

A photograph of a sheep standing in a lush green field with several trees in the background. The text 'ABOUT YOU' is overlaid in a bold, black box with white letters, and 'RESPONSIBILITY REPORT' is written below it in a white, hand-drawn style.

**ABOUT YOU<sup>©</sup>**

RESPONSIBILITY  
REPORT

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## FOREWORD BY OUR CO-CEO

### TAREK MÜLLER

In 2014, we started our journey into the world of fashion and e-commerce, and a lot has happened since then. While we have grown to more than 1,000 employees and expanded into 23 countries, we have always seen our purpose in empowering people to find and express themselves through fashion. Here at ABOUT YOU, this means advocating diversity, tolerance and acceptance. It is our ambition to innovate fashion with joy and ease, and to offer our customers a truly personal, inspiring and quality fashion experience.

Our approach is to always remain eager to learn and grow, which is also reflected in our key business objectives. Harnessing modern technologies and digitizing the traditional shopping trip, we create a personalized and unique experience for desktop and mobile users, developed with a diverse multi-channel approach including storytelling.

Since our beginning, we have always seen our mission as empowering people to express themselves through fashion. To not be afraid to stand up for diversity. To be confident, tolerant and open-minded. But we understand that our fashion choices also have a profound impact on our planet and people. By using our collective power and voice, we also want to solve problems outside our business model. This means taking responsibility and promoting a culture of circular fashion. Circularity is at the core of our efforts – and this is where we can make the biggest difference in addressing the environmental challenges the world is facing. But as a responsible company, we are also focusing on pressing environmental issues like packaging waste and greenhouse gas emissions. We want to communicate conscious fashion choices and acknowledge our responsibility as a global fashion player to our planet and society by establishing new ways of making and distributing fashion.

We want to take responsibility for the planet we share and the people we connect with. Therefore, we need to rethink our business to drive meaningful change now. Driven by this purpose of meaningful engagement, customer demand for sustainability and the increasing importance of NGOs and regulators, we are working to make this awareness the basis of our business decisions. We have launched the following core initiatives to move closer to the future of fashion:

**PLANET:**

Leave a positive impact on the planet's environment by designing an eco-friendly and circular business model.

**PEOPLE:**

Create an inclusive environment for top-talent to thrive.

**SOCIETY:**

Ensure agency, accountability, and stewardship within both ABOUT YOU and the wider community.

As a founder of ABOUT YOU, I am committed to my leadership responsibilities. Our responsibility strategy "Planet, People & Society" continues to be a top strategic priority. This is operationalized by clear responsibilities at a project level, a direct reporting line to me for day-to-day decision making on responsibility matters, and a monthly responsibility meeting with all Co-CEOs. As a business, ABOUT YOU ensures its organizational impact through rigorous tracking of KPIs for all pillars of our responsibility strategy, including a climate model for emissions, employee surveys for health & wellbeing and live data analysis for the share of sustainable products. To put our words into action and hold ourselves accountable to the high standards we are setting, we have established an effective corporate governance system to proactively monitor, steer and assume responsibility as a positive corporate citizen of society.

This report will help you understand why Planet, People & Society are at the core of what moves ABOUT YOU. It provides insights into our specific efforts, why ABOUT YOU was founded, and the vision, mission and values that keep us going. So let's dive in!

*Tarek Müller*



## INTRODUCTION

This report is structured along the three pillars of ABOUT YOU's responsibility strategy: Planet, People and Society, addressing environmental, social, and governance challenges.

Each pillar has a dedicated section, within which the most relevant topics identified in our materiality assessment (see "Materiality assessment") are covered. Due to the fast-paced development of both sustainability issues and corresponding countermeasures, we are aware that the identified topics require regular assessment in terms of their comprehensiveness and the effectiveness of the measures applied.

In order to make this assessment as straightforward as possible we have addressed each issue using a three-step-approach:

- 1. Why is the topic important to ABOUT YOU and our stakeholders?**
- 2. What is our corresponding strategy?**
- 3. How do we measure the impact of our actions?**



## ABOUT THE REPORT

The information presented in this report relates to the ABOUT YOU GmbH & Co. KG. As of March 2021, ABOUT YOU GmbH & Co. KG operates 12 locations. These include:

- The headquarters incl. photo studio in Hamburg, Germany
- The ABOUT YOU Private Label and EDITED office in Berlin, Germany
- Logistic inbound operations located in Altenkunstadt, Germany
- 6 EDITED Stores located in Germany
- 1 EDITED Store located in Austria
- The Adference GmbH office in Lüneburg, Germany

Due to the different sources of relevant key performance indicators we aim to ensure that all information is up-to-date and comparable. In particular, the disclosures are dated as follows:

- Fiscal year 2020/21 for all ecological footprint topics
- Snapshot of fourth quarter fiscal year 2020/21 for all people topics
- Snapshot of fourth quarter fiscal year 2020/21 for all circularity topics
- Snapshot of fourth quarter fiscal year 2020/21 for all sustainable assortment topics

## MATERIALITY ASSESSMENT

We understand materiality as a dynamic concept. Topics can change gradually or rapidly in their importance to stakeholders and business decisions. Therefore, we established an assessment procedure that meets two central requirements:

- Involvement of a broad spectrum of internal and external stakeholders
- Ability to repeat in a timely and accurate manner

The materiality assessment on which this report is based was conducted between November 2020 and February 2021 to ensure timeliness. We conducted the assessment as follows:

1. Gathering a **long list of 100+ topics** from NGO ESG reporting frameworks, cross-industry and e-commerce fashion best practices and our own desk research
2. Hosting an initial **leadership workshop with our three Co-CEOs** to review and refine the long list
3. Regular **employee surveys** to review workshop results and explore additional topics
4. Stakeholder survey with **1,000 ABOUT YOU customers and 1,000 additional online shoppers** to verify workshop results and explore further topics

Accordingly, the structure of this report reflects the results of the materiality assessment process as shown in the chart below.





# RESPONSIBILITY @ AY IN NUMBERS

## OUR PLANET

### Ecological footprint



40,077 t CO2 emitted in 2020



3,882 t of cardboard boxes and 269 t of poly mailers shipped in 2020

### Our Packaging



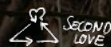
> 75 % recycling share in our boxes and close to 100% in our poly mailers

### Sustainable assortment



> 8 % of our total core assortment and >10 % of AY own label products meet at least one sustainability criterion

### Circularity

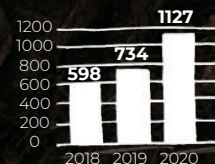


> 400 k quality-checked second hand goods offered

## OUR PEOPLE



We are 28 years old on average



■ No. of employees



Women at ABOUT YOU:  
62 % of all employees  
53 % of leads  
24 % of tech employees



We employee colleagues from > 65 nations as of 31.12.2020

## OUR SOCIETY



"Masks for everyone"  
>3 m sold at cost price  
>150,000 donated to schools and charity



## OUR PLANET

Since our founding, we have always encouraged people to express their personalities through fashion, as we believe it promotes essential values for our society such as individuality, self-awareness and tolerance. But fashion is also much more than that, because as much as it lives off the people, it also lives off our planet's resources.

As a fast-growing online fashion platform, we want to take responsibility for our actions and our environment at ABOUT YOU. We are working to make this awareness the basis of all our business decisions, while enabling our customers to make sustainable buying choices that are respectful of our Earth and its resources. We believe that promoting circular fashion choices while simultaneously reducing packaging waste and greenhouse gas emissions tackles the core challenges of our business model.

This is a complex process where we are learning something new every day and we aim to always be transparent about our sustainability actions. We are far from perfect, but we believe every step we take in the right direction can make a positive impact. We have grouped our efforts along three dimensions:

### **Ecological footprint:**

We consider, reduce, and compensate for our ecological footprint.

### **Circularity:**

We strive to close the loop in the fashion industry by fostering circular models such as second hand and upcycling.

### **Sustainable products:**

We maximize the share of sustainable products in our assortment.

## ABOUT OUR ECOLOGICAL FOOTPRINT

We manage both the direct and indirect ecological footprint of our business, taking responsibility for the ecological footprint that our e-commerce business model leaves on the planet.

We also share responsibility with our partner brands for the emissions caused by the manufacturing of our products. Our goal is to make every step of our supply chain as eco-friendly as possible. Furthermore, we want to encourage environmentally-conscious behaviour among our employees and stakeholders.

### OUR APPROACH TO CREATING A POSITIVE IMPACT CONSISTS OF THREE STEPS:

---

1.

We continuously measure our footprint and gradually improve our analysis

2.

We reduce our footprint and coordinate improvements with our partners

3.

We compensate for all CO<sub>2</sub> emissions that cannot be reduced directly

## REDUCING OUR GREENHOUSE GAS EMISSIONS

Climate change presents a major challenge for our planet. In developing a carbon strategy we distinguish between a) ABOUT YOU's direct corporate carbon footprint and b) our indirect footprint caused throughout our partners' value chain.

**a) As an e-commerce retailer, firstly, we want to take care of the emissions we can directly control.**

**b) And secondly, we want to encourage our e-commerce business partners, in particular the fashion brands we work with, to do the same. In our asset-light business model the latter has a major leverage effect.**

With that in mind, it has never been more important to continuously examine the status of our GHG emissions and to understand in detail how various reduction scenarios might play out.

