ABOUT YOU

PUSHING FORWARD

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT

FY 2022/2023

ESG HIGHLIGHTS FY 2022/2023[1]

PLANET

We are **on track to reach our science-based targets** (SBTs)[2] by 2025/2026:

- We reduced Scope 1&2 GHG emissions by 53.7% (target: 80.0%).
- We reduced our Private Label Scope 3 GHG emissions per unit of value added by 7.7% (target: 35.3%).
- We increased the percentage of partners with SBTs to 54.4% (target: 90.0%).[3]

- We **co-founded FASHION LEAP FOR CLIMATE** to achieve our partner engagement target by enabling our third-party brand partners to set SBTs.
- We increased our net revenue percentage from **more sustainable products** to **24.6%** by the end of FY 2022/2023.
- We expanded our PLANET impact reporting for **energy, water** and **waste** topics.[4]

PEOPLE

- **66.6%** of our third-party brand partners by net revenue shared **sustainability-related data** with us.
- We **increased our supply chain transparency to 100% of our Private Label tier 1 factories** and **93.9% of tier 2 factories.**
- **Leadership positions held by women** increased to **51.1%** and **tech roles** to **30.3%.**
- We **expanded reporting in our employee section** by including how we cooperate with our employees, how we foster diversity, equity, and inclusion, and details of our further training program.[4]

PROGRESS

- We **detailed our governance structure,** including how we cooperate internally in our ESG matrix organization.
- We established **Corporate Sustainability and Private Label Sustainability teams.**
- We set up an **internal control system** to increase the accuracy of our reporting.
- We received new and updated **ESG ratings,** including Sustainalytics, ISS, and CDP.

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1 This ESG Report covers our financial year (FY) from March 1, 2022 to February 28, 2023.
2 In this report, the term "science-based targets" refers to those that meet SBTi criteria; See more in the section **Corporate** of the PLANET chapter.
3 Here we have some uncertainty about our target since we depend on our business partners who would be required to set SBTs. Initiatives, such as FASHION LEAP FOR CLIMATE, are being implemented to create industry-wide alignment and increase efforts.
4 Not audited.

ESG KEY PERFORMANCE INDICATORS

	Unit	2022/2023	2021/2022[5]
PLANET			
Reduction in greenhouse gas (GHG) emissions			
Reduction in absolute Scope 1&2 emissions from a 2019/2020 base year	%	53.7 ✓	54.1
Reduction in Private Label Scope 3 emissions per unit of value added from a 2019/2020 base year	%	7.7 ✓	5.4
Percentage of partners with science-based targets according to SBTi criteria	%	54.4 ✓	46.6
GHG emissions			
Scope 1 emissions (market-based)	t CO_2e	51.6 ✓	60.4
Scope 2 emissions (market-based)	t CO_2e	116.2 ✓	105.8
Scope 3 emissions	t CO_2e	468,591.1 ✓	438,839.9
Thereof e-commerce operations	t CO_2e	55,283.0 ✓	45,743.0
Thereof Private Label products	t CO_2e	51,810.3 ✓	43,769.9
Thereof third-party brand products	t CO_2e	361,665.6 ✓	349,493.1
Total emissions (Scope 1, 2, 3)	t CO_2e	468,758.8 ✓	439,006.0
Emission intensity of our e-commerce operations	kg CO_2e per order	1.20 ✓	1.14
Offset emissions	t CO_2e	99,936.9 ✓	71,408.4
Total net emissions (Scope 1, 2, 3)	t CO_2e	368,822.0 ✓	367,597.6
Energy consumption (own premises)			
Total energy consumption	MWh	2,284.4 ✓	2,023.9
Total share of renewables	%	42.3 ✓	42.5
Thereof share of renewable electricity	%	99.2 ✓	97.8

	Unit	2022/2023	2021/2022[5]
Water consumption (own premises)			
Total water consumption	m^3	3,526.6	3,293.2
Waste			
Destroyed returns as a percentage of inbound products	%	<0.1	0.1
Waste from premises	t	340.6	–
More sustainable third-party brand products			
Proportion of net revenue	%	24.6 ✓	21.8
Proportion of entire assortment	%	15.5 ✓	13.6
More sustainable Private Label products and sourcing			
Percentage of more sustainable Private Label products ordered	%	31.2 ✓	32.0
Cotton products with organic or recycled cotton	%	31.6 ✓	54.0
Polyester products with recycled polyester	%	29.4 ✓	16.5
Viscose products with more sustainable viscose	%	39.7 ✓	37.3
Products with more sustainable leather (LWG, chrome-free)	%	52.3 ✓	42.2
Tier 1 factories that shared their Higg FEM with us	%	55.4	–
Packaging impact (e-commerce operations)			
Total packaging	t	14,276.4	10,838.7
Packaging meeting our more sustainable-targets	%	80.2	78.9
Circularity			
Second Love products offered (average)		368,322	350,616

5 FY 2021/2022 KPIs include restated values for the sections reduction in GHG emissions, GHG emissions, and energy consumption (own premises) in the table.
✓ Content marked in this ESG Report with a line in the margin or with a check mark in the table on this page is material information that corresponds to the legally required information pursuant to Section 315b of the German Commercial Code (HGB) to prepare a group non-financial report. We report further details in the section **ABOUT OUR ESG REPORT**.

	Unit	2022/2023	2021/2022[5]
PEOPLE			
Third-party brand partner engagement			
Higg BRM data shared with us by previous year's net revenue share	%	66.6 ✓	50.9
Verified Higg BRM data shared with us by previous year's net revenue share	%	38.5 ✓	33.7
Private Labels' supply chain transparency			
Tier 1	%	100.0 ✓	100.0
Tier 2	%	93.9[6] ✓	64.1
Our employees			
Total	Headcount	1,521 ✓	1,497
Turnover (perms)	%	21.7	17.0
Women	%	65.7 ✓	67.0
Men	%	34.2 ✓	32.9
Non-binary	%	0.1 ✓	<0.1
Women in leadership positions	%	51.1 ✓	49.3
Women in first-level leadership positions	%	37.7 ✓	38.7
Women in tech roles	%	30.3	28.2
International representation	%	29.6 ✓	28.5
Number of nationalities	Number	77 ✓	80
Internationals in leadership positions	%	21.8	18.6
Employee feedback: Average engagement score		7.5 ✓	7.8
Employee feedback: Average Net Promoter Score		19 ✓	32
Participants in live training sessions for employees		4,312	1,774

	Unit	2022/2023	2021/2022[5]
Participants in pre-recorded training sessions for employees		6,727	–
PROGRESS			
Higg BRM environmental score	%	78.5 ✓	70.4
Higg BRM social score	%	72.8 ✓	56.9
ISS		C (decile 1) ✓	C (decile 1)
Sustainalytics		16.2 ✓	–
CDP		A– ✓	–

6 Our internal tier 2 factory transparency is 93.9% by total procurement costs via the respective direct supplier. We published 87.2% of tier 2 factories on the Open Supply Hub. Some of our direct suppliers vetoed our publishing of their upstream factories.

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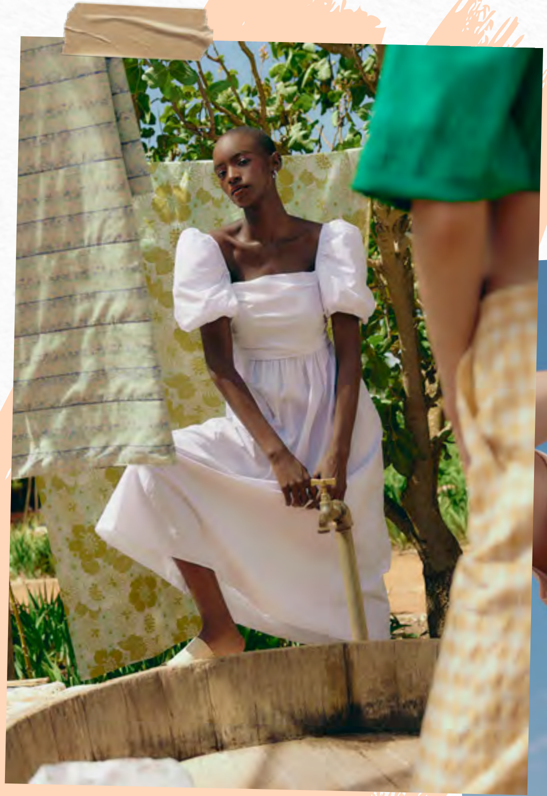
CONTENTS

ABOUT OUR ESG REPORT



The information presented in this ESG Report relates to ABOUT YOU Holding SE (ABOUT YOU, we) including its fully consolidated subsidiaries. This ESG Report covers our financial year (FY) from March 1, 2022 to February 28, 2023 and is published on our corporate website. ABOUT YOU is a stock corporation (Aktiengesellschaft) organized under European and German law, with its registered office in Hamburg, Germany. ABOUT YOU shares are listed on the Frankfurt Stock Exchange. This is ABOUT YOU's second ESG Report since becoming a publicly listed company. ABOUT YOU pledges to provide stakeholders with regular and consistent updates on ESG topics by publishing annual progress updates. The structure of this ESG Report, which is intended to function as a standalone document, is based on the FY 2021/2022 ESG Report. ABOUT YOU reports on the company's ESG governance structure in the PROGRESS chapter of this ESG Report and the company's corporate governance structure in section 2.6.2 Corporate Governance of the Annual Report FY 2022/2023.

Content marked in this ESG Report with a line in the margin is material information that corresponds to the legally required information pursuant to Section 315b of the German Commercial Code (HGB) to prepare a group non-financial report. The group non-financial report is part of this ESG Report which complies with Section 315c (1) HGB in conjunction with Section 289c HGB. The mandatory description of the business model to which the group non-financial report refers is found below. This ESG Report is also prepared in reference with the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The group non-financial report is subject to a limited assurance engagement as seen in the reports of the independent auditor in accordance with ISAE 3000 (revised). The auditors' report is displayed in the APPENDIX. Disclosures for prior years and references to additional information beyond the scope of the group non-financial report (for example, external websites) are not subject to the limited assurance procedures for the FY 2022/2023 reporting period.

Since its foundation in May 2014, ABOUT YOU has become one of the fastest-growing online fashion stores in Europe. ABOUT YOU aims to digitize the classic shopping stroll for the

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young and fashion-conscious Gen Y&Z and creates a particularly inspiring and personalized shopping experience on the smartphone by combining fashion and technology. With the unique concept of discovery shopping, ABOUT YOU supports customers in expressing themselves individually through fashion. For this purpose, ABOUT YOU offers creative content and exclusive collections based on its network of influencers and its own products. More than 45 million active users per month can discover more than 600,000 items from around 3,800 brands via the aboutyou.com website and the award-winning app. The hybrid model of own inventory (1P) and partners' inventory (3P) not only increases customer satisfaction with competitive delivery times but also increases the product range by providing access to an extended assortment in the 3P model.

ABOUT YOU operates in all key markets of Continental Europe and ships to around 100 countries worldwide with the help of ABOUT YOU Global Shipping. To optimally leverage its own competencies in the areas of e-commerce technology and marketing, ABOUT YOU has established a B2B business, which operates under the SCAYLE brand. As one element of the segment, ABOUT YOU's proprietary SaaS solution helps brands and retailers grow efficiently and quickly by taking advantage of ABOUT YOU's diverse innovations (Tech). In addition, ABOUT YOU offers brand or advertising formats (Media) and 360° services along the e-commerce value chain (Enabling). Since its establishment in FY 2018/2019, the Tech, Media, and Enabling (TME) segment has shown above-average growth and a particularly high profitability profile compared to the Commerce business.

LETTER FROM THE CO-CEOs

Co-CEOs: Hannes Wiese, Tarek Müller and Sebastian Betz

Since ABOUT YOU's beginnings, we have always seen our mission as supporting people to express themselves individually through fashion – of not being afraid to stand up, and being confident, tolerant, and open-minded. Even though the year under review confronted us with macroeconomic challenges that tested the resilience and adaptability of our business model, our mission has remained unchanged. We believe in the just idea of doing business with a positive environmental impact and the fair treatment of all people. We therefore aim to operate our business with as many positive consequences as possible for anyone or anything. And we take a stand for peace, tolerance, and a healthy planet.

We are convinced that we made progress in the year under review to become a more sustainable online fashion store in the context of our baseline scenarios. The publication of this ESG Report is another milestone for us. We have again presented as simply and as transparently as possible the material topics, our management approaches, the evaluation thereof, the progress achieved in all chapters, and our future plans. Throughout this ESG Report, we have maintained the given structure and included the progress made in each chapter.

In the PLANET chapter, we detailed our reporting by expanding on our approach to manage our energy, water, and waste impacts. In the PEOPLE chapter, we increased our standards and requirements by updating our policy landscape and advanced practices in all sections. In the PROGRESS chapter, we demonstrated how we worked hard within our governance structure to make advances in all our business units while maintaining continuity and consistency for internal and external stakeholders. We also implemented what we had learned from external stakeholders (e.g., documenting internal ESG reporting processes, assessing process risks, and establishing internal controls) to increase the reliability of our reporting. Moreover, we enhanced our reporting to include our current understanding of the challenges we face and where we need to invest more, develop new approaches, and establish the necessary structures.

The urgency to act on ESG topics continues to be high. In the year under review, we coped with additional requirements from legislators such as the European Union Taxonomy Regulation, the German Supply Chain Act, and other local regulations in the markets we operate in.

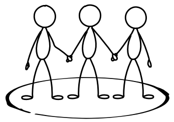
We report our topics in the three PLANET, PEOPLE, and PROGRESS chapters derived from the E, S, and G in ESG.

ENVIRONMENTAL (E)

PLANET

- Transitioning to a net-positive environmental impact and leading by example
- Transitioning to more sustainable products and sourcing
- Transforming packaging, warehousing, and transportation
- Transforming the linear fashion system through circularity

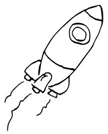
SOCIAL (S)



PEOPLE

- Managing social risks in an ESG due diligence framework
- Engaging with our brand and logistics partners
- Increasing Private Labels' supply chain transparency and social compliance
- Creating a fair and friendly work environment for all our employees
- Safeguarding consumers' data privacy and security
- Sharing our messages with society

GOVERNANCE (G)



PROGRESS

- Refining our ESG strategy to enhance positive impact
- Establishing effective governance structures
- Working with ESG frameworks to set starting points and measure progress
- Building worthwhile partnerships

As this financial year was characterized by ongoing macroeconomic challenges – Covid-19 restrictions, the war in Ukraine, inflation at record-high levels, and consumer sentiment at historical lows – acting in line with our convictions has taken on an even greater urgency. We remain determined to reach our targets and intensify our activities in the ESG field. We have indeed reported on new topics while making progress in our business case study for a successful sustainability transition. This should allow other companies to follow suit.

In view of our asset-light business model, our strong business partnerships with fashion brands, suppliers, logistics partners, industry peers, and others remain a key success factor for our transition to integrating sustainability into all decision-making levels.

A high proportion of our key metrics, such as greenhouse gas (GHG) emissions and transitioning to more sustainable materials as well as the engagement and audit rates of our partners, are measures for how well we are working with partners and how good our own management is. In the year under review, we spent more time than ever engaging with our partners on our material ESG topics. In the FASHION LEAP FOR CLIMATE initiative, we aligned forces with our e-commerce fashion peers YOOX NET-A-PORTER and Zalando because we all identified the opportunity to support brand partners to align GHG emissions reduction targets with the 1.5°C objective outlined in the Paris Agreement.

Our partnerships continue to present an opportunity to exponentially scale our positive impact beyond ABOUT YOU's supply chains whenever better practices are also implemented in adjacent supply chains. That is why we strive to align our approaches with those of our partners. The foundations here are healthy business relationships built on trust, transparency, and a shared set of values. We are grateful for our partners' progress in FY 2022/2023, as well as their feedback on and support for our ESG strategy.

Our ESG efforts over the past financial year would not have been possible without the dedicated work of our internal teams and partners, interaction with our consumers and industry associations, and feedback from contributors and challengers. A special word of thanks is due to our stakeholders for their strong support. The backing we have received for the ESG strategy is enabling the advancement of more sustainable practices in e-commerce fashion. As expressed in this report's motto, that is the goal we are **pushing forward** to achieve.

T. Müller H. Wiese S. Betz

TAREK MÜLLER HANNES WIESE SEBASTIAN BETZ

Management Board of ABOUT YOU

MATERIALITY ASSESSMENT

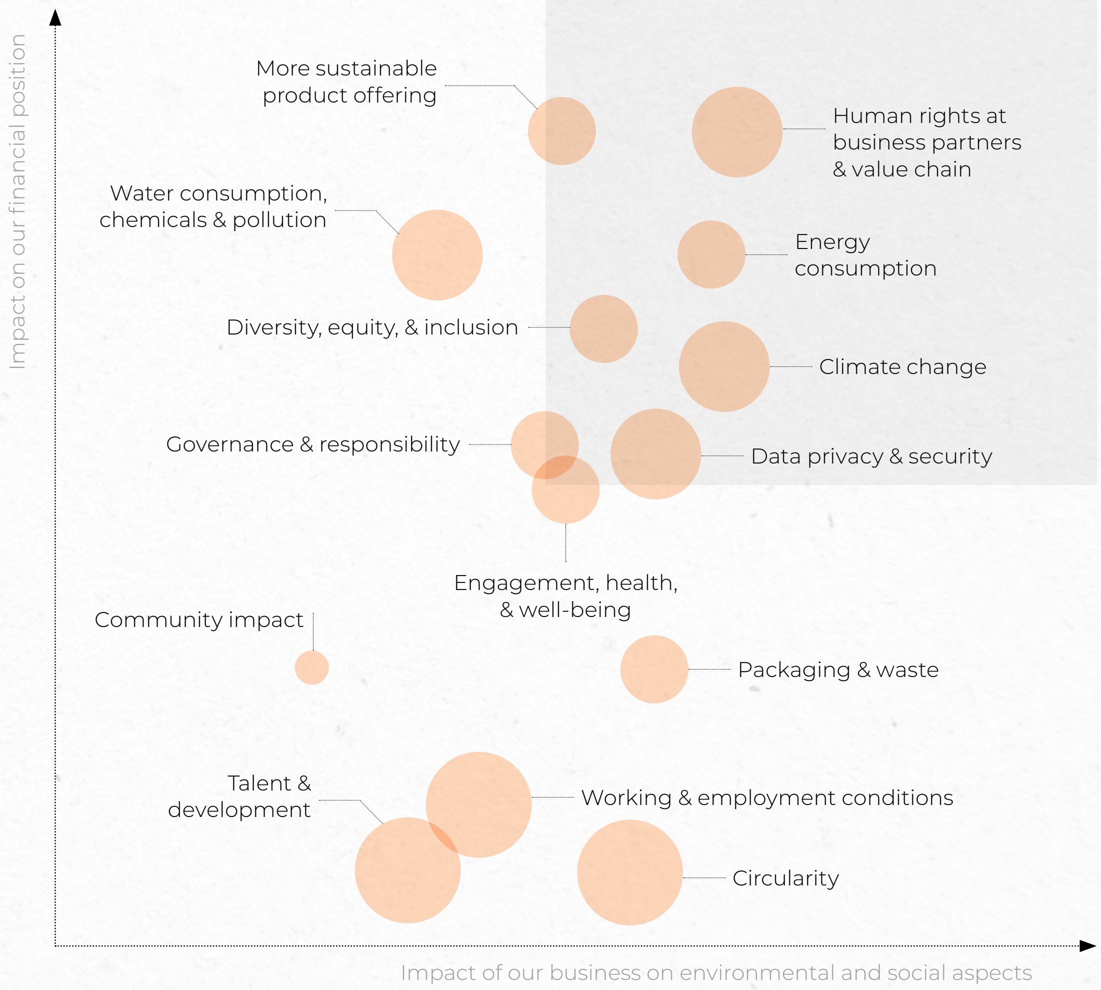
The purpose of our materiality assessment is to define our essential ESG topics.

Three dimensions were assessed:

1. Impact of our business on environmental and social aspects
2. Impact on our financial position based on a corporate risk assessment
3. Impact from a holistic stakeholder perspective based on our ESG risk assessment

The materiality assessment on which this report is based took place between November 2022 and February 2023. Although we review all material topics on an annual basis, the complete materiality assessment, including input from stakeholders as outlined below, is revisited at least every two years.

Our FY 2022/2023 materiality matrix



Clusters assessed as material
Bubble size reflects the third dimension: Impact from a holistic stakeholder perspective

In FY 2022/2023, eight of the 15 clusters were classified as material corresponding to the legally required information pursuant to Section 315b of the German Commercial Code (HGB) to prepare a group non-financial report. The table below displays how they cover the aspects of CSR-RUG and where they are covered in this report.

Aspects of Section 289c HGB and material topics

Aspect of Section 289c HGB	Material clusters	Covered in
Environmental matters	• Climate change • Energy consumption	• PLANET: **Aligning reduction trajectories with the 1.5° GHG emissions target** • PLANET: **Optimizing our energy consumption**
Human rights	• Human rights at business partners & value chain	• PEOPLE: **Our ESG due diligence framework**
Employee matters	• Diversity, equity, & inclusion • Engagement, health, & well-being	• PEOPLE: **Creating a fair and friendly work environment for all our employees** with subsections: • **Diversity, equity, and inclusion (DE&I)** • **Engagement, health, and well-being**
Social matters	• ABOUT YOU assessed the community cluster impact but did not identify it as material	
Anti-corruption	• Governance & responsibility • Data privacy & security	• PROGRESS: **Establishing effective governance structures** • PEOPLE: **Safeguarding consumers' data privacy and security**
Specific to ABOUT YOU	• More sustainable product offering	• PLANET: **Scaling our more sustainable third-party brand assortment**; **Progressing toward more sustainable sourcing for Private Labels**

In assessing our material ESG clusters, we took a three-step approach to incorporate our stakeholders' perspectives:

1. We compiled a list of 70+ topics from ESG frameworks, e-commerce fashion peers, multi-stakeholder initiatives' roundtables, direct exchanges with external stakeholders, and desk research.

