
Our sustainability journey

Westwing Group Sustainability Report 2021



WESTWING

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Westwing at a glance

Westwing is the European leader in inspiration-based Home & Living eCommerce.

It takes teamwork and dedication to run an integrated eCommerce platform across 11 European countries and there is nothing we love to do more than provide daily inspiration to our loyal customers.

The scale of our operations means we have a responsibility to the planet and the people on it. This responsibility is something we take seriously. We are proud to have built a company that drives creativity and inspires our customers, genuinely cares for our employees and works closely with our business partners on sustainability. From sourcing to merchandising, we are committed to making ethical and sustainable choices along our value chain, while minimizing our environmental footprint and creating positive social impacts.

We hope you enjoy reading about our journey so far.

Founded in

2011

Present in

11

countries across Europe

Operate in a

~€120bn

market across our geographies

€522m

of revenue in 2021

Process more than

4.4

million orders annually

80%

of orders come from our repeat customers



At Westwing, we believe there is a sustainable way to live beautifully.

We are here to create it by designing honest products and inspiring our customers to live and enjoy a more sustainable lifestyle:

To shape the future of our homes and those of coming generations.

A message from our Founder and Chief Creative Officer

Sustainable design to transform our homes

I am passionate about interior design and its ability to transform our living spaces. I believe a beautiful home that reflects the resident's personality and needs, brings tranquillity, comfort and joy. I wanted to present this idea to others, which is why I started Westwing – to inspire and make every home a beautiful home. My talented team and I have a shared ambition to create a truly wonderful customer experience and the most loved brand for home enthusiasts.

We have an unwavering focus on fostering and maintaining a long-lasting relationship with our customers, inspiring them with a curated product selection in our shoppable magazine and combining that with beautiful content.

We are also keen to capture the Zeitgeist and recognize trends that shape our customers' lives. As a company that recognizes our responsibilities to society and the environment, we see sustainability as a way of life that is here to stay and that we and our customers are eager to embrace.

Despite the challenges of the past two years, we have continued to respond to our customers' needs and formed a talented team to create the Westwing Sustainability Strategy 2030. Our passion for design and innovation as well as the respect for our customers and team members is now applied to meeting goals on climate and energy, packaging, materials, suppliers, fair working conditions and responsible communications.

Already in the first year of our sustainability strategy, we have calculated our carbon emissions and became climate neutral across our operations. As a love brand, we have set out to provide our customers with long-lasting products made of certified sustainable materials by launching our WE CARE by Westwing Collection. We also focused on the mental and physical wellbeing of our team members while actively engaging with our suppliers on their social and environmental performance.

Going forward we will invest in the people and expertise that bring our

sustainability commitment to life. We will grow our WE CARE by Westwing Collection and we will continue to communicate clearly and honestly on the sustainability of our products. We will also strive to reduce our energy use and carbon emissions, use less resources in our packaging and make it increasingly from sustainable materials, align with more of our suppliers on our new Code of Conduct and further engage with our customers on sustainability.

Importantly, we will continue to grow our understanding of what it means to be a responsible company and apply rigor to our goal setting, our measurements and our actions. We believe there is a sustainable way to live beautifully – and we are here to work on creating its most inspiring version. The home that we all share is our planet, and we must do our part to protect it as much as possible. This report offers a window into how we intend to make this happen.

Delia Lachance,
Founder and Chief Creative Officer,
Westwing

“As a company that recognizes our responsibilities to society and the environment, we see sustainability as a way of life that is here to stay and that we and our customers are eager to embrace.”

Delia Lachance, Founder and Chief Creative Officer, Westwing



Our Sustainability Strategy 2030

“Sustainability touches all parts of our business, from people to products and from customers to supply chain. I am excited about our Sustainability Strategy 2030 – which is built on our belief that there is a sustainable way to live beautifully. From ideas to design, production to supply chain, merchandising to marketing, we have set ambitious targets and priorities and we are looking forward to communicating our progress now and in the future.”

Erasmia Kitou, Head of Sustainability, Westwing

Westwing provides beautiful and long-lasting products that shape the future of our homes and those of next generations. As we have grown, so has our understanding of global challenges such as climate change, resource use and human rights. This is influencing how we interact with our customers, our people and the wider world.

Our customers care about environmental and social issues and are motivated to make

more sustainable choices. Our employees want to work for a company that takes its responsibilities towards society and the environment seriously and is a supportive place to work and thrive. Our suppliers and brand partners want to work closely with us to improve their overall sustainability performance. In 2021 we developed our Sustainability Strategy 2030 along with a roadmap for tackling our priority challenges.

Four core areas

Sustainability is at the core of our company and addresses some of the most pressing environmental, social and governance issues. To make our sustainability vision a reality, our strategy is focusing on the next 5-10 years and is centered around four core areas:

01

Make the Westwing Collection more sustainable

Using materials in our products and packaging that have the best environmental, social and ethical profile possible.

