

Sustainability & Climate Neutrality



Goals for today.

Our Strategy

The current state & political climate

How its done

A group of seven people are posed on a large, white, geometric structure that resembles a stylized letter 'A' or a similar shape. The structure is situated on a grassy hill. The people are dressed in winter clothing, including puffer jackets, coats, and hats. The background is a vast landscape with rolling hills under a blue sky filled with white, fluffy clouds. The overall mood is serene and adventurous.

**ON A JOURNEY
TO MAKE SUSTAINABILITY
THE NEW NORMAL.**

OUR STRATEGY.





01
JOURNEY



10
PATHWAYS

10 PATHWAYS

01 SUSTAINABLE PRODUCTS

02 SOCIAL RESPONSIBILITY

03 ENVIRONMENT

04 SUPPLY CHAIN TRACEABILITY

05 STAKEHOLDER ENGAGEMENT

06 CLIMATE PERFORMANCE

07 TRANSPORTATION & LOGISTICS

08 PACKAGING

09 ENERGY

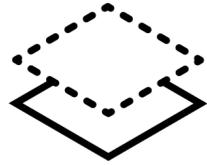
10 PEOPLE EMPOWERMENT

06 CLIMATE PERFORMANCE

We aim to become a climate neutral brand by eliminating, reducing, and compensating for our CO2 emissions across all scopes (1, 2 and 3).



06 CLIMATE PERFORMANCE



Foundation

In 2020

- › Langfristige Partnerschaft mit Climate Partners



Commitment

Till 2023

- › Commitment zur Science Based Targets Initiative (SBTi)
- › Klimaneutralität der Marke
- › Entwicklung und Umsetzung einer klimaneutralen Kollektion

Our Path to Climate Neutrality. Update



Looking at the current political arena, we have to prepare for rising carbon taxes and priced negative externalities.



CO2 Steuer

Implication: 25 Euro per Tonne of emitted CO2 for companies selling diesel, petroleum, and heating oil

Status: law in place

- Nov 2016 ● Paris Agreement adopted by all member states
- Dec 2019 ● Legislation formulated
- Aug 2020 ● Voted upon in parliament
- Jan 2021 ● **Law passed by German Bundestag**
- Jan 2025 ● Price will be raised to 50 Euro



EU ETS

Implication: greenhouse gas emission reductions target for 2030 to at least 50% through a “cap and trade system”

Status: Passed and under revision

- Jan 2005 ● **introduced**
- Feb 2019 ● Market Stability Reserve introduced
- Sep 2020 ● Impact-assessed plan introduced
- Sep 2021 ● Revised targets will be introduced
- 2021 - ● Phase 4 of EU ETS begins



BEHG

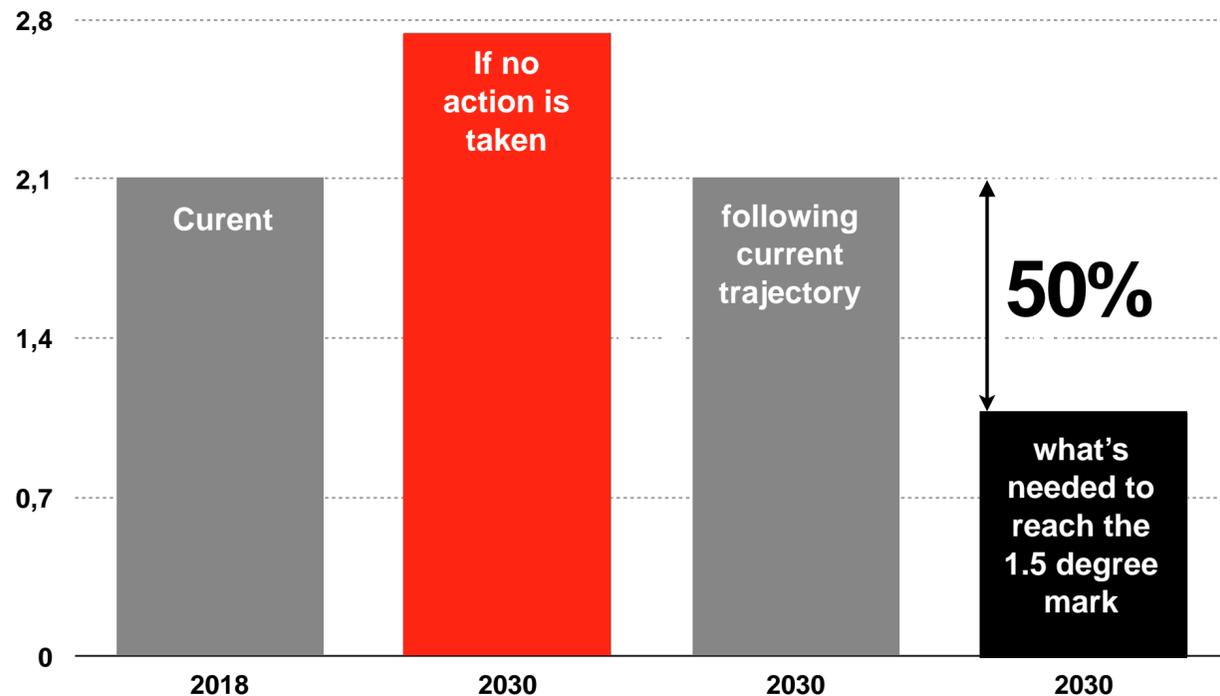
Implication: The Brennstoffemissionshandelsgesetz creates the basis for certified emission trading for all fuels not included in the EU ETS