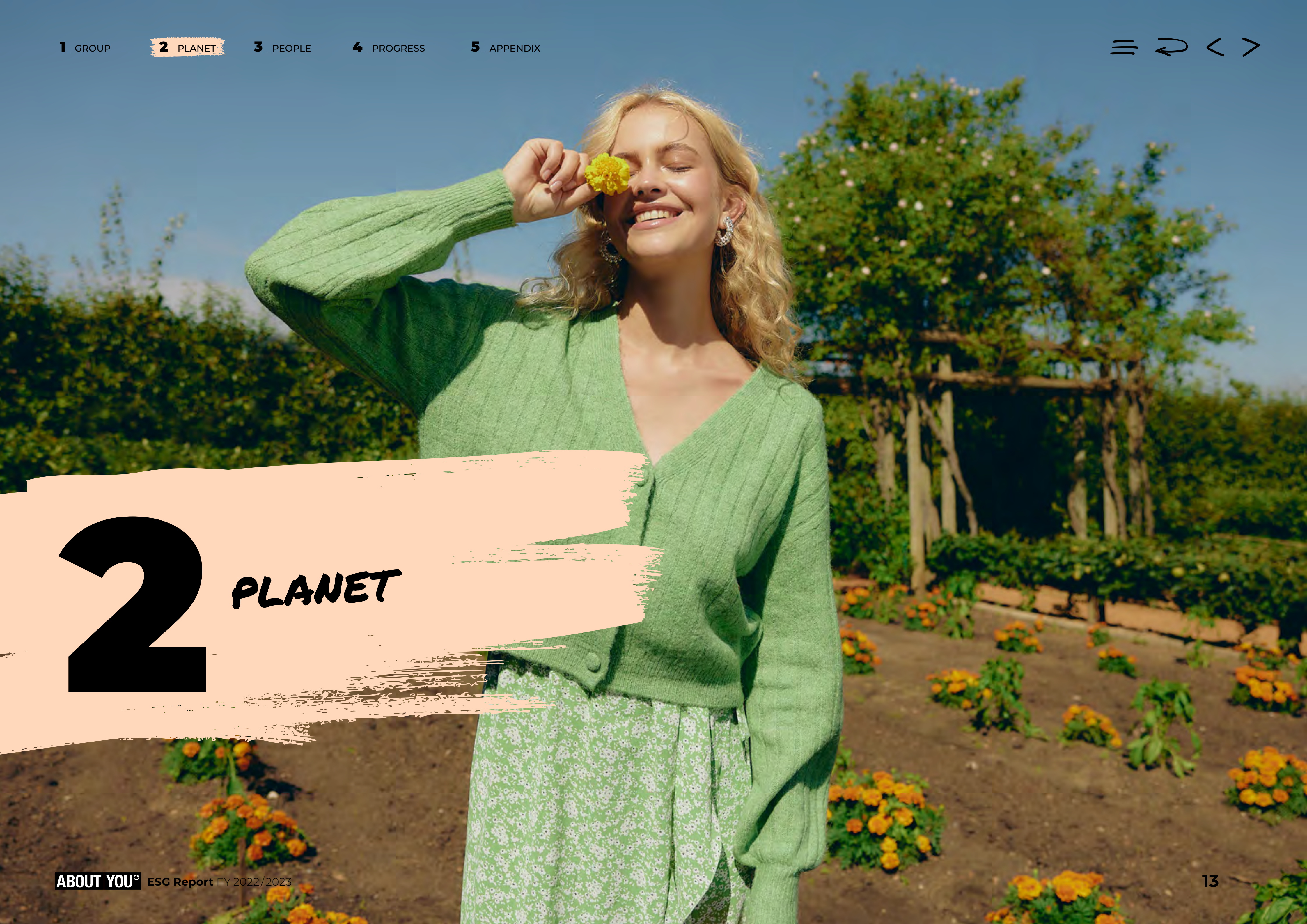
2. This list of topics was consolidated into 15 clusters that aimed to be mutually exclusive and collectively exhaustive in the scope of ABOUT YOU's topics.

3. The clusters were prioritized along the three dimensions of materiality outlined above.

To comprehensively prioritize along all three dimensions, we used tailored approaches to assess our material clusters:

- Over 2,000 of our customers and 2,000 additional online shoppers who had never bought anything from us participated in a market research study and provided us with direct input.
- Our Co-CEOs and ESG experts participated in a survey and thus added the perspectives of our employees, non-governmental organizations (NGOs), ESG frameworks, investors, and ESG analysts.
- We leveraged our corporate risk assessment to assess the impact on our financial position.
- We conducted an ESG risk assessment that aims to reflect a holistic stakeholder perspective and directly fed in the findings.
- Our business partners provided feedback in annual strategic meetings, our coordinated corporate engagements, and ongoing bilateral exchanges; this perspective was included indirectly.
- We participated in multi-stakeholder initiatives such as the Sustainable Apparel Coalition (SAC) and amfori BSCI, annual strategic meetings, and roundtable discussions; this perspective was included indirectly.

Our materiality assessment is dynamic. Assessments are subject to shifts in all three dimensions of materiality whenever circumstances or perspectives change. In contrast to the previous reporting period, circularity is not included because of the reduced revenue risk in our corporate risk assessment, which makes it non-material from a financial impact perspective. The impact on environmental and social aspects remains high and we are continuing to report on these topics in our ESG Report.



2 PLANET

TRANSITIONING TO A NET POSITIVE ENVIRONMENTAL IMPACT

Greenhouse gas (GHG) emissions from the fashion industry account for 3–10%[7] of global GHG emissions. The Apparel Impact Institute estimates that 'Tier 2 – Material Production' is the supply-chain segment that contributes most to supply-chain emissions.[8] What's more, the fashion industry is one of the most water-, waste-, and chemical-intensive industries[9] in transgressing planetary boundaries. These are the facts that underlie our corporate mission; this is our reason for acting on environmental topics of relevance to the fashion business.

Our fashion and e-commerce business partners are taking steps to reduce their environmental impact. While some progress has been made in aligning with the Paris Agreement's 1.5° target for limiting global warming caused by GHG emissions and the necessary reduction trajectories, we believe there has to be a decisive increase in the momentum of the fashion industry's efforts to reduce climate, water, waste, and chemicals' impacts.

An ESG risk assessment based on our e-commerce business model and the products sold identified the impact areas climate, water (water scarcity, water pollution), and chemicals as salient environmental risks. To better understand our overall environmental impact, we quantified the impact of our GHG emissions with reference to the GHG Protocol.

To manage and reduce our environmental impact, we follow a three-step approach:

1. Continuously measuring our impact and gradually improving our analysis – you can only manage what you measure
2. Setting targets, reducing our impact, and coordinating improvements in co-operation with our business partners
3. Sharing progress made and what we have learned in this ESG Report

Our Corporate Sustainability team assesses the company's environmental impacts, including GHG emissions. Any relevant topics or reduction measures are implemented in co-operation with the respective business units and our sustainability leads. Topics at a corporate level are reported in this chapter of the report, whereas all other topics and derived KPIs are included in the respective sections. We monitor the effectiveness of our management approach by tracking corporate developments through our measurement systems (including KPIs detailed in this report), communicating with our business partners, benchmarking our peers, analyzing stakeholder feedback, reviewing our grievance mechanism, and having our reporting externally verified[10]. The progress made in our GHG emissions reduction strategy is reported publicly to the Carbon Disclosure Project (CDP), the not-for-profit global disclosure system.

7 World Resource Institute (2021) – Roadmap to Net Zero: Delivering Science-based Targets in The Apparel Sector, McKinsey & Company and Global Fashion Agenda (2020) – Fashion on Climate.
8 Apparel Impact Institute (2021) – Roadmap to Net Zero.
9 abc NEWS (2016) – How Sustainable Brands Are Turning Their Backs on Fast Fashion Trend.
10 See the independent auditor's report on a limited assurance statement in the APPENDIX.

ALIGNING REDUCTION TRAJECTORIES WITH THE 1.5° GHG EMISSIONS TARGET

Our science-based targets (SBTs) were set in 2021 and approved by the Science-Based Targets initiative (SBTi). As the SBTi methodology focuses on reducing GHG emissions, we do not count offset emissions as progress toward our targets detailed below.

Ambitious corporate climate action with the Science-Based Targets initiative (SBTi)

The SBTi is a multi-stakeholder initiative from the Carbon Disclosure Project, UN Global Compact, World Resource Institute, and World Wide Fund for Nature (WWF). The SBTi works with companies to set ambitious targets to reduce GHG emissions in line with the 1.5° pathway outlined in the Paris Agreement.

That over 4,600 companies were signed up and more than 2,300 companies had their targets approved as of March 2023 is evidence of industry-changing momentum.

We are committed to reducing absolute Scope 1 and 2[11] GHG emissions by 80% by 2025/2026 from the base year 2019/2020.

80 %

We are committed to increasing the annual sourcing of renewable electricity from 32.7% in 2019/2020 (base year) to 100% by 2025/2026.

100 %

We are committed to reducing Scope 3[12] GHG emissions from Private Label products by 35.3% per unit of value added[13] from 2019/2020 (base year) to 2025/2026.

35 %

We pledge that by 2025/2026, 90.0% of our business partners will have SBTs for GHG emissions covering purchased goods and services, transportation, and distribution.

90 %

11 Scope 1: Direct emissions from our own operations such as fossil fuel combustion (boilers, vehicles, etc.); Scope 2: Indirect GHG emissions associated with purchased heating, electricity, steam, or refrigeration.
12 Scope 3: Indirect emissions in our supply chain outside of our organization.
13 Equals our Private Label product contribution margin, which equals our net revenue minus cost of goods sold.

FASHION LEAP FOR CLIMATE

In FY 2022/2023, we co-founded FASHION LEAP FOR CLIMATE with YOOX NET-A-PORTER and Zalando. The aim is to advance toward our partner engagement target by enabling third-party brand partners – the majority of our business partners – to set SBTs and thus accelerate industry change. Brand partners enjoy free-of-charge access to a platform where they learn how to measure their GHG emissions and set SBTs. This platform explains all the major concepts, provides step-by-step guidance, and offers community exchange and engagement catering to different maturity levels. Through FASHION LEAP FOR CLIMATE, we are directly engaging with multiple apparel and footwear brands to share perspectives on GHG emissions reduction strategies and align on the next steps to be taken together.

In FY 2022/2023, we offset our e-commerce operations' and Private Label products' GHG emissions we were unable to reduce. For that, we use tangible and certified climate protection programs. We are aware that offsetting is the least-good choice in the mitigation hierarchy[14], as it occurs after environmental damage has been done. Toward the end of FY 2022/2023, we decided to put greater emphasis and more resources into decarbonizing our fashion and e-commerce supply chains. This entails discontinuing offsetting from FY 2023/2024 onwards, since we concluded that financial resources spent on decarbonizing our supply chains are more measurable and more impactful for us. Within our next reporting cycle, we aim to present further details on measures.

GHG emissions at ABOUT YOU

Scope 1: Direct emissions from our own operations, e.g., from fossil fuel combustion (boilers, vehicles, etc.)

Scope 2: Indirect emissions associated with purchased heating, electricity, steam, or refrigeration

Scope 3: Other indirect emissions from our supply chain (e.g., purchased goods & services and transportation)

In the year under review, we gradually improved our impact analysis by including more primary data and granular data and by enhancing the accuracy of our models. We fully documented our reporting processes and established relevant controls, such as the four-eyes principle and other systematic controls. For Scope 1 and 2 emissions we had, for example, more granular data from building operators, while for Scope 3 emissions we improved the process and data quality in the extraction of base data from our inventory-keeping systems.

14 The mitigation hierarchy is a cornerstone of impact assessment and routinely applied in the context of environmental impact assessment (EIA) to reduce the potential impact of projects.

Our analysis is split into Scope 1 and 2 emissions and Scope 3 emissions. In the interests of transparency about the specific challenges of reducing GHG emissions, we report our Scope 3 emissions in three focus areas:

1. GHG emissions from our e-commerce operations[15]

2. In reporting our Private Label products, we cover each of the categories of purchased goods and services, upstream transportation and distribution, use of sold products, and end-of-life treatment of sold products separately.

3. In reporting third-party brand products, we cover each of the categories of purchased goods and services, upstream transportation and distribution, use of sold products, and end-of-life treatment of sold products separately.

	Raw materials	Processing	Material & component production	Product manufacturing	Transportation	Procurement/ buying/ sourcing	Warehousing	Our online fashion store	Delivery to consumers (& returns)	Consumer use	End of use
	Tier 4	Tier 3	Tier 2	Tier 1 (+ agencies)							
Scope of GHG emissions	3							1&2 (mainly our rented premises)	3		
Focus areas:											
1) Our e-commerce operations						Various[15]					
2) Our Private Label products	Purchased goods & services				Upstream transportation & distribution					Use of sold products	End-of-life treatment of sold products
3) Third-party products	Purchased goods & services				Upstream transportation & distribution					Use of sold products	End-of-life treatment of sold products

15 Includes Scope 1 & 2 emissions and Scope 3 emission categories purchased goods & services (packaging, call centers, water consumption, data center usage, and marketing materials) from our e-commerce operations, capital goods, fuel & energy related activities, upstream transportation & distribution (outbound and return transportation, warehousing), waste generated in operations, business travel, employee commuting, and end-of-life treatment of sold products and packaging for our e-commerce operations.

As a result of business growth, our total GHG emissions rose by 6.8% to 468,758.8 t CO_2e[16] from 439,006.0 t CO_2e the previous year. We increased our offset GHG emissions by 40.0% to 99,936.9 t CO_2e from 71,408.4 t CO_2e the previous year. A detailed overview of our Scope 3 emissions by category is presented in the APPENDIX. In the year under review, our GHG emissions intensity from e-commerce operations increased by 5.0% to 1.20 kg CO_2e per order from 1.14 kg CO_2e the previous year. This was due to a rise in transportation ton-kilometers as a result of recalibrating our warehouse setup and including in our calculation two more warehouses that are currently ramping up their operations. All the teams involved are going to continue to work on dedicated reduction measures and their efforts are reported in each of the sections below. Our GHG emissions accounting methodology was unchanged.

ABOUT YOU's greenhouse gas emissions – by Scope

	2022/2023	2021/2022[17]	2019/2020 base year	2022/2023	2022/2023
	[t CO_2e]	[t CO_2e]	[t CO_2e]	Change YoY	Change vs. base year
Scope 1 – Direct emissions (gas/heating, refrigerants), market-based	51.6	60.4	45.9	(14.6%)	12.4%
Scope 2 – Indirect emissions (electricity, district heat), market-based	116.2	105.8	316.2	9.8%	(63.3%)
Total (Scope 1, 2)	**167.7**	**166.1**	**362.1**	**1.0%**	**(53.7%)**
Scope 3 – Indirect emissions outside of the organization[18]	468,591.1	438,839.9	245,035.4	6.8%	91.2%
Total (Scope 1, 2, 3)[19]	**468,758.8**	**439,006.0**	**245,397.4**	**6.8%**	**91.0%**
Thereof our e-commerce operations[20]	55,283.0	45,743.0	24,777.7	20.9%	123.1%
Thereof our Private Label products[21]	51,810.3	43,769.9	14,947.5	18.4%	246.6%
Thereof third-party brand products	361,665.6	349,493.1	205,672.2	3.5%	75.8%
Emission intensity of our e-commerce operations [kg CO_2e per order]	1.20	1.14	1.31	5.0%	(8.7%)
E-commerce operations and Private Label products compensation[22]	99,936.9	71,408.4		40.0%	
Total net emissions with compensation (Scope 1, 2, 3)[19]	**368,822.0**	**367,597.6**	**245,397.4**	**0.3%**	**50.3%**

16 Some of the data are based on projections.
17 After a restatement of our energy consumption for FY 2021/2022, we restated our Scope 1&2 emissions and Scope 3 category 3 fuel&energy related activities' emissions for FY 2021/2022.
18 From FY 2022/2023 onwards, Scope 3 emissions stemming from warehouses and downstream transportation are being reported as part of Scope 3, category 4 instead of Scope 3, category 9 to align with the GHG Protocol Standard.
19 May not add up exactly because numbers are rounded to the last digit.
20 Includes the Scope 1 & 2 emissions and Scope 3 emission categories of purchased goods & services (e-commerce operations), capital goods, fuel & energy related activities, waste generated in operations, business travel, employee commuting, upstream transportation & distribution (e-commerce operations), and end-of-life treatment of sold products (e-commerce operations).
21 Includes Scope 3 emission categories purchased goods & services (Private Label products), upstream transportation & distribution (Private Label products), use of sold products (Private Label products), and end-of-life treatment of sold products (Private Label products).
22 Includes the full scope of e-commerce operations since October 2020 and Private Label products purchased goods & services, upstream transportation & distribution, and end-of-life treatment of sold products since July 2021.

OPTIMIZING OUR ENERGY CONSUMPTION

Our energy consumption is connected to our Scope 1&2 GHG emissions and their materiality outlined above. As we have a higher level of operational control on our Scope 1&2 GHG emissions and to demonstrate what is possible, we set a science-based target to reduce our associated GHG emissions by an ambitious 80% compared to the base year. We did that because we believe that it is important to lead the way in decarbonizing our energy use. Even though the impact of our own energy consumption on our total GHG emissions remains relatively low due to our asset-light business model, the impact on our Scope 3 emissions is still high. After all, the Scope 1 and 2 emissions from our supply chain add up to our Scope 3 emissions.

We reduce our GHG emissions by:

1. Analyzing our energy consumption (including up-to-date market-based data)
2. Optimizing our energy consumption through:
   - Greater data transparency
   - Resource efficiency
   - Renewable energy supplies
3. Encouraging our business partners to decarbonize their energy consumption
4. Sharing progress made and what we have learned in this ESG Report

Heating and electricity use at our premises are the main drivers of energy consumption. The figures below detail energy consumption per kWh in the past three reporting years. In the year under review, the rise in energy consumption was directly linked to the increase in the overall area of our rented premises. One significant step forward in FY 2022/2023 was that electricity supplies for the remaining premises were switched to renewable sources.

Our energy consumption[23]

	2022/2023	2021/2022	2020/2021
Electricity (total) [MWh]	689.2	660.7	635.1
Electricity from renewable sources [MWh]	683.8	646.4	275.0
Percentage of renewable electricity	99.2%	97.8%	43.3%
Heating [MWh]	1,585.9	1,343.2	864.8
Heating from renewable sources [MWh]	283.2	214.5	0.0
Percentage of renewable heating	17.9%	16.0%	0.0%
Car fleet (one company car) [MWh]	9.3	20.0	28.4
Total [MWh]	**2,284.4**	**2,023.9**	**1,528.3**
Electricity and heating use per square meter [kWh/sqm]	91.6	97.7	89.2
Thereof renewables [MWh]	967.0	860.9	275.0
Thereof percentage of renewables	42.3%	42.5%	18.0%

23 Reported FY 2021/2022 values were restated. The heating bills received in FY 2022/2023 and relating to the previous reporting year resulted in a correction of the heating energy consumption we had previously estimated.

In FY 2022/2023, a higher percentage of our employees were working on our premises, which upped our energy consumption. The increased floor space of our premises also resulted, to a limited degree, in higher electricity and heating use despite all our efforts to reduce energy consumption. From this reporting year onwards, we are reporting our total energy consumption per square meter. Our target is to reduce year after year our energy consumption per square meter. Up to May 2022, we had one company car; since then, we have had none.

REDUCING OUR WATER IMPACT

In April 2022, a reassessment of the planetary boundary for freshwater by the Stockholm Resilience Center of Stockholm University indicated that it has now been transgressed: "This conclusion is due to the inclusion of green water – the water available to plants – into the boundary assessment for the first time"[24]. The planetary boundaries for novel entities and biogeochemical flows had previously been reported as transgressed.[25] All three planetary boundaries can be connected to fashion supply chains that use significant amounts of freshwater.

Our ESG risk assessment revealed water consumption and eutrophication (water pollution) as salient risks for product manufacturing (tier 1). The assessment is based on our premises' location and the WRI Aqueduct Water Risk Atlas, data on water stress (ratio of total water withdrawals to available renewable surface and groundwater supplies), and untreated connected wastewater and coastal eutrophication potential.[26] We recognize our responsibility for reducing our freshwater consumption through greater water efficiency as well as for our eutrophication impact in our supply chain. In FY 2022/2023, we report on our approach in our premises, the products of our Private Label suppliers, and third-party brand partners.

Our approach to managing our water impact is as follows:

1. Assessing our direct and indirect water impact and gradually improving our analysis
2. Optimizing our direct water impact through efficiency measures
3. Transitioning to more sustainable products
4. Engaging with business partners (starting with direct fashion supply-chain partners)
5. Sharing progress made and what we have learned in this ESG Report

For most of our premises, water consumption was assessed as low-to-medium risk; a few premises were assessed as high risk. In FY 2022/2023, we systematically analyzed the direct water consumption at our premises. As electricity from renewable resources is less water-intensive than from fossil fuels[27], one way to relieve local water stress is to use more renewable energy. Details of our renewable energy use, measures, and targets are included in the **energy section** of this report.

24 Stockholm Resilience Center of Stockholm University (2022) – Freshwater boundary exceeds safe limits.
25 Stockholm Resilience Center of Stockholm University (2022) – Outside the Safe Operating Space of the Planetary Boundary for Novel Entities, p.1510–1521.
26 Assessed with World Resource Institute (2021) – Aqueduct Water Risk Atlas.
27 McKinsey & Company (2021) – Managing water and climate risk with renewable energy.

Our water consumption

	2022/2023	2021/2022	2020/2021
Direct water consumption of AY offices, stores, and company apartments [m³]	3,526.6	3,293.2	3,436.0

The increase in our direct water consumption is linked to more employees working in our premises post-Covid-19. The floor space we rented also increased by over 20%. As part of our water strategy, we assessed our water system for water leaks. For most of our premises, we use meters to measure water consumption and we are working toward improving our water efficiency by installing low-flow plumbing fixtures.

The criteria we have set for our more sustainable products and the material transition to more sustainable materials initiated for our Private Labels are going to contribute to reducing the water impact of products. Among the most relevant, more sustainable materials is organic cotton, which, according to a study by Textile Exchange, is reported to use less blue water in the growing process by the scope of the study[28]. LENZING™ states for LENZING™ ECOVERO™ (for us a more sustainable cellulosic) a lower water impact compared to generic viscose[29], while the Leather Working Group also states that managing the water use in leather production has been a key environmental priority[30].

In the **Private Label section** we describe how we rolled out the Higg Factory Environmental Module (Higg FEM) in FY 2022/2023, which also helps us analyze water consumption and eutrophication-related indicators from tier 1 factories. The data includes quantities per type of withdrawal, quantities per type of disposal, and water treatment processes. Our Private Label Sustainability Sourcing Policy also covers our requirements to reduce the water impact of our Private Label suppliers.

In the **third-party brands section**, we describe how we engage with brand partners to increase their sustainability performance via the Higg Brand and Retail Module (Higg BRM). The Higg BRM questionnaire includes brand partner-specific questions, such as whether water had been identified as a risk in risk assessments. Additional questions include, but are not limited to, whether brand partners have a water impact program, impact measurement, and targets in place.

MINIMIZING WASTE

We recognize the risk of the impact of our waste in our **ESG risk assessment**. We therefore assessed the impact for textile waste and waste in our e-commerce operations. We also recognize our responsibility to manage our waste impact through reducing waste and diverting waste from disposal. In FY 2022/2023, we report on our approach in our premises and products in our own e-commerce operations. The reported data are based on evaluated estimates, since we do not weigh our waste.

