TOM TAILOR

CSRD PILOT REPORT 2024

TOM TAILOR

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1. MESSAGE FROM OUR CEO

2024 has been a year of both challenge and transformation. The fashion industry keeps riding through challenging waters. In an environment marked by global uncertainty, changing market conditions and shifting consumer expectations, one thing remains clear for us at **Tom Tailor**: sustainability is not a trend — it is something we *do*. And it is part of who we are.

This year, we launched the **TOM TAILOR Blueprint** — our long-term framework for a future-fit brand. It lays out how we want to grow as a business and as a community. At its core are four strategic fundamentals — Brand, Product, People and one of them is Sustainability. Not just as a nice-to-have. But as a non-negotiable.

Taking responsibility isn't new to us. We started our journey back in 2020, when we introduced **BE PART** — and it was just the beginning. What started with a bold strategy has grown into an everyday mindset.

And, this year, we stepped up again. We moved closer to full supply chain traceability, we made progress on our science-based targets to cut emissions, and we accelerated our work around circularity and responsible sourcing. And through it all, we stayed transparent about what's working — and where we still need to improve.

As we move into 2025 and beyond, we are entering a new chapter – one shaped by regulations, stakeholder expectations, and real climate responsibility. We will continue pushing for circularity, strengthening supply chain transparency & responsibility, and building partnerships that reflect our shared values. We know that regulatory requirements will increase — and we are not waiting to be compliant. We are preparing to lead. Our next goals include establishing a robust data structure, developing a decarbonization roadmap and building further resilience in our operations.

Looking ahead, we'll keep doing what we believe in - challenging the status quo, Investing in innovation, collaborating with the right partners and creating fashion that lasts — for the planet, for people, and for progress.

Because that's what our vision is all about: "**a future in which sustainability involves everyone.**" Our crew, our suppliers, our customers.

And we know: this journey isn't over. Far from it. The next wave is coming — and we're ready to catch it.

Thank you to our incredible crew — for showing what's possible when we move together with courage and commitment.
Let's keep growing.

Gernot Lenz
CEO, Tom Tailor Group

2. TOM TAILOR AT A GLANCE

2024 HIGHLIGHTS

FACTS 2024[1]

- 422 own Retail & Outlet Stores

- Around 3,435 employees in 22 countries

- 14,104 Points Sale including own stores, franchise, shop-in-shop & multi-label stores

- Digital presence in 25 countries

- 3 Product Lines: TOM TAILOR, DENIM TOM TAILOR & TOM TAILOR Kids

- Represented in 37 countries[2] *(e.g., Germany, Austria, Switzerland, Southeastern Europe, Belgium, the Netherlands)*

- 10 main collections + 2 end-of-seasons + NOS

- Net Sales: 588 M EUR

- EBITDA: 27.7 M EUR

- 9 Showrooms

- 14% of reduction of the airfreight compared with our 2019 baseline.
- 20% reduction of the Corporate Carbon Footprint compared with our 2019 baseline.
- 14% reduction of our direct emissions compared with our 2019 baseline.
- 70% of progress towards our 2030 Scope 3 SBTi target
- 18% of our Tier 1 suppliers use green energy sources.
- New take-back programme – BE PART of the loop: 9.5 t of used clothing collected.
- 84% low-impact denims
- 91% of Tier 1 suppliers onboarded to ZDHC Gateway
- Increased supply chain transparency with RETRACED
- 94% of the workers in our supply chain confirmed to be equally paid.
- 84% of the workforce in our supply chain receive living wages.
- Double Materiality Assessment: 55 Impacts, Risks and Opportunities identified.
- Use of AI to drive efficiency and productivity

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[1] As of December 2024

[2] Covering our retail & outlet stores, franchise locations, shop-in-shop concepts, multilabel partnerships, and distributor operations; a complete list of countries is available here.

OUR BUSINESS MODEL

TOM TAILOR is a casual lifestyle brand with deep roots in Hamburg, grounded in a design philosophy that emphasizes effortless style. At the heart of our brand DNA is a commitment to being approachable, sustainable, and mindful, offering high-quality, reliable products at competitive prices. We connect with a broad range of customer groups. This approach forms the foundation for our ongoing growth and success.

We attract a diverse audience, regardless of age or body type, who appreciate a timeless and modern fashion aesthetic. Our designs are inspired by the ease with which they fit into customers' everyday lives, offering a combination of seasonal trend fashion pieces and wardrobe basics. Our customers value the quality, comfort, and sustainability that TOM TAILOR provides.

Since our founding in 1962, we have grown into a brand family with strong ties and shared values, represented through our collections TOM TAILOR, DENIM TOM TAILOR, and TOM TAILOR Kids. Our product portfolio is expanded with accessories such as home wear, bags, belts, shoes, socks, sunglasses, swimwear, and underwear, as well as interior products like bed and bath articles, carpets, curtains, cushions, and furniture through collaborations with various license partners.

As a growing international fashion company, we employ a balanced human resources policy and foster trust-based relationships with our business partners across the value chain. We place significant emphasis on providing decent, safe, and fair working conditions at our suppliers' operations. Additionally, we strive to reduce our environmental footprint through sustainable production and procurement processes in our stores and across the supply chain. High product quality remains a core value at TOM TAILOR, and we are committed to driving sustainability and transparency in all aspects of our business.

Our approach to business integrates customer engagement and community-building, working as a crew of 3,435 people across over 22 countries. TOM TAILOR is not just about fashion; it's about a mindset — CASUAL, which to us is more than just a dress code. It's how we operate: real, approachable, passionate, and down-to-earth. By staying true to our Hanseatic roots, we maintain a straightforward approach to life and business, emphasizing diversity, togetherness, and honesty. This commitment helps us cultivate long-term connections with our customers and supports our sustainable growth.

3. GENERAL INFORMATION [ESRS 2]

BP. BASIS FOR PREPARATION

BP-1. General basis for preparation of the Report

BP-1_01

In the 2024 Consolidated Statement of Non-Financial and Sustainability Information, we present detailed insights regarding the sustainability performance of TOM TAILOR GmbH (hereinafter referred to as "TOM TAILOR") for the financial year 2024, covering the period from January 1 to December 31, 2024.

BP-1_02

This scope of this Consolidated Statement of Non-Financial and Sustainability Information (hereinafter, the 'Report') is same as for financial statements. This sustainability statement has been prepared on a consolidated basis, covering all TOM TAILOR entities under our control or joint control (TOM TAILOR GmbH, TOM TAILOR E-Commerce GmbH, TOM TAILOR Retail GmbH).

BP-1_03

The scope of consolidation is the same as for the Consolidated Annual Accounts for the financial year 2024. Any changes in the scope of consolidation compared to 2023 are explained in the Consolidated Annual Accounts. TOM TAILOR does not have any subsidiaries exempt from sustainability reporting under Articles 19a (9) or 29a (8) of Directive 2013/34/EU.

As this Report contains consolidated non-financial and sustainability information for all TOM TAILOR entities, individual companies within the TOM TAILOR Group are exempt from publishing separate sustainability reports under the Corporate Sustainability Reporting Directive (CSRD).

BP-1_04

This Report provides crucial insights into TOM TAILOR 's operations, spanning from product design, production, and retail activities to the various stages of our value chain. This includes upstream activities, such as raw material sourcing, supplier operations, own operations as well as downstream activities, covering retail, distribution, and end-consumer engagement.

BP-1_05
BP-1_06

TOM TAILOR has used the option to omit specific information concerning intellectual property, know-how, or the results of innovation in this Report. Additionally, we have not used the exemption for disclosing impending developments or matters during negotiation allowed by Member State.

This decision was made to safeguard our competitive position and protect sensitive business information that could impact our market standing. We have carefully assessed the potential implications of this omission and are committed to ensuring that this does not hinder the transparency or accuracy of our sustainability reporting.

BP-2. Disclosures in relation to specific circumstances

Reporting framework

BP-2_16
BP-2_17

Through this Report, TOM TAILOR proactively and voluntarily aligns with the upcoming requirements of the CSRD and the European Sustainability Reporting Standards (ESRS). These requirements apply to us based on our double materiality assessment (DMA), which was conducted in accordance with the European Financial Reporting Advisory Group's (EFRAG) guidance IG 1 on materiality assessment.

Accordingly, this report is structured in alignment with the ESRS and references the 'IG 3: List of ESRS Datapoints' guidance issued by EFRAG. The corresponding datapoints are indicated in the left-hand margin throughout the Report.

In addition to complying with the regulatory requirements applicable to TOM TAILOR, this Report also aligns with leading international sustainability frameworks and guidelines, including.

– The Global Reporting Initiative (GRI) Standards
– The principles of the Sustainability Accounting Standards Board (SASB) framework
– The IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

Our report approach

Time horizons

BP-2_01

The time horizons referenced in this report are aligned with the definitions set out in ESRS 1, section 6.4, and are applied as follows:

– Short-term: the reporting period in the financial statements, 12 months from the end of the financial year.
– Medium term: from the end of the current reporting period up to five years.
– Long term: more than five years beyond the current reporting period

For the purposes of the DMA, these time horizons are used consistently across the analysis of impacts, risks, and opportunities (IROs) in accordance with ESRS 1.

Calculation methods

BP-2_03

The sustainability key performance indicators (KPIs) disclosed in this report are based on a combination of primary data, secondary data[3], expert judgment, or a mix of these sources. In cases where direct data is not available, estimates or assumptions grounded in actual benchmarks and external references, such as industry reports are applied. These are based

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[3] Primary data refers to data obtained directly from the original source, while secondary data is gathered from bibliographic sources

BP-2_09 — on credible external references—such as sector-specific reports, regulatory publications, or scientific studies—and validated by internal or external subject-matter experts. All estimates are used only when they meet the qualitative characteristics required by ESRS 1, including relevance, faithful representation, and verifiability.

BP-2_04
BP-2_05
BP-2_06 — The current accuracy of metrics that include value chain data estimated through indirect sources reflects data limitations. To improve accuracy, TOM TAILOR plans to enhance data traceability across the supply chain by integrating environmental and social management systems and implementing AI-driven data processing tools for better quality and reliability.

BP-2_10 — In preparing this report, various future projections were made, which inherently involve a high degree of uncertainty and risk.

BP-2_12 — Historical values disclosed in previous sustainability reports may differ from those in this report. These changes may result from methodological refinements, updated data sources, corrections of prior inaccuracies, or other improvements aiming to enhancing data quality and reporting accuracy.

External assurance

BP-2_19 — The data and processes used for sustainability reporting purposes are subject to continuous improvement. For this reporting cycle, TOM TAILOR obtained limited assurance from the independent auditor Ebner Stolz on the DMA. No additional external assurance was obtained for other sustainability data or processes at this stage.

References to additional documents

BP-2_20 — At TOM TAILOR, we provide public content where certain topics covered in this report are disclosed in greater detail. In such cases, references to the communication materials available on our corporate website have been included for transparency purposes. Please note that these external sources are not subject to external assurance which are not subject to external verification.

Double materiality assessment approach

BP-2_21
BP-2_22 — In this reporting cycle, TOM TAILOR conducted its first DMA in alignment with the requirements of the ESRS. TOM TAILOR assessed a broad set of sustainability matters to determine their financial and impact materiality, following the list of *Sustainability matters to be included in the materiality assessment* outlined in ESRS 1 General Requirements and Article 16 of the Annex 1.

The assessment covered environmental topics (E1–E4), social topics (S1–S4), and governance (G1). These reflect the area's most critical to our sustainability strategy, risk landscape, and operational context.

GOV. GOVERNANCE

## GOV-1. The role of the administrative, management and supervisory bodies

Corporate governance

GOV-1_01 As of the reporting period, TOM TAILOR 's Management Board includes 2 executive members who are actively involved in daily operations and strategic decision-making. The Management Board is composed by Gernot Lenz, (CEO) and Christopher Hallberg (CFO).

GOV-1_02
GOV-1_03 TOM TAILOR's Supervisory Board includes 6 members, 4 executive members from FOSUN — TOM TAILOR's parent company —, who provide independent oversight and strategic guidance on financial, operational, and sustainability-related matters. The Supervisory Board includes formal representation of workers, including 2 non-executive members from the working council.

Our sustainability strategy BE PART is at the core of the business, as we are continuously evolving our 360°strategy approach, goals and actions. We integrate different perspectives through cross-functional sustainability targets embedded across product divisions. These teams contribute directly to the BE PART strategy execution.

Figure 1. Sustainability governance structure at TOM TAILOR
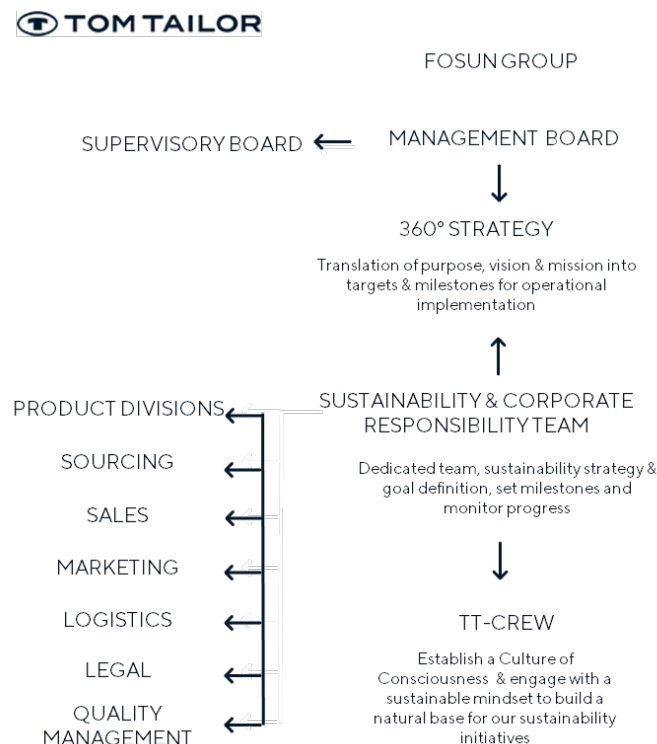
Diversity in our governing bodies

GOV-1_05

As of the end of the reporting year, the gender composition of TOM TAILOR's management board is 100% male. The supervisory Board includes 16.6% female representation. Our governance structure also reflects diversity in age, international experience, and professional backgrounds, contributing to a broader perspective in strategic and operational decision-making.

GOV-1_10
GOV-1_11

The Management Board plays a central role in TOM TAILOR's sustainability governance. The Sustainability & Corporate Responsibility (SCR) team, established in 2022 and structured around our BE PART strategy, is responsible for the day-to-day implementation of sustainability initiatives. The team reports directly to the Director of Buying, Sourcing & Sustainability, and works cross-functionally with departments that hold embedded sustainability targets.

The Management Board actively monitors progress against defined sustainability targets and milestones, ensuring that environmental and social considerations are fully integrated into TOM TAILOR's core business strategy and operations.

Sustainability expertise

GOV-1_12

The SCR department has a reporting line to the Director of Buying, Sourcing and Sustainability, who is direct reporting directly to the CEO. Regular updates are provided to the shareholders, Management and Supervisory Boards, ensuring alignment and transparency in the company's sustainability performance and strategic direction.

GOV-1_16

The SCR team is composed of professionals with dedicated expertise across TOM TAILOR 's key environmental and social focus areas. Their work is supported by internal collaboration with operational departments and regular oversight from Senior leadership and the team.

GOV-1_17

Internal sustainability-related expertise is directly aligned with TOM TAILOR 's material topics and risk areas. Through the BE PART strategy, skills and knowledge within the sustainability team—and across operational units—are leveraged to assess and manage the material impacts, risks, and opportunities across the value chain.

Our risk management approach

GOV-1_13
GOV-1_14

At TOM TAILOR, sustainability-related risks are integrated into the company's broader risk management and compliance framework. A Compliance Committee supports the Management Board in monitoring financial and non-financial risks, including those related to environmental and social practices, such as supply chain due diligence, as well as emerging risks like cybersecurity and regulatory changes.

GOV-1_15

TOM TAILOR applies a focused and proportional approach to risk oversight. The Committee benefits from the cross-functional expertise of senior managers, who are responsible for the escalating critical issues and ensure timely, informed decision-making. The Compliance Committee's scope is tailored to address salient sustainability risks, drawing on the subject-matter expertise of specialized teams. Examples of internal roles supporting the Compliance Committee include:

- The SCR team advises on sustainability-related IROs and reporting.
- IT senior managers oversee cybersecurity and data protection risks and reports regularly to the committee.
- The finance department responsible for the integrity of financial and non-financial reporting.
- The regional Corporate Social Responsibility (CSR) Managers who provide updates on the Suppliers Codes of Conduct and ensures alignment with ethical business practices.

GOV-1_16

TOM TAILOR leverages existing internal structures and fosters ongoing capacity-building through internal collaboration. This structure enables the Management and Supervisory bodies to oversee sustainability matters with agility, informed by both internal subject-matter experts and cross-departmental coordination.

GOV-2. Information provided to and sustainability matters addressed by our administrative, management and supervisory bodies

GOV-2_01
GOV-2_02

TOM TAILOR ensures the oversight of sustainability matters through a pragmatic, business integrated approach that embeds sustainability into our corporate strategy.

Figure 2. Corporate fundamentals
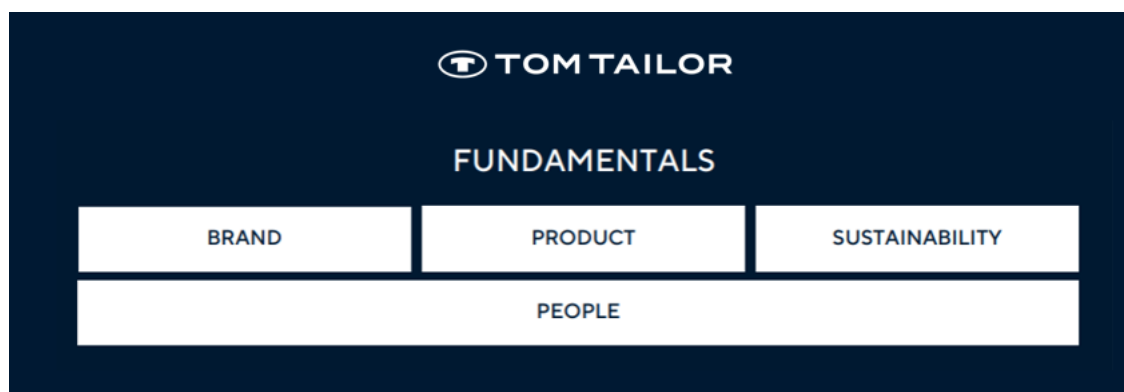
The Compliance Committee supports the Management Board in monitoring both financial and non-financial risks, including those related to environmental and social issues.

To ensure adequate expertise, the Compliance Committee regularly consults with the CEO and the senior management of the SCR team, which is responsible for shaping the BE PART

sustainability strategy, setting targets, and outlining the roadmap for implementation. The Senior SCR manager provides regular updates the Management Board, particularly in line with quarterly business reporting, covering the oversight of material IROs, the implementation of due diligence processes, and the effectiveness of policies, actions, and metrics adopted to address identified risks and opportunities. Sustainability insights are integrated into the evolving corporate strategy and reporting priorities.

The preparation of sustainability disclosures —including regulated reporting under CSRD— is coordinated by the SCR team through close collaboration between the Compliance, Controlling and Finance department. The Compliance Committee holds responsibility for reviewing the integrity and legal compliance of these disclosures, especially those presented in the management report.

A double materiality assessment is conducted every two to three years to identify and prioritize sustainability-related IROs relevant to TOM TAILOR 's business model, operations, and stakeholders. The results are reviewed by the Management Board and shared with the Compliance Committee to ensure they are appropriately reflected in corporate strategy and risk oversight.

The main material topics currently overseen include:

GOV-2_03

- Climate change
- Pollution
- Water
- Biodiversity and ecosystems
- Circular economy
- Own workforce
- Workers in the value chain
- Consumers and end-users
- Business conduct

GOV-2_04   This integrated, resource-conscious approach ensures informed and effective oversight of sustainability matters, aligned with TOM TAILOR 's operational scale and strategic priorities.

GOV-3. Integration of sustainability-related performance incentive schemes

GOV-3_01
GOV-3_03

As of the reporting period, TOM TAILOR does not have formal incentive schemes or remuneration policies explicitly linked to sustainability performance for members of its administrative, management, or supervisory bodies.

GOV-3_04
GOV-3_06

While sustainability targets are embedded in our BE PART strategy, they are not yet directly tied to performance objectives or variable compensation related to sustainability. However, a general annual bonus system is in place, based on the overall achievement of company-wide goals and individual performance. In this context, progress on sustainability initiatives may be

indirectly reflected in bonus outcomes, as part of broader business achievements. TOM TAILOR will continue to assess the potential and feasibility of integrating explicit sustainability-related performance metrics into its remuneration practices in the future.

GOV-4. Statement on due diligence

GOV-4_01

Our due diligence process is designed to identify, assess, and prioritize potential and actual sustainability-related negative impacts—particularly those related to human rights and the environment— across the value chain. This process is aligned with international frameworks such as the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the International Labor Organisation Declaration on Fundamental Principles and Rights at Work.

As a company with a global supply chain, due diligence is an integral part of our sourcing and buying strategy, particularly in managing social and environmental risks associated with our suppliers' practices. Our approach includes strict business requirements, structured supplier audits, improvement programmes and ongoing training to ensure compliance with our standards.

We leverage the use of supplier's management systems such as amfori BSCI (for social compliance) and amfori BEPI (for environmental performance) to assess and manage supply chain risks. All suppliers are audited against the amfori BSCI Code of Conduct.

Findings from this process are incorporated into corrective action plans and inform updates to our policies and tools. Additionally, TOM TAILOR recognizes grievance mechanisms as essential tools for enhancing the effectiveness of due diligence. A robust complaints mechanism, originally established under the German Supply Chain Due Diligence Act (LkSG) and aligned with the evolving standards of the Corporate Sustainability Due Diligence Directive (CSDDD) standards, enables individuals to report human rights violations and environmental issues within its operations or through suppliers, with clear protection for whistle-blowers in the process. Insights from grievance reports help identify adverse impacts and guide timely responses and mitigation measures.

GOV-5. Risk management and internal controls over sustainability reporting

GOV-5_01

At TOM TAILOR, risk management and internal controls are essential parts of our sustainability reporting processes. The SCR team leads this process, working closely with other departments to ensure the accuracy, completeness, and regulatory compliance of all sustainability-related disclosures.

GOV-5_02

Our reporting process is reviewed and updated annually, covering the collection and validation of both qualitative and quantitative data from our complete supply chain. We follow the ESRS standards under the CSRD, and consider reporting frameworks such as the GRI, IFRS S1 and

SASB standards as a reference. We use digital tools and automated systems to support data consistency and regulatory alignment. Controls are in place to check data accuracy and completeness, including year-over-year variation reviews.

GOV-5_03 We focus on risks such as inaccurate data, regulatory non-compliance, and fragmented internal coordination. To address these, we use AI-driven systems for supplier and sustainability data, automated reporting tools, and involve internal experts in data validation. External auditors have conducted readiness assessments of previous reports to evaluate alignment with applicable regulatory frameworks and reporting requirements.

GOV-5_04

GOV-5_05 Risk assessment results are reviewed by the SCR team and used to improve internal reporting processes. A consolidated report is submitted to the Management Board, and the internal audit department may conduct reviews as part of its annual plan. Our senior SCR manager oversees the overall sustainability reporting system.

Through these measures, we aim to ensure that our sustainability-related information is reliable, transparent, and aligned with regulatory requirements, while also and supporting TOM TAILOR's BE PART Strategy and our long-term commitment to responsible business practices.

SBM. STRATEGY

SBM-1. Strategy, business model and value chain

SBM-1_01

TOM TAILOR 's core business consists of the design, development, distribution, and sale of casual lifestyle fashion. Our collections are structured into three main categories — Basic, Core, and Trend. These reflect varying levels of fashion-forwardness, price points, and quality. Our product offering includes men's and women's casualwear, a denim line targeting younger, price-sensitive audiences, a dedicated kids' line for teenagers and minis, and a plus-size range. All product lines are tailored to meet specific needs in terms of fit, style, and affordability. Our commitment to timeless yet trend-aware design, combined with responsible production and a strong focus on cost efficiency, defines the essence of our brand.

Figure 3. TOM TAILOR's product lines
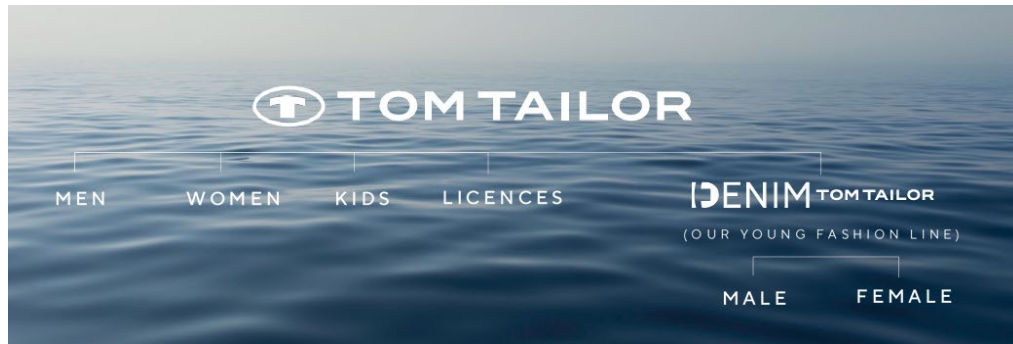
SBM-1_02

TOM TAILOR serves a wide and diverse customer base across Europe and selected international markets. As a mainstream positioned lifestyle brand, we can address a broad spectrum of consumer preferences - from teenagers to older adults, across various body types, supported by inclusive sizing. Customers value our effortless and reliable fashion style, aligning with everyday needs and seasonal trends.

We operate through a comprehensive multi-channel model that includes own operated retail stores, e-commerce platforms, wholesale partnerships, and franchise agreements. TOM TAILOR is present in 22 countries, with 14,104 points of sale that include own stores, franchise stores, shop-in-shops, and multi-label stores. Our e-commerce presence spans 25 countries, ensuring accessibility for digital consumers and reinforcing our global reach.

SBM-1_03
SBM-1_04

As of the end of 2024, TOM TAILOR employed around of 3,435 employees across 22 countries. Core business functions are in Hamburg, Germany, with additional employees working in international retail, sourcing, logistics, and support roles. This international workforce reflects our global footprint and supports the delivery of our brand vision across all markets.

SBM-1_05

At TOM TAILOR, we are committed to offering quality products that are safe for our customers and respectful of the environment. Our collections are designed to meet international standards and are adapted to local cultural preferences, customer expectations, and applicable legislation in each of our markets. In line with this commitment, we do not offer products that are prohibited in the countries where we operate.

In FY 2024, TOM TAILOR achieved total revenues of EUR 588 M (2023: EUR 612 M). Despite a 3.9% decline in sales to EUR 588 million, in 2024 we delivered a strong operating result, with

SBM-1_06

EBITDA increasing by 13.8% compared to 2023, due to an optimised cost structure and a higher gross profit margin of 56% (2023: 52%).

Table 1. Financial Year 2024 results

	2024	2023
Revenue	EUR 588 M	EUR 612 M
EBITDA	EUR 27.7 M	EUR 24.4 M

TOM TAILOR has no activities or revenue linked to the fossil fuel sector (coal, oil, or gas), chemical production, controversial weapons, or tobacco cultivation and production. Accordingly, we are not connected to material impacts or risks associated with these sectors.

SBM-1_09
SBM-1_15
SBM-1_17
SBM-1_19

TOM TAILOR identifies its core products —casual fashion apparel and accessories— as significant in relation to sustainability-related goals. With a strong market presence in Germany, Austria, and Eastern Europe, we serve a customer base increasingly focused on sustainability. In response, TOM TAILOR prioritizes the use of more sustainable materials in the garment production such as organic cotton, recycled polyester, LENZING™ ECOVERO™, and TENCEL™.

SBM-1_21
SBM-1_22

Our BE PART strategy, launched in 2022, has become a foundation in our overall corporate strategy. It follows a 360° approach built around seven key pillars: Culture of Consciousness, Fair & Equal Working conditions, Mindful Product Design, Responsibly Sourced Products, Our Way to Circularity, Green Value Chain and Transparent Communication. These pillars guide all sustainability efforts across the value chain —from product design and sourcing to customer engagement and stakeholder dialogue.

SBM-1_23

Figure 4. BE PART 360° approach
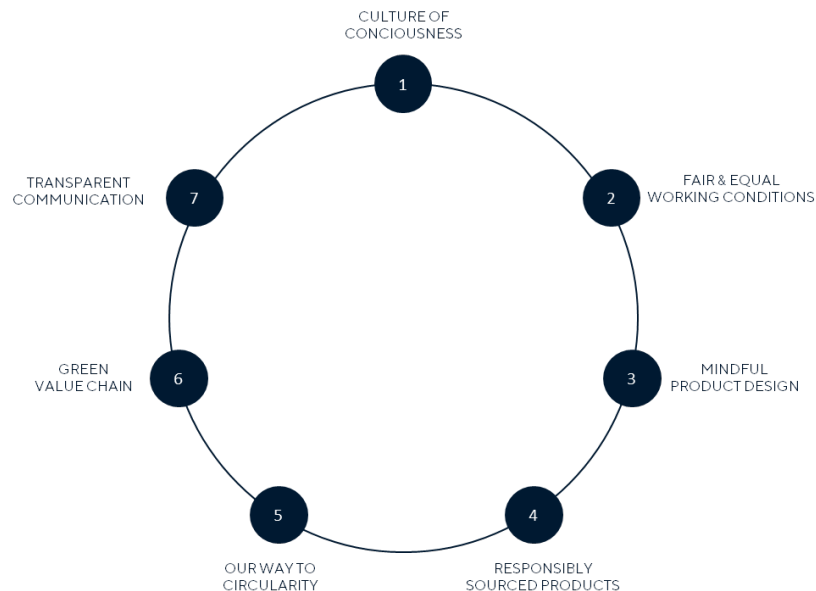
According to the ESRS, TOM TAILOR is part of the Textiles, Apparel, Footwear and Accessories sector. This sector is significant due to its material impacts on climate change, water and resource use, waste, pollution, and supply chain labour conditions. TOM TAILOR 's actions are fully aligned with these sector priorities, supporting its vision of contributing to a more conscious and

SBM-1_24
SBM-1_08

responsible fashion industry. TOM TAILOR does not operate in any additional significant ESRS sectors.

Our value chain

SBM-1_25

We work with 72 long-term partners, primarily based in Asia. These include 30 core, 16 strategic, and 26 niche suppliers. We do not own manufacturing sites, relying instead on these partnerships built on shared values and sustainability objectives.

Figure 5. Our suppliers set up

72 SUPPLIERS	48%	16 STRATEGIC
	42%	30 CORE
	42%	26 NICHE
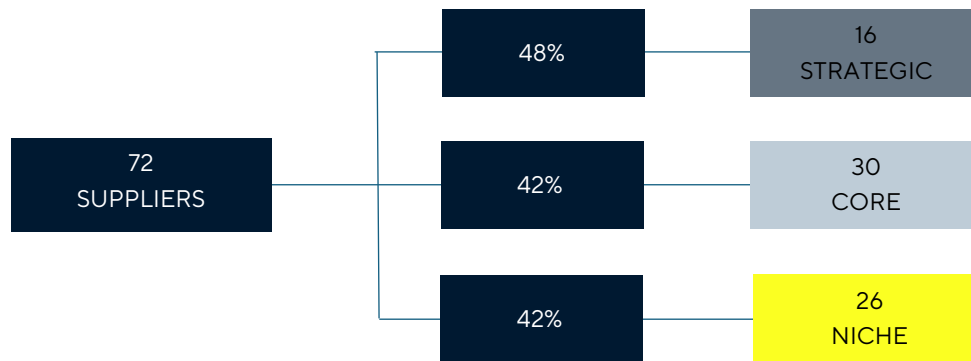
SBM-1_28

Upstream, our material strategy focuses on the selection of raw and recycled fibres (e.g. organic cotton, recycled polyester) and collaborate with suppliers who comply with social and environmental standards. Fabric production, dyeing, and garment manufacturing are regularly audited and certified, with a focus on social and environmental compliance (e.g., amfori BSCI, BEPI, ZDHC).

In our own operations, we oversee product quality control, warehousing, packaging, compliance testing, and sustainability management. We focus on reducing environmental impacts through sustainable packaging, energy efficiency and responsible logistics.

Downstream, our products reach customers via our retail stores, retail partners, and e-commerce platforms. While we don't control final-mile logistics, we promote low-impact delivery options. We also encourage circular practices such as textile recycling to reduce end-of-life waste.

Table 2. Main features of upstream and downstream value chain

Business Area	Upstream: Activities enabling operations	Own Operations: Directly controlled activities	Downstream: Post-sale activities
Overall Description	Raw material sourcing, textile production, and garment manufacturing	Logistics, quality control, packaging, sustainability management	Retail, e-commerce, customer use, end-of-life
Geographies	Supplier countries	Germany (HQ, warehouse providers)	Germany, EU, online platforms
Dependencies	Suppliers for fabrics, certifications (e.g. GOTS, BSCI), transport logistics	Warehousing providers, compliance teams, energy and waste services	Franchise partners, e-commerce platforms, customers
Affected Stakeholders	Factory workers, material suppliers, logistics workers	Employees, warehouse staff, auditors	Retail customers, platform users, waste handlers
Gaps to address	Limited control over material production practices	Exploring energy and water savings, circular practices	Limited influence on consumer use and end-of-life disposal

SBM-2. Interests and views of stakeholders

SBM-2_01

We actively engage our diverse stakeholder groups through targeted approaches that reflect each group's unique role, influence, and expectations. For our internal stakeholders, particularly our crew, we use a mix of digital surveys, structured dialogues, internal communications channels and a grievance mechanism. This ensures that employee voices are heard in a safe and accessible manner.

