



July 2024

Otto Group

ESG

Fact

Sheet

# Otto Group ESG Fact Sheet

Status: July 2024

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## Preamble

The economy is there to benefit people – not the other way round. This mindset and the strong awareness it engenders for the Group's corporate responsibility (CR) are among the hallmarks of the Otto Group. Sustainability has been integral to our identity for almost 40 years and is firmly enshrined in the corporate strategy, the Otto Group Path, and the shareholder vision. The CR Strategy falls within the overall remit of the Executive Board.

This ESG Fact Sheet provides a consolidated overview of our non-financial performance in the areas of environmental, social and governance over the past five years. The following information should be read in conjunction with the Annual Report, where it is placed in the context of our strategy.

Unless otherwise stated, the key indicators relate to the entire Otto Group. Some key indicators fall within the scope of our Corporate Responsibility strategy, which is defined in detail in the **Appendix**.

# Overview of essential Reports and Policies

## Policies

- [Human Rights Declaration of the Otto Group](#)
- [Human Rights Declarations of the Group companies \(German only\) BAUR, Bonprix, Hermes Fulfilment, Hermes, Germany, OTTO, Witt-Gruppe](#)
- [Business Partner Declaration on Sustainability](#)
- [Code of Conduct of amfori BSCI for merchandise](#)
- [Incident Reporting System SpeakUp](#)
- [Locations of facilities](#)
- [List of business partners and facilities](#)
- [Code of Conduct for Services and Non-Merchandise Goods](#)

## Reports

- [Annual Reports](#)
- [Carbon Disclosure Project \(CDP\) reporting](#)
- [Alliance for Sustainable Textiles reporting](#)
- [Reports on the Sustainability-Linked Financing Framework 2024:](#)
  - [Sustainability-Linked Financing Framework of the Otto Group 2024](#)
  - [Second Party Opinion by Moody's Ratings 2024](#)
- [Reports on the Sustainable Finance Framework 2019:](#)
  - [Otto Group Sustainable Finance Framework](#)
  - [Second Party Opinion by Sustainalytics on the Otto Group Sustainable Finance Framework](#)
  - [Allocation and Impact Reporting for the Otto Group's Sustainable Bond Issues](#)
  - [Limited Assurance Report by KPMG on Allocation and Impact Reporting](#)

## Voluntary Commitments

- [Code of Ethics \(value compass\)](#)
- [Responsible Purchasing Declaration](#)

## Memberships and Alliances

- [Overview of memberships and alliances](#)

## New, ambitious climate goals science-based target

As the Otto Group, we want to make a tangible and measurable contribution to limiting global warming and ensure that our goals and activities are in line with the 1.5 degree target of the Paris Climate Agreement. Therefore, in 2022, we committed to developing an ambitious and comprehensive science-based target (SBT) to systematically develop our previously successful climate protection activities.

At the end of February 2024, we successfully completed this validation process with the Science Based Targets Initiative (SBTi). With the start of the 2024/25 financial year, we officially manage according to the new SBT target architecture. Our SBT and our long-term transformational goal to achieve net-zero emissions across our entire value chain by 2045 completely replace the previously valid core priorities of our CR strategy from the new financial year. The old climate targets have been incorporated into the new SBT target architecture.

With the SBT, we are intensifying our ambitions and addressing the greenhouse gas emissions of our entire value chain (Scope 1, Scope 2 and Scope 3 emissions) – from the cultivation of raw materials and the manufacture of products to the use phase and the disposal of merchandise.

Integrating the marketplace business as part of the target is a particular feature within the competitive environment. By doing so, we are exceeding the minimum requirements for successful validation and customary practice among competitors.

The climate target is the basis for our Sustainable Finance Framework.

**Our new science-based Otto Group climate target<sup>1</sup> is divided into three sub-targets:**

**Sub-target 1:** Absolute scope 1 and 2 GHG emission reduction by 42% by the end of FY 2030/31 compared to FY 2021/22

**Sub-target 2 (Supplier Engagement):** At least 50% third-party brands and marketplace partners by spend covering purchased goods and services set science-based target by the end of FY 2027/28.

**Sub-target 3:** Absolute reduction in scope 3 GHG emissions by 42% by the end of FY 2031/32 compared to FY 2021/22

<sup>1</sup>The official target formulation can be viewed on the [SBTi Website](#).

## Environmental Key Performance Indicators (1/2)

Topic	Key Performance Indicator	Scope <sup>2</sup>	Externally verified <sup>3</sup>	Unit	2019	2020	2021	2022	2023	Target
Climate	Adjusted CO <sub>2</sub> e emissions (as of 2021, compared to the base year 2018) <sup>4,5</sup>	CR strategy as of 2021	yes	CO <sub>2</sub> e <sup>6</sup> in t			315,873	303,812	276,110	
Climate	Reduction in adjusted CO <sub>2</sub> e emissions (as of 2021, compared to the base year 2018) <sup>4,5</sup>	CR strategy as of 2021	yes	%			-18	-21	-30	-40 (by 2025)
Climate	Percentage of green electricity in electricity consumption (as of 2021, German and international locations) <sup>7</sup>	CR strategy as of 2021	yes	%			28	29	41	100 (by 2025)
Climate	Percentage of green electricity in electricity consumption at German locations (starting in 2021) <sup>7</sup>	CR strategy as of 2021	yes	%			46	49	65	100 (by 2025)
Circular economy and resource use	Water usage only for sites with relevant size	CR strategy as of 2021	no	m <sup>3</sup>	345,567	355,629	282,254	266,538	260,685	

<sup>2</sup> Scope of the consolidated Group companies. For details see **Appendix**

<sup>3</sup> Audit by PwC in accordance with "Limited Assurance" standard as per ISAE 3000

<sup>4</sup> Current climate strategy with focus on own operations. In 2024, our SBTi was successfully validated by the SBTi, which includes Scope 1, 2 and 3.

<sup>5</sup> Emissions relating to the locations are all based on the previous year's values due to a lag in data availability.

<sup>6</sup> CO<sub>2</sub> equivalents (CO<sub>2</sub>e) refers to all greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFC and PFC) according to their greenhouse effect in comparison to CO<sub>2</sub>.

<sup>7</sup> Due to the billing modalities of the energy suppliers, we report the previous year's value here.

## Environmental Key Performance Indicators (2/2)

Topic	Key Performance Indicator	Scope	Externally verified	Unit	2019	2020	2021	2022	2023	Target
Circular economy and resource use	Disposure of waste electrical equipment	CR strategy as of 2021	no	t	34,002	39,893	41,917	45,623	43,076	
Circular economy and resource use	Share of "Cotton Made in Africa" label (sustainable cotton) in the textile segment (own and licensed brands, by 2020)	CR strategy 2020	yes	%	96	98				100 (by 2020)
Circular economy and resource use	Use of "Preferred Fibers", of which 100% sustainable cotton <sup>8</sup> (own and licensed brands, starting in 2021)	CR strategy as of 2021	yes	%			53	55	59	65 (by 2025)
Circular economy and resource use	100% sustainable wood furniture by 2025 <sup>9</sup>	CR strategy as of 2021	yes	%	79	74	78	83	83 <sup>10</sup>	100 (by 2025)
Circular economy and resource use	Usage of sustainable catalogue paper	CR strategy as of 2021	yes	%	64	68	77	90	94	100 (by 2025)
Circular economy and resource use	Use of sustainable packaging (starting in 2021) <sup>11</sup>	CR strategy as of 2021	yes	%			71	78	94