READ MORE - 10



02

Enable our customers to make more sustainable choices

Offering more sustainable products that can be seamlessly integrated into beautiful, sustainable homes.

READ MORE - 13



03

Create the best workplace

Continue to provide an exceptional work environment that is safe, healthy, inclusive, and environmentally friendly.

READ MORE - 15



04

Ensure our suppliers act on sustainability

Partnering with them to develop and improve their environmental and social performance.

READ MORE - 18



Six priority topics

To focus our efforts, we worked closely with our Executive team and engaged with our colleagues, our customers, our suppliers and others with an interest in our company. This process led us to identify six priority topics that are important to the business and our stakeholders.

Responsible marketing and communications

Respecting our customers and communicating honestly is key to building trust and loyalty. We strive to provide clear and credible information on our products, and inspire our customers to live more sustainably.

Fair working conditions

Our Westwing employees are our biggest asset, and we want to provide them with the best working conditions possible, from supporting their mental and physical well-being, to ensuring their health and safety. This same interest and concern we also show for the employees along our supply chain.

Supplier impacts

Our suppliers and brand partners are very important to us, so we cooperate closely with them to address their social and environmental impacts as part of our commitment to sustainability.



Climate and energy

The production and distribution of our products contributes to greenhouse gas emissions. It is therefore our priority to avoid, reduce and offset emissions, leveraging our operations expertise to respond to climate change.

Packaging

It is important to us and our customers that we use the most environmentally friendly materials and reduce the amount of resources used to make our packaging.







Material sourcing

We want to create inspiring products using high quality, sustainable materials.

Goals and targets

We set ambitious goals and targets to guide our actions. In 2021 we started to translate these targets into detailed initiatives, including investments in our people and processes to meet and monitor our performance. This work is guided by our key principles:

- 1 Focus on our core** – instill a sustainability focus across our Westwing Collection – the products and our suppliers
- 2 Leverage our strengths** – build on our leading engagement platforms to communicate with our customers about sustainable living
- 3 Build a strong foundation** – strengthen and increase our core knowledge around sustainability, define robust processes and set clear targets

TOPICS	GOALS	TARGETS
 Climate and energy	<ul style="list-style-type: none"> – Avoid, reduce and offset our greenhouse gas emissions 	<ul style="list-style-type: none"> – Source 100% of overall energy¹ used from renewable sources by 2027 – Set science-based emission reduction targets by 2023 – Stay climate neutral
 Packaging	<ul style="list-style-type: none"> – Reduce amount of packaging – Reduce use of virgin materials – Reduce use of more harmful materials for the environment – Reduce packaging going to landfill 	<ul style="list-style-type: none"> – Reduce the amount of packaging² used by Westwing – Reduce foam material (Westwing’s own packaging) – Eliminate single-use plastics and increase the use of recycled plastics (Westwing’s own packaging) – Eliminate styrofoam packaging by 2028 (Westwing Collection products) – Make more than 90% of Westwing’s own packaging recyclable or compostable by 2028 – Reuse, recover, or recycle more than 90% of packaging waste generated at our own sites by 2027
 Materials sourcing	<ul style="list-style-type: none"> – Increase the share of sustainable materials in our products – Eliminate hazardous materials and avoid the use of toxic chemicals 	<p>In our Westwing Collection products:</p> <ul style="list-style-type: none"> – Use more than 90% certified³ sustainable wood by 2026 – Use more than 90% certified⁴ organic, recycled, and/or responsibly sourced cotton by 2026 – Use more than 90% responsibly⁵ sourced animal by-products by 2026 – Increase the share of recycled content in the plastics used – Eliminate hazardous materials and avoid the use of toxic chemicals
 Supplier impacts	<ul style="list-style-type: none"> – Enhance the social and environmental performance of our suppliers – Brand partners aligned with sustainability standards 	<ul style="list-style-type: none"> – 100% of Westwing Collection suppliers to be evaluated regularly by 2025 – 50% of Westwing Collection suppliers by purchase order volume to have established environmental and social management systems⁶ by 2028 – Brand partners to be aligned with our sustainability standards by 2027
 Fair working conditions	<ul style="list-style-type: none"> – Operate to the highest standards of health, safety and job satisfaction 	<ul style="list-style-type: none"> – 50% of Westwing Collection suppliers to establish programs to measure and improve working conditions by 2028 – Maintain Westwing employee satisfaction rate above 80% – Avoid accidents in our warehouses
 Responsible marketing and communications	<ul style="list-style-type: none"> – Provide transparent and credible information on the sustainability qualities of our products, and assist our customers to make more sustainable choices 	<ul style="list-style-type: none"> – A significant share of our products to be labeled as sustainable – 50% of our Westwing Collection products to be labeled as sustainable by 2027 – A significant share of Westwing’s communications to be dedicated to promoting sustainability

