

Separate  
Non-financial report  
2020

# WE ARE GERRY

GERRY WEBER

I LIVE MY STYLE.



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# FOREWORD BY THE MANAGING BOARD

for the separate of the GERRY WEBER International AG

## Dear Readers,

The past year has presented us with particular challenges: Intermittent trading shutdowns, problems in supply chains, and changing consumer behaviour – all caused by the corona pandemic – have resulted in unprecedented economic conditions. In addition, GERRY WEBER is still undergoing a change process.

In light of these circumstances, it is especially important to us that we apply the core values of our company even more. Preserving the health of our staff is always our top priority, which is why we have set up our “Corona Task Force”, to ensure the safety of our employees by means of training and extensive hygiene measures.

Transparent communication enables the entire workforce to understand even difficult decisions, and ask open and critical questions – anonymously, if required.

In order to live up to our environmental responsibility and our responsibility as a company rooted in society and the global economic environment, we are optimising our entire value chain. Our goal is to act sustainably as a profit-making company, enable our customers to make responsible purchase decisions, and offer a desirable product.

For this reason, we introduced the first completely sustainable assortment to the market in 2020, identified with the label “I WEAR I CARE”.

We are continuously increasing the amount of sustainable materials we use. These sustainable raw materials could be items such as certified organic cotton, or products manufactured with high resource efficiency, such as jeans made using methods and machinery with less water and chemicals. We also use recycled materials such as polyester. To further drive the topic of the circular economy, we also cooperate with Leibnitz University Hannover, amongst other institutions.

**"Sustainability  
is an investment  
in the future  
and is lived in  
all areas of the  
company."**



**Angelika Schindler-Obenhaus (COO)**

Our targets in terms of climate protection are our focus topic for the new year; we have placed the circular principle and our carbon footprint at the forefront.

In the following pages, we will explain how we are facing our responsibilities to protect the environment and the climate, human and workers' rights, animal welfare, and the concerns of our staff.

Yours

**Angelika Schindler-Obenhaus**  
Chief Operating Officer  
COO | GERRY WEBER

**Alexander Gedat**  
Chief Executive Officer  
CEO | GERRY WEBER

**Florian Frank**  
Chief Financial Officer  
CFO | GERRY WEBER



# SUSTAINABLE COLLECTION

**"I wear, I care"** is the claim of the first sustainable collection introduced to the market by the GERRY WEBER Group in May, with its brands GERRY WEBER, TAIFUN, and SAMOON.

Since 2016, we have been gradually increasing our proportion of sustainably produced designs, and a complete collection is now the next step.

As well as GOTS-certified organic cotton, the concept of the collection also includes Lenzing EcoVero™ viscose fibre, which is obtained from wood, a renewable raw material. The production of these fibres is particularly resource-friendly, and in comparison to generic viscose fibre, results in 50% less emissions and water pollution. The collection also contains recycled and upcycled materials, as well as linen fabric and cellulose fibre lyocell. Sustainable denim is produced using the Dry Indigo method: around 99% less water, 89% fewer chemicals, and 65% less energy is required for production than in conventional denim manufacturing.

The sustainable styles meet GERRY WEBER's high quality and fashion standards. We will continue to gradually increase the amount of sustainable items of clothing we sell. For us, sustainability is not a short-lived trend, but an important investment in the future of our brand. Previously, when we used organic cotton for a fashionable shirt, it was a nice added value, but irrelevant to the purchase decision. Now, the sustainability aspect comes more emotionally to the fore, and we even highlight it in our print designs. Sustainable thinking is becoming a fashion statement.



## OUR SUSTAINABILITY PROMISE:

- With the “I WEAR. I CARE.” logo, we are committed to fashion that is not only appealing, but also sustainable.
- We accept responsibility by strictly testing materials and manufacturing methods. We do this with reliable partners such as bioRe®, OEKO-TEX®, amfori, and GOTS.
- In everything we do, we support the sustainable and respectful use of resources, people, animals, and plants.

# SEPARATE NON-FINANCIAL REPORT

for the period from 1 January to 31 December 2020

## PREAMBLE

In accordance with § 315 para. 3 HGB (Handelsgesetzbuch – German Commercial Code) in conjunction with § 298 para. 3 HGB, the group management report has been consolidated with the management report of GERRY WEBER International AG. The collective management report contains an outline of the asset, financial, and profit situation of GERRY WEBER International AG and the GERRY WEBER Group, as well as other information which is required in accordance with the German Commercial Code. The currency figures are stated in euros. The financial year for GERRY WEBER International AG and the GERRY WEBER Group started on 1 January 2020 and ended on 31 December 2020.

## ABOUT THIS REPORT

With this separate non-financial report (NFR) in accordance with § 315b, § 315b in conjunction with § 289c to § 289e HGB for the 2020 financial year, GERRY WEBER International AG fulfils its reporting requirements in accordance with the CSR-Richtlinie-Umsetzungsgesetz (CSRRUG – CRS Directive Implementation Act) implementation legislation on a corporate and group level. All information in this NFR applies to GERRY WEBER International AG and its subsidiary companies Life-Style Fashion GmbH, GERRY WEBER Retail GmbH, and GERRY WEBER Logistics GmbH, and include all the organisation’s own sales locations in Germany. Staff at our foreign offices GERRY WEBER FAR EAST Ltd., GERRY WEBER Shanghai Co. Ltd., and GERRY WEBER Dis Ticaret Ltd. are taken into account in the report. The option of using the generally applicable framework for reporting on sustainability topics as orientation was not used when creating the NFR, as this framework has a different definition of the term “materiality” to the CSRRUG.

References to data not in the group management report are secondary information and not part of the NFR.

## Reporting

The GERRY WEBER Group has only determined meaningful financial performance indicators. For this reason, no meaningful non-financial performance indicators in accordance with § 289c para 3 no. 5 HGB, which are significant for the business activities of GERRY WEBER, are included. In addition, there is no connection between the amounts identified in the annual financial statement in accordance with § 289c para 3 no. 6 HGB and the non-financial matters. At GERRY WEBER, the risks are assessed using the net method, which means that risk-minimising measures implemented beforehand are taken into account. This method did not identify risks that are associated with the company’s own activities, business relationships, as well as products and services of the company, and that have severe negative effects on non-financial aspects. **You will find detailed information about our risk management in the business report for the 2020 financial year.**

The non-financial report is available online on the GERRY WEBER corporate site.

