MARC CAIN

RETHINK TOGETHER

FOR MORE SUSTAINABILITY

SUSTAINABILITY REPORT 2023

Dear readers,

2023 was also shaped by challenges and uncertainties in the world. Various conflicts, inflation and an energy crisis have had an impact on the global situation. 2023 also witnessed earthquakes, flooding and droughts, which demonstrated just how important sustainability is. After the earthquakes in Türkiye and Morocco, we immediately checked and confirmed that our suppliers had not been affected.

Despite these difficult circumstances, there was also occasion for joy: we celebrated the 50th anniversary of the founding of our company. This anniversary wasn't simply a moment to look back on our history, but rather also a confirmation of our continuous development and our commitment to the future. Our design team created an exclusive collection for the anniversary, one which reflected the DNA of Marc Cain in a total of 50 items. After the fashion show at our headquarters, we produced handbags from the Leo Fashion Tent as part of an upcycling campaign. The bags were produced at the VAUDE site in Obereisenbach at Lake Constance, which, because of the regional proximity to our company, offered the advantage of short transportation routes.

In the last year, we have been able to make considerable strides in the area of corporate responsibility. We have honed our internal goals with regard to materials used and social compliance, thus underlining our commitment to responsible action. We have also made great progress in the area of data collection. This means that we are able to even better analyze our impact and define measures in a targeted way.

2023 also brought new challenges with it, in particular with the enactment and coming into force of many laws as part of the EU Green Deal. This comprehensive plan of action by the EU aims at uniting economic growth and climate protection and becoming climate neutral by 2050. One of its building blocks, the Corporate Sustainability Reporting Directive (CSRD), became very much the focus of our attention. We see the intense preparation for these EU directives, which will apply to us from 2026 onwards, as an important milestone for us.

Despite the numerous challenges, we look to the future with optimism and continue to work towards reconciling sustainability and corporate success.

With warmest regards,

Helmut Schlotterer
Chairman of the Management Board, founder and owner

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INDEX OF ABBREVIATIONS

3D	3-dimensional
AG	German Joint-Stock Company
amfori BSCI	amfori Business Social Compliance Initiative
CHP plant	Combined heat and power plant
BSCI	Business Social Compliance Initiative
B2B	Business-to-Business / Traders
B2C	Business-to-Consumer / End consumer
BV	Dutch private limited liability company
CAP	Corrective Action Plan
CHP	Combined heat and power plant
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CoC	Code of Conduct
CR	Corporate Responsibility
CSRD	Corporate Sustainability Reporting Directive
DNA	Deoxyribonucleic acid – carrier of the genetic information of all living beings
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
GHG	Greenhouse gas
GmbH	Limited liability company
GOTS	Global Organic Textile Standard – a leading textile processing standard for organic fibers
GRI	Global Reporting Initiative
GRS	Global Recycle Standard
HREDD	Human Rights and Environmental Due Diligence / Corporate due diligence for human rights and the environment
ILO	International Labour Organization
Inc.	Incorporated / US company form – similar to a German corporation (AG or GmbH)
kWh	Kilowatt hour – Measuring unit in the field of energy
LWG	Leather Working Group
MC	Marc Cain
MMCF	Man-made cellulosic fibers, e.g. viscose
MRSL	Manufacturing Restricted Substances List – a list of harmful chemicals that must not be intentionally used in the manufacturing process

INDEX OF ABBREVIATIONS

NGO	Non-governmental organization
NV	Dutch legal form for a public limited company
OCS	Organic Content Standard (OCS) – Standard for labeling certified organic materials
OECD	Organisation for Economic Cooperation and Development
PER	Perchloroethylene
PET	Polyethylene terephthalate – one of the synthetics we encounter most frequently in everyday life, e.g. in the form of drinking bottles
SC	Sub-contracting – In this procurement channel, raw materials such as fabrics or yarns are purchased and further processed and finished at our own production site in Germany or by contract manufacturers
PV-System	Photovoltaic system
PVC	Polyvinyl chloride
QR	Quick Response – two-dimensional code for quick reading of information
RAS	Responsible Alpaca Standard – seal for the animal welfare of alpacas
RCS	Recycled Claim Standard – internationally recognized standard from Textile Exchange for recycled materials
RMS	Responsible Mohair Standard – seal for the animal welfare of angora goats
RSL	Restricted Substances List – the list is used to exclude or restrict chemical residues which consumers could come into contact when using a product
RWS	Responsible Wool Standard – seal for the animal welfare of sheep
SAI	Social Accountability International
SAQ	Self-assessment questionnaire
SDG	Sustainable Development Goal(s)
Sedex	Supplier Ethical Data Exchange – online platform for the disclosure of social processes for companies
SMETA	Sedex Members Ethical Trade Audit
t	Metric ton – unit of mass
UK Ltd.	Private Company Limited by Shares – British corporation not listed on the stock exchange, which is similar to the German GmbH
ZDHC	Zero Discharge of Hazardous Chemicals – Merger of companies to eliminate harmful substances in the value chain

ABOUT THIS REPORT

Every year since 2020, we have set out sustainability-related activities in the form of a sustainability report like this one.

The pursuit of sustainability is an ongoing process. It drives our desire to continuously develop further, so that we are best equipped for the future and can participate in shaping it. Much has changed again since our last report in 2022. This report, published on 31 october 2024, for the 2023 fiscal year, is already broadly oriented towards the EU sustainability reporting requirements. From 2026 onwards, we are obligated by law in accordance with the Corporate Sustainability Reporting Directive (CSRD) to publish defined, non-financial performance indicators as well as measures and strategies to improve these within our annual report. We began to prepare ourselves for this in 2023. Because of the form and size of the company, Marc Cain is not yet obligated to publishing a sustainability report. This publication is therefore voluntary. There has been no external audit. Marc Cain's management are responsible for the report.

It is based on data and facts collected in the various business departments. The reporting period covers 1 January to 31 December 2023. In the following chapters, we will report on developments and progress in the context of our four areas of activity: product, supply chain, environment and stakeholders.

The report includes all business units of Marc Cain GmbH and donations of the Helmut Schlotterer Foundation. It was coordinated by the Marc Cain Corporate Responsibility (CR) department, drawn up with participation by various departments and approved by the management. Since 2023, we have made great progress with regard to systematic, comprehensive and process-optimized data collection. This is reflected not only in the key indicators relating to our materials and suppliers but also very clearly in the indicators in the "Environment" chapter.

To avoid misunderstandings, we would like to point out here that we do not want to make any claim to perfection by using general terms such as "environmentally sound", "sustainable", "environmentally friendly", etc. The report in no way sets out a perfect sustainable solution, rather a step towards more sustainability. Moreover, all personal designations expressly apply equally to all genders.

Any questions or suggestions can be directed at any time to our CR team:
sustainability@marc-cain.de

CSRD: Corporate Sustainability Reporting Directive
Up until now, we have reported on our activities and key indicators in our sustainability report in line with the reporting standards of the Global Reporting Initiative (GRI). From now on, we follow the CSRD, which also takes the GRI into account in any case. The aim of the CSRD is uniform reporting on ESG topics (Environmental, Social, Governance) for companies in the EU. The companies determine which points and indicators out of over 600 defined reporting points and indicators are relevant for their specific company using a double materiality analysis. For larger companies and corporations, the CSRD has already been applicable since 2024.

THE MARC CAIN COMPANY

The internationally successful fashion company Marc Cain was founded in 1973 by Helmut Schlotterer, Chairman of the Management Board and owner. Today, Marc Cain is a globally operating premium brand for women's fashion with its own share of production in Germany. For 50 years now we have been creating unique fashion in Germany, with passion, dedication and great attention to detail. These creations include impressive knitted highlights, exceptional patterns and brilliant colors. Four collections each year offer women's outerwear as well as shoes and bags under the labels Marc Cain Collections, Sports, Glam, Pants, Essentials and Additions. Marc Cain GmbH manages the global business from its headquarters in Bodelshausen. Through our numerous stores, wholesale partners and our online shop, we reach customers all over the world.

MARC CAIN IN FIGURES

949 employees
707 female
242 male
199 part-time
58 on parental leave
42 trainees and interns

146 Marc Cain stores in 33 countries
323 Shop-in-stores
274 Depository customers
6 Marc Cain outlets
15 Showrooms
783 upscale specialist retail shops in 56 countries

66% of managers are female

The average age of the employees is **45*.** The average length of service is around **10 years.**

Own production In Bodelshausen
Germany, as well as in 14 production countries

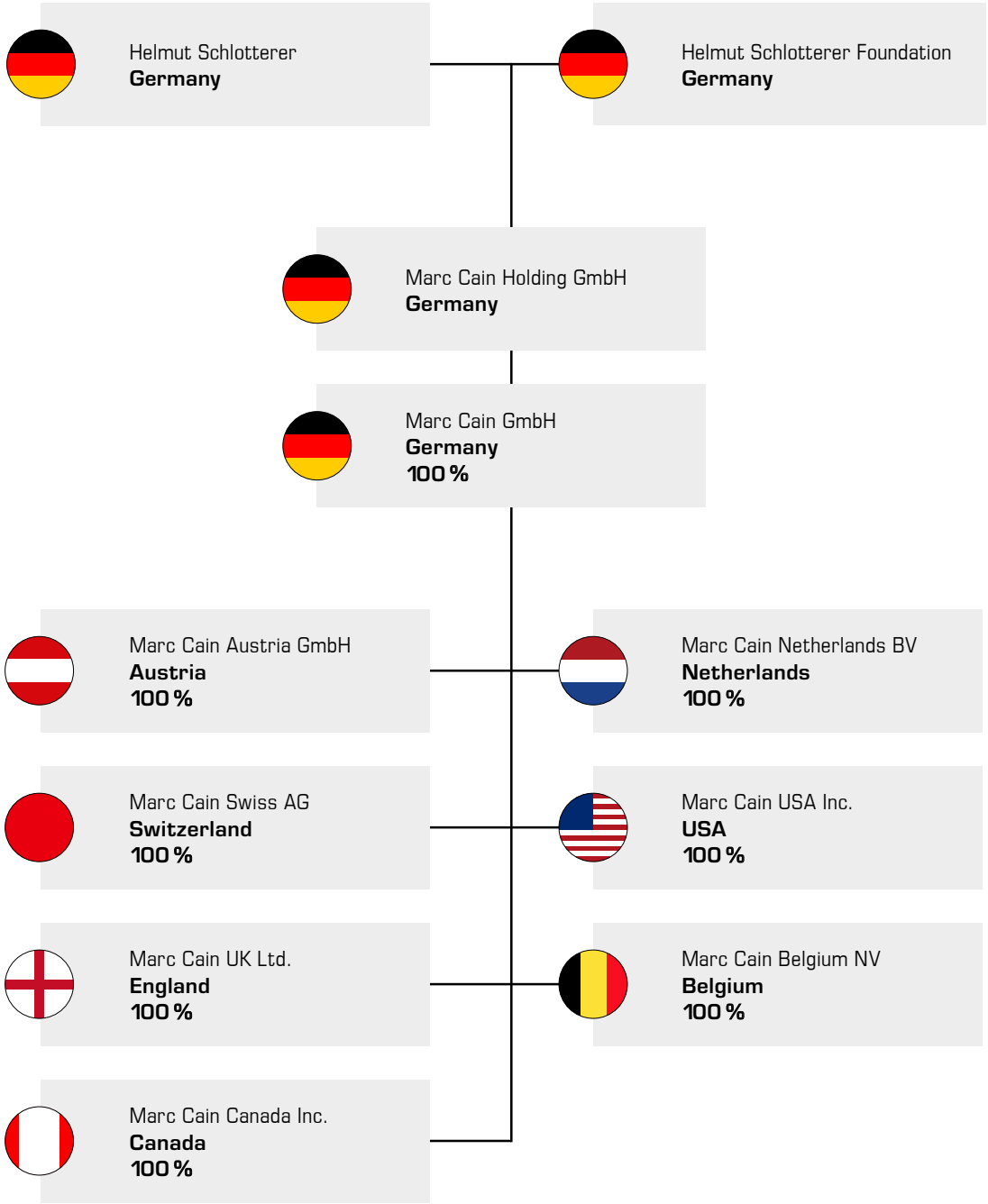
Since 2013
Quality label for 3D knit items: "100% Made in Germany"

Since 2020
Sustainability label: "Rethink Together"

Since 2020
Quality label: "Knitted in Germany"

*Excluding USA, Canada and UK

OUR COMPANY STRUCTURE



Marc Cain GmbH is a 100 % subsidiary of Marc Cain Holding GmbH.
The Foundation holds a stake in Marc Cain Holding GmbH.

OUR VALUE CHAIN

As a globally operating Company, we sell and produce internationally. At the same time, we remain true to our roots with our own production facilities in Germany.

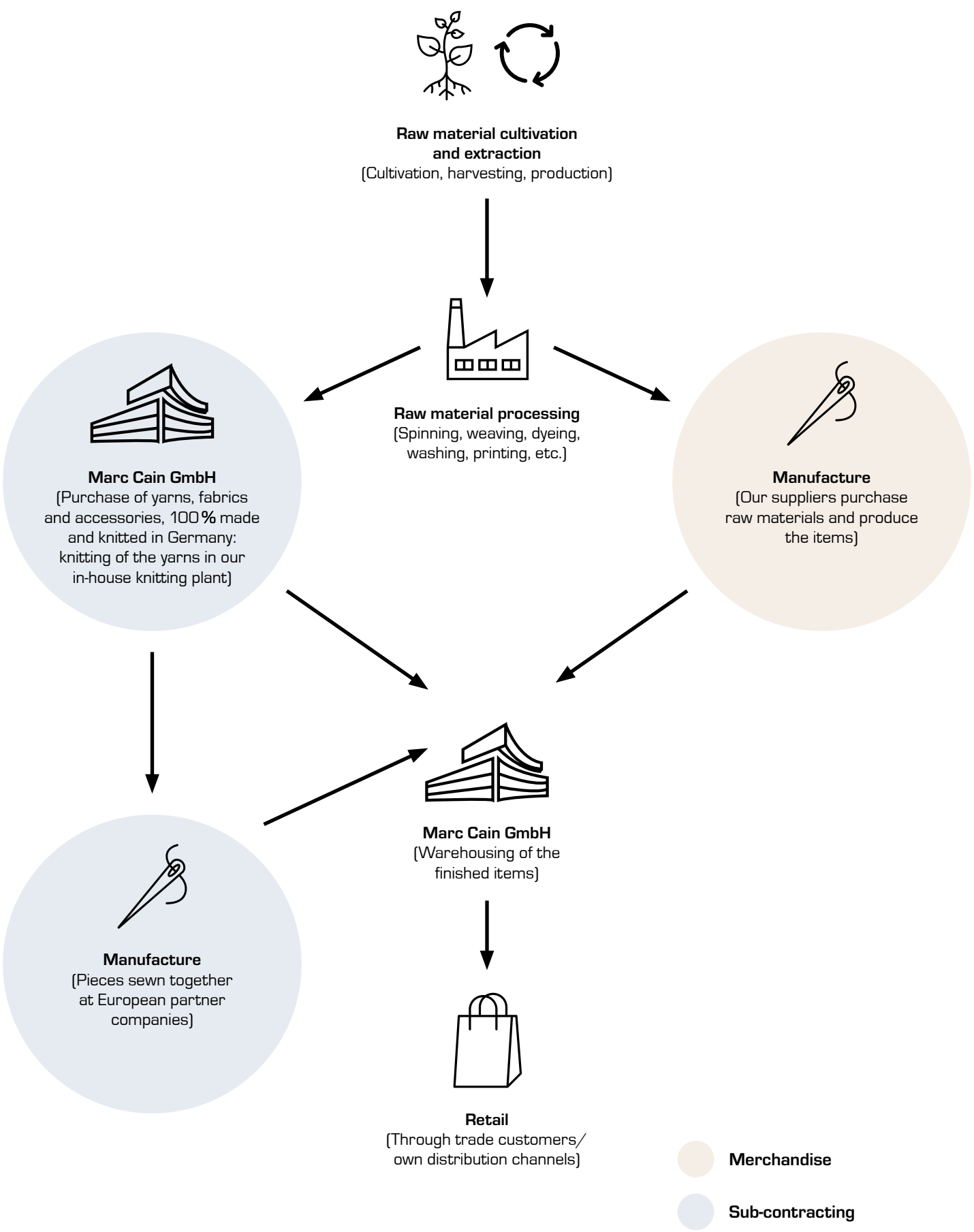
We not only purchase finished goods from our suppliers: almost half of what we procure comprises raw materials such as fabrics and yarns, which we process ourselves or have processed. In contrast to simply purchasing finished goods, this grants us greater transparency about the value chain of our products, as we not only know our garment makers, but also our fabric and yarn suppliers personally. Thanks to our in-house expertise, our experienced specialists work on site as equals with our suppliers to develop more sustainable solutions that fulfill our design and quality requirements.

These two different channels of procurement can be summarized under the terms “merchandise” and “sub-contracting” (SC). All product development processes, such as procurement activities or product design, are managed from our headquarters in Bodelshausen. For the SC procurement channel, the development and design process takes place in Bodelshausen, whereas the supplier is involved in the development in the case of merchandise.

Merchandise:
Products that are purchased and sold in a finished state. Product development is carried out in close cooperation between Marc Cain and the suppliers. For denim in particular, Marc Cain often specifies long-term fabric suppliers with whom our merchandise suppliers then work.

Sub-contracting:
In SC, raw materials such as fabrics or yarns are purchased and further processed and finished at our own production site in Germany or by contract manufacturers.

Value chains are complex and globally branched. The following is a simplified illustration of our value chain; we take all-round responsibility for its impact on animals, the environment and society.


Raw material cultivation and extraction
(Cultivation, harvesting, production)
Raw material processing
(Spinning, weaving, dyeing, washing, printing, etc.)
Marc Cain GmbH
(Purchase of yarns, fabrics and accessories, 100 % made and knitted in Germany: knitting of the yarns in our in-house knitting plant)
Manufacture
(Our suppliers purchase raw materials and produce the items)
Marc Cain GmbH
(Warehousing of the finished items)
Manufacture
(Pieces sewn together at European partner companies)
Retail
(Through trade customers/ own distribution channels)
Merchandise
Sub-contracting

Our headquarters in Germany

MARC CAIN – OUR HEADQUARTERS IN GERMANY

Marc Cain company policy is determined by the highest standards in every area of our company. This includes the high quality standards of our products and their manufacture, with ecological and social aspects being taken into account. Innovation through research and development is an elementary part of our DNA and enables us to combine our sustainability and quality standards for the perfect product. We have the expertise required for this at our Bodelshausen site, where core processes are managed and we still manufacture today. In addition to our administration, our headquarters in Bodelshausen is home to our own production facility for knitwear with finishing, a print department, a sewing room, our own laboratory for quality testing, our own joinery, the logistics center, and an outlet.

Our knitting plant
In 2023, **64%** of our knitted items were knitted at our headquarters.
We label these products "100% Made in Germany" or "Knitted in Germany".
Starting in the Spring/Summer 2025 season, all items knitted in Bodelshausen will fall under the "Knitted in Germany" label.

In our knitting mill, which is one of the most modern and innovative in Europe, we knit the yarns on cutting-edge flat and circular knitting machines and finish the knitted collection items in finishing processes. The complex work on the knitting machines requires a lot of expertise – which is why we rely on our experienced knitting technicians. They continuously develop new programs for our machines, so that our knitted items are manufactured state-of-the-art.
The circular knitting machines have a special filter creel that removes all fluff and thus prevents soiling on the knitted garment. This also greatly reduces dust exposure for employees, which significantly improves working quality.

Our in-house winding and twisting facilities allow Marc Cain to produce its own yarn creations. These also enable us to pull out defective knitted items so that the yarn can be re-knit.

Capacity was expanded in 2023 by five state-of-the-art circular knitting machines. The new machines are equipped with a variable working width. We are able to knit the items wider or narrower, depending on the garment size. This means fewer offcuts and less consumption of materials. The new technology in these machines allows us to produce even more custom designs. It also offers the opportunity to knit jacquard patterns on both sides of the garment as well as different seam and hem variants, or even to produce pleated effects.

Facts	
Production area	2,000 m^2
Total capacity	Approx. 1.5 million knitted components and approx. 390,000 knitted items per year
Flat knitting machines	112 machines
Circular knitting machines	7 machines
Staff	92 persons

100% Made in Germany

Items "100% Made in Germany" are produced entirely at our site. In other words, after the procurement of the yarns, all further production steps – knitting, printing, refining, finishing – are carried out at our Bodelshausen site. This involves 8% of our knitwear.