Figure 6. Our stakeholders map

SBM-2_02

B2B Customers	B2C Customers	Employees
Workers Council	Shareholder	Suppliers
Other Partners*		
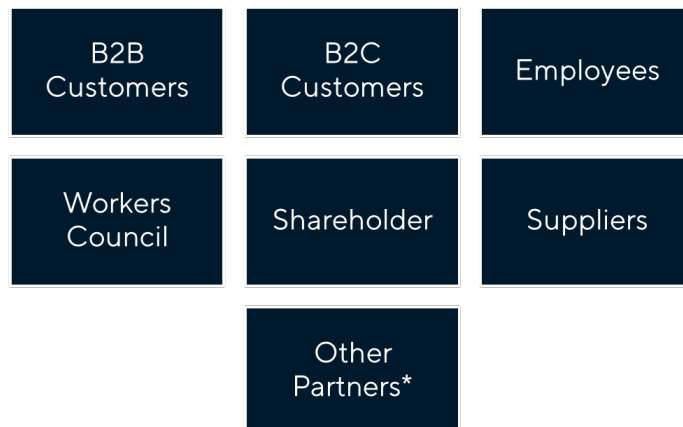
*Other partners may include NGOs, financial institutions, logistics partners, among others.

Our external stakeholders—such as suppliers, NGOs, and customers—are engaged through various communication platforms, including online surveys, dialogues within trade associations, and direct email outreach. good example is the recent CSRD-aligned stakeholder survey, which gathered 204 responses from both internal and external stakeholders, providing valuable insights to consider in our DMA.

We ensure that all engagement channels are available in both German and English, making them accessible for all participants. Communication takes place across multiple platforms, such as the company intranet, newsletters, and in-stores surveys, ensuring transparency and inclusivity.

Figure 7. BE PART stakeholder sustainability survey invitation

Stakeholder engagement

Our stakeholder communication channels include:

- Employees: We maintain regular communication with our employees, inviting them to town hall meetings 8 to 10 times per year, where business updates are shared, and open questions and feedback can be raised. We also conduct an anonymous Pulse Check annually to gather additional insights and ensure we are addressing employee concerns. Open discussions and feedback are always encouraged.

- B2B and B2C Customers: We engage our B2B partners through BE PART updates included in frequent presentations and training sessions, ensuring that our partners are well-informed and aligned with our BE PART strategy. Our B2C customers are engaged through various communication channels, such as social media, newsletters, and POS touchpoints, allowing us to keep them informed and gather feedback on our products and sustainability efforts.

- Shareholders: TOM TAILOR maintains an open and collaborative relationship with its shareholders from the FOSUN group, our main shareholder. This collaboration ensures that we are aligned in a long-term sustainability vision.

- Suppliers: We categorize our suppliers into three groups: strategic, core, and niche. For each group, we maintain regular touchpoints, including monthly scorecard calls, a supplier summit which take place every few years, and regular visits in both directions. These interactions ensure that we align our sustainability goals with those of our suppliers and create a strong, transparent supply chain.

- Other Partners: In addition to our direct stakeholders, we also collaborate with various financing partners and non-profit organisations. Financing partners play a vital role in our value chain, and we prioritize open and trustful communication with them. We also partner with organisations like Viva con Agua, Oclean, and MBRC the Ocean, supporting

SBM-2_03
SBM-2_04

important causes and demonstrating our commitment to sustainability beyond our immediate business operations.

By actively engaging with all these stakeholders, we ensure that our sustainability efforts are aligned with the expectations and concerns of those most impacted by our operations. This structured approach allows us to maintain transparency, accountability, and a commitment to continuous improvement across all levels of the business.

SBM-2_05   Engagement serves several key purposes: aligning our business strategy with stakeholder expectations, identifying material topics from different perspectives, and continuously gathering feedback to develop products that meet our customers' needs and expectations.

SBM-2_06
SBM-2_07   The insights gathered through stakeholder engagement directly influence the BE PART strategy. For instance, feedback from retail staff led us to improve communication in the use of certified more sustainable materials in product development. These ongoing interactions ensure that our sustainability goals remain relevant and responsive to stakeholder needs.

Effective communication is a cornerstone of our engagement strategy. Dashboards are used to track key metrics, such as supplier sustainability scores, allowing management to monitor progress and identify areas for improvement. Audit dialogues are also employed to discuss gaps in regulatory compliance and ensure that any necessary corrective actions are taken in a timely manner.

SBM-2_12

We ensure that our administrative, management, and supervisory bodies are consistently informed about the views and interests of affected stakeholders regarding sustainability-related IROs. In 2024, particular attention was given to the DMA, conducted in alignment with the ESRS and the CSRD. This update was presented to both our management teams and Board to support informed strategic decisions and ensure full preparation for regulatory compliance.

SBM-3. Material impacts, risks and opportunities

Through a DMA conducted in 2024/25, we identified the key IROs related to our operations and value chain.

This assessment helps us understand:

- Impacts: how our activities—and those of our business partners—may positively or negatively affect the environment and people, including potential negative impacts on human rights.

- Risks and Opportunities: the financial implications of these impacts and dependencies on resources, which may affect our financial position and performance in the short, medium, or long term—negatively in the form of risks, and positively in the form of opportunities.

In 2024, we redefined our previous materiality assessments into a DMA and deepen an IROs assessment in line with the ESRS methodology. This allows us to report in greater detail across individual topics, and subtopics, rather than grouped material themes as in previous years.

Our DMA process and its resulting outcomes were subject to limited assurance in accordance with the requirements set out in the ESRS, in compliance with the CSRD[4].

Our analysis has resulted in the identification of 55 material IROs related to sustainability matters. Each IRO is assigned its own identification code to clearly associate it with the key actions outlined in the relevant thematic standard of this Report.

More detailed insights into each IRO can be found in the topical chapters of this report.

Table 3. Material IROs in 2024

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E1 – CLIMATE CHANGE				
E1.1 Climate change mitigation				
Release of GHG emissions (Scopes 1–3) drives climate change	I -	All	Long	
Costs for avoidance/reduction of GHG emissions	R	O / D	Short	
E1.2 Energy				
Use of renewable energy reduces emissions, supporting climate action	I +	U / O	Short	
Savings through less electricity consumption	O	O	Long	
E2 – POLLUTION				
E2.1 Pollution of water				
Water pollution from raw materials, production, and product use	I -	All	Short	
Water management lowers costs, and reduces compliance risk	O	U / O	Mid	
E2.2 Substances of concern				
Use of hazardous substances affects health and the environment	I -	All	Mid	
Compliance cost savings from ZDHC and other certifications	O	U / O	Short	
E2.3 Microplastics				
Microplastics released during plastic production, transport, and product use	I -	All	Mid	
Costs to reduce microplastics, e.g. using natural fibres	R	U / O	Mid	
E3 – WATER AND MARINE RESOURCES				
E3.1 Water				
E3.1.1 Water consumption				
High water uses in fabric sourcing, garments production, and washing	I -	U / D	Short	
Cost of water dependence in production of garments	R	U / O	Long	
E4 – BIODIVERSITY AND ECOSYTEMS				
E4.1 Impacts and dependencies on ecosystem services				
Raw material loss and ecosystem reliance result in higher costs for cotton	R	U	Mid	
E5 – RESOURCE USE AND CIRCULAR ECONOMY				
E5.1 Resources inflows, including resource use				
Overusing scarce resources causes depletion.	I -	U / O	Long	
Efficiency and responsible sourcing lowers reliance on scarce resources	I +	O	Short	
Circular designed products boost sales by meeting sustainability demands	O	O / D	Mid	
E5.2 Waste				
Garment production causes waste, pollution, and high disposal costs	I -	All	Short	
S1 – OWN WORKFORCE				
S1.1 Working Conditions				
S1.1.1 Health and Safety				
Employee exposure to hazards, poor ergonomics and stress	I -	O	Short	X
S1.1.2 Secure Employment				
Long-term job security and benefits improve employees' wellbeing and stability	I +	O	Short	
S1.1.3 Working time				
Flexible hours improve work-life balance by adapting to the needs of employees	I +	O	Short	X
High workloads and time demand reduce well-being, causing burnout	I -	O	Short	X
S1.1.4 Adequate wages				
Low pay hurts motivation, lowering productivity and raising turnover cost	R	O	Short	
S1.2 Equal treatment and opportunities for all				
S1.2.1 Gender equality and equal pay for work of equal value				
Gender inequality lowers employee satisfaction	I -	O	Short	X
Gender inequality raises recruitment and training costs	R	O	Mid	
S1.2.2 The employment and inclusion of persons with disabilities				
Failure to actively promote disability inclusion can lead to discrimination	I -	O	Short	
S1.2.3 Diversity				
Promoting diversity improves hiring, retention and teams' creativity	I +	O	Mid	
S1.3 Other work-related rights				

SBM-3_01
SBM-3_02

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[4] At the time of publishing this report, the technical adjustments introduced by the OMNIBUS regulation had not yet come into effect.

S1.3.1 Privacy				
Strong transparency and data protection boosts privacy, trust, and workplace satisfaction	I +	O	Short	
S2 – WORKERS IN THE VALUE CHAIN				
S2.1 Working conditions				
S2.1.1 Health and safety				
Exposure to hazards and stress reduces workers' quality of life and wellbeing	I -	U	Short	X
S2.1.2 Adequate wages				
Higher purchasing power for workers in supplier countries through living wages	I +	U	Short	
Paying below the subsistence level reduces workers' well-being and fuels poverty	I -	U	Short	
Higher compliance costs and loss of revenue due to reputational damage	R	U	Short	
Rising labour costs due to higher salaries or voluntary benefits for workers in the VC	R	U	Short	
S2.1.3 Working time				
High workload harms workers' health and work-life balance	I -	U	Short	X
S2.1.4 Secure employment				
Having secure, long-term employment boosts job stability and well-being	I +	U	Long	
S2.1.5 Freedom of association, Works Councils, and participation rights				
Lack of association rights fuels worker dissatisfaction and weaken bargaining power	I -	U	Short	X
Penalties for legal non-compliance include fines, damages and compensation	R	U	Long	
Failing to recognise association rights damages reputation, reducing sales.	R	U	Mid	
S2.2 Equal treatment and opportunities for all				
S2.2.1 Gender equality and equal pay for equal value				
Gender inequality leads to pay gaps and limits opportunities	I -	U	Short	X
S2.2.2 Measures against violence and harassment in the workplace				
Reporting systems address workers' concerns, ensuring a safer workplace	I +	U	Mid	
Violence and harassment harm well-being and create an unsafe workplace	I -	U	Mid	X
S2.2.3 Diversity				
Low diversity in the workplace led to discrimination and misrepresentation	I -	U	Mid	X
S2.3 Other work-related rights				
S2.3.1 Child labour				
Child labour in the supply chain causes irreversible harm to infants and families	I -	U	Short	X
Cases of child labour result in fines, penalties and reputational damage	R	U	Short	
S2.3.2 Forced labour				
Forced labour at VAC causes long-lasting harm and violates human rights	I -	U	Short	X
Cases of forced labour in the value chain trigger fines and penalties	R	U	Short	
S3 – AFFECTED COMMUNITIES				
S3.1 Communities' economic, social and cultural rights				
S3.1.1 Water and sanitation				
Communities are harmed by low water access, availability, quality and safety	I -	U	Short	X
S4 – CONSUMERS AND END-USERS				
S4.1 Information-related impacts for costumers				
S4.1. 1 Privacy				
Robust data protection measures can boost consumer trust and loyalty	I +	D	Short	
G1 – BUSINESS CONDUCT				
G1.1 Corporate culture				
A strong corporate culture boosts employee trust, loyalty, and motivation	I +	O	Mid	
G1.2 Protection of whistle blowers				
Encouraging safe reporting of violations builds trust and accountability	I +	U / O	Short	
G1.3 Animal welfare				
Certified products meet customer demands and improve animal welfare	I +	U / D	Short	
G1.4 Management of relationships with suppliers including payment practices				
Long-term supplier relationships boost trust and cooperation	I +	U / O	Short	
Higher costs from poor supplier management (onboarding, training, audits)	I -	U	Short	
Stable supplier cooperation cuts operational costs	O	U / O	Mid	
G1.5 Corruption and bribery				
G1.5.5 Prevention and detection including training				
Weak controls expose employees to unethical practices and societal harm	I -	All	Short	

Figure 8. Our DMA matrix
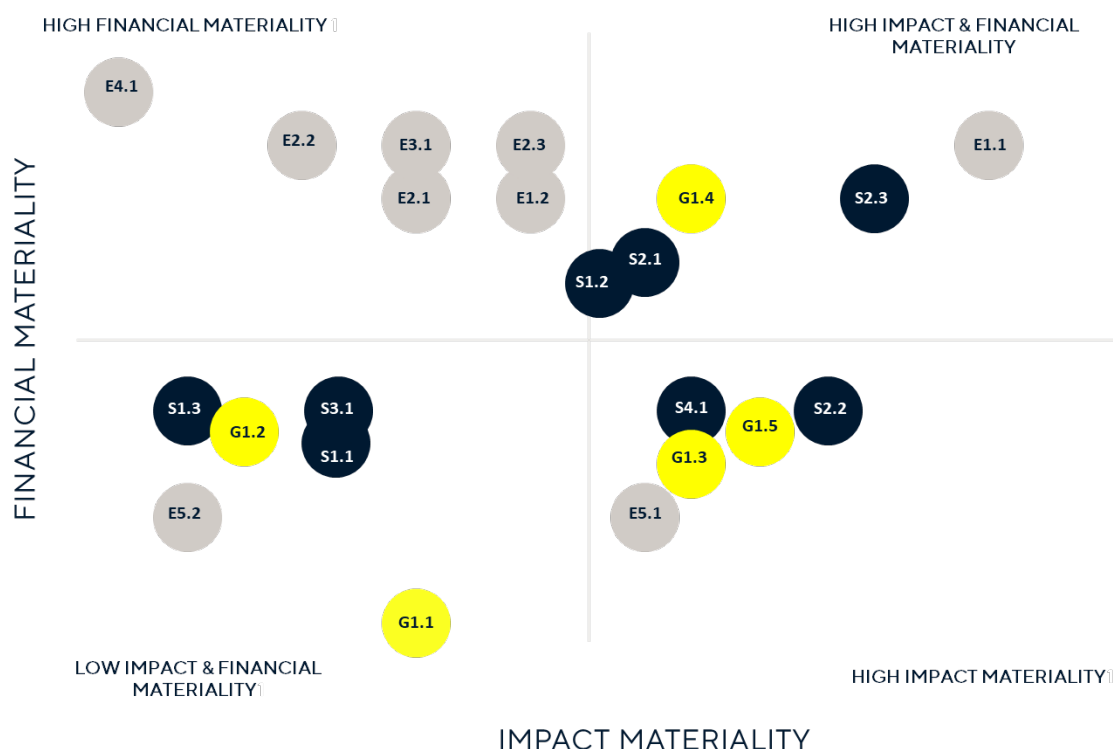
Impact Characteristics

SBM-3_03
SBM-3_04
SBM-3_05
SBM-3_07

Our integrated business model connects us deeply to a globalized environment, where our operations intersect with various impact points. Across all stages of our value chain, our activities intersect with various impact areas—both positive and negative. These impacts may evolve into risks or opportunities, which we aim to proactively identify, assess, and manage.

Our impact analysis goes beyond direct operations to cover the entire value chain, from product design and material sourcing through manufacturing, distribution, consumer use, and end-of-life. This comprehensive approach allows us to capture all relevant ESG impacts, including those beyond our immediate control, such as effects on local communities within our extended value chain.

Our assessment highlights the links between TOM TAILOR's strategy and business model and potential impacts:

Environmental

Our production processes require the sourcing of raw materials that involve significant use of water, land, and energy. For example, cotton cultivation impacts biodiversity and ecosystems, which we actively strive to manage responsibly. Our logistics and distribution networks transport goods across Asia and Europe, contributing to emissions associated with climate change. Additionally, given the nature of our products, we consider the environmental impact of microplastics release during washing and final disposal of our products.

Social

We place great emphasis on the impacts affecting people—our own workforce, the workers across our value chain, our customers, and the communities where we operate. We prioritize respecting human rights, ensuring adequate labour conditions, promoting diversity and inclusion, and safeguarding health and safety within our teams to foster environments where well-being and talent thrive. For the communities connected to our operations, we focus on respecting their rights and generating shared value through social initiatives. Moreover, maintaining strong relationships with our customers and continually strengthening their trust and loyalty on us remains a core driver of our business.

Governance

Consistent with our corporate values, TOM TAILOR maintains strict oversight of business conduct. We manage potential governance-related impacts through clear grievance mechanisms, such as our Code of Ethics for Business Partners, risks of unlawful activities, and the integrity of our supplier relationships and responsible procurement practices. Understanding how our business model influences environmental and social factors also helps us refine our BE PART strategy, reducing the likelihood of adverse effects while maximizing positive outcomes.

Our commitment is clear: to prevent, mitigate, and remedy adverse impacts while promoting beneficial impacts for both the environment and society. This ongoing effort underpins our sustainability approach and supports our ambition to operate responsibly across all dimensions of our business.

Time horizons

SBM-3_06

TOM TAILOR assesses material IROs across short, mid, and long-term horizons. For risks and opportunities, we observe a greater tendency for materialization in the medium and long term, particularly within environmental categories. This reflects the increasing uncertainty and evolving regulatory landscape associated with climate change, resource dependency, and environmental degradation. In contrast, the materiality of social and governance matters tends to remain stable across all time horizons, as these are more directly influenced by immediate operational and regulatory contexts rather than long-term external uncertainties.

Regarding impacts, we note a clear pattern:

- Environmental impacts (e.g. emissions, water use, waste) gain materiality over the medium to long term, aligned with global sustainability transitions and stakeholder expectations.

- Social and governance impacts (e.g. health and safety, human rights, business conduct) are most material in the short term, due to their immediate relevance to daily operations and regulatory scrutiny.

This time horizon perspective helps TOM TAILOR prioritize actions and allocate resources in alignment with the urgency and projected trajectory of each IRO category.

Resilience and Changes in Material IROs

SBM-3_10
SBM-3_11

Compared to the previous reporting period, material risks related to climate change, water consumption dependency, and working conditions for workers in the value chain have intensified. Opportunities linked to more sustainable products and efficient resource use are becoming more financially significant.

Our BE PART strategy remains resilient in managing key sustainability-related impacts and risks, while leveraging opportunities such as circular products and resource efficiency.

Environmental issues – including climate change, water consumption and pollution, and chemical management are increasing in importance, with associated costs and compliance risks in the short to long term. Social impacts, particularly those related to human rights, adequate wages, and working conditions in the supply chain, remain among the most financially and ethically material topics. Likewise, governance matters—including corporate culture, supplier management, and animal welfare—continue to play a critical role in shaping stakeholder trust.

SBM-3_12

This assessment focuses on sustainability-related matters as defined by the ESRS. Other entity-specific risks, such as foreign currency volatility, are covered in TOM TAILOR's Management Report and are therefore not covered in this Report.

IRO/MDR. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

IROs. Disclosures on the materiality assessment process

IRO-1/IRO-2. Material impacts, risks and opportunities

IRO-1_01
IRO-2_13

In 2024, TOM TAILOR conducted its first CSRD-compliant DMA at a group level. The methodology applied to identify IROs followed the EFRAG IG1 Materiality Assessment Implementation Guidance, and the ESRS 1 General Requirements. The assessment integrated internal and external expertise used scientifically grounded tools and referenced frameworks such as MSCI and SASB Materiality Maps to enhance relevance and comparability.

IRO-1_02
IRO-1_14

To identify potential and actual impacts on people and the environment, TOM TAILOR designed a structured survey distributed in German and English. It covered all ESRS Annex 1 Art. 16 sustainability matters, reaching stakeholders across the value chain (employees, consumers, B2B clients, suppliers). A total of 204 responses were collected. This stakeholder engagement served as the foundation to assess relevance and stakeholder expectations and define a long list of sustainability-related topics to be assessed in the following IROs evaluation.

IRO-1_03
IRO-1_04
IRO-1_05

The stakeholder-informed results were then refined through internal expert workshops, industry peer benchmarking and consultations with affected stakeholders to understand how they may be impacted. A long list of 87 subtopics was reviewed, resulting in 70 relevant subtopics used for the IROs evaluation. Each IRO was assessed for impact and/or financial materiality. The assessment considered the full value chain, including upstream suppliers and downstream consumer use, enabling coverage of activities, business relationships, and geographies with heightened risk of adverse impact.

IRO-1_06
IRO-1_07
IRO-1_09

TOM TAILOR applied a structured scoring model to assess the severity (scale, scope, and irremediability) and likelihood of impacts. For potential negative impacts on human rights, the severity took precedence over likelihood in line with the ESRS guidance. For risks and opportunities, financial magnitude (based on primary and secondary data) and likelihood were evaluated to determine materiality. This approach ensures both impact and financial materiality perspectives are considered systematically.

IRO-1_11

These assessments were carried out together with internal experts from different areas of the company, whose perspective was integrated into the definition of the magnitude and probability of occurrence of the IROs through joint workshops.

Materiality thresholds were defined as follows: an IRO was deemed material if the total score exceeded a determined score or if the magnitude of impact or financial effect was considered extremely high. Financial materiality thresholds considered up to 5% of revenue impact for risks and 5% for opportunities too. In total, 196 IROs were assessed, resulting in 55 material IROs including 14 positive impacts, 22 negative impacts, 14 risks, and 5 opportunities.

IRO-1_08

The connections between impacts and dependencies with risks and opportunities were examined linking material topics and subtopics to IROs outcomes and financial or operational vulnerabilities. This ensures that upstream environmental or social issues are systematically mapped to strategic and financial relevance.

IRO-1_13

Decision-making and internal controls were integrated through direct involvement of the Senior Management for SCR, as well as consultation with Finance, Legal, Compliance, Controlling, People and other departments. Results were validated by the Director of Buying, Sourcing & Sustainability, and submitted to the Management Board for approval.

IRO-1_10
IRO-1_12

TOM TAILOR's DMA process is tightly integrated into our overall risk management framework. Identified impacts and risks are systematically assessed using likelihood and severity criteria and are used to inform our enterprise risk profile, complimenting it with sustainability-related risks.

Likewise, sustainability-related opportunities are evaluated through the same structured process and incorporated into strategic planning and business development decisions, ensuring alignment with our BLUEPRINT and BE PART strategy.

IRO-1_15

Our materiality assessment process went under several methodological improvements compared to previous years. In 2023, stakeholder input was collected via general surveys, while in 2024, TOM TAILOR transitioned to targeted interviews and workshops for the IROs evaluation, enabling deeper insights. New scoring formulas, as well as severity and likelihood definitions were also introduced in the new DMA Tool to enhance accuracy. For audit readiness, all the process was documented in accordance.

The final output, a double materiality matrix and list of 55 material IROs, is now being used to guide TOM TAILOR's CSRD-aligned disclosures, strategic risk management, and financial planning.

4. ENVIRONMENTAL INFORMATION

E1. CLIMATE CHANGE

A. Governance

At TOM TAILOR, our climate governance is designed to ensure that climate-related IROs are systematically identified, assessed, and addressed as part of our overall business strategy and sustainability efforts.

In line with our BE PART strategy, climate-related matters are governed at the highest executive level. The Management Board, through the SCR team, oversees the implementation and progress of climate-related goals and actions.

This includes the annual review of climate-related KPIs such as:

- Greenhouse gas (GHG) emissions (Scope 1, 2, and 3)
- Energy consumption
- Progress on sustainable sourcing and low-emission product initiatives

Climate governance is integrated into TOM TAILOR's broader sustainability and risk management frameworks, ensuring that decarbonization efforts and climate resilience are embedded in operational and strategic decision-making.

GOV-3. Integration of sustainability-related performance in incentive schemes

E1.GOV-3_01
E1.GOV-3_02

As of the reporting period, TOM TAILOR does not operate a variable remuneration system linked to sustainability targets for members of its administrative, management, or supervisory bodies. However, we recognize the strategic value of performance-based incentives in driving progress toward sustainability goals.

In line with best practices observed in the industry, we are exploring the possibility of implementing performance-based incentives that align executive and broader workforce remuneration with the achievement of our BE PART sustainability and climate objectives in the future.

B. Strategy

E1-1. Transition plan for climate change

Our sustainability commitments

In late 2023, the Science-Based Targets initiative (SBTi) officially approved —and in early 2024 published— TOM TAILOR's near-term science-based targets aligned with the 1.5°C trajectory of

E1-1_01
E1-1_02
E1-4_01

the Paris Agreement. These targets apply to the Energy/Industrial sector classification and define the foundation of our climate transition roadmap.

TOM TAILOR commits to the following reductions by 2030 (base year: 2019):

- Scope 1 and 2: Absolute GHG emissions reduction of 50%
- Scope 3: Absolute GHG emissions reduction of 30%

In addition, TOM TAILOR has adopted sector-specific FLAG (Forestry, Land, and Agriculture) targets. These include a 33.4% absolute reduction in scope 3 FLAG emissions and removals by 2030, alongside a no-deforestation commitment covering all relevant commodity-linked supply chains by December 31, 2025.

E1-1_13

These validated SBTi targets guide our decarbonisation roadmap, which is embedded into operational practices across sourcing, production, logistics, and retail. They are central to our BE PART strategy and ensure that climate action is systematically embedded into our decision-making processes and performance tracking systems.

Climate transition plan

E1-1_16

As of reporting year 2024, TOM TAILOR has not yet adopted a formal climate transition plan aligned with the 1.5°C pathway or EU climate neutrality objectives. However, we acknowledge the strategic relevance of such a plan for meeting upcoming regulatory expectations and growing stakeholder demands.

TOM TAILOR therefore intends to develop a science-based climate transition plan that integrates GHG reduction targets, decarbonisation levers, and alignment with the EU Green Deal. The development process, formal adoption and integration into our business strategy is expected to begin in the upcoming reporting cycles.

IRO-1/SBM-3. Material climate-related impacts, risks and opportunities

Identification of IROs

E1.SBM-3_01
E1.SBM-3_07

TOM TAILOR's understanding of climate-related effects is rooted in our DMA through which we identify climate-related IROs by engaging with our stakeholders.

One of the most significant impacts identified is the emission of greenhouse gases (GHG) throughout our value chain. In this context, we have mapped TOM TAILOR's GHG emission sources in both our own operations and upstream and downstream activities, in alignment with the GHG Protocol methodology.

Table 4. Material IROs related to climate change

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E1 – CLIMATE CHANGE				
E1.1 Climate change mitigation				
E1.I1 Release of GHG emissions (Scopes 1–3) drive climate change	I -	All	Long	
E1.R1 Costs for avoidance/reduction of GHG emissions	R	O / D	Short	
E1.2 Energy				
E1.I2 Use of renewable energy reduces emissions, supporting climate action	I +	U / O	Short	
E1.O1 Savings through less electricity consumption	O	O	Long	

C. Impact, risk and opportunity management

E1-2 Policies related to climate change

Policies related to climate change

/Strategic supplier requirements

E1.MDR-P_01-06
E1.MDR-P_07-08

We have recently enhanced our climate ambition by reinforcing climate-related governance within our existing sustainability and product responsibility frameworks. While we have not yet published a standalone Energy or Climate Policy, our actions under the BE PART strategy, our validated science-based targets, and the requirement of disclosing GHG emissions for strategic suppliers reflect our ongoing efforts to support climate change mitigation.

In line with our roadmap, we plan to develop a dedicated Energy and Climate Policy in the upcoming years to further strengthen our responsible energy management and adaptive capacity to climate-related risks.

E1-3 Actions related to climate change

Initiatives in own operations

Lower-impact consumption

E1.MDR-A_01_04

A key pillar of our climate change mitigation and adaptation efforts is the progressive implementation of renewable energy across our operations. In recent years, we have taken concrete steps to reduce GHG emissions in line with our science-based targets.

For Scope 1, we are transitioning our vehicle fleet to electric and hybrid models, supported by solar-powered charging stations installed at our headquarters in 2023 (CapEx: €35,390.55).

E1-3_03

For Scope 2, we installed rooftop solar panels at our Hamburg headquarters in 2022 (644 modules covering 1,236 m^2), which now supply at least 21% of our electricity needs on-site, avoiding approximately 115 tonnes of CO_2 annually. This investment (€222,678) has a projected ROI of under six years and supports long-term energy resilience.

Energy efficiency

E1.MDR-A_01_04

Improving energy efficiency across our headquarters, logistics infrastructure, and retail operations is a continuous priority in our climate strategy. We invest in measures that reduce energy consumption, promote low-emission operations, and align with our sustainability goals. At our Hamburg headquarters, we implemented bioclimatic design principles and installed solar panels in early 2023, which now power on-site charging stations for our growing fleet of electric and hybrid vehicles—part of our ongoing transition from combustion engines to e-mobility.

In addition, we promote the use of renewable electricity across our showrooms and stores, especially by switching to green energy providers such as solar and wind sources when electricity contracts are renewed.

Our logistic infrastructure

E1.MDR-A_01_04

In Scope 3, we have drastically reduced upstream logistics emissions by limiting air freight. A principal component of our climate action strategy is our firm commitment to eliminating air freight in our inbound logistics wherever possible. Between 2019 and 2023, we successfully reduced air freight from 18% to just 1% of production volumes. GHG emissions related to inbound logistics in 2024 have been reduced in 70% in comparison to 2019.

Figure 9. Carbon footprint by transportation (2024)

5%
TRUCK

53%
AIR

INBOUND LOGISTICS
3.6% OF TOTAL
GHG EMISSION

42%
SEA
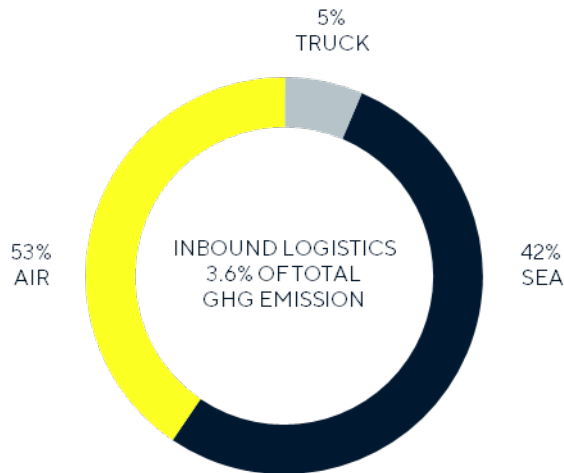
Although 2024 saw a temporary increase in air freight due to the extraordinary disruptions, our long-term direction has not changed. We faced significant external challenges in 2024—such as the Suez Canal blockage and supplier insolvency in Bangladesh, which disrupted production and extended lead times from Asia— In 2024 we reduced air freight to 14% compared with our base year 2019. However, we have remained fully aligned with our strategic path: No air freight, except in exceptional justified cases approved by our Management Board.

To strengthen this commitment, in 2025 we established a central production team tasked with enhancing early order and capacity planning, closely tracking each production step, and proactively managing risk to avoid bottlenecks. We have also restructured our delivery calendar to extend lead times where feasible, an approach that significantly reduces the need for urgent air shipments. This not only lowers emissions but also benefits our suppliers by enabling better material order planning, reducing excess inventory and waste, and allowing sufficient production time, which helps avoid overtime work.

All air freight requests continue to undergo rigorous review and require formal Board approval. Our climate strategy is clear: we remain committed to pursuing a zero-air freight approach, and every internal process is aligned to support this goal.

Figure 10. Transportation type based on quantities
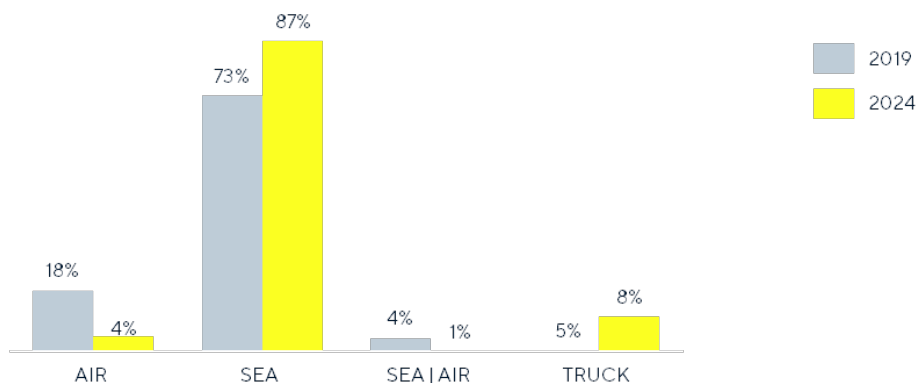
Logistics plays a significant role in achieving our Science-Based Targets for emissions, particularly in reducing Scope 3 emissions across the value chain. In 2024, we took important steps to make our logistics operations more sustainable, guided by regulatory developments, internal collaboration, and a long-term efficiency improvement mindset.

A major milestone is the launch of the FUSION project, which will integrate our e-commerce and wholesale logistics into a joint location. This project, scheduled for implementation in Q3 2026, will enable the optimization of shipment volumes—specifically targeting a 30% reduction in replenishment parcels—resulting in less packaging waste, lower transport emissions, and cost savings.

Furthermore, in 2025, we will continue working closely with our logistics teams to select freight providers based on sustainability performance. In parallel, we remain committed to our zero-air freight policy. These combined efforts reflect our strategy to embed sustainability across all logistics processes and contribute meaningfully to our climate goals.