### Here is what we have been working on:

- In Q3/2020 we achieved full transparency on our corporate carbon footprint including all GHG emissions of our e-commerce operations. Our 2019 GHG emissions are the baseline of all further reductions.
- Since Q4/2020, we have been carbon neutral by offsetting all our corporate GHG emissions<sup>1</sup> through tangible, certified climate protection programs<sup>2</sup>, that provide additional value to the UN Sustainable Development Goals. Since then, we have offset 28.048 kg CO<sub>2</sub>.
- In Q4/2020 we gained transparency on the carbon footprint of the products we sold in 2019. This kicked off the next phase of our carbon footprint strategy, which includes fashion partners we work with. This includes third-party and drop-shipped products that we sold on our platform as well as private label products we sourced in 2019. We have reviewed all products based on material composition, weight, and country of origin. Total GHG emissions of these products amount to 210.841 t CO<sub>2</sub> e. This is about ten times our own corporate carbon footprint.
- In Q1/2021 we set science-based targets approved by the Science-Based Target Initiative to align our emissions reduction with the Paris Climate Agreement 1.5° Celsius target.

**In all these steps we worked closely with ClimatePartner<sup>3</sup>, a recognized consultancy for carbon footprint strategy.**

<sup>1</sup> Corporate carbon footprint, scope 1, 2 & 3 excluding products

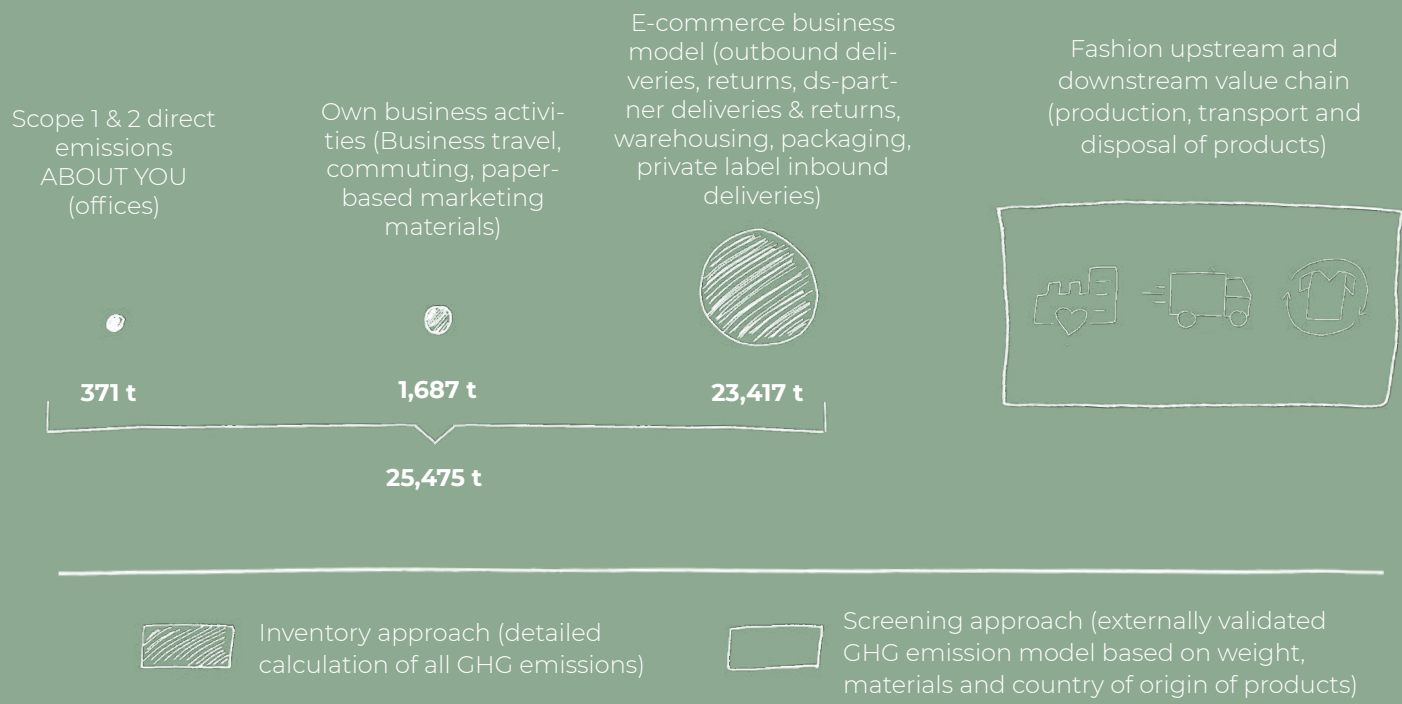
<sup>2</sup> <https://fpm.climatepartner.com/tracking/14439-2009-1001/en>

<sup>3</sup> <https://www.climatepartner.com/>



# OUR 2019 GHG EMISSION BASELINE

## Scope of GHG emissions in CO<sub>2</sub>e



## OUR GHG FOOTPRINT

Due to our business growth this year, our total GHG emissions increased by 57,4 % to 40,077 metric tons of carbon dioxide equivalent (t CO<sub>2</sub>e) in 2020, from a 2019 baseline. The analysis is rendered by the operational control approach of the GHG Protocol Corporate Standard.

Relative metrics such as emissions per order help us track and improve operational efficiency regardless of current high growth, and allow comparison with competitors in the same field.

### ANALYSIS BY SCOPE

Corporate Greenhouse Gas Emissions ABOUT YOU - by scope		2019	2020
	Share 2020	[t CO <sub>2</sub> e]	[t CO <sub>2</sub> e]
Scope 1 - direct emissions (gas / heating, refrigerants)	0.1 %	45	61
Scope 2 - indirect emissions (power, district heat)	1.3 %	327	310
Scope 3 - indirect emissions outside of organization	98.6 %	25,104	39,706
Total (Scope 1, 2, 3)		25,475	40,077
Compensated emissions by carbon offset projects			10,892
Net carbon emissions		25,475	29,185
Carbon intensity [kg CO <sub>2</sub> e per order]		1,56	1,63

## ANALYSIS BY SOURCE

Corporate Greenhouse Gas Emissions ABOUT YOU - by source		2019	2020
	Share 2020	[t CO <sub>2</sub> e]	[t CO <sub>2</sub> e]
Transport (outbound deliveries, returns, ds-partner deliveries & returns)	49.2 %	10,573	19,714
Warehousing (1 warehouse, 2 returns warehouses)	21.8 %	6,070	8,725
Packaging (cardboard, poly mailers, poly bags, parcel supplements, delivery docs, ...)	19.6 %	4,899	7,840
Inbound deliveries private labels	3.1 %	784	1,249
Paper-based marketing materials	3.0 %	505	1,211
Buildings (heating, power, water, waste)	1.3 %	513	529
Call center	1.2 %	950	468
Business travel	0.6 %	921	247
Employee commuting	0.2 %	261	95
Total (Scope 1, 2, 3)		25,475	40,077



We are also in contact with all relevant business partners about **reducing their carbon footprint.**

We are pleased with the progress we have made and intend to intensify our efforts moving forward. Here are a few insights:

- Since 2021 our warehouses have been powered by electricity from renewable sources. Some of our business partners operate solar power systems.
- Furthermore, decentralized combined heat and power stations are also in use.
- Transportation and all routes are optimized for fuel efficiency. Our carriers are on track to increase the share of last mile deliveries by EV's and alternate means of transport, especially in large cities. We are also looking at ways to change customer behaviour to avoid GHG emissions from unnecessary deliveries, e.g. with the size finder, a shop feature that suggests fitting products to our customers based on data they provide, with the goal of reducing try-on deliveries and returns.
- Please refer to "Using as much recycled packaging as possible" to read more about our packaging footprint and our reduction efforts.

Since Q4/2020, we have been offsetting our entire corporate GHG emissions<sup>4</sup> through tangible, certified climate protection programs<sup>5</sup> which also contribute to the UN Sustainable Development Goals: making us a carbon-neutral company.

By also addressing GHG emissions of partners in the value chain we have a significant lever to maximize overall positive impact.

From Q2/2021, we will increase the scope of our emissions reduction efforts. Following our efforts to tackle the emissions stemming from e-commerce operations and office locations, we aim to reduce GHG emissions caused by the production of the products we sell.

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<sup>4</sup> corporate carbon footprint, scope 1, 2 & 3 excluding products

<sup>5</sup> <https://fpm.climatepartner.com/tracking/14439-2009-1001/en>

## JOINING THE SCIENCE BASED TARGETS INITIATIVE (SBTi)

In Q4/2020, we decided to join the Science Based Targets initiative (SBTi)<sup>6</sup>, a multi stakeholder initiative of the Carbon Disclosure Project, UN Global Compact, World Resource Institute and World Wide Fund for Nature. The SBTi works with companies to set ambitious, science based targets, to reduce GHG emissions. The SBTi methodology focuses on GHG emissions reduction, therefore all



compensated emissions are not counted as progress towards our targets. To date, over 1.000 companies from various industries have signed up.