These items are labeled "100% Made in Germany" and are also termed "Knit-&-Wear", since they are manufactured using the innovative 3D knitting process. This means that the garment is knitted on one work-step – with no seams and virtually no textile waste.

Knitted in Germany

A good 56% of our knitted components are "Knitted in Germany" items that are knitted at our headquarters. Here too, there is virtually no textile waste involved in the Fully-Fashion knitted components, since the individual elements such as sleeves, front and back are already knitted in the final form. After knitting, we send the individual pieces to our makers, where they are sewn together.

knitted in Germany

What is meant by "3D knitting"?

The "100% Made in Germany" items are knitted all in one piece, completely without seams in our 3D knitting process in Germany. This means that the machines, thanks to state-of-the-art technology, are able to produce a knitted garment in one single step. At the very end, only two threads have to be sewn in: the starting thread and the end one. There is practically no yarn waste at all.

Our sewing plant

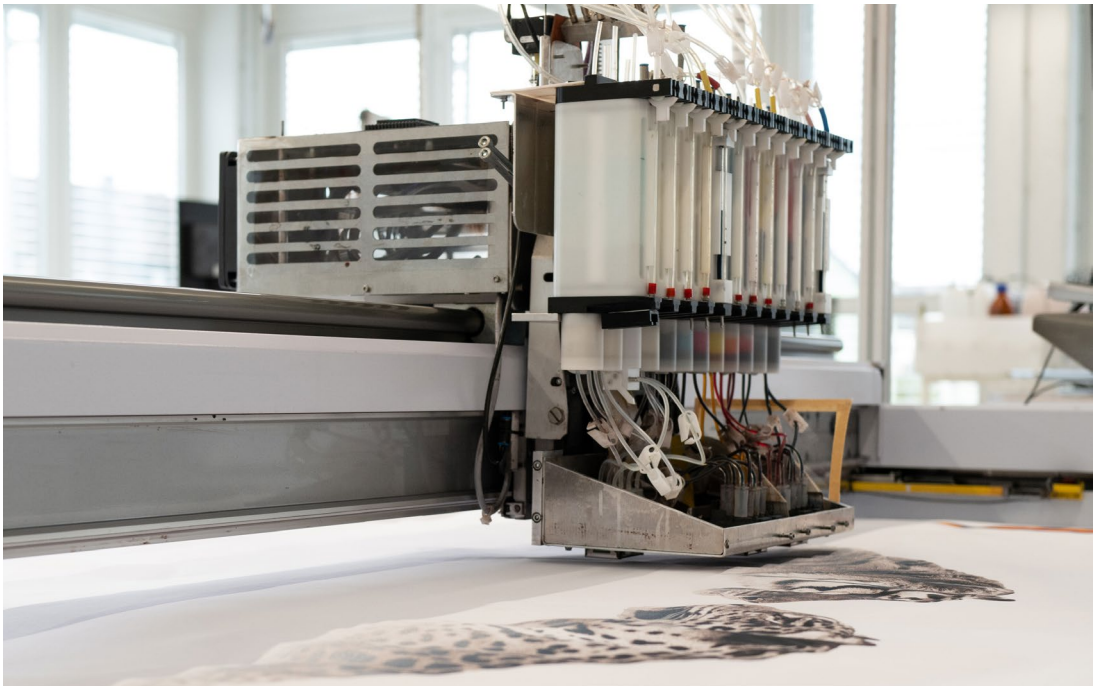
In our sewing plant, we produce cut-to-size pieces, prototypes, samples and garments for wearing tests as well as small orders. We process knits, jersey and woven fabrics here. This is also where we recondition production parts that have failed to pass our strict quality controls. The prototypes are the basis for later processing in series production. At the same time, this production step enables a realistic calculation of labor hours and therefore a fair basis for negotiation with our suppliers. From the very beginning, the company has developed its own expertise in the manufacturing process and has maintained it at the highest level to this day. This has only been possible thanks to continuous further development and investment in the individual departments. This is why Marc Cain invests purposefully in the next generation with vocational training in tailoring, the supervision of Bachelor's and Master's dissertations and internships.

Facts	
Production area	1,300 m^2 sewing room
Total capacity	approx. 400 sewed pieces/season and 20,000 reconditioned pieces/season (mending and ironing)
Materials	Knit/jersey/woven
Machines	91 machines
Staff	31 persons

Our printing plant

Marc Cain's headquarters in Bodelshausen has been using digital printing for many years. In addition to the inkjet process, we also use the screen printing process. The designers create the image data for the print designs and forward them to the in-house printing plant. The mere printing process for a small, placed motif on a T-shirt takes about two minutes. An all-over print on the front, back and sleeves of a jacket takes about 14 minutes. The prints are then fixed, washed and dried in special facilities.

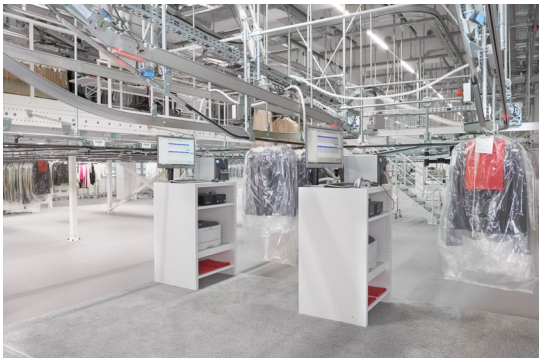
The fact that this entire process takes place under one roof has enormous advantages. The designers have the opportunity to create and try out many different print motifs in a very short space of time in order to optimize them for the collection. After all work-steps have been completed, a printed item with a small motif can be ready within around 90 minutes. These printing techniques offer us a great deal of flexibility and speed in production, since we save transport to external printers.



Facts	
Production area	550 m^2
Total capacity	16,000 pieces/year
Materials	Knit/jersey/woven
Machines	6 machines
Staff	7 persons

Our logistics center

The largely automated Marc Cain logistics center at the Bodelshausen site went into operation in November 2015. The building houses a 4-story utility building for offices, storage, technology, packaging and quality assurance. Right next to it is the warehouse building for dispatch preparation, a shuttle warehouse for flat-packed goods and a hanging goods warehouse that extends over five levels. Our logistics center also handles online shipping.



Facts	
Logistics center floor area	7,100 m²
Usable space, utility building	6,350 m²
Usable space, warehouse	11,400m²
Total capacity	1.4 million flat-packed goods Approx. 0.5 million hanging goods
Staff	60 persons
Warehouses for samples and returns Area	8,000 m²
Staff	30 persons

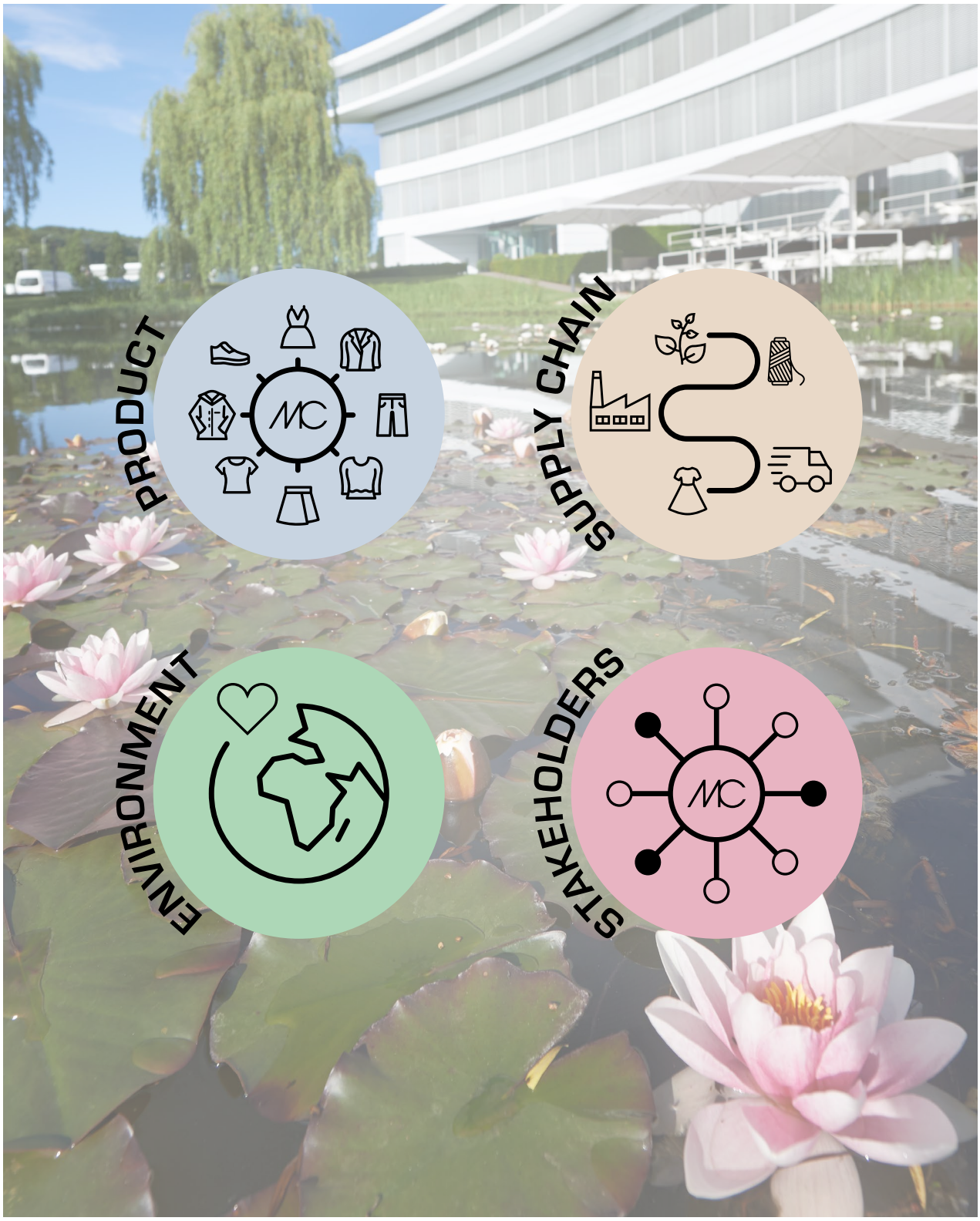
Our interiors department

We established our own interiors department, including our own joinery with warehouse, in 2007.

As well as the planning and project coordination for the opening of our own Marc Cain stores, shop-in-stores, outlets, showrooms, seasonal events and window campaigns, we develop our own store and office furniture. We manufacture the greater part of the furniture ourselves in our joinery. The materials are primarily sourced in Germany.

The shop concepts are developed in a way to allow designs to be updated, equipment repaired and thus reconditioned. We call it “Recycling Design”.
Lighting relies for the most part on LED technology and any remaining old lighting is being gradually modified so that the housings continue to conserve resources and only the technology is replaced.

Facts	
Joinery and usable floor space warehouse floor area	4,000 m²
Planned and furnished so far:	35 Marc Cain stores 4 outlets 13 showrooms Approx. 100 franchises Approx. 340 Shop-in-stores



Our sustainability strategy

SUSTAINABILITY MANAGEMENT AT MARC CAIN

Marc Cain takes the fulfillment of its due diligence obligations seriously, which is why the concept of sustainability has long been part and parcel of our actions at Marc Cain. This includes the responsible handling of materials, the use of renewable energies, as well as innovation and waste prevention through utilization of appropriate technologies.

The Management Board initiated the Corporate Responsibility department in February 2019 but continues to be jointly responsible for monitoring and coordination of sustainability management and the company's impact on the environment and society, taking economic aspects into consideration. The Corporate Responsibility department defines key sustainability-related strategies and goals in coordination with the management.

Since 2023, the promise to think and act in the spirit of sustainability has been anchored in the Marc Cain vision:

Vision Mission

(...) Our promise for the present and future of Marc Cain is to take responsibility for society and the environment and to successfully shape the future together. (...)

#do what you love

Our goal is all-encompassing sustainability management in order to achieve our claim to sustainability systematically and for the long term. We know that sustainability is not a process that can be completed overnight, rather one that required continuous improvement.

Here, we orient ourselves towards the guiding principles of the Organization for Economic Cooperation and Development (OECD), the Universal Declaration of Human Rights of the United Nations and the standards of the International Labour Organization (ILO), among others. We also strive to address some of the sustainable development goals (SDGs) of the United Nations through our actions. When it comes to animal welfare, we refer to the five-domain model of the Four Paws animal welfare organization.

OUR SUSTAINABILITY MANAGEMENT IS RISK-BASED

Our measures and activities are aimed at minimizing environmental and human-rights risks along our value chain and, where necessary, taking remedial action in the event of grievances. We have conducted a "materiality analysis" to determine which sustainability-related issues are particularly relevant for Marc Cain. In the analysis, various sustainability aspects along the value chain are assessed according to the relevance and severity of the impact on internal and external stakeholders. The probability of occurrence and our ability to exert influence are decisive factors. We will be conducting a materiality analysis again in 2024 to determine if risks have changed or new ones have arisen. The results of the risk analysis influence our measures we take as well as the indicators we have to report.
Aspects identified in the analysis were human-rights, occupational safety and environmental risks. Human-rights risks include safety in the workplace, discrimination, appropriate wages; environmental risks include the generation of greenhouse gases, land use and depletion of biodiversity, water use and contamination, and the endangerment of animal welfare. These risks are in line with the industry risks identified by the OECD for the clothing and footwear sector.

Our sustainability management focuses on these aspects and aims to create transparency and take mitigation measures where necessary. Our activities can be roughly divided into four areas: product, supply chain, environment and stakeholder. These are presented in more detail in the following chapters.

Looking at our business model and its impact, we have integrated the SDGs and categorized our activities to reduce impact. The United Nations' sustainable development goals (SDGs) constitute the Agenda for sustainable development. They were adopted in 2015 and all 193 countries of the United Nations have committed themselves to their implementation. The political framework for action is to implemented by 2030. With 17 objectives, 169 sub-objective and 232 indicators, the Agenda contains a wide range of topics. These include combating poverty, inequality, climate change, the protection of human rights and the promotion of peace.

Through their actions, companies can make a difference in at least some of these objectives. Based on our activities and their social and environmental impact, we have examined those goals and commitments set for us to see which of the SDGs Marc Cain can have an influence on.

6 CLEAN WATER AND SANITARY FACILITIES

No life without water. Clean drinking water is fundamentally important for life on Earth.
As a clothing company, we are reliant on water in our value chain. We need a lot of water: in the cultivation of plant fibers and the husbandry of animals from which we source our animal materials, but especially in processes such as dyeing, tanning, and washing. As end consumers we also need water for washing the garments. In order to improve water quality, we strive to avoid releasing hazardous chemicals in all steps of the process.

8 HUMANE WORKING CONDITIONS AND ECONOMIC GROWTH

In addition to our own production site in Germany, we procure products and services in Europe, Asia and North Africa. Many of these countries have other working conditions than those in Germany. We see it as our responsibility to ensure compliance with human rights there too. First and foremost is the ban on child labor and forced labor. We also take various measures to protect the rights and health of the workers not only at our own site but also at our suppliers.

10 FEWER INEQUALITIES

Our interpretation of this goal is that we avoid discrimination among ourselves in the professional context and also work to ensure that our partners' employees are not discriminated against in terms of age, gender, disability, ethnicity, origin, religion, etc.

12 SUSTAINABLE CONSUMPTION AND PRODUCTION

This goal includes several issues to which we are committed:
for our products that are dyed, tanned, washed and for which raw materials are cultivated, we strive for an environmentally friendly approach to working with chemicals. We want to design them to be durable and to save resources, for example by reducing or even eliminating waste.We wish to inform our customers about the sourcing of raw materials or production processes not only through our annual Sustainability Report but also through our website or our magazine.

13 MEASURES FOR ENVIRONMENTAL PROTECTION

At our own site, we strive to protect the environment through electricity-saving measures, the use of renewable energies and avoiding textile waste. We use more and more recycled materials and motivate our suppliers to put measures to protect the environment into effect in their production plants. We are currently working on a valid assessment of our carbon footprint and intend to set further objectives based on this.

14 AQUATIC LIFE

Various chemicals can have an impact on the conservation of organisms and fish in the oceans. We want to minimize their negative impact through strict regulations on their use.
With our new goals with regard to plastic packaging, we are taking the first step to inhibiting the distribution of microplastics.

15 LIFE ON LAND

In the purchase of paper and wood, but also at least a portion of our cotton, we ensure to use certified materials sourced from sustainable forestry and farming. The ban on trade in materials from protected animals is part of our supply contracts. Marc Cain uses only animal materials that come from domesticated animals or are a by-product of the meat industry.

Product

We have brought forward our **target TO ACHIEVE MULESING-FREE WOOL** by 2030 **to 2028**

Our **NEW TARGET:**
We only want to use **CERTIFIED MOHAIR WOOL** for mohair fibres **by 2025**

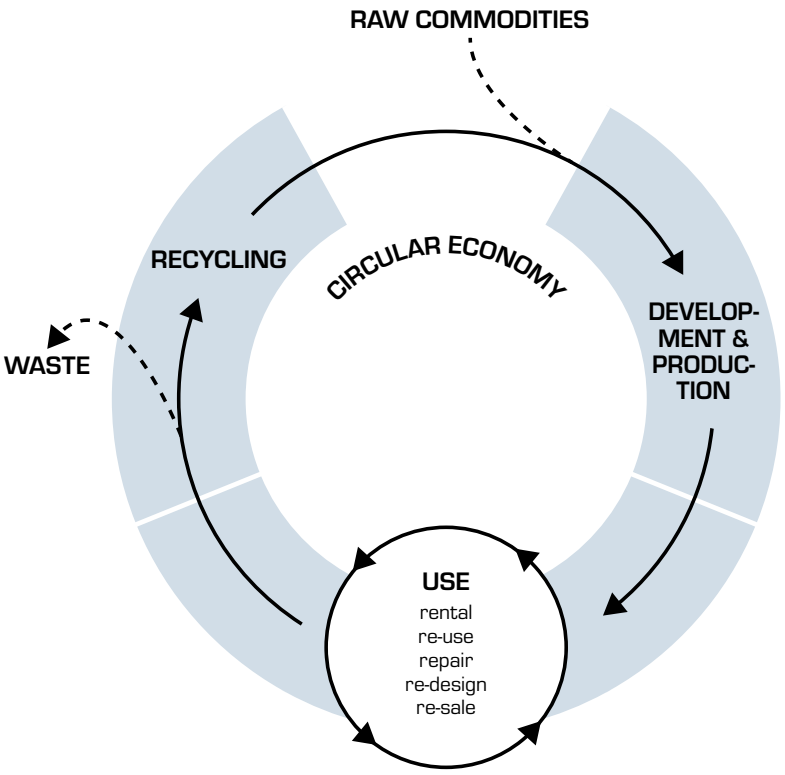
OUR PRODUCT – THE CENTERPIECE OF MARC CAIN

The items we produce are the centerpiece of our brand. At the same time, they are also the calling card of our sustainability engagement. We orient ourselves towards concepts for a circular economy, increasingly use more sustainable materials, ensure compliance with strict chemical regulations and pursue innovative product development and production processes. These themes are all part of the product and can be seen and experienced in the product by our customers.

In 2023, we continued the existing strategies and pursued the goals we set in 2021. For many goals we are already on the right track to achieving them by the deadlines set. For some goals, we have sharpened our focus even more and for others, we are going to need greater effort and more time to achieve them.

CIRCULAR ECONOMY

For us, materials and products are more sustainable when, firstly, they are of higher quality and a timeless design and so can remain in use for a long time. Secondly, yarns, fabrics and accessories are more sustainable if they are not sourced directly from fossil resources, have been recovered and are reusable. Thus, there are several different conceivable cycles that can conserve resources and therefore protect the environment.



Highest quality for long-lasting enjoyment

One aspect that supports the circular economy is the durability of a product. Our customers rely on the fact that they are purchasing high-quality products. All materials are cross-checked in our own laboratory in Bodelshausen to ensure compliance with our strict quality standards. Typical test parameters are pilling behavior, light fastness and fastness to washing and rubbing. Approval for production is granted only once the product has successfully passed these tests.

In addition to these physical and technical laboratory tests, the test routine also includes wearing tests to ensure maximum durability and comfort. Female employees wear sample items for testing purposes and are then asked about their wearing experience. In this way, improvements can be made in production and wearing comfort for the end customer optimized.

Care and repair instructions for more durability

The conscious handling of resources does not stop with the selection of high-quality materials and good processing. The proper care and repair of a garment by the customer is also decisive for a long service life. To help our customers treat their favorite clothes properly, we provide care and repair videos in our website, in which experts from our own lab and the restoration sector let customers in on tips and tricks, including on how to wash Marc Cain items the right way, how to carefully remove stains or how to mend small holes virtually invisibly.