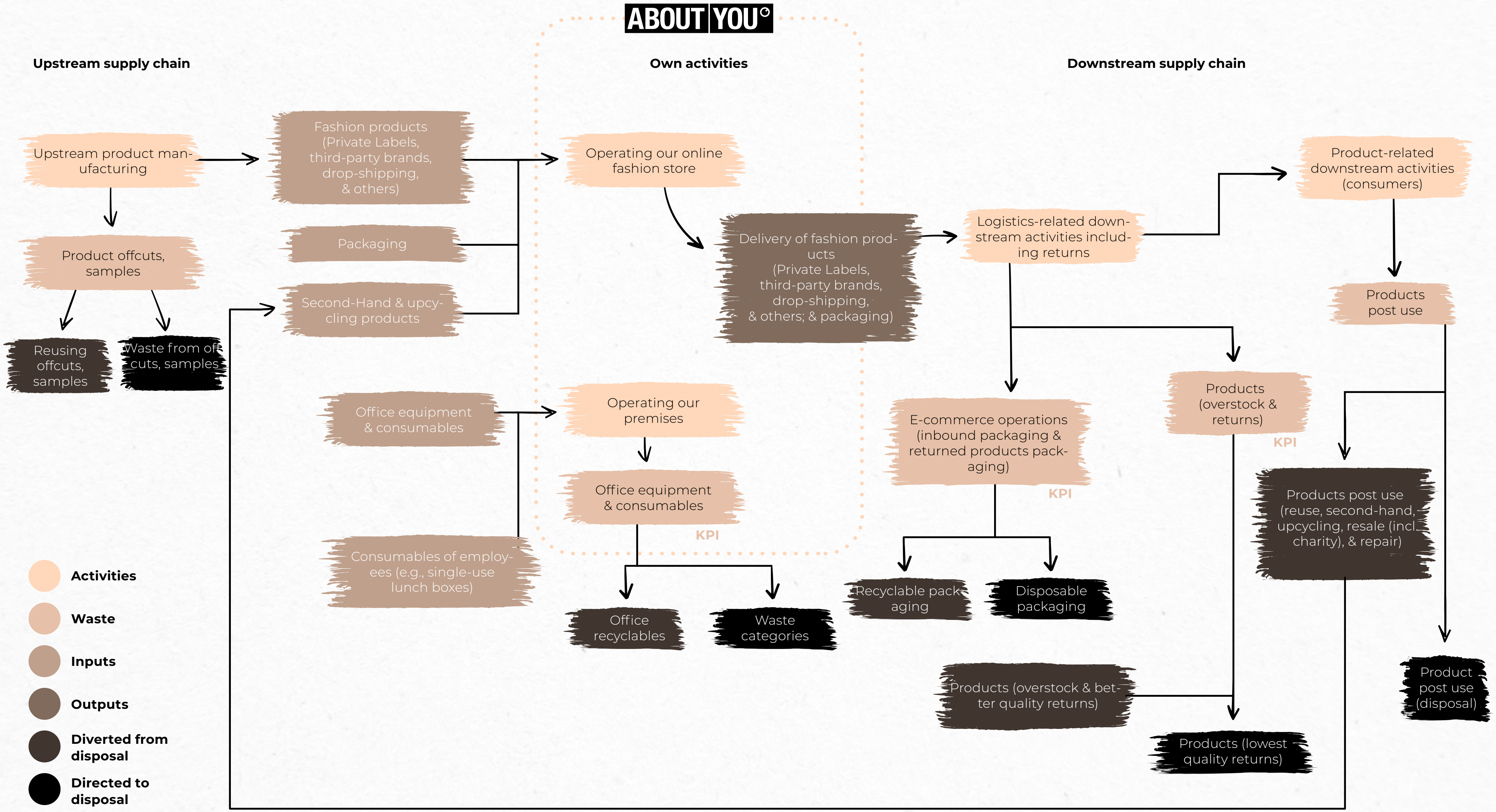
We generate commercial waste on our premises, though its share of total waste is insignificant compared to that generated in our e-commerce and fashion supply chains. Our approach to reducing waste includes:

1. Analyzing our direct and indirect waste impact in quantity and category terms
2. Encouraging us and our employees to become more waste-conscious
3. Procuring as much post-consumer-recycled (PCR) material as possible for our packaging
4. Engaging with business partners
5. Sharing progress made and what we have learned in this ESG Report

In FY 2022/2023, we analyzed our business model for waste impact by utilizing a process flow model of inputs, activities, and outputs with reference to the Global Reporting Initiative's guidance (GRI 306). We also highlighted which data we are able to report on and where we see improvement opportunities in the future. The process flow model below shows where waste is generated in our upstream and downstream supply chains, and through our own activities. For both in-site and packaging waste, we have increased the quality of the data on waste volume per category to improve reporting accuracy and enable a better analysis for waste reduction purposes.

28 Textile Exchange (2014) – Life Cycle Assessment (LCA) of Organic Cotton – A global average, p. 54.
29 LENZING™ (2023) – Lower water impact of LENZING™ ECOVERO™.
30 Leather Working Group (2021) – LWG & WWF strengthen collaboration to address environmental & social concerns in the leather industry.

Process flow model of inputs, activities, and outputs



KPI = KPI reported within the scope of this ESG Report

The textile disposal, overstocked goods, and high returns rates of fashion companies have faced scrutiny from stakeholders.[31] In general, we try to waste as little as possible. We sold overstocked goods through our own channels and to dedicated external outlets, such as off-price retailers and shopping clubs. In FY 2022/2023, we launched our own outlet shopping channel called ABOUT YOU OUTLET to sell discounted products directly to consumers.

We receive returns of varying qualities and most products could be restocked in our warehouses directly. Products we could not directly restock were sorted by quality as part of our hierarchy system and, depending on the need, the appropriate processes for cleaning and/or repairing products were passed through. We sold anything we could not restock, clean, or repair to dedicated partners, such as fashion outlets. Products sold to partners included some of our D-quality returns (harmful to health or completely damaged, items have been worn extensively and are therefore not fit for any use), C-quality returns (major flaws, item not resellable), B-quality returns (slight flaws, item resellable to consumers with restrictions), and A-quality overstock (first choice, no flaws, item resellable to consumers). However, a small percentage of products had to be incinerated or destroyed because they could not be cleaned or repaired in our facilities, nor sold. In FY 2022/2023, this amounted to <0.1% of inbound products. The products included most of our D-quality returns (harmful to health or completely damaged, items worn extensively and therefore not fit for any use). Moving forward, we are going to continue to improve our tracking of unsold products.

Own stock overstock and returns as a percentage of inbound products

	2022/2023	2021/2022
Sold to partners	0.7%	0.4%
Thereof overstock	0.2%	0.3%
Thereof returned products with flaws	0.5%	0.1%
Incinerated/destroyed (returned products not fit for any use)	<0.1%	0.1%

As part of our more sustainable material and product targets for our Private Labels and Buying business units, we used fewer primary raw materials and increased the use of secondary raw materials, such as the percentage of recycled polyester in our Private Label polyester products. We report our work here in the **Private Labels** and **third-party brand sections**.

Our initiatives to extend the life of products through recommerce are reported in the **circularity section**. We also launched a subpage dedicated to clothing repair, care, and alterations in our online fashion store to support our consumers in extending the life of their products, and which we report on in the **society section**. In FY 2022/2023, we report our packaging waste impact and our efforts to reduce the impact of packaging in the **logistics section**. Although we encourage reusing and repurposing by design, we are aware that all packaging is eventually going to end up as waste.

31 Deutsche Welle (2020) – Returned, as-new goods end up as trash.

In FY 2022/2023, we quantified the type of waste and expanded our reporting for our own premises. All our waste is collected for delivery to approved local waste service providers. Our overall aim is to increase the proportion of waste going to recycling. The calculations on which the table below is based include assumptions such as the average filling degree of waste containers. Negligible amounts of waste categories, such as light bulbs and batteries, were excluded from the reporting, although they have some hazardous characteristics. Our target for next year is to reduce our overall waste impact.

Our premises' waste impact

Waste impact [t]	Characteristics	Direction	2022/2023
Paper waste (mostly packaging material)	Non-hazardous	Directed mostly to recycling	190.2
Commercial waste	Non-hazardous	Directed to sorting and mostly incineration with energy recovery	140.8
Plastics	Non-hazardous	Mostly directed to recycling	6.0
Organic waste	Non-hazardous	Mostly directed to biogas conversion	1.8
Glass bottles	Non-hazardous	Mostly directed to recycling	0.9
Office electronics, hardware	Some hazardous content	Mostly directed to recycling	0.8
Total			**340.6**

SCALING OUR MORE SUSTAINABLE THIRD-PARTY BRAND ASSORTMENT

As an online fashion store, most of the products we sell are from third-party brand partners. Scaling the percentage of our more sustainable assortment and net revenue is a key component of our approach to reducing our environmental footprint. The production of third-party brand products is still the largest contributor to our GHG emissions. Internal evidence suggests that the same applies to the impacts of water and chemicals. Our goal here is to reduce these environmental impacts, with a particular focus on climate impacts. Our approach includes increasingly offering more sustainable third-party brand products that meet specified criteria and seamlessly integrating them into our online fashion store. Close collaboration with our brand partners is the key to success here.

As more and more of our consumers become environmentally conscious and ethically minded, they are demanding a higher degree of transparency and sustainability in their products. This is reflected in a growing interest in our more sustainable assortment. At the same time, however, consumers are becoming more aware of greenwashing and questioning the credibility of sustainability-related claims.[32] As there is no industry-wide definition of what constitutes a more sustainable product, and differing definitions and approaches abound in the fashion industry, we are determined to be as transparent as possible by offering more sustainable product labels and enabling consumers to make informed purchasing decisions based on environmental and social criteria. Our product criteria and communications are fact-based, with the strongest criteria being third-party verified standards, such as those from the Textile Exchange and the Global Organic Textile Standard (GOTS).

To achieve our goal of scaling our more sustainable third-party brand assortment, we employ a six-step approach:

1. Continuously reviewing our more sustainable product criteria
2. Working towards our set more sustainable product targets
3. Increasing the transparency of more sustainable products in our shop by labeling them according to specific criteria
4. Heightening the visibility of more sustainable products by providing filters and categories
5. Engaging with brand partners and peers to align criteria
6. Sharing progress made and what we have learned in the ESG Report

In the year under review, we significantly increased the percentage of more sustainable products on our platform. While growing our overall assortment compared to the previous year, we also scaled the percentage of our

32 Organization & Environment (2015) – The Means and End of Greenwash. 28 (2): 223-249.

more sustainable product net revenue and assortment. Our KPIs show that we are on track to reach our target. Within the next reporting period, we want to encourage more brand partners to offer more sustainable products via our online fashion store.

We updated the sustainability-related features of our online fashion store with the aim of moving away from generic wording to offer more specific and accurate information on a product's content claims (e.g., organic materials), and including features such as badges, product detail page (PDP) descriptions, and content pages. Since the end of February 2023, our new on-product sustainability labeling has been operational. All displayed information enables consumers to make more informed purchasing decisions, as they can make up their own mind on what constitutes a more sustainable product for them.

In FY 2022/2023, we conducted our review of the criteria we apply for more sustainable products as part of an annual routine. The intention was twofold:

- Alignment of our criteria definitions with new market and regulatory developments
- Incorporation of what we had learned in FY 2022/2023 from a variety of internal processes and external communications

Percentage of more sustainable products in our core assortment[33] [%]

	2022/2023	2021/2022	2023/2024 target
More sustainable products as a proportion of net revenue[34]	24.6%	21.8%	25.0%
More sustainable products as a proportion of the assortment	15.5%	13.6%	20.0%

Clusters of product-level more sustainable criteria since end of February 2023:

Organic material		Products featuring this label are made from organic materials. Organic farming reduces water usage and prohibits genetic modification, chemical fertilizers, and pesticides. The aim is to preserve soil fertility and biodiversity.
Recycled material		Products featuring this label are made with recycled materials, i.e., they reuse pre- or post-consumer materials. Using recycled materials in products reduces the raw material input and the waste, energy, and water consumption associated with the production of virgin materials.
Improved production practices		Products featuring this label have been manufactured with the aim of reducing the environmental and social impact of their production. This can include measures such as resource-saving practices, responsible chemical use, and improved working conditions throughout the processing of materials.
Responsible animal husbandry		Products featuring this label contain animal-derived materials that were sourced more responsibly. Sourcing was centered around the ethical handling of animals before, during, and after the extraction of materials.
Responsible sourcing		Products featuring this label contain plant-based materials sourced with less impactful practices for the environment and people. Preserving biodiversity is at the core of environmental and social practices such as regenerative farming and responsible forestry.
Made for circularity		Products featuring this label were created by applying circular principles at the core of their design and through all their life cycle stages. Circular processes aim to close the loop by avoiding material mixes, (re)using long-lasting, renewable, or recycled materials and, therefore, reducing waste and the need for new resources.
Innovative material		Products featuring this label are made with innovative materials. They offer plant-based alternatives to animal-derived or synthetic materials and may be made from crops, fruits, or vegetables.
Advanced social efforts		Products featuring this label were manufactured in compliance with advanced social practices, such as improved working conditions, fair wages, and gender equality through all their life cycle stages.

33 Excluding home, living, accessories, and beauty.
34 Net revenue is based on segment figures for ABOUT YOU DACH and RoE. Further details on the reconciliation of the segment figures to the IFRS consolidated figures are reported in our Annual Report FY 2022/2023, section 3.7.6 Segment Reporting.

We assessed the criteria's environmental impact reduction more strictly to redefine their eligibility for on-product communication. Our assessment was based on essential data available in the industry with an emphasis on peer-reviewed and independent sources. One of the focal points of our work was to substantiate environmental and social claims, which included improving processes to collect background information from business partners on request to increase the reliability of on-product claims. Moreover, we are continuously evaluating the strictness of our assessment process.

As a result of our annual evaluation in FY 2022/2023, we removed by the end of February and with effect from early March 2023 certain more sustainable product criteria from on-product communication, including, among others, criteria based on mass-balance systems. This increased the ambitiousness of our targets for the next reporting period, including the net revenue from and the assortment proportion of more sustainable products[35]. We have also implemented additional measures to achieve our targets for FY 2023/2024. Together with our brand partners, we remain committed to moving our industry forward by labeling more sustainable products based on substantial evidence and to improving practices within the industry.

We engaged with and supported our business partners by creating a sustainability page on our web-based partner portal. This enables brand partners to access all our up-to-date resources. We held meetings to discuss sustainability collaboration, with a focus on correct representation of the brand assortment, aligning definitions of sustainability, and implementing improved processes (such as transmitting data, automating data inquiries, and reworking quality checks to increase reliability).

The audits conducted in the year under review resulted in the renewal of our Global Organic Textile Standard (GOTS), Global Recycle Standard (GRS), and Organic Content Standard (OCS) certificates. We were awarded Responsible Wool Standard (RWS) and Responsible Mohair Standard (RMS) certificates for the first time.[36]

For a deep dive into our certifications and certification processes please refer to page 20 of our FY 2021/2022 ESG Report.

PROGRESSING TOWARD MORE SUSTAINABLE SOURCING FOR PRIVATE LABELS

Our Private Labels – EDITED, ABOUT YOU the label, and several celebrity collaborations – accounted for 6.9% of our net revenue in FY 2022/2023[37]. We design, develop, and source from suppliers and sell fashion products in many different categories, though mainly apparel, footwear, and accessories. Building on the materiality assessment of our third-party brand products, we recognize our own responsibility as a multi-brand group sourcing from tier 1 factories and agencies and bringing products to market.

We are aware of the environmental impact resulting from the production of our Private Label products. In this business unit, we classify environmental impact in three areas: Climate (GHG emissions, including energy), water (water scarcity and quality), and chemicals. Of these three impact areas, we have the most granular data on GHG emissions. From that data, we learned that our Private Label products account for a high proportion of our total GHG emissions. That is why we have set targets to transition to less emission-intensive materials, products, and manufacturing processes. Whilst striving to reduce these GHG emissions, we are also working on lowering the impact of the other two impact areas mentioned above. To make further progress in all three impact areas, we believe it is essential to continue closely collaborating with our suppliers.

35 We estimate that the net revenue from and the assortment of more sustainable products decreased by around 20% and 15% respectively.
36 License number: 00206153. Certifying body: Ecocert Greenlife (© Textile Exchange, © Global Textile Exchange).
37 In contrast to FY 2021/2022, we excluded influencer brands and incubators that we continue to operate under our Fulfillment by ABOUT YOU model, where we assume responsibility for logistics.

To manage and reduce our climate, water and chemical impacts, we employ a five-step approach:

1. Continuously measuring the impact from a material, product, and supply chain perspective, and gradually improving our analytical processes
2. Setting and reviewing criteria and targets while effectively managing the achievement of these targets
3. Striving to increase the accuracy of our statements through certifications and audits by independent third parties
4. Working with suppliers to reach our shared targets, and including their perspectives in this process
5. Sharing progress made and what we have learned in the ESG Report

In FY 2022/2023, we nearly maintained our progress towards our target of 75.0% of the Private Label apparel products ordered meeting our more sustainable criteria. We are determined to intensify our efforts to reach that target, and dedicated measures were implemented internally when the slow-down in progress became apparent. Measures taken were to increase the capacity of our Private Label Sustainability team and to train our sourcing teams on our more sustainable product and material criteria. However, the KPIs detailed in the table below had a time lag, since we generally order around a year in advance. We monitor these KPIs on a year-on-year and season-on-season basis; the latter is driven by our Private Label planning cycle, while the year-on-year KPIs are an aggregate of both seasons.

Ordered Private Label apparel that met our more sustainable criteria[38] [%]

	2022	2021	2025/2026 target
Apparel	31.2%	32.0%	75.0%
Apparel, spring-summer season[39]	29.6%	36.0%	
Apparel, autumn-winter season	33.4%	27.5%	

The more sustainable product and material criteria we apply to our suppliers are a significant step toward achieving our goal of more sustainable sourcing. We assessed suppliers to identify their most used materials (i.e., where we can have the greatest impact) and in FY 2022/2023 we researched new, more sustainable alternatives on the market and engaged with suppliers to increase the proportion of more sustainable materials provided. As reported in our **third-party brand products section**, the certificates obtained complement the credibility of our sustainability claims.

As a result of all these efforts, we made overall progress in FY 2022/2023 toward achieving our targets of 100% more sustainable materials. However, for cotton products with organic or recycled cotton, we regressed from our target. In similar fashion to the development observed in ordered Private Label products, we implemented additional internal measures when this regression became apparent. These KPIs have the same time lag as detailed above. We do not report any material change progress on RMS, RWS, and other animal-related indicators, since most of the products had been ordered for future seasons.

38 Private Label product KPIs refer to the calendar year from January 1 to December 31. We report ordered products by order season.
39 We order for European seasons, so for the autumn-winter season, footwear becomes heavier and apparel more insulated, whereas material compositions change to a higher proportion of plant-based fibers for the summer season.

Ordered Private Label products that met our more sustainable material criteria[40] [%]

	2022	2021	2025/2026 target
Cotton products with organic or recycled cotton	31.6%	54.0%	100.0%
Polyester products with recycled polyester	29.4%	16.5%	100.0%
Viscose products with more sustainable viscose	39.7%	37.3%	100.0%
Products with more sustainable leather (Leather Working Group, chrome-free)[41]	52.3%	42.2%	100.0%

For the first time in FY 2022/2023, we were able to measure and analyze the environmental performance of our tier 1 factories through engaging with suppliers to collect data via the annually conducted Higg Factory Environmental Module (Higg FEM). This informs manufacturers, brands, and retailers about the environmental performance of their factories, thus empowering them to scale sustainability improvements. Higg FEM provides factories with a clear picture of their environmental footprint and helps them to identify and prioritize opportunities for performance improvements. 55.4% (66/112) of active tier 1 factories in CY 2021 shared Higg FEM 2021 responses (self-assessments and verified)[42] with us and we conducted an initial assessment of our tier 1 factories' environmental performance. Moreover, our Private Label Sustainable Sourcing Policy requires suppliers to share their Higg FEM data with us. Self-assessment is a must, and verified data a should-have.

We utilized the Higg FEM data as well as data on more sustainable materials and certified products in our supplier scorecards to steer our purchasing decisions to more sustainable alternatives. Suppliers received a positive score for fulfilling our criteria. In the **Private Labels section** in the PEOPLE chapter, we go into more details of our work on steering purchasing decisions.

In the year under review, we published a Private Label Sustainable Sourcing Policy for suppliers. This lays down our environmental and social requirements and the future goals for suppliers, with a focus on tier 1 factories. With the formulation of new sourcing goals, we also rolled out a new packaging goal of 100% recycling polybags by 2025.

As environmental compliance for suppliers starts with meeting the minimum legal requirements to protect human health and the environment, we require our Private Label suppliers to comply with our restricted substances list (RSL) at a product level. These restricted substances include hazardous and banned chemicals but also go beyond legal requirements. We ensure RSL compliance through regular random product testing. If non-compliance occurs, additional tests and training become necessary to reduce the future risk. We are also working on supplier compliance with the Zero Discharge for Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL)[43], starting with tier 1 factories. The MRSL restricts the use of certain chemicals in factories altogether, which makes it more restrictive than our current RSL.

All our products are covered by our product compliance processes, which include quality assurance and quality control processes. During the quality assurance process, products are randomly selected for chemical compliance with our chemicals RSL on the supplier side. Only after passing this test can products be shipped to us. During the quality control processes, criteria such as measurements, workmanship, material, safety, and packaging are checked internally. Responsibility lies with our Private Labels team. In the event of non-compliance, we have established processes that include corrective actions.

TRANSFORMING PACKAGING, WAREHOUSING, AND TRANSPORTATION

As an online fashion store that handles and ships products, we rely on the packaging, warehousing, and transportation sectors to deliver products to our consumers. The largest proportion of our packaging is procured directly from suppliers and used to ship products to consumers. Smaller proportions of packaging are procured and used by our drop-shipping partners and warehousing

40 Private Label KPIs refer to the calendar year from January 1 to December 31.
41 As of FY 2021/2022, 52.3% of our sourced products either contain leather made by a Leather Working Group (LWG)-certified leather manufacturer, all of which have achieved a Gold or Silver medal rating in their LWG audit, or chrome-free leather. We aim to increase our more sustainable leather percentage to 100% by 2025. We joined the Leather Working Group (www.leatherworkinggroup.com) in 2020 to support more responsible leather manufacturing.
42 We report the Higg FEM 2021 cadence, since both the self-assessment and verification finalization dates fell within FY 2022/2023. The Higg FEM 2021 cadence went from November 2021 to April 2022. Within this period, tier 1 factories provided their data. The third-party verification timeline for the respective data went from April to December 2022.
43 ZDHC (2023) – ZDHC Manufacturing Restricted Substance List.

partners. Contracted business partners handle all our warehousing and transportation activities. Our GHG emissions analysis attributes the largest proportion of our Scope 3 GHG emissions from e-commerce operations to transportation, warehousing, and packaging.

REDUCING THE IMPACT OF PACKAGING

We use packaging to safely ship products to our consumers. Most packaging runs linearly through a take-make-use-waste model and lacks low GHG emission and scalable circular solutions. Recycling rates of paper and plastic packaging at their end of their use vary in our markets. Single-use plastics are a major waste issue, since they do not decompose in nature.

To reduce the environmental impact of our packaging, we are using as much post-consumer-recycled (PCR) packaging as possible and improving material efficiency. The use of PCR packaging not only lowers our GHG emissions but also reduces our intake of virgin resources, such as crude oil and wood.