## Staff figures

The staff data relates to all employees, including apprentices, at the above-mentioned companies. Temporary staff, trainees, dual students, and interns are not included. The figures were gathered once on 31 December 2020, the reporting date.

	Berichterstattung
Staff matters	Staff chapter, p. 20
Environmental matters	Procurement chapter, p. 15
Respect for human rights	Procurement chapter, p. 15
Anti-corruption	Voluntary reporting in the compliance section on p. 13

## THE GERRY WEBER GROUP

### Business model

The GERRY WEBER Group is one of the most well-known German fashion and lifestyle companies. With its three brand names GERRY WEBER, TAIFUN, and SAMOON, the company provides high-quality fashion for the sophisticated and confidently stylish woman. Each brand thereby has its own individual target group.

Our collections are distributed via the fashion trade (wholesale segment), and at GERRY WEBER's own stores and online (retail segment).

GERRY WEBER International AG, based in Halle Westfalen, is an operating holding company with three strategic business units, GERRY WEBER, TAIFUN, and SAMOON. Group-wide services such as accounting, controlling, human resources, IT and compliance are provided by the AG (Aktiengesellschaft – joint stock company). The procurement department for the GERRY WEBER core brands is also based in the holding company.

**More detailed information about the structure of the company is available in the business report, in the chapter on the group foundations.**

### GERRY WEBER distribution channels

Retail			Wholesale		
Own retail stores	Concession stores	e-commerce/ online shops	Franchises	Shops-in-shops	Multilabel stores
GERRY WEBER stores	Shop-in-shop systems fun by GERRY WEBER	Online shops: national or international, integrated shops for all brands	GERRY WEBER stores run as franchises	Branded shops-in-shops, run by our wholesale partners	Stores in which multiple brands are presented at the same time: no own branding
Monolabel stores					
Factory outlets			Partnership models <sup>1</sup>		

<sup>1</sup> Partial takeover of site stocking by GERRY WEBER

“We are the first **generation** that can **put an end to poverty** and we are the last generation that can **put an end to climate change.**”

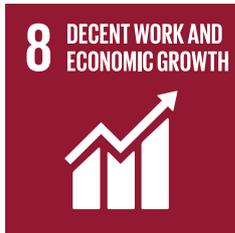
————— Ban-Ki Moon, UN Secretary-General, 2007 to 2016

## THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The SDGs, 17 goals in total, were published in 2015 by the United Nations as part of the organisation’s Agenda 2030. They consist of 169 social, ecological, and economical sub-goals, and are mutually dependent on one another. These 17 goals can be allocated to the five core concerns, the “5 Ps”: **People, Planet, Prosperity, Peace, Partnership**: They are intended to place the value and equality of people at the forefront, protect the climate and resources, promote prosperity and peace for all, and develop global partnerships.

All states (developing countries, emerging markets, and industrialised countries), civil societies, and private sectors are invited to embrace these topics and goals. GERRY WEBER International AG accepts this responsibility and has identified four goals to which we can and want to actively contribute. We have defined sub-goals and measures, the levels of achievement of which are monitored annually, enabling them to be adjusted if necessary.

## WE ARE CONTRIBUTING TO THE GOALS FOR SUSTAINABLE DEVELOPMENT



### 8 – Humane work and economic growth

- Anchoring of our Code of Conduct for our over 1800 employees worldwide
- Improvement of working conditions for the employees of all our suppliers with a comprehensive social compliance Code of Conduct
- Mobility concept for our staff
- Anchoring of a health management system for the protection and wellbeing of our staff
- Work-life balance with flexible working hours and KIDS WORLD, the company's own day-care centre



Bitte prüfen.  
In der deutschen  
Version hier insgesamt 6  
Punkte.

### 12 – (More) responsible consumption and production

- Use of biologically farmed cotton and other sustainable materials
- Active animal and species protection by brand-wide refusal to use real fur and Angora wool
- Use of certified down from responsible sources
- Use of wool from responsible sources respecting animal welfare
- Compliance with the provisions of the OEKO-TEX Standard 100 and the REACH European chemical regulation (Registration, Evaluation, Authorization and Restriction of Chemicals)
- No sandblasting or use of chlorine for denim production in Europe



### 13 – Measures to protect the climate

- Increase of annual energy saving
- Annual increase of green power
- Annual increase of CO<sub>2</sub> saving introduction of electric cars to our fleet
- Annual participation of our trainees in the "Energie-Scouts OWL" project run by the IHK (Chamber of Commerce and Industry)



### 17 – Partnerships to reach our goals

- Compliance with and improvement of the social and labour standards along the supply chain by engagement in the Partnership for Sustainable Textiles
- Integration of people with disabilities into the job market by cooperating with wertkreis Gütersloh gGmbH
- Audit management of all our suppliers by membership of the amfori Business Social Compliance Initiative (amfori BSCI)

# RESPONSIBLE CORPORATE MANAGEMENT

## Sustainability management

GERRY WEBER International AG is committed to responsible and sustainable corporate management. Sustainable action along the entire value chain is both a part of our self-understanding and a basic principle of our corporate responsibility. For GERRY WEBER International AG, this includes various areas of an ecological, social, and economic nature.

The overall responsibility when it comes to sustainability is that of the Managing Board. Strategically and operatively, the topic is managed and implemented as a corporate social responsibility.

The assigned employees organise the activities of the departments involved, including the procurement, energy management, and supply chain management departments. Purchasing and quality assurance teams have been put together in our supplier countries. These teams are trained by corporate social responsibility staff, in particular on aspects associated with environmental and social standards, and contribute to their compliance.

