

**SUSTAINABILITY.
IT'S ON US.**

Marc O'Polo

EST. IN STOCKHOLM

A WORD FROM OUR CEO

GRI 2-22

Dear readers,

I am very pleased to present our new sustainability report to you. Marc O'Polo was founded in 1967 with the idea of using primarily natural materials. Today, we are broadening our perspective and focusing on sustainability. Our vision is to become the leading sustainable casual lifestyle brand in the global premium segment. Accordingly, we see it as our duty to regularly document and publish our engagement and progress. In order to increase comparability and transparency for you, we have compiled this report in accordance with the globally recognised reporting standards of the Global Reporting Initiative (GRI). For this reason, we have carried out a comprehensive materiality analysis for the first time this year, which will form the basis for the further development of our sustainability strategy and reporting in the future.

We are still operating in a very challenging market environment. The impact of the invasion of Ukraine and the associated energy crisis and high inflation has had a significant impact on consumer confidence, thus affecting our industry and business. Our record growth has slowed somewhat.

I am very proud that, with our unique 'IT'S ON US' spirit, we have nevertheless succeeded in pushing our sustainability activities forward and working hard on our goals. During the reporting period, we were able to further increase the proportion of our sustainable and certified products. In the Fair Wear Foundation's Brand Performance Check, we once again received a 'Good' rating and were able to improve our score. We also defended our second place as a top employer in the highly regarded Working in Fashion study. Furthermore, we made additional progress environmentally. In this report we are publishing our greenhouse gas emissions accounting for the first time, along with other important milestones achieved in the implementation of our Environmental and Chemicals Management Programme. An additional focus will continue to be on transparency in our supply chain. Thanks to our 'fashion as a service' test and our new partnership with circular.fashion to design and validate recyclable products we have gained initial insights into circularity, which is an important topic for the future, and have taken our first steps.

I would like to thank our highly motivated employees who work tirelessly to achieve our sustainability goals. Your dedication and passion are the driving forces behind our progress. I would also like to thank our customers and suppliers, and all partners who support us on our journey and inspire us to achieve even more.

I cordially invite you to read this report carefully and follow our progress. Your suggestions and questions are important to us because we believe that together, we can achieve more. IT'S ON US.


Yours sincerely,
Maximilian Böck



MAXIMILIAN BÖCK
CEO MARC O'POLO SE

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1 COMPANY



Marc O'Polo has a long history to its name. Founded in 1967 as a small company in Stockholm, Marc O'Polo is now based in Germany and active in over 40 countries. We are a leading premium modern casual brand and have extremely high standards for the quality of our products, from the materials and design to their construction.

1.1 MANAGEMENT & CORPORATE STRUCTURE

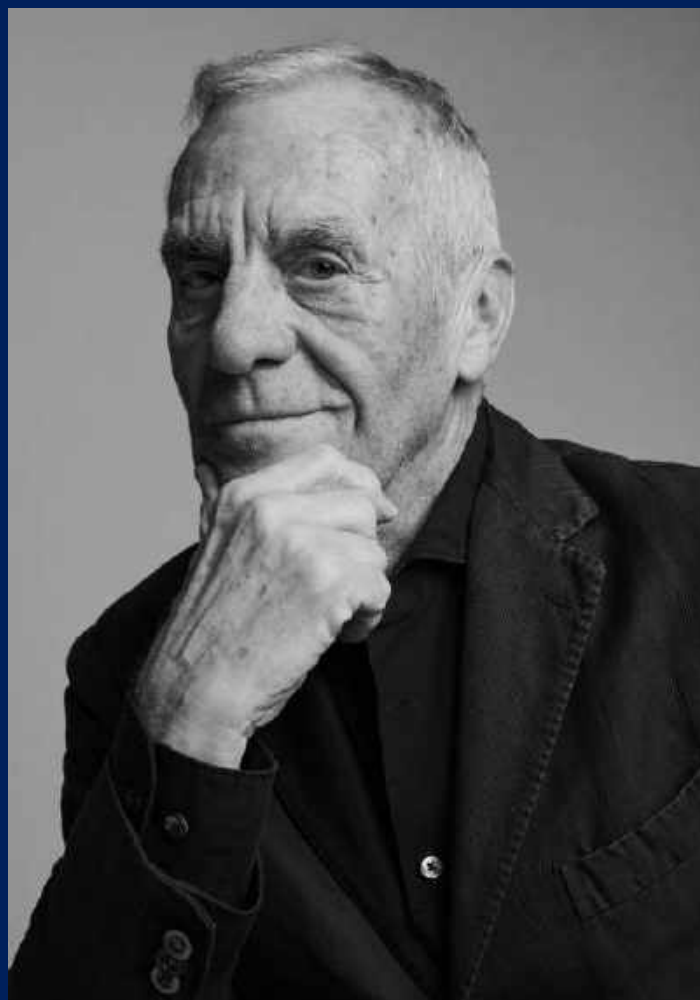
GRI 2-1, 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 405-1

Marc O'Polo is an international fashion company present in over 40 countries and is headquartered in Stephanskirchen, Germany. To facilitate strategic growth and continue expanding internationally, the legal form has been internationalised and changed from Marc O'Polo AG to the current Marc O'Polo SE. The entire business of the casual lifestyle brand is concentrated under the umbrella company Marc O'Polo SE (see graphic 'Our corporate structure'). This will not result in any changes for the subsidiaries, which will retain their respective legal forms.

The top-level controlling body of Marc O'Polo SE is the Supervisory Board, chaired by majority shareholder Werner Böck. As an owner-run family business, the company's Supervisory Board also comprises other representatives of the owner family. The members of the Supervisory Board include :

- Werner Böck (businessman, Stephanskirchen, member since 2012), Chairman
- Helmut Werner Fuchs (advanced-degree-holding businessman/auditor/tax adviser, Vaihingen, member since 2009), Deputy Chairman
- Elfriede Böck (businesswoman, Stephanskirchen, member since 2012)
- Peter Eberle (businessman, Grünwald, member since 2020)
- Dieter Holzer (businessman, Ravensburg, member since 2021)
- Dr Benjamin Strehl (advanced-degree-holding businessman, Kornwestheim, member since 2018)

The Supervisory Board convened at four ordinary meetings in the 2022/2023 financial year. All Supervisory Board members attended the meetings during their respective terms of office, as did all members of the Executive Board. The topics of the meetings included the development of the company as well as strategic issues discussed by the Executive Board and the Supervisory Board. Once a year, fundamental sustainability topics were also discussed depending on the agenda.



WERNER BÖCK
CHAIRMAN OF THE SUPERVISORY BOARD

¹ THE AGE DISTRIBUTION OF THE SUPERVISORY BOARD MEMBERS IS AS FOLLOWS: AT THE END OF THE REPORTING PERIOD, FIVE MEMBERS WERE AGED OVER 50 AND ONE WAS AGED BETWEEN 30 AND 50.

The Executive Board manages the business of Marc O'Polo SE, consisting of four members. It has been led by Maximilian Böck as Chief Executive Officer since June 2021.

The members of the Executive Board are remunerated based on the Marc O'Polo SE remuneration system in accordance with their duties and responsibilities.

Sustainability targets are also incorporated into this remuneration. To enhance their knowledge and expertise in their roles and in sustainability-related and regulatory matters, Marc O'Polo provides training sessions conducted by external experts to the Executive Board members. Other members of the Executive Board during the reporting period were:



MAXIMILIAN BÖCK
CEO – STRATEGY, SALES & RETAIL



SUSANNE SCHWENGER
CPO – DESIGN, PRODUCTION,
MARKETING & LICENCES



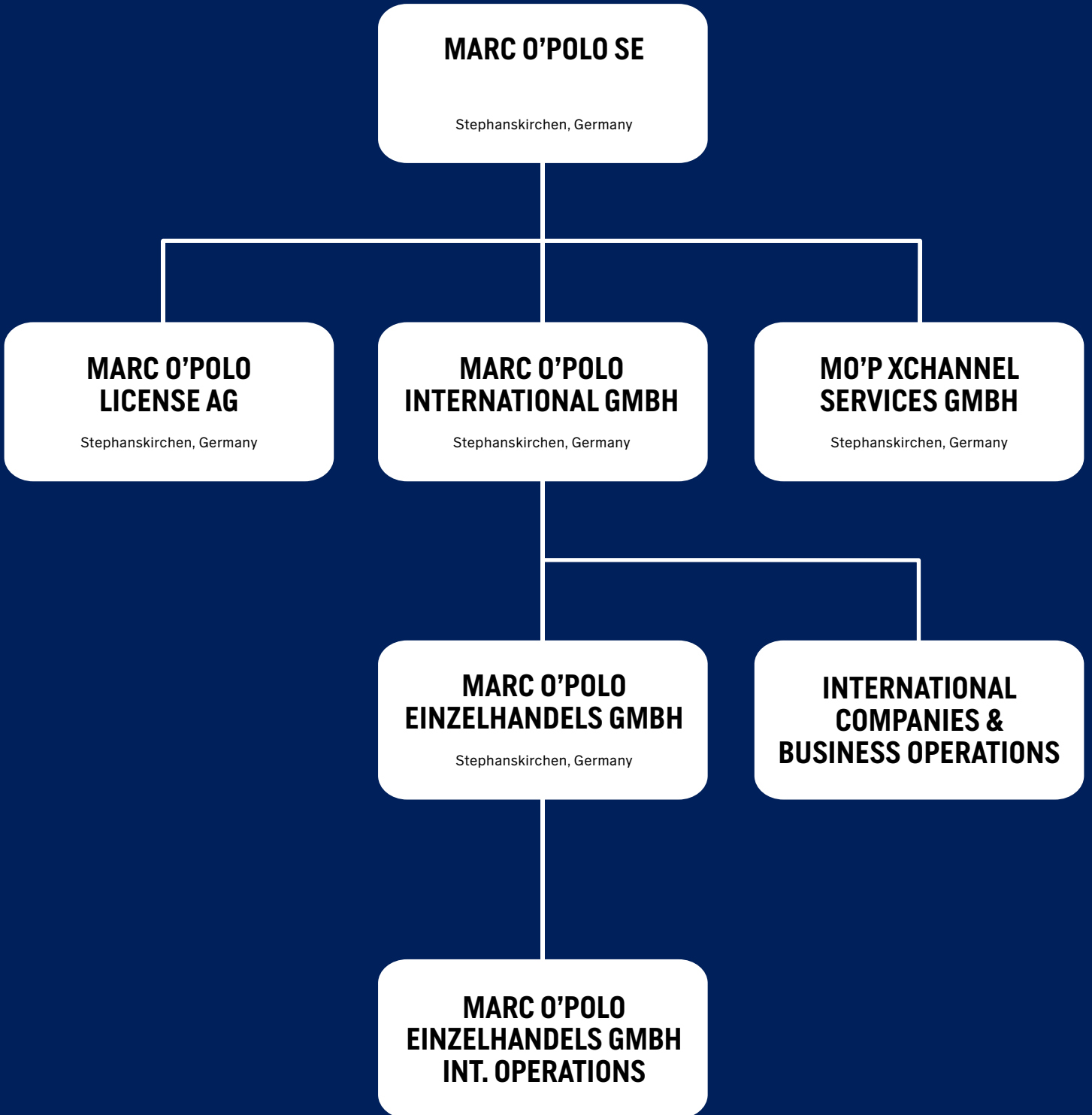
MARKUS STAUDE-SKOWRONEK
CFO/CHRO – FINANCE,
CONTROLLING, HUMAN
RESOURCES & ADMINISTRATION



DR. PATRIC SPETHMANN
COO – DIGITAL INTELLIGENCE,
IT & LOGISTICS

OUR COMPANY STRUCTURE

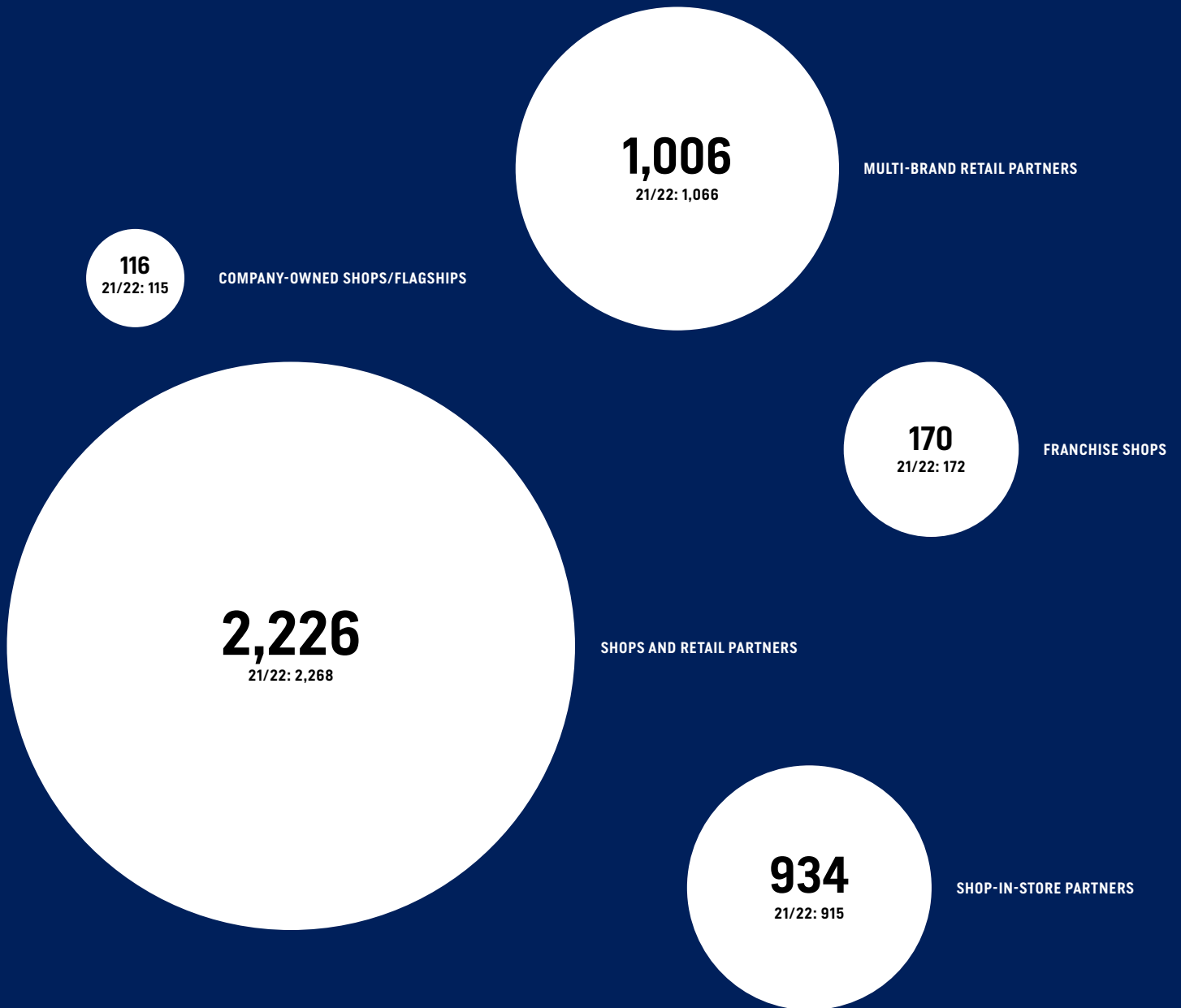
GRI 2-2



1.2 DATA & FACTS

GRI 2-6

During the reporting period, we supplied more than 2,000 stores and retail partners nationally and internationally from our headquarters (HQ). Marc O'Polo products are available in stores and online in 45 countries (20/21: 37; 21/22: 41).



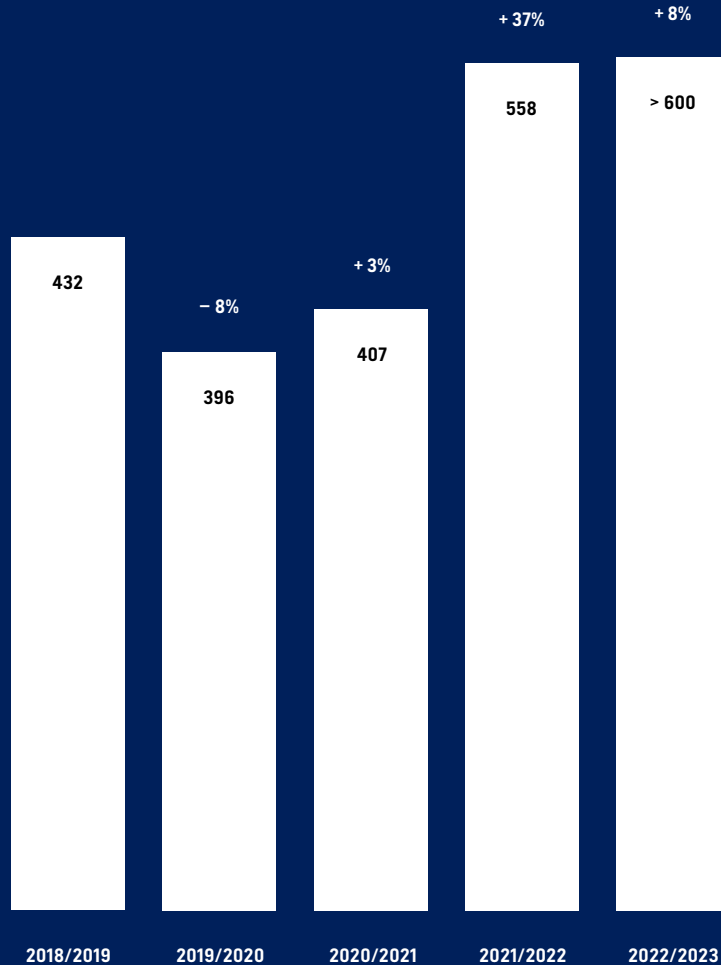
REVENUE

GRI 201-1

Despite the persistently difficult and uncertain market situation, the Marc O'Polo Group is growing by 7.5 per cent and generating net sales of more than €600 million in the 2022/23 financial year (1 June 2022 to 31 May 2023). The financial year was influenced by the effects of the invasion of Ukraine and consumer restraint due to high inflation, high production costs and continued large strategic investments in the new House of Product office building and in the introduction of a company-wide integrated ERP system landscape.

The company is making good progress in its strategic target areas. For example, Marc O'Polo increased its sales by 10 per cent year on year with the young Marc O'Polo DENIM (MOPD) line. The company can increase sales of casual menswear by 19 per cent. The total share when combined with womenswear is now 36 per cent. Marc O'Polo also recorded an increase in sales in the Shoes and Accessories divisions, with sales up 17 per cent and 18 per cent respectively.

NET SALES* IN € MILLION



* STARTING IN THIS REPORTING PERIOD, THE FIGURES PRESENTED WILL BE SWITCHED FROM BRAND SALES TO THE NET SALES OF THE MARC O'POLO GROUP. THE FIGURES FOR PREVIOUS YEARS HAVE BEEN ADJUSTED IN LINE WITH THE NEW PRESENTATION METHOD.

1.3 CURRENT CHALLENGES & FOCUS

As a German textile company with a global supply chain, we encounter a variety of challenges – whether increasing regulatory requirements, technological change, growing competition or evolving consumer needs. In the 2022/23 financial year, we faced the major challenges posed by the ongoing conflict in Ukraine, which is having a significant impact on consumer confidence and the supply chain.

However, thanks to its future-oriented structure, Marc O’Polo is confident about what lies ahead. We are pursuing our corporate strategy, which is bolstered by 17 strategic initiatives for product success, internationalisation, new end customers, digital business and a scalable organisation. They are intended to be the driving force for Marc O’Polo’s largest areas of activity and growth opportunities. The Sustainability Corporate, Sustainability Product and Sourcing and the MO’P Lab (innovation platform) initiatives are focused exclusively on our progress on sustainability. To ensure the successful implementation of this strategy, monthly reports are submitted to the Executive Board.



2 MISSION & STRATEGY



We take a comprehensive approach to sustainability and understand that our commercial success is closely linked to environmental and social criteria. Our social and environmental responsibility is therefore firmly anchored in our corporate culture and determines our actions – today and in the future.

2.1 OUR DEFINITION OF SUSTAINABILITY

What makes a product sustainable? How can we set up production processes that respect our planet's limits? And how will we consume fashion in the future?

At Marc O'Polo, we constantly broach the difficult questions faced by our industry and critically examine our own actions because both the challenges and the opportunities associated with sustainability are expanding all the time. For instance, climate change is progressing quickly. At the same time, new ideas are constantly being developed and innovative organisations established to tackle today's challenges.

With this in mind, we believe it is essential to deepen our understanding of sustainability each year and align it with the latest major developments.

Nevertheless, this year is a special milestone for us, as our current strategy (01 JOURNEY – 10 PATHWAYS) will expire at the end of 2023 and we are already working hard to further develop our sustainability strategy. For us, this means, firstly, that we are focusing strongly on achieving our set goals and, secondly, that we are starting to draw general conclusions in order to learn as much as possible from the past three years.

Looking back, it quickly becomes clear that the complexity of the challenges is constantly increasing and the urgency of our action can be pinpointed more and more clearly. We are aided primarily by dedicated data collection and the growing knowledge of an industry that is getting to know itself better and better, both environmentally and socially. In order to bring this growing knowledge into our direct ecosystem and navigate the increasing complexity, we have learned that effective knowledge transfer, both internally and externally, will form the foundation for the current decade. First and foremost, we want to take our customers with us on our journey to becoming a more sustainable brand.

With the fashion industry undergoing a fundamental transformation, we believe that we as a company have a responsibility not just to foster these changes but to actively help shape them. That is why we see sustainability as an ongoing journey at Marc O'Polo. It is a holistic journey that teaches us something new every year.

Our aim is to help shape a future in which sustainability is a given. This is why we have formulated our mission statement.

2.1.1 OUR MISSION STATEMENT

**ON A JOURNEY TO
MAKE SUSTAINABILITY
THE NEW NORMAL**

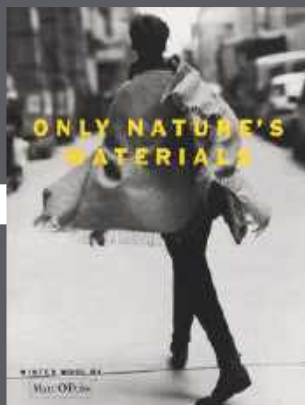
2.1.2 OUR VISION

**MARC O'POLO WILL BECOME
THE LEADING MODERN
CASUAL AND SUSTAINABLE
LIFESTYLE BRAND IN
THE GLOBAL PREMIUM
SEGMENT DELIVERING HIGH
QUALITY AND INNOVATIVE
PRODUCTS**

2.1.3 OUR JOURNEY SINCE 1967



1967: ESTABLISHED WITH THE APPROACH OF PRIMARILY USING NATURAL MATERIALS.



1970S: 'ONLY NATURE'S MATERIALS' CAMPAIGN.



1970S: BRAND PHILOSOPHY: FOLLOW YOUR NATURE.



1980S: LAUNCH OF THE RAW COLLECTION.



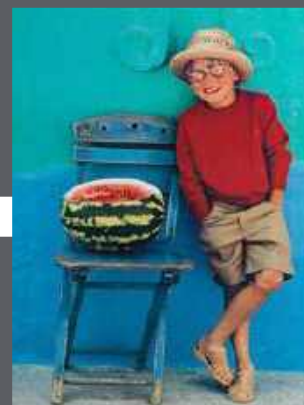
2016: RECYCLED FIBRES USED FOR THE FIRST TIME.



2009: SUSTAINABILITY REPORT PUBLISHED FOR THE FIRST TIME. MEMBERSHIP OF AMFORI BSCI.



2005-2006: NO-FUR POLICY INTRODUCED. ORGANIC COTTON USED FOR THE FIRST TIME.



1980S: 'NO FUTURE WITHOUT NATURE' CAMPAIGN.



2020: RWS, GOTS AND OCS CERTIFICATION. JOINED LWG. PARTNERSHIP WITH THE FWF.



2021 - 2022 FRIEND OF THE ZDHC, PARTNER OF THE GOOD CASHMERE STANDARD® OF THE AID BY TRADE FOUNDATION, HIGG INDEX IN USE, RDS, RMS AND RCS CERTIFICATIONS.



2022 - 2023 PARTNERSHIP WITH CIRCULAR.FASHION AND DEVELOPMENT OF THE FIRST DESIGNED FOR CIRCULARITY PRODUCTS.

‘FROM THE VERY BEGINNING OF THIS JOURNEY, IT WAS IMPORTANT THAT WE LOOK AT SUSTAINABILITY FROM A HOLISTIC PERSPECTIVE AND ANCHOR IT DEEP INTO OUR BRAND VISION. WE HOLD ON TO THIS VISION AND STRIVE TO BECOME THE LEADING SUSTAINABLE LIFESTYLE BRAND.’



MAXIMILIAN BÖCK
CEO

2.2 OUR APPROACH TO SUSTAINABILITY

2.2.1 SUSTAINABLE BUSINESS

GRI 2-23, 2-26, 3-3 (205, 418), 415-1, 418-1

We need to succeed financially in order to hold our own against our competitors over the long term. We strive to combine economically sensible operations with environmentally and socially compatible behaviour.

RISK MANAGEMENT

For us, the principles of good corporate governance also include responsible management of business risks. Marc O'Polo SE thus relies on a risk management system as a basis for targeted analysis and qualitative assessment of internal and external risks. Marc O'Polo works with detailed reporting to identify and respond to risks as early as possible. We have also carried out environmental and human rights risk analyses (see subsection '2.4.1 Risk Analyses' [\[7\]](#)).

WHISTLE-BLOWER SYSTEM

During the reporting period, Marc O'Polo also made the decision to establish a Web-based internal whistle-blower system. By doing so, we are implementing the German Whistle-Blower Protection Act, which entered into force on 2 July 2023. All employees at Marc O'Polo as well as our business partners and customers therefore have the opportunity to report violations of the law, the Code of Conduct or guidelines completely anonymously. The person currently responsible for overseeing the whistle-blower system is our data protection officer.

CODE OF CONDUCT

Our Code of Conduct (Business Partner Code of Conduct for Non-Retail Products) provides, amongst other things, essential obligations, guidelines and values in the aforementioned sense for the legally compliant conduct of our company. We expect our employees as well as our partner companies to comply with the code. The principles listed are essentially based on the core conventions of the International Labour Organization (ILO) and the United Nations Universal Declaration of Human Rights. They include a ban on child and forced labour, compliance with anti-corruption laws and the realisation of environmental responsibility and protection. The content of the Business Partner Code of Conduct for Non-Retail Products was prepared and made available to employees as part of an e-learning course. Further information on our other guidelines for the supply chain can be found in subsection 3.3 Our Supply Chain Responsibility [\[7\]](#).

LOBBYING, DONATIONS AND DATA PROTECTION

We do not engage in lobbying or donate to political causes. A data protection officer oversees the confidential handling of customers', suppliers' and employees' data. During the reporting period, there were no substantiated complaints concerning breaches or loss of customer data. Further information on data protection can be found here [\[7\]](#).

SUSTAINABLE PROJECT AND DATA MANAGEMENT

In addition, we employ a project management system that evaluates internal projects from all areas based on sustainability criteria and prioritises them accordingly. The aim is to create a project landscape in which a certain basic standard is upheld, while also giving employees the opportunity to optimise their projects in relation to sustainability. The evaluation framework is based on ESG criteria.

We also use the Higg Brand and Retail Module (BRM) to gain a comprehensive picture of our company's maturity in relation to environmental, social and governance (ESG) performance across the entire value chain. Data is collected annually and pertains to the previous calendar year. By using BRM, we are able to identify potential improvements, track progress and compare our performance year by year with other companies in the industry.

2.2.2 ORGANISATION AND STRUCTURES

GRI 2-12, 2-13

We pursue an integrated approach which allows us to holistically manage sustainability as well as properly respond to the many relevant questions. We also rely on the input of multiple strategic and operational employees in different departments. Corporate responsibility and sustainable behaviour are top priorities at Marc O'Polo. An integrated approach offers us the benefit of being able to further develop the strategy and activities consistently throughout the company.

The Corporate Sustainability team is part of a unit that reports directly to the CEO, thus ensuring the strategic relevance of sustainability issues. The Sustainable Sourcing team, which is responsible for supply chain and product credentials, forms part of the Procurement/Production department and reports to the CPO (Chief Product Officer). This also ensures close contact with the relevant areas responsible for our core business – the product.

Meanwhile, the Sustainable Materials & Innovation division focuses on the future and helps us to take the next steps on our journey to sustainability by researching and predeveloping new material and product concepts.

The representatives of these three departments form the Sustainability Core team, which meets every two weeks. The Core team and all the representatives of other departments relevant for sustainability get together every eight weeks to share information. This interdisciplinary exchange is essential to implementing our activities consistently and comprehensively, and allows us to ensure group-wide integration of sustainability into our core business over the long term.

Monthly reports are submitted to the Executive Board in order to ensure the successful implementation of the sustainability strategy, initiatives and projects. New or urgent topics, projects or measures are presented to the Executive Board by the respective heads of area, discussed with them and approved by them. In addition, the Executive Board examines and approves the sustainability report.

2.3 OUR SUSTAINABILITY STRATEGY

During the 2020/2021 financial year, we consolidated our long-term sustainability activities and developed a holistic strategy. Through the strategy process, we identified our most important topics by comparing our core values with the social and environmental challenges of the clothing and textile industry as well as with the expectations of our stakeholders. In 2020, we engaged the following stakeholders: customers, business partners, employees, and our Executive Board. Most of the measures set out in the strategy are aimed at 2023. For this reason, we have already carried out a comprehensive materiality analysis during the reporting period for the upcoming further development of our strategy (see subsection '2.3.2 Our Material Topics' [\[↗\]](#)).

