



SUSTAINABILITY REPORT

2022

TRANSPAREN/SEA

 TOM TAILOR



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# 1. WELCOME BACK

# LET'S CATCH THE NEXT WAVE

## MESSAGE FROM OUR BOARD.

In 2022, we celebrated 60 years of **TOM TAILOR**. We celebrated our **#TTEAM**, we celebrated togetherness.

Community is our most powerful tool. It's amazing to see, that the more challenges we're facing, the closer we work together. And there have been multiple ones within the year:

Our life as well as our businesses were affected by serious external factors. The year started with the beginning of a war in Europe. The news moved us. We felt for the affected people and collectively tried to help. Additionally, factory lockdowns, harbour congestions and transportation capacity lacks hindered our supply chain; inflation, the EUR/USD exchange rate, increasing material costs and COVID-19 impacted our businesses.

Our innovative mindset was put to the test – while we held on to our ambitious plans. One of our main goals was to increase the share of more sustainable products to 80%. Through unique teamwork, we managed even more. We over-achieved our target by 3%.

Furthermore, we made progress in key areas such as transparency and circularity. And were able to make work-related improvements for those whose commitment we particularly appreciate: our **PEOPLE**. To us, all is about community.

We've come a long way. We've made our first waves when introducing our **BE PART** sustainability strategy in 2020. Last year we caught the next waves. We know that there is much more to do. Looking ahead, we appreciate collaboration and long-term partnerships to accelerate our more sustainable vision.

We are excited to continue this on-going journey.

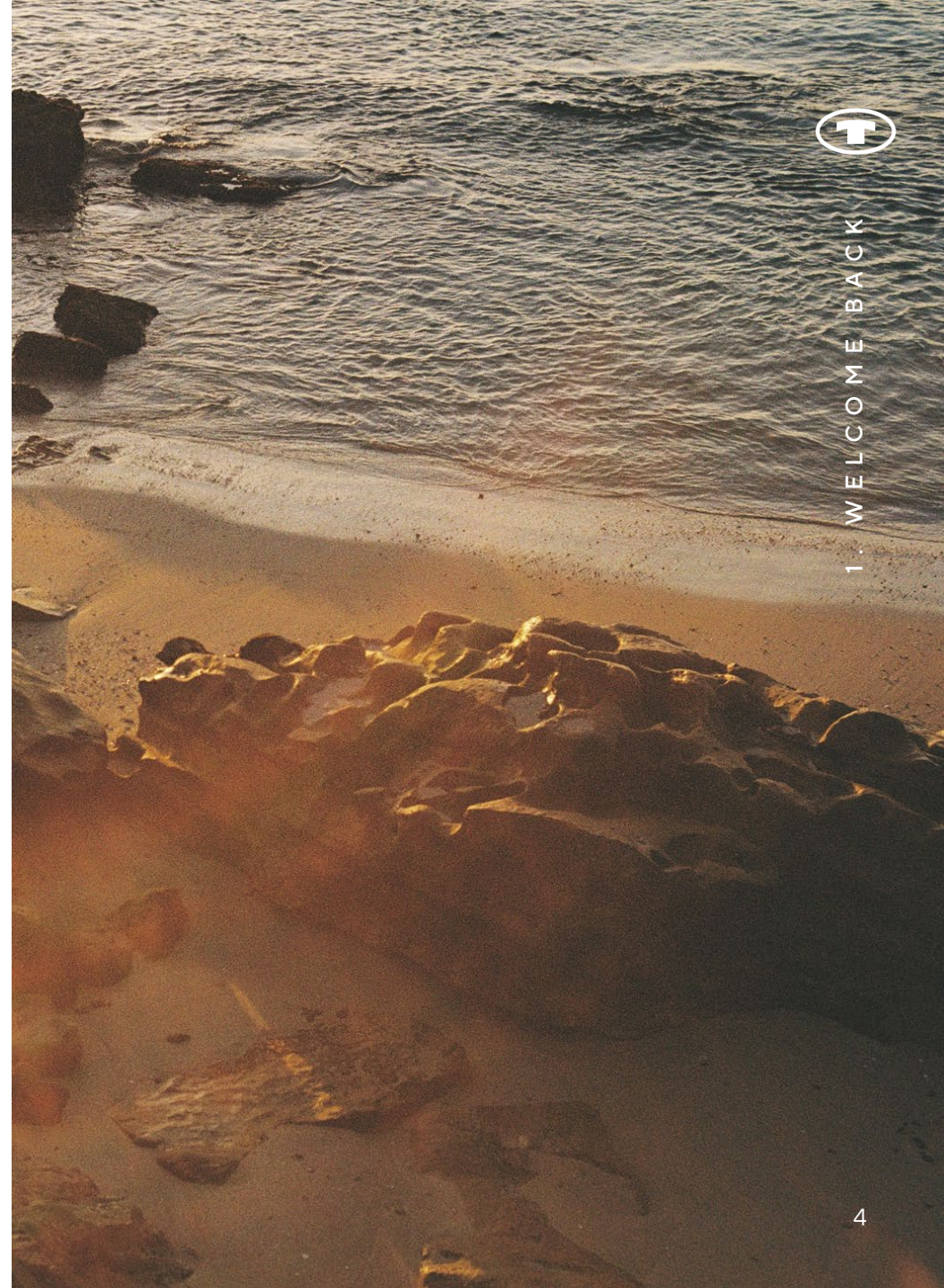
We are proud to **BE PART** of a crew that faces challenges with ambition, effort and team spirit.

**Gernot Lenz**  
CEO

**Christian Werner**  
COO / CFO



1. WELCOME BACK





This is our invitation.  
**BE PART.**

## MESSAGE FROM OUR HEAD OF SUSTAINABILITY & CORPORATE RESPONSIBILITY.

This is the follow up of our **first sustainability report**, which we launched last year. With 'TRANSPAREN/SEA' we connect one of our principles 'TRANSPARENCY' with our roots 'home near the SEA'.

At **TOM TAILOR**, we share the same mindset. It's the **#TTEAM**, people - people across all departments, that drives sustainability in our organization. We inspire each other. We are here to make a difference. Everyone of us is supposed to acts as a role model with respect to sustainable actions. Actions which have an impact on our **PEOPLE**, the **PLANET** and the **PROGRESS**. While maximizing transparency & traceability.

We launched our sustainability strategy in 2020. We set the base, we made successful first steps, we went for lasting changes. Now, with a specialised team, we can accelerate our actions. Faster. Further. For a better future.

For 2023, we as a **#TTEAM** concentrate on three major commitments:

- **TRANSPARENCY** because we want know who is contributing to make our clothes - down to the raw material
- **PLANET** in order to reduce our environmental impact caused by our business
- **CIRCULARITY** to make an impact on our consumption behaviour

We innovate today, to make tomorrow a better place. Because now is the time to create change. Stay tuned.

**Juliane Nowakowski**  
Head of Sustainability & Corporate Responsibility



# SOME FACTS <sup>1</sup>

Represented in  
**45 countries** <sup>2</sup>  
(i.e., Germany, Austria, Switzerland, Southeastern Europe,  
Belgium, the Netherlands)

**419**  
own Retail & Outlet Stores  
(- 2 stores vs. PY)

**12,590**  
Franchise, Shop-in-Shop and Multilabel  
point of sale  
(+ 1.100 POS vs. prior year)

in M EUR  
**611**  
Net Sales (+ 21% vs. prior year)

**83%**  
of our clothes have been produced as more sustainable.  
Following at least one of the defined standards as per page  
48-49.

2 product lines  
**TOM TAILOR &  
DENIM TOM TAILOR**

**47%** MEN & DENIM MALE  
**46%** WOMEN & DENIM FEMALE  
**7%** KIDS & LICENSEES

**8 Showrooms**  
(excluding showrooms of distributors)

1) As of December 2022

2) Including own retail & outlet stores, franchise, shop-in-shop, multilabel & distributor business; a list of all countries can be found [here](#)



# WHAT WE DO

At **TOM TAILOR**, we create. High-quality fashion. Engagement with our customers. A community.

We are a fashion and lifestyle brand. We stay true to our Hanseatic roots while working as a crew with 3,282 people in over 30 countries.

We are essentially **CASUAL**. To us, that's more than just a dress code. Casual is our way of life, a mindset that makes us **US**: real and approachable. Passionate and down-to-earth. Honest and more sustainable. We value high quality. We stand for diversity. We go for togetherness – the straightforward, Hanseatic way.

Since our foundation in 1962, we have grown into a brand family. With strong ties and shared values. The collections of **TOM TAILOR**, **DENIM TOM TAILOR** and **TOM TAILOR Kids** are inspired by our vision of a modern, casual ease.

The product portfolio is completed by accessories such as active & 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 cooperation's with various license partners.



1. WELCOME BACK



## 2. BE PART OF MORE



# BE PART OF MORE

Our approach is still the same. We know that being part of the fashion industry also means being part of the problem. It's not a secret that the fashion industry causes 10% of the world's carbon emissions or that we generate tonnes of waste every year. But we can make a difference. We believe, that every step in the right direction counts.

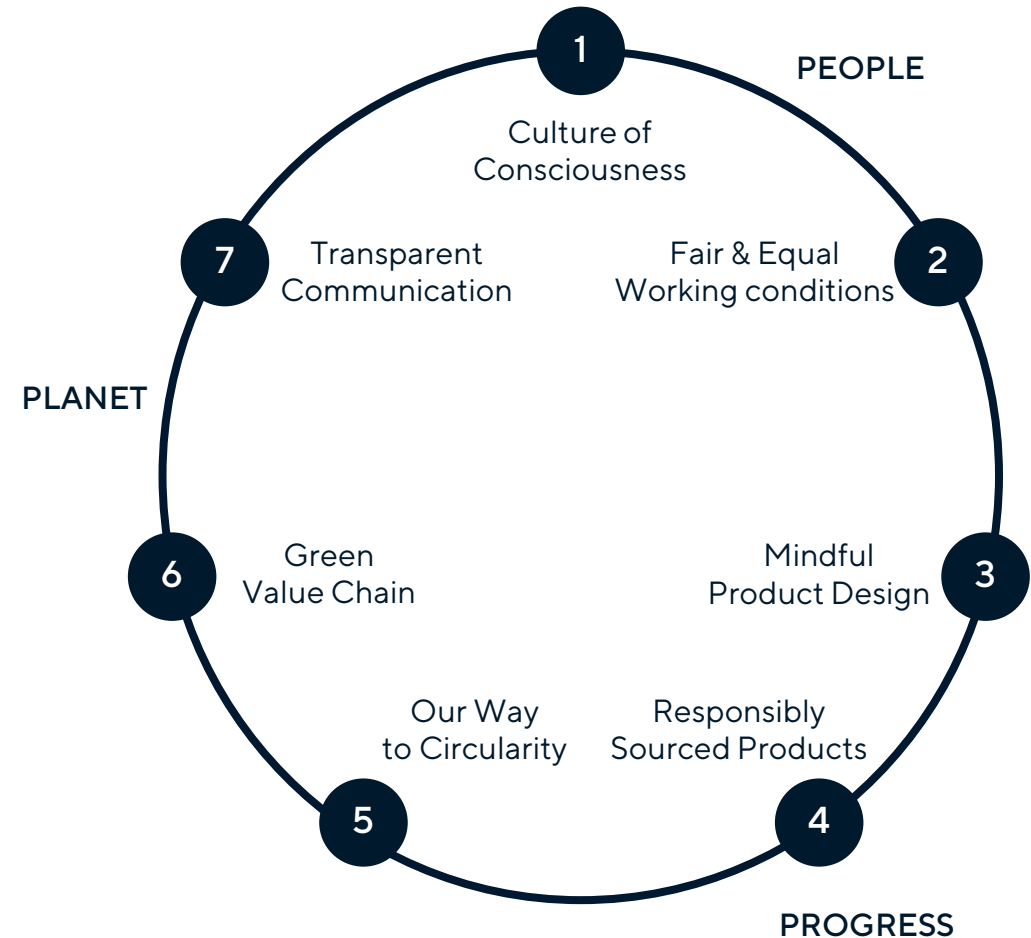
With **BE PART**, we are committed to contribute to a conscious fashion era. We are continuously evolving our 360° strategy approach, our goals and actions. Our **BE PART** strategy is increasingly important and became the basis of our corporate strategy.

As we know the world never changed that fast before, we are regularly re-checking our strategic focus through involving our stakeholders. We are in an on-going dialogue with our customers & partners as well as suppliers and employees.

In 2022, we renewed our Materiality Assessment to ensure that the highest priority topics on our agenda are aligned with the topics which concern our stakeholders most.

Our seven defined **BE PART** pillars cover these topics and remain as our strategy framework.

With **BE PART** we invite **YOU** to join our journey.





PEOPLE

**TOM TAILOR IS ITS PEOPLE. ALL AROUND THE WORLD.**

Our **PEOPLE** are the heart and soul of our brand. Without our teams in our global offices, our stores and in the factories, where we produce, **TOM TAILOR** wouldn't be the same.

We take our corporate responsibility seriously. On one hand we aim to create a healthy, fair and satisfying working environment for our own employees and on the other hand we aim for the same, for the **PEOPLE** who are part of our value chain.

Within our **BE PART** strategy, we defined the two pillars **CULTURE OF CONSCIOUSNESS** and **FAIR & EQUAL WORKING CONDITIONS** which focus on the **PEOPLE** we work with.



# CULTURE OF CONSCIOUSNESS

## WE ARE NOT THERE YET. THIS IS WHY.

We have been quite ambitious when we defined one of our seven strategy pillars as the '**CULTURE OF CONSCIOUSNESS**'. But what does a culture of consciousness mean for us?

For us, a culture of consciousness is characterized by awareness, a sustainable mindset, willingness for change for something better, less self-interest and more oriented towards the common good.

We still believe that the key for change is awareness. At the same time, we have to admit to ourselves that we were not yet able to support everyone in our brand to create that awareness. How should others like our customers credibly believe in our **BE PART** strategy if not everyone from internally does it?

## THIS IS A CHALLENGE.

And a journey at the same time. Today, we can tell you, that besides the initiatives, which we already implemented to educate and involve our own employees and share the knowledge with other stakeholders, we have to do more.

What we already implemented and will continue to foster:

- Integration of **BE PART** into our monthly globally #TTownhalls to share achievements on a regular basis and to involve all employees
- Collaborations with non-profit partners to create and spread more awareness, e.g. [MBRC @ the ocean](#)
- Internal **BE PART** trainings for sales, product and sourcing teams
- **BE PART** strategy presentations for B2B customers and suppliers
- Participation as one #TTeam in community projects and sport activities (e.g. Viva con Agua #RUN4WATER, MOPO Relay Race, HYROX)

In 2023 we will introduce more initiatives like:

- **Sustainability Business Challenge:** 6 months program accompanied by our external partner [THE DO GROUP](#) with 20 people from different departments & countries trying to find an answer for the defined challenge 'How might TT employees translate sustainability into their daily business operations'
- **BE PART engagement program:** new project to develop an educational & engagement program for all different stakeholder groups with the aim to provide customized trainings, challenges and events with a 'coin collecting' system
- **Trainee program:** our Sustainability & Corporate Responsibility department will be added as an obligatory department for our trainees during their training program
- **Sustainability goals:** we aim to make sustainability goals to our overall organizational goal (e.g., integral part of our bonus agreements)



# OUR PEOPLE

## THE TT-CREW.

Globally, 3,282 \* people are part of our **#TTEAM**. It is our corporate responsibility to care for all of them. We have to create a working-environment which supports their well-being. From a mental and physical health perspective. Dimensions like individual & team development, structures & frameworks as well as the identification with our culture, our values and goals are as important.

## STRUCTURE.

Our **PEOPLE** are the fundament for everything we do. In 2022, we have laid the foundation to better support our **#TTEAM** from a people department perspective. We have implemented a new structure and further developed basic programs for our crew and our culture.

By January 1<sup>st</sup>, 2023, our new **CHIEF PEOPLE OFFICER** has joined our team. By implementing the new role with a global responsibility for our **PEOPLE**, we demonstrate the importance of our **#TTEAM**.

In addition, we created a new role within our **PEOPLE** department with the focus on Diversity, Equality and Inclusion.



\* as per December 31<sup>st</sup> 2022, including all subsidiaries of Tom Tailor GmbH



2. BE PART OF MORE | PEOPLE



# OUR CREW DETAILS

The below chart shows our **PEOPLE** headcount by country as well as gender split with contractual details (permanent vs. temporary and full-time vs. part time). Overall, we have 1% less employees in term of headcount, but 2% more in terms of FTE's<sup>1</sup> compared to 2021 (as per December 31<sup>st</sup> 2021: headcount 3,314; FTE 2,464). In addition to our employees, we employ around 100 workers such as freelancers for specific projects or to bridge the time of a recruitment process.

Country / Region	FTE <sup>1</sup>	Heads <sup>2</sup>	Male	Female	Permanent Contracts <sup>3</sup>			Temporary Contracts <sup>4</sup>			Full-time <sup>1</sup>			Part-time <sup>1</sup>		
					Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Germany	858	1,278	22%	78%	78%	23%	77%	22%	17%	83%	59%	33%	67%	41%	8%	92%
Austria	279	386	5%	95%	100%	5%	95%	0%	0%	0%	31%	12%	88%	69%	2%	98%
Switzerland	44	64	2%	98%	100%	2%	98%	0%	0%	0%	25%	0%	100%	75%	2%	98%
Hungary	36	37	8%	92%	100%	8%	92%	0%	0%	0%	89%	6%	94%	11%	25%	75%
Italy	5	6	17%	83%	100%	17%	83%	0%	0%	0%	50%	33%	67%	50%	0%	100%
Belgium	30	38	13%	87%	100%	13%	87%	0%	0%	0%	34%	38%	62%	66%	0%	100%
Netherlands	34	48	23%	77%	79%	32%	68%	21%	0%	100%	42%	56%	44%	58%	9%	91%
France	11	11	9%	91%	100%	9%	91%	0%	0%	0%	100%	9%	91%	0%	0%	0%
Czech republic	24	37	8%	92%	65%	4%	96%	35%	15%	85%	96%	4%	96%	4%	0%	100%
Poland	22	24	33%	67%	100%	33%	67%	0%	0%	0%	79%	32%	68%	21%	40%	60%
Slovenia	115	181	7%	93%	65%	7%	93%	35%	6%	94%	96%	7%	93%	4%	0%	100%
Croatia	143	189	4%	96%	76%	3%	97%	24%	7%	93%	100%	3%	97%	0%	0%	0%
Serbia	107	107	10%	90%	100%	10%	90%	0%	0%	0%	100%	10%	90%	0%	0%	0%
Bosnia-Herzegovina	36	37	0%	100%	100%	0%	100%	0%	0%	0%	97%	0%	100%	3%	0%	100%
North Macedonia	28	28	0%	100%	100%	0%	100%	0%	0%	0%	96%	0%	100%	4%	0%	100%
Romania	218	218	15%	85%	100%	15%	85%	0%	0%	0%	99%	15%	85%	1%	0%	100%
Bulgaria	65	80	10%	90%	100%	10%	90%	0%	0%	0%	61%	16%	84%	39%	0%	100%
Russia	337	398	28%	72%	100%	28%	72%	0%	0%	0%	33%	32%	68%	67%	27%	73%
Asia (sourcing offices)	114	115	73%	27%	100%	73%	27%	0%	0%	0%	99%	74%	26%	1%	0%	100%
<b>Total</b>	<b>2,505</b>	<b>3,282</b>	<b>18%</b>	<b>82%</b>	<b>87%</b>	<b>19%</b>	<b>81%</b>	<b>13%</b>	<b>14%</b>	<b>86%</b>	<b>62%</b>	<b>24%</b>	<b>76%</b>	<b>38%</b>	<b>11%</b>	<b>89%</b>

- 1) FTE = full time equivalent; only permanent contracts
- 2) Including temporary staff; excluding dormant employees (e.g. parental leave)
- 3) Full-time and part-time employees
- 4) I.e. working students, interns, temporary worker

Note: We collect all data for male, female & diverse employees. As there are no diverse employees registered, we do not show this column here.  
as per December 31<sup>st</sup> 2022



# WELCOME TO OUR #TTEAM

## NEW CHAPTER.

Starting a new job is something special. It is exciting. And we want to make this new chapter even more exciting.

In 2022, we developed a new onboarding concept \* for our HQ employees. We believe that the onboarding should not start on day 1. For us, the TT journey begins with the decision to become part of the **#TTEAM**. This means that we have two phases: 'pre-onboarding' and 'onboarding'.

## PRE-ONBOARDING.

In some cases, the 'pre-onboarding' phase can be really long due to termination periods. We aim to keep up the excitement from signing the contract until the official start. How? To keep it simple: stay in contact with our new TT crew members and connect them emotionally to TT. In addition, we share our TT-booklet and the new employee benefits from our TT clothing discount.

## DAY 1.

Coffee, juices and fresh bagels. This is how we welcome **NEW STARTERS** on 'day 1' in our HQ. All new starters, our responsible PEOPLE team and our board join the welcome event.