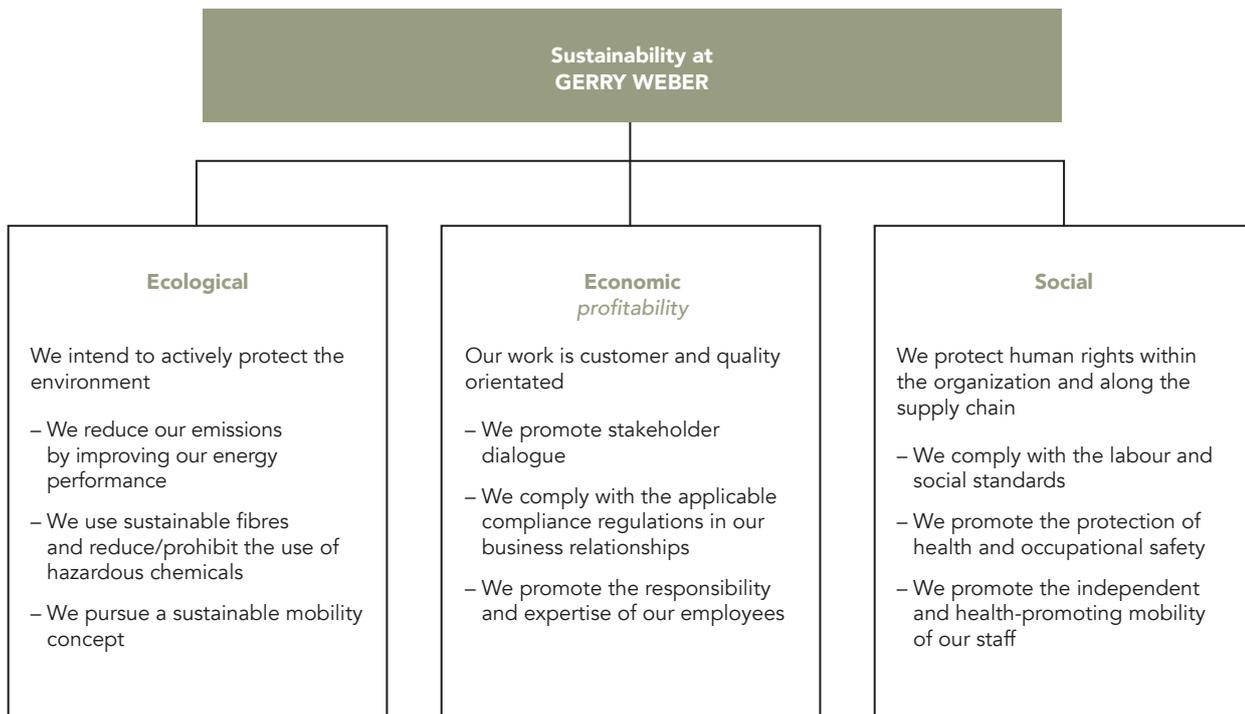
## Sustainability policy

According strategic and operative goals are defined and evaluated by us. Regular review and applicable updates are intended to promote risk-based thinking and opportunity within our company and at the sites run by our business partners.

In the areas mentioned, we strive to comply with the applicable national legal requirements. The information and resources required to follow our principles are provided. Internal and external topics that are relevant to the context are considered and communicated accordingly.

## Strategy

Starting with this sustainability policy, which contains corporate values and approaches, as well as aims, we will derive a sustainability strategy for the 2021 financial year. This strategy relates to our responsibility in three fields: social issues, ecology, and economy. The goal is to define new strategic goals, in workshops with the responsible departments, for the individual topics, before determining them with the Board and transferring them to the corporate strategy. We see sustainability as an investment in the future, and we have embedded it in our change management.



## Important topics

In the 2020 financial year, we assessed and updated the detailed materiality analysis. In doing so, we identified eleven topics which our stakeholders considered very important, and which our Management Board thought were decisive for the business success of the GERRY WEBER Group. To determine the important topics for the CSR-RUG reporting, we also set up a working group with internal experts and identified topics in which our business activities have a significant impact. These topics were also deemed important for the 2020 financial year.

The following relevant topics were identified:

- Social responsibility in the supply chain and protection of human rights
- Procurement
- Environmental responsibility in the supply chain
- Employee satisfaction
- Staff retention

## Compliance

Responsible and value-based cooperation with employees, business partners, shareholders and the public is what forms the basis of GERRY WEBER International AG. Backing up and developing this trust is the duty of every single employee.

To us, attention and respect are core values. We respect individual and cultural differences. We also champion equal opportunities and respect human rights. We do not tolerate disrespectful, intimidating, or offensive treatment of GERRY WEBER, shareholders, customers, business partners or colleagues. Our own exemplary personal conduct considerably helps GERRY WEBER maintain its image as a responsible and reliable company.

Therefore, we want to offer all employees a consistent and secure foundation; we have put together a set of guidelines for responsible conduct, and included them in the GERRY WEBER Code of Conduct.

### 2020 materiality analysis

Topics	Issues concerning the CSR implementing law					
	Significant effects	Environmental concerns	Employer concerns	Social concerns	Respect for human rights	Fighting corruption and bribery
Social responsibility in the supply chain and protection of human rights	●				●	
Procurement	●	●			●	
Product safety						
Customer safety						
Environmental awareness						
Energy efficiency						Voluntary reporting
Ecological responsibility in the supply chain	●	●				
Employee satisfaction	●		●		●	
Staff retention	●		●		●	
Employee safety						
Customer satisfaction						
Economic performance						

This Code of Conduct contains rules on how to treat colleagues, customers, suppliers, business partners and other stakeholders, and applies to everybody – board members, managers, and employees worldwide. We therefore strive to meet our own requirements and the social standards.

### Compliance management system

The Chief Compliance Manager reports directly to the Managing Board. Their main task is to develop the compliance programme group-wide, and train employees and managers. The Chief Compliance Officer pools the information provided by the Local Compliance Officers, which act as points of contact for compliance matters in the respective departments. The Chief Compliance Officer is also the chairperson of the Compliance Committee. This Committee monitors, amongst other aspects, the continuous improvement of the compliance programme, and holds regular meetings. In its management role, it plays an interdisciplinary role in the alignment of the compliance