01
JOURNEY

10
PATHWAYS

‘IN THE PAST YEARS, WE AS A BRAND HAVE LEARNED A LOT. WE LEARNED THAT SETTING AMBITIOUS GOALS IN SUSTAINABILITY IS IMPORTANT TO DRIVE REAL CHANGE. THE PROGRESS FROM A PRODUCT PERSPECTIVE HAS BEEN TREMENDOUS. NOW WE ASK OURSELVES WHAT’S NEXT.’



SUSANNE SCHWENGER
CPO

2.3.1 01 JOURNEY – 10 PATHWAYS

In our sustainability strategy '01 Journey – 10 Pathways' from 2020/2021, each pathway reflects its own aspect of sustainability. As mentioned, we are currently working on further developing our overarching sustainability strategy, which we will communicate in detail in the next report. This will be based on the materiality analysis and be aimed for the year 2030.

01



SUSTAINABLE PRODUCTS

06



CLIMATE PERFORMANCE

02



SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

07



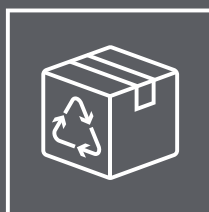
TRANSPORT & LOGISTICS

03



ENVIRONMENT

08



PACKAGING

04



SUPPLY CHAIN TRACEABILITY

09



ENERGY

05



STAKEHOLDER ENGAGEMENT

10



PEOPLE EMPOWERMENT

‘IT IS IMPORTANT THAT WE LAY THE FOUNDATION RIGHT NOW FOR AN ECONOMY THAT WILL UNDERGO UNPRECEDENTED, SYSTEMIC TRANSFORMATION IN THE NEXT DECADE.’



JULIAN AISSLINGER
HEAD OF SUSTAINABILITY, INNOVATION
AND RESPONSIBLE COMMUNICATION

01 SUSTAINABLE PRODUCTS

Naturalness has always formed the core of our brand. We continue to maintain a years-long tradition of using natural materials and are also offering more and more certified products with sustainable materials, such as organic cotton or ethically produced wool. At the same time, we are always on the lookout for material innovations that complement our sustainable philosophy.



WHERE WE ARE NOW

- 92 per cent* of the production volume for the autumn/winter 2022 collection and 91 per cent* of the spring/summer 2023 collection is sustainable according to our definition**
- Steadily growing range of certified products (GOTS, OCS, RWS, RMS, RCS and RDS) (2.4.2 [7])

2023 AIMS

- We want to ensure that all products in our Marc O'Polo and Marc O'Polo DENIM ranges fulfil our stringent sustainability requirements by 2023

02 SOCIAL RESPONSIBILITY & HUMAN RIGHTS

As part of the fashion industry, we see it as our responsibility to play an active role in promoting fair working conditions within our supply chain in conjunction with partner organisations.



WHERE WE ARE NOW

- Member of amfori BSCI since 2009
- Member of the Fair Wear Foundation since September 2020
- Another 'Good' rating in the Brand Performance Check for the 2021/22 financial year
- Developed a declaration of principles for respecting human rights
- FWF complaints mechanism introduced in the supply chain

2023 AIMS

- Maintain the 'GOOD' rating in the Fair Wear Foundation Brand Performance Check

* DATA BASIS: FINANCIAL YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH, INCLUDING VOLUMES AT MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG

**MARC O'POLO DESCRIBES AND LABELS PRODUCTS AS SUSTAINABLE IF AT LEAST 80% OF THE ESSENTIAL COMPONENTS (OUTER MATERIAL, FILLING MATERIAL AND LINING) OF APPARELS, THE ESSENTIAL COMPONENTS (OUTER MATERIAL, FILLING MATERIAL) OF HOME TEXTILES, AT LEAST ONE OF THE ESSENTIAL COMPONENTS (UPPER MATERIAL, LINING, SOLE) OF FOOTWEAR AND THE ESSENTIAL COMPONENTS (MAIN MATERIAL AND LINING) OF ACCESSORIES (BAGS, SMALL LEATHER GOODS) CONSIST OF MORE SUSTAINABLE MATERIALS.

03 ENVIRONMENT

We believe in the need for systemic change in the industry. For this reason, we focus on reducing its impact on the environment and making processes sustainable in conjunction with our partner organisations.



WHERE WE ARE NOW

- Marc O'Polo is a Signatory Friend of ZDHC brand
- Implementation of our Environment and Chemicals Management Programme (EMP), incl. ZDHC Manufacturer's Restricted Substances List (MRSL)
- Measuring the environmental performance of all our strategic tier 1 [↗] (manufacturers, vertical suppliers, linking companies) suppliers with the help of the Higg Facility Environmental Module (FEM)
- Measuring the environmental performance of our strategic tier 2 [↗] (laundries, dye shops, printers, embroiderers) suppliers with the help of the Higg FEM
- 98 per cent* of the jeans we sell meet our CLEANEST JEANS PROJECT (OCJP) requirements and have a low-impact wash
- 100 per cent of the leather used for our products in the spring/summer 2023 collection comes from Leather Working Group (LWG)-certified tanneries (see subsection 3.4.1 [↗] and 4.2.3 [↗])

2023 AIMS

- 'OUR CLEANEST JEANS PROJECT' – 100 per cent denim with low-impact wash

04 SUPPLY CHAIN TRANSPARENCY

We believe that transparency is the foundation on which sustainability is built. We are working on being able to map out the entire supply chain of a product.



WHERE WE ARE NOW

- Cooperation with retraced, a blockchain-based platform to make the supply chain of individual products transparent and traceable
- Onboarding of our strategic tier 1 and tier 2 suppliers in retraced

2023 AIMS

- Highlight our long-term suppliers with photos and location-specific information

* DATA BASIS: FINANCIAL YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH, INCLUDING FACTORY OUTLET VOLUMES (IN THE PREVIOUS YEAR, THESE VOLUMES COULD NOT YET BE TAKEN INTO ACCOUNT IN THE EVALUATION SO COMPARABILITY IS LIMITED)

‘WE WISH TO PROMOTE SUSTAINABILITY THROUGH TECHNOLOGY, TOO. IN THE FUTURE, AN INTEGRATED DATA INFRASTRUCTURE WILL MAKE IT EVEN EASIER FOR US TO MEASURE THIS DATA AND INTEGRATE IT INTO ALL DECISION-MAKING.’



DR. PATRIC SPETHMANN
COO

05 STAKEHOLDER ENGAGEMENT

GRI 2-29

We are continuing the transparent communication and solidarity with stakeholders which are key to the trust and success that hallmark our long-standing collaboration. We pursue and foster a co-creative approach.



WHERE WE ARE NOW

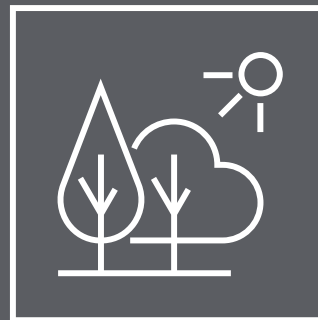
- Regularly sharing sustainability updates with our sales team and suppliers
- Regularly conducting customer surveys on the subject of sustainability
- Organising sustainability events for members and partners

2023 AIMS

- Sustainability webinar with our partners twice a year
- Comprehensive integration of the Sustainable Development Goals (SDGs)
- Apply sustainability targets to our licensing partners in all divisions

06 CLIMATE PERFORMANCE

We are aware of the impacts of the textile industry and wish to play our part in climate protection. We have therefore decided to decarbonise our business activities in the long term. Together with ClimatePartner, we continued the Climate Action project in the reporting period. In it, we calculate our greenhouse gas (GHG) emissions, continuously improve the quality of data and at the same time localise and advance potential reductions – be it at our site or through our products.



WHERE WE ARE NOW

- Long-term partnership with ClimatePartner
- Calculation of the second corporate carbon footprint for the 21/22 reporting period
- 'GREEN WEEKS' employee campaign about emission generation and prevention

2023 AIMS*

- Preparation of commitment to Science Based Targets initiative (SBTi) by improving data quality
- Development of a climate protection strategy with measurable reduction measures and reduction of initial GHG emissions based on localised reduction potential

* REVISED OBJECTIVE: WE ARE CURRENTLY CLOSELY MONITORING THE DISCOURSE SURROUNDING CARBON NEUTRALITY THROUGH OFFSETS AND ARE WORKING ON IMPROVING THE DATA BASIS. FOR THIS REASON, WE ARE CRITICALLY QUESTIONING OUR ORIGINAL TARGET OF CLIMATE NEUTRALITY BY 2025 AND ARE WORKING ON A CORRESPONDING TARGET ADJUSTMENT IN WHICH THE FOCUS WILL BE ON INVESTMENTS IN REDUCTION MEASURES.

07 TRANSPORT & LOGISTICS

We are significantly reducing our emissions by largely avoiding airfreight, optimising B2B and B2C logistics, and improving the mobility system for staff.



WHERE WE ARE NOW

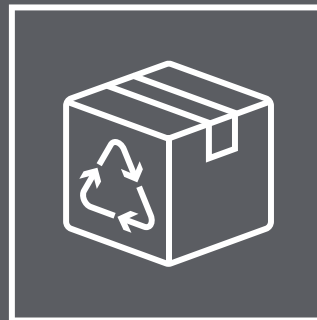
- Company carpooling system
- 12.8 per cent airfreight (21/22: 16.5 per cent; 20/21: 12.5 per cent)
- Support for e-bike leasing and purchases

2023 AIMS

- Significantly reduce scope 3 emissions
- Avoid airfreight
- Sustainable mobility concept

08 PACKAGING

We are using more sustainable packaging solutions at bricks-and-mortar shops as well as online. We implement new concepts and innovations if they meet our sustainability standards.



WHERE WE ARE NOW

- Reducing the volume of packaging and choosing recyclable options
- Avoiding laminated cardboard for online orders
- Completed pilot of reusable, recyclable delivery packaging
- Use of more sustainable materials for our primary packaging starting with our autumn/winter 2023 collection

2023 AIMS

- Launch a new, sustainable packaging strategy
- Switch to more sustainable materials in 100 per cent of our plastic bags
- Integrate recyclable and returnable packaging

09 ENERGY

Operating our sites in an eco-friendly way plays a central role in minimising our environmental impact. Our aim is to save energy in the form of electricity and gas at all our sites. Furthermore, we want to use and expand power from renewables where possible. By the end of 2024, we aim to reduce our electricity consumption by 5 per cent on 2019 levels.



WHERE WE ARE NOW

- Annual energy programme with defined reduction measures according to ISO 50001
- Energy management system with regular audits at our headquarters and shops
- 72 per cent (previous year: 78 per cent*) of the electricity at our company-owned locations comes from renewable energies (by purchasing green power or using solar energy)
- Installed new on-site photovoltaic systems with an output of 650kWp
- Installed 20 new charging stations, bringing it to 40 (previous year: 20) currently
- Stronger link between energy management and our carbon footprint

2023 AIMS

- Optimisation of energy efficiency, including by converting LEDs
- Create a new energy concept for the headquarters to reduce natural gas consumption
- Switch to 100 per cent renewable energies nationally and expand them internationally
- Examination of further expansion of charging stations at the campus for electric vehicles
- Expansion of the energy management system into an environmental management system

10 PEOPLE EMPOWERMENT

The Marc O'Polo philosophy rests on a liberal, open-minded ethos. We unite and promote internationality, individuality and diversity. These are essential elements of our corporate culture.



WHERE WE ARE NOW

- Again second place in the TW study 'Working in Fashion' in 2022
- (International) mobile working for a large number of employees
- Continued 'Green Angels' – an open sustainability platform for staff
- Sustainability basics (e-learning) for all employees

2023 AIMS

- Implement a strategy for a corporate culture in which the topic of sustainability is firmly embedded
- Regular in-house seminars on sustainability
- Establishment of further training formats to provide specifications for individual subject areas

* SINCE THE LAST REPORT, WE HAVE CHANGED THE CALCULATION METHOD FOR THIS. NON-NORMALISED ABSOLUTE CONSUMPTION VALUES ARE NOW TAKEN INTO ACCOUNT.

2.3.2 OUR MATERIAL TOPICS

GRI 2-14, 3-1

As part of the ongoing development of our sustainability strategy and reporting, we carried out a comprehensive materiality analysis for the first time during this reporting period. The aim of the analysis was to identify the most important sustainability topics for Marc O'Polo and its stakeholders. This was intended to further expand stakeholder dialogue, optimise our strategy and strengthen our sustainability expertise in the long term.

To identify the material topics, a list of possible topics was first drawn up where Marc O'Polo has an impact on people, the environment or the economy or where, vice versa, they have an impact on Marc O'Polo's business activities. This collection of topics was based on internal analyses and documents such as topics from self-assessments or ratings, regulatory requirements and international frameworks (e.g. CSRD, GRI, SASB, SDGs, Higg BRM), enquiries from customers or non-governmental organisations (NGOs) and relevant topics from media reporting. After selecting the most effective topics, a total of 34 sustainability topics were identified as material to us.

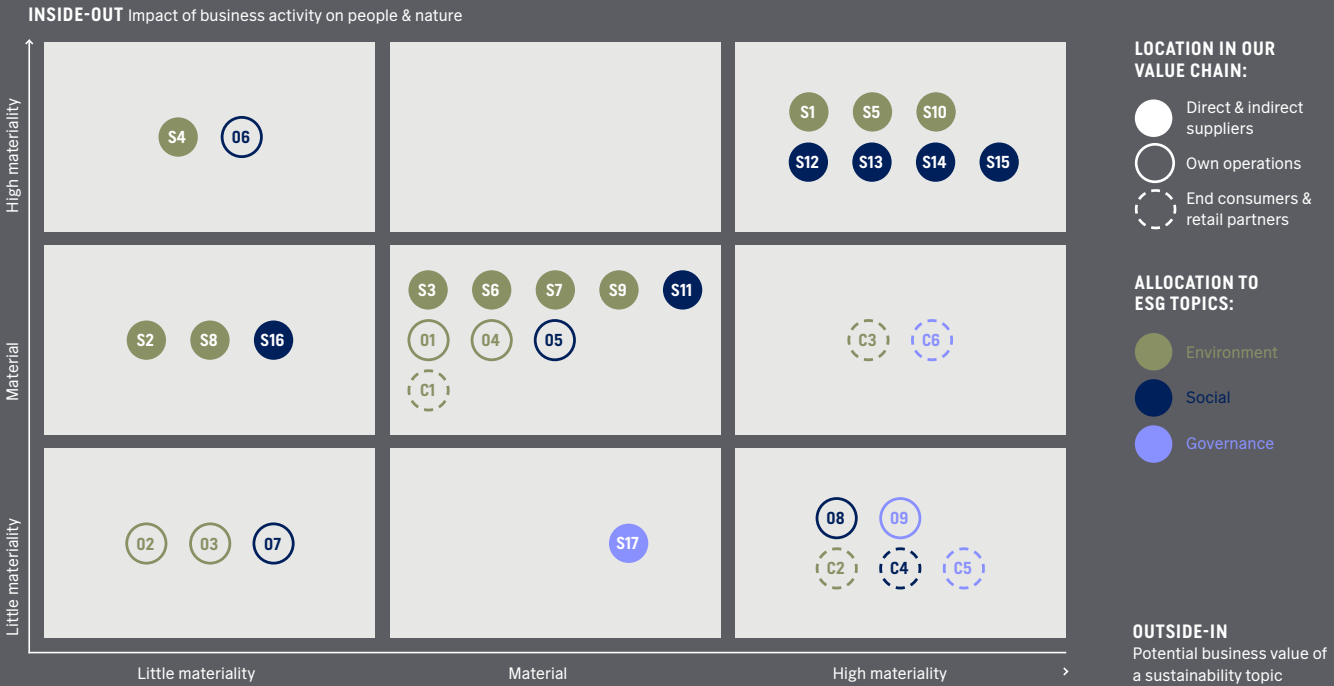
Based on this collection, the topics were then analysed from two different perspectives – inside-out (impact materiality) and outside-in (financial materiality). To determine the inside-out perspective, more than 5,800 stakeholders from five stakeholder groups (B2C customers; employees; B2B retail partners; direct and indirect suppliers; and civil society) were consulted. We asked our stakeholders to assess the actual and potential positive and negative impacts of Marc O'Polo's business activities on the identified sustainability topics. This subjective survey was then complemented with an expert assessment based on statistics and quantitative data in order to find out what objective impact Marc O'Polo had on the topics covered. Finally, the outside-in perspective (financial materiality) was complemented by a series of workshops with internal stakeholders, including relevant experts and managers. They identified the sustainability topics that are associated with the greatest opportunities and risks for Marc O'Polo's financial position and thus with the future viability of the business model.

On this basis, we have created a two-dimensional materiality matrix (see the 'Our Materiality Matrix' graphic [\[7\]](#)), which plots the topics that are material to us from an inside-out perspective (y-axis) and an outside-in one (x-axis). This will guide us in our strategy development and reporting in the future.

With the help of the materiality analysis, new topics of relevance to us were identified that were previously either not part of our sustainability reporting or were only part of it to a limited extent. These topics include waste (across the various stages of the value chain), air pollution, biodiversity, water pollution and consumption in the supply chain, and transparency and business practices in dealings with our partners and customers.

The results of our materiality analysis were already taken into account when preparing this report in order to ensure that reporting is as complete and transparent as possible. In the next reporting period, we are planning to further develop the sustainability strategy on the basis of the materiality analysis.

OUR MATERIALITY MATRIX



OUR MATERIAL TOPICS

GRI 3-2

DIRECT & INDIRECT SUPPLIERS

- S1** **CLIMATE GAS EMISSIONS** caused by direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and processing of products.
- S2** **CLIMATE GAS EMISSIONS** caused by direct and indirect suppliers during the extraction and processing of raw materials for packaging and during the production of packaging.
- S3** **CLIMATE GAS EMISSIONS** resulting from procurement, distribution and returns logistics.
- S4** **AIR POLLUTION** caused by direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products.
- S5** **WATER POLLUTION** caused by direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and processing of products.
- S6** **WATER CONSUMPTION** caused by direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products.
- S7** **LAND USE, IMPACT ON ECOSYSTEMS AND BIODIVERSITY** by indirect suppliers for the extraction of raw materials.
- S8** **DEFORESTATION** by indirect suppliers for the extraction of raw materials.
- S9** **WASTE** generated by direct and indirect suppliers during the extraction and processing of raw materials and the manufacture of products.
- S10** **CHEMICAL WASTE** generated by direct and indirect suppliers during the extraction and processing of raw materials and the manufacture of products.
- S11** **WELFARE OF ANIMALS** whose materials are used as raw materials for products.

- S12** **CHILD AND FORCED LABOUR** at direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products.
- S13** **WORKING HOURS AND REMUNERATION** of direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products
- S14** **DISCRIMINATION AND PARTICIPATION** (e.g. freedom of association, social dialogue) at direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products.
- S15** **HEALTH AND OCCUPATIONAL SAFETY** at direct and indirect suppliers during the extraction and processing of raw materials and during the manufacture and service of products.
- S16** **HUMAN RIGHTS OF LOCAL COMMUNITIES** in the vicinity of direct and indirect suppliers.
- S17** **BUSINESS CONDUCT** towards direct and indirect suppliers and service providers.

OWN OPERATIONS

- O1** **CLIMATE GAS EMISSIONS** generated at Marc O'Polo administrative locations and retail stores.
- O2** **CLIMATE GAS EMISSIONS** caused by business trips and mobility of Marc O'Polo employees.
- O3** **WATER CONSUMPTION AND WATER POLLUTION** generated at Marc O'Polo administrative locations and retail stores.
- O4** **WASTE** generated at Marc O'Polo administrative locations and in retail stores.
- O5** **WORKING HOURS AND REMUNERATION** at Marc O'Polo administrative locations and in retail stores.
- O6** **DISCRIMINATION AND PARTICIPATION** (e.g. freedom of association, social dialogue) at Marc O'Polo administrative locations and in retail stores.

- O7** **HEALTH AND OCCUPATIONAL SAFETY** at Marc O'Polo administrative locations and in retail stores.
- O8** **WELL-BEING AND SATISFACTION** of employees at Marc O'Polo administrative locations and in retail stores.
- O9** **BUSINESS CONDUCT** at Marc O'Polo administrative locations and retail stores.

END CONSUMERS & RETAIL PARTNERS

- C1** **ENVIRONMENTAL IMPACTS** that occur at retail partners and end consumers.
- C2** **TEXTILE WASTE** that occurs at end consumers.
- C3** **PACKAGING WASTE** that occurs at retail partners, service providers and end consumers.
- C4** **WELL-BEING** of end consumers (Inclusion, Diversity, Inclusiveness).
- C5** **BUSINESS CONDUCT** towards retail partners.
- C6** **TRANSPARENCY** towards end consumers.

BUSINESS CONDUCT TOWARDS RETAIL PARTNERS.

- P** **ASSUMPTION OF SOCIETAL RESPONSIBILITY** in the Marc O'Polo supply chain, at Marc O'Polo locations and in Marc O'Polo sales markets.
- D** **DIGITAL RESPONSIBILITY** in handling data from Marc O'Polo suppliers, service providers, employees, retail partners and end consumers.

'THE FUTURE REGULATIONS ARE NOT ABOUT DATA COLLECTION OR DOCUMENTATION, BUT RATHER A MASSIVE TRANSFORMATION TOWARDS A MORE SUSTAINABLE ECONOMY. OUR JOB IS TO TAKE THE NEEDS OF OUR STAKEHOLDERS, INCLUDING THE ENVIRONMENT, INTO ACCOUNT AS FAR AS WE CAN.'



MARIA HÖHN
MANAGER CORPORATE SUSTAINABILITY

2.4 OUR SUSTAINABILITY MANAGEMENT

We take an integrated approach, as described in subsection 2.2.2 Organisation and Structures [7], in order to manage sustainability comprehensively and address a wide range of issues appropriately. In addition, we systematically analyse human rights and environmental risks across our value chain and involve our stakeholders.



2.4.1 RISK ANALYSES

GRI 2-23, 3-3 (413, 414), 413-2

Marc O'Polo has implemented human rights and environmental due diligence processes based on the UN Guiding Principles on Business and Human Rights (UNGPs). Our human rights and environmental risk analyses are some of the core elements of our due diligence processes.

These risk analyses are a means of identifying Marc O'Polo's relevant (material) impact on the environment and society. They use two criteria to evaluate the risks and opportunities associated with various sustainability aspects throughout the value chain: (1) the likelihood and severity of the impact and (2) the relevance for Marc O'Polo. We completed the risk analyses with external assistance. The various aspects of the analyses were identified and assessed by external experts and an interdisciplinary team made up of employees in key positions within the company, such as product managers, sustainability officers and members of the Human Resources department.

In our human rights risk analysis, we identified several areas which present work-related human rights risks. These included working hours, pay, human trafficking, forced labour, child labour and discrimination.

The prioritised environmental risks in our supply chain are water pollution from the use of hazardous chemicals, greenhouse gas emissions, air pollution and water consumption. We know that due diligence with regard to human rights and our environmental responsibility is a continuous process, so we analyse, review and update our risks annually and assess our measures accordingly. As part of our human rights and environmental risk analysis, we segment our suppliers and service providers according to various risk aspects and to our potential influence in the identified risk areas. We aim to use our measures to minimise potential risks in an even more targeted manner and to focus on the areas where we have the greatest opportunity for positive change due to our influence. Marc O'Polo has implemented a comprehensive package of measures to counter the identified risks. For more information, see subsections 3.3 Our Supply Chain Responsibility [\[7\]](#) and 4.2.1 The Marc O'Polo Environmental Management Programme (EMP) [\[7\]](#).

In addition, we publish a Declaration of Principles for Respecting Human Rights, which is available on our website.



2.4.2 STAKEHOLDER INCLUSION

GRI 2-26, 2-29

Marc O'Polo relies on regular dialogue with its various stakeholder categories. We see transparent communication and solidarity with stakeholders as a basis for trust and the success factor in long-term cooperation.

In addition to regular exchange with various interest groups and NGOs in discussions, at conferences and at network meetings, we are increasingly working with universities on various high-innovation projects and seeking to exchange ideas with our customers at events, through surveys and over feedback channels. Marc O'Polo also uses detailed, critical feedback as an important tool for optimising products, processes and services.

We actively involve our employees in a wide range of issues related to sustainability, for example through workshops, surveys, interest groups, working groups and posts on our internal communication platform 'Inside'. In addition, our employees can use our 'Share with' tool to send questions, suggestions, ideas and criticism to Marc O'Polo's management anonymously.

We of course also maintain intensive contact with our suppliers. For more information about this, see subsection 3.3.1 Collaboration with Suppliers [\[7\]](#).



2.4.3 PARTNERSHIPS

GRI 2-28

As a medium-sized company, Marc O'Polo only has a limited influence by itself, which is why we rely on partnerships based on trust and on the joined forces created through collaboration.

AMFORI BSCI

amfori BSCI is a leading business initiative dedicated to improving working conditions in global supply chains. The organisation offers a globally uniform supply chain management system that allows working conditions and minimum requirements to be assessed and improved. Marc O'Polo has been a member of amfori BSCI since back in 2009.



Member of amfori, the leading global business association for open and sustainable trade. We participate in amfori BSCI. For more information visit www.amfori.org

CIRCULAR.FASHION

During the reporting period, Marc O'Polo entered a partnership with circular.fashion. With the aim of creating a common definition for products for the purposes of the circular economy, circular.fashion has developed the Circular Design Criteria. They make it possible to set goals in this area and measure progress. Marc O'Polo uses these comprehensive design guidelines to drive creativity and sustainable innovation, and is supported by circular.fashion in the implementation of recycling requirements and circular materials.



CLIMATEPARTNER

ClimatePartner supports companies in finding climate protection solutions and has been supporting us on our journey to decarbonisation since 2021. With this help, we have been calculating our corporate carbon footprint annually since the 20/21 financial year and working on how to improve data quality across the value chain. On this basis, we develop a climate protection strategy with reduction measures, which we have already started implementing.



ClimatePartner

FAIR WEAR FOUNDATION

We joined the Fair Wear Foundation (FWF) in 2020. The independent multi-stakeholder initiative based in Amsterdam works with clothing brands, factories, NGOs, unions and governments to improve working conditions at textile factories.



HIGG INDEX

The objective of the Sustainable Apparel Coalition's Higg Index is to objectively and systematically record and measure social and environmental sustainability performance along the value chain. The Higg Index is a modular, Web-based tool and consists of five different modules: Higg Facility Environmental Module (FEM), Higg Facility Social & Labor Module (FSLM), Higg Brand & Retail Module (BRM), Higg Materials Sustainability Index (MSI) and Higg Product Module (PM). Marc O'Polo uses the Higg FEM to assess the sustainability performance of our suppliers. We also use the Higg BRM to assess the maturity of our own company.



LEATHER WORKING GROUP

Marc O'Polo SE joined the Leather Working Group in 2020 to support more responsible leather production. The Leather Working Group aims to drive improvements in the global leather supply chain, minimise the environmental impact of leather production and inspire, inform and challenge its member companies. More information at: www.leatherworkinggroup.com [↗]



RETRACED

We are a partner of retraced. The Düsseldorf-based tech start-up offers a platform for sustainable supply chain management that helps fashion and textile companies capture, evaluate, manage and share their supply chain data. This lets products be fully and transparently traced back from their end condition to the origin of the raw material.



TEXTILE EXCHANGE

Marc O'Polo has been a member of the charitable organisation Textile Exchange since 2011 (with one year's interruption in 2019). This global organisation concentrates on minimising the detrimental impact of the textile industry by developing standards and using more sustainable materials. More information at: www.textileexchange.org [↗]



THE GOOD CASHMERE STANDARD®

We are a partner of The Good Cashmere Standard® of the Aid by Trade Foundation. This means that we support the production of cashmere from more responsible sources.



ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC)

ZDHC is an association of international companies and organisations working together to eliminate hazardous chemicals in the textile and clothing industries. Marc O'Polo has been a ZDHC Signatory - Friend of ZDHC-Brand since May 2022.



3 PROCUREMENT & MATERIALS

The textile value chain is fraught with challenges. With our sustainability measures, we can make social and environmental improvements in various phases of product development, whether in raw materials extraction or processing.