Projects on the topic of dealing with surplus

The task for students at the **Reutlingen University of Applied Sciences** was to develop new, wearable outfits, characterized by a good fit, from unsold Marc Cain articles in the sense of upcycling. The students were allowed to use leftovers from the notions store. The new style created were auctioned off for a good cause. With this project Marc Cain wanted to provide inspiration and solutions for the future upcycling of your own old clothes.

Marc Cain's cooperation with **Pforzheim University of Applied Sciences** was part of the curriculum for the 4th semester with the topic "Circular Transformation Strategies". The goal was to find scalable approaches that could be integrated by the apparel industry as an integral part of the circular economy. Various approaches were developed, tested and realized: from the "unraveling" of unsold sweaters and the creation of new articles from the yarn thus obtained, or the upcycling of items that can then be assembled again and again from variable components or that grow with the wearer, to the idea of styling the old garments in a new way to make them attractive to other target groups.


Marc Cain was also able to support the final dissertation of a student at the Pforzheim University of Applied Sciences: by providing knitting yarn from surplus and arranging cooperation with a flat knitting machine manufacturer in the region. The student has developed a program that allows knitwear manufacturers to use knitting yarn remnants to simulate new knitwear such as sweaters on the computer and then manufacture them.

Upcycling – a special campaign born out of our 50th anniversary

After the dazzling 50th anniversary celebration in August 2023, we created bags from our leopard-print event tent as part of an upcycling campaign. The idea behind the recycling of the leopard-look tent was to conserve resources, avoid waste and create a limited edition accessory. The bags were produced at the VAUDE site in Obereisenbach at Lake Constance. This offered the advantage of short transport routes, since both companies are regionally based in Baden-Württemberg.

OUR SELECTION OF MATERIALS

We use various fibers and materials for our high-quality products. Each type of fiber or material has its own particular use and specific technical properties. Cotton, for example, is characterized by very pleasant, skin-friendly wearing comfort, especially at higher temperatures. Synthetic fibers, on the other hand, are particularly robust and dry quickly. The quantities of the fiber types contained in our main materials are recorded annually by weight at raw commodity level: at raw commodity level because this represents an approximation of the quantity actually produced and therefore also enables the resources utilized to be quantified.

We use the methods of the Textile Exchange organization for collecting the information. In order to obtain the values relating to the raw fibers, i.e. the quantity that was originally produced before it undergoes further production and processing steps, the quantity contained in the end product is multiplied by "fiber conversion or loss factors". These conversion factors are adjusted from year to year as the data situation improves. This may result in a slight deviation from the previous year's calculation.

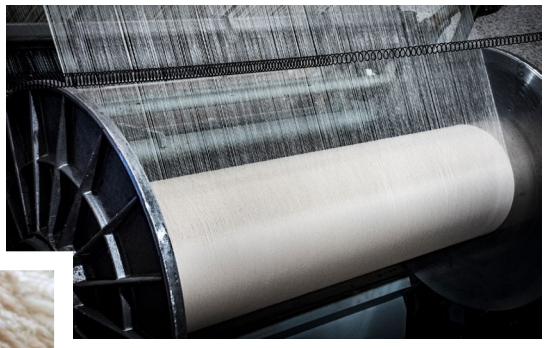
As the following table shows, there has been a slight shift in the fibers used. Our main fibers continue to be synthetic fibers followed by cotton. Wool has been overtaken by man-made cellulosic fibers. The proportion of leather would appear to have increased. A true comparison with the amounts of the previous year is not possible for this raw material, since the data basis for the evaluation with regard to leather for 2023 has improved and shoes and bags are allowed to be included.

Which fibers were used in our collections in 2023 and how have they developed compared to 2021 and 2022?

	2021 in t	2022 in t	2023 in t
Synthetic fibers	437 t (34%)	503 t (37%)	608.5 t (37%)
Cotton	376 t (29%)	384 t (28%)	405.7 t (24%)
MMCFs	129 t (10%)	150 t (11%)	226.9 t (14%)
Wool	230 t (18%)	233 t (17%)	199.0 t (12%)
Leather/fur	62 t (5%)	60 t (4%)	183.2 t (11%)
Linen	26 t (2%)	24 t (2%)	25.5 t (2%)
Silk	25 t (3%)	16 t (1%)	12.8 t (1%)
Ramie	1.8 t (< 1%)	2.3 t (< 1%)	1.2 t (< 1%)
Metallic fibers	0.8 t (< 1%)	1.6 t (< 1%)	0.9 t (< 1%)
Other fibers	0.1 t (< 1%)	0.2 t (< 1%)	0.1 t (< 1%)
Total	**1,288 t (100%)**	**1,374 t (100%)**	**1,664 t (100%)**

Through our materiality analysis, we have recognized that the issues of CO_2 emissions, water consumption, land use, biodiversity, threats to animal welfare and possible pollutants are in focus at the raw material extraction and processing stage. Our goal is therefore to minimize the negative impact on the environment, health, occupational safety and animal welfare where we have the greatest volume. For the most commonly used types of fiber, we have set ourselves the ambitious goal of increasing the proportion of more sustainable alternatives.

We understand more sustainable fibers to be those that, compared to conventional alternatives, have lesser negative impact on the environment, are more socially compatible or take animal welfare into account. The goals and achievements are described below.



NATURAL FIBERS OF BOTANICAL ORIGIN

COTTON

Cotton is our most commonly used single fiber. The plants can generally get by with little water. For this reason, it tends to be grown in dryer, warmer regions. However, it is reliant on water in certain phases of growth. Cotton is conventionally cultivated as a monoculture and uses artificial fertilizers and pesticides. Not only can these pose a health risk to the people working in agriculture but they can also lead to the contamination of the groundwater and surface water. Added to this is the high amount of greenhouse gases released during the production and use of nitrogen fertilizers.

To minimize the harmful effects on the environment and surrounding communities, various more sustainable alternatives are available on the market, with different approaches, requirements and prices.

Which more sustainable alternatives do we use?

Organic cotton

This cotton comes from controlled organic cultivation without genetically modified seeds and without synthetic pesticides and fertilizers – for more biodiversity and better soil health. We source organic cotton that is certified according to the internationally recognized standards GOTS (Global Organic Textile Standard) and OCS (Organic Content Standard). In 2023, our percentage of organic cotton used was 18% (2022: 21%). Organic cotton is a material criterion for Rethink Together items.

Supreme Green Cotton®

This cotton comes from Greece and is traceable from the field to the spinning mill. It is grown without genetically modified seeds, with sparing use of pesticides and drip irrigation. Farmers receive purchase prices that are higher than the market value in order to protect them against market and volume fluctuations. The entire supply chain, from the cultivation of the cotton to the production of the garment, takes place in Europe and can be viewed transparently by the end customer via an individual QR code. In 2023, our percentage of Supreme Green Cotton was 3 % (2022: 4%) of the total volume of cotton used. Supreme Green Cotton is a material criterion for Rethink Together items.

Cotton from regenerative agriculture

Together with the denim specialist Candiani, we develop denim cotton products that are certified according to the regenagri® standard. Regenerative agriculture aims at working the soil to restore soil health, for example through crop rotation or cover crop cultivation. This is achieved by means of natural measures that, for example, help to reduce soil erosion, retain carbon, promote biodiversity in the soil and help the soil to store water. The focus here is on looking at the farm as a whole. However, it should be noted that regenagri® cotton also allows genetically modified seeds. regenagri® cotton guarantees traceability along the entire supply chain. In 2023, we used this cotton for the first time with a share of 5%. Regenerative cotton in accordance with the regenagri® standard is a material criterion for Rethink Together items.

Better Cotton

Since 2020, we have been a member of Better Cotton, an organization that promotes responsible cotton cultivation. We source the majority of our more sustainable cotton through our membership of Better Cotton. Farmers growing Better Cotton are trained to use water efficiently, to reduce the use of growth promoting substances and to respect biodiversity, soil health and the well-being of their workers. Tracing according to "mass balance" means low additional costs and effort for the further supply chain and enables consistent quality, as the fiber blend can remain the same. The relative volume of Better Cotton was 39% in 2023.

Spanish Cotton

We are currently using this cotton in our denim products. It is cultivated in Spain and therefore under European legislation, which means the risk of inhumane working conditions in the cultivation and harvesting are reduced considerably. According to European legislation, genetically modified cotton may not be cultivated. This aspect is comparable to organic cotton. In addition, only approved pesticides may be used in European agriculture.

The exact origin of this cotton is known and can be traced even back to the very field. This not only means that we have better transparency but also that, by using Spanish cotton, we have shorter transport routes, since all production steps, from the raw material to the finished product, take place in Europe or close to Europe in North Africa. In 2023, the percentage was not quite 1% of our total volume of cotton used.

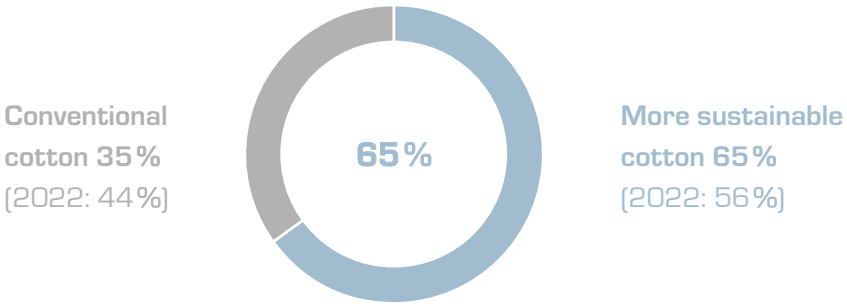
Recycled cotton

The use of recycled cotton is more resource-efficient compared to the sourcing of the fiber through new cultivation (known as "virgin cotton"). This practice distinguishes between pre-consumer materials (e.g. production surpluses) and post-consumer materials (e.g. used textiles from recycled clothes). One possible disadvantage of recycled cotton is its lower quality compared to virgin cotton, which can be particularly problematic for fine cotton fabrics. However, recycled cotton is more suitable for less fine cotton products such as those made of denim. Here, too, the proportion used in 2023 was less than 1 %.

OUR GOAL: 100 % MORE SUSTAINABLE COTTON

We strive to be using 100 % more sustainable cotton for our products by 2025.

Goal attainment
More sustainable cotton



LINEN

Linen is made of flax fibers, of which 80-85 % is grown in Europe, mainly in France. Other countries of cultivation are Belarus, Russia, Ukraine and China. Depending on the manufacturer, the processing of linen can be water-intensive. In 2023, we used 6 % linen. As a more sustainable alternative, we accept European Flax®. This is linen from controlled European cultivation and we will be using it in the collections in 2024.

RAMIE

Ramie is a bast fiber. It's of the purest white, very robust and durable. Processing of the fiber is currently associated with high mechanical effort and manual labor, making it expensive. We have continuously used ramie in individual items for years and these items always contain 100 % ramie. The proportion of this fiber used in 2023 was less than 1 %.

FIBERS OF ANIMAL ORIGIN

High-quality animal fibers and materials are a key quality characteristic for us. Compared to synthetic fibers, merino, mohair, alpaca, cashmere and silk stand out as naturally occurring fibers. They are renewable, fully biodegradable and durable in use – sustainability criteria that naturally need to be underpinned by a responsible and cruelty-free sourcing process for the animal hair and environmentally friendly pasture management.

Our supplier framework agreement contains an animal welfare policy. We updated and refined this in 2022 together with the Four Paws animal welfare association. The inclusion of the policy ensures that awareness of animal welfare is heightened across our supply chain and we contribute to the demand for animal welfare-certified materials.

In our contractual animal-welfare requirements, we refer to the five-domain model. According to it, animals should receive good nutrition and a good husbandry environment. At the same time, good health, appropriate behavioral interactions and positive mental experiences must be promoted. We require our suppliers to use only products from animals that are bred and kept in accordance with the applicable laws and regulations. In particular, we refer to Regulation EC No. 338/97 on the protection of species, which, among other things, implements the requirements of the Washington Convention on International Trade in Endangered Species (CITES), as well as the German Federal Nature Conservation Act and the German Federal Ordinance on the Protection of Species. In 2023, 36 % of our animal fibers were certified according to a recognized standard.

We do not process fur, angora or exotic skins.

The leather we use is a by-product of the food industry.

We use only down and feathers from suppliers that have been certified for species-appropriate animal husbandry.

WOOL AND FINE HAIR

Knits are one of our core competences and we process a lot of wool fibers. Wool and all associated fine hairs are our fourth largest fiber group. In 2022, we tightened our requirements for wool fibers and enshrined these contractually. Proof of origin is now required for all wool fibers and certification of the corresponding animal fibers preferred.

Sheep's wool

A large proportion of the wool we use is from merino sheep. Australia is the largest producer of merino wool. We have brought our original target of using only mulesing-free merino wool by 2030 forward to 2028 and in 2023 have already achieved 78% (2022: 74%). As part of the Four Paws animal welfare association's "Brands against mulesing" initiative, we are also speaking out against the practice of mulesing at a political level.

Fine hair

In addition to wool from alpacas, we also use wool from cashmere goats and, in very small amounts, wool from angora goats (mohair). All of these types of wool are very fine, warming and expensive. The largest supplier country for alpaca wool is Peru. The alpacas are farmed there, but also kept by the indigenous peoples in the agricultural tradition. Cashmere comes almost exclusively from Asia, particularly China and Mongolia. In Mongolia, the goats are also raised by nomads. More than half of mohair wool is produced in southern Africa, but also in Türkiye, where the angora goats originated. New is that we have set ourselves a target for mohair wool: we want to use only more sustainable mohair wool by 2025.

Which more sustainable alternatives do we use?

RWS – Responsible Wool Standard

This certification ensures a traceable supply chain. The farms on which the sheep are raised comply with the RWS standard. This contains the five-domain model for animal welfare: good nutrition, environment and health, as well as appropriate husbandry and positive mental experiences. The certification also indicates that the wool was sourced mulesing-free. 47% of our sheep's wool is certified according to a recognized standard.

RAS – Responsible Alpaca Standard

This certification relates to alpaca wool and in principle has the same requirements as the RWS standard. Just under 1% of the alpaca wool we use is certified according to this standard.

RMS – Responsible Mohair Standard

This certification relates to mohair wool and has the same requirements as the standards referred to above. 62% of our mohair wool is certified according to this standard.

SILK

Silk is synonymous with elegance and brilliant colors. It is also very soft and skin-compatible. Silk is an animal product, since it is harvested from the cocoons of the silk worm. More sustainable silk alternatives are in short supply and vary greatly in quality. These alternatives are: organic silk, animal-welfare certified silk and recycled silk. However, these types of silk are not currently used at Marc Cain. The use of silk decreased again in 2023.

LEATHER AND FUR

We use only animal skins that are a by-product of meat production. As a fur-free brand, we are also listed with the German Animal Welfare Association and the Fur Free Retailer initiative. Lambskin does not fall under the definition of farmed fur. We mainly use sheepskin and calfskin in our collections. Leather has a myriad of applications and impresses with qualities such as durability, elasticity, abrasion resistance and water vapor permeability.

The processing and especially tanning of leather can have a negative impact on the environment. For this reason, we require proof from our suppliers that the leather has been produced in accordance with the standards of the Leather Working Group (LWG).

Which more sustainable alternatives do we use?

Since the Fall/Winter 2022 collection, our bags have been leather-free or are made using recycled leather fibers. This type of leather is more than 50% pre-consumer recycled and certified in accordance with the GRS standard. Leather fibers obtained from pre-consumer leather scraps are applied to a textile fabric in an upcycling process and are thus given a second life. In terms of the overall use of leather in clothing, shoes & bags, we used 3% recycled leather fibers in 2023.

DOWN AND FEATHERS

Down and feathers are used as filling material and occasionally also as decoration. All down and feathers used as filling material are certified in accordance with the Responsible Down Standard. The Responsible Down Standard requires responsible animal husbandry, with the animals being bred exclusively for meat production and not plucked alive or kept for foie gras production. Insofar as feathers are used for decorative purposes, we use only ostrich feathers from South Africa, which are by-products of the meat industry. In 2023, we used a good 4.6 tons of down and feathers.

SYNTHETIC FIBERS

Synthetic fibers – also known as artificial fibers – have their advantages in terms of functionality and ease of care. The best-known synthetic fibers are polyester and polyamide, but they also include elastane, acrylic and variations of the same. Polyurethane is a component in some outer fabrics but it most commonly used as a coating on other materials. This means it can be used as a leather substitute, for example on sneakers. Polyurethane is lightweight, resilient, and can be customized in color and shape. The risks associated with synthetic fibers lie in their impact on the environment: the source material – crude oil – contributes to CO_2 emissions, abrasion during washing can generate microplastics, and these materials are not biodegradable. Resource-saving alternatives include synthetic fibers made from recycled materials or "bio-based synthetic fibers".

Which more sustainable alternatives do we use?

Recycled polyester

Simply switching from conventionally produced polyester to recycled polyester is not the only solution for Marc Cain. This is because recycled polyester actually made from textile waste is still very limited in terms of quantity. The majority of recycled polyester is still made from PET bottles. This production of recycled polyester is the subject of much debate. Nevertheless, Marc Cain sees the production of recycled polyester from old PET bottled as a positive step towards reducing the need for new crude oil for fiber production. Moreover, empty PET bottles often end up in the environment in many countries. In 2023, the proportion of recycled polyester we used was 7 % (2022: 11 %) of the entire use of synthetic fibers.

Recycled polyamide

This often comes from fabric remnants or old fishing nets. This means that crude oil, which is otherwise the raw material for the production of polyamide, can be conserved as a resource.
At Marc Cain, we accept recycled polyamide (trade name: nylon) that is certified according to the GRS or RCS standard, as well as polyamide from Econyl, a proprietary brand of the Italian fiber manufacturer Aquafil. We used individual articles with recycled polyamide certified in accordance with the GRS standard for the first time in 2022. The proportion of recycled polyamide in 2023 was 3 %.

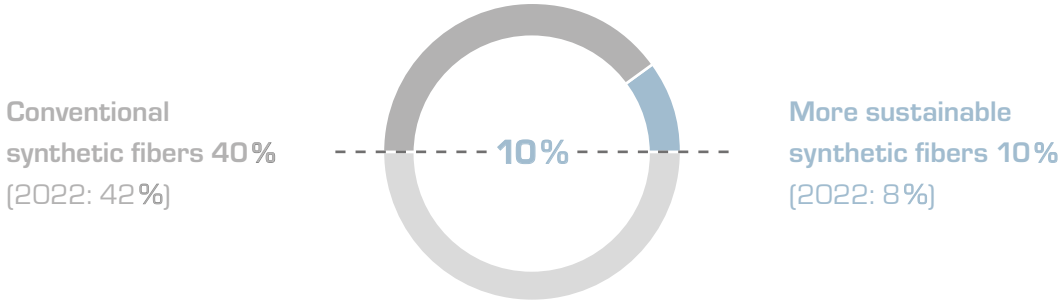
Recycled elastane

In some denim items from our denim suppliers, the elastane content is partially recycled, which also helps to conserve resources. The proportion is under 1 %.

OUR GOAL: 50 % MORE SUSTAINABLE SYNTHETIC FIBERS

We have extended our original goal of using 50 % more sustainable alternatives for polyester and polyamide by 2023 to include the synthetic fibers acrylic, elastane and polyurethane. We have not yet achieved this goal. We are working on improving and will define measures to achieve the goal in relation to all synthetic fibers by 2025.

Goal attainment
More sustainable synthetic fibers



MAN-MADE CELLULOSIC FIBERS

Just like natural plant fibers, man-made cellulosic fibers (MMCFs) consist of the raw material cellulose. For MMCFs, the cellulose mainly comes from wood, wood pulp or other plants such as bamboo. The fiber production process is carried out using chemical methods, which is why these are not natural but artificially produced cellulosic fibers. Nevertheless, as the raw material is plant-based, they are considered renewable fibers. As the global production volume of MMCFs increases, environmental risks and compliance with basic human rights are also becoming increasingly serious issues. These include increasing illegal deforestation of forests and rainforests for the extraction of cellulosic raw material and thus the destruction of biodiversity and the livelihoods of indigenous populations.
The chemicals used in the manufacturing process have harmful consequences for human health and the environment if they are not handled and disposed of properly, for example if these chemicals get into the water or soil.

The MMCF fiber group includes viscose (also known in the USA as rayon), acetate, triacetate, Lyocell, modal and cupro. Viscose is the most frequently use synthetic fiber, both globally and by us (86 %). It is often called "artificial silk", because it is very similar to natural silk in terms of look and feel.