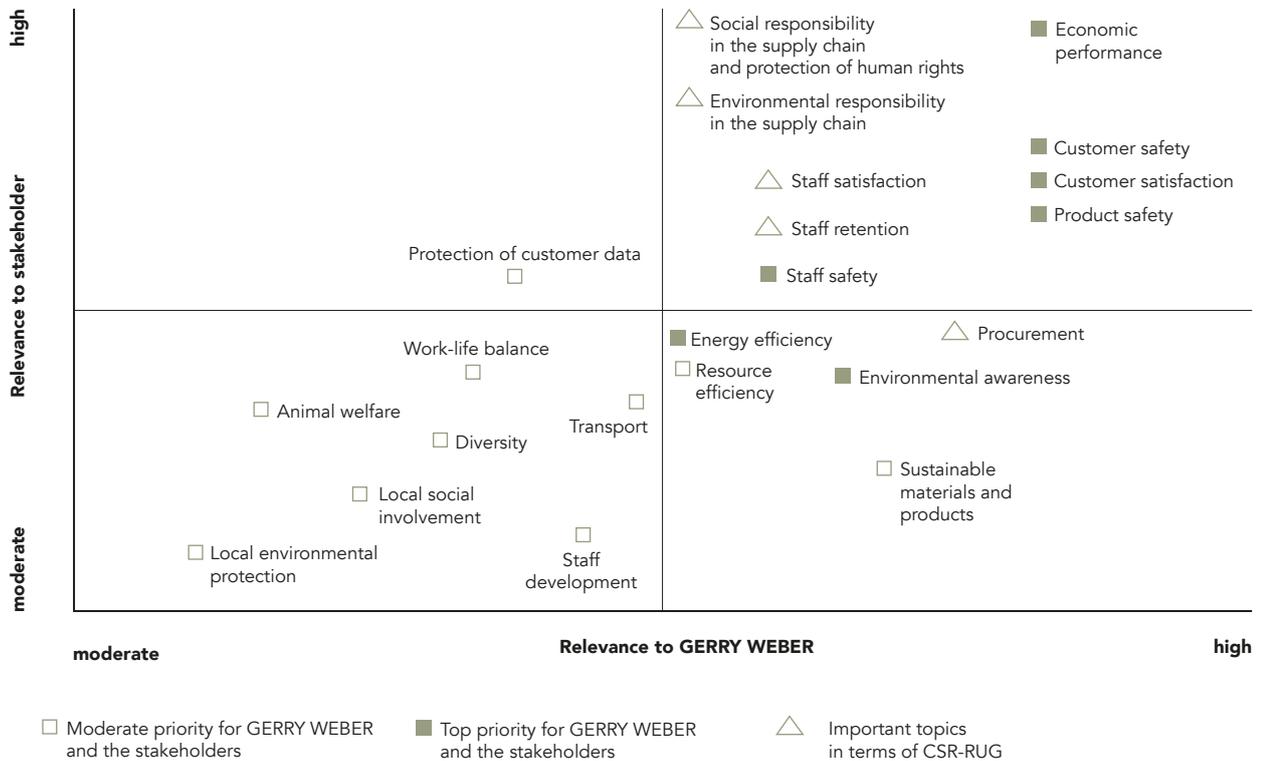
programme and compliance activities within the company. In its advisory role, it assists with the investigation of serious breaches of the compliance rules, and can recommend appropriate measures.

### Anti-corruption and bribery

GERRY WEBER International AG operates globally in various different regions. Therefore, it is necessary to prevent illegal conduct and set strict rules against corruption, bribery, violations of antitrust law, and other unlawful actions.

The Code of Conduct forms the basis for our corporate compliance guidelines, which list the most important topics. With the guidelines on antitrust and competition law, prevention of conflicts of interest, handling of gifts and invitations, handling of information and data, social compliance, capital market and communication, as well as health, the environment, and safety, we form a binding framework which helps us achieve our goals.

### Materiality matrix



The compliance programme is supported by a group-wide reporting system which encourages employees to address their ideas and concerns openly, and point out circumstances which relate to the violation of laws or internal guidelines. Managers, the respective executive management, the Works Council, and the Chief Compliance Officer are available as points of contact. Employees and third parties can also contact a trustworthy, independent, and external ombudsman of GERRY WEBER. If desired, the ombudsman will ensure the anonymity of whoever provided the information, even when discussing the matter with GERRY WEBER.

Legal evaluations on various matters that are brought up with the Chief Compliance Officer or the ombudsman are carried out, the details are clarified, and according measures are introduced and implemented. Information and documents about the Code of Conduct, the corporate guidelines, and whistleblowing, plus all relevant points of contact, are available to all employees at any time via the company intranet, and can be seen by third parties on the company website.

## Our stakeholders

Communication and exchange with our stakeholders is very important to us, and helps us define relevant topics. Therefore, we have defined our direct and indirect stakeholders. The objective was to learn more about their interests and sustainability concerns. Direct stakeholders of the GERRY WEBER Group are investors, customers, analysts, business clients, employees, and suppliers. These groups have a direct influence on our business activities and the value chain, and/or are directly affected by our business activities. Indirect stakeholders are the following parties: the public, competitors, civil society (associations, initiatives, non-governmental organisations), rating agencies, authorities, banks, politicians and trade unions, and the media.

Our end customers are an important stakeholder group for GERRY WEBER. Therefore, their opinions, questions, and concerns are extremely important. Customer queries are regularly analysed. Our social media activities via social networks, such as Facebook and Instagram, also lead to a fast and direct exchange with our end customers.

The regular exchange that takes place with associations and initiatives, as well as other companies in the industry and national/international NGOs, plus talks with civil society and political representatives, provide a platform to exchange information and ideas about industry topics, and find out what others think about the company. Topics such as human rights in the supply chain, sustainable materials,

and animal welfare are becoming increasingly topical. Thus, we can define important topics for our stakeholder groups, competitors, and NGOs.

We perform a media analysis at regular intervals. We analyse how often and in which regard GERRY WEBER is mentioned in the (trade) press, compare the results with previous analyses, and identify topics that are of relevance to the public. We also look at competitors and the entire fashion industry.

## PROCUREMENT AND PRODUCTION

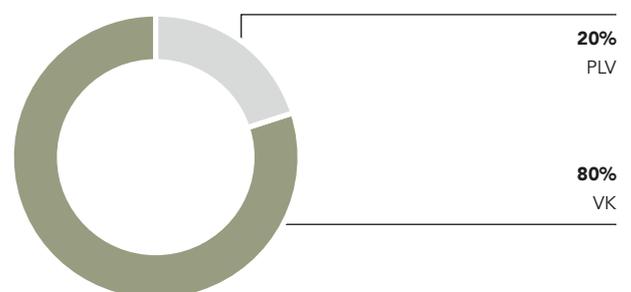
### Management approach

As part of the restructuring of the GERRY WEBER Group, the procurement division was reorganised. The new group purchasing department brings together the procurement teams which were once split into brands. This also included the consolidation of the supplier base, and the streamlining of administration in the procurement countries. The relocation of individual departments in external manufacturing was continued after an assessment of economic and social criteria.