3.1 OUR VALUE CHAIN

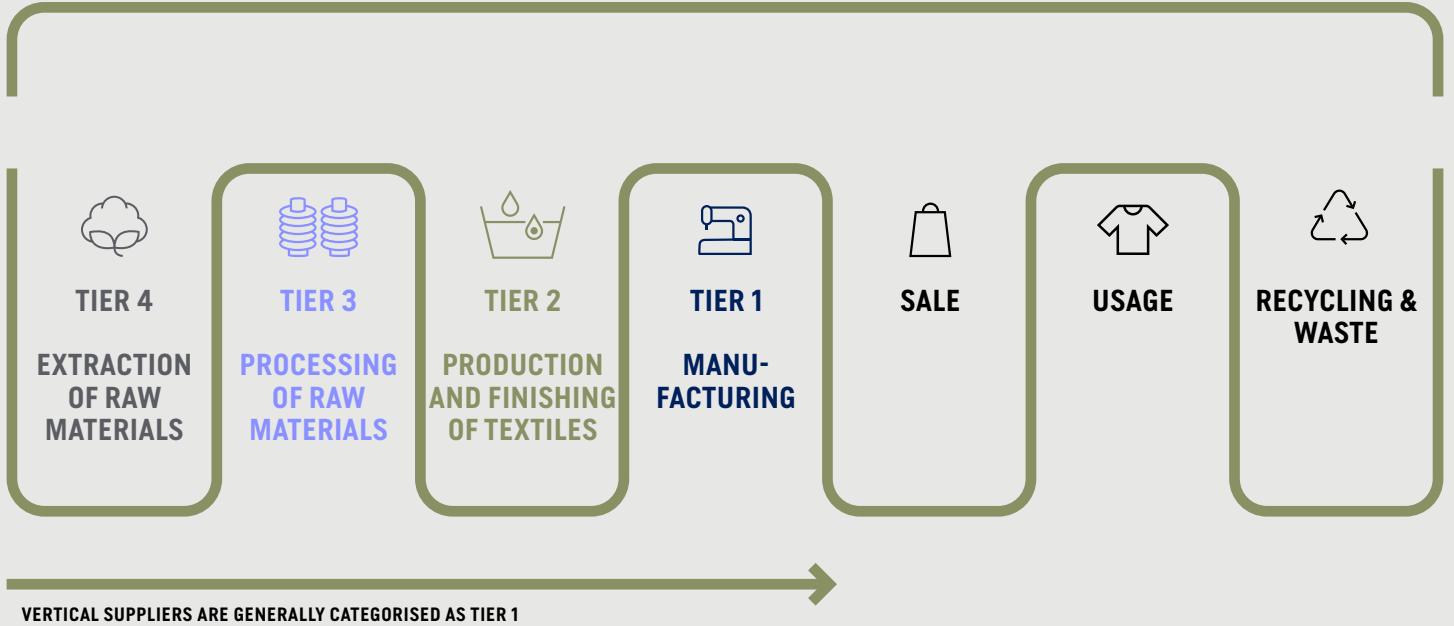
GRI 2-6



TRANSPARENCY & TRACEABILITY



PACKAGING & LOGISTICS



MATERIAL STRATEGY



ENVIRONMENTAL & CHEMICAL MANAGEMENT



SOCIAL RESPONSIBILITY

3.2 OUR PROCUREMENT STRATEGY

At Marc O'Polo, we are well aware of the challenges in the supply chain and enforce our values and requirements when working with our suppliers. We have high quality standards when it comes to our products and especially the materials used and their processing. It is also important to us that our products are manufactured in humane working conditions and that required social standards are defined. Our responsibility takes the form of company measures designed to give us the best possible influence over the various phases of the product life cycle.



3.2.1 RISKS AND CHALLENGES

GRI 3-3 (414), 414-2

The supply chain in the textile industry is fraught with environmental and social challenges. The value chain is complex with a wide division of labour and with labour-intensive production. The fashion orientation of our products and the variety in our collections lead to many direct and indirect supply relationships. There are numerous environmental challenges when raw materials are extracted, processed and refined. Textile production has a negative impact on local ecosystems, for example due to the cultivation of raw materials such as cotton in monocultures, often accompanied by heavy use of pesticides and high water consumption. Wet finishing employs chemicals that, if used or disposed of improperly, could reach the groundwater and pollute the drinking water.

The majority of our suppliers are based in India, Turkey and Vietnam, resulting in structural and geographical risks such as political changes or relocation of production to different countries. In addition, standards for the protection of employees and the environment or for the use of chemical substances are generally lower in the countries of production than they are in Germany. In our risk analysis, we identified several work-related human rights risks (see subsection 2.4.2 Risk Analyses [7]).

For this reason, we employ a variety of measures to align local conditions with our own requirements and values as well as the expectations of our customers.

3.2.2 SUPPLY CHAIN TRANSPARENCY

GRI 2-6

In order to be able to guarantee corporate due diligence, it is necessary to know our own supply chain as precisely as possible and to establish transparency. Only by understanding which partners in the supply chain are involved in the manufacture of our products, where and under what conditions they are manufactured can we identify, address and counteract social and environmental risks. In the past financial year, we have worked with 108 direct partners. Some of these partners are agencies, while in other cases we work directly with manufacturing suppliers.

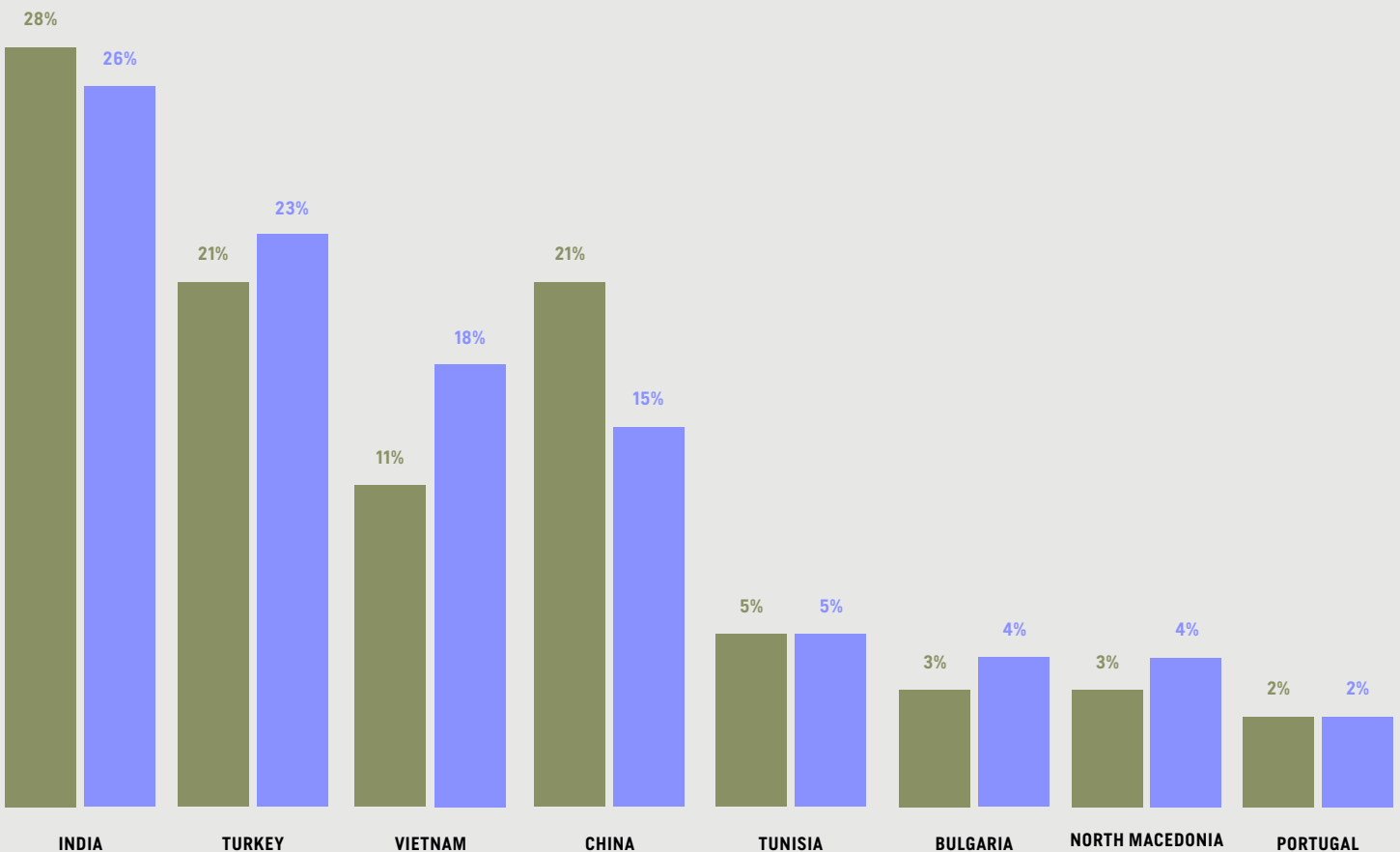
As is customary in the textile industry, a single supplier often has several factories for different stages of production or greater production capacity. These also form part of our supply chain, although we do not generally have a direct business relationship with them. We have transparency concerning the garment factories in our supply chain – regardless of whether they are owned by our suppliers or their

subcontractors. During the reporting period, 130 garment factories were part of our supply chain.

We took a further step in the financial year by registering the companies that supply goods to our suppliers for production processes such as washing, dyeing, printing and embroidery. We currently work with 71 tier 2 partners – 26 of them in Europe, 40 in Asia and 5 in northern Africa.

Our aim is to continuously increase transparency in our supply chain and expand it to other upstream stages of the value chain, such as strategic weaving mills and their wet processes, in the coming financial year. In order to implement our various sustainability aspects in the supply chain, we have defined and nominated strict requirements for the use of subcontractors, i.e. garment factories and suppliers. Our suppliers are not permitted to contract new suppliers of their own if we do not know them and prior written consent has not been obtained from Marc O'Polo.

PERCENTAGE OF GARMENT PRODUCTION COUNTRIES BASED ON OUR PURCHASING COSTS*



* ONLY COUNTRIES WITH A SHARE OF 2 PER CENT OR MORE ARE SHOWN

● FINANCIAL YEAR 2021/22
● FINANCIAL YEAR 2022/23

TIERS OF THE SUPPLY CHAIN

In a modern supply chain such as the textile and clothing industry, the various partners involved in the manufacture of our products are represented in successive tiers. The aim is to gain transparency and understanding of the processes and suppliers involved, from the production of raw materials to the production of the final piece. Classification as tier 1, tier 2, etc. is always based on proximity to Marc O'Polo. This means that the lower the number, the 'closer' the respective process stage is to Marc O'Polo. The following diagram of the supply chain tiers illustrates this in a simplified way:

TRACEABILITY TOOL: OUR PARTNERSHIP WITH RETRACED

Transparency and seamless traceability in the supply chain are some of the most important topics in the industry and are also part of Marc O'Polo's sustainability strategy. To this end, we have been collaborating with the Düsseldorf-based start-up retraced since 2022. It enables us to digitally ensure and monitor the traceability of goods along the supply chain. retraced will continue to oversee this essential project with us in an agile and transparent way, using the latest technology. During the reporting period, we were able to complete the onboarding of the tier 1 supplier base and have now started working with tier 2 suppliers such as laundries, dye shops, printers and embroiderers. Our long-term goal is to make every individual product completely traceable. This will let us further increase transparency in the supply chain and combine it with monitoring of our own sustainability targets.

TIER 1

PRODUCTION OF FINAL PIECE

- MANUFACTURERS INCL. CUTTING AND FINAL ACCEPTANCE
- VERTICAL SUPPLIERS WITH MULTIPLE PROCESSES
- LINKING COMPANIES (LINKING OF KNITTED FABRICS)

TIER 2

TEXTILE PRODUCTION AND FINISHING

- LAUNDRIES
- DYE SHOPS
- PRINT SHOPS
- WEAVING MILLS
- KNITTING MILLS
- EMBROIDERERS
- COATERS AND LAMINATORS
- MANUFACTURERS OF COMPOSITE MATERIALS

TIER 3

PROCESSING OF RAW MATERIALS

- FIBRE MANUFACTURERS
- SPINNING MILLS AND THEIR DYEING MILLS
- DOWN AND FEATHER PROCESSORS
- TANNERIES
- MANUFACTURER OF FILMS AND TAPES
- METAL PARTS MANUFACTURERS

TIER 4

EXTRACTION OF RAW MATERIALS

- RAW MATERIAL PRODUCERS (AGRICULTURE, LIVESTOCK, FORESTRY, RAW MATERIALS INDUSTRY)
- SUPPLIERS OF RAW AND RECYCLED MATERIALS
- CLEANING AND PRE-PROCESSING COMPANIES

'TRANSPARENCY IS THE FUTURE OF THE FASHION INDUSTRY, AND IT IS GOING TO REST ON FAIR PARTNERSHIPS WITH OUR SUPPLIERS. THIS IS THE ONLY WAY FOR US TO SOLVE GLOBAL CHALLENGES AND ACHIEVE OUR SUSTAINABILITY TARGETS.'



LISSA ERLenkÖTTER
DIVISION HEAD CSR & PRODUCT SUSTAINABILITY

3.3 OUR SUPPLY CHAIN RESPONSIBILITY

3.3.1 COLLABORATION WITH SUPPLIERS

GRI 308-1, 414-1

Marc O'Polo strives for long-term collaboration with all its partners throughout the supply chain. Our purchasing strategy is based on trust and continuity, which increases transparency and certainty in where and under which conditions our products are manufactured. It is important to us to work with partners which share and fulfil our requirements in terms of working conditions as well as our product responsibility. Whilst fair and humane working conditions are not a given in many production countries, withdrawing from these regions would not help the employees there, most of whom are women. Working in the textile industry is often the only way for them to generate their own income. Rather than avoiding certain production countries, we believe that it is important to ensure, within our sphere of influence, that our suppliers fulfil our standards and implement any measures necessary to improve working conditions. We therefore demand that our suppliers strictly adhere to our requirements. Once a year, we conduct a supplier evaluation that assesses not only price and quality, but also a supplier's sustainability performance. We assess the extent to which the supplier is committed to good working conditions, has implemented appropriate measures, for example environmental ones, and if the supplier is certified according to a textile standard (such as GOTS).

RESPONSIBLE PURCHASING PRACTICE

GRI 2-23

As a company, we are aware that our purchasing practices can have an impact on working conditions in factories. In order to minimise the resulting risks, we work on continuously improving our purchasing practices. That is why, since October 2022, we have been participating in the Learning & Implementation Community (LIC) of the MSI Working Group, which consists of the Fair Wear Foundation, Partnership for Sustainable Textiles, Solidaridad, Ethical Trade Norway and the Ethical Trading Initiative. The MSI Working Group has developed the Common Framework for Responsible Purchasing Practices (CFRPP), the principles of which are intended to create a uniform frame of reference for how companies can implement responsible purchasing practices. The CFRPP supports companies in fulfilling their human rights and environmental due diligence obligations, including improving the working conditions of employees in the supply chain. As part of the LIC, we have committed ourselves to implementing incremental improvements.

3.3.2 OUR MEMBERSHIP IN THE FAIR WEAR FOUNDATION

GRI 3-3 (403)

Marc O'Polo joined the Fair Wear Foundation (FWF) in September 2020 as part of its efforts to fulfil social responsibility within its supply chain even more strongly. Our second FWF Brand Performance Check was carried out for the 2021/22 financial year during the reporting period. This check evaluates the activities of the members to report on them transparently and independently. The FWF examines the extent to which a company's internal management systems support the implementation of the Code of Labour Practice in the supply chain. It focuses on the production steps in which the product is packaged and also evaluates the purchasing practice and monitoring system in detail. Fair Wear is an initiative with some of the heaviest and most comprehensive requirements in this field.

For the second time in a row, we were rated 'Good' in the Fair Wear Foundation's Brand Performance Check and were even able to increase the previous year's result by 10 points to 59. Fair Wear attests that we have improved across all categories. The Fair Wear rating is the most important yardstick for us to see even better where we are already doing well and where we still need to improve. The full report will be published both on the Fair Wear website and on our company website [\[7\]](#).

Fair Wear has confirmed to us that, since joining, we have significantly expanded our human rights diligence, we have demonstrated a clear understanding of responsible purchasing practices and we have taken great steps towards greater transparency. An important step was to disclose 93 per cent of our suppliers on the Fair Wear platform. During the reporting period, we also worked on the recommended measures to improve Fair Wear. For example, a Responsible Exit Policy has been drawn up in which we define a clear procedure for terminating a supplier relationship if it becomes apparent that the supplier has not made any improvements, even after intensive efforts on our part.

'A PRODUCT CAN ONLY BE SUSTAINABLE IF THE ASSOCIATED WORKING CONDITIONS ARE GOOD. OUR DECISION TO JOIN THE FAIR WEAR FOUNDATION UNDERLINES THIS ETHOS. BEING A MEMBER OF THIS MULTI-STAKEHOLDER INITIATIVE GIVES US COMPREHENSIVE TOOLS FOR CONTINUOUSLY IMPROVING WORKING CONDITIONS WITHIN OUR SUPPLY CHAIN. FURTHERMORE, IT PROVIDES A MEANS FOR REPORTING ON OUR PROGRESS PUBLICLY AND TRANSPARENTLY.'



**SARA STRÖDEL
GROUP MANAGER CORPORATE
SOCIAL RESPONSIBILITY**

3.3.3 OUR GUIDELINES

CODE OF CONDUCT

GRI 2-23, 3-3 (414)

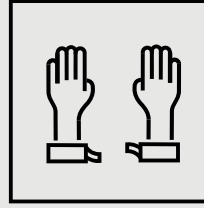
Our relationships with suppliers are based on our Code of Conduct for Retail Products, which includes the Fair Wear Foundation's Code of Labour Practices and comprises the most important international guidelines and agreements regarding human rights, occupational health and safety and fairness in the supply chain. We have made a commitment to work continuously with our suppliers on the implementation of these standards in our supply chain and our membership of the Fair Wear Foundation plays a crucial role in it. The Code of Conduct is mandatory for all suppliers. Amongst other things, it prohibits child labour and sets out rules on safe workplaces, freedom of association and living wages. The code is based on international standards, such as the ILO core labour standards and the UN's Universal Declaration of Human Rights.

ETHICAL SOURCING STANDARD

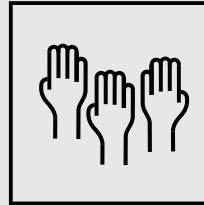
GRI 3-3 (205), 205-2

Moreover, our ethical sourcing standard defines our requirements for animal welfare and material usage, for humane working conditions, for environmental protection, and for the prevention of corruption. It takes the form of mandatory guidelines, which we are further developing at all times. The standard applies not only to our raw material procurement, but also acts as an additional catalogue of requirements beyond our Code of Conduct for all of our suppliers and their sub-suppliers.

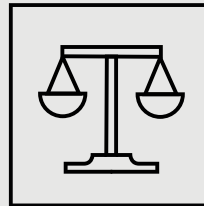
THE 8 FAIR WEAR WORKING GUIDELINES



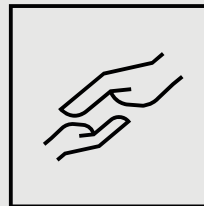
EMPLOYMENT IS FREELY CHOSEN



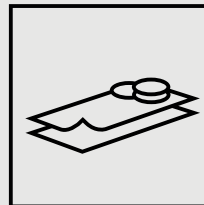
FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING



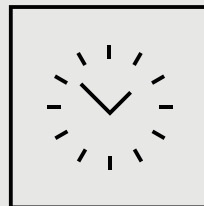
THERE IS NO DISCRIMINATION IN EMPLOYMENT



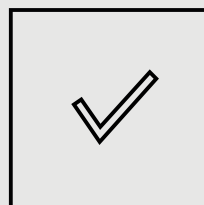
NO EXPLOITATION OF CHILD LABOUR



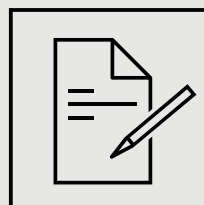
PAYMENT OF LIVING WAGE



REASONABLE HOURS OF WORK



SAFE AND HEALTHY WORKING CONDITIONS



LEGALLY BINDING EMPLOYMENT RELATIONSHIP

3.3.4 OUR SUPPLIER AUDITS

GRI 2-24, 3-3 (414)

Code of Conduct compliance is assessed and evaluated on the basis of external audits. When carrying out audits, our suppliers are assessed on social criteria such as the prohibition of child and forced labour, occupational health and safety, protection against discrimination, the right to freedom of association and appropriate working hours and remuneration. Primarily, we initiate BSCI audits, and as part of our Fair Wear membership, we significantly increased the number of Fair Wear audits during the reporting period. In doing so, we wish to cover strategically important suppliers as well as suppliers in high-risk countries in order to gain a more transparent insight into the risks at the first step of our supply chain and, accordingly, support suppliers in their ongoing development.

Both FWF audits and BSCI audits are primarily conducted in high-risk countries. To assess if a country is high-risk, we use the current amfori Country Risk Classification for guidance. The audits focus particularly on garment factories as the activity on these sites is less automated and very labour-intensive. As a rule, the auditors come from the region of the production facility being audited. We have stipulated that the BSCI audits are to be carried out on a 'semi-announced' basis, with suppliers being given a four-week period to carry out the audit.

In the current reporting period (2022/2023), 94.2 per cent (previous year: 93.8 per cent) of our direct suppliers in high-risk countries had undergone a valid audit. 75 full BSCI audits, 5 follow-up audits and 14 Fair Wear audits were carried out. Of our suppliers in low-risk countries, 46.8 per cent (previous year: 41.7 per cent) had also been covered by audits.

The topics and consequences of the audits are explained in detail below.

THE MATERIAL TOPIC IN OUR SUPPLY CHAIN AND AUDITS OF THEM

Compliance with the principles of the relevant code of conduct (either the BSCI CoC or Fair Wear CoC) is monitored during the audits. This involves checking compliance with the applicable legal requirements as well as the requirements going beyond that for suppliers' internal social compliance management system. The auditors verify the information available with a factory tour, a document check and interviews with workers. For Fair Wear audits, these interviews are held outside the factory; for BSCI audits, the interviews are carried out in the factory.

PROHIBITION OF CHILD AND FORCED LABOUR

Through their signing of the Code of Conduct, Marc O'Polo requires its suppliers to comply with the following standard:

FORCED LABOUR

GRI 3-3 (409), 409-1

EXCERPT FROM OUR CODE OF CONDUCT:

'There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).'

In addition to the written obligation, we carry out Fair Wear or BSCI audits on all our direct business partners in high-risk countries in order to monitor compliance. For example, the auditors check how employees are recruited, whether any overtime worked is voluntary, that wages are paid on time and in full; and whether workers are free to move around and leave the factory premises (e.g. access to the toilet is not restricted). During the reporting period, the audits did not reveal any cases of forced labour.

CHILD LABOUR

GRI 3-3 (408), 408-1

Marc O'Polo is opposed to child labour as a matter of principle. We are aware of the increased risk of child labour in the textile industry. For this reason, all of our production facilities must undertake in writing not to employ children and to comply with youth protection laws for young workers.

In addition to the voluntary commitment, our producers are audited by Fair Wear or BSCI audits. The auditors also check whether there are cases of child labour. To this end, they review the recruitment processes and evidence of the workers' age. In the event of underage workers, particular care is taken to ensure that they do not work overtime or perform hazardous work. During the reporting period, the audits did not reveal any cases of child labour.

EXCERPT FROM OUR CODE OF CONDUCT:

'There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (ILO Convention 138). There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...]

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-5

We also require our suppliers to provide workers with safe workplaces and protect their health. In day-to-day production operations, management and employees are often unaware of the risk of accidents at work and the importance of occupational safety. As a result, negative findings in the area of occupational health and safety can often arise during audits. In order to raise awareness of this and ensure more regular monitoring of the status quo in the area of occupational health and safety, our suppliers must implement improvement measures based on the findings from the audits. The CSR officers at Marc O'Polo and at our agencies are regularly on-site to check that these measures are being implemented. In addition, we have trained our buyers and production managers so that they can also point out breaches of occupational health and safety on site.

EXCERPT FROM OUR CODE OF CONDUCT:

'A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.'

DISCRIMINATION AND PARTICIPATION

GRI 3-3 (406)

We require our suppliers to treat all employees equally. Gender equality plays a particularly important role in the textile industry, which has a high proportion of women. In order to assess compliance, audits check, for example, whether women and men are paid equally for the same work. Fair Wear audits also examine the proportion of women managers in factories and, if necessary, make a recommendation to increase this proportion (according to the Corrective Action Plan). If this is the case, we enter into dialogue with our suppliers.

EXCERPT FROM OUR CODE OF CONDUCT:

'Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111).'

WORKING HOURS AND REMUNERATION

We oblige our suppliers to comply with the statutory working hour regulations and to ensure that they are remunerated appropriately and fairly.

WORKING HOURS

The audits check compliance with statutory working hour regulations. If the Fair Wear or BSCI audits identify overtime, our focus is to ensure that the overtime worked was voluntarily and that it was correctly documented and remunerated punctually in accordance with statutory requirements. In the event of a conspicuous accumulation of overtime, we enter a dialogue with suppliers in order to jointly identify the causes.

EXCERPT FROM OUR CODE OF CONDUCT:

'Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate (ILO Convention 1).'

REASONABLE PAY

Employee pay is examined in detail in the audits. Payroll documents and time records are checked for this purpose. The Fair Wear audits provide us with a detailed overview of the wage levels in the factories audited. In the current financial year, we have started analysing this data in detail in order to compare it with recognised Living Wage benchmarks.

EXCERPT FROM OUR CODE OF CONDUCT:

'Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.'

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 3-3 (407), 407-1

We oblige our suppliers to respect the rights of workers with regard to freedom of association and co-determination. The BSCI and Fair Wear audits examine whether there have been any violations of freedom of association and whether there are existing co-determination and complaints processes in place at the production facilities. When carrying out the audits, it became clear that employees are not always aware of their rights to co-determination and that employee representatives are often determined by the management and not freely by the workforce. The Fair Wear Workplace Education training courses are an effective measure to counteract this and strengthen communication between factory management and workers. So far, we have mainly carried out the training courses at our suppliers in India. Next year, we plan to expand the training courses to other production sites.

EXCERPT FROM OUR CODE OF CONDUCT:

'The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). Business Partner shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).'

CONSEQUENCES OF THE AUDITS

GRI 2-24, 414-2

The audits provide us with a better insight into the extent to which humane working conditions have been implemented, revealing weaknesses and highlighting potential for improvement. The audits examine whether suppliers comply fully with minimum social standards.

The BSCI audits entail an evaluation with potential consequences:

RATING A OR B:

If a supplier completes an initial or repeat amfori BSCI audit with a rating of 'Excellent' or 'Good', another audit will be conducted after a period of two years.

RATING C OR D:

If the rating is just 'Acceptable' or even 'Inadequate', an action plan for improvement will be developed, with implementation of the action plan reviewed within a period of one year.

If a supplier is found to be in serious or repeated breach of the code of conduct, we may consider terminating the business relationship. However, we consider the exclusion of suppliers to be a last resort.

We work closely with our suppliers on the necessary improvement measures as part of the Fair Wear audits. During the reporting period, we were able to discuss the audit results and comprehensive action plans on-site with our suppliers in India, Turkey, North Macedonia and Bangladesh and check their implementation.



3.3.5 SUPPLIER TRAINING

GRI 2-24, 2-25, 3-3 (205)

In addition to audits, supplier training is an important preventive measure. In the last two reporting periods, we carried out the following Fair Wear training courses at our suppliers.

In India, they started with the Fair Wear Worker Education Program Basic (WEP). This module provides factory management and local workers with a basic introduction to the Fair Wear code of conduct and the Fair Wear complaints hotline.

In addition, we were able to hold an extended training course, the Fair Wear Workplace Education Programme Violence and Harassment Prevention, at three suppliers in India. This module lasts a total of 18 months and focuses on workplace standards, internal grievance systems and the Fair Wear complaint mechanism. At the same time, it supports the respective factories in establishing an anti-harassment committee. We started with this training module at one of our suppliers in Bangladesh.

To enable our buyers and production managers to check compliance with basic health and safety measures as part of their trips to production facilities, we conducted an internal training course on our 'Marc O'Polo Health and Safety' checklist, as was the case last year.

3.3.6 COMPLAINTS MECHANISM

GRI 2-25, 3-3 (414)

The Fair Wear Foundation offers its members a special complaints procedure. This can be used by both factory workers and NGOs to address violations of the Code of Labour Practices at member companies. We have successively implemented the complaints mechanism in our supply chain since becoming a member in September 2020 and have posted worker information sheets with contact details (email and telephone number) in highly visible locations in our suppliers' factories.

Workers can use these details to contact a local Fair Wear representative in their language, anonymously if desired. Fair Wear uses a transparent process to communicate and handle complaints.

The complaints we receive also give us a more detailed insight into our supply chain and a direct opportunity to advocate for improvements. Two complaints were received in the 2022/23 financial year. The contents and the current editing status can be viewed on the Fair Wear website [\[7\]](#).

'RAISING AWARENESS AMONGST WORKERS IS A VERY IMPORTANT ELEMENT FOR US IN AVOIDING HUMAN RIGHTS RISKS AND IMPROVING WORKING CONDITIONS IN THE SUPPLY CHAIN. THROUGH THE FAIR WEAR FOUNDATION'S TRAINING PROGRAMME, WE RAISE WORKERS' AWARENESS TO MITIGATE RISKS IN OUR SUPPLY CHAIN.'



**RAHIMA AKTAR
MANAGER CORPORATE SOCIAL RESPONSIBILITY**

3.4 OUR PRODUCTS

GRI 3-3 (301)

When it comes to material procurement, our sustainability strategy takes into account environmental and social factors as well as the necessary transparency within the supply chain. Marc O'Polo describes and labels products as 'sustainable' if the following components consist of at least 80 per cent more sustainable materials:

- Clothing: the main components (outer fabric, fill material and lining)
- Home textiles: the main components (outer fabric and fill material)
- Footwear: at least one of the essential components (outer material, lining and sole)
- Accessories (bags, small leather goods): the main components (main material and lining)



3.4.1 MATERIALS USED

GRI 3-3 (301)

We have relied on natural fibres since our brand was founded. Cotton is our most frequently used material. At Marc O'Polo, we have been making greater use of organically grown cotton since back in 2006. The extraction of conventional raw materials often has a major impact on the environment, for example due to high pesticide use and water consumption (see subsection '4.1 Water' [\[↗\]](#)).

We increasingly choose more environmentally friendly versions of other textile fibres as well. Animal welfare considerations also play a crucial role in the choice of materials. During the reporting period, Marc O'Polo summarised corresponding requirements in a 'Policy for Animal-Derived Materials', based on the Five-Domain Model for Animal Welfare. We are increasingly sourcing animal-based materials from certified supply chains (see graphic 'Conventional Materials vs More Sustainable Materials' [\[↗\]](#)).

MATERIAL TOOL BOX

A material toolbox provides guidance for our designers, product developers and suppliers when they are selecting materials to use during product development. This toolbox applies all year round and is subject to our ethical sourcing standard. This material overview is also part of our supplier briefing for all of our suppliers. The briefing also provides information about the certificates we use (see subsection '3.4.2 More sustainable materials and verifications' [\[↗\]](#)).

The material toolbox and supplier briefing are constantly expanded and updated in line with the latest information to take market developments and innovative materials into account at an early stage. A selection of the more sustainable materials used during the reporting period is shown in the 'Conventional Materials vs More Sustainable Materials' [\[↗\]](#) graphic.