At ABOUT YOU we want to align the pathway to reducing our corporate and product GHG emissions with the climate goals outlined in the Paris Agreement. That is why we have set SBTi-approved science-based targets in Q1/2021:

**1. We aim to reduce our Scope 1 and 2 GHG emissions (direct and indirect within our organization) by 80 % by 2025 from a 2019 base year.**

**2. We also commit to reduce Scope 3 GHG emissions from private label products by 35% per unit of value added by 2025 from a 2019 base year. This includes emissions from production (incl. raw materials) and transport of private label products (incl. all textiles, shoes and accessories).**

<sup>6</sup> Science Based Targets initiative <https://sciencebasedtargets.org/>

For third party and drop-shipping products, we aim to reduce GHG emissions by encouraging our partners to set science-based targets themselves by 2025. By aligning the reduction of our partners' GHG emissions with the Paris Agreement's 1.5° Celsius target, we can align our businesses to the same goal. We are pleased that 16 % of our partners have already set science-based targets and a further 32 % have committed to do so within the next two years, based on their share of GHG emissions from products sold on our platform.

**3. ABOUT YOU commits that 90 % of its suppliers by emissions will have science-based targets by 2025, covering purchased goods & services as well as transportation & distribution.**

Looking ahead, we will start to implement reduction measures from Q2/2021 onwards to reach our science-based targets. We will focus on reducing emissions for our private label products by sourcing more sustainable materials. Thus we will replace all cotton with organic cotton, all polyester with recycled polyester and all viscose with LENZING™ ECOVERO™ by 2025. We will also engage with partners who contribute to our Scope 3 emissions and encourage them to align with the Paris Agreement's 1.5° Celsius target by setting science-based targets using the SBTi-methodology:





## FUTURE-PROOF MOBILITY

### CONCEPTS FOR OUR EMPLOYEES

Our employees' daily commute accounts for only a small share of our total CO<sub>2</sub>-emissions. Nevertheless, future-proof mobility is essential to maintain our current way of working and living. Mobility is not only a facilitator of the flexibility and dynamism we live at ABOUT YOU, but also contributes to an individual lifestyle.

We have analysed how our employees commute to work. We are fortunate that our workforce is both young and that our offices are located centrally in major cities with public transport connections. This is reflected in the results of our 2020 mobility survey.



Way of commuting [>50 % of all routes]	Share of employees [%]
Public transportation	68.2
Bike/by foot	25.2
Car/car sharing/taxi	2.3
Classic/electric scooter	1.0
Regional train	3.0

As the majority of our employees already commute in environmentally-conscious ways, we have taken measures to further encourage this behaviour. We subsidize the monthly ticket costs of public transportation and also offer subsidies for employees cycling to work.



## USING AS MUCH RECYCLED PACKAGING AS POSSIBLE

Packaging remains a key source of single-use materials. We are acutely aware of our role in this context as our business cannot operate without packaging and shipping parcels. Cardboard boxes and poly mailers are the main packaging items used by our warehouses and drop-shipping partners. This section does not cover other packaging materials like poly bags or strapping tape used by our sub-contractors. We are working to increase the recycling shares and to reduce packaging waste. It is a priority to us.

- **In 2019, we switched from cardboard boxes and poly mailers to more environmentally friendly alternatives.**
- **Our new boxes require less material due to adjusted sizes, contain a higher share of recycled materials (min. 75 %), have fewer imprints and are FSC<sup>6</sup> certified.**
- **Our new poly mailers contain at least 80 % recycled materials, have fewer imprints and are Blauer Engel<sup>8</sup> certified.**

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<sup>6</sup> <https://fsc.org/en>

<sup>7</sup> <https://www.blauer-engel.de/en>

Amounts of own packaging	2019			2020		
	share [%]	[t]		share [%]	[t]	
Classic cardboard box	92	2,074		0		
Cardboard box - high recycling content	8	180		100	3,882	
Total		2,254			3,882	
No. of boxes [k]			4,181			7,333
Material per box [g]			539			529
Classic poly mailer	81	166		0		
Poly mailer - high recycling content	19	39		100	269	
Total		205			269	
No. of poly mailers [k]			8,163			11,132
Material per poly mailer [g]			25			24



- As of March 2021, we have ordered poly mailers containing an even higher share of recycled materials (close to 100 %).
- We have developed this packaging together with our supplier and are pushing industry boundaries.
- Ultimately, we are striving for packaging that can be recycled infinitely, is made from natural raw materials and, if it accidentally ends up in nature, degrades completely.



## OPTIMIZING OUR ENERGY

### CONSUMPTION (BY LOCATION)

Heating and electricity are the main drivers of energy consumption at ABOUT YOU locations.

We are tracking how our offices and stores are heated and whether we can reduce carbon intensity. Carbon intensity is a decision criterion when adding new office space.

- We are mitigating our energy footprint by reducing our kWh per square meter and also switching to renewable energy sources where possible.
- In 2020 ABOUT YOU used 43 % electricity from renewable sources.
- **As of 2021, 100 % of ABOUT YOU's electricity is provided from renewable sources. The electricity is certified by Grüner Strom Label<sup>°</sup>.**
- As part of the SBT methodology, ABOUT YOU sets a target to maintain a 100 % electricity supply from renewable sources.

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<sup>°</sup> <https://www.gruenerstromlabel.de/en/>

## ENERGY CONSUMPTION OVERVIEW

Energy consumption	2019 [kWh]	2020 [kWh]
Electricity (total)	504,051	622,617
Electricity (from renewable resources)	141,134	267,407
Heating	963,998	839,904
Car fleet	0	28,398
Total	1,468,049	1,490,919



## ABOUT CIRCULARITY

We want to establish a circular life cycle for garments and maximize the use of recycled resources by offering return systems and utilizing used garments in the long run. In addition to promoting an assortment designed for longevity, we have established specific circular fashion models.



Second Love: We provide one of the largest fashion offerings of quality-checked second hand items



Vintage Wardrobe: We offer festival visitors the opportunity to express themselves through unique, hand-picked styles available for rental from our Vintage Wardrobe team

## FOSTERING CIRCULARITY - ABOUT YOU SECOND LOVE

We believe that buying second hand is one of the most sustainable ways to dress. For every item bought second hand instead of new, valuable resources used in the production process of a garment, such as water, are saved and CO<sub>2</sub> emissions reduced.

However, even though second hand is on its way to becoming a growing part of the fashion industry, it is still difficult for customers to access the variety offered by existing assortments, and to integrate it within their regular fashion consumption: many second hand purchases are still made in small stationary stores that only offer limited assortment or via online shops that only offer second hand products. Customer service is usually not comparable to regular online fashion shops and the assortment is still distributed across different retailers. Shipping fees and the lack of return options further impede the customer experience.

ABOUT YOU offers its customers solutions to the current issues of online second hand-shopping in three ways:

- 1. We are aggregating the fragmented assortment of various online second hand retailers in our ABOUT YOU shop. We are consolidating the assortment of different price points and styles on one platform and increasing its visibility and access for our millions of customers.**
- 2. We are embedding the second hand assortment under the category “Second Love” in our existing shop, enabling customers to shop regular and second hand items in one order and payment process. This way, customers can combine regular and Second Love fashion according to their respective needs. This helps customers make a more conscious choice every time they order from ABOUT YOU.**
- 3. We are removing existing obstacles to buying second hand online: all second hand items in our shop undergo quality control, checking the condition and authenticity of items through professional second hand partners. This means we can eliminate all doubts concerning the origin and quality of the items on offer. ABOUT YOU is also pioneering the second hand market by offering second hand assortment with compelling USPs, such as free delivery and free returns.**



Offering the assortment of existing retailers for sale in our shop is the first step. In 2021, we will close the fashion loop by also allowing our customers to return their second hand items. Customers will be able to send us worn garments e.g. by using additional space within their ABOUT YOU return boxes. This means ABOUT YOU will provide a solution for buying and selling second hand in one place. On average, already today we offer around 400,000 unique apparel items in our shop. By 2025, ABOUT YOU will become one of Europe's largest retailers of quality-checked, second hand items, with more than 1 million second hand goods.

The ultimate goal of ABOUT YOU's Second Love offering is to enable our customers to actively participate in circular fashion. We can have a positive impact by increasing visibility, awareness and engagement with second hand fashion among our customers.

Therefore, we measure impact by monitoring and optimizing the scope and variety of our second hand assortment, and by incorporating customer feedback regarding the usability of buying and returning second hand goods in all steps of designing the ABOUT YOU shopping experience and operations.



## CIRCULARITY AT YOUR FINGERTIPS - AY VINTAGE WARDROBE

AY Vintage Wardrobe is an interactive physical platform. At festivals, visitors to AY Vintage Wardrobe can rent unique vintage pieces for the duration of the event and participate in workshops on responsible clothing care and consumption. Our platform is a live communication tool to increase awareness of circular fashion among our customers and inspire them through a 1:1 experience. We believe that second hand fashion can become a valuable addition to regular garments for many of our customers, and we want to educate them about fashion consumption and second hand.

Vintage Wardrobe takes place at music festivals, an environment where people are relaxed, open to be inspired and are curious to explore new experiences – factors which increase the likelihood of creating real engagement. Additionally, the focus on the vintage second hand niche reflects the style of clothes worn at many music festivals. We have experienced high interaction rates of event visitors with our Vintage Wardrobe: around 30 % of all visitors rent a garment from the Vintage Wardrobe.

