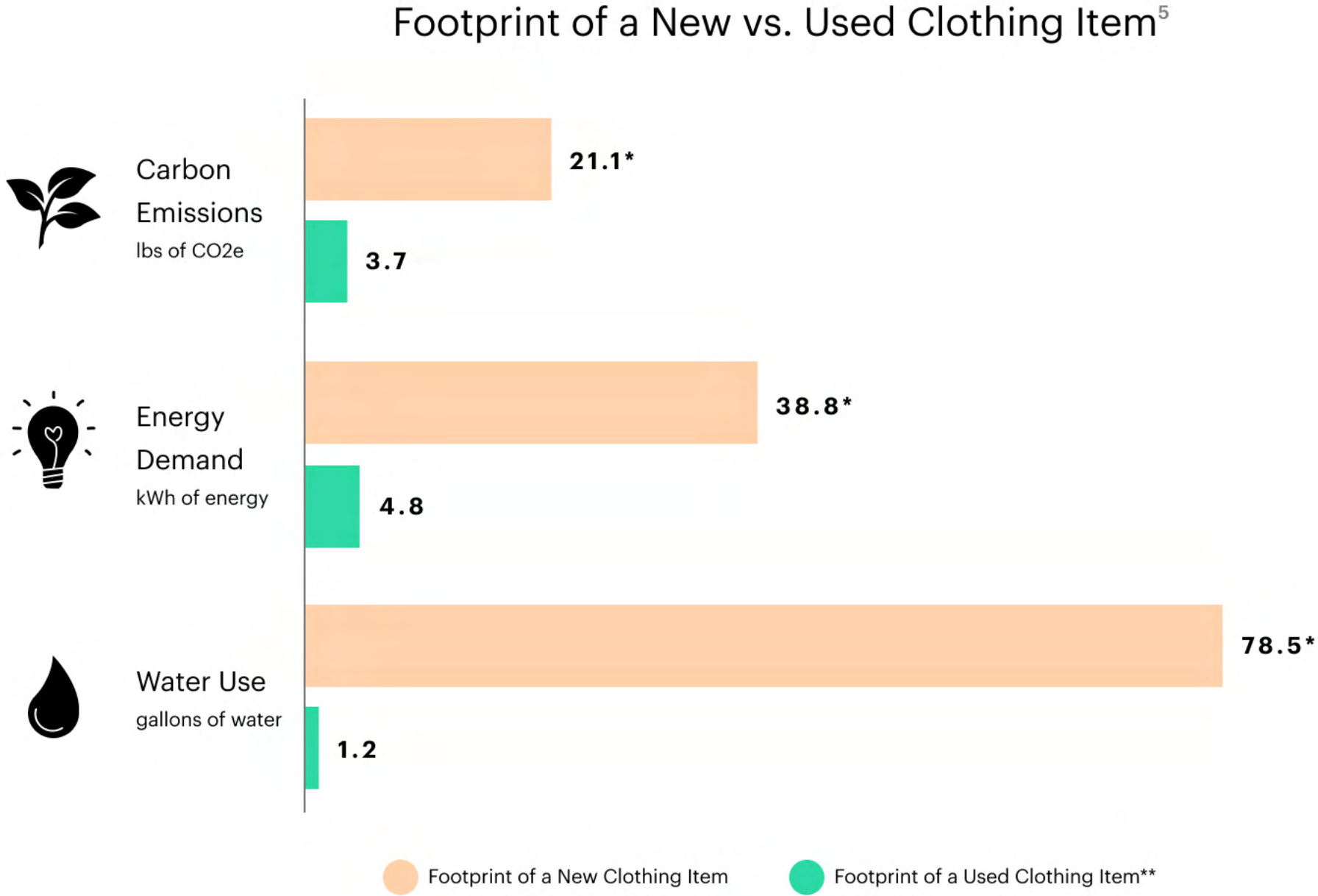
In 2020, **223M consumers** say they have or are open to shopping secondhand products.²



PERCENT OF CONSUMERS OVER 18 WHO HAVE BOUGHT OR ARE OPEN TO BUYING SECONDHAND PRODUCTS IN THE FUTURE²

Note: 2020 data includes responses from men & women. 2019 and prior data only includes responses from women. The 2020 response rate for women only was 87%.

The Environmental Impact of Buying Used Instead of New Is Powerful



⁵Assumes 30% of lifetime is complete when reused to calculate relative savings.
^{**}Assumes used item is bought on thredUP via data from GreenStory Inc.,
 "Comparative Life Cycle Assessment (LCA) of secondhand vs new clothing (2019)."

Buying used instead of new displaces the CO2e emitted from harmful new clothing production.

An item purchased used vs. new displaces

17.4

lbs of CO2 emissions.

Reducing its carbon footprint by

82%

Resale Is Reducing Fashion's Impact on Our Wallets and the Planet

Resale keeps garments out of landfill, displaces carbon needed to make new clothes, and saves consumers money.

The average thrifter bought

~7 ITEMS

secondhand in the past year that they would normally buy new.²

Secondhand displaced

542,350,138

items of apparel that otherwise would have been purchased new in 2020.²



Resale has a positive impact on fashion, one of the world's most pollutive industries.

IN THE PAST DECADE:



6.65B items

of apparel have been recirculated via the secondhand market.¹



\$390B

amount consumers saved by buying secondhand.⁴



116B lbs of CO2

displaced by buying used instead of new apparel.⁵



Circular business models, including re-commerce, could enable the industry to cut around 143 million tonnes (~315B lbs) of GHG emissions in 2030. To align with the 1.5-degree pathway [targeted by the Paris Climate Change Agreement], by 2030 we need to live in a world in which one in five garments are traded through circular business models.