LEATHER

Marc O'Polo uses leather for clothing, bags, accessories and shoes. It comes exclusively from farm animals and is a by-product of meat processing.

In recent years, Marc O'Polo has classified leather as a 'more sustainable material' when sourced from tanneries certified by the Leather Working Group (LWG). However, this categorisation did not meet the requirements of the LWG, of which Marc O'Polo is a member. The LWG has set itself the objective of minimising the environmental impact of leather manufacturing processes. We therefore revised this classification in the 2022/23 financial year so that leather from LWG-certified tanneries is no longer listed as a more sustainable material and instead we report on our measures for more responsible leather production in subsection 4.2.3. [\[↗\]](#).



WE DO NOT USE ...

We have avoided using angora wool and have been fur-free for many years now. We only use faux fur made from synthetic fibres. To underline this, Marc O'Polo has committed to a no-fur policy as part of the Fur Free Alliance and is a 'Fur Free Retailer'. In this context, Marc O'Polo supported the EU-wide citizens' initiative for a fur-free Europe during the reporting period and co-signed a brand letter to the European Commission. The letter calls for a ban on EU fur farms and an EU-wide ban on trade in fur products worldwide. Furthermore, we do not use any exotic leathers or leathers from endangered species.

Marc O'Polo has avoided the use of conventional mohair wool for a number of years already and has committed to use only RMS-certified mohair wool (see subsection 2.4.2).



MATERIALS USED*

GRI 301-1, 301-2

MATERIAL	2021		2022	
	INT	IN %	INT	IN %
COTTON	3,425	62.0	4,215	66.0
OTHER NATURAL FIBRES¹	356	6.5	529	8.3
SHEEP'S WOOL	362	6.6	272	4.2
LEATHER	25	0.5	11	0.2
DOWN & FEATHERS	13	0.3	47	0.7
POLYESTER	518	9.4	713	11.0
OTHER SYNTHETIC FIBRES²	407	7.4	378	6.0
REGENERATED CELLULOSIC FIBRES³	402	7.3	232	3.6
TOTAL	5,508	100	6,397	100

- NATURAL FIBRES
- SYNTHETIC FIBRES
- CELLULOSIC FIBRES

¹ OTHER NATURAL FIBRES INCLUDE: LINEN, ALPACA, MOHAIR, CASHMERE, SILK, YAK, HEMP, PAPER, RAMIE

² OTHER SYNTHETIC FIBRES INCLUDE: POLYAMIDE, ELASTOMULTIESTER, ELASTANE, POLYACRYLIC, POLYURETHANE

³ REGENERATED CELLULOSIC FIBRES INCLUDE: VISCOSE, LYOCCELL, MODAL, ACETATE, CUPRO

* DATA BASIS: CALENDAR YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH. EXCLUDES DATA FOR FACTORY OUTLETS, MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG.

CONVENTIONAL MATERIALS VS. MORE SUSTAINABLE MATERIALS*

GRI 301-1, 301-2

		2021		2022	
		INT	ASA %	INT	ASA %
NATURAL FIBRES & -MATERIALS	COTTON	3,425	100	4,215	100
	Conventional	760	22	195	5
	Organic	208	6	396	9
	OCS	1,270	37	1,701	40
	GOTS	1,172	34	1,809	43
	Recycled	15	1	51	1
	RCS	0	0	62	2
	WOOL	330	100	276	100
	Conventional	118	36	14	5
	RWS	212	64	217	78
	Responsible Wool	0	0	2	1
	Recycled	0	0	43	16
	CASHMERE	0	0	3	100
	Conventional	0	0	0	0
	The Good Cashmere Standard®	0	0	3	100
	ALPAKA	0	0	35	100
	Conventional	0	0	35	100
	MOHAIR	0	0	0.5	100
	Conventional	0	0	0	0
	RMS	0	0	0.5	100
	LINEN	270	100	223	100
	Conventional	270	100	143	64
	Masters of Linen®	0	0	80	36
	DOWN & FEATHERS³	13	100	47	100
	Conventional	13	100	0	0
	RDS	0	0	47	100
	LEATHER²	25	100	11	100

¹ PERCENTAGE OF THE TOTAL QUANTITY OF EACH FIBRE TYPE USED BY MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH

² THE CATEGORISATION OF MORE SUSTAINABLE LEATHER WAS REVISED IN THE REPORTING PERIOD; MORE INFORMATION CAN BE FOUND UNDER 'LEATHER' AND IN SUBSECTION 4.2.3. MORE RESPONSIBLE LEATHER PRODUCTION

* DATA BASIS: CALENDAR YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH. EXCLUDES DATA FOR FACTORY OUTLETS, MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG.

CONVENTIONAL MATERIALS VS. MORE SUSTAINABLE MATERIALS*

GRI 301-1, 301-2

		2021		2022	
		INT	ASA %	INT	ASA %
SYNTHETIC FIBRES	POLYESTER	518	100	713	100
	Conventional	408	79	37	5
	Recycled	110	21	576	81
	RCS	0	0	100	14
	POLYAMID	314	100	281	100
	Conventional	224	71	115	41
	Recycled	90	29	136	49
	RCS	0	0	0	10
	POLYURETHANE	0	0	0.4	100
	POLYACRYLIC	0	0	15	100
ELASTANE	0	0	43	100	
ELASTOMULTIESTER	0	0	39	100	

		2021		2022	
		INT	ASA %	INT	ASA %
REGENERATED CELLULOSIC FIBRES	VISCOSE	250	100	131	100
	Conventional	119	48	23	17
	Lenzing™ Ecovero™	131	52	99	76
	Responsible Viscose	0	0	9	7
	LYOCELL	122	100	72	100
	Conventional	29	24	15	21
	Tencel™	93	76	57	79
	Tencel™ x Refibra™	0.1	0	0	0
	MODAL	30	100	25	100
	Conventional	19	63	5	20
Tencel™	11	37	20	80	

¹ PERCENTAGE OF THE TOTAL QUANTITY OF EACH FIBRE TYPE USED BY MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH

² THE CATEGORISATION OF MORE SUSTAINABLE LEATHER WAS REVISED IN THE REPORTING PERIOD; MORE INFORMATION CAN BE FOUND UNDER 'LEATHER' AND IN SUBSECTION 4.2.3. MORE RESPONSIBLE LEATHER PRODUCTION

* DATA BASIS: CALENDAR YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH. EXCLUDES DATA FOR FACTORY OUTLETS, MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG.

‘TRANSPARENCY ABOUT RESPONSIBLE RESOURCE CONSUMPTION, CONSIDERATION OF ETHICAL STANDARDS AND CIRCULARITY POTENTIAL ARE IMPORTANT WHEN SELECTING MORE SUSTAINABLE FIBRES AND MATERIALS. WHEN TARGETS ARE ACHIEVED, THEY SHOULD BE SEEN AS MILESTONES AND CONSTANTLY FOLLOWED BY FURTHER IMPROVEMENT.’



**FRANZISKA SCHUMANN
SENIOR SUSTAINABILITY MANAGER**

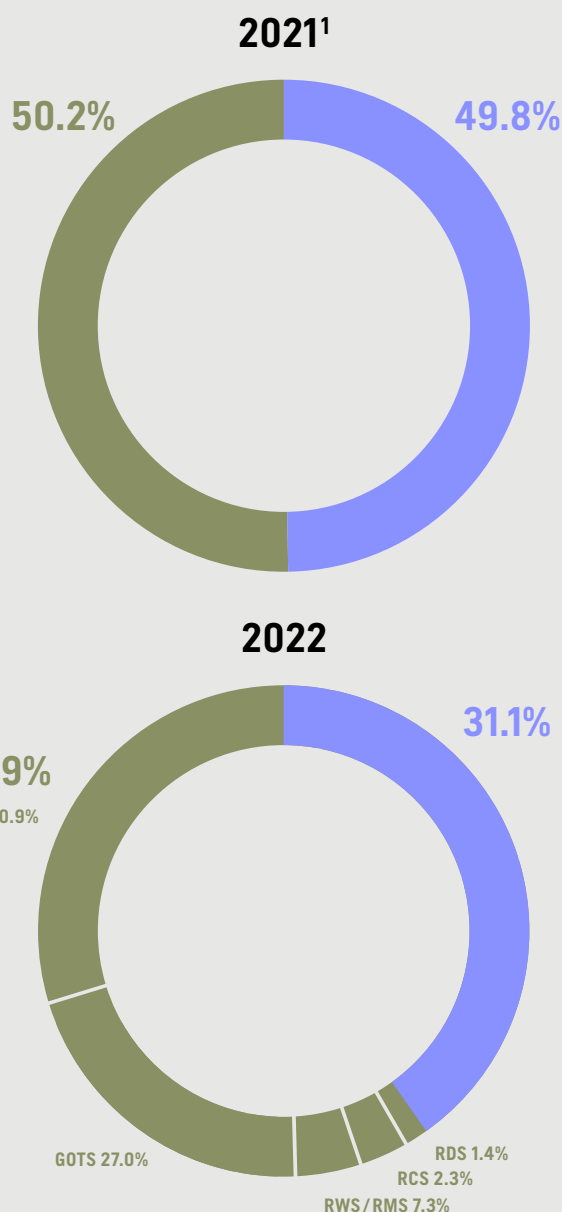
3.4.2 MORE SUSTAINABLE MATERIALS AND VERIFICATIONS

GRI 3-3 (301, 417)

When sourcing materials, we increasingly use industry-recognised standards for ecological and recycled fibres and more environmentally friendly regenerated cellulosic fibres from manufacturer brands and those that take animal welfare and land management into account. For most standards (including GOTS, OCS, RWS, RCS, RDS and RMS, among others) independent third parties check at all levels of the textile production chain that the corresponding material is contained in the product. To ensure the necessary transparency in the supply chain, we are continuously expanding the relevant certification for our products. A logo on the label shows whether a Marc O'Polo product is certified in accordance with a particular standard.

CERTIFIED PRODUCTS*

GRI 417-1



- CERTIFIED
- NOT CERTIFIED

* CALENDAR YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH. EXCLUDES DATA FOR FACTORY OUTLETS, MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG.

¹ IN THE 2021 CALENDAR YEAR, THERE WAS NO DIFFERENTIATED EVALUATION ACCORDING TO THE TYPE OF CERTIFICATION.

ORGANIC MATERIALS

Many of our products containing organically grown fibres are certified in line with the Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS), which are both well-known textile standards. The natural fibres from controlled organic farms are grown through crop rotation without genetically modified seeds, synthetic pesticides or fertilisers, which protects the health of the farm workers, the soil quality and the environment. Organic cotton and a small amount of organic hemp were used during the reporting period. In the future, it is also planned to use organic wool and linen, depending on market availability.

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

Products that comply with the Global Organic Textile Standard (GOTS) must be made from a high proportion of organic natural fibres. GOTS also places strict requirements on the ingredients and production processes used and requires compliance with social and environmental criteria during further processing.

GOTS ORGANIC
MINIMUM 95% ORGANIC NATURAL FIBRES

GOTS MADE WITH ORGANIC
70%–94% ORGANIC NATURAL FIBRES



CERTIFIED BY CONTROL UNION
CU 1020184

ORGANIC CONTENT STANDARD (OCS)

The Organic Content Standard (OCS) applies to products that contain 5 to 100 per cent organic material.

OCS 100
MINIMUM 95 PER CENT ORGANIC NATURAL FIBRES*

OCS BLENDED
5 TO 95 PER CENT ORGANIC NATURAL FIBRES*



CERTIFIED BY CONTROL UNION
CU 1020184



CERTIFIED BY CONTROL UNION
CU 1020184

MASTERS OF LINEN®

Linen certified as Masters of Linen® is made from European Flax® fibres. European Flax® is grown in western Europe without artificial irrigation*, without GM seeds and with a responsible approach to pesticide and fertiliser use. Furthermore, Masters of Linen® guarantees that every step, from the field to the fabric, is carried out by European companies. Marc O'Polo goes even further and ensures that the entire value chain takes place in Europe – from the field to the finished garment.

MATERIALS OF ANIMAL ORIGIN

WOOL

Marc O'Polo has pledged to use only certified mulesing-free wool or recycled sheep's wool from 2023. Due to special fibre blends, we are likely to fall just short of this target and will only reach it in 2025. In 2022, we were already able to rule out mulesing from 84 per cent (previous year: 46 per cent) of our wool products through material and product certifications (RWS, RCS, GRS). To publicly underline our objective, Marc O'Polo signed the animal welfare organisation Four Paws' brand letter of intent in 2021, urging the Australian wool industry to stop all mulesing. Because we have already started using mulesing-free wool, we were awarded gold in the Four Paws brand ranking (Four Paws Brand Check [7]).

RESPONSIBLE WOOL STANDARD (RWS) AND RESPONSIBLE MOHAIR STANDARD (RMS)

The wool for our Responsible Wool Standard (RWS) and Responsible Mohair Standard (RMS) products comes from certified farms that respect animal welfare, responsible land use and the social well-being of farm workers.



CERTIFIED BY CONTROL UNION
CU 1020184



CERTIFIED BY CONTROL UNION
CU 1020184

THE GOOD CASHMERE STANDARD®

The standard takes into account the animal welfare of cashmere goats in Inner Mongolia, more responsible use of agricultural land and social well-being at the relevant farm. Since the 2022 autumn/winter collection, Marc O'Polo has been offering products with cashmere certified in accordance with The Good Cashmere Standard® by AbTF.



THE GOOD CASHMERE STANDARD
BY ABTF

* MOP DOES NOT USE ANY BLENDS OF ORGANIC- AND CONVENTIONAL-ORIGIN FIBRE TYPES IN ONE MATERIAL

DOWN AND FEATHERS

The down and feathers used by Marc O'Polo have come with the well-known Responsible Down Standard (RDS) certification. The down and feathers are a waste product from the meat processing industry, which means they are repurposed for the clothing industry. They are obtained exclusively from slaughterhouses, i.e. they are not taken from live animals and safeguards are employed to ensure that no force-feeding is carried out beforehand.

RESPONSIBLE DOWN STANDARD (RDS)

Down and feathers that are certified according to the Responsible Down Standard (RDS) must meet the mandatory requirements for animal welfare.



CERTIFIED BY CONTROL UNION
CU 1020184

REGENERATED CELLULOSIC FIBRES

Marc O'Polo uses regenerated cellulosic fibres (viscose, lyocell and modal) from fibre manufacturers that achieve at least 80 per cent of the maximum possible score ('green shirt' status) in Canopy's Hot Button Ranking. Canopy is a non-profit organisation dedicated to protecting old and endangered forests around the world.

The Hot Button Ranking is an analysis tool for the procurement of regenerated cellulosic fibres. It allows us to ensure that we source fibres from producers who use wood from responsible plantations. Based on it, we use the following fibre brands:

LENZING™ ECOVERO™

LENZING™ ECOVERO™ is a more sustainable viscose that has been awarded the EU Ecolabel. The pulp used comes from certified, sustainably managed forests – and is bleached in an environmentally friendly way. This viscose fibre is associated with lower emissions and a reduced water impact.

TENCEL™

TENCEL™ Lyocell and TENCEL™ Modal are industrially produced, regenerated cellulosic fibres made from natural wood pulp. This pulp also comes from trees grown in more responsible plantations. The TENCEL™ lyocell fibre with REFIBRA™ technology also uses pulp from pre-consumer cotton waste – an important contribution to a circular economy for textiles. TENCEL™ Lyocell is produced in a closed cycle and is particularly environmentally friendly.



RECYCLED MATERIALS

GRI 3-3 (301)

Pre-consumer or post-consumer waste is used as a raw material to make new fibres. This reduces the environmental impact compared to conventional fibres. Marc O'Polo has set a minimum level of 20 per cent recycled material in recycled fibres. We continue to hope for innovative technologies that will make it possible to increase the availability of different types of recycled fibres in the market and increase the proportion of recycled material in fibres themselves. The following recycled fibres were used during the reporting period:

RECYCLED CLAIM STANDARD (RCS)

The Recycled Claim Standard (RCS) is a standard for the traceability of recycled raw materials within a supply chain. Using RCS enables us to increase the transparency of our products that feature recycled content.

RCS 100
MINIMUM 95 PER CENT RECYCLED MATERIAL

RCS BLENDED
5 TO 95 PER CENT RECYCLED MATERIAL*



CERTIFIED BY
ECOCERT GREENLIFE 244536



CERTIFIED BY
ECOCERT GREENLIFE 244536

* MARC O'POLO REQUIRES AT LEAST 20 PER CENT RECYCLED MATERIAL FOR LABELLING AS RCS

RECYCLED MATERIALS*

GRI 301-2

MATERIAL	2021		2022	
	IN T	AS IN % ¹	IN T	AS IN % ¹
POLYESTER²	110	21	676	95
POLYAMIDE	90	29	166	59
WOOL	32	9	43	16
COTTON	15	0.5	113	3
CASHMERE	2	20	0	0
LYOCELL (TENEC™ WITH REFIBRA™ TECHNOLOGY)³	0.1	1	0	0
TOTAL	249	5	998	16

● NATURAL FIBRES
● SYNTHETIC FIBRES
● CELLULOSIC FIBRES

¹ PERCENTAGE OF THE TOTAL AMOUNT OF THE RESPECTIVE FIBRE TYPE USED BY MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH

² CONTAINS PRE-CONSUMER AND PET BOTTLE RECYCLED MATERIAL, INCLUDING BRAND-NAME FIBRES THERMORE®, THERMORE® ECODOWN® AND REPPEVE®

³ PROPORTION OF RECYCLATE VARIES (CONTAINS UP TO 30 PER CENT RECYCLATE)

* DATA BASIS: CALENDAR YEAR, MARC O'POLO INTERNATIONAL GMBH AND MARC O'POLO DENIM & CAMPUS GMBH. EXCLUDES DATA FOR FACTORY OUTLETS, MARC O'POLO SHOES GMBH, MARC O'POLO ACCESSORIES GMBH AND MARC O'POLO LICENCE AG.

'ACTING SUSTAINABLY MEANS TAKING CONSCIOUS DECISIONS, CONSTANTLY QUESTIONING YOUR OWN ACTIONS AND WEIGHING UP THE IMPACTS RESULTING FROM THEM AS FAR AS POSSIBLE. THIS APPROACH HAS A MAJOR INFLUENCE ON MY WORK, INCLUDING THE CHOICE OF OUR MATERIALS.'



**MIRIAM NOSPER
SUSTAINABILITY MANAGER**

3.4.3 INNOVATIONS

For Marc O'Polo, innovation in products is the driving force behind further innovations that also affect adjacent areas. This makes it essential to take a joined-up view of sustainability, digitisation and corporate culture. For us, sustainability is an ongoing process. We understand that requirements and parameters may change over time. Our aim is to meet these requirements in the future as well.

The Sustainable Materials & Innovation division focuses on research into new fibres, materials and product concepts. Staff here liaise with manufacturers and suppliers to develop innovative approaches at product level which conserve resources while meeting the requirements for a long-lasting, premium casual product. When researching and selecting new product concepts, they focus on new approaches in the fields of materials strategy, environmental and chemicals management, carbon emissions reductions and end-of-life scenarios.

INNOVATION THROUGH RECYCLING

GRI 3-3 (301)

One focus of our innovative approaches is currently in recycling, with the aim of expanding the reuse of raw materials. In the 22/23 financial year, we launched styles made from MWool® in partnership with the Italian premium fabric manufacturer Manteco. It is a certified recycled wool whose reduced footprint was independently verified through a life cycle assessment (LCA).

We were able to develop another innovation in the field of technical outdoor clothing: the Low Impact Outdoor capsule collection, offering puffer jackets made from certified recycled material (PET bottles) dyed using the spin solution dye process. This enabled significant savings to be achieved for water, chemicals and carbon dioxide. The new outdoor jacket thus integrates well into our capsule collection, which combines a variety of products with feedstock as the raw material.

We were also able to advance denim recycling. Individual styles were developed across all divisions that, for the first time, consist of 100 per cent recycled cotton.

DESIGNED FOR CIRCULARITY

In order to address the strategically important issue of textile waste and used textiles, it was only logical to start at the beginning of our value chain – with the design of our items. The partnership with circular.fashion laid the foundation for recyclable products. Employees from several departments were trained in fibres, processes, chemistry, construction and circular business models in a multi-day coaching session. Training for all employees in the areas of design, buying and production took place by the end of this financial year, as did the development of the first styles that have been validated according to the level 1 standard of circular.fashion and will be launched in stores under the label Designed for Circularity in the 23/24 financial year.

FASHION AS A SERVICE

In addition to circular processes in the product cycle, Marc O'Polo is also examining new business models as part of its comprehensive understanding of sustainability. We therefore tested the option of renting fashion in our own online shop during the reporting period.

As part of a test, Marc O'Polo offered, at random, selected items from the collection for rent instead of purchase. If the customer opted for the rental offer, they clicked on the corresponding 'Hire' button and selected the desired period. The choice was 5 days, 2 weeks, 1 month or 2 months. The price depended on the duration of the loan. In the end, there was the option of extending the rent, buying the item or returning the item. The clothes were cleaned professionally and in an environmentally friendly manner, and minor repairs were carried out where necessary. The item of clothing was then made available for the next person.

The rental model is based on the idea of sharing clothes instead of owning them. Products are intended to be worn more frequently and valuable resources used more sustainably. Studies have shown that renting can enable more usage per item. Our aim is to use a variety of circular approaches to gain experience so that we can make our activities as resource-conserving as possible in the future. Due to the more complex process structures of circular business models compared to the current linear model, the models are first being researched, developed and improved.

3.4.4 RETURNS MANAGEMENT

We are constantly working to reduce returns via our online shop. However, they cannot be completely avoided – either because of the size of the item, because the item looks different than expected or because the customer has ordered several items to choose from.

Every product that is returned via our online shop has its condition checked manually and carefully. Marc O'Polo categorises returns into three categories (A, B, C). A Goods are stored and sold again. B Goods are first processed and then sold again. C Goods are prepared and resold via the outlet at a reduced price. In rare cases, for example in the case of heavy soiling, holes, strong odour or other defects in the items, we work together with the textile recycling company Texaid. Texaid offers devaluation services and ecological processing of textiles in order to keep as many textile raw materials as possible in the textile cycle.



'BECOMING MORE SUSTAINABLE DEMANDS INNOVATION. WE ALL KNOW THE GOAL, BUT NO ONE KNOWS EXACTLY HOW TO ACHIEVE IT. WE WANT TO DARE TO TRY NEW THINGS, RECOGNISE MISTAKES AND DO THINGS DIFFERENTLY AND BETTER THAN BEFORE. TO QUOTE ALBERT EINSTEIN: 'THE WORLD AS WE HAVE CREATED IT IS A PROCESS OF OUR THINKING. IT CANNOT BE CHANGED WITHOUT CHANGING OR THINKING.'



**SIMONE SOMMER
DIVISION HEAD SUSTAINABLE MATERIALS &
INNOVATION**

3.4.5 PACKAGING

GRI 3-3 (306), 301-1, 306-1

From a sustainability perspective, packaging is a major challenge for clothing companies – including Marc O’Polo. As a matter of principle, we believe that packaging should provide the best possible protection against various influences in order to meet our premium standards. It also facilitates handling in warehouses and retail outlets. However, the production of the packaging requires large quantities of resources and the waste pollutes the environment. Most of the packaging is only used once and only for a relatively short period of time.

This is why we wish to reduce the use of materials, reuse materials and packaging more frequently, use more sustainable packaging materials (recycled and/or certified) and further improve recyclability.

When selecting our packaging, we currently favour recyclable materials and increasingly packaging with a high proportion of recycled and/or certified material. For example, we source our papers and paper-based packaging from recycled sources that are certified by the Forest Stewardship Council® (minimum requirement of FSC Mix). We are also constantly questioning which packaging elements are actually necessary and have tested various reusable and return solutions in the past.

TABLE OF PACKAGING USED*

MATERIAL	PACKAGING TYPE	TOTAL QUANTITY (IN T)	RECYCLING RATE (AS %)
PAPER	Transport and delivery boxes	1,092	95
	Product/gift boxes	321	0.2
	Shopping bags	231	100
	Other paper packaging (tissue paper, hang tags, filling material, etc.)	375	28
	Paper, total	2,019	68
PLASTIC	Film bags (incl. clothing covers)	371	0 ¹
	Transport hangers	89	100
	Other plastic packaging (delivery note pouches, plastic clips, etc.)	11	11
	Plastics, total	471	19
METAL	Hanging hooks	29	0
	Metal, total	29	0
TEXTILE	Carry bags	1	0
	Other textile packaging (collar ribbons, gift ribbons, etc.)	41	24
	Textile, overall	42	23
TOTAL		2,561	57

¹ THE CHANGE IN PRIMARY PACKAGING FROM THE 2023 AUTUMN/WINTER COLLECTION WILL LEAD TO A SHARP INCREASE IN THE PROPORTION OF RECYCLED PLASTICS FROM THE NEXT REPORTING PERIOD ONWARDS.

*PERIOD UNDER REVIEW: 2022 CALENDAR YEAR, MARC O’POLO INTERNATIONAL GMBH, MARC O’POLO DENIM & CAMPUS GMBH, FACTORY OUTLET, MARC O’POLO SHOES GMBH AND MARC O’POLO ACCESSORIES GMBH. NOT INCLUDING MARC O’POLO LICENCE AG VOLUMES. THE INFORMATION IS PARTLY BASED ON ASSUMPTIONS AND AVERAGE WEIGHTS OF THE RESPECTIVE PACKAGING COMPONENTS. WORK IS UNDER WAY TO IMPROVE THE DATA BASIS IN THE COMING REPORTING PERIOD.

THE PLASTIC BAG PROBLEM

GRI 3-3 (306), 306-1

The plastic bags in our primary packaging in particular present us with challenges. They protect our products from moisture, dirt and damage, among other things, and must suit our company's and our partners' processes and procedures.

For this reason, we have been working as part of a large-scale pilot project since 2021 on making our primary packaging more sustainable while at the same time meeting the various requirements throughout the entire supply chain. As we are unfortunately unable to go without the bags at the moment, the proportion of packaging material with more sustainability should be increased and the amount of material required per product reduced. To reduce the use of plastics in particular, we analysed paper, biodegradable plastics and bio-based plastics as part of our decision-making process. Although paper was initially favoured due to it being a natural, renewable raw material, it was unable to meet our quality assurance requirements as the packaging was severely damaged and soiled during delivery. The paper packaging also failed to meet our sustainability requirements, as removing the virgin fibres and extracting the pulp for the packaging is an energy-intensive and resource-intensive process.

That is why we ultimately opted for certified 100 per cent post-consumer recycled plastic bags. During the reporting period, we began converting the primary packaging for the majority of our items. Starting with the 2023 autumn/winter collection, almost 90 per cent of our Marc O'Polo Casual and Marc O'Polo DENIM items will gradually be packaged in the new, recycled plastic bags. In addition, the bags will be thinner in the future, eliminating almost a third of the material used. The bags will be sourced locally from our suppliers. The transparency of the bag may vary; they may be slightly milky and contain small foreign substances due to differences in the raw material. While guaranteeing product protection, the change of material, according to the manufacturer, can eliminate half of the carbon emissions of our previous bags. In the coming reporting period, we will focus on pushing ahead with this change across all of our items.

We are aware that switching to recycled materials is not the definitive solution to the problem. In the future, we want to significantly reduce the use of disposable packaging and return more packaging directly to the reuse cycle. This also applies to our transport hangers, for example, and the comprehensive use of the reusable solutions tested.

4 ENVIRONMENT & CLIMATE

As a business, we are facing major sustainability challenges in light of global ecological changes. As part of our materiality analysis and sustainability strategy, we have prioritised environmental risks such as water pollution from the use of hazardous chemicals, greenhouse gas emissions, air pollution and water consumption. Marc O'Polo has an impact on the environment throughout the whole value chain. We are aware that our international procurement involves sustainability risks and consider it our commercial obligation to counteract these risks and take responsibility for our actions to protect the environment and the climate.

For this reason, Marc O'Polo is working to continuously reduce the environmental impact of its business activities. This includes introducing and further developing more environmentally and climate-friendly processes and measures at our administrative locations, at our retail stores and in the logistics chain – as well as collaborating on initiatives and with partners in the supply chain.

4.1 WATER

GRI 3-3 (303)

Water is the planet's most important resource, vital for humans, ecosystems, and species. The textile and clothing industry is one of the economic sectors with the world's greatest impacts on water consumption and water quality. Large volumes of water are used in the cultivation of natural fibres such as cotton and the extraction of synthetic fibres as well as in wet processes such as washing, dyeing and tanning. Water scarcity and other impacts on water systems pose significant risks to human, animal and plant habitats. They may also have a direct impact on our business activities if they lead to supply or production bottlenecks. In its direct area of responsibility, Marc O'Polo examines what measures are necessary to use water in a more resource-conserving and environmentally friendly manner. Initially, we will focus on collecting data from our supply chain, reducing water consumption for specific water-intensive product groups and taking action at our administrative sites.