1 Energy includes electricity, heating, cooling, and other fuels for vehicle fleet’s trucks
 2 Inbound for Westwing Collection products, outbound (excluding dropshipping), within warehouse
 3 Certifications include FSC®, PEFC
 4 Certifications include GOTS, MADE IN GREEN by OEKO-TEX®
 5 Animal by-products include leather, down, fur, etc.
 6 Environmental and social management systems (e.g., ISO 14000, SA 8000)

2021 Highlights

7 Outbound packaging from our warehouses; valid for warehouses in Germany, Poland, and Italy
 8 Labeling based on widely recognized certifications and standards (e.g., GOTS, FSC®)

Make the Westwing Collection more sustainable

WE CARE by Westwing Collection

launched

100% recycled cardboard boxes used for packaging⁷

Enable our customers to make more sustainable choices

900+ of our products on WestwingNow labeled as 'sustainable'⁸

100+ campaigns launched with 'sustainable' brands

Create the best workplace

Climate neutrality

achieved in our own operations

WestwingFlex

an innovative hybrid working model put in place

Ensure our suppliers act on sustainability

Supplier Code of Conduct

developed for our brand partners

99% of our non-EU Westwing Collection suppliers audited on social aspects



Global Organic Textile Standard:

By sourcing GOTS-certified products for our Westwing Collection, we ensure that high-level environmental and social criteria have been respected along the entire supply chain.



01

Make the Westwing Collection more sustainable

We are committed to using materials in our products and packaging that have the best environmental, social and ethical profile possible.

Make the Westwing Collection more sustainable

Responsible material sourcing

Increasing the share of sustainable materials in our products is one of our top priorities. To do so, we are using more certified and responsibly sourced raw materials and partnering with new suppliers to expand our sustainable offering.

The global use of raw materials has more than tripled over the past 50 years and the demand for natural resources such as wood has grown significantly. Meanwhile, only 8.6% of the material used is cycled back into the economy⁹. In our sustainability strategy we have committed to increasingly be using long-lasting materials from sustainable sources and being as resource efficient as possible along our supply chain.

In 2021, we were certified to the Global Organic Textile Standard (GOTS) and Forest Stewardship Council (FSC®), enabling us to procure sustainable wood and cotton. We also expanded our sustainable offering to cover textiles, furniture, decorative and certain lighting products and launched our first collection made out of sustainable materials – the WE CARE by Westwing Collection (see case study).

We evolved our material sourcing criteria and guidelines beyond regulatory compliance to reflect industry best practice, latest scientific findings and innovative technologies. Our Sustainability Labeling guidelines specify acceptable third-party material certifications and standards while our Sustainable Material Grading guidelines help us assess the environmental performance of materials. For example, they present the environmental performance of conventional cotton against that of certified organic cotton and of recycled cotton and/or against other similar fibers. This enables our sourcing teams to make more informed, sustainable choices.

We are looking at additional certifications as well as partnerships with new suppliers to help us increase our choice of sustainable materials.

“Every step towards a more sustainable lifestyle is an important one. Our Westwing design team is working step by step on designing furniture and textiles that are even more environmentally and socially friendly. We’re happy to make a contribution through our WE CARE by Westwing Collection.”

**Ale Tobler, Creative Director
Westwing Collection**

⁹ <https://www.circularity-gap.world/2022>

Our achievements

- Launched our first collection made of sustainable materials – the WE CARE by Westwing Collection
- Defined a set of Sustainable Material Grading guidelines for material sourcing
- Became GOTS and FSC® certified

Our 2022 priorities

- Increase the number of suppliers which offer sustainable materials
- Further increase the share of sustainable materials in our products
- Become a BCI (Better Cotton Initiative) member

CASE STUDY

Angelina Chair:

An FSC®-certified product made from sustainably harvested ash wood.



WE CARE by Westwing Collection

Launched in November 2021, the WE CARE by Westwing Collection offers our customers products to create a home in which sustainability has a special place. The collection includes furniture like sofas and sideboards and smaller pieces like lamps and textiles, all made of sustainable materials. The timeless and neutral design of the collection allows the pieces to fit seamlessly into any interior. This provides our customers an opportunity to make more conscious interior choices and to live beautifully and sustainably, which is a key part of our strategy.

Wood

sustainably sourced and FSC® certified

Textiles

certified to the GOTS and BCI

Rugs

made from a minimum of 50% recycled materials

Boxspring beds

certified with the Nordic Swan Ecolabel

Other products

made from natural fibers, such as jute



Jute: Jute is a renewable and recyclable material that is highly durable and versatile.

Make the Westwing Collection more sustainable

Re-thinking product packaging

With more than 4.4 million orders processed in 2021, we are shifting towards more sustainable options and establishing robust systems for measuring the sustainability qualities of our packaging. This despite key challenges such as availability of suitable sustainable alternatives and operational efficiency considerations.

Packaging is necessary to protect our products during shipping but it is often linked to significant environmental impacts. Both the amount of packaging and the type of packaging used are important factors. Much of the world's packaging ends up in landfills where it may take hundreds of years to decompose. Plastic waste can end up in oceans and rivers, threatening marine life and human health.