We are aiming to increase our mobile Vintage Wardrobe engagement, and plan to be present at multiple events across Europe throughout the year, and most weekends during the summer season - including ABOUT YOU's Pangea Festival. Our mobile Vintage

Wardrobe trailers are equipped with thousands of second hand pieces and are accompanied by staff to deliver workshops at the events. We are constantly developing the Vintage Wardrobe stock, aiming to hold a selection of around 15,000 pieces.







## ABOUT SUSTAINABLE PRODUCTS

Despite our efforts to reduce our ecological footprint and establish a circular fashion lifecycle, ensuring sustainability across the entire value chain remains a complex task. We tackle this challenge by ensuring transparency at ABOUT YOU and with the brands we sell.

We want to maximize the share of sustainable products on our platform, offering ecologically and fairly produced fashion in the long term. This target requires an approach covering both purchasing and the point of sale:

- Setting transparent criteria to label products in our shop as sustainable fashion and increase visibility of such products to enable our customers to make conscious shopping decisions
- Our buying department placing a greater focus on sustainable products and brands that positively amplify our product portfolio

## ENABLING SUSTAINABLE CHOICES - OUR THREE SUSTAINABILITY LABELS

**Fashion requires both people's creativity and our planet's resources.**

This awareness guides our business decisions, and we look to provide our customers with sustainable purchase options to express themselves while respecting the planet's resources.

**Sustainability in fashion covers many aspects:** the conscious use of the most environmentally and animal-friendly materials, resource-saving manufacturing processes and fair working conditions.

Currently, every product on our platform labelled as “sustainable” meets at least one of these dimensions. It is a priority for us that our customers can quickly and easily understand why a product is labelled as “sustainable” on our platform. Thus, each sustainable article's detail page in our shop carries additional information on its level of sustainability. We have summarized our sustainability criteria under three labels:





## ECO-FRIENDLY MATERIALS

This product is largely made of sustainable materials that come from organic or recycled sources. This includes products with starting materials that were sourced in an environmentally and animal-friendly way.



## ECO-FRIENDLY PRODUCTION

This product was produced in a more environmentally friendly and resource-saving way, i.e. with minimum usage of energy, water, and chemicals as well as minor emissions or reduced water pollution.



## FRIENDLY & SOCIAL

This product was made and delivered according to social standards. This may include the manufacturing process as well as different stations along the value chain.





While labeling **creates transparency for our customers**, matching products and sustainability labels also supports our continuous effort to shape our assortment in a more sustainable way. As part of this effort, we supply our procurement and buying departments with live data on how many products we currently offer under each label. As of 2021, sustainability labels will be accompanied by a vegan product label, introducing a new dimension of transparency.

As of Q4 of fiscal year 2020/21, >8 % of our core assortment products carry at least one sustainability label. We aim to continuously increase this share over the next three years to reach a share of over 20 % of sustainable products in our core assortment.



## INDUSTRY STANDARDS

## AND CERTIFICATIONS -

## OUR SUSTAINABILITY CRITERIA

The selection of sustainability labels on our platform results from the thoughtful collation and analysis of sustainability criteria. We strive for full transparency of the products in our shops and the sustainability criteria we uphold.

Labeling a product as sustainable also comes along with responsibility - the responsibility to ensure the valid use of the labels. Aware of this responsibility, we include external validation within the criteria selection process, as well as recognized industry standards for sustainable products.



## GOTS - ORGANIC



The Global Organic Textile Standard (GOTS)<sup>10</sup> is an internationally recognized standard for the processing of fabric made from organic textiles. To gain certification, the entire production chain is examined against environmental and social requirements. In this case, the product is labelled “organic”, meaning it contains at least 95 % certified natural fibers.

## MADE IN GREEN



## BY OEKO- TEX®

MADE IN GREEN by OEKO-TEX®<sup>11</sup> labels all products made from pollutant-inspected materials which have been produced in eco-friendly plants under safe and socially acceptable working conditions. MADE IN GREEN by OEKO-TEX® certification provides a high level of transparency; the processing of each product can be traced back with a unique product ID.

## FAIRTRADE CERTIFIED COTTON



To gain accreditation, the entire cotton used is certified as FAIRTRADE and grown by fairtrade producers. The fair trading conditions help small farmers and workers in producing countries to invest in a sustainable future. Becoming fairtrade certified underlies strict guidelines, which protects the sustainable development of producer organizations in developing countries and supports eco-friendly cotton production.

## ORGANIC CONTENT STANDARD 100



The Organic Content Standard (OCS)<sup>12</sup> 100 labels textile end products containing at least 95 % certified organic materials. By examining the traceability along the entire value chain, the amount of bio fibers is transparent and can be verified and independently evaluated.

## ORGANIC CONTENT STANDARD BLENDED



The “Organic Content Standard (OCS) blended” labels textile end products containing at least 5 % certified organic materials. By examining the traceability along the entire value chain, the amount of bio fibers becomes transparent and can be verified and independently evaluated. We only label products OCS blended when they are made from at least 50 % biomaterial.

## BLUESIGN® PRODUCT



The BLUESIGN® PRODUCT<sup>13</sup> seal stands for a textile production with the smallest possible impact on people and the environment by, for instance, having specific limit values for chemicals. It combines the maximum practical level of safety for the consumer, demands the highest level of employment security and requires a conscious use of resources. This seal may only be used on products that were produced in certified plants by at least 90 %.

<sup>10</sup> [www.global-standard.org](http://www.global-standard.org)

<sup>11</sup> <https://www.oeko-tex.com/de/unsere-standards/made-in-green-by-oeko-tex>

<sup>12</sup> <https://www.controlunion-germany.com/en/ocs-textil>

<sup>13</sup> <https://www.bluesign.com/en>



## MANUFACTURER IS MEMBER OF THE FAIR WEAR FOUNDATION (LEADER BRAND)



The manufacturer of this product is a member of "Leader" at Fair Wear<sup>14</sup>. Fair Wear does not certify products or brands, but is an independent, non-profit organization that collaborates with brands, suppliers and other stakeholders to secure social standards in garment factories. The efficiency of members is investigated and published every year. Members of "Leader" perform exceptionally well and achieve exemplary results.

## RECYCLING MATERIALS



We mark products that contain recycled materials, including recycled cotton (at least 30 % of it used in the product) and recycled polyester or nylon (at least 50 % of it used in the product). The use of recycled instead of new cotton eliminates the need for fertilizers and pesticides and reduces water usage significantly. Recycled polyester and nylon give a non-biodegradable material a

second chance at life plus the production of crude oil and natural gas is reduced.

## LENZING™ ECOVERO™



Viscose fibres of the brand LENZING™ ECOVERO™<sup>15</sup> are made out of wood from certified sustainable sources. Compared to regular viscose, these fibres cause significantly less emissions and water pollution. LENZING™ ECOVERO™ fibres have also been honored with the EU ecolabel for maintaining the high eco standards during the entire product life cycle. We only label products made from at least 50 % of these fibres.

## TENCEL™



TENCEL™<sup>16</sup> lyocell fibres are derived from wood, a regrowing resource. The certified bio-based fibres are produced in an eco-friendly process. Because they are made from natural materials, TENCEL™ fibres are biodegradable and compostable, hence can be given back to nature. We only label products that are made from at least 50 % of these fibres.

## ORGANIC COTTON



The cultivation of organic cotton is more sustainable than conventional cotton. Organic agriculture prevents use of toxic chemical pesticides, fertilizers and gen-manipulated products. The goal is to obtain an ecological diversity of agricultural systems, improving the fertility and biodiversity of the soil and therefore supporting a healthy environment. We exclusively mark products that are made from at least 50 % of organic cotton.

<sup>14</sup> <https://www.fairwear.org/>

<sup>15</sup> <https://www.ecovero.com/>

<sup>16</sup> <https://www.lenzing.com/products/tencel™>

## SUPPORTS THE “COTTON MADE IN AFRICA INITIATIVE”



Cotton made in Africa (CmiA)<sup>17</sup> is an internationally accepted standard for organic cotton from Africa. Within an independent verification, the cultivation and ginning of the cotton are examined against ecological, social and economic criteria. Buying a CmiA labeled textile helps protect the environment and improve the living conditions of African cotton farmers.

## SUPPORTS THE “BETTER COTTON INITIATIVE”



By being a member of the Better Cotton Initiative<sup>18</sup>, the cotton products of this brand support a more sustainable way of growing cotton. This means the brand commits to receiving a certain amount from “BC” and is investing in the BCI farmers. Products with this label contain at least 50 % cotton.

## LINEN



Linen is a natural textile raw material from the flax plant. The cultivation of flax requires only a fourth of the amount of water and considerably less fertilizer and pesticides than conventional cotton. Flax can be cultivated in areas of higher precipitation, requiring less artificial irrigation, hence protecting the groundwater. We only label products that contain at least 50 % of linen.

## LEATHER WORKING GROUP



The Leather Working Group (LWG)<sup>19</sup> is a multi stakeholder initiative consisting of different stakeholders within the leather industry. The group developed an audit programme which certifies leather manufacturers regarding their compliance with environmental requirements and performance. Products are labelled denoting whether they consist of material from a LWG certified tannery.