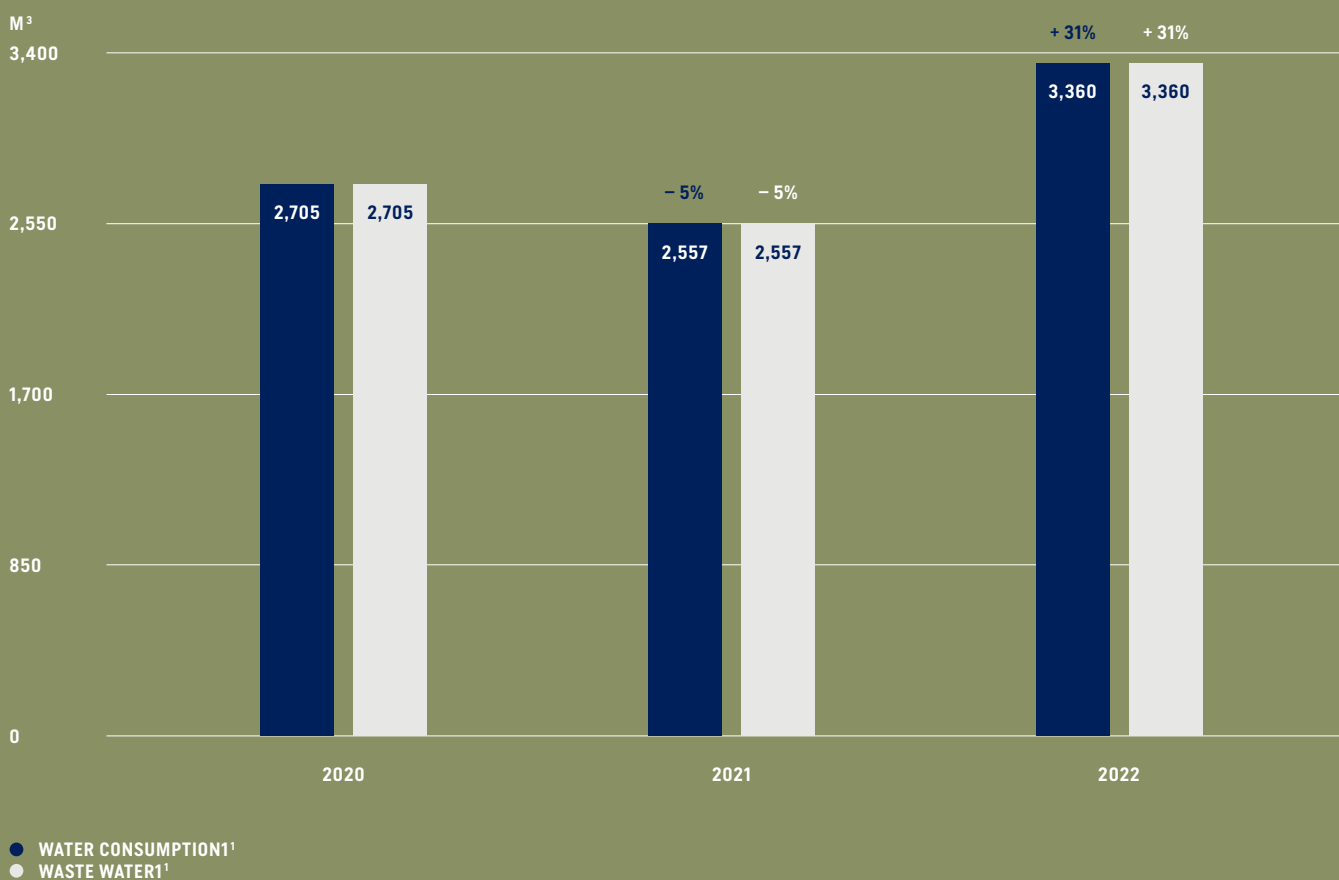


4.1.1 WATER MANAGEMENT AT OUR ADMINISTRATION SITES

GRI 3-3 (303), 303-3, 303-5

At our own stores and administrative offices, water is mainly used for sanitary facilities in addition to our canteen and kitchenettes. We source the water from the municipal water supplier and discharge it exclusively into the municipal sewage system. Water consumption is recorded by the utility company and regularly evaluated for our headquarters in Stephanskirchen. Water consumption at our headquarters increased by 31 per cent in 2022, due to the increased return of employees to the campus and the additional increase in the number of employees. To reduce our water consumption, we have a cistern (greywater) at our headquarters, which uses the water as service water for flushing toilets. The cistern has a capacity of approx. 50 m³ with the water level varying depending on the weather conditions. In addition, all hygiene facilities at our administration site are covered by a sustainability concept and equipped with things such as water-saving sensor taps, for example.

WATER CONSUMPTION AT OUR HEADQUARTERS IN STEPHANSKIRCHEN:



¹ THE REPORTED CONSUMPTION FIGURES PERTAIN SOLELY TO OUR ADMINISTRATIVE SITE IN STEPHANSKIRCHEN. STORES AND SHOWROOMS ARE CURRENTLY NOT TAKEN INTO ACCOUNT DUE TO POOR DATA QUALITY. IN THE COMING REPORTING PERIOD, WE WILL WORK ON IMPROVING DATA QUALITY AND EXPANDING REPORTING.

4.1.2 WATER MANAGEMENT IN OUR SUPPLY CHAIN

GRI 3-3 (303), 303-5

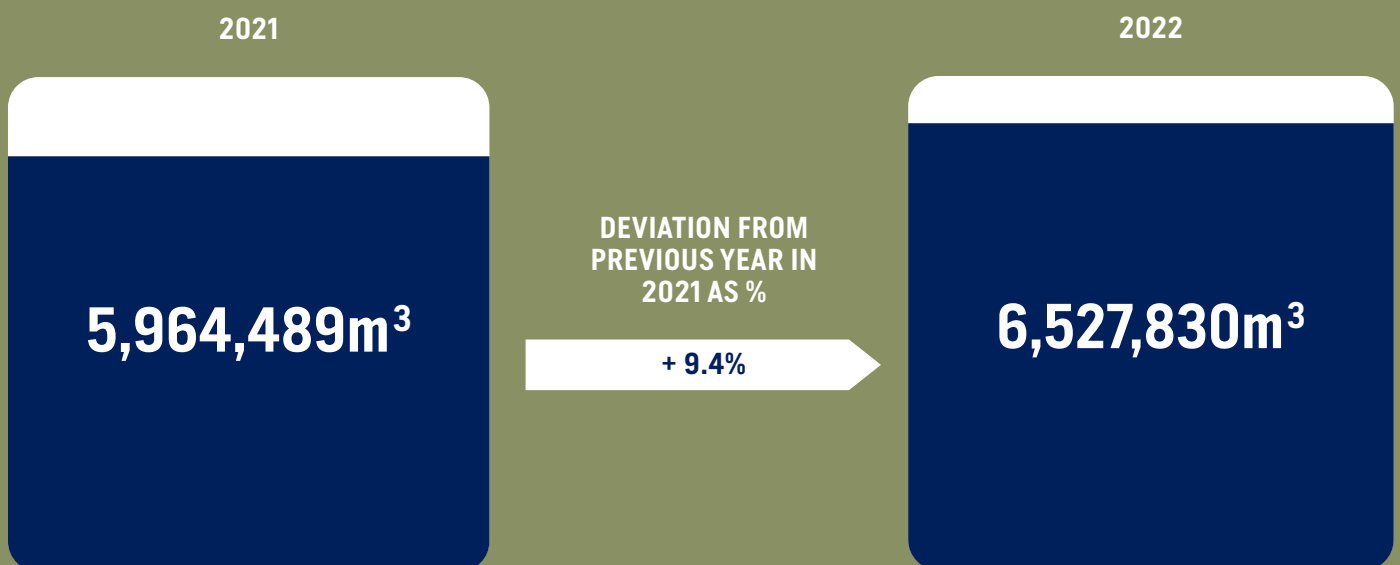
The greatest potential for reducing water consumption lies in our supply chain. However, we often do not know the specific water consumption of our suppliers. We therefore began recording the consumption of our strategic tier 1 and tier 2 suppliers, i.e. our direct suppliers and their sewing operations, laundries, dye shops and printers, using the Facility Environmental Module (FEM) of the Higg Index during the reporting period. The Higg FEM offers us the opportunity to systematically record and evaluate consumption so that we can then derive strategies and improvement measures (see subsection 2.4.4 Partner Organisations [7]).

IMPLEMENTATION OF LESS RESOURCE-INTENSIVE TECHNOLOGIES

GRI 3-3 (303), 303-2

Another focal point is the optimisation of water-intensive manufacturing processes. Together with our partners in the supply chain, we are developing processes and materials that incorporate technologies that conserve more resources. For example, we developed a Low Impact Outdoor capsule collection during the reporting period in which the outer fabrics were dyed using a spin solution dye process (spinner dyeing). As a result, the reduction in water consumption was over 340,000 litres compared with conventional piece dyeing (see subsection 3.4.5 'Innovations' [7]). As part of 'Our Cleanest Jeans Project' (see subsection 4.2.1 [7]) we are also working with our partners in the supply chain to implement alternative technologies that can help us reduce water consumption in the washing processes of our jeans.

WATER CONSUMPTION IN OUR SUPPLY CHAIN*



* AGGREGATED AND VERIFIED HIGG FEM WATER CONSUMPTION OF OUR T1 AND T2 SUPPLIERS AT THE TIME OF PREPARING THE REPORT, AS OF 12 JULY 2023. THE COLLECTION OF OUR SUPPLIER DATA AS PART OF 2022 HIGG FEM VERIFICATION WILL CONTINUE UNTIL 30 OCTOBER 2023. THE TOTAL WATER CONSUMPTION FOR 2022 MAY THEREFORE VARY.

WE ARE FACING MAJOR ENVIRONMENTAL CHALLENGES AND NEED A COMMON UNDERSTANDING OF SUSTAINABILITY SINCE WE ARE ALL PART OF CONNECTED SYSTEMS. IT IS OUR RESPONSIBILITY AS AN INDUSTRY AND BUSINESS TO TRANSFORM OURSELVES AND DRIVE POSITIVE CHANGE TO PRESERVE THE SUSTAINABILITY OF OUR PLANET.



**MICHAELA WEBER
GROUP MANAGER ENVIRONMENTAL &
QUALITY MANAGEMENT**

4.2 CHEMICAL & WASTE WATER MANAGEMENT

GRI 3-3 (303), 413-2

Chemicals are used in manufacturing and finishing processes in the global textile and clothing industry and they are estimated to cause around 20 per cent of global water pollution. They may be released when waste water is insufficiently treated and endanger people's health and the environment. They affect the quality of bodies of water and thus the local water supply. Chemicals used in production processes can also impair the well-being of workers. In addition, products may contain toxic residues that have a negative impact on the health of our customers.

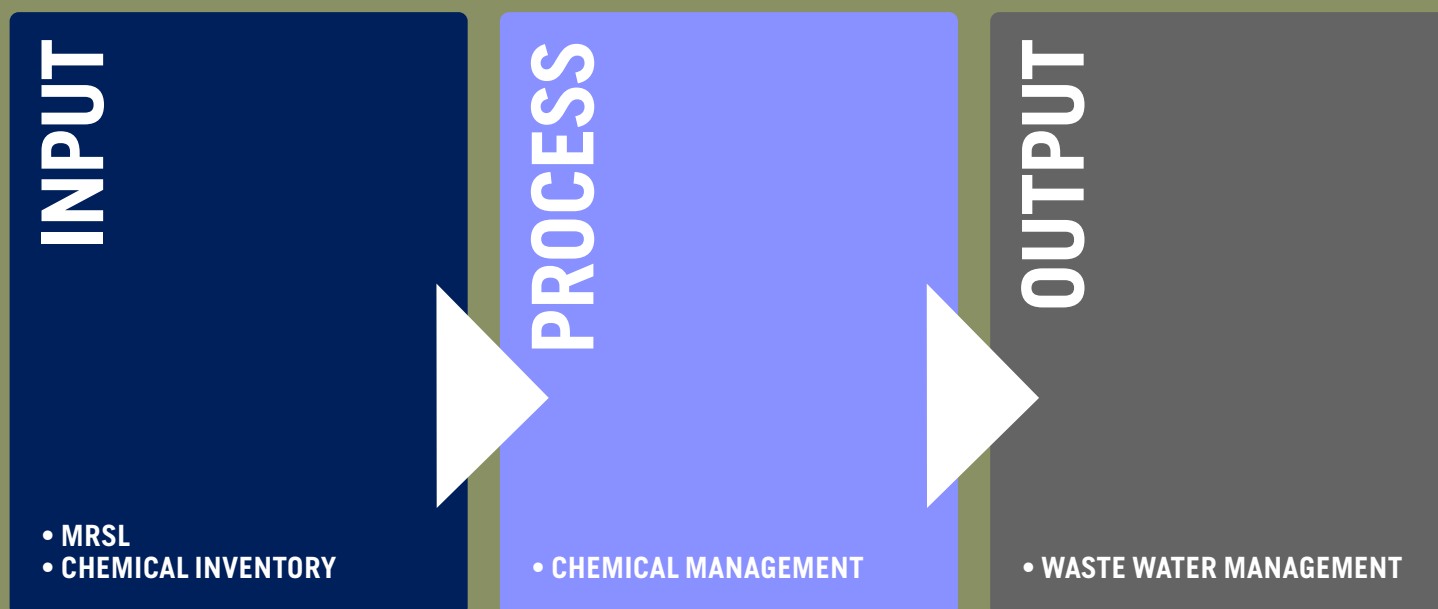


4.2.1 THE MARC O'POLO ENVIRONMENTAL MANAGEMENT PROGRAM (EMP)

GRI 3-3 (303)

In order to minimise the health and environmental risks posed by waste water discharge, we began gradually establishing a comprehensive Environmental and Chemicals Management Programme (EMP) in our supply chain in the past financial year. Our aim is to remove and replace chemicals that are harmful to people's health and the environment from the Marc O'Polo supply chain, implement effective chemicals management and dispose of waste water appropriately. A significant part of our EMP is based on the ZDHC Foundation's Roadmap to Zero Programme. We believe in the need for systemic change in the industry and encourage our supply chain partners to adopt the guidelines, platforms and solutions of the ZDHC Foundation for their sustainable chemicals management.

THE MARC O'POLO EMP COMPRISES THE FOLLOWING ASPECTS:



CHEMICALS MANAGEMENT IN PRODUCTION PROCESSES

GRI 3-3 (303), 303-2, 303-4

We continuously work on eliminating hazardous chemicals from our supply chain and promoting the use of more sustainable alternatives. For this reason, we have set ourselves the goal of using only ZDHC Manufacturer's Restricted Substances List (MRSL)-compliant chemicals in the manufacture of our products from 2023. The MRSL is a restriction list that prohibits the intentional use of hazardous chemical substances in wet processes such as dyeing, tanning, printing or washing. We require our suppliers to comply with it.

In order to track which chemicals are used in these processes, conduct hazard assessments and verify compliance with the ZDHC MRSL, our wet process suppliers are required to establish a digital chemical inventory. It is updated at regular intervals and sent to us. To this end, we and our partners in the supply chain work with ZDHC-accredited solution providers such as The BHive®. Moreover, as a ZDHC Signatory Friend of the ZDHC Brand, we provide our supply chain partners with access to the ZDHC Foundation's platforms that provide information on alternative, more environmentally friendly and healthier chemicals.

In addition to complying with the ZDHC MRSL, we prohibit the use of chemical substances and groups under REACH Regulation (EC) 1907/2006 Annex XVII and the Candidate List for Substances of Very High Concern (SVHC).

NO PFAS (PFCS)

PFAS (perfluorinated and polyfluorinated chemicals) belong to a very worrying group of chemical substances found, for example, in water- and oil-repellent textile finishes. We started eliminating these substances from our supply chain in 2015 and stopped using PFAS-based finishes in 2018.

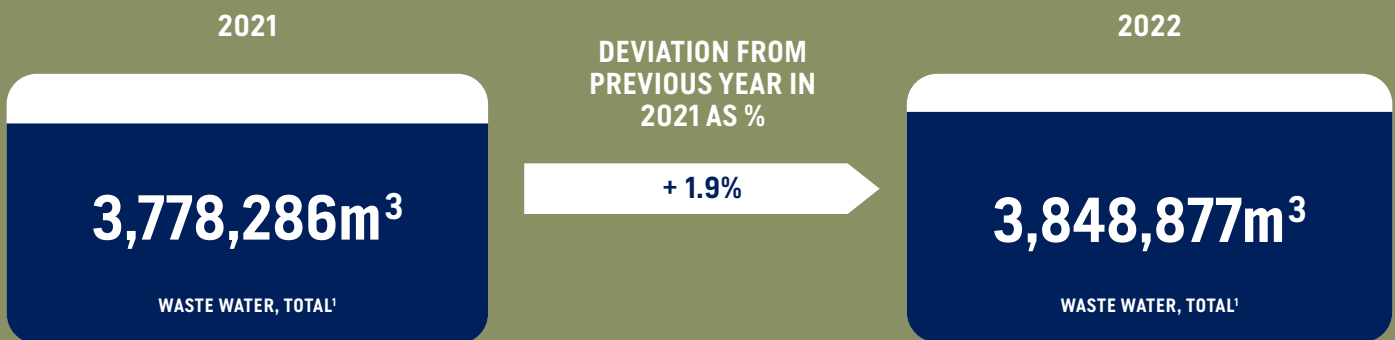
INPUT – CHEMICALS MANAGEMENT

Effective chemicals management is essential in order to reduce the impacts on the environment and on the health of workers in production processes. In addition to department-specific tasks, this includes the procurement and proper storage of chemicals, waste disposal and measures to protect the health of workers.

OUTPUT – WASTE WATER MANAGEMENT

With our waste water management, we make an important contribution to the Sustainable Development Goals (SDGs) of the United Nations. SDG 6 aims to 'ensure the availability and sustainable management of water and sanitation for all'. Based on that, water quality should be improved by 2030 by reducing pollution, stopping dumping and minimising the release of hazardous chemicals, amongst other things. In order to reduce the environmental impact of production processes, we ensure proper waste water treatment and disposal of sewage sludge.

WASTE WATER IN OUR SUPPLY CHAIN



¹AGGREGATED AND VERIFIED HIGG FEM DATA ON THE WASTE WATER PRODUCED BY OUR T1 AND T2 SUPPLIERS AT THE TIME THE REPORT WAS PREPARED, AS OF 12 JULY 2023. THE COLLECTION OF OUR SUPPLIER DATA AS PART OF 2022 HIGG FEM VERIFICATION WILL CONTINUE UNTIL 30 OCTOBER 2023. THE TOTAL WASTE WATER PRODUCED FOR 2022 MAY THEREFORE VARY.

OUR CLEANEST JEANS PROJECT (OCJP)

Dyeing and washing processes used in conventional jeans production pollute the environment due to their heavy use of water, energy and chemicals. For this reason, we launched OUR CLEANEST JEANS PROJECT (OCJP) in the 2020/21 financial year with the aim of making the production of our jeans more environmentally friendly, reducing the consumption of resources and promoting the use of more sustainable materials. We have been able to continuously increase the proportion of OCJP denim products since 2021. In the 2022/23 financial year, it was 98 per cent across all divisions (FY 2021/22: 85 per cent).

For a Marc O'Polo product to meet the OCJP standard, the wash treatments for each pair of jeans must be rated with a green EIM score (see illustration below, low impact). Every pair of OCJP jeans must meet at least these requirements and can also meet up to two other requirements, for example by using organic cotton or more responsible yarn dyeing technologies.

We measure the eco-friendliness of our wash treatments using the EIM (Environmental Impact Measurement) score from Jeanologia. During the reporting period, the EIM was revised and the requirements for the evaluation criteria increased significantly (EIMv2.0). In addition to adjustments in the areas of water and energy, the use of chemicals and the associated protection of workers' health have also been significantly tightened up. We aim for our jeans to continue to be rated as 'low impact', thus meeting the high EIMv2.0 standards. The EIM shows the impact in the individual categories using the traffic light system below.

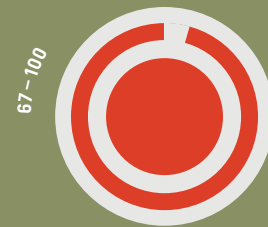
USE OF POTASSIUM PERMANGANATE (PP SPRAY) AND PUMICE STONES

GRI 3-3 (303), 303-2

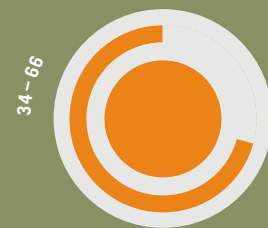
The EIM updates also take a significantly tougher stance on the use of potassium permanganate (PP spray) and pumice stones. Potassium permanganate (PP spray) is an oxidising agent that is used throughout the industry. Predominantly sprayed on by hand, it fades the colour in certain areas of the jeans to create a worn/used look. PP spray can be harmful to the health of the workers involved and toxic to aquatic organisms. For this reason, potassium permanganate (PP spray) is listed as a candidate substance in the ZDHC MRSL and its use is therefore restricted under the new EIMv2.0.

Pumice stones are used in stone washing, a washing process with additional bleaching and detergents. The stones, together with the bleaching agents, brighten the top layer of the fibre surface through friction. This results in waste water that is contaminated with stone dust and chemicals, which places strain on the waste water treatment plants and has to be disposed of accordingly as pumice ash. That is why we, in the 2022/23 financial year, started to look for more environmentally friendly solutions together with our suppliers. As a resource-saving alternative, we use lasers and denim fabrics that are easier to use a laser on. In addition, processes such as ozone scrubbing, nano-bubble technologies, more environmentally friendly oxidants, synthetic, reusable stones; and special enzyme scrubbing are used.

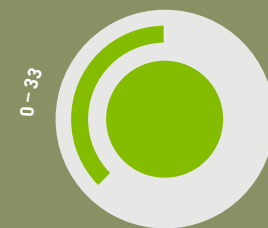
EIM[®]
SCORE
by:
Jeanologia[®]



**HIGH-IMPACT
PROCESS**



**MEDIUM-IMPACT
PROCESS**



LOW-IMPACT PROCESS

4.2.2 CHEMICALS AND WASTE WATER MANAGEMENT IN THE SUPPLY CHAIN

GRI 3-3 (303), 308-2

We work closely with our suppliers to implement our Environmental and Chemicals Management Programme and thus more environmentally friendly processes. After all, we need to work together to tackle the complex environmental challenges and drive improvements. To this end, we regularly discuss current issues as well as difficulties and progress with them.

We carry out our own environmental assessments in order to form our own impression of the situation in the plants of our strategic wet-process suppliers. During the reporting period, we visited 46 laundries, dyeing plants and printers in our most important production countries such as Turkey, India and eastern Europe. We reviewed their management of input, chemicals and waste water and made recommendations on the use of resource-efficient technologies.

In the effluent treatment plants (ETPs), we checked not only the quantity and quality of the treated waste water, but also their functionality and capacity. Five effluent treatment plants did not meet our requirements for proper waste water management. We therefore initiated external audits as a first step in order to have the current situation thoroughly evaluated by experts. Improvement measures then went on to be initiated, the implementation of which we continuously monitored and tracked. During the reporting period, three of the five facilities made significant progress in meeting our requirements and completing work on their effluent treatment plants. The two remaining plants are still in the implementation phase and will complete the conversion in the coming reporting period.

As a general rule, if any deficiencies are identified during our environmental assessments, an action plan is defined together with the suppliers concerned and we monitor the implementation of this.

Marc O'Polo offers suppliers help with the various aspects and implementation of our Environmental and Chemicals Management Programme in the form of training, amongst other things. During the reporting period, for example, we co-hosted a training course with The BHive® on how to create a digital chemical inventory. In addition, we invited them to ZDHC Foundation waste water training sessions in various production countries.

REQUIREMENTS IN CONNECTION WITH OUR ENVIRONMENTAL AND CHEMICALS MANAGEMENT PROGRAMME (EMP)

GRI 3-3 (303)

As part of our Environment and Chemicals Management Programme (EMP), we have defined clear requirements for our supply chain partners. For us, it is essential that they have a dedicated environmental team in place so that improvements and measures can be implemented accordingly.

TIER 1 SUPPLIERS

This includes our direct suppliers and their sewing companies. They are obliged to:

- Comply with the Marc O'Polo Product Restricted Substances List (PRSL) and ZDHC Manufacturer's Restricted Substances List (MRSL), to implement them, to cascade them in their supply chain and to oblige their upstream suppliers to comply with them
- Carry out an annual self-assessment of the Higg Facility Environmental Module (FEM); we encourage strategic partners to verify their Higg FEM

TIER 2 SUPPLIERS

These include wet-processing suppliers such as laundries, dye shops and printers. They are obliged to:

- Comply with the Marc O'Polo PPRSL and the ZDHC MRSL, to cascade them in their supply chain and to oblige their upstream suppliers to comply with them
- Register on the ZDHC Foundation Gateway
- Maintain a digital chemical inventory and share it with us to demonstrate compliance with the ZDHC MRSL
- Carry out an annual self-assessment of the Higg FEM; we encourage strategic partners to verify their Higg FEM
- Implement more responsible chemicals management
- Demonstrate more responsible waste water management, including compliance with local legal requirements; a properly functioning effluent treatment plant and regular monitoring by suppliers of the quantity and quality of discharged water

SUPPLIER EVALUATION

Once a year, we carry out a supplier evaluation that assesses a supplier's environmental performance in addition to social aspects and procurement-related topics. In this, we take into account the extent to which these environmental and chemicals management measures have been implemented or are certified according to certain standards (e.g. GOTS).

‘THE LARGEST PART OF A COMPANY’S ENVIRONMENTAL IMPACT COMES FROM ITS SUPPLY CHAIN. THIS IS WHY CHOOSING THE RIGHT PARTNERS AND WORKING TOGETHER TO IMPROVE THEIR ENVIRONMENTAL PERFORMANCE IS CRUCIAL TO ENSURE OUR LONG-TERM SUSTAINABILITY.’



SUMIT KANTI SARKER
MANAGER CHEMICAL & ENVIRONMENTAL MANAGEMENT

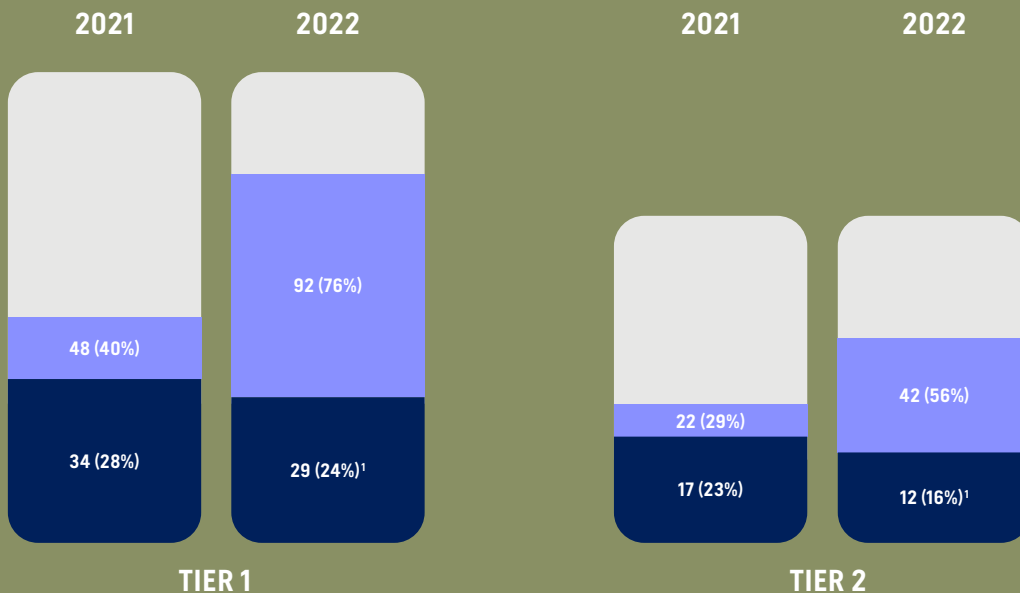
ENVIRONMENTAL SUSTAINABILITY PERFORMANCE OF OUR SUPPLIERS

GRI 3-3 (308), 308-2

With the help of the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM), we record and measure the environmental sustainability performance of our tier 1 (suppliers and their sewing companies) and tier 2 partners (laundries, dye shops and printers). During the reporting period, 134 suppliers completed a self-assessment. In addition, we obtained commitments from a total of 58 strategic partners to have their Higg FEM verified by an independent third party. At the time of preparing this report, a total of 41 had verified their data and shared it with us.

The Higg Facility Environmental Module assesses a total of seven environmental aspects, which include water, wastewater, energy, air, waste, chemicals, and environmental management systems. During the reporting period, our focus was on involving strategic tier 1 partners and their wet facilities (tier 2). In the coming financial year, we have set ourselves the goal of further improving the database and integrating further strategic tier 2. In the upcoming financial year, we have set a goal to enhance the database further by integrating additional strategic tier 2 suppliers, such as fabric dyeing factories, into our Environment and Chemicals Management Programme (EMP) to develop strategies and measures. Our aggregated data is based on 41 verified scores from our suppliers, who shared their data with us at the time this report was prepared.

