

SUSTAINABILITY REPORT 2023

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1. LETTER FROM THE CEO

GRI 2-22



The world is undergoing society behavioural change and swift transformation with rising global social instability and climate change advancing at an unusual rate.

Nonetheless there are still some indicators of progress including the expansion of renewable energy production and the growing attention

of policy makers toward enacting regulations for sustainable development.

At Tally Weijl, we strive to be part of the positive change towards a better world. 2023 was a difficult year following the COVID-19 pandemic situation. We are consolidating our business after pandemic situation to drive towards an accelerated recovery position to win the consumers and deliver more sustainable, profitable, and long-term growth.

This is the year where we took steady steps forward on researching regarding sustainable development. We aligned our sustainability strategy with STS2030 with the goal to strengthen our position and take advantage of industry synergies.

Among other measures that you will find in this report, I would like to emphasize our ongoing process on the revision of the OECD guideline on responsible business; recording our Scope 1 & 2 emissions with Scope 3 following in 2024; our participation in research and innovation projects on circularity; and what bring us here

together, the publication of our first sustainability report.

Our commitment is not only to reach the targets according to our strategy, but to engage our stakeholders in the sustainable development journey.

We know that our voice can make an impact by being proactive. A critical part of achieving our sustainable development goals will be investing in and integrating this purpose into how we work and how we connect with consumers and stakeholders.

We are moving forward with our strategy to use more sustainable materials. 50% of our articles in 2023 had any of the more sustainable materials such as Better Cotton (BC), recycled materials, organic cotton, and/or more sustainable viscose under our Tally Cares program.

Our goal for 2024 is 60% of our articles. We are developing an internal IT tool to map and trace our supply chain and materials. It will allow us to deepen in our relationship with our suppliers.

I would like to highlight our participation in innovation and research projects. Innovation is at the roots of fashion and it is part of our core business where we develop new products every season. With innovation we can drive fashion forward on regards to sustainable development. We are participating in the European tExtended project in a consortium with 20 partners with the goal to develop a Blueprint masterplan for the optimized circularity of textiles; and in the Circle Up Textiles (CUT) with other 6 Swiss partners with the aim to develop an eco-design recommender tool. Our designers are directly involved in the project to bring new eco-design insights into the company.

We are aware of the challenges ahead and we endeavour to get all the needed information to record our progress with our teams aligning and finding synergies to move forward.

Data collection and accuracy will be our focus in the upcoming years. We are in a moment of change that we embrace with illusion and determination. Our strength is the strength of our people and the commitment to the company core values: ethic, resilience, teamwork, and entrepreneurial spirit. Sustainability is a task that is consistently being reviewed. Totally unstoppable is our credo than spans across all our operations and defines our attitude to face all the challenges in our journey.

Beat Grüning, CEO



691
STORES



ESTABLISHED IN
1984



+122
FACTORIES



+10
COUNTRIES



4
OFFICES



+1436
EMPLOYEES

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

Tally Weijl is a fashion brand born from passion and intuition in 1984. It was founded by two passionate and determined persons: Tally Elfassi-Weijl and Beat Grüning. In 1987 the first store was opened in Fribourg, Switzerland. Tally Weijl is driven by the belief that every woman should have access to the latest fashion trends, and our mission is to empower women and let them be the most unstoppable and sexy version of themselves.

Tally Weijl headquarters are located in Switzerland, where main product development decisions are taken. Garment manufacturing is subcontracted to external suppliers. Tally Weijl sales happen in owned stores and franchisees mainly in European countries, along with online sales channel. Tally Weijl controls the distribution centres where the garments are received from our

garment manufacturers and are distributed to the selling channels. Knowledge and awareness of the environment and our innovation commitment facilitates an agile, coordinated and global transformation of the value chain: design, manufacturing, logistics, sales channels and customers. Our activity is carried out within a framework of respect and transparency based on the promotion of human rights and with the ultimate goal of generating a positive impact on the customer, society, industry, and in our environment. Our ambition is to combine an efficient economic model sustainable and integrated with the ultimate goal to , uncouple the economic evolution with the resources consumption.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

Our activity of distribution and sale of fashion items are organized through an international group of companies, whose head is Tally Weijl Holding AG – hereinafter, Tally Weijl. We are present in 10 markets, mainly in European countries.

People are the core of our business models. We are 1436 people of 23 nationalities who work inspired by Tally Weijl's foundational values: entrepreneurial spirit, non-conformism, innovation, inclusion and humility.

Tally Weijl minimum requirements set of policies is publicly available in our webpage and it contains the Code of Conduct and Ethics.

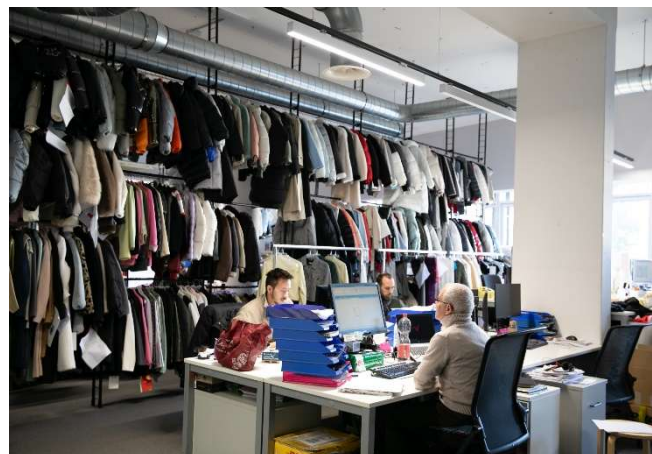
Besides, we have an internal Whistleblowing policy according to the European Union Whistle-blower Protection Directive, which is distributed among all the employees. Human Resources is in charge of the internal implementation of the Code of Ethics & Whistleblowing policies, and the Sustainability team is in charge of the implementation of the Code of Conduct and Ethics in our supply chain.

Whistleblowing policy cover all the steps since the origin of the whistleblowing, the measure and processes to remediate the negative impacts and the closure of the whistleblowing report.

We understand fashion as a tool that helps us express who we are and/or who we want to become. It is an element of expression of individual and collective identity, and communication between people.

We are a referent in fashion with an approach empowering women, and individual and critical thinking.

Our slogan "Totally Unstoppable" spans across all our teams and it mirrors our spirit.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

DESIGN & PRODUCT DEVELOPMENT

Designers are the starting point of Tally Weijls' creativity and represent a great added value for our business model. Integrated within the commercial and product development teams, their permanent contact with the stores and trends in the streets allow them to detect customer trends.

This information is translated into products aligned with the most current demand in trend and quantity. Our designers are the ones who assume the first level of the Company's commitment to sustainability due to their active work in searching for and promoting increasingly more sustainable materials and production processes, contributing to raising quality standards and continuing to advance the circular economy model.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

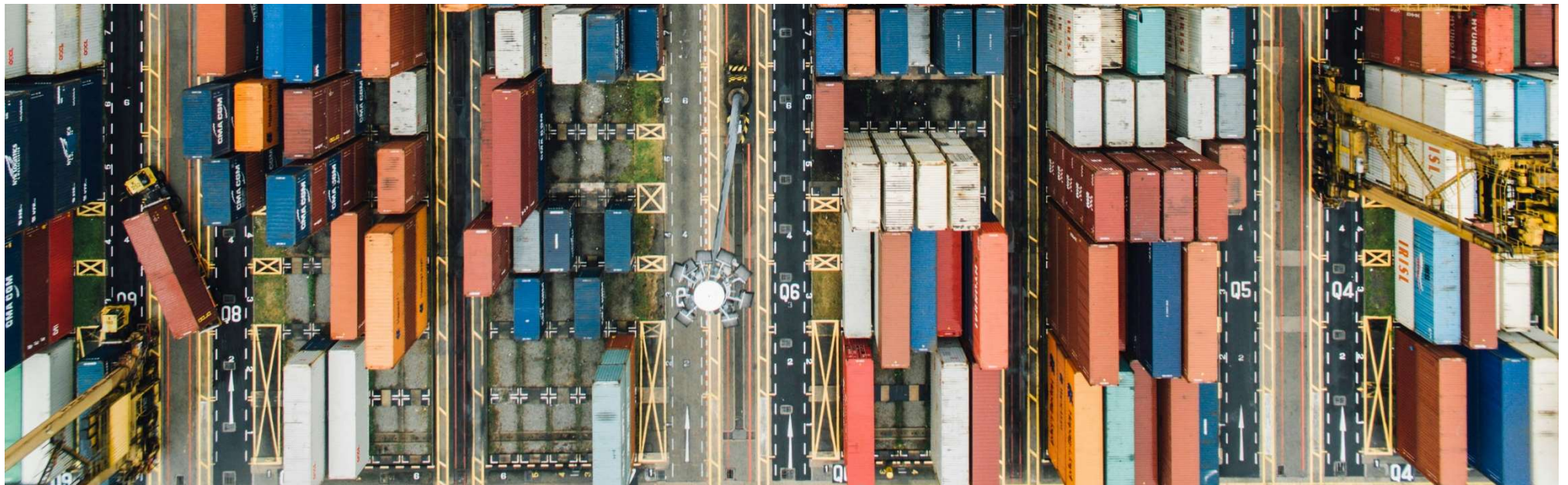
GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

SOURCING

Our manufacturing and sourcing are based in a social and environmental responsible supply chain. We strive to ensure decent working conditions for workers in our supply chain and move to a lower environmental impact. Our supply chain have a strong presence in Asia countries where we have two sourcing offices to be closer to our suppliers and align their values and needs with ours. Other suppliers are located in nearby countries such as Portugal, Morocco and Turkey mainly. We endeavour to identify more sustainable and efficient manufacturing processes in order to decrease the environmental impact of our supply chain. (For further information, go to section 4.1.4)

LOGISTICS AND DISTRIBUTION

This stage is fully adaptable to our commercial needs. This flexibility allows us to match our customers' demands with our development decisions. During 2023, we integrated our HUB – dedicated to the goods reception from our suppliers - with our main distribution centre in order to increase our efficiency. We receive the goods from our supply chain in our distribution centre in Lörrach, and distribute them to our stores and online orders.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

STORES

We are managing 258 own stores, and 433 partner stores. We look for stores that transport our customer to the Tally Weijl world in a selective and unstoppable buying immersive experience. Quality define our spaces with details to welcome our customers. We divide our yearly collection in Spring/Summer and Fall/Winter with the goal to have in the stores garments according to our customer's needs.