Initiatives in supply chain

Environmental requirements for strategic suppliers

E1.MDR-A_01_04

At TOM TAILOR, we are committed not only to reducing the environmental impact of our own operations but also to driving positive change across our value chain. To achieve this, we will progressively strengthen the minimum environmental requirements that our suppliers and manufacturers must meet to remain part of our supply chain.

These include, the annual measurement of carbon emissions, the setting of CO_2 reduction targets, a complete phase-out of coal-based energy sources, and the annual monitoring of water consumption. Starting in 2024, we are developing a phased roadmap for the next years to give suppliers the necessary time to align with our elevated standards. Compliance with these criteria will be monitored through our Supplier Scorecard system, where we expect top performance. These actions reflect our ambition to foster a more responsible and resilient supply chain that supports our climate targets and BE PART vision.

Monitoring Supplier Energy Use and Renewable Sourcing through BEPI

E1.MDR-A_01_04

TOM TAILOR evaluates the energy consumption of our Tier 1 garment suppliers via the amfori BEPI platform (Business Environmental Performance Initiative). As an amfori member, we adhere to a harmonised industry tool as BEPI to measure, compare, and improve the environmental performance of our global sourcing base.

The platform enables consistent tracking of key KPIs such as energy consumption, renewable energy share, water use, and emissions, thereby fostering transparency and creating a common baseline across suppliers and brands.

A key driver in our efforts for the reduction of energy consumption is the Environmental Impact Measurement (EIM) tool, which enables suppliers to assess and reduce their environmental impact, including energy consumption, during denim manufacturing.

In 2024, total energy use across our Tier 1 base increased slightly by 5% in comparison to the previous year, due to production capacity shifts and post-pandemic ramp-ups. However, the share of green energy sources rose from 17% to 18%, demonstrating incremental progress.

We observed particularly strong developments in key sourcing regions: India (99% renewable energy share), and Cambodia, where the renewable share surged from 0% to 63%.

To ensure accountability, BEPI performance indicators are integrated into our supplier scorecard, which drives awareness and enables long-term improvements in energy efficiency, climate data reporting, and sustainable sourcing practices among the Tier 1 suppliers of our value chain.

Suppliers carbon footprint

E1.MDR-A_01_04

The production of our garments and associated processes are the most carbon-intensive elements of our value chain. Addressing this challenge requires not only internal action but also close collaboration with our suppliers and their commitment to transition toward low-carbon manufacturing setups.

The encouraging news is that many of our strategic suppliers have already begun implementing impactful environmental improvements. These include investments in solar energy systems, rainwater harvesting, wastewater treatment and recycling, and fabric reuse technologies, all of which contribute to reducing the operational carbon footprint at factory level.

Using the amfori BEPI 2.0 tool, we actively engage our suppliers to disclose their carbon footprint data, allowing us to map emissions hotspots across our supply chain. The emissions reported reflect the total footprint of the supplier facilities, not just the share linked to TOM TAILOR's production. This comprehensive view provides valuable insights to identify joint improvement areas, benchmark progress, and steer alignment with our reduction targets and supplier requirements.

Beyond disclosure, we leverage the BEPI platform to provide structured diagnostics, enabling the identification of high-impact environmental risks at facility level. These assessments are followed by ongoing monitoring and progress evaluation, supported through capacity-building initiatives, such as tailored training sessions, improvement plans, and technical guidance for suppliers.

This integrated approach ensures that our supplier engagement goes beyond reporting—it fosters continuous improvement, drives measurable decarbonisation, and strengthens environmental performance across our value chain.

We contribute to the achievement of these goals by providing knowledge transfer and capacity-building support to our suppliers, accompanying our suppliers and manufacturers on their sustainability journey and considering implementing new tools and initiatives in the future to further foster environmental best practices across our partners who show commitment to improvement. However, the company does not finance or invest directly in supplier infrastructure to meet these goals.

Several of our production partners are actively investing in renewable energy and carbon reduction measures as part of their sustainability strategies. Technologies such as E-flow and laser finishing have been adopted to lower energy use and emissions, supported by programmes that include steam trap installation, condensate recovery, and variable frequency drives. In addition, solar systems ranging from small rooftop units to large-scale installations now supplement their energy needs. These initiatives have already achieved energy reductions of up to around one-third and annual savings in the millions of kWh. Complementary actions such as LED lighting upgrades, power-off protocols, rainwater harvesting, and the use of energy-efficient ceiling fans further support reductions. Efficiency has also been enhanced through measures like full steam pipe insulation, reuse of condensate, replacement of high-GWP compressors, and the introduction of water-efficient dyeing machines, all contributing to lower emissions and a more sustainable production process.

These efforts reflect how TOM TAILOR's strategic suppliers are proactively driving down emissions and fostering sustainable transformation in our value chain.

Meaningful collaborations

In addition to these efforts, we work with various organisations to tackle both the causes and impacts of climate change.

As of August 2024, all standard e-Shop orders within Germany are shipped using Hermes (CO_2 neutral), following our earlier transition from DHL Standard to DHL Go Green in January 2024. Prior to that, employee orders were automatically processed via DHL Go Green, while end consumers had the option to select it, supporting low-carbon last-mile delivery.

In January 2024, we transitioned all standard e-Shop deliveries within Germany from DHL Standard to DHL Go Green, making low-carbon shipping the default option. As a further improvement, since August 2024, all standard deliveries are now handled by Hermes with CO_2-neutral shipping. Prior to these changes, only employee orders were automatically processed via DHL Go Green, while end consumers had the option to select it.

These integrated actions form part of our broader effort to decarbonize operations and enhance our capacity to adapt to climate risks while progressing toward our 2030 emission reduction targets.

D. Metrics and targets

E1-4: Targets related to climate change.

Our SBTi targets

E.MDR-T_01_13

In early 2024, the Science Based Targets initiative (SBTi) officially validated TOM TAILOR 's near-term climate targets under the Energy/Industrial classification for the Textiles, Apparel, Footwear and Luxury Goods sector. Aligned with the 1.5°C trajectory of the Paris Agreement, these targets include a commitment to reduce absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2019 base year, and to reduce absolute scope 3 emissions by 30% within the same timeframe.

E1-4_01
E1-4_20
E1-4_22

We selected 2019 as our baseline year to avoid distortions caused by the COVID-19 pandemic and its related impacts on operations and emissions. This year reflects a representative level of business activity and production output under normal operating conditions. Given that most of our emissions arise from our products and their production processes, our baseline emissions are closely tied to our production volume.

Additionally, TOM TAILOR has committed to reducing scope 3 FLAG (Forestry, Land, and Agriculture) emissions, including removals, by 33.4% by 2030. As part of our efforts to promote sustainable sourcing, TOM TAILOR has also pledged to eliminate deforestation across all primary deforestation-linked commodities by December 31, 2025.

These science-based commitments reflect our ambition to drive meaningful climate action across our operations and value chain. A summary of our validated science-based targets is provided below:

Table 5. Validated SBTi targets and progress

Action	Status	Target	Scope	Target Classification	Base Year	Target Year
Target	-12.26%	50% reduction	1+2	1.5°C	2019	2030
Target	70%	30% reduction	3	NA	2019	2030
Target	In progress	33.4% FLAG reduction	3	NA	2019	2030
Target	In progress	No deforestation	1+2+3	NA	2019	2025

According to the SBTi, TOM TAILOR 's net-zero target towards 2050 has not been established, as indicated by the status "COMMITMENT REMOVED" currently displayed on the SBTi dashboard. [5]

TOM TAILOR 's science-based targets apply to both our direct operations (Scope 1 and 2) and our broader value chain (Scope 3), irrespective of geographical location. Our Scope 2 reduction targets are based on market-based emissions, reflecting our efforts to transition to renewable energy sourcing.

E1-6_29

In line with the SBTi requirements TOM TAILOR currently includes the following relevant Scope 3 categories in its GHG accounting and target-setting:

- Category 1: Purchased goods and services.
- Category 3: Fuel- and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations.

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[5] TOM TAILOR's net-zero target is currently not validated by the SBTi, as the previous commitment was removed from the SBTi dashboard in accordance with its updated criteria. We are reassessing our long-term ambition considering emerging SBTi frameworks.

- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution
- Category 11: Use of sold products.
- Category 12: End-of-life treatment of sold products.

These categories represent the most significant sources of indirect emissions in our value chain and are key areas of focus in our decarbonisation efforts.

As of 2024, TOM TAILOR achieved a total GHG reduction of 20% compared to 2019. This includes a 21% reduction in Scope 3 emissions, corresponding to 70% progress towards the 2030 target and a 12.26% reduction in Scope 1 and 2 emissions, falling short of the linear trajectory towards our 2030 goal.

To address this gap, we are working cross-functionally in 2025 to identify additional mitigation measures and accelerate progress, particularly in energy management and operational efficiency.

E1-5. Energy consumption and mix

E1-5_01
E1-5_02
E1-5_03
E1-5_09

In 2024 we collected energy data from 109 of 113 Tier 1 factories across nine sourcing countries, in comparison to 118 of 121 in 2023, gathering data from 96.46% of our Tier 1 suppliers. Despite the decrease of the number of factories, total energy consumption across the supply chain increased by 5.4%, from 64.9 billion kWh in 2023 to 68.4 billion kWh in 2024. This increase was driven by shifts in production volumes and geographic distribution.
and expansion in key markets.

Encouragingly, the share of renewable energy rose slightly from 11.61 billion kWh representing a 17% in 2023, to 18.3% in 2024, totalling over 12.5 billion kWh sourced from renewables.

Considerable progress was observed in India (99.2%), Cambodia (62.6%), and Vietnam (69.5%), highlighting successful supplier-led initiatives in solar, biomass, and other renewable energy technologies.

These developments reflect TOM TAILOR 's continuous engagement with suppliers through the EIM low impact denim initiative and the amfori BEPI platform, fostering transparency and supplier-driven climate action.

Table 6. Energy consumption per country

E1-5_19

Country	# of Factories (2023)	# of Factories (2024)	Total Energy 2023 (kWh)	Total Energy 2024 (kWh)	Δ (%)	Green Energy Share 2023	Green Energy Share 2024	2024 Green Energy (kWh)
BD	38	36	40,460,813,038	47,886,256,379	+18%	1%	0.05%	22,856,701
CD	5	7	7,795,023	39,291,605	+404%	0%	62.6%	24,590,972
CN	29	27	72,428,618	63,279,875	–13%	13%	15.4%	9,766,718
IN	6	8	818,121,968	1,011,969,334	+24%	94%	99.2%	1,004,288,787
ID	10	5	15,612,902	15,836,833	+1%	21%	48.7%	7,703,970
PK	5	1	1,521,256,675	53,987,549	–96%	5%	87.6%	47,274,467
SL	3	4	5,266,139,409	5,140,119,439	–2%	78%	77.2%	3,969,549,600
TY	14	11	6,737,020,938	3,531,124,201	–48%	0%	0.02%	535,787
VN	8	10	10,001,694,562	10,667,341,827	+7%	54%	69.5%	7,417,073,050
Total	118	109	64,900,883,133	68,409,207,039	+5.4%	17%	18.3%	12,503,640,052

According to the statistical classification of economic activities in the European Union (NACE), our sector falls under group 47.5 – Retail sale of other household equipment in specialised stores, which is classified as having a high climate impact.

Share of energy mix in the Tier 1 suppliers

Table 7. Share of energy from renewable sources

E1-5_05
E1-5_06

Energy Type	BD	CD	CN	ID	IN	PK	SL	TR	VN	TOTAL
Solar	0%	7%	4%	0%	0%	0%	0%	0%	0%	0%
Steam From Renewable Sources	0%	0%	0%	0%	29%	87%	0%	0%	0%	0%
Biodiesel	0%	0%	0%	0%	14%	0%	0%	0%	11%	2%
Biomass	0%	0%	10%	99%	0%	0%	0%	0%	0%	2%
Textile scrap or waste	0%	0%	0%	0%	0%	0%	0%	0%	5%	1%
Wood Chips	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%
Wood Pellets Briquettes Logs	0%	50%	0%	0%	6%	0%	77%	0%	53%	14%
Coal	0%	0%	0%	0%	0%	0%	0%	7%	29%	5%
Compressed Natural Gas	1%	0%	14%	0%	0%	0%	0%	0%	0%	1%
Electricity	0%	12%	33%	1%	45%	12%	0%	0%	0%	0%
Gasoil	98%	3%	6%	0%	0%	0%	23%	91%	0%	75%
Gasoline	0%	23%	27%	0%	6%	0%	0%	2%	1%	0%
Liquefied Natural Gas	1%	0%	6%	0%	0%	0%	0%	0%	0%	0%
Liquefied Petroleum Gas	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Energy Source	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Steam From NR Sources	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The 2024 energy mix of TOM TAILOR's Tier 1 suppliers reflects a steady transition toward lower-emission energy sources. Renewable and low-carbon energy types—such as electricity, biomass, biodiesel, and wood-based fuels—now make up a growing share of total energy use, reflecting an industry-wide push for decarbonisation.

While electricity accounted for a significant portion of energy in most sourcing countries, biomass and wood pellets gained prominence in India, Sri Lanka, and Vietnam. Importantly, coal usage was limited to only a few regions—most notably Türkiye and Vietnam—and represented just 4.9% of the total energy mix.

This marks a significant step forward in our commitment to phase out coal completely across supply chain and accelerate progress toward climate-aligned sourcing practices.

E1-6. GHG emissions

TOM TAILOR discloses its absolute greenhouse gas (GHG) emissions in accordance with the GHG Protocol, covering all relevant scopes and categories. The following table provides an

overview our emissions for the reporting year 2024, 2023, and the baseline year 2019, along with the year-over-year change and progress made since 2019. While total emissions decreased by 20.3% compared to 2019, we recorded a slight 1.7% decrease from 2023 to 2024.

Scope 1 emissions decreased due to enhanced data granularity, while Scope 2 emissions rose slightly due to increased electricity demand from IT infrastructure. Notably, Scope 3 emissions fell by 21% compared to 2019, thanks to reduced air freight and a shift toward more sustainable materials.
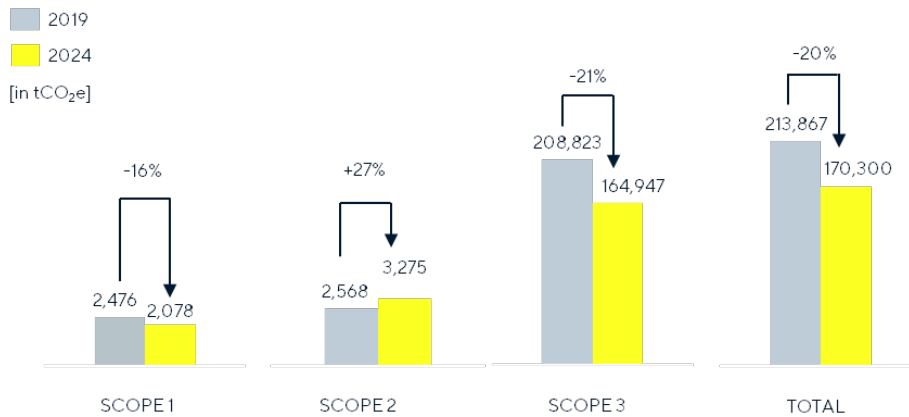
Figure 11. Our corporate carbon footprint (2019-2024)

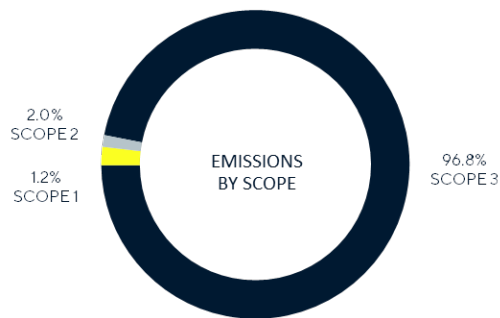Figure 12. Carbon emissions by scope (2024)

Table 8. Our corporate carbon footprint (2024)

Scope & Category	2019	2023	2024	Δ 2024–2023	Δ 2024–2019
Scope 1	2,475.6	4,517.09	2,077.92	−54.0%	−16.0%
└ Refrigerants	–	75.88	71.48	−5.8%	–
└ Stationary combustion	–	1,842.86	1,350.15	−26.7%	–
└ Transportation	–	2,598.35	656.30	−74.7%	–
Scope 2 (Location-based)	2,567.9	2,996.56	3,274.74	+9.3%	+27.5%
└ District heating	–	43.88	66.04	+50.6%	–
└ Electricity (location-based)	–	2,952.68	3,208.70	+8.7%	–

Scope 3 (selected categories)	208,823.0	165,715.37	164,947.39	–0.5%	–21.0%
└ 1. Purchased goods and services	–	112,880.60	113,787.49	+0.8%	–
└ 3. Fuel- and energy-related activities	–	2,726.42	1,149.70	–57.8%	–
└ 4. Upstream transportation and distribution	–	4,292.63	6,260.60	+45.9%	–
└ 5. Waste	–	146.16	116.81	–20.1%	–
└ 6. Business travel	–	469.79	2,526.03	+437.7%	–
└ 7. Employee commuting	–	910.56	794.49	–12.8%	–
└ 9. Downstream transportation and distribution	–	750.37	696.49	–7.2%	–
└ 11. Use of sold products	–	34,088.66	29,717.68	–12.8%	–
└ 12. End-of-life treatment of sold products	–	9,450.19	9,898.11	+4.7%	–
Total Emissions (Scopes 1+2+3)	213,866.5	173,229.02	170,300.05	–1.7%	–20.3%

E1-6_11

Location-based vs. Market-based Accounting

E1-6_09
E1-6_10
E1-6_12
E1-6_13

In line with the GHG Protocol, TOM TAILOR reports Scope 2 emissions using both the location-based and market-based approaches. The location-based method reflects the average emissions from the electricity grid in the areas where energy is consumed, while the market-based method accounts for the specific electricity sources purchased by the company, such as contracts with renewable energy providers. Reporting both values provides a transparent view of our operational footprint and the effectiveness of our energy sourcing strategy.

Table 9. Location-based and market-based emissions (2024)

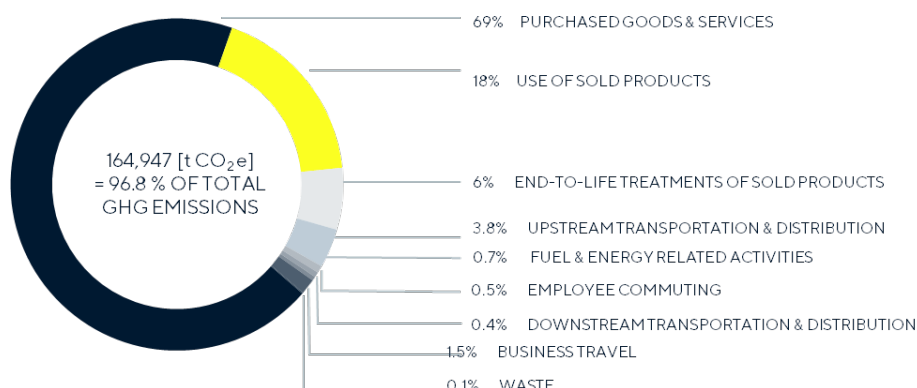| Category	2024 (tCO$_2$e)
Scope 1	2,077.92
Scope 2 (location-based)	3,272.58
Scope 2 (market-based)	5,655.57
Scopes 1 & 2 (location-based)	5,350.51
Scopes 1 & 2 (market-based)	7,733.49
Scope 3	164,947.39
Total (location-based)	**170,297.90**
Total (market-based)	**172,680.88**

Our Scope 3 emissions

E1-6_27

In 2024, Scope 3 emissions accounted for 96.8% of TOM TAILOR 's total GHG emissions, amounting to 164,947 tCO$_2$e. The majority stemmed from purchased goods and services (69%) and the use of sold products (18%), reflecting the significant climate impact of upstream production and downstream product lifecycles. Additional contributors included end-of-life treatment of sold products (6%), transportation and distribution (4,8%), and fuel- and energy-related activities (0,7%). This emissions profile highlights the importance of ongoing efforts to reduce emissions across the entire value chain, particularly through supplier engagement, sustainable product design, and optimisation of logistics and transport modes.

E1-6_14
E1-6_29

The reporting boundary for scope 3 emissions is based on the operational control approach and covers all upstream and downstream activities that are material to TOM TAILOR's value chain emissions. Scope 3 data have been consolidated for all relevant business operations and suppliers under this boundary.

Figure 13. Scope 3 emissions (2024)

164,947 [t CO$_2$e]
= 96.8 % OF TOTAL
GHG EMISSIONS

- 69% PURCHASED GOODS & SERVICES
- 18% USE OF SOLD PRODUCTS
- 6% END-TO-LIFE TREATMENTS OF SOLD PRODUCTS
- 3.8% UPSTREAM TRANSPORTATION & DISTRIBUTION
- 0.7% FUEL & ENERGY RELATED ACTIVITIES
- 0.5% EMPLOYEE COMMUTING
- 0.4% DOWNSTREAM TRANSPORTATION & DISTRIBUTION
- 1.5% BUSINESS TRAVEL
- 0.1% WASTE

Carbon intensity metrics

In 2024, TOM TAILOR calculated its carbon intensity metrics for the first time, providing new insights into the emissions efficiency of our operations and products. The results show a carbon intensity of 2.52 kg CO$_2$e per unit sold, and 0.29 kg CO$_2$e per euro of net revenue (588 M EUR).

E1-6_30
E1-6_31
E1-6_33
E1-6_34

These indicators were derived by dividing TOM TAILOR 's total carbon footprint by relevant activity data such as total product weight, number of units sold, and net revenue in 2024. The methodology follows the GHG Protocol, using the total emissions (Scopes 1, 2, and 3) and allocating them proportionally across output metrics to enable performance benchmarking and guide future reduction efforts.

Table 10. Carbon intensity metrics (2024)

Intensity Metric	Value	Unit
Carbon intensity per unit sold	2.52	kg CO$_2$e / unit sold
Carbon intensity per net revenue	0.29	kg CO$_2$e / EUR

How we calculate our emissions

E1-6_15

Since 2021, TOM TAILOR has conducted annual carbon footprint assessments, using 2019 as the baseline year to ensure consistency by excluding COVID-19-related anomalies. In 2024, we further advanced the precision and transparency of our emissions data by adopting an AI-powered tracking system through our new service provider, Tracera. This transition[6], fully aligned with the GHG Protocol, reflects our ongoing commitment to improving data quality and enhancing climate action.

The improved methodology prioritises the use of primary data, refined tracking processes, and close internal collaboration across departments—from logistics and production to sourcing and retail. All 2024 emissions data were cross-checked in detail with Tracera to ensure transparency and compliance with best practice standards.

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[6] In 2024, we changed our carbon accounting service provider from CEMAsys to Tracera.

The emissions of other affiliated companies that are not consolidated in TOM TAILOR 's financial statements are not applicable and therefore not included in the figures reported above.

The calculation of GHG emissions at TOM TAILOR follows the Greenhouse Gas (GHG) Protocol, which includes methods for calculating Scope 1, Scope 2, and Scope 3 emissions. We apply location-based and market-based methods for Scope 2 emissions and use emission factors from national inventories and industry standards to calculate emissions from fossil fuels and energy use. Calculation methods are aligned with the GHG Protocol. Emissions have been estimated using activity data (e.g., purchased volumes, units sold, transport distances) and appropriate DEFRA emission factors, applying a hybrid methodology combining spend-based and activity-based data where applicable.

Where primary data was unavailable, where primary data was unavailable, industry averages and conservative assumptions were applied to ensure completeness, comparability, and transparency.

Significant assumptions include energy efficiency improvements in our manufacturing processes and the increased share of electric vehicles in our fleet. These assumptions help us estimate emissions reductions and the potential impact of renewable energy adoption on our overall emissions.

E2. POLLUTION

A. Impact, risk and opportunity management

IRO-1. Material pollution-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E2.IRO-1_01 Through our 2024 Double Materiality Assessment, we identified key pollution-related IROs across our operations and supply chain. The analysis highlighted production and wet processing stages, along with the use and end-of-life of products, as the most significant sources of pollution. This evaluation considered facility locations, stakeholder input, and expert insights, helping shape our strategic priorities.

E2.IRO-1_02 We set a formal commitment to the Zero Discharge of Hazardous Chemicals (ZDHC) programme in September 2023 as a signatory brand, reinforcing our engagement in responsible chemical management and efforts to reduce pollution to air, water, and soil. This ongoing work enables us to define targeted actions that address material pollution-related issues throughout our value chain.

Table 11. Material IROs related to pollution

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E2 – POLLUTION				
E2.1 Pollution of water				
E2.I1 Water pollution from raw materials, production, and product use	I -	All	Short	
E2.O1 Water management lowers costs, and reduces compliance risk	O	U / O	Mid	
E2.2 Substances of concern				
E2.I2 Use of hazardous substances affects health and the environment	I -	All	Mid	
E2.O2 Compliance cost savings from ZDHC and other certifications	O	U / O	Short	
E2.3 Microplastics				
E2.I3 Microplastics released during plastic production, transport, and product use	I -	All	Mid	
E2.R1 Costs to reduce microplastics, e.g. using natural fibres	R	U / O	Mid	

(E2.IRO-1_03)

E2-1. Policies related to pollution

E2.MDR-P_01-06 The principles outlined in our policies serve as the basis for initiatives aimed at minimizing pollution-related impacts, particularly by preventing the release of substances of concern throughout the value chain—especially during manufacturing processes.

Policies related to pollution

/ General Instructions
/ Chemical Management Handbook
/General Product Safety Regulation Compliance Policy

Mitigation of negative impacts related to pollution

In line with our BE PART strategy, we are committed to minimising the environmental impacts generated throughout our value chain—particularly those affecting water, ecosystems, biodiversity, and surrounding communities—while ensuring full compliance with applicable environmental regulations.

E2-1_01
E2-1_02
E2-1_03

We address pollution-related impacts in our value chain through the principles established in our Chemical Management Handbook and Restricted Substances List (RSL). These documents guide our efforts to minimise the release of harmful substances, especially during manufacturing processes, with a strong focus on proper chemical use and wastewater handling. These policies also address avoiding incidents and emergency situations, and when they may occur, controlling and limiting their impact on people and environment

While we do not yet have a standalone Water or Biodiversity Policy, our current requirements promote responsible practices that help reduce emissions to water and soil, including the management of substances of concern, microfibre shedding, and domestic laundry impacts.

We acknowledge that pollution from manufacturing and processing can significantly affect ecosystems, biodiversity, and human health. As such, we encourage suppliers to adopt cleaner production methods and improve wastewater treatment to protect natural resources.

Substances of concern

TOM TAILOR is committed to reducing the use and discharge of hazardous chemicals across its value chain. To achieve this, we follow the industry standards recognised by the ZDHC (Zero Discharge of Hazardous Chemicals) framework, applying both the AFIRM Manufacturing Restricted Substances List (MRSL) for production processes and the Restricted Substances List (RSL) for final products.

Since becoming an official ZDHC Signatory Brand in 2023, we have begun onboarding all relevant Tier 1 and Tier 2 suppliers to the ZDHC Gateway, ensuring alignment with a shared standard for responsible chemical input management. As part of our supplier onboarding process, compliance with the RSL, MRSL, and our Chemical Management Handbook is mandatory. Suppliers are required to sign a Chemical Compliance Letter, confirming adherence to these standards. Our guidelines are informed by the DETOX campaign and the EU REACH regulation, reinforcing our commitment to safer, more transparent chemical management throughout the value chain.

Prevention of impacts

Pollution prevention and environmental protection are integral to our operations and supply chain oversight. Within our own operations, we have implemented an Environmental Management System (EMS) which helps us identify and manage potential environmental risks, particularly at our logistics facilities and headquarters.

In our supply chain, pollution-related risks are monitored through the amfori BEPI platform. As a BEPI member, TOM TAILOR covers the cost of supplier access to this programme, enabling Tier 1 partners to complete a standardized environmental risk self-assessment free of charge.

BEPI provides a harmonised framework to evaluate key sustainability metrics—such as energy and water use, emissions, and chemical management—and supports suppliers in tracking progress

through benchmarking, diagnostics, and continuous improvement tools. Where non-compliances are identified, we work with suppliers to implement tailored Corrective Action Plans (CAPs) to raise performance and reduce environmental impact.

Certified materials and standards

TOM TAILOR demonstrates its commitment to pollution prevention and high product safety by adhering to robust chemical and quality standards. We comply with the AFIRM Restricted Substances List (RSL), setting strict limits for hazardous substances such as heavy metals (lead, cadmium, chromium), organotin compounds, bisphenols, and Polycyclic Aromatic Hydrocarbons (PAHs), with even stricter thresholds applied to children's and baby products. These measures go beyond legal compliance, supporting safer consumer products and environmental protection.

Additionally, TOM TAILOR 's Product Safety Management System ensures all products meet the requirements of Regulation (EU) 2023/988 on General Product Safety. This includes rigorous quality controls throughout the value chain—from design and development to delivery—supported by accredited laboratories and regular audits. The system incorporates compliance with REACH (EC No. 1907/2006) and the Persistent Organic Pollutants (POP) Regulation (EU 2019/1021), ensuring responsible chemical use.

To maintain consistent product quality, TOM TAILOR uses defined KPIs for quality assurance, enforces strict supplier contracts, and mandates training for staff involved in procurement and quality processes. These combined standards underscore TOM TAILOR 's dedication to both pollution prevention and delivering safe, high-quality products.

We follow strict certification standards and branded fibre requirements to ensure that our material choices actively contribute to pollution reduction across the value chain.

Our sourcing strategy prioritizes certified natural and recycled fibres, which are tracked and verified through globally recognized third-party standards. For example, we use the Global Organic Textile Standard (GOTS) for organic cotton, ensuring that no harmful pesticides or toxic inputs are used in cultivation or processing.

To further reduce microplastic pollution and chemical runoff, we incorporate the Global Recycled Standard (GRS) and Recycled Content Standard (RCS) for synthetic and blended recycled materials, ensuring traceability and compliance with environmental and social criteria. In the category of synthetic cellulosic, branded fibres like TENCEL™, LENZING™ ECOVERO™, and REFIBRA™ are preferred due to their closed-loop production and lower chemical impact.

For bast fibres, we work with European Flax™, a premium certified linen brand known for its low environmental footprint. Additionally, branded fibres like REPREVE® Our Ocean™—made from ocean-bound plastic—are part of our commitment to tackle marine pollution.

Through this robust material strategy and adherence to third-party certifications, we aim to avoid pollution, support circularity, and maintain the highest product integrity across our collections.

Figure 14. Fibre types used for our products
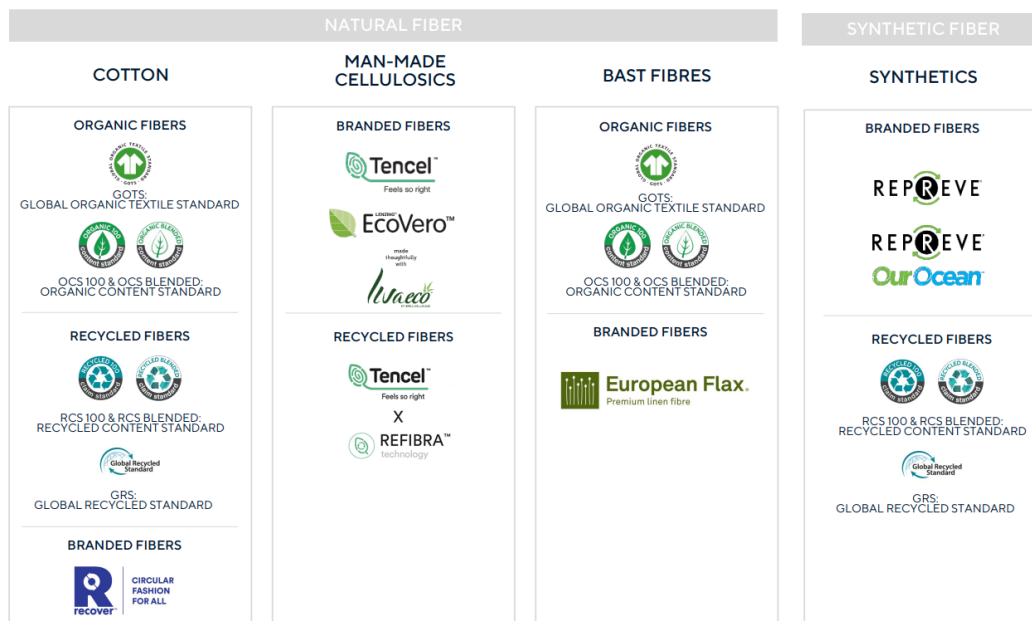
E2-2. Actions related to pollution

E2.MDR-A_01-05

E2-2_02

At TOM TAILOR, we take a comprehensive approach to preventing and reducing pollution across our operations and throughout our value chain. This includes direct actions such as enforcing strict limits on hazardous chemical use and minimizing microfibre release from our garments, as well as indirect measures like lowering energy and water consumption—particularly in our supply chain's production processes.

Actions to avoid pollution

E2.MDR-A_01-05

TOM TAILOR 's GPSR Compliance Policy outlines the company's commitment to the EU Regulation (EU) 2023/988 on General Product Safety. The policy ensures a high level of consumer protection by implementing a comprehensive Product Safety Management System. This system includes strict quality control procedures, regular testing by accredited labs, and continuous training for staff across the supply chain. This policy is a key pillar of TOM TAILOR 's BE PART sustainability and quality strategy.

Within the framework of the BE PART strategy, we have implemented the followed actions linked to pollution-related most relevant impacts.