During the reporting period, 8.7 million individual parts for all brands were manufactured, obtained using two different types of procurement:

Around 80% of the goods came from external manufacturing (short business year 2018/19: 82%) and 20% (2018/19: 18%) came from passive contract processing. The main countries of procurement were Turkey, China, and Bangladesh.

### Procurement volumes: passive contract processing and external manufacturing



We inherently support the idea that equality, freedom of association, and the right to collective bargaining should be guaranteed and protected. We condemn and forbid child, forced, and compulsory labour, and we do not tolerate such exploitative and inhumane practices under any circumstances. **Further information can be found in the section on human rights risk analysis in the supply chain.**

When implementing the social and labour standards, we have so far concentrated primarily on collaborating with the sewing companies who produce our goods, as sewing involves little automation and is associated with high budget and time pressure.

This commitment is gradually being further developed, for example to avoid the use of harmful chemicals and reduce water consumption.

In order to address these concerns, we joined the amfori BSCI industry initiative in 2010.

The amfori BSCI guidelines are based on the following:

- The ILO (International Labour Organisation) Conventions
- The United Nations Convention on the Rights of Children
- UN Global Compact
- The OECD Guidelines for Multinational Enterprises

The amfori BSCI Code of Conduct thereby provides regulations such as the prohibition of child and forced labour, equal opportunities, the right to form staff representative bodies, the prohibition of discrimination of any type, the payment of a fair wage, the regulation of working hours, and compliance with occupational safety measures.

## Goals and measures – procurement

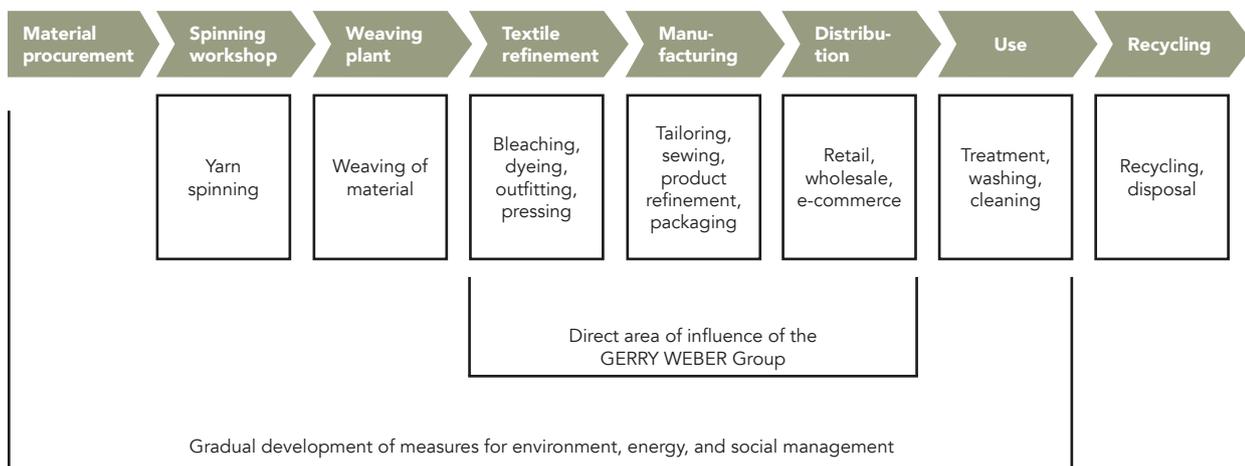
The corporate social responsibility department also has the duty of implementing the company's aspiration to only work with social and environmentally sustainable manufacturer suppliers. Our method for reviewing compliance with the social and labour standards is based on two principles: GERRY WEBER's own Social Compliance Agreement (agreement on compliance with the social standards), which every producer must sign as the basis of the business relationship, and the Code of Conduct and regulations of amfori BSCI. The internal processes for our procurement strategy and purchasing policy have been reformed. We have enshrined the notion that no business relationship can begin without the CSR department being a co-decision-maker. This underlines the increased significance and self-evidence of the implementation of social standards.

Resources had to be committed to the necessary restructuring, meaning that during the reporting period, we pursued the established goals, and deferred the setting of new objectives.

## Human rights risk analysis in the supply chain

GERRY WEBER International AG does not have its own production sites; instead, it uses select partners in Asia, Turkey, and Eastern Europe. Therefore, we take our due diligence seriously and use our own evaluation tool, created in-house, to analyse the effects and potential risks in the value chain. On the basis of this evaluation, we develop measures to prevent, minimise, or remedy the consequences of the potential negative effects.

### Our textile supply chain



We have defined the following risks to human rights:

- Child labour
- Forced labour
- Occupational safety
- Discrimination
- Unfair/poor wages
- Overtime (unpaid, too frequent, non-voluntary)
- Lack of health care
- No right to freedom of association and collective bargaining (trade unions)
- No environmental protection
- Precarious work

In order to determine and evaluate the human rights risks and the effects of our business activities in each producer country, we have selected four criteria.

1. Probability of occurrence
2. Extent
3. Impact
4. Remedy

As a basis for estimating the probability of occurrence, we use the regularly updated country profiles, the amfori BSCI due diligence tool, and the publicly accessible CSR Risk Checker of MVO Nederland. MVO Nederland is a movement by Dutch employers for a sustainable economy, and

a strategic partner of the German Partnership for Sustainable Textiles. Using these sources, we create an overall assessment of the probability of occurrence for each risk.

The extent is deduced from the overall number of employees in all the sewing businesses producing items for us in the respective producing country, which could be affected by the risk.

Under the Impact criteria, we also analyse which party would be responsible for the occurrence of the risk. It could be us alone as a result of our business activity, as one of multiple parties, or simply by initiating a business relationship with a supplier – in other words, indirectly.

Only in the case of a direct influence of our company are we able to take preventative measures.

In order to meet the requirements of current, extraordinary, or temporary developments in each supplier country, we have also included a country-specific risk, in addition to the four criteria being assessed, such as frequent strikes, political instability and natural disasters, should they occur in the respective supplier country.