We want to connect our newbies from the first day and want to prove that we meet each other at eye-level. Nice add-on: TT starter package for everyone

## ONBOARDING.

The actual 'onboarding' starts after 'day 1'. Besides the professional integration in each department, we want to support an easy **#TTEAM** integration and aim to create a net-working platform for all **NEW STARTERS**. And not only our new employees shall join the net-working events, but also existing employees are more than welcome to join. Within the 'onboarding' period we developed diverse touch points, events and education programs to ensure a motivating and appreciative welcome.

In every **#TTOWNHALL** we welcome every single new **#TTEAM** member by name.

## MORE TO COME.

In 2023, we want to roll-out the full concept \*. And want to continue with our day 1 welcome event. We also plan to work on an international onboarding program.

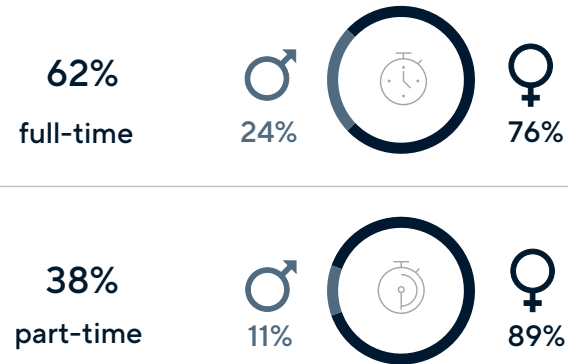


\* subject to the approval of the works council

# MENTAL HEALTH

## WE SUPPORT OUR PEOPLE.

Everyone spends a lot of time at work. 62% of our employees work full-time which means around 8 hours per day, 5 days per week which results at 1.880 hours per year. Work-life-balance can be challenging sometimes. We support our employees who prefer working in part-time. 38% of our employees make use of this flexibility.



Besides the working model, mental health is a very important topic. We as an employer feel responsible for our employees and want to create a safe space for mental health at work.

Mental health is an elementary part for all of us.

## INTRODUCING NILO.HEALTH.

In 2022, we introduced [nilo.health](#) for all our employees. With nilo.health we offer high-quality, personalized, on-demand mental health support.

We all struggle with mental challenges from time to time – personal or work related. Let’s make it completely normal to work proactively on our mental well-being.

The mental health program covers:

- **1 to 1 video sessions:** safe space to discuss both professional and private challenges
- **nilo.experts:** psychological expertise; individual experience & focus; human factor; international expert-pool
- **29 languages:** worldwide located experts to offer your nilo.sessions in your native language
- **Free choice:** area the coachee wants to work on; other preferences like convenient time; selection of expert who suits best
- **nilo.roundtables:** group sessions
- **nilo.discover:** digital programs & tools like 24/7 access to mental wellness programs and practical exercises that teach you helpful strategies and skills

As per end of 2022, 211 employees registered for nilo.health, 14 one to one sessions took place and 247 exercises were completed.





# PHYSICAL HEALTH

## JUST AS IMPORTANT.

Besides supporting our employees to take care of their mental health, we also established initiatives to support a healthy lifestyle.

- **Bicycle leasing:** we offer the opportunity to lease a bicycle via the [Deutsche Dienstrad](#) and we support the leasing agreement from a financial perspective
- **Fitness:** we motivate our crew to live an active lifestyle. With [Urban Sports Club \(USC\)](#) we found the perfect partner to offer a fitness membership for our employees, where everyone can choose the kind of sport and gym, which they prefer. Via the partnership between TT and USC, our employees get a special discount for their membership. In addition, we offer special conditions for other local sport clubs.
- **Hearing and eye tests:** In 2022 we were able to offer hearing and eye tests at least once a year free for every employee in our HQ.
- **Workplace glasses:** We subsidise screen workplace glasses up to max. €150, if a doctor's certificate confirms the necessity. In 2022 this subsidy was used by a total of 6 employees.
- **Flu & COVID-19 vaccination:** Every year in November we offer a flu vaccination in our HQ. In 2022, 60 employees took up this offer.
- **Height-adjustable desk:** If there is a medical certificate with a recommendation for a height-adjustable desk, e.g. due to back problems, we provide the employee with an appropriate desk. This was used by 12 employees in 2022. In addition, our new 'flex desk' areas also have height-adjustable desks.

Lennard Wildebrand (Specialist Online Marketing):

MENTAL & PHYSICAL STRENGTH. NEXT LEVEL TEAM SPIRIT.

'At TOM TAILOR, we have a lot of possibilities to take care of our mental and physical wellbeing. I love to switch from office to gym and train together with colleagues. Getting ready for an exhausting sports event is next level team spirit. We get to know each other better, we mutually motivate ourselves, we tackle challenges like never before.'

Note: benefits are available for our HQ & Showroom based employees in Germany







# FOR OUR #TTEAM

## FLEXIBLE WORKING MODELS.

Since the pandemic, the world has changed a lot. We all realized that we still can be connected disregarding the fact from where we work. Home office, mobile working or working from the office – a mixture of all of them became the new normal.

We wanted to offer the flexibility for our employees so that they can choose from where they want to work. Hence, we developed three different working models:

- **Mobile Working:** up to 40% not in the office
- **Home Office:** more than 40% up to 80% from home
- **Teleworking:** more than 80% from home

Based on the needs of the individual work, the employee together with the respective leader decide for the appropriate model. Additionally, we provide the basic equipment (desktop screen, keyboard, etc.) for every employee.

## BENEFITS.

- **BLUE HOUR:** In 2022, every 2-4 weeks we hosted an after-work in our HQ where every employee is invited to join.
- **Special BLUE HOUR:** For some after-work events we invited special guests like [a tip: tap](#) or our partners from [Viva con Agua](#) to use this platform to create awareness
- **Let's celebrate:** We love to celebrate. Last year we celebrated our 60<sup>th</sup> birthday and invited our employees to our summer party on a boat. We hosted our Christmas party again, after 2 years of suspension.
- **#TTEAMWORK:** not only at work. In 2022, we as a #TTEAM joined multiple sport events: RUN4WATER, MOPO relay race, HYROX. In 2023 we will continue to sweat **#TTOGETHER**
- **Office Dogs:** we love animals. And we love our employees' dogs. That's why we officially allow our employees to bring their dogs to our office.

## EVEN MORE BENEFITS.

- **Brand Love:** every employee gets a discount for **TOM TAILOR** products (on- and offline)
- **Subsidies:** Disability insurance, capital-forming benefits, company pension
- **Family:** Emergency moms, child daycare allowance
- **Food & drinks:** In our HQ we have water and coffee (cow milk & plant-based milk) for free and once a week fresh and regional apples from our weekly market for everyone
- **Local discounts:** restaurants, public transportation (in Hamburg, Germany)
- **E-charger:** in early 2023 we put charging stations into operation on our HQ site



# HOW WE ENSURE A SAFE WORKING ENVIRONMENT

## HEALTH FRAMEWORK.

We want to give clear guidance's for our employees with respect to our mental & physical health support. That's why we developed guidelines & company agreements with our works council.

Health related internal company agreements:

- Flexible working models including a mandatory action plan (traffic light model) for overtime and minus hours
- Bicycle leasing
- Vacation

## COMPANY AGREEMENTS.

In Germany, 48% of all our permanent employees from our HQ, showrooms and retail stores are covered by company agreements. In our HQ 100% of our employees fall under the company agreements.

## SAFETY & EQUALITY TRAININGS.

For the areas of data & fire protection, first aid, safety at work, home office safety and on the way to work we offer an e-learning, which is carried out by an external provider (LawPilots). Every employee must complete our e-learning about occupational safety once a year.

In 2022, we newly added a training on General Act on Equal Treatment

We make sure that every employee fulfills this training. In addition, there is a legal obligation for the employer to ensure the annual participation. We also track, whether every employee complete the required trainings.

## ACCIDENTS AT WORK.

Unfortunately, 17 accidents happened in 2022. Thereof 3 in our HQ and 14 in our stores. All accidents are recorded via an accident report and our workers council is being informed. All accidents at work (inability to work for more than 4 days) are reported by us to the trade association without exception.

## INTERNAL AUDIT

In 2022, our Human Resource department was part of an internal audit review. Every HR function including HR-Organization, HR-Admin, HR-Controlling, Recruitment, staff development and incentives / benefits were within the audit scope.

- **Objectives:** compliance (internal & external regulations), appropriateness / expediency, functionality and efficiency

- **Number of findings by function and priority:**

	critical	high	medium	low
1. HR Organization	-	-	1	3
2. HR Administration	-	3	4	-
3. HR Controlling	-	-	-	1
4. Recruitment / development	-	1	1	2
5. Incentives/Benefits	-	-	-	-
6. Staff development	-	-	-	-

- **Actions:** 10 actions were already taken / implemented

# TOGETHER WE GROW

## DEVELOPMENT TAKES TIME.

Be not afraid of growing slowly; be afraid only of standing still. Development takes time and you have to spend time.

In 2022, 226 of our employees \* spend 2,731 training hours:

- Blended Learning: 313 hrs
- E-Learning: 1,455 hrs
- Face-to-face training: 963 hrs

In addition, 4 gold licenses and 3 silver licenses have been earned via the language app Rosetta Stone.

## ON-DEMAND TRAININGS.

Recently, we introduced a new on demand e-learning platform which covers 13 different topics with 54 trainings. Explementary topics are: mental health, self-management, communication and Microsoft office. The platform will be further developed by more topics and trainings.

However, we are aware, that **PEOPLE** are different. And that's OK. Not everyone is the type of person for on demand trainings.

## TEAM DEVELOPMENT.

Individual growth is important. And growing together as a **#TTEAM** is as important.

In 2022, we asked ourselves how to best support both development perspectives: each individual and our teams. The answer is quite easy: leading by example. It's the responsibility of our leadership team, to act as a role model when it comes to **#TTEAMWORK** as well as to identify the development areas of their teams and their team members.

For our team developments we offer team workshops and team events. If needed also with external support.

For the personal development, our employees get the chance to book professional coaching sessions, to participate in face-to-face trainings (e.g. intercultural communication, presentation skills) or to use our on-demand training platform.

\* Tracking only for HQ and German based Showroom employees, but access for every employee



2. BE PART OF MORE | PEOPLE



# NEXT WAVE OF COLLABORATION

## NEXT WAVE.

Back in 2020, we started our collaboration with our friends from **MBRC @ the ocean**. The initial idea was to spread awareness about the challenge 'plastic in our oceans' in an easy and understandable way. That's why we launched capsule collections made with recycled polyester.

But we did not stop there. And took the next wave. By starting to support the work of MBRC @ the ocean in Indonesia. With this support we helped the MBRC @ Team to establish cleanup communities including an education program for locals.

During the last year we got the chance to see it with our own eyes: most beautiful nature and then small islands with around 500 households. And waste - everywhere. We have learned that the lack of education about waste management is the main issue.

DENIM x MBRC® the ocean



## PORTRAITS OF CHANGE.

One of our heart projects in 2022: **PORTRAITS OF CHANGE made in Indonesia**. A three-part docuseries about change makers in our supply chain community. For the first episode we went to Indonesia, where we met Ica, an ocean plastic activist. An inspiring woman who builds a waste management system together with our partners from MBRC @ the ocean.

Why? Because ocean and coastline waste is one of the greatest environmental challenges of our time. With 8 million tons of plastic ending up in our waters every year.



# FAIR & EQUAL WORKING CONDITIONS

## FOR OUR PEOPLE AND THE PEOPLE IN OUR SUPPLY CHAIN.

Talking about **FAIR & EQUAL WORKING CONDITIONS** we do not limit our approach and goals to our own employees. We aim to continuously improve the working conditions and the well-being of the **PEOPLE** who enable us to run our business successfully.

An important principle for creating a common understanding of values, interpersonal principles and fair & equal working conditions is the Code of Conduct.

For our sourcing operations we committed ourselves to the principles of the amfori Business Social Compliance Initiative (BSCI) and the amfori BSCI Code of Conduct already years ago. Besides other onboarding requirements every supplier has to commit and sign the Code of Conduct before they are allowed to start any production for us.

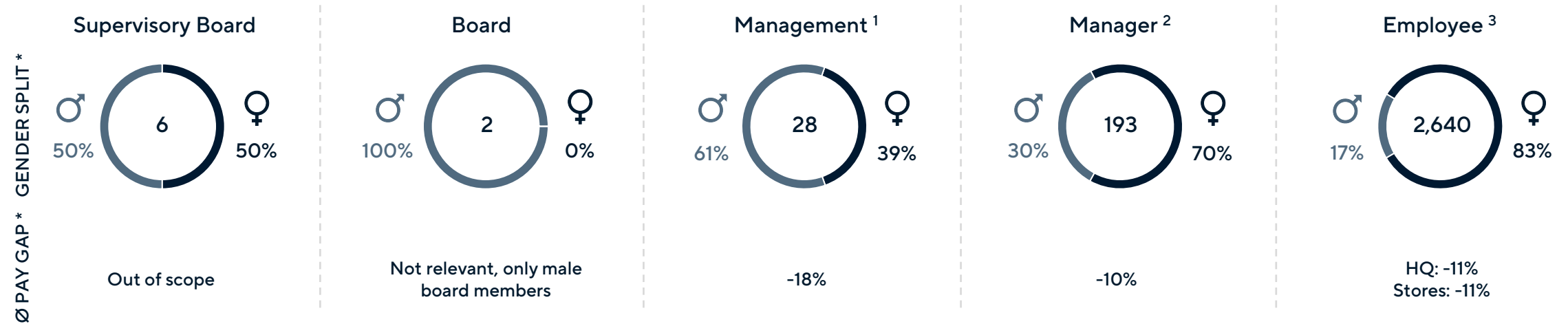
Additionally, we have a Code of Ethics that has to be signed from all our business partners. However, a comprehensive Code of Conduct, which is also applicable for our own employees is still missing. For 2023, one of our major goals is to develop a **TOM TAILOR Code of Conduct** which will cover our set of standards & principles, but much more important to make our values transparent for **EVERYONE**.





# STARTING WITH OUR TT-CREW

We are surrounded by buzz words like equality and diversity. We aim to support women in their leadership role and want to develop high-performing managers on their way to become potential female leaders. However, the fact is that we have room for improvement until we reach a balanced gender split at all employment levels. Compared to last year, we were able to increase the share of female leaders in our management team from 35% to 39%. In 2023 we will offer targeted training programs through our external partner UNTHINK.



We face it. And we make it transparent. The Ø pay gap \* by level shows that we not yet reached equality with respect to salaries by gender. In 2022, we started a project: equality in salaries, employment level, job title - disregarding any gender, age or other diversity aspects. The first step of this project is transparency about the status quo. And here we are. Our goal for the future, we aim to set up new structures and start to roll them out. For more equality.

\* As per December 31st 2022; excluding temporary staff, dormant employees (e.g. parental leave); Pay gap only applicable to our employee who are based in Germany; gap shows the difference of female salaries vs. male within the same level; extrapolated to full time

1) Manager with direct reporting line to TT Board at head level and above

2) Manager with direct reporting to Management, below head level

3) Employees excluding Management and Manager (Rest); Pay gap excluding temporary staff, working students, interns and trainees

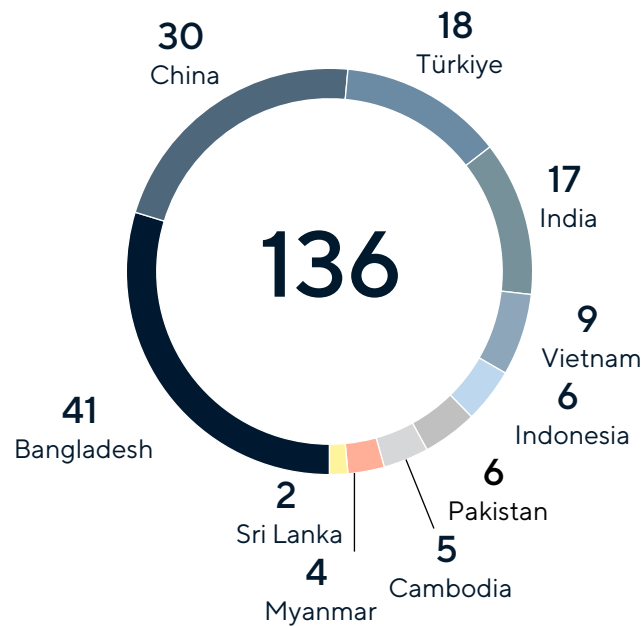


# WE BUILD ON LONG-TERM SOURCING PARTNERSHIPS

## OUR APPROACH.

Even though we don't own the factories where our clothes are produced, we want to ensure a safe, fair and equal working environment for the people who work there. We aim to work with partners who share the same values. In total we work with 74 suppliers who produce our garments in 136 factories, which are mainly located in Asia (**Tier 1 & 2 suppliers**).

In 2022, 65% of our FOB volume has been produced at our TOP 20 suppliers.



## STRATEGIC. CORE. NICHE.

We defined three different segments for our suppliers, which we review once a year. How? Simply based on past and future production volumes, which are evolved by performance and quality outcomes of every single product. Why? Because this helps to monitor and steer our supplier portfolio based on the strategic importance for us.

15 of our suppliers are categorized as 'strategic' and additional 33 as 'core'. With our strategic & core suppliers, we produce 91% of our FOB volume.

However, there are also suppliers with smaller orders in our portfolio. That we call 'niche' suppliers. The onboarding of new suppliers and factories is mainly caused by the need for new capabilities and higher capacities. Last year, we onboarded 13 new suppliers and 15 new factories who went through our social screening. At the same time, we deactivated 10 suppliers and 13 factories. The reason for deactivating of suppliers/factories was non-performance, an uncooperativeness on social compliance requirements, capacity reduction or a lack of competitiveness.

Laura Sophie Berger (Director Global Sourcing):

IT IS ALL ABOUT MEETING AT EYE-LEVEL.

'Trustful, long-term partnerships are the foundation for managing a successful business. Sharing the same values is mandatory to build this foundation.'

# MORE THAN A COOPERATION

## SUPPLIER SCORECARD.

76% of our FOB volume is produced by our strategic and core suppliers. To monitor and track the performance of our most important suppliers, we developed a supplier scorecard. With this tracking tool we cover different performance areas of each supplier, e.g. quality, compliance & sustainability, availability, efficiency and cost.

Once a quarter we discuss the actual results compared with the previous ones with our suppliers. We also benchmark the results with comparable groups (e.g. by country) to disclose potentials.

To ensure a continuous improvement progress, we commonly identify action fields and set up action plans.

In 2023, we will evaluate every KPI and performance area and plan to further develop our tracking tool to ensure a state-of-the-art improvement and monitoring system.

## ANNUAL SUPPLIER SUMMIT.

We build on strong, long-term partnerships. And meeting our suppliers face-to-face helps to build such partnerships. Years ago, we held our first supplier summit. An event, where we invite every supplier to share innovations and best-practices, discuss challenges and share our business strategy and company insides. In addition: net-working and great conversations in-between the official sessions.

For many suppliers, the highlight of the event is the 'supplier award ceremony'. For each scorecard performance area and additional KPIs, we announce the three best-performing suppliers to recognise their contributions and achievements in the past year.

Each winner gets an award and is celebrated for their performance.

Due to the COVID-19 pandemic, the last three supplier summits only took place virtually. The last in-person event took place end of 2019. In 2023, we held our global in-person supplier summit in Bangkok.







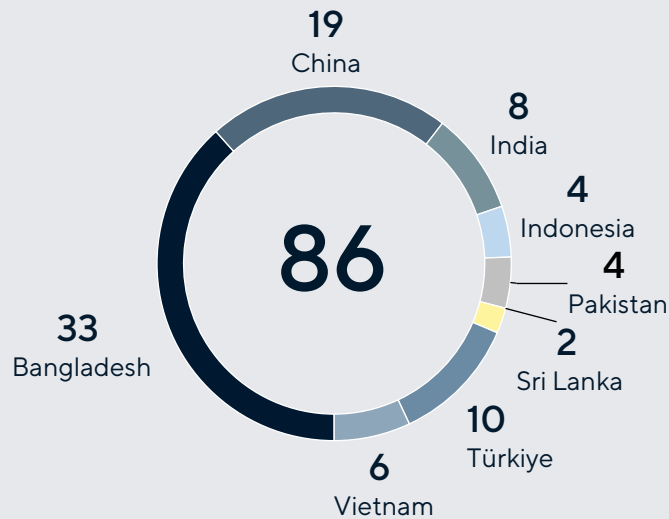
# LIVING WAGES IN OUR SUPPLY CHAIN

## COMING CLOSER TO P(L)AYING FAIR.

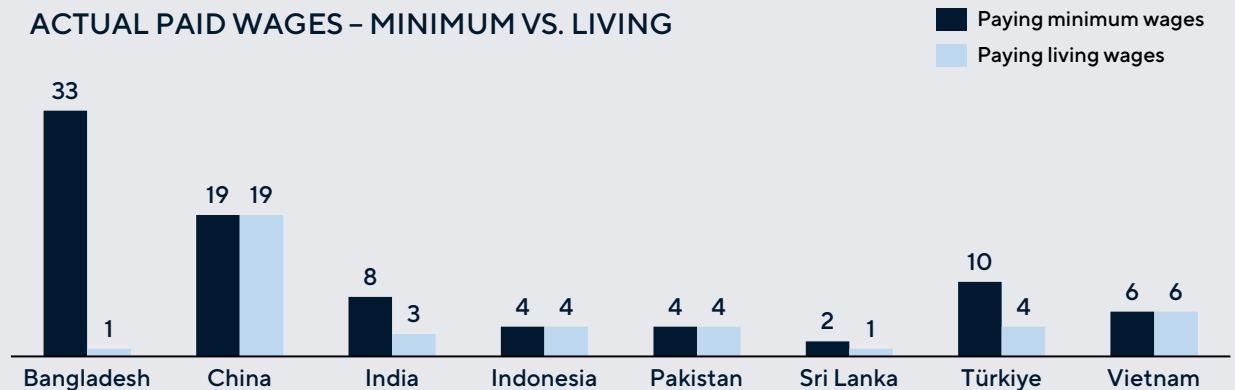
From our point of view, playing fair still equals with paying fair. And as always: transparency is key. Last year we set the goal for 2022 to collect data of actual paid wages from our strategic and core suppliers by skill level and gender, to show the differences compared to living wages and define measures on how to achieve them. And so, we did. 24% of the workforce of our strategic & core suppliers get living wages. \*

What's next? In 2023 same data will be collected for all suppliers to get the full picture, third parties will be consulted to support our living wage program and a worker's survey is planned. All steps should pay into our overarching goal 'fair wages' for people who make our clothes.