This business model allows us to have clear vision on our customers' needs and demands. We rely in two main points:

- The strength of our design and commercial teams and the flexibility of our supply chain
- Customers experience in our stores and online channels with our unstoppable spirit spanning across our channels.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

GRI 2-1, 2-2, 2-4, 2-6, 2-7, 2-8, 2-23, 2-24, 2-25, 2-28, 404-2, 404-3, 405-1, 405-2

PRODUCT CONFORMITY

Product chemical and physical requirements are defined by the Head of Sustainability and the Quality manager. They report directly to the Chief of Supply Chain (CSC). It is also provided with the information and test methods required to apply these criteria. It is ensured that inspections are carried out in accordance with legislation and determines the applicable legal and internal requirements for products in terms of health and safety, environmental regulations, quality requirements and customer information. Approval guidelines and procedures are developed to ensure product conformity. Suppliers and the external approved laboratories are given the set of policies and requirements along with training sessions and technical guidelines. The set of policies are named Tally Weijl Minimum Requirements (TWMR) and it includes the Code of Conduct and Code of Ethics (CoC & CoE,) Restricted Substance List (RSL), Quality Standard Requirements (QSR) and Animal welfare policy. We provide to our suppliers with a list of regulated chemical substances in products through the RSL policy. RSL is based on the strictest European and international standards that apply to apparel.

For every substance there is a standardized and recognized testing method that must be followed by the approved laboratories. They ensure that the relevant regulations are being adhered. Tally Weijl provides their suppliers with a list of approved laboratories where they can test the articles according to the requirements.

The testing program is based on a risk assessment in order to ensure compliance with the relevant chemical regulations and guarantee product conformity.

The external laboratories are ISO 17025 certified. A guideline is disclosed to the external approved laboratories on sample management, analysis method and test reports among other issues. Four laboratories have been approved to date and can be used by our suppliers. (Further info in section 4.1.3) The laboratories prepared 2034 test reports in 2023.

QUALITY MANAGEMENT

Quality manager and technical department report directly to the CSC. Quality management lays down the functional quality criteria for products brought to market, along with information and test methods required to apply these criteria, which are gathered in the Quality Standard Requirements (QSR).

Quality management ensures that inspections are carried out in accordance with requirements and creates approval procedures to ensure product conformity and functionality. Suppliers and testing laboratories are given the QSR policy and technical guidelines.

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

OUR PEOPLE, DIVERSITY & EQUAL OPPORTUNITIES

GRI 2-7, 2-8, 2-30, 401-1, 401-2, 401-3, 404-2, 404-3, 405-1, 405-2

Tally Weijl is a multinational company with 1436 employees worldwide. Tally Weijl employees come from a broad range of countries, belong to different cultural, religion and social groups. It is an intercultural mix of people with a wide variety of backgrounds, education levels, skills and talents. This diversity and integration is one of our strengths. Respect, fairness and equal conduct are fundamental principles in the workforce.

For employee data gathered we used headcount approach. Full time employees (FT) are those typically working 38-42 hours per week, depending on country and local regulations. Part time employees (PT) are those with less than 38-42 hours per week. Non-Guaranteed hours (NGH) employees are workers whose schedules and working hours are not fixed. They may not be guaranteed a certain number of hours per week and could work varying hours depending on the company needs. All Tally Weijl employees are entitled to the same benefits which cover healthcare, social insurance, retirement plans and paid leave.



2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

Tally Weijl promotes diversity among employees. 88% of our total workforce are women, and 41% of our management are women. We acknowledge the lower percentage of women in management position, but since management positions are primarily recruited internally, the conditions are set to increase the proportion of women in management positions in the medium and long term.

Wage equality analysis was done by our Human Resources department for 2023, concluding that there is a deviation below 2% in the average salaries for women and men. It was taken into account the same working condition (hours per week) and same job position.

| Headcounts | Women | Men | Total |
|------------|-------|-----|-------|
| Total | 1,259 | 177 | 1,436 |
| | 88% | 12% | |
| Full-time | 384 | 153 | 537 |
| | 72% | 28% | |
| Part-time | 875 | 24 | 899 |
| | 97% | 3% | |
| Permanent | 787 | 157 | 944 |
| | 83% | 17% | |
| Fixed term | 384 | 19 | 403 |
| | 95% | 5% | |
| NGH | 88 | 1 | 89 |
| | 99% | 1% | |

| Headcounts | Switzerland | Germany | Italy | Austria | Bangladesh | China | Total |
|------------|-------------|---------|-------|---------|------------|-------|-------|
| Total | 558 | 630 | 174 | 36 | 29 | 9 | 1,436 |
| | 39% | 44% | 12% | 3% | 2% | 1% | |
| Full-time | 303 | 129 | 58 | 10 | 29 | 8 | 537 |
| | 56% | 24% | 11% | 2% | 5% | 1% | |
| Part-time | 255 | 501 | 116 | 26 | 0 | 1 | 899 |
| | 28% | 56% | 13% | 3% | 0% | 0% | |
| Permanent | 413 | 344 | 119 | 31 | 29 | 8 | 944 |
| | 44% | 36% | 13% | 3% | 3% | 1% | |
| Fixed term | 56 | 286 | 55 | 5 | 0 | 1 | 403 |
| | 14% | 71% | 14% | 1% | 0% | 0% | |
| NGH | 89 | 0 | 0 | 0 | 0 | 0 | 89 |
| | 100% | 0% | 0% | 0% | 0% | 0% | |

| Headcounts | < 30 years | 30 - 50 years | > 50 years | Women | Men | Total |
|------------------------------|------------|---------------|------------|--------------|------------|--------------|
| Board of Directors | 0 | 0 | 3 | 0 | 3 | 3 |
| | 0% | 0% | 100% | 0% | 100% | |
| Executive group | 0 | 4 | 1 | 0 | 5 | 5 |
| | 0% | 80% | 20% | 0% | 100% | |
| Management | 0 | 33 | 8 | 20 | 21 | 41 |
| | 0% | 80% | 20% | 49% | 51% | |
| Total management | 0 | 37 | 12 | 20 | 29 | 49 |
| | 0% | 76% | 24% | 41% | 59% | |
| Senior | 0 | 68 | 9 | 46 | 31 | 77 |
| | 0% | 88% | 12% | 60% | 40% | |
| Specialist | 38 | 322 | 10 | 289 | 81 | 370 |
| | 10% | 87% | 3% | 78% | 22% | |
| Juniors, assistants & other: | 224 | 719 | 0 | 912 | 31 | 943 |
| | 24% | 76% | 0% | 97% | 3% | |
| Total not management | 262 | 1,109 | 19 | 1,247 | 143 | 1,390 |
| | 19% | 80% | 1% | 90% | 10% | |

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

OCCUPATIONAL HEALTH & SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-10, 403-8, 403-9

Employees are at the core of Tally Weijl success. Build a healthy and safe working environment is a primary concern of the company. Occupational health and safety is a human rights topic included in the SDGs, with the aim to promoting health and preventing physical and psychological harm.

Occupational incidents and accidents, and their negative impact on mental and physical health can be prevented through measures and processes when clearly communicated.

Deploying preventive measures allows TW to support the health of its employees in a positive way. Not following internal guidelines and procedures may lead to incidents or accidents. We rely on legal requirements and internal trainings to engage employees in the importance of occupational health and safety.

We can divide our activities in three main groups when it comes to occupational health and safety evaluation: warehouse, stores and offices. Each group has its own occupational health and safety specifications to ensure that hazards are managed and minimized to protect workers' health and safety.

We follow occupational health and safety performance through internal indicators.

Our occupational health and safety officers evaluate our working environment to identify hazards related to our day-to-day operations. We record the hazards in our internal occupational health and safety management system, and implement the needed actions to decrease the risk.

Employees are required to report all safety issues within the company when it comes to their knowledge. Training courses and information is disseminated on the workplace safety topics and fire protection.

Tally Weijl designed activities to promote the health and well-being of its employees. Work places are designed ergonomically in all our facilities according to the legal country requirements. We offer incentives such as free season fruit snacks and learning platform for personal use.

In 2023, we implemented a tailored psychological training program for our management team, aimed at fostering emotional intelligence, resilience and effective communication. This initiative was designed not only to enhance individual managerial capabilities but also to enable the transfer of these critical skill to their teams, creating a ripple effect throughout the organization.

By focusing on self-awareness, empathy, and stress management, the training equips manager to:

- Lead with greater mindfulness and inclusivity Inspire their teams to perform at their best in a supportive environment.
- Build a culture of trust, collaboration, and psychological safety
- This initiative supports our commitment to sustainable leadership development, ensuring that people-focused strategies contribute to long-term organizational success.

All Tally Weijl employees need to abide with occupational health and safety policies. There were not fatal nor high-consequence work-related injury accidents, nor any work-related ill health in 2023.

Work-related injuries occurred mainly in our stores due to incidents occurred during normal stores tasks.

| OCCUPATIONAL ACCIDENTS | TOTAL |
|---|-----------|
| Work - related injuries | 18 |
| Number of hours worked | 2,769,599 |
| Rate of recordable work - related injuries (number of cases per 200.000 hours worked) | 1.3 |

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

COLLABORATIONS

GRI 2-28



Better Work – a collaboration between the United Nations’ International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group - is a comprehensive program bringing together all levels of the garment industry to improve working conditions, respect of workers’ labour rights and boost the competitiveness of apparel and footwear business.

Present in 13 countries across three continents, Better Work (BW) brings together governments, employers’ and workers’ organizations, global brands, factory owners and workers to improve working conditions in the garment industry and make the sector more competitive.

We disclose our factories to BW in the selected countries so we can work together advising and improving the working conditions in the factories.

We signed our agreement and engagement.



In 2014, TW joined the Bangladesh Accord demonstrating our dedication to the comprehensive and independent inspection of garment factories in Bangladesh to enhance fire and building safety because this is an important matter to us, all our factories in Bangladesh are included in the Accord Active Factory list. The International Accord promotes a safe and healthy textile and ready-made garment industry.

On January 2020, Representatives of the BGMEA and the steering committee of the Accord on Fire and Building Safety in Bangladesh signed an agreement on transition to RMG Sustainability Council (RSC).