"Fashion on Climate," McKinsey & Company and Global Fashion Agenda, 2020

02

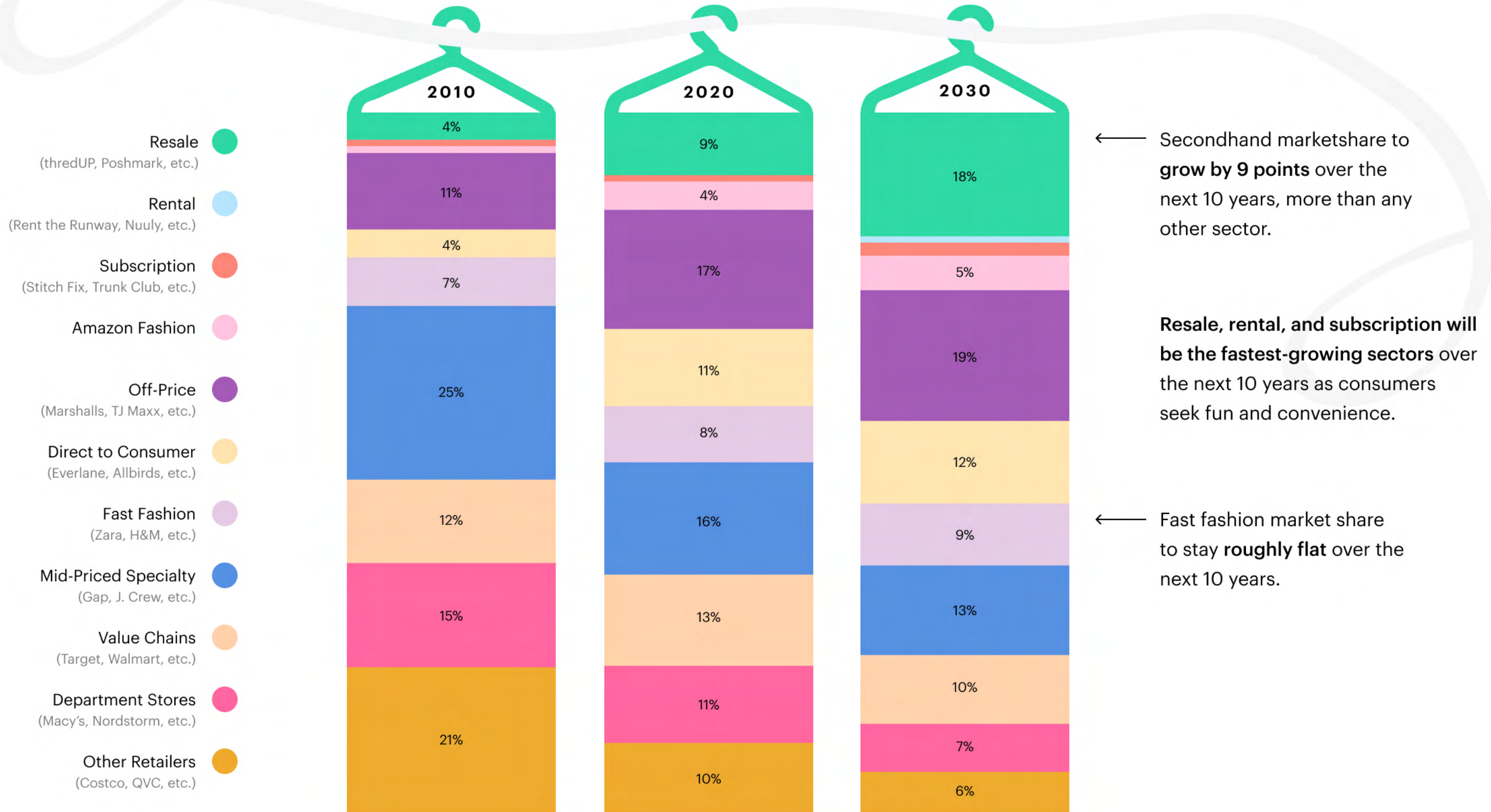
RESALE INDUSTRY

SECONDHAND IS TRANSFORMING CONSUMERS' CLOSETS



Used Clothes Continue To Gain Closet Share

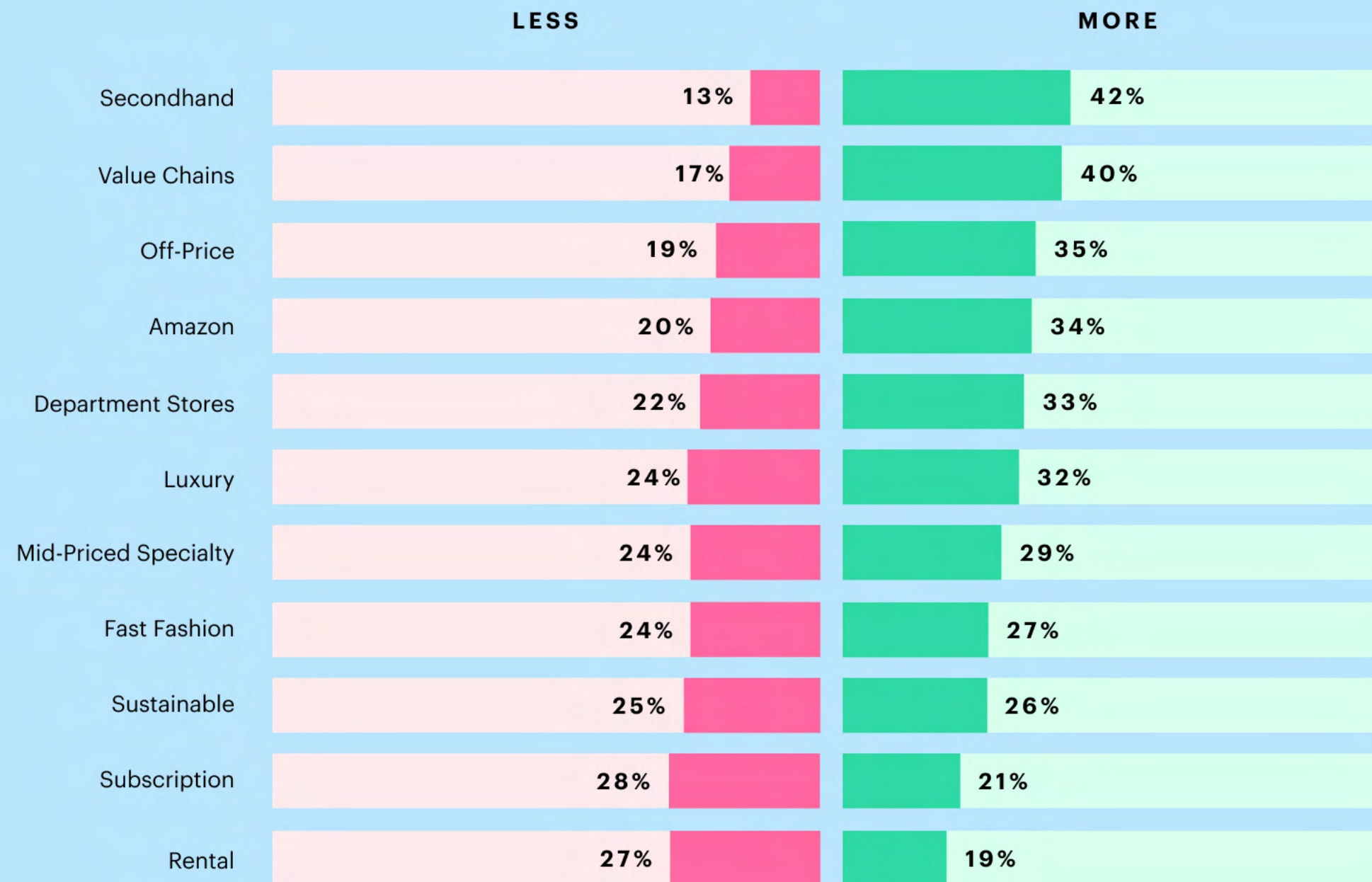
Welcome to the closet of the future.



GlobalData Market Sizing and Growth Estimates

Shoppers Plan To Shift More Spend to Secondhand Than Any Other Category

Where shoppers plan to spend more or less money in the next 5 years.²



← **42%** of all consumers and **53%** of millennials and Gen Z say they'll spend more on secondhand in the next 5 years.

← **Over 2X** as many people say they plan to spend more at value chains in the next 5 years compared to last year.

← While demand for secondhand is surging, demand for new clothing marketed as "sustainable" has **declined 8 spots**.



Society places value on having the latest styles over sustainability. One day, I looked at my closet and realized it was filled with disposable pieces I didn't love, so I decided to change the way I shop. My solution was to start buying quality secondhand pieces over fast fashion. It turns out great style doesn't have to cost a pretty penny.

Jasmine Fox-Suliaman, Editor at WhoWhatWear

Fast Fashion Shoppers Switch to Thrift

Nearly

2 IN 5

thrifters say they are replacing fast fashion purchases with secondhand clothing.²

45%

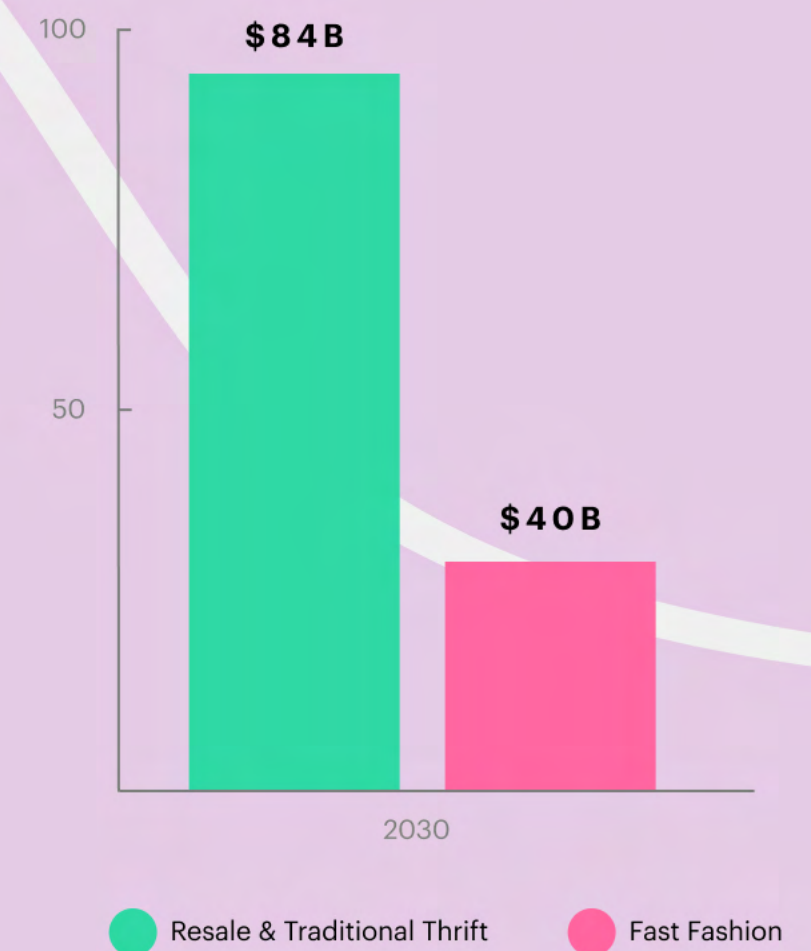
of millennials and Gen Z say they refuse to buy from non-sustainable brands and retailers.²

1 IN 4

consumers say they care less about wearing the latest trends than before the pandemic.²



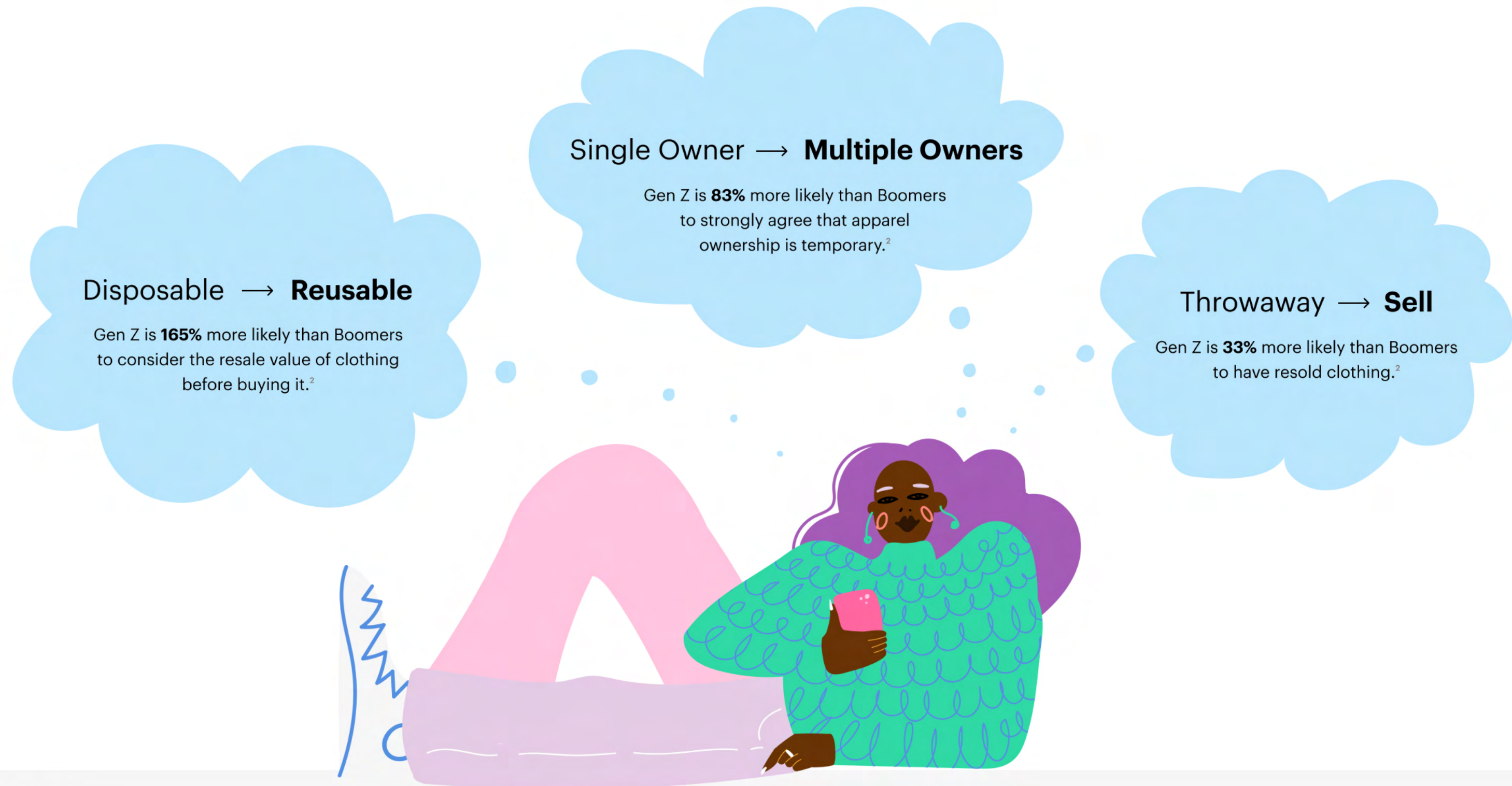
Secondhand expected to be **2X bigger** than fast fashion by 2030.¹



2020 GlobalData Market Sizing Estimates

Gen Z Has a Totally New Mindset Around Clothing Consumption

The next generation of shoppers have more circular fashion habits.



03

RESALE INDUSTRY

WHO'S THRIFTING & WHY



Consumers' Shopping Motivations Changed in 2020, Driving New Demand for Thrift

Meet the Post-Pandemic Consumer



Sustainability matters to them more than ever.

1 in 3 consumers care **more** about wearing sustainable apparel than before the pandemic.²



Saving money on clothes is now the top priority.

1 in 2 consumers care **more** about seeking value than before the pandemic.²



They prefer resellable garments over disposable ones.

43% of consumers care **more** about clothing **quality** than before the pandemic.²



They have a newfound disdain for waste.

51% of consumers are **more** opposed to eco waste and **60%** are **more** opposed to wasting money than before the pandemic.²

Resale Delivers the Thrill of the Find That Shoppers Love

Thrifters are motivated by sustainability, but it's the unique experience of thrifting they crave the most.