### FACTORIES OPERATED BY STRATEGIC & CORE SUPPLIERS.



### ACTUAL PAID WAGES – MINIMUM VS. LIVING



#### \* HOW LIVING WAGES WERE CALCULATED.

The calculation follows the amfori BSCI methodology, which is derived from the Anker Methodology:

**Net Living wage = (Food + housing + health + education) x average family members ÷ full time workers per family**  
The formula has been included in the data collection template, and suppliers input the respective data to get the living wage result here.

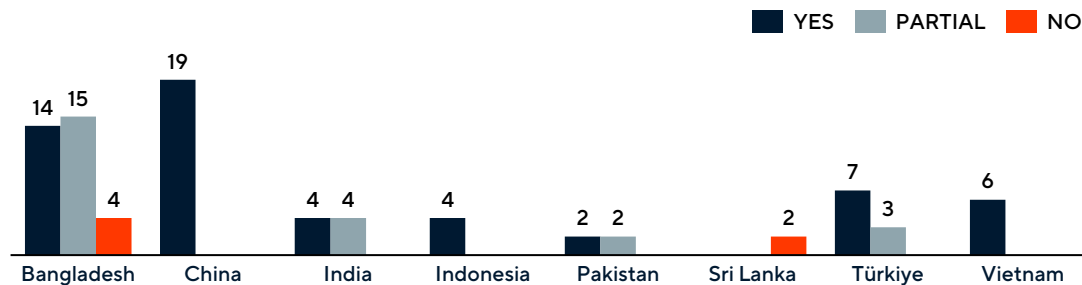


# OUR WAY TO P(L)AYING FAIR

## LEARNINGS BASED ON STATUS QUO EVALUATION.

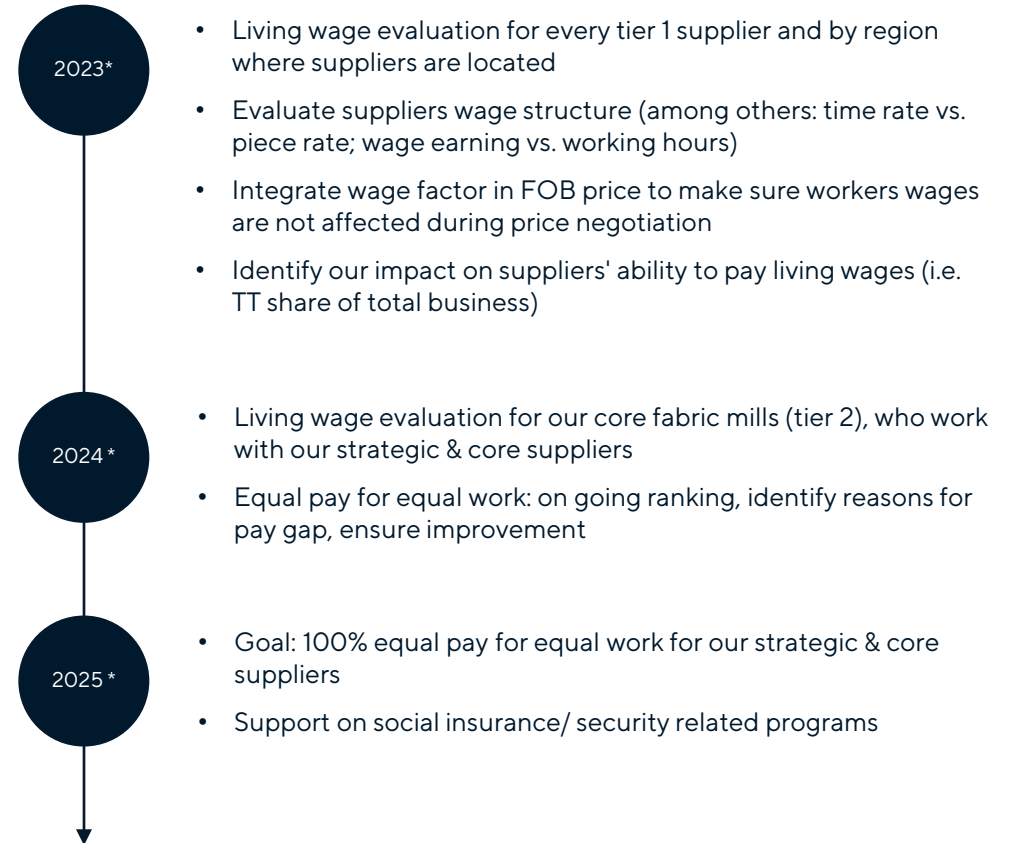
- All suppliers and factories are paying minimum wage per legal requirement showing 100% compliance
- There is no aligned living wage level applicable across a region, as people are living differently and hence the living costs vary. An evaluation using workers survey is challenging, as it is hard to know whether workers are taking 'minimal' instead of 'decent' way of living
- Definitions of wages/wage types vary by suppliers, by regions, by countries, hence it's not easy to work out an accurate benchmark per suppliers' existing wage structure
- We also analyzed, whether there is a pay gap between female and male workers for equal work.

## WAGES: EQUAL PAY FOR EQUAL WORK. \*



\* Comparison of gender wages by skill level only for strategic & core suppliers. Factories where living wages are paid are excluded.

## MEASURES TO BE TAKEN.



\* Initial starting year of tracking or program, but on-going



# SUPPLIER AUDITS: OVERVIEW

## OUR APPROACH.

In last years [TOM TAILOR Sustainability Report 2021](#) (pp. 20-27) we explained how our **SUPPLIER AUDIT APPROACH** looks like. This year, we want to share an update of the results.

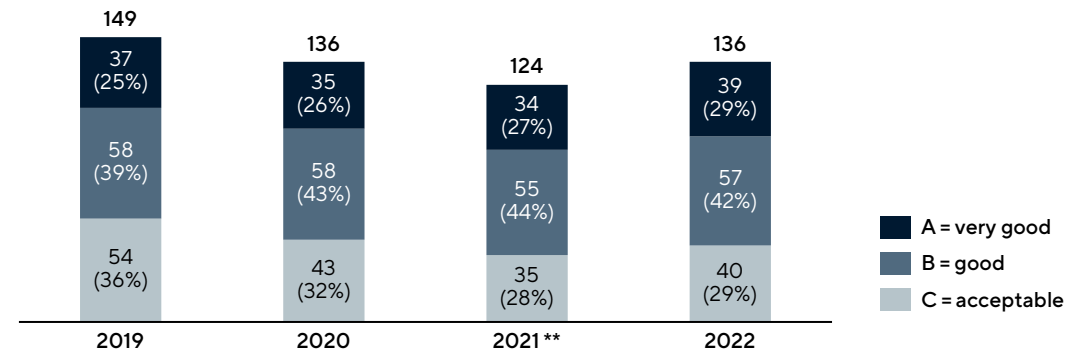
In 2022, we had 99 amfori BSCI audits (full audits = 78, follow-up audits = 21). Compared to 2021, this is an increase of 23 audits, which is mainly caused by a relief of COVID-19 restrictions. In none of the audits critical/zero tolerance issues were identified.

Of the amfori BSCI audits mentioned, a majority of 93 audits were semi-announced, 5 were fully announced and only 1 fully unannounced.

It is still not yet up to 100% semi-announced as Tom Tailor is not the 'RSP' (responsible) for all our partnering manufacturers when selecting the audit type.

Each audit according to the amfori BSCI standard follows a structure of 13 performance areas (PA). Each performance area gets a rating from A-E. Based on the amfori BSCI evaluation rules, an overall rating is calculated. More details about the amfori BSCI rating procedure can be found here: [Part II the amfori BSCI monitoring system.pdf](#) (p. 15).

BSCI Factory Rating Overview \*



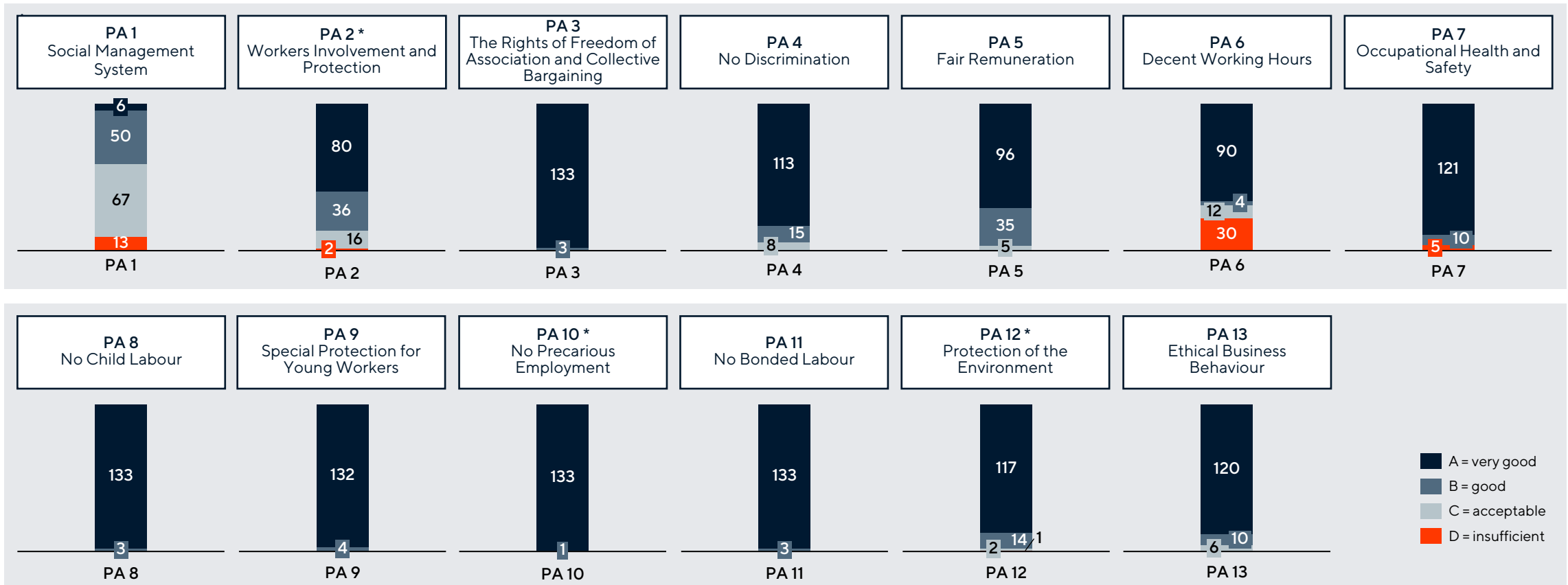
\*The charts only show factories having valid amfori BSCI audit results; shares = rounded figures

\*\*The number of factories is showing a decreasing trend as we have been working continuously to consolidate our supply chain and focusing on working closer and deeper with our strategic and core suppliers



# LET'S DIVE DEEPER THAN EVER BEFORE

This year, we don't want to show only an overall rating. Because the 'the devil is in the details' right? We want to share the weak spots of the factories where we produce. The areas, where we have the biggest room for improvement. So here we go. Detailed information by Performance Area (PA) can be found [here](#).



\* For those 3 PAs the total number of factories is only 134 instead of 136. Reason: two of our factories are certified with SA8000 which is considered as equivalent to amfori BSCI audit. Yet, since PA2, PA10 and PA12 are not explicitly included in SA8000 comparing to amfori BSCI Code, the results of such PAs were hence excluded from this report.



# OUR WEAK SPOTS: C+D RATINGS

AUDIT PERFORMANCE AREAS (PA) WITH C + D RATINGS BY COUNTRY

	Bangladesh	Cambodia	China	India	Indonesia	Myanmar	Pakistan	Sri Lanka	Türkiye	Vietnam	Total
! PA 1 Social Management System	21	3	28	9	1	4	3	-	5	6	80
! PA 2 Workers Involvement and Protection	8	2	1	3	-	3	-	-	-	1	18
PA 4 No Discrimination	8	-	-	-	-	-	-	-	-	-	8
PA 5 Fair Remuneration	-	-	4	-	-	-	-	-	1	-	5
! PA 6 Decent Working Hours	7	-	29	-	1	1	-	-	1	3	42
PA 7 Occupational Health and Safety	1	1	1	-	-	-	-	-	1	1	5
PA 12 Protection of the Environment	-	2	-	-	-	1	-	-	-	-	3
PA 13 Ethical Business Behaviour	-	1	-	-	-	-	-	-	5	-	6

# BANGLADESH

## FACTS.

For us, Bangladesh is the sourcing country with the highest production volume. In 2022, we produced a share of 51% of FOB volume in Bangladesh.

Overall, we work with 20 suppliers who produce in 41 factories across Bangladesh. Thereof 16 suppliers are categorized as strategic or core.

## EMPLOYEES. \*

	♀ Female	♂ Male	TOTAL
Workers	51%	49%	107,951
Supervisors	4%	96%	5,588

In fact, these figures show the area which we have to concentrate on: Female Empowerment. Back in 2019 we joined the 'Shobola Project': a pilot initiated by amfori BSCI, which had the aim of developing and rolling out training to top- and mid-level management in gender equality, and to support women through leadership exercises and training.

\* Figures only include strategic & core suppliers. Workers including supervisors.

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 21 | D: 0

C ratings in PA 1 mainly due to findings in other performance areas. Social management system and cascading the BSCI Code of Conducts to be improved.

### PA 2: Workers Involvement and Protection

C: 8 | D: 0

8 factories were found not having long term plan for achieving sustainable social compliance goals and grievance mechanism has rooms for improvement.

### PA 4: No Discrimination

C: 8 | D: 0

Risk assessments on the most frequent grounds might have been conducted. No root cause analysis was made to eradicate undesirable behaviors and prevent issues from happening.

### PA 6: Decent Working Hours

C: 7 | D: 0

All factories with C-ratings in PA 6 were found having excessive daily and weekly overtime hours comparing to the legal limits.

### PA 7: Occupational Health and Safety

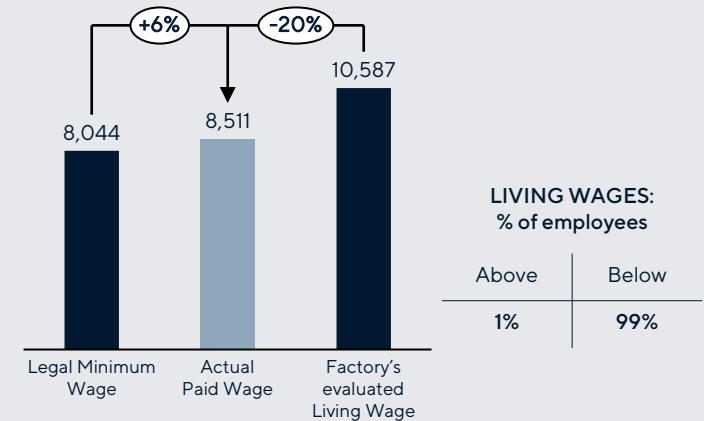
C: 0 | D: 1

D rating was caused by deficiency in emergency preparedness (e.g. faded aisle paints and partially blocked workstations).

## MORE TO SAY.

We are well aware of the imbalance of female and male supervisors in our biggest sourcing country. That's why we wanted to showcase a best practice example: [PORTRAITS OF CHANGE made in Bangladesh](#). Portraying a strong woman, who was brave enough and who got supported by her supervisor to become a supervisor herself. The 3<sup>rd</sup> episode of our docuseries.

## ACTUAL PAID WAGES. \*



\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.





## FACTS.

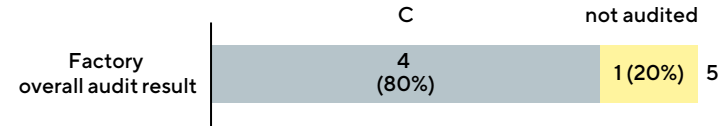
Cambodia is the sourcing country which we newly launched. In 2022, 5 factories have been added to our portfolio. In 2023 the first products will be sold with Cambodia as the Country of Origin.

## EMPLOYEES.

	♀ Female	♂ Male	TOTAL
Workers	N/A	N/A	N/A
Supervisors	N/A	N/A	N/A

As none of our Cambodia factories are operated by strategic or core suppliers, we did not collect the employee data.

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C:1 | D:2

C and D ratings mainly due to findings in other performance areas. Social management system and cascading the BSCI Code of Conduct to be improved.

### PA 2: Workers Involvement and Protection

C:2 | D:0

2 factories were found not having a long term plan for achieving sustainable social compliance. Employees were found not being aware of the BSCI Code of Conduct.

### PA 7: Occupational Health and Safety

C:1 | D:0

One factory was found with deficiency in emergency preparedness with insufficient first-aid supplies.

### PA 12: Protection of the Environment

C:1 | D:1

2 factories were found with no proper environmental protection policy in place for supporting identification of environmental impacts (e.g. waste and water management).

### PA 13: Ethical Business Behaviour

C:1 | D:0

No risk assessment was conducted in one factory to identify possible area of corruption. No policy nor procedure for protecting personal information of workers and business partners in place.

## MORE TO SAY.

- The factories with a weak result in PA12 are engaged in the amfori BEPI programme, where they should start with a Risk Assessment so we could identify prioritised areas to work further with them.
- Per amfori's Country Risk Classification, despite Cambodia is considered as 'Risk Country', it is a lot less risky than Myanmar, and at an acceptable level comparing to other major apparel sourcing countries.

## ACTUAL PAID WAGES.

As none of our Cambodia factories are operated by strategic or core suppliers, we did not collect the wage data in 2022.

Such factories will be covered in 2023.



## FACTS.

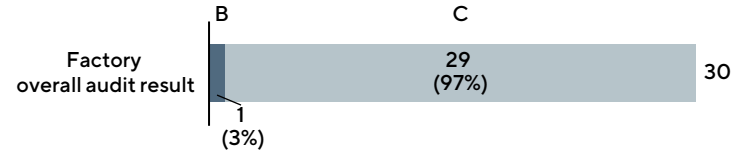
In total we work with 19 suppliers in China. Thereof 13 suppliers are categorized as strategic or core.

With a share of 16% FOB volume, China is our second largest sourcing country.

## EMPLOYEES.\*

	♀ Female	♂ Male	TOTAL
Workers	68%	32%	2,355
Supervisors	53%	47%	139

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 19 | D: 9

28 of 30 factories showing C and D ratings in PA 1 mainly due to working hours in excess of legal requirements. Improvement needed in their production planning.

### PA 2: Workers Involvement and Protection

C: 1 | D: 0

One factory was found not having a long-term plan for achieving sustainable social compliance goals and grievance mechanism has rooms for improvement. Employees were found not being aware of the BSCI Code of Conduct.

### PA 5: Fair Remuneration

C: 4 | D: 0

4 factories were found with insufficient social insurance coverage for employees, and lack of awareness of living wages.

### PA 6: Decent Working Hours

C: 1 | D: 28

All factories were found having monthly overtime hours in excess of the legal limit (36 hours). Weekly working hours was on average within 60 hours which is not acceptable and immediate improvement is needed.

### PA 7: Occupational Health and Safety

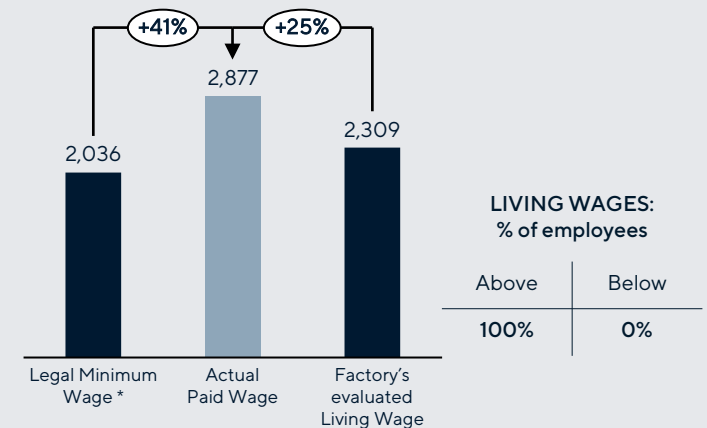
C: 0 | D: 1

One factory had a deficiency in emergency preparedness (blocked escape route), which has been cleared immediately.