On 1 June 2020 the RSC has inherited the operations, staff, policies and infrastructure of the local Bangladesh Accord office. The RSC conducts structural, electrical fire & life safety and boiler safety inspections, supports and monitor remediation, conducts safety training, and operates an independent occupational safety & health complaints mechanism available to workers in covered RMG factories.

In 2023 we renewed our commitment with International Accord in Bangladesh.



The TCBL association gathers together people and organizations who want to bring real change to the textile and clothing industry.

The TCBL community is built on a set of seven shared values: curiosity, viability, durability, multiplicity, openness, respect and responsibility.

Our commitment to TCBL allow us to be on the cutting edge at new developments in the textile industry, and to have an innovative viewpoint on the future of the textile sector.



Swiss Textiles is committed to ensuring that the Swiss textile industry stays internationally competitive, with a mission to break down barriers and build bridges, incentivizing design, technology and sustainability.

Our membership allows us to find synergies in the industry to overcome our challenges and move toward a more sustainable development and competitiveness.

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.1 ORGANIZATION CONTEXT

COLLABORATIONS

GRI 2-28



We are members of the Fur Free Retailer program, committing to the sale and promotion of products free from real animal fur.

Fur Free Retailer is the world's leading program to connect fur-free companies to consumers seeking ethical goods.

The online Fur Free Retailer list provides consumers with accurate information about our fur policy, allowing consumers to make an informed choice when shopping.



Sustainable Textiles Switzerland 2030 (STS 2030) is a multi-stakeholder program with the mission to contribute significantly to the achievement of the Sustainable Development Goals (SDGs) in the Swiss textile and clothing sector along the entire value chain.

In 2023, we signed our commitment to STS 2030. It allows us to cooperate with other textile companies in Switzerland to overcome challenges to reach the goals set for 2030.



Ginetex, the International Association for Textile Care Labelling, devised an internationally applicable care labelling system for textiles based on symbols.

It provides consumers and textile companies with the correct information on how to care for textile products. The process indicated by the symbols avoids any irreversible damage to the products.

Ginetex developed the clevercare.info for sustainable textile care. By adopting simple habits, consumers will care for their fabrics the clever way – extending the lifespan of their favourite fabrics while also caring for our planet.



Handelsverband is the commerce association in Switzerland of which we are members since 2009.

It is focused on retailers and online shops. We align synergies with other retailers to move to omnichannel with optimal coordination.

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.2 GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 2-18, 2-19, , 2-20, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27.

Governance addressed in an effective and transparent manner is central to the success of the company. Tally Weijl is a family founded company with external investors. The Board of Directors as the highest governance body is composed of three persons: a chairperson of the board and two board members representing the main shareholders. Board of Directors are nominated by the General Assembly which takes place once per year. The management members are two, being one of them a board member too. Management members are mandated by the Board of Directors. Performance is audited by external independent company every year. The same Board of Directors form the Finance and Payroll committee, since they represent the main shareholders. They meet once a year to decide on the remuneration policies of the company.

Whistleblowing policy and Code of Ethics are applicable to all the Tally Weijl Group included the Board of Directors and management members.

Details on the governance structure can be found in the public information of the company in Switzerland. The Board of Directors is responsible for the strategy of the company, meanwhile the management members are responsible of the strategy implementation and operational management tasks. Sustainable development is embedded in the strategy definition of the company, and the performance

and forecasting is developed according the benchmarks and new market requirements, both legal and state of the art on internal and external sustainability requirements.

The CEO is responsible for ensuring compliance with the Tally Weijl's policies and standards in the area of Sustainability. The Chief of Supply Chain (CSC) along with the Head of Sustainability are responsible for Tally Weijl's strategy and performance in the area of sustainability.

The Sustainability Team is responsible for the implementation of the company's sustainability strategy and policies. The team supports the production development teams, production sites and in-country organizations in their projects and initiatives. The Sustainability team gathers and consolidates the sustainability data and information of the internal and external stakeholders to prepare the sustainability report. All departments in the company have the responsibility on strategy and project implementation and gather the data and information for the Sustainability report following the internal guidelines and policies, and to follow up the indicators in order to get to the goals approved by the CEO and Board Members.

Sustainability culture is horizontally integrated in the company.

Tally Weijl's Corporate Responsibility has always been a central pillar in business conduct.

We strive to adapt to the evolving landscape and reach a long-term success; meanwhile we recognize our responsibility – and opportunity – to reach a leading position in our sustainable development.

Tally Weijl has a well-organized decision-making process that integrates and embeds sustainability. Sustainability team works closely with other functions across the business and collaborates with retail market teams to help develop relevant plans and key performance indicators according to our 2030 sustainability targets.

Our Head of Sustainability report to the Chief of Supply Chain. The CEO of the company and the Board of Directors approve the sustainability strategy.

We decided to reinforce our sustainability strategy with the Sustainable Textiles Switzerland 2030 (STS2030) commitment. It is an opportunity to join forces with the Swiss textile sector and move together to a common goal taking advantages of synergies and shared learnings. STS2030 supports actors in the Swiss textile and apparel sector to act in a socially and environmentally responsible manner along the value chain and to integrate transparent sustainability criteria into the organization. It is summarized in four main targets:

2. OVERVIEW OF TALLY WEIJL HOLDING AG

2.2 GOVERNANCE

TARGET 1: Reduction of greenhouse gas emissions. By 2030, GHG will be reduced by 50% towards a net zero target by 2050.

TARGET 2: Promotion of fair wages and human working conditions for all. By 2030, 100% implemented due diligence obligations across the entire supply chain with a focus on working hours, forced labour, child labour and sexual harassment.

TARGET 3: Promotion of innovative business models towards a circular economy: By 2030, at least 30% of products designed according to circular economy principles.

TARGET 4: Transparency to ensure that sustainable purchasing decisions can be made. By 2030, reach 90% of products with disclosed social and environmental sustainability information and help raise awareness among consumers.



3. MATERIALITY ASSESSMENT

GRI 2-12, 2-13, 2-29, 3.

MATERIAL TOPICS

Material topics were determined in 2022. Sustainability team selected a list of material topics of importance for the textile industry based in external and internal sources:

- Sustainability frameworks: GRI, SASB, UN Global compact among others
- Online tools such as: MSCI (ESG Industry Materiality Map) and SASB.
- Other textile brands similar to TW

The material topic list contained 23 topics after crosschecking all the information. It was considered the needed balance between environmental, social and economic demands. These topics were reviewed with various stakeholder groups, both internal and external. The significance of the impact was determined focusing on negative impacts and potential negative impacts. Each topic was assigned a topic-specific GRI standard when available in order to harmonize specific performance indicators to track evolution in every particular material topic.

When GRI topic-specific standard was not available, it was internally developed a set of indicators to track the material topic evolution. The Chief of Supply Chain and CEO review and approve the list of material topics.

LIST OF MATERIAL TOPICS

- 1 Sustainable Materials
- 2 Human Rights In The Supply Chain
- 3 Inclusion & Diversity
- 4 Traceability
- 5 Energy And Emissions Management
- 6 Waste Management
- 7 Biodiversity
- 8 Chemicals Management
- 9 Privacy & Data Security
- 10 Climate Change
- 11 Product Quality & Safety
- 12 Living Wages In The Supply Chain
- 13 Business Ethics & Integrity
- 14 Training Initiatives
- 15 Circular Economy Business
- 16 Stakeholder Engagement
- 17 Responsible Sourcing
- 18 Water Management
- 19 Community Investment
- 20 Anti-competitive Behavior
- 21 Talent Management
- 22 Animal Welfare
- 23 Transparency

3. MATERIALITY ASSESSMENT

GRI 2-12, 2-13, 2-29, 3.

Tally Weijl considers the needs and opinions of its key stakeholders in consideration in its corporate strategy and processes.

Tally Weijl interacts with the key stakeholders such as communication with customers in stores or online campaigns, open dialogues with suppliers and employees and common business interests with several associations.

Tally Weijl offices and teams in manufacturing countries allows us to nurture relationship with the suppliers in the country of origin.

Considering Tally Weijl context, we classified the stakeholders as

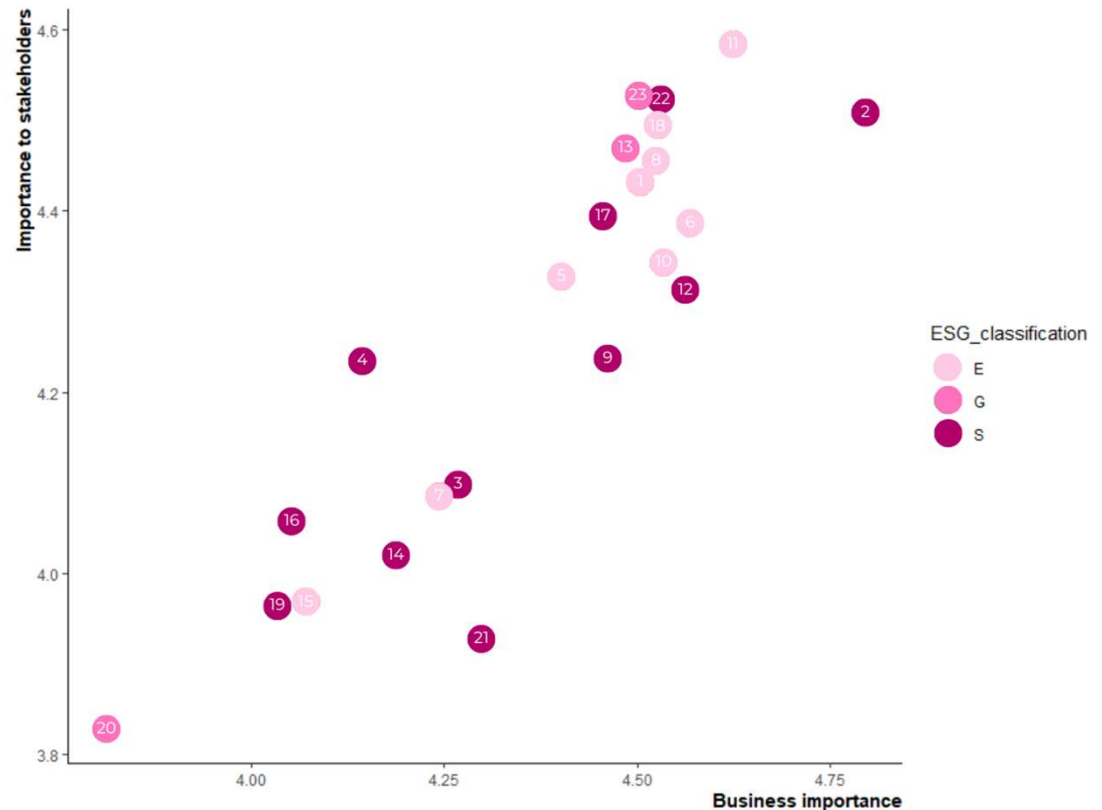
E – External: Franchisees, Service providers, Customers, Suppliers (garment supply chain) , NGO's & Industry associations & Educational Institutions.