Value

Nearly **3 in 4** thrifters prefer retailers that help them save money.²



Freshness

Nearly **1 in 2** thrifters prefer retailers that offer fresh new arrivals every time they visit.²



Fun

Nearly **1 in 2** thrifters prefer brands that offer the excitement of not knowing what they'll find.²

The Thrill of the Find



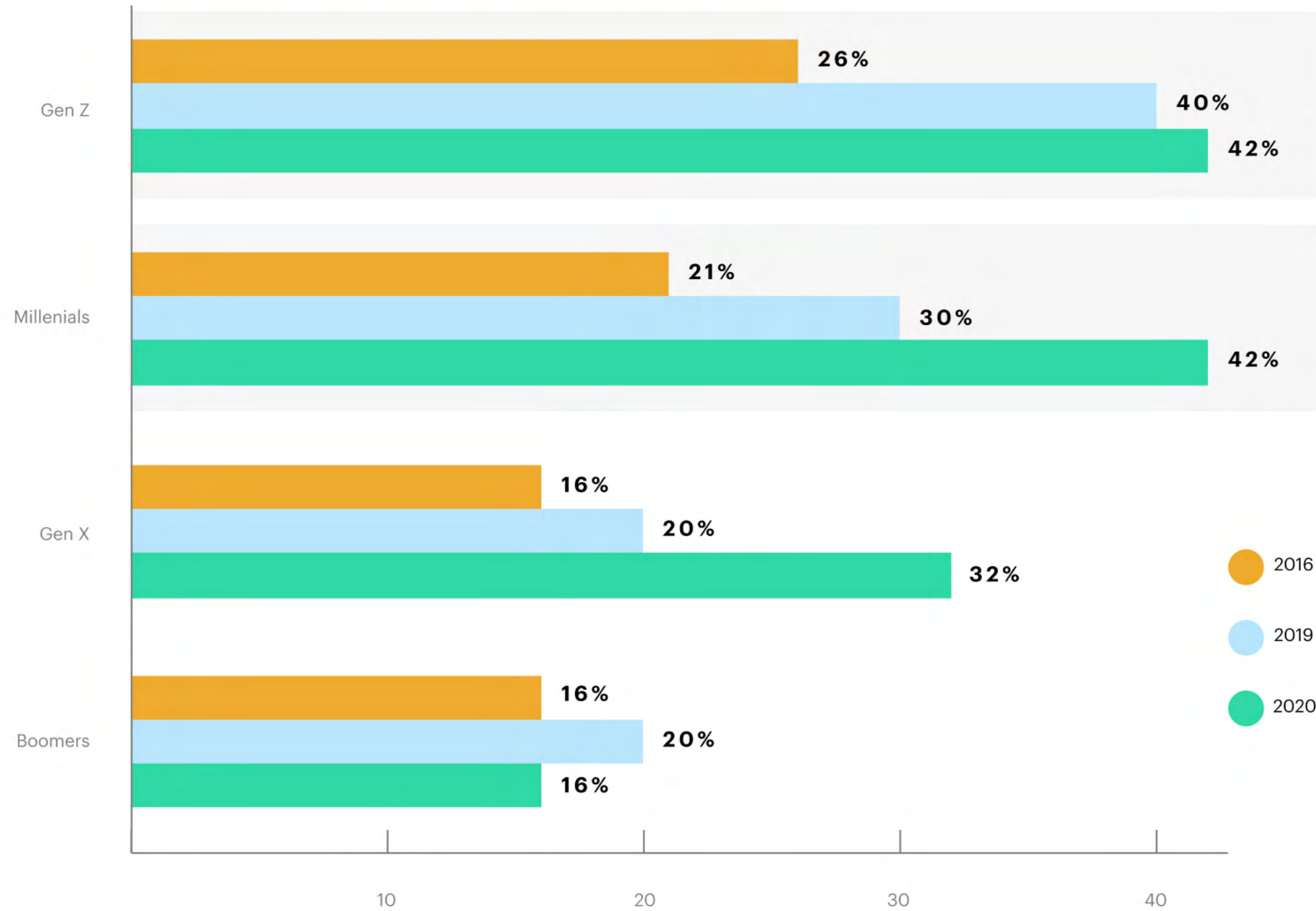


For Gen Z, thrifting isn't just a way to shop — it's a lifestyle. Thrifting feels emblematic of the way Gen Z strays from the beaten path. They want to be independent. They want to save the planet. They want to save money — and make money. And they want to do it all in a cute outfit that costs less than \$10. Thrifting makes that possible.

Eliza Huber, Fashion Market Writer at Refinery29

The Younger Generation Is Powering the Rise of Secondhand

% of consumers who are shopping secondhand apparel.



Over **40%** of millennials and Gen Z shoppers have shopped secondhand apparel, shoes, or accessories in the **past 12 months.**²

PERCENT OF EACH AGE GROUP THAT HAS PURCHASED SECONDHAND APPAREL, FOOTWEAR, OR ACCESSORIES²

Note: 2020 data includes responses from men & women. 2019 and prior data only includes responses from women. The 2020 responses for women only are Gen Z: 46%, Millennials: 46%, Gen X: 38%, Boomers: 20%.

Moms Are Most Impacted Financially by Post-Pandemic Clothing Costs

The cost of “back to normal” for moms of kids under 16.

They are planning to spend

53%

more money on new clothes than the average consumer once the pandemic is over.²



They are **114%** more likely to spend on back-to-school clothes.²



They are **47%** more likely to spend on back-to-work clothes.²



They are **32%** more likely to spend on clothes for date nights.²



Moms are turning to thrift to ease the burden of clothing costs.

1 IN 2

moms with young kids plan to spend MORE on secondhand in the next 5 years.²

That’s a bigger shift to thrift than any other group.

Not All Sustainable Fashion Is Equal in Modern Consumers' Eyes

While the demand for secondhand is surging, demand for new clothing marketed as “sustainable” is declining. This may be due to accessibility combined with consumer concerns about greenwashing and transparency.



Secondhand Clothing

42% of consumers plan to spend more in the next 5 years (more than any other retail category).²

New Clothing Marketed as “Sustainable”

26% of consumers plan to spend more in the next 5 years (40% fewer consumers than last year).²

Sustainable
Reduces environmental impact of traditional fashion.

YES

YES

Inclusive
Styles for every wallet and sizes for every body.

YES

SOMETIMES

Transparent
Clarity around how clothes are made and who makes them.

YES

SOMETIMES

04

RESALE INDUSTRY

RESALE'S ROLE IN THE FUTURE OF FASHION

Retailers' Adoption of Resale Is Poised To Accelerate

60%

of retailers have or are open to offering secondhand to their customers.⁶

THAT'S

23.8K

retailers interested in offering secondhand.⁶



PERCENT OF RETAIL EXECUTIVES WHO SAY THEIR COMPANY HAS OR IS OPEN TO OFFERING RESALE OPTIONS



If every retailer sold **1M items used** instead of new, it would displace:

414.8B lbs of CO2e⁵



That's the equivalent of driving

380B miles⁵



Resale as an Emerging Growth Channel for Retail

Many apparel retail executives see resale as part of their omnichannel strategy.



Consumers Say They Will Engage More With Brands That Offer Resale

Retailers are embracing resale to satisfy consumer demand.

43%

of consumers say they are more likely to shop with a brand that lets them trade in old clothes for brand credit.²

34%

of consumers say they are more likely to shop with a brand that offers secondhand clothing alongside new.²

32%

of consumers say they are more likely to view a brand as high quality if the brand sells both secondhand and new clothes.²



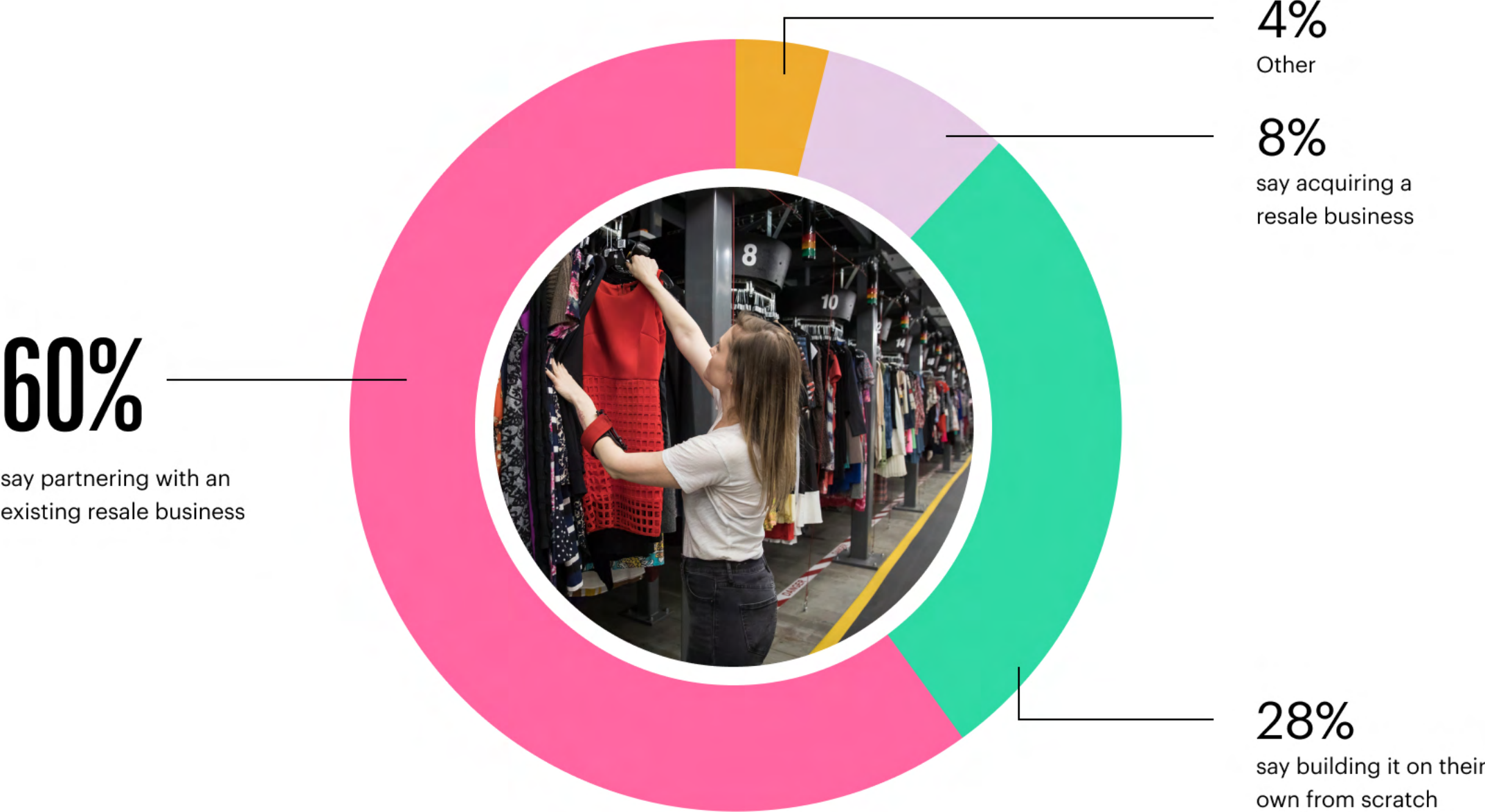
TOP 5 REASONS

Retail Execs Want to Get Into Resale⁶

- 1 To be more sustainable
- 2 To acquire more customers
- 3 To attract young consumers
- 4 To drive revenue
- 5 To stay relevant

How Retailers Plan To Get Into Resale

What retail execs say is the best approach to getting into resale.⁶



The **#1** reason retailers want to partner with a proven resale business.⁶

They are not set up to handle resale logistics.



Retailers Are Barely Scratching the Surface of Resale's Potential Impact

Secondhand apparel makes up < 1% of the total apparel volume sold by retailers who have launched resale shops.^{1*}



*Analysis includes select list of retailers who have publicly launched a resale shop including: Patagonia, REI, Lululemon, Levi's, Eileen Fisher, Arc'teryx, Taylor Stitch, The North Face, and Tommy Hilfiger.