At Westwing we have committed to eliminating the use of harmful materials such as single-use plastics and Styrofoam, but to also reduce the amount of virgin materials by using more recycled options. We are also concerned with the end of life of our

packaging and we have set a concrete target to introduce recyclable, and/or compostable alternatives for our packaging materials.

Key requirements for our packaging are set out in our Sustainable Packaging Guidelines, developed in 2021 and meant to apply uniformly across our business. These guidelines go beyond compliance, and in line with our sustainability strategy, aim to ensure that our packaging is minimal, recyclable and made of materials with a low environmental footprint (see case study).

We have taken the first steps to reduce the volume of material in our packaging by using specialist cutting technology in two of our warehouses. This produces custom boxes that reduce the amount of material and increase efficiency during transportation. We are now evaluating the whole packaging process and re-assessing how products are protected based on their fragility.

¹⁰ Valid for warehouses in Germany, Poland, and Italy

Our achievements

- Switched to shipping our products in 100% recycled cardboard boxes¹⁰
- Implemented the Westwing Sustainable Packaging Guidelines in our warehouses
- Successfully piloted our Sustainable Packaging Guidelines with supply chain partners

Our priorities 2022

- Aim to have a significant share of our Westwing Collection suppliers adhering to our Sustainable Packaging Guidelines
- Eliminate single-use plastics and foam
- Introduce recycled plastic shipping bags
- Opt for FSC®-certified carton and paper packaging for Westwing Collection products



CASE STUDY

Working hand in hand with Westwing Collection suppliers to implement our Sustainable Packaging Guidelines

At Westwing, we care about how our products are packaged, as we want them to be delivered safely to our customers, while having a minimal impact on the environment. Our approach to packaging is holistic. Whether it's the packaging used to ship products from our suppliers to our warehouses or from our warehouses directly to our customers, we want to operate in accordance with the highest standards. For this reason, we developed our Sustainable Packaging Guidelines.

We piloted these guidelines with our key Westwing Collection suppliers in late 2021. Our aim is to achieve a switch to more sustainable packaging for our Westwing Collection as soon as possible. In this context, we have been working with our suppliers

to substitute virgin plastics with recycled material, to introduce sustainably certified cardboard, and to eliminate the use of Styrofoam and other foam materials. Traditionally, Styrofoam has played an important role in protecting products during transit. We are now evaluating, together with our suppliers, other options such as the use of corrugated cardboard which can ensure the same level of protection while having a significantly lower environmental impact.

Over the next few years, we will collaborate with existing and new suppliers as we look to address all packaging challenges in the same systematic way.



Sustainable choices:
We introduced a “sustainable” label to enable our customers to identify and select more sustainable products.



02

Enable our customers to make more sustainable choices

We are committed to offering more sustainable products that can be seamlessly integrated into beautiful homes.

Enable our customers to make more sustainable choices

Sustainable product labeling and responsible communication

We have a very special relationship with our customers, one of trust and respect. We nurture this by providing our customers with transparent and credible sustainability information on the products we offer. Going beyond requirements, we also do our best to inform and inspire customers through exciting and meaningful Westwing sustainability stories, and insights.

With more than 200 environmental labels actively used in the EU, and more than 450 worldwide and no uniform guidance, the question arises how to best define sustainable products. At Westwing, our approach is to set clear principles and criteria and to ensure that these are transparently presented.

Our first sustainability labeling program is the “We Care” Label in our Daily Themes (Campaigns). To qualify for “We Care”, a brand needs to fulfill at least one of the following criteria: a) use environmentally friendly materials; b) have sustainability integrated into its mission/vision; c) have a credible approach to sustainability.

On WestwingNow, where we offer our permanent assortment, we have guided our customers to make more sustainable product choices through a “sustainable” label. This is attributed based on a product demonstrating that it has met referenceable and credible sustainability standards (see case study).

Our approach to sustainability communication goes beyond product labeling. As we progress on our sustainability journey and as our product portfolio expands, we want to showcase sustainable lifestyles and choices to our customers through our many marketing channels such as DIY videos, stories of sustainable homes or daily tips and tricks.

In 2021 we published a Responsible Marketing and Communication Policy which guides our approach to marketing, sales, promotion and communication in all of the countries in which we operate. The main goal is to ensure compliance with all relevant legislation and transparent, ethical and honest communication that is respectful to all.