I – Internal: Office & warehouse employees, Store employees, Board members.

Despite this continuous communication with several stakeholders, with the purpose to reinforce the materiality assessment, it was used a check-list to engage stakeholders (external and internal) with the list of material topics identified.

The result is the materiality matrix where are represented the 23 material topics depending on the relevance for the external stakeholders, and the relevance for the business development of the company.

As a result of the interaction of external and internal stakeholders, the top right corner of the matrix contains those material topics with the higher priority.



4. ENVIRONMENTAL MANAGEMENT

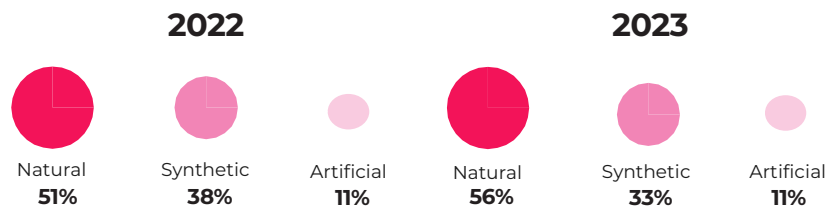
4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

4.1.1 MATERIALS AND PROCESSES

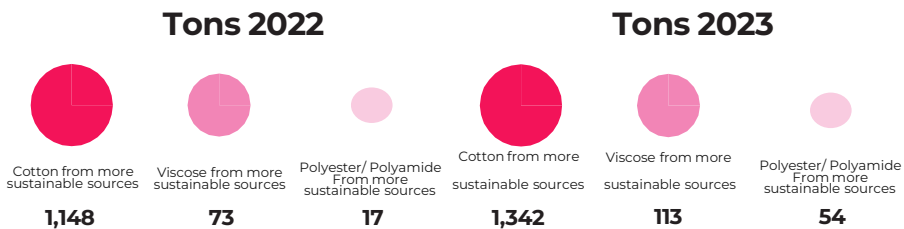
Our materials strategy focuses on sourcing more sustainable materials. Materials are divided in three main groups: natural, artificial and synthetic fibres. Natural fibres come from natural sources (i.e. cotton), artificial fibres made from a natural component as raw material that goes through several transformations in a chemical or laboratory facility (i.e. viscose), and synthetic fibres are produced in a chemical or laboratory facility (i.e. polyester).

% FIBRES CONSUMPTION OVER TOTAL FIBERS



In line with our commitment towards the protection of the planet and the ecosystems, the reduction of the impact in the resources and the climate change, we prioritize the selection of raw materials from more sustainable sources when compared to current ones for our products.

RAW MATERIAL



4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

MORE SUSTAINABLE COTTON

We have a commitment to source 100% more sustainable cotton by 2030. More sustainable cotton includes Better Cotton, Organic Cotton, in-conversion cotton, and recycled cotton.

During 2021/22 season, organic cotton worldwide production amounted 1.36% of total virgin cotton production, meanwhile Better Cotton amounted for over 21%⁽³⁾.

During 2023 we achieved a 65% of more sustainable cotton in our articles. We are ahead with our targets to reach our commitment in 2030.

Organic cotton: As defined in Textile Exchange Organic Cotton Market Report 2022⁽⁴⁾. Organic cotton is grown in agricultural systems that work with nature, rather than against it.

Organic farming combines tradition, innovation, and science to benefit the environment, promoting fair relationships and improved quality of life for all. In-conversion cotton is produced by farmers moving towards organic practices.

Transition to organic cotton farming may take between 2-3 years. During the transition to organic, the cotton is commercialized as “in-conversion” cotton.

Better Cotton (BC): Tally Weijl is a BC partner. BC mission is to help cotton communities survive and thrive, while protecting and restoring the environment.

The BC standard system is a holistic approach to more sustainable cotton production which covers all three pillar of sustainability: environmental, social and economic⁽⁵⁾.

Better Cotton is moving ahead with a traceability solution that will be available during 2024.

Tally Weijl registered as a partner interested in traceable BC.



⁽³⁾ [Textile Exchange Materials Market report 2023- Materials Market Report 2023 - Textile Exchange](#)

⁽⁴⁾ [Textile-Exchange_OCMR_2022.pdf \(textileexchange.org\)](#)

⁽⁵⁾ [What we do in helping cotton growers to create long-term change. \(bettercotton.org\)](#)

4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

MORE SUSTAINABLE VISCOSE

Forest protection is a keystone on climate change mitigation and biodiversity loss. Tally Weijl is committed to move to more sustainable man-made fibres (Lyocell, viscose and modal) and ensure that the origin of the cellulose is not from Ancient and Endangered Forests.

Tally Weijl relies on cellulosic fibre manufacturers classified as “green shirts” in the Canopy’s Hot Button Report. Canopy is an international recognized organization with a mission to protect Ancient and Endangered Forest among others⁽⁶⁾.

Tally Weijl is committed to source 100% more sustainable viscose by 2030.

During 2023 we achieved 28% of more sustainable viscose in our articles.

RECYCLED MATERIALS

The use of recycled materials allows to reduce the use of virgin materials and decrease the

environmental impact associated to it. If the origin of the recycled material is the textile industry, it allows to address circularity and use the same material more than once for the same purpose.

We are moving to increase the presence of recycled materials in our articles. In 2023 we partnered with Recover™ to enable the integration of recycled fibres into our production processes promoting the reutilization of materials.

Tally Weijl is striving to use more recycled materials mainly in synthetic fibres such as polyester, polyamide and acrylic.

During 2023 we achieved 5% of recycled material in our articles. Our goal is to reach 90% of recycled material for synthetic fibres in 2030 and/or bio-based synthetic fibres.



Partnership Recover™ and Tally Weijl

⁽⁶⁾ [The Hot Button Report - Hot Button Report \(canopyplanet.org\)](https://canopyplanet.org/hot-button-report)

4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

MORE SUSTAINABLE PROCESSES & ACCESSORIES

We are determined to spread our sustainability efforts not only to the main materials used in our articles, but include both the factory processes and technology, and accessories.

Jeanologia technology focuses on sustainable and innovative solutions for the denim industry. Its scope includes more sustainable processes such as laser finishing, ozone technology, and sustainable washing techniques. The ultimate goal is to save water, use less chemicals, optimize energy and improve human health and safety conditions at the working place. Some of our main suppliers are using this technology and we rely on it to have more information on the environmental impact for the finishing process focusing on our denim articles, where the finishing process have a higher environmental impact. Impact is measured with EIM by Jeanologia⁽⁷⁾.

Tally Weijl and YKK are partnering with the goal to include more sustainable accessories in our garments. YKK is proud to introduce the new AcroPlating® ⁽⁸⁾ finishing technology, an innovative technology that does not require the use of the hazardous substances, cyanogen and chromium. This new, more sustainable process also conserves water and electricity and reduces greenhouse gas emissions when compared to YKK's conventional plating methods.

We have also dedicated considerable effort over the past years to effectively communicate the strides we've made in more sustainable materials and processes.

Our Tally Cares hangtags in our products and online store, and the dissemination of relevant information on our website, help to understand the presence of more sustainable materials and/or processes in our products.

Tally Cares labels state the percentage of more sustainable materials in the garment or part of a garment, and/or information on more sustainable accessories or processes. We intend to be straightforward, transparent, and accurate with the tag information.

We reached 50% of the total units with more sustainable materials in our articles in 2023, and we have a target of 60% for 2024. Our midterm target is to reach 80% of more sustainable materials in our articles by 2030.



(7) <https://www.jeanologia.com/>

(8) <https://ykkdigitalshowroom.com/en/item/29/>

4. ENVIRONMENTAL MANAGEMENT

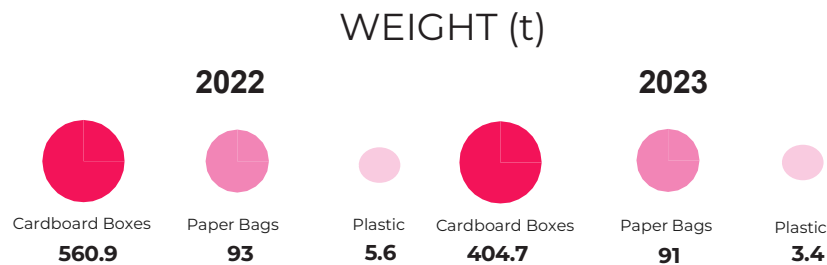
4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

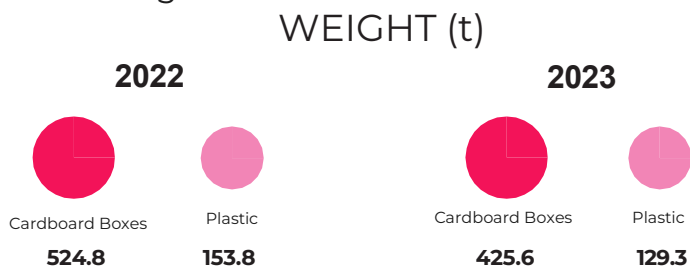
4.1.2 PACKAGING

We are focusing in identifying the quantity and location of our packaging with two main goals: study the materials used in order to move to more sustainable alternatives, and ensure recyclability of the packaging selected.

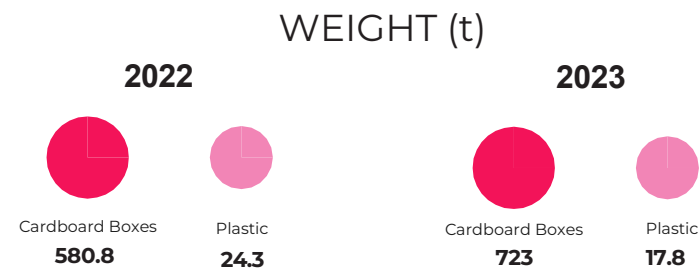
E-COMMERCE & STORES: Low density polyethylene e-commerce bags and store paper bags. Current e-commerce plastic bags will be changed by a Blue Angel™ certified plastic bag during 2024.