As packaging and waste is a relevant cluster in itself at ABOUT YOU, we also apply a four-step management approach here:

1. Continuously measuring our impact from packaging and gradually improving our analysis
2. Increasing the proportion of post-consumer recycled materials in packaging
3. Working with suppliers to reach our shared targets and including their respective perspective
4. Sharing our progress and what we have learned in the ESG Report

In FY 2022/2023, we changed our approach to calculate our progress from the percentage of post-consumer-recycled (PCR) material content to the percentage of meeting our targets. Through our engagement with suppliers and packaging industry experts, we learned that 100% PCR is not always possible. For example, our corrugated cardboard packaging is certified according to the FSC Recycled standard. If measured by a mass-balance system, we can account for 100% PCR content. However, the actual PCR content varies around over 80%. Although made of more than 90% PCR, our poly mailers also contain smaller proportions of additives that are hard to reduce. Nevertheless, both these packaging examples meet our targets.

Almost all our directly procured consumer packaging had environmental certifications such as Blauer Engel or Forest Stewardship Council (FSC) Recycled. We work towards increasing the percentage of packaging that meets our targets throughout our e-commerce operations. In FY 2022/2023, we engaged with our drop-shipping partners who are responsible for a fraction of the packaging we send out to our consumers, and are working with them to increase the percentage share of packaging that meets our targets[44].

44 Packaging targets include that all poly mailers and corrugated cardboard boxes must consist of at least 80% post-consumer recycled material.

Packaging impact

	2022/2023		2021/2022	
	Weight	Targets met	Weight	Targets met
	[t]	[%]	[t]	[%]
Primary packaging (outbound shipping)				
Corrugated cardboard boxes and tape (paper, PP)	7,757.2	86.5%	7,727.9	88.6%
Poly mailers (LDPE)	892.6	94.8%	638.6	91.8%
Delivery notes (paper)	450.9	100.0%	429.0	33.3%
Paper mailers (paper)	274.2	21.4%	314.2	20.8%
Shopping bags (paper)	3.1	0.0%	3.1	0.0%
Total primary packaging	**9,378.0**	**86.0%**	**9,112.7**	**83.8%**
Secondary packaging (repackaging)				
Polybags (PE)	928.2	100.0%	61.5	3.9%
Value-added services (paper, PP tape)	927.8	99.6%	893.3	99.2%
Labels (paper-based)	122.8	0.0%	130.9	0.0%
Total secondary packaging	**1,978.8**	**93.6%**	**1,085.7**	**81.8%**
Tertiary packaging (transportation)				
Transportation packaging (paper, wood)	2,919.6	52.3%	1,548.4	47.7%
Total tertiary packaging	**2,919.6**	**52.3%**	**1,548.4**	**47.7%**
Total packaging	**14,276.4**	**80.2%**	**11,746.8**	**78.9%**

In FY 2022/2023, we worked with our returns warehouse, recyclers, and packaging manufacturers to reuse plastics for new poly mailers and thus moved toward a closed loop in plastics. We also reduced the amount of material used in our large corrugated cardboard boxes, which has resulted in an additional 17% improvement in our material efficiency. Another benefit is that up to 25% more boxes can be transported per truck. We increased the recycled content of the transparent packaging film in processing returns from 0% to 80%. We also reduced paper consumption in our warehouses, e.g., by reducing delivery notes to just one page at our Polish warehouse. Moreover, we used mainly reusable boxes for inter-warehouse transportation from return warehouses to warehouses.

In the year under review, we progressed in our strategic approach and hired a sustainability manager with the goal of making our packaging more sustainable. We also set up a roadmap outlining our next steps. This involves an ongoing assessment of alternative packaging options and comparisons with our requirements to help us use the best possible solution in economic and environmental terms.

REDUCING OUR GHG EMISSIONS FROM WAREHOUSING AND TRANSPORTATION

This topic is relevant as transportation within Europe has not yet been decarbonized and our warehouses are not CO_2 neutral. An assessment of the 1.5° compatibility of the transportation and warehousing sectors by Climate Action Tracker shows that road transportation within the EU is not on a pathway to reduce GHG emissions in line with the 1.5° target.[45] Unfortunately, the same applies to the building sector as well.[46]

45 Climate Action Tracker (2018) – The highway to Paris: Safeguarding the climate by decarbonising freight transport.
46 Climate Action Tracker (2016) – Constructing the future: creating a Paris Agreement-proof building sector analysis.

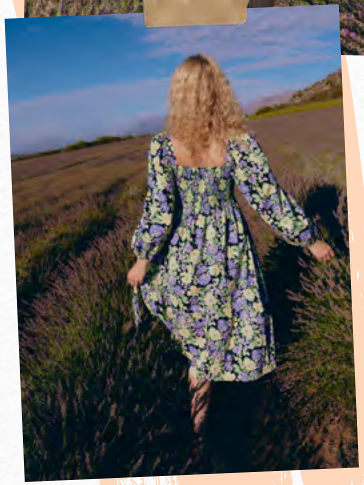
In general, the relevant measures of our management approach include an efficient network of hubs, route planning, and demand and supply planning. A project to improve load capacities is currently being set up by our Logistics team.

In FY 2022/2023, we made progress in reducing the environmental impact of our warehousing and transportation activities. Our new warehouses procured 100% green energy and had solar panels installed. We established a sustainability scorecard to help minimize GHG emissions from our warehouse operations. Annual surveys were conducted to gather data on the consumption of gas, electricity, water, etc. at our leased warehouses. Our employees regularly visited warehouses and transportation providers. Discussions of ways to reduce their environmental impact were an agenda item. Most of our warehouse employees were also offered the option of more environmentally friendly commuting options by our partners. We opened a new warehouse at the end of 2022.

Highlights of our FY 2022/2023 environmental impact scorecards for warehouses

	Warehouse 1	Warehouse 2	Warehouse 3	Warehouse 4	Return warehouse 1	Return warehouse 2
2022/2023 status	In operation	In operation	In operation	Planned	In operation	In operation
Renewable electricity supply	100% renewable electricity supply + solar roof	100% renewable electricity supply + solar roof	100% renewable electricity supply + solar roof	100% renewable electricity supply + solar roof	100% renewable electricity supply + solar roof on one building	100% renewable electricity supply
Heating, ventilation, & air conditioning	Combined natural gas-powered heat & electricity generation on site	Combined natural gas heating and cooling unit on site	Natural gas	Electrical heat pump	Natural gas	Biomass power plant
Alternative commuting	Electric company cars, free electric vehicle (EV) charging, local bus & train	EV charging, employee bus service	EV charging, employee bus service, local train & bus, bike parking & access, carpooling	EV charging, flexible service of bus, bike parking & access, carpooling	EV charging, local bus & train	Local bus & train
Building	Existing envelope, ISO 14001	New envelope	New envelope, BREEAM certification	Existing envelope, BeeBryte building automation	Existing envelope, ISO 14001	Existing envelope

To optimize the use of transportation space and reduce the environmental impact of shipments, we allocated all our customers' orders within a specific time frame to a single shipment, even if they were from more than one order. This is going to help us to operate our network of warehouses more efficiently. And last but not least, we held regular meetings with all our transportation partners to enable effective communication on relevant topics.



LEADING BY EXAMPLE WITH OUR PREMISES' DECARBONIZATION

As is the case with warehousing, we know that our premises – rented offices, employee apartments, and other premises – also have a material environmental impact through GHG emissions caused by electricity and heating consumption, and refrigerant losses. Most of our premises are centrally located in Hamburg and supplied by a municipal district heating system with a low primary energy factor.

To lead by example our premises' decarbonization, we follow a five-step approach:

1. Establishing a measurement and analysis infrastructure to improve data quality
2. Setting an absolute reduction target for GHG emissions and then tracking progress
3. Identifying suitable measures through the following approaches:
    - Adapting the parameters to the environment
    - Educating employees
    - Integrating smart, state-of-the-art building automation systems
    - Engaging with property owners
    - Increasing the proportion of renewable energy
4. Evaluating the effectiveness of measures and, if required, readjusting them
5. Sharing progress made and what we have learned in this ESG Report

In the year under review, we made significant progress in our work to reduce the GHG emissions from our premises. We hired a Technical Project Manager whose work involved setting up our energy management system. Responsibility for this system lies with the Corporate Sustainability team, and the internal stakeholders include our Office and Store Management teams. Our overall energy consumption was analyzed to identify critical energy consumers. Compared to the previous year, we were able to improve data quality, which resulted in a revision of our FY 2021/2022 energy consumption data. We also established an internal audit plan and almost all our premises were internally audited in the year under review; the only exclusions were leases we plan to discontinue. All our sites were visited to identify any quick wins and long-term measures to save energy. We also talked to the landlords of our rented premises to discuss both short-term gains through measures such as adjusting heating curves, reducing the heating, ventilation, and air conditioning (HVAC) volume flow during off-peak hours, and introducing night-time cooling, as well as long-term measures, such as renewing heat recovery ventilation systems, replacing chillers, and converting heating systems to heat pump technology. For their part, some landlords agreed to ESG measures such as building certification (e.g., one of our main office buildings was awarded a DGNB Gold certificate). We listed energy-efficiency measures for all our premises and set up a project plan in close cooperation with stakeholders. Our Technical Project Manager's responsibilities also include the renewable energy program that covers 100% of our premises.

Our target is to reduce energy consumption per square meter. As part of our consumption data collection program, we examined our premises with area-specific data. To increase the efficiency of our radiators, a hydraulic balancing procedure was performed in our Berlin office. In line with our strategic approach of targeting energy-efficient heating, we signed a contract for smart thermostats to be installed at all our premises. By operating smart radiators remotely, we are going to be able to reduce our energy consumption in that the heating level in a room is going to be aligned to the presence of employees there. We also launched an "About Energy Campaign" to increase our employees' energy consumption awareness in the short term.

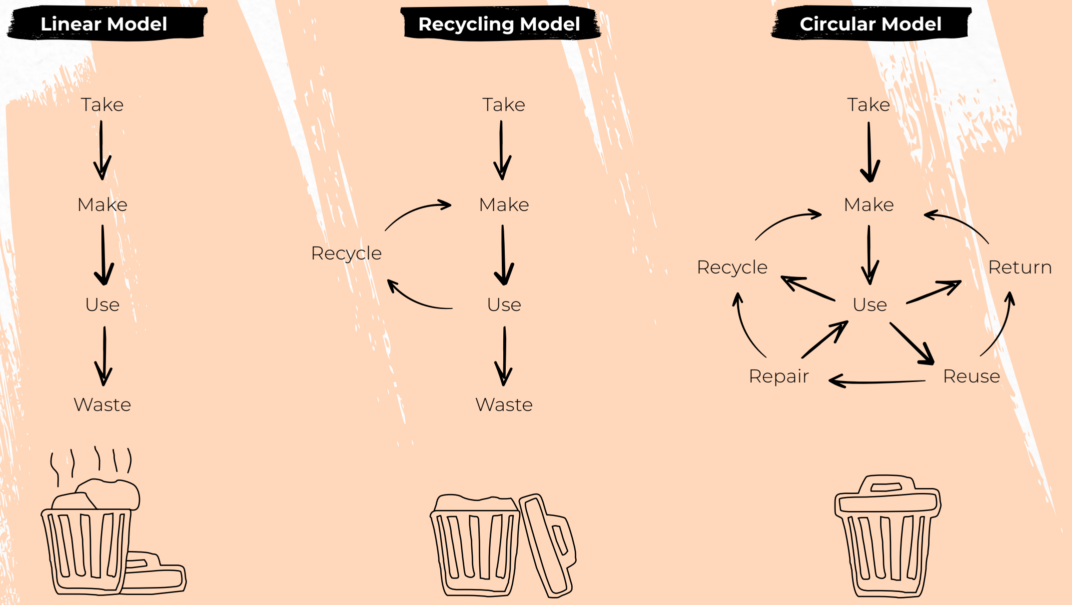
Smart electricity meters were installed in almost all our sites, and a company-wide electricity consumption dashboard has been established. We also evaluated the feasibility of installing photovoltaic systems on roof surfaces or on building facades. However, the lack of suitable roof areas means it is impossible to install such modules. As the floor space in our office buildings decreases story by story, the respective roof is small and already full of ventilation systems. Moreover, our facades are in the shadow of adjacent buildings. Our strategic approach is therefore to include this as a criterion in the scorecards to be considered when looking for new premises. We are in the process of setting up these scorecards that are going to include criteria such as area-specific energy requirement, building certification, and EU Taxonomy requirements. The measures being undertaken also include a strategic approach to energy-efficient lighting, which involves replacing the remaining lights with LED lighting and installing motion sensors for public areas.

Our main office buildings are all operated by landlords using building automation technology based on the relevant technical standards (i.e., based on inputs from users and the environment, such as outside air temperature). Our measures include a strategic approach to energy for ventilation and refrigeration purposes. Since large-scale refrigeration systems are operated by the respective landlord to air condition our offices, we are planning to engage with the landlords to replace the fluids used with alternatives that have a lower global warming potential and operate the units as efficiently as possible, while ensuring maintenance is kept up-to-date. For our store air-conditioning units, we are examining the possibility of switching refrigerants to alternatives with a lower global warming potential and working on operating the units as efficiently as possible, while ensuring maintenance is kept up-to-date. Our aim is to reduce refrigerant leakage as much as possible.

Another step forward was the introduction of an improved waste separation scheme in our offices based on sorting into four categories: waste, paper, recyclables, and organic.

TRANSFORMING THE LINEAR FASHION SYSTEM THROUGH CIRCULARITY

Our circularity initiatives aim to extend the life of fashion products by deviating from the linear model and implementing reuse and repurposing measures. Linear-model fashion products end up as waste, and their materials are mostly not reused. In recent years, the lifespan of fashion products has decreased even further in line with product utilization.[47] This phenomenon heightens the fashion industry's environmental impact, since it requires more products to be made, each of which impacts the environment and is ultimately thrown away. We want to seize the opportunity to extend the lives of fashion products by developing circular business models with business partners. The core idea of a circular model is to generate revenue without increasing the environmental impact by reusing products or components in the fashion cycle.



47 Average number of times a product is worn before it is discarded, from: Ellen Macarthur Foundation (2017) – A New Textiles Economy.

SECOND LOVE – SELLING SECOND-HAND PRODUCTS

Integrating quality-checked second-hand products seamlessly and visibly into the ABOUT YOU shopping experience was a first step to bringing unused products back into the fashion cycle. In this way, we have simplified second-hand shopping for our consumers through smooth checkout processes while maintaining our accessible customer service and policy of free returns. Selling a second-hand product eliminates the environmental impact of production and disposal while radically reducing the overall environmental impact. At the same time, consumers continue to benefit from the same unique selling propositions (USPs) as with our regular assortment.

In FY 2022/2023, we continued to grow our Second Love assortment, offering an average of 368,322 quality-checked items compared to 350,616 in the previous year. We are currently onboarding additional Second Love assortments to increase its current size and depth so as to feature a greater variety of styles and price points. Our target is to increase our Second Love assortment to one million items by FY 2025/2026.

ABOUT YOU RESALE MODEL

To enable our consumers to actively participate in the circular economy by reselling their unused apparel and footwear, we rolled out the ABOUT YOU Resale Model for a three-month pilot phase. Our intention was to remove the obstacles consumers face in bringing unused products back into the fashion cycle. Existing resale platforms tend to require consumers to enter product details, provide photos, and manage pricing and shipping. By removing these barriers, we offered a viable, customer-friendly resale option via our fashion online store. We have been impressed by the positive response to this new offering and are now conceptualizing a scalable setup.

VINTAGE WARDROBE – THE RESPONSIBLE CONSUMPTION EXPERIENCE

During the 2022 festival season, we again staged a Vintage Wardrobe at the ABOUT YOU Pangea Festival. The rental concept and mindfully created stage generated very positive feedback and around 4,000 items were rented out. In 2022, we took the Vintage Wardrobe to four more festivals, where additional items were rented out. In all, the overall number of rented items was increased to 5,200. The Vintage Wardrobe enables festival visitors to hire unique vintage items for their festival outfits. ABOUT YOU styling assistants helped in choosing suitable styles and also explained the Vintage Wardrobe idea. The positive way this was received points to a substantial level of interest in second-hand clothing and suggest that creating a joyful, creative atmosphere encourages people to become more familiar with this circular fashion concept.

ENABLING BRAND PARTNERS TO JOIN THE CIRCULAR ECONOMY

Some third-party brands are now giving their products a second life instead of letting them go to waste – and even tapping into the second-hand market. Our brand cooperation model enables brand partners to participate in the resale market by providing our operational capabilities and reach. This brings brand partners' products back into the fashion cycle.

In FY 2022/2023, we successfully rolled out our third-party brand cooperation model ABOUT YOU x Levi's to close the gap between offline and online resale. Levi's is using its brick-and-mortar stores as collection points for consumers' unused products. Consumers receive a voucher that is redeemable for the purchase of a new Levi's product in the store. The collected items were integrated into an exclusive category in our Second Love assortment. Following a successful pilot phase in Hamburg, Germany, we extended this drop-off facility to Levi's stores in several other German cities. Our plan is to continuously grow the number of collected and resold items via this brand cooperation model.

3 PEOPLE

OUR ESG DUE DILIGENCE FRAMEWORK

Fashion supply chains are prone to social risks. Since the 1970s, production has been increasingly outsourced to countries with lower social and environmental standards, which their governments are generally less rigorous in enforcing[48]. In 2013, one year before our company was founded, the Rana Plaza factory in Bangladesh collapsed, killing and injuring thousands of garment workers.[49] Incidents that draw the global public's attention continue to happen. Those most exposed to social risks are garment workers in fashion supply chains. In Asia, there are around 65 million, accounting for 75% of garment workers worldwide. Some 80% of them are women.[50]

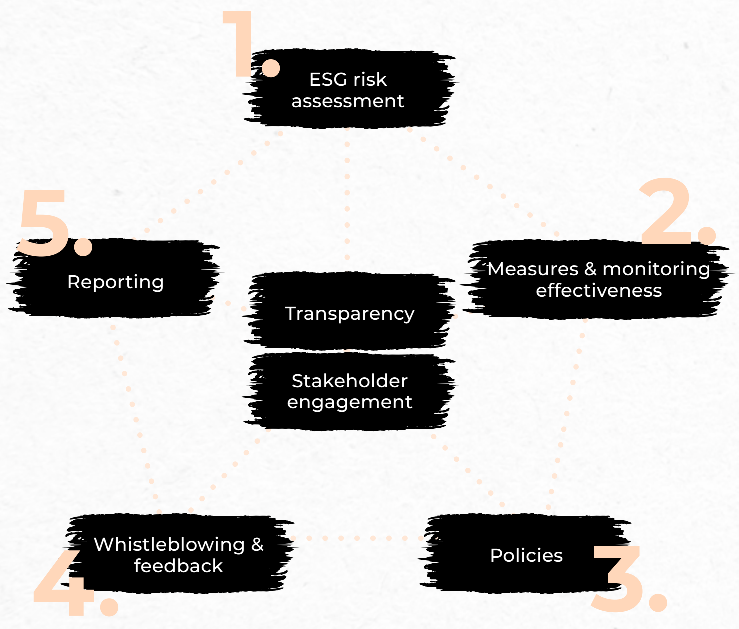
In FY 2022/2023, we worked with the results of the **ESG risk assessment** we had conducted the previous year as part of our ESG due diligence framework to understand the social risks in our supply chain. Out of 16 social risk factors, we identified eight as salient. These risks are predominantly affiliated with product manufacturing (tier 1). We recognize that the industry is moving towards better practices and reducing social risks.[51] Moreover, the levels of awareness among stakeholders are increasing and more government regulations are being imposed. Particular mention must be made here of the German Supply Chain Act as well as upcoming future legislation from a European Corporate Sustainability Due Diligence Directive and the Minimum Safeguards of the EU Taxonomy Directive.

At the same time, we recognize that people are the key to our everyday success. We are fully aware of our responsibility for the fair and considerate treatment of everyone connected to our business – whether they are working with us at ABOUT YOU, for our direct business partners in warehouses or call centers, or contributing to our supply chain. To fulfill this responsibility, we created an ESG due diligence framework with the aim of understanding, effectively managing, and mitigating our social risks, while taking advantage of the available opportunities. The OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (2022 amendment) form the basis of our ESG due diligence framework. By incorporating industry-wide good practices, we can proactively prepare for upcoming legislation, since we estimate any regulation is going to be based on multinational framework agreements. Moreover, our internal values-based culture allows our employees to identify ethics-driven opportunities we can then channel.

The progress made includes establishing three new policies for our third-party brand partners and our Private Label suppliers. We also worked on measures such as strengthening our Private Labels audit requirements, our brand partner engagement, and our dedicated engagement of logistics partners based on the findings of questionnaires we conducted.

48 Please refer to our **ESG risk assessment** regarding primary data sources.
49 Fashion Revolution CIC (2020) – Why we still need a fashion revolution.
50 International Labour Organization (2021) – Moving the needle: Gender equality and decent work in Asia's garment sector.
51 Fashion Revolution (2022) – Fashion Transparency Index 2022 Edition.

Our ESG due diligence framework has proven effective in providing the structure needed to achieve our goals and reduce complexity for the entire organization. Transparency and stakeholder engagement are the core elements of this five-dimensional framework. Transparency is the precondition for everything else, and stakeholder engagement enables us to check how well we are performing:



In practical terms, we operate our ESG due diligence framework in five stages:

1. Using our ESG risk assessment to continuously evaluate social risks and gradually improve our assessment as a basis for prioritization
2. Deriving dedicated KPIs and measures across our organization and monitoring their effectiveness, including engaging with direct business partners, our supply chain, and our employees
3. Setting up policies to formulate what we expect of stakeholders
4. Ensuring the accessibility of whistleblowing channels
5. Sharing our progress and what we have learned by adapting internal processes and our governance structures to ensure regular updates are provided in our annual ESG Report

We monitored the effectiveness of our management approach by applying measurement systems (including the KPIs detailed in this ESG Report) to track corporate developments and by engaging with business partners, benchmarking peers, analyzing stakeholder feedback, reviewing our grievance mechanism (along with various other channels for our employees), and having our reporting externally audited[52].

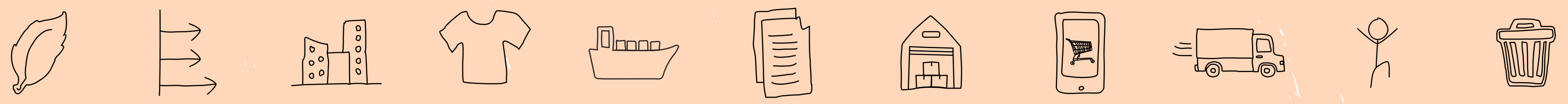
52 See the independent auditor's report on a limited assurance statement in the APPENDIX.

ESG RISK ASSESSMENT

Our ESG risk assessment complements our corporate risk assessment by biennially focusing on environmental and social risks in our supply chain. In FY 2021/2022, we evaluated risks at each stage of the supply chain from the perspectives of our stakeholders. In FY 2022/2023, we continued the work on the measures derived from the assessment. We did not witness any major changes of circumstances (such as our business or sourcing models) or new material data on risk factors (such as human rights reports, whistleblowing reports, or media reports). We are going to reiterate our risk assessment in FY 2023/2024.