## RESPONSIBLE DOWN STANDARD



The RDS<sup>20</sup> is a highly demanding standard and ensures the traceability of down from the end product to the chick at a global level. The RDS also defines strict guidelines to ensure the animal welfare, for instance for food and water quality, housing, population density and free-range husbandry, health and hygiene. The RDS also bans gavage and live feather plucking.

## RESPONSIBLE WOOL STANDARD



The Responsible Wool Standard<sup>21</sup> is one of the leading animal protection standards for wool products, guaranteeing responsible sheep farming. This label focuses on animal protection (like inhibiting mulesing), sustainable farming and protecting of soils, transparency in the supply chain, and on an integrated system for re-tracing.

<sup>17</sup> <https://cottonmadeinafrica.org/>

<sup>18</sup> [www.bettercotton.org](http://www.bettercotton.org).

<sup>19</sup> <https://www.leatherworkinggroup.com/>

<sup>20</sup> <https://www.controlunion-germany.com/en/rds-responsible-down-standard>

<sup>21</sup> <https://www.controlunion-germany.com/en/responsible-wool-standard/rws>

## MAPPING OUR SUSTAINABILITY LABELS AND CRITERIA



ECO-FRIENDLY MATERIALS



ECO-FRIENDLY PRODUCTION



FRIENDLY & SOCIAL

## LEADING BY EXAMPLE - SUSTAINABLE ABOUT YOU OWN LABEL PRODUCTS

The complexities of supply chains today require strict monitoring of all steps to ensure compliance with sustainability standards. We are truly grateful for the efforts our partner brands are making to supply us with sustainable products. The targets we set for our core assortment would not be attainable without their support.

Consequently, we use our role as the virtual manufacturer of our own brands ABOUT YOU, EDITED and LeGer by Lena Gercke, to contribute to our sustainable assortment targets. We plan to increase our share of first-party products and therefore impact on sustainability targets, and see it as our opportunity to lead by example. As of Q1 2021, >10 % of our own brand products will receive at least one sustainability label.

We aim to continue to lead by example and keep the sustainable share of our own brands above the share of our total core assortment.

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<sup>22</sup> <https://apparelcoalition.org/>

<sup>23</sup> <https://higg.com/about/>

## SUSTAINABLE APPAREL COALITION (SAC) MEMBERSHIP

Our plan to increase the share of sustainable products on our platform is an ambitious endeavour. It requires close collaboration with

our partner brands as well as rigorous analysis of our private label production processes. To support both of these requirements, we joined the Sustainable Apparel Coalition (SAC)<sup>22</sup> in Q1 2021.

The SAC is the world's leading sustainability alliance in apparel, footwear and textiles with over 250 members. We share the vision of an industry that does not cause unnecessary environmental harm and has a positive impact on people and the communities connected to it. The strong congruence between SAC's vision and our sustainability strategy motivates us in our membership which in turn can enable our role as an important link between our customers' desire for sustainability transparency and the brands and their manufacturers.

In partnership with Higg Co<sup>23</sup>, SAC provides a range of tools for member organizations to measure and improve their sustainability performance at factory, product and brand level. Each assessment is split into environmental, social and labor factors. As an apparel and footwear retailer, we use the Higg Brand and Retail Module (BRM). At the beginning of our SAC membership, we have defined two central efforts for 2021:



- Measuring and improving our own label sustainability performance by assessing materials and production processes
- Increasing the transparency of the sustainability performance of our partner brands by involving them in the SAC assessment

In the mid-term, we aim to make this data accessible to our customers too in order to establish transparency of product sustainability for all of our stakeholders.



## PLANET SUMMARY

We are proud of all the initiatives and changes we were able to drive forward in 2020 that help preserve our ecosystems and reduce our ecological footprint. Equally, we are well aware of the long road ahead of us. This awareness nurtures our motivation to work on these **three planet focus topics in 2021**:

- Starting our journey towards our SBTs with our own brands and suppliers for sustainability along the depth of our value chain
- Increasing the convenience of our circular product offering by onboarding more Second Love partners and introducing adjacent services
- Extending our set of sustainable product criteria and increasing the share for each criterion in our assortment in cooperation with the SAC

## OUR PEOPLE

Our people are what makes ABOUT YOU thrive.

We take responsibility for creating an exceptional, inclusive environment to attract and develop talent from all over the world. Gender, nationality or ethnicity should never be barriers - neither in society nor at ABOUT YOU.

We believe that a diverse workforce contributes significantly to the ABOUT YOU culture. In order to retain talent and diversity, we emphasize and promote care for employees' physical and mental health and well-being. Thus, we focus efforts for our people along three dimensions:

### **Employee health and well-being:**

We nurture the well-being and health of our employees, focusing on both physical and mental health aspects

### **Diversity:**

We create an inclusive environment where all employees can bring their true selves to work

### **Talent acquisition and development:**

We aim to attract and develop the best talent from all over the world

## ABOUT HEALTH AND WELL-BEING

We are committed to providing an attractive and healthy working environment for all our employees. To fulfil our commitment, we continuously improve existing and introduce new initiatives focused on employee needs as required. We continuously monitor progress along these two dimensions via monthly employee engagement surveys as well as analysis in cooperation with our health insurance partners.

## FEEDBACK WELCOME - EMPLOYEE ENGAGEMENT

We aim to be an attractive employer for all our employees. When it comes to measuring whether we are living up to this ambition, we believe our employees are the best data source. To empower our people to share their feedback on a regular basis, we launched Peakon<sup>24</sup> in January 2020 as a platform to measure employee engagement and experience.

One of the key metrics for monitoring employee engagement is Peakon's Net Promoter Score (eNPS): Employees rate a series of questions on a scale of 1 (lowest satisfaction) to 10 (highest satisfaction) on overall satisfaction, mental health and well-being and currently also on satisfaction with the employer's reaction and mea-

asures to COVID-19. The total share of detractors (responses below 7) is deducted from the total share of promoters (responses scoring 9 and 10) to produce the eNPS score. This quantitative approach is accompanied by open-comment feedback. This survey is conducted monthly and can be adjusted for current focus topics (e.g. satisfaction with employer's COVID-19 response).

Examining a twelve-month overview of 2020, ABOUT YOU has a high level of employee satisfaction, slightly above industry average, scoring 8.0 across all questions (average score for Technology branch 7.9) and an eNPS significantly above average with 36 (average for Technology branch 27).

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<sup>24</sup> <https://peakon.com/>

## BEING A HEALTHY EMPLOYER FOR OUR EMPLOYEES

We have set ourselves the goal of being a healthy employer for our employees. For creating and ensuring a healthy work environment, we have set up a variety of measures that are continuously improved.

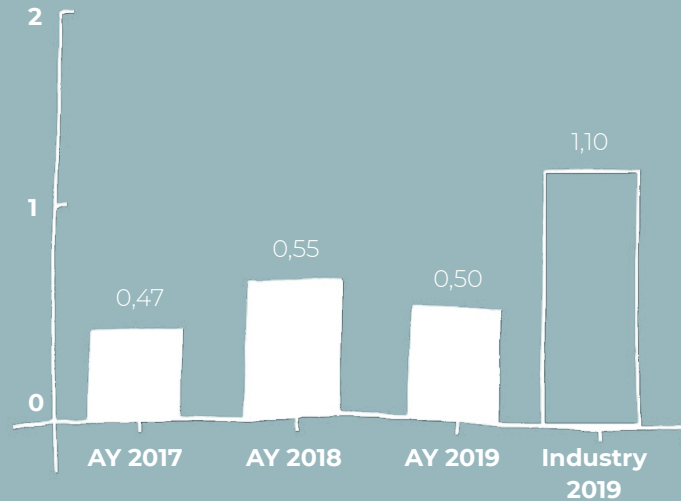
In cooperation with our health insurance partner "Techniker Krankenkasse", we continuously monitor sick days and their corresponding reasons to collaborate measures to improve employee health (e.g. yoga & meditation classes, usually at the office, in 2020 held virtually due to COVID-19).

Comparing the results to 2019, ABOUT YOU employees have significantly fewer sick days versus the industry average (defined as "other mail order and online retailers") with approximately half of our employees not reporting a single sick note.





## CASES OF WORK INCAPACITY PER INSURED YEAR COMPARED TO E-COMMERCE-INDUSTRY



2020 has been an especially challenging year when it comes to employee health, particularly with regards to mental health when juggling work and personal life during lockdown. To monitor and address these effects, we have incorporated a dedicated mental health and well-being module into our monthly employee engagement survey to measure employee well-being and collect feedback for our measures in response to COVID-19.

Initial actions have already been taken to support our employees, such as the extension of anonymous counselling service in collaboration with a psychological practice, which is offered both virtually and in person. Further measures are planned for the beginning of 2021, such as beginning our partnership with counselling hotline Insite<sup>25</sup> and evaluating additional offers through digital mental health platforms.

<sup>25</sup> <https://www.insite.de/de/>

## ABOUT DIVERSITY

We believe that each and every one of our employees is unique. ABOUT YOU is committed to creating a place to work where every individual is valued, can develop their personal potential and fully engage in their work.