The pulp for Lyocell (< 4 %) is extracted in a closed production process in which the solvent is recovered. This means that Lyocell is already a more resource-efficient fiber with its conventional production method.

Modal is used to a much lesser extent at Marc Cain that the cellulosic fibers referred to above (2%). Modal fibers are lighter and finer than viscose fibers.

Acetate, including triacetate (together approx. 9%) is the second most frequently produced MMCF globally, after viscose. Triacetate is a higher-quality form of acetate. These fibers are similar to silk. However, the fiber itself is weaker than other MMCFs and is more resource-intensive to produce.

Cupro (< 1%) is made from cotton linters. These are non-spinnable, very short cotton fibers that are a by-product of the ginning process. Cupro is now produced by only one manufacturer worldwide in compliance with strict environmental conditions and is often used in lining fabrics. Our system-based fiber quantity survey covers only outer fabric materials.

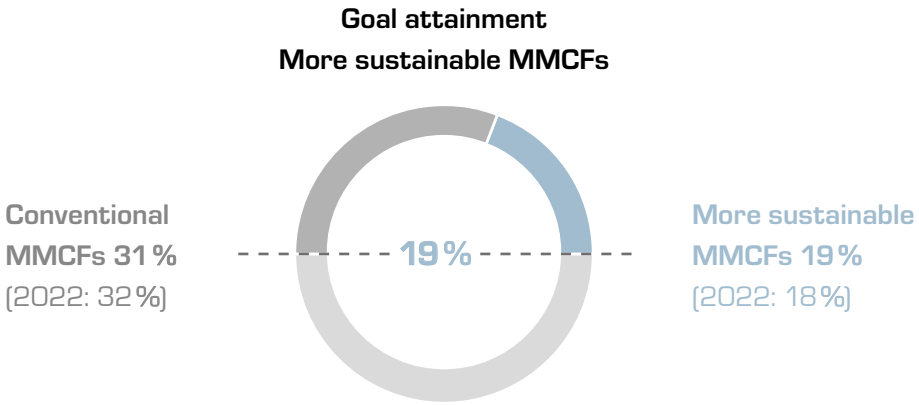
Which more sustainable alternatives do we use?

In order to reduce the above-mentioned risks in the use of man-made cellulosic fibers, we rely on a range of more sustainable alternatives. By more sustainable man-made cellulosic fibers, we mean fibers that are characterized by two features in particular: firstly, the raw wood comes from certified sustainable forestry. This means that the biodiversity and regenerative capacity of the forest is protected when the wood is harvested. Secondly, fiber production takes place in a largely closed water-chemical cycle in which the resources used see a high rate of reuse. In 2023, the proportion of more sustainable MMCFs used was 19% (2022: 18%).

For viscose, we at Marc Cain rely on **LENZING™ ECOVERO™** or **ENKA® viscose**. For Lyocell, we consider **TENCEL™** a better alternative. **TENCEL™ Lyocell** with the innovative **REFIBRA™** technology is already taking a crucial step towards a circular economy, since up to 30% of the raw material consists of recycled pre-consumer cotton. For modal, we like to use **TENCEL™ modal**, and for acetate **Eastman Naia™** or **Naia™ Renew**. ECOVERO™, TENCEL™ and REFIBRA™ are trademarks of Lenzing AG. ENKA® is a trademark of ENKA GmbH & Co. KG.

OUR GOAL:
50 % MORE SUSTAINABLE MAN-MADE CELLULOSIC FIBERS

We have not yet achieved our original goal of switching to 50 % more sustainable man-made cellulosic fibers (=MMCFs) by the end of 2023. To continue to minimize the aforementioned risks in the manufacture of man-made cellulosic fibers in our supply chain, we are working diligently to achieve the goal in 2025.



METALLIC FIBERS

Metallic fibers are those which partly contain metal and are combined with other types of fiber. They are composed of metal such as aluminum or metalized polyester. They are used for decorative elements. The proportion used at Marc Cain is, as in previous years, less than 1 %.

OTHER FIBERS

When "other fibers"is listed in the material composition, this is the result of the pragmatic approach of global textile labeling regulations.
If the exact weight percentage in relation to the surface area is very difficult to determine at the time of manufacture and the proportion of the fiber in the material composition is less than 5 %, it may be listed as "other fibers".

MORE SUSTAINABLE MATERIALS IN AN INDUSTRY COMPARISON

We have participated in the Textile Exchange "Materials Benchmark" since 2019. The objective of the Benchmark is to report on and thus ascertain what progress the textile industry is making in the transition to more sustainable materials, and the extent to which the sector is aligning itself with global efforts such as the sustainable development goals (SDGs) and driving the transition to a circular economy. At the same time, companies gain an insight into the current industry comparison. The advantage of this benchmark is the standardized methodology, which enables direct comparability between companies. The company's performance is evaluated in the areas of "Strategy and Integration", "Material Portfolio" and "Impact Areas". The "Impact Areas" segment has been added recently. This means that a comparison of the assessments from 2023 with 2022 is only possible to a certain extent. Based on the data from the companies, an assessment is made within four levels, Developing, Establishing, Maturing, and Leading, on a scale of 1-100 points.

The results of the Material Change Index 2023 are based on the data from 2022. The data in this Sustainability Report from 2023 will first be included in the Materials Benchmark 2024. We made significant progress in the individual modules also in 2022. Overall we achieved the level of "Establishing" again. Internally we still had no data from the reporting year for the new segment of "Impact Areas", so we decided not to report on this yet. Our results in detail:

1. **Business Integration**
   As in the previous year, we were able to show in 2023 that we have integrated our strategy for more sustainable materials in central decision-making and corporate culture at Level 3 "Maturing".

2. **Circular Economy**
   With regard to the circular economy, we are at the development stage. This involves achieving progress in the conception and implementation of a circular textile system. In 2023, we achieved Level 1 "Developing".

3. **Material Portfolio**
   We set ourselves goals for the raw materials we use based on the consideration of risks. Accordingly, we look for more sustainable alternatives and measure the progress of the goals set by us. Thus, for example, we achieved our target for cotton ahead of time and have set ourselves new, ambitious objectives.

   In 2023, we achieved Level 2 "Establishing" across all raw materials. With regard to the raw materials cotton, polyester, polyamide, regenerated cellulosic fibers, i.e. MMCFs, leather and alpaca, we were at the industry average. For wool and cashmere, we were below the industry average and for down and feathers above the average.

The results from all participating companies can be viewed by following the link : https://textileexchange.org/material-change-index/

INNOVATION

Innovation is an integral part of Marc Cain's brand DNA. In addition to the latest knitting and printing technology, our focus areas include the digitalization of processes and 3D product development.

Digital visualization of the collection

The digitalization of product development brings with it many opportunities: digital processes across departments and along the value chain enable transparent communication and greater flexibility. Modernization also means that we are less reliant on physical sketch printouts, which reduces the consumption of resources such as paper and printing ink. At the same time, fewer raw materials are needed for prototypes and therefore less transport is required.
Up to 80% of the collection is now developed with the help of 3D technology and approx. 50% of items ultimately have a digitally elaborated twin. 25% of the items no longer have a physical prototype made for them. This applies in particular to basic items such as t-shirts, and for a few items with standard tailoring. The product development process becomes altogether faster and more efficient.

Moreover, the digital presentation of items can also replace physical samples for sales. Empirical data from the 100% digital anniversary collection order will now be used to make further savings on samples. A capsule collection comprising past models in new seasonal colors will be sold only digitally. Images of outfits and merchandise visualized using 3D technology should support product sales.

But there are challenges too: it is still not every product that can be simulated realistically. For example, it is very laborious and complicated to depict denim items due to their special finish and wash effects. In the 3D-Knit or Fully-Fashion segments too, the technical possibilities for realistic visualization are still limited. For this reason, physical components are currently still required for sale.

HOW DOES MARC CAIN STRIVE FOR POLLUTANT-FREE PRODUCTS?

To ensure that are high-quality Marc Cain products are durable and fashionable, the materials undergo various processes that also involve the use of chemicals. For example, leather is tanned and fabrics dyed or sometimes printed.

To protect our customers and employees in the production sites from harmful substances, we have a Restricted Substances List (RSL), which we update annually. The RSL lists chemicals that may not be present in these products, either at all or only up to a limit value. There is one list for products in the textile and leather outer garments segment and one for bags and shoes. Our suppliers are contractually obliged to comply with the requirements of this list.

The list is based, first of all, on our own high standards for the responsible use of chemicals, which standards we continue to raise. For example, we have banned PVC (polyvinyl chloride) from our products for several years now. But the REACH regulation (European Chemicals Regulation for the Registration, Evaluation, Authorisation and Restriction of Chemicals) and also the international legislation of our sales countries are, of course, also taken into account.

In order to check our suppliers' compliance, the materials are tested in external accredited laboratories. The testing is risk-based. What is relevant here is which material is involved, from which country we source it and whether it comes from a new supplier. Marc Cain approves for production only those commodities that are found to be "good".

In addition to the limit values for our products, we also demand responsible handling of chemicals during processing. Our Rethink Together products are subject to particularly stringent requirements, for which we obtain the relevant evidence from our suppliers. Both their own production and that of their upstream suppliers must meet the requirements of the Manufacturing Restricted Substances List (MRSL) of the "Zero Discharge of Hazardous Chemicals" (ZDHC) association.

What is the difference between an RSL and an MRSL?

An RSL prohibits the use of certain chemicals in a product or defines upper limits for these. The RSL aims at protecting the end consumer and all persons who come into contact with the product. Some people are allergic to certain substances. We want to avoid both sensitization and allergic reactions by avoiding the use of specific substances altogether or strictly restricting their use.
The MRSL sets upper limits or bans on the use of chemicals that are used in production processes such as dyeing or tanning. Some of these chemicals are only used to trigger reactions, but do not remain in the product. The MRSL aims to ensure that water is not contaminated at all with objectionable chemicals during processing.

RETHINK TOGETHER

"Rethink Together" describes the understanding under which we integrate sustainability at Marc Cain. Because, after all, we all have to rethink, act mindfully and take responsibility together if we are to protect our common future and preserve our planet for future generations. Out of this approach, we created a label with the Spring/Summer 2021 collection that identifies products for which we not only focus as a whole on sustainability but also set ourselves stricter requirements.

Our Rethink Together items fulfill three criteria:

The items are made from a main material that is at least 50% more sustainable, and which is selected by us according to strict principles and comes from independently certified sources. These include, for example, certified organic and recycled fibers or cellulosic fibers from the Lenzing company (TENCEL™ fibers or LENZING™ ECOVERO™).

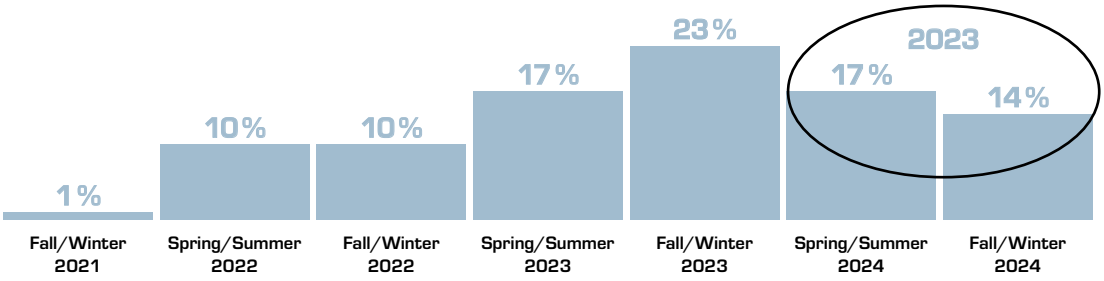
The products also undergo an environmentally friendly production process. This means that, in the wet processes, e.g. washing, dyeing, printing, compliance with the ZDHC (Zero Discharge of Hazardous Chemicals) MRSL is checked. In addition, renewable energies or resource-saving methods, such as water recycling technologies, are applied in production.

Our producers, i.e. the factories where the goods are sewn together, have been checked for compliance with our social standards. To this end, our supplier must provide relevant proof (e.g. a valid social audit according to an internationally recognized standard). We set this minimum requirement for socially compliant working conditions for all our producers.

OUR GOAL: 20 % OF THE COLLECTION WITH THE RETHINK TOGETHER LABEL

We have set ourselves the goal of having 20 % of the offered collection items under the Rethink Together label by 2023. Unfortunately we were unable to repeat in 2023 the target we achieved in 2022 with the then Fall/Winter collection. With the collections developed in 2023, we were at overall target achievement of 16 %. With intensified collaboration with product development and our suppliers, it looks as though we will be able to increase this percentage again in 2024.

Share of Rethink Together items per season



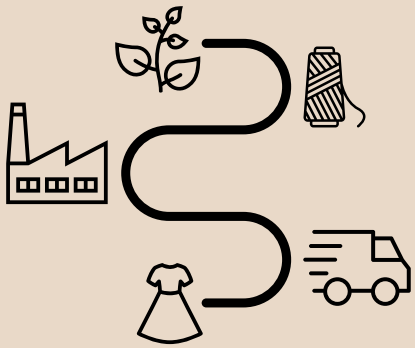
OUR GOALS IN THE PRODUCT AREA AT A GLANCE:

Plant fiber target	Target year	Status 2023
100% more sustainable cotton	2025	65%

Animal fiber target	Target year	Status 2023
100% mulesing-free merino wool	2028 (new)	78%
100% more sustainable mohair fibers (new)	2025	62%

Synthetic fiber and Man-made cellulosic fibers target	Target year	Status 2023
50% more sustainable synthetic fibers recycled synthetic fibers	2025	10%
50% more sustainable man-made cellulosic fibers	2025	19%

Rethink Together items target	Target year	Status 2023
20% of the collection	2023	16%



Supply chain

72 % of the direct **BUSINESS PARTNERS FOR FINISHED GOODS** demonstrated **GOOD SOCIAL COMPLIANCE**.
This means that our **goal in 2023** was exceeded and raised to **100 % by 2025**.

Our **SUPPLIER CODE OF CONDUCT** was extended in 2023 in the areas of **human rights and environmental protection.**

OUR SUPPLY CHAIN

The manufacture of our products is based on global supply chains. Because our production is both international and local and since we offer different product categories (clothing, shoes and accessories), the Marc Cain value chain is very complex and results in a number of challenges. Direct suppliers, as well as their upstream suppliers, may be exposed to social and environmental risks. As an international fashion company, we are aware of our responsibility in our actions along the value chain. As part of our due diligence obligations, we work actively towards quantifying these risks in an ESG (environmental, social and governance) context and reducing or even eliminating them by instigating appropriate measures. Our suppliers are contractually obliged to comply with certain social and environmental standards and to implement these in their supply chain.

COOPERATION IN PARTNERSHIP

In our cooperation with our suppliers, it is important to us that we communicate in a trusting manner and as equals – in line with our value of "partnership". A long-term partnership is advantageous in terms of guaranteeing high-quality products and expanding cooperation. Moreover, long-standing business relationships are a valuable basis for further developing CR activities. For one thing, continuous cooperation guarantees our production partners planning security for the future. For another, there is less time pressure in production due to a stable order quantity, which enables longer production runs and thus ensures better planning of production capacities and investments in more environmentally friendly technologies.

Marc Cain works with its suppliers for an average of

38 % of the suppliers* have been working with Marc Cain for

*contractors and suppliers of merchandise, raw materials and accessories

OUR PROCUREMENT MODELS

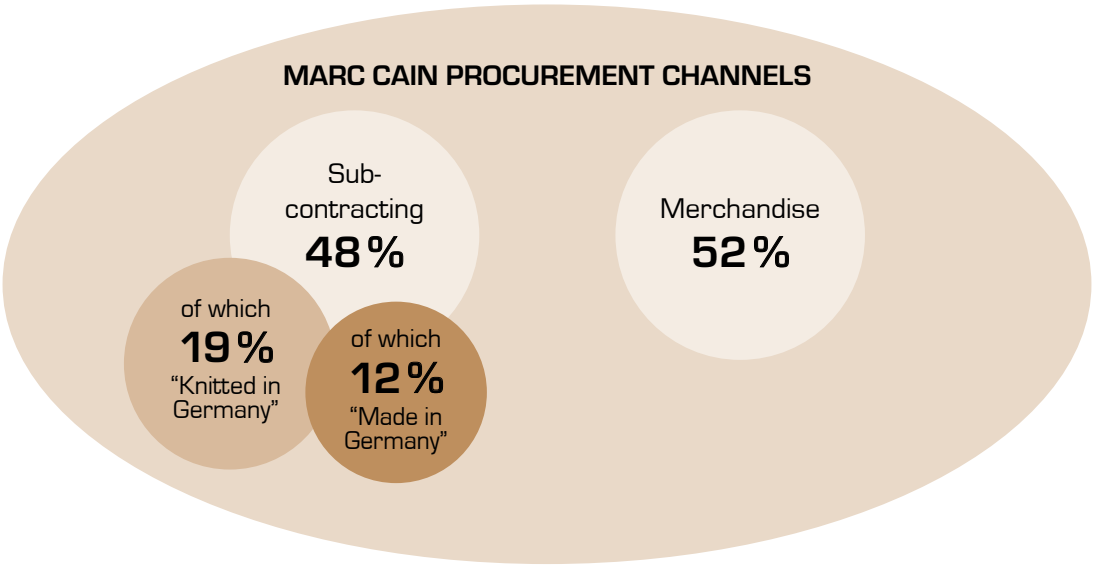
Marc Cain's upstream value chain can be subdivided into two different procurement channels: sub-contracting and merchandise.

Sub-contracting procurement channel (SC)

In this procurement channel, Marc Cain is already involved from an earlier stage in the value chain: in the first step, fabrics, yarns and accessories are ordered from our raw material suppliers and checked for quality. Depending on the item, the knitting of the yarns, the finishing processes and the screen and digital printing are carried out at our headquarters, They are either completely processed into finished garments in Baden-Württemberg ("100 % Made in Germany") or the individual parts of the items are knitted in Germany and sent to contract sewing factories for further processing (manufacture) ("Knitted in Germany"). Our in-house sewing and textile technology departments are on hand to answer suppliers' questions about the production of the products.

Merchandise procurement channel

In this procurement channel, our suppliers provide us with the finished items. The supplier is responsible for the complete production of the garment, including the procurement of the materials required. In order to be able to guarantee a certain transparency and ensure quality compliance nonetheless, we are increasingly designating the suppliers of the raw commodities in the products. In other words, our procurement department specifies the suppliers from which the raw commodities are to be sourced. Our merchandise garments are then sewn together in the production facilities (manufacture/sewing plants).



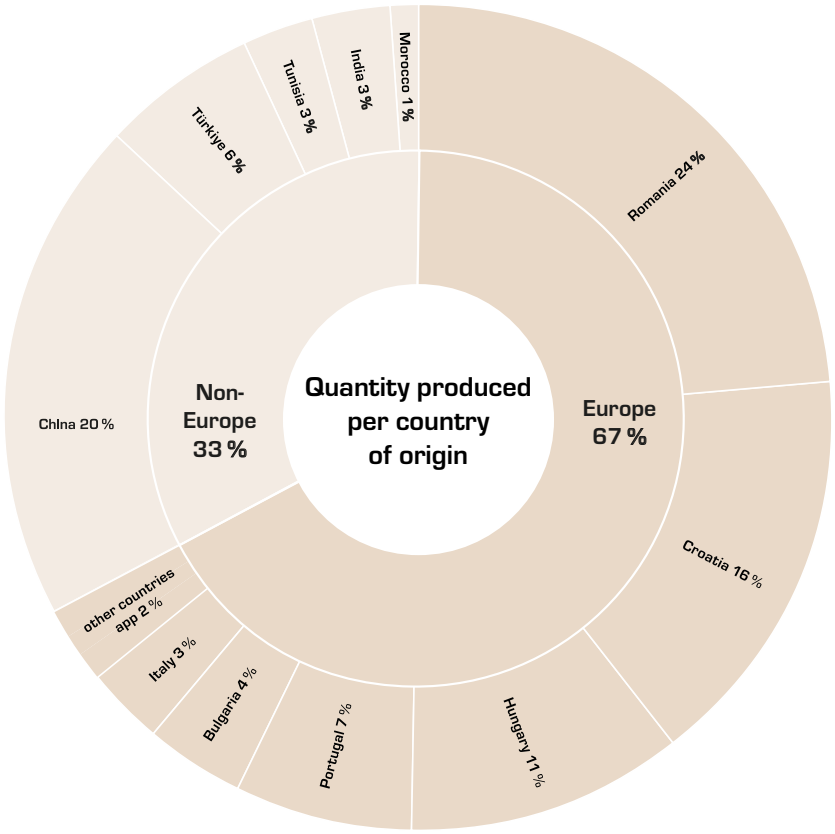
In 2023, 48 %* of our collection was procured via the SC procurement channel and 52 % of our produced items via the merchandise procurement channel. Looking at production as a whole, this means that we produced just under 10 % of all of our items or 64 % of the knitted items at our Germany site, under our "Knitted in Germany" label. Through the SC channel, as much as 19 % of the items were given this label. Of these, 12 % of the items were also tagged with our "100 % Made in Germany" label.