Wastewater treatment

E2.MDR-A_01-05

We are committed to reducing the environmental impact of our supply chain, particularly regarding water pollution from wet processing facilities. In alignment with our BE PART strategy, sustainability goals and water stewardship principles, we work to ensure that minimum discharge quality standards are met for all facilities with direct environmental discharge. Since becoming an

official ZDHC signatory in 2023, we continued implementing ZDHC framework, using both the MSRL and the AFIRM RSL to manage chemical inputs and outputs. This enables consistent monitoring and enforcement of wastewater quality standards.

Chemical products

E2.MDR-A_01-05

The use of the MSRL and the AFIRM RSL—featuring stricter limits for substances like heavy metals, bisphenols, and PAHs—ensures control over chemical inputs during manufacturing, especially for sensitive product categories such as children's wear. The ZDHC Gateway enables suppliers chemical inventory tracking and alignment with conformance levels. In parallel, we conduct regular substance testing and supplier audits to verify compliance and reduce the use of hazardous chemicals throughout our production process.

Microplastics

E2.MDR-A_01-05

In 2024, we continued to take action to minimize microplastic pollution throughout our value chain. As part of our product development strategy, we prioritized the use of natural fibres such as organic cotton, linen, and hemp, reducing reliance on synthetic materials that contribute to microfibre shedding during wear and washing.

Amfori BEPI

E2.MDR-A_01-05

Amfori BEPI enables us to evaluate environmental performance of suppliers in key pollution-related areas such as chemical handling, wastewater treatment, and emissions management at supplier facilities. Based on the results of the self-assessments, we develop actions to address non-conformities and improve environmental practices. Amfori BEPI remains a key tool in our BE PART strategy to reduce pollution risks across our supply chain and ensure compliance with international standards.

Actions to reduce pollution

Packaging

E2.MDR-A_01-05
E2-2_02

In 2024, we continued to take concrete steps to reduce packaging-related pollution by minimizing single-use plastics and increasing the share of recycled materials. All upstream and downstream polybags used for product protection during transport and handling are now made from 100% recycled plastic, with online return polybags containing at least 80% recycled content. To further reduce plastic waste, we optimized our packaging processes by consolidating product samples, colour swatches, and prototypes into single bags, and piloted the use of one primary polybag for multiple sizes—starting with denim products.

Additionally, all paper cartons used across our operations are produced from 100% recycled paper, and FSC-certified. We also maintain our long-standing policy banning single-use plastic bags in retail stores, offering only recycled paper bags as a more sustainable alternative.

Furthermore, since 2005 we have sourced mannequins from IRW/IDW, which are made from 100% recyclable polystyrene with 40% recycled content, further supporting circularity in our visual merchandising. These initiatives are part of our broader strategy to reduce packaging-related pollution and align with our environmental stewardship goals.

Users care guide

E2.MDR-A_01-05

In 2024, we expanded our digital "Keep Forever" Care Guide to empower customers to care for their garments in ways that minimize environmental impact. This guide offers material-specific instructions for fabrics such as denim, wool, viscose, cotton, linen, and down, emphasizing practices like cold washing, air drying, and the use of gentle detergents. For instance, we recommend washing denim at 30°C or 40°C on a delicate cycle and advise against using fabric softeners to reduce water and energy consumption, as well as microfiber shedding. Similarly, for wool garments, we suggest airing them out instead of frequent washing, as wool fibres naturally resist odours and bacteria. By promoting these sustainable care practices, we aim to extend the lifespan of our products, reduce pollution, and support our broader sustainability goal.

Meaningful collaborations

On September 13, 2023, TOM TAILOR officially became a ZDHC Signatory Brand, joining the ZDHC committed Community to advance sustainable chemical management. This milestone reflects our dedication to promoting better chemistry and achieving the highest product performance and safety standards.

In 2024, we strengthened our commitment to reducing pollution through strategic collaborations with environmental organisations.

Our ongoing partnership with MBRC the ocean has led to the collection of over 81,500 kg of coastal waste in Indonesian communities. This initiative also included a capsule collection made from recycled ocean plastic and organic cotton, as well as a loyalty programme that allows customers to contribute to ocean conservation efforts through their purchases.

In collaboration with Oclean Hamburg, our crew participated in a cleanup event in Hamburg, collecting 93.3 kg of waste in two hours. This hands-on initiative not only contributed to local environmental cleanliness but also raised awareness among our team about waste and recycling practices.

Through these partnerships, we aim to address pollution at its source, promote sustainable practices, and engage our community in environmental stewardship.

B. Metrics and targets

E2-3. Targets related to pollution

ZDHC Gateway Onboarding Status

E2.MDR-T_01-13

Chemicals play an essential role in textile production—particularly for dyeing, printing, and enhancing fabric performance. To manage their impact safely and sustainably, we follow the industry standards defined by the ZDHC framework, applying both the MSLR for production inputs and the RSL for final products.

Since becoming an official ZDHC Signatory Brand in 2023, we have been actively onboarding our supply chain to the ZDHC Gateway, which enables shared chemical input management, transparency, and safer chemistry across our operations.

As of March 2025, 91% of our Tier 1 suppliers have been successfully integrated into the ZDHC Gateway. Our goal is to reach 100% onboarding of Tier 1 suppliers by the end of 2025, reinforcing our commitment to pollution prevention and improved chemical safety throughout the value chain.

Table 12. Tier 1 and 2 suppliers onboarded on ZDHC by country

Country	Tier 1 Onboarded	Tier 1 Invited	Tier 2 Onboarded	Tier 2 Invited
Bangladesh	26	2	21	3
Cambodia	4	0	0	0
China	17	2	22	16
India	8	0	9	2
Indonesia	7	0	0	1
Pakistan	5	0	6	2
South Korea	0	0	1	0
Sri Lanka	2	1	0	0
Thailand	0	0	0	2
Türkiye	11	2	21	1
Vietnam	6	2	3	0
Taiwan	0	0	0	1
Total	**86**	**9**	**83**	**22**

E2-4. Pollution of air, water and soil

Emissions of pollutants

In 2024, we identified key environmental risks related to the emission of pollutants into air, water, and soil across different stages of our value chain—particularly within the manufacturing processes carried out by our suppliers.

While our own operations contribute minimally to these emissions, it remains a challenge to accurately quantify non-GHG emissions due to the absence of robust, industry-wide methodologies and consistent data from suppliers. As a result, we have not yet established numerical indicators or targets in this area. However, through our engagement with the amfori BEPI framework and the ZDHC Gateway, we continue to monitor and improve environmental practices related to wastewater, air emissions, and chemical discharge at production sites.

Microplastics

Regarding microplastics, we recognize their potential environmental impact as disclosed in our DMA results, primarily during product manufacturing and consumer use phases.

Synthetic fibres are a known source of microfibre pollution, and as such, we have prioritized the integration of natural materials such as organic cotton, linen, and hemp in our product design. We also continue to assess legal developments and best practices concerning microplastics and are exploring scalable alternatives to synthetic fibres.

Currently, limitations in data availability and methodological standards prevent us from reporting quantitative microplastic emission metrics. Nonetheless, we are committed to ongoing improvements in fibre selection, design practices, and consumer care guidance to mitigate microfibre release over the lifecycle of our products.

E2-5. Substances of concern and substances of very high concern

At TOM TAILOR, we recognize that substances of concern and substances of very high concern can pose significant risks to both human health and the environment if not properly managed. These substances may be present in chemical formulations used during manufacturing, such as dyes, finishing agents, coatings, or auxiliaries. To mitigate these risks, we have implemented a robust chemical management system based on the ZDHC MSRL and AFIRM RSL applying stringent concentration thresholds and test methods to ensure product safety.

As of 2024, all substances used in production are subject to strict testing protocols, with limits set well below legal thresholds. For example, we apply limits of 1 mg/kg for cadmium and lead, 0.5 mg/kg for mercury, and 1 µg/m² for perfluoro octane sulfonates (PFOS) using ISO and EN standard testing methods such as EN 16711-1 for heavy metals and ISO 17075-1 for Chromium VI. We have also set age-specific thresholds for sensitive product categories—such as lower PAH limits for kids' products—and follow European REACH guidelines in managing Substances of Very High Concerns.

Due to current limitations in the data provided by chemical manufacturers, and inconsistent international disclosure regulations, we cannot yet quantify the total volume of substances of concern present in our value chain. Additionally, the textile industry lacks standardized estimation methods for tracking these volumes reliably.

In response, we focus on preventive action, including:

- Mandatory compliance with ZDHC MRSL across all Tier 1 and Tier 2 suppliers.
- The use of certified safer alternatives for materials (e.g., GOTS, OCS, GRS).
- Regular Check Reports through the ZDHC Gateway to evaluate supplier chemical inventories.
- Audits and testing of chemical content based on defined detection limits

Our target is to maintain 100% testing compliance for substances of concern in high-risk product categories and to fully onboard our Tier 1 suppliers on the ZDHC tools by the end of 2025. These actions reinforce our commitment to protecting consumers, workers, and ecosystems from hazardous chemical exposure.

E3. WATER AND MARINE RESOURCES

A. Impact, risk and opportunity management

IRO-1. Material water resources-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E3.IRO-1_01

Based on a comprehensive analysis of our own operations and value chain activities, as well as the findings from our DMA and stakeholder engagement process, we have identified the relevant IROs related to water and marine resources. This assessment included a geographic mapping of our supply chain and production facilities, with special attention to locations within water-stressed regions.

The outcome indicates that water-related impacts and risks primarily arise within our upstream value chain—specifically in wet processing stages such as dyeing and finishing. These processes are conducted by suppliers and carry a higher potential for water consumption and pollution.

In contrast, our own operations, being administrative and design-focused, have negligible direct impacts or dependencies on freshwater resources.

In line with ESRS 1 Section 10.2 and the transitional provisions under the CSRD, we apply a progressive reporting timeline for upstream value chain disclosures.

Regarding marine resources, our materiality assessment confirms that our business activities are not materially dependent on marine ecosystems. The potential indirect impacts on the marine environment—such as the release of microfibres or certain persistent substances—are addressed in detail under ESRS E2 Pollution. As no other material IROs have been identified in this domain, no further disclosures related to marine resource dependencies are included under this standard.

Consultations with stakeholders

E3.IRO-1_02

In our DMA, stakeholders highlighted the need to address water risks in our supply chain, especially in wet processing. To support this, we used the Aqueduct Water Risk Atlas by the World Resources Institute WRI and the amfori BEPI Risk Assessment Tool to identify high-risk regions based on water scarcity, quality, and regulatory risks. We also considered the Environmental Impact Measurement (EIM) Score to assess water use in denim production. These insights helped align our actions with stakeholder expectations and global water risk data.

Table 13. Material IROs related to water and marine resources

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E3 – WATER AND MARINE RESOURCES E3.1 Water E3.1.1 Water consumption				
E3.I1 High water use in fabric sourcing, garments production, and washing	I -	U / D	Short	
E3.R1 Cost of water dependence in production	R	U / O	Long	

E3-1. Policies related to water resources

Policies related to water

E3.MDR-P_01-06 As of the 2025, we do not have a dedicated water policy in place. However, water-related aspects are partially addressed through other existing policies.

/ amfori BSCI Code of Conduct
/ Chemical Management Handbook
/ Strategic Suppliers Requirements

Although TOM TAILOR has not yet adopted a standalone policy specifically for operations in areas of high-water stress, we actively monitor water-related risks in our supply chain. We measure the proportion of factories located in regions with high water scarcity, using tools such as the Aqueduct Water Risk Atlas and the amfori BEPI Water Risk Assessment Tool.

For our strategic suppliers, we have established water requirements that include reporting on water consumption and management practices through our supplier scorecards. These measures help us assess performance and identify potential areas of improvement. In the future, we plan to introduce follow-up action plans in collaboration with suppliers in high-risk areas to further strengthen water stewardship and resilience.

Water management

At TOM TAILOR, water is an essential element of our environmental perspective, particularly in relation to its consumption and pollution across the value chain. Although we have not yet adopted a standalone water policy, our commitment to responsible water management is embedded within our BE PART sustainability strategy.

We aim to reduce water-related impacts by advancing sustainable sourcing practices, optimizing water use in high-impact production processes such as denim finishing by producing low impact denims measured by EIM, and promoting transparency and traceability. Our materiality assessment has highlighted water as a relevant topic, especially in upstream activities, reinforcing our ambition to act where it matters most.

Use and treatment

We proactively collaborate to ensure sustainable water management in the regions where our supply chain operates, recognizing the critical importance of joint action in preserving river and marine ecosystems. Under our BE PART strategy, and particularly through the PLANET pillar, we focus on minimizing freshwater withdrawal by choosing less water-intensive dyeing and finishing methods, such as Laser, Ozone Wash, E-Flow, and ZERO WATER BLUE.

In 2024, we reinforced this approach by integrating water-related KPIs—such as the *share of recycled water use*—into our supplier Scorecard, targeting all Tier 1 suppliers with particular attention to high-impact regions like Bangladesh, and Vietnam.

Combined with tools like the Environmental Impact Measurement (EIM) Score, the WRI Aqueduct water risk atlas, and supplier engagement via amfori BEPI, these actions ensure data-

driven improvements in water stewardship and environmental responsibility across our value chain

Prevention of pollution

TOM TAILOR commits to prevent, reduce and eliminate water discharges of hazardous chemicals and other pollutants across our value chain. We promote responsible water withdrawal and treatment, embed pollution-risk checks in product and process design, and encourage the use of improved treatment technologies. Action plans with measurable targets drive continuous reduction of pollutant emissions from our operations and suppliers.

Lower-water impact denims and products

In 2024, TOM TAILOR continued to reduce the environmental footprint of its denim production by further increasing the share of low impact denim. This category, assessed using the Environmental Impact Measurement (EIM) Score by Jeanologia, evaluates key indicators such as water and energy consumption, chemical use, and worker health. By optimizing processes and engaging suppliers, we made steady progress towards our 2025 goal of achieving 100% low impact denim across our portfolio.

Consumption in areas at water risk

As a fashion company, we recognize our substantial freshwater consumption, particularly in the upstream stages of our value chain, where dyeing, washing, and cotton farming are among the most water-intensive processes. To address this, we have established a water stewardship approach that prioritizes supplier sites located in "high" or "extremely high" water risk regions, as defined by the WRI Aqueduct Water Risk Atlas.

All Tier 1 and Tier 2 suppliers in these areas are required to report on absolute water withdrawal, water consumption, and the percentage of recycled water via the amfori BEPI 2.0 platform.

In parallel, we are accelerating the transition to 100% "low impact" denim by 2025 to reduce freshwater use through more sustainable treatment methods. These actions support our commitment to mitigating water-related risks and reducing our overall water footprint.

Meaningful collaborations

We actively engage in partnerships that support sustainable water management and pollution prevention across our value chain. Since 2020, we have collaborated with MBRC the ocean, contributing to coastal waste collection and awareness campaigns in Indonesian communities. This long-standing partnership has led to the removal of over 81,500 kg of marine litter and the launch of capsule collections incorporating recycled ocean plastic and organic cotton. In 2024, we expanded this collaboration with a second campaign and integrated customer engagement through a loyalty programme aimed at ocean conservation.

Our participation in the RUN4WATER initiative further underscores our commitment to raising awareness of global water scarcity. Additionally, in 2024 we supported The Good Dye, a local initiative that highlights sustainable dyeing practices and their relevance for water protection. In Hamburg, our team took part in a cleanup drive in partnership with Oclean, removing 93.3 kg of waste from local waterways in just two hours.

Through these partnerships, we aim to reduce water-related pollution, foster collective action, and promote responsible water use within and beyond our operations.

E3-2. Actions related to water resources

Water consumption

E3.MDR-A_01-05

We continue to implement measures that reduce water consumption in denim production by promoting more efficient and responsible manufacturing practices. Using Environmental Impact Measurement (EIM) scoring, we assess key impact areas—including water use, energy consumption, chemical inputs, and worker health and safety — to guide process improvements. Our focus remains on scaling low-impact treatments such as laser finishing, ozone washing, and water recycling technologies. By prioritizing these practices across our supply chain, we are steadily lowering the freshwater footprint of our denim products and reinforcing our commitment to sustainable water management.

Figure 15. EIM Scoring

LOW IMPACT   MEDIUM IMPACT   HIGH IMPACT

E3-2_03

As a fashion brand, we acknowledge our significant use of freshwater, particularly in upstream processes such as dyeing, washing, and cotton cultivation. To address water scarcity risks, we have embedded water consumption monitoring across our supply chain using the amfori BEPI 2.0 tool. Since 2023, this data has been systematically collected at the country level and integrated into our supplier scorecard to support more informed sourcing decisions.

In 2024, we used these insights to promote awareness and engagement with suppliers, encouraging the adoption of water-efficient technologies and practices. By connecting water risk levels with real operational data, we enhance our ability to act where the environmental impact is greatest, strengthening our commitment to responsible water management across our global sourcing footprint.

Initiatives in the supply chain

Our production partners have taken notable steps to improve water efficiency and responsible water management within their operations. Rainwater harvesting systems have been introduced to reduce dependency on groundwater sources, while upgraded Effluent Treatment Plants (ETPs) with advanced biological processes now enable water reuse and in some cases Zero Liquid Discharge (ZLD).

Across facilities, condensate recovery systems are increasingly applied, achieving savings of around 15–20% in water reuse capacity and recovering more than half of hot water from boiler

operations. Expanded rainwater harvesting infrastructure now covers several thousand square metres of roof and ground area, and modern dyeing machines have reduced water intensity by up to one-third per kilogram of fabric processed.

These actions reflect a shared commitment to responsible water stewardship and resource efficiency, supporting broader goals to reduce wastewater generation and ensure more sustainable water use in production.

Meaningful collaborations

TOM TAILOR engages in strategic collaborations to strengthen water stewardship across our supply chain, with a particular focus on supporting our suppliers in high-risk regions. We collaborate with platforms such as amfori BEPI and ZDHC to promote responsible water use, wastewater treatment, and sustainable chemical management at the factory level. In addition, we work with innovation partners like Jeanologia to scale water-efficient technologies in wet processing, including laser and ozone finishing. These partnerships allow us to align supplier practices with industry standards, drive continuous improvement, and support the transition to more sustainable production models.

B. Metrics and targets

E3-3/E3-4. Water consumption and targets

In 2024, we deepened our efforts by launching a supplier survey to evaluate existing or planned water recycling systems, embedding this data into a new water-related KPI within our supplier scorecard, and linking future sourcing decisions to progress achieved.

Water consumption in our supply chain

Since 2023, we have tracked water consumption through the amfori BEPI tool, now fully embedded in our supplier scorecard. This approach allows us to monitor country-level water use, identify trends, and support targeted action.

E3-4_01
E3-4_06

In 2024, our data revealed mixed results across sourcing countries. Notably, Bangladesh, which accounts for the highest volume of water use, showed a 3% increase, rising from 8,961 to 9,212 million m³. Considering that TOM TAILOR included four more production factories in 2024 in comparison to 2023, Cambodia reported a 48% increase, while India and Türkiye saw increases of 37% and 28%, respectively. In contrast, and China showed an 8% reduction. Moderate increases were observed in Indonesia (+6%), Sri Lanka (+11%), and Vietnam (+8%).

Figure 16. Country-level water consumption (2023-24)

In million m³
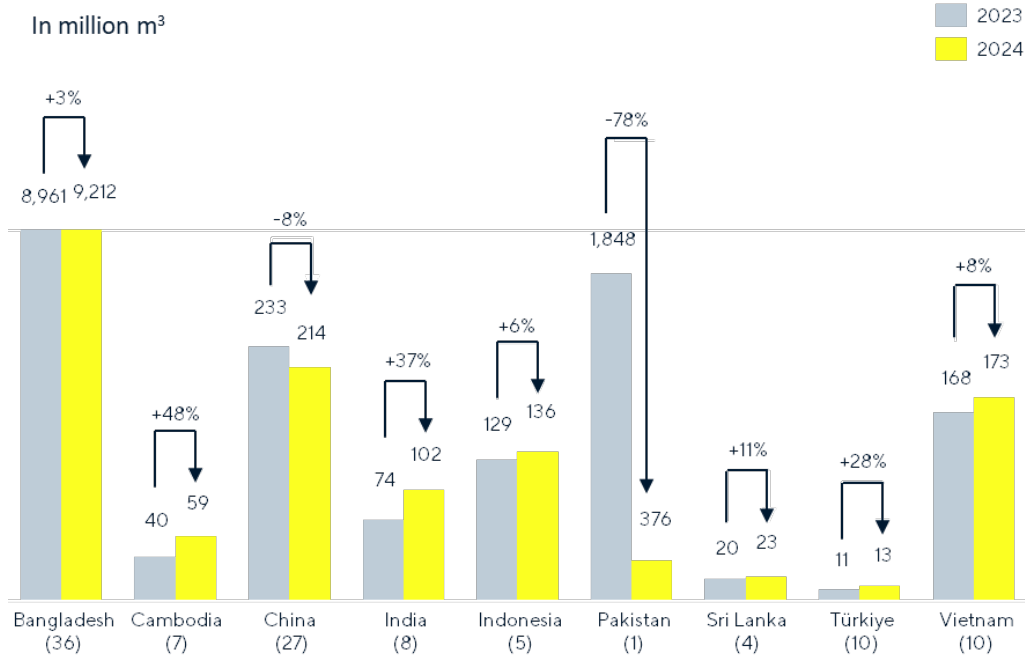
These insights are used to inform supplier dialogues, prioritize high-impact regions, and guide efforts to reduce water consumption, especially in areas identified as high-risk. Our ongoing goal is to foster more efficient water use and implement water-saving measures through transparency, benchmarking, and collaboration.

Reduction in water consumption in the supply chain

E3-3_01
E3-3_03

E3.MDR-T_02
E3.MDR-T_03
E3.MDR-T_07

Wet processes in denim production are among the most water-intensive steps in our value chain. To mitigate their environmental impact, we systematically monitor where our denim styles are produced, combining global water scarcity data from the WRI Aqueduct Atlas with Environmental Impact Measurement (EIM) scores. In 2024, 84% of our denim products achieved a *Low EIM Score*, indicating reduced water usage, minimal chemical input, and improved worker safety. Our goal for 2025 is to produce 100% low-impact denim, as defined by the EIM scoring methodology, reinforcing our commitment to responsible water resource management in high-risk sourcing regions.

Figure 17. Share of low impact denims (2024)

84%
LOW IMPACT

2024
RESULT

16%
MEDIUM IMPACT

Areas at water risk

Wet processes in denim are especially water-intensive, making water management a critical priority in our value chain. We monitor where our denim production takes place using the WRI Aqueduct Water Risk Atlas and classify production sites by water scarcity zones. We then link this data with Environmental Impact Measurement (EIM) scores to guide responsible sourcing and process improvements.

E3-4_02

In 2024, 84% of our denims were rated as *Low EIM Score*, reflecting robust performance in water, energy, chemical use, and worker safety. Our goal for 2025 is to produce 100% low-impact denims based on EIM scoring.

The following table shows the distribution of our denim production in 2024 across water scarcity zones, segmented by EIM score:

Table 14. Denim production in 2024 across water scarcity zones

Water Scarcity Zone	Low EIM Score	Medium EIM Score	TOTAL
Extremely High (>80%)	57%	61%	58%
High (40–80%)	7%	2%	6%
Medium - High (20–40%)	5%	3%	5%
Low - Medium (10–20%)	28%	34%	29%
Low (<10%)	3%	1%	2%
Total	84%	16%	100%

This analysis helps us prioritize interventions in high-risk areas and supports our target to fully transition to low-impact denim production by 2025.

E4. BIODIVERSITY AND ECOSYSTEMS

A. Strategy

IRO-1. Material biodiversity and ecosystems-related impacts, risks, and opportunities

Identification of Impacts, Risks and Opportunities

E4.IRO-1_02 Through our business activity, DMA, and stakeholder input, we have identified key dependencies on ecosystem services —particularly climate regulation, healthy soils, and water availability in our upstream supply chain.

These services are essential for raw materials like cotton, which is increasingly affected by biodiversity loss and environmental degradation in sourcing regions. While no material dependencies were identified in our own operations, preserving ecosystem health remains vital for supply chain resilience and long-term raw materials availability.

Consultations with stakeholders

E4.IRO-1_07 Stakeholder dialogue is a key element of our materiality assessment, as outlined earlier in this Report. In 2024, we engaged with relevant organisations to better understand the potential impacts and dependencies of our operations on ecosystems and biodiversity. We highlight our ongoing collaboration with the Better Cotton Initiative (BCI), which provides valuable insights into more sustainable cotton cultivation practices and biodiversity-related risks in our supply chain. This continuous engagement supports the identification and prioritisation of relevant impacts, risks, and opportunities, and informs the development of new targets and actions to strengthen our approach to biodiversity management.

Table 15. Material IROs related to biodiversity and ecosystems

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E4 – BIODIVERSITY AND ECOSYTEMS				
E4.1 Impacts and dependencies on ecosystem services				
E4.R1 Raw material loss and ecosystem reliance increase cotton cost	R	U	Mid	

Biodiversity-sensitive areas

E4.IRO-1_14 As of 2024, we have not conducted a formal analysis of our operations in biodiversity-sensitive areas. However, based on our materiality assessment, we understand that our own facilities—stores, offices, and distribution centres—are unlikely to pose material risks to biodiversity. The most relevant impacts are expected to occur upstream in our value chain. In line with CSRD transitional provisions (ESRS 1, section 10.2), we aim to enhance our data and reporting in this area in future years.

Occurrence and Types of Impacts

Our materiality assessment did not identify any direct impacts from our own operations on endangered species or species population trends.

E4.IRO-1_01 We have identified potential risks in our value chain related to ecosystem degradation and the unsustainable use of natural resources. We plan to deepen this analysis in the coming years.

Current findings highlight the importance of maintaining and further integrating nature-related risk mitigation measures into our BE PART strategy.

B. Impact, risk, and opportunity management

E4-2. Policies related to biodiversity and ecosystems

E4.MDR-P_07 While we do not yet have a standalone Biodiversity Policy, we recognize the growing importance of protecting ecosystems and biodiversity. Our commitment is reflected through existing policies, such as the amfori BSCI code of conduct, and will be further reinforced as we continue to develop our strategic approach in this area, in further years.

E4-3. Actions related to biodiversity and ecosystems

At TOM TAILOR, we understand the vital role healthy ecosystems play in sustaining life and supporting communities. That is why we are committed to protecting natural ecosystems across our value chain.

Preventing damages and reducing our impact

E4.MDR-A_01-05 At TOM TAILOR, we are committed to protecting ecosystems of high biodiversity value and minimizing our environmental footprint. To this end, we have completely banned the use of conventional cotton, due to its high-water consumption, pesticide use, and land degradation impacts.

Instead, we prioritize certified and lower-impact fibres that actively support the conservation of biodiversity. We use organic cotton (GOTS, OCS) and BCI cotton, which promotes healthier soils, reduce chemical inputs, and safeguard pollinator populations.

We also increase the use of recycled materials—such as Recycled Cotton, Polyester, and Wool (GRS/RCS)—which ease the pressure on land use and reduce waste in ecosystems.
Our wood-based fibres, including TENCEL™ Lyocell, LENZING™ ECOVERO™, and LivaEco, are sourced from certified forests and manufactured through closed-loop processes that conserve water and prevent harmful chemical release. These practices help preserve forest biodiversity and protect habitats from deforestation.

By expanding the use of certified, recycled, and traceable materials, we reduce our dependence on natural resources, protect fragile ecosystems, and contribute positively to biodiversity conservation across our global value chain.

Meaningful collaborations

To support the conservation of ecosystems and biodiversity, we are in contact with a few relevant organisations and initiatives. For instance, we maintain occasional communication with BCI primarily through their UK-based Membership Management and would be open to exploring closer collaboration. We also participate in the amfori BEPI framework, where biodiversity is one of the topics covered in the assessment. Our current involvement includes quarterly meetings within the broader BEPI Continuous Improvement Working Group, where we exchange insights with other member brands.

C. Metrics and targets

E4-4. Targets related to biodiversity and ecosystems

E4.MDR-T_02
E4.MDR-T_07

At TOM TAILOR, we recognize the importance of acting to protect, restore, and regenerate biodiversity both within our value chain and beyond. Although we are still in the initial stages of considering the development of a dedicated biodiversity strategy, our broader sustainability efforts already contribute to the conservation of natural ecosystems. Our commitments to reduce GHG emissions aligned with SBTi targets, are linked to the preservation of biodiversity, given the severe impacts of climate change on natural habitats.

E4-4_06

Our responsible management of natural resources is a core pillar of our BE PART strategy. This is reflected in our growing share of certified and branded materials that aim to minimize environmental degradation across several fibre types. In 2024, 27% of our sourcing and buying was made using more sustainable materials, excluding BCI cotton, which we now treat as a minimum standard rather than a sustainability benchmark. For 2025, we aim to increase this share of more sustainable materials to 28%.

E4-5. Metrics related to biodiversity and ecosystems

As previously mentioned, our DMA identified biodiversity-related risks primarily linked to the sourcing and availability of raw materials such as cotton. While we have not identified any material negative impacts in the geographic areas where TOM TAILOR operates directly, we acknowledge that potential adverse impacts may occur further upstream in our value chain, particularly in raw material sourcing regions.

In response, we are currently working to strengthen our understanding of these potential impacts and are in the process of gathering additional information to improve measurement and transparency. This work aligns with the transitional provisions outlined in ESRS 1, section 10.2 of the CSRD, and will support more comprehensive biodiversity-related disclosures in future reporting cycles.

E5. RESOURCE USE AND CIRCULAR ECONOMY

A. Impact, risk and opportunity management

IRO-1. Material resource use and circular economy-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E5.IRO-1_01

The analysis of our operations, in conjunction with the results of our DMA and insights gathered from stakeholder engagement, has enabled us to identify material impacts, risks, and opportunities related to resource use and the circular economy.

This evaluation encompassed TOM TAILOR 's own operations and extended across the value chain, assessing all relevant inflows and outflows of resources at each stage of the product lifecycle. The objective was to capture a comprehensive view of potential environmental and social impacts linked to resource dependency and material efficiency.

TOM TAILOR is actively involved in the selection of raw materials used in its products and in defining their technical specifications and sustainability criteria. While the procurement of raw materials and fabrics forms part of our operational scope, the most significant environmental impacts and opportunities related to resource use are concentrated within the upstream value chain.

Waste management and outflows, by contrast, are linked to operational waste within our own facilities and to the downstream stages of the product lifecycle, including customer use and end-of-life disposal. These findings have reinforced the importance of advancing circular business models, minimizing material losses, and scaling up our use of preferred and recycled materials across collections.

Consultations with stakeholders

E5.IRO-1_02

Stakeholder dialogue is a vital component of our DMA, as described earlier in this report. During our operations, we also maintain active collaborations with specialised organisations that provide us with critical expertise on the environmental and social impacts of our resource use and circular economy practices.

E5-2_07
E5-2_09

These collaborations include partnerships with key standard-setting bodies and initiatives focused on sustainable materials and product circularity. Notably, we work with certification schemes such Recycled Claim Standard (RCS) and Organic Content Standard (OCS) to promote the use of lower-impact and recycled fibres. In the area of packaging, we prioritise materials certified by the Forest Stewardship Council (FSC), while product-level circularity is supported through our partnership with TEXAID. To enhance traceability and transparency across our supply chain, we also collaborate with the RETRACED platform.

Table 16. Material IROs related to resource use and circular economy

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
E5 – RESOURCE USE AND CIRCULAR ECONOMY				
E5.1 Resources inflows, including resource use				
E5.I1 Overusing scarce resources causes depletion.	I -	U / O	Long	
E5.I2 Efficiency and responsible sourcing lowers reliance on scarce resources	I +	O	Short	
E5.O1 Circular designed products boost sales by meeting sustainability demands	O	O / D	Mid	
E5.2 Waste				
E5.I3 Garment production causes waste, pollution, and high disposal costs	I -	All	Short	

E5-1. Policies related to resource use and circular economy

E5.MDR-P_01
E5.MDR-P_02
E5.MDR-P_04

Efficient resource management is a key priority. As such, our internal policies are closely aligned to support the transition toward a business model that prioritises lower-impact raw materials over conventional alternatives. This includes a clear focus on recyclability, durability, repairability, reuse, and responsible waste management. Through this integrated approach, we aim to minimise negative environmental and social impacts.

/ General Instructions
/ amfori BSCI Code of Conduct
/ Sustainability & CSR Manual for License Partners
/ Fabric Testing & Inspection Policy

E5-1_02

Our policy approach also addresses sustainable sourcing (e.g., certified fibres, FSC packaging).

E5-2. Actions related to resource use and circular economy

Design for circularity

E5.MDR-A_01-05

Designing for circularity is a pillar of our BE PART sustainability strategy through the pillars *Our Way to Circularity*. In 2024, we made strong progress embedding circular thinking at the heart of how we develop our products. We introduced a dedicated Circularity Guideline, a practical checklist to help our teams design products that are made to last, easier to disassemble, and better suited for recycling or reuse.

E5-2_10

To bring this mindset to life, we held regular workshops across our design and product teams. These sessions helped build a shared understanding of what circularity means in practice. We also formed a cross-functional taskforce—bringing together people from Design, Buying, Category Management, and Sustainability—that meets regularly to align on priorities, solve challenges, and push our ambitions forward.

E5-2_02
E5-2_03

At the same time, we sharpened our material strategy to focus more on certified, lower-impact fibres. For us, circularity starts not only with how something is made, but also with what it is made of. That is why we align our sourcing approach with globally recognized standards such as those from Textile Exchange and GOTS and actively seek out materials with positive environmental and social attributes from the earliest design stage.