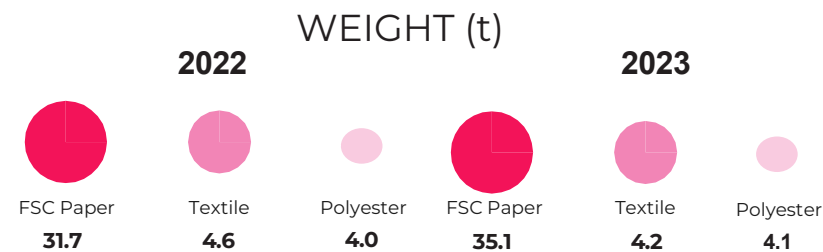
PURCHASE GOODS: used polybags for the individual products, and cardboard for the shipping boxes. We are studying alternative for the polybags such as Polylactic acid (PLA) biocompostable bags and/or paper based bags



WAREHOUSE OPERATIONS: repackaging activities for products and shipments, using mainly cardboard boxes and low density polyethylene bags.



PRODUCT LABELS: We use FSC tags and/or textile labels or polyester strings in our articles



We have a grinder machine in our warehouse to grind and compact the waste generated from the cardboard boxes. The cardboard waste is processed by an external company to produced recycled paper goods. We keep working with our labelling supplier to use better materials and internally to decrease the amount of tags used in our garments.

Reclaimed products are included in our take back program. We are not reclaiming the packaging used since it is handled by our final consumer according to local regulations. We perform a waste declaration for the packaging in all the countries.

4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

4.1.3 PRODUCT CONTROL & CHEMICAL MANAGEMENT

We have a strict policy on product health included in the Tally Weijl chemical restricted substance list (TWRSL). TWRSL covers any banned chemicals that are present in the finished products. We work along stakeholders in the textile industry such as AFIRM group and our third party approved laboratories to keep up to date our RSL standard.

Our TWRSL standard include substances and parameter of legal limited use. Additionally, it includes the European REACH regulation governing the registration, evaluation and authorization of chemicals. TWRSL was developed following the most stringent requirement on product health. We worked in collaboration with external stakeholders and industry groups with knowledge on product chemical compliance to develop the TWRSL standard. TWRSL is of mandatory compliance for all our apparel and footwear suppliers. All our suppliers sign and accept the content of the TWRSL document.

We have a control program named internally “testing program” which allows to ensure compliance of our products with our health standard, TWRSL. Articles are tested in external third party laboratories approved by Tally Weijl. In 2023, 2034 articles were sent to the laboratories with a total average of around

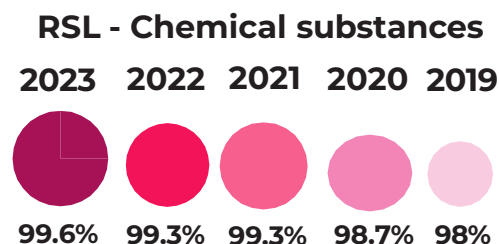
10.000 tests performed to assess the presence of the parameters and substances included in the TWRSL. Articles sent to the laboratory need to be representative of the manufacturing lot.

The testing decision is based on a risk matrix decision taking into account the state of the art of the textile manufacturing processes and chemicals used. It is used data and information from the industry, and our test records from the past to develop a testing program based on the risk of non-compliance. The ultimate goal is to optimize the testing program and focus on the main risk areas.

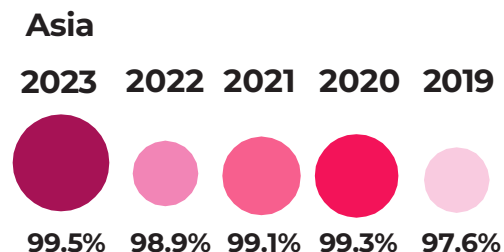
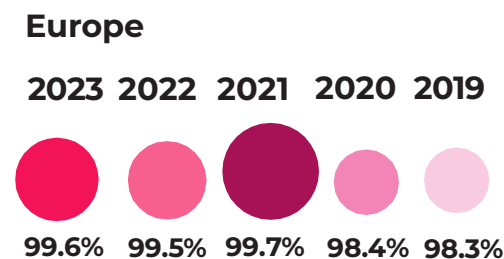
In 2023 we had an overall 99.6% compliance rate. For the remaining non-compliant goods (0.4%), we applied corrective actions to remove the presence of restricted substances and ensure the compliance of the goods. We strive to understand the origin of the non-compliance through a Root Cause Analysis in order to improve our supply chain and avoid further future problems.

It is observed a steady performance in our testing program. Performance is aligned with our supplier’s training programs, and testing follow up along with the supply chain.

Overall performance
(% of article compliant on regards to tests performed against TWRSL)



Performance by manufacturing geographical area



4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

4.1.4 OUR APPROACH TO CIRCULARITY AND INNOVATION.

Circularity encompasses from the design stage until the end of life of the product. Tally Weijl understands circularity as a responsibility and a change opportunity.

All Tally Weijl's value chain must be taking into account for the circularity approach: offices, logistic, product, sales points, use of articles, etc. The main goal is in the minimization of the impact on all phases of the supply chain, the use of the products and its end life.

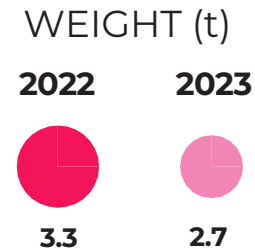
Customer awareness plays a key role in circularity. We believe that the role of consumers will be crucial in a circular economy model, not only in decision-making purchase but also for their role in the separation, recycling and reusing of products.

In section 4.1.1 is explained our approach to materials, processes and chemical management with an impact in circularity business model.

We are striving to find solutions for the used garments once they don't have any functional value. The goal is to valorise such garments as secondary raw materials.

We disclosed a take-back program in our stores in Switzerland where our clients can bring the old clothes that they don't use anymore.

We partnered with I:Collect to give a second chance to these old garments and avoid landfill.



We are aware that achieving a fully circular model cannot be addressed individually, it is a joint effort from consumer, industry, the scientific community and governments.

Collaboration is key and at Tally Weijl we carry it out through our participation in various research and innovation projects such as tExtended and CUT2.

Thus, we join forces to support the manufacturing and marketing of more circular and sustainable products.

4. ENVIRONMENTAL MANAGEMENT

4.1 MATERIALS, CIRCULARITY & CHEMICAL MANAGEMENT

GRI 2-25, 3-3, 301-1, 301-2, 301-3, 416 -1, 416-2

tExtended

EU Horizon project tExtended⁽⁹⁾ overall objective is to develop a knowledge-based Blueprint. The basis of the Blueprint is a Conceptual Framework determining the optimized utilization of textile flows, aiming for retention of value of materials in a safe and sustainable way. Based on the Blueprint, it will be implemented a Real Scale Demonstrator, verifying its replicability and potential to reduce textile waste by 80%.

Tally Weijl is participating in the Real Scale Demonstrator and contributes to the Industrial Exploitation Group, offering insights into the fashion business model for a more circular approach.

Led by VTT Technical Research Centre of Finland, the tExtended consortium involves 20 partners from 10 European countries, specializing in textile waste, circular economy, recycling, and sustainability. The project, funded by the EU Horizon Europe program under Grant agreement No. 101091575 and the Swiss State Secretariat for Education, Research, and Innovation (SERI), aims to accelerate the green and digital transformation in the European textile industry.

(9) <https://textended.eu>

(10) Circle Up Textiles (CUT) 2 | Lucerne University of Applied Sciences and Arts ([hslu.ch](https://www.hslu.ch))

CUT2 (Circle Up Textiles)

CUT2⁽¹⁰⁾ aims to research and develop guidelines and tools to implement the Ecodesign principles in the textile industry. It is coordinated by the Lucerne University of Applied Sciences and Arts (HSLU) and Tally Weijl participates as a fashion brand serving as an end user for the Eco-design tools and guidelines.

We will use the Eco-design tool in a real environment. Our feedback will be used to tune it up to fit the industry requirements.

Tally Weijl's design team is directly involved in the project which will allow to implement Eco-design principles at initial stages of product development.

This includes considerations such as material selections, durability, reparability, recyclability, and reusability, among others.

4. ENVIRONMENTAL MANAGEMENT

4.2 BIODIVERSITY AND ANIMAL WELFARE

GRI 2-13, 2-25, 304-1, 304-2, 304-3, 304-4

Biodiversity protection is a keystone in our sustainability approach because it is a critical element for the survival and well-being of society and the planet. Besides, a large amount of the raw materials used in the textile industry depend on it, such as cotton, cellulosic fibres, linen, etc.

Tally Weijl is committed to biodiversity through a responsible management of natural resources in our value chain. We rely on the United Nations Convention on Biological Diversity principles and definitions, and we strive to transition to more sustainable raw materials and products (section 4.1.1), fight against climate change (section 4.4) and collaborate with research and innovation partners (section 4.1.4)

Animal welfare is also an integral part of our commitment to biodiversity, where we developed our Animal welfare policy according to the internationally accepted “Five Freedoms” for animal welfare set out by the World Organization for Animal Health (WOAH) in their Animal Health Codes and the Farm Animal Welfare Committee (FAWC):

1. Freedom from Hunger and Thirst - by ready access to fresh water and a diet to maintain full health and vigour.
2. Freedom from Discomfort - by providing a suitable environment including shelter and a comfortable resting area.
3. Freedom from Pain, Injury or Disease - by prevention or rapid diagnosis and treatment.
4. Freedom to Express Normal Behaviour - by providing sufficient space, proper facilities and company of the animal's own kind.
5. Freedom from Fear and Distress - by ensuring conditions and treatment that avoid mental suffering.

As a reflection of this commitment, Tally Weijl is a member and strictly follows the Fur Free Retailer Program supported by the Fur Free Alliance, where animal fur is defined as any animal skin, shell, horn, bone, and feather or down, and we may only use animal raw materials that come from animals from food production.

Tally Weijl supply chain accepts and undersigns this policy and are committed to provide all relevant information needed about the origin and compliance on all animal origin materials, and do not use endangered and vulnerable species (As defined by CITES (Convention on International Trade in Endangered Species), and the IUCN (International Union for Conservation of Nature) Red List of Critically endangered; or Vulnerable listed species).