*The figures in this section are based on the manufacturing contract volumes in 2023

OUR OTHER PRODUCTION COUNTRIES

In 2023, our products were manufactured in 91 production facilities in 14 countries including Germany (see world map below). Approx. 67 %* (2022: 63 %**) of these were produced in Europa and around 33 % (2022: 37 %) outside Europe.

A percentage comparison of the volumes per country of origin shows that almost a quarter of the items were manufactured in Romania. This is followed by China (20 %), Croatia (16 %), Hungary (11 %), Portugal (7 %), Türkiye (6 %), Bulgaria (4 %), Tunisia (3 %), Italy (3 %), India (3 %), Morocco, Albania, Spain (together app. 3 %).

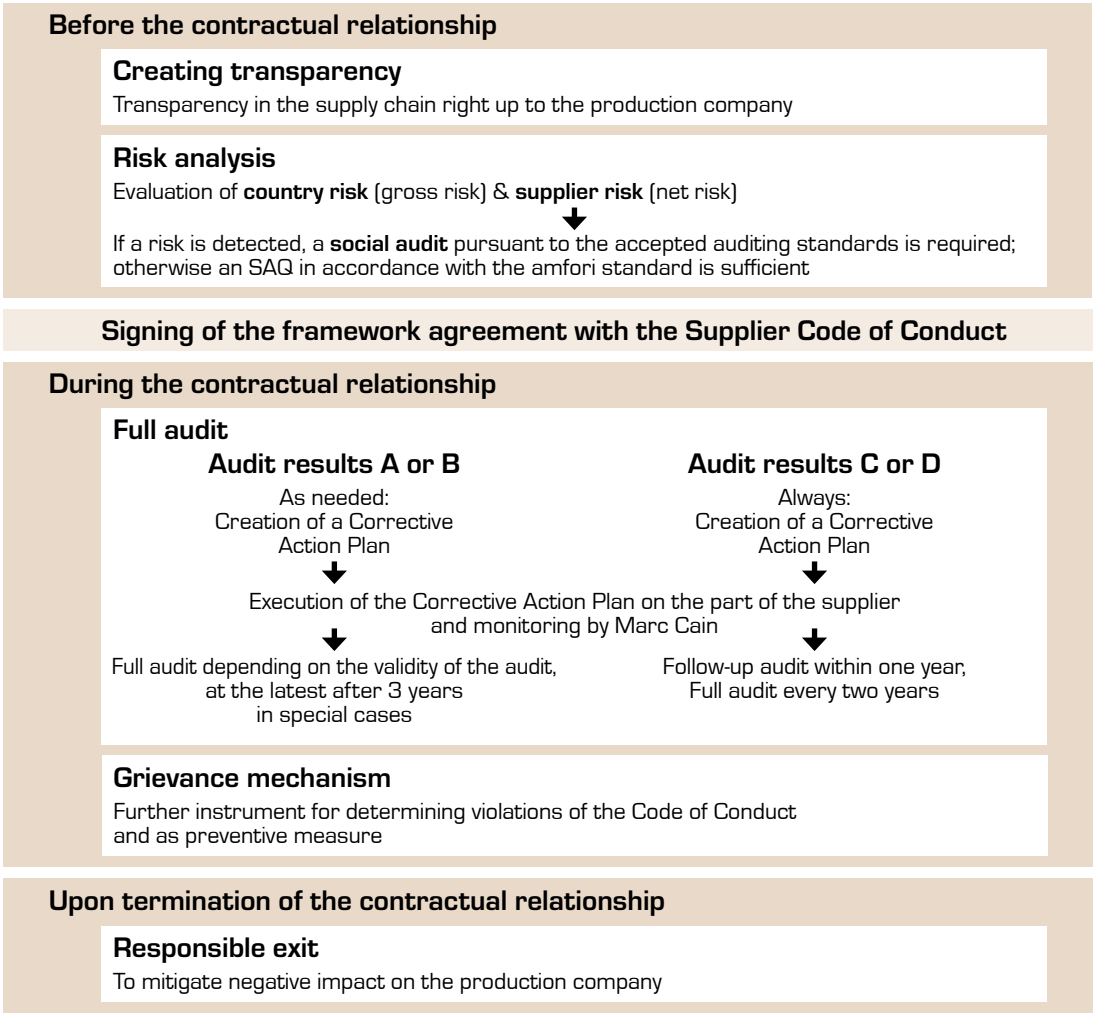


*Percentage distribution by produced volume of items in 2023
**Percentage distribution based in 2022 on the manufactured volumes in €

The graphics above reflect our production countries, i.e. the countries in which our products are produced in the final step. For our sub-contracting procurement channel, we require a variety of raw materials (yarn, fabrics and accessories). Our direct suppliers for these raw materials are primarily – based on the volume of items produced – located in Italy. Materials are also produced for us in Germany, Austria, Japan, Türkiye, China, Romania, Bulgaria, Hong Kong, the Netherlands, Portugal, South Korea, France, Belgium and Spain.

OUR SOCIAL COMPLIANCE PROCESS

The objective of the Social Compliance Process is ensuring compliance with the requirements of the Supplier CoC in the manufacture of our products. The most important topics are the ban on child labor, forced labor, and discrimination in employment. But safety in the workplace and the right to freedom of association and collective bargaining are also fundamental. Creating transparency in our supply chain is essential in achieving this goal. We work continuously on this topic with our direct business partners. This includes internal training or intensive communication with suppliers, who are also obligated to establish the processes in question with their upstream suppliers. It is important to us, and therefore is also an integral part of contracts, that the suppliers and their production facilities acknowledge our Social Compliance Process and continue to develop in accordance with it. Together, the next steps are identified and implemented. The findings from the Social Compliance Process are incorporated into the selection process for suppliers for a collection. Altogether, the Social Compliance Process can be described as follows:



Our Social Compliance Process is divided into three phases. We make a distinction between the time **before** a contractual relationship, **during** the contractual relationship and **upon** termination of a contractual relationship. All three phases are of significance for us. Our Supplier Code of Conduct within the framework agreement forms a central pillar for the integration into our Social Compliance Process. It contains the social requirements that we expect our suppliers to uphold and is thus the basis for cooperation with our partner companies.

Our Supplier Code of Conduct

We joined the amfori BSCI initiative in 2019. By so doing, we committed ourselves to the values and principles of the amfori BSCI Code of Conduct for the respect of human and labor rights and the OECD guidelines for responsible business practices. This Code of Conduct is also part of our supplier contracts. In 2023, we extended the CoC to include further principles in the area of human rights and environmental protection, thus creating our own Marc Cain Supplier Code of Conduct. We obligate all our suppliers and production facilities to comply with the Code of Conduct with the following principles and to implement the standards in their upstream supply chains with knock-on effect.

The right to freedom of association and the right to collective bargaining

Appropriate remuneration

Safety in the workplace

Special protection for young workers

No forced labor

Ethical business practices

No discrimination

Reasonable working hours

No child labor

No precarious work

Environmental protection

The Marc Cain Supplier Code of Conduct is available in languages relevant to our suppliers. We have set ourselves the goal of checking compliance with the CoC by all production facilities of our direct business partners. In addition, selected employees of ours regularly visit the production facilities on site.

Creating transparency and risk analysis

Our Social Compliance Process begins with the creation of transparency in the supply chain of our suppliers. The location of the supplier and the individual production facilities is an essential starting point for our evaluation. In addition, our Social Compliance Process is risk-based. This means that, based on the risk status of the respective supplier, further measures for verifying compliance with our Code of Conduct will be adopted. The risk analysis aims at identifying potential human rights violations at the country level and actual risks at the supplier level along our value chain.

Risk analysis at the country level

When our procurement department considers a supplier from a new country, the CR department carries out a country risk analysis. In this, the extent to which human and labor rights are enshrined in the country is examined. The findings can be reflected in a "risk matrix", which places the countries examined into certain risk classes. This is based on the Amfori ESG Risk Compass and other HREDD (Human Rights and Environmental Due Diligence) indexes. Our CR department also draws on public reports, indexes and analyses from institutions such as the United Nations, press reports, and empirical data from our audit reports. Our current focus in the country risk analysis is on the origin of our direct business partners. According to our current risk matrix, China, Türkiye and India are classed as being of higher risk of potential human rights violations. In 2023, we manufactured just under one third of our products in total in these countries, so they are of great significance for our company. To ensure that we fulfill our due diligence, we are creating even more transparency in the operations there.

Risk analysis at the supplier level

Following the risk assessment of the land of origin, we examine which risks actually apply to our suppliers and their production facilities. For suppliers and their production facilities in risk countries, further assessment requires a valid social audit. If the supplier comes from a non-risk country, a self-assessment questionnaire (SAQ) at the very least is required for the assessment of a preliminary supplier risk. In addition to the country-specific risks, previous audit results and our influence at the production facility based on the production capacity used and the strategic importance of the supplier.

In addition to the identified risks at the country and supplier level, quality, price, performance, transparency and sustainability are of course also decisive criteria for us in deciding whether we want to work with a supplier.

Measures for assessing suppliers and prevention

We use various instruments to determine the actual risks of a supplier. These are, for example, a social audit and self-assessment questionnaires (SAQs) as well as our grievances mechanism and visits to the production facilities. The findings of the audit reports and SAQs provide us with important information on production conditions and environmental standards. If results have to be improved or remedies found, a Corrective Action Plan (CAP) will follow.

Social audits

In an audit, independent and specially trained auditors check the extent to which a production facility complies with the requirements of our Code of Conduct. An audit includes an inspection of the production site, an examination of relevant documents, as well as interviews with employees and workers representation, and an exchange with the management of the production facility. We carry out "semi-announced" audits. This means that the audit is carried out within a known time frame of one month, without the company knowing the exact point in time. This should ensure that the right contact persons are on site at the right time. The audit results are then summarized in an audit report and transmitted to our CR department.

SAQs

A further instrument is the conducting of SAQs. Here, the supplier risk is evaluated with the help of a self-disclosure questionnaire and the answers and evidence provided.

CAPs

Should the audit uncover deviations from our Supplier Code of Conduct ("findings"), measures are subsequently drawn up as a corrective action plan. We follow up on these CAPs together with the supplier. Such a plan lists all issues, the corresponding measures and the time frames for implementation. In this process, the companies are provided with our advice and support, particularly on the basis of a root-cause analysis for an existing problem, as well as the definition of short- and long-term remedial measures. The supplier itself is responsible for the implementation of the remedial measures.

In the event of critical audit findings, we arrange a follow-up visit to the production site as quickly as possible. A large number of findings can only be checked on site. This involves analyzing the extent to which the corresponding audit results are attributable to the activities at Marc Cain.

Grievance mechanism

Another instrument is the grievance mechanism. It is used to shine light on possible human rights violations as well as as a preventive measure.
It is intended to give employees in our production facilities the opportunity to anonymously report any violations of the Supplier Code of Conduct, The amfori BSCI grievance mechanism has been in place since 2021. To facilitate access to this sort of mechanism, we have been working since 2023 with another provider that in particular covers our production countries. This means that our grievance mechanism should be available in all our production countries in future.

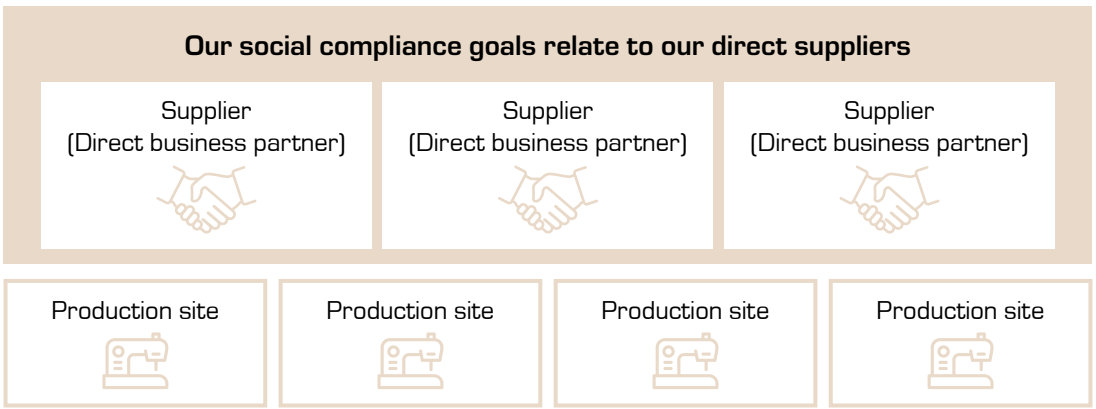
Responsible exit

Where cooperation with a supplier comes to an end, we proceed in accordance with the "responsible exit" process, with an emphasis on terminating the business relationship in a responsible way. This means that measures must be taken at an early stage to minimize or mitigate negative impact on production facilities and thus on employees. The length of the business relationship, the production volume and dependencies play a major role in this. Termination of cooperation is the last resort if the supplier shows no willingness to improve when confronted with critical audit findings.

OUR SOCIAL COMPLIANCE GOALS

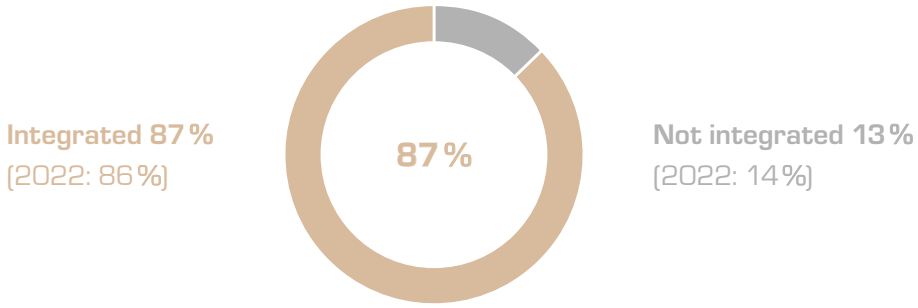
Our goals in the "supply chain" field of action are part of our social strategy, which is guided by our sustainability vision and our corporate values. Our efforts in this regard can basically be divided into two steps. In the first, we ensure complete integration of our direct suppliers and their production facilities in our Social Compliance Process. In the second step, we strive for "good" social compliance.

So far, our direct business partners for finished goods (producers) have been the focus of our Social Compliance Process.



We want to have integrated **100 % of our direct business partners for finished goods (producers) in our Social Compliance Process** by 2024. We have currently achieved a figure of 87 % and are optimistic about reaching our target by 2024.

Goal attainment: integration of direct suppliers in our Social Compliance Process



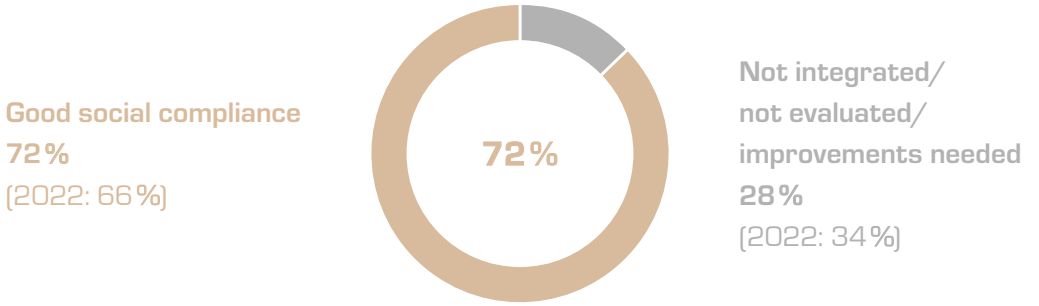
This goal corresponds to the goal from the previous year. Since we have a number of new suppliers and, at the same time, the requirements for auditors have increased, the goal was extended by one year. The increase in requirements has, for one thing, greatly restricted the general availability of auditors and, for another, led to the postponement of audit dates.

We continue to pursue the ambitious goal of improving the social compliance results of our suppliers and thus our own too.

The current goal attainment shows that 87 % of our business partners can demonstrate a social audit (in accordance with the amfori BSCI standard, SA8000, Fair Wear or SMETA) or an SAQ for their production sites. For these suppliers, all production sites in which our products are manufactured are known to us.

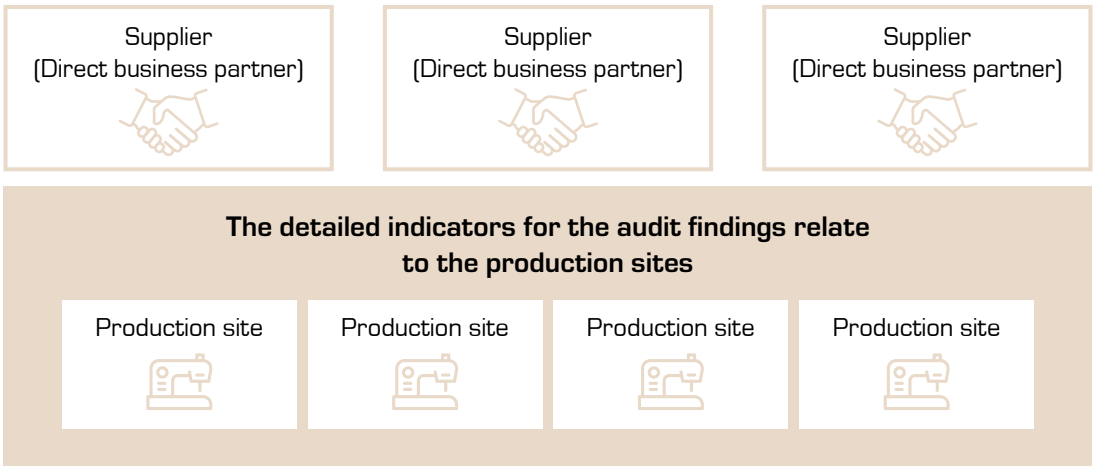
Since the findings from the respective social audit or SAQ is significant as well, we have set ourselves a further target for 2024: **50 % of the direct business partners for finished goods should be able to demonstrate good social compliance.** Good social compliance means that the supplier can demonstrate an audit or SAQ with a result of A, B, C, or "good" (in the case of audits that are not evaluated A, B or C).

Goal attainment: Good Social Compliance



We have already exceeded this target this year with a percentage of 72%, and so have raised the target to 100% by 2025. Of the other 28% of suppliers, 13% were not yet integrated in our Social Compliance Process, 10% had not yet been evaluated* and for 5% improvements are necessary.

The attainment of the social compliance goals applies to our direct business partners but is based on the findings from the audit/SAQ of their production sites where the garment items are assembled. This means that the transparency and evaluation of these operations are the indirect basis for our goals and are thus highly relevant.



*These are production sites for which the audit is planned but has not yet been carried out, where cooperation is still unclear, or where strategic transformations are underway at the supplier.

In 2023, we worked with 91 production sites of our total of 62 direct suppliers for finished goods. Of these, 78 facilities were integrated in our Social Compliance Process. At the majority of the production sites (68), the working conditions were verified by means of audits and follow-up audits. The evaluation of the other facilities (10) was by means of an SAQ.

	2022	2023
Production sites (assembly)	96	91
Production sites integrated in our Social Compliance Process	83	78
With valid social audit	70	68
Audit standard		
• Amfori BSCI standard	58	52
• Other audit standards (SMETA, SA8000, Fair Wear)	12	16
Audit findings*		
• A = Compliant with CoC	21	28
• B = Largely compliant with CoC	3	9
• C = Improvements recommended	31	29
• D = Improvements necessary	3	2
*2022 only BSCI audit findings included		
with valid SAQ	13	10
Non-integrated production sites	13	13

The majority of the production sites (52) were audited in accordance with the amfori BSCI standard. The other social audits (16) were carried out in accordance with other standards. The results show that, in 2023, 28 of the audited production sites work in line with our Code of Conduct. Nine facilities are largely compliant with our social standards, while improvements were recommended for 29 producers and required for two production sites. These critical violations concerned delayed wage payments and illegal sub-contracting, or lack of safety in the workplace due to defective smoke alarms and alarm systems. At both suppliers, a CAP was mutually accepted. For one of the production sites, the set up of a new fire alarm system was planned so that cooperation could continue. Unfortunately, this plan of action was not completed successfully, since the supplier ended its business activities for other reasons. With the other supplier, we have tried over a long period of time to bring about improvements. Unfortunately, this has been without success. Cooperation was ended because of this but also for quality reasons.