Our achievements

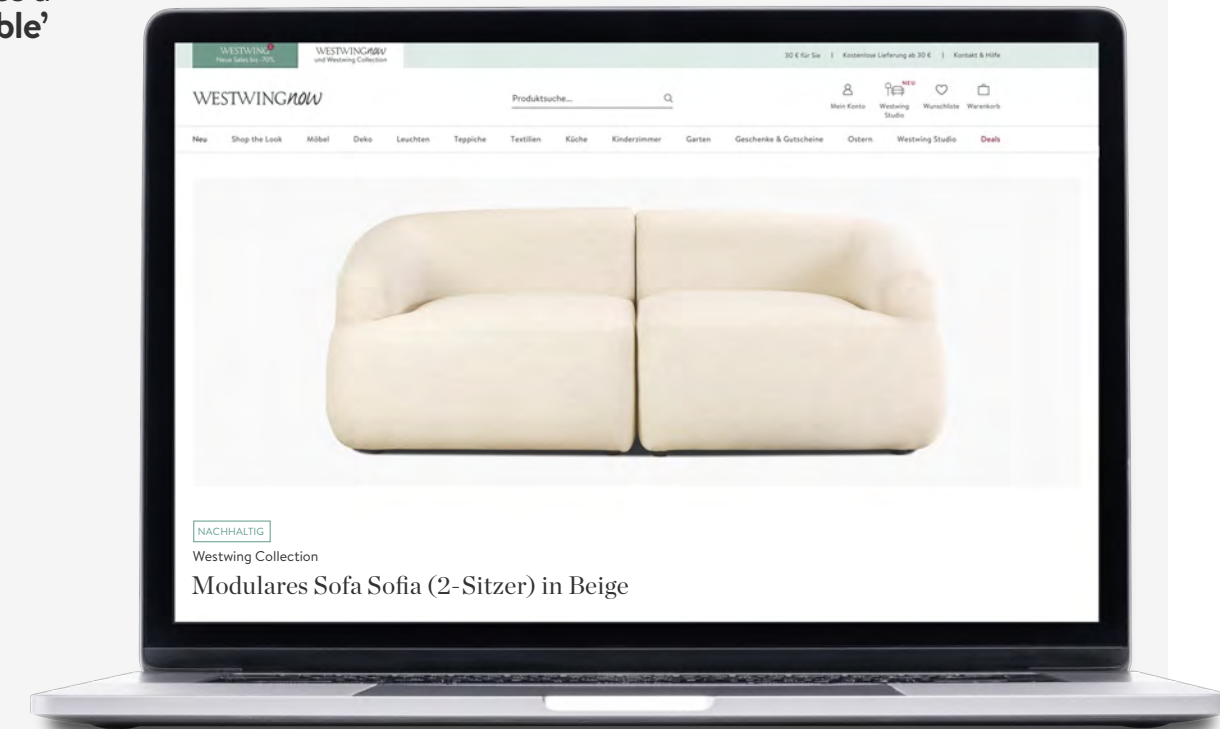
- Launched more than 100 group-wide campaigns to highlight brands with the “We Care” label
- Expanded the range of products with sustainability labels on WestwingNow to more than 900 products
- Published our Responsible Marketing and Communication Policy

Our priorities 2022

- Increase the range and share of products with sustainability labels within our Westwing Collection and in our Daily Themes
- Expand the range of sustainability stories and insights

CASE STUDY

What does a ‘sustainable’ product mean?



Despite the many sustainability claims, there is not one widely-accepted definition of what a ‘sustainable’ product is. To support our customers in making more sustainable purchasing choices, we established our own “sustainable” label for our Westwing Collection and third-party products on WestwingNow. For this purpose, we developed our Sustainability Labeling guidelines which set out a list of product and material certificates and attributes that are considered sustainable. The guidelines accommodate more than 40 independent sustainability certificates (e.g., FSC®, GOTS, EU Ecolabel, Blue Angel) and a number of sustainability attributes (e.g., recycled content, organic) for products or their material

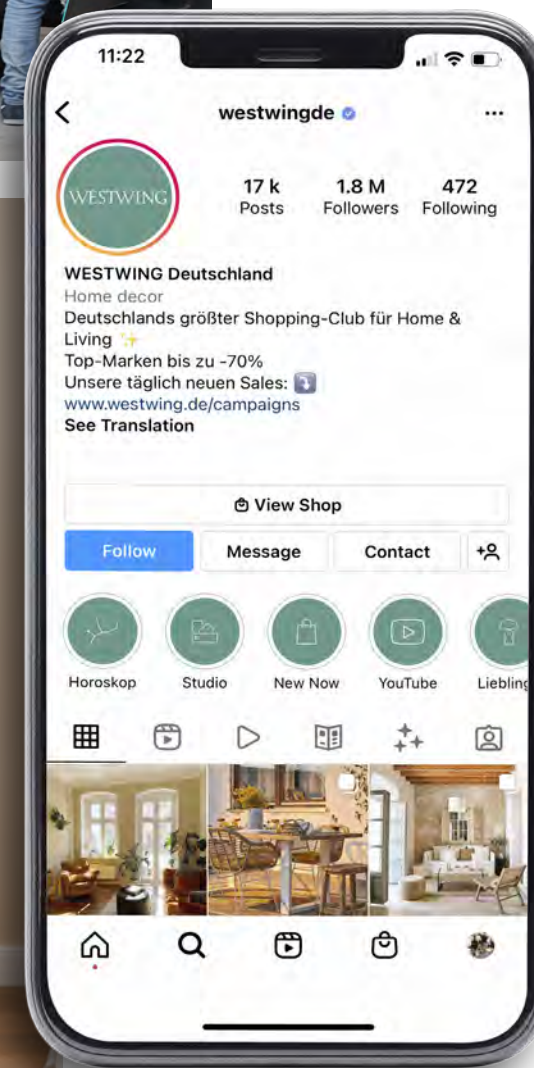
properties. The list of criteria is reviewed and updated regularly to take into consideration new developments and findings in the field of sustainability labeling.