NUMBER OF MARC O’POLO TIER 1 AND TIER 2 SUPPLIERS WITH HIGG FEM SELF-ASSESSMENT OR VERIFICATION



- SUPPLIERS WITH COMPLETED HIGG FEM SELF-ASSESSMENT
- SUPPLIERS WITH HIGG FEM VERIFICATION

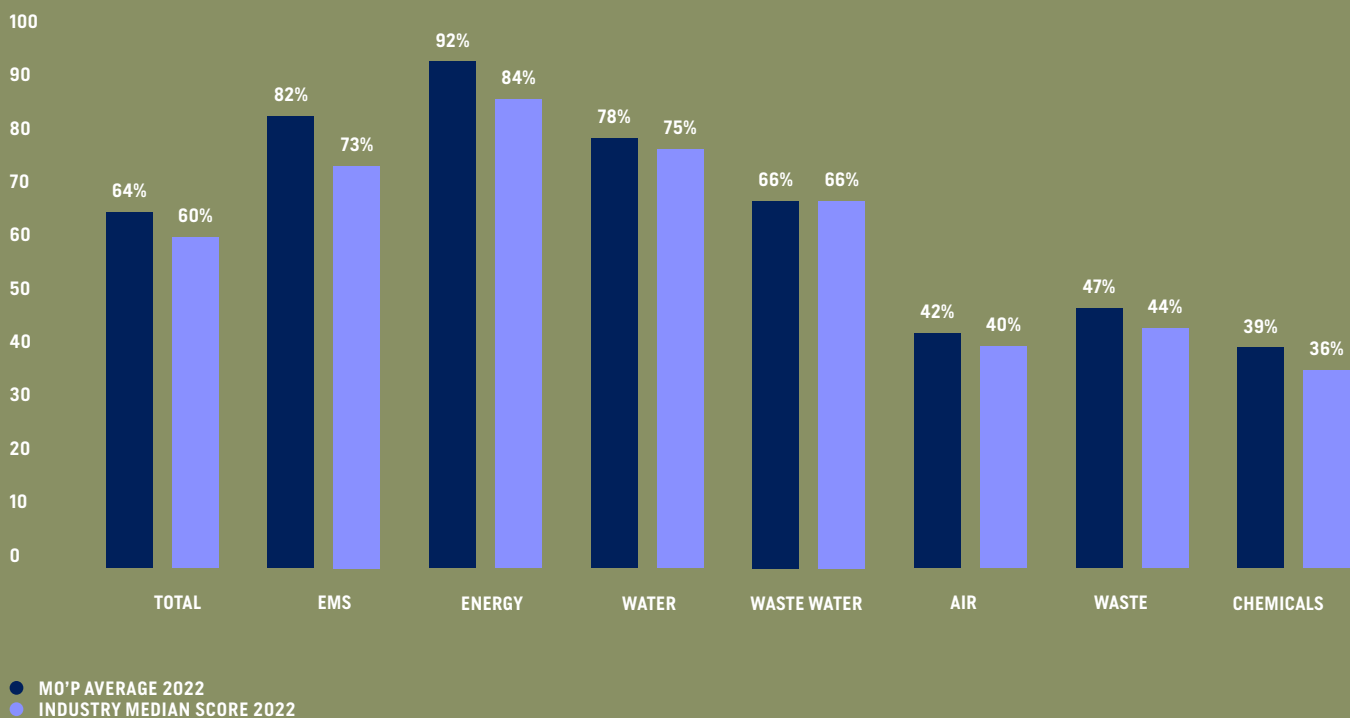
¹ NUMBER OF TIER 1 AND TIER 2 SUPPLIERS AT THE TIME OF PREPARING THIS REPORT, AS OF 12 JULY 2023. THE COLLECTION OF OUR SUPPLIER DATA AS PART OF 2022 HIGG FEM VERIFICATION WILL CONTINUE UNTIL 30 OCTOBER 2023. THE NUMBER OF SUPPLIERS WITH ‘TOTAL’ HIGG FEM VERIFICATION FOR 2022 MAY THEREFORE VARY.

AVERAGE VERIFIED HIGG FEM SCORES OF MARC O'POLO TIER 1 AND TIER 2 SUPPLIERS

	2021 ¹	2022 ¹
VERIFIZIERTER TOTALSCORE	62	64
ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)	76	82
ENERGIE	84	92
WASSER	72	78
ABWASSER	70	66
LUFT	48	42
ABFALL	44	47
CHEMIKALIEN	39	39

¹ THE STATED VALUES ARE BASED ON VERIFIED HIGH-GAUGE FEM SCORES OF 47 ACTIVE SUPPLIERS FOR FEM 2021 AND 41 SUPPLIERS FOR FEM 2022, AS OF 12 JULY 2023. THE ASSESSMENT CADENCE FOR 2022 IS STILL RUNNING, THE DEADLINE ENDS ON 30 OCTOBER 2023

AVERAGE VERIFIED HIGG FEM SCORES OF MARC O'POLO TIER 1 AND TIER 2 SUPPLIERS IN AN INDUSTRY COMPARISON IN 2022*



* THE MARC O'POLO VALUES ARE BASED ON 41 VERIFIED HIGG FEM SCORES, AS OF 12 JULY 2023. THE AVERAGE OF 3,584 VERIFIED HIGG FEM SCORES FOR 2022 FORMS THE BASIS FOR THE INDUSTRY COMPARISON

‘TRANSPARENCY IS THE FOUNDATION OF SUSTAINABILITY. THAT’S WHY WE WORK CLOSELY WITH OUR SUPPLY CHAIN PARTNERS AND COLLECT KEY DATA TO UNDERSTAND AND ADDRESS OUR IMPACT ON THE ENVIRONMENT. THIS ALLOWS US TO MAKE INFORMED, RESPONSIBLE DECISIONS AND MOVE TOWARDS A MORE ENVIRONMENTALLY FRIENDLY FASHION INDUSTRY.’



AYESHA NAVAI ANWAR
JUNIOR MANAGER – CHEMICAL & ENVIRONMENTAL
MANAGEMENT

4.2.3 MORE RESPONSIBLE LEATHER PRODUCTION

Leather has been used by people in many different ways for thousands of years. It is a durable natural material that is characterised by high tensile strength, durability and elasticity. However, conventional leather manufacturing processes such as tanning, dyeing and finishing are often associated with heavy use of chemicals, water and energy. To support more responsible leather production and thus reduce our environmental impact, we joined the Leather Working Group (LWG) in 2020. Our leather comes from tanneries that comply with the LWG audit protocol and receive at least a Bronze rating. The LWG audit standard assesses the impact on the environment from leather production based on criteria such as water, energy and the handling of chemicals, waste and waste water. The aim is to improve resource efficiency, increase traceability and transparency in the supply chain, reduce waste generation and emissions into the environment, improve chemicals management and promote the use of non-hazardous chemicals. In the spring/summer 2023 collection, 100 per cent of the leather used for our products came from LWG-certified tanneries.

4.2.4 OUR PRODUCT SAFETY

GRI 3-3 (416, 417), 416-2, 417-1

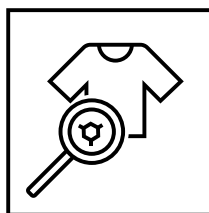
As a company, we see it as our responsibility to limit the risk of possible product defects that could compromise the health and safety of our customers. The responsible use of chemicals is of particular importance in this context. That is why we have defined comprehensive guidelines and processes in order to protect our products as much as possible. These are anchored in our own Product Restricted Substances List (PRSL), which takes into account the relevant national and international regulations on the use of chemical substances and other potentially hazardous substances. In addition, we have defined internal standards for numerous chemical parameters that go beyond the legal requirements. Compliance with our PRSL is mandatory for all suppliers and is a binding component of our supply contracts. It applies to all products, materials, packaging and finishing processes and is updated annually.

Compliance with these standards is monitored in comprehensive product safety tests conducted by independent, accredited laboratories. During the reporting period, a total of 657 individual products were tested, including 507 textiles, 63 shoes and 87 bags and accessories, with the aim of minimising the proportion of products not compliant for the market. Thanks to a defined escalation process involving all relevant specialist departments, only marketable products were delivered. During the reporting period, we were not aware of any violations in connection with the health and safety impacts of products and services.

PRSL VS. MRSL

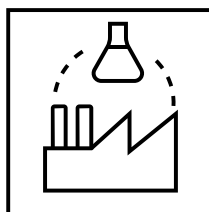
These two lists deal with different but equally important aspects of the use of chemicals. We require our suppliers to adhere to both lists (MRSL and PRSL) in order to reduce the human and ecotoxicological impacts from chemical substances that are hazardous to the environment and people's health.

LIMIT VALUES FOR MANUFACTURING PROCESSES AND MATERIALS – PRSL VS. MRSL



PRODUCT RESTRICTED SUBSTANCES LIST (PRSL)

A PRSL is based on the end product and contains chemical substances and groups of substances that must only have a limited presence in the end product or be undetectable. It limits the risk of possible product defects that could lead to health risks for end consumers.



MANUFACTURER'S RESTRICTED SUBSTANCES LIST (MRSL)

An MRSL refers to wet processes such as dyeing, printing or washing. It is a restriction list that prohibits the intentional use of hazardous chemical substances in these processes.

4.2.5 LABELLING REQUIREMENTS AND PRODUCT CARE

GRI 3-3 (417), 417-1, 417-2

Marc O'Polo has established processes and mechanisms to meet statutory labelling requirements. To this end, information on the material composition and the country of origin, care symbols, additional notes, the product number and the manufacturer's address are provided on all products. During the reporting period, we were not aware of any violations in connection with product and service information or labelling.

During the reporting period, Marc O'Polo published a Care & Repair Guide on its website which provides end users with additional recommendations on general care, the specific requirements of the different materials and repairs in order to extend the lifespan of our products and reduce our environmental impact, such as water, energy or chemical consumption, as much as possible during the use phase.

‘THE GLOBAL REQUIREMENTS FOR THE USE OF CHEMICALS ARE BECOMING INCREASINGLY COMPLEX. THE CONTINUOUS DEVELOPMENT OF OUR PRODUCT SAFETY PROCESSES AND OUR PARTNERS IN THE SUPPLY CHAIN IS, THEREFORE, OF KEY IMPORTANCE. ONLY WITH COMPETENT AND TRAINED BUSINESS PARTNERS CAN WE ESTABLISH SAFER AND MORE SUSTAINABLE PRODUCTS OVER THE LONG TERM.’



**LENA ARIF
MANAGER PRODUCT COMPLIANCE**

4.3 CLIMATE PROTECTION & ENERGY

The fashion industry is responsible for at least four per cent of global GHG emissions. As a part of this industry, we are aware of our climate and environmental impacts and our role in achieving the Paris Agreement targets. This is why we took an important step towards climate protection in 2021 and adopted our internal goal of decarbonising our business activities. Our collaboration with ClimatePartner is particularly important for achieving this goal. The company assists us in calculating all of our emissions* based on our consumption, and this calculation serves as the basis for our reduction measures and, if necessary, subsequent offsets through certified climate protection projects (Verified Carbon Standard or Gold Standard).

We are currently critically questioning our original target of carbon neutrality by 2025 through offsets and are working on adjusting this target. We are closely observing the current discourse and the change in narrative, and therefore, rethinking our stance.

*CLIMATEPARTNER USES A LARGE NUMBER OF DIFFERENT EMISSION FACTOR DATABASES; MOST EMISSION FACTORS COME FROM ECOINVENT, DEFRA OR GEMIS



4.3.1 OUR GREENHOUSE GAS EMISSIONS

GRI 3-3 (305), 305-1, 305-2, 305-3, 305-4, 305-5

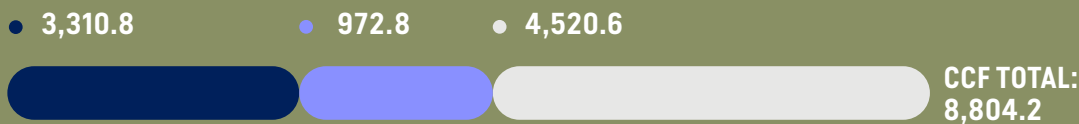
Our GHG emissions** accounting is based on the Greenhouse Gas Protocol, the world's most recognised and most used standard. Emissions are categorised into three scopes: while Scope 1 covers all direct GHG emissions, such as generated heat, Scope 2 covers indirect GHG emissions from purchased energy, such as electricity. Scope 3 covers all other indirect GHG emissions, including logistics activities and emissions in the supply chain, such as those caused by the extraction of raw materials or our suppliers' production processes.

The project to increase the transparency of GHG emissions at Marc O'Polo started in May 2021 with the determination of the corporate carbon footprint (CCF), which includes all relevant data from our headquarters in Stephanskirchen as well as our own retail stores, showrooms and external warehouses. This includes Scope 1 and 2 emissions, such as heat, coolant, water, company vehicles and electricity.

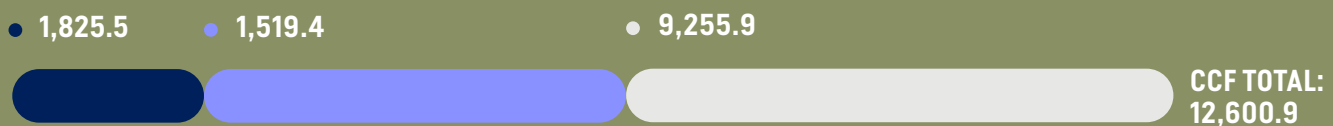
Scope 3 emissions are also considered for this purpose, for example the ones from business travel, staff commutes and waste disposal. The results of our first two CCFs can be seen in the graphic 'Categorisation of Our Corporate Carbon Footprint into Scopes 1 to 3'. Emissions in the 21/22 financial year were almost 44 per cent higher than in the previous year, as the emissions in the first reporting period were significantly lower due to the pandemic. In Scope 3 in particular, they increased by around 105 per cent due to increased business travel and the return of many employees to headquarters. This also led to an increase in the intensity of the GHG emissions in the CCF in relation to employees. In the 21/22 financial year, it was 6.03 t CO₂e per employee, which is 27 per cent higher than in the previous year (FY 20/21: 4.74 t CO₂e per employee). This makes it difficult to compare the two years.

CATEGORISATION OF OUR CORPORATE CARBON FOOTPRINT INTO SCOPES 1 TO 3

FY 2020/2021



FY 2021/2022



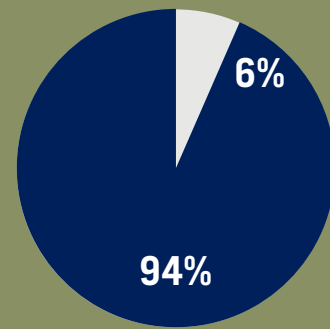
- SCOPE 3
- SCOPE 2
- SCOPE 1

* THE CALCULATION INCLUDES ALL GREENHOUSE GASES IDENTIFIED BY THE KYOTO PROTOCOL: CARBON DIOXIDE (CO₂), METHANE (CH₄), NITROUS OXIDE (N₂O), HYDROFLUOROCARBONS (HFC), PERFLUOROCARBONS (PFC), SULPHUR HEXAFLUORIDE (SF₆) AND NITROGEN TRIFLUORIDE (NF₃). AS THESE GASES HAVE VARYING DEGREES OF INFLUENCE ON THE GREENHOUSE EFFECT AND ALSO REMAIN IN THE ATMOSPHERE FOR DIFFERENT LENGTHS OF TIME, THEY ARE CONVERTED INTO CO₂ EQUIVALENTS (CO₂E) IN ORDER TO BE ABLE TO REPORT THEM UNIFORMLY FOR THE CALCULATION. AT PRESENT, OUR CALCULATIONS DO NOT INCLUDE BIOGENIC EMISSIONS OR REDUCTIONS. WE USE THE CONSOLIDATION APPROACH OF OPERATIONAL CONTROL.

The product carbon footprint (PCF) was calculated simultaneously. Its focus is on the materials and the origin of the products – including the energy consumption of suppliers as well as packaging, logistics and the end of the life cycle. To calculate our first PCF, we collected data from individual products and extrapolated the emissions of the respective product group. The results of the PCF thus provide an initial overview of emissions along the supply chain and make it clear that the majority of our emissions originate in the upstream supply chain. As the graphic ‘Composition of our carbon footprint’ shows, our PCF accounted for 94 per cent of total emissions in FY 20/21.

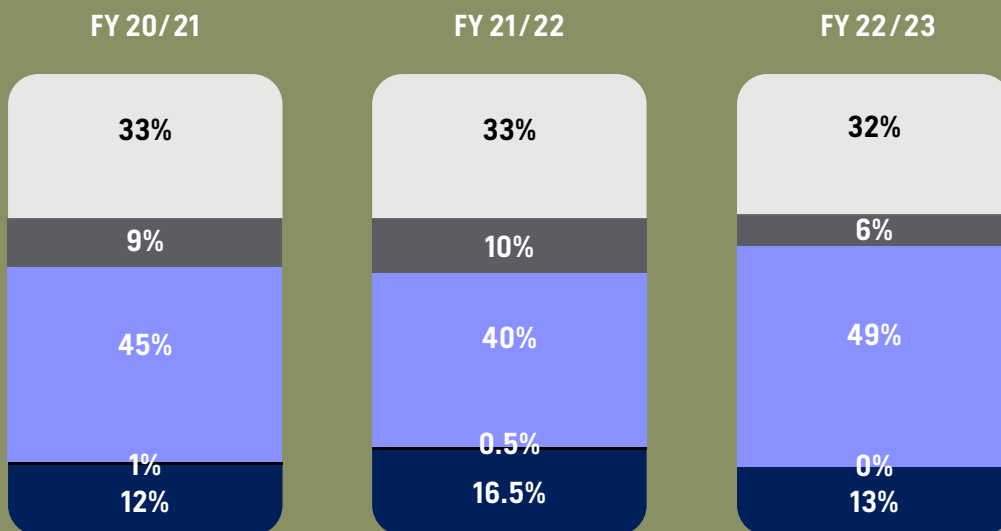
A significant portion of Scope 3 GHG emissions can be attributed to incoming and outgoing logistics (FY 20/21: 9%), which therefore also has potential for reduction. These increased by 77 per cent for the 21/22 financial year, which can be explained both by revenue growth and the resulting increase in production capacity as well as by the increase in airfreight (+58%) and air/sea freight (+40%). For the 22/23 reporting period, we were able to reduce the share of air freight (-12%) and air/sea freight (-35%). Avoiding airfreight will be an important lever in the future when it comes to reducing emissions in logistics.

COMPOSITION OF OUR CARBON FOOTPRINT 2020/2021



- CCF (CORPORATE CARBON FOOTPRINT)
- PCF (PRODUCT CARBON FOOTPRINT)

SHARE OF PRODUCTION VOLUME BY TRANSPORT MODE IN INWARD LOGISTICS, TIER 1:



- TRUCK
- SEA-AIR
- SEA
- RAIL
- AIR

*BASED ON NUMBER OF UNITS PRODUCED

Our first carbon footprint showed where data quality needs to be improved in order to obtain a reliable data basis. For this reason, we are currently working with Retraced's software (see section 3) to increase the proportion of primary data and thus the transparency of our supply chain at the same time. The improved data quality is intended to lay the foundation for our future base year, which will be the starting point for our science-based climate targets. We chose the top-down approach based on the Science Based Targets initiative (SBTi) when developing an effective climate protection strategy, which will be adopted as part of the new sustainability strategy this year. This includes our reduction potentials as well as the corresponding recommendations for action and measures. These targets and measures will then be approved by the SBTi and regularly monitored for compliance. We plan to take this important step in 2024.

In order to reduce our GHG emissions, various measures for each scope are consolidated in the climate protection strategy. The first important steps are to reduce energy-related emissions from Scopes 1 and 2. To this end, we are currently investigating ways of making heat generation at headquarter climate neutral and gradually converting it in our retail stores, which will lead to a reduction in our Scope 1 GHG emissions. The conversion of our vehicle fleet is also progressing. Detailed information can be found in subsection 4.3.2 Business Travel. In order to reduce indirect Scope 2 emissions, we will also gradually expand the international procurement of green electricity at all our locations.

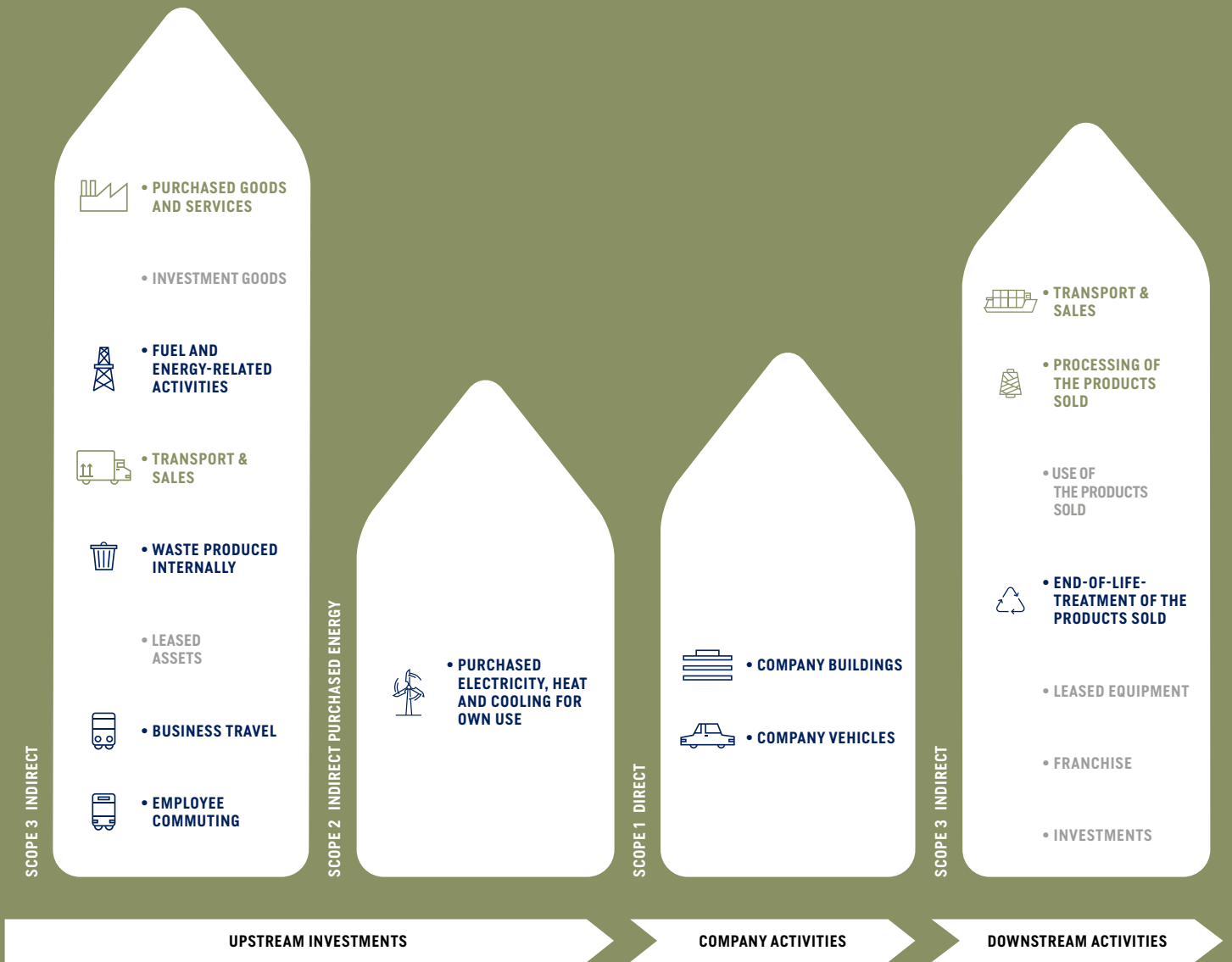
Scope 3 emissions account for the majority of our emissions. Based on improved transparency along the supply chain and valid data sets, detailed measures to reduce Scope 3 emissions will be drawn up. In doing so a close and cooperatives partnership with our suppliers will be of great importance.

When developing our new sustainability strategy, a special focus is placed not only on GHG emissions, but also on air pollution, including ozone-depleting substances, nitrogen oxides (NO_x), sulphur oxides (SO_x) and other air emissions. We will therefore be working on corresponding data collection and improving data quality in the upcoming financial year.

GRI 3-3 (305), 305-6, 305-7

BREAKDOWN OF THE CARBON FOOTPRINT INTO SCOPES 1 TO 3

GHGS = CO₂ N₂O SF₆ NF₃ HFC₅ PFC₅ CH₄



- PRODUCT CARBON FOOTPRINT
- CORPORATE CARBON FOOTPRINT
- NOT INCLUDED

BUSINESS TRAVEL

GRI 3-3 (305), 305-3

In order to continuously reduce our GHG emissions, we are currently working on a new transport concept, which also includes travel guidelines.

We select low-emission models for the vehicles in our fleet and also use vehicle fleet software to register driving behaviour and individual consumption and thus identify potential for improvement. Our travel guidelines also promote environmentally conscious driving behaviour. We reward staff who refrain from using a company car with a mobility allowance.

We also do our best to make business trips environmentally friendly. For distances of up to 400 km – and occasionally even longer – our employees use Deutsche Bahn. Small hire cars and public transport are designated for shorter distances. To make electric transport options more useful for employees, we increased the number of charging points at headquarters to a total of 40 in 2022; they are available to employees and visitors.

Our GHG emissions from business travel by air were 663 tonnes during the reporting period. A total of 3,887,824 km were travelled for business trips, which emitted 745 tonnes of CO₂e (an increase of 46 per cent on the previous year as a result of normal operations after the pandemic).

GHG EMISSIONS FROM BUSINESS TRAVEL

21/22	T CO ₂ e	KM
FLIGHTS	443	2,153,818
HIRE CARS	66	438,857
TRAINS	9	405,865
TOTAL	510	2,998,540

22/23	T CO ₂ e	KM
FLIGHTS	663	3,019,765
HIRE CARS	46	359,718
TRAINS	21	508,341
TOTAL	745	3,887,824

DIESEL AND GASOLINE CONSUMPTION OF OUR FLEET

	21/22	22/23
	LITER	LITER
DIESEL	96,052	132,309
BENZIN	73,707	105,364
TOTAL	169,456	237,673



‘THE NEXT FEW YEARS WILL DETERMINE THE PROGRESSION OF CLIMATE CHANGE IN THIS CENTURY. BUSINESSES ARE NOT ONLY THE ROOT CAUSE OF SUSTAINABILITY ISSUES, BUT ALSO THE MAIN PLAYERS IN SOLVING THEM. THIS MAKES OUR CURRENT MEASURES THAT CONTRIBUTE TO BEHAVIOURAL AND PROCESS CHANGES SO ESSENTIAL.’



KATRIN MANN
SENIOR MANAGER CORPORATE SUSTAINABILITY

4.3.2 ENERGY MANAGEMENT

GRI 3-3 (302), 302-1, 302-3, 302-4

The energy crisis that erupted in the last financial year has made it clear that the resource-saving use of energy sources can be decisive for a company's commercial success today and in the years to come. Since 2016, we have been using an energy management system in accordance with DIN ISO 50001 to record and evaluate energy consumption at Marc O'Polo locations and identify potential for optimisation. We bring together our activities and aims in our annual energy programme. Our energy management system is implemented by a team of experts in the fields of building management, human resources, fleet management, IT, retail and sustainability management. We also actively include our employees and involve them in our efforts. Our goal is to reduce energy consumption in the form of electricity and gas across all our sites. Additionally, we aim to increase our use of energy from renewable sources and have set a goal to extend this initiative to our international locations in the future. We are anchoring this overarching objective within our climate protection strategy. Our annual energy programme also includes quantitative targets as well as aimed at, for example, raising awareness among our employees and customers.

By the end of 2024, we aim to reduce our electricity consumption by 5 per cent on 2019 levels on a like-for-like basis. In 2022, our energy intensity, based on electricity consumption by area, was 82 kWh per m² at headquarters and 112 kWh per m² in retail. In retail, this is 7 per cent less than in the previous year. At our headquarters, the intensity has remained at the same level.

In addition, photovoltaic systems with an additional capacity of 650 kWp were installed on five of the six roofs of our headquarters during the reporting period. Most of the electricity generated is used directly, with only a small proportion fed into the grid. At the same time, we are developing a new heating concept for our headquarters in order to check whether we can use surplus electricity to heat and cool the buildings and thus reduce further fossil fuels.

In the future, we are planning to integrate our energy management system into the comprehensive environmental management system in accordance with DIN ISO 14001:2015 in order to be able to measure, track and optimise not only our energy consumption, but also all our environmental factors. The implementation of the environmental management system is currently being reassessed as part of an ongoing strategy development and its implementation is being rescheduled.



ENERGY EFFICIENCY AND SAVINGS

GRI 3-3 (302), 302-1, 302-4

During the reporting period, the power supply at the headquarters continued to consist of 100 per cent certified green electricity, and this also applies to almost all of the company's own national locations (96 per cent). Absolute electricity consumption at our own locations amounted to 5,276 MWh during the reporting period. This was 11 per cent higher than in the previous year, which can be explained by the increased presence on campus in 2022. The pandemic-related restrictions also led to an extension of working hours in the warehouses, and there were no more pandemic-related temporary closures in the stores in 2022. In relation to retail, there were also a number of store openings.

We at Marc O'Polo are continuously working to reduce energy consumption in all areas as part of our energy management. To this end, we launched the internal 'Saving Energy' campaign during the reporting period, which provided employees with tips and recommendations on saving energy at work and at home. Additional communication measures, such as desktop wallpapers or videos on the intranet, were used for this purpose. As a result, we have managed to reduce our gas consumption at our headquarters by 12.7 per cent compared with 2021. During the reporting period, an e-learning concept was developed to generate enthusiasm for energy management among employees. It is available to all interested employees.

In order to reduce energy consumption in our stores, we have converted the majority of our retail stores to LED lighting. The remaining retrofits will take place by 2024. Moreover, we choose energy-efficient appliances – such as air-conditioning units and electrical appliances – when we equip our stores. Our location analysis takes into account our flagship stores, retail stores and factory outlets as well as temporary pop-up spaces. In order to gain even more transparency about the energy consumption of our stores, we will return to reading the meters at more frequent intervals starting in the next financial year.

ELECTRICITY CONSUMPTION (RENEWABLE/ FOSSIL ENERGY SOURCES)*



- RENEWABLE
- FOSSIL

* CALENDAR YEAR SERVES AS THE DATA BASIS. SINCE THE LAST REPORT, WE HAVE CHANGED THE CALCULATION METHOD FOR THIS. NON-NORMALISED ABSOLUTE CONSUMPTION VALUES ARE NOW TAKEN INTO ACCOUNT. THE DATA FOR 2021 WAS ALSO ADJUSTED IN THE PROCESS AND THEREFORE NO LONGER CORRESPONDS WITH THE 2021 VALUES IN THE SUSTAINABILITY REPORT 2021/22.

ELECTRICITY CONSUMPTION* FOR NATIONAL AND INTERNATIONAL LOCATIONS**

GRI 302-1

	2021		2022	
	IN MWH	IN %	IN MWH	IN %
HEADQUARTER	1,652	26	1,703	24
STORES	4,632	71	5,276	73
SHOWROOMS	223	3	247	3
TOTAL	6,508	100	7,226	100

* CALENDAR YEAR SERVES AS THE DATA BASIS. SINCE THE LAST REPORT, WE HAVE CHANGED THE CALCULATION METHOD FOR THIS. NON-NORMALISED ABSOLUTE CONSUMPTION VALUES ARE NOW TAKEN INTO ACCOUNT.