The secondhand market is booming, and brands are piling in. But selling pre-worn clothes online is challenging. Every item must be sorted, priced, photographed and described in a listing. Resellers have giant warehouses where that work is automated. With resale far outpacing the growth of the overall fashion sector, brands must consider their options.

Cathaleen Chen, Correspondent at The Business of Fashion

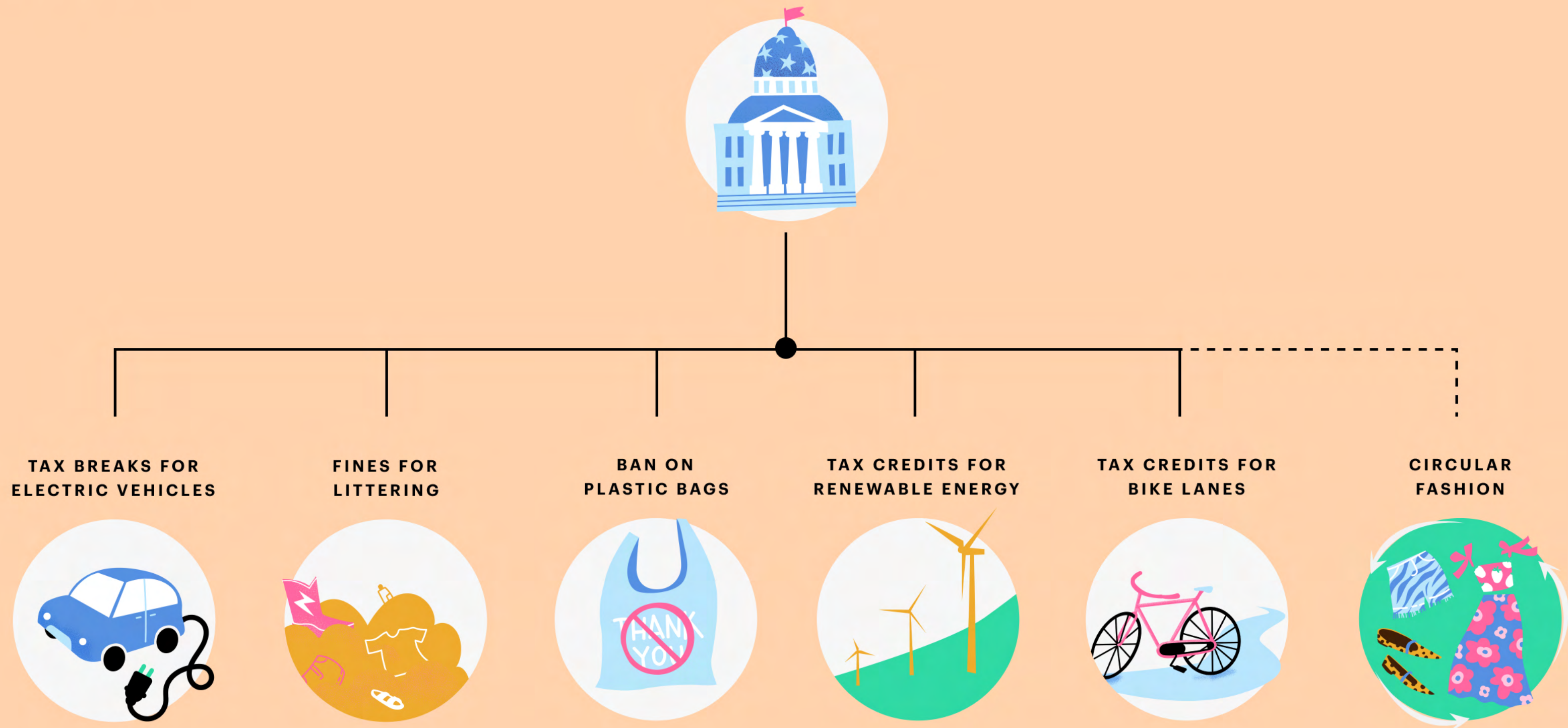
05

RESALE INDUSTRY

RESALE'S IMPACT IS GREATER WITH GOVERNMENT SUPPORT

Government Has Played an Integral Role in Curbing the World's Most Pollutive Industries

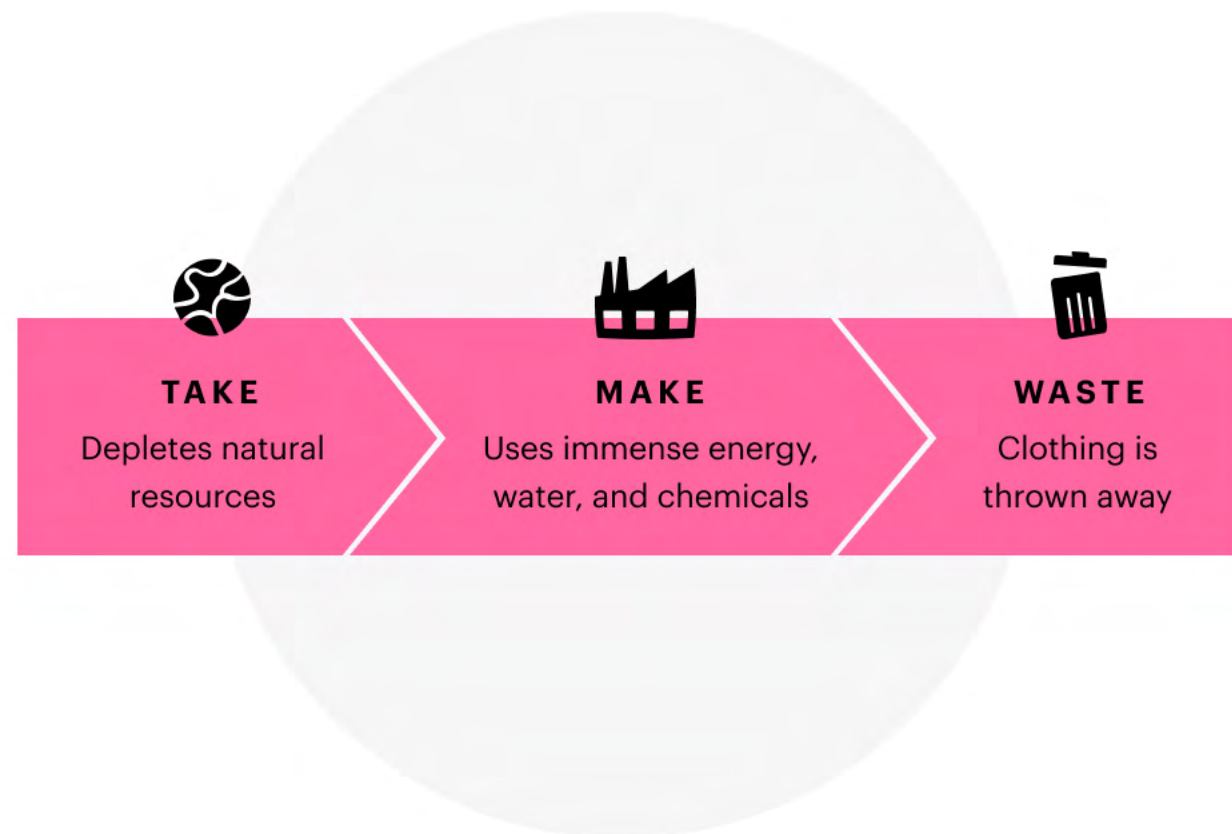
Fashion could be next.



Fashion Must Get Circular To Reach Government's Climate Goals

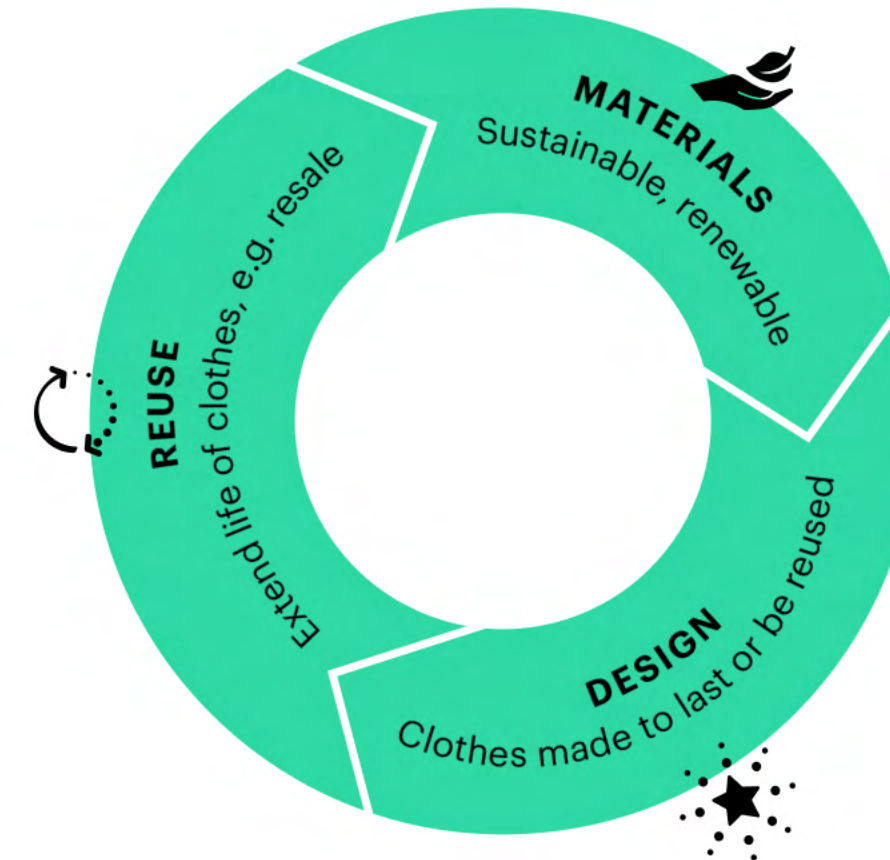
Fashion currently runs on a harmful linear model, accounting for an estimated **10% of global greenhouse gas** (GHG) emissions. The future of fashion must be circular.⁷

CURRENT Linear Fashion



Around 70% of fashion's GHG emissions come from upstream activities, such as fabric production. Throwaway fashion culture perpetuates the problem, with the average consumer discarding clothes after only 7 or 8 wears.⁸

FUTURE Circular Fashion



Extending the life of clothes diverts textiles from landfills and displaces GHG used in garment production. Buying an item secondhand replaces the need to manufacture a new item, reducing its carbon footprint by 82%.⁵

Policy Incentives Could Drive Meaningful Adoption of Circular Fashion

Retailers & Brands

58%

of retail executives say they'd be more likely to test resale if there were financial incentives for doing so.⁵



Consumers

44%

think the government should help promote sustainable fashion.²

47%

say they'd be more inclined to purchase secondhand clothing if there was no sales tax or they received a tax credit.²



We do not have the leisure of time to fix fashion's sustainability problem, and it will not be solved by consumers or companies alone. This leaves us with only one solution: government. Law and policy is the only way we solve this problem, stop the race to the bottom and set a level playing field.