Status: recently passed

- Sep 2017 ● Idea introduced
- Sep 2019 ● **Passed as part of the Klimaschutzgesetz**
- May 2021 ● Revised scope introduced
- pending ● Parlamentäre election
- pending ● Revised law passed

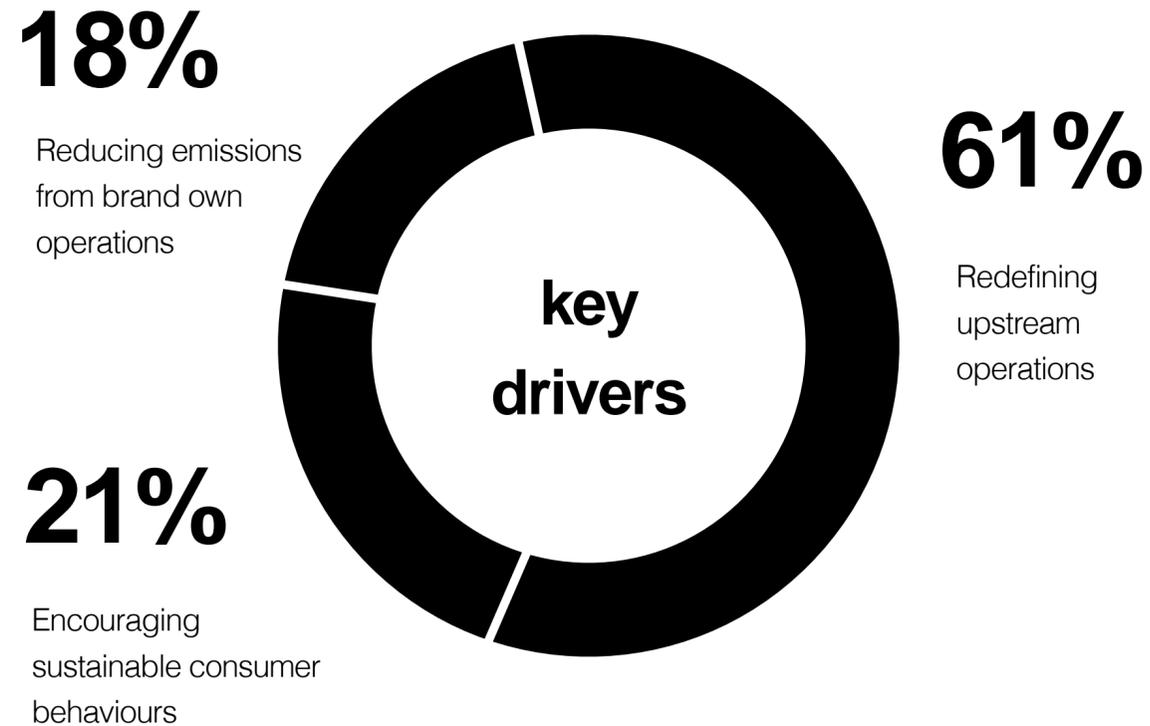
But the fashion industry has more work to do.