For our work, the risk assessment is just the first step and helps the purchasing and procurement staff to become more familiar with the countries and make them aware that certain risks are present. To avoid or reduce risks in practical terms, it is important to look at them in more detail.

## Goals and measures – procurement

### Social responsibility in the supply chain and protection of human rights

Goal	Timeframes	Status
100% audit rate: audits carried out at all suppliers	Continuous	Continuous process
Performance of regular internal training on social compliance topics	Annually	Continuous process
Access of those concerned to effective complaints mechanisms	2020 financial year	Needs to be redefined
Expansion of identification and prioritisation of risks, and initiation of remedial measures	Achieved in 18/19 financial year	Continuous process

### Continuous process

Goal	Timeframes	Status
Creation of a ZDHC-compliant MRSL list	2021 financial year	In progress
Increase of the amount of organic cotton in the knitwear/shirt product group, expansion to the trousers and dress product groups	2020 financial year	Achieved

In the second step, we sent staff from the purchasing and procurement departments to visit selected procurement countries. This ensured high awareness of country-specific situations.

## Supplier-specific development

With the aid of our audit management process, we analyse every supplier, looking at compliance with social and labour standards. The detailed amfori BSCI audit reports are available to us for every supplier, and we use them as a tool for this analysis. We have also implemented a points system that enables us to compare suppliers for each procurement country.

By determining the country risk and the supplier risk, it is possible to estimate the overall risk of a supplier in terms of the probability of occurrence of a human rights violation. The suppliers with the most points require the most care. The estimation results in measures such as immediate communication with the supplier, a staff visit to the sewing factory, and immediate review by means of an audit.

## Careful selection of suppliers

The selection of suppliers remains strict and takes into account delivery reliability, observance of high quality and processing standards, the legal requirements, competitive prices, and compliance with social standards.

Before starting production for the GERRY WEBER Group, each new supplier must show an amfori BSCI or similar audit. If no social audit has been carried out before the relationship begins, one must be carried out by an independent auditor, accredited by amfori BSCI. This is mandatory and fundamental for every party we work with. If audit results are already available but unacceptable, we will not work with the supplier.

We consider child and forced labour, as well as violations of occupational safety standards, zero-tolerance criteria. Should one of our suppliers knowingly or deliberately use child or forced labour, it is necessary to ultimately terminate the business relationship and, if possible, initiate reparative measures with the aid of NGOs or initiatives. Even in the event of occupational safety breaches, such as fire safety issues that have not been remedied, it is necessary to take this step.

It is extremely important to us that we have accurate knowledge about our suppliers and their sub-suppliers. The provision of complete information about sub-suppliers is mandatory for us, in order to maintain transparency and control our supply chain as much as possible. The validation of sub-suppliers is controlled within the framework of the amfori BSCI audit. This is checked randomly by GERRY WEBER staff on-site.

We consider intensive support and collaboration with our suppliers by specially qualified staff and trained technicians to be a continuous development process, as not all business partners will be able to fully meet the social standards right from the start. As a basis of the business relationship, all our suppliers sign a binding agreement to adhere to these standards, which are implemented for the entire production process.

## Regular audits

Audits alone are not helpful for the development of suppliers. They merely reveal the status quo.

The focus of our collaboration with suppliers is instead on continuing the improvement process.

The discrepancies ascertained in the audits mainly concerned the management systems and cascade effect, suitable working hours, and health and safety. GERRY WEBER considers these to be critical discrepancies, and they must be improved immediately.

The evaluation of the audit results below, and the most frequent discrepancy, gives us clear indications as to what training and remedy measures are required.

The analysis of audit results on page 19 leads us to training of remediation actions.

If the result is A (outstanding) or B the supplier covers our social requirements. The results C to E are showing different non-compliances which have to be improved within a defined time frame. This must be monitored by a Follow Up Audit.

## Animal welfare

GERRY WEBER does not use real fur, and joined the international Fur Free Retailer programme in 2015.

We also refuse to use Angora wool, as it cannot be guaranteed that the rabbits used in fur production will be kept in a manner appropriate to their species. We also do not use feathers and down products from live-plucking and foie gras production. We oblige our suppliers to obey all national and international laws and regulations on species-appropriate animal husbandry.

GERRY WEBER International AG prohibits any mulesing on sheep. This is a painful operative procedure performed without anaesthetic, whereby the skin around the tail of the animal is removed, so that it is protected against infection by an aggressive fly species.

We only use leather and hides from livestock farming – in other words, from animals that are bred for meat, not for leather.

## High ecological production standards

GERRY WEBER is committed to a policy of only offering humane and ecologically harmless products. In order to achieve this goal sustainably and permanently for all product groups and brands, we use a quality assurance system based on a company standard.

This company standard is implemented using various different measures: We select our worldwide raw material suppliers specifically by qualification.

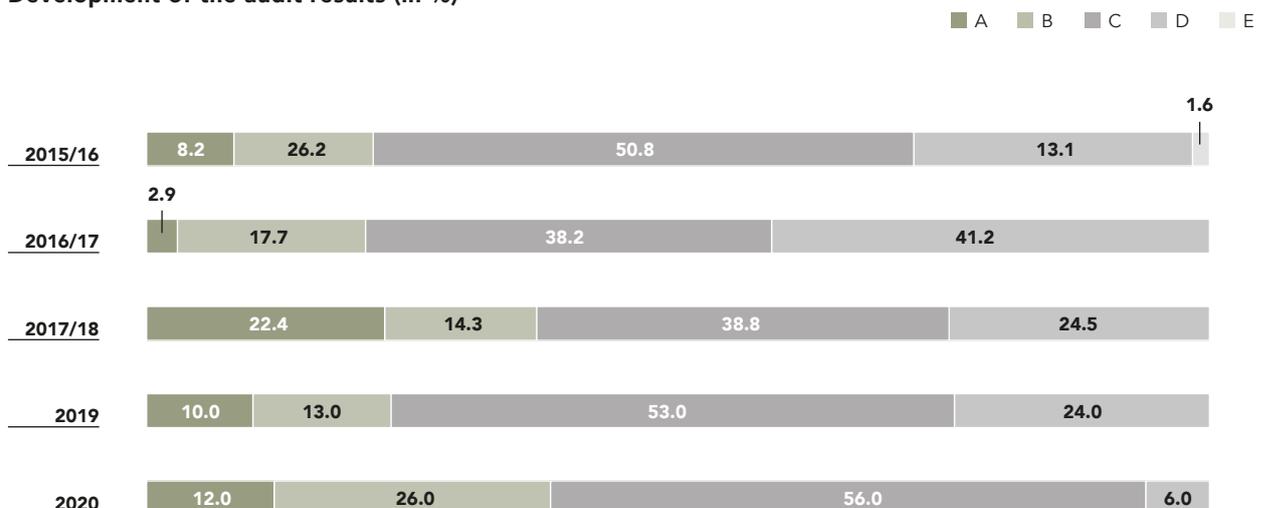
We have set up a requirements catalogue which includes all minimum product and human ecology standards, some of which exceed the minimum legal requirements and provisions of the familiar OEKO-TEX Standard 100. These so-called “special conditions” must be signed and adhered to by each supplier. They include, for instance, the obligation to comply with the REACH European chemical regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), which lists chemicals that either may only be used to a limited extent, or not used at all, in our end products.