## MORE TO SAY.

- Social insurance coverage (PA 5) has been a topic since long owing to different issues including law enforcement, production costs, workers willingness. Our approach: try to understand better about the topic, with mandating our factories to ensure all their employees must be completely covered by injury/accident insurance as a minimum requirement
- China has different minimum wage system across provinces & cities; majority of factories located in Zhejiang and Jiangsu provinces, with minimum wage ranges from RMB 1,840 to 2,280

## ACTUAL PAID WAGES.\*



\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency. 'Legal Minimum Wage' = Ø



# INDIA & SRI LANKA



## FACTS.

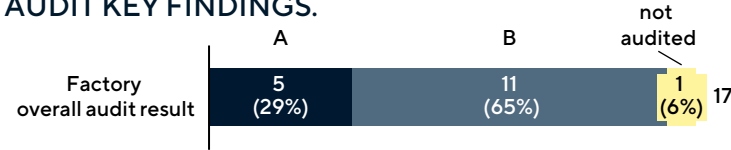
In total, we have 12 supplier in India whereof 5 suppliers are categorized as strategic or core.

FOB volume: 8%

## EMPLOYEES. \*

	♀ Female	♂ Male	TOTAL
Workers	45%	55%	4,425
Supervisors	17%	83%	516

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 9 | D: 0

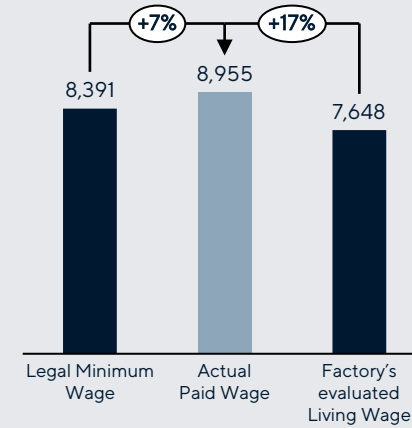
C-rating in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

### PA 2: Workers Involvement and Protection

C: 3 | D: 0

Employees were found not being aware of the roles and responsibilities of their workers' reps (i.e. rights and responsibilities, & BSCI Code of Conduct, despite training was provided).

## ACTUAL PAID WAGES. \*



### LIVING WAGES: % of employees

Above	Below
23%	77%

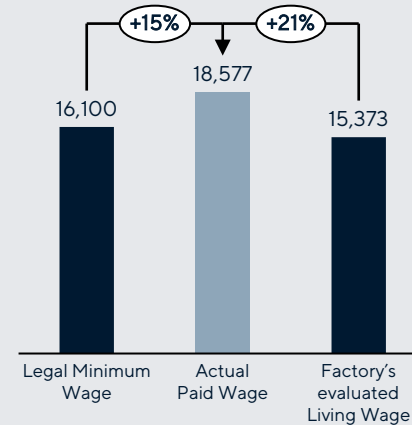
In Sri Lanka we only work with 2 suppliers and one of them is also one of our strategic supplier.

FOB volume: 2%

	♀ Female	♂ Male	TOTAL
Workers	78%	22%	2,030
Supervisors	35%	65%	279



In all Sri Lanka factories, no audit result by performance area has been evaluated worse than A or B.



### LIVING WAGES: % of employees

Above	Below
46%	54%

\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.



## FACTS.

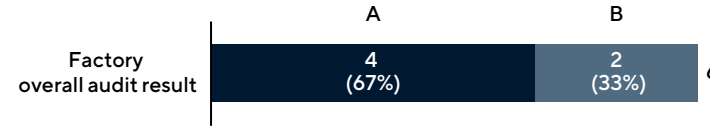
Indonesia has a FOB volume of 7%. Our sourcing portfolio contains 6 suppliers producing in 6 factories. 4 of them are either strategic or core suppliers.

The Indonesian Government passed the Omnibus Law in 2020 in view to boost investment to support the economic development and mitigate the negative impact by COVID 19.

## EMPLOYEES.\*

	♀ Female	♂ Male	TOTAL
Workers	85%	15%	8,255
Supervisors	63%	37%	718

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C:1 | D:0

C-rating in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

### PA 6: Decent Working Hours

C:1 | D:0

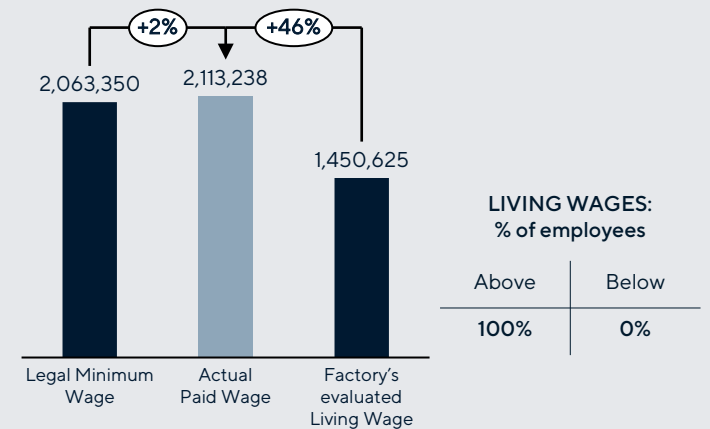
The one factory with a C-rating was showing no one day off in every seven days work was arranged during peak months.

Our Indonesia supplier base is relatively stable in terms of social compliance performance.

## MORE TO SAY.

In Indonesia we produced the first episode of our docuseries. PORTRAITS OF CHANGE made in Indonesia has a slightly different approach than the other ones. In Indonesia we did not directly show people who are part of making our clothes. It's about collaboration. A strong partnership which supports people who live in the country we are sourcing from. It's about education and engagement. Facing the reality. Where paradise nature meets waste.

## ACTUAL PAID WAGES.\*



\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.

## FACTS.

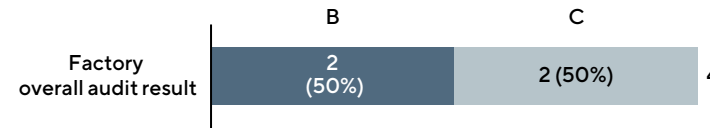
In 2022, due the ongoing political instability (including further extension of the emergency state), we decided to exit Myanmar. We will not continue any production from 2023 onwards in Myanmar. Product groups which were produced in Myanmar before, have been shifted to other countries. Myanmar was one of our smallest sourcing countries with a FOB volume of 2%.

## EMPLOYEES.

	♀ Female	♂ Male	TOTAL
Workers	N/A	N/A	N/A
Supervisors	N/A	N/A	N/A

As none of our Myanmar factories are operated by strategic or core suppliers, we did not collect the employee data.

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 3 | D: 1

C and D-ratings in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

### PA 2: Workers Involvement and Protection

C: 1 | D: 2

Employees were found not being aware of their rights and responsibilities and BSCI Code of Conduct despite training was provided.

### PA 6: Decent Working Hours

C: 1 | D: 0

Found excessive working hours without seeking authority's approval in prior. (Note: application was impacted due to the political situation in Myanmar)

### PA 12: Protection of the Environment

C: 1 | D: 0

No effective waste management and missing environmental permits from the concerned authority.

## MORE TO SAY.

We started sourcing in Myanmar in 2019 considering the duty advantage and capacity available for targeted product groups in collaborating with our existing suppliers - who understand well about our requirements in terms of quality, social compliance and environmental management.

While it is an uneasy decision to exit Myanmar, we have to balance the risks and make sure everything is handled responsibly.

## ACTUAL PAID WAGES.

As none of our Myanmar factories are operated by strategic or core suppliers, we did not collect the wage data in 2022.



# PAKISTAN

## FACTS.

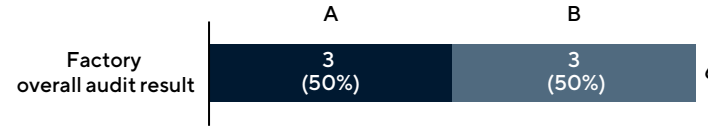
Pakistan belongs to one of our smaller sourcing countries. In total we work with 4 tier 1 suppliers and all of them are categorized as strategic or core. In total they produce in 6 factories across the country.

The annual FOB volume is 2%.

## EMPLOYEES.\*

	♀ Female	♂ Male	TOTAL
Workers	14%	86%	12,982
Supervisors	4%	96%	1,224

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

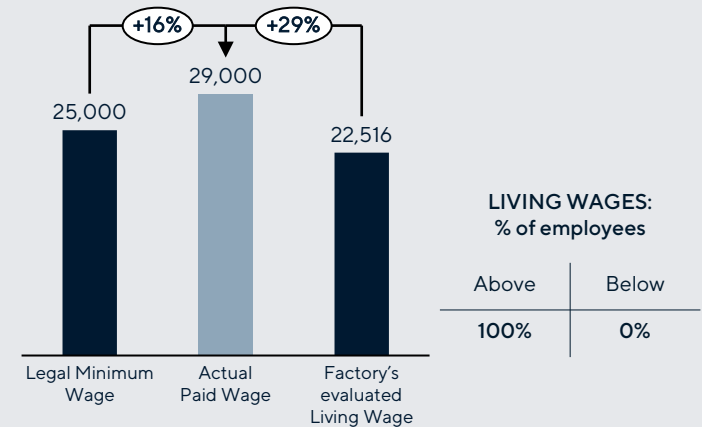
C: 3 | D: 0

C-ratings in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

## MORE TO SAY.

In 2022, we filmed a docuseries. For the first time we were showing people in our supply chain. Pakistan impressed us with its innovations with respect to factory set-ups and production procedures. That was the beginning of **PORTRAITS OF CHANGE made in Pakistan**. A documentary about innovation driver.

## ACTUAL PAID WAGES.\*



\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.



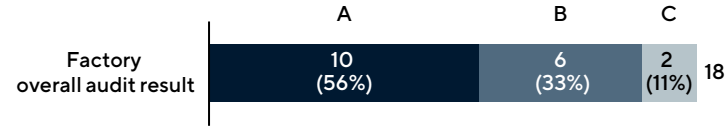
## FACTS.

In total we work with 6 suppliers in Türkiye, which produce in 18 factories across the country. 3 suppliers are categorized as strategic or core. The annual FOB volume is 5%.

## EMPLOYEES.\*

	♀ Female	♂ Male	TOTAL
Workers	64%	36%	1,344
Supervisors	53%	47%	171

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 4 | D: 1

C and D-ratings in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

### PA 5: Fair Remuneration

C: 1 | D: 0

Lack of awareness of living wages.

### PA 6: Decent Working Hours

C: 0 | D: 1

Found some workers worked in excess of the daily hours (regular hours + overtime) in some occasion for particular departments.

### PA 7: Occupational Health and Safety

C: 0 | D: 1

Issues with the drinking water analysis result.

### PA 13: Ethical Business Behaviour

C: 5 | D: 0

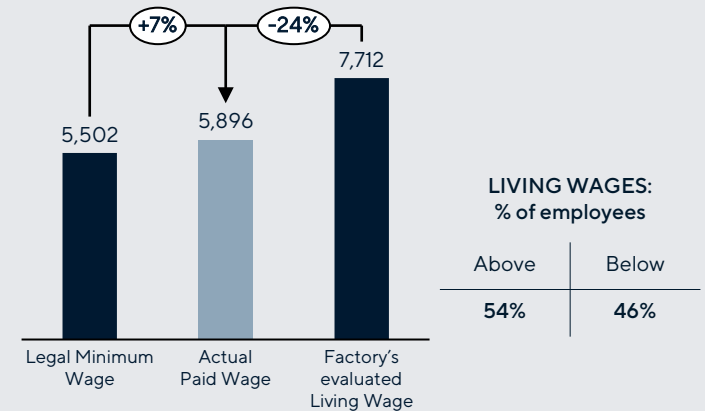
Even though workers have been paid correctly, wage payment was spilt into two parts (e.g. normal working hour payments + overtime hour payments) to reduce the costs for social insurance payments, which is not acceptable.

## MORE TO SAY.

Per PA 13, despite workers are paid correctly, the approach of wage payment may eventually harm the benefits of the workers in terms of less social security contribution. We continue the communication with such factories with sharing the practices of their peers to drive change.

Economic factors make the wage situation even more difficult. In 2022, the central bank cut interest rates a total of four times. This resulted in the highest inflation of 85.5% in the last 24 years.

## ACTUAL PAID WAGES.\*



\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.



## FACTS.

In Vietnam we work with 5 suppliers who produce in 9 factories. 3 of those suppliers are categorized as strategic or core. Behind Bangladesh and China, Vietnam is our 3<sup>rd</sup> largest sourcing country with a FOB volume of 9%.

## EMPLOYEES.\*

	♀ Female	♂ Male	TOTAL
Workers	70%	30%	7,779
Supervisors	66%	34%	289

..

## AUDIT KEY FINDINGS.



### PA 1: Social Management System

C: 6 | D: 0

C-ratings in PA 1 mainly due to findings in other performance areas. Improvements are needed in the social management system, as well as cascading the BSCI Code of Conduct to their supply chain partners.

### PA 2: Workers Involvement and Protection

C: 1 | D: 0

Some interviewed employees were found not being aware of the BSCI Code of Conduct despite training was provided.

### PA 6: Decent Working Hours

C: 2 | D: 1

No one day off in every seven days work was arranged during peak months.

### PA 7: Occupational Health and Safety

C: 0 | D: 1

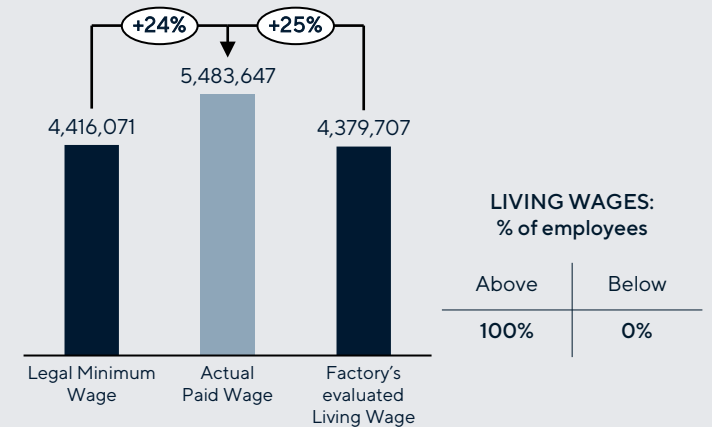
D rating was caused by deficiency in emergency preparedness (e.g. faded aisle paints and partially blocked workstations).

## MORE TO SAY.

Occupational Health and Safety is a topic at our heart. We emphasize the importance to our suppliers, as any trivial misses could lead to unbearable losses.

Continuous communication and random checks are imposed to avoid recurrence (same approach applies to other countries).

## ACTUAL PAID WAGES.\*



\* Figures only include strategic & core suppliers. Workers including supervisors.

\* Data collection only includes strategic & core suppliers. Monthly wages in respective country currency.



# HOW WE INTERVENE

## ACTION PLAN.

Our goal is to constantly improve the working conditions our suppliers offer to the people who make our clothes. But we don't want to leave them alone. To accompany them in their improvement process we work out appropriate action and development plans by supplier. Additionally, we developed a supplier score card, where we integrated Social Compliance KPIs to share comparable and motivational benchmarks. This score card will be re-developed in 2023.

For an amfori BSCI audit, there are different follow-up procedures by overall rating results:

**A & B-rated:** no written action plan for continuous improvement; audit results are valid for two years

**C-rated:** written action plan for continuous improvement is mandatory; at least one follow-up audit within one year

**D-rated:** written action plan for continuous improvement is mandatory; follow-up audit within three to six months; in case issues persist, sanction procedures will be initiated with an exit plan being followed. But before any exit, we try to support our suppliers to improve their performance.

## AND NOW MORE SPECIFIC.

Every audit report is reviewed by our CSR Managers. Issues and concerns over the findings by Performance Area are communicated with the local teams to address and improve them.

Next steps after the audit are:

- Request for follow-up actions
- Detailed written action plan to be worked-out together with the factories to improve the findings
- Factories may submit an improvement plan for review and tracking, or they will ask for a follow-up audit when ready

**Mohammad Rukanuzzaman (TTS Bangladesh, Compliance Manager)**

**MORE EMPOWERMENT. BETTER STANDARD.**

'What moves me every day, is to implement new initiatives to support employees in their development. TOM TAILOR's CSR standards are at an above-average level. If more brands would align to those better standards, more people could be empowered.'

**Tilky Wang (CSR Senior Manager)**

**IT'S ALL ABOUT TEAMWORK. TOGETHERNESS CREATES CHANGE.**

'During the past years, the awareness of being more sustainable has grown. We have more information now. We can share our knowledge faster. We see how many things must be improved. This isn't a task for one person only. It's a task for a dedicated community. I am happy to share this vision with the TTeam.'

# MORE TRANSPARENCY IN OUR SUPPLY CHAIN

## WE WANT TO KNOW: 'WHO MADE OUR CLOTHES'.

Processes and structures in the garment production are complex. If a supplier is not vertically integrated, it is common to have multiple suppliers of different tiers involved in making our clothes.

We as a brand call the garment suppliers (tier 1) our 'direct' suppliers. They are the ones with whom we closely work together. Besides our tier 1 suppliers, we also know the mills, in which our fabric suppliers (tier 2) produce the fabrics. Only for a few cases we know the yarn or even the raw material suppliers (e.g., LENZING, Birla and REPREVE).

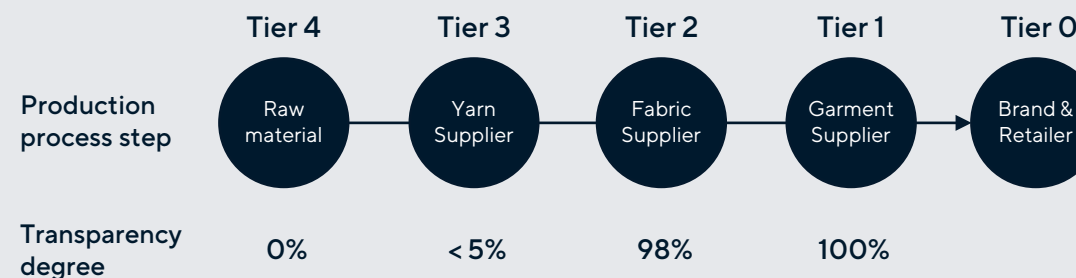
So far, tier 1 as well as tier 2 suppliers have to run through our **ONBOARDING PROCESS** (p. 23). We want to know every single supplier of every tier, which is part of producing our products.

In 2022, we took a very important step to come closer to our goal. We started to work with **RETRACED**.

Muhammad Zeeshan (Senior Merchandiser Pakistan):

FROM RAW MATERIAL TO FINAL STYLE. MORE TRACEABILITY W/ RETRACED.

'Knowing where a garment was made, sets the base for making conscious decisions. My goal is to raise the traceability of every TOM TAILOR piece made in Pakistan to 100%.'



Our goal: 100% transparency for every product down to the raw material level by 2025.







# UNDER THE SURFACE

## GOING DEEP.

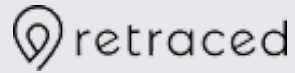
We realized that we can't collect all details of our supply chain manually. Knowing our tier 1 and 2 suppliers is like swimming on the surface. To get to know the tiers below, you have to dive deep.

With **RETRACED** we found a partner to dive deep with enough oxygen to discover the underwater world.

Basically, we can fulfill two goals with one platform:

1. 100% product traceability
2. Fulfillment of the new supply chain due diligence law, which will become effective for us by January 1<sup>st</sup> 2024

Both won't be achieved from one day to the other. However, we started to work on both and are well on track.