We do not see circular economy as a trend—but as the key to a more sustainable future for fashion. Our goal is to extend the life cycle of our products, conserve natural resources, and prevent textile waste. This mission is especially relevant in the context of upcoming EU regulations embedded in the EU Waste Framework Directive and Eco-design for Sustainable Products Regulation.

E5-2_04

To track progress, we categorize every product based on its material composition and classify it according to defined sustainability criteria. This includes cotton, synthetic cellulosic, bast fibres, synthetics, and animal fibres. Product volumes (based on order quantity) form the basis for tracking, allowing us to monitor and increase the share of 'more sustainable' products each season—supporting continuous improvement across our portfolio.

Packaging

E5-5_05

In 2024, we advanced our efforts to cut packaging-related pollution by further reducing single-use plastics and scaling up recycled content. All polybags used for product protection throughout transport and handling now consist of 100% recycled plastic, while return polybags in e-commerce contain at least 80% recycled material. To minimise waste, we streamlined packaging processes by consolidating product samples, colour swatches, and prototypes into shared bags, and piloted the use of a single primary polybag for multiple sizes, beginning with denim.

At the same time, all paper cartons across our operations are made from 100% recycled, FSC-certified paper. In our retail stores, we continue to uphold our long-standing policy of banning single-use plastic bags, providing recycled paper bags as the standard sustainable option.

Strengthening Implementation and Communication

E5-2_05

To ensure credibility and accelerate the transition towards our material targets, we have implemented a series of strategic measures that enhance transparency, traceability, and stakeholder confidence:

E5.MDR-A_01-05

E5-2_08
E5-5_18

- Follow-up Audit Passed: An independent third-party auditor has reviewed and validated our 2024 material sourcing performance. This follow-up audit confirms the reliability of our internal tracking systems and the consistency of reported data.

- Official Certification Labels: We have laid strong foundations by expanding the use of certified and branded fibres in alignment with internationally recognized standards. This ensures that our more sustainable materials meet strict environmental and social criteria.

- New On-Product Material Composition: Starting in 2025, we indicate the detailed material composition directly on care labels. This measure enhances product-level transparency and supports responsible consumer choices.

- Communication Strategy: We rolled out a refined communication approach for our more sustainable materials. Our messaging now clearly reflects the specific requirements of certification standards or branded fibres, supporting informed engagement with customers and business partners.

Product use, end of life and waste management

E5-2_05

In 2024, we took meaningful steps to keep clothing in use for longer and reduce textile waste, true to our belief that we create innovation and fashion that last.

BE PART of the loop

As part of our BE PART of the loop initiative, we launched our take-back programme in Q1, offering customers an effortless way to return worn clothing—regardless of brand—either in selected TOM TAILOR stores or by post, free of charge. Once collected, our partner TEXAID sorts the garments into three loops: REWEAR, REUSE/RECYCLE, and Thermal Recovery.

Figure 18. How BE PART of the loop works

Actions in the supply chain

In line with TOM TAILOR 's sustainability goals and circularity ambitions, several of our key suppliers have undertaken targeted initiatives to reduce resource consumption, promote circular systems, and support responsible production. These actions span renewable energy integration, water conservation, waste recovery, and energy efficiency enhancements.

Numerous suppliers have implemented rooftop solar installations, some exceeding 5 MW capacity, significantly reducing reliance on fossil energy and cutting GHG emissions. Others have purchased Renewable Energy Certificates (I-RECs), supporting the transition to low-carbon electricity. In water management, rainwater harvesting systems and greywater recycling are increasingly adopted, with storage capacities reaching over 360 m³ per facility, enabling reduced groundwater extraction and increased water circularity. Upgraded biological ETPs and Zero Liquid Discharge (ZLD) systems are improving wastewater quality while supporting water reuse across operations.

E5-2_07

To enhance energy efficiency, many facilities have replaced outdated motors with energy-efficient servo systems, insulated steam pipelines, installed LED lighting, and implemented automated power-off systems during non-production hours. Heat recovery systems from condensate, exhaust gases, and industrial processes like stenter machines are reducing thermal energy loss. These measures contribute to measurable reductions in annual electricity consumption—often quantified in thousands of kWh.

Several suppliers are also progressing toward circular material flows. Cutting waste, lubricants, and textile scraps are being systematically recycled, with targets set for 40% material circularity. Paper and lube oil recycling initiatives further support closed-loop operations. Chemical management systems such as BVE3, Bhive, and HIGG FEM are increasingly in use to monitor and reduce hazardous inputs, with some facilities now reporting 100% use of ZDHC-approved chemicals.

Collectively, these supplier initiatives reflect strong alignment with our BE PART circular economy principles.

Meaningful collaborations

E5.MDR-T_01-09
E5.MDR-T_13

At TOM TAILOR , promoting circularity and reducing reliance on virgin raw materials are central to our sustainability strategy. We collaborate with recognized standards like the Recycled Claim Standard (RCS 100 & RCS Blended) and the Global Recycled Standard (GRS) to ensure traceability in the use of recycled fibres, supporting the transition to lower-impact materials.

E5-3_01

Our commitment extends beyond textiles. We partner with AfB social & green IT for responsible IT equipment reuse and with Oclean Hamburg, an initiative that organizes city clean-up actions to reduce urban waste. Additionally, we support MBRC the ocean in its mission to tackle marine plastic pollution.

E5-3_03
E5-3_04

TOM TAILOR also engages in industry dialogue through platforms like the TextilWirtschaft Future Talk and the 3rd Roundtable of hachmeister + partner, fostering collaboration with brands, suppliers, and innovators to advance circular design and recycling infrastructure.
These partnerships help us scale sustainable practices and accelerate our progress toward a circular fashion economy.

C. Metrics and targets

E5-3. Targets related to resource use and circular economy

In line with our BE PART strategy and commitment to circularity, TOM TAILOR continues to advance the use of certified and branded materials that reduce environmental impact.

In 2024, 85% of our ordered quantities were made using more sustainable materials, considering BCI Cotton, which, while no longer considered more sustainable starting in 2025 and will remain our baseline requirement for cotton sourcing.

For 2025 and excluding BCI Cotton as more sustainable material, we will target 27% of the order quantity as more sustainable materials, reaffirming our dedication to sustainability while acknowledging ongoing cost pressures in the industry.

Departmental targets reflect this ambition: the Women's Department (excluding Denim & Outerwear) maintains a 40% share, Denim & Outerwear (all genders) share is 49%, and the Men's Department (excluding Denim & Outerwear) share is 11%.

These goals support our broader vision of a circular business model that spans from sourcing to product end-of-life, as outlined in our sourcing and buying strategy. The SCR Team provides quarterly reporting on these targets to monitor progress and inform corrective actions where necessary.

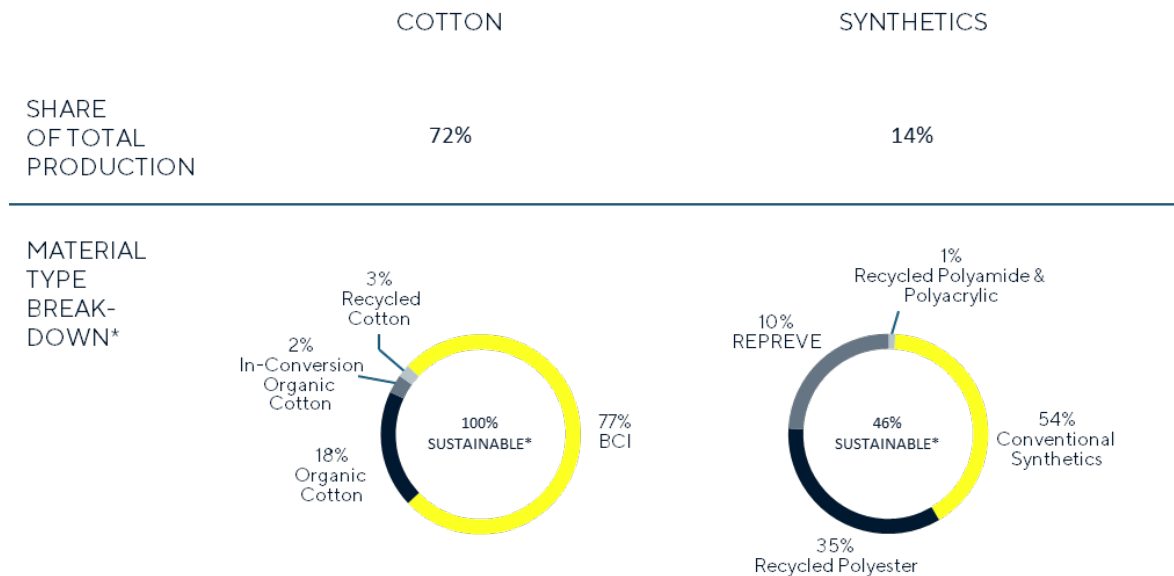## E5-4. Resource inflows
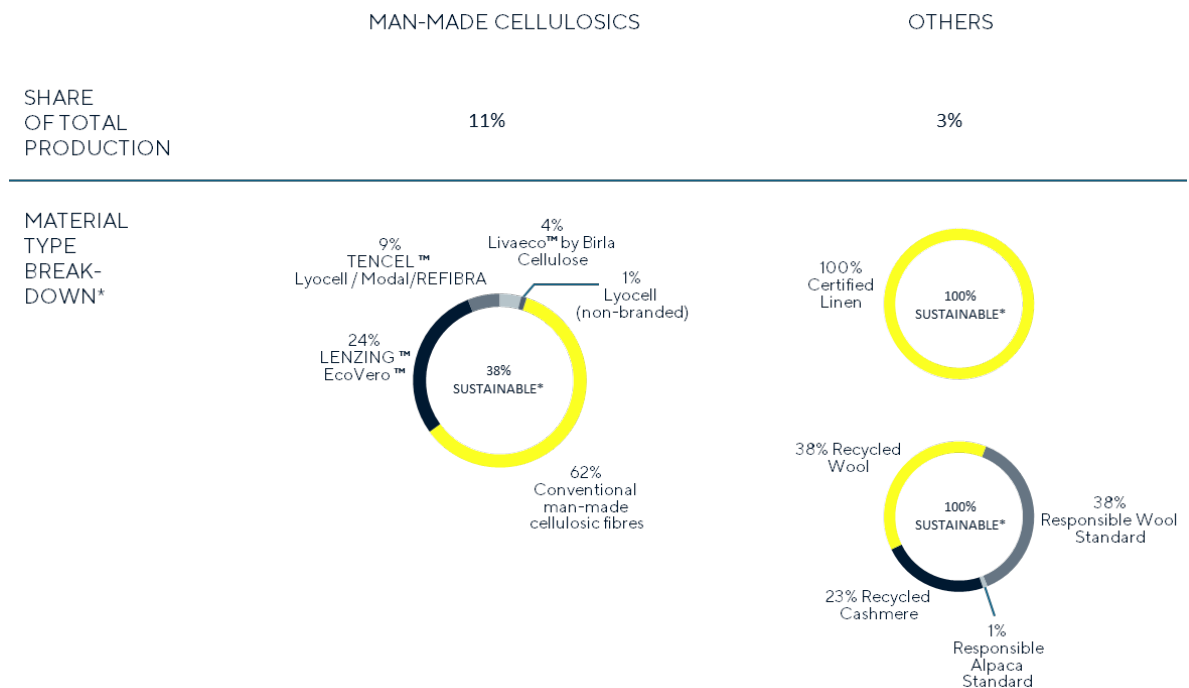
Figure 19. Material split in 2024 (1/2)

	COTTON	SYNTHETICS
SHARE OF TOTAL PRODUCTION	72%	14%

MATERIAL TYPE BREAK-DOWN*

COTTON
- 3% Recycled Cotton
- 2% In-Conversion Organic Cotton
- 18% Organic Cotton
- 100% SUSTAINABLE*
- 77% BCI

SYNTHETICS
- 1% Recycled Polyamide & Polyacrylic
- 10% REPREVE
- 46% SUSTAINABLE*
- 54% Conventional Synthetics
- 35% Recycled Polyester

E5-4_01
E5-4_03
E5-4_05
E5-4_06

Figure 20. Material split in 2024 (2/2)

	MAN-MADE CELLULOSICS	OTHERS
SHARE OF TOTAL PRODUCTION	11%	3%

MATERIAL TYPE BREAK-DOWN*

MAN-MADE CELLULOSICS
- 9% TENCEL ™ Lyocell / Modal/REFIBRA
- 4% Livaeco™ by Birla Cellulose
- 1% Lyocell (non-branded)
- 24% LENZING ™ EcoVero ™
- 38% SUSTAINABLE*
- 62% Conventional man-made cellulosic fibres

OTHERS
- 100% Certified Linen
- 100% SUSTAINABLE*
- 38% Recycled Wool
- 38% Responsible Wool Standard
- 100% SUSTAINABLE*
- 23% Recycled Cashmere
- 1% Responsible Alpaca Standard

* Products which have been assigned to one of the material categories based on the material composition. 'Sustainable' always means 'more sustainable' according to external certification standards.

E5-5. Resource outflows

BE PART of the Loop

E5-3_02
E5-3_07

In 2024, together with TEXAID; we launched BE PART of the Loop, our take-back programme to support textile circularity. The first evaluation showed that 94% of returned garments were successfully kept in the loop through REWEAR, REUSE/RECYCLE, or Thermal Recovery. This figure sets the baseline for future performance. Our target is to maintain a reintegration rate above 90% and progressively increase the share of returns processed through REWEAR and REUSE/RECYCLE pathways by 2026.

Figure 21. BE PART of the Loop achievements (2024)

E5-5_06
E5-5_18

Distribution of recycling loops
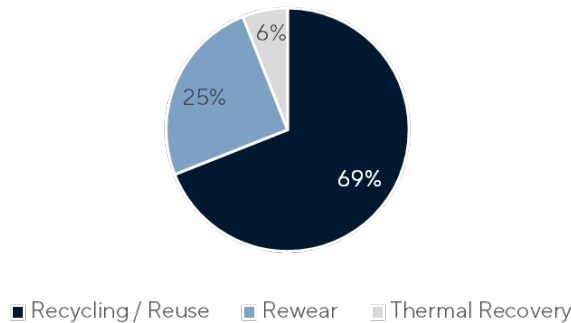
9.5 t
of used clothing collected

Within the first year

■ Recycling / Reuse   ■ Rewear   ▨ Thermal Recovery

Waste generation and disposal

E5-5_17

The following table summarizes the types and quantities of waste generated in 2024 across TOM TAILOR 's operations, including offices and showrooms in Austria, Belgium, the Netherlands, Switzerland, Türkiye, and Eastern Europe, as well as the company's headquarters in Hamburg and distribution centres operated by Arvato and DHL.

Waste generation from TOM TAILOR retail stores is currently not included in this table. We recognize the importance of comprehensive waste tracking and will work towards establishing a measurement and reporting system for our retail locations soon.

Table 17. Waste generation and treatment

Residue Type	Treatment		
Diverted from disposal			
Cardboard waste	recycled	4,021.2	92.3
Mixed waste	recycled	0.6	0.0
Organic waste	treated	8.3	0.2
Paper waste	recycled	59.8	1.4
Plastic waste (recycled)	recycled	0.1	0.002
Directed to disposal			
Hazardous waste	landfill	2.3	0.05
Plastic waste (incinerated)	incinerated	0.4	0.01
Plastic waste (landfill)	landfill	1.7	0.04
Residual waste (incinerated)	incinerated	18.7	0.43
Residual waste (landfill)	landfill	245.9	5.64
Total		**4,359.0**	**100**

In 2024, we generated a total of 4,359 tons of waste across our operations. A substantial 92.3% was successfully diverted from disposal through recycling and treatment, with cardboard waste accounting for the largest share at 4021.2 tons. Only 7.7% of the total waste was directed to disposal, primarily due to residual waste sent to landfill (5.64%).

These figures reflect our robust performance in waste diversion and highlight an area of opportunity to further reduce landfill and incineration through enhanced circular practices

4. SOCIAL INFORMATION [ESRS S]
S1. OWN WORKFORCE

A. Strategy

SBM-3. Material impacts, risks and opportunities

Our success is built on the strength and dedication of our crew. As TOM TAILOR continues to navigate the dynamic fashion landscape, we recognize that investing in people is fundamental to sustainable growth.

Our workplace culture is anchored in trust, empathy, courage, innovation, and ownership. These values guide how we support, develop, and empower our workforce across all regions and functions. In line with our BE PART strategy, we work to prevent and mitigate negative impacts on our employees while fostering positive impacts and opportunities.

We are committed to creating a safe, inclusive, and inspiring environment where every team member can thrive and contribute meaningfully to our shared mission.

Table 18. Material IROs related to own workforce

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
S1 – OWN WORKFORCE				
S1.1 Working Conditions				
S1.1.1 Health and Safety				
S1.I1 Employee exposure to hazards, poor ergonomics, and stress	I -	O	Short	X
S1.1.2 Secure Employment				
S1.I2 Long-term job security and benefits boost employee wellbeing and stability	I +	O	Short	
S1.1.3 Working time				
S1.I3 Flexible hours improve work-life balance by adapting to employee needs	I +	O	Short	X
S1.I4 High workloads and time demand reduce well-being, causing burnout	I -	O	Short	X
S1.1.4 Adequate wages				
S1.R1 Low pay hurts motivation, lowering productivity and raising turnover cost	R	O	Short	
S1.2 Equal treatment and opportunities for all				
S1.2.1 Gender equality and equal pay for work of equal value				
S1.I5 Gender inequality lowers employee satisfaction	I -	O	Short	X
S1.R2 Sex inequality raises recruitment and training costs	R	O	Mid	
S1.2.2 The employment and inclusion of persons with disabilities				
S1.I6 Lack of active promotion of disability inclusion can lead to discrimination	I -	O	Short	
S1.2.3 Diversity				
S1.I7 Promoting diversity improves hiring, retention, and team creativity	I +	O	Mid	
S1.3 Other work-related rights				
S1.3.1 Privacy				
S1.I8 Strong data protection boosts privacy, trust, and workplace satisfaction	I +	O	Short	

S1.SBM-3_05

Scope

S1.SBM-3_01
S1.SBM-3_02

In the context of this report, and in alignment with ESRS definitions, TOM TAILOR's own workforce includes both employees and non-employees engaged in our operations.

Employees are individuals with a direct contractual employment relationship with TOM TAILOR, hereinafter referred to as 'our crew ', 'workforce 'or 'people'.

Non-employees include individuals performing work on behalf of TOM TAILOR through temporary agencies or service providers.

S1.SBM-3_11   We place particular focus on identifying vulnerable groups within these categories and apply protective measures through internal policies and practices aimed at preventing any form of discrimination or harassment.

Our crew reflect diverse backgrounds across gender, age, ethnicity, ability, sexual orientation, and socio-economic status, reinforcing our commitment to inclusion and equity across all operations.

Impacts and occurrence in our crew

S1.SBM-3_03   The potential negative impacts on our people are systemic across the fashion industry but may also arise from specific incidents, such as workplace accidents, harassment, or inadequate working conditions.

S1-4_01
S1-4_06

At TOM TAILOR, we take proactive steps to prevent and mitigate such risks through internal initiatives including occupational health and safety measures, training programmes, and regular assessments of our diversity practices. In line with our commitment to fair and equal working conditions, we foster open social dialogue and prioritize a culture of trust and respect.

TOM TAILOR aims to nurture a workplace where every individual feels valued, respected, and empowered, enabling the crew to unlock their full potential. Aligned with our people-centric approach, our ambition is to be recognized as an 'Employer of Choice,' not only in the fashion industry but also across other relevant professional sectors.

This vision guides our efforts to generate positive outcomes for our teams, including promoting work-life balance, fair compensation, and well-being initiatives. We are also committed to offering development opportunities and professional growth through practical, often internally delivered training, complemented by collaborations with external institutions.

S1.SBM-3_07
S1.SBM-3_08
S1.SBM-3_09
S1.SBM-3_10

We have not identified any significant negative impacts linked to our own operations, nor have we detected risks of forced or child labour within our operations or geographic footprint.

Risks and opportunities

Based on our assessment of actual and potential impacts and dependencies, we have identified a range of risks and opportunities linked to our own workforce. We address these through preventive and supportive measures that enhance working conditions and promote long-term crew resilience.

S1.SBM-3_05
S1-4_06

We recognize that exposure to physical hazards, poor ergonomics, and elevated stress levels may affect employee well-being. To mitigate these risks, we implement continuous workplace safety monitoring and health promotion campaigns. At the same time, we see flexible working models as a strategic opportunity to improve work-life balance and employee satisfaction.

We also aim to reduce risks from excessive workloads, which can lead to burnout, through resource planning and team capacity assessments.

Ensuring adequate wages and job stability is essential, otherwise it can lead to demotivation and higher turnover costs. Secure employment is a key factor in promoting long-term engagement.

Therefore, we uphold fair compensation practices and maintain a transparent compensation framework.

S1.SBM-3_12 We support equal opportunities and diversity and recognize that gender inequality and lack of inclusion and diversity measures can negatively impact satisfaction and lead to higher recruitment costs. We actively foster inclusive hiring and development policies and invest in raising awareness among our teams.

Diversity remains a driver of innovation, and we leverage this opportunity to build more resilient and creative teams.

Lastly, protecting the privacy of our employees is a foundational element of trust. We maintain high standards in data protection and provide regular training to uphold compliance and integrity.

A. Impact, risk and opportunity management

S1-1. Policies related to own workforce

S1.MDR-P_01-06 At TOM TAILOR, we are committed to safeguarding the rights of all members of our people and promoting continuous dialogue to ensure their interests are understood and respected. This commitment is anchored in our corporate policies, which uphold human rights, diversity and inclusion, equal treatment and career development, occupational health and safety, and data protection.

S1-1_03
S1-1_04
S1-1_05

S1-1_02 In 2024, we launched our Culture Journey alongside the Blueprint as a foundational framework for sustainable behaviour and people-centric action across the company.

This initiative reinforces our values—trust, empathy, courage, innovation, and ownership—while defining our shared vision, mission, and purpose. These elements guide the behaviour of crew and managers alike, shaping our culture and advancing our BE PART sustainability goals through everyday decisions and leadership.

S1-1_01 **Policies related to our people**

/ Code of Conduct
/ TOM TAILOR BLUEPRINT
/ Culture Journey
/ Policy Statement on TOM TAILOR's Human Rights Strategy
/ 28 Company agreements
/ Agreement for Office Dogs
/ Car Policy
/ Data protection guiding principles
/ Guideline on Reporting of Infringements Against Compliance

We aim to create an inclusive culture where everyone feels valued and empowered to reach their full potential. We respect human and labour rights and firmly reject child labour, forced labour, or any form of modern slavery.

S1-1_12   We promote equal opportunities in hiring and development, support inclusion for people with disabilities, and foster diversity across gender, ethnicity, and identity.

We offer stable and fair working conditions, including flexible hours, adequate pay, and strong health and safety standards.

Through open dialogue and strong data protection, we ensure our teams are heard, protected, and supported, because our people are the heart of everything we do.

Human Rights Strategy

At TOM TAILOR, respect for human, labour, and other rights is a core part of our corporate culture and BE PART strategy. These principles are embedded in our Policy Statement on TOM TAILOR's Human Rights Strategy and Code of Conduct, which are binding for all employees and business partners.

S1-1_07   We are guided by international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises.

S1-1_08   We firmly reject any form of forced or compulsory, or child labour, as well as modern slavery and human trafficking, across our operations and supply chain. We comply with legal employment age standards and ensure our practices align with the German Supply Chain Due Diligence Act.

TOM TAILOR voluntarily adheres to the amfori BSCI Code of Conduct principles, reinforcing our commitment to decent work and ethical business conduct. We promote respectful communication, fair labour practices, and equal treatment through continuous dialogue, trainings, and internal policies. These tools support open communication, strengthen employee engagement, and help uphold our shared values across the company.

Diversity, equal opportunities and inclusion

S1-1_10
S1-1_11   At TOM TAILOR, our commitment to respecting human rights is reflected in clear internal policies that promote diversity, inclusion, and equal opportunities. We have a strict zero-tolerance approach to any form of discrimination, harassment, or violence. These principles are anchored in our measures and daily practices.

Our policies also guide training and development measures aimed at fostering fair access to growth and advancement within the company. We believe that everyone should feel valued, protected, and empowered to thrive in an inclusive and respectful environment. This includes our commitment to equal pay based on performance —not gender— and alignment with international standards such as ILO Convention No. 190 on Violence and Harassment.

Zero tolerance approach to discrimination

S1-1_13   We uphold a zero-tolerance approach to any form of discrimination. We believe that everyone deserves to be treated with dignity, and we are committed to fostering a culture rooted in inclusion, equality, and respect. This commitment is anchored in our Human Rights Policy and made effective through our Code of Conduct, binding for every member of our team.

Discrimination based on race, ethnicity, gender, gender identity or expression, disability, illness, age, religion, nationality, sexual orientation, marital status, or any other status is prohibited at all levels of the company. We also recognize and value the richness of our differences.

Our initiatives aim to break down barriers, strengthen participation and foster equal treatment and opportunities regardless of the gender. With a culture of openness and trust, we encourage everyone to express themselves, reflect on their behaviour, and grow together.

S1-1_16

The implementation of our BLUEPRINT is supported by structured procedures, training initiatives, and dedicated teams. Responsibility for these efforts lies within our Board.

Additionally, our People department integrates functions such as People Strategy & Digitalization, People Development & Engagement, and People Operations & Payroll. These specialized units ensure a consistent, high-quality, and people-first approach across all areas of our crew experience.

Equal treatment and opportunities on the recruitment, training and promotion of people

S1-1_15
S1-1_22

Our Culture Journey applies to all stages of the employee lifecycle —recruitment, onboarding, compensation, promotions, transfers, training, and more. We focus on providing fair and equal treatment and opportunities to all team members. Training is central to this mission, delivered primarily by internal experts and complemented by external partners, fostering continuous development and performance growth.

Health, safety and well-being

Health, safety, and well-being are also core to our people strategy. While TOM TAILOR does not currently operate a formal Health and Safety Management System, we apply international standards to guide our practices. These measures help us strengthen workplace safety, reduce incidents, and promote proactive health initiatives, including emergency training, well-being programmes, and physical & mental health.

Information security and data protection

For us, the protection of personal data and privacy—especially that of our people and customers—is a top priority. Our approach is guided by our Data Protection Guiding Principles, which align with applicable laws and internal standards.

These principles define our commitment to responsible data handling and information security across all processes. We work to safeguard personal information against unauthorized access, misuse, or loss, particularly considering increasing cybersecurity risks.

We regularly raise awareness among our teams through targeted training and integrate data protection considerations into our operational planning to maintain trust and integrity in everything we do.

Grievance mechanisms

S1-1_06
S1-1_21
S1-3_02

Grievance mechanisms play a crucial role in identifying potential negative impacts and addressing them through prevention, mitigation, or remediation measures. Our Guidelines on Reporting of Infringements Against Compliance provide a clear framework for raising concerns related to legal violations, breaches of our Code of Conduct, or any internal policies.

Internal communication

S1-1_14
S1-2_12

All our corporate policies are accessible via our intranet and official website, available in both German and English (since English is widely understood across most of our operating countries and offices, there is no need for further translation into local languages) to ensure broad access for our crew and external stakeholders. To keep our teams informed and engaged, the People department conducts regular training sessions and monitoring activities.

These efforts are supported by ongoing internal communication initiatives, including our Townhalls, which help ensure that updates, expectations, and key messages are clearly communicated and understood across the organisation.

S1-2. Processes for engaging with own workforce

Social dialogue mechanisms

S1-2_01
S1-2_02

We believe that listening to and involving our people is essential to responsibly managing actual and potential impacts on them. That is why we maintain clear dialogue and engagement mechanisms to ensure their voices are heard and reflected in our decision-making processes.

We guarantee the right of all employees to join or form trade unions and to be represented by workers' spokespersons. In Germany, employees may also participate in established Works Councils.

In addition, TOM TAILOR promotes an *open-door policy* that welcomes constructive, honest feedback among crew members. We ensure that no employee faces discrimination for being part of a union or engaging with any representatives.

Internal communication

S1-2_03
S1-2_06
S1-2_11
S1-2_12

Our intranet serves as a central communication hub to connect with our crew and engage across all teams. It includes key resources such as New to the Crew communications, learning tools, the Crew Book, the BLUEPRINT and Brand Library, and the Workday Learning platform, all designed to support continuous learning and knowledge sharing.

To understand how our people experience working at TOM TAILOR, we use frameworks for conscious conversation management, which helps guide meaningful and measurable dialogue across the organisation.

We also offer different feedback channels, direct and anonymous, to foster dialogue within our Crew and directly to our leadership teams. For example, a dedicated section at the end of our Townhall meetings where our crew can raise any additional topics, questions, or feedback. As well as the section, BE PART OF MORE in our Intranet hub.

Initiatives like our Coffee & Chat sessions at HQ serve as an inspiring and interactive space where crew members can engage directly with leadership and each other. These formats reflect our ongoing commitment to open communication.

People

S1-2_04

Our People department is the first point of contact for our crew. With the recent structural realignment, we are reinforcing our commitment to a clear, streamlined, and people-first approach. This structure includes dedicated units such as People Strategy & Digitalization, People Development & Engagement, and People Operations & Payroll. Each of these areas plays a key role in strengthening the employee journey experience.

S1-1_05

Our strategy for engaging with our people includes continuous communication, regular training, and transparent internal processes. This includes initiatives such as internal trainings on dialogue and engagement, Crew-wide communications.

We ensure that those responsible for people engagement are trained to lead these interactions with a strong foundation on our corporate values. Through these tools, we actively involve our crew in shaping decisions, integrating their feedback into the design and evaluation of our impact prevention and mitigation strategies.

Our People department is the main point of contact for all crew members and managers across the organisation, supporting every aspect of the crew journey, from recruitment to development and daily operations.

With our recent structural realignment, we have strengthened our commitment to a clear, streamlined, and people-first approach. Our department is organized into specialized teams: People Strategy & Digitalization, People Development & Engagement, and People Operations & Payroll. These are complemented by areas of expertise such as Talent Acquisition & Recruiting, Strategic HR Projects, HR Digitization (Workday), and Payroll & Administration.

The HR Business Partner team plays a central role in aligning our people strategy with business needs. As trusted advisors to managers, they provide support on team development, employment laws, performance management, compensation, workforce planning, and organisational development.

Company agreements

We maintain a transparent working environment supported by a comprehensive set of company agreements and internal policies that govern key aspects of employment, benefits, and workplace flexibility. Currently, 19 valid company agreements are officially in place.

While other documents such as additional internal guidelines and informal agreements (for example Agreement on office dogs) exist, only the above 19 are formally recognized as company agreements.

The currently recognized company agreements include:

S1-1_01

- **Use of Company E-Charging Infrastructure**
  (*BV-Nutzung der betrieblichen E-Ladeinfrastruktur*)

- **Flexible Work Models Incl. Forms**
  (*Flexible Arbeitsformen inkl. Formblätter*)

- **Workation (Supplementary Agreement)**
  Agreement enabling temporary remote work from EU locations.

- **Employee Benefits**
  Framework defining non-monetary benefits (e.g., discounts, sports programmes).

- **Reintegration Management (BEM)**
  Agreement for reintegrating employees after long-term illness.

- **Company Bonus Agreement**
  Regulations and eligibility for annual bonuses.

- **Company Pension Scheme**
  (*BVUK / Altersversorgung*)

- **Business Travel**
  Directive on travel rules, reimbursements, and conditions.

- **Supplementary Bonus Agreement**
  For exceptional or team-based bonuses.

- **Bike Leasing**
  Agreement for leasing company-sponsored bicycles.

- **Flexible Working Hours**
  Core agreement on working time models.

- **Supplement to Flexible Working Hours**
  For personalized adaptations to work schedules.

- **Software Licenses (e.g., SuccessFactors, Office 365)**
  Usage policy for corporate software licenses.

- **Novatime**
  Agreement on time tracking via NOVAtime system.

- **Company Parking**
  Rules for use and allocation of company parking spaces.

- **IT Usage Policy**
  (*Nutzungsrichtlinie*) for digital tools and platforms.

- **Onboarding Process**
  Framework for integrating new employees.

- **Outlet Bonus Scheme**
  Incentive structure for outlet staff based on performance.

- **Performance & Goals via SuccessFactors**
  Guidelines for performance management.

- **Vacation Agreement**
  Internal rules for vacation planning and approval.

Communication with own workforce

S1-2_03
S1-2_11
S1-2_12

Effective communication with our crew requires overcoming barriers such as language, cultural differences, and geographical distance. To foster open, inclusive, and meaningful communication, we rely on a range of tools and initiatives tailored to our diverse workforce.

Our Intranet platform serves as a central hub for internal communication, providing access to essential resources like New to the Crew, Crew Learnings, the Crew Book, Brand Library, and the Workday Learning Platform. The intranet is available in both German and English and features regular updates, news articles, self-service tools, and even practical information such as the canteen menu, travel forms, and digital bulletin board (Schwarzes Brett).

We also strengthen dialogue through structured feedback formats such as our mandatory Yearly Dialogues, including the annual lookback. These conversations provide a dedicated space for employees and managers to reflect on TT Competencies, set goals, and define development plans. While the process was previously conducted via SuccessFactors, it transitioned to SharePoint in 2024 and will be further integrated into Workday in the future.

Regular Coffee & Chat sessions and leadership meetings at HQ further support two-way communication and a culture of transparency and trust.

S1-3. How we remediate negative impacts and channels for our crew to raise concerns

Process to remediate negative impacts

S1-3_01

We work proactively to identify both actual and potential negative impacts on our workforce, not only to prevent them, but also to mitigate and remediate their effects when they occur. Our goal is to minimize risks and uphold a respectful and safe working environment.