Maxine Bédat, Executive Director of the New Standard Institute

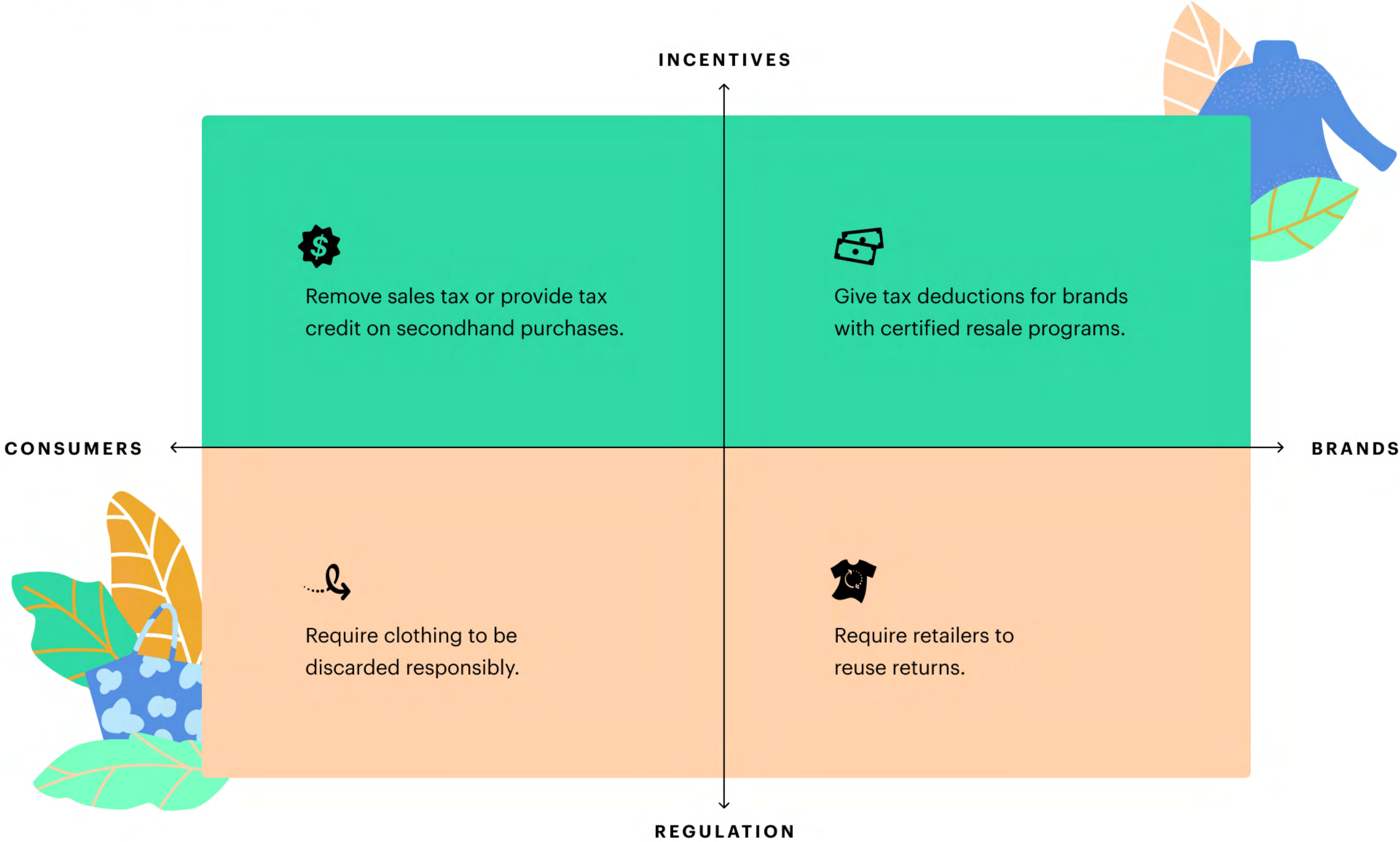


When governments tackle the climate crisis, they talk about shifting to renewable energy and electric vehicles, yet the fashion industry emits 10% of the world's carbon. [Our government needs to pursue] regulation and persuade Congress to pass laws that curb the industry's negative impact on the environment and workers.

Elizabeth Segran, Writer at Fast Company

Fashion Could Be the Next Frontier for Sustainability Policymakers

Some examples of how government can enable resale to reach its environmental impact potential.



06

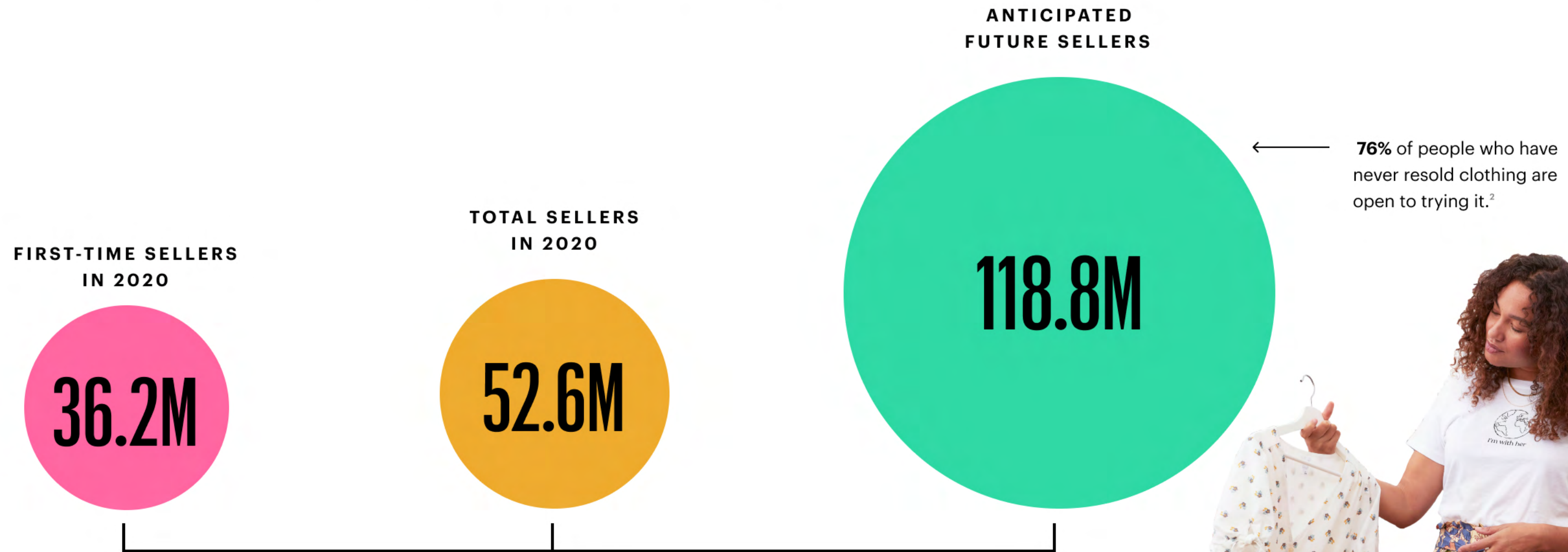
RESALE INDUSTRY

PANDEMIC RECOVERY



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THREDUP IMPACT

WE ARE A FORCE FOR GOOD.

At thredUP, we're creating positive change by transforming the way we shop and consume.

When we set out to modernize thrifting back in 2009, we knew there was value in all the clothing that was locked up in consumers' closets. But what we didn't fully appreciate was how that insight would have such a positive impact on the environment.

More than 10 years later, thredUP's platform is not only enabling consumers to buy and sell clothing through our marketplace, but we're now the vanguard of a movement to help a new generation of consumers and the broader fashion industry embrace a more sustainable, circular future.

Resale is becoming an ecosystem, and as the industry evolves, different leaders will emerge. This is the story of how thredUP is transforming resale and driving impact for all our stakeholders.

We imagine a more circular future for fashion.

The fashion industry's linear "take-make-dispose" model has led to one of the most environmentally damaging sectors in the global economy. Fashion accounts for 10% of global greenhouse gas (GHG) emissions and is on track to consume 26% of the world's carbon budget by 2050. We must design clothes for longevity and keep them in use for as long as possible. Resale has the power to reduce fashion's accelerating impact on the planet, moving us one step closer to circularity.^{7 9}

CURRENT

Linear Fashion

New clothing production emits GHG.

Around 70% of fashion's GHG emissions come from upstream activities such as new clothing production. Fashion produced 2.1B metric tons of GHG in 2018.⁸

Disposable fashion perpetuates the problem.

The average consumer discards clothes after only 7 or 8 wears, creating unnecessary demand. Clothing production has doubled in the past 15 years.⁸

FUTURE

Circular Fashion

Extending the life of clothes displaces GHG.

Circular business models reduce fashion's impact. For example, buying an item secondhand displaces the need to manufacture a new item, where the majority of GHG emissions occur.

Keeping clothing in use matters.

18.1 billion pounds of apparel is thrown away annually. 95% of which could be reused or recycled. Circular models, like resale, empower consumers to keep clothing in use and out of landfill.³

We are proud members of the Ellen MacArthur Foundation, an organization which supports the growth of the circular economy by mobilizing global solutions at scale with a diverse set of stakeholders. We additionally support sustainable fashion efforts with the thredUP Circular Fashion Fund, our non-profit organization focused on supporting businesses and individuals in the fashion industry who are working toward a more sustainable future.



01

THREDUP IMPACT: ENVIRONMENTAL

THREDUP'S IMPACT AT A GLANCE



We power resale at scale, driving meaningful impact for people and the planet.

We give new life to millions of used clothes, offsetting the environmental and financial cost of fashion. The planet is one of our most important stakeholders, and combating disposable fashion's harmful effects is one of our greatest goals.

CLOTHING BELONGS IN CLOSETS, NOT LANDFILLS.