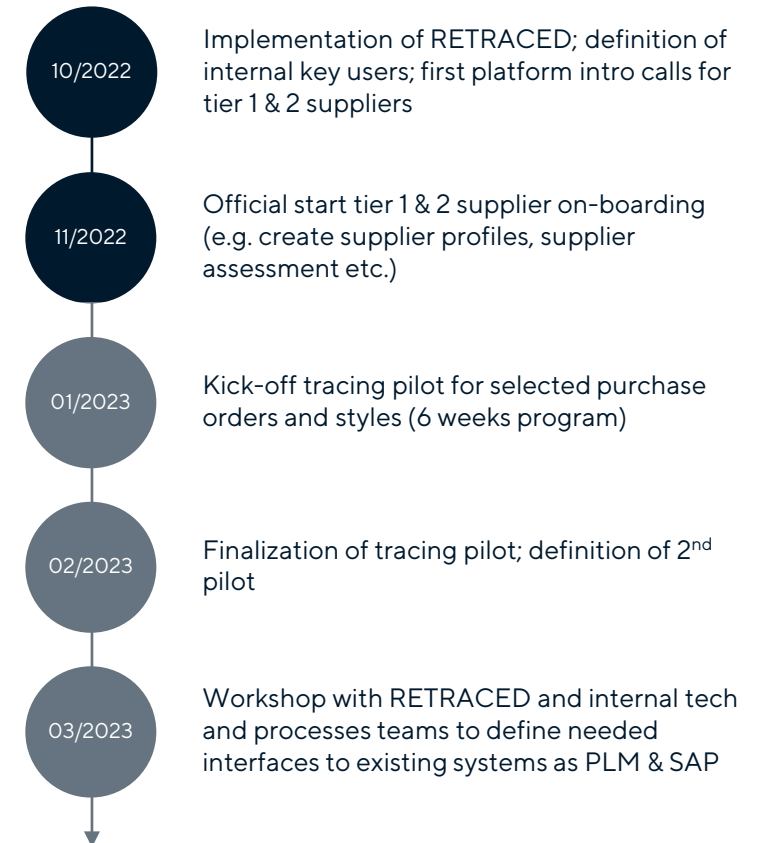


**RETRACED** supports fashion and textile companies to

- digitize & trace their supply chains
- efficiently manage & exchange compliance data
- gain full transparency down to the raw materials



## OUR MILESTONES.



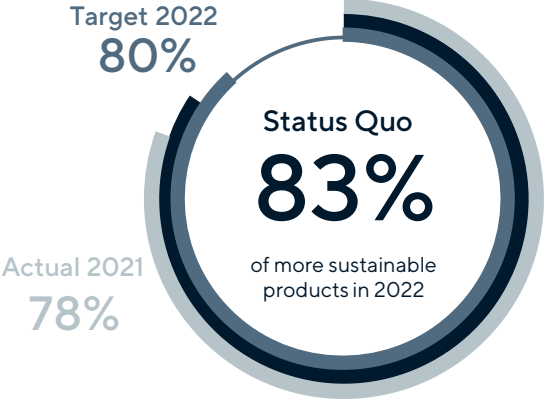


**HERE'S TO EXPLORING NEW HORIZONS.**

Last year has been the second year in a row, that we out-performed our goal. Despite many challenges in the sourcing world, our global teams together with our suppliers, put many efforts in a **MINDFUL PRODUCT DESIGN**. This is what we call **PROGRESS**.

83% of all our products have been produced as more sustainable according to strict guidelines which are defined for **RESPONSIBLY SOURCED PRODUCTS**. This is a 5%-point increase compared to last year and +49%-points versus our baseline year 2019 (34%).

In 2022, we produced a total amount of **39,829,219** pieces. Some of those were made with recycled materials. But are they also designed to be recycled one day? Last year we explored new horizons. We stepped into the world of Circularity, which basically means we are on '**OUR WAY TO CIRCULARITY**'.



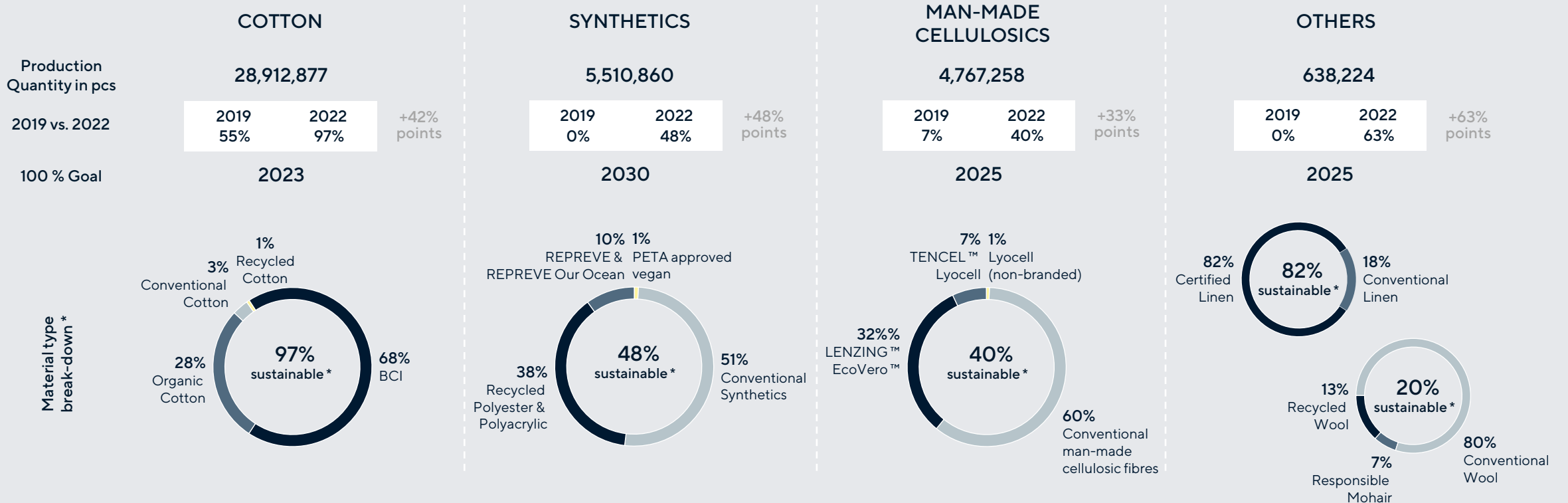
**Our 2023 goal: 85% of more sustainable products.**





# OUR MORE SUSTAINABLE PRODUCTS

In 2022, 83% of all our products were produced with more sustainable materials. When we call a product 'BE PART', it follows external certification standards, which we track according to defined processes (pp. 48-49). Every quarter, after placing our Purchase Orders (POs), we analyze the sustainability share of our products. Therefore, we categorize every product based on the individual material composition and define to which material category it belongs to. The order quantity is decisive for the calculation. Overall, we produced **39,829,219** products in 2022, whereof **32,914,930** fall under 'more sustainable'. Below shows the break-down by material type.



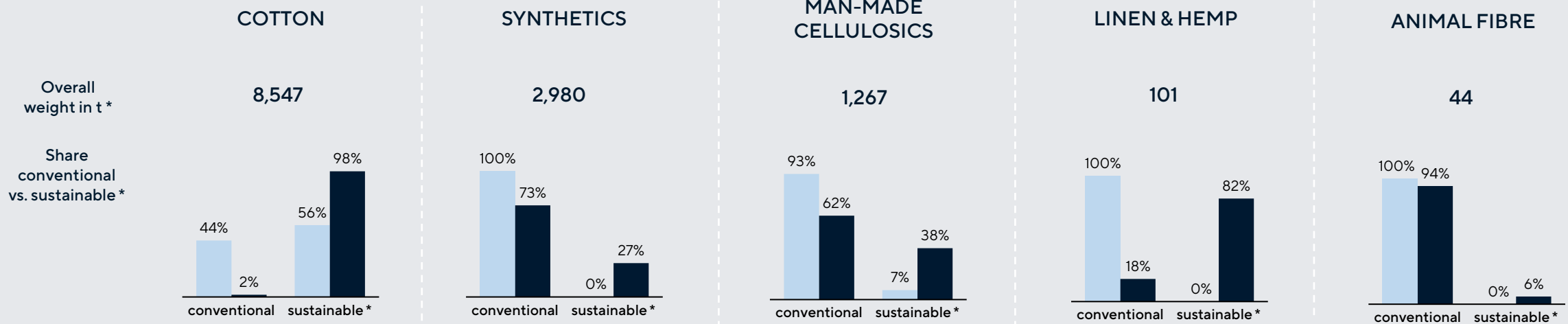
\* Products which have been assigned to one of the material categories based on the material composition. 'Sustainable' always means 'more sustainable' according to external certification standards.



# MATERIAL CONSUMPTION

In comparison to the prior page, these figures are based on our used weight by material type, whereas the other figures show the produced garments assigned to one material category based on the material composition. In 2022, we used 12,940 tonnes of fibre for the production of our clothes. Compared to our baseline year 2019, this is an increase of 5%, which is caused by the increase of produced garments. Overall, we used 7% of recycled materials in 2022\*.

**Our goal: Increase the share of recycled fibres up to 20% by 2025.**



■ 2019 ■ 2022

\* Calculated volume, based on weight of products and material composition. 'Sustainable' always means 'more sustainable' according to external certification standards.

# MINDFUL PRODUCT DESIGN

Last year we continued to follow our vision: mindfully designed products which have less impact on the environment and workers health.

2022 was all about innovative materials and treatments, which we used to design and produce our capsule collections:

- February: **1<sup>st</sup> MBRC® the ocean** capsule made with recycled polyester
- April: **THE GOOD DYE** colored with **EarthColors® by Archroma**
- May: **THE LINEN LOOK** made with certified linen
- August: **HEMP DENIM** made with a hemp fibre
- September: **2<sup>nd</sup> MBRC® the ocean** capsule made with recycled polyester
- October: **READY OR NOT. HERE WE COME.** – **REPREEVE® Our Ocean™** Jackets
- November:
  - **ECO DENIM** - sustainable Black Dye powered by Archroma
  - **ELEVATED KNIT STYLES** made with **RESONSIBLE MOHAIR**

Besides these innovations, we increased the share of sustainable materials across all products lines, product groups and collections types.



## MINDFUL PRODUCT DESIGN IS MORE.

Why can we call 83% of our products more sustainable? Because their fabric is made with materials which are more environmentally friendly. So, we are almost there. Not really.

A product needs much more than just the fabric. A fabric is treated with chemicals to color it, it is washed and you need sewing threads, to sew a garment. This garment will be treated, colored, printed and washed again. And that's not all: diverse labels and hangtags are used for the communication and a polybag and other packaging materials are needed for a safe transportation from the factory to the customer.

## BIG PICTURE.

We aim to see the big picture. For sure the fabric is one of the most important components, however we can't neglect the other ones. For some product groups we already made great progress.

In 2022, across all our products we introduced:

- 100% recycled & recyclable polybags
- FSC certified paper hangtags
- Polyester labels are made from recycled materials

## DENIM.

- Materials: organic cotton, recycled cotton, BCI cotton, TENCEL™ Lyocell, Hemp, recycled polyester & REPREVE®
- Treatments: Ozone Wash, Eco Wash, Laser, EcoBlack by Archroma
- Threads: recycled polyester
- Labels & Badges: paper instead of leather badge, recycled polyester labels
- NEXT STEPS: design denim jeans according to circular design approaches e.g. mono-cycle materials, removable bottoms

## JACKET.

- Materials (shell fabric & lining): recycled polyester, REPREVE® Our Ocean™, recycled wool
- Filler: REPREVE®
- Treatments: Bionic finish, Clean Dye
- Threads: recycled polyester
- Labels & Badges: recycled polyester

## T-SHIRT & SWEAT.

In 2022 we launched a capsule which was colored with natural dye stuff. [EarthColors® by Archroma](#)

## OUTLOOK & GOALS 2023.

- No TOM TAILOR brand hangtag anymore, after stock is used up
- Plastic clip for hangtag strings will be eliminated
- Hangtag string will be made from recycled cotton
- Introduction of new BE PART print for Denims & Jackets
- Explore ways how to reduce waste in the production (e.g. combine sizes, new patterns) & increase share of production waste recycling
- Design for Circularity (see OUR WAY TO CIRCULARITY)



# OUR HEART FOR ANIMALS

## THERE IS A STRICT POLICY BEHIND.

Our Animal Welfare Policy is an integral part of our [Social Compliance Manual & Restrictions on Materials](#) handbook. The policy includes our commitment to only use animal fibres & animal-derived materials, if we can guarantee that the animals have been treated well. The list of banned animal fibres can be found in the manual.

## HOW WE ENSURE NON-MULESING.

We prohibit the mulesing of sheep. Our obligatory guidelines do contain a 'non-mulesing' instruction. For every product which contains wool, we follow a strict tracking process which includes the following mandatory documents:

1. Certificate of Origin
2. Non mulesed / ceased mulesing wool declaration from yarn mill
3. IWTO/ AWEX Test Certificate

Our goal is to only use certified wool until 2025.

## PETA APPROVED VEGAN.

Already years ago, we committed ourselves towards PETA, to ban certain animal fibres (e.g. cashmere, alpaca etc.). In 2022, we did the next step. We introduced the first PETA approved VEGAN styles. We work closely with PETA to ensure, that all used materials for these styles do not contain any animal products or are tested on animals.

## TRACKING PROCESS:

1. Design team announces PETA approved VEGAN styles
2. Sustainability team follows up on signed 'Statement of Assurance' from respective suppliers (via sourcing office)
3. PETA gets product information (article no, artwork, statement of assurance conformation)
4. PETA is checking with respective suppliers
5. Confirmation from PETA incl. certification if all requirements are fulfilled



**Dagmar Schiller (Manager Design; Knit):**

IT'S ONLY WELL DONE WHEN IT'S ABOUT WELFARE

'Animal fibres are of incomparable value. I am grateful for their high quality and biodegradable property. But animals are also close to my heart. I have been personally committed to animal welfare. I stopped eating meat 30 years ago. Due to the fact, that not every animal is treated well, we committed ourselves to use fibres like Mohair or Alpaca only from certified farms. To combine high quality with animal welfare.'

## GOOD TO KNOW.

In 2022 we officially committed ourselves to the Brand Letter of Intent of the 'Four Paws' ([Brand Letter of Intent - Wool with a Butt - a Campaign of FOUR PAWS \(four-paws.org\)](#)).



# RESPONSIBLY SOURCED PRODUCTS

## HOW WE ENSURE SAFE PRODUCTS.

We want to ensure that we meet the best industry standards for our more sustainable styles. That's why we require third-party certifications for our more sustainable product range. For each certification standard there is a tracking process behind, which can vary by certification standard. Today the entire tracking process is 100% manual work. In the future we aim to use the newly launched platform **RETRACED** to track all sustainability certifications. Automatically.

We follow the rule, that a purchase order for a more sustainable product can only be placed, if a valid scope certificate of the respective supplier(s) is available. Within the tracking process an additional follow up regarding the validation of each certificate takes place.

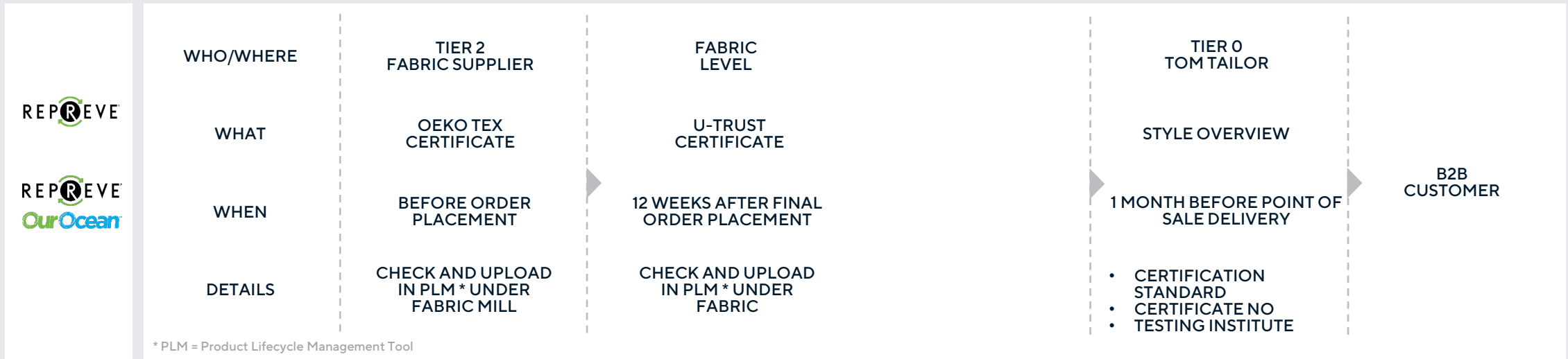
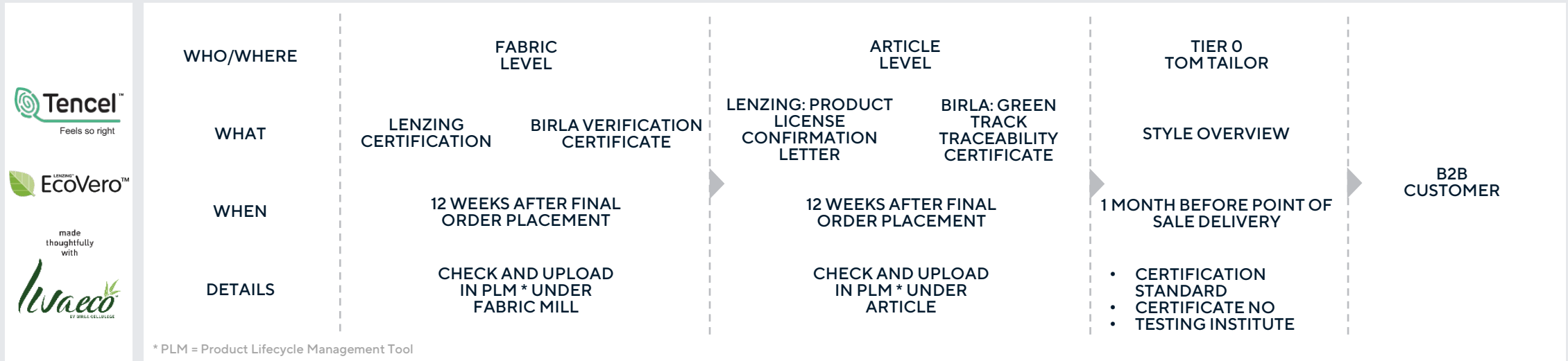






APPLICABLE FOR

TRACKING PROCESS  
BRANDED FIBRES



Note: Tracking process exists for every certified / branded fibre.



## THE NEXT STEP

### BRAND CERTIFICATION.

Our highest priority was and still is, that our products are responsibly sourced. This includes the fulfilment of social and environmental criteria. With our requirements for our more sustainable product range and the detailed tracking process of each certificate, we ensure that our **BE PART** styles fulfil strict standards e.g. Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Responsible Mohair Standard (RMS) by Textile Exchange etc.

So far, as we as a brand have not yet been certified, we are not allowed to use e.g. the GOTS logo on our products, even though they are certified. That applies for all standards except the branded fibres. However, as these certification standards are well known by B2B and B2C customers, the brand **TOM TAILOR** plans to get certified in 2023.



# MORE GREEN DENIMS

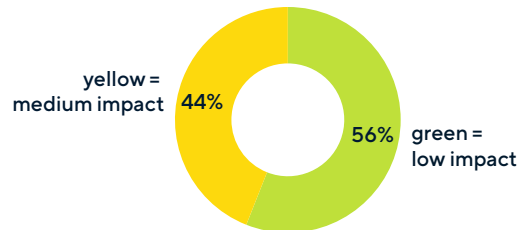
## WE SHOW PROGRESS.

Since 2021 we asked our suppliers to evaluate every denim with the EIM score.

EIM stands for Environmental Impact Measurement (by Jeanologia). The score helps to make sustainability measurable within the manufacturing process. 4 categories are evaluated: water consumption, energy consumption, chemicals used and employee's health and safety conditions.

In 2022, we made some major progress:

- EIM score was available for every denim style (2021: only 50%)
- Increase share of 'low impact' (= green) denims to 56% vs. 24% in 2021
- No 'high impact' denims



## OUR GOALS.

- ☑ 2022: get all our denims evaluated with the EIM score
- ☑ 2023: increase our share of 'green denims' up to min. 40%. Goal already achieved in 2022.
- 2025: 100% green denims

## WHAT'S NEXT.

Knowing the impact of our denim styles is one thing. Sharing the knowledge with our customers is another one. From Autumn/Winter 2023 onwards we will show the EIM score on every denim. Whether we like the result or not. It's all about transparency.

In addition, we will keep on working on our 'medium impact' denims. To turn them into 'low impact' as well.

Christina Agtzidou (Manager Design, Denim):

WORN NOW & IN THE FUTURE

'Denim is a time travel. I want to create meaningful denim goods. With the sustaining knowledge from the past. For the people of now. Merged with creative solutions for a better future.'



## WE VALUE QUALITY.

Quality is not equal to sustainability. But quality pays into longevity and sustainability. We aim for durable, high-quality products with a good value for money ratio. Even though we have a fundament with a defined **Quality Management Process**, detailed requirements and inspections standards (**Material & Quality Guideline**), as well as defined quality KPIs, we have some homework to do.

What is needed to ensure high-quality products? First of all, all involved people have to have a common understanding of quality.

In 2022, we were exactly working on this. We held quality workshops with our global quality teams from different sourcing countries. And we involved our product teams. We had the aim to connect disconnected teams and to close communication gaps between Quality, Product and Sourcing.

In 2023 we will continue to focus on the following structural topics:

- Further development of Quality team
- Establish product group teams to connect Product, Sourcing and Quality
- Seasonal Product Group meetings
- Regular product update
- Awareness training & best practice sharing

## RESPONSIBILITY FOR CHEMICALS.

A mandatory requirement within our supplier onboarding process is that our suppliers (Tier 1 + 2) are obliged to comply with our **Restricted Substances List (RSL)** and **Chemical Management Handbook** by signing a Chemical Compliance Letter. Our guidelines for the use of chemicals are based on the DETOX initiative and the REACH regulation.

Even though we do random product RSL to confirm whether products are safe at output level, let's face it: so far, there is no input check on what chemicals are used.

Which basically means, that we ask our suppliers to fulfill the requirements of our Chemical Management Handbook, but we don't evaluate whether this is happening.