We segmented the supply chain all the way from raw materials to end of use as follows:

Raw materials	Processing	Material & component production	Product manufacturing	Transport	Procurement/ buying/ sourcing	Warehousing	Our online fashion store	Delivery to consumers (& returns)	Consumer use	End of use
Tier 4	Tier 3	Tier 2	Tier 1 (+ agencies)							



Our ESG risk assessment methodology is based on publications from the Sustainable Apparel Coalition, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, the UN Guiding Principles on Business and Human Rights, the German Global Compact Network, and industry peers.

ESG risk assessment was a three-step process:

Step 1

We evaluated which supply chain segments were proprietary to us, directly contracted to us, or directly or indirectly connected to us via our business partners. The available data gave us a clearer picture of the segments close to our proprietary operations.

Step 2

To assess ESG risks, we mapped our internally available primary data with secondary and tertiary data

Internally available primary data	**We gathered relevant internally available primary data per value chain segment, such as:** • Material and component production: Materials used for all products • Product manufacturing: Data on our Private Label suppliers and factories (including geographical location, sector, size, and type of work performed by our Private Label suppliers) as well as less granular data on our third-party brand products • Warehousing, delivery to customers and returns: Data on business partners' facilities • Data on all our own operations	
Secondary data on environmental and social risk factors	**We linked the following environmental risk factors with data from recommended sources[53]:** GHG emissions, eutrophication (water pollution), hazardous chemicals, water consumption, animal welfare, solid waste, hazardous waste, biodiversity, land use, habitat loss, deforestation, abiotic resource depletion (fossil fuels), and air emissions/pollution (non-GHG)	**We linked the following social risk factors with data from recommended sources[54]:** Forced labor & human trafficking, child labor, wages & benefits, working hours, freedom of association & collective bargaining, health & safety, decent work, discrimination, harassment, & abuse, sexual harassment & gender-based violence, bribery & corruption, access to water & sanitation, right to health, right to privacy, right to security of the person, minority & community rights, and land rights
Tertiary data on governance effectiveness in the respective countries	To factor in how likely it is that occurrences could happen in the future, we included governance effectiveness and likeliness of occurrence factors[55] as a third dimension. Effective state and local governance is likely to have a mitigating impact on the occurrence of future risks.	

53 Yale Center for Environmental Law & Policy (2021) – Environmental Performance Index and World Resources Institute (2021) – Aqueduct Water Risk Atlas.
54 MVO Nederland (2021) – CSR Risk Check, International Trade Union Confederation (2021) – Global Rights Index, Transparency International (2021) – Corruption Perceptions Index.
55 Governance effectiveness by The World Bank (2021) – Worldwide Governance Indicators, specifically the factors on governance effectiveness, vulnerable female employment, poverty headcount ratio at national poverty lines, Gini index, and secondary school enrollment. Selected primary data (e.g., remoteness of a factory) was also factored in to a lesser extent.

Step 3

On the basis of the data obtained in steps 1 and 2, we identified salient environmental and social risks. Amongst all the assessed risks, salient risks are ranked highest, what we pay most attention to, and report in this ESG Report. Our focus remained on our supply chain, and especially tier 1 suppliers, since we identified six salient social risks there (see below). We also identified three salient social risks in the raw material and component production segments (see below). We concluded that social risks cannot be considered to be standalone risks in that all social risks are interconnected, and any potential management approaches are thus interrelated or overlapping. To ensure consistency in our corporate governance, we integrated the social risks from our ESG risk assessment into our corporate risk process and our materiality assessment. Environmental risks are also included in our ESG risk assessment. We used the findings to validate our approach, as outlined in the PLANET chapter of this report. As this ESG risk assessment is based on the available primary data, it is not exhaustive. We do not have full transparency regarding risks in our supply chain, especially in tiers 2-4.

Salient ESG risks identified through our ESG risk assessment[56]

	Raw materials	Processing	Material & component production	Product manufacturing	Transportation	Procurement/ buying/ sourcing	Warehousing	Our online fashion store	Delivery to consumers (& returns)	Consumer use	End of use
	Tier 4	Tier 3	Tier 2	Tier 1 (+ agencies)							
	Farm, ranch, forestry, resource extraction, (recycled collection)	Fibers, yarn spinning, down/ hide finishing, plastic pellet creation	Yarn formation, textile formation, coloring & finishing, parts & trims, tanning	Product assembly, garment preparation & coloring, garment printing, garment washing & finishing	Inbound transportation to warehouses from external warehouse or production (sea, truck, air, train)	Third-party products, drop-shipping, Private Labels	Inbound, outbound, returns	Marketing, content, events, branding	E-commerce, packaging, stores, offices, customer service	Washing, usage during lifetime	Disposal, re-use
Environmental salient risks				01) GHG emissions 02) Eutrophication (water pollution) 03) Hazardous chemicals 04) Water consumption							
Social salient risks	06) Health & safety 07) Decent work 08) Bribery & corruption		06) Health & safety 07) Decent work 08) Bribery & corruption	01) Forced labor & human trafficking 02) Wages & benefits 03) Freedom of association & collective bargaining 04) Discrimination, harassment, & abuse 05) Sexual harassment & gender-based violence 08) Bribery & corruption							

56 Further environmental and social risks have been identified along the supply chain. We chose to report on the salient risks.

MITIGATION MEASURES AND EFFECTIVENESS MONITORING

We have dedicated mitigation measures in place to address the salient social risks identified in our ESG risk assessment. We monitor the effectiveness of these mitigation measures using KPIs. The progress made is reported below.

POLICIES

We have three core policies in place: the Culture Booklet, the Business Code of Ethics, and the Business Code of Conduct. Our Culture Booklet is a hands-on internal document that presents our mission, our vision, and the relevant aspects of our desired company culture.

Our Business Code of Ethics sets out our expectations and core values, provides guidelines on how we would like to do business, and forms the basis for all company policies. These core values include integrity in how we do business, how we treat each other, and how we handle information. In FY 2022/2023, we added a clear commitment to responsible purchasing practices to mitigate any negative working conditions in our supply chain. The Business Code of Ethics is intended to form the basis for all our employees' actions and requires all our employees to comply with relevant legislation and company policies, including anti-corruption measures, anti-trust regulations, data protection standards, and insider trading laws. As our Business Code of Ethics and Culture Booklet are both integral parts of our onboarding process, they are shared with each new employee.

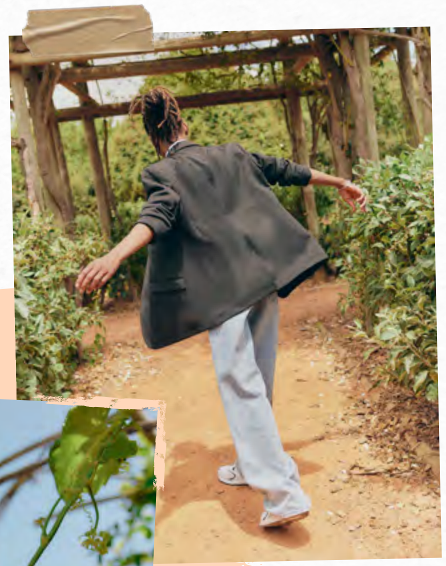
Our Business Code of Conduct is the cornerstone of responsible corporate governance at ABOUT YOU. It sets out the minimum standards to which business partners who produce goods or provide services for us must adhere. Our Business Code of Conduct is based on the amfori BSCI Code of Conduct. In FY 2022/2023, we updated our Business Code of Conduct and supplemented it to include, among other things, an anti-discrimination catalog and an anti-forced labor catalog. We also extended the reporting obligations for business partners in the environmental field and referenced the most recent version of the amfori BSCI Code of Conduct (December 2021). All our business partners are required to accept these standards and undertake to comply with the applicable laws and regulations. Our Business Code of Conduct makes it perfectly clear that any form of corruption, and in particular extortion, fraud, or bribery, is inacceptable. It also includes requirements on the minimum wages to be paid through our entire supply chain.

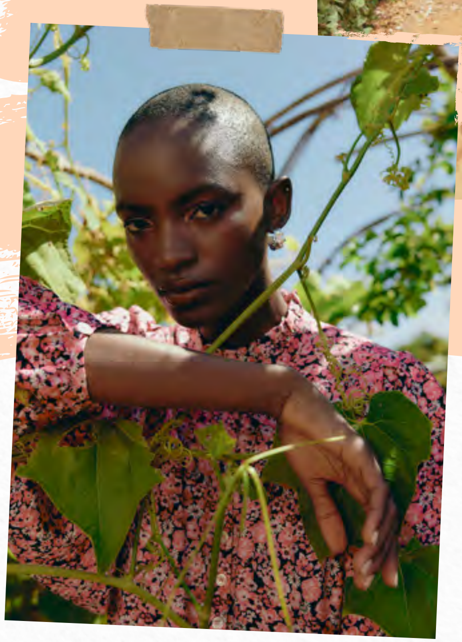
Following their co-development by in-house teams led by our Legal & Compliance team, all three core policies were approved by our Co-CEOs. We regularly review and update our policies to reflect industry good practices.

In FY 2022/2023, we rolled out three new policy documents that apply to business partners of our Third-Party Brand Buying and Private Labels business units. Our Animal Welfare Policy now supplements the existing guidelines and processes, and sets animal protection standards throughout our supply chain. With our Sustainable Sourcing Policy and Private Label Sustainable Sourcing Policy, we set current and future sourcing requirements for relevant business partners and products sold in our online fashion store to actively shape our assortment and our impacts on the environment and people.

WHISTLEBLOWING

In our view, responsible corporate governance also involves providing feedback channels to ensure compliance with legal requirements and our own policies and ethical standards (including general human rights). To prevent, investigate, remedy, and sanction any compliance violations, we have a group-wide whistleblowing system in place through which employees, business partners, and third parties can contact us. Whistleblowers can either directly contact our Legal & Compliance team[57] or use the specific third-party whistleblowing system, which includes a dedicated subsite on our corporate website. As the translations into local languages based on the locations of our Private Label, logistics, and customer service business partners were completed in FY 2022/2023, we now offer ten additional languages[58] (besides the company languages German and English) in our whistleblowing tool. The need for open debate, with employees able to actively engage, raise concerns, or report compliance breaches, is an essential part of our corporate culture. We underline this by promising to protect anyone who reports an incident in good faith from any negative consequences or discrimination. Moreover, we communicate our whistleblowing program to employees via our intranet and the publicly accessible corporate website during regular training sessions, e.g., as part of our employee onboarding and through internal emails.





57 By email to compliance@aboutyou.com or via mail to ABOUT YOU Holding SE, Legal & Compliance, Domstraße 10, 20095 Hamburg, Germany.
58 Bulgarian, Simplified Chinese, Czech, French, Greek, Hindi, Polish, Portuguese, Slovenian, Turkish.

ENGAGING WITH THIRD-PARTY BRAND PARTNERS TO MANAGE SOCIAL RISKS

Strong business partnerships and collaboration are part of ABOUT YOU's ESG commitments. This is also reflected in our commitment to stable supplier relationships and incorporating sustainability initiatives to aim for collaboration beyond the business relationship.

The majority of the products sold on our platform come from third-party brand partners. Our aim as an online fashion store is to increase transparency and reduce our sourcing risk at a structural level through appropriate policies, to engage with our brand partners to manage social risks, and to work toward a uniform approach for the textile industry that is going to allow us to reduce complexity for our brand partners, reduce friction, and accelerate the transition to better practices.

Since most of the third-party brand products are manufactured in countries ranked in the lower half of The World Bank's Worldwide Governance Indicators, we identified salient social risks in our brand partners' supply chains.[59] The top three countries of origin for our third-party brand products are China, Bangladesh, and Vietnam. The MVO Nederland CSR Risk Check[60] has reported social risk-related occurrences in these three countries. The 2020 ITUC Global Rights Index[61] also reports that workers there are exposed to social risk.

We know that a few of our more sustainable product criteria focus on reducing social risk as well, and have thus labeled them in our shop. In most cases, however, the fashion supply chain is only covered to a limited extent, which leaves other tiers exposed to risk. The Global Organic Textile Standard (GOTS), the Global Recycling Standard (GRS), and the Responsible Wool Standard (RWS) are our only product-level standards that offer chain-of-custody certification and have specific social requirements. This results in lower social risks at all stages of a supply chain. However, only a small proportion of our third-party brand product assortment meets these criteria.

To manage and mitigate sourcing risk at a structural level, we developed a four-step management approach:

1. Continually assessing risks and gradually improving our assessment mechanisms
2. Engaging with suppliers to increase our understanding of their challenges and progress made
3. Setting targets and working with business partners to meet these targets, which includes formulating policies that express our minimum requirements and future expectations, while at the same time providing whistleblowing channels to support the fulfillment of these standards
4. Sharing progress made and what we have learned in this ESG Report

To manage social risks effectively, we engage and collaborate with brand partners through the Sustainable Apparel Coalition (SAC). The SAC offers an annual sustainability self-assessment questionnaire for brands and retailers, known as the Higg Brand and Retail Module (Higg BRM), which encourages third-party verification of self-reported data. The questions focus on the management of environmental and social risks at third-party brand partners and in supply chains. Since joining the SAC in 2021 and adopting the Higg BRM, we have been encouraging our brand partners to adopt the Higg BRM themselves and share their data with us. Such data show us what progress our brand partners have made on their respective sustainability journey in terms of transparency, purchasing practices, and the handling of social and environmental risks, and how we can potentially support them. Our engagement efforts are shared with other SAC retailer members via an SAC-hosted retailer roundtable.

59 The World Bank (2021) – Worldwide Governance Indicators.
60 MVO Nederland (2021) – World Map.
61 International Trade Union Confederation (2020) – ITUC Global Rights Index, The World's Worst Countries for Workers.

In FY 2022/2023, we recorded significant progress in our Higg BRM engagement with our third-party brand partners: 66.6% of our brand partners shared their Higg BRM data and 38.5% verified data. This represented a year-on-year increase of 15.7 percentage points. For the second time, we also conducted an anonymized, accumulated analysis of the data from all shared Higg BRMs. The aim here was to identify improvement areas and possible support needs.

Higg BRM engagement with third-party brand partners [%]

	2022/2023	2021/2022
Higg BRM data shared with us by previous year's net revenue share	66.6%	50.9%
Verified Higg BRM data shared with us by previous year's net revenue share	38.5%	33.7%

A year-on-year comparison based on available data showed a clear improvement in Higg BRM scores. Brand partners especially focused on implementing the next steps in assessing, identifying, and reducing risk areas across a variety of Higg BRM sections. They made progress in assessing their products' social and environmental impacts and determining social and environmental risks across their supply chains. Additionally, more brand partners were measuring and reducing their Scope 1, 2 and 3 emissions. In FY 2023/2024, we intend to reach out to brand partners through Higg BRM again and further improve the quality of our data analysis.

In FY 2022/2023, we set up scorecards for our third-party brand partners. Our partners are now encouraged to complete an environmental and social questionnaire, which is not intended to replace but supplement the Higg BRM (see above). It is used by our Buying and Procurement teams for internal decision-making and substantiating brand-level green claims as well as to more directly track progress on our focus areas, strategically transition to more sustainable purchasing practices, and support reliable brand-based, sustainability-focused claims in our marketing activities.

Moreover, the policies we implemented in FY 2022/2023 now serve as clear guidelines for our third-party brand partners:

- Sustainable Sourcing Policy: Defines the minimum requirements and goals up to 2025 and includes aspects such as transparency, risk management, and country-specific restrictions.
- Animal Welfare Policy: Defines which animal fibers are permitted and prohibited, and the minimum requirements and goals. As these principles had previously only been defined internally, this new policy is going to increase transparency and clarity between ABOUT YOU, our brand partners, and our consumers.

INCREASING SUPPLY CHAIN TRANSPARENCY AND SOCIAL COMPLIANCE IN PRIVATE LABELS

Our ESG risk assessment identified salient social risks in our Private Labels supply chain that are of a similar nature to those mentioned in the previous section on **third-party brand partners**. The top three factory regions we sourced from in FY 2022/2023 were China, Bulgaria, and Turkey. They are considered risk countries based on the The World Bank's Worldwide Governance Indicators.[62] Moreover, social risks-related occurrences were reported by the MVO Nederland CSR Risk Check[63] and the 2020 ITUC Global Rights Index[64]. We thus recognize our responsibility for managing social risks at the respective tier 1 factories and in the supply chain.

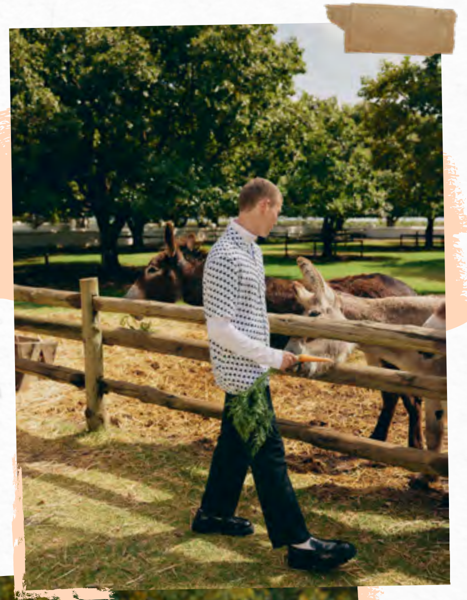
The currently volatile state of the global economy and geopolitical tensions due to high inflation, recession risks, soaring energy prices, and various other crises, together with the varying degrees of recovery from the Covid-19 pandemic, have disrupted global supply chains.[65] The actions we are taking to tackle this volatile state and to protect and improve the social performance of our supply chain include focusing on fewer strategic suppliers, working more closely with them to build up resilience and long-term business partnerships, shifting sourcing to nearby countries (where possible), and applying responsible exit strategies to minimize the negative impacts of our sourcing choices on suppliers.

62 The World Bank (2021) – Worldwide Governance Indicators.
63 MVO Nederland (2021) – World Map.
64 International Trade Union Confederation (2020) – ITUC Global Rights Index, The World's Worst Countries for Workers.
65 International Monetary Fund (IMF) (2022) – Global Economic Growth Slows Amid Gloomy and More Uncertain Outlook.

To manage and mitigate social risks, we implemented measures within the scope of our ESG due diligence framework and developed a five-step approach when working with Private Label suppliers:

1. Increasing supply chain transparency as an enabler for improving social performance
2. Establishing policies and contractual assurances as the basis for business partnerships based on social performance, sustainability, and quality requirements
3. Monitoring social performance through assessments and whistleblowing channels
4. Engaging with suppliers and establishing escalation processes to manage high social risks in the supply chain
5. Sharing progress made and what we have learned in this ESG Report

Twice in FY 2022/2023, we published 100% of our tier 1 factories (201 by the end of February 2023) on the Open Supply Hub (OSH)[66]. We also published 87.2% of our tier 2 factories (383 by the end of February 2023) by total procurement costs via the respective direct supplier. This compared to 64.1% in FY 2021/2022. We published our direct and indirect suppliers on the OSH to support their mission to improve human rights and environmental conditions in supply chains. By the same metric, our internal tier 2 factory transparency figure is even higher at 93.9% (430 factories). Some of our direct suppliers vetoed our publishing of their upstream suppliers. Since the tier 2 transparency exercise is done retrospectively, some of the suppliers that were active for SS22 and AW22 orders are not active anymore or are in the process of being phased out. For that reason, we were unable to obtain their tier 2 information. Moreover, traceability of tier 1 factories was achieved at an order and product level. We now require tier 1 and tier 2 factory transparency from new suppliers as part of our onboarding process and are aiming to reach 100% tier 2 factory transparency by FY 2023/2024.

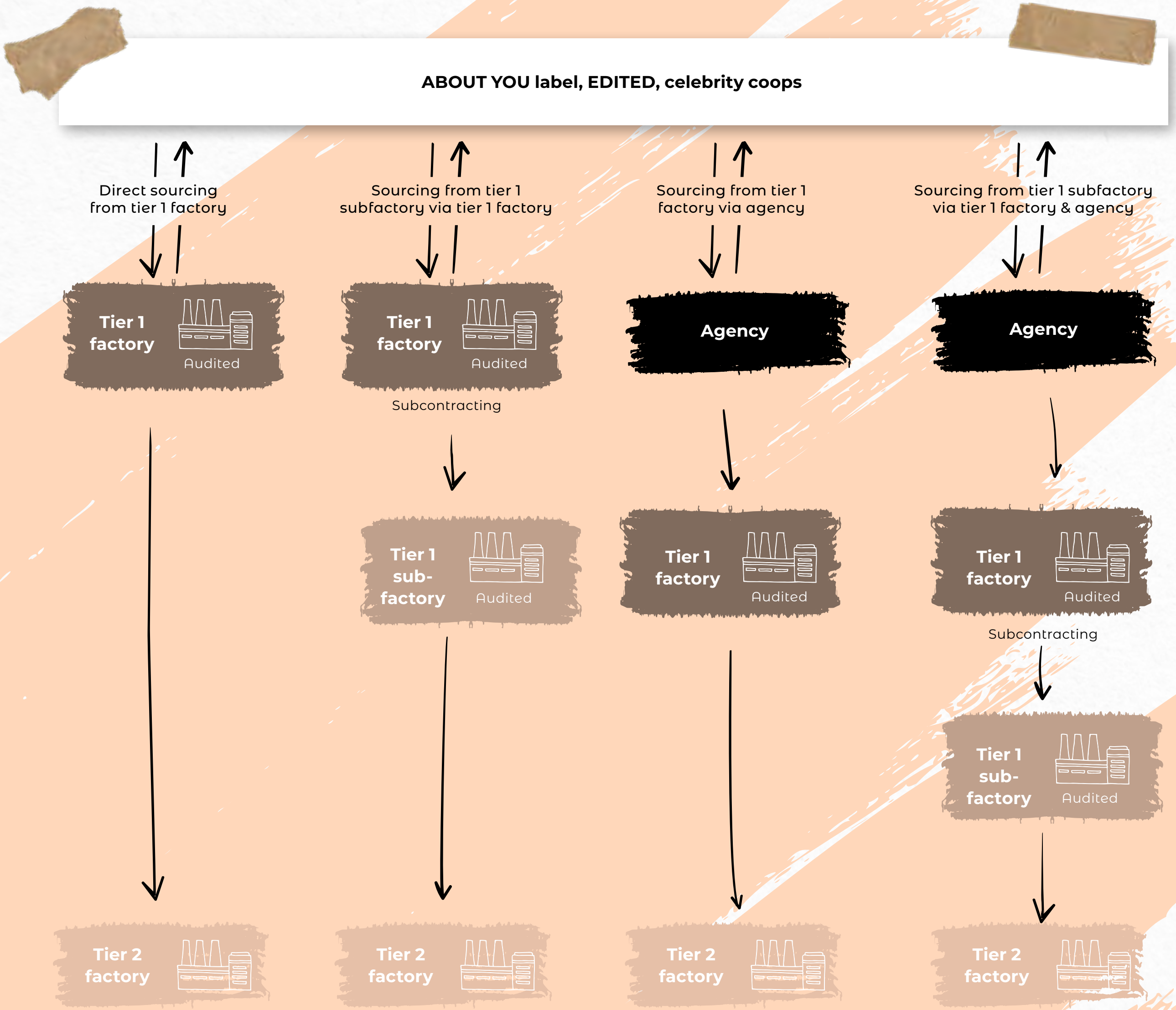


Factories published on the Open Supply Hub [%]

	2022/2023	2021/2022 (%)	2023/2024 target (%)
Tier 1 factories by number of factories	100.0%	100.0%	100.0%
Tier 2 factories by total procurement costs via respective direct supplier	87.2%	64.1%	100.0%

66 What was the Open Apparel Registry was re-established as the OSH: Open Supply Hub (2023).

Our Private Labels supply chain mapping



In FY 2022/2023, we continued to improve our mapping of the tier 1 supply chain. We started collecting worker-related data such as gender representation among workers and in management, the proportion of migrant workers, and workers' freedom of association and collective bargaining (trade union representation, workers committee/representatives) at a factory level based on the suppliers' third-party social assessments. In our new tier 2 supplier database, we mapped tier 2 factories to suppliers and collected product, services, and social compliance data per tier 2 factory.