125,000,000

unique items processed to date.⁴



1.1B LBS

of carbon emissions displaced.⁵



\$3.9B

off estimated retail price saved by consumers.⁴



21

brands and retailers leverage our platform to power resale.⁴



111K

is the number of unique items we can process every day.⁴



6M

items can fit in our distribution centers.⁴



\$550K +

donated to charities in 2020 through our Clean Out program and our Future Fund.⁴

02

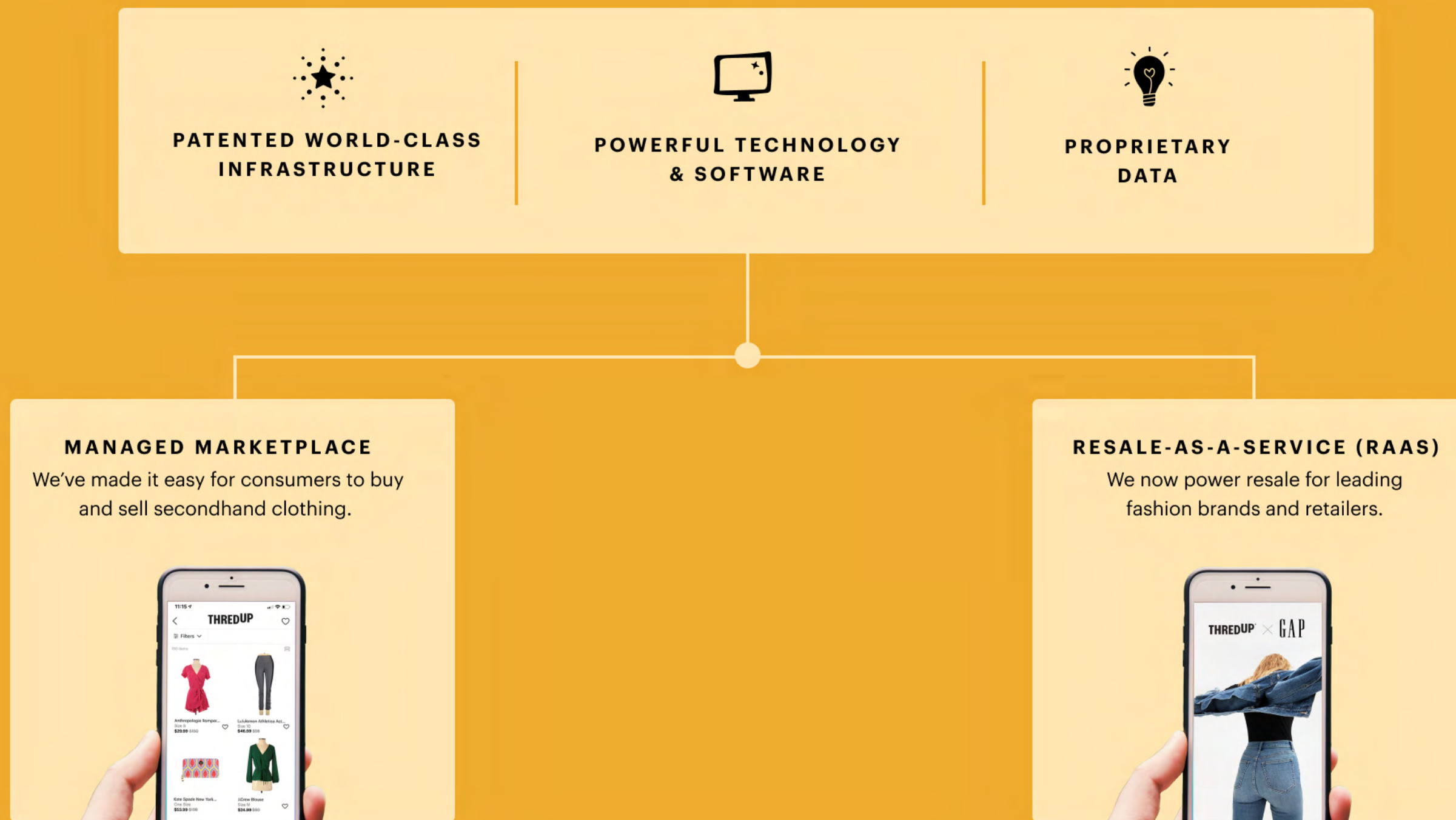
THREDUP IMPACT: ENVIRONMENTAL

WE RECIRCULATE CLOTHES AT SCALE

We created a smarter way to shop and sell.

We've designed a modern resale experience on one of the largest resale platforms for women's and kids' apparel. Our operating platform has enabled us to build a compelling managed marketplace and also to deliver resale experiences to our brand and retail clients.

thredUP's Operating System



We help our thrifters look great, save time and money, and lower their carbon footprints.

Find out how our technology moves thrifted clothes from one closet to the next.



Convenient Clean Out Kit

It starts with someone using our Clean Out Kit to send their items to one of our distribution centers.



Quality Inspection

Every item goes through a 12-point inspection to ensure it's fit for resale. Rejected items are diverted for reuse or recycling.



Itemization

Our proprietary algorithm, honed over a decade of clothing processing and selling, decides whether to list or reject the item.



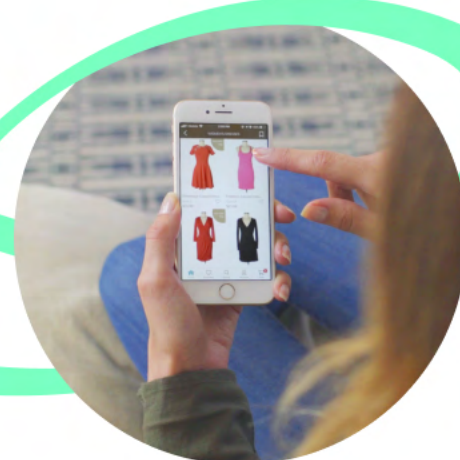
Price Analysis

Machine-learning algorithms perform an analysis to determine the optimal listing price.



Storage

Our technology-driven storage and fulfillment make a highly complex process simple.



Listing

Those same algorithms also help us identify likely buyers when the item is listed for resale.

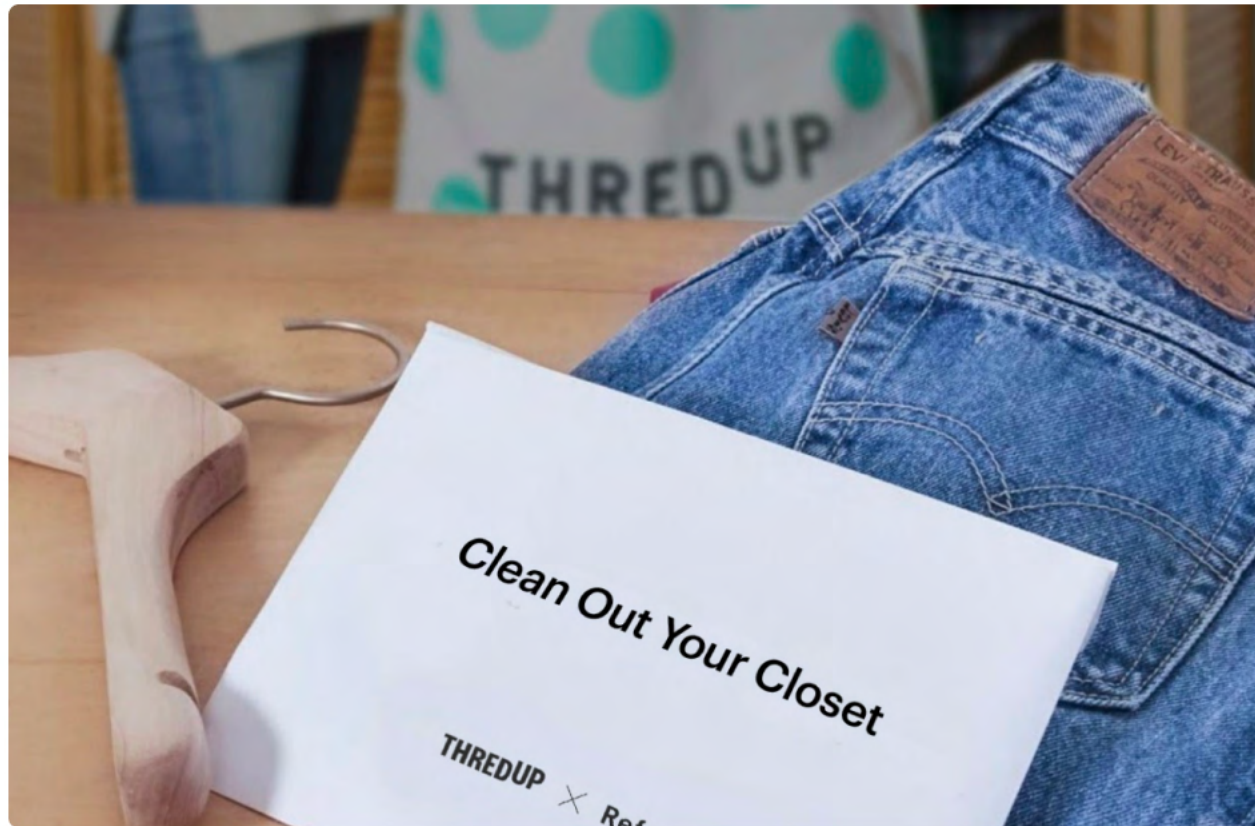


Thrifted!

The item is quickly purchased by a buyer and gets one final quality check before it's shipped out to its new owner.

We power resale for some of the world's leading fashion brands and retailers.

We offer simple, turn-key solutions that can be fully customized to meet the diverse needs of our RaaS clients. These initiatives support our mission to promote circularity and sustainability.



Clean Out Programs

We enable brands such as Athleta and Reformation to distribute physical or digital Clean Out Kits to their customers. When those customers return the kits to thredUP, they earn store credit (plus a bonus payout!) at the brand.



Resale Shops

We build and manage resale shops for brands such as Madewell, creating an endless supply of secondhand product for their customers. We imagine a future where every brand has a dedicated resale shop side-by-side with their new clothing.

We believe our impact can be amplified when we join forces with the broader fashion industry.

BANANA
REPUBLIC

ATHLETA

RENT THE RUNWAY

CHRISTY DAWN

GAP

M.M. LAFLEUR

Abercrombie
& Fitch

HOLLISTER

AMOUR VERT

ebay

CUYANA

Walmart

Reformation

Vera Bradley

Madewell

Our RaaS platform unites brands and retailers in service of a circular future for fashion.



1.73M listed items

recirculated through our RaaS program and diverted from landfill.⁴



24.7M lbs of CO2e displaced

is the equivalent of taking 868K cars off the road for a day.⁵



2.19M

is the total number of Clean Out Kits requested from our RaaS clients.⁴

03

THREDUP IMPACT: ENVIRONMENTAL

**WE EDUCATE THE WORLD
ABOUT FASHION WASTE**

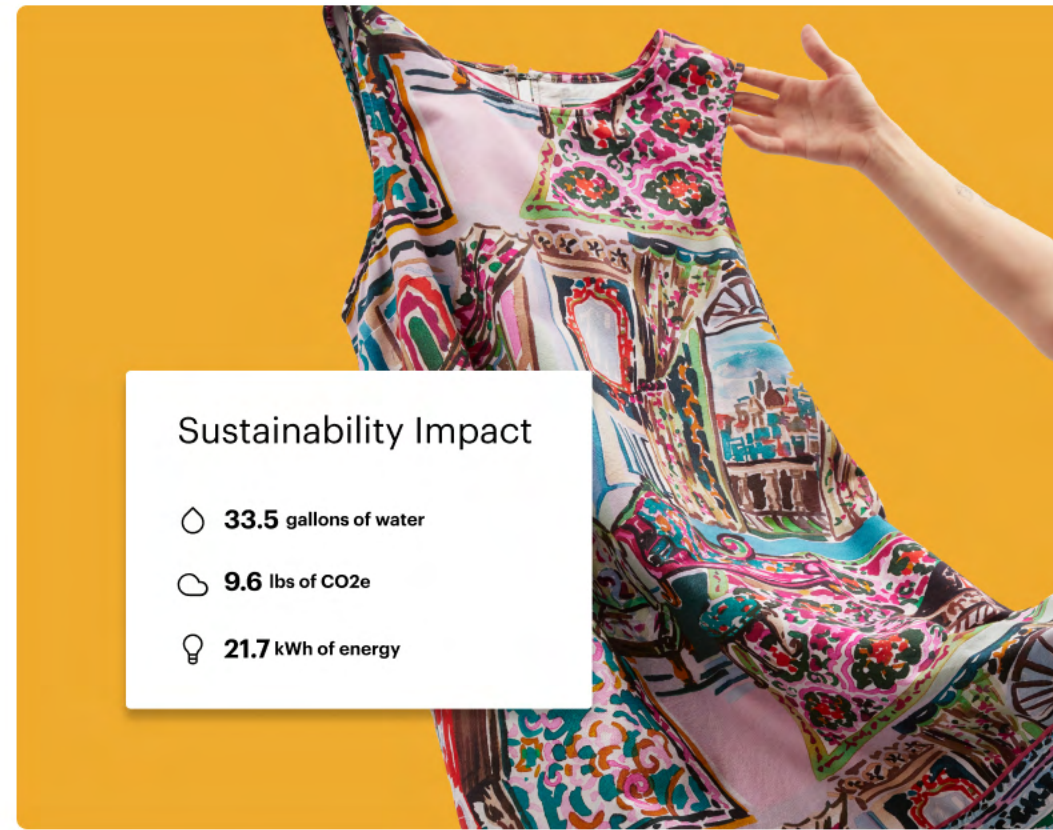


We've made it our job to bring awareness to the fashion waste crisis.