4. ENVIRONMENTAL MANAGEMENT

4.3 WATER MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Water consumption in TW facilities is mainly done for cleaning and for sanitary uses, so its discharge into regional sanitation networks is guaranteed according to local regulations.

TW water consumption does not have an impact in protected habitats, and it is sourced through third-party freshwater providers. According to AQUASTAT database (United Nations-FAO), Tally Weijl facilities are in countries with low water stress (below 35%).

Water is a key resource for our supply chain, since water is needed in the wet mills for the manufacturing of the textile articles (washing, dyeing and printing), and in the farming of the different natural raw materials used.

According to AQUASTAT database, some countries where we have garment manufacturers have a high water stress. We are addressing the following points:

Materials with water stewardship plans and/or less water consumption (section 4.1.1):

(11) [RPure | Recover™ \(recoverfiber.com\)](#)

(12) [Water stewardship: how Better Cotton is improving water use in cotton production](#)

(13) <https://hotbutton.canopyplanet.org>

Recycled textile materials.

According to Textile Exchange Market Report 2023, the uptake of textile-to-textile recycled fibres is a key strategy to help the industry achieve the targets in GHG emissions, with potential to mitigate climate change, prevent biodiversity loss, halt negative impacts on soil health and reduce the water consumption that comes from producing fibres and raw materials.

Some practical examples is the information released by Recover™ on their study on recycled cotton when compared with conventional virgin cotton⁽¹¹⁾. In 2023 we partnered with Recover™ to increase recycled cotton content in our articles.

The Better Cotton Principles & Criteria

require Better Cotton farmers to develop a Water Stewardship Plan to help them implement the water management principles. Better Cotton takes part in a multi-stakeholder partnership called WAPRO. WAPRO advocate for increasing water productivity, and spans 16 countries across Asia and Africa, bringing together 22 partner from the public and partner sector⁽¹²⁾.

Organic cotton. According to Textile Exchange Organic Cotton Market Report from 2022, organic practices have a positive effect on soil health and water quality.

Practices like crop rotation, regenerative agriculture, avoid synthetic fertilizers are common in Organic cotton farmers, leading to a better soil health and water management. Other practices like using composting helps to increase the soils' water holding capacity.

Lenzing™ is ranked among the top viscose producers worldwide in the non-profit environmental protection organization Canopy⁽¹³⁾ due to controlled and certified origins of wood, and viscose manufacturing process. Lenzing™ water stewardship target is to improve the wastewater emissions (COD) by 20% by 2024.

Identify the best technologies to reduce the water consumption in the supply chain.

We strive to understand and improve the technology used in our supply chain to reduce the environmental impact. We are internally developing an IT tool to map and increase our knowledge in the supply chain.

4. ENVIRONMENTAL MANAGEMENT

4.3 WATER MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5

When it comes to denim garments, most of our suppliers in Pakistan, a country with high water stress, have Jeanologia technology and or use EIM by Jeanologia software in the finishing processes. EIM allows to monitor the amount of water, chemicals and energy used during the production⁽¹⁴⁾.

We try to go into the details, and we recently partnered with YKK to use Acroplated® zippers in some of our articles. AcroplatedR reduces the chemicals and waste generated in the process, and the amount of water needed when compared with conventional processes⁽¹⁵⁾.

Other solution found in our supply chain is the reutilization of water after the Water Treatment Plant. We are still working along our supply chain to get more accurate data on the water consumption and discharge in all the processes.

⁽¹⁴⁾ <https://www.jeanologia.com/eim/>

⁽¹⁵⁾ <https://www.ykkfastening.com/news/?itemid=86>



4. ENVIRONMENTAL MANAGEMENT

4.4 ENERGY, EMISSIONS MANAGEMENT AND CLIMATE CHANGE

GRI 2-13, 2-25, 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7,

Climate change physical risks can be classified in acute and chronic. Acute are those generated by sudden and extreme natural meteorology events such a cyclones, hurricanes or floods; meanwhile chronic are related to long-term changes in weather patterns that can cause sea level rise or chronic heat weaves leady to long drought periods. Both have a direct impact in the sourcing of natural materials and the stability of the market, and potential disruption in the logistic routes.

Tally Weijl is exposed to potential impacts from climate change and risks associated to a transition to a low carbon economy.

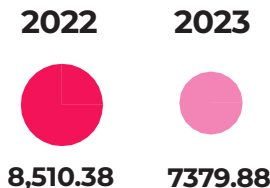
Decarbonisation is considered in our strategy in line with industry targets. Climate change does not only involve risks, but opportunities for Tally Weijl. We are recording our energy consumption and calculating our CO₂ emissions since 2022. It is an opportunity to identify those inefficient processes and move towards our goal to decrease emissions by 2030.

During 2024 we will define our Scope 3 emissions to have a global overview of our impact and take the necessary actions to reach our 2030 targets.

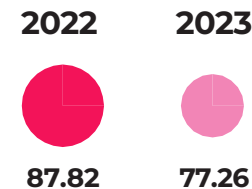
Energy consumption and Greenhouse Gas (GHG) emissions.

We include our offices, logistic centre, warehouses and stores. Our energy consumption in 2023 was 7379.88 MWh, a 13% lower than 2022. Our consumption by square meter decreased by 12%.

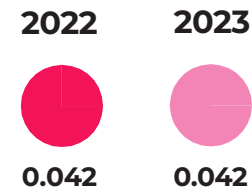
% Relative consumption (kWh/ m2)



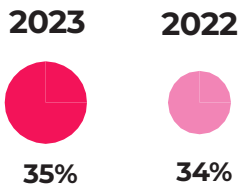
% Relative consumption (kWh/ m2)



% Relative consumption (kWh/€)



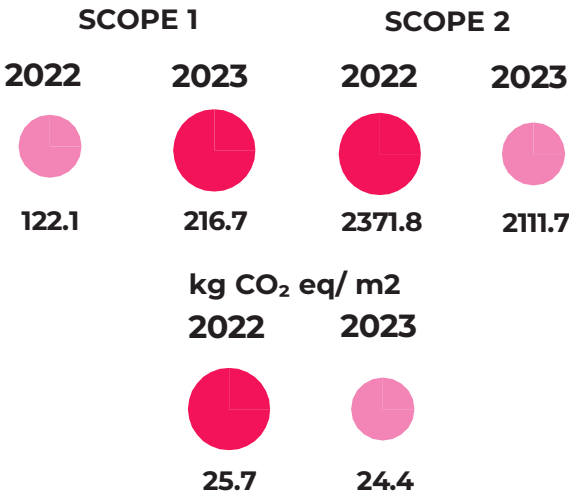
% Percentage of electric energy from renewable origin



We sourced 35% of our energy from renewable sources, in line with 2022 values. Calculation was done according to countries mix averages on renewable energy⁽¹⁶⁾.

Scope 1 and 2 emissions in 2023 amounted for 2328.4 tCO₂eq, a 6.6% lower when compared to 2022. Emission by square meter decreased by 5.31%.

Scope 1 and Scope 2 emissions (tCO₂eq)



(16) Additional data - Eurostat (europa.eu)

4. ENVIRONMENTAL MANAGEMENT

4.4 ENERGY, EMISSIONS MANAGEMENT AND CLIMATE CHANGE

GRI 2-13, 2-25, 3-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7,

Emission Calculation methodology

We calculate and report GHG emissions in accordance with the guidelines of GHG Protocol 2015 which divides emissions in scope 1, 2 and 3. It was used location-based method for calculations. The reported GHG emissions are expressed in units of CO₂ equivalent (CO₂eq).

During 2024 we will determine the relevant scope 3 categories both upstream and downstream, and we will set up the procedures and boundaries to record the emissions.

Scope 1 emissions: Direct emissions derived from activities owned or controlled by Tally Weijl, for instance, owned cars, boilers, refrigerant gas, etc. It was used DEFRA (Department for Environment Food and Rural Affairs, 2022) for emission factors.

Scope 2 emissions: Direct emissions associated with Tally Weijl consumption of purchased electricity, heat, steam and cooling. It was used NEEFE (National and European Emission Factors for Electricity, update in 2024) for emission factors.

Scope 3 emissions: Indirect emissions associated with sources not under the control of Tally Weijl. Some examples are business travel, purchased goods, transport, etc.



4. ENVIRONMENTAL MANAGEMENT

4.5 WASTE MANAGEMENT

GRI 2-13, 2-24, 102, 306 -1, 306-2, 306-3, 306-4, 306-5

In 2023, a total of 663.7 metric tonnes of waste was generated according to the waste declarations performed country wise. Waste source is mainly cardboard boxes and plastic bags to move the garments.

Other minor waste sources are hang tag labels and general waste. Overall, 81% of waste was recycled by specialist third-party companies. We have a small amount of hazardous waste, which is disposed of by specialist third-party companies.

Tally Weijl Group complies with strict safety and environmental regulations when handling hazardous materials.

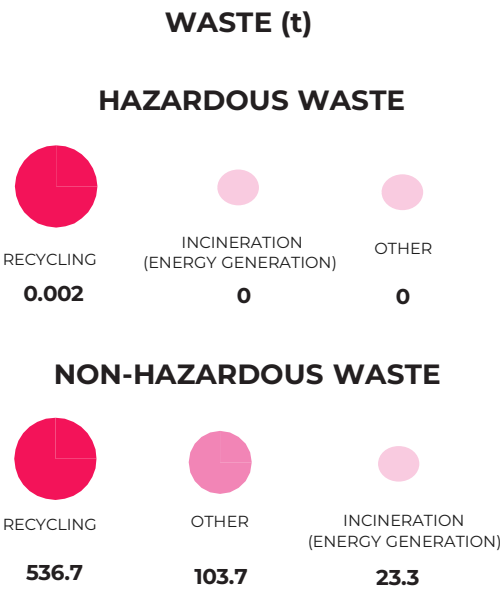
As a fashion brand our main inputs are the ready garments we get from our suppliers. Garments are packaged in the cardboard box, and individually in a transparent plastic bag. Every garment has several labels and hang tag.

Textile garment manufacturing includes a complex supply chain that can be summarized in raw materials extraction, yarn manufacturing, fabric manufacturing, wet factories (dyeing, printing, washing), and garment manufacturers.

Waste generated upstream is complex to follow up due to the atomization of the supply chain.