The results of a social audit and an SAQ are currently not comparable in terms of methodology; for this reason, we have concentrated here on the results of the audits. However, for 2024 we have set ourselves the goal of aligning the results evaluation from SAQs.

OUR GOALS IN THE SUPPLY CHAIN AREA AT A GLANCE:

Goals	Target year	Status 2023
100% of direct business partners for finished goods are integrated in the Social Compliance Process*	2024	87%
100% of direct business partners for finished goods demonstrate good social compliance (new)**	2025	72%

*Integrated in our social compliance means that the supplier's producers are known to us and all producers had a valid & accepted audit/SAQ in 2023. If a producer of a supplier has no had a valid audit, the entire supplier is deemed non-integrated.

**Good social compliance means that the supplier can demonstrate an audit or SAQ with a result of A, B, C, or "good" (in the case of audits that are not evaluated A, B or C).

Environment

Marc Cain is starting to prepare
for the **statutory requirements**
of the **CORPORATE SUSTAINABILITY REPORTING DIRECTIVE**

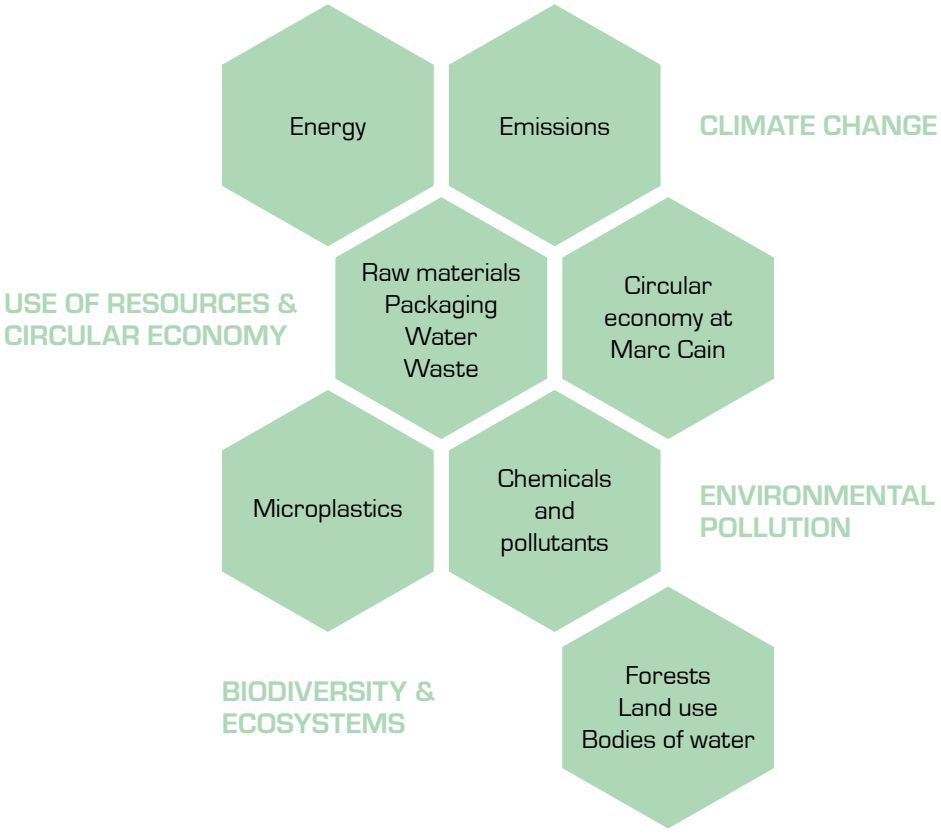
New **PACKING TARGETS** in the sense
of **plastics reduction** and **the circular economy**

First evaluation of our
SCOPE 1 AND 2 EMISSIONS

OUR RESPONSIBLE APPROACH TO THE ENVIRONMENT

The effects of climate change are increasingly threatening the lives of humans, animals and plants, for example through an increasing scarcity of water as well as more and more frequent extreme weather events. Greenhouse gases (GHGs) contribute significantly to climate change. Waste disposal, especially of contaminated waste and emissions, as well as the use of fossil, i.e. non-renewable resources, are also a major problem for the environment. In the clothing industry, the focus is particularly on the handling of chemicals used in production processes and the impact of the cultivation of raw materials. Marc Cain is therefore committed to taking measures to minimize the environmental impact step by step through its own actions. Our actions begin with the collection of key data, so that we can evaluate our impact in the first place. Using this information, we develop projects, introduce measures and strive for improvement.

The diagram below sets out our fields of action in the area of the environment, which are subsequently described in greater detail. The topics are divided up in line with the upcoming statutory requirements for reporting in accordance with CSRD. In order to prepare ourselves for the future provisions and to benefit from the knowledge acquired, we are already trying to include all environmental standards (ESRS – European Sustainability Reporting Standards).



CLIMATE CHANGE – ENERGY AND EMISSIONS

One protagonist of climate change is the greenhouse gas effect, brought about among other things by burning fossil fuels or deforestation. We are aware that, in the production of our Marc Cain products, a certain amount of CO_2 is released along the value chain. Emissions are generated in the upstream supply chain in the production of our raw materials, in the production of the items at our own site, and also downstream during the transport of our goods to the customers.

In order to create transparency and remedy this, we first evaluate our energy consumption and the emission generated by it. We are currently concentrating here on the consumption values in Germany: at the Bodelshausen site and our stores and showrooms in Germany. We have set ourselves the goal of taking a global view for next year. In the second step, negative drivers can be made visible and possible climate protection measures defined.

Marc Cain has been addressing the issue of emission reduction for some time now. For example, our energy partly comes from renewable energy sources and we regularly conduct an energy audit and identify possible energy-saving measures from it. We also provide our employees with opportunities to reduce their personal CO_2 footprints through offers such as Job Bike or commuter networking.

Energy sources at the headquarters in Bodelshausen and stores in Germany

In addition to heating oil and natural gas, Marc Cain uses pellets made from certified wood for heating and generates electricity through the in-house photovoltaic system (= solar power) and the company's own combined heat and power plant (CHP). Additional electricity and district heating are purchased.

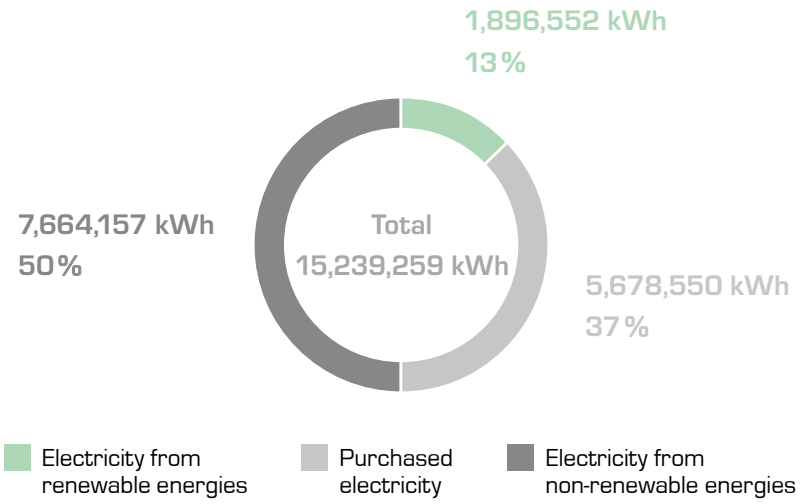
Energy consumption by energy source (in kWh)	
Direct energy consumption	**9,557,907**
Heating oil	464,400
Natural gas (including CHP consumption)	7,103,832
Wood pellets	1,344,000
Self-generated electricity through our CHP	93,123
Self-generated electricity through our PV system	552,552
Indirect energy consumption	**5,681,352**
Purchase electricity	5,678,550
District heating	2,802
Marc Cain vehicle fleet	**1,174,817**
Petrol	356,057
Diesel	795,887
LPG (propane for forklift operation)	21,230
Consumption of electricity for electric vehicles	1,643
Total energy consumption	**16,414,076**

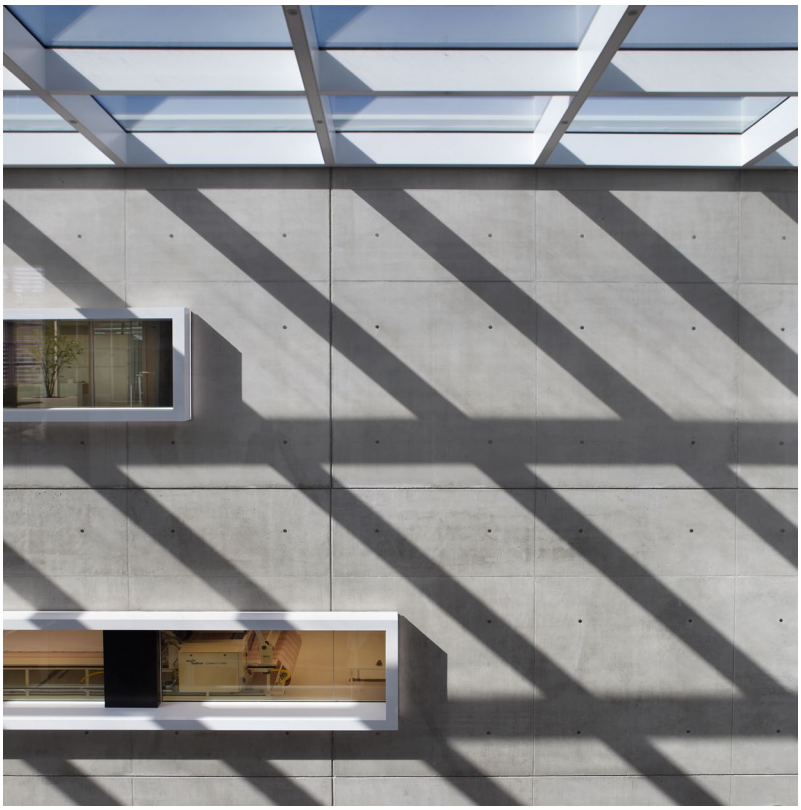
In 2023, a total of 16,414,076 kWh of energy was consumed at the headquarters in Bodelshausen and in the Marc Cain sales facilities in Germany*. A large proportion of the energy demand lies in the administration department with its own canteen, in production for operating the knitting, printing and finishing machines and for generating steam. Energy use also includes an outlet, our logistics center, warehousing and all sales facilities in Germany. The fuel consumption of our fleet at Marc Cain is also included. Due to new methods of calculation as well as the inclusion of the stores in Germany and additional storage areas, a direct comparison with the previous year is unfortunately not possible.

*Energy consumption is partly based on figures from 2022 or projections with the help of average values and the respective floor area, since the exact consumption for 2023 was not available.

Looking at the total energy consumption, excluding the fleet, 13 % (1,896,552 kWh) was generated through renewable energies (PV and wood pellets). 50 % of the energy comes from non-renewable energy sources (heating oil, natural gas, self-generated electricity from our CHP and district heating). 37 % is purchased electricity.

Renewable vs. non-renewable energy –
Energy consumption (in kWh) at the Bodelshausen site and stores in Germany (not including fleet)

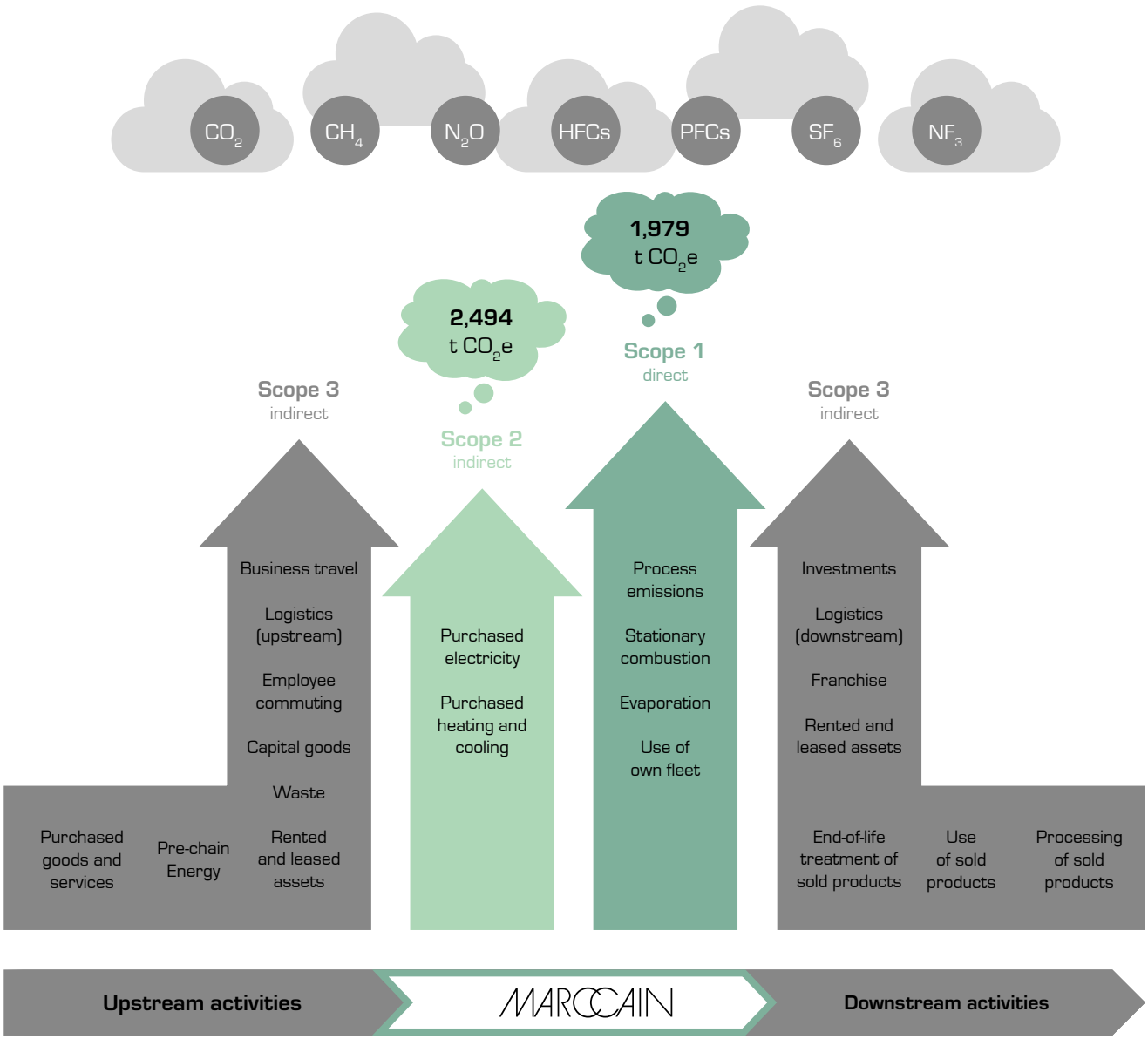




Our emissions

Internationally, the Greenhouse Gas (GHG) Protocol has established itself as a standard to assist companies in measuring and comparing the greenhouse gases due caused by their activities. For this purpose, emissions are divided into three categories, known as "scopes", depending on whether the emissions are directly or indirectly caused by the company.

Overview of scopes and emissions along the value chain based on the GHG Protocol*.



* https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporing-Standard-EReader_041613_0.pdf

Scope 1 tracks **direct emissions** from energy sources that are under Marc Cain's control. In the balance for 2023, these include the consumption of heating oil, natural gas and wood pellets for heating, for operating our CHP and for our production. Also included is the fuel required for the vehicles of our fleet and for the emergency power generator (petrol, diesel and propane). In 2023, direct GHG emissions were 1,979 tonnes CO_2e.

Scope 2* describes our **indirect emissions**. These are caused by our activities but are generated at another company. One example would be electricity that is consumed by us but generated by an electricity company. In addition to purchased electricity for our everyday processes or for the electric vehicles in our fleet, we also include purchased district heating here. In 2023 a total of 2,494 tons CO_2e was attributed to our Scope 2.

Scope 1 and 2 emissions (in t CO_2e)	
Scope 1	**1,979**
Direct energy consumption	1,600
Marc Cain vehicle fleet	379
Scope 2	**2,494**
Indirect energy consumption	2,494
Total Scope 1 and 2	**4,473**

Scope 3 emissions are also indirect GHG emissions. These are emitted along the value chain and are not under the direct control of Marc Cain. They may arise in the upstream value chain, for example in the production of raw materials that we procure, or in the downstream value chain, for example in the disposal of textiles. Despite a lack of control over the sources of Scope 3 emissions, we have the opportunity to exercise indirect influence, e.g. through our selection of materials. The evaluation of these emission is quite a challenge for some companies due to the indirect access to data. For this reason, Scope 3 was not evaluated at Marc Cain for 2023; however, we are preparing ourselves to be able to make these emissions measurable too.

* In the calculation of Scope 2 GHG emissions, the location-based method was used. The CO_2 emission factors included are taken from official databases (GEMIS Data Bank 5.0 for Federal Promotion of Energy and Resource Efficiency (EEW) 2022).

What is meant by CO_2 equivalents (CO_2 e)?

In addition to carbon dioxide (CO_2), there are other GHGs (methane CH_4, nitrous oxide N_2O and fluorinated gases) that can be emitted from various production processes and contribute to global warming and thus climate change. The CO_2 equivalent is a unit of measurement that includes various GHGs. Basically, it allows the climatic impact of the individual gases to be standardized and allows comparability. The effects of carbon dioxide serve as a basis.

Looking at our direct and indirect GHG emissions (not including Scope 3), 4,473 t CO_2 equivalent was released into the environment in 2023 through our activities. To reduce these emissions, we already put measures in place in the last years. We are also working continuously to recognize and implement improvements, also in terms of climate change.

Photovoltaic system

In 2023 we were able to save around 390 tons CO_2e (2022*: approx. 537 t Co_2e) through the production of solar energy. The calculation is based on our own consumption of the solar energy generated, calculated using the avoidance factor specified by the German Environment Agency (Umweltbundesamt) for CO_2 emissions (0.690 kg CO_2e/kWh). Compared to the previous year, less solar energy was generated altogether in 2023, so the amount of emissions saved is consequently smaller.

E-charging station

As part of our energy concept, we have also had, since 2015, an e-charging station available for our customers and staff at our Marc Cain Outlet in Bodelshausen. This allows customers and staff to conveniently charge their cars free of charge for the duration of their shopping trip or while they are at work.

DHL GoGreen

Since May 2015, we have been sending all our parcels and packages to end consumers by DHL GoGreen. GoGreen stands for certified, climate-neutral shipping through optimized transport routes, alternative vehicle drive systems and energy-efficient warehouses. With this further contribution per parcel and package, we aim at supporting climate protection projects promoted by DHL. In 2023, we offset a total of 106.97 tons of CO_2e through GoGreen products and services.

*The amounts of CO_2 emissions saved in 2022 were adjusted on the basis of a new data base (adjusted value with regard to amounts of solar energy produced: 778,437 kWh).

Waste heat recovery

In terms of heat recovery, a steam boiler in the production is utilizes the steam that condenses to water to heat water in the buildings at the Bodelshausen headquarters. The exhaust air from the ventilation systems is also used for heat recovery, meaning that less heating is required.

Energy audit

For several years now, Marc Cain has regularly carried out an energy audit in line with DIN EN 16247-1 pursuant to its statutory obligations. This is designed to assess the energy efficiency of our systems and buildings. Improvements to our energy efficiency are also determined and possible energy saving measures identified. According to the audit findings, "numerous energy efficiency measures have been implemented in recent years and the production site is at a very high energy efficiency level."

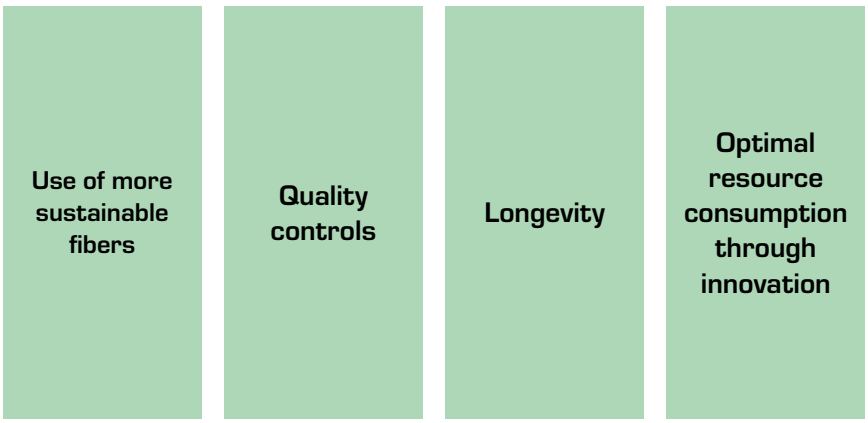
USE OF RESOURCES & CIRCULAR ECONOMY

The ecological footprint of a product begins with the selection of materials. The selection of a raw material predetermines the **environmental impact** of an item of clothing to a large extent. It also influences the selection of the supplier, the production process, the quality, the longevity/durability and, ultimately, the recyclability of a product. We are committed to minimizing negative environmental impact by responsibly handling our **resource in- and outflows** and introducing resource-efficient measures. Starting with the selection of our high-quality materials, product development and the requirements for production, through to the handling of used textiles and waste. Packaging, for example the protective covers or boxes used for shipping the Marc Cain products, are also part of the resources we use and for us have an important role to play in the circular economy.