Our business partnerships with suppliers and their agents are based on business and agency contracts that aim to increase compliance with our social and environmental standards. We strive to build long-term relationships with suppliers that align with our sustainability and social responsibility goals, and our partnerships generally last more than one season. As part of the onboarding process, partners are required to sign our minimum requirements for quality, sustainability, and product safety, as well as our Business Code of Conduct. They are also required to cascade the compliance of these standards to their tier 1 factories. We have also established a Private Label Sustainable Sourcing Policy our partners are required to comply with in 2023. This policy establishes more strict sustainability requirements for Private Label products and manufacturing processes. Moreover, we have updated our Business Code of Ethics to include responsible purchasing practices to ameliorate the financial and time pressures on factories, promote the payment of living wages, and target a reduction in the overtime that workers have to do.

Our work with amfori

Since 2020, we have been an active member of amfori, an association of brands, retailers, and importers that offers tools and services to promote socially and environmentally-responsible business. amfori BSCI is our main social audit system, which we use to monitor the social performance of our tier 1 factories. We also use the amfori Sustainability Platform to map our supply chain, track the improvement initiatives implemented by our factories, and analyze our overall supply chain performance. This platform also offers a wide range of training courses and workshops on social responsibility in a variety of languages and targeted to specific countries and contexts. We encourage our factories to participate in these initiatives to strengthen their own measures with respect to their specific interests and needs.

All our tier 1 factories are required to continuously undergo recognized social assessments by third parties, such as amfori Business Social Compliance Initiative (BSCI) audits or Sedex Members Ethical Trade Audits (SMETA). These, in turn, are based on international human rights standards, such as the Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Responsible Business, or the International Labour Organization (ILO) conventions. Prior to their onboarding, all our new tier 1 factories are requested to have a valid amfori BSCI audit or an equivalent social assessment. All our current tier 1 factories are going to pass an amfori BSCI audit by January 2025.

Our business partners are required to ensure their factories have a valid social assessment at all times during our business relationship. We are increasingly assuming BSCI responsibility (RSP) for the factories of our main partners to ensure their audit is renewed on time and to engage more strongly in their social performance. We currently serve as a BSCI RSP holder for 53 of our tier 1 factories.

In FY 2022/2023, we developed our own social rating system to assess and compare the social performance of all our tier 1 factories, regardless of their social assessment type. What this means in practice:

- New tier 1 factories need to be rated from A to C; those rated D and E are not going to be accepted for onboarding
- Current tier 1 factories need to maintain their A to C rating throughout the business relationship

We engage with current tier 1 factories that score D or E ratings to implement a remediation plan that should improve their performance within six months of the result.

We have improved our annual supplier scorecards to include additional social and environmental criteria, such as the social performance rating of each supplier's tier 1 factories, their associated social risks based on their country of production, their overall engagement in training and continuous improvement, their offer of more sustainable materials and certified products, and their environmental impact rating (Higg FEM performance). Both social and environmental criteria now have a greater weight in each supplier's overall score and we are promoting the internal use of supplier scorecards as their own sourcing criteria to make more sustainable purchasing decisions and optimize our supplier portfolio. We are also aiming to reduce the overall number of partners we source from to increase our leverage for improving our supply chain's social and environmental performance. Additionally, we conducted internal training for all Private Labels employees to increase their awareness of social topics, our current initiatives and processes relating to them, our supply chain, and our future ambitions. We also briefly introduced the Private Label Sustainability team to new colleagues as part of their onboarding process.

In FY 2023/2024, we intend to continue increasing our supply chain transparency beyond tier 1, improving our analysis of social risks in our supply chain to set priorities for remediation and supplier engagement, and making our whistleblowing system more accessible for workers in our supply chain. For suppliers and internal stakeholders, we intend to set objectives and launch a capacity-building program based on the main social risks identified in our supply chain as well as the key challenges facing the entire industry. Last but not least, we intend to intensify our collaboration and consultations with suppliers so we can improve our social performance together.

INVOLVING OUR LOGISTICS PARTNERS

For logistics operations, we work with direct business partners who run our warehousing and transportation operations. They employ more people than ABOUT YOU does and their employees are the backbone of the smooth e-commerce operations in our day-to-day business. We recognize our responsibility to manage and mitigate social risks and support the improvement of working conditions. The materiality of involving our logistics partners is evidenced by the fact that an MVO Nederland CSR Risk Check reported social risk-related occurrences in some of the Central European markets in which our partners operate (e.g., Romania). The social factors relating to our warehousing and transportation partners include working and employment conditions as well as health and safety factors.

Our warehousing and transportation partners were encouraged to complete a questionnaire with which we can determine their social performance. The questions are specific to the warehousing and transportation sector and relate to the payment of a living wage and compliance with local labor laws, for example. Our staff regularly visit warehouses and transportation partners to ensure effective communications and share expertise. Compliance with our Code of Conduct is mandatory in all new contracts. Moreover, an annual audit at our warehouses ensures compliance with the Global Organic Textile Standard (GOTS) on social spaces, remuneration, working conditions, etc. while notifying employees of their rights and checking on the correct handling of certified textiles.

CREATING A FAIR AND FRIENDLY WORK ENVIRONMENT FOR ALL OUR EMPLOYEES

In our materiality assessment, we identified two material topics relating to our employees: "Diversity, equity, and inclusion" and "engagement, health and well-being." We see these topics as fundamental to creating a fair and friendly work environment for everyone. We have additionally chosen to highlight our "talent acquisition and development" efforts as they enable our continued growth as a company and as individuals. All employee-related topics are interrelated for us. Our dedicated efforts to foster engagement, health, and well-being are mutually reinforcing feedback loops that build employee loyalty. A value-based culture that promotes diversity, equity, and inclusion helps us to attract talent and enables employees to thrive by being true to themselves.

To create a fair and friendly work environment for everyone, we employ a four-step management approach we are continually shaping and expanding:

1. Measuring and analyzing where we stand using selected KPIs and qualitative feedback tools
2. Identifying opportunities for improvement and deriving specific actions
3. Improving our existing situation by implementing targeted measures
4. Sharing progress made and what we have learned internally and externally in this ESG Report

Our employees by gender and age

	2022/2023	2021/2022
Employees		
Number of employees[67]	1,521 ✓	1,497
New hires	692 ✓	850
Turnover permanent employees	21.7%	17.0%
Gender representation		
Women	65.7% ✓	67.1%
Men	34.2% ✓	32.9%
Non-binary	0.1% ✓	<0.1%
Age representation		
Average age	29.7 years ✓	28.7 years
Leadership positions held by employees younger than 35	68.8% ✓	74.0%

After strong growth in the previous year, our hiring rates leveled off, as indicated by the number of newly hired employees in FY 2022/2023. In the year under review, the majority of our internal employees were employed in Germany. Ten employees were employed in Austria. In our employee statistics,

67 In headcount per reference date February 28, 2023.
✓ Content marked in this ESG Report with a line in the margin or with a check mark in the table on this page is material information that corresponds to the legally required information pursuant to Section 315b of the German Commercial Code (HGB) to prepare a group non-financial report. We report further details in the section ABOUT OUR ESG REPORT.

we differentiate between full-time and part-time employees. The majority of our active employees (81.8%) work full-time. The turnover of our permanent employees[68] rose to 21.7%.

Besides our employees who are in a direct employment relationship, we also employ employees in a personnel leasing relationship. In general, we try to keep the number of leased personnel as low as possible and fill vacancies internally and directly. In the event of longer vacancies as well as during high workload periods, we do resort to personnel leasing. At the same time and in similar fashion to the way we treat working students and interns, we check if a permanent internal position would be possible for leased personnel.

All our employees in Germany are represented by our works council, to which employees elect their representatives. Having a works council helps us to reduce workplace conflict by improving and systemizing communication channels. It also allows employees to bargain collectively at a company level. Our works council meets regularly with HR and one of our Co-CEOs and organizes regular consultation hours for employees. Our works council also directly communicates with employees via our intranet, e-mails, and anonymous channels, as well as through organizing consultation hours. All our Austrian employees are covered by an industry-wide collective bargaining agreement.

Despite the ongoing macroeconomic challenges, no large-scale redundancies or significant job cuts were necessary or carried out in the past three years at ABOUT YOU. We pay ABOUT YOU employees a gross minimum salary of EUR 2,400 per month per full-time equivalent, which is above the minimum legal requirements. In FY 2022/2023, we also compared our salaries to the respective living wages at all our premises based on data provided by WageIndicator. As a result, we can safely say that our lowest salaries are clearly above the respective region's living wage level.

DIVERSITY, EQUITY, AND INCLUSION (DE&I)

Our employees are what makes ABOUT YOU thrive. We make an effort to create an inclusive and exceptional environment to attract and develop talent from all over the world. We believe that diversity among employees essentially contributes to the ABOUT YOU culture. For us, diversity means supporting that our teams and workplaces reflect the vibrant diversity of our consumers and communities in terms of ethnicity, skin color, gender identity, sexual orientation, talent, age, education, background, and other factors.

DE&I KPIs for women and internationals

	2022/2023	2021/2022
Women employees		
Women in leadership positions	51.1% ✓	49.3%
Women in first-level management positions	37.7% ✓	38.7%
Women in tech roles	30.3%	28.2%
International employees		
Internationals in leadership positions	21.8%	18.6%
International representation	29.6% ✓	28.5%
Number of nationalities	77 ✓	80

With 51.1% women in management positions, we are already within our target corridor and are determined to maintain it. However, we still need to improve at first-level management level, as the proportion of women there has not reached 40% yet. Overall, we intend to bring the proportion of women at all lead levels into a target corridor of 40-60% by FY 2025/2026. To continue the successes we have already achieved and reach the desired target corridor at all levels, we intend to expand part-time work in management positions under certain circumstances. By allowing for more part-time and flexible work models in management positions, we are going to make it easier for men and women to combine work and family life.

68 Excluding interns, working students, employees with temporary contracts up to one year, and mini-jobbers.
✓ Content marked in this ESG Report with a line in the margin or with a check mark in the table on this page is material information that corresponds to the legally required information pursuant to Section 315b of the German Commercial Code (HGB) to prepare a group non-financial report. We report further details in the section ABOUT OUR ESG REPORT.

With 29.6% internationals and 77 nationalities represented among our employees, ABOUT YOU is already a very multinational company and we seek to increase the percentage of internationals among our employees even further. Our two Tech Hubs in Eastern Europe are to be used to increase the number of Eastern Europeans working for ABOUT YOU. In the year under review, we also continued to initiate regular events such as an International Stammtisch through our platform International Get Together to promote personal and professional interaction and communication between the different nationalities.

As reported in our FY 2021/2022 ESG Report, we aim to maintain a value-oriented corporate culture that promotes diversity, equity, and inclusion. In order to regularly review and, if necessary, implement new measures, our Peakon survey tool (see details in next section) includes a diversity and inclusion module with diversity attributes. In the year under review, we did not discover any significant differences between the various employee groups. Moreover, we expanded and improved our salary bands and introduced job families so as to fairly compare tasks and responsibilities. In the future, we want to further improve the quality and quantity of our job families and the salary bands.

To review and improve pay equity at ABOUT YOU, we conducted a gender pay gap analysis based on a process description of the German Federal Statistical Office in FY 2022/2023[69]. Our adjusted gender pay gap at <5% was corrected by wage-determining factors such as function and career level. We aim to analyze the relevant groups in greater detail and to develop several measures to improve pay equity between women and men, including the further implementation of salary bands and their application during annual evaluation rounds supported by our HR team.

Being inclusive for mothers and fathers is part of our company's diversity initiatives. Besides implementing a number of measures, we aim to be flexible and offer our support where possible. We provide expectant mothers in advance with general information and support in completing the necessary applications, e.g., for parental leave. In addition to taking into account maternity protection periods, approving parental leave for mothers and fathers, and preparing the required certificates, we always try to find good solutions to ensure flexible part-time models for balancing work and family within and outside part-time parental leave periods. We strive to retain a parent's position or offer re-entry in a comparable position, depending on the duration of the absence. Furthermore, we already have unlimited child sick days, full remote regulation, full flexibility on working hours, and occupied dual-leadership positions in some areas.

Diversity and inclusion are explicitly mentioned as guidance parameters in our Business Code of Ethics. To further diversity, equity, and inclusion (DE&I) in the long term, we drafted a new company-wide diversity strategy containing various measures and goals that are going to be implemented in the coming months and years, e.g., increasing the proportion of women working in tech roles.

In close collaboration with Uhlala GmbH, we reviewed our approach to DE&I and offered diversity training measures (e.g., Unconscious Bias and LGBTIQ+ Awareness & Allyship Training) to raise awareness of diversity topics and thus create an inclusive, respectful working environment. The Uhlala Group is one of the leading companies specializing in LGBTQIA+ social business and supports companies in their LGBTQIA+ diversity engagement. The rating we received from them enabled us to derive new measures and adapt our strategy accordingly.

69 German Federal Statistical Office (2023) – Wie wird der Gender Pay Gap erhoben und berechnet? (German only).

To provide a point of contact and regular exchange for LGBTQIA+ employees, we created an About Pride employee resource group. This group has not only organized diversity training sessions but is also committed to improving and further expanding appropriate measures to ensure the equal and fair treatment of all our employees and respect for their rights. This also helps us to promote a diverse and inclusive work environment. As a further measure, we intend to enhance awareness of the group's existence and open it up to more employees. To attract new LGBTQIA+ employees, we were represented at the Sticks & Stones Fair, where only LGBTQIA+ friendly companies can exhibit. To make the diversity topic more visible and encourage respectful interaction, we also launched an initiative to motivate our employees to enter their preferred pronoun in our systems. Moreover, through employee resource groups like About Pride, we provide contacts for reporting any discrimination in the workplace.

ENGAGEMENT, HEALTH, AND WELL-BEING

To receive employee feedback on our employees' perception of the above-mentioned material and non-material topics of relevance to employees, we use a tool known as Workday Peakon Employee Voice (Peakon). The feedback from a team is viewed anonymously by the team lead and aggregated to the top. In this way, we can respond to feedback quickly and regularly, and take appropriate action. To improve the quality of how we manage feedback we also offer our leads training in how to respond appropriately to feedback. As Peakon is such an insightful employee tool, we regularly reviewed the relevant scores and areas and analyzed them in detail. Based on these findings, we were able to identify our employees' needs and issues and then take appropriate action.

Workday Peakon Employee Voice (Peakon)

Employees can voluntarily provide feedback on a monthly basis by giving scores on a scale of 0 (lowest) to 10 (highest) in selected categories, such as overall satisfaction, mental health, and well-being. The total percentage of detractors (scores 0-6) is subtracted from the total percentage of promoters (scores 9-10) to deliver the employee net promoter score (eNPS).

Our commitment to providing an engaging and healthy work environment for all our employees remains as high as ever. However, our average Peakon engagement score, which reflected employee satisfaction in FY 2022/2023, was slightly lower than in the previous reporting period. In FY 2022/2023, the Peakon peer relationship engagement score, which rates the open, inclusive, and supportive work environment among employees, was 8.5 and the employee net promoter score (eNPS) was 61. In our view, the ongoing macroeconomic challenges and related measures within the company, such as slow-down in hiring and increased cost-sensitivity, are the main reasons.

Peakon indicators

	2022/2023	2021/2022	Consumer retailing industry benchmark 2022/2023
Average Peakon engagement score[70]	7.5	7.8	7.7
Average Peakon eNPS[71]	19	32	19
Peakon peer relationship engagement score	8.5	8.5	8.2
Peakon peer relationship eNPS	61	63	38
Peakon growth engagement score	7.5	7.7	7.3
Peakon growth eNPS	20	31	11
Peakon equality engagement score	8.7	8.9	8.5
Peakon equality eNPS	55	66	50

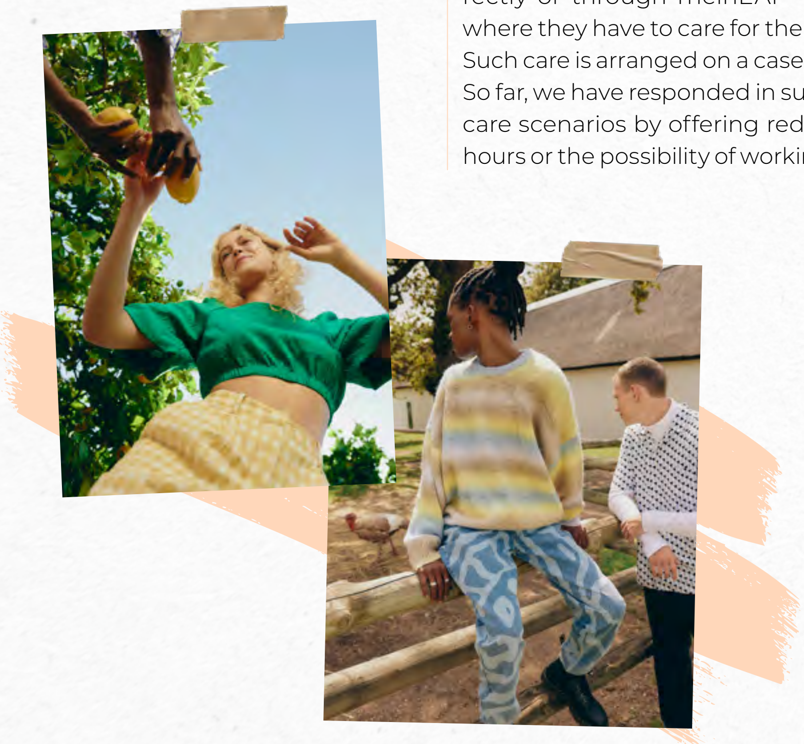
With the Covid-19 pandemic ongoing and restrictions such as mask-wearing still in force, FY 2022/2023 was another challenging year for our employees' health, and particularly their mental health. Consequently, we undertook a number of measures to ease the burden on their work and personal lives. Besides facilitating Covid-related measures such as vaccinations, tests, and supplies of masks, employees were given additional support by our employee experience activities that include but are not limited to virtual yoga and meditation sessions.

The arrangement introduced during FY 2022/2023 required all employees to be in the office from Tuesday to Thursday. On Mondays and Fridays, they are free to work remotely or in the office. The core working hours for all employees are 10 am to 4 pm (CET). Apart from that, our employees have a certain degree of flexibility to allocate their working time as their role and work environment permits – with banking of hours and compressed work weeks possible. Several teams were given the option of working 100% remotely, an offer that was well received. In the future, our office regulations are going to be modified even further to increase the number of remote days worked. As a first step, we gave our employees the chance to work remotely for the entire month of January 2023. This met with a very favorable response. Our employees also have the option of taking a sabbatical for longer-term education, personal, or family reasons. Approval is decided on a case-by-case basis that factors in seniority and individual feasibility in the business routine.

To support the highly prioritized physical and mental health of our employees, we strive to create an environment in which they feel comfortable at all times. This includes managing appropriate workload levels. Here, we have established suitable employee feedback tools to monitor the appropriate metrics, such as perceived satisfaction with a team's workload. If, for any reason (including private ones), employees require mental support or are facing personal challenges, we have a support infrastructure in place. Our HR team is available at any time as a first level of support. Additionally, we offer anonymous, free-of-charge professional counseling via our Employee Assistance Program (meinEAP) for employees and their relatives. This enables employees to quickly find help for any day-to-day problems and for any serious problems or emergencies. The services offered are totally anonymous for our employees and their relatives – and they can be used for both professional and private issues. Twice a year, we receive an anonymized evaluation from our EAP provider about employee contacts and requests. This provides us with additional information about our employees' well-being to supplement our monthly employee survey. In the future, we intend to enhance awareness of this program and encourage our employees to take greater advantage of these services if they have any personal or professional problems. If necessary, we align employment contracts to support an employee's recovery from an illness, and are committed to not terminating an employment contract for health-related reasons.

70 2022/2023 average of the latest of our employees' responses to the engagement questions on a 0 to 10 scale.
71 Percentage of promoters (scores 9 to 10) minus percentage of detractors (scores 0 to 6).

Furthermore, we want to increase awareness among our leads about the targeted services our EAP provider offers, e.g., to prepare themselves for dealing with difficult issues and get expert advice on various lead-related topics. To achieve our goal of all employees feeling comfortable at all times, we encourage employees to pay attention to their co-workers' well-being. If employees notice something is not right, they should offer their support and indicate the assistance options we have in place. We also encourage employees to contact the HR team if they feel that their current work environment (including their workload) is having a negative impact on their mental health or that of team members. We also provide our employees with support – either directly or through meinEAP – in situations where they have to care for their dependents. Such care is arranged on a case-by-case basis. So far, we have responded in such dependent care scenarios by offering reduced working hours or the possibility of working from home.



As at the beginning of the previous year, we conducted several workshop series in FY 2022/2023. The topics covered included mental health subjects such as stress management and positive mindset, physical health subjects such as full body mobility and healthy routines, and food subjects such as regional superfoods and mindful eating. As a result, we raised our employees' awareness of these topics and reduced any stigma and taboos associated with them. All our workshops were organized in cooperation with the health insurance company Techniker Krankenkasse (TK) and moveUp (a professional health education provider), and took place online.

In the year under review, we also offered our employees more Health Days – one in May and two on consecutive days in October. Workshops and training courses were offered online and the on-site program in our Hamburg office included healthy food options, medical check-ups by our company doctor, and hands-on activities such as a reaction wall. Our company doctor also visited our Berlin office and we supplied healthy snacks to the employees in our other offices, stores, and warehouses. Everything we put on at our Health Days was organized in close cooperation with Techniker Krankenkasse, moveUp, a mindset trainer and coach, and our company doctor.

When providing the medical checkup service through our company doctor at the Health Days, we learned that there is a significant demand for medical consultation. This is especially true of our international employees, many of whom have little or no experience with the German healthcare system. As a result, we decided to offer our employees the chance to book an on-site consultation with our company doctor once a month.

