

Otto Group Sustainable Finance Framework - Allocation Reporting

Report dated 28 June 2019

This is the report referred to in § 5.1 of the Otto Group's Sustainable Finance Framework.

(see <https://www.ottogroup.com/en/die-otto-group/daten-fakten/Creditor-Relations.php>)

The sustainability projects and allocation as set out below have been approved by the Otto Group's Sustainable Finance Committee on 28 June 2019 in accordance with § 3 of the Sustainable Finance Framework.

I. USES OF PROCEEDS	
Eligible sustainability project category	Amount invested (EURm)
Year of investments	2018
Socio-economic advancement and empowerment (Eligible category: Purchasing costs for textiles with the "Cotton made in Africa" label)	351.8
Environmentally sustainable management of living natural resources and land use (Eligible category: Purchasing costs of products with "Forest Stewardship Council® - FSC®" certification)	261.9
Total eligible sustainable project expenditures	613.7

II. SOURCES OF PROCEEDS	
Sustainable financing instruments outstanding	Net proceeds (EURm)
EUR 250m 2.625% sustainable bond issued 10 April 2019 (ISIN: XS1979274708)	248.5
Total sustainable funding	248.5

Sustainable funding proceeds fully allocated? (I ≥ II?)	YES
Unallocated sustainable project expenditures (II - I)	365.3

Otto Group Sustainable Finance Framework - Impact Reporting

Report dated 28 June 2019

This is the report referred to in § 5.2 of the Otto Group's Sustainable Finance Framework.
(see <https://www.ottogroup.com/en/die-otto-group/daten-fakten/Creditor-Relations.php>)

This report has been produced in accordance with the 2015 ICMA "Harmonised framework for impact reporting"

1 - Eligible category: Purchasing costs for textiles with the "Cotton made in Africa" label

Allocation Information 2018	Alignment with ICMA Principles	Social Bond Principles
	ICMA category	Socio-economic advancement and empowerment
Eligible portfolio (EURm)	351.8	
Share of total Eligible Sustainable Project Expenditures	57.3%	
% Eligible for Sustainability Financings	100%	

Impact Information 2018	Volume (tonne) of purchases for CmiA-labelled textiles for own and licensed brands	30,077 tonnes
	Number of small farmers benefiting from the Otto Group's CmiA demand ¹⁾	~ 50,000 farmers
Number of CmiA-labelled textiles procured by the Otto Group	~ 82.0 m	
kg CO2-eq saved per 1 kg CmiA lint cotton (vs conventional cotton) ²⁾	~ 0.76 kg	
tonnes CO2-eq saved by purchasing CmiA lint cotton (vs conventional cotton) ²⁾	22,900 tonnes	
Percentage of sustainable cotton for own and licensed brands (including organic cotton, CmiA cotton and recycled cotton)	93%	

1) Measured by the share of the Otto Group's accepted quantity in the total CmiA production volume.

2) Based on 2014 Life Cycle Assessment (LCA) of CmiA commissioned by the Aid by Trade Foundation. The LCA is available at the following link: <https://cottonmadeinafrica.org/en/deutsch-docs/cmia-standard/wirkungsmessung/61-cmia-life-cycle-assessment-2014/file>

2 - Eligible category: Purchasing costs of products with "Forest Stewardship Council® - FSC®" certification

Allocation Information 2018	Alignment with ICMA Principles	Green Bond Principles
	ICMA category	Environmentally sustainable management of living natural resources and land use
Eligible portfolio (EURm)	261.9	
Share of total Eligible Sustainable Project Expenditures	42.7%	
% Eligible for Sustainability Financings	100%	

Impact Information 2018	Number of articles that are FSC®-certified for own, licensed, and third party brands	67,497
	Percentage of FSC®-certified articles in full product portfolio	59%