We want to change this. For early 2023, we plan to become a contributor of Zero Discharge of Hazardous Chemicals (ZDHC). We want to know the chemical inventory of our suppliers and we plan to have onsite assessments to assure the compliance with ZDHC Manufacturing Restricted Substance List (MRSL). We will start with our tier 1 suppliers. But in a long-term perspective, this should also be mandatory for tier 2, as most of the wet-processing & dyeing happens there.

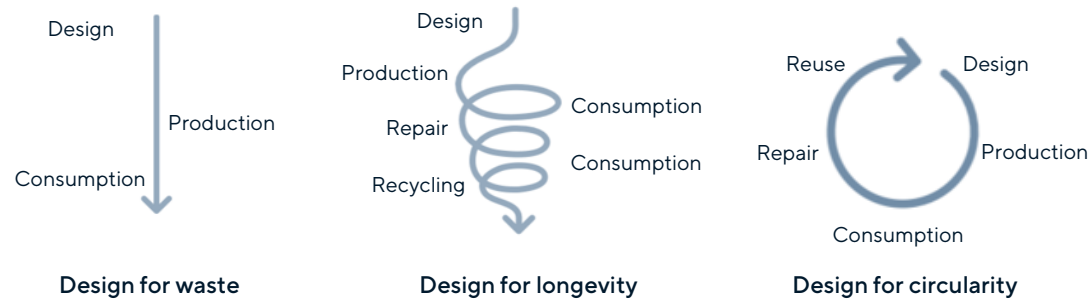
In addition, we will continue to increase the use of natural dyestuffs, like we did with our 'THE GOOD DYE' capsule where we used EarthColors by Archroma.



# OUR WAY TO CIRCULARITY

## THE STATUS QUO.

Today most products on the market have one shared destiny: they end up as waste. They are designed within a linear lifecycle. Produced. Used. Thrown away. One straight line to the dump or old cloth container. But there are ways to enlarge the use phase of our products: design for longevity & design for circularity.



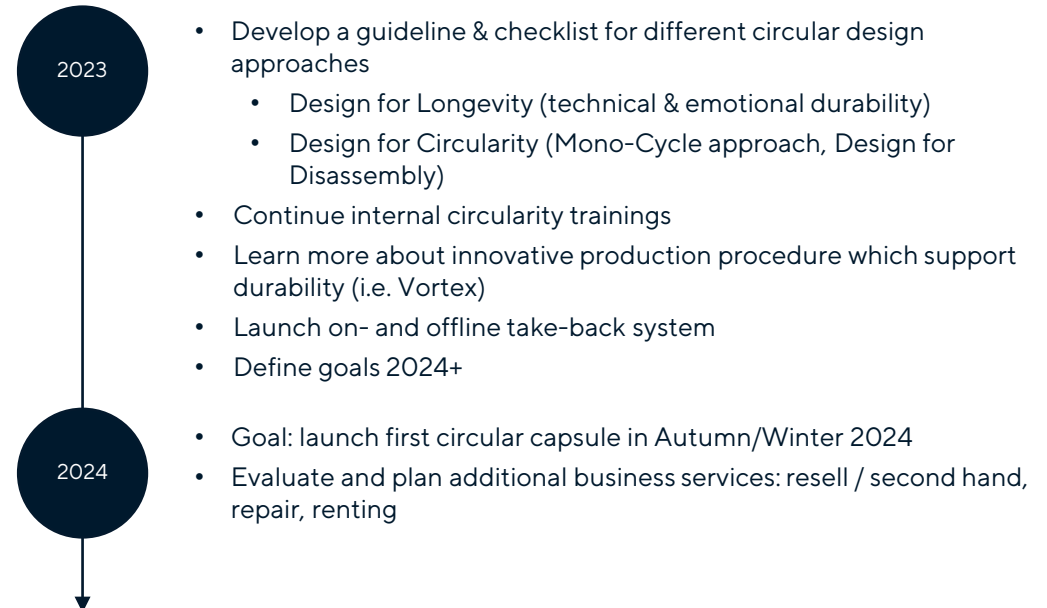
## OUR WAY.

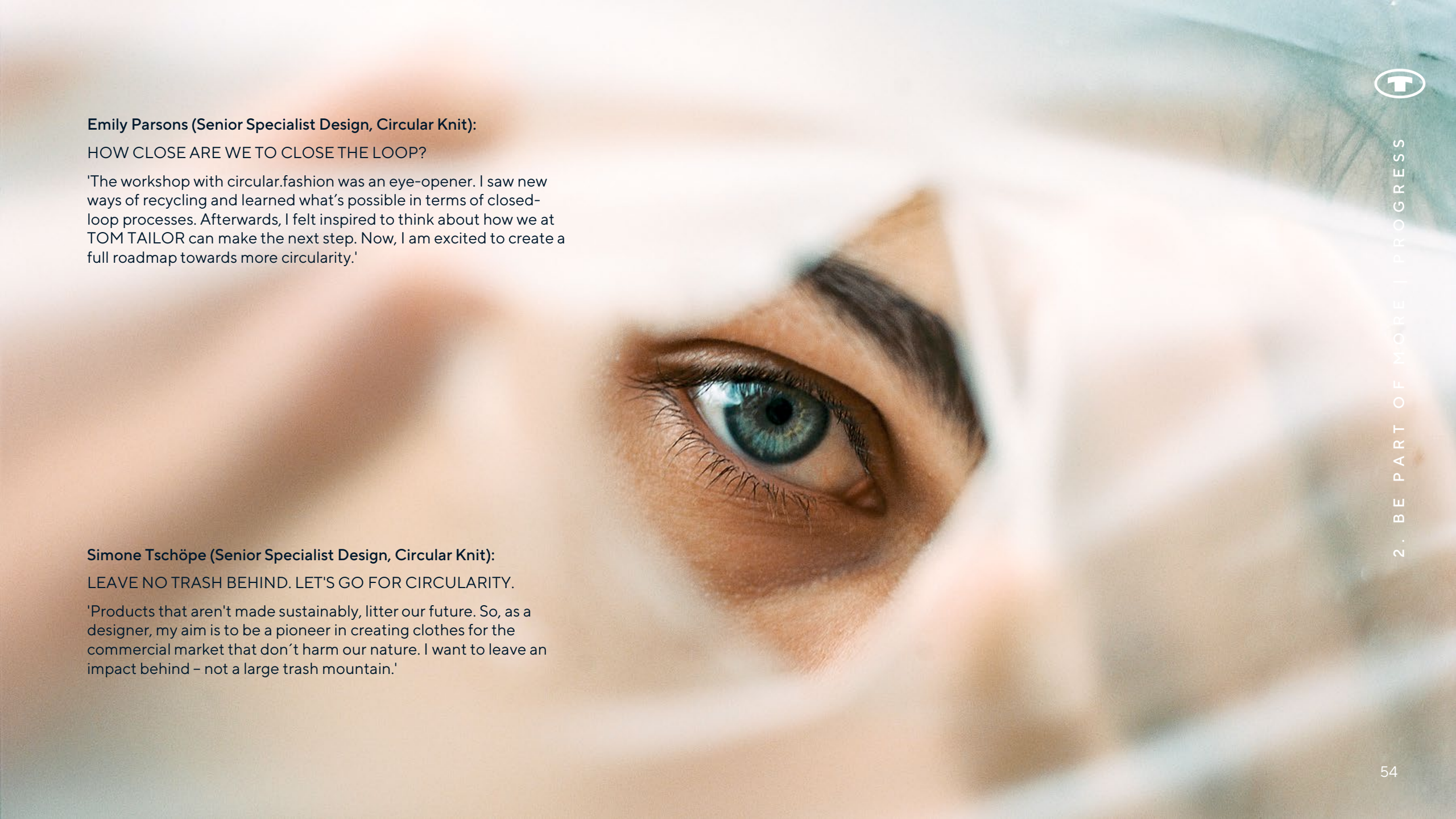
In 2022, we started our circularity journey. With [circular.fashion](#) we found the perfect partner to first build a knowledge base. We invited the team from [circular.fashion](#) to our HQ and spent 2x2 full day workshops together:

1. 20 people (Design), four real product challenges, two days full of knowledge, fun and eye openers
2. 20 people (Product division head, category management, buying, design), one day with discussion, knowledge transfer and milestones for the future

To spread the knowledge with as many people as possible, we offered a training session for our product, sourcing and quality teams with the circularity basic knowledge. To ensure a proper progress, we defined a Circularity Task Force and additional sub task forces by product group (e.g. for Denim, Jackets and Circular Knit).

## OUR NEXT STEPS.



A close-up photograph of a person's eye, looking through a white, textured fabric. The eye is light blue and has a focused expression. The background is blurred, showing more of the white fabric and some greenish-blue tones.

**Emily Parsons (Senior Specialist Design, Circular Knit):**

HOW CLOSE ARE WE TO CLOSE THE LOOP?

'The workshop with circular.fashion was an eye-opener. I saw new ways of recycling and learned what's possible in terms of closed-loop processes. Afterwards, I felt inspired to think about how we at TOM TAILOR can make the next step. Now, I am excited to create a full roadmap towards more circularity.'

**Simone Tschöpe (Senior Specialist Design, Circular Knit):**

LEAVE NO TRASH BEHIND. LET'S GO FOR CIRCULARITY.

'Products that aren't made sustainably, litter our future. So, as a designer, my aim is to be a pioneer in creating clothes for the commercial market that don't harm our nature. I want to leave an impact behind – not a large trash mountain.'



# NEW WAYS

## FROM LINEAR TO CIRCULAR.

To turn a linear product lifecycle into a circular one, we have to set up the respective fundament. Already in 2021, we started to search for the right partner. In 2022, we got connected to **TEXAID** and their holistic approach convinced us.

From 2023 onwards we will offer an on- and offline **TAKE-BACK SYSTEM** for our customers.

- **In-Store TAKE-BACK SYSTEM:** customers can bring their 'old' clothes of any brand to our stores. We will ship the collected garments to TEXAID.
- **Online TAKE-BACK SYSTEM:** customers can request a shipping label for their 'old' clothes free of any costs. The package will directly be sent to TEXAID.

First, we will only offer this service in Germany. In 2023 we will evaluate, whether & when to roll it out in further countries.

## WHAT HAPPENS TO RETURNED GARMENTS.

TEXAID is sorting every single garment according to strict guidelines. High-level we can differentiate between the three following cycles: reuse, recycle, downcycle. Details on the volumes will be reported from TEXAID.

Today, still less than 1% of worldwide produced garments \* are used to produce new fibres out of it. Together with TEXAID we aim to increase this share. However, we have to do our homework first and start to design for circularity.



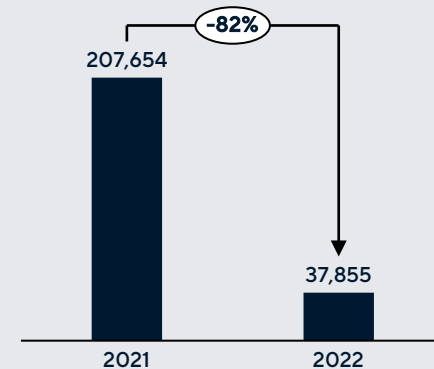
\* Ellen MacArthur Foundation, A New Textiles Economy: Redesigning fashion's future, 2017, p.20

## DESTROYED GARMENTS.

Every returned garment is reviewed and evaluated from A to C based on its conditions. If a garment gets a C rating which means it is defective, and therefore unsellable items, we do have to destroy them.

To put this into numbers: in 2022, a total amount of 37,855 pieces (0.09% of all produced items) were destroyed and downcycled e.g., to produce insulating material for the automobile industry.

For 2023, we plan to send these unsaleable garments to **TEXAID** as well, to ensure that a maximum of clothes will be recycled.





# RETHINK.

## OUR BASE. OUR CORE.

To increase the share of our recycled material content in a sustainable way, we plan to re-develop our **CORE FABRICS**. These are the fabrics, with the largest volumes, which means that an impact will be visible directly.

In 2022, we started a project with **RECOVER** to develop our existing, well-known core fabrics with at least a share of 20% recycled cotton from RECOVER. The project will continue in 2023.

## IN-CONVERSION ORGANIC COTTON.

Official sources say that the global organic cotton availability of all cotton types is still below 1%. In 2022, we had a material share of 22% organic cotton. This is what we call imbalance. We decided to find alternatives. And so we did: 'in-conversion organic cotton'.

Many people don't know, that the soil needs 3-7 years to recover from artificial pesticides. This means, that the conversion from conventional to organic cotton can't happen immediately. Until the soil has recovered, farmers are not allowed to sell the cotton as 'organic' and do not get the organic premium.

The solution: 'in-conversion organic cotton'. From 2023 onwards our products will contain cotton which is in the transformation process from conventional to organic cultivation.

## LET'S BE SMART.

We invest in our products. Their quality, their sustainability features and their durability. Benefits, which we want to share with our customers. Often, this ends up in multiple hangtags and labels. All these hangtags will be removed right after buying a product. So, what we created was no benefit, it was simply waste.

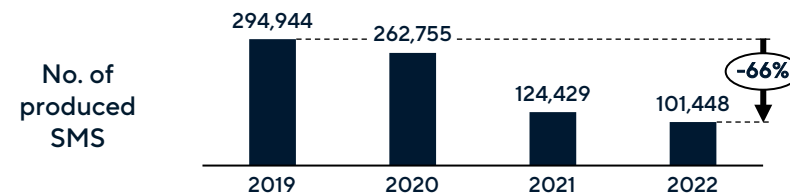
In 2022, we spent some time to rethink. To find ways to still communicate the product features without creating information which ends up in a bin.

With our **BE PART** print, we will start to communicate sustainable product features, which will stay on the product. And the print will replace multiple hangtags. In a first phase (autumn/winter 2023), we will start with Jackets, Denim jeans and T-shirts.

## LESS IS MORE.

Talking about hangtags, we go the next step. From spring/summer 2023 onwards, our products won't have our **TOM TAILOR** brand hangtags anymore. With this simple decision, we will save more than 40 millions hangtags per year.

In addition, we continuously strive to reduce our salesman sample (SMS) production. We give specific goals to our product teams and track their fulfillment – with success.







## THE PLANET. OUR PLANET.

One thing we have definitely learned: climate change is a complex topic. To make a difference and to contribute to a greener fashion industry, we need to act. Topics like carbon footprint, greenhouse gas emissions, and science-based targets, are grouped under the focus area **GREEN VALUE CHAIN**.



# GREEN VALUE CHAIN

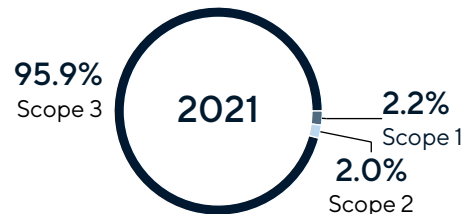
## CARBON. AND MORE CARBON.

Since 2020 TOM TAILOR has been signatory to Fashion Industry Charter for Climate Action under UNFCCC to officially commit to fight against climate change. And in 2021 we managed to evaluate our carbon footprint\* for the very first time. We chose 2019 as our baselining year to ensure having no COVID-19 effects in our basis. In general, as the majority of our emissions is caused by our products and their production process, our emissions are directly linked to our production volume.

Since our first carbon footprint data collection, we have had a steep learning curve. As said before, it is a complex topic, where a lot of data is needed. And we learned a lot.

In 2022, we did almost the same for 2020 & 2021. And we were facing new challenges. Besides the fact that the data collection itself is complex, we also identified that there are huge differences in emission factors.

To ensure that 2019 is a representative baselining year and also the decisive year for our science-based target application & commitment, we re-calculated our 2019 data with the emission factors, which underlie the 2020 & 2021 carbon emission calculation.



\* Carbon or carbon footprint includes all seven GHG emissions and is used as a synonym for GHG emissions; calculated with a CO<sub>2</sub>-equivalent

### 01 TOOL

Choose an external partner who provides the tool and expertise for the data collection & to define and set science-based targets

### 02 SCOPE

Definition of scopes, structures, responsibilities and a timeline

### 03 DATA

Start data collection, data entry in tool for the final carbon emission calculation

### 04 RESULTS

Carbon footprint calculations based on data entry and respective emission factors; comparison with baselining year

### 05 SBTi

Science-based target initiative (SBTi) commitment letter & application





# OUR BASELINE RESULT RECALCULATED

	Scope 1: Direct	Scope 2: Indirect	Scope 3: Indirect
<b>2019</b>	Greenhouse gas emissions from sources that are owned or controlled by a company.	Greenhouse gas emissions resulting from electricity, heat or steam produced at an off-site location.	Greenhouse gas emissions from a company's value chain with sources not owned or directly controlled by the company.
Initial result	2,823 [t CO <sub>2</sub> e] = 0.7 %	5,743 [t CO <sub>2</sub> e] = 1.4 %	403,377 [t CO <sub>2</sub> e] = 97.9 %
Re-calculated result	2,936 [t CO <sub>2</sub> e] = 1.4 %	2,546 [t CO <sub>2</sub> e] = 1.2 %	208,826 [t CO <sub>2</sub> e] = 97.4 %

## THE EXPLANATION.

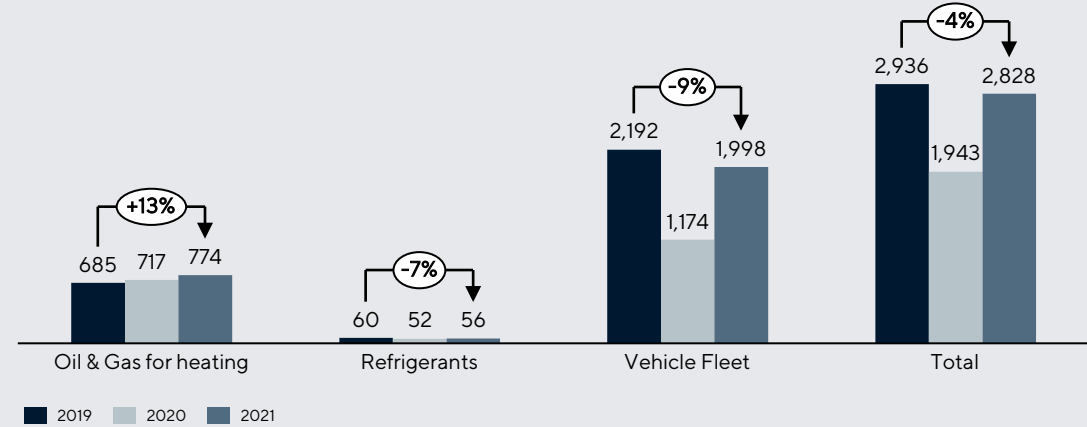
In 2021, we worked with [ClimatePartner](#) and in 2022 we switched to [CEMASys.com](#). Different service partners often use different emission factors, resulting in changes in the emissions inventory. This was the case when we changed our service partner, meaning our baseline emissions needed to be recalculated. For Scope 2, ClimatePartner's source for the emission factors has also been different. CEMAsys.com uses the data from the IEA – International Energy Agency. For Scope 3, purchased goods and services, specifically for textiles, both service partners calculated emissions caused by all tiers (down to the raw material level), with a conservative yarn count of 200 dtex and a country-specific electricity mixes. However, the data source for the emission factors is different. Whereas ClimatePartner only uses data from one source (HIGG MSI), CEMAsys uses scientific data from 4 international sources to calculate the different tiers of the emissions factors for textiles.

To ensure that we can compare 2020 & 2021 with 2019, we recalculated our carbon footprint based on the same emission factors data source, which was used for 2020 & 2021 and also will be used for 2022 & 2023.

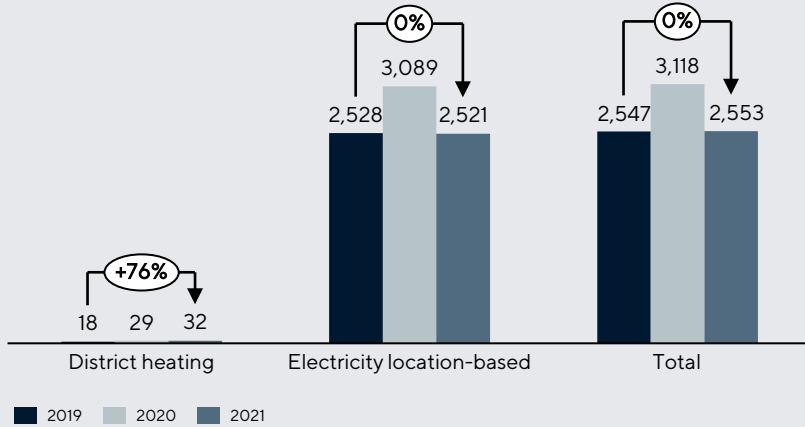


# SCOPE 1 AND 2: RESULTS 2019 - 2021

Scope 1 [in t CO<sub>2</sub>e]



Scope 2 [in t CO<sub>2</sub>e]



## IDENTIFIED ACTION FIELDS:

1. Continue to switch our vehicle fleet from combustion engine to e-mobility (on our HQ side, we put charging stations into operation, which source the energy from solar panels, which have been installed in early 2023)
2. Educate and encourage employees for more conscious heating and use of air conditions

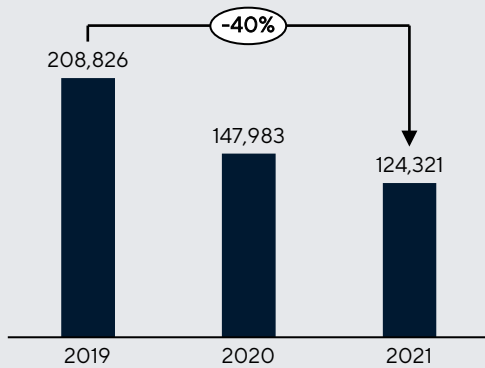
## IDENTIFIED ACTION FIELDS:

1. HQ: we installed solar panels on the roof of our HQ (644 modules à 1.92 SQM = in total 1,236 SQM)
2. Showrooms & stores: in case of electricity contracts renewals, switch to green energy sources (e.g. renewable energy such as solar panels, wind energy etc.)