We have also introduced a sustainability filter which allows our customers to browse through the labeled products. To enhance transparency and credibility a dedicated sustainability section in the product description provides further information on each claim.

We consider labeling to be an important tool to inform and promote sustainability amongst our customers. We will therefore increase the number of products across all of our channels that have referenceable sustainability qualities.

Westwing culture:

Our more than 2,300 international team members connect creativity and style with state-of-the-art technology and strong business fundamentals.



03

Create the best workplace

We are committed to continue to provide an exceptional work environment that is safe, healthy, inclusive, and environmentally friendly.

Create the best workplace

Creating a safe and fulfilling workplace

Our unique business proposition and culture of creativity are key to attracting talent, but we also invest in providing an inclusive, fair, safe and dynamic working environment where teams across our supply chain can thrive. We have a strong focus on mental and physical health and well-being, particularly as working practices change through and beyond the pandemic.

A recent McKinsey research¹¹ has indicated that in a post-pandemic world “employees crave investment in the human aspects of work” and “want a renewed and revised sense of purpose in their work”. As the European leader in inspiration-based Home & Living eCommerce, we are recognized for how much we care about our customers. We bring this same passion and care to the way we engage with our people – more than 2,000 across 11 countries. Whether through providing access to health screenings and vaccinations or mental and physical well-being programs, we strive to constantly look after the health, safety and well-being of our people across our locations (see case study).

We also maintain a strategic focus for our team members who work in our

warehouses, where we have a target of avoiding work-related accidents. This requires constant vigilance, clear procedures and ongoing checks and improvements. A notable initiative in this respect has been the launch of the Westwing Safety Academy which focuses on enhancing employees’ HSE (Health, Safety, Environment) skills and mindset.

Besides their well-being we are also vested in promoting the growth and development of our people and ensuring a fair working environment. This has been repeatedly demonstrated through surveys and outreach which show that we have a strong and supportive Westwing culture with great team spirit. We are proud that our team members do not hesitate to recommend Westwing as a great place to work. We are aiming

to further our leading position as preferred employer by launching the MyCareer program in 2022. This is a comprehensive program aimed at addressing career & succession planning, performance management, compensation & benefits, and leading to new exciting training opportunities.

We are equally concerned about safe and fair working conditions throughout our supply base. In 2021, we started to evaluate our Westwing Collection suppliers against key standards on workers’ health, safety, dignity and fair wages. This evaluation will continue in 2022 as we work towards enhancing the workers’ overall satisfaction.

¹¹ <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-great-attraction-the-choice-is-yours>



Putting our people first

Like all other companies, the coronavirus pandemic has challenged us to reflect on how we engage with our team members, in particular about well-being and working patterns. The 2020 Health and well-being at work report¹² has found that some of the main risks to people’s health at work are psychological, with mental ill health and work-related stress featuring prominently in the main causes of both long- and short-term sickness absence.

This is why we introduced a new mental and physical well-being program in partnership with nilo.health, an organisation that supports our team members to be happier and more fulfilled at home and at work. It offers each team

member in our headquarters free access to a professional psychologist along with a range of other services such as meditation, specialist training, sleep assistance and stress management. This or similar programs are available to employees in most of our local offices.

To further ensure our people’s well-being and to improve work-life balance, we have also launched the WestwingFlex policy. This sets out a new, tailored hybrid working model which combines in-office work with work-from-home and remote work and has proven popular and productive among our office teams.

¹² https://www.cipd.co.uk/Images/health-and-well-being-2020-report_tcm18-73967.pdf

Our achievements

- Launched WestwingFlex, our innovative hybrid working model
- Launched the Westwing Safety Academy, which offers trainings and workshops on HSE topics for warehouse team members in Poland
- Introduced mental health programs in partnership with nilo.health

Our 2022 priorities

- Roll out a clear and consistent job architecture starting at the HQ to set the foundation for the MyCareer program, which is a multiyear journey for our team members
- Strengthen a zero-accident culture by prioritizing policies and training for all warehouse operations and employees

“It is important for us to always look into innovative approaches that align with our strategy. A future relevant and structured guideline for an adapted post-pandemic working world is therefore essential for us. We do not believe in general guidelines but in the individual management and the needs of every team. Today we externalize our new policy WestwingFlex to welcome the future of work.”