S1-1_06
S1-3_05

This commitment is embedded in our human rights due diligence processes and supported by our Guideline on Reporting of Infringements against Compliance. This mechanism allows employees to confidentially report any suspected violations of internal policies, labour standards, or legal requirements. It serves as an important tool to detect issues early and take corrective action.

S1-3_06

Our HR Business Partner team is central to this process. They work closely with managers and departments to recognize personnel-related risks, adapt HR tools to evolving needs, and ensure that employee concerns are addressed in line with our values and standards.

They also collaborate with the Works Council to manage individual personnel measures and negotiate company agreements that reinforce employee protection.

By continuously analysing HR metrics, coordinating across People teams, and enabling regular dialogue, we ensure that any identified negative impacts are addressed effectively and transparently.

Main communication and grievance mechanisms

S1-3_05
S1-3_06

TOM TAILOR provides all employees and relevant external stakeholders with clear and accessible grievance mechanisms through the Guideline on Reporting of Infringements Against Compliance. Reports of misconduct, whether legal violations or breaches of internal regulations, can be submitted

via direct management channels, the compliance officer or an independent external ombudsman. The compliance officer oversees these mechanisms, ensuring confidentiality, impartiality, and appropriate follow-up.

S1-3_07
S1-3_09

Confidentiality is strictly maintained, and whistleblowers are protected from retaliation. The process ensures fair, transparent investigation, proper documentation, and appropriate remediation measures.

S1-3_08

Contact details and procedures are available via the intranet and company bulletin boards, supporting open, secure, and trustworthy communication.

S1-3_04

Additionally, the Works Council serves as an official body for individual issues concerning the employer, line manager, or work environment. This body provides an additional protected point of contact for the crew, supplementing the People Department. Its focus is on the individual rights of the employees.

S1-4. Actions related to own workforce

S1.MDR-A_01-05
S1-4_10

We take a proactive approach to prevent and mitigate negative impacts on our people while also striving to create positive experiences across all dimensions of the crew journey.

S1-4_01
S1-4_11
S1-4_15

To address health and safety risks we provide a safe and supportive work environment that includes access to *nilo.health*, offering confidential mental health support for all employees. This not only helps prevent burnout and stress but also promotes psychological well-being and resilience, generating a positive impact on people satisfaction.

S1-4_09

Through stable employment conditions we foster long-term job security and employee confidence. As of 2024, 90% of our crew are employed on a permanent basis, with adequate working hours and flexible time models, which actively support work-life balance and increase engagement.
Our compensation model goes beyond regulatory requirements. We conduct annual salary reviews and offer performance-based bonuses, enhancing motivation and retention. Our crew also benefit from social contributions and participation in the company pension scheme.

S1-4_07
S1-4_08

We actively pursue equal treatment and inclusion. We foster a workplace free from discrimination and aligned with ILO Convention No. 190. Our recruitment and communication practices use inclusive, gender-appropriate language, and we continue increasing the representation of women in leadership, building more diverse and creative teams.

On privacy and data protection, we strengthen employee trust through clear internal guidelines that ensure compliance and responsible use of personal data.

S1-4_03
S1-4_20

In parallel, we generate positive impacts through continuous professional development. Our People Development & Engagement unit provides in-house and external training programmes that empower employees to grow within the company, driving both personal growth and organisational innovation. Sports programmes, discounted gym memberships, and team events such as running groups, yoga sessions, or company-wide fitness activities further contribute to an active lifestyle and foster team spirit.

These efforts are anchored in our values of trust, empathy, courage, innovation, and ownership. They form the foundation for a workplace where people feel respected, empowered, and motivated to reach their full potential.

Gender equality

S1.MDR-A_01-05

Addressing the payment gap

S1-4_01
S1-4_13

We are committed to creating equal opportunities for all, regardless of gender. As part of this effort, we are tackling the structural causes of gender-based pay disparities through a yearly transparent pay gap analysis. This initiative marks the first step in a broader project aimed at aligning salaries, roles, and job levels independent of gender or other diversity characteristics.

Representation and women on leadership

S1-4_11

We are committed to strengthening gender representation in leadership and empowering women to take on leading roles across the organisation. With women making up around 80% of our workforce, we recognize the importance of reflecting this diversity at all levels. To close the gender gap, we invest in targeted development programmes and leadership training to support high-performing managers on their journey to become female leaders.

Talent, promotion and training

S1.MDR-A_01-05

Training, promotion and talent development programmes

We believe that passionate young talents are the foundation of our future. That is why we actively invest in Young Talent Management through a wide range of entry-level programmes. These include apprenticeships, internships, and student jobs that offer hands-on experience across our departments.

S1-4_07
S1-4_11
S1-4_20

Our Young Tailors initiative ensures that interns and working students are well integrated, supported by dedicated departmental advisors to provide professional guidance and continuous learning. We aim to make every early career step a meaningful and rewarding experience.

In addition, our Talent Acquisition team drives the recruitment of specialists and future leaders by strategically identifying top talent, conducting direct outreach, and ensuring a positive candidate journey. The team also monitors labour market trends and continuously improves our hiring processes.

Culture Journey

S1-4_11

In 2024, TOM TAILOR launched the Culture Journey as a core framework alongside the BLUEPRINT to deepen sustainable behaviour across all areas, with a clear focus on our People. The Culture Journey builds on our shared values and extends them with a defined vision, mission, and purpose that guide actions across every team and location.

S1-4_12

This initiative helps shape a strong, values-based culture that empowers employees and leaders alike to act responsibly, drive positive change, and make sustainability a natural part of everyday decisions. Since its launch, the Culture Journey has been brought to life through engaging campaigns, training sessions, and events, both at headquarters and in stores, in home and abroad.

Skills development programmes

S1.MDR-A_01-05

S1-4_11

Continuous learning is an integral part of our people strategy. In 2024, our Learning & Development team curated a diverse range of training programmes designed to empower our people across all functions.

These sessions focus on enhancing professional and personal skills while fostering our values and TT Competencies. The offers in 2024 included interactive virtual and in-person modules such as "Effective Decision Making," "Personal Effectiveness," "Next Level Innovation," "Sustainable Relationships," "Effective Communication," "Art of Feedback," and "Diversity Basics."

All employees are encouraged to participate via the intranet registration system, with sessions available in both English and German. Depending on the format, some sessions were held in person at our headquarters in Hamburg, while others were conducted via video calls, with invitations sent through email and personal calendars. These training opportunities form part of our broader effort to strengthen collaboration, boost internal mobility, and support the development of skills and TT Competencies across our workforce.

Sustainability Trainings

S1-4_07

For 2025, TOM TAILOR plans to roll out targeted sustainability trainings for employees in Buying, Sourcing, and Sustainability functions. The initiative includes e-learning modules on ESG Fundamentals and the German Supply Chain Due Diligence Act (LkSG), available in both English and German via our Learning Management System.

A total of 34 employees will be enrolled in both courses to strengthen their awareness of environmental and human rights risks across the value chain. These trainings are part of our strategic effort to embed sustainability principles into daily decision-making.

BE PART Academy

In 2024, TOM TAILOR continued to expand the BE PART Academy, our internal knowledge-sharing platform designed to train our crew on sustainability in a simple, engaging format. The BE PART Academy answers a key question: *How can we make sustainability easy to understand and accessible for everyone at TOM TAILOR, no matter their role or location?*

S1-4_17

Through short video formats of 2–5 minutes, paired with interactive quizzes, we deliver compact insights on the seven focus areas of the BE PART Strategy, accessible to everyone, including retail stores and international teams.

S1-4_12

This year, the Academy released new training videos on critical topics such as Certification Standards, Care Guides for wool and denim and a deep dive into RETRACED for supply chain transparency. These modules not only reinforce product knowledge but also build a shared understanding of our BE PART strategy and its implementation across the value chain.

Health, safety and well-being

S1.MDR-A_01-05

S1-4_01

The health, safety, and well-being of our crew remain a top priority. In 2024, we continued to build a safe and supportive work environment. We focus on proactive risk prevention, regular assessments, and open feedback from our teams to ensure that safety is lived across all locations, from our headquarters to our stores and distribution centres.

S1-4_04
S1-4_05

Our approach includes clear improvement targets and ongoing monitoring to identify and resolve potential risks early. Through continuous dialogue and training, we foster a shared responsibility for well-being. Some of our key actions this year included:

Training and education on occupational health and safety

S1-4_01
S1-4_06

In 2024, we launched a new interactive e-learning course on occupational health and safety for all our people. The 25-minute training covers essential topics such as first aid, fire safety, and practical tips for creating a safe work environment.

The course is mandatory and can be completed during working hours, ensuring that all team members from office to retail are equipped with the knowledge to act responsibly and protect themselves and others. Completion is confirmed with a personal certificate, reinforcing individual responsibility as part of our shared safety culture.

Promoting well-being

S1-4_11

We take a holistic approach to well-being. Alongside our classic benefits for sustainable mobility such as job bikes, bike repair services, and e-charging stations at HQ, we offer freshly cooked vegetarian and vegan meals in our canteen to promote healthy eating. Our people can also stay active through Urban Sports Club access and various sports offers across Germany.

To support mental well-being, we introduced Mental Espressos, short, practical training nuggets on mental health topics designed for everyday use. These mini sessions are simple, regular, and effective, helping foster long-term positive habits in the workplace.

Mental Health Support – Nilo.Health

S1-4_01

In 2024, we continued offering nilo.health as part of our ongoing commitment to support the mental well-being of our crew. nilo.health is a digital platform offering easy and confidential access to mental health resources, available both online and via mobile app.

The platform includes daily meditations, reflection tools, productivity hacks, live group sessions, and 1:1 video session with certified psychologists and therapists in 28 languages.

The service is open to all employees at HQ Hamburg, our service centres in Hamburg, Düsseldorf and Sindelfingen, international offices, and across our retail teams. Use during working hours is allowed and encouraged, and all data remains strictly confidential.

Prevention initiatives

S1-4_01

At TOM TAILOR, we care about our crew, and that means taking steps to stay healthy before problems arise. In 2024, we continued our commitment to prevention through easy, accessible offers for all our people. We provided free flu and COVID-19 vaccinations at HQ.

S1-4_11
S1-4_17

We also supported eye health with regular vision checks, including subsidies for corrective glasses when needed. If our crew wants to improve their general physical and mental well-being, they can sign up for a discounted membership at Urban Sports Club—offering indoor, outdoor, and online training across five countries. For those experiencing back pain or simply aiming to boost their fitness,

we also provide discounted memberships at Kaifu Lodge, a trusted partner in preventing and treating posture-related issues. These practical initiatives reflect our commitment to fostering a safe, healthy, and supportive environment where everyone can thrive.

Meaningful collaborations

S1-4_11

Until now, no formal agreements or collaborations had been in place beyond those previously reported. However, 2024 marked a turning point with the rollout of our Culture Journey and BLUEPRINT framework. As part of the Culture Journey programme, several internal initiatives were introduced; particularly supporting mental health with nilo.health and team cohesion with several team activities as the MOPO Running in Hamburg and participation in HYROX, a competitive fitness event that combines functional training and endurance. These also included informal meetups and touchpoints such as Mystery Lunches, HQ Yoga sessions, and our Coffee & Chat format aligned with our core Values.

C. Metrics and targets

S1-6. Characteristics of the employees & S1-9. Diversity metrics

S1-6_14
S1-6_15
S1-6_16

At TOM TAILOR, we maintain a stable and inclusive workforce structure that reflects the nature of our operations across regions. In 2024, 90% of our crew worked under permanent contracts, showing consistent commitment to employment stability (compared to 88% in 2023). Only 10% were engaged under temporary arrangements, including working students, interns and temporary workers.

S1-6_19
S1-6_20
S1-6_16

When it comes to working hours, 61% of employees worked full-time, while 39% held part-time roles. This structure aligns with the specific demands of the retail sector, where part-time flexibility plays a key role in managing seasonal peaks and supporting employees who combine their job with studies or family responsibilities.

S1-6_01
S1-6_02
S1-6_14
S1-6_15

Our Full-Time Equivalent (FTE) workforce stood at 2,700 in 2024, compared to 3,128 total headcounts, representing an FTE share of 86%—a relevant indicator of employment quality and working time structure at TOM TAILOR. The table below provides a detailed breakdown of gender distribution, contract types, and working hours across countries and regions.

TOM TAILOR

Table 19. Headcount by region & country as of 31 December 2024

Country / Region	FTE*	Heads*	Male	Female	Permanent Contracts** Total	Male	Female	Temporary Contracts Total	Male	Female	Full-time Total	Male	Female	Part-time Total	Male	Female
Germany	790	925	21%	79%	79%	21%	79%	21%	20%	80%	57%	32%	68%	43%	6%	94%
Slovenia	147	149	11%	89%	75%	12%	88%	25%	6%	94%	99%	12%	88%	1%	0%	100%
Croatia	170	170	5%	95%	81%	5%	95%	19%	8%	92%	100%	5%	95%	0%	0%	0%
Serbia	120	120	8%	92%	100%	8%	92%	0%	0%	0%	100%	8%	92%	0%	0%	0%
Bosnia-Herzegovina	39	39	0%	100%	100%	0%	100%	0%	0%	0%	100%	0%	100%	0%	0%	0%
North Macedonia	33	33	0%	100%	100%	0%	100%	0%	0%	0%	100%	0%	100%	0%	0%	0%
Romania	288	291	18%	82%	100%	18%	82%	0%	0%	0%	99%	18%	82%	1%	33%	67%
Hungary	62	66	9%	91%	100%	9%	91%	0%	0%	0%	93%	9%	91%	7%	0%	100%
Bulgaria	59	87	13%	87%	100%	13%	87%	0%	0%	0%	68%	15%	85%	32%	7%	93%
Asia (Sourcing offices)	92	93	74%	26%	100%	74%	26%	0%	0%	0%	98%	76%	24%	2%	0%	100%
Austria	260	367	5%	95%	100%	5%	95%	0%	0%	0%	29%	12%	88%	71%	3%	97%
Switzerland	43	61	3%	97%	100%	3%	97%	0%	0%	0%	28%	6%	94%	72%	2%	98%
Italy	7	8	25%	75%	100%	25%	75%	0%	0%	0%	50%	25%	75%	50%	25%	75%
Russia	489	592	27%	73%	100%	27%	73%	0%	0%	0%	31%	31%	69%	69%	25%	75%
Belgium	25	31	10%	90%	100%	10%	90%	0%	0%	0%	32%	30%	70%	68%	0%	100%
Netherlands	27	47	32%	68%	100%	32%	68%	0%	0%	0%	26%	67%	33%	74%	20%	80%
France	11	11	9%	91%	100%	9%	91%	0%	0%	0%	100%	9%	91%	0%	0%	0%
Czech Republic	24	24	12%	88%	73%	8%	92%	27%	22%	78%	96%	9%	91%	4%	0%	100%
Poland	14	14	14%	86%	100%	14%	86%	0%	0%	0%	100%	14%	86%	0%	0%	0%
Total	2.700	3.128	18%	82%	90%	18%	82%	10%	16%	83%	61%	23%	77%	39%	12%	88%

* Excluding temporary staff, dormant employees (e.g. parental leave), trainees, interns

** full-time and part-time employees

Data points covered: S1-6_01, S1-6_07, S1-6_08, S1-6_18,

S1-8. Collective bargaining coverage and social dialogue

S1-08_01

TOM TAILOR does not have any collective bargaining agreements in place in Germany or in any other country. However, 100% of employees at the Hamburg HQ (550–600 employees) are covered by internal company agreements that govern various working conditions as outlined earlier.

S1-08_06

In addition, employee representation through a Works Council exists solely at the Hamburg HQ, with no formal representation structures in place at other locations. While these agreements do not qualify as collective bargaining agreements under labour law, they reflect our commitment to structured dialogue and employee participation at the headquarters level.

S1-15. Work-life balance metrics

To support working time flexibility, we apply a traffic light model to manage positive and negative working hour balances, offering flexibility while maintaining operational oversight. Working hours are tracked via our in-house NovaTime system, ensuring compliance with the German Working Time Act (ArbZG) – including mandatory rest breaks after 6 or 9 hours, a maximum daily working limit of 10 hours, and a minimum rest period of 11 hours between shifts.

S1-15_01
S1-15_04

Additionally, social policies as parental leave applicable to all our people, paid and unpaid absence rules, and remote work arrangements enable our people to better balance personal and professional responsibilities.

S1-13. Training and skills development metrics

S1-13_01

Continuous learning is a key enabler of personal growth and organisational resilience. In 2024, we offered a wide range of training formats to strengthen our people well-being, leadership skills, team collaboration, and professional development. From our "Mental Espresso" digital modules to in-person team and leadership workshops, over 2,300 training hours were delivered across diverse topics.

Table 20. Training and skills development metrics (2024)

Employee training	Number of participants	Type	Hours
Mental Espresso Introduction	84	Online	42
Mental Espresso Modul 1	208	Online	52
Mental Espresso Modul 2	204	Online	51
Mental Espresso Modul 3	218	Online	55
Mental Espresso Modul 4	211	Online	53
Mental Espresso Modul 5	182	Online	46
Mental Espresso Modul 6	174	Online	44
Mental Espresso Modul 7	187	Online	47

	Number of participants	Type	Hours
Mental Espresso Modul 8	191	Online	48
Mental Espresso Modul 9	193	Online	48
Mental Espresso Modul 10	191	Online	48
Feedback / annual appraisals	211	Presence	158
Project management (catch-up date)	9	Presence	36
BE PART of more // Good to know about our Sales	20	Presence	40
Management training	**Number of participants**	**Type**	**Hours**
Leadership Journey Modul 1	12	Presence	96
Leadership Journey Modul 2	12	Hybrid	48
Leadership Journey Modul 3	12	Hybrid	48
Leadership Journey Modul 4	12	Presence	96
Culture / Value Workshops Managers	17	Presence	68
Culture / Value Workshops Managers international	14	Online	42
Culture / Value Workshops AT CH	11	Presence	44
Culture / Value Workshops Area Manager	8	Presence	32
Culture / Value Workshops Apprentices	10	Presence	40
Separation interviews	25	Hybrid	88
Workshops	**Number of participants**	**Type**	**Hours**
Management Workshop 1	12	Presence	48
Management Workshop 2	12	Presence	48
Team Workshop Design	30	Presence	240
Team Workshop HR	33	Presence	99
Team Workshop Payroll	10	Presence	40
Team Workshop Marketing	25	Presence	100
Team Workshop HR	8	Presence	48
Voice Training	70	Online	53
Coaching Sessions	**Number of participants**	**Type**	
Coaching Sessions TT21	15	Hybrid	285
		Total hours	**2328**

S1-13_04   In 2024, TOM TAILOR invested a total of 8,460 training hours across diverse formats to support continuous development.

Table 21. Total training hours (2024)

Type of training	Hours
Audio training	3,040
Blended Learning	741
Hybrid	2,240
Online	480
Online & Presence	873
Presence	1.086
Total Hours	**8,460**

S1-14. Health and safety metrics

In 2024, occupational health and safety remained a key focus area for TOM TAILOR. As part of our commitment to maintaining a safe and informed working environment, we rolled out a mandatory interactive e-learning course on workplace safety. The 25-minute training covered core topics including emergency procedures, fire safety, and preventive workplace measures. A total of 550 employees completed the course. Each participant was granted two hours of credited training time, resulting in 1,100 total training hours. Completion was confirmed through the download of an individual certificate, ensuring proper documentation in line with our internal compliance and safety protocols.

S1-14_01
S1-14_02

All our people are covered by a health and safety management system based on legal requirements. Accidents, should they occur, are documented through an accident report, with the Works Council duly informed. Any work-related incident leading to an inability to work for more than four days is reported without exception to the trade association. In 2024, there were no fatalities in our workforce resulting from work-related injuries or ill health.

S1-10/S1-16. Compensation metrics

Adequate wages

S1-14_01

Our people receive wages deemed adequate based on internal assessments aligned with applicable agreements, legal benchmarks, and recognized methodologies such as the Anker method.

Regular compensation reviews ensure fairness across roles and locations. For promotions, adjustments to the variable compensation component are made annually. This structured approach ensures consistency, transparency, and alignment with market and internal equity standards.

Pay-Gap Analysis

S1-16_01
S1-16_03

At TOM TAILOR, we are committed to fair and equitable pay for all our people. In 2024, our overall gender pay gap stood at 38%, primarily driven by differences in role distribution—particularly in leadership positions.

At the Managing Board level, there are currently no women, resulting in a 100% gender pay gap. Among Directors and Heads, women are represented but earn 9% less on average. For Managers and Senior Managers, the gap increases to 16%, highlighting the need to advance more women into higher-paying roles and ensure pay equity. In contrast, there is no gender pay gap among Retail POS roles such as store and team leaders—people earn equally. Among Coordinators and Specialists, where women are well-represented, the gap is 10%.

Notably, in early-career roles such as interns and working students, the gender pay gap is inverted (-18%), with women earning slightly more—due to a higher proportion of paid placements.
We are committed to closing the gender pay gap by strengthening gender balance in leadership and creating more transparent and equitable pay structures across all levels of the organisation.

Table 22. Pay gap metrics (2024)

Function	Men		Women		Total		% Pay Gap
	FTE	FTE Extr.	FTE	FTE Extr.	FTE	FTE Extr.	
Managing Board/Managing Director	2.0	2.0	NA	NA	2.0	2.0	100%
Managing Board/ Managing Director	2	2	NA	NA	2	2	
Director & Head	25.0	25.0	16.1	17.0	41.1	42.0	9%
Works Council	1	1	1	1	2	2	
Director	6	6	4	4	10	10	
General Counsel	1	1			1	1	
Head	17	17	11	12	28	29	
Senior M. & Manager	53.7	54.0	158.1	167.0	211.7	221.0	16%
Senior Manager	12	12	29	33	41	45	
Manager	26	26	53	56	78	82	
Manager area	6	6	8	8	14	14	
Store Manager	10	10	69	70	79	80	
Retail POS	20.6	24.0	167.7	235.0	188.3	259.0	0%
Senior Team leader			1	1	1	1	
Assistant Store Manager			7	7	7	7	
Team leader	21	24	160	227	181	251	
Coordinator – Specialist	81.4	82.0	236.7	265.0	318.1	347.0	10%
Senior Specialist	55	55	135	152	190	207	
Specialist	20	20	85	94	105	114	
Junior Specialist	3	3	11	11	14	14	
Coordinator	2	2	4	6	6	8	
Warehouse employee	2	2	1	2	3	4	
Other	48.0	6.0	206.8	18.0	254.8	24.0	-18%
Apprentice	4	4	7	7	11	11	
Temporary help	29	0	165	3	194	3	
Modell	1	0	4	0	5	0	
Intern	2	2	7	7	9	9	
Working student	12	0	24	1	36	1	
Overall result	**231**	**193**	**785**	**702**	**1,016**	**895**	**38%**

S1-09_01
S1-09_02
S1-16_04

S1-11. Social protection

S1-11_01-05

All employees in our workforce are fully covered by social protection (through public programmes or company benefits) against loss of income due to sickness, unemployment, employment injury or disability, parental leave, and retirement.

S2. WORKERS IN THE VALUE CHAIN

A. Strategy

SBM-3. Material impacts, risks and opportunities

By combining continuous stakeholder dialogue with an in-depth analysis of our value chain, we can identify the most relevant IROs related to the people who contribute to our business.

This process has shown that our key IROs are primarily concentrated in the upstream stages of our supply chain, where working conditions and human rights require particular attention. We are committed to addressing these challenges through strengthened partnerships, clear policies, and ongoing due diligence to ensure responsible business practices throughout.

Table 23. Material IROs related to workers in the value chain

S2.SBM-3_07

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
S2 – WORKERS IN THE VALUE CHAIN				
S2.1 Working conditions				
S2.1.1 Health and safety				
Exposure to hazards and stress lowers workers' quality of life and welfare	I -	U	Short	X
S2.1.2 Adequate wages				
Higher worker purchasing power in supplier countries via liveable wages	I +	U	Short	
Pay below subsistence level reduces workers' well-being and fuels poverty	I -	U	Short	
Higher costs and revenue loss from reputational damage	R	U	Short	
Rising costs from higher workers' salaries or voluntary benefits	R	U	Short	
S2.1.3 Working time				
High workload harms workers' health and work-life balance	I -	U	Short	X
S2.1.4 Secure employment				
Secure long-term employment boosts job stability and well-being	I +	U	Long	
S2.1.5 Freedom of association, Works Councils, and participation rights				
Lack of association rights fuels worker dissatisfaction and weakens bargaining	I -	U	Short	X
Penalties for legal non-compliance (fines, damages, compensation)	R	U	Long	
Ignoring association rights can damage reputation and reduce sales	R	U	Mid	
S2.2 Equal treatment and opportunities for all				
S2.2.1 Gender equality and equal pay for equal value				
Gender inequality causes pay gaps and limits opportunities	I -	U	Short	X
S2.2.2 Measures against violence and harassment in the workplace				
Reporting systems address workers' concerns ensuring a safer workplace	I +	U	Mid	
Workplace violence and harassment harm well-being creating unsafety	I -	U	Mid	X
S2.2.3 Diversity				
Low diversity in the workplace led to discrimination and misrepresentation.	I -	U	Mid	X
S2.3 Other work-related rights				
S2.3.1 Child labour				
Child labour in the value chain violates causes irreversible harm on infants	I -	U	Short	X
Child labour cases in the value chain leads to fines and penalties	R	U	Short	
S2.3.2 Forced labour				
Forced labour at VAC causes lasting harm and violates human rights	I -	U	Short	X
Forced labour cases in the value chain triggers fines and penalties	R	U	Short	

Scope

S2.SBM-3_01
S2.SBM-3_02
S2.SBM-3_03
S2.SBM-3_08

As part of our DMA, we evaluated how our operations and sourcing practices affect workers across the value chain. The results confirm that the most significant IROs related to workers are found upstream within our supply chain in the production processes.

Our due diligence processes allow us to identify particularly vulnerable groups—such as women and workers involved in raw material production. We focus our efforts on these and other groups to ensure their specific needs are acknowledged and addressed, aiming to promote safer and more equitable working conditions throughout our supply chain.

Type of impacts

S2.SBM-3_05
S2.SBM-3_06

We recognise that negative impacts on supply chain workers differ by region and are influenced by local realities. This is why contextual understanding is central to our human right's due diligence. Our sourcing offices and CSR teams in our production countries —Bangladesh, Cambodia, India, Indonesia, Pakistan, China, Sri Lanka, Türkiye and Vietnam— maintain direct contact with suppliers, workers and local authorities. This presence enables us to better monitor working conditions and address both individual and systemic risks.

S2.SBM-3_04

Our Human Rights Policy Statement published in late 2023 reaffirms our commitment to adequate and safe working conditions. We enforce a strict zero-tolerance policy on child labour and forced labour, as defined in our Suppliers Social Compliance Manual. Every tier 1 and tier 2 supplier must undergo a mandatory onboarding process, including due diligence checks and a commitment to the amfori BSCI Code of Conduct. Suppliers must sign the TOM TAILOR Social Compliance Manual and share recent third-party audit results before orders can be placed.

To ensure ongoing compliance, we conduct regular audits through amfori BSCI and apply structured follow-up procedures. For instance, C-rated suppliers must submit action plans and undergo re-audits within one year, while D-rated suppliers require re-audits within three to six months. Our aim is not to penalise immediately, but to support suppliers through improvement plans and capacity building.

In addition to tier 1 and tier 2 facilities, TOM TAILOR extends its oversight to subcontractors. Even without a direct contractual relationship, we require suppliers to disclose all production sites—including those responsible for processes such as dyeing, printing, washing, or embroidery. This increases transparency and ensures working conditions are monitored more holistically.

Risks and opportunities

S2.SBM-3_07
S2.SBM-3_09

By identifying risks early—particularly in raw material sourcing like cotton—and collaborating with international initiatives and local stakeholders, we strive to create long-lasting positive impact across our supply chain.

Material risks include labour related incidents such as violations of working conditions, or non-compliance with social standards. To address these challenges, we rely on a solid set of tools, including our Social Compliance Manual, supplier onboarding and amfori BSCI audit processes, social compliance programmes, and our Grievance tools for suppliers. These mechanisms help us detect, prevent, and respond early to potential risks.

B. Impact, risk and opportunity management

S1-1. Policies related to workers in the value chain

S2.MDR-P_01-06

S2-1_01
S2-1_02

We have established clear policies that define the social standards we expect our suppliers to uphold for all workers involved in our value chain. These policies are designed to promote respect and protection of human rights throughout our supply chain and foster workers' participation, inclusion, and improved well-being.

S2-1_06 To ensure alignment with our values, all manufacturers and business partners are required to comply not only with our Social Compliance Manual but also with additional key frameworks, including our amfori BSCI Code of Conduct, and our Code of Ethics for Business Partners. These documents collectively form the foundation of our commitment to responsible sourcing and ethical collaboration.

Policies related to workers in the value chain

/ Human Rights Policy Statement
/ Suppliers Social Compliance Manual
/ amfori BSCI Code of Conduct
/ Code of Ethics for Business Partners
/ Sustainability & CSR Manual for Licensed Partners

Suppliers Social Compliance Manual

Our Suppliers Social Compliance Manual sets out the minimum standards of social responsibility that all our manufacturing and business partners must follow.

S2-1_06
S2-1_11 Compliance with this document is a mandatory requirement for entering and remaining part of TOM TAILOR's supply chain. It ensures that our social compliance standards, rooted in integrity, transparency, and accountability are upheld consistently by all partners involved in the production of our products.

We are in the process of updating and consolidating our supply chain requirements into a comprehensive guidance framework. This updated document will reflect our most current standards and expectations for responsible sourcing, including human rights, social compliance, and sustainability practices across all tiers of our value chain.

Human Rights Policy Statement

S2-1_02
S2-1_08 The Human Rights Policy Statement applies to all TOM TAILOR entities and extends to our global network of suppliers, service providers, and business partners. It aligns with international standards, including the UN Guiding Principles, OECD Guidelines, ILO conventions, and the German Supply Chain Due Diligence Act.

S2-1_05 Our Human Rights strategy prioritises the protection of adequate working conditions, non-discrimination, the prevention of child and forced labour, anti-corruption, prevention of human trafficking, and environmental responsibility, especially in higher-risk regions outside the EU.

Furthermore, our Human Rights Policy Statement expressly prohibits all forms of forced or compulsory labour and child labour. We maintain zero tolerance for modern slavery, both within our organisation and across the supply chain.

These principles are embedded in all our policies and Codes of Conduct, which are firmly grounded in international human rights standards and reflect our long-term commitment to responsible business conduct. The Human Rights Officer, supported by the SCR team, leads implementation and reports to the Management Board.

Policy-related mechanisms and instruments

S2-3_11
S2-3_12

We have also implemented grievance mechanisms available for workers in the value chain such as anonymous reporting. Each case is treated with strict confidentiality and handled via our independent ombudsperson, ensuring that all reports are addressed fairly, securely, and in line with our commitment to protecting human rights, privacy and data protection.

S2-1_04
S2-3_02
S2-3_03
S2-3_10

In addition to our own grievance mechanisms for the supply chain, TOM TAILOR is also adopting the amfori Speak for Change (S4C) initiative—launched in 2022—as a third-party grievance mechanism for workers. This service offers professional grievance channels and case handling for supply chain partners and workers, complementing our internal systems. The initiative has already rolled out in key sourcing countries such as Vietnam, Türkiye, Bangladesh, Cambodia, and parts of India, reflecting broad alignment with our supplier base.

S2-3_01

Accordingly, to identify and manage potential non-compliances related to the rights of supply chain workers, TOM TAILOR conducts regular and periodic social audits. As a member of amfori, we require all our suppliers to adhere to the principles outlined in the amfori BSCI Code of Conduct, which is grounded in the UN Declaration of Human Rights, ILO conventions, and the UN Guiding Principles on Business and Human Rights.

Each amfori BSCI audit assesses 13 Performance Areas, grouped into four key categories: Social Management & Workplace Relations (PA1–PA4), Employee Well-being and Fair Practices (PA5–PA7), Protection of Vulnerable Workers (PA8–PA11), and Ethical Practices (PA12–PA13). These areas include crucial topics such as freedom of association, fair remuneration, decent working hours, health and safety, child and forced labour prevention, and environmental protection. Each area is rated from A (very good) to E (insufficient), and an overall audit rating is assigned according to amfori BSCI evaluation rules.

This process enables us to monitor working conditions, identify improvement needs, and collaborate with suppliers on concrete actions to uphold human rights and ethical practices in our value chain.

Additionally, to identify and manage risks, we use the RETRACED platform and apply a structured five-step approach: framework, analysis, prioritisation, management, and reporting.

S2-2. Processes for engaging with workers in the value chain about impacts

S2-2_01
S2-2_04

We maintain a variety of relationship and dialogue mechanisms to ensure the voices of our suppliers and workers are heard and reflected in our decisions. Our regional CSR senior management play a key role in fostering local spaces for dialogue and collaboration, enabling us to better understand the realities on the ground and adapt our strategies accordingly.

S2-2_02
S2-2_03

Regular meetings are held between our buying, sourcing, sustainability, and corporate responsibility teams and our suppliers to address ongoing needs, follow up on audit outcomes, and support continuous improvement. These engagements are complemented by frequent on-site visits throughout the year.

Our audit processes also provide a vital opportunity for direct engagement. During audits, our teams conduct interviews with factory workers and their representatives to gain firsthand insights into working conditions. In addition, our annual Double Materiality Assessment incorporates supplier perspectives, helping us identify and respond to the most relevant impacts in the value chain.

Our SCR senior management oversees the BE PART strategy, ensuring close engagement with suppliers and supply chain workers to align our actions with their needs and drive responsible practices.