# SCOPE 3: RESULTS 2019 - 2021

Scope 3 [in t CO<sub>2</sub>e]



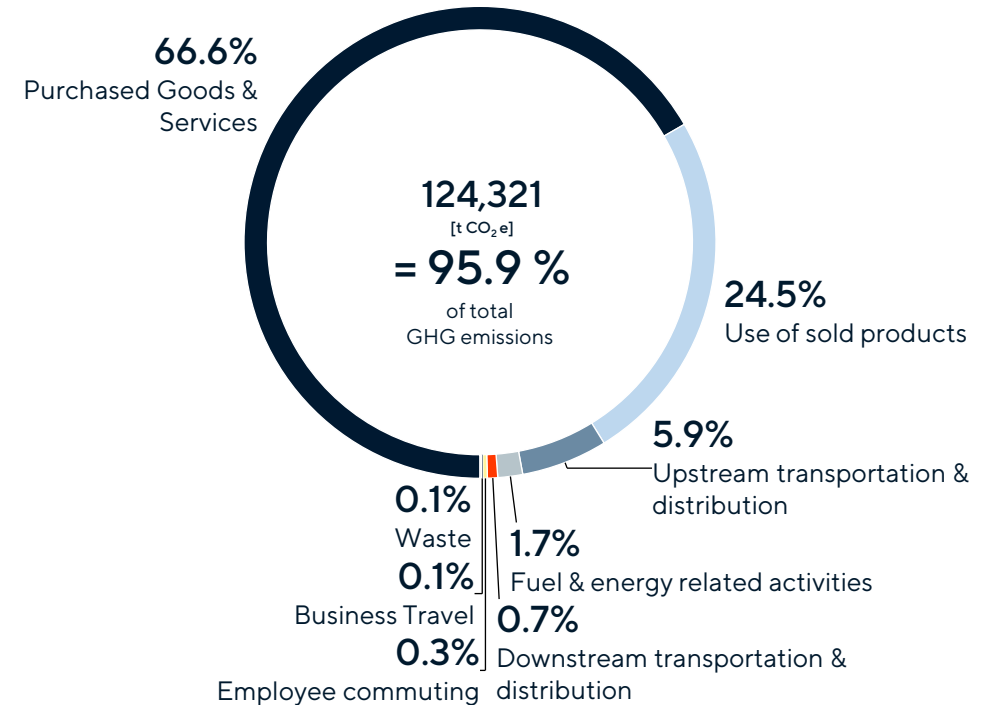
## TOP 3 POLLUTERS

SCOPE 3 TYPE	% OF TOTAL	Δ VS. 2019
Purchased Goods & Services	66.6%	- 39%
Use of sold garments *	24.5%	- 23%
Upstream transportation & distribution	5.9%	- 65%
Others (e.g. Business Travel, Employee Commuting)	3.0%	- 72%

## IDENTIFIED ACTION FIELDS:

- Purchased Goods & Services:** continue to use more sustainable materials, treatments and work closely with our suppliers to improve the production processes and engage to invest in an environmentally friendly factory set up. Note: emissions are directly linked to our production volume (2019: 38.7 M pieces; 2021: 32.2 M pieces)
- Use of sold garments:** educate customers how to treat garments right (i.e. Care Guide)
- Upstream transportation & distribution:** continue to reduce air freights (carbon emissions caused by air freights in tCO<sub>2</sub>e vs. 2019 -72%)

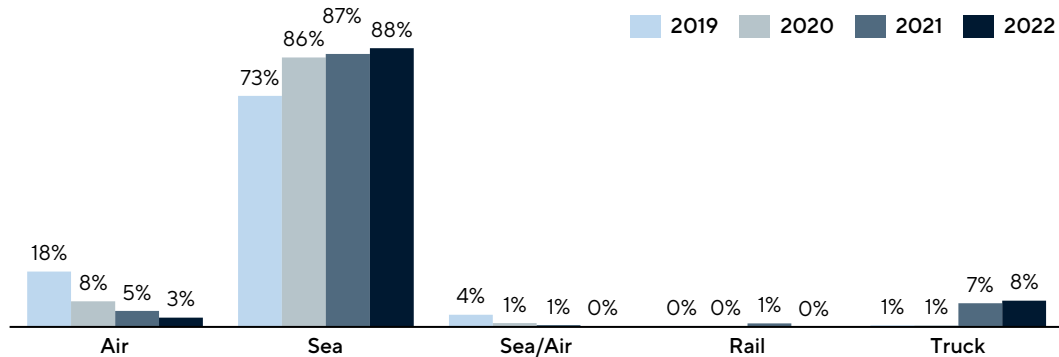
\* Impact calculated based on assumptions. Carbon emissions of sold garments mainly caused by washing these garments. Basis: wash information (water degree) based on wash care label



# HOW WE SHIP

LET THE NUMBERS SPEAK.

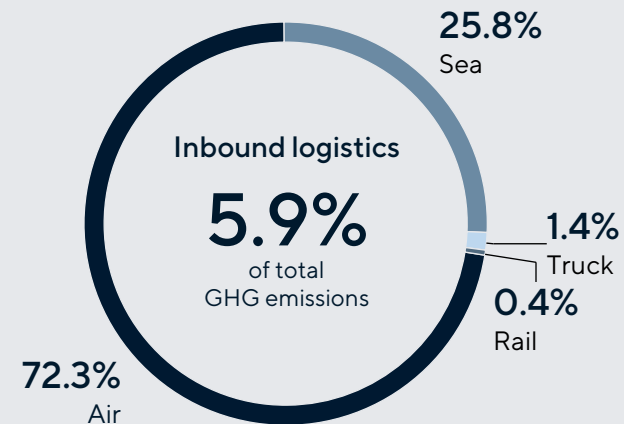
Transportation type based on quantities.



## IT'S A FACT.

We all know, that the carbon emissions caused by air freights are much higher than for sea freights. In 2021, 5% of our entire production quantities have been shipped via air. This caused 72.3% of our inbound logistics emissions. The fact, that we were able to continuously reduce our air freights from 18% in 2019 to only 3% in 2022, encouraged us to continue to follow our zero air freight goal. Still every air freight has to run through an approval process, which has to be confirmed by our board.

Carbon Footprint by Transportation (2021).



**= 7,378** [tCO<sub>2</sub>e]  
vs. 20,873 in 2019



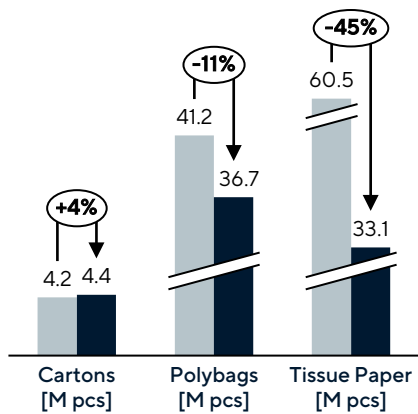


# LESS PACKAGING. LESS WASTE.

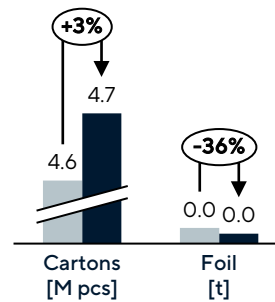
The amount of packing material is directly linked to our production volume and therefore the number of pieces we sell to our customers. We know that we still produce too much waste with our packaging material. Waste, which our B2B and B2C customers receive, when they unpack our garments. Especially polybags which are made out of plastic. In 2022, we changed to 100% recycled & recyclable polybags for our inbound packaging and to 80% recycled plastic bags for our e-com packaging. And we know that this is not the solution, but it is a step to come closer to less waste. With regards to our cartons, we use 100% recycled paper cartons.

The challenge: on the one hand we have to make sure that our products arrive at our customers safely, on the other hand, we have to set new guidelines how we all can reduce the use of packaging material. This is what we will focus on in 2023. We are in constant exchange with our partners, and we all share one goal: reduce packaging, to reduce waste.

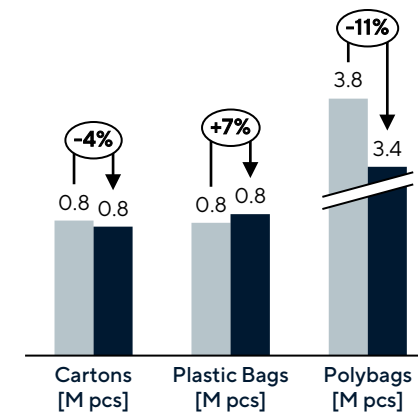
## INBOUND PACKAGING



## OUTBOUND PACKAGING



## ECOM PACKAGING



2019 2022

Note: in addition, we use packaging material like gum tape.

# LET'S CUT WASTE.

## REUSE AND RECYCLE.

We are living in a world, where technology is indispensable. But what happens after the use phase of notebooks, PCs, screens and mobile phones? We started to partner with AfB social & green IT - to ensure that as many devices as possible will be reused or recycled. And the positive side effect: AfB is a recognized inclusion company, we reduce our carbon emissions and we save natural resources, water and energy.

In 2022, 297 IT- and mobile devices with a total weight of 1.7 tonnes were processed by AfB.







# MORE IMPACT IN OUR SUPPLY CHAIN

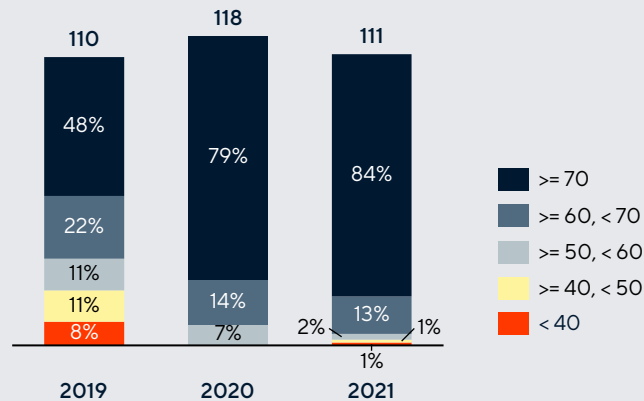
When we assume responsibility for our **PEOPLE** and the **PLANET**, we know that goes beyond our direct operations. We aim to take responsibility across our supply chain. We have started with our tier 1 suppliers.

We are a committed member of amfori BEPI (Business Environmental Performance Initiative) since 2019. amfori BEPI supports companies in improving their environmental performance in global supply chains by offering a comprehensive range of assessment tools and services. The amfori sustainability platform is the entry point of environmental data of our business partners. In late 2022, amfori has rolled out the latest version of BEPI 2.0. In this improved version, the environmental risks are now organized into eight focused 'Environmental Performance Areas' (EPAs). The scale for 2022 evaluation is also different from the previous years, which makes a comparison more difficult.

In 2022, 14 **Tier 1** suppliers with 15 factories (13 new suppliers incl. 13 linked factories; 2 new factories added under 1 existing suppliers) went through the environmental screening. In addition, 30 **Tier 2** fabric/yarn mills have been revied (incl. traders and reactivations).

## BEPI SELF-ASSESSMENT QUESTIONNAIRE RESULTS.

Percentage of factories in different BEPI score levels \*



\* Average result of the 11 EPA (data up to 2021). From 2023 (evaluation of the data from 2022), the new 8 EPAs will apply to the rating. At the time the report was published, the data analysis for 2022 had not yet been completed.

### OLD (until 2022)

#### BEPI's 11 Environmental Performance Areas

1. Environmental Management System
2. Energy Use, Transport and Greenhouse Gases (GHG)
3. Water Use
4. Wastewater / Effluent
5. Emissions to Air
6. Waste Management
7. Pollution Prevention and Chemicals
8. Major Incident Prevention and Management
9. Contaminated Land / Soil and Groundwater Pollution Prevention
10. Land Use and Biodiversity
11. Environmental Nuisances

### NEW (from 2023 onwards)

#### BEPI's 8 Environmental Performance Areas

1. Environmental Management System
2. Energy & Climate
3. Emissions to Air
4. Water & Effluents
5. Waste
6. Biodiversity
7. Chemicals
8. Nuisances

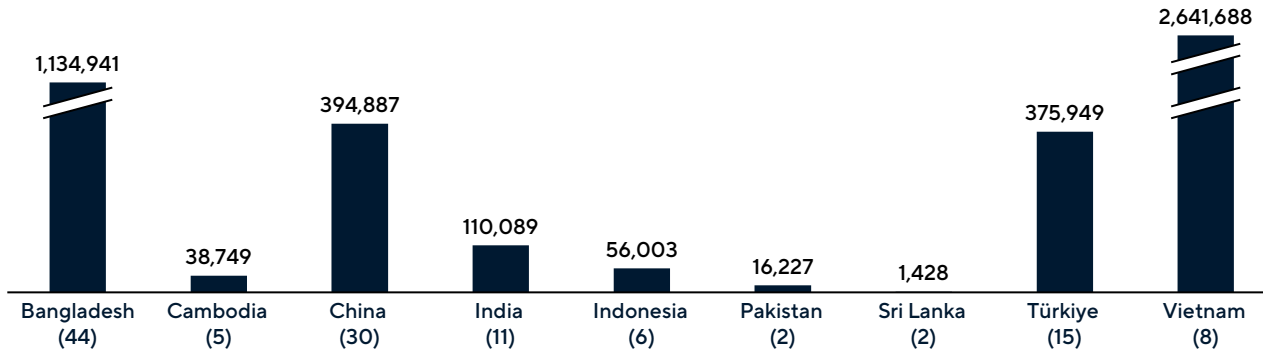
# OUR SUPPLIERS CARBON EMISSIONS

## OUR PRODUCTS & THEIR PRODUCTION PROCESS.

With an overall share of 63.8% of our company carbon footprint (66.6% of Scope 3), our products and their production process are our biggest polluter. To make an impact, we need our suppliers and their willingness to change to a more environmentally friendly factory set up. The good news are: many of our suppliers already invest in solar panels, rainwater harvesting, water & fabric recycling plants and more technologies to improve their carbon footprint.

With the BEPI 2.0 tool, we asked our suppliers to share their carbon footprint with us. In general, the carbon emissions are directly linked to the production volume of our suppliers. The figures show the carbon emissions, which are not only caused by our production, rather than the entire factory emissions including the emissions which are caused by the production for other brands.

Overall carbon emissions in tCO<sub>2</sub>e by sourcing country \*



Note: number of factories, which are included in the scope are in brackets. At the time of report publication, some factories were excluded due to questionable data entries.

## NEXT STEPS.

As we committed ourselves to the **science-based target initiative (SBTi)**, we consider to ask our suppliers to commit to the SBTi as well. From our point of view, this will be needed to achieve a widespread influence to improve our scope 3 emissions. In addition, we will add the KPI 'carbon footprint' to our supplier score card. To track the progress and to encourage on-going improvement.

Furthermore, it is the first time that we asked our suppliers to share their carbon emissions. Now we have to get a better understanding of their biggest polluters. E.g., 4 out of 8 factories in Vietnam uses biodiesel and coal as their energy source, which causes high carbon emissions.



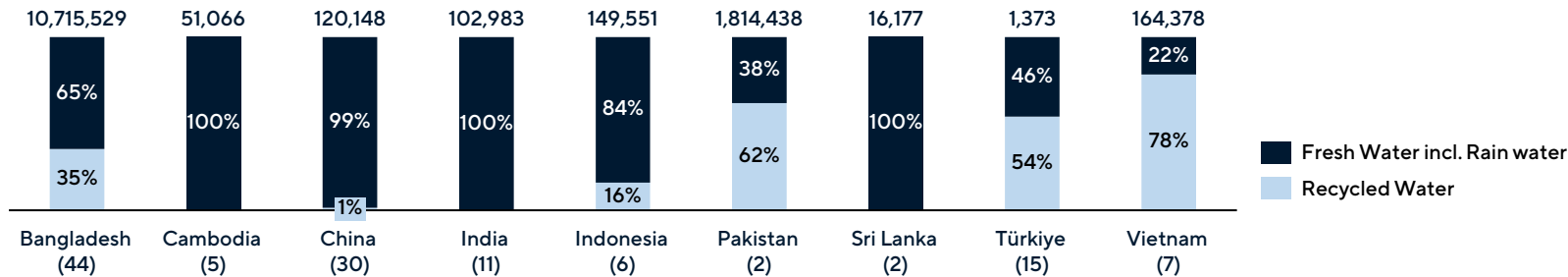
# WATER USE IN OUR SUPPLY CHAIN

## THE STATUS QUO.

In 2022, we collected our supplier's water consumption via the newly released BEPI 2.0 tool. The result is not limited to the production of our garments, rather shows the entire water consumption of our supplier's production facilities, which includes other brands as well. The water consumption is directly linked to the overall production volume.

So far, the BEPI 2.0 tool does not include a benchmarking function, which makes it hard to evaluate the data. Also, there are differences with respect to specific production steps like wet-processing or even the production of certain product groups. Especially the denim jeans production is well known as water intense. That's why we aim for 100% 'low impact' denims (EIM score) until 2025. By choosing less water intense treatments, dyeing processes and finishes like Ozone Wash, laser or Zero Water Blue, we can reduce the use of fresh water. Additionally, we plan to include KPIs like 'share of recycled water use' or 'water recycling plant in place' to our Supplier Score Card to ensure an improvement of freshwater use.

Overall water consumption in m<sup>3</sup> by sourcing country \*



\* Note: number of factories, which are included in the scope are in brackets. At the time of report publication, some factories were excluded due to questionable data entries.



# HOW WE ENSURE IMPROVEMENT

## 1 IDENTIFY HOTSPOTS.

We aim to identify environmental hotspots and mitigate the risks in our global supply chain through joint efforts with our suppliers.

## 2 HOW BEPI 2.0 HELPS.

In the new BEPI 2.0 tool, the focus is on the supplier-specific production processes to identify relevant EPAs to focus on.

## 3 COUNTER MEASURES.

Through this risk-based approach, our compliance officers can focus on the most significant environmental risks for each supplier and work with them to develop and implement the measures for improvement.

In the later part of Q4 2022, we launched the amfori BEPI 2.0 risk assessment (RA) to our tier 1 suppliers. Going into Q2 2023, we will use these risk assessments to invest in relevant mitigating, monitoring, and capacity-building services to improve the environmental performances in our global supply chains.

Moving forward in 2023, we are going to accelerate the implementation of Zero Discharge of Hazardous Chemicals (ZDHC) initiatives and platforms into our supply chain through the new collaboration agreement between amfori and ZDHC. Through this collaboration, our suppliers will adopt the ZDHC standards on restricted substances and wastewater guidelines as the single and harmonized approach to chemical management. We would also adopt the new amfori BEPI Code of Conduct (to be released in mid-2023) into our supply chain. With the signature of the new code, our suppliers commit to exercising environmental due diligence in running their operations.



# TRANSPARENT COMMUNICATION

WE CALL IT MINDSET.

**TRANSPAREN/SEA.** This is how we call this report. Because it's all about transparency. For us, it is not a question about **WHAT** to communicate. For us it is a question on **HOW** we communicate.

Do we always like the results which we report? **No.**

Do we do our best to show an improvement? **Yes.**

Is there still room for improvement? **For sure.**

And transparency is the first step. It is an enabler to make a sustainable impact. And with being transparent with all our stakeholders, we want to show that we take our responsibility seriously.

It is not a phrase when we say, that our **BE PART** strategy is the foundation we build our company strategy on. **BE PART** is our invitation to everyone – internally & externally, to join our sustainability journey and even more important to contribute to it. **BE PART** is not only a name. It is a shared mindset.





# WE DO WHAT WE SAY. WE SAY WHAT WE DO.

## AS TRANSPARENT AS POSSIBLE.

We believe that we all can learn from each other. Knowledge sharing and open discussions are mandatory for a continuous improvement.

And so, we participated in multiple events last year. Why? Simply to share our journey and to invite everyone to **BE PART** of more. But also, to get constructive feedback, to get inspired by others and most important to be as transparent as possible.

### COMMUNICATION CHANNELS



Instagram: 114k  
Facebook: 201k  
TikTok: 167k  
LinkedIn: 50k

### SPEAKING EVENTS



Panel discussions  
TW Sustainability Summit  
International Cotton Conference  
Denim Première Vision  
University Events

### BE PART CAMPAIGNS



1<sup>st</sup> MBRC the ocean campaign  
RUN4WATER  
The Good Dye  
Women's Day Tencel Campaign  
MBRC more (2<sup>nd</sup> campaign)  
TRANSPAREN/SEA  
REPREVE Our Ocean Campaign  
Portraits of Change

# 3. THE FRAME





# STRUCTURE

This report is Tom Tailor GmbH's (called **TOM TAILOR** in this report) Sustainability Report for the calendar year 2022, which has been published on April 11<sup>th</sup> 2023. Same reporting period applies for our financial reporting.