- § 30 LFBG (Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch – Food, Feed, and Consumer Goods Code) and the corresponding laws and acts
- Chemikalien-Verbots-Verordnung (Chemicals Prohibition Ordinance)
- Combustibility Ordinances of Switzerland and the Netherlands
- EU Directive 76/769/EEC with its according supplements and amendments
- REACH Annex XIV (candidate list) complying with Article 57 REACH (EC Directive 1907/2006)
- Verpackungsverordnung (Packaging Act)

Our certified test laboratory contract partners test all items, from both Europe and Asia, in accordance with the predefined test plan, for carcinogenic, teratogenic, and mutagenic substances, as well as potentially allergenic dyes. Only non-harmful raw materials are approved for production. Samples of the finished item of clothing will then be tested against the potential risk parameters in so-called full garment tests.

In addition to the EU textile labelling regulations (1007/2011), which came into force in 2012, and the associated obligation to label “non-textile parts of animal origin”, which include, for instance, leather strap labels and horn buttons on a pair of jeans and feather linings in jackets, GERRY WEBER indicates for all brands the country in which the respective item was produced. It is important to us that we communicate openly and transparently with our customers about where we produce our goods.

### Development of the audit results (in %) <sup>1,2</sup>



1 Due to rounding, the sums do not always add up to 100%.  
 2. A/ outstanding to E/ immediate action required

## Global organic textile standard (GOTS) and certification

In 2020, we obtained certification again in accordance with the Global Organic Textile Standard (GOTS). It is therefore still possible for us to offer our customers cotton products from controlled, biological farming. Our goal is to extend our range of sustainable and biological textiles.

GOTS is a world-leading standard for the processing of textiles from certified, biologically manufactured natural fibres. It takes into account the entire textile production chain in terms of environmental criteria and also requires adherence to social standards. All businesses that are involved in the manufacturing process are controlled and certified annually. For the protection of the farmers, harmful pesticides are strictly forbidden in the farming of organic cotton. Genetically modified seeds are also banned. Along the entire production chain, the use of chemicals is subject to strict degradability/eliminability and toxicity requirements. Hazardous chemicals that could cause cancer, birth defects, and other serious illnesses, or destroy the ecosystem and therefore its biodiversity, are completely forbidden. All wastewater must be treated in order to protect workers, the environment, and water resources. Only textiles that are manufactured from at least 70% or 95% controlled biological raw fibres (cotton in our case) can be GOTS certified. GERRY WEBER International AG uses label level 1 for its organic cotton collections, with at least 95% cotton from controlled biological farming.

During the reporting period, we manufactured more than 1,000,000 products from biologically grown cotton, amounting to a fourfold increase. We will continue to increase this share and use other sustainable raw materials as well.

## OEKO-TEX Standard 100 certification

In 2020, we achieved OEKO-TEX Standard 100 certification. The OEKO-TEX Standard 100 guarantees that all parts of a product have been checked for harmful substances, and that any harmful substances are below the legal maximum values. It also excludes materials that are not yet included in statutory regulations but are still hazardous to health.

## STAFF

*GERRY WEBER counts on qualified, committed, and engaged employees. Expertise, mutual trust, fair cooperation, high self-responsibility and initiative determine how we act and how we work together. Especially during our restructuring and change process, at some points with considerable cuts, the company needs loyal employees with whom we can shape our future together.*

### Management approach

Our employees are the company's most valuable resource and therefore also decisive to the company's success. Therefore, with flexible working hours, a good work-life balance, and a responsible allocation of tasks, we create the conditions to keep staff loyal to the company.

The change process requires transparent and clear communication in order to be backed by everyone. Therefore, we send regular newsletters and staff information. To enable employees to ask questions and make comments, we have set up a questions portal, which is used frequently.

For the further development of our corporate values, an employee survey took place, providing valuable findings about the expectations of our staff.

The HR department organises and manages human resources within the company. In yearly performance reviews, so-called progress dialogues, with the line managers, personal goals are agreed, the necessary professional development measures and individual progress of the employees are agreed, and their strengths are highlighted.

The GERRY WEBER Code of Conduct provides all employees with a uniform and stable basis by means of guidelines for responsible conduct. It contains principles and binding rules, ensuring a common understanding of the values and guidelines of GERRY WEBER International AG. It is equally applicable to all – board members, managers, and employees. The Code provides rules for both internal collaboration and conduct towards external partners, such as customers and suppliers.

Below are the topics which are anchored in the Code of Conduct:

- Values and principles
- Conduct in business operations
- Prevention of conflicts of interest
- Handling of information and data
- Insider information
- Media and the public
- Use of company equipment and assets
- Health, safety, and the environment
- Social compliance
- Whistleblowing

## Employee health

The preservation and protection of the health of our employees is a high priority, in light of the pandemic.

All employees are required to work from home if their work allows them to do so, and they were provided with technical equipment as soon as possible. We have set up a Corona Task Force to carry out regular training on hygiene and protective measures, and monitor their compliance.

At GERRY WEBER International AG, health and safety procedures are implemented in accordance with the applicable EU regulations and national legislation. The works agreements on needs-based work structuring and social aspects are designed with the involvement of the Works Council and the working committees.