Miriam Rabung, Director HR & Organization, Westwing

Create the best workplace

Taking climate action

“Climate change is one of the greatest threats of our time and a major concern for us and our customers. We are committed to doing our part to protect the climate by actively reducing our emissions. I’m delighted that Westwing is already climate neutral in certain areas: we’ve offset emissions from our own operations by investing in exciting climate projects around the world.”

Delia Lachance, Founder and Chief Creative Officer, Westwing

The climate emergency, brought into stark relief by the COP26 summit in Glasgow, moved climate action to the top of the corporate agenda. At the same time, employee concerns about the environment and climate change have also grown. A research brief showed that 69% of potential employees are more likely to accept a job offer from an organization that they consider to be environmentally sustainable¹³.

At Westwing, we have started our journey of addressing our climate impacts by calculating our group-wide greenhouse gas (GHG) emissions. As our focus is on avoiding and reducing our emissions, understanding our carbon footprint will help us in setting science-based emission reduction targets based on the guidelines of

the Science Based Targets initiative (SBTi) by the end of 2023. The SBTi helps companies align their efforts to cut GHG emissions with climate science and the Paris Agreement, to pursue efforts to limit the increase of the global average temperature to 1.5°C. In the meantime, we have already offset our emissions from our core business operations (scope 1 and 2)¹⁴. We additionally offset part of our indirect emissions (scope 3)¹⁴, including emissions from business travel and employee commuting (see case study).

On emission avoidance and reduction, we have carried out energy audits in our main warehouses to identify energy savings and opted for renewable energy supplies for our offices in Germany, Poland and

the Netherlands. These initiatives extend to new facilities such as our new warehouse ELC7 in Poland that opened in February 2022. The solar panels installed at the facility will meet its heating and electricity needs, while other innovative features such as wastewater recovery and water conservation, vehicle charging points, LED lighting, enhanced natural light and ventilation systems will significantly reduce its carbon footprint.

¹³ <https://www.ibm.com/downloads/cas/WLJ7LVP4>

¹⁴ We calculated our scope 1, 2 and part of scope 3 emissions using the Greenhouse Gas Protocol methodology: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>. See the ‘Sustainability in numbers’ section for details of the emission scopes.

Our achievements

- Achieved climate neutrality in our core business operations through offsetting 6,906 tons of CO₂ equivalent
- Sourced electricity from renewable sources for our offices in Germany, Poland and the Netherlands

Our 2022 priorities

- Commit to science-based emission reduction targets
- Switch to renewable energy sources across more of our facilities
- Open an energy and resource-efficient warehouse in Poland

CASE STUDY

Achieving carbon neutrality – investing in climate projects

In 2021 Westwing calculated and offset the group-wide GHG emissions of its own operations. Carbon offsetting is a widely adopted tool that compensates for the release of carbon emissions through investments in climate projects, such as wind farms or tree planting. These projects capture the equivalent emissions while improving livelihoods and the environment in many locations across the world. In our case, we worked closely with ClimatePartner, a third-party company providing support in carbon accounting and management, to offset our direct emissions from our day-to-day operations, such as energy use, and indirect emissions from our electricity use, business travel, commuting, teleworking, as well as fuel use in our supply chain.

ClimatePartner helped us to identify verified projects in places linked to our own operations and those of our suppliers. We carefully selected projects that focused on promoting renewable energy sources and preserving or renewing forests. One of the Gold Standard certified climate projects is a wind farm in Sidrap, Indonesia. Gold Standard is a certification mark of the non-profit Gold Standard Foundation and ensures that carbon credits are real, verifiable and that these projects make a measurable contribution to sustainable development. Our investment supports wind farm operation and maintenance, which contributes to increasing the share of renewables in Indonesia’s energy mix, while reducing its dependence on electricity imports.



Did you know how wind energy helps fight global warming?

Since wind energy is created without burning fossil fuels, it is considered emission-free. The growth of renewable energy production is essential to limiting global warming and securing energy supplies for the future. The amount of emissions saved by a wind power project is calculated using the baseline method - the amount of CO₂ that would be released when generating the same amount of energy using standard energy production methods in the region.

Source: <https://www.climatepartner.com>



Supplier impacts:
In 2021, we gained useful insights into the working conditions in our suppliers' facilities.

04

Ensure our suppliers act on sustainability

We are committed to partnering with our suppliers to develop and improve their environmental and social performance.

Ensure our suppliers act on sustainability

Partnering with our suppliers to reach our ambitious goals

Our commitment to sustainability is something we take seriously. We expect our suppliers and brand partners to follow our principles for production processes and working conditions to guarantee a careful treatment of the environment, accounting for human health and safety. We want to further improve and will rise to the challenge.

For many companies the supply chain accounts for a greater proportion of environmental and social impacts than its own operations, from carbon emissions and resource use, to workers' health and safety. This is also why there is increasing regulatory scrutiny on the environmental and social records of our suppliers.

In order to address these impacts and the relevant regulatory requirements, while also improving our overall sustainability performance, we started to actively engage and partner with our Westwing Collection suppliers in 2018, the same year we introduced our first Supplier Code of Conduct.