The report is written (on a voluntary base) in accordance with the Global Reporting Initiative (GRI) Standards 2021. This report has been run through a **limited external assurance**.

Our sustainability report will be available on an annual base and is covering all activities of all **TOM TAILOR subsidiaries**.

Tom Tailor GmbH is headquartered in Hamburg, Germany. The Company is part of the Fosun Group. Direct shareholders in Germany are Fosun Fashion Lifestyle GmbH (70,01%) and Shanghai Yujin GmbH (29,99%).

All subsidiaries in **TOM TAILORs** financial report are also included in its sustainability report.





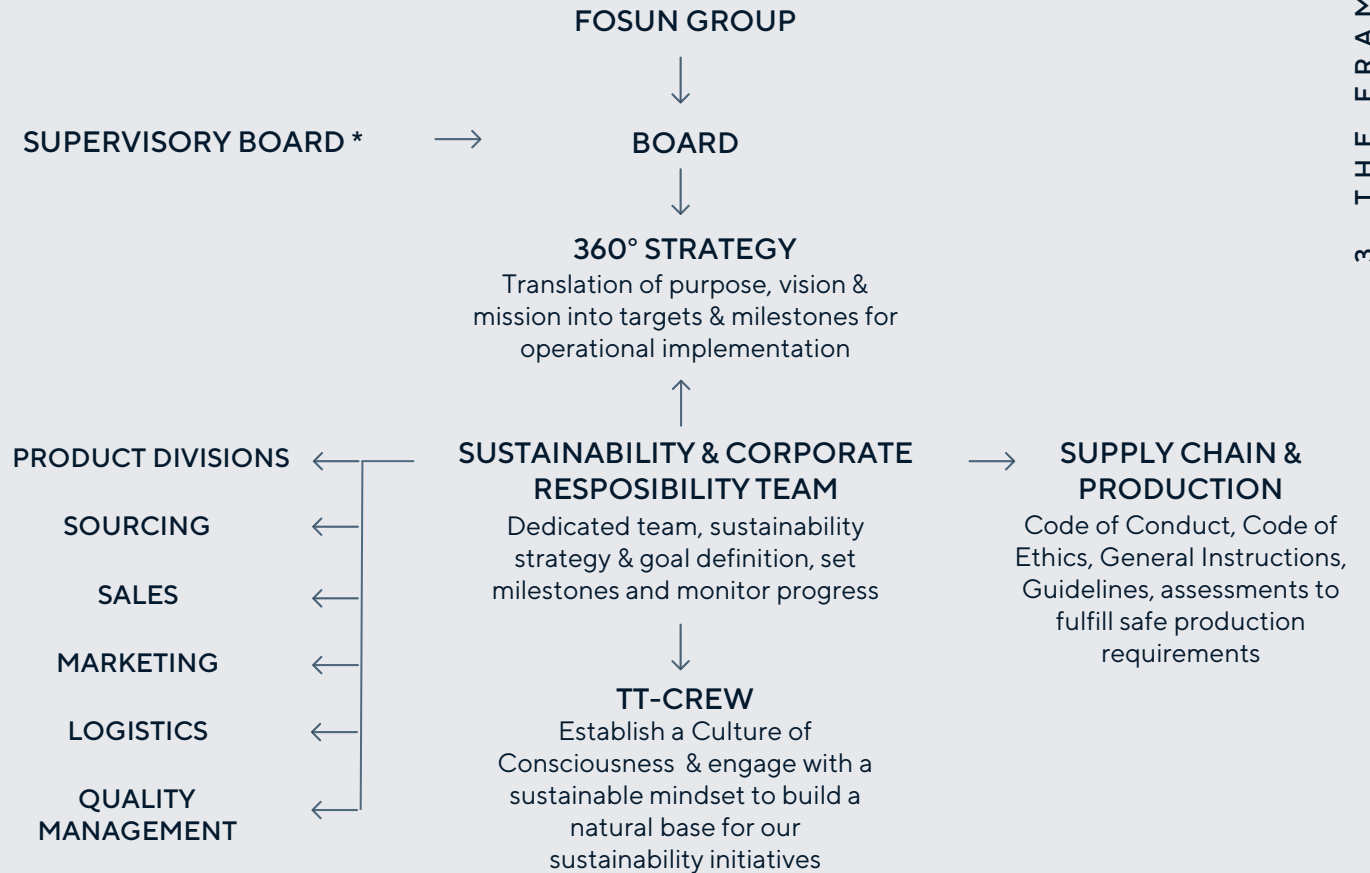
# FROM CORE TO FUNDAMENTAL

In 2022, we formed our **SUSTAINABILITY & CORPORATE RESPONSIBILITY** team. The basis was our **SUSTAINABILITY CORE TEAM**. The department has a direct reporting line to our CEO. The team includes experts for every focus area and is responsible to execute the holistic sustainability strategy **BE PART**.

Our board is involved in the decision-making process with respect to our **BE PART** strategy, target and high-level milestone definitions as well as achievement tracking.

The progress is also shared with the management team, the shareholder as well as the supervisory board on a regular basis.

As our sustainability goals are as important as other company goals, also roles beyond our Sustainability & Corporate Responsibility team like Buying, Category Management and Sourcing have sustainability goals in their individual targets (i.e. material targets).



\* Including workers representatives elected by the employees.

# OUR STAKEHOLDER MAP



## B2B & B2C CUSTOMERS

Open discussions & feedback are more than welcome. We include **BE PART** updates in every presentation & training for our B2B partners.

We reach our B2C customers via our communications channels (i.e. Social Media), our Newsletter and our POS touchpoints.

## EMPLOYEES

**#TTEAM.** We believe success only happens when you get there together. We encourage our crew to give open and honest feedback.

8-10 times per year we invite all employees to our townhall where business updates are shared, and open questions & feedbacks can be raised. Annually, we also do our anonymous 'Pulse Check'.

## SHAREHOLDER

We do have various platforms for a close exchange not only with our shareholder Fosun Group but also with the other portfolio companies. This allows best-practice sharing and creates business synergies.

## SUPPLIERS

Our suppliers are categorized in strategic, core and niche. There are different regular touchpoints with our suppliers (i.e. quarterly scorecard calls, annual supplier summit, regular visits in both directions).

## OTHER PARTNERS





Our financing partners play an important role in our value chain and we appreciate the open and trustful communication with them. In addition, we also team up with non-profit organizations who act for a good cause like MBRC @ the ocean.

# WE ARE STRONGER TOGETHER


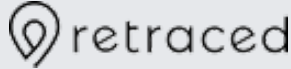
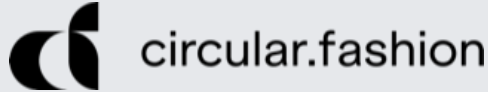
OUR PARTNERS AND MEMBERSHIPS.



**MBRC**  
THE OCEAN



United Nations  
Framework Convention on  
Climate Change  
Fashion Industry Charter for Climate Action



# MATERIALITY ASSESSMENT

In 2021, we set the goal to renew our **MATERIALITY ASSESSMENT** in 2022. Goal set – goal achieved.

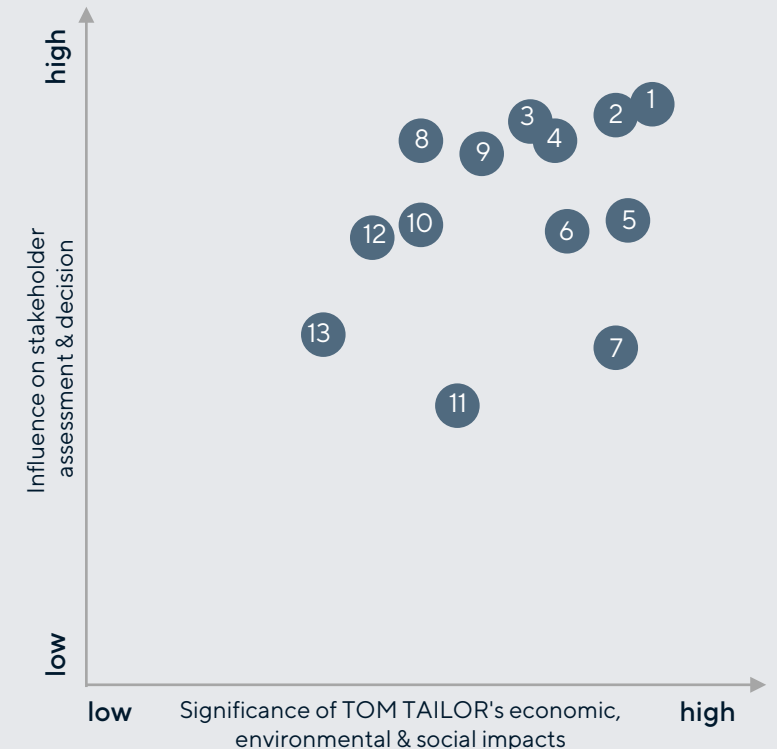
We developed a survey to make the sanity check whether our focus topics are still in line with the topics which concern our stakeholders the most.

The result compared to our first survey in 2020: a mixed picture. Some topics are still relevant, and some other topics are less or more important (e.g. Animal Welfare) than they have been before.

In total 325 participants completed the survey across our entire stakeholder map. Besides the results for our materiality analysis, we received a lot of constructive feedback and ideas, which was highly appreciated.

In addition, we did a voluntary ESG Rating with EcoVadis in 2022, to get an external verification and evaluation of our environmental, social and governmental activities.

- 1 Human Rights
- 2 Health, safety & well-being of employees
- 3 Water Management
- 4 Chemical Management
- 5 More sustainable & recycled products
- 6 Business Performance
- 7 Transparency
- 8 Plastic & Packaging
- 9 Gender Equality & Diversity
- 10 Carbon Footprint & Climate Action
- 11 Community Engagement & Cooperation
- 12 Wages in Supply Chain
- 13 Business Innovation



# OUR EXTERNAL POLICY FRAMEWORK

Our external policies build the framework - a foundation of a trustful, fair and reliable partnership. Everyone with whom we collaborate with, has to be committed to these guiding principles. We do not tolerate non-compliances.

## SUPPLIER CODE OF CONDUCT.

To become a **TOM TAILOR** supplier, a detailed onboarding process has to be fulfilled. Alongside other requirements, including social responsibility aspects. With the signature of the [amfori BSCI Code of Conduct](#), our suppliers commit to ensure safe & fair working conditions.

## SOCIAL COMPLIANCE MANUAL.

Our [Social Compliance Manual](#) gives additional references on how the amfori BSCI Code of Conduct can be implemented in our supply chain monitoring program, and what follow-up actions and approaches would be taken under different circumstances.

## GENERAL INSTRUCTIONS.

Our General Instructions give comprehensive and binding guidelines for our suppliers stating our procedures, requirements and standards.

## CHEMICAL MANAGEMENT HANDBOOK.

The [Chemical Management Handbook](#) aims to provide guidance for our business partners to develop their own chemical management processes and systems which helps to accomplish a more sustainable supply chain and compliance.

## CODE OF ETHICS (ANTI-BRIBERY).

We expect that our business partners share our values. Therefore, our [Code of Ethics](#) for business partners has been established to set out clear and consistent rules mandatory for all our business partners. Each business partner of **TOM TAILOR** should ensure that the code is understood and put into practice. We defined a [guideline](#) on how to report infringements against compliance.

## DATA PROTECTION GUIDING PRINCIPLES.

Data protection is taken very seriously and plays a central role in performing our tasks. It goes without saying for **TOM TAILOR** that the statutory regulations on data protection are observed and personal data is adequately protected.

## TAX POLICY.

Our tax principles in brief can be found [here](#).





# OUR INTERNAL POLICY FRAMEWORK

There are guidelines not only for our external partnerships but also for our internal togetherness. Everyone has the same rights and the way we act and behave should be in line with our values.

## COMPANY AGREEMENTS.

Together with our workers council we aim for equality and clear guidance for our employees. That's why we have 28 finalized company agreements in place. These cover among others the following topics: vacation, flexible working models, company bikes, business travels, bonus payments, retirement provision.

## ADDITIONAL AGREEMENTS.

For some topics we also agree on additional agreements. For example, we set up an agreement for our 'Office Dogs'.

## TT GUIDELINES.

For some topics there are further guidelines which the respective departments develop. We have the following guidelines:

- Contract Directive
- Data Protection Audit Concept Directive
- Guideline on Reporting of Infringements against Compliance
- Guideline on transfer pricing principles
- Data protection guiding principle
- Car Policy
- Money Laundering Directive

## COMPANY CODE OF CONDUCT.

Already last year we had the aim to develop a company Code of Conduct. One handbook which combines the external & internal world and the existing guidelines, which are already there. But we didn't make it. For a reason. Last year we spent a lot of time to redefine our purpose, vision and mission. And our values. Which are an important part of a holistic Code of Conduct. For 2023, we will reactivate our goal.

## VERIFICATION ACT.

As of August 1st, 2022, we have adjusted our employment contracts in accordance with the Verification Act. The Verification Act (NachwG) stipulates that the employer is legally obliged to provide the employee with written evidence of the essential contractual conditions in the employment contract between both parties (e.g. the agreed working hours, duration of the annual holiday, deadlines for terminating the employment relationship, a general reference to the company or service agreements that apply to the employment relationship). It therefore creates transparency for the employee on general conditions. The Verification Act aims to make it easier for the employee to prove the essential contractual agreements between him/her and the employer for the purpose of legal enforcement, especially if the employment relationship was concluded without a written employment contract.



# POLICY FRAMEWORK FOR MATERIALS & PRODUCTS

## MATERIAL GUIDELINE.

Our material guideline is primarily made for our product teams. To give a guidance. To help to classify materials from A-F. The guideline is based on research using the HIGG Materials Sustainability Index (MSI) and the Made-By Environmental Benchmark for Fibers. If our materials want to pass their 'more sustainable degree' they need to be somewhere between A and C.

## BE PART HANGTAG & PRINT GUIDELINE.

The communication of sustainability attributes carries a risk. Greenwashing. At the same time, a general checklist which defines, when we – the fashion industry - are allowed to call a product 'sustainable' does not exist. We defined a guideline for our product teams. A guideline which includes the requirements by certification standard and the hangtag / print which is allowed to be used if all requirements are fulfilled. Every material which is added to the material guideline, will also be added to our **BE PART** hangtag / print guideline.

## STANDARD OPERATION PROCEDURES.

Every SOP contains detailed information about:

- Material background information: fibre key facts
- General requirements: e.g. minimum content, blending requirements, who in the supply chain has to be certified
- Required certifications & documents: Scope certificates, Transaction certificates, product licenses etc.
- Roles & responsibilities: to ensure a smooth tracking process (involved roles/departments: sourcing offices, buying, sustainability)
- Labelling according to **BE PART** hangtag guideline

## CARE GUIDE.

Different materials do need different treatments. We know it and it is our responsibility to share this information with our customers. With our **KEEP FOREVER GUIDE** we give helpful tips to our customers, how to treat their beloved clothes right. For a higher product durability. For less environmental impact.

## IN THE MAKING.

- **Sustainable treatment & dyeing guideline:** to give the same guidance to our product team as we already do with our materials
- **Circularity guideline:** we have reached the next level. There is a difference between sustainability and circularity. We aim to develop a circularity guideline for our product teams which should also include a checklist like 'how to design for circularity' - stay tuned.





# GRI CONTENT INDEX

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable Sector Standards

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION		
				REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	72		Omission is not allowed		
	2-2 Entities included in the organization's sustainability reporting	72				
	2-3 Reporting period, frequency and contact point	72				
	2-4 Restatements of information	76				
	2-5 External assurance	72, 76				
	2-6 Activities, value chain and other business relationships	6-7, 23, 72-75				
	2-7 Employees	12-13				
	2-8 Workers who are not employees	13				
	2-9 Governance structure and composition	22, 72-73				
	2-10 Nomination and selection of the highest governance body	22, 72-73				
	2-11 Chair of the highest governance body	72-74				
	2-12 Role of the highest governance body in overseeing the management of impacts	72-74				
	2-13 Delegation of responsibility for managing impacts	73				
	2-14 Role of the highest governance body in sustainability reporting	73				
	2-15 Conflicts of interest	-			Information unavailable/incomplete	Information has not been collected in this reporting period
	2-16 Communication of critical concerns	-			Information unavailable/incomplete	Information has not been collected in this reporting period





# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	73			
	2-18 Evaluation of the performance of the highest governance body	73			
	2-19 Remuneration policies	-		Information unavailable/incomplete	Information has not been collected in this reporting period
	2-20 Process to determine remuneration	-		Information unavailable/incomplete	Information has not been collected in this reporting period
	2-21 Annual total compensation ratio	22			
	2-22 Statement on sustainable development strategy	4-5			
	2-23 Policy commitments	75-79			
	2-24 Embedding policy commitments	20,26, 27-29, 41, 53, 75, 78, 79			
	2-25 Processes to remediate negative impacts	11, 18, 22-23, 25-39, 48-49, 65-68			
	2-26 Mechanisms for seeking advice and raising concerns	21, 78			
	2-27 Compliance with laws and regulations	-		Not applicable	No negative compliances with law and regulations
	2-28 Membership associations	75			
	2-29 Approach to stakeholder engagement	11, 20, 24, 74, 76			
	2-30 Collective bargaining agreements	-		Not applicable	No collective bargaining agreements



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
<b>Material topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	76		<i>Omission is not allowed</i>	
	3-2 List of material topics	76			
<b>Human Rights</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
TT 1: Human Rights	1-1 Fair & Equal Working Conditions in our Supply Chain	21			
	1-2 Supplier Scorecard Framework and Results	24, 27-38			
<b>Health, Safety &amp; Well-Being of employees</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	18			
	403-2 Hazard identification, risk assessment, and incident investigation	18			
	403-3 Occupational health services	15-19, 74			
	403-4 Worker participation, consultation, and communication on occupational health and safety	15-18, 74, 76			
	403-5 Worker training on occupational health and safety	18-19			
	403-6 Promotion of worker health	15-19, 74			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	15-19, 74			
	403-8 Workers covered by an occupational health and safety management system	18			
	403-9 Work-related injuries	18			



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
Health, Safety & Well-Being of employees					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	19			
	404-2 Programs for upgrading employee skills and transition assistance	14-19			
	404-3 Percentage of employees receiving regular performance and career development reviews	19			
Water Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	67			
	303-5 Water consumption	67			
Chemical Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
TT 2: Chemical Management	TT 2-1: Restricted Substances and Compliance	52, 65-68			
	TT 2-2: Future Actions related to Chemical Management	52, 68			
More sustainable & recycled products					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	43,44			
	301-2 Recycled input materials used	43,44, 56			
	301-3 Reclaimed products and their packaging materials	64			



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
More sustainable & recycled products					
TT 3: Animal Welfare	TT3-1 Product Animal Welfare	47			
TT 4: Product Certification	TT4-1 Overview Product Certifications	48,49			
TT 5: New Sustainability Innovations	TT5-1 New Sustainable Product Design	45, 46, 51			
	TT5-2 New Sustainable Product Innovations	51, 53-55, 56			
Business Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6, 43			
GRI 401: Employment 2016	401-1 New employees hires and employee turnover	13			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11, 14-19			
Transparency					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	23			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental data	27-29, 65-66			
	308-2 Negative environmental impacts in the supply chain and actions	27-38, 65-66,			



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
<b>Transparency</b>					
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers that were screened using social criteria	27-29			
	414-2 Negative social impacts in the supply chain and actions taken	27-39			
TT 6: Transparency in the Supply Chain	TT 6-1 Transparency Actions in our Supply Chain	23- 41			
<b>Plastic &amp; Packaging</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	63, 64			
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	63, 64			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	63, 64			
	306-2 Management of significant waste-related impacts	63, 64			
<b>Gender Equality &amp; Diversity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	22			
	405-2 Ratio of basic salary and remuneration of women to men	22, 26			



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
<b>Carbon Footprint &amp; Climate Action</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58-62			
	302-2 Energy consumption outside the organization	58-62			
	302-3 Energy intensity	58-62			
	302-4 Reduction of energy consumption	58-62			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60			
	305-2 Energy indirect (Scope 2) GHG emissions	60			
	305-3 Other indirect (Scope 3) emissions	61			
	305-4 GHG emissions intensity	58-62			
	305-5 Reduction of GHG emissions	58-62			
<b>Community Engagement &amp; Cooperation</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	11, 20			
	413-2 Operations with significant actual and potential negative impacts on local communities	28 - 39			



# GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN REPORT	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
<b>Wages in Supply Chain</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk	23 - 39			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	23 - 39			
GRI 309: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk of forced or compulsory labor	23 - 39			
TT 7: Living Wages in our Supply Chain	TT7-1 Overview of the Living Wages paid by our Suppliers	25-26, 28-38			
<b>Business Innovation</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for products and service information and labeling	43-51, 69, 70, 79			
TT 5: New Sustainability Innovations	TT5-3 New Sustainability Initiatives implemented	41-42, 53-56			

**We appreciate your feedback,  
questions and thoughts.**

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