Fashion Footprint Calculator

We created a first-of-its-kind carbon calculator to help consumers understand how their fashion habits contribute to climate change, and how small actions—like buying secondhand or washing clothes in cold water—can meaningfully lessen that impact.



Sustainability Stats

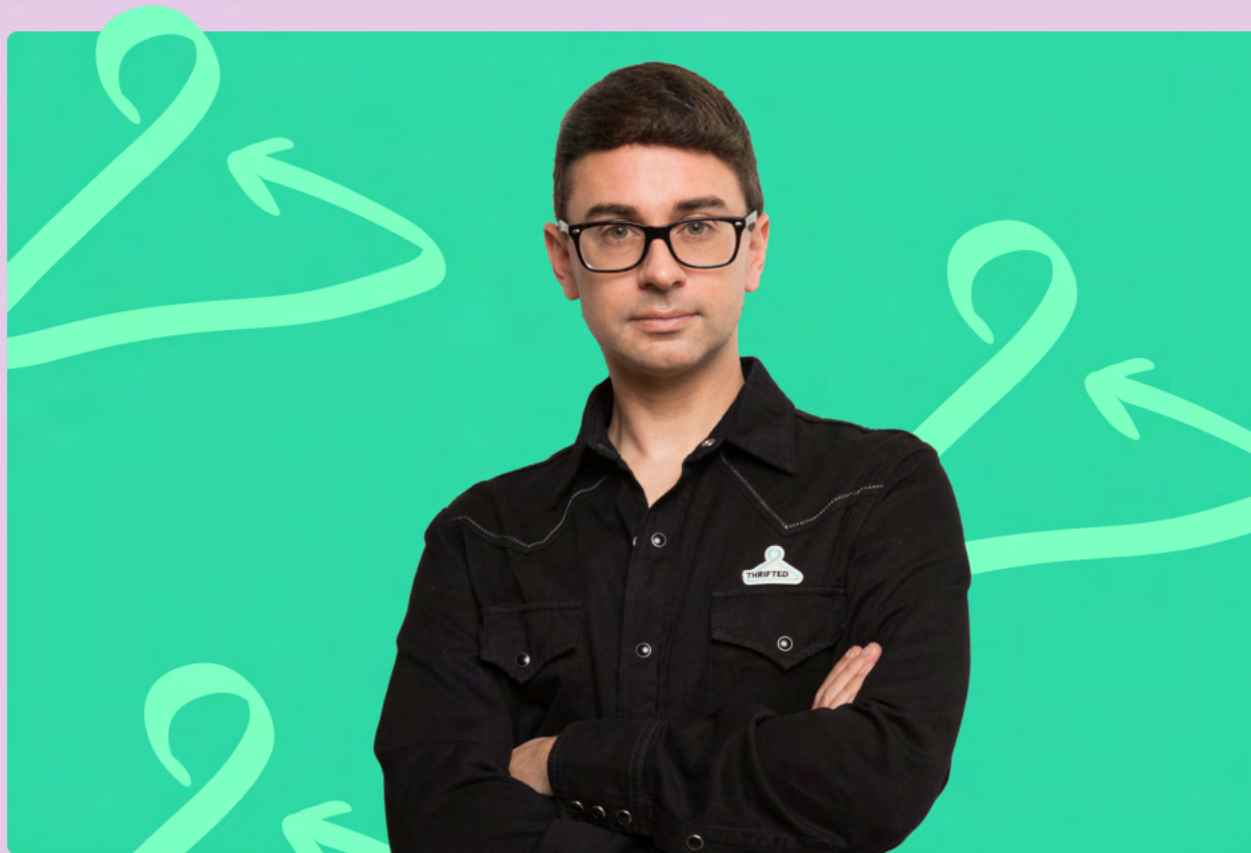
We added the eco impact of choosing used over new on every single women's item on thredUP. We also included notes on which categories are the most carbon and water intensive to produce so our thrifters can make educated purchasing decisions.



Resale Report

Our industry report highlights the rapidly emerging resale economy, which is estimated to grow to \$77 billion by 2025, and includes a fashion waste analysis that shines a light on the global issues of overproduction, disposable fashion culture, and single-use fashion.

We're making thrift the new normal through our buzzy, high-profile collaborations.



Universal Thrift Logo

thredUP and fashion designer Christian Siriano launched the first universal symbol for used clothing, enabling consumers to tell the world they're wearing secondhand clothes. Now every secondhand garment is a chance to inspire others to choose used.



New York Fashion Week

For the very first time, thredUP's clothing hit New York Fashion Week. By boldly putting thrift on the runway, thredUP and Christian Siriano made a statement to the industry: it's time to rethink fashion's emphasis on newness and embrace more circular practices.

We upcycle rejected items to keep them in closets and out of landfill.



Rescues Auction

We partnered with our amazing artist and distribution center employee Autumn Marou to breathe new life into damaged, unsellable items. We auctioned off these custom hand-painted pieces to support Feeding America.



ReFashion

We teamed up with designer Zero Waste Daniel to create Refashion—an upcycled collection made entirely from secondhand garments and fabric scraps.

04

THREDUP IMPACT: ENVIRONMENTAL

**WE ARE COMMITTED TO REDUCING
OUR OPERATIONAL IMPACT**

The business of thrifting is inherently sustainable, but we strive to do more.

While we don't have the harmful impact of a more traditional retail supply chain, we're always looking for ways to measurably reduce our footprint even further. Here are some of the things we're currently doing.



Sustainable Packaging

All our boxes are made from FSC Certified paper, and all our polymailers are made of 100% recycled and recyclable material.* This way, we're able to keep our memorable unboxing experience but with minimal eco impact. We also ensure that the Clean Out bags we receive back at our distribution centers are recycled.



Conserving Resources

In 2019, we stopped the practice of steaming garments, which has saved 665K kWh of electricity. We made the switch to LED lighting in all our distribution centers, and are working on ways to further conserve electricity used by our automated equipment.



Rescues Program

Our goal is to give as many items as possible a second life. One of the ways we do this is through our Rescue Boxes—heavily discounted hauls containing items that need a little TLC.



Responsible Shipping

We practice responsible shipping habits, highly encouraging and incentivizing our customers to bundle all their orders within a 7-day period to save unnecessary packaging materials and transportation resources. Every package saved means less CO2e in the atmosphere!



Secondhand First

We always think secondhand first, from designing and furnishing our HQ in Oakland with used materials and items to outfitting our newest distribution center with secondhand equipment from other warehouses.



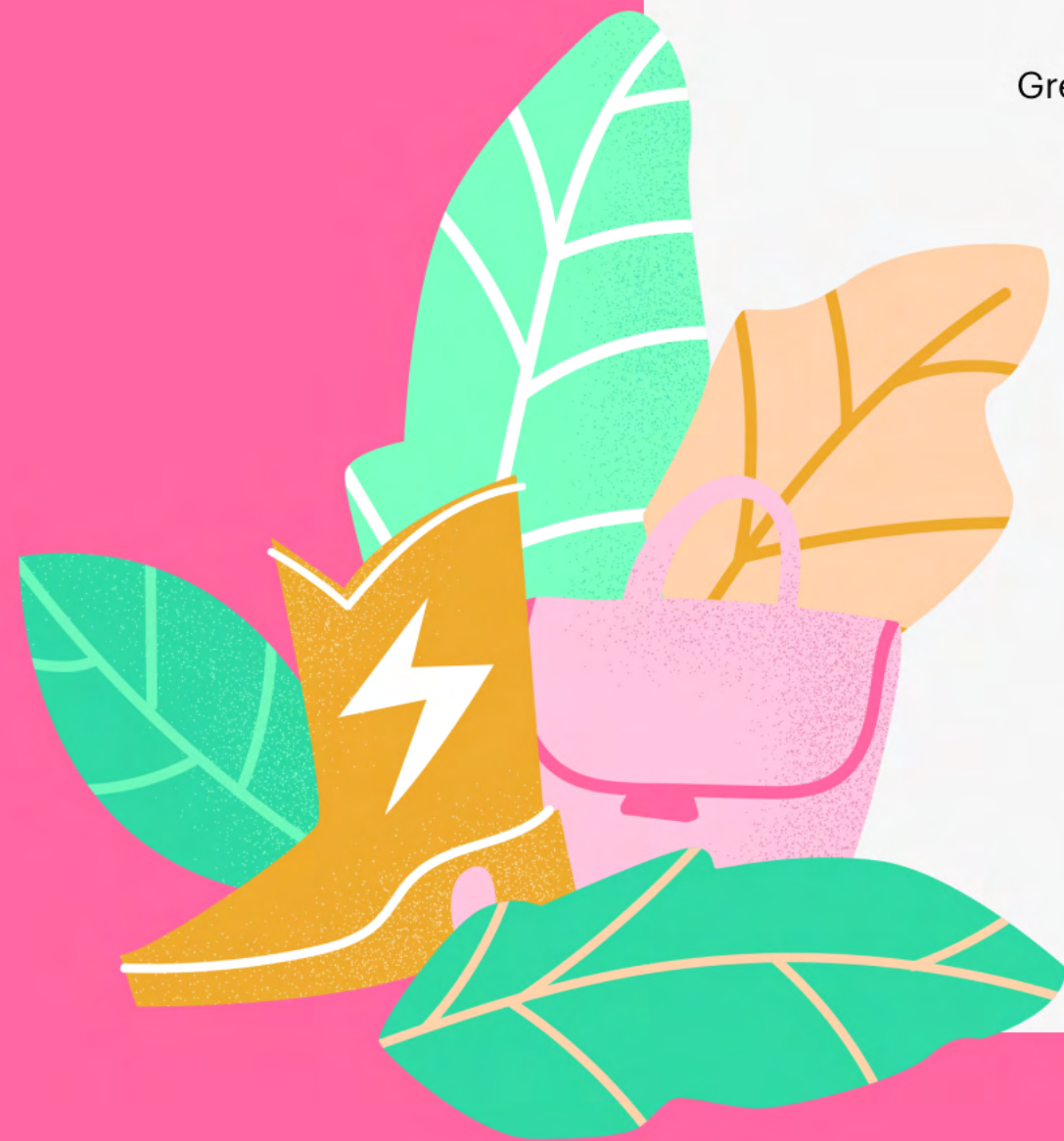
Aftermarket

Items that don't qualify for listing on our core marketplace or inclusion in a Rescue Box are reused or responsibly recycled by our vetted network of reuse partners. All of our partners must adhere to thredUP's Aftermarket Partner Code of Conduct—requiring transparency, integrity, awareness of the environmental impact, and respect for developing nations.

*When/if FSC Certified is not available, we use SFI Certified.

We are committed to reducing greenhouse gas (GHG) emissions in our operations.

We completed our first GHG emissions assessment in 2021, quantifying emissions from Scope 1, Scope 2, and selected emissions from Scope 3. This helped us identify the areas we need to make the most improvements. Our next step? Disclosing the GHG emissions from our operations on an annual basis and setting emissions reduction targets for the future.



Greenhouse gas emissions are categorized into three groups, based on a framework developed by the Greenhouse Gas Protocol.

- ◆ Scope 1: This covers direct emissions from our owned and controlled sources.
- ◆ Scope 2: This covers indirect emissions from our generation of purchased energy, including electricity, steam, heating, and cooling.
- ◆ Scope 3: This covers all indirect emissions that occur in our value chain.