We partnered with Recover™ that is taking the fabric leftovers from the cutting operations from the garment manufacturers. With this fabric leftovers Recover™ produces mechanically recycled cotton that we can use in our garments.

Downstream waste generation includes our customers. We include in our care labels tips to extend the life of the garments and decrease the environmental impact (clevercare.info). With our take-back program in Switzerland, we are encouraging a second life and/or recycling of the garments, and avoid landfill.



5. SOCIAL

GRI 406, 407, 408, 409, 414

We recognize the complexity and fast pace of retail supply chains, which involve several global suppliers. While we have made progress in standardizing and tracing our supply chain, we understand there are still many challenges to address. Improving transparency within our supply chain, alongside our industry peers, is a priority.

Human rights in the supply chain are addressed in our Code of Conduct and Ethics policy. Tally Weijl’s Code of Conduct and Ethics is based on the Universal Declaration of Human Rights, and the internationally recognized human and labour rights standards of the International Labour Organization (ILO).

Tally Weijl requires its suppliers to comply with our Code of Conduct and Code of Ethics. Suppliers working with Tally Weijl must be officially validated following an operational audit performed by Tally Weijl or service provider approved by us, or hold a valid third party Audit on Social matters (i.e. BSCI, BETTER WORK, SEDEX, WRAP, ETI, ICS etc.).

All the new suppliers need to be screened using social criteria. The supplier on-boarding process includes the disclosure and acceptance of our policies (Tally Weijl minimum requirements), a social self-assessment audit as first screening criteria, and an on-site Social Audit to close the on-boarding process. Our Social Audit classifies the suppliers into four groups:

- A Excellent performance with regard to the Code of Conduct and Ethics (CoC&E) with minor deviations
- B Good performance according to CoC&E with some minor or major deviations
- C Acceptable performance with CoC&E with some major deviations.
- D Breaches the CoC&E with zero-tolerance deviations. Immediate implementation of a corrective action plan is needed.

Tally Weijl doesn’t engage in business relationships with suppliers classified as D. After the audit, a Corrective Action Plan (CAP) is released with actions needed to improve the classification.

We had 122 active suppliers in 2023. We performed 31 social audits through our third party appointed companies in 2023. We have an average of 4 years of working with these factories, and with our core suppliers more than 10 years.

Our social compliance team located in our Bangladesh office, allows us to have a closer follow-up with our Asian supply chain.

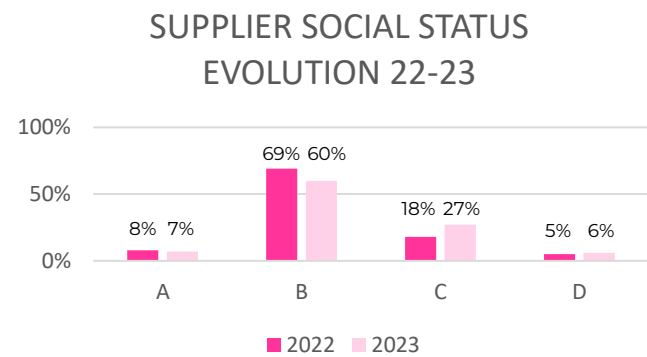
Below table shows the score depending on the regional area of the suppliers:

| Continent | A | B | C | D |
|-----------------------|---|----|----|---|
| Asia | 6 | 58 | 20 | 2 |
| Europe outside the EU | 1 | 18 | 1 | 4 |
| Africa | 2 | 8 | 1 | 0 |
| European Union | 1 | 0 | 0 | 0 |

5. SOCIAL

GRI 406, 407, 408, 409, 414

Depending on the seriousness of the deviation and the scope of the action, the timeline agreed upon in the Corrective Action Plan may change. Due to a close surveillance and strict implementation of corrective measures, we have seen an improvement in the suppliers' classification from 2022 to 2023 where we can find more suppliers with A and B score, which increased from 67% to 77% within one year. Suppliers' training and CAP follow-up is helping of significantly improve our supply chain. We engage in a business relationship only with suppliers in compliance with our Social requirements.



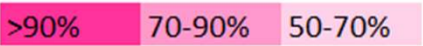
Side table represent the opportunities of improvement in our supply chain. Mainly issues related to grievance practices, occupational health and safety, and management practices can be improved in Asia region. We are following the CAP with suppliers prioritizing those areas with a lower performance.

We are finding a good score in critical aspects such as child and young labour, forced labour and freedom of association. Percentages refer to the level of compliance. Empowering manufacturing workers through collective bargaining agreements and unions, enables them to advocate for fair wages, benefits,

working hours, and safety policies. We uphold the right of workers to freely choose representation and actively support national living wage agreements through industry-wide collective bargaining.

Our Code of Conduct section “collective bargaining agreement” is based on International Labour Organization conventions 87, 98, 135 and recommendation 143, which ensures that employees have the unrestricted right to form and join organizations without prior approval, with the company obligated to inform personnel of this right without fear of reprisal.

| | ASIA | EUROPE OUTSIDE THE EU | AFRICA | EUROPEAN UNION |
|---|------|-----------------------|--------|----------------|
| CHILD & YOUNG LABOUR PRACTICE | | | | |
| NO FORCED LABOUR | | | | |
| NO DISCRIMINATION | | | | |
| DISCIPLINARY & GRIEVANCE HANDLING PRACTICES | | | | |
| FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING | | | | |
| WORKING HOURS | | | | |
| WAGES & BENEFITS | | | | |
| HEALTH & SAFETY | | | | |
| ENVIRONMENTAL | | | | |
| MANAGEMENT PRACTICE | | | | |

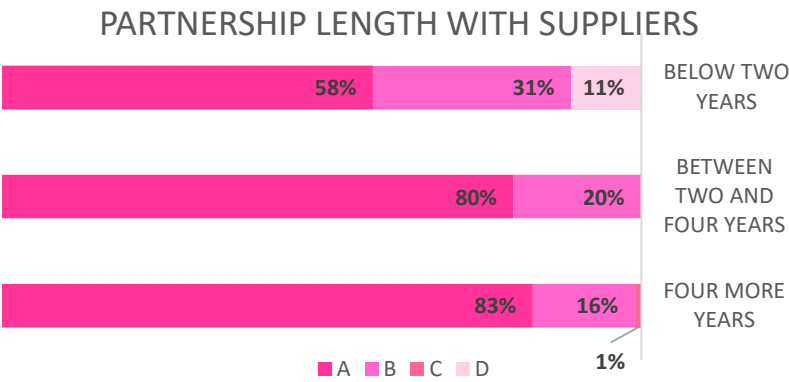


5. SOCIAL

GRI 406, 407, 408, 409, 414

We strictly refrain from interfering in the establishment, operation, or administration of employee organizations or collective bargaining processes. Besides, we are specifically addressing fair wages through our commitment with STS2030 target 2, which is included in our sustainability strategy.

In below graph it is observed that those suppliers with a longer business relationship have a better Social score. It confirms our efforts to follow-up the CAP in order to improve our supply chain. 60% of our supply chain are working with Tally Weijl for more than 4 years ago.



We are not alone in this journey, and we strive to partner with initiatives to support our efforts on Social development. Originating in May 2013, the Bangladesh Accord set a precedent as the first legally binding safety agreement involving workers, global unions, and apparel companies.

As part of this Accord, we conduct independent inspections, transparently report findings, support safety improvements, and discontinue partnerships with non-compliant factories, underscoring our commitment to safety and accountability.

Since 2014, our membership in the International Accord for Health and Safety in the Textile and Garment Industry has solidified our dedication to Bangladesh as a sourcing country and enhanced safety standards throughout our supply chain. Through this partnership, we actively engage with stakeholders to tackle fire, electrical, structural, and occupational hazards. Working closely with suppliers, we swiftly address safety concerns.

Better Work – a collaboration between the United Nations’ International Labour Organization (ILO) and the International finance Corporation (IFC), a member of the World Bank Group – is a comprehensive programme bringing together all levels of the garment industry to improve working conditions, respect of workers’ labour rights and boost the competitiveness of the apparel and footwear businesses.

Tally Weijl joined forces with Better Work program in 2020 in an effort to create awareness and transparency in the supply chain focusing in our factories in Bangladesh and Cambodia.

6. APPENDICES

6.1 ABOUT THIS REPORT

GRI 2-2, 2-3, 2-5

Tally Weijl Holding AG (hereinafter, Tally Weijl or TW) Sustainability report provides information and performance data on operations during TW's fiscal year (December 1, 2022 to November 30, 2023), unless otherwise indicated.

We strive to adapt and respond to the dynamic environmental, social and governance landscape.

This report reflects our aim to expand our data transparency and respond to the needs of stakeholders across the business and industry.

The report also acknowledges the hard work that lies ahead to fulfil our commitments, to drive the necessary industry challenges needed to reach sustainable development and to continually improve our disclosures.

The sustainability report is released with reference to Global Reporting Initiative (GRI) Standards, and reviewed and approved by the CEO.