We believe that working together in diverse teams, bringing together different backgrounds and perspectives, leads to better entrepreneurial decisions and fulfillment of customer needs. In order to live up to these ambitions, we are building an inclusive company and commit to the pledge of “Die Charta der Vielfalt”<sup>26</sup>. This corporate initiative promotes diversity and inclusion in Germany’s business culture. Over 3,800 employers with more than 14 million employees share our commitment.

In order to monitor the progress of our journey to a fully inclusive workplace we conducted our first anti-discrimination survey in 2020. While we already operate a dedicated reporting system for incidents of discrimination, the company-wide anti-discrimination survey also regularly offers us a holistic perspective. The survey was one of the first measures introduced by our newly formed HR project circle called “Diversity & Inclusion”. Moving forward, we will integrate diversity and inclusion topics into our monthly Peakon employee survey from Q2/2021.

But diversity and inclusiveness go beyond our own workforce. It must be part of how we think about our products, our suppliers

and our customers. That’s why we will continue our efforts to promote the integration of diversity with the brands and partners we work with.

## DIVERSITY, INCLUSION AND EQUALITY

As of 31 December 2020, ABOUT YOU has grown to 1,127 employees with an average age of 28. Across all our departments we have a female share of 62 %.



**1,127 employees**



**Average age of 28 years**



**>65 nationalities**



**62 % female share**

We are proud to have >65 nationalities already working with us today. To further facilitate attracting talent from around the world we offer targeted support for international employees: from free German and English classes to relocation support for employees and their families, covering employee flats and support with visa processes and German tax regulations. The offer is continuously reviewed and adjusted as needed, especially in 2020, facing challenges of relocators not being able to leave their home country due to COVID-19.

<sup>26</sup> <https://www.charta-der-vielfalt.de/en/diversity-charter-association/about-the-diversity-charter/>

## PORTRAIT CHECKOUT TEAM

Our belief in the tangible added value of diverse teams is most evident when taking a closer look at our teams, e. g., the Checkout & Payment team.

The team serves as a demonstrative example of how we live diversity at ABOUT YOU and how we combine it with building high-performing teams.

Our Checkout & Payment Team operates at the core of what we do and is responsible for the entire order cycle – from the initial addition of products to the shopping cart to handling the potential refund of a returned item weeks later. Between these two touchpoints with our B2C customers, the team also interacts with a variety of internal and external stakeholders. These range from our CRM Team to B2B order brokers to multiple international payment providers in a variety of countries.

Any bug or potential downtime of checkout and payment applications is highly critical and has a direct effect on transactions on the ABOUT YOU platform. These circumstances require an extremely efficient team, under heavy pressure.

The 43 colleagues in our Checkout & Payment Team master these challenges as one of the most diverse teams at ABOUT YOU along various dimensions.

### OUR CHECKOUT TEAM AT A GLANCE



**Age range from 24 - 53**



**23 % female share with  
40 % of these women  
in lead positions in a  
pure tech team**



**24 nationalities**

## WOMEN IN LEADERSHIP POSITIONS

As of 31 December 2020, 53 % of our leadership positions are held by female colleagues. Our ambitious goal for the future is to achieve a share of female leads on par with our overall share of female colleagues. We have various initiatives to develop our next generation of leads (as reported in “ABOUT talent acquisition and development”).



## ABOUT TALENT ACQUISITION AND DEVELOPMENT

Tech talent is scarce. The ongoing digitalization across all industries fuels “the war for talent”. We recognize this situation as well as the value of the talent we have assembled at ABOUT YOU. Furthermore, talent development is still an underdeveloped area even in tech-companies and scale-ups. We pursue a dedicated strategy to attract and develop talent:

- **We support and develop young colleagues in leadership positions**
- **We provide a wide range of training opportunities through the AY Academy**
- **We are growing as a company**
- **We offer tailored programs for high school and university graduates**



## SUPPORTING AND DEVELOPING YOUNG LEADERS

We have a comparatively young average age of 28 across all our employees, which is also reflected in the share of young leaders: ~75 % of our leaders are younger than 35 years old.

We continuously work to develop and support our people on their leadership journey, from taking on their first leadership role as a team lead to transitioning to a director role. For this, we offer a dedicated curriculum covering leadership training delivered by our Co-CEOs and external coaches.

In addition to formal training, our young leaders are supported by an internal mentoring programme. This brings together around 40 experienced mentors across the company to support young leaders with specific development issues and challenges while already leading a team or with general guidance as they move into their first leadership role.



75 % of Leads < 35 years old

As of 2021, for our more experienced leaders, we have a dedicated budget to support them in pursuing their individual development goals through training, coaching etc.

Besides offering the “classical” leadership career path that comes with leading a team, we are continuously expanding our specialist career paths, with a particular focus on our marketing and tech departments. For developing tech talent, we have successfully established our internal MOVE programme. The programme supports our employees to switch between tech teams, build broader expertise and work in an interim lead position, to better support their decision whether to pursue a “classical” leadership or a specialist career path.

## PORTRAIT GINA NUGUID

### YOUNG LEADERS / WOMEN IN TECH

Our strategy of supporting young leaders and empowering female leadership creates unique career paths. We are pleased to introduce you to Gina Nuguid. Starting as a working student in the early days of ABOUT YOU, Gina progressed to a position as a tech director in less than six years. Let's hear from Gina how she experienced her own development at ABOUT YOU.

**ABOUT YOU:** Gina, please tell us about your position and responsibilities at ABOUT YOU.

**Gina:** As Director Product IT Backbone Retail, I am responsible for all backend processes and systems of ABOUT YOU's retail business. This includes the setup of efficient, consistent and stable processes as well as data flows between all systems that are required for the operation of an e-commerce shop.

**ABOUT YOU:** Prior to joining ABOUT YOU you did not necessarily focus on tech topics. Could you explain how you got into a tech role?

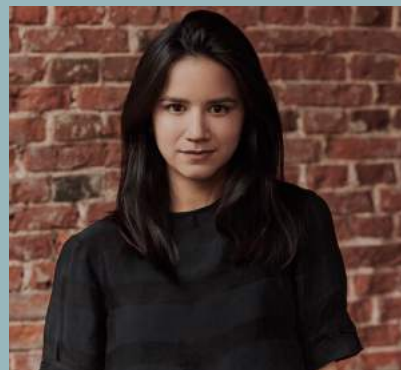
**Gina:** My original background is in fashion management rather than tech. During my studies I worked at various fashion companies - such as Tchibo and BonPrix - and focused on the business perspective. However, I noticed a high affinity for improving processes early on. I joined ABOUT YOU as a working student in the procurement department. As part of my first project, I worked on improving the integration of buying and procurement requirements into tech systems. ABOUT YOU quickly realized the advantage of having someone who is able to translate requirements from a fashion business perspective to a tech process perspective. Consequently, I started my first full-time position as a product owner for the system I had already worked on as a working student. From then on I owned all business and technical requirements as part of an agile project team.

**ABOUT YOU:** How did your responsibilities evolve as you grew into a director role?

**Gina:** I was fortunate to be able to scale my career along with our company growth. In particular, I developed from a product owner with no leadership responsibilities to a system owner with leadership responsibilities. As a director, I now own multiple systems as well as leadership responsibility for various teams.

**ABOUT YOU:** What was special at ABOUT YOU that helped you build such a career?

**Gina:** ABOUT YOU is not focussed on proven hard skills when hiring but on smart people with the potential and mindset to solve a variety of problems. The humble culture does not focus on egos or seniority. At ABOUT YOU, the focus is always on solving problems and the right solutions are heard, no matter what seniority level they are approached from. These circumstances really gave me room to grow. After taking on my first leadership role, I was encouraged to see how confidently ABOUT YOU works with young leaders. On the one hand, the development process allows room for failure, but on the other hand requires the discipline to learn quickly from mistakes. This way I was able to avoid making the same mistake twice and maintain quality in my areas of responsibility while still driving innovation. The special ABOUT YOU culture is present throughout the company. It starts with our Co-CEOs and runs through all different management levels.



## WE NEVER STOP LEARNING - THE ABOUT YOU ACADEMY

We are committed to the development of our people, which is reflected in workplace learning through a development-oriented feedback culture and continuous new learning opportunities. We also created the internal ABOUT YOU Academy, which offers our employees a variety of classroom and online learning formats.

Our AY Academy offers a curriculum of 30+ courses that are continuously evaluated and expanded, and range from basic technical courses (e. g. Excel or Google Analytics) to presentation skills and development of soft skills. These are delivered by our Co-CEOs, internal colleagues and external coaches.

As reported in the previous section (“Supporting and developing young leaders”) ABOUT YOU also offers a mentoring programme and collaborates with a pool of external coaches to support employees’ concrete development needs. While the majority of the training was delivered as a classroom training, AY Academy has successfully switched to a full virtual setup in 2020 due to COVID-19.





## WE KEEP GROWING - NEW HIRES IN 2020

2020 was a year of significant growth. We reached our 1,000 employee mark in September, grew to 1,127 employees as of 31st December, and had a total of +400 new colleagues join us. Due to COVID-19, 2020 was also a very special year for us from a recruiting perspective. It provided us a tailwind in filling our vacancies due to favourable candidate availability, which led to >50,000 applications for our open positions (on average ~140 - 150 vacancies in 2020).