S2-3. Processes to remediate negative impacts and channels for value chain workers to raise concerns

To strengthen our ability to prevent, mitigate, and remedy negative impacts, TOM TAILOR implements due diligence processes and grievance mechanisms across the supply chain.

S2-3_01

We assess potential and actual impacts on supply chain workers and respond with targeted measures. Key remediation tools include amfori BSCI audit-based follow-up procedures: A & B-rated audits require no written action plan; C-rated audits require a plan and follow-up within one year; D-rated audits require action and re-audit within three to six months, with sanctions if issues persist.

S2-3_12
S2-3_09

The regional CSR management oversee these actions and support suppliers in implementing improvements. In 2024 we continued introducing the 'Feedback Posters' in all tiers 1 and 2 factories, providing workers with an anonymous channel to share concerns in English and/or their local language, directly with our country SCR teams. These posters are displayed on open boards accessible to every worker in the factories.

S2-4. Actions related to workers in the value chain

S2.MDR-A_01-05

We aim to minimise potential negative impacts on workers in our supply chain by implementing responsible practices from the start. This includes a structured onboarding process for all new suppliers to ensure alignment with our social standards and prevent risks to working conditions.

S2-4_01
S2-4_03
S2-4_05
S2-4_08

Our approach is reinforced by continuous human rights due diligence, supported by regular assessments to identify and prioritise potential human rights impacts. Through this due diligence process, alongside our DMA, we identify the potential impacts our operations may have on value chain workers. These insights guide our actions to prevent, mitigate, and remediate negative effects, while also helping us design strategies that generate positive outcomes across the supply chain.

S2-4_06
S2-4_07
S2-4_13
S2-4_14

To manage these impacts, we take a collaborative and systemic approach to global and local implementation. Our approach for Compliance with the amfori BSCI Code of Conduct and Suppliers Social Compliance Manual is central to this effort. It ensures that all supply chain partners meet our social standards and enables us to trigger corrective mechanisms in case of non-compliance. In doing so, we also uphold the most stringent requirement between applicable national laws and international industry standards, always prioritizing the highest level of protection for supply chain workers.

S2-4_04

Our approach includes regular audits, corrective action plans, and targeted training, supporting long-term improvements in working conditions and responsible business conduct.

Working conditions

S2.MDR-A_01-05

Within our BE PART sustainability strategy, one of our key focus areas is securing fair and equal working conditions across our supply chain. TOM TAILOR does not own any factories; instead, we

S2-4_06
S2-4_13

work with 72 carefully selected suppliers, primarily located in Asia. These relationships are built on mutual trust, long-term cooperation, and shared values.

In 2024, we further integrated labour rights and social compliance into our sourcing practices:
- Social criteria, including living wages, gender pay gap and equal pay for equal work ratio are now a central component of our updated supplier scorecard.
- BSCI audit results are continuously monitored and form the basis for supplier development.
- New suppliers undergo a structured onboarding process to ensure alignment with our standards from the outset.

S2-4_09

Looking ahead, we are assessing opportunities to diversify our sourcing setup and explore nearshoring options. Together with our partners, we continue to drive step-by-step improvements in labour conditions with a clear long-term perspective.

Living wages

S2.MDR-A_01-05

To support fair compensation across our supply chain, we collect annual wage data from all Tier 1 garment suppliers. This process enables us to assess payment practices against living wage benchmarks based on the amfori BSCI methodology and the Anker framework.

Anker Methodology:

S2-4_01
S2-4_04
S2-4_06
S2-4_08

$$Net\ Living\ Wage = \frac{(\ Food + Housing + Health + Education\ )\ x\ average\ familiy\ members}{full\ time\ workers\ per\ family}$$

We analyse wage structures by comparing the lowest-paid worker per skill level, ensuring that suppliers submit accurate data. Our due diligence includes verifying that all workers receive at least minimum wage, while we actively promote fairer wages through supplier dialogue and capacity building. Special attention is given to regions where wage gaps persist, such as Türkiye, to foster continuous improvement and support better livelihoods.

The comparison is based on the lowest paid worker per skill level and includes wage data submitted directly by our suppliers. We ensure that 100% of workers receive at least minimum wage – but our goal goes beyond compliance: We want to contribute to better livelihoods by promoting fairer wages.

Equal pay for equal work

S2.MDR-A_01-05

S2-4_01
S2-4_04
S2-4_06
S2-4_08

S2-4_16

We are committed to ensuring that all workers in the value chain receive equal pay for the same qualifications, regardless of gender. As part of our due diligence, we assess supplier-reported wage data across sourcing countries to identify any gender-based discrepancies at the same skill level.

Where comparable data is available, we analyse wage parity to verify compliance with our expectations. While 94% of workers in our supply chain are confirmed to be paid equally, gaps remain in countries such as India, Türkiye, and notably Sri Lanka. We continue to engage with suppliers to enhance transparency, improve data quality, and address gender-based pay differences. Promoting equal pay is a core expression of our values and our broader commitment to fairness in the workplace.

Social dialogue

S2.MDR-A_01-05

S2-4_03
S2-4_13
S2-4_16

We actively promote social dialogue through open, continuous communication and collaboration. One key platform is our Supplier Summit, which resumed in person in 2023 in Bangkok after three years of virtual sessions due to the COVID-19 pandemic. The summit brings together our global partners to share innovations, address challenges, and align on strategy and sustainability goals.

Beyond the summit, we maintain year-round dialogue. Several suppliers visit our Hamburg headquarters each year to engage directly with our teams. These in-person meetings offer valuable insights into local realities, helping us better understand on-the-ground conditions and tailor our support accordingly.

A highlight of our engagement is the supplier award ceremony, where we recognize top-performing partners based on our scorecard and key sustainability KPIs. This reinforces our shared commitment to transparency, accountability, and continuous improvement.

Freedom of association and collective bargaining

S2.MDR-A_01-05

S2-4_13

While TOM TAILOR does not have direct influence over the internal operations of our suppliers, we require all partners to adhere to the amfori BSCI Code of Conduct, which firmly upholds the right to freedom of association and collective bargaining.

As signatories, our suppliers commit to respecting workers' rights to freely form or join trade unions, or to refrain from doing so, and to engage in collective bargaining without discrimination or interference. Suppliers must ensure meaningful representation of all workers, regardless of gender or background, and are prohibited from discriminating based on trade union membership. They are also required to allow worker representatives and union recruiters access to the workplace.

In contexts where independent trade union activity is restricted by law, suppliers must enable alternative forms of worker representation and dialogue.

Child labour and forced labour

S2.MDR-A_01-05

TOM TAILOR maintains zero tolerance for any form of forced, bonded, or child labour. As a signatory to the amfori BSCI Code of Conduct, 100% of our suppliers are required to uphold international labour standards and actively protect the rights of all workers, with particular focus on the most vulnerable.

S2-4_06
S2-4_07

Suppliers are prohibited from engaging in or being complicit with forced, bonded, indentured, trafficked, or state-imposed labour. They must adhere to responsible recruitment practices, including the Employer Pays Principle, ensuring workers are not charged recruitment fees or related costs. Employment must be voluntary and transparent—identity documents must not be withheld, freedom of movement must be respected, and workers must have access to effective remedy and grievance mechanisms.

To prevent child labour, suppliers must never employ individuals below the legal minimum working age, and in no case below 15 years. Robust age verification procedures are mandatory. In cases where underage workers are identified, TOM TAILOR has a clear remediation protocol stated in our Social Compliance Manual: suppliers are required to remove the minor from the workplace without reprisal,

continue their financial support, and facilitate education or vocational training until the legal working age is reached. A commitment to rehire the individual after completion of schooling is expected.

S2-4_13

If suppliers fail to assume financial responsibility for remediation, TOM TAILOR will intervene directly and suspend sourcing relationships. These actions are part of our broader commitment to human rights, ensuring fair, safe, and ethical working conditions across our global supply chain.

Social audits

S2.MDR-A_01-05

S2-4_04
S2-4_06

We are a committed member of amfori BSCI and require all our suppliers to undergo regular semi-announced or unannounced audits conducted by independent third-party organisations. These audits ensure alignment with the amfori BSCI Code of Conduct, which is based on internationally recognised standards, including the UN Guiding Principles on Business and Human Rights and the ILO core conventions.

The Code outlines essential principles such as the prohibition of child labour, payment of fair wages, non-discrimination, freedom of association, regulated working hours, and the provision of safe and healthy workplaces. At TOM TAILOR, we only accept semi-announced and unannounced audits to ensure genuine insight into working conditions and to strengthen accountability across our supply chain.

S2-4_13

Before entering a business relationship with TOM TAILOR, suppliers must sign and commit to implementing the amfori BSCI Code of Conduct. This includes assessing human rights risks, engaging in responsible practices, and supporting continuous improvement.

Depending on audit results, we work collaboratively with suppliers to develop corrective action plans, aiming to strengthen long-term performance and ensure responsible sourcing.

Corrective action plans

S2.MDR-A_01-05

Improving working conditions in our supply chain is a continuous process. To support our suppliers, we develop tailored corrective and development plans based on audit outcomes and individual needs.

As part of this approach, we use a supplier scorecard that includes Social Compliance KPIs to track performance and foster transparency. The scorecard was revised in 2024 to reflect updated priorities.

S2-4_04
S2-4_06

For suppliers audited under the amfori BSCI system, corrective actions depend on the audit rating:

- A & B ratings: no formal action plan required; audit valid for two years.
- C rating: a written improvement plan is mandatory; follow-up audit within one year.
- D rating: a written plan and follow-up audit within 3–6 months are required; persistent issues may lead to sanctions and a formal exit plan.

Our priority is always to work with suppliers toward improvement before considering disengagement.

Meaningful collaborations

Driving positive change in our supply chain requires strong partnerships. We collaborate with local and international expert organisations to improve working conditions and support supplier development. As a member of amfori BSCI, we ensure social and ethical standards are monitored through independent audits. In 2022, we introduced the Retraced platform to enhance supply chain transparency, supported by onboarding, training, and close alignment with over 1069 suppliers over all Tiers. Through these collaborations, we strengthen compliance, promote knowledge-sharing, and accelerate progress toward fair and responsible sourcing.

C. Metrics and targets

S2-5. Targets related to workers in the value chain

Suppliers set up

To manage our supply chain effectively, we segment our suppliers according to performance, volume, and strategic relevance. This approach enables us to monitor our supplier portfolio closely and ensure that all partnerships meet our expectations regarding quality, capacity, compliance and sustainability.

Figure 22. Suppliers set up
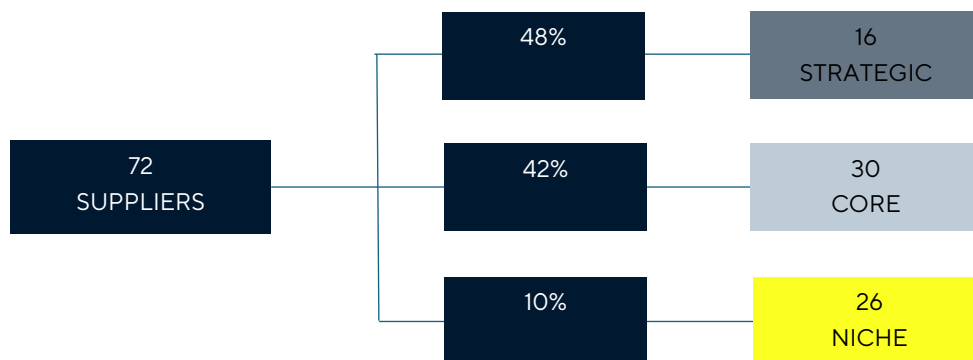
Figure 23. Suppliers' factory distribution
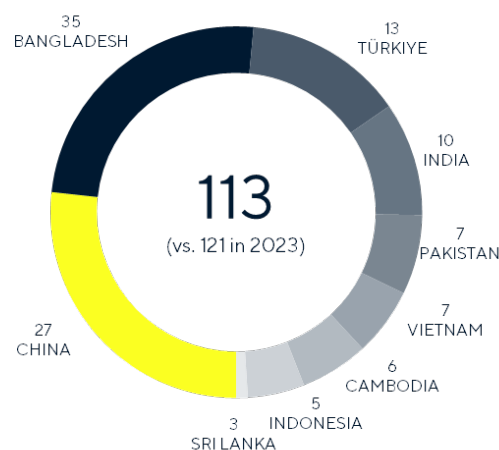
Living wages

In 2024, 86% of the workforce across our supply chain received a living wage, a significant increase from 38% in 2023 and 24% in 2022.

Full coverage was achieved in Cambodia and Vietnam, with strong results also reported in India (97%), China (98%), and Bangladesh (84%). While all workers receive at least the legal minimum wage, we aim to go beyond compliance by promoting fairer wages and better livelihoods. Türkiye and Pakistan remain key focus areas for further improvement, as we work towards full living wage coverage in all sourcing countries.

Table 24. Living wages in suppliers' countries

S2.MDR-T_01-08

Country	TOTAL workers	Workers w/living wage	% w/ living wage
Bangladesh	127	108	84%
Cambodia	3	3	100%
China	4	4	98%
India	5	5	97%
Indonesia	10	8	81%
Pakistan	5	3	63%
Sri Lanka	5	5	99.8%
Türkiye	2	1	53%
Vietnam	10	10	100%
TOTAL	175	149	86%

Equal pay for equal work

S2.MDR-T_01-08

Based on supplier-reported data, in 2024 94% of workers in our supply chain are confirmed to be paid equally at the same skill level. Five out of nine sourcing countries—Bangladesh, Cambodia, Indonesia, Pakistan, and Vietnam—achieved over 90% equal pay.

However, gaps persist in India and Türkiye, where focused engagement is ongoing. In Sri Lanka, significant disparities were reported, with only 6% of workers receiving equal pay. We continue working with suppliers to strengthen transparency and close remaining gaps. Pay equality is not just a metric, it reflects our values in action.

Figure 24. Metrics on equal pay for equal work

S2-5_03

	Bangladesh	Cambodia	China	India	Indonesia	Pakistan	Sri Lanka	Türkiye	Vietnam
Total	123,119	993	2,868	8,264	10,078	11,246	2,769	1,757	10,058
YES	98%	100%	87%	72%	100%	95%		80%	100%
NO	2%		3%	26%		5%	94%	20%	
no comparable data			10%	5%			6%		

Legend:
- YES
- NO
- no comparable data
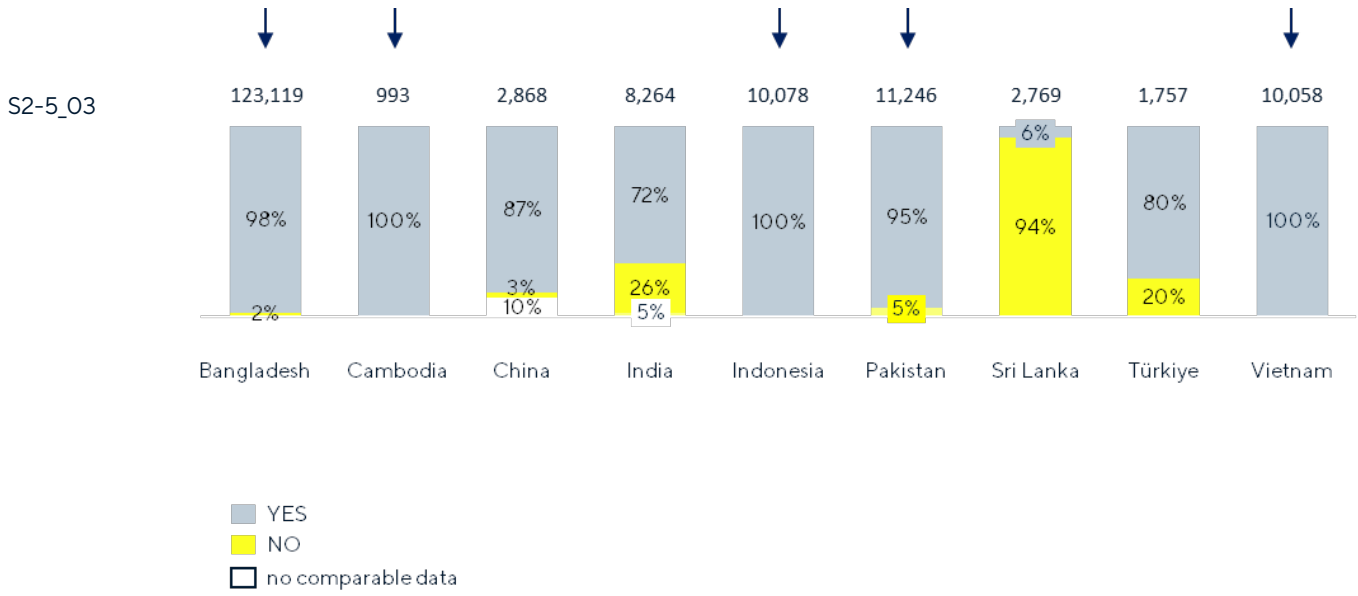
By 2025, we aim to achieve 100% equal pay for equal work across all our strategic and core suppliers. This target supports our commitment under our Human Rights Policy Statement to actively promote and respect human rights, not only within our own operations, but also throughout our value chain.

S3. AFFECTED COMMUNITIES

A. Strategy

SBM-3. Material impacts, risks and opportunities

Material Impacts, Risks and Opportunities related to affected communities

At TOM TAILOR, we view communities as one of our stakeholders. This includes the people and organisations in the regions where we operate, such as NGOs, civil society, and local media.

We recognise our responsibility to engage openly with these groups and understand the impacts our business may have on them. Based on this perspective and our latest DMA, we have identified impacts, risks, and opportunities related to communities, from which the following resulted as material:

Table 25. Material IROs related to affected communities

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
S3 – AFFECTED COMMUNITIES S3.1 Communities' economic, social and cultural rights S3.1.1 Water and sanitation				
Low water access, availability, quality, and safety harms communities	I -	U	Short	X

S3.SBM-3_06

Scope

S3.SBM-3_01
S3.SBM-3_02
S3.SBM-3_03

We consider the communities connected to our business, both near our own operations and throughout our value chain. This includes locations where raw materials are sourced, products are manufactured, and goods are distributed or sold. We recognise that our activities can have both positive and negative impacts, especially on vulnerable groups such as women, children, and people at risk of exclusion. That is why we continuously work to improve supply chain traceability and assess potential risks to community rights aiming to prevent, mitigate, and remediate any adverse effects.

Type of impacts

S3.SBM-3_04

We are aware that our operations and value chain can generate both direct and indirect impacts on surrounding communities. These may include impacts to environmental well-being. To prevent and address such impacts, we have implemented mechanisms to safeguard community rights and support local well-being, particularly in regions linked to raw material sourcing.

S3.SBM-3_05

We work closely with NGOs to generate positive change in the communities where we operate, and we actively engage with society through collaborations with universities, industry round tables, and sustainability summits. In doing so, we aim to contribute to broader societal progress and promote sustainable development beyond our immediate value chain.

Risks and opportunities

By conducting our DMA, we identify risks and opportunities related to communities. This enables us to take preventive and responsive action where needed. We recognise community members as legitimate users of our grievance mechanisms, allowing them to report any potential infringement of their rights. This channel helps us monitor, address, and resolve issues effectively, while reducing the risk of rights-related incidents and associated consequences.

B. Impact, risk and opportunity management

S3.MDR-P_01-06

S3-1. Policies related to affected communities

S3-1_02

Our policies addressing community impacts, risks, and opportunities apply to all affected people, regardless of their proximity to our operations or value chain. This is guided by TOM TAILOR's Policy Statement on Human Rights Strategy, which defines clear responsibilities across all business areas and sets expectations for our partners.

Through this framework, we support long-term community initiatives, particularly in high-risk areas of our value chain, aiming to create lasting positive impact.

Human Rights of affected communities

S3-1_06

We are committed to respecting the human rights of all individuals affected by our business activities, including the communities in which we operate. This commitment is embedded in our Policy Statement on Human Rights Strategy and aligned with the German Supply Chain Due Diligence Act, the UN Guiding Principles on Business and Human Rights, and OECD and ILO standards.

Our policy promotes the protection of community rights, including local laws, cultures, and customs, while supporting open dialogue. Through our due diligence framework, we assess and manage risks that may affect communities across the value chain, particularly in high-risk regions outside the EU.

S3-1_04

We support voluntary initiatives, collaborate with local partners, and maintain accessible grievance mechanisms to ensure community voices are heard and respected.

Policy-related mechanisms and instruments

S3-3_13

Strategic oversight of our Policy Statement on Human Rights Strategy is managed by our Human Rights Officer, with all efforts embedded into our broader due diligence processes under the BE PART sustainability strategy.

S3-1_07

We monitor cases reported through our grievance mechanism, to track potential infringements of community-related human rights. In 2024, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were identified through this channel.

S3-2. Processes for engaging with affected communities

S3-2_01   Our connection with communities is essential to understanding and managing the actual and potential impacts of our activities. This relationship helps us shape our actions and collaborate in initiatives that reflect the real needs of the people in the regions where we operate.

Collaborating with local organisations enables us to better understand the realities on the ground and act responsibly. In this context, we rely on specific engagement tools to ensure meaningful participation.

Commitments to community-based organisations

S3-2_02   As part of our BE PART strategy, we strengthen our commitment to community-based organisations by partnering with environmental, social, and local grassroots initiatives. These collaborations help us shape a future where sustainability and social responsibility go hand in hand.

S3-2_06   We also deepened our engagement with local social organisations that advocate for fair working conditions and empowerment through education. Together, we hosted interactive workshops that brought employees and community members closer to topics like transparency, inclusion, and sustainability

Finally, our apprentices once again brought joy to children in need through a holiday campaign focused on fulfilling personal wishes. This heartfelt initiative, carried out with the help of a local aid organisation, reflects the kind of inclusive, people-focused action we stand for.

S3-3. Processes to remediate negative impacts and channels for affected communities to raise concerns

Processes to remediate negative impacts

S3-3_10   Through our DMA, we identify both actual and potential negative impacts on communities that are directly or indirectly affected by our operations. This enables us to take timely and responsible action—preventing, mitigating, or remedying these impacts—guided by our BE PART sustainability strategy.

We place strong emphasis on strengthening our human rights due diligence processes and ensuring that clear, accessible communication channels are available to all legitimate stakeholders, particularly those in vulnerable or impacted communities.

Main communication and grievance mechanisms

S3-3_11
S3-3_12   Members of the community can raise concerns through our official communication channels and BE PART strategy contact points, which are available to all stakeholders. These inputs are handled with the same diligence and process outlined in our stakeholder engagement chapter of this Report.

Figure 25. Main communication channels

FOR ALL FURTHER ENQUIRIES

PRESS	communications@tom-tailor.com
SUSTAINABILITY	BEPART@tom-tailor.com
COMPLIANCE	compliance@tom-tailor.com
LAWYER OF TRUST Telf: +49 521 / 55 73 33	ombudsmann@thielvonherff.de

S3-3_18

S3-3_19 To build trust and ensure accessibility, we highlight these channels in relevant company policies and make them easily reachable via our corporate website. Additionally, community members can use external grievance mechanisms provided by competent authorities, including official German and EU institutions.

S3-4. Actions related to affected communities

S3-4_03 We view community investment as an opportunity to foster long-term positive change beyond the boundaries of our value chain and industry. Our approach focuses on supporting strategic projects and causes that contribute to sustainable development and social impact.

Rather than engaging in isolated donations, we commit to initiatives that are subject to clear monitoring and accountability processes. This includes in-kind contributions and the dedicated time of our People through volunteering efforts with local non-profit organisations.

Support for TEAM HAMBURG – Road to the 2028 Olympic Games

S3.MDR-A_01-05 In 2024 TOM TAILOR has proudly joined forces with TEAM HAMBURG to support local athletes on their journey to the 2028 Olympic and Paralympic Games in Los Angeles.

S3-4_09 As a brand rooted in Hamburg, this partnership reflects our deep connection to the city and our commitment to empowering talent through shared values like teamwork, dedication, and passion.

S3-4_16 Through this collaboration with Stiftung Leistungssport Hamburg, we aim to strengthen the visibility and support of elite sports in our hometown. Our backing not only provides visibility but also helps create the conditions needed for Hamburg's athletes to succeed at the highest level.

By supporting TEAM HAMBURG, we celebrate the spirit of determination and excellence, while reinforcing our BE PART mindset, standing behind those who inspire progress, both on and off the field.

Giving Joy Together with Glückssterne e.V.

S3.MDR-A_01-05 In late 2023, TOM TAILOR apprentices took the lead in a heartfelt initiative to bring holiday joy to children in need by partnering with the Hamburg-based charity Glückssterne e.V. Under the

banner Giving Joy Together, our Young Tailors coordinated a Christmas gift campaign from start to finish, reflecting our core value of ownership in action.

S3-4_03

The goal was simple but powerful: fulfil 100 children's wishes. Over several weeks, our people selected stars with individual gift requests and returned with personally chosen presents.

S3-4_16

The campaign culminated in a warm team event where 100 gifts were wrapped while enjoying Christmas treats and punch. This locally rooted project demonstrates how even small contributions can create real impact.

It brought our crew together around a shared purpose: giving, caring, and making a difference in our own community, and living the BE PART spirit.

TOM TAILOR-MBRC the Ocean collaboration and loyalty programme

S3.MDR-A_01-05

We celebrated World Oceans Day 2024 with a renewed commitment to protecting marine ecosystems through our ongoing partnership with MBRC the Ocean. Since 2021, this collaboration has focused on direct support for clean-up communities in Indonesia, both through financial contributions and hands-on involvement.

In previous years we launched the docu-series _Portraits of Change_, highlighting local changemakers like Marta Muslin (Ica), who is leading sustainable waste management solutions on the ground. Complementing these efforts, TOM TAILOR introduced two Denim collections made from recycled ocean-bound plastic, reinforcing our circular design approach.

S3-4_14

To further activate our community, in 2024 we introduced a purpose-driven loyalty programme in collaboration with MBRC the Ocean, following the successful release of a joint capsule collection made from recycled materials.

This initiative reflects our commitment to linking fashion with environmental responsibility and offers our customers an opportunity to actively contribute to marine conservation.

S3-4_16
S3-4_17

The core objective of the programme is to empower our community to support ocean protection through everyday purchases. By integrating a point-based system into our online shop, customers collect points with every order, which are then converted into tangible support for MBRC's environmental efforts. These contributions help fund global beach clean-ups and educational outreach activities, reinforcing our belief that small actions can create big impact.

This programme goes beyond traditional loyalty schemes. It redefines customer engagement by combining rewards with purpose. Through this initiative, TOM TAILOR continues to lead by example in the fashion industry—merging responsible style, environmental action, and community involvement.

Headquarters Clean-Up Drives – Living Our BE PART Vision

S3.MDR-A_01-05

Twice a year, TOM TAILOR organizes team clean-ups around our Hamburg headquarters and surrounding areas. Most recently, 44 members of our crew gathered in front of the HQ to extend our BE PART mindset to our immediate environment.

S3-4_03

With gloves on and rubbish bags in hand, teams worked side by side to remove waste from sidewalks, green spaces, and nearby streets, reinforcing our culture of consciousness through action. These clean-ups not only promote environmental responsibility but also strengthen team spirit and engagement across departments.

Project Week with Hamburg University of Applied Sciences – Engaging the Next Generation

S3.MDR-A_01-05

S3-4_03

As part of our commitment to nurturing young talent, in 2024 TOM TAILOR hosted 45 students from the Hamburg University of Applied Sciences for a dedicated project week at our headquarters. The initiative provided an open platform for dialogue, learning, and inspiration, connecting students with real business challenges and current developments in the retail sector.

The focus of last year's exchange centred on our retail transformation and strategic roadmap, including insights into the rollout of our new store concept. Through talks, showroom visits, and interactive sessions, students gained a firsthand look into our operational landscape while sharing their perspectives and fresh ideas.

This face-to-face format strengthens our bond with future professionals and underscores our belief that collaboration with the next generation is key to innovation and continuous growth.

Round Table "Transparency" – Driving Change Through Dialogue

S3.MDR-A_01-05

S3-4_14

In 2024, in collaboration with other brands, we hosted the *"Transparency Round Table"* at our Hamburg headquarters, bringing together thought leaders from retail, industry, tech, and academia. The goal: to foster cross-sector collaboration and explore innovative pathways toward greater transparency in the fashion industry.

The event featured dynamic working groups, where participants co-developed actionable ideas for more sustainable and traceable value chains. This exchange laid the groundwork for future-oriented strategies and deeper partnerships across industries.

With strong engagement and inspiring contributions, the round table marks a key step in our ongoing BE PART journey, creating space for dialogue, accountability, and shared progress.

S3-5. Targets and metrics related to communities

Giving Joy Together with Glückssterne e.V.

The Giving Joy Together campaign successfully reached its target of fulfilling 100 children's gift wishes, 100 presents were wrapped and given by 11 apprentices and numerous TOM TAILOR employees.

TOM TAILOR-MBRC the Ocean loyalty programme

To achieve the 2024 target to reach over 50,000 loyalty points dedicated to ocean protection, we supported MBRC by engaging through awareness campaigns and transparent reporting on how customer contributions are making a difference.

In the first quarter alone, TOM TAILOR customers collected more than 16,500 points, demonstrating the power of collective action and the willingness of our community to support meaningful causes.

Headquarters Clean-Up Drives – Living Our BE PART Vision

S3.MDR-T_02
S3-5_01

Each clean-up results in the collection of 100–150 kg of litter from the area surrounding our HQ. Our goal is to maintain these biannual clean-ups and gradually expand participation, aiming to involve more of our people per event and reduce waste accumulation around our premises year-round.

Project Week with Hamburg University of Applied Sciences – Engaging the Next Generation

In 2024, 45 students took part in TOM TAILOR's project week hosted at our Hamburg HQ, engaging directly with experts from our retail and employer branding teams. The format combined interactive discussions, showroom tours, and practical insights into our retail transformation strategy.

Round Table "Transparency" – Driving Change Through Dialogue

S3.MDR-T_02
S3-5_01

The round table brought together over 40 participants across four sectors. Building on this momentum, TOM TAILOR plans to continue participating in the roundtables, aiming to scale impact through joint pilot projects and expanded stakeholder involvement in 2025.

S4. CONSUMERS AND END-USERS

A. Strategy

SBM-3. Material impacts, risks and opportunities

S4.SBM-3_01

Our activities are always customer centred. To ensure customer protection and continuously enhance customer satisfaction, it is essential for TOM TAILOR to understand the needs, expectations, and concerns of our consumers.

As part of the Transparent Communication pillar from our BE PART strategy, and our DMA, we have identified impacts, risks, and opportunities associated with our consumers and end users; from which the material ones are listed below.

Material Impacts, Risks and Opportunities related to consumers and end-users

Table 26. Material IROs related to consumers and end-users

S4.SBM-3_06

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
S4 – CONSUMERS AND END-USERS S4.1 Information-related impacts for costumers S4.1. 1 Privacy				
Strong transparency and data protection boosts consumer trust and loyalty	I+	D	Short	

Scope

S4.SBM-3_02
S4.SBM-3_03

Our DMA includes all customer and potential customers, whether through retail stores, in-store stores or our online platforms. We place particular focus on consumers who require clear, accessible, and transparent information about our products and their components.

S4.SBM-3_07
S4.SBM-3_08

Special attention is given to more vulnerable consumer groups, such as children, who may be at greater risk of harm. For this reason, we ensure that products designed for these users meet high standards of safety, appropriateness, and quality, always aligned with their specific age and needs to safeguard their well-being.

Type of impacts

S4.SBM-3_04

Safeguarding the trust of our customers is key, we do this by proactively preventing and addressing potential negative impacts related to their experience. This includes protecting personal data, ensuring product safety and quality, and avoiding misleading or non-transparent product communication.

To this end, we have implemented internal procedures to minimize potential negative impacts such as data breaches, unsafe product use, or confusion arising from unclear product information.

Our approach includes not only preventive mechanisms but also clear processes for mitigation and remediation when adverse effects occur, ensuring that negative experiences for consumers are addressed promptly and effectively.

Aligned with our BE PART strategy, we promote responsible marketing and communication practices that are honest, respectful, and free from discrimination.

We are firmly committed to upholding human rights and rejecting any form of exclusion.

S4.SBM-3_05 Moreover, we strive to create positive experiences for all our customers through inclusivity and accessibility. Our digital channels are continuously optimized for easy user-navigation, including enhanced accessibility tools on our websites.

In physical stores, our focus is on user-friendly layouts and clear product communication. Our customer service team is readily available to assist with inquiries, returns, or concerns, ensuring that every touchpoint reflects our promise to be transparent, approachable, and real.

Risks and opportunities

S4.SBM-3_06 Our specialized Customer Service and Quality teams play a key role in resolving product-related inquiries and supporting customers in cases of quality or health and safety concerns.

Through clearly defined standards and dedicated teams, we maintain a strong focus on product safety, particularly for more vulnerable consumer groups such as children. These efforts not only reduce potential negative impacts but also help mitigate risks associated with consumer rights and regulatory compliance.

At the same time, our responsible product initiatives, such as collections made from more sustainable materials, circularity projects, and transparency campaigns allow us to engage a wider, more conscious audience. These efforts strengthen customer loyalty while positioning TOM TAILOR as a brand that combines style with responsibility.

B. Impact, risk and opportunity management

S4.MDR-P_01-06 ## S4-1. Policies related to consumers and end-users

At TOM TAILOR, our customers are at the heart of everything we do. To guide and govern our relationship with them responsibly, we have established a clear policy framework aimed at creating positive impacts while mitigating potential negative effects.

Our commitment encompasses quality, safety, transparency, and respect for customer rights across every stage of the product and service experience.