It was not obtained external assurance for this report. Feedback, questions, suggestions or comments regarding this report can be addressed to tallycares@tally-weijl.com



6. APPENDICES

6.2 GRI CONTEXT INDEX

GRI 2-2, 2-3, 2-5

Statement of use: Tally Weijl has reported the information cited in this GRI content index for the period 1/12/2022 to 30/11/2023 unless otherwise specified in the report, with reference to the GRI Standards (GRI 1: Foundation 2021) comments regarding this report can be addressed to tallycares@tally-weijl.com

| DISCLOSURE CODE & TITLE | | LOCATION |
|--------------------------------|---|--|
| GRI 2 GENERAL DISCLOSURES 2021 | | |
| 2-1 | Organizational details | Section 2.1 Collaborations |
| 2-2 | Entities included in the organization's sustainability reporting | Section 2.1 & 6 |
| 2-3 | Reporting period, frequency and contact point | Section 6 |
| 2-4 | Restatements of information | No restatements have been made |
| 2-5 | External assurance | Section 6 |
| 2-6 | Activities value chain and other business relations | Section 2.1 |
| 2-7 | Employees | Section 2.1 |
| 2-8 | Workers who are not employees | We didn't have workers under this category in 2023 |
| 2-9 | Governance structure and composition | Section 2.2 |
| 2-10 | Nomination and selection of the highest governance body | Section 2.2 |
| 2-11 | Chair of the highest governance body | Section 2.2 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Section 2.2 & 3 |
| 2-13 | Delegation of responsibility for managing impacts | Section 2.2, 3, 4.2, 4.4 & 4.5 |
| 2-14 | Role of the highest governance body in sustainability reporting | Section 2.2 |
| 2-15 | Conflicts of interest | Section 2.2 |
| 2-16 | Communication of critical concerns | «Critical concerns» are reported to the board during the regular meetings or when necessary by the different departments (supply chain, legal, sustainability, |
| 2-17 | Collective knowledge of the highest governance body | Section 2.2 |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|-----------------------------|--|--|
| 2-18 | Evaluation of the performance of the highest governance body | Section 2.2 |
| 2-19 | Remuneration policies | Section 2.2 |
| 2-20 | Process to determine remuneration | Section 2.2 |
| 2-21 | Annual total compensation ratio | Section 2.2 |
| 2-22 | Statement on sustainable development strategy | Section 2.2 |
| 2-23 | Policy commitments | Section 2.1 & 2.2 |
| 2-24 | Embedding policy commitments | Section 2.1, 2.2, 4 & 5 |
| 2-25 | Processes to remediate negative impacts | Section 2.1, 2.2, 4.1, 4.2 & 4.4 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Section 2.2 |
| 2-27 | Compliance with laws and regulations | Tally Weijl Group did not get any significant instance of non-compliance with laws and regulation during 2023 |
| 2-28 | Membership associations | Section 2.1 |
| 2-29 | Approach to stakeholder engagement | Section 3 |
| 2-30 | Collective bargaining agreements | Section 2.1 |
| MATERIAL TOPICS | | |
| GRI3 - MATERIAL TOPICS 2021 | | |
| 3-1 | Process to determine material topics | Section 3 |
| 3-2 | List of material topics | Section 3 |
| 3-3 | Management of material topics | Section 3 |
| GRI 200 – ECONOMIC | | |
| GRI 205 – ANTI-CORRUPTION | | |
| 205-1 | Operations assessed for risks related to corruption | Bribery and anti-corruption are well understood in the company. We have training programs and our code of ethics and whistleblowing policy to identify and report potential cases of bribery and/or corruption. Policy is developed by legal department based on the risk assessment performed |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|-------------------------------|--|---|
| 205-2 | Communication and training about anti-corruption policies and procedures | Tally Weijl Group included Board of directors are informed and trained in our code of ethics and whistleblowing policies. |
| 205-3 | Confirmed incidents of corruption and actions taken | Tally Weijl did not have any confirmed incidents of corruption during 2023 |
| GRI 300 – ENVIRONMENTAL | | |
| GRI 301 – MATERIALS | | |
| 3-3 | Management of material topics | Section 3 & 4.1 |
| 301-1 | Materials used by weight or volume | Section 4.1 |
| 301-2 | Recycled input materials used | Section 4.1 |
| 301-3 | Reclaimed product and their packaging materials | Section 4.1 |
| GRI 302 – ENERGY | | |
| 3-3 | Management of material topics | Section 3 & 4.4 |
| 302-1 | Energy consumption within the organization | Section 4.4 |
| 302-2 | Energy consumption outside the organization | Section 4.4 |
| 302-3 | Energy intensity | Section 4.4 |
| 302-4 | Reduction of energy consumption | Section 4.4 |
| 302-5 | Reduction in energy requirements of products and services | Reason for omission: GHG Protocol Scope 3 will be implemented starting 2024 |
| GRI 303 – WATER AND EFFLUENTS | | |
| 3-3 | Management of material topics | Section 3 & 4.3 |
| 303-1 | Water and effluents | Section 4.3 |
| 303-2 | Management of water discharge-related impacts | Section 4.3 |
| 303-3 | Water withdrawal | Reason for omission: TW does not have enough quality data for disclosure on b-v |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|------------------------|---|---|
| 303-4 | Water discharge | Reason for omission: TW does not have enough quality data to report on disclosure 2.4.3 |
| 303-5 | Water consumption | Reason for omission: TW does not have enough quality data to report on disclosure 2.5.2 |
| GRI 304 – BIODIVERSITY | | |
| 3-3 | Management of material topics | Section 3 & 4.2 |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | We do not own, lease or manage any operational site in protected areas or areas of high biodiversity value in Europe according to Natura 2000 network. Our facilities are located in mainly in Europe with some facilities abroad in compliance with local environmental regulations. |
| 304-2 | Significant impacts of activities, products and services on biodiversity | |
| 304-3 | Habitats protected or restored | |
| 304-4 | IUCN Red list species and national conservation list species with habitats in areas affected by operations | Section 4.2 |
| GRI 305 – EMISSIONS | | |
| 3-3 | Management of material topics | Section 3 & 4.4 |
| 305-1 | Direct (Scope 1) GHG emissions | Section 4.4 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Section 4.4 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Omission reason: Information unavailable. TW will collect data from 2024 onwards |
| 305-4 | GHG emissions intensity | Section 4.4 |
| 305-5 | Reduction of GHG emissions | Section 4.4 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | Omission reason: Information unavailable. TW does not collect enough quality data to enable reporting |
| 305-7 | Nitrogen oxides (Nox), sulphur oxides (Sox), and other significant air | |
| GRI3 306 – WASTE | | |
| 3-3 | Management of material topics | Section 3 & 4.5 |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|--|---|---|
| 306-1 | Waste generation and significant waste-related impacts | Section 4.5 |
| 306-2 | Management of significant waste-related impacts | Section 4.5 |
| 306-3 | Waste generated | Section 4.5 |
| 306-4 | Waste diverted from disposal | Section 4.5 |
| 306-5 | Waste directed to disposable | Section 4.5 |
| GRI 400 – SOCIAL | | |
| GRI 401 – EMPLOYMENT | | |
| 3-3 | Management of material topics | Section 3 & 2.1 |
| 401-1 | New employee hires and employee turnover | Section 2.1 – OUR PEOPLE, DIVERSITY & EQUAL OPPORTUNITIES |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Section 2.1 – OUR PEOPLE, DIVERSITY & EQUAL OPPORTUNITIES |
| 401-3 | Parental leave | Section 2.1 – OUR PEOPLE, DIVERSITY & EQUAL OPPORTUNITIES |
| GRI 403 – OCCUPATIONAL HEALTH AND SAFETY | | |
| 3-3 | Management of material topics | Section 3 & 2.1 |
| 403-1 | Occupational health and safety management system | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-3 | Occupational health services | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-5 | Worker training on occupational health and safety | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-6 | Promotion of worker health | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-8 | Workers covered by an occupational health and safety management system | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|--|---|---|
| 403-9 | Work –related injuries | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| 403-10 | Work – related ill health | Section 2.1 – OCCUPATIONAL HEALTH & SAFETY |
| GRI 404 – TRAINING & EDUCATION | | |
| 3-3 | Management of material topics | Section 2.1 & 3 |
| 404-1 | Average hours of training per year per employee | Omission reason: Information unavailable. TW does not collect enough quality data to enable reporting |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Section 2.1 |
| 404-3 | Percentage of employees receiving regular performance and career development | Section 2.1 |
| GRI 405 – DIVERSITY & EQUAL OPPORTUNITY | | |
| 3-3 | Management of material topics | Section 2.1 & 3 |
| 405-1 | Diversity of governance bodies and employees | Section 2.1 |
| 405-2 | Ratio of basic salary and remuneration of women to men | Section 2.1 |
| GRI 406 – NON-DISCRIMINATION | | |
| 3-3 | Management of material topics | Section 3 & 5 |
| 406-1 | Incidents of discrimination and corrective actions taken | Section 5 |
| GRI 407 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | |
| 3-3 | Management of material topics | Section 3 & 5 |
| 407-1 | Operation and suppliers in which the right to freedom of association and collective bargaining may be at risk | Section 5 |
| GRI 408 – CHILD LABOUR | | |
| 3-3 | Management of material topics | Section 3 & 5 |
| 408-1 | Operations and suppliers at significant risk for incidents of child labour | Section 5 |

6. APPENDICES

6.2 GRI CONTEXT INDEX

| | | |
|---------------------------------------|--|--|
| GRI 409 – FORCED OR COMPLUSORY LABOUR | | |
| 3-3 | Management of material topics | Section 3 & 6 |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Section 5 |
| GRI 414 – SUPPLIER SOCIAL ASSESSMENT | | |
| 3-3 | Management of material topics | Section 3 & 5 |
| 414-1 | New suppliers that were screened to social criteria | Section 5 |
| 414-2 | Negative social impacts in the supply chain and actions taken | Section 5 |
| GRI 416 – HEALTH AND SAFETY | | |
| 3-3 | Management of material topics | Section 3 & 4.1 |
| 416-1 | Assessment of the health and safety impacts of products and services | Section 4.1 |
| 416-2 | Incidents of non-compliance concerning the health and safety and safety impacts of products and services | Section 4.1 |
| GRI 418 – CUSTOMER PRIVACY | | |
| 3-3 | Management of material topics | Data protection officer according to EU requirements |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | We received no complaints from regulatory bodies nor complaints that required notification to customers or governmental authorities. |

6. APPENDICES

6.3 GLOSSARY

- TWMR – Tally Weijl Minimum Requirements
- CoC – Code of Conduct
- RSL – Restricted Substance List
- QSR – Quality Standard Requirements
- ILO – International Labour Organization
- BW – Better Work
- STS – Sustainable Textiles Switzerland
- CoE- Code of Ethics
- MRSL- Material Restricted Substance List
- BC- Better Cotton
- CUT-Circle Up Textiles
- OECD-Organisation for Economic Co-operation and Development
- FT- Full time employees
- PT-Part time employees
- NGH- Non-Guaranteed Hours
- SDGs- Sustainable Development Goals
- IFC- International Finance Corporation
- RSC-RMG Sustainability Council
- RMG- Ready-made Garments
- GHG- Greenhouse Gas
- GRI- Global Reporting Initiative
- SASB- Sustainability Accounting Standards Board
- CITES- Convention on International Trade in Endangered Species
- IUCN- International Union for Conservation of Nature
- DEFRA- Department for Environment Food and Rural Affairs
- NEEFE- National and European Emission Factors for Electricity
- CAP- Corrective Action Plan
- ESG- Environmental, Social, and Governance
- PLA – Polylactic Acid
- FSC- Forest Stewardship Council
- COD – Chemical Oxygen demand