Nevertheless, recruiting was also challenging for us in 2020, forcing us to fully digitize our recruiting activities while maintaining an excellent candidate experience. We also switched to virtual onboarding for our new employees from March onwards, which made March a record month in 2020 in terms of the number of colleagues onboarded.

In addition to the record growth in new hires, 2020 was also a year with significantly lower fluctuation at ABOUT YOU. Our attrition fluctuated around 10%<sup>27</sup> in 2020 (vs ~12% in 2019).

## OPEN DOORS -

## OUR OPPORTUNITIES FOR GRADUATES

We offer a variety of opportunities to start a career at ABOUT YOU. To attract young talent for entry-level positions, we offer special

development programmes for both school and university graduates. School graduates have the opportunity to start their career at ABOUT YOU as an apprentice. At ABOUT YOU we offer training in two professions: e-commerce ("Kaufmann / Kauffrau e-commerce") and wholesale and export trade ("Kaufmann / Kauffrau für Groß- und Außenhandel"). In August 2020, five new apprentices joined ABOUT YOU, starting their apprenticeship in our buying department and rotating departments every two to four months thereafter, across all common business departments (e. g. Finance, Procurement, BizDev etc.) and e-commerce departments (e. g. Influencer Marketing, Events, Corporate Communications). Apprentices receive continuous mentoring and development feedback from HR. We are planning the same training structure for 2021.

University graduates can join ABOUT YOU either via our entry-level positions as department junior or can join one of our 18-24 months trainee programmes for top graduates. The trainee programmes are offered for all three of our departments: marketing, e-commerce and tech. Our trainee programmes offer top university graduates the opportunity to develop a holistic understanding of their target department by spending four to six months in the core teams of each. In 2020/21, we had around ten trainees working with ABOUT YOU, with plans to scale the programme further.

<sup>27</sup> Employment type "permanent" - excluding interns, working students and temporary workers

## PEOPLE SUMMARY

Over the next year our HR team will continue to improve and digitize internal processes. An advanced HR IT landscape improves the monitoring of our people focus topics in 2021:

- Develop and support the mental health of our employees and keep our company connected despite lockdown and remote work
- Grow and develop our young leaders, especially bring our key talents into leadership positions; create career and development paths to further reduce fluctuation
- Continue to increase our commitment to diversity and create a fully inclusive workplace



## OUR SOCIETY

We are aware that the society of which we are part of should never be taken for granted. We recognize our responsibility to advance our operating model to contribute to our society.

This responsibility begins with small operational and technical adjustments to ensure a regulated and secure data environment and extends to our overarching direct and indirect contributions to society. Therefore, we have structured our efforts to contribute positively to society along three dimensions:

### **Governance & responsibility:**

We operate with a state-of-the-art corporate governance and make compliant business conduct a priority

### **Data privacy & security:**

We adhere to the highest standards of data privacy and security for all aspects of our business (customers, partners, employees)

### **Community engagement:**

We seek opportunities to give back and contribute to the community

## ABOUT GOVERNANCE & RESPONSIBILITY

Dignity and fairness are core values for a globalized world to function. These two values are deeply rooted in our culture. They are at the core of our internal operations, but we also make them an integral part of every manufacturing contract we sign. ABOUT YOU strives to lead by example and therefore facilitates transparency and control for key stakeholders:

- **We establish transparency in the supply chains of our labels ABOUT YOU and EDITED**
- **We educate every new employee about our values and how to live by them**
- **We monitor responsible, compliant business conduct and anticipatory risk management through our corporate governance bodies**

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<sup>28</sup> <https://www.amfori.org/content/amfori-bsci>

## TRANSPARENCY IN OUR OWN LABEL SUPPLY CHAIN

The ABOUT YOU platform has grown rapidly over the past years and currently offers an assortment of over 2,000 brands. As one of the pillars of our strategy, we established our own brand EDITED and consistently expand our portfolio of own brands under the label ABOUT YOU as well as exclusive influencer collaborations or personal brands such as LeGer.

Despite not owning the factories where our own brand products are produced, we act as a virtual manufacturer. This role not only comes with responsibility, but also with a strong motivation to contribute to fair working conditions throughout the supply chain of our own brands.

Therefore, an initial and repetitive audit of each manufacturing partner is obligatory.

ABOUT YOU is a member of amfori BSCI<sup>28</sup>. The amfori BSCI platform allows us to monitor complex supply chains regarding their social performance from a single point of information. The consistent approach forms the basis for screening individual manufacturing partners.

This screening process, based on the information provided by amfori, is complemented by regular visits to our manufacturers and their facilities in person.



Our ABOUT YOU label compliance manager inspects most of our manufacturers annually, and our buying team visits once per season.

In order to be onboarded as an ABOUT YOU manufacturing partner, we require full disclosure of the contact details of all production facilities involved in the form of a standardized RFI (request for information). Additionally, we include the amfori BSCI code of conduct as a mandatory part of every contract covering the following areas:

- **The rights of freedom of association and collective bargaining**
- **Fair remuneration**
- **Occupational health and safety**
- **Special protection for young workers**
- **No bonded labour in form of forced servitude or non-voluntary labour**
- **Ethical business behaviour**
- **No discrimination**
- **Decent working hours observing legislation regarding hours of work**
- **No child labour**
- **No precarious employment**
- **Protection of the environment**

Just like our private label business and our associated role as a virtual producer, our efforts to increase transparency in fashion supply chains are increasing. Working conditions around the world are far from perfect but we are eager to improve them day by day.

## STANDING UP FOR WHAT IS RIGHT - OUR VALUES

We believe that a value-oriented culture fosters a sense of community, provides orientation for new colleagues, guides in moments of uncertainty and sets the tone for our interactions with each other and the society we live in. The ABOUT YOU culture establishes nine values. These are part of our culture booklet handed out to every employee.



**We are open-minded**

We want you to feel respected and accepted just the way you are.

**We are straightforward**

People understand every word we say.

**We are encouraging**

We love to inspire and motivate people to change for the better.

**We are collaborative**

We are passionate about working together as a team to find the best solutions.

**We are caring**

We genuinely care about our customers, our team and the world we live in.

**We are optimistic**

We want to inspire others by our positivity and can-do mentality.

**We are trustful**

We are honest and reliable to customers, clients and within our team.

**We are curious**

We are always looking for new opportunities and stay inquisitive. We don't repeat but innovate and refine.

**We are wild**

We are not set on the one right way and solution. By playing around we find new ways, perspectives and solutions.

## MAINTAINING WHAT IS RIGHT - COMPLIANCE AND RISK MANAGEMENT

The principles of compliant business conduct and anticipatory risk management are essential for the continuity of our business. To maintain compliant business conduct and full transparency of our current risk situation, we are continuously enhancing our corporate governance systems according to the IDW PS 980 Standard. Our corporate governance system acts as the main guarantor of the above-mentioned principles. We operate independent compliance and risk management systems. Both systems are monitored by dedicated committees and receive direct management attention.



Four principles constitute the ABOUT YOU compliance management system:

- **Knowledge** (guidelines, training, whistleblowing)
- **Understanding** (guidelines, training, whistleblowing)
- **Reaction** (advice)
- **Control** (monitoring measures)

In practice, the implementation of these principles begins with the onboarding of every new employee. New colleagues receive our culture booklet, which includes a dedicated section on our business ethics and compliant behaviour.

While our co-founder and Co-CEO Hannes leads the ABOUT YOU compliance organization, a dedicated compliance office and committee orchestrate the training and answers to ad-hoc incidents and whistleblowing scenarios.

ABOUT YOU's success depends on being at the forefront of industry innovation. This means not shying away from risks and taking bold decisions.



The ABOUT YOU risk management system keeps risk anticipation and decision making in check by pursuing five objectives:

- 1. Foster awareness:** Creating an active risk and opportunity culture and raising employee awareness of risks.
- 2. Create transparency:** Identifying risks and opportunities at an early stage to enable effective countermeasures at every organizational level in the company.
- 3. Take proactive action:** Handling risks in a structured manner including documenting, reporting, assessing, managing, monitoring risks and mitigating measures.
- 4. Adhere to regulations:** Meeting statutory and legal obligations including mandatory reporting of risks to the management board and supervisory board's audit committee in a standardized process.
- 5. Serve as a guideline:** the results of the RMS can serve as a guideline to make informed business decisions.

In practice, the implementation of these objectives begins with our annual risk training. The training is mandatory for the leadership team and informs them of the duties and responsibilities of a leader regarding risk management. Our risk steering team administers both the training and our risk loop. As part of the risk

loop, assigned risk leads evaluate all identified business risks and explore potential new risks in operational processes. The results are then reviewed by our risk committee, which is led by the Co-CEOs. A risk loop concludes with feedback to all risk leads on how to adjust business decisions based on the outcomes.





## ABOUT DATA PRIVACY & SECURITY

Customer data and cybersecurity are under scrutiny across all industries. This applies even more to purely digital business models where the customer's trust in the conscious handling of their data sets the foundation for every buying decision.

We appreciate the trust our customers place in us. Consequently, we adhere to the highest data and security standards. All customer data is stored in an iso-certified computing centre and solely in encrypted databases. Access to these databases is strictly limited by dedicated approval and outplacement (removal of access) processes.