** LOCATIONS INCLUDED: HEADQUARTERS, FLAGSHIP STORES, RETAIL STORES, FACTORY OUTLET STORES, SHOWROOMS AND POP-UP SPACES.

ELECTRICITY INTENSITY*

GRI 302-3

	2021	2022
	KWH/QM	KWH/QM
HEADQUARTER	81	83
STORES	121	112

* CALENDAR YEAR SERVES AS THE DATA BASIS. DURING ANALYSIS, WE CONTINUE TO ADJUST FOR CHANGES IN SPACES. OPENINGS AND CLOSURES CAN RESULT IN IMPROVEMENT ON A PARAMETER. FOR THIS REASON, WE NORMALISE AND EXTRAPOLATE THE CONSUMPTION FOR AFFECTED LOCATIONS TO 12 MONTHS.

GAS CONSUMPTION FOR OUR HEADQUARTER*

	2021	2022
	MWH	MWH
HEADQUARTER	1,238	1,081

* CALENDAR YEAR SERVES AS THE DATA BASIS.

4.4 WASTE

GRI 3-3 (306)

Waste is a material topic at virtually every stage of the value chain, from cuttings and residual materials from our suppliers to packaging waste from us and our customers to old textiles at the end of the product life cycle. The traditional linear economic model follows the principle of ‘make – use – throw away’ and requires enormous use of natural resources. We, as well as the industry, are looking for an alternative – ‘circularity’ is therefore becoming increasingly important in the textile and fashion industry.

This section reports on waste at our own sites, while packaging handling as well as initial approaches to dealing with waste in the supply chain or at the end of the product life cycle can be found in subsection 3.4 ‘Our Fibres & Materials’ [7].



WASTE AT OUR ADMINISTRATIVE SITES

GRI 306-1, 306-2, 306-3, 3-3 (306)

At our headquarters waste is mainly generated by packaging waste that we receive from the upstream value chain, such as cardboard boxes used to transport goods from the countries of production. The waste is collected separately for recycling or professional disposal.

During the reporting period, Marc O'Polo entered a partnership with Green2B and is collecting old personal and company equipment for a good cause. Used mobile phones are disposed of, repaired or recycled in an environmentally friendly manner. Each time a mobile phone is sent in, it is first checked to see if it can still be reused. If so, it is prepared, repaired or used to source replacement parts after professional data deletion. During the reporting period, we collected 144 devices, of which 12 were reused. This saved 168 kg of resources and 696 kg of CO₂. The remaining 132 mobile phones were recycled. Gold (3.96 g), silver (22.44 g) and copper (1,056 g) were sourced as a result. The proceeds of almost €100 go towards environmental protection and were automatically donated to Environmental Action Germany.

Going forward, we will take further steps to gradually reduce the environmental impact of our waste streams. Specific objectives will be developed as part of the new strategy and further measures will then be derived from them.

WASTE AT OUR ADMINISTRATIVE SITES

	2020 (IN T) ¹	2021 (IN T) ¹	2022 (IN T) ¹
CARDBOARD BOXES (RECYCLED)	390	558	677
FILMS (RECYCLED)	12	15	17
WASTE PAPER (RECYCLED)	3	3	3
RESIDUAL WASTE	41	40	39
WASTE WOOD		27	39
ORGANIC/GREEN WASTE	25	28	14
TOTAL	471	671	789

¹THE REPORTED VOLUMES PERTAIN SOLELY TO OUR HEADQUARTER IN STEPHANSKIRCHEN. STORES AND SHOWROOMS ARE CURRENTLY NOT TAKEN INTO ACCOUNT DUE TO POOR DATA QUALITY. IN THE UPCOMING REPORTING PERIOD, WE WILL WORK ON IMPROVING DATA QUALITY AND EXPANDING REPORTING.

4.5 BIODIVERSITY & ANIMAL WELFARE

GRI 3-3 (304), 304-2

In addition to the climate crisis, the loss of biodiversity is a major threat to humankind. The concept of the planet's limits emphasises the deteriorating condition of the earth due to it being continually pushed beyond its limits and also highlights the reciprocal effects between the climate crisis and biodiversity. For example, the climate crisis has a negative impact on the resilience of the biosphere, which makes it less able to withstand human intervention.

Our business depends on nature and its resources, as we use natural materials such as cotton, as well as animal fibres such as wool for our products. Protecting well-functioning and healthy ecosystems is therefore of great importance to Marc O'Polo and biodiversity, therefore, defined as a material topic. Our operations have an impact on the climate crisis in the form of GHG emissions. They simultaneously also have a negative impact on biodiversity and influence the populations of species and the integrity of biotopes. As part of the development of our new sustainability strategy, we want to address the issue of biodiversity strategically and develop our own targets with corresponding measures. We receive support from the Global Nature Fund, with which we entered a

cooperation agreement at the end of the reporting period. As part of a publicly funded project called Unternehmen Biologische Vielfalt ('biodiversity enterprise'), we support the development of a biodiversity check for the textile industry and apply it to our company as well. With the results obtained, we expect to develop a systematic approach in the coming financial year and derive a strategy for both our own location and our value chain.

Animal welfare is also very important to us, which is why the responsible sourcing of materials of animal origin is an important part of our materials strategy. As described in subsection 3.4.1 [7], Marc O'Polo summarised corresponding requirements in a Policy for Animal-Derived Materials on the basis of the Five-Domain Model for Animal Welfare during the reporting period for the purpose of preserving biodiversity. Where available on the market, we increasingly source animal materials from certified supply chains (RWS, RMS, RCS, The Good Cashmere Standard and RDS) and do not process raw materials from endangered or threatened species on the IUCN Red List.



‘CHALLENGING TIMES SHOW IN PARTICULAR HOW WELL A SYSTEM FUNCTIONS. ITS EFFECTIVENESS CAN ONLY BE FULLY UNLOCKED IF THE STRUCTURES ARE ESTABLISHED FOR IT. TIMES LIKE THESE REQUIRE US TO QUESTION OUR ACTIONS AND CONDUCT EVEN MORE AND EXAMINE THE DETAILS EVEN MORE CLOSELY. TO US, OUR ENERGY MANAGEMENT SYSTEM SERVES AS EVIDENCE OF THE GRAVITY AND LONG-TERM NATURE OF OUR ACTIVITIES.’



VALERIE JANETSCHEK
SENIOR MANAGER CORPORATE SUSTAINABILITY

5 PEOPLE

Marc O'Polo's corporate culture is characterised by an open and value-oriented community. Our HR strategy aims, among other things, to create an inclusive culture and make us a pioneer for internationalisation and sustainability, including in relation to our own teams. We aspire to be a change agent, driving transformation within Marc O'Polo with a pioneering spirit. As a 'WOW Employer of Choice', our commitment is to prioritize people first.



**'SUSTAINABILITY IN MANY CASES
MEANS SWITCHING FROM THE ME
TO THE WE MINDSET. I AM PROUD
TO SEE THIS COLLABORATIVE SPIRIT
EVERYDAY ACROSS OUR TEAMS.'**



MARKUS STAUDE-SKOWRONEK
CFO & CHRO

5.1 WHO WE ARE

Our corporate culture is based on mutual respect as well as fairness, openness, trust and responsibility. The success of Marc O'Polo is reliant on a wide variety of characters who wish to drive change ambitiously, who enjoy going a step further and who help influence things rather than simply accepting them.



EMBODYING VALUES

Marc O'Polo's five key values form the foundation of our brand identity as well as our ethos and collaboration, and are reflected in our processes, our managerial pledge and our models for further development.

NATURAL

SIMPLICITY

QUALITY

PERSONALITY

INNOVATION

5.1.1 AMBITION & TARGETS

OUR AMBITION:

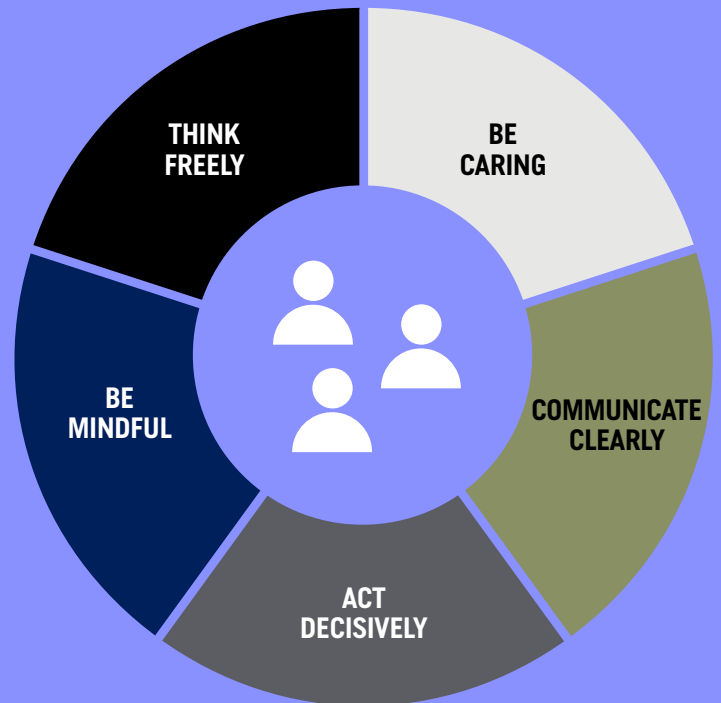
'We wish to be perceived as a 'Wow Employer'. We see ourselves as pioneers and promoters of personal responsibility in an inclusive culture. We are shaping the future as a pioneer of internationalisation and thus supporting our profitable growth.'

OUR TARGETS:

- We want to create an inclusive culture which values existing ways and develops new ones. A culture of success, joy and appreciation.
- We want to be a change agent, helping Marc O'Polo to evolve into a modern, digital, lean company that can adapt easily to a rapidly changing environment.
- We want to pioneer internationalisation and sustainability. We want to pave the way for our company to become a global premium brand whilst maintaining high sustainability standards.
- We want to be a 'Wow Employer of Choice' – internationally and in all sectors that are relevant to Marc O'Polo.

we have developed an e-learning course for all employees which will help them to derive their first sustainability-related goals and define them more precisely together with their manager.

The subsequent pulse check meetings, which take place around the middle of the financial year, provide a status update on the achievement of the defined goals and adjustments if necessary. For these, too, we attach great importance to open, mutual feedback between managers and employees.



5.1.2 OUR LEADERSHIP MODEL

GRI 404-3

With our leadership model, we have established a shared understanding of leadership throughout the entire company. It sets out a caring, mindful approach which fosters an appreciative, effective way of thinking, acting and communicating. The leadership model formulates a clear pledge: We take responsibility for our employees, their motivation and their talent and lead them in such a way that they can achieve great things – both for themselves and for us as a company.

To ensure the continuous professional development of our employees, appraisal interviews are conducted annually with all our employees and their respective managers. These are done in a spirit of appreciation and mutual exchange, guided by Marc O'Polo's key values (natural, quality, innovation, personality and simplicity). They allow our managers to define individual goals and suitable training measures with their employees. Starting last year, we have also paid particular attention to the issue of sustainability in them. As preparation,

5.2 OUR EMPLOYEES

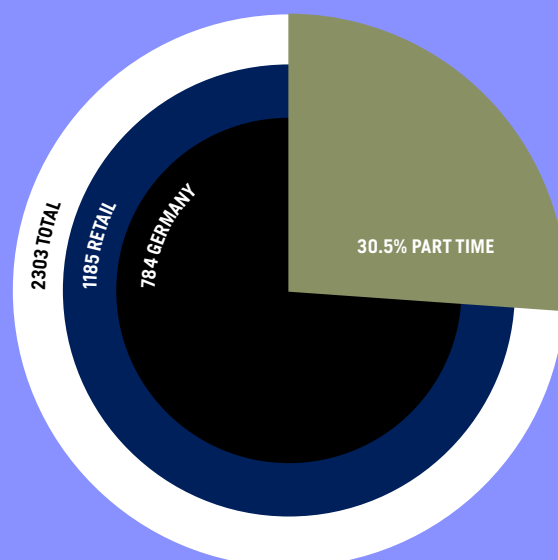
At Marc O'Polo, trust and responsibility shape our community, which has a positive effect on the working atmosphere. Options for further development and equal opportunities are at the heart of everything we do. The division is divided into the departments Talent Acquisition, Human Relations, Payroll & HR Services, Personnel Development, HR Innovation & Projects and Central Services and reports to the Director HR & Central Services, who reports to the CHRO/CFO.



5.2.1. WORKFORCE COMPOSITION

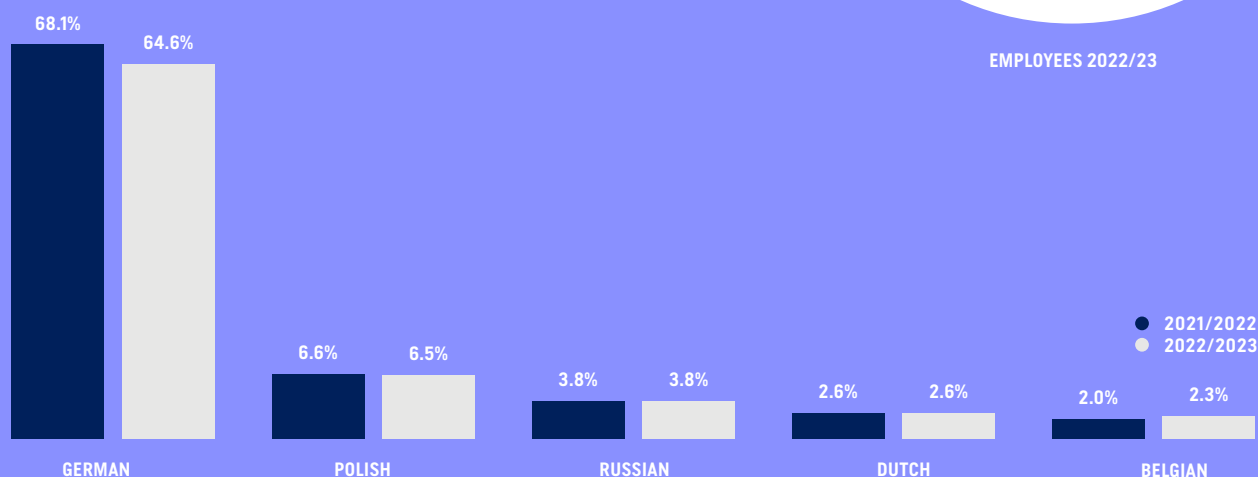
GRI 2-7

During the reporting period, Marc O'Polo SE had ● 2,303 employees globally (previous year: 2,104), including apprentices, interns, integrated-degree students and trainees. There were ● 1,185 retail employees (previous year: 1,157), of whom ● 784 in Germany (previous year: 771). ● 30.5 per cent (previous year: 42.1 per cent) of all employees were employed part-time.



EMPLOYEES 2022/23

TOP 5 NATIONALITIES



WORKFORCE COMPOSITION BY REGION*

LOCATION	WESTERN EUROPE		EASTERN EUROPE		NORTHERN EUROPE		SOUTHERN EUROPE		ASIA		TOTAL	
	21/22	22/23	21/22	22/23	21/22	22/23	21/22	22/23	21/22	22/23	21/22	22/23
EMPLOYEES, OVERALL	1,801	1,932	277	200	4	92	21	78	1	1	2,104	2,303
PERMANENT EMPLOYEES	1,393	1,687	177	120	2	88	10	70	1	0	1,583	1,965
TEMPORARY EMPLOYEES	408	236	100	0	2	1	11	0	0	1	521	237
FULL-TIME EMPLOYEES	1,000	964	201	122	3	87	13	37	0	0	1,217	1,210
PART-TIME EMPLOYEES	801	579	76	77	1	4	8	41	1	1	887	702

* THE DATA WAS ENTERED AS OF 31 MAY 2023 AND REFERS TO THE PER-HEAD NUMBER OF EMPLOYEES. THE FOLLOWING COUNTRIES ARE ALLOCATED TO THE FOLLOWING REGIONS: WESTERN EUROPE (GERMANY, NETHERLANDS, BELGIUM, FRANCE AND AUSTRIA), EASTERN EUROPE (POLAND, CZECH REPUBLIC, ROMANIA AND RUSSIA), SOUTHERN EUROPE (ITALY AND SPAIN) AND NORTHERN EUROPE (SWEDEN). COMPARABILITY WITH THE PREVIOUS YEAR IS NOT POSSIBLE THIS YEAR DUE TO A RECLASSIFICATION OF THE COUNTRIES INTO DIFFERENT REGIONS. VERY RECENT HIRES MAY RESULT IN SMALL CHANGES IN HEADCOUNT.

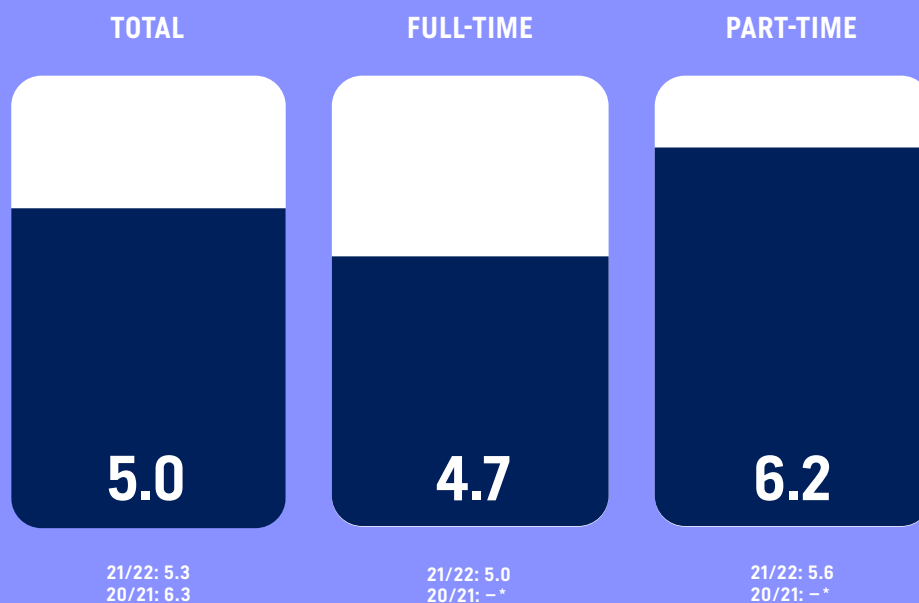
5.2.2 NEW HIRES AND FLUCTUATION

GRI 2-8, 401-1

The average length of service at our company is 5.0 years (4.7 years for full-time employees and 6.2 years for part-time employees) (previous year: 5.3 years for full-time and part-time employees).

As part of Marc O'Polo's growth strategy, we hired 643 people during the reporting period (previous year: 852) despite the challenges in the clothing industry. Of this number, 486 (previous year: 607) were full-time or part-time and 28 (previous year: 8) were trainees. In addition, we filled 109 (previous year: 193) temporary positions and 18 (previous year: 39) internships during this period. There were no additional integrated degree programme positions in the reporting period (previous year: 3), though there was one additional trainee position (previous year: 0).

AVERAGE LENGTH OF SERVICE IN YEARS



* IN THE 20/21 REPORTING PERIOD, THE AVERAGE LENGTH OF SERVICE WAS NOT YET SURVEYED SEPARATELY FOR FULL-TIME AND PART-TIME EMPLOYEES

NEW HIRES*

GRI 401-1

	2021/2022		2022/2023	
	GERMANY	INTERNATIONAL	GERMANY	INTERNATIONAL
TOTAL	552	248	436	233
FEMALE¹	389	192	302	193
MALE¹	163	56	134	39
UNDER 30	232	95	233	128
FEMALE¹	152	75	167	105
MALE¹	80	20	66	23
30 – 50	270	138	149	85
FEMALE¹	194	103	96	70
MALE¹	76	35	53	15
OVER 50	50	15	54	19
FEMALE¹	43	14	39	18
MALE¹	7	1	15	1
	HQ ²	RETAIL ²	HQ ²	RETAIL ²
TOTAL	204	596	189	480
FEMALE¹	126	455	116	379
MALE¹	78	141	73	100

¹ GENDER AS STATED BY THE EMPLOYEES THEMSELVES. THERE WERE NO INDIVIDUALS NOT IDENTIFYING AS ONE OF THE TWO REPORTED BINARY GENDERS DURING THE REPORTING PERIOD

² HQ: EMPLOYEES AT OUR HEADQUARTERS IN STEPHANSKIRCHEN. RETAIL: EMPLOYEES IN ALL OUR STORES AND SHOWROOMS NATIONALLY AND INTERNATIONALLY.

ATTRITION*

GRI 401-1

	2021/2022		2022/2023	
	GERMANY	INTERNATIONAL	GERMANY	INTERNATIONAL
TOTAL	357	159	393	218
FEMALE¹	257	127	285	170
MALE¹	100	32	108	48
UNDER 30	196	112	229	123
FEMALE¹	138	88	157	93
MALE¹	58	24	72	30
30 – 50	129	42	124	76
FEMALE¹	93	34	94	59
MALE¹	36	8	30	17
OVER 50	32	5	40	19
FEMALE¹	26	5	34	18
MALE¹	6	0	6	1
	HQ ²	RETAIL ²	HQ ²	RETAIL ²
TOTAL	133	383	104	507
FEMALE¹	92	292	66	389
MALE¹	41	91	38	118

¹ GENDER AS STATED BY THE EMPLOYEES THEMSELVES. THERE WERE NO INDIVIDUALS NOT IDENTIFYING AS ONE OF THE TWO REPORTED BINARY GENDERS DURING THE REPORTING PERIOD

² HQ: EMPLOYEES AT OUR HEADQUARTERS IN STEPHANSKIRCHEN. RETAIL: EMPLOYEES IN ALL OUR STORES AND SHOWROOMS NATIONALLY AND INTERNATIONALLY.

**‘SUSTAINABILITY STARTS WITH US
AND OUR EMPLOYEES. WE THEREFORE
TAKE THE APPROACH OF FOCUSING
ON OUR EMPLOYEES AND EMPOWERING
THEM TO ACHIEVE THEIR PERSONAL
SUSTAINABILITY GOALS AS MUCH AS
WE CAN.’**



SILKE WALZ
DIRECTOR HR & CENTRAL SERVICES

5.2.3 DIVERSITY AND EQUAL OPPORTUNITIES

GRI 3-3 (405, 406)

At Marc O'Polo, we employ people from different nations and cultures. We value our employees equally, regardless of their gender, age, religion, origin, sexual orientation or disability, and see diversity as an enormous enrichment of our corporate culture.

Diversity, equality and inclusion are very important to Marc O'Polo and we wish to focus even more on these topics. We are not yet diverse enough at every level and in every sphere, so we have set out on a journey to change this. We want to raise our employees' awareness of and enthusiasm for diversity in order to establish long-term acceptance for the diversity process. We started the analysis phase during the reporting period. With the help of external support,

we conducted interviews with employees and managers from all areas (national and international retail, logistics and HQ).

Many more women work at Marc O'Polo than men. 61.0 per cent of managers across all levels are women (previous year: 63.9 per cent), The proportion of female store managers is 68.0 per cent (previous year: 73.1 per cent), Employees are paid on the basis of their position as well as the market and their performance, regardless of their gender. We review our remuneration's consistency with the market and employee performance through regular salary surveys, drawing on external support and benchmarks across all areas of business. Our workforce is comparatively young, with 45.3 per cent of it under the age of 35 (previous year: 48.0 per cent).

WORKFORCE COMPOSITION BY GENDER*

GRI 2-7

2021/2022



2022/2023



EMPLOYEES
OVERALL

PERMANENT
EMPLOYEES

TEMPORARY
EMPLOYEES

FULL-TIME
EMPLOYEES

PART-TIME
EMPLOYEES

*THE DATA WAS ENTERED AS OF 31 MAY 2023 AND REFERS TO THE PER-HEAD NUMBER OF EMPLOYEES. VERY RECENT HIRES MAY RESULT IN SMALL CHANGES IN HEADCOUNT. GENDER AS STATED BY THE EMPLOYEES THEMSELVES. FEWER THAN 5 EMPLOYEES DID NOT IDENTIFY AS ONE OF THE TWO BINARY GENDERS DURING THE REPORTING PERIOD. THEY ARE NOT REPORTED FOR THE SAKE OF DATA PROTECTION.

MANAGEMENT COMPOSITION BY GENDER*

GRI 405-1

	2021/2022			2022/2023		
	FEMALE*	MALE*	TOTAL	FEMALE*	MALE*	TOTAL
MANAGERS¹						
OVERALL	177 (64 %)	100 (36%)	277	185 (61 %)	114 (38 %)	301²
EXECUTIVE BOARD	1 (25%)	3 (45%)	4	1 (25 %)	3 (75 %)	4
SENIOR MANAGEMENT	10 (45%)	12 (55%)	22	8 (42 %)	10 (53 %)	18
MIDDLE MANAGEMENT	35 (49%)	36 (51%)	71	41 (50 %)	41 (50 %)	82
LOWER MANAGEMENT	131 (73%)	49 (27%)	180	136 (68 %)	63 (32 %)	199

¹ UPPER MANAGEMENT: DIRECTORS, MIDDLE MANAGEMENT: HEADS OF, DISTRICT MANAGERS, RETAIL MANAGERS, LOWER MANAGEMENT: GROUP MANAGERS AND (DEPUTY) STORE MANAGERS

² FEWER THAN 5 EMPLOYEES WERE NOT CATEGORISED AS ONE OF THE BINARY GENDERS DURING THE REPORTING PERIOD. THEY ARE NOT REPORTED FOR THE SAKE OF DATA PROTECTION.

* THE DATA WAS ENTERED AS OF 31 MAY 2023 AND REFERS TO THE PER-HEAD NUMBER OF EMPLOYEES. GENDER AS STATED BY THE EMPLOYEES THEMSELVES.

AGE DIVERSITY*

GRI 405-1

AGE	% UNDER 30		% 30-50		% OVER 50	
	21/22	22/23	21/22	22/23	21/22	22/23
EMPLOYEES, OVERALL	34%	31%	46%	48%	20%	21%
MANAGERS, OVERALL	10%	10%	73%	72%	17%	19%

* THE DATA WAS ENTERED AS OF 31 MAY 2023 AND REFERS TO THE PER-HEAD NUMBER OF EMPLOYEES.

5.2.4 OPEN DIALOGUE AND EMPLOYEE SATISFACTION

GRI 2-29

We set great store by transparency and open communication. To promote successful collaboration among all the employees at the headquarter and in retail, the members of the Executive Board regularly provide information via several channels, such as the 'a message from ...' video message. The company intranet 'Inside', serves as a communication and knowledge platform. On it, we publish relevant information, present department-specific content and create a platform for a well-functioning work network. Other formats give employees an opportunity to find out about updates or ask (anonymous) questions, both online and offline.

SUGGESTIONS AND CRITICISM

On the 'Share with Marc O'Polo' portal, all employees can anonymously submit recommendations for improvement, suggestions or criticism. The HR team discusses the topics raised with the relevant manager and the executive team. We publish a regular overview of these topics on 'Inside Marc O'Polo' along with their status and any follow-up measures. One issue raised, for example, was the desire for greater flexibility in

working hours. For this reason, we worked out various options during the financial year, including up to 20 additional unpaid leave days, a sabbatical or so-called flexi days. These have been available to employees since June 2023.

EMPLOYEE SATISFACTION

We survey our employees' satisfaction once a quarter using a company mood board which contains four questions that are graded from 1 to 7, with 7 indicating full agreement and 1 indicating full disagreement. In addition, the surveys give employees the opportunity to share their concerns with us in an open comment field. This allows us to gain an idea of the current mood on an ongoing, comparable basis.

It is used to identify and develop HR measures in order to create the best possible working environment for all our employees. Our second place as a top employer in TextilWirtschaft's 'Working in Fashion' study during the financial year showed us that we are on the right track. We are the only medium-sized company listed in the top five.