Milion Tons CO2 Eq



50% > **1.5°C**
 reductions are need to reach degrees goal by 2030

Abatement emissions by key drivers under accelerated abatement

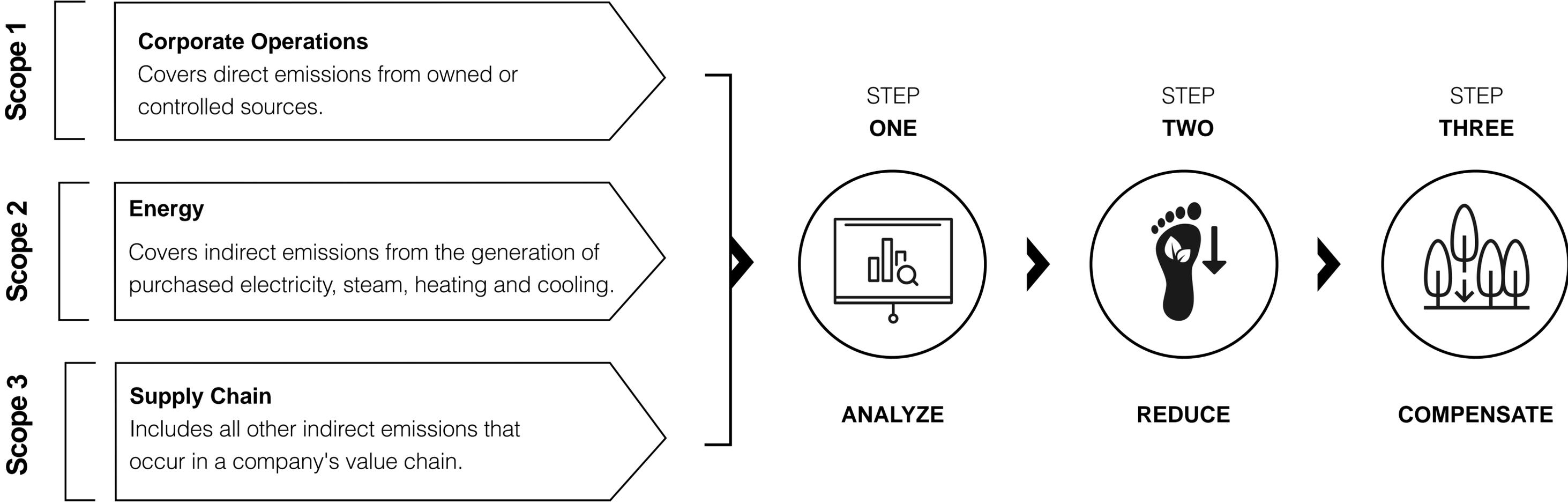


61% of emissions can be saved by rethinking upstream operations and supply chain management



How the process of becoming climate neutral works.

 | ~ 10-150€/T CO2 •
  | 25€/T CO2 (passed) •
  | 100€/T CO2 (necessary for 1.5°C margin)



Due diligence scorecard (criteria)

criteria



cost



analytics



team expertise



project quality



portfolio



marketability

rating guide



score indicator indicating strength relative to a particular criteria, target of maximum score for each criteria



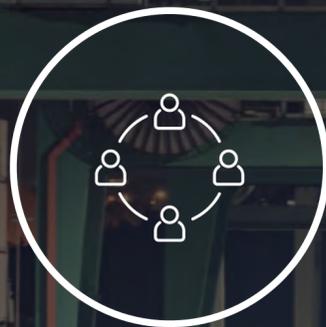
“Climate Agents” implementation strategy

Cultural implementations are not always a linear process — new learnings along the way can cause a reframe or new learnings can help us narrow and target

STAGE 1: INITIATE



define members and empower them



create regular update meetings

STAGE 2: LEARN



STAGE 3: ACT



create cascading effects within department



Plan & implement reduction projects

How we view the craft of being a “Climate Agents”

Average capacity needed: 2 working days

Climate Agent

At the highest level, this its about communication and collecting carbon data

Communication

- Actively communicates with corporate sustainability team
- Mentions challenges and risks when in sight
- Transfers project knowledge to other members within own department

Data-collection

- Collects data within own department and sends it to corporate sustainability team
- Creates internal data sheet as an archive / historical record

Strategic thinking

- Strategize creatively towards reduction plans with department
- Execute reductions with the company's and planets best interest in mind

Life-long learning

- Receives Climate Agent Certificate after climate neutrality is achieved
- Actively engages in professional development regarding sustainability and data collection skills

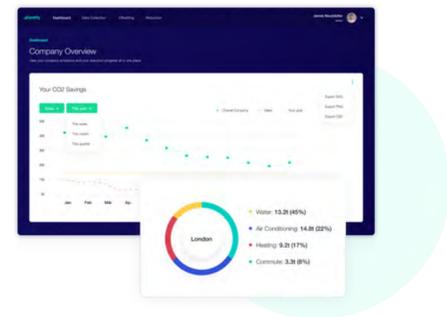
We proceed in 2 main phases (CCF -> PCP)

	Phase 1	Phase 2 a	Phase 2 b
Phase	CCF	PCF (data accessible internally)	PCF (data accessible only externally)
Duration	May 21 - Jul 21	Aug 03 - Oct 21	Nov 21 - Jan 22
Departments	 <ul style="list-style-type: none"> HR Facility Management IT Digital Marketing Sales Retail 	 <ul style="list-style-type: none"> Logistics E-Shop Sales Operations Finance Controlling IT Digital 	 <ul style="list-style-type: none"> Buying Design Retail Finance Controlling IT Digital

Carbon neutrality possible sub-projects

now kick-off & analysis

- chose partners
- plan kick-off meeting
- calculate current carbon footprint
- define long hanging fruits for reduction



1-2 yrs first climate neutral collection

- plan carbon neutral collection
- could be combined with product module from SAC



2 yrs climate neutral (CCF)

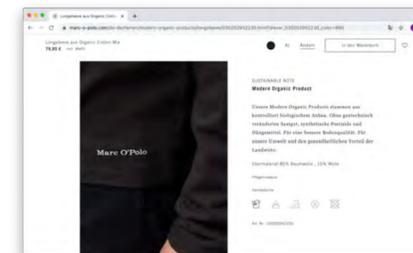
- re-evaluate total carbon off-setting price
- choose partner projects for CO2 compensation

MARC O' POLO IS
CLIMATE NEUTRAL.



3 yrs show product CO2 infos

- integrate product-based CO2 values on different touch-points to customer
- possible over SAC product module



3-5 yrs successfully fulfil SBTs

- condition CFF according to Paris Climate Accord and 1.5 Degree level



short-term

medium-term

long-term

Thank you.