An internal information security team maintains an overview of our IT landscape. The team monitors all development, deployment and testing activities. The team lead reports directly to our co-founder and Co-CEO / CTO Sebastian ensuring that data privacy and security are treated as a high priority. Ongoing internal monitoring is complemented by an annual external IT audit.

In the monitoring position, the information security team is responsible for finding issues in our applications and infrastructure. Every new application developed at ABOUT YOU is tested accordingly. Where applicable, we add new products in a bug bounty program, such as "HackerOne"<sup>29</sup>, where hundreds of hackers get

paid to find issues in our applications. Applications that we cannot add to the bug bounty program are retested annually by the information security team.

Privacy and security issues not only concern our handling of data but also the awareness of potential threats. We conduct an annual company-wide phishing simulation to understand how prepared we are for a real phishing attack and to raise security awareness in the company. The simulated attack can be more or less complex and involves more than one step to reach the goal.

## ABOUT OUR COMMUNITY IMPACT

ABOUT YOU operates in a multifaceted community of local and international stakeholders. We are grateful for the loyal customers and talented employees stemming from our community. In return, we aim to impact our community in the same enriching manner it impacts us:

- **We take action where help is needed in form of donations**
- **We promote diversity, self-esteem and body confidence not only within the ABOUT YOU team but also in every media campaign created**
- **We contribute to a thriving next generation through school and university events**

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<sup>29</sup> <https://www.hackerone.com/>

## “MASKS FOR EVERYONE”

2020 was also the year of COVID-19. The pandemic struck the world fast and unexpectedly. Despite all measures taken, an immediate comprehensive response to the fast spread of SARS-CoV-2 required the mobilization of all available resources.

We asked ourselves which of the measures recognized as effective against COVID-19 we are able to support - and came up with a quick answer. Community masks were identified as an effective and easy-to-apply measure. However, a shortage of surgical masks due to professional demand limited the availability and led to a steep increase in prices.

As a trusted partner of fashion brands and influencers, we decided to become the first online retailer to offer affordable and accessible community masks at cost price - already in April 2020. With the help of our partners, we were able to offer a broad variety of masks, from plain black or white to individual designs.

As part of our “Masks for Everyone” campaign, we donated over 150,000 masks to schools and charity organizations and sold over 3 million masks at cost price.

## SENDING THE RIGHT MESSAGES -

### OUR CAMPAIGN PRODUCTIONS

Since we started out, we have always seen our purpose as empowering people to find and express themselves through fashion. To not be afraid of taking a stand for diversity, to be confident, tolerant and open-minded.

We embrace the uniqueness of every individual working at ABOUT YOU through the dedicated efforts of our HR team. Of course, we are eager to share the same messages externally in our campaigns.

Our Idols and Influencer Marketing and Brand Advertising Solutions teams drive diversity and inclusivity by booking influencers and models from different social and ethnic backgrounds, of different genders, sexual orientations, and body images. Neither diversity nor inclusivity end in front of the camera. The entire production set is a space for unique individuals to interact with each other. Thus, we provide equal access to opportunities to photographers, stylists, hair and make-up artists, digital and light assistants from diverse backgrounds.

All of our teams involved in the campaign production process are aware of the endurance required to make a lasting community impact. We continuously address social issues within the team and educate our team members in order to maintain awareness and improve internal processes.

## “THINK WITH TAREK”

COVID-19 did not only bring the in-person events of the AY Academy to an abrupt stop. The pandemic has also impeded face-to-face education in many other academic institutions. As a result, we had to refrain from the majority of our scheduled school and university visits. Nevertheless, it remains a priority at ABOUT YOU to contribute to a thriving next generation of graduates, online marketers and e-commerce colleagues.

Together with his long-standing partner Online Marketing Rockstars<sup>30</sup> (OMR), our Co-CEO Tarek started the educational podcast “Think with Tarek”. The frequently released episodes revolve around changing e-commerce and online marketing matters. The podcast aims to provide hands-on insights and reproducible best practices.

Tarek regularly invites members of our leadership team to join him during the episodes, elaborate on their perspectives, and share insights on our team structures and marketing campaigns. Directors from diverse functions such as our Performance Marketing, International Markets and CRM teams have made appearances so far.

During the course of 2020, seven episodes of “Think with Tarek” were released with an average audience of over 6,000 listeners on the following topics:

- **Marketing for young target groups**
- **“TV is dead, long live TV”**
- **Performance marketing**
- **CRM**
- **Customer experience**
- **Guerilla marketing**
- **Returns**



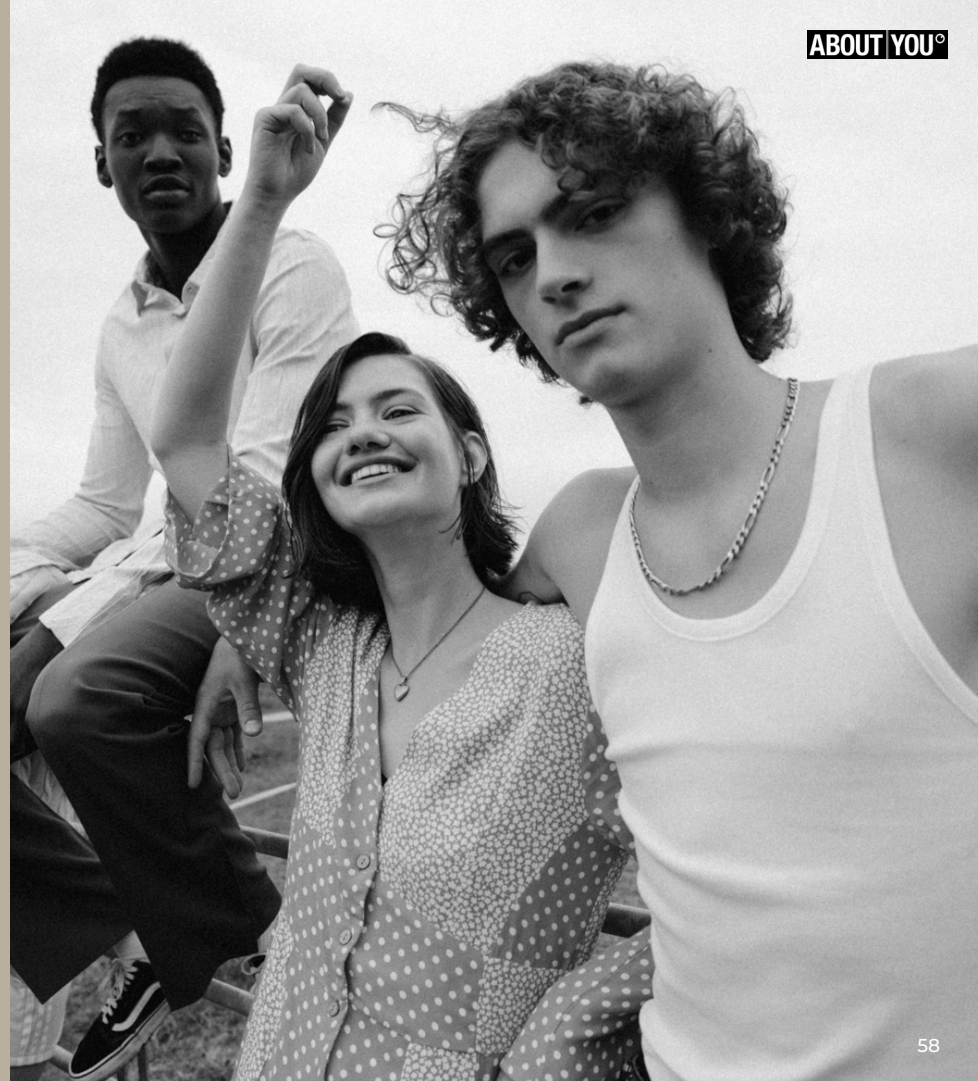
75 % of the audience are younger than 35 years old which further contributes to our goal of developing young leaders and professionals. Based on the positive feedback and strong retention of the audience (>50 % for all episodes) we are eager to continue the format in 2021 with frequent releases of new episodes via the OMR Education channel.

<sup>30</sup> <https://omr.com/en/>

## SOCIETY SUMMARY

Within our sphere of influence, we will continue to contribute to fairness, dignity and transparency where these values are not yet fully established. Beyond our numerous efforts in this regard we have identified three society focus efforts for 2021:

- **Contribute to initiatives fostering IT knowledge and entrepreneurship in the communities of our business locations**
- **Support the culture and event sector via our own events (e. g. ABOUT YOU Pangea Festival) and other initiatives**
- **Promote LGBTQ+ initiatives (e. g. the Christopher Street Day in Hamburg) to raise awareness for persisting issues and inequalities**





## ABOUT THE FUTURE

At ABOUT YOU we are supporting people in finding and expressing their personality through fashion. We enable brands, retailers and influencers to build and grow their e-commerce business. The numbers and stories told in this report provide an excerpt of how **People, Planet & Society** are at the core of everything we do.

We aim to have a positive impact. We want to reduce the ecological footprint of our operations, increase the share of sustainable products on our platform, create a fully inclusive workplace and contribute to our community beyond the boundaries of our core business.

We are committed to our targets and will report annually on our progress. With the expected growth of our company, we also expect the impact of our actions to increase. The next release of this report will reflect the growth accordingly in the form of further developed and additional measures.