Since then, we have improved oversight of our non-EU suppliers through inspecting third-party audit reports. These reports from organizations such as BSCI (social performance in supply chains), SMETA (ethical audits) and SA8000 (social accountability standard), help us gain useful insights into the working conditions in our suppliers' facilities. By the end of 2021, we had effectively assessed all suppliers. Recently, we introduced a rigorous onboarding process for new suppliers, requesting that they have satisfactory social audit reports or that they undergo an audit within an agreed timeframe.

Thus far our efforts have focused on the Westwing Collection suppliers, whose operational standards we can directly define and/or influence, as they make products on our behalf. Next, we will start to look into many of our other European suppliers and our brand partners whose products we sell online. In 2021, we published an additional Supplier Code of Conduct focusing on our brand partners and reflecting our commitment to partner with companies that share our environmental and social standards (see case study).

Our achievements

- Reviewed third-party social audits of 99% of our non-EU Westwing Collection suppliers
- Launched a new Code of Conduct that defines sustainability standards for our brand partners

Our 2022 priorities

Focusing on our Westwing Collection suppliers:

- Expand the audit coverage to include environmental, as well as additional social aspects
- Improve supplier social audit ratings via dedicated corrective action plans
- Initiate a process to better evaluate our EU-based suppliers

CASE STUDY



Supply chain resilience in action

The main challenge to embedding sustainability in supply chains is the wide range of approaches and practices followed by suppliers. This is why, in 2021, we embarked on a program to record and evaluate these approaches through a comprehensive survey. This included documenting relevant environmental and social management systems as well as programs that address working conditions. Based on the survey findings and in tandem with our sustainability strategy, we will set a clear path for strengthening our relationship with our suppliers and for defining concrete improvements.

We are also mindful of the development of laws and regulations in this area, such as the Supply Chain Due Diligence Act in Germany. The Act aims to improve the protection of international human rights and the environment by setting binding standards for large companies and their value chains. Key topics that we will be addressing in this context are forced and child labor, discrimination, freedom of association, ethics, workers' safety and environmental impacts.

Sustainability in numbers¹⁵

15 This table consolidates sustainability indicators presented within different chapters of this report with additional indicators inspired by non-financial reporting guidelines such as those of the Global Reporting Initiative (GRI)

16 Outbound packaging from our warehouses in Germany, Poland and Italy

17 As of 31st December 2021, headcounts measured

18 Indicator only available for Germany and the Netherlands; team leads and above included

19 Climate and energy-related indicators refer to fiscal year 2020

20 Excluding emissions from logistics, packaging, waste, water, data centers, and office supplies

21 Sum of carbon offsets includes 10% "buffer reserves" on top of total emissions calculated

TOPIC	INDICATOR NAME	INDICATOR DESCRIPTION	2021 VALUE (UNIT)
Make the Westwing Collection more sustainable			
Material sourcing	Westwing Collection products with "sustainable" label	Number of Westwing Collection products marked with the Westwing "sustainable" label	516
Packaging	Recycled cardboard boxes used	Share of recycled cardboard boxes used for packaging ¹⁶	100%
Enable our customers to make more sustainable choices			
Responsible marketing and communications	Products online with "sustainable" label	Number of Westwing Collection and third-party products (permanent assortment) marked with the Westwing "sustainable" label	936
	"We Care" campaigns	Number of "We Care" campaigns in Daily Themes	113
Create the best workplace			
Fair working conditions	Employee satisfaction rate	Percentage of all team members rating their satisfaction as either good or very good in Pulse Check surveys	89%
	Total workforce	Total number of employees ¹⁷ incl. interns and working students	2,444
	Share of female employees	Share of female employees in total workforce	61%
	Share of female leaders	Share of women in leadership positions (as of total leadership positions) ¹⁸	62%
	Part-time employees	Total number of employees working part-time	138
	New employees	Total number of new employees hired	1,130
Climate and energy ¹⁹	Renewable electricity share	Share of electricity from renewable sources (incl. green sources)	13%
	Total electricity consumption	Total electricity consumption (incl. green and conventional sources)	1,928 MWh
	Total energy consumption	Total energy consumption	6,148 MWh
	Scope 1 emissions	All direct carbon emissions from heating, combustion of fuels from own vehicles, and fugitive emissions from air conditioning	1,495 tCO ₂ e
	Scope 2 emission	All indirect carbon emissions from purchased electricity	1,239 tCO ₂ e
	Scope 3 ²⁰ emissions	All indirect carbon emissions from employee business travel (flights, train, cars), employee commuting to and from work, teleworking, and extraction, production, and transportation of fuels consumed in the generation of electricity and heating	3,544 tCO ₂ e
	Carbon emission offsets	Total carbon emissions offsets	6,906 tCO ₂ e ²¹
Ensure our suppliers act on sustainability			
Supplier impact	Transparency rate	Percentage of reviewed third-party social audits of non-EU Westwing Collection suppliers	99%

Contact

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