For years, up to 20% of the concerns that employees have been putting forward to the Works Council have been related to health.

Therefore, it was logical for the Works Council to work closely with the human resources staff to develop a health management system that exceeds the legal requirements, in order to ensure and improve the safety and welfare of our staff.

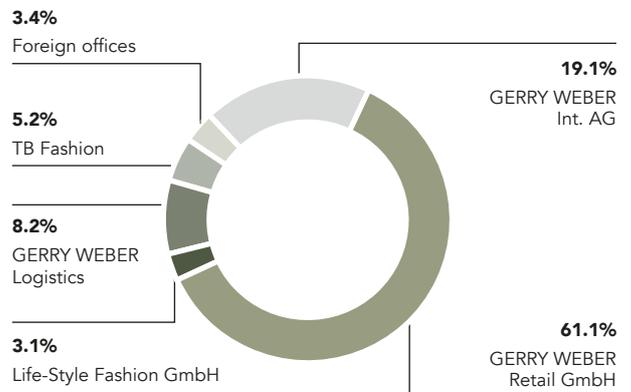
## Complaints mechanisms

An external lawyer has been appointed by GERRY WEBER International AG to act as an independent ombudsman. Employees, customers, and business partners can contact him with confidence and report circumstances that indicate a violation of laws or internal regulations. He can be reached via various reporting channels, anonymously if required. Due to his status as a lawyer, he is obliged to maintain confidentiality (**further information can be found in the chapter on compliance**).

## Our staff structure

As of 31 December 2020, the GERRY WEBER Group had 1812 employees at GERRY WEBER International AG and its subsidiaries Life-Style Fashion GmbH, GERRY WEBER Retail GmbH, and GERRY WEBER Logistik GmbH, and 63 at its foreign subsidiaries GERRY WEBER FAR EAST Ltd, GERRY WEBER Shanghai Co. Ltd., and GERRY WEBER Dis Ticaret Ltd. Istanbul (66 in the previous year).

### Staff structure <sup>1</sup>



<sup>1</sup> Due to the rounded figures, the individual percentages do not make the full 100% when added up.

**Staff structure GERRY WEBER (Germany)<sup>1</sup>**

	As of 31.10.2018			As of 31.12.2019			As of 31.12.2020		
	Total employees	Women in %	Men in %	Total employees	Women in %	Men in %	Total employees	Women in %	Men in %
GERRY WEBER International AG	627	74.0	26.0	595	73.0	27.0	359	68.0	32.0
GERRY WEBER Retail GmbH	2,125	98.4	1.6	2,022	98.0	2.0	1,145	98.0	2.0
Life-Style Fashion GmbH	96	80.2	19.8	78	77.0	23.0	58	84.0	16.0
GERRY WEBER Logistics	251	58.2	41.8	244	57.0	43.0	153	59.0	41.0
TB Fashion	133	98.0	2.0	130	98.0	2.0	97	99.0	1.0
<b>Total</b>	<b>4,814</b>	<b>92.3</b>	<b>7.7</b>	<b>4,757</b>	<b>92.0</b>	<b>8.0</b>	<b>1,812</b>	<b>89.0</b>	<b>11.4</b>

<sup>1</sup> Due to the rounded figures, the individual percentages do not make the full 100% when added up.

## Diversity

As a global company with foreign offices in Shanghai, Dhaka, and Istanbul, workforce diversity is an important and familiar part of our corporate culture. We benefit from our heterogeneous workforce structure and advocate a workplace with equal opportunities that is free from discrimination.

Our Code of Conduct, which applies to all employees group-wide, explains that only the abilities and performance of our employees will decide their pay, assignment, and advancement, irrespective of gender, nationality, origin, age, religion, political opinion, sexual orientation, or disability. We all work for the success of the company and its brands, in a team-orientated and target-focused manner.

GERRY WEBER has various measures to help people with physical, mental, or psychological impairments work independently.

## Workplace equipment

The promotion of health at work starts with the workplace equipment. Office furniture can be adjusted to suit the individual needs of the employees. Depending on the health requirements, workplaces are fitted with height-adjustable desks, orthopaedic desk chairs, and magnifying screens.

## Preventative services

GERRY WEBER International AG promotes the health of the workforce with the specially-developed back training programme, SALUTO. Once a week, all employees can do exercises to stabilise their back muscles at a reduced price.

With a medical prescription, employees can be provided with the correct resources, such as height-adjustable desks, standing aids, hearing protection etc. We also cover the costs of spectacles for screen work.

Occupational physicians are accessible at the head office in Halle Westfalen, and for all stores.

## Education and further training / staff advancement

In order to satisfy the future requirements for specialists and managers, the GERRY WEBER Group offers young, determined people the opportunity to undergo intensively supported and varied apprenticeships. Depending on the occupation, the apprenticeships also include periods abroad at our foreign offices. Every year, we offer approximately 10 to 15 places in our apprenticeships for industrial management assistants, e-commerce management assistants, retail sales assistants, system integration IT specialists, and textile/fashion tailors. On 31 December 2019, 31 apprentices were employed. Our declared aim is to train apprentices for our own needs and take them on after they have successfully completed their training. GERRY WEBER International AG enables students (two in the reporting period) to enter professional life with a dual study programme.

The potential for employees to progress is recorded in yearly, future-orientated meetings, so-called progress dialogues, with the employees' direct managers. Professional development measures are recommended depending on their requirements.

The objective is to promote both the personal and professional development and the advanced training of our employees, and support them by enabling them to grow in and with the company.

## Work-life balance

The balance between family and work is an important aspect of GERRY WEBER's personnel policy and company values. In order to retain staff in the long term and cement our appeal as an employer, we do our utmost to guarantee a balance between work and private life.

KIDS WORLD, our children's day-care centre founded in 2012 at the site of our company head office, helps to achieve this goal. Parents value the fact that going back to work after parental leave can be made easier and fast-tracked. With 45 hours' worth of care and opening hours until 5 p.m. on weekdays, they can be flexible with their everyday work. Its proximity to the workplace helps give parents peace of mind, knowing that in an emergency, they can be with their children in no time.



# IMPRINT

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I WEAR  I CARE



# GERRY WEBER

I LIVE MY STYLE.

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