60.6% of our employees have health insurance policies with Techniker Krankenkasse and many of our employees who move to Germany also take up health insurance with this medical insurance company. We are glad to report that Techniker Krankenkasse has proved to be a very trusted partner in looking after our employees' health. During the course of a year, we receive regular evaluations on the number of sick days and the related reasons. This provides us with important information to supplement our employee surveys and EAP program.

In FY 2022/2023, there were no occupational accidents and the average number of sick leaves was also very low in a peer group comparison. Though delighted by these favorable figures, we are going to continue to focus on regular occupational safety and preventive healthcare training to keep these numbers low in the future as well.

Sick leaves and occupational accidents[72]

	2022	2021	2020	Industry benchmark 2022
Average number of sick leaves per employee	0.65	0.36	0.34	1.4
Occupational accidents on premises	0	2	0	Unavailable

As a company-wide event, we participated in the Adidas Run for the Oceans to raise awareness of the threat of marine plastic pollution and encourage action to address it. The run we organized went from our Hamburg office to a different location in the city. Individual groups of employees also helped to clean up some streets in Hamburg by collecting litter. All employees who could not take part in the Hamburg run were able to track their own running achievements via the Adidas Running app. Adidas then converted the tracked minutes into sponsorship to help marine life and build new education programs.

ACQUIRING AND DEVELOPING TALENT

We launched several recruiting initiatives to find and hire diverse employees. This included attending various fairs such as Online Marketing Rockstars (OMR) and KOA, which is specifically aimed at women. Another key activity was our annual cooperation with the student initiative SCOPE Maastricht. We additionally cooperated with the Otto Beisheim School of Management (WHU Mannheim) and the ESCP Business School Berlin. Besides hiring employees with a completed qualification, we also train employees internally. Our joint graduate and rotational programs include a professional training program and a trainee program.

Anticipated skill shortages have been identified as a risk in our corporate risk and opportunity management system, which can be found in our Annual Report FY 2022/2023, section 2.5. Risk and Opportunity Report. The net probability of this occurring has been classified as minor and the net financial impact as moderate. However, the loss of top international talent and higher compensation expenditures have been identified as risk events. To mitigate risk, we continuously benchmark and track employee engagement, well-being, development opportunities, and training.

To accelerate our employees' individual development in steep on-the-job learning curves, they are mentored in-house by experienced colleagues, and receive a training program targeted to their individual job requirements. Besides our leads training program, we also offer a mentoring program that is specially designed to better equip leads for such tasks. Individual training opportunities are discussed between employees and their managers before implementation. To this end, there are regular feedback rounds between a manager and an employee, in which further training needs are discussed and a development path defined accordingly. Some of our managers receive an additional budget for individual development measures.

In the year under review, we increased the offers of training for leads in our in-house AY Academy – an additional four external courses and a new internal one – on topics such as "Leading with a Growth Mindset" or "Delegating Effectively". Regular feedback loops with the training providers help us to improve our program and the quality of the training offered. Our program for leads has also been expanded to include a Young Leads Night, where those fresh to their role can share with their peers and further improve their skills.

Our expanded employee training program

	2022/2023	2021/2022
Training courses	70	50
Total number of employee training sessions held	252	62
Total number of participants in live training sessions	4,312	1,774
LAYNE: Voluntary & mandatory courses passed	6,727	–

Our AY Academy offers internal teams the chance to introduce themselves to colleagues across the company. This is helping to improve the mutual understanding of other people's work and strengthening our corporate team spirit. In FY 2022/2023, a total of 30 teams took up this offer and 53 presentations were held. The presentations were well received and we intend to increase the number of featured teams in FY 2023/2024.

In FY 2022/2023, we also launched LAYNE, a new on-demand learning management platform that significantly improves the learning experience and makes it easier for employees

72 In the last ESG Report, we classified this figure as the average number of occupational accidents per employee in the calendar year 2021. But this was actually the average number of sick leaves per employee in the calendar year 2021.

to further their education at any time. We added three new mandatory training courses and a total of 22 voluntary ones (e.g., Self & Time Management). Besides these new training opportunities, all our employees can create their own training or onboarding courses to meet their needs or those of specific teams. One of the big benefits is that the wealth of knowledge we have at ABOUT YOU can be more effectively shared and spread across the company. In the future, we are going to continue to expand this program and improve the quality of the courses. To this end, we are going to employ more external training providers and use authoring tools to enhance self-created courses.

Two additional mandatory training courses were introduced for our employees in FY 2022/2023: "Safety at Work" instructs them on all the potential physical dangers at the workplace, while "Anti-Corruption Compliance" teaches them the background to and risks of corruption, raises their awareness, and provides them with the tools to identify possible cases of corruption.

We are pursuing different approaches to continuously improve our existing AY Academy training program. In FY 2022/2023, for example, we conducted a general survey of benefits at ABOUT YOU, which also gave us feedback on our existing AY Academy offering. As we also get feedback from participants after each training session, this helps to improve the existing training program and identify needs for new training courses. We also conducted a leads survey and a direct exchange process with them to explore the possibilities of improving our lead training program. We use employee surveys to analyze our healthcare program and, to this end, are in direct contact with experts from Techniker Krankenkasse and MoveUp. For FY 2023/2024, we intend to start a large-scale survey of all our employees in order to further improve our training curriculum. Those findings and the feedback from training courses is then going to be integrated into our training strategy.

SAFEGUARDING CONSUMERS' DATA PRIVACY AND SECURITY

We are a data-driven company. That is true of the ways in which we work and of the very foundations of our business model. Every consumer who enters into a relationship with us entrusts us with their personal data. Our top priority is always to ensure the confidentiality and security of each consumer's personal data, which is stored in encrypted databases in an ISO-certified data center. Access to these databases is strictly limited by means of dedicated approval and removal-of-access processes. In FY 2022/2023, we witnessed two incidents that had to be reported to the appropriate authorities, compared to three in FY 2021/2022.

Our IT Security team is responsible for data privacy and security. The team continuously assesses the latest developments in data protection and cybersecurity standards, and reports directly to the Co-CEO Tech & Product. The team's overall goal is to ensure compliance with applicable laws and regulations as well as with self-developed voluntary commitments. Our principle is that business objectives can only be achieved by legal and ethical means. In particular, we follow the General Data Protection Regulation (GDPR) and the German Telecommunications Telemedia Data Protection Act (TTDSG), as well as other applicable laws in specific countries. An information security management system (ISMS) is in place, and we comply with the essential aspects of the ISO 27001 norm. Furthermore, our main infrastructure providers, e.g., Amazon Web Services, Google Cloud Platform, and Microsoft Azure, all have ISO 27001 and SOC 1/2 certifications.

To take our data privacy and security policy a step further, we verify that all new vendors comply with current applicable legislation as well as our internal compliance and security requirements. This is done by sending a security questionnaire to the vendor of the product, which addresses topics such as security and privacy certifications, encryption standards, incident response processes, regular penetration testing (to identify exploitable vulnerabilities), and identity and access management within the applications and/or services. The responses from the vendor are analyzed by our IT Security team to determine whether this product is going to be integrated into the toolchain within our organization.

We recognize that the human factor plays a major role in data privacy and security. We have therefore developed a dedicated training program for our employees to make them aware of the most significant possible breaches involving human error. All new employees are required to undergo extensive security and privacy training as part of the onboarding process, which covers password management, online scams and phishing attacks, handling confidential and internal data (including personal data), and physical threats to information security. Additionally, a mandatory annual refresher course is conducted to ensure that those working at ABOUT YOU are aware of new threats, risks, and attack vectors, as well as updated processes and procedures.

Acknowledging the importance of the preventive measures described above, we also continuously perform operational measures to monitor and respond to potential data breaches and cyberattacks. Every ABOUT YOU public-facing web application is protected by a web application firewall (WAF), and the IT Security team responds to any alerts from it. ABOUT YOU's cloud-hosted infrastructure is monitored by an AI-based intrusion detection system that detects malicious or suspicious activity and notifies the IT Security team through various channels. The same "detect and alert" principle is applied to many other systems, such as email services, data-sharing services, and end-point protection solutions. In specific cases, automated remediation is applied to attacks, such as distributed denial of service (DDoS) attacks, port scanning, credential stuffing, malware execution, and suspicious logins. As an organization, we are required to do independent reviews to maintain a successful information security management system (ISMS) and identify potential areas for improvement. An external entity conducts these reviews on an annual basis or when significant changes have occurred.

Not only have we outlined a general incident response process, we also have predefined playbooks covering incidents that occurred in the past and cases where a potentially high risk is seen. We regularly practice and improve incident response procedures. We have a data breach emergency and notification process in place to ensure compliance with GDPR notification obligations and to facilitate reaction within the legally required times so as to minimize any impact on the affected data subjects.

Our cybersecurity program is ultimately supplemented by continuous internal and external security audits as well as vulnerability testing. Internal audits are an ongoing process administered by our Application Security team and covering all software products. The audits follow an established structure and look at weaknesses in the source code, the infrastructure in which it is deployed, and the actual running application, which is tested for any applicable vulnerability type, including the Open Web Application Security Project (OWASP) top ten. Besides internal auditing, processes are also in place to teach our development teams to code securely. These processes include onboarding security training, as well as thorough guidelines and standard good practices. If an issue is discovered during an audit, developers are instructed on how to remediate these types of vulnerabilities to prevent them from occurring in the future.

External auditing is applicable to any critical software component or infrastructure. This includes, but is not limited to, our online fashion store, the SCAYLE infrastructure we sell to our B2B customers, and our internal network. We use a bug bounty program on HackerOne for our online fashion store and its respective applications, as well as other public-facing websites. This ensures that any vulnerabilities are quickly identified and serves to motivate researchers to report to us any vulnerabilities they might find rather than misusing them or sharing them elsewhere. Any vulnerabilities reported by external parties are reviewed and assessed by the IT Security team to identify similar variants of the same vulnerability (i.e., variant analysis) and to recognize any gaps in our knowledge of certain types of vulnerabilities.

SHARING OUR MESSAGES WITH SOCIETY

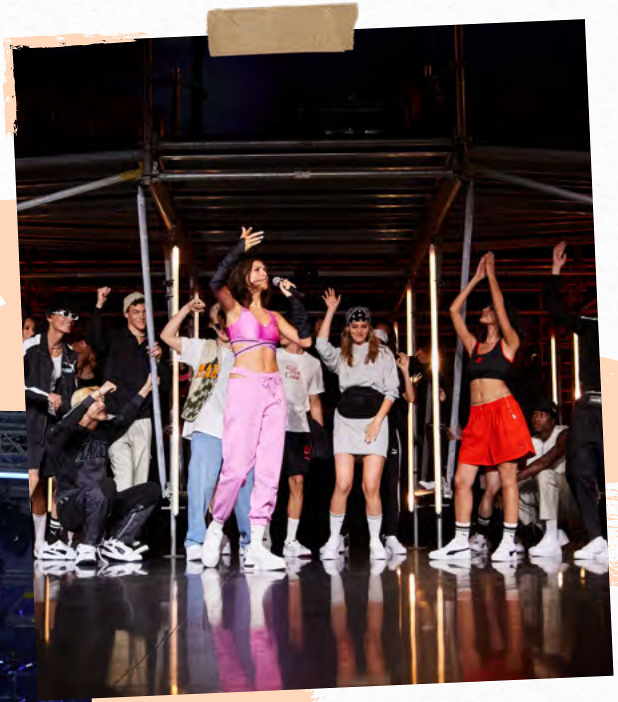
In fulfilling our responsibility as a positive corporate citizen, we empower people to find and express themselves through fashion. It is a priority for us to not only live up to this purpose within the confines of our company or in interactions with our business partners and consumers, but also to communicate our values to a wider community. Consequently, we are actively leveraging our powerful reach, brand, and platform to achieve this goal at scale. As part of the digitized shopping experience we offer, we regularly engage with our consumers through media and digital content campaigns, while also regularly addressing members of the LGBTQIA+ community.

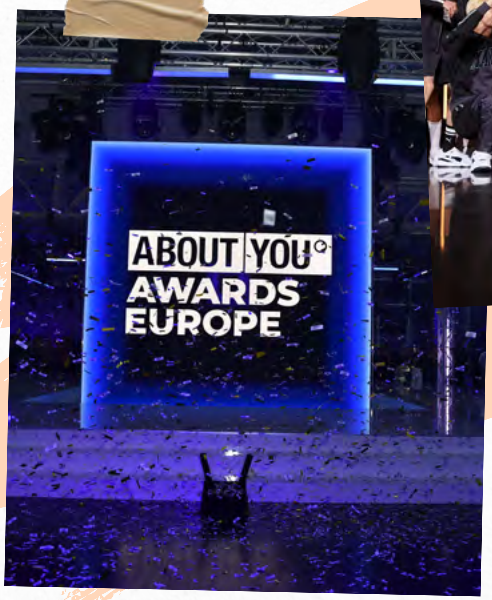
Our established ABOUT YOU Awards (AYA) and ABOUT YOU Fashion Week (AYFW) events are far-reaching platforms for communicating the messages we want to convey to society.

The ABOUT YOU Awards made their international debut in Milan in May 2022 as one of the biggest and most relevant international award shows for social media and Gen Z. Internationally celebrated VIPs, exclusive guests, and the most influential content creators from all over Europe followed the show, which was hosted on site by NikkieTutorials, and they subsequently shared numerous special moments with their communities via social media channels. As a result, the ABOUT YOU Awards 2022 reached over 652 million social media contacts within just a week of the event.

The ABOUT YOU Fashion Week, which made its international debut in Milan in September 2022, turned out to be the most successful ABOUT YOU event experience with around 2.1 billion media contacts and 8,000 guests on site. The ABOUT YOU Fashion Show and 16 other brand shows were uniquely staged in the custom-built AYFW Village in Zona Farini. Around 8,000 international VIPs, content creators, industry insiders, and fashion fans were on site to experience these shows.

In December 2022, we launched our Love Your Wardrobe page across all devices and countries. This page contains video tutorials and further information on clothing repair, care, and alterations. Our aim with Love Your Wardrobe is to enable customers to extend the life of their clothes themselves and by doing so save water and energy as well.





4 PROGRESS

ENHANCING POSITIVE IMPACT THROUGH OUR ESG STRATEGY

"Governance & responsibility" is ranked as a material cluster in our materiality assessment. In this chapter, we present all the details of our reporting practices, ESG governance, approach, strategy, and business partnerships. We aim to provide insights into the profile and scale of our ESG organization and provide context for understanding our impact. As we have received positive feedback from various external stakeholders on how quickly we are getting things done, we share our information publicly to extend our positive ESG impact beyond our company and our industry.

To advance our journey to become a more sustainable fashion platform of scale, we are working toward two goals: transitioning core areas of our business, and exponentially increasing our positive impact. Our ESG strategy aims to achieve these twin goals through a defined set of measures and key performance indicators (KPIs). Our measures are relevant time-bound targets with a specific outcome. Our KPIs reflect medium- to long-term developments toward internally agreed targets and help us monitor the development of core business processes, such as the composition of our assortment. Progress on these measures and KPIs is monitored at monthly, quarterly, six-monthly, or annual intervals. The PLANET and PEOPLE chapters of this ESG Report have detailed the subset of KPIs and measures. In FY 2022/2023, we added roadmaps for our business units that clearly indicate where we are heading in the near to mid-term. The roadmaps include future measures and KPIs we are planning to integrate into our reporting. Our ESG strategy is composed of measures, KPIs, and roadmaps.

Our ESG strategy is broken down into five steps and their implementation in FY 2022/2023 is described below:

1. Learning what our material topics are by capturing our stakeholders' perspectives in our materiality assessment and increasing our understanding of the ESG topics we should be working on as a player in the fashion and e-commerce ecosystems
2. Establishing KPIs and deriving measures by identifying, adapting, and prioritizing opportunities
3. Utilizing the KPIs and measures to monitor and initiate progress in our business units and with partners
4. Calibrating our ESG governance structure and resources
5. Sharing progress made and what we have learned in this ESG Report

Reporting is an essential part of our ESG strategy and serves three purposes: presenting our approach, position, and what we have learned; giving us structure; and serving as a retrospective tool to identify what worked well, what needs to be improved, and what we need to do more of.

As we are working on multiple ESG topics, we particularly need to prioritize them according to our assessments, while ensuring that the latter remain holistic. We see our work as a journey of progressing step by step in a clear strategic direction. We are committed to this progress and to extending our positive environmental and social impact.

ESTABLISHING EFFECTIVE GOVERNANCE STRUCTURES

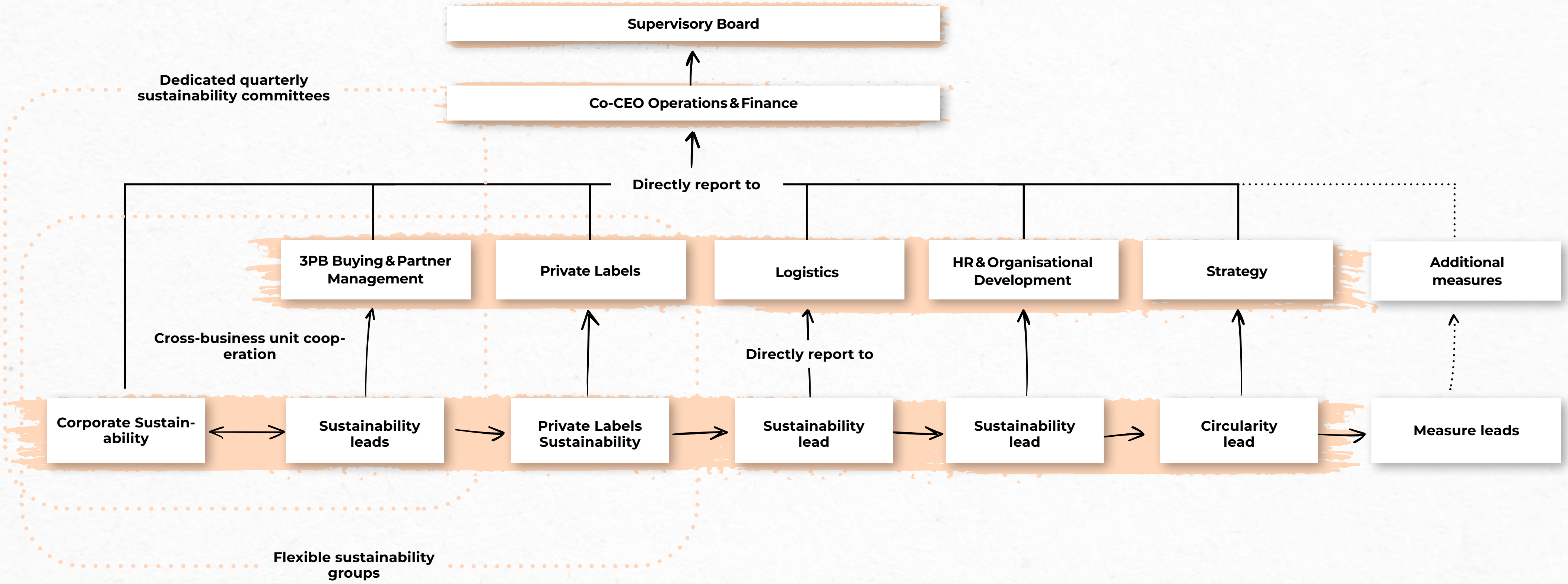
The question of how we manage the transition toward more sustainable practices within our organization is key to achieving our ESG objectives. In contrast to many organizations that have created separate sustainability teams that are not directly integrated into the decision-making processes and thus have limited impact, our approach is to integrate sustainability capacities into our established core operations and the respective process-owning business units.

In FY 2022/2023, we established a Corporate Sustainability team and a Private Label Sustainability team and increased our capacities across further ESG-related functions. Throughout the reporting year, our sustainability leads, business unit leads, and the Co-CEO Operations and Finance met monthly in sustainability committees to discuss KPIs, assess new opportunities, take management decisions, and clarify roles and responsibilities. Our Corporate Sustainability team facilitates the process by organizing and preparing the meetings. From next year, we are planning to meet in sustainability committees at least quarterly, since these meetings have become more effective and efficient. In the year under review, our sustainability leads, Corporate Sustainability team, and other teams met in flexible groups to advance the company in overriding topics such as more sustainable product criteria, new and upcoming legislation, and circularity initiatives.

The Strategy and Corporate Sustainability teams collaborate in the assessment of our material ESG topics (including input, such as ESG frameworks) and co-lead the incorporation of relevant sustainability aspects into our corporate governance, risk management, and strategy processes. This year, we set up an ESG internal control system (ICS) that includes the KPIs of the material sections of this ESG Report. Our ESG ICS is based on data input and data processing risks. Dedicated controls have been implemented on that basis. Our goal is to strengthen the reliability of our reporting processes and align with our corporate governance processes as outlined in our Annual Report FY 2022/2023, section 2.5. Risk and Opportunity Report.

Our Supervisory Board consists of six members and is responsible for ESG topics and strategy. The Audit Committee is formally responsible for our group non-financial report, which is part of this ESG Report and includes the material ESG topics. In FY 2022/2023, the four members of the Audit Committee held six meetings. The ESG-related key decisions in the year under review were to conduct a limited assurance audit on our group non-financial report and an assurance readiness assessment on our **EU Taxonomy statement**.

The highest level of responsibility for overseeing the execution of ESG-related issues lies with the Co-CEO Operations and Finance, who is a member of the Management Board. The Corporate Sustainability team reports directly to him. His responsibilities include managing our environmental and social impact as laid out in this ESG Report, climate-related transition risk, diversity initiatives, and supply chain management. The ESG-related key decisions in FY 2022/2023 were the company-specific business partner engagement approach relating to the Scope 3 science-based target we set in 2021, increasing the level of ambition for our 25% net revenue target for more sustainable products by making the criteria stricter, and utilizing certain external ESG frameworks, such as ISS, Sustainalytics, and CDP, to calibrate our ESG strategy.



The Corporate Sustainability team is responsible for topics spanning multiple teams who are then going to be involved, for example, in our GHG emissions reduction strategy and ESG Due Diligence Framework. The team supports the business units with guidance and structure, aligning on roadmaps, calibrating our ESG strategy, and ensuring continuity and consistency in our progress and reporting.

The sustainability leads and teams manage the work on the ESG topics that have been identified as material, e.g., by formulating new policies or scorecards, engaging with business partners, or increasing transparency. They also track the respective KPIs and develop roadmaps to drive the transition within their business unit. Moreover, after creating KPI dashboards, the sustainability leads made them available to the teams and integrate sustainability aspects into the relevant tools so each team can track the progress made. The sustainability leads also provided each business unit's employees with resources and training, such as an introduction to sustainability topics and onboarding measures. Several other teams, such as Investor Relations, Legal and Compliance, and our Content and Marketing teams also work on integrating sustainability aspects. We report in depth on our corporate governance structure, including legal compliance, in our Annual Report FY 2022/2023, section 2.6.2 Corporate Governance.