Our raw commodities and materials

In estimating the impact of our materials on the environment, we focus above all on the way in which the raw materials we use are obtained. But we also look at the behavior of the finished items and their materials during and at the end of their life cycle. The focus here is on topics such as water and pesticide use in the cultivation of plant fibers, the use of fossil raw materials for the production of synthetic fibers or land use in plant cultivation and animal husbandry for wool production.

To minimize the impact on the environment, we have set ourselves goals with regard to the various types of fiber, which have already been discussed in the "Product" chapter. In principle, we strive in all these goals for a more **intensive use of more sustainable fibers**. Moreover, we are trying to ensure the **maximum possible service life** for our products through our strict **quality controls**. At the same time, an **innovative production process** with little textile waste at our Bodelshausen site using state-of-the-art flat and circular knitting machines **minimizes the consumption of unnecessary resources**.



How do our measures reduce the negative environmental impact of the materials?

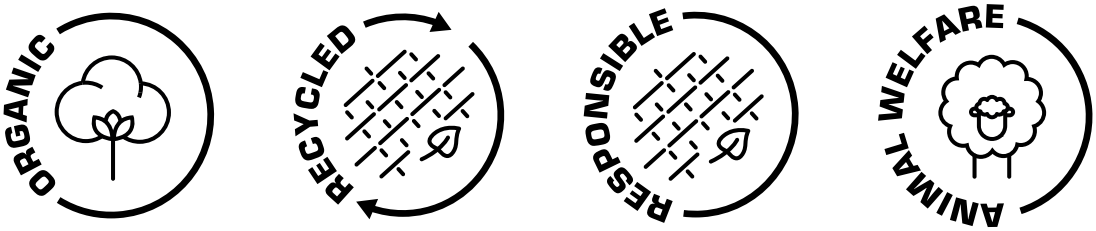
Our quantity analysis shows that synthetic fibers (including polyester and polyamide), cotton, MMCFs (primarily viscose) and wool are the four most commonly used fibers at Marc Cain (see p. 27).

The poor ecological balance of synthetic fibers results mainly from the use of crude oil. The utilization of, for example, **recycled polyester or polyamide** at least reduces the use of new crude oil, which is in line with our goal of having "50% more sustainable synthetic fibers by 2025".

In comparison, cotton as a plant fiber, generally has a lower environmental impact, as the fibers are obtained from renewable raw materials and do not require fossil raw materials. The negative impact of cotton rather results from monoculture cultivation, inefficient water consumption and the use of pesticides or artificial fertilizers. Here, we counteract this with our goal of "using 100% **more sustainable cotton** by 2025", since precisely this more sustainable cotton prioritizes soil health, more efficient use of water (for example, through drip irrigation) and biodiversity.

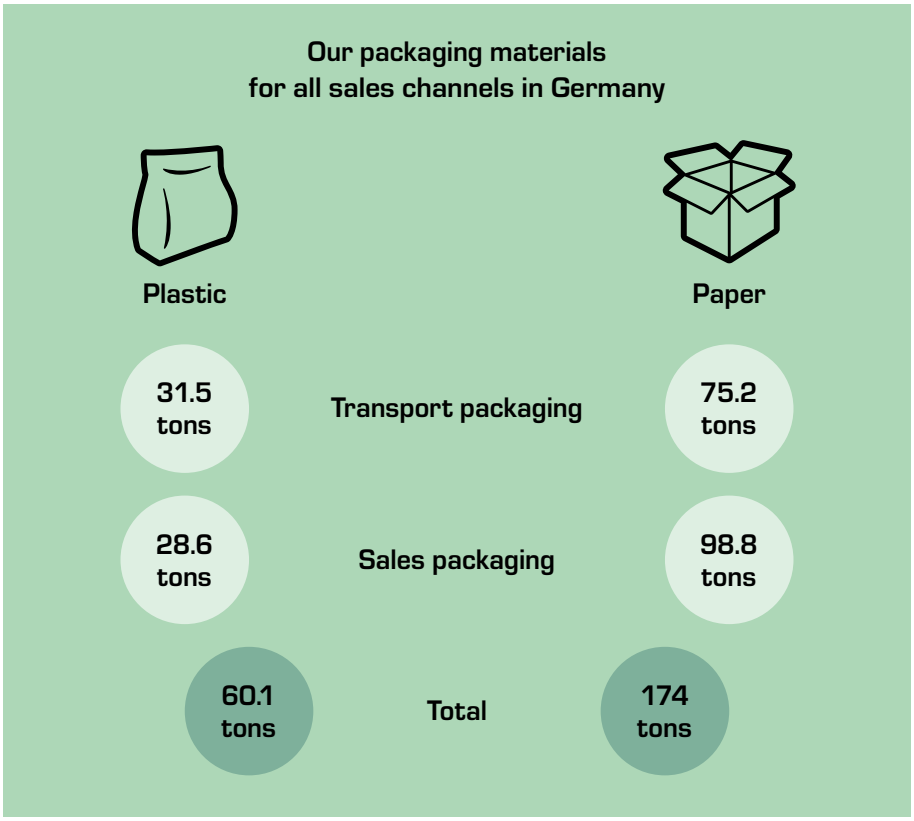
MMCFs are based on the raw material cellulose, which is usually obtained from wood. As well as issues such as deforestation and the loss of biodiversity, the use of harmful chemicals in the manufacturing process in associated with negative environmental impact. Here, too, we are focusing on **more sustainable regenerative cellulosic fibers** in order to achieve our 50% target by 2025. These fibers are not incompatible with species diversity and the regenerative capacity of the forest, and are also produced to a large extent in closed water-chemical cycles.

The fourth largest fiber group at Marc Cain is wool, a raw material that is often associated with a lack of animal welfare, intensive land use through animal husbandry and a resulting loss of biodiversity. We are trying to reduce these negative effects on animals and the environment through our two goals regarding animal fibers, including: 100% **more sustainable mohair wool** by 2025. Avoiding intensive animal husbandry as far as possible also reduces the danger to soil and bodies of water in the environment.



Our packaging materials

In transporting our high-quality products from the production sites to our warehouse and from there on to our customers, it is essential to protect them from adverse influences such as dirt, moisture or other loss of quality.
We distinguish between transport packaging that is used for the transport of our items between the production sites and Marc Cain (B2B), and sales packaging that is suitable for both online shipping (B2C) and transport of our goods to the dealer (B2B). Added to this is various sales packaging, e.g. carrier bags are used in our stores. This distinction enables us to identify changes and improvements in terms of packaging materials in a targeted manner.



Our primary packaging materials are plastic and paper. Included in plastic packaging are, for example, polybags, various transport covers and clothes hangers. Our paper packaging mainly includes various cardboard boxes with or without lids, shoe boxes including filling material, paper bags or our hangtags.

Our measures and goals in relation to packaging

Marc Cain has been working for some time on the question of how packaging can be can be reduced and how packaging can become an even more significant part of the cycle economy. To this end, we have set ourselves specific packaging targets and have already introduced some measures.

Plastic packaging – measures and goals

To reduce our plastic waste and negative environmental impact, we set ourselves the goal last year of starting to switch our polybags for flat-packed goods to 100% recycled material in 2023. And we have done this. As well as the change in material, the thickness was reduced, which greatly reduces the proportionate amount of plastic.

The **polybags made of 100% recycled material** will be used once the old stock has been exhausted. Implementation is expected to be completed in 2025. From then on, only these polybags are to be used.

I am a polybag made from 100% recycled material

MY JOB IS TO **PROTECT** OUR VALUABLE **GOODS** ON THEIR JOURNEY.
PLEASE HELP CONTINUE THE CYCLE AND **RECYCLE ME** AGAIN.

Waste-saving measures are also planned for the **protective and shipping covers** for our hanging goods. In 2024, these plastic covers are to be optimized by increasing the proportion of recycled material here too and halving the thickness. Moreover, we will rely on protective covers made in Germany, so that transport routes and thus also negative environmental impact are minimized.

In 2023, Marc Cain joined forces for the French market with the organization CITEO, which specializes in waste management and promotes the sustainable use of resources. CITEO has already published a waste prevention plan including **packaging goals** for packaging to be sent to end customers. The plan contributes primarily to the goals of the EU Green Deal and extended manufacturer responsibility. It advocates reducing non-renewable materials, maximizing the use of recycled materials and improving the recyclability of products. Since the use of different packaging is also a decisive factor for Marc Cain's environmental footprint, we have adopted these packaging goals for all our markets.

100% reduction in single-use packaging except where essential (Target year: 2025)	20% reduction in single-use plastic packaging (Target year: 2025)	100% recycled single-use plastic packaging (Target year: 2025)
100% inclusion of all single-use plastic packaging in a recycling stream (Target year: 2025)	Ban on packaging made from polystyrene (Target year: 2030)	Minimum share of 10% reused packaging (Target year: 2027 / 2026: 5%)

In order to be able to report also on the attainment of our packaging targets in the future, we are currently evaluating the corresponding base figures, or more precisely the globally used volume of single-use plastic packaging per type of packaging and use for the base year of 2023.

Paper packaging – measures and goals

In 2022, we began switching from a coated material to an uncoated material for our **cardboard boxes for online shipping** to end consumers. We have also set ourselves the goal of 100% use of these uncoated, environmentally certified boxes by 2024. The current status shows that the first more sustainable boxes will be used at the end of 2024 / start of 2025, since we have to use up our old stocks first. For this reason, we have extended our target year to 2025. We are confident of attaining this goal.

To reduce the use of boxes in B2B transport or to even do away with it altogether in some areas, we are using **reusable, and thus environmentally friendlier, plastic small load carrier boxes.** In practice, this means that the boxes are shipped folded up on pallets to suppliers and factories so that they may be returned with finished goods. The boxes are very durable and can be used over many years. The boxes are used for notions store shipping and have already proven their worth.

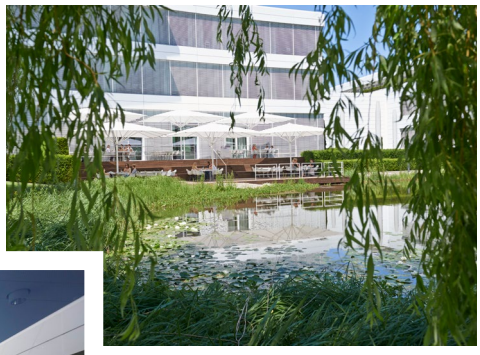
Water as a resource

The consumption of water and generation of wastewater is unavoidable in the textile industry. We are aware that water is scarce in many parts of the world and is a precious resource. For this reason, the responsible use of water and handling of wastewater is of great importance for Marc Cain. Our focus here is currently on the direct consumption of water for our own use at the Bodelshausen site. In the future, our worldwide stores and showrooms are also to be taken into account in the evaluations. It is difficult for us to collect data on the volumes of water consumed deeper in the supply chain. In this regard, our current focus is rather on the issue of wastewater in the sense of monitoring the handling of chemicals in our production facilities (see p. 41, 78).

Our measures and projects in relation to water

Rainwater cistern

Marc Cain has a rainwater cistern at its headquarters. Up to 100,000 liters of water can be collected in it and used for the irrigation of the gardens on the company premises.



Mimikry jeans

One of our long-established denim suppliers has developed a highly innovative, more sustainable printing technique as an alternative to the conventional washing to lighten jeans: the so-called "Mimikry®" process. The undyed base fabric is printed on the outside and inside precisely to match up with cutting, including a wash effect. For this purpose, a pair of conventionally washed jeans with the desired look is photographed and then optically recreated using digital printing. This type of finishing is done using GOTS-certified inks, is completely water-free and thus very resource-saving. As well as less water, fewer chemicals are used and the energy consumption of industrial machinery is minimized. In 2023, Marc Cain started to use this technology and launched two different pants models on the market. Moreover, further items manufactured with the Mimikry® process are planned for upcoming collections.

What is meant by Mimikry?

The name Mimikry is obviously taken from the English word "mimic". In biology, this means the ability of animals and plants to imitate the appearance as well as the odor or sounds of other animals or plants to give themselves a better chance of survival. Our supplier was inspired by this and developed a printing technique to protect the environment.

Waste – outflow of resources

As well as the environmental impact of our resource inflows, negative effects can be caused by our resource outflows during production and at the end of the life cycle of our items. Along the value chain, various types of waste is generated and, for example, can be classified as follows: paper and cardboard packaging, waste for disposal, waste for recovery (reuse, further processing, recycling), waste wood (from our own joinery), electrical waste, paint and varnish waste, absorbent and filter materials, protective clothing, films, surfactants, wastewater and textiles.

We are currently in the process of gathering valid data with regard to our waste to enable us to introduce targeted measures in this area. This includes a more detailed breakdown of our waste generation by disposal type, waste type and separation of the waste into hazardous vs. non-hazardous. We have set ourselves this goal for next year. The packaging materials we use, which at the same time also mean waste for the downstream supplier chain, are described in more detail, together with the volumes used and the respective measures for the protection of the environment, on Page 70.

For us, in the textile industry, textile waste is a particularly important topic. Textile waste can arise both before and after the sale of our goods to the customers. The waste generated during production is known as "pre-consumer waste". It is created, for example, during cutting or through leftover fabric that was purchased but not used in the production process.

We underline the longevity of our products through our strict quality controls, high-quality materials and excellent workmanship. Together with our instructions for care and repair, this strategy helps prevent the garments being worn out or even discarded prematurely on the part of the customer. Returns or defective items also often result in goods being left unsold. Theoretically, surpluses are also classified as textile waste. In the spirit of a circular economy, Marc Cain pursued measures and projects in this regard that give these items a second life, thus preventing or at least reducing textile waste.

The circular economy at Marc Cain

Our resource inflows and outflows described above and the respective measures for reducing our negative impact on the environment due to the use of certain resources show that the idea of circularity is not a new topic for Marc Cain. We aim for a circular economy in which raw materials remain in the cycle of recoverable materials for as long as possible in order to minimize the consumption of new commodities. Our pursuit of durability though our high quality standards is a key building block for achieving this goal. The topic has already been covered in connection with our products and the materials used in the "Product"chapter. In the area of the environment, we focus primarily on the resource outflows: waste generated by us and packaging that comes into circulation because of our products. With regard to the circular economy, we ask ourselves above all: to what extent can we reuse surplus textiles and to what extent can waste be reused or recycled?

Our measures in favor of the circular economy

Avoidance of waste at the headquarters

In our internal second-hand sale of electronic devices in 2023, some old electronics once again found a new owner. This meant that the volume of electrical waste for recycling was reduced.

Decorative items and furniture made in our in-house joinery for our Marc Cain stores are regularly resold when they are no longer in use. The items comes from the sales floors of our stores or from our store windows. To the extent possible, our store furnishings are refurbished in our in-house joinery so that they can be used again.

In 2023, we were able to save a total of 756.53 tons of resources and 65.6 tons of greenhouse gas emissions through the recycling of electrical equipment as well as packaging and production waste in cooperation with a recycling service provider.

Our +items

Material requirements always undergo careful examination in the development of our collections. The material requirements are calculated before the raw materials are ordered and checked again afterwards. Because directly before production, when it is established if smaller or larger sizes will be produced, there is usually a saving in material. We recycle part of this surplus by manufacturing basic articles with simpler styles – our so-called +items.

Surpluses

Fabrics, yarns, jerseys left over after the seasonal production process or from the current sampling are rechecked and examined with regard to inclusion in the coming season. Old remaining stock goes to special item buyers, universities or are also passed on in small quantities to charitable associations. By doing this, we would like to ensure that our surpluses are utilized in the best possible way.

Dealing with unsold goods

Naturally, it is our goal to adapt our product range precisely to the needs and wants of our customers. Despite our best efforts, there are always prototypes and samples pieces left over in our warehouses at the end of each season, as well as items which could not be sold. In order to make the best possible use of these goods, Marc Cain has been following an established utilization process for years: first of all, our goods are available in the online shop for around 10 months. Thereafter, they are offered as perfect items or seconds in the outlet or resold to third-party providers. Only goods that are no longer viable are ultimately passed on to a textile processor.

3D knitting

The innovative "3D-Knit and Wear" technology is used for our "100% Made in Germany" knitted items. This process enables optimal use of resources, as it reduces the offcuts that would otherwise be produced from the rolls of fabric during the cutting process. The items come off the knitting machine practically ready to wear. They are made in one single step with no seams, so that only the start and end threads have to be sewn in.

Fully-Fashion

With the Fully-Fashion technology, it is not the finished item that comes off the knitting machine but rather the individual garment pieces such as the front, back, sleeves and collar. In this case too, waste from cutting is eliminated. However, these prefabricated pieces have a few additional rows of stitches knitted in for marking and stabilization This marking allows the producer who is assembling the pieces to be sure that they are sewing the right pieces together in the right position. These extra rows of stitches are removed by the producer.

OUR CONTRIBUTION TO AVOIDING ENVIRONMENTAL POLLUTION

In the manufacture of textiles, there are numerous processes along the value chain that can lead to the pollution of our environment. The air, water and soil can be contaminated by various sources that have been described already in the previous chapters. Greenhouse gas emissions, textile waste and the use of plastic packaging are just a part of this. One major factor behind the pollution of the environment in the production of clothing is the use of chemicals, which can lead to the contamination of wastewater and thus also to the pollution of water and soil.

Our handling of chemicals

To ensure that our garments are colorful and durable, have a nice feel and are comfortable to wear, and even to ensure that the materials can be processed at all, the raw commodities such as fabric, yarn and leather are dyed, tanned, washed and finished. The chemicals used in these processes can have negative impact on the wastewater. This applies both in our own production and that of our upstream supply chain. For this reason, the responsible handling of chemicals is of great importance for us. Waste, too, can contain harmful substances that can have a negative impact on our environment. We implement various measures to recognize, minimize and, in the best case, eliminate these sources of pollution in our business activities. To this end, Marc Cain sets upper limits or bans on the use of chemicals that are used in production processes. We implement the ZDHC MRSL (Manufacturing Restricted Substances List) and also require our supply chain to comply with these.

The improper use of chemicals can lead to the pollution of the groundwater through harmful substances in the wastewater. Accordingly, wastewater is a decisive factor in relation to environmental pollution. In the best-case scenario, water in our supply chain production processes would not be polluted with questionable chemicals in the first place thanks to compliance with the ZDHC MRSL and the ZDHC wastewater guidelines. For our Rethink Together items, we already today require the corresponding proof of compliance. In the future, these requirements are also to apply for the production processes of all items.

In our own production, we make every effort to reduce chemicals even further where this is technically possible and does not lead to a loss of quality. For example, only minimal quantities of perchloroethylene (PER) are used in the chemical cleaning processes of our in-house production. Here, the chemicals are used to remove impurities and grease from natural fibers such as wool and silk in particular, without damaging the quality of the textile. The amount of PER used depends on the type of fiber in each case as well as the degree of soiling to the item after knitting. In this process, the items are washed without the use of water. In addition, chemical cleaning takes place within a closed cycle, meaning that, after the process, neither people nor the environment are exposed to the solvent through the product itself. The solvent – PER-waste – is disposed of separately under strict regulations. In 2023, the chemical cleaning process with PER was partly switched to an alternative formula that is largely biodegradable. Moreover, fewer items in general were chemically cleaned, since the soiling rate was lower than in the previous year. This meant that a large amount of this solvent was saved in 2023 (approx. - 85%). From this year on, only certain materials will undergo chemical cleaning for quality assurance purposes.

Microplastics

The polluting of the world's oceans through microplastics has been a familiar issue for a while now. As one of the industries that contributes to this pollution, the textile industry has long been working to reduce the negative environmental impact of synthetic fibers caused by the **abrasion of microplastics.** During washing, microplastic particles can come loose from the textiles and thus have negative consequences for our ecosystems. We are aware that there is a risk due to the amount of synthetic fibers we use and that action is needed. New studies published by the German textile and fashion industry association open up new strategies to reduce water pollution caused by microplastics. With the help of textile filters, modern wastewater treatment plants can remove plastic fibers from the wastewater. The optimization of the knitting process and new technologies for the washing or dyeing processes should help minimize the amount of microplastics released. We are optimistic that there will be solutions in the near future that we will be able to consider or to which Marc Cain can contribute.