Our BE PART strategy addresses customer expectations by promoting responsible product design, the use of more-sustainable materials, and ethical production practices in close cooperation with our manufacturers and suppliers. We are committed to meeting strict health and safety standards to ensure that all TOM TAILOR products are safe and reliable, especially for vulnerable groups such as children.

S4-1_01 ### Policies related to consumers and end-users

/ BE PART Material & Hangtag Overview
/ Policy Statement on TOM TAILOR's Human Rights Strategy
/ Data Protection Guiding Principle

/ Data Protection Consent Directive
/ Data Protection Audit Concept Directive
/ Data Protection Dos & Don'ts for the Stores
/ Directive on the Rights of the Data Subject
/ Directive on the Right of Access
/ Directive on Deletion of Personal Data
/ Directive on Information Obligations under Data Protection Law
/ Guideline on the Requirement to Report Data Protection Violations
/ Statement on the Implementation of Regulation (EU) 2023/988 on General Product Safety (GPSR)
/ KIDS safety Handbook

In terms of transparency and consumer trust, our BE PART Material & Hangtag Overview ensures that product labelling is clear, accurate, and informative, enabling informed purchasing decisions.

S4-1_02

In parallel, the Policy Statement on TOM TAILOR's Human Rights Strategy reinforces our responsibility to uphold ethical practices throughout our value chain, directly benefiting end users.

We also place great importance on data protection and cybersecurity. Recognizing the growing risks in the digital landscape, we have implemented several internal policies, which are listed above.

S4-1_06

Furthermore, we are aligned with the EU General Product Safety Regulation (EU) 2023/988, as outlined in our official Statement on GPSR Implementation, ensuring the highest product safety standards across all regions where we operate.

Together, these policies form a comprehensive system of consumer protection, demonstrating our firm commitment to quality, building trust, customer safety and well-being in line with our BE PART strategy.

Human Rights of consumers and end-users

S4-1_02
S4-1_03

We are fully committed to respecting and upholding the human rights of all our consumers and end users. We categorically reject any form of discrimination and are dedicated to protecting our customers' right to privacy. This includes the responsible handling of personal data in line with applicable laws and our internal data protection framework.

S4-1_06

The health and safety of our customers is a top priority. Our products are designed and produced ethically and responsibly, aligned with strict hazardous chemicals, health and safety standards. This commitment is embedded in our BE PART strategy and further reinforced in our Policy Statement on TOM TAILORs Human Rights Strategy, which is grounded on internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

S4-1_04

We maintain open channels for dialogue and issue resolution through our dedicated customer service platforms. These allow customers to raise concerns, report product issues, or seek support, ensuring that we can act swiftly to address potential breaches or risks. Customers may also access official grievance mechanisms provided by local and European authorities, as outlined before.

S4-1_07

As of 2024, no breaches of fundamental human rights principles have been reported through TOM TAILOR's official grievance and communication channels. This outcome reflects our

proactive approach to responsible business conduct and our continuous effort to create a safe, inclusive, and transparent experience for every customer and end-user.

S4-2. Processes for engaging with consumers and end-users about impacts

S4-2_02

We maintain a strong and responsive relationship with our customers through multiple dialogue mechanisms. Our dedicated customer service team (reachable via email, social media, phone, fax, and live chat) is the first point of contact for inquiries regarding products, orders, delivery, returns, or complaints. We continuously monitor these channels to ensure timely, respectful, and helpful responses.

Customer service teams

S4-2_03
S4-2_05

Our customer service teams are a key touchpoint for engaging with consumers across all markets. These teams manage inquiries via our different communication channels, addressing questions related to our products, orders, deliveries, returns, and complaints. Regular training and internal quality monitoring help us continuously improve the responsiveness and customer satisfaction of our service operations.

A dedicated team for E-shop support is also available via email and phone, which can be reached via our corporate website and e-shop.

Figure 26. International customer service channels

SUSTAINABILITY CAMPAIGNS PRESS SHOP	TOM TAILOR	DE **EN** CO
	News Sustainability Report Brand Visuals **Contact**	
SERVICE AUSTRIA	Tel: +49 800 / 00 61 90	e-shop@tom-tailor.at
SERVICE NETHERLANDS	Tel: 010 / 71 31 853	e-shop@tom-tailor.nl
SERVICE BELGIUM	Tel: 070 / 66 34 78	e-shop.be@tom-tailor.com
SERVICE EUROPE	Tel: +49 40 / 18 04 72 37	e-shop.eu@tom-tailor.com

Store teams

S4-2_03

Our retail and outlet store staff also play a key role in providing direct, in-person support. As frontline brand ambassadors, they not only assist customers with their shopping experience but also help resolve concerns and guide them to appropriate feedback or escalation channels. Training on customer interaction, safety, and complaint handling is provided regularly to ensure quality and empathy in our service.

Communication channels

S4-2_03

Our digital presence plays a vital role in connecting with customers across all markets. Our official e-shop website and the TOM TAILOR app —available for iOS and Android— enable a seamless and personalized shopping experience, access to exclusive content, offers, and product information.

Our social media platforms — Facebook, Instagram, LinkedIn, TikTok, YouTube and Pinterest — serve as a space to engage our community, share brand values, and showcase our collections with authenticity.

We are committed to responsible marketing practices, ensuring our campaigns reflect a diverse, inclusive, and positive reality. Visuals are crafted to stay true to product quality and features, while model representation embraces variety and realism.

TOM TAILOR CLUB

S4-2_01
S4-2_03

Our TOM TAILOR CLUB is a tiered loyalty programme designed to reward and engage our customers through every interaction. Members earn points with every purchase, both online and in-store, which can be redeemed for exclusive benefits.

For every Euro or CHF spent, customers receive 10 level points and 10 redeemable points, which contribute to their CLUB status and unlock additional rewards. Beyond exclusive rewards, we also enable CLUB members to convert points into donations to support charitable causes, promoting not just customer retention, but shared impact.

S4-2_02

Our customer engagement goes beyond traditional loyalty programmes. Our dedicated Consumer Engagement Team continuously innovates to create personalized, seamless experiences across touchpoints.

We implement gamified loyalty mechanisms to boost customer satisfaction and long-term retention. With the integration of Agentic AI, we analyse customer behaviour in real time, enabling us to proactively respond to individual needs. These tools help us build a future-ready engagement model that is both digitally dynamic and sustainability-conscious.

S4-2_05
S4-2_06

Our teams implement detailed contact monitoring plans tailored to our sales channels, enabling us to track key performance indicators such as first contact resolution and repeated inquiries. This data-driven approach allows us to enhance response quality, improve customer satisfaction, and adapt our services to evolving needs.

S4-2_04

Responsibility for overseeing these efforts lies with the respective Country Customer Experience Managers under the leadership of our Consumer Engagement Team headquartered in Hamburg, ensuring accountability and consistency across all touchpoints.

S4-3. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3_01

Through our DMA and risk-management approach, we proactively identify actual and potential impacts across our value chain to prevent, mitigate, and where necessary, remediate negative effects on our stakeholders, especially our customers.

S4-3_02

To uphold their rights and ensure responsible customer experience, we have established two key channels for receiving and addressing concerns: our customer service platforms, and the BE PART

sustainability contact point via email for sustainability-related inquires. These touchpoints enable us to respond swiftly, implement corrective measures, and prevent future occurrences.

S4-3_03
S4-3_04

As outlined in section S4-2 of this report, our customer service teams receive ongoing training and follow standardized procedures to ensure quality and efficiency. At the same time, we proactively work to prevent the recurrence of such impacts and strengthen our safeguards. In doing so, we uphold and protect the rights of our customers.

S4-3_09
S4-3_10

Customers can access our service channels via our corporate website, online store websites and the TOM TAILOR app. In our physical stores, trained staff provide support and information on how to submit service requests or formal complaints. Additionally, consumers and other stakeholders can reach us directly through our designated BE PART email channel. In line with legal requirements, individuals may also use external whistleblowing or reporting platforms provided by competent authorities or EU institutions to address relevant concerns.

S4-4. Actions related to consumers and end-users

At TOM TAILOR, we adopt a dual approach to protecting our consumers: preventing and mitigating potential negative impacts while actively pursuing opportunities to create positive experiences.

S4-4_01
S4-4_06
S4-4_10

Our efforts centre on safeguarding customer health, safety, data privacy, and ensuring inclusivity, regardless of age or body type, across all touchpoints. We maintain robust internal processes, including product safety standards, prevention and control programmes, and targeted staff training to prevent and remedy adverse effects.

S4-4_02
S4-4_04
S4-4_05
S4-4_11

Our cross-functional teams swiftly assess and address any incidents reported via customer communication channels or supervisory bodies, ensuring traceable corrective actions. When indications arise that a product may not be safe, it is immediately withdrawn, and our internal procedure is activated to ensure timely communication and product recall. No severe human rights incidents involving consumers were identified in 2024.

S4-4_03
S4-4_09

S4-4_15

On the opportunity side, we are enhancing direct engagement through our TOM TAILOR CLUB loyalty programme and expanding consumer insight capabilities. We monitor customer satisfaction and inclusion outcomes using diverse metrics, including loyalty data, online feedback, and customer engagement KPIs. These insights are used to continuously improve our product offerings, marketing practices, and customer service, ensuring that our operations do not cause or contribute to material negative impacts.

TOM TAILOR CLUB

S4.MDR-A_01-05

As part of our efforts to deepen customer engagement and strengthen purpose-driven brand loyalty, we launched several initiatives in 2024 within our loyalty programme, aimed at promoting responsible behaviour and shared values among our members and people. Highlights include:

CLUB Donation Initiative

S4-4_03
S4-4_16

In cooperation with Viva con Agua and MBRC the ocean, TOM TAILOR CLUB members can convert their loyalty points into donations for social and environmental causes. For every 500 points, TOM TAILOR donates €1.50 —fully funded by the company—and rewards members with a CLUB badge as recognition.

As of Q2 2024, 826 members supported MBRC the ocean, contributing €1,239 in total, while 778 members donated €1,167 to Viva con Agua. This initiative not only advances meaningful impact but also deepens the emotional bond between our customers and the brand, reinforcing our shared commitment to global responsibility.

Clean-Up Crew Badge. People Engagement via CLUB

S4-4_03
S4-4_16

In support of our internal sustainability efforts, TOM TAILOR hosts regular Clean-Up Events at our Hamburg headquarters, as detailed in the section S3. To acknowledge and celebrate people engagement, participants receive a digital Clean-Up Crew badge within the TOM TAILOR CLUB platform.
Awarded automatically, this badge symbolizes our shared commitment to tackling environmental challenges and highlights the value of collective action within our own community.

Smart Shopper Badge – Promoting Conscious Online Behaviour

S4-4_03

With the Smart Shopper Badge, TOM TAILOR acknowledges CLUB members who demonstrate responsible online shopping habits by maintaining a return rate of 25% or less over a 12-month period (excluding the most recent 30 days). The badge is awarded automatically each month to eligible members and appears in their CLUB account as a symbol of recognition for mindful consumption.

This initiative encourages more conscious shopping behaviour while helping reduce the logistical carbon footprint of returns.

Health and safety actions

Product health and safety protocols

S4.MDR-A_01-05

At TOM TAILOR, the product safety is a top priority. To uphold the highest standards, we have established rigorous Standard Operating Procedures (SOPs) that govern our product quality control throughout the supply chain. These include:

S4-4_01
S4-4_05
S4-4_06
S4-4_10

- SOP Needle Control & Metal Detection: A comprehensive protocol is applied to identify and remove potential metal contaminants in garments during and after production, minimizing the risk of injuries to consumers.

- SOP Pull, Torque, and DYNA Wash Testing: These tests assess the mechanical safety and durability of product components. The pull and torque tests ensure that small parts such as buttons or trims are securely attached, reducing choking hazards, while the DYNA wash test verifies garment resilience under typical consumer use conditions.

S4-4_12

These control systems are embedded within our Product Safety Management System, as outlined in our declaration of compliance with the EU General Product Safety Regulation (GPSR). A dedicated Quality and Technical Team monitors the implementation of these protocols to ensure their effectiveness, while suppliers are obliged to execute them in actual production. Regular inspections, supplier risk analyses, and accredited laboratory testing reinforce our commitment to consumer safety. Responsibility for on-site execution lies with the suppliers' management, quality management, and department heads.

Kids Product Health and Safety protocols

S4-4_01
S4-4_05
S4-4_06

Children's products require the highest level of scrutiny and safety assurance. We have implemented a specialized KIDS Safety Protocol to address the unique risks associated with products designed for infants and children up to 14 years of age.

S4-4_10

Our approach is built around comprehensive internal guidelines, defined in the TT KIDS Safety Handbook, which ensures all garments and accessories meet stringent European and international safety standards. This includes requirements on mechanical safety, chemical compliance, and age-appropriate design aligned with the General Product Safety Regulation (EU) 2023/988 and REACH.

Key safety measures include:

- **Mandatory use of SOPs** for pull, torque, and DYNA wash tests on all kids wear components (e.g. buttons, snaps, cords) to prevent detachment risks and choking hazards.

- **Strict chemical controls** based on the TOM TAILOR AFIRM RSL, with enhanced thresholds for children's products (e.g. lower limits for heavy metals and bisphenols).

- **Design exclusion criteria**, such as the prohibition of functional cords in neck and hood areas or hazardous embellishments.

- **Needle and metal detection protocols** applied rigorously to kids' product lines to avoid injury risks.

- **Dedicated quality control checkpoints** during development, bulk production, and incoming goods inspection.

S4-4_13

All relevant teams, from buying to production, receive regular training on KIDS-specific requirements. Suppliers are contractually obliged to comply with these standards and undergo audits and testing in accredited laboratories.

This proactive and risk-based approach helps us prevent product recalls, safeguard child users, and strengthen consumer trust in TOM TAILOR's kids wear.

Data protection and privacy actions

S4.MDR-A_01-05

In 2024, TOM TAILOR continued to strengthen its data protection and privacy framework, reinforcing its commitment to safeguarding the rights of consumers and end-users. Our approach is guided by the principles of the General Data Protection Regulation (GDPR) and internal policies designed to ensure transparency, accountability, and continuous improvement.

Our compliance model includes:

S4-4_01
S4-4_04
S4-4_05

- Risk-based support for business areas, offering tailored guidance to align processing operations with GDPR standards.

- Ongoing enhancement of our data protection programme, including tools and procedures that support an auditable compliance model.

S4-4_07

- Regular oversight by our IT and Data Protection Team supported by coordinators and empowered to report directly to management.

- Annual reporting to the Board of Directors via the Audit and Compliance Committee, and participation in the Information Security Committee.

S4-4_08

Key milestones in 2024 included the follow-up to our 2022 Data Protection Impact Assessment (DPIA), and the successful audit of our Microsoft 365 configuration in September 2023, based on the DPIA outcomes. The audit helped identify and address potential vulnerabilities in our IT environment and verified compliance with privacy-by-design principles.

S4-4_12
S4-4_18

Our Data Protection Guiding Principle and corresponding internal directives define responsibilities, information obligations, and response mechanisms for all data subject rights, including access, deletion, rectification, and objection. These policies are embedded across all departments and processes, with ongoing employee training and periodic audits ensuring effectiveness.

We view data protection not as a one-time effort, but as a continuous process embedded in our corporate culture, supporting consumer trust and regulatory compliance in all our markets.

Transparency in the supply chain: RETRACED

S4.MDR-A_01-05

Since April 2024, we have integrated the RETRACED platform across all product lines to enhance visibility and traceability in our supply chain. This digital solution enables us to map and manage our value chain, from Tier 1 garment suppliers down to raw material origin Tier 4.

S4-4_04
S4-4_08

The system links supply chain data with product information and risk indicators, providing us with a detailed and dynamic view of our sourcing structure.

S4-4_12
S4-4_13

In 2024, supplier onboarding continued across all tiers, more partners actively shared data and certificates, and risk assessments were further enhanced and connected to specific production steps. Internally, we supported this development with dedicated trainings – helping our teams and users ensure quality and engagement across the platform.

S4-4_16

By the end of 2024, 28% of our styles were traceable from Tier 1 garment suppliers down to raw material origin Tier 4, while 13% where traceable down to yarn origin. This marks a significant step forward in our transparency journey.

RETRACED now enables us to address key elements of human rights and environmental risk management, aligned with the requirements of the German Supply Chain Due Diligence Act (LkSG), and lays the foundation for Digital Product Passports (DPP), now implemented through QR codes on our care labels.

The graphic below illustrates the product journey of a selected TOM TAILOR style – from raw material to finished product. It shows the connected supplier levels (Tier 1–4), production steps and certifications captured via RETRACED.

Figure 27. Product journey powered by RETRACED
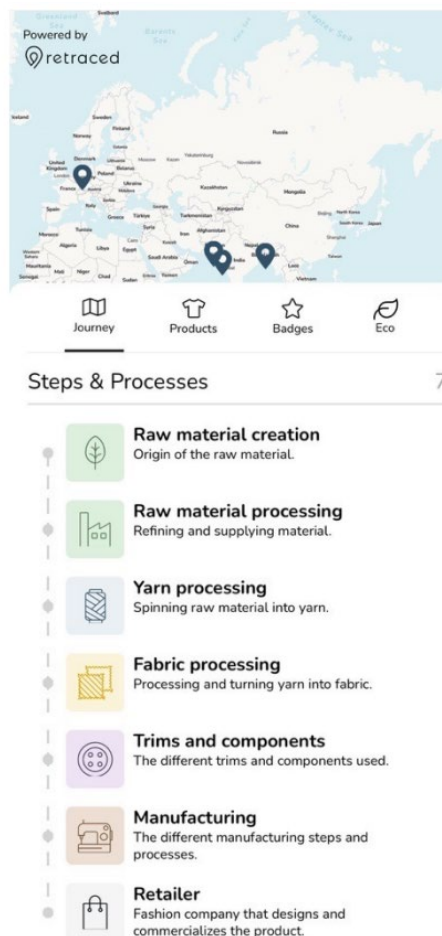
In 2024 we conducted a pilot Life Cycle Assessment (LCA) in collaboration with BCome, facilitated through an introduction by RETRACED as part of their exploration of a potential DPP partnership.

S4-4_09

We selected around 80 styles and shared all available product data to enable a full LCA. While the pilot project remains under evaluation, the results highlight the value of primary data to guide our material choices and inform our sourcing strategy.

In 2025, we aim to build on these insights by further expanding our LCA capabilities.

BE PART Label Guideline:

S4.MDR-A_01-05

We continuously reinforce our responsible product communication through the BE PART Label Guideline, a structured system that transparently informs customers about the more sustainable materials used in our garments.

S4-4_01

The guideline defines clear thresholds and verification procedures for labelling products with the BE PART hangtag and wash care icon.

The framework covers over 30 certified sustainable materials, and each hangtag is linked to specific material criteria (e.g., minimum content, recyclability, traceability) and associated documentation, ensuring compliance with environmental standards.

To safeguard integrity, each labelled product must meet:

S4-4_06

- Minimum material thresholds (e.g., ≥50% organic cotton for the Organic Content Standard, 5% to 50% of recycled content depending on the material types),
- Verified certifications at fibre and supply chain level,
- Traceability and documentation requirements, including supplier declarations and SOP-based validation.

Furthermore, we introduced icons for products "designed for circularity", signalling garments engineered for recyclability, even when certified sustainable materials are not yet integrated.

S4-4_16

This visual system empowers our consumers to make informed purchasing decisions and aligns with TOM TAILOR's commitment to full product traceability. It supports our preparations for current regulatory requirements such as the EU Eco design for Sustainable Products Regulation.

Meaningful collaborations

As detailed in this section, we launched a series of collaborative initiatives within the TOM TAILOR CLUB in 2024. We partnered with Viva con Agua, MBRC the ocean, and RETRACED to strengthen our impact in the areas of social responsibility, environmental protection, and supply chain transparency. These collaborations reflect our commitment to building meaningful connections with our customers through shared values and transparency.

C. Metrics and targets

S4-5. Targets related to customers

S4.MDR-T_14

We have not defined quantitative targets specifically linked to customer outcomes. However, we are committed to continuously improving the consumer experience across all markets, aiming to minimize negative impacts and generate positive contributions.

S4.MDR-T_15

This commitment is embedded in our BE PART strategy and policies and reflected in our actions throughout the year. Notably, in 2024, we launched the "BE PART of the loop" take-back system, described in section E5. These initiatives contribute to greater product circularity and customer engagement, setting the foundation for future measurable impact.

5. GOVERNANCE INFORMATION [ESRS G]

G1. BUSINESS CONDUCT

IRO-1. Material impacts, risks and opportunities

Our DMA led to the identification of material impacts, risks, and opportunities associated with responsible business conduct.

Table 27. Material IROs related to business conduct

	Type I/R/O	VAC Location	Time horizon	Affects Human Rights
G1 – BUSINESS CONDUCT				
G1.1 Corporate culture				
A strong corporate culture boosts employee trust, loyalty, and motivation	I +	O	Mid	
G1.2 Protection of whistle blowers				
Encouraging safe reporting of violations builds trust and accountability	I +	U / O	Short	
G1.3 Animal welfare				
Certified products meet customer demands and improve animal welfare	I +	U / D	Short	
G1.4 Management of relationships with suppliers including payment practices				
Long-term supplier relationships boost trust and cooperation	I +	U / O	Short	
Higher costs from poor supplier management (onboarding, training, audits)	I -	U	Short	
Stable supplier cooperation cuts operational costs	O	U / O	Mid	
G1.5 Corruption and bribery				
G1.5.5 Prevention and detection including training				
Weak controls expose employees to unethical practices and societal harm	I -	All	Short	

G1.MDR-P_01

Policies related to business conduct

/ TT BLUEPRINT
/ Guideline on Reporting of Infringements Against Compliance
/ Contract Directive
/ Guideline on transfer pricing principles
/ Money Laundry Directive
/ amfori BSCI Code of Conduct
/ Directive for verification of incoming invoices
/ TT Competencies
/ Social Compliance Manual and Restrictions on Material Handbook
/ Code of Ethics for Business Partners (Anti-Bribery Policy)

GOV-1. The role of governing bodies

As of 2024, the Management Board of TOM TAILOR is composed of Dr. Gernot Lenz (Chief Executive Officer) and Christopher Hallberg (Chief Financial Officer).

G1.GOV-1_01 The Board defines and approves the ethical commitments embedded in the company's corporate governance policies and ensures compliance across all business operations. It holds key responsibilities related to risk management and business conduct, including oversight of the compliance, legal, and internal audit functions.

These teams provide the Board with regular quarterly updates, or more frequently upon request, on compliance risk management, grievance mechanism cases, and key initiatives such as training and awareness programmes.

The corporate Compliance function centrally coordinates compliance efforts across all relevant departments, including corruption prevention and related risk models, with their effectiveness overseen by the Management Board.

G1.GOV-1_02 To effectively fulfil their oversight role, Board members count with recognized competence and experience, particularly in areas such as corporate strategy, finance, legal, sustainability, and retail operations. Both current members bring solid backgrounds in compliance, corporate governance, and ethical business conduct.

G1-1. Corporate culture and business conduct

Corporate Culture and Business Conduct

G1-1_01
G1-1_02
G1-1_05
G1-1_08
G1-1_10

At TOM TAILOR, the foundation of our corporate culture is built on five shared values: trust, empathy, courage, innovation, and responsibility. These values shape the way we work, lead, and engage with our people, partners, and customers.

Our values serve not only as ethical principles but as practical guidelines embedded into our daily business activities and decision-making processes. They are widely communicated and reinforced through training sessions, internal campaigns, and leadership development programmes tailored to different employee profiles.

To ensure that these values translate into effective behaviour and consistent leadership, we introduced our TT BLUEPRINT in 2024. The BLUEPRINT provides a strategic compass across four key dimensions: brand, product, sustainability, and people, and operationalizes our values in setting ambitions, priorities, and fundamental behaviours.

The BLUEPRINT is used as a guide for leadership alignment and performance orientation, and its implementation is supported by capacity-building sessions and continuous feedback mechanisms to monitor cultural alignment across the organisation.

Integrity and ethical conduct are central to TOM TAILOR's approach to doing business. To uphold our values and foster a safe and compliant work environment, we have established a formal procedure to manage misconduct through our Guideline on Reporting of Infringements Against Compliance. This group-wide policy ensures that employees and external stakeholders can confidentially report suspected violations of legal obligations or internal rules. All allegations are taken seriously and investigated promptly, objectively, and in accordance with the principles of fairness and transparency.

Each report is treated with strict confidentiality, and the identity of whistleblowers is protected unless they explicitly consent to disclosure. The same level of confidentiality applies to the individuals subject to investigation, safeguarding them against undue reputational harm.

The guideline is applicable to all TOM TAILOR employees and contractual partners, ensuring uniform handling of compliance concerns across the Group.

We believe that a strong ethical culture requires not only clear standards but also trust in the processes that protect those who speak up. By promoting a work environment where concerns can be raised without fear, we aim to maintain the highest standards of integrity in every aspect of our operations.

Animal Welfare

G1-1_09

Animal welfare is close to our hearts, and a key priority within our commitment to responsible sourcing and ethical production. Our animal welfare policy prohibits the use of animal-derived materials associated with harmful practices.

As outlined in our Social Compliance Manual and Restrictions on Material Handbook, we do not use real fur, down or feathers from live-plucking or forced fattening, uncertified alpaca, angora, mohair or cashmere, leather from Indian cattle, or materials sourced from endangered species. Shells from animals are also excluded from our collections.

All wool used in our products must originate from farms that uphold the internationally recognized Five Freedoms of Animal Welfare: freedom from hunger and thirst; discomfort; pain, injury, or disease; fear and distress; and freedom to express normal behaviour.

These principles are integrated into our supplier requirements and are actively monitored. To further support this commitment, TOM TAILOR has set a target to process only certified or recycled wool by 2025, with preference given to wool certified under the Responsible Wool Standard.

We maintain a strict non-mulesing policy, banning all forms of breech modifications, including mechanical and chemical methods. For every product containing wool, suppliers must provide a Certificate of Origin and a non-mulesing declaration from the yarn mill. These measures help us uphold animal welfare while ensuring transparency in our material supply chains.

We also had partner with PETA to expand our portfolio of PETA-Approved VEGAN styles. These products are fully free from animal-derived components and are verified through a multi-step assurance process, including signed declarations from suppliers and confirmation checks by PETA. This collaboration supports our efforts to offer cruelty-free alternatives and meet the evolving expectations of conscious consumers.

Our animal welfare commitments are communicated internally and externally via our corporate website and sustainability disclosures. As a result, TOM TAILOR ensures that respect for animal rights is embedded across product development, supplier engagement, and customer communication.

G1-2. Relationships with Suppliers and Supply Chain Risk Management

Foundational Principles and Codes of Conduct

TOM TAILOR's approach to managing relationships with suppliers is firmly rooted in our corporate values and BE PART strategy. These principles are reflected in our Code of Ethics for Business Partners, which establishes clear and binding rules for all entities providing goods or services on behalf of our company, including agents, service providers, and vendors.

This Code explicitly prohibits all forms of bribery and corruption and sets detailed expectations on the avoidance of conflicts of interest, the handling of confidential information, and the acceptance of gifts and hospitality.

All suppliers are required to formally acknowledge and commit to this Code and are encouraged to share their own anti-corruption policies as part of a mutual transparency framework.

Social and Environmental Standards in Supplier Selection

G1-2_02
G1-2_03

We apply rigorous social and environmental criteria during supplier onboarding and evaluation processes. As detailed in the section S2, our suppliers must sign and implement the amfori BSCI Code of Conduct, which is based on key international standards, including the ILO Conventions, the UN Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights.

This Code ensures that suppliers respect fundamental human and labour rights, including:

- Freedom of association and collective bargaining,
- Fair remuneration and working hours,
- Safe and hygienic working conditions,
- Special protection for young workers,
- No forced or child labour, and
- Protection against discrimination

Compliance with the BSCI Code is verified through regular third-party audits. Suppliers are required to remediate any non-conformities via Corrective Action Plans, and we engage in dialogue and support to help them meet these standards.

Beyond compliance, we incentivize environmental performance among our strategic supply partners. As part of our responsible sourcing framework, we require our key suppliers to:

- Track their annual carbon emissions,
- Establish CO_2 reduction targets,
- Measure water consumption annually,
- Avoid coal-based energy sources, and
- Implement fabric waste minimization or recycling schemes.

These criteria are incorporated into supplier evaluations and long-term sourcing decisions. Suppliers demonstrating advanced environmental practices are prioritized for strategic collaborations and innovation projects.

Monitoring, Audits and Continuous Improvement

All TOM TAILOR suppliers are subject to regular monitoring, including factory visits, announced and unannounced audits, and performance reviews. Our internal audit team and external partners assess not only social compliance but also adherence to environmental and product safety protocols. In cases of severe or repeated violations, TOM TAILOR reserves the right to suspend or terminate the relationship. Corrective Action Plans are a standard part of our remediation approach, and suppliers are supported through capacity-building workshops and direct engagement.

G1-3. Prevention and detection of corruption and bribery

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G1-3_02
G1-3_03
G1-3_05
G1-3_06
G1-3_08

Corruption and bribery are fundamentally incompatible with TOM TAILOR's values and the way we do business. We maintain a strict zero-tolerance policy towards all forms of corruption and are fully committed to upholding anti-corruption laws across all countries in which we operate. This commitment is embedded in our corporate values and forms part of our broader approach to responsible business conduct.

Our approach is grounded in internal regulations, including our Guidelines and Code of Ethics for Business Partners and the various policies and tools designed to prevent corruption and related offences. These frameworks establish clear principles and guidelines to detect, prevent, and manage risks associated with bribery, fraud, or other illicit practices. They are complemented by country-specific compliance models that reflect the local legal and business context, ensuring consistent and lawful behaviour in every market we serve.

To support early detection and corrective action, we have established formal grievance mechanisms and a whistleblower system, accessible to all employees and stakeholders. These allow confidential reporting of any concerns, including those related to corruption or bribery. All reports are managed by an independent ombudsman, which is organisationally separated from management structures involved in daily operations.

Every suspicion of misconduct is documented comprehensively. This includes a record of the accusation, investigation procedures, outcomes, and any corrective measures taken. Documentation is overseen by the ombudsman and shared with the Management Board, in full compliance with data protection regulations.

Our Compliance and Internal Audit teams are tasked with overseeing risk management processes and ensuring ethical business conduct across the Group. These functions report directly to the Management Board, reinforcing our governance structure and accountability mechanisms.

Communication and awareness-raising play a central role in our compliance culture. All TOM TAILOR employees are granted access to relevant internal rules and procedures via our corporate intranet and email communications as newsletters. Key policies are made publicly available through our corporate website to ensure transparency with our external stakeholders. In addition, the Compliance team provides regular updates to the Board, reporting quarterly on critical compliance topics and risks, as outlined in section GOV-2 of this report.

G1-4_01
G1-4_02

As of 2024, TOM TAILOR recorded zero convictions for violations of anti-corruption or anti-bribery laws. Thus, no fines were imposed in connection with such offences. These results reaffirm the effectiveness of our internal controls and our continued commitment to ethical and lawful behaviour throughout our operations.

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ADDITIONAL INFORMATION. DIGITALIZATION, INNOVATION & AI USE

Digitalization is at the heart of how we evolve, innovate, and grow. The way we use technology has transformed and so have our ambitions. We are embracing digital tools and artificial intelligence (AI) to make smarter decisions, streamline operations, and enhance the experiences we deliver to both our customers and business partners.

A major step forward in 2024 has been the simplification and modernization of our system architecture. By completing the company-wide migration to Workday, we are eliminating inefficiencies, enabling consistent usage across departments, and preparing our infrastructure for future innovation. This transformation builds a digital foundation that supports long-term business value.

We are also reimagining the entire product lifecycle through digital tools. From 3D product design and virtual content creation to digital ordering and in-store visualization, each phase of our value chain is being enhanced by technology. AI is accelerating this shift, helping us automate image workflows, generate high-quality product descriptions, and shorten the time from concept to market. These advances not only make our internal processes more agile but also lead to more accurate product information and improved customer satisfaction.

To fully capitalize on these opportunities, TOM TAILOR is evolving into an insights-driven company. Data is a key strategic asset: when used effectively, it reveals patterns in customer behaviour, signals market shifts, and highlights performance gaps. To lead this change, we are establishing a dedicated Data & Analytics unit that works closely with the business to generate meaningful, real-time insights that drive performance across the organisation. Our evolving architecture is being designed as a central data hub enriched by AI, enabling seamless access to refined data for decision-makers and operational systems alike.

Artificial intelligence is already playing an important role in shaping our operations. It is improving demand forecasting, allowing for more accurate production planning and smarter inventory allocation, thereby reducing waste and overstock. It is also enhancing our creative processes, speeding up product design and enabling more compelling digital content. And by automating repetitive or time-consuming tasks, AI frees up our teams to focus on innovation and strategic work.

Digitalization is also contributing to greater transparency and traceability in our supply chain. For example, with AI-powered forecasting, we can prevent overproduction and optimize resource use. Meanwhile, our collaboration with RETRACED is enabling us to provide deeper visibility with our suppliers, helping ensure that our value chain aligns with our BE PART strategy and values.

Although we do not yet use AI to directly manage energy or resource consumption, we recognize the potential in this area and are actively exploring solutions. Looking ahead, we are continuing to develop virtual photoshoot capabilities, explore digital pattern design, and refine our customer-facing tools to personalize the shopping experience and reduce return rates.

Our digital transformation is well underway, with technology and AI integrated not just into our systems, but into our BLUEPRINT, our creativity, and our culture of continuous improvement.

6. ANNEXES

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Questions or feedback?

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