Another significant move in FY 2022/2023 involved the appointment of sustainability champions in our more advanced business units. This adds a new level to our matrix organization and helps us to transition our multi-level business units. The role of these sustainability champions is to raise sustainability awareness and knowledge, bring the sustainability perspective to discussions and decisions, and contribute to sustainability projects through both knowledge and best practices. Their specific responsibilities include introducing newcomers to sustainability at ABOUT YOU and collecting up-to-date resources to make them available to their respective team.

SETTING STARTING POINTS AND MEASURING PROGRESS BY UTILIZING ESG FRAMEWORKS

The Sustainable Apparel Coalition (SAC), the world's leading non-profit sustainability alliance for the apparel, footwear and textile sectors, has partnered with Higg to offer a range of standardized sustainability assessment tools to measure and improve the sustainability performance of brands, retailers, factories, and products. We are committed to working with the Higg Brand and Retail Module (Higg BRM) and improving our Higg BRM scores. In FY 2022/2023, we completed our second Higg BRM and received external verification. We are encouraged by the improvements in our environmental and social scores and are now working on implementing the improvement opportunities we also identified. In the year under review we participated in an SAC-led member expert team that contributed to advancing the Higg BRM toward becoming a leading ESG framework that is specific to the textile, apparel, and footwear industry and which is going to allow companies to standardize the assessment of their own and their business partners' sustainability performance, benchmark themselves against peers, enable transparency through consistent and verified data, and drive positive impact.

Our Higg Brand and Retail Module (Higg BRM) scores

	Environmental score 2022/2023	**Social score 2022/2023**	Environmental score 2021/2022	Social score 2021/2022
Management system	100.0%	100.0%	75.0%	80.0%
Retailer	77.8%	71.4%	66.7%	28.6%
Brand	58.5%	50.0%	45.8%	51.4%
Stores	80.0%	88.5%	83.3%	73.1%
Operations & Logistics	76.2%	54.2%	81.0%	51.3%
Total	**78.5%**	**72.8%**	**70.4%**	**56.9%**

In FY 2022/2023, the guidance on a few indicators was more detailed than in FY 2021/2022. This led to a slight fall in some indicators, even though we actually improved our practices. In FY 2023/2024, we are again going to focus on achieving higher Higg BRM scores through implementation of relevant new measures in all our business units. At the same time, we are going to be encouraging our third-party brand partners to work with the Higg BRM and share their assessments with us. Last but not least, we are going to be publicly sharing our progress and commitment.

The Institutional Shareholder Services (ISS) group empowers investors and companies to build long-term and sustainable growth by providing high-quality data, analysis, and information. In FY 2022/2023, we maintained our corporate rating score of a C, which is close to the industry's prime threshold (C+). Our rating ranks in decile 1 (top 10%) of the retail industry (all information as of December 29, 2022). As we have not yet achieved our aim of meeting the prime threshold, we are pursuing this objective during the current rating cycle.

Another ESG risk assessment was conducted by Morningstar's Sustainalytics in February 2023 and ABOUT YOU received an ESG risk rating score of 16.2. Our ESG risk rating ranks 3/96 in the Sustainalytics Online and Direct Marketing Retail sub industry (first rank = lowest risk). Both ESG frameworks provide helpful guidance for our sustainability strategy and we are encouraged to make use of these ESG frameworks to improve our ESG performance.

In December 2022, we earned Leadership level (A-) in the Carbon Disclosure Project (CDP) Climate Change questionnaire. On top of that, CDP informed us that based on our 2022 CDP disclosure, we are among the top 8% assessed for supplier engagement on climate change. CDP added us to the 2022 CDP Supplier Engagement Leaderboard. CDP is a global non-profit that runs a global environmental disclosure system for companies, cities, regions, and countries. In 2022, nearly 20,000 organizations around the world disclosed data through CDP and we completed the CPD questionnaire for the first time. As environmental disclosure is an important step in addressing current and future risks and opportunities relating to climate change, deforestation, and water insecurity, we are encouraged by our score. We are going to continue to work on our climate roadmap and remain committed to environmental transparency by disclosing our climate impact via CDP.

In FY 2021/2022, we analyzed the 17 United Nations Sustainable Development Goals (SDGs) and the associated 169 targets. The SDGs cover a holistic spectrum of sustainable challenges from a multinational development perspective. Generally speaking, we applaud any progress made toward achieving the SDGs. Our analysis here focused on identifying blind spots, such as the impacts of our business model on the SDGs and any ESG opportunities yet not covered by our ESG strategy. We were unable to find any material ones. Hence for us, the SDGs can only serve as a starting point we have passed on our ESG roadmap, not a next step. As an online fashion store, we need to dive deeper into our specific challenges and sharpen our focus to reach our goal of having a measurable positive impact. However, the frameworks mentioned in this ESG Report – which we are already working with – have, at this stage, delivered more added value for us as an online fashion store.

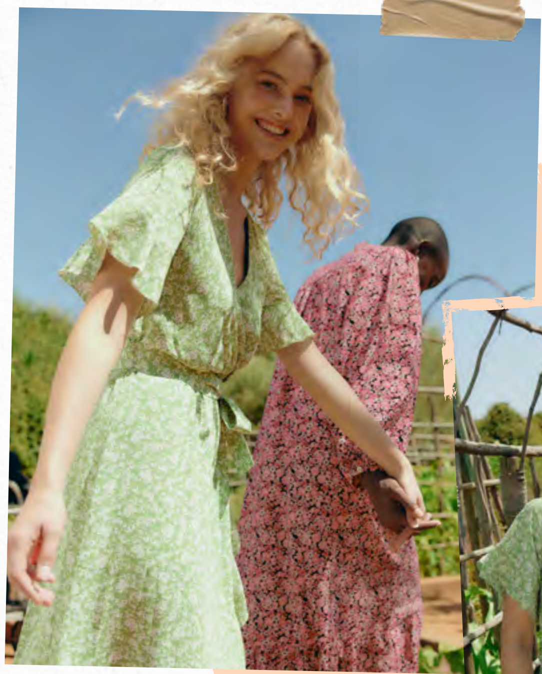
Besides frameworks such as the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and the EU and German supply legislation, we are also following the EU Strategy for Sustainable and Circular Textiles, the EU Regulation for the Establishment of a Framework to Facilitate Sustainable Investment, and the EU's Corporate Sustainability Reporting Directive.

BUILDING WORTHWHILE PARTNERSHIPS

We operate our online fashion store with the support of multiple business partners, including third-party brands, Private Label suppliers, logistics, and customer service providers, as well as marketing and digital content creation partners. We are encouraged by the progress our partners are making and thankful for the support we have received from them. Partnerships are essential for us. In our goal of reducing GHG emissions, for example, we encounter barriers we cannot overcome without partnerships, collaboration, and external support. Through analysis of the publicly available information our peers and partners have published on their ESG strategies, we have already identified industry alignment opportunities and pledged our support. Our approach is to find consensus first, and then work together to get where we want to go.

Details of our partnership work have been outlined in various sections of this ESG Report. However, it is well worth mentioning two partnerships of particular importance in the year under review. We collaborated with brands and retailers in the Sustainable Apparel Coalition in a member experts' team that is working to advance Higg BRM assessment for brands and retailers; and together with YOOX NET-A-PORTER and Zalando, we founded FASHION LEAP FOR CLIMATE, a fashion industry-led initiative driving climate education and partner engagement and taking action to reduce GHG emissions in supply chains and across the fashion industry as a whole.

Potential impact is a key aspect for us in laying out our ESG roadmap and setting internal priorities. Whenever we change ourselves, we have a small positive impact; if we change our business model and include our direct business partners, we can multiply our positive impact; if we change the way our supply chains and adjacent industries work, we can extend our positive impact exponentially – through partnerships and collaboration.



5 APPENDIX

GHG EMISSIONS BY SCOPE (INCLUDING SCOPE 3 CATEGORIES)

ABOUT YOU's GHG emissions – by Scope (incl. Scope 3 categories)	**2022/2023**	2021/2022[73]	2019/2020 base year	**2022/2023**	**2022/2023**
	[t CO_2e]	[t CO_2e]	[t CO_2e]	Change YoY	Change vs base year
Scope 1 – Direct emissions (gas/heating, refrigerants), market-based	51.6	60.4	45.9	(14.6%)	12.4%
Scope 2 – Indirect emissions (electricity, district heat), market-based	116.2	105.8	316.2	9.8%	(63.3%)
Total (Scope 1, 2 market-based)	**167.7**	**166.1**	**362.1**	**1.0%**	**(53.7%)**
Scope 3 – Indirect emissions outside of organization by category					
1. Purchased goods & services	327,841.4	302,394.2	187,352.6		
Thereof our e-commerce operations	8,604.8	8,981.5	5,299.9		
Thereof our Private Label products	41,470.6	34,179.3	12,243.8		
Thereof third-party brand products	277,765.2	259,233.4	169,808.8		
Thereof Second Love	0.9				
2. Capital goods	2,086.7	2,497.5	363.0		
3. Fuel & energy related activities	171.1	148.0	137.0		
4. Upstream transportation & distribution[74]	75,333.2	46,788.7	14,394.5		
Thereof our e-commerce operations	42,228.3				
Thereof our Private Label products	2,673.7	3,959.3	839.5		
Thereof third-party brand products	30,417.0	42,829.4	13,555.0		
Thereof Second Love	14.2				
5. Waste generated in operations	102.9	50.7	3.6		
6. Business travel	771.6	485.4	920.9		
7. Employee commuting	164.8	106.4	260.6		
8. Upstream leased assets	0.0	0.0	0.0		
9. Downstream transportation & distribution[74]	0.0	33,011.3	17,274.4		
10. Processing of sold products	0.0	0.0	0.0		
11. Use of sold products (by our consumers)	57,300.8	49,043.5	22,567.7		
Thereof our Private Label products	7,156.3	5,271.9	1,740.4		
Thereof third-party brand products	50,144.5	43,771.6	20,827.3		

73 After a restatement of our energy consumption for FY 2021/2022, we restated our Scope 1 & 2 emissions and Scope 3, category 3 fuel & energy related activities' emissions for FY 2021/2022.
74 From FY 2022/2023 onwards, Scope 3 emissions stemming from warehouses and downstream transportation are being reported as part of Scope 3, category 4 instead of Scope 3, category 9 to align with the GHG Protocol Standard.

ABOUT YOU's GHG emissions – by Scope (incl. Scope 3 categories)	2022/2023	2021/2022[73]	2019/2020 base year	2022/2023	2022/2023
	[t CO_2e]	[t CO_2e]	[t CO_2e]	Change YoY	Change vs base year
12. End-of-life treatment of sold products	4,818.6	4,314.4	1,761.1		
Thereof our e-commerce operations	985.2	296.3	156.2		
Thereof our Private Label products	509.6	359.4	123.8		
Thereof third-party brand products	3,323.9	3,658.7	1,481.1		
13. Downstream leased assets	0.0	0.0	0.0		
14. Franchises	0.0	0.0	0.0		
15. Investments	0.0	0.0	0.0		
Total (Scope 3)[75]	**468,591.1**	**438,839.9**	**245,035.4**	**6.8%**	**91.2%**
Total (Scope 1, 2, 3)[75]	**468,758.8**	**439,006.0**	**245,397.4**	**6.8%**	**91.0%**
Thereof our e-commerce operations[76]	55,283.0	45,743.0	24,777.7	20.9%	123.1%
Thereof our Private Label products[77]	51,810.3	43,769.9	14,947.5	18.4%	246.6%
Thereof third-party brand products	361,665.6	349,493.1	205,672.2	3.5%	75.8%
Emission intensity of our e-commerce operations [kg CO_2e per order]	1.20	1.14	1.31	5.0%	(8.7%)
Compensated emissions[78]					
Our e-commerce operations compensation	55,283.0	45,743.0			
Our e-commerce operations net GHG emissions	0.0	0.0	24,777.7		
Our Private Label products compensation (excl. use phase)	44,653.9	25,665.4			
Our Private Label products (excl. use phase) net GHG emissions	0.0	12,832.7	14,947.5		
Total compensated emissions[75]	**99,936.9**	**71,408.4**	**0.0**	**40.0%**	
Total net emissions with compensation (Scope 1, 2, 3)[75]	**368,822.0**	**367,597.6**	**245,397.4**	**0.3%**	**50.3%**

75 May not add up exactly because numbers are rounded to the last digit.
76 Includes the Scope 1 & 2 emissions and Scope 3 emission categories of purchased goods & services (e-commerce operations), capital goods, fuel & energy related activities, waste generated in operations, business travel, employee commuting, upstream transportation & distribution (e-commerce operations), and end-of-life treatment of sold products (e-commerce operations).
77 Includes Scope 3 emission categories purchased goods & services (Private Label products), upstream transportation & distribution (Private Label products), use of sold products (Private Label products), and end-of-life treatment of sold products (Private Label products).
78 Includes the full scope of e-commerce operations since October 2020 and Private Label products purchased goods & services, upstream transportation & distribution and end-of-life treatment of sold products since July 2021

GRI CONTENT INDEX

GRI Standard	Disclosure		Page	Further references and explanations
GRI 1: Foundation 2021				
GRI 2: General Disclosures 2021				
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	2-9	Governance structure and composition		See chapter "2.6 Corporate Governance Statement" in Annual Report FY 2022/2023
	2-10	Nomination and selection of the highest governance body		
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GRI Standard	Disclosure		Page	Further references and explanations
	2-14	Role of the highest governance body in sustainability reporting	60-62	
	2-15	Conflicts of interest		See chapter "2.6.3 Composition and Functioning of the Management Board and Supervisory Board" in the Annual Report FY 2022/2023
	2-19	Remuneration policies		See Remuneration Report FY 2022/2023
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	2-22	Statement on sustainable development strategy	8-9	
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	2-29	Approach to stakeholder engagement	64	See further details about topics-specific standards below
	2-30	Collective bargaining agreements	48-49	

GRI Standard	Disclosure		Page	Further references and explanations
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	10-12	
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GRI 302: Energy 2016	302-1	Energy consumption within the organization	19-20	
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GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	20-21	
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GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	15-18, 66-67	
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GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	21-24, 29-30, 33-34	
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GRI 3: Material Topics 2021	3-3	Management of material topics	43-47	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	30-31, 43-47	
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Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	48-49	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	48-49	

GRI Standard	Disclosure		Page	Further references and explanations
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GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	51-54	
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GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	54-55	
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GRI 3: Material Topics 2021	3-3	Management of material topics	48-51	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	49-51	See chapter "2.6 Corporate Governance Statement" in Annual Report FY 2022/2023
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3	Management of material topics	36-42, 48-49	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	36-49	

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GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	36-42, 44-47	
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GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	55-56	

EU TAXONOMY STATEMENT FY 2022/2023

The European Union aims for climate neutrality by 2050 as a central goal of the European Green Deal published in December 2019. An important tool for achieving this goal is seen in the classification of projects and economic activities as sustainable/unsustainable. The criteria for the classification are provided by the EU Taxonomy. This is intended to ensure that the criteria are taken into account in investment and business decisions, thus contributing to the goal of climate neutrality by 2050.

As of 2021, companies that fall within the scope of non-financial reporting under EU Directive 2013/34/EU are also required to report under the EU Taxonomy Regulation (Regulation (EU) 2020/852). According to Article 8 of the Regulation, reporting companies must disclose the share of their taxonomy-eligible and taxonomy-aligned economic activities in the company's economic activities based on key performance indicators (KPIs) – and especially revenues from products and services, capital expenditures (CAPEX), and operating expenditures related to assets or processes (OPEX).

In the year under review, we fulfilled our reporting obligation in the following four steps:

1. **a)** We determined our taxonomy-eligible economic activities by examining whether our economic activities complied with the activity descriptions listed in Annex I (Climate Change Mitigation) and II (Climate Change Adaptation) of Delegated Act 2021/2139. Only for the environmental objectives Climate Change Mitigation and Climate Change Adaptation were activity descriptions available in FY 2022/2023.

   b) We recorded our benchmarks' revenue, CAPEX, and OPEX (denominators of the KPIs) as part of the annual financial statements and as required by the Delegated Act on Article 8 EU Taxonomy Regulation. In addition, we determined the taxonomy-eligible shares of our benchmarks' revenue, CAPEX, and OPEX (numerators of the KPIs) by identifying the taxonomy-eligible economic activities in accordance with the requirements of the Delegated Act on Article 8 EU Taxonomy Regulation.

2. We determined which of the taxonomy-eligible economic activities made a substantial contribution to the achievement of one or more environmental objectives using the criteria for taxonomy-aligned economic activities set out in Article 3 a) EU Taxonomy Regulation.

3. We reviewed the taxonomy-eligible economic activities with regard to the avoidance of significant harm on the environmental objectives according to Article 3 b) and Article 17 of the EU Taxonomy Regulation (DNSH criteria).

4. We checked the minimum safeguards against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights in accordance with Article 3 c) and Article 18 of the EU Taxonomy Regulation.

As a result, we identified the economic activity "Acquisition and ownership of buildings" in Annex I of Delegated Act 2021/2139 as a taxonomy-eligible economic activity for us. For us, this was a cross-sectional economic activity, as it did not generate direct revenues. Therefore, only the CAPEX and OPEX KPIs are reported for this activity. Our revenues were not taxonomy-eligible in FY 2022/2023. We did not identify any other material taxonomy-eligible economic activities. None of our economic activities were in line with the specified activities in Annex II of the Delegated Act 2021/2139.

Our total capital expenditures (CAPEX) amounted to EUR 223.2 million in FY 2022/2023, which corresponds to the sum of additions reported in the consolidated financial statements under 3.6.7 (10.) Intangible assets, 3.6.7 (11.) Right-of-use assets and lease liabilities, and 3.6.7 (12.) Property, plant, and equipment. We determined EUR 183.7 million for the CAPEX KPI in the numerator through taxonomy-eligible additions to right-of-use assets and lease liabilities from new and extended leases; rent increases for offices, retail stores, and warehouses; as well as short-term leasing liabilities for our events such as the ABOUT YOU Fashion Week.

Our operating expenses in accordance with the requirements of the Delegated Act on Article 8 of the EU Taxonomy Regulation amounted to EUR 1.2 million in FY 2022/2023. We determined EUR 1.2 million for the OPEX KPI in the numerator due to maintenance and repair expenses attributable to the rights of use of existing leases for offices, stores, and warehouses.

Furthermore, we did not identify any other significant taxonomy-eligible capital expenditures (CAPEX), operating expenditures (OPEX) or revenues. As no taxonomy-eligible revenues were identified, the reported revenues of non-taxonomy-eligible economic activities correspond to the revenues of EUR 1,904.6 million reported in the consolidated financial statements for ABOUT YOU (see 3.6.7. (1.) Revenue). We allocated the calculated capital expenditures (CAPEX) and operating expenditures (OPEX) exclusively to the environmental objective of climate change mitigation. In addition, we identified only three other non-significant economic activities for which we recorded operating expenditures (OPEX). This eliminated double counting.

In the case of the economic activity "Acquisition and ownership of buildings", the building owners or lessors are basically obliged to provide evidence with regard to all criteria of taxonomy-aligned economic activities. This applies in particular to the DNSH criteria and the minimum safeguards. Therefore, the fulfillment of the criteria cannot be guaranteed at this time.

The alignment assessment with regard to the criteria for taxonomy-aligned economic activities listed in Article 3 of the EU Taxonomy Regulation revealed that we cannot report any of the economic activities as taxonomy-aligned. The numerator of the CAPEX-KPI and OPEX-KPI was therefore EUR 0.0, and the share of taxonomy-aligned economic activities was 0.0%.

The reporting system for FY 2022/2023 thus complies with the requirements of the EU Taxonomy Regulation. A further delegated act covering additional sectors and economic activities is expected to be published on the remaining four environmental objectives in 2023. We expect an increasing proportion of our economic activities to be affected by the EU Taxonomy Regulation in the future.

Proportion of turnover from products or services associated with EU Taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover 2022/2023 (18)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		kEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a										
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
None																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%																
Total (A.1 + A.2)		**0**	**0.0%**																
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		1,904,576	100.0%																
Total (A + B)		**1,904,576**	**100.0%**																

Proportion of CAPEX from products or services associated with EU Taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover 2022/ 2023 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		kEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None																			
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a										
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	183,734	82.3%																
CAPEX of Taxonomy-eligible but not environ-mentally sustainable activities (not Taxonomy-aligned activities) (A.2)		183,734	82.3%																
Total (A.1 + A.2)		**183,734**	**82.3%**																
B. Taxonomy-non-eligible activities																			
CAPEX of Taxonomy-non-eligible activities (B)		39,477	17.7%																
Total (A + B)		**223,211**	**100.0%**																

Proportion of OPEX from products or services associated with EU Taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	**Code(s) (2)**	**Absolute OPEX (3)**	**Proportion of OPEX (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover 2022/ 2023 (18)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		kEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None																			
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a										
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and owner-ship of buildings	7.7	1,249	100.0%																
OPEX of Taxonomy-eligible but not environ-mentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,249	100.0%																
Total (A.1 + A.2)		**1,249**	**100.0%**																
B. Taxonomy-non-eligible activities																			
OPEX of Taxonomy-non-eligible activities (B)		0	0.0%																
Total (A + B)		**1,249**	**100.0%**																

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

TO ABOUT YOU HOLDING SE, HAMBURG

We have performed a limited assurance engagement on the group non-financial report included in the "ESG Report" of ABOUT YOU Holding SE, Hamburg (hereinafter the "Company"), whose disclosures are marked by a line in the margin in the sustainability report as well as the section "2.6.2 Corporate Governance" in the combined group management report of ABOUT YOU Holding SE incorporated by reference for the period from March 1, 2022 to February 28, 2023 (hereinafter the "group non-financial report").

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the group non-financial report in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a group non-financial report that is free from material misstatement, whether due to fraud (manipulation of the group non-financial report) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the group non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's group non-financial report is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed. Not subject to our assurance engagement are other references to disclosures made outside the group non-financial report), prior-year disclosures as well as the external sources of documentation or expert opinions mentioned in the group non-financial report, which are marked as unassured.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company's sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the preparation of the group non-financial report about the preparation process, about the internal control system related to this process, and about disclosures in the group non-financial report,
- Inquiries of the employees regarding the selection of topics for the group non-financial report, the risk assessment and the policies of the Company for the topics identified as material,
- Inquiries of employees of the Company responsible for data capture and consolidation, about the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the group non-financial report,
- Identification of likely risks of material misstatement in the group non-financial report,
- Analytical procedures on selected disclosures in the group non-financial report at the level of the Company,
- Inquiries and inspection of documents relating to the collection and reporting of selected qualitative disclosures and data,
- Evaluation of the process to identify the economic activities taxonomy-eligible and taxonomy-compliant as well as the corresponding disclosures in the group non-financial report,
- Evaluation of the presentation of the group non-financial report.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the group non-financial report of the Company for the period from March 1, 2022 to February 28, 2023 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Eschborn, May 10, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Meyer	**Kokotov**
Wirtschaftsprüferin	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

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Chairperson of the Supervisory Board

Sebastian Klauke

ESG Report team

This ESG Report was created through the shared efforts of ABOUT YOU's sustainability leads, the Investor Relations, and Corporate Sustainability teams. Magnus Dorsch, Head of Corporate Sustainability, is responsible for the ESG Report itself.

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