Alongside plastic fibers, **plastic packaging** is another way that microplastics end up in the environment and play a role in polluting land and water. A large part of marine garbage consists of plastic, most of which comes from packaging. As well as the pollution of water and land, raw materials and energy are consumed in the manufacture of packaging, which in turn also pollutes the air. During the value chain for our products, various types of plastic packaging is used to protect the pieces of clothing. Marc Cain has set itself goals and implemented or is planning measures to reduce the amount of plastics used, especially with regard to single-use plastic packaging. The focus is also on recycled materials in our packaging and the recyclability of these in the sense of a circular economy.

BIODIVERSITY & ECOSYSTEMS

The negative impact of the textile industry on biodiversity and our ecosystems can take effect along the entirety of the value chain – from fiber production, textile production and finishing, garment assembly, logistics and sales, through to the disposal of the end product. We are aware of the risk that our products could be a possible driver in the transformation of ecosystems, the loss of species diversity and habitats, the pollution of water and soil degradation and are putting measures in place to minimize our impact.

Our impact on biodiversity basically begins with the selection of materials for our products. For the natural raw materials such as cotton or wood for cellulose for our MMCFs, the focus is on the type of agriculture or forestry. Synthetic fibers or plastic packaging are based on fossil raw materials, the extraction of which can have a negative impact on ecosystems. The use of chemicals and the release of microfibers are further hazards for nature and the environment.

The protection of biodiversity is a complex issue that we alone are unable to solve, but it is possible for us to at least make a small contribution. Our approach as to how we want to mitigate our negative impact through our business activities are described in detail in the individual sub-chapters above. The measures we implement in relation to the materials we use, our waste, packaging, chemicals and water all play a part in one way or another to the conservation of biodiversity.

How does Marc Cain protect the conservation of biodiversity and our ecosystems?

The following points serve as a summary of the measures we implement that also play a part in conserving biodiversity. They are described in greater detail in various places in this Sustainability Report. The list is certainly not exhaustive, but we have undertaken to dedicate ourselves more intensively to the protection of biodiversity.

- Use of more sustainable materials – e.g. Natural fibers from more sustainable agriculture and forestry, recycled synthetic fibers, cellulosic fibers from regenerative agriculture
- Responsible handling of chemicals – upper limits and prohibited lists of chemicals
- Strict quality controls
- Use of renewable energies
- Measures with regard to plastic packaging – reduction and recycling approaches
- Measures with regard to paper products – reduction and raw materials from certified sustainably managed forests
- Measures for saving water
- Measures with regard to used textiles and other waste – in the sense of a circular economy
- Optimal use of resources through innovation

OUR ENVIRONMENTAL GOALS AT A GLANCE:

To be able to systematically address climate-related risks and opportunities, we plan the complete calculation in the medium term of our ecological footprint, including Scope 3 emissions. In addition, a more detailed breakdown of our generation of waste and a quantity evaluation in each case are planned to enable us to act in a targeted manner.

Our packaging goals	Target year	Status 2023
Polybag changeover to 100% recycled materials	2025	Changeover successfully begun, but not yet complete
Reduction in material and increase in recycled content	2024	Planning begun
100% uncoated cardboard boxes for online shipping	2025	Changeover successfully begun, but not yet complete
100% reduction in single-use packaging except where essential	2025	open
20% reduction in single-use plastic packaging	2025	Figures for base year 2023 being determined
100% recycled single-use plastic packaging	2025	open
100% inclusion of all single-use plastic packaging in a recycling stream	2025	open
Ban on packaging made from polystyrene	2030	open
Minimum share of 10% reused packaging	2026 (5%) 2027 (10%)	open

Stakeholders

Additional **benefits** for Marc Cain **employees: company supplementary health insurance** and **introduction of Job-Bikes**

Marc Cain **WhistleApp** to be launched

Spectacular summer party
to mark Marc Cain's 50th anniversary

OUR STAKEHOLDERS

Sustainability is an ongoing process of listening, communicating and learning. This allows us to position ourselves optimally now and in the future, not just in terms of the requirements of our customers and markets, but also with regard to the environment, society and corporate governance. A core aspect of our approach to sustainability is the optimal involvement of all stakeholders in our business activities in the direction and implementation of our sustainability activities. For us, stakeholder engagement means being aware of the needs of our interest groups and promoting open discussion with them. In this, we rely on clear and open communication. We see this as an opportunity to constantly improve and to create added value for all those concerned and involved.

In addition to nature itself as a silent stakeholder, there are numerous internal and external groups of persons which have an interest in the business activities of Marc Cain or can be impacted by them. Exchange with our stakeholders takes place through numerous channels of communication and various forms of cooperation. Our end customers are warmly invited to send us suggestions or questions on the topic of sustainability via our email address sustainability@marc-cain.de.

Stakeholders in Marc Cain's view

Affected stakeholders

Internal
Own staff (employees, managers, Management Board)

External
Workers in the value chain

Affected communities at our location of Bodelshausen, but also in the value chain

End customers and trade customers

Suppliers

Nature as a silent stakeholder

Users of sustainability statements

Business partners

Civil society & NGOs

Business associations

Other brands

Media/press

Authorities

Existing and potential investors

Banks and insurance companies

OUR EMPLOYEES

Our employees are the key to our success and therefore a particularly important stakeholder group. For this reason, we are constantly working on further developing our working conditions and creating a dynamic environment with interesting tasks, an appreciative working atmosphere and other benefits.

74 %
of our employees are female

90 %
of our employees are employed in Germany

11 YEARS
is the average length of time that employees stay with the company

66 %
of our managers are female

WHAT WE OFFER OUR EMPLOYEES

Promoting professional and personal development:

- With our Marc Cain Academy, we offer our employees numerous and individual training opportunities.
- We also provide assistance in arranging childcare and reconciling family and career.

Promoting cohesion among colleagues

- Summer and Christmas parties offer employees the opportunity to better know each other in a relaxed atmosphere outside the office. These and individual team events promote employee satisfaction and well-being.
- An internal employee communication app facilitates cross-departmental exchange, information and organization as well as transparent and continuous corporate communication.

Benefits for well-being

- Sports courses offered in-house as well as subsidies for selected fitness studios
- Since 2023, employees have been able to lease Job-Bikes
- Fresh, healthy and mostly regional meals in our own company cafeteria – employees are always welcome to submit recipe suggestions
- "relaxed start" on Monday morning (work starts at 10am) and "early weekend" on Friday afternoons (end of work from 2pm) as well as the option of mobile work outside the office
- Since 2023, a company supplementary health insurance has offered employees subsidies for treatment and health assistance

Training young talent:

We offer a wide range of training and internship opportunities as well as a parallel study option in numerous areas of the business.
We are currently offering training in the following professions:

- IT specialist
- Warehouse logistics specialist
- Salesperson in e-commerce
- Salesperson in wholesale and foreign trade
- Salesperson in retail trade
- Machine and systems operator
- Production technician
- Textile and fashion sewist/tailor
- Textile management expert, fashion manager
- Chef (from September 2024)

Our trainees in wholesale and retail trade spend 2-3 months of their training in the CR department.

... and when problems do crop up

Since October 2023, we have had a whistleblowing system – the Marc Cain WhistleApp – set up, through which employees can report grievances anonymously and confidentially. Especially when it comes to sensitive issues, it is often easier to pass this information on to independent persons. A similar system is also in place for employees in our supply chain (grievance mechanism detailed in the Supply Chain chapter). There were no messages in the reporting year.

Since the end of 2023, Marc Cain has had an appointed and appropriately trained human rights officer. In confidential cooperation with those responsible for the WhistleApp and for the grievance mechanism, reports can thus be followed up and measures put in place to solve grievances.

OUR EMPLOYEES IN FIGURES

	DE	BE	CH	NL	AT	USA	CAN	UK	Total
number of employees*	856	12	6	16	12	7	36	4	949
of which are female	619	11	6	14	12	7	34	4	707
of which are male	237	1	0	2	0	0	2	0	242
of which are trainees, interns, volunteers	41	0	0	0	0	0	1	0	42
of which are female	24	0	0	0	0	0	1	0	25
of which are male	17	0	0	0	0	0	0	0	17
Number of employees by age group									
under 30	151	0	0	0	0	0	4	0	155
30 – 50	348	2	4	1	4	5	18	3	385
over 50	357	10	2	15	8	2	14	1	409
Employees by limited-term/permanent contract									
limited-term	764	9	6	12	11	5	20	4	831
of which are female	553	8	6	10	11	5	18	4	615
of which are male	211	1	0	2	0	0	2	0	216
permanent	92	3	0	4	1	2	16	0	118
of which are female	66	3	0	4	1	2	16	0	92
of which are male	26	0	0	0	0	0	0	0	26
Number of employees by contract type									
Full-time	658	6	2	5	5	5	26	4	711
of which are female	434	5	2	3	5	5	24	4	482
of which are male	224	1	0	2	0	0	2	0	229
Part-time	163	5	4	9	6	2	10	0	199
of which are female	157	5	4	9	6	2	10	0	193
of which are male	6	0	0	0	0	0	0	0	6
Temps	35	1	0	2	1	0	0	0	39
of which are female	28	1	0	2	1	0	0	0	32
of which are male	7	0	0	0	0	0	0	0	7
Employees with management duties	119	2	1	3	2	2	9	0	138
of which are female	75	1	1	2	2	2	8	0	91
under 30	5	0	0	0	0	0	0	0	5
30 – 50	36	0	1	0	1	1	2	0	41
over 50	34	1	0	2	1	1	6	0	45
of which are male	44	1	0	1	0	0	1	0	47
under 30	5	0	0	0	0	0	0	0	5
30 – 50	20	0	0	0	0	0	0	0	20
over 50	19	1	0	1	0	0	1	0	22
Covered by collective laboragreements **	100%	100%	100%	100%	100%	0%	0%	0%	
Leave entitlement for family reasons							99% of all employees are entitled to leave for family reasons 7% have claimed leave for family reasons (62 persons)		
Persons on parental leave									58
Fluctuation rate	12.8%	7.7%	14.3%	27.3%	0.0%	25.0%	15.4%	0.0%	12.8%
Resignations worldwide	124	1	1	6	0	2	6	0	140

* No. per head (head count)
** in DE, BE, CH, NL, AT concerns the collective cover of our industrial employees

All employees take part in a performance review within the framework of employee appraisals that take place regularly but at least once a year.

OUR EMPLOYEES' OPINIONS ARE IMPORTANT TO US.

An employee survey took place at the beginning of last year. Various subject areas were surveyed, including the question as to which topics our employees consider important in relation to the Marc Cain company. From the responses, the vision, mission and guiding principles for Marc Cain management and employees were developed. These represent the core aspects with which we wish to align ourselves.

OUR COOPERATION WITH OTHER ORGANISATIONS

In 2019, we became a member of the **amfori** organization a global business association that promotes sustainable trade, sustainable supply chains and sustainable business. We are committed to the amfori labor standards and require compliance also by our suppliers.

We joined the **Better Cotton** initiative in July 2020. Better Cotton is a multi-stakeholder initiative with the aim of promoting more sustainable cotton cultivation. The initiative's approach is to help cotton communities survive and thrive by educating cotton farmers on how to grow cotton while at the same time protecting and restoring the environment.

We have been working with the **Four Paws** animal welfare organization regularly since 2021. We support the "Brands Against Mulesing" initiative by publicly speaking out against this painful practice. As experts in the field of animal welfare, Four Paws advised us in 2022 on the definition of animal welfare standards in our supplier contracts. At the end of 2022, we supported the "Fur Free Europe" petition. Specifically, this involved calling for a ban on the keeping and killing of animals exclusively or mainly for the production of fur and on the import of furs from breeding animals and products that contain such fur. In 2023, there was an open cross-brand appeal to the EU Commission.

The **Textile Exchange** organization makes it possible to participate annually in a brand benchmarking process. This primarily involves tracking the current status of the transformation to an increased use of more sustainable materials. As well as participating in this benchmark, we also purchase raw materials and products that are certified in accordance with one of the various sustainability labels (more on this in the "Products" chapter).

Within the industry, we also regularly exchange ideas with other **brands and industry associations** on the common challenges in the field of sustainability.

OUR SOCIAL ENGAGEMENT

In addition to our activities mentioned so far, as an internationally active company based in Germany, we undertake corporate responsibility by donating money and goods to various organizations and associations. We support many of these institutions on a regular basis and most of them already for many years. We are committed not only to helping in the short term, but to making a lasting difference.

Women and children have always been at the center of our social engagement, and we wish to support them in particular with our donations and campaigns. Marc Cain therefore attaches great importance to organizations that work – internationally or locally – for their protection, equality and rights.

Acute help in crisis situations

The ongoing war in Ukraine, escalating violence in the war zone of Sudan, malnutrition in African countries, poor harvests in many areas of the world due to drought – this all brings massive humanitarian suffering to many people all around the globe. According to UNICEF, more than 40 million children are refugees; many, many more are malnourished. Teams from "Save the Children" are working worldwide to mitigate children's suffering. "The current situation and humanitarian suffering of so many people, especially children, leave me stunned. We wish to turn our concern into action and help children in need with our donations," explains Helmut Schlotterer, Chairman of the Board.

What is Save the Children e.V.?

"Save the Children" was founded in 1919 shortly after the First World War. Today, it is the largest independent children's rights organization worldwide and is active in around 120 countries. It fights for the rights of all children to health and survival, education, protection from violence and exploitation and protection from danger in cases of emergency and natural disaster. The focus in this is on helping people to help themselves in order to strengthen sustainable development. (Source: https://www.savethechildren.de/informieren/ueber-uns/mission-und-vision/)

Regional engagement

Our company history is closely linked with Bodelshausen in Germany. This is still one of our production locations today, as well as the site of our headquarters. Regional projects are therefore very important to us.

Because of various crises in the world and surging energy costs, food has become more expensive and the cost of living has increased in Germany too. More and more people have to rely on food banks ("Tafel" in Germany) to feed their families. With donations to the Tübinger Tafel, but also to the Förderverein für krebskranker Kinder children's cancer society and many more, the Helmut Schlotterer Foundation supported the activities of many organizations in 2023.

What is Tübinger Tafel e.V.?

Tübinger Tafel was founded in July 1998 as a registered association and is one of over 960 food banks in Germany that are organized under the umbrella organization Tafel Deutschland e.V. From the very beginning, their motto has been: "saving surplus food and distributing it fairly to those in need." Today, Tübinger Tafel supports around 1,700 people in need.
(Source: https://www.tuebingertafel.de/vereinsgeschichte; https://www.tafel.de/)

	Names of donation recipients
Marc Cain GmbH	Save the Children Caritas Archdiocese of Vienna Waldenkirchen Community Foundation Gomaringen Rifle Guild
Helmut Schlotterer Stiftung	BewegtEuch e.V. Dorina Güngör (Theater group) DRK Bodelshausen DRK OV Tübingen Steinäckerschule Bodelshausen Association Bad Sebastiansweiler Association Association of Gymnasium Hechingen e.V. Association of the Friedrich-List-Gemeinschaftsschule Gewerbl. Schule Tübingen Association Förderverein für krebskranke Kinder TSG Bodelshausen Association Municipality of Bodelshausen (Kindergarten) Bodelshausen Beekeepers' Association Child Protection Association OV Tübingen LDT Nagold Musikverein Bodelshausen e.V. Sansa Ta (Romania) School of Nations Stiftung e.V. Eutingen Sports Club (Girls' soccer) SV-Hemmendorf Tübingen Animal Welfare Association TSV Lustnau e.V. VFB Bodelshausen Wikimedia Fördergesellschaft (Society)

OUR COMMUNICATION ON THE TOPIC OF SUSTAINABILITY

With our communication on the topic of sustainability, we keep all our stakeholders, e.g. our customers and employees, up to date on our activities, challenges and successes in the area of sustainability. We provide information on our engagement for sustainable development not only in our sustainability report, but also on our website, in social media and in our customer magazine and newsletter. In this way, we would like, among other things, to promote environmentally conscious purchasing and firmly establish the value of sustainability in our corporate culture.

The principles of openness, transparency and authenticity are particularly important to us in our sustainability reporting. Therefore, we strongly disapprove of communication promoting greenwashing and align ourselves with current industry standards as well as political and NGO guidelines. We continue to raise our standards. In 2022, we adopted internal guidelines for claims on the topic of sustainability.

Updating of our green claims guidelines

We have set down key principles in internal guidelines for communication on the topic of sustainability, informing all relevant departments about the current legal situation regarding green claims and using practical examples to show the no-go's and yes-go's that need to be observed when formulating communication on specific topics. The document serves internally as orientation for the selecting of topic and reporting on the issue of sustainability. This knowledge is particularly helpful for our marketing department in communicating complex issues to our customers in a simple, clear, and accurate way. This includes writing social media posts, press releases, or articles for our customer magazine.
A special review process for external communication content on the sustainability topic also ensures that the reporting complies with the current green claims guidelines.

5 rules of thumb

A strong green claim...

- is **clear and unambiguous**
- is **verifiable**
- is **honest and precise**
- is **visually distinct**
- draws **fair and meaningful comparisons**

OUR GOALS WITH REGARD TO STAKEHOLDERS AT A GLANCE:

Goals	Target year
Conducting a materiality analysis taking stakeholder interests into account as a basis for future ESG reporting	2024

CSRD CATEGORIZATION

In preparation for the Corporate Sustainability Reporting Directive and the respective requirements for sustainability reporting, we are already trying in this Sustainability Report to implement the respective CSRD standards. Only those standards are listed that are included in our Report (in full or in part). The information has not been verified externally.

ESRS	Information	Page
ESRS 2: GENERAL INFORMATION		
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GOV-1	Role of administrative, management, and supervisory bodies	6, 20–22
GOV-2	Information and sustainability aspects addressed by the administrative, management, and supervisory bodies	6, 20
GOV-5	Risk management and internal controls over sustainability reporting	20–22
SBM-1	Strategy, business model and value chain	7–10, 20–22, 87
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E1-6	Gross scopes 1, 2, 3 and total GHG emissions	64–66
ESRS E2: ENVIRONMENTAL POLLUTION		
E2-1	Policies related to pollution	27–28, 61, 66–75, 78–79
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ESRS E3: WATER AND MARINE RESOURCES		
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ESRS E4: BIODIVERSITY AND ECOSYSTEMS		
E4-2	Policies related to biodiversity and ecosystems	80–81
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ESRS E5: RESOURCE USE AND CIRCULAR ECONOMY		
E5-1	Policies implemented to manage resource use and circular economy	40, 68–77
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S1-SBM-2	Interests and views of stakeholders	84–88
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S1-2	Processes for engaging with own workers and workers' representatives about impacts	85–88
S1-3	Procedures for recording negative impacts and channels for own workers to raise concerns	86–87
S1-4	Measures implemented in relation to material negative impacts and approaches for mitigating material risks and pursuing material opportunities relating to own workforce, as well as the effectiveness of these measures and approaches	85–88

ESRS	Information	Page
S1-6	Characteristics of the undertaking's employees	7, 85, 87
S1-8	Collective cover and social dialog	87
S1-9	Diversity parameters	7, 85, 87
S1-15	Parameters for the reconciliation of professional and private life	7, 87

ESRS S2: WORKERS IN THE VALUE CHAIN

S2-SBM-2	Interests and views of stakeholders	46, 50–54, 84, 89
S2-1	Policies related to workers in the value chain	45-58
S2-2	Processes for engaging with value chain workers about impacts	50–54, 89
S2-3	Procedures for recording negative impacts and channels for workers in the value chain to raise concerns	50–54
S2-4	Measures implemented in relation to material negative impacts and approaches for mitigating material risks and pursuing material opportunities relating to workers in the value chain, as well as the effectiveness of these measures and approaches	46, 50–58, 89
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	54–58

ESRS S4: CONSUMERS AND END-USERS

S4-SBM-2	Interests and views of stakeholders	84
S4-1	Policies related to consumers and end-users	24–25, 92, 41–42
S4-3	Procedures for recording negative impacts and channels for consumers and end-users to raise concerns	24–25, 41
S4-4	Measures implemented in relation to material negative impacts on consumers and end-users and approaches for mitigating material risks and pursuing material opportunities relating to consumers and end-users, as well as the effectiveness of these measures and approaches	24–25, 41

ESRS	Information	Page
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