COMPANY MOODBOARD*

I FEEL HAPPY AT MARC O'POLO:



2022: 5.5
2021: 5.4

MY MANAGER APPRECIATES ME:



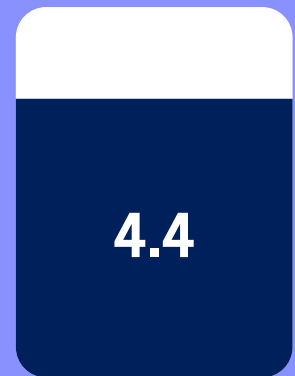
2022: 5.4
2021: 5.3

I HAVE A SAFE JOB AT MARC O'POLO:



2022: 5.4
2021: 4.8

MARC O'POLO GIVES ME A GOOD WORK-LIFE BALANCE.¹



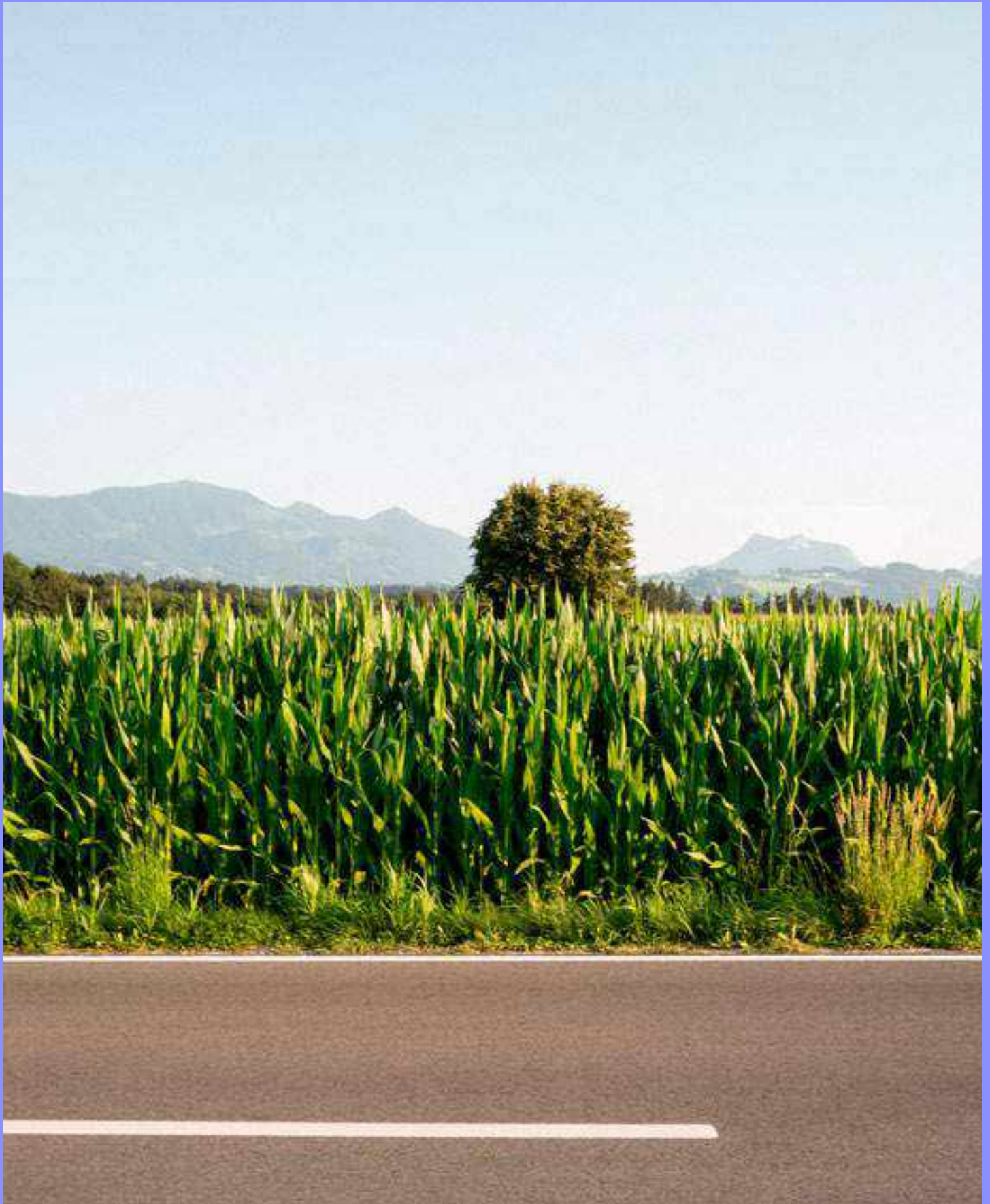
2022: –
2021: –

¹ THIS QUESTION WAS ADDED TO THE COMPANY MOOD BOARD IN AUGUST 2022 IN ORDER TO CONTINUOUSLY OPTIMISE WORK FLEXIBILITY AT MARC O'POLO.

*THE FIGURES IN THE GRAPHIC SHOW THE MEAN OF THE FOUR QUARTERS IN THE RESPECTIVE REPORTING PERIOD.

5.3 HEALTH, SAFETY & WORK-LIFE BALANCE

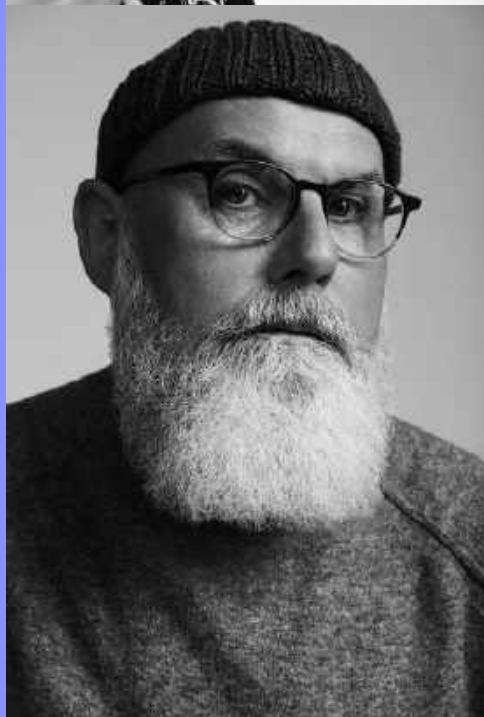
We support our employees in finding a balance between their work and private life. This is crucial for our employees' health, enthusiasm and motivation.



5.3.1 FLEXIBLE WORKING

We believe that good ideas can come from anywhere. Even before Covid-19, we gave many of our employees greater independence to choose where and when they work. Advancing digitisation and the 'new normal' brought about by the pandemic accelerated this shift. Most of the employees at our headquarters in Stephanskirchen work on a basis of trust. If possible and operationally reasonable, our employees can

work remotely. Since February 2022, it has also been possible to book a workstation or meeting room free of charge at one of the design offices across Germany. This offer has already been used frequently, so we will keep it in the next financial year, too. For even more flexibility, there is another offer: since August 2022, employees have been able to work from other EU countries for up to four weeks.



5.3.2 FAMILY-FRIENDLINESS

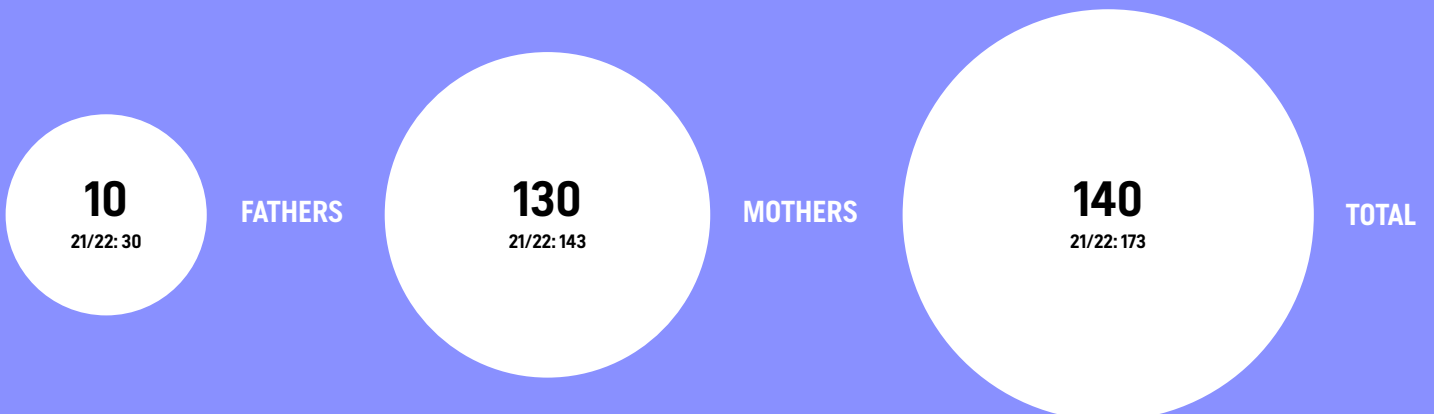
GRI 3-3 (401)

With Marc O'Polo Family, we take steps to make our workplace family-friendly. Throughout the Group, we offer a variety of part-time models and ensure that also managers have the option to work part-time. Trust-based working hours and the ability to work remotely contribute to the flexibility of work. In addition, we were able to resume the children's holiday programme on campus after the Covid-19 pandemic. In order to be able to provide even better support to (expecting) parents and carers, we are planning to add a family component to our Employee Assistance Programme during the financial year. In addition to advice, our employees will receive tangible support in the new financial year in their search for a childcare solution for their children or family members in need of care. A dog-friendly company guideline makes it possible to bring dogs to work when taking the interests of all colleagues into consideration.



EMPLOYEES ON PARENTAL LEAVE*

GRI 401-3



*THE DATA WAS ENTERED AS OF 31 MAY 2023 AND REFERS TO THE PER-HEAD NUMBER OF EMPLOYEES. GENDER AS STATED BY THE EMPLOYEES THEMSELVES. THERE WERE NO INDIVIDUALS NOT IDENTIFYING AS ONE OF THE TWO REPORTED BINARY GENDERS DURING THE REPORTING PERIOD.

5.3.3 BENEFITS

GRI 3-3 (403), 401-2

In addition to performance-based remuneration, we offer our employees a wide range of additional benefits in the categories of mobility, fitness, flexwork, workation and sabbatical; discounts and more. In total, we offer our employees more than 30 benefits, including a free shuttle bus between the train station and our headquarters in Stephanskirchen, a bike leasing offer, discounted membership in the eGym company fitness network, numerous flexwork offers, a staff discount on Marc O'Polo products, discounts at other (local) companies and many more.

Other benefits related to health and family life are described in more detail in subsections 5.3.2 Family-Friendliness and 5.3.4 Workplace Health Initiatives [↗].

5.3.4 WORKPLACE HEALTH INITIATIVES

GRI 3-3 (403), 403-6

The health and well-being of our employees is very important to us. Our workplace health initiatives focus on mental health, nutrition and exercise.

With the Marc O'Polo Health Club, we offer a comprehensive health and sports programme at our headquarters as part of the monthly happenings (e.g. hiking, Pilates, tennis and functional fitness). Some of the initiatives take place in collaboration with local partners, such as a tennis club or a fitness studio. In addition, our retail and headquarter employees can sign up for discounted memberships with our cooperation partner, a company fitness network, across all of Germany. At our headquarters, there is also the option of renting stand-up paddleboards free of charge, as well as e-bikes for the new financial year.

At BISTRO at our headquarters, we offer subsidised, healthy dishes with a vegetarian/vegan selection as well as healthy breakfast options in line with the motto 'local and fresh'. We also grow fresh herbs in two raised beds on our company premises for the preparation of the dishes at BISTRO.

A mental health programme was also held on the occasion of World Mental Health Day and included small learning nuggets and lectures on strengthening resilience and supporting happiness.

We also offer our employees individual and personal support as well as professional advice through our Employee Assistance Programme (EAP). It can be used for professional and personal issues as well as in problem and crisis situations. The EAP can be consulted on issues such as stress and overburden, educational issues, addiction problems and legal issues. Our partner for the implementation of the EAP is the external advisory service INSITE. The service is free of charge for all employees and enquiries are, of course, treated anonymously.



5.3.5 OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3 (403, 408), 403-1, 403-8, 403-9

At Marc O'Polo, the safety of our employees is our top priority. For this reason, 100 per cent of employees at headquarters and in national retail are covered by a health and safety management system with the support of our external service provider. In international retail, we are guided by the legal provisions of the respective countries.

An external occupational safety specialist also ensures a safe working environment and develops preventive measures. It also conducts regular inspections, at least once a month, to check occupational health and safety at our headquarters, in logistics and in national retail. There are also regular coordination meetings with the occupational health and safety specialist and the responsible company doctor. Any necessary measures are then checked during the next inspection.

There were 15 reportable accidents during the reporting period (previous year: 2), with no work-related injuries with serious consequences or fatalities. These included, for example, a rear-end collision on the way to work through no fault of the victim's own, falling down stairs while working remotely or minor cuts when handling parcels in logistics or retail.

The sickness rate for full-time employees in Germany is 3.83 per cent and 5.21 per cent for part-time employees. No distinction is made by the type of illness or whether it was work-related. Work-related accidents are recorded separately.

After the Covid-19 pandemic, training for first-aiders and fire safety assistants was resumed. Fire drills take place at regular intervals.

'OUR CURRENT LINEAR SYSTEM DEMANDS A LOT FROM HUMANS AND NATURE. OUR ACTIONS AND CONDUCT THEREFORE NEED TO BE BASED ON NATURAL CYCLES. THE VALUE OF OUR COMMUNITY CAN ONLY BE MAINTAINED THROUGH THE POSITIVE SOCIAL IMPACTS OF A CIRCULAR ECONOMY.'



LAURA BARTH
JUNIOR MANAGER CORPORATE
SUSTAINABILITY & INNOVATION

5.4 DEVELOPMENT & TRAINING

Motivation comes from developing your own abilities and using them to achieve success with others, which is why it is important to us to offer our co-workers the opportunity to develop both professionally and personally. We support the development of junior employees as well as experienced specialists and managers at our headquarters and our stores, which paves the way for long-term employment and allows us to meet our objective of filling managerial positions with candidates from within the company whenever possible. Staff training is another key component of our HR strategy.



5.4.1 TRAININGS

GRI 3-3 (404), 404-2

Marc O'Polo's training concept is diverse. In addition to classroom training, we also offer virtual and hybrid formats for our employees, most of which are also available in different languages. A total of 1,450 employees attended 19,883 seminar/training hours during the reporting period.

At our Marc O'Polo University, we offer training courses, seminar series and lectures designed to strengthen our colleagues' methodological and specialist skills as well as their personal and social skills. In addition to the training series for potentials and talented individuals, the reporting period also focused on the theme of 'We Hug Again' in the form of team workshops. In addition, the topics of internationalisation, digitalisation, and management development were important, and corresponding measures were implemented. As part of the in-house academy, our employees have the opportunity to take part in a wide range of digital training courses. For example, a language portal and occasionally an online learning portal are available. Individual specialist training, coaching and internal workshops round off the Marc O'Polo training concept.

The Retail Academy offers a wide range of training courses for employees and teams in the stores at all career levels. Store staff see their job not only as selling, but also looking after customers as guests. This understanding is consolidated in the Welcome Days for new employees (in English, German and Polish) as well as in various sales training sessions. In the collection training sessions and at the information events on the topic of sustainability, important specialist knowledge is taught about materials, cuts, special product features and Marc O'Polo's commitment to sustainability. Four retail sales trainers educate and train the teams in the stores, both nationally and internationally. During the reporting period, a focus was also placed on mental health. Employees play an active role in shaping the training opportunities on offer. Internal expertise is multiplied under the motto 'By colleagues for colleagues'.

OUR EMPLOYEES' AVERAGE TRAINING HOURS*

GRI 404-1

		FEMALE		MALE		OVERALL	
		21/22	22/23	21/22	22/23	21/22	22/23
MANAGEMENT	Blended Learning ¹	24.7	0.8	13.7	0.5	20.7	0.7
	Face to face	10.8	13.7	11.5	13.1	11.0	13.5
	Virtual	9.1	7.4	10.7	5.4	9.6	6.7
	TOTAL	44.5	21.9	35.9	19	41.4	20.9
EMPLOYEES	Blended Learning ¹	5.0	0.4	3.47	0.3	4.7	0.4
	Face to face	3.6	8.4	3.01	8.1	3.5	8.3
	Virtual	1.3	3.5	0.82	2.9	1.2	3.4
	TOTAL	9.9	12.3	7.30	11.3	9.3	12.1

¹ BLENDED LEARNING IS A COMBINATION OF E-LEARNING AND CLASSROOM TRAINING

* EMPLOYEES' SELF-IDENTIFIED GENDER. FEWER THAN 5 EMPLOYEES WERE NOT CATEGORISED AS ONE OF THE BINARY GENDERS DURING THE REPORTING PERIOD. THEY ARE NOT REPORTED FOR THE SAKE OF DATA PROTECTION.

5.4.2 TALENT MANAGEMENT

GRI 3-3 (404)

With our talent management strategy, we aim to establish a corporate culture where talented individuals are recognised and fostered, regardless of their level in the hierarchy, department or training. At Marc O'Polo, we offer both managerial and non-managerial career paths with corresponding training programmes, allowing us to train leaders and offer appropriate career and development opportunities to non-managerial specialists.

Our Leadership Academy gives managers the opportunity to delve deeper into topics such as values, corporate culture and mindfulness. With the Leadership Essentials Newcomer training series, we introduce new managers to important tools in order to qualify them for their duties.

The 'Develop Yourself' programme provides retail employees with various training courses and coaching sessions to help them become (deputy) store managers in nine months. Interested employees also have the opportunity to qualify as experts for various roles. As a sales expert in styling, for example, they are the point of contact for customers with a private shopping appointment and, as a training agent, they train the retail team with internal sales training.

5.4.3 EDUCATION AND INTEGRATED DEGREE PROGRAMME

GRI 3-3 (404)

Employee training plays a key role in our HR strategy. As an international fashion company, Marc O'Polo offers skilled occupations in various departments at our headquarters and in retail. We further increased the opportunities we offer for training and study during the reporting period, adding new focal areas to appeal to a wider group of talented young people. A total of 60 trainees and integrated-degree students (previous year: 50) were employed at Marc O'Polo, of whom 25 (previous year: 24) were at the headquarters and 35 (previous year: 26) in retail.

With an integrated degree programme, we enable secondary school graduates with a university or university of applied sciences entrance qualification to learn comprehensive theory and gain practical experience in an international environment. In cooperation with various universities, we offer Bachelor of Arts programmes (DHBW Villingen-Schwenningen, Ravensburg and Stuttgart) as well as distance learning opportunities at the IU International University of Applied Sciences.

5.5 MARC O'POLO FOUNDATION

GRI 201-1, 413-1

As a company with regional roots in the Rosenheim area, Marc O'Polo sees itself as part of society. Getting involved in social causes and supporting others is a matter of course for us. For example, we support projects in the fields of art, culture, sport, education and charity.

During the reporting period, we intensified our support for the association Pro Arbeit Rosenheim. It supports disadvantaged young people as they make the transition from school to work with the vision of enabling every young person in and around Rosenheim to graduate from school and successfully enter the world of work. The aim is to give all participants the chance to live independently and without financial support from third parties. A key cornerstone is the Qualipaten ('qualification mentors') programme. These mentors are intended to be a guide for the young people and help them with job applications and other challenges. Since 2022, Marc O'Polo employees have been given two extra days off as part of a volunteering programme if they volunteer as a qualification mentor. Employees were also involved in

job application training for the young people at the schools. In order to prepare the association's social workers and qualified employees for their responsibilities, a workshop was held on the current requirements for an application and on recruitment procedures.

While masks increasingly disappeared from everyday life with the end of the pandemic, they were mandatory for hospital staff in their day-to-day work, so Marc O'Polo decided to donate 70,000 FFP2 masks to the RoMed hospitals in Rosenheim.

We were also deeply moved by the earthquake disaster in Turkey in February 2023. The factory of one of our main denim partners was located in the affected region, so we helped organising trauma counselling with a psychologist.

Like every year, it was also a great pleasure for Marc O'Polo to organise Christmas presents together with the employees for the children and young people at the Schöne Aussicht children's home run by Rosenheim's Stiftung St. Zeno.

CHARITABLE PROJECT FUNDING

	DONATIONS 2021/2022		DONATIONS 2022/2023
UKRAINE DONATIONS	77,000	UKRAINE DONATIONS	66,778
Save the Children	20,000	Promised Land Foundation – Schulbauprojekt, Ghana	15,000
Promised Land Foundation, Schule Ghana	15,000	Kulturspende Rosenheim Festival	8,000
SUPPORT FOR EMPLOYEES IN EMERGENCIES	15,000	Pro Arbeit Rosenheim e.V.	5,000
Summer festival, Landesgartenschau Rosenheim 2010 GmbH	8,000	Kindergarten St. Georg	5,000
Pro Arbeit Rosenheim e.V.	5,000	TSV 1860 Rosenheim	4,500
Caritas Verband, Kinderdorf Irschenberg	2,220	TSV Rohrdorf-Thansau – Sozialprojekt Kick for Help	4,003
Lions Hilfswerk Bad Endorf	2,000	Stiftung St. Zeno für Kinderheim Schöne Aussicht	2,000
Caritas Verband, Haus Christopherus Brannenburg	2,000	SV Schloßberg-Stephanskirchen	2,000
SV Schloßberg-Stephanskirchen	2,000	Kindergarten Bärenstube	2,000
Stiftung St. Zeno/ Kinderheim Schöne Aussicht	1,500	Emanuel Wöhrl Stiftung	1,000
Stiftung Aktion Knochenmarkspende in Bayern	1,000	Psych. Betreuung Erdbebenopfer	500
Feuerwehr Stephanskirchen	600	Sächsische Jugendstiftung – Aktionstag GenialSozial	150
TOTAL	151,320	TOTAL	115,931

GRI CONTENT INDEX

This report is based on the recognised sustainability reporting standards of the Global Reporting Initiative (GRI) published in 2021. In the following GRI Content Index, the corresponding indicators from the standards are clearly presented for all material topics and marked with page numbers in accordance with the explanations in this report.

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 2-1	Organizational details	P. 5	
GRI 2-2	Entities included in the organization's sustainability reporting	Imprint P. 7	
GRI 2-3	Reporting period, frequency and contact point	Imprint	
GRI 2-4	Restatements of information	Imprint	
GRI 2-5	External assurance	Imprint	
GRI 2-6	Activities, value chain and other business relationships	P. 8, 37 & 40	
GRI 2-7	Employees	P. 106 & 111	
GRI 2-8	Workers who are not employees	P. 107	As of 30 June 2023, the following non-employees worked for us: Trainees and integrated-degree students: 60; trainees: 2; interns: 18; working students: 29; contract workers in logistics: 53; cleaning staff: 7. Due to a lack of data, it is currently not possible to provide information on the number of freelancers employed.
GRI 2-9	Governance structure and composition	P. 5	Under the German Stock Corporation Act (Aktien-gesetz), members of the Supervisory Board are not permitted to act as directors at the same time. The Supervisory Board continued to monitor the Executive Board's management during the 2022/2023 financial year on an ongoing basis and advised it on the management of the company. The Executive Board has complied with its information obligations and provided regular, prompt and comprehensive information in written and verbal form on all issues of relevance to the company and the Group in relation to strategy, planning, business development and risk. The Supervisory Board does not have any other committees.
GRI 2-10	Nomination and selection of the highest governance body	P. 5	
GRI 2-11	Chair of the highest governance body	P. 5	

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	P. 17	The Supervisory Board continued to monitor the Executive Board's management during the 2022/2023 financial year on an ongoing basis and advised it on the management of the company. The Executive Board has complied with its information obligations and provided regular, prompt and comprehensive information in written and verbal form on all issues of relevance to the company and the Group in relation to strategy, planning, business development and risk.
GRI 2-13	Delegation of responsibility for managing impacts	P. 17	
GRI 2-14	Role of the highest governance body in sustainability reporting	P. 28	The sustainability report and the material topics are acknowledged by the Supervisory Board and approved and assessed by the Executive Board of Marc O'Polo SE.
GRI 2-15	Conflicts of interest		A declaration on relationships with affiliated companies was issued for Marc O'Polo SE. This shows that Marc O'Polo SE received appropriate consideration for each transaction in the transactions listed in the report on relationships with affiliated companies and was not disadvantaged by measures being taken. No measures were omitted.
GRI 2-16	Communication of critical concerns		Critical concerns can be communicated to the Supervisory Board at the Supervisory Board meeting. There were no critical concerns to report during the reporting period.
GRI 2-17	Collective knowledge of the highest governance body	P. 5	
GRI 2-18	Evaluation of the performance of the highest governance body	P. 5	
GRI 2-19	Remuneration policies	P. 5	
GRI 2-20	Process to determine remuneration		For confidentiality reasons, we do not report on the process to determine remuneration.
GRI 2-21	Annual total compensation ratio		For confidentiality reasons, we do not report on the annual total compensation ratio. This is confidential as we do not disclose any individual salaries of the members of the Executive Board.
GRI 2-22	Statement on sustainable development strategy	P. 2	
GRI 2-23	Policy commitments	P. 16, 32, 43 & 46	
GRI 2-24	Embedding policy commitments	P. 47, 50 & 51	
GRI 2-25	Processes to remediate negative impacts	P. 51	
GRI 2-26	Mechanisms for seeking advice and raising concerns	P.16, P. 33	
GRI 2-28	Membership associations	P. 34-35	
GRI 2-29	Approach to stakeholder engagement	P. 25, 33 & 113	

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 3-1	Process to determine material topics	P. 28	
GRI 3-2	List of material topics	P. 29	
GRI 201-1	Direct economic value generated and distributed	P. 9 & 123	
GRI 3-3 FOR 205	Anti-corruption	P. 16, 46 & 51	
GRI 205-1	Operations assessed for risks related to corruption		Corruption risks are taken into account in our internal risk management and risk analyses.
GRI 205-2	Communication and training about anti-corruption policies and procedures	P. 46	Anti-corruption is part of our Business Partner Code of Conduct for Non-Retail Products, which is available to all our employees on our intranet at any time. Our employees also have the opportunity to complete training on the Code of Conduct online. Our employees are required to report any kind of violations of the Code of Conduct immediately via a separate email address.
GRI 205-3	Confirmed incidents of corruption and actions taken		We were not aware of any incidents of corruption during the reporting period.
GRI 3-3 FOR 301	Materials	P. 53-54, 59, 62 & 64	
GRI 301-1	Materials used by weight or volume	P. 55-57 & 67	
GRI 301-2	Recycled input materials used	P. 55-57 & 62	
GRI 3-3 FOR 302	Energy	P. 93 - 94	
GRI 302-1	Energy consumption within the organization	P. 93-95	
GRI 302-3	Energy intensity	P. 93 & 95	
GRI 302-4	Reduction of energy consumption	P. 93 & 94	
GRI 3-3 FOR 303	Water and Effluents	P. 70 ff.	
GRI 303-2	Management of water discharge-related impacts	P. 72, 76 & 77	
GRI 303-3	Wasser als gemeinsame Ressource	P. 71	
GRI 303-4	Water withdrawal	P. 76	
GRI 303-5	Water consumption	P. 71-72	
GRI 3-3 FOR 304	Biodiversity	P. 98	
GRI 304-2	Significant impacts of activities, products and services on biodiversity	P. 98	
GRI 3-3 FOR 305	Emissions	P. 87 ff.	
GRI 305-1	Scope 1	P. 87	
GRI 305-2	Scope 2	P. 87	
GRI 305-3	Scope 3	P. 87 & 91	

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 305-4	GHG emissions intensity	P. 87	
GRI 305-5	Reduction of GHG emissions	P. 87	
GRI 305-6	Emissions of ozone-depleting substances (ODS)	P. 89	
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P. 89	
GRI 3-3 FOR 306	Waste	P. 67-68 & 96-97	
GRI 306-1	Waste generation and significant waste-related impacts	P. 67-68 & 97	
GRI 306-2	Management of significant waste-related impacts	P. 97	
GRI 306-3	Waste generated	P. 97	
GRI 3-3 FOR 308	Supplier Environmental Assessment	P. 80	
GRI 308-1	New suppliers that were screened using environmental criteria	P. 43	The supplier onboarding process for our environmental section is currently being redefined, which is why we will not be able to report this data until the next reporting period.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	P. 78 & 80	
GRI 3-3 FOR 401	Employment	P. 116	
GRI 401-1	New employee hires and employee turnover	P. 107-109	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 117	
GRI 401-3	Parental leave	P. 116	In Germany (HQ and retail), 100 per cent of our employees are entitled to parental leave. It is currently not possible to provide information about the other employees due to a lack of data.
3-3 FOR 403	Occupational Health and Safety	P. 44 & 117-118	
GRI 403-1	Occupational health and safety management system	P. 118	
GRI 403-5	Worker training on occupational health and safety	P. 48	
GRI 403-6	Promotion of worker health	P. 117	
GRI 403-8	Workers covered by an occupational health and safety management system	P. 118	
GRI 403-9	Work-related injuries	P. 118	
GRI 403-10	Work-related ill health		We are currently unable to break down the sickness data into work-related or non-work-related. In the future, we will work on improving the data quality.
GRI 3-3 FOR 404	Training and Education	P. 121-122	

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 404-1	Average hours of training per year per employee	P. 121	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	P. 121	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	P. 104	
GRI 3-3 FOR 405	Diversity and equal opportunity	P. 111	
GRI 405-1	Diversity of governance bodies and employees	P. 5 & 112	
GRI 3-3 FOR 406	Non-discrimination	P. 49 & 111	
GRI 3-3 FOR 407	Freedom of Association and Collective Bargaining	P. 49	
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P. 49	
GRI 3-3 FOR 408	Child Labor	P. 48 & 118	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	P. 48	
GRI 3-3 FOR 409	Forced or Compulsory Labor	P. 48	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P. 48	
GRI 3-3 FOR 413	Local Communities	P. 32	
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	P. 123	
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	P. 32 & 74	
GRI 3-3 FOR 414	Supplier Social Assessment	P. 32, 39, 46-47 & 51	
GRI 414-1	New suppliers that were screened using social criteria	P. 43	
GRI 414-2	Negative social impacts in the supply chain and actions taken	P. 39 & 50	
GRI 415-1	Political contributions	P. 16	
GRI 3-3 FOR 416	Customer Health and Safety	P. 83	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P. 83	
GRI 3-3 FOR 417	Marketing and Labeling	P. 59 & 83-84	
GRI 417-1	Requirements for product and service information and labeling	P. 59 & 83-84	

GRI	GRI STANDARD INFORMATION	PAGES	COMMENTS
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	P. 84	
GRI 417-3	Incidents of non-compliance concerning marketing communications		We were not aware of any violations of the law in connection with marketing and communication in the reporting period.
GRI 3-3 FOR 418	Customer Privacy	P. 16	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P. 16	

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GRI 2-2, 2-3, 2-4, 2-5

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Since the 2007/2008 financial year, the MARC O'POLO Group has openly reported on its sustainability activities with its annual sustainability report. This report presents developments, events and key figures for the 2022/2023 financial year (1 June 2022 to 31 May 2023). Any significant changes which occurred before the editorial deadline on 31 July 2023 have been taken into account. If information from previous reports is carried over in an altered format, it is noted accordingly in the respective sections of the report. The content and figures presented in this report refer to Marc O'Polo SE. Any data or statements that refer to individual subsidiaries are identified accordingly in the report. This report is also available in German. An external audit was not carried out.