05

THREDUP IMPACT: SOCIAL

**WE ARE DEDICATED TO MAKING AN
IMPACT IN THE LIVES OF OUR TEAM**

We have a mission-driven culture that emphasizes education, learning, and growth across all roles.

Our thredUP employees are part of a hardworking team dedicated to reducing fashion's impact on the planet and promoting a less wasteful lifestyle. We offer plenty of learning and development opportunities for our employees, whether they work out of HQ, satellite offices, distribution centers, or work remotely.



Flexible Schedule

We love to collaborate in person, but our teams need headspace to solve our biggest problems, so Tuesday is designated as a "Maker Day" (meeting-free and commute-free!).



Infinite Learning

We offer bi-annual business courses taught by our CEO (a former teacher!) and exec team, ongoing management workshops through thredUP University—a comprehensive leadership development program, wellness and creativity courses, yoga and meditation classes, and more.



DC Professional Development

We prioritize the personal and career growth of our distribution center employees through programs and initiatives such as thredUP University, Lead Development, FAB program, Employee Care, living wages, weekly pay checks, flexible workweeks, and more.



360/365 Feedback Program

We believe in on-going feedback from peers and management throughout the year to make sure we're on the right track, in the right roles, and always growing.



Recharging Sabbaticals

We offer all salaried employees an opportunity to take an 8-week sabbatical for every 3 years of employment. Employees are encouraged to travel, learn a new skill, spend quality time with friends and family, rest, and come back ready to tackle projects with a renewed outlook and a refreshed spirit.

We believe in the importance of fostering a diverse, inclusive, and safe workplace.

Transforming an industry is hard work. To foster a culture of innovation and collaboration, we must focus on diversity, inclusion, and belonging. We are committed to ensuring our employees are comfortable bringing their authentic selves to work every day. A unique perspective is critical to solving complex problems and inspiring a new generation to think secondhand first.

EQUITY PROGRESS

We are dedicated to increasing diversity and representation through our ongoing Diversity, Equity, and Inclusion (DEI) initiatives.



Effective and inclusive interview training



Transparent compensation and career pathing model



Company-wide allyship training program



New parental leave policy to ensure equity for birthing and non-birthing parents



Applicant EEOC data collection



Programs to attract, retain, and develop diverse skilled workers in our distribution centers



We believe in the importance of fostering a diverse, inclusive, and safe workplace.

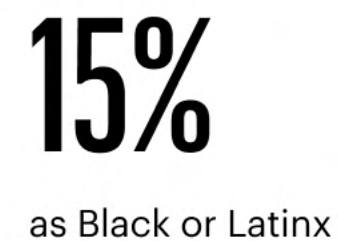
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WORKFORCE AT-A-GLANCE

We are committed to disclosing our diversity on an annual basis.⁴



INCLUDING



thredUP's Future Fund Responds to Racial and Social Injustice

In June 2020, our employee-led social impact committee pivoted to support efforts aimed at promoting social justice, equal opportunity, and anti-racism initiatives. The majority of our budget went to fund charitable donations to local grassroots organizations in the communities where our headquarters and distribution centers are located.



From left to right: Youth ALIVE!, Hack the Hood, Root & Rebound, Running for a Better Oakland, Youth ALIVE!, Running for a Better Oakland

06

THREDUP IMPACT: GOVERNANCE

**OUR GOVERNANCE EFFORTS KEEP
US FOCUSED ON DOING GOOD**

Accountability is part of our culture.

We have created a governance structure to promote responsibility and accountability for ESG matters across our company.



Nominating & Governance Committee

- ✦ Board oversight of ESG matters built into NomGov charter.

Corporate Social Responsibility Committee

- ✦ Formal committee with participation from executive management and senior members of our operations, finance, marketing, people, and legal teams.
- ✦ Reports quarterly to executive management and the board.

Board Values Diversity and Representative Governance

- ✦ Four female directors (36% of our board), including board chairperson.

Spotlight on thredUP's Newest Board Members

Marcie Vu

Former Head of Consumer Tech Group at Qatalyst

Marcie brings extensive experience helping consumer technology platforms and marketplaces grow and scale and has advised on many high-profile IPOs and M&A deals, including Google, Facebook, LinkedIn, and Alibaba.com.



“ When I visited one of thredUP's distribution centers, I was so impressed by the infrastructure that was purpose built for single SKUs. It reminded me of my first visits to Amazon and Zappos. thredUP has built a platform that not only enables sellers like me to participate in the resale economy, but also brands and retailers.

Mandy Ginsberg

Former Match Group CEO and Uber Board Member

Mandy has a track record of shaking up established industries with technology to create sweeping behavioral change. At Match, she had a hand in reshaping how people meet, and she's also demonstrated her commitment to working with disruptive technologies through her board role at Uber.



“ thredUP has built a technology platform that has the power to transform the fashion industry while driving towards its mission to positively impact not just the ecosystem of buyers and sellers but also the environment. The category — previously stigmatized — is quickly being normalized by new generations of users who are passionate and excited about discovering and selling products on thredUP.



“As we emerge from the pandemic, the resale market is stronger than ever. Consumers are refreshing their closets and turning to resale as a way to sustainably discard garments and and acquire new ones. Retailers recognize this shift, which is why so many of them are now looking to get into resale. These trends will make resale the most dynamic and fast-paced part of the apparel market over the next decade.”

-Neil Saunders, Managing Director at GlobalData

THREDUP

Inspiring a new generation of consumers to think secondhand first.

RESALE REPORT 2021

METHODOLOGY & SOURCES

Methodology

thredUP's Annual Resale Report contains research and data from GlobalData, a third-party retail analytics firm. GlobalData's assessment of the secondhand market is determined through consumer surveys, retailer tracking, official public data, data sharing, store observation, and secondary sources. These inputs are used by analysts to model and calculate market sizes, channel sizes, and market shares. Further, for the purpose of this report, GlobalData conducted a March and April 2021 survey of 3,500 American adults over 18, asking specific questions about their behaviors and preferences for secondhand. thredUP's Resale Report also leverages data from the following sources: Green Story Inc. research and internal thredUP customer and brand performance data. [View all sources here \[link to sources page\]](#).

Disclosure: All third-party brand names and logos appearing in this report are trademarks or registered trademarks of their respective holders. Any such appearance does not imply any affiliation with or endorsement of thredUP.

Published: June 2021

Retail Sector Definitions

Secondhand: Consumption of all used apparel. Includes both the Resale sector and the Thrift & Donation sector.

Donation & Thrift: A sector of the broader 'secondhand' market that includes traditional options such as Goodwill, Salvation Army, and yard sales. These secondhand options are primarily, but not exclusively, offline.

Resale: A sector of the broader 'secondhand' market that includes more curated product assortments, often well merchandised and/or higher end. Examples include thredUP and TheRealReal as well as upscale offline players like Buffalo Exchange. These secondhand options are primarily, but not exclusively, online.

Secondhand Products: Consumption of all used apparel, footwear, accessories, books, furniture, entertainment, and beauty.

Department Stores: A type of general retail store, wherein the retailer displays products within distinct departments, often located on separate floors, specializing in defined product areas. Examples include Bloomingdale's, Macy's, JCPenney, Nordstrom.

Off-Price: A retailer that sells items at lower prices than those typically charged by retail businesses. Off-price stores typically purchase overstocked goods or make special purchases. Examples include TJ Maxx, Marshalls, Ross, Burlington Coat Factory.

Value Chains: Value stores are a retail format that sells inexpensive items, at a single or limited number of price points. Examples include Walmart, Target, Dollar Tree.

Mid-Priced Specialty: Specialist clothing retailers operating in the middle of the market in terms of price. Not value but not premium or luxury. They tend to be found in malls or traditional main street locations. Examples include Gap, Ann Taylor, J. Crew.

Fast Fashion: Specialist clothing retailers with a fast stock turnaround and whose business models rely on selling high volumes at (usually) inexpensive price points. Examples include Zara, H&M, Forever 21.

Direct-to-Consumer: Specialists and generalists selling clothing directly to the public. Primarily online only. Excludes C2C or auction type sites, and the online side of traditional retail businesses. Examples include Everlane, Warby Parker, Outdoor Voices.

Sustainable Fashion: Apparel that has been produced, sold, and distributed in such a way as to minimize, as much as possible, any damaging social and environmental impact. To be classified as sustainable, a company must reduce negative impacts at multiple stages of the supply chain and of the product's lifecycle. Examples include Reformation, Allbirds, Eileen Fisher, Patagonia.

Amazon: Amazon's clothing sales in the US, stated at gross merchandise value.

Subscription: Subscription-based services for clothing. Excludes non-clothing elements of subscription models, and rental services. Examples include StitchFix and Trunk Club.

Other: Sales of clothing from all other sources, including grocers and supermarkets, drug stores, duty-free, warehouse clubs, variety stores, other non-clothing specialists, and convenience stores.

Primary Sources

1. **GlobalData Market Sizing:** GlobalData’s assessment of the secondhand market is determined through ongoing retailer tracking, official public data, data sharing, store observation, consumer surveys, and secondary sources. These inputs are used by analysts to model and calculate market sizes, channel sizes, and market shares. Market data analysis included in this report was done in April, 2021.
2. **GlobalData Consumer Survey:** The consumer data in this report is derived from a consumer survey of 3,500 U.S. adults. The survey asked them a number of questions about their attitudes towards apparel, secondhand products, and resale products. The sample was designed to be representative of age and income and was also geographically representative. Surveying was undertaken by GlobalData in March and April, 2021. Note: Survey data from prior years only sampled U.S. women.

Secondary Sources

3. EPA Clothing and Footwear Waste Estimates
4. Internal thredUP Customer Behavior / Data
5. **Green Story Inc. Environmental Study:** Independent research firm, Green Story Inc., was contracted to calculate the environmental savings from reuse of secondhand garments sold by thredUP. The study compared the environmental burden of purchasing a brand-new garment with that of reusing an average garment sold by thredUP across all stages of the garment’s lifecycle. The savings were calculated across three areas: greenhouse gas emissions, energy use, and water consumption. The study followed international ISO 14040 LCA standard.
6. **GlobalData Fashion Retailer Survey:** 50 U.S. fashion (apparel, accessories, footwear) retailers were surveyed in March and April, 2021 about their Circular Fashion goals.
7. World Bank Report “How Much Do Our Wardrobes Cost to the Environment?”
September 23, 2019
8. McKinsey’s 2020 “Fashion on Climate” Report
9. Ellen MacArthur Foundation
10. The estimated retail price of an item is based on the estimated original retail price of a comparable item of the same quality, construction and material offered elsewhere in new condition. Our estimated original retail prices are set by our team of merchants who periodically monitor market prices for the brands and styles that we offer on our marketplace.

Disclaimer

This Resale Report contains forward-looking statements. thredUP has based these statements largely on its current expectations and assumptions, and on information available as of the date of this report. However, we operate in a competitive, new, and rapidly changing market. New risks may emerge. thredUP assumes no obligation to update any forward-looking statements after the date of this report, except as required by law.

This Resale Report also contains estimates and other statistical data made by independent parties and by thredUP relating to market size, growth and other industry data. This data involves a number of assumptions and limitations. thredUP has not independently verified the data generated by independent parties and cannot guarantee accuracy or completeness. Projections and assumptions about the future performance of the markets in which thredUP competes are subject to a high degree of uncertainty. These and other factors could cause results or outcomes to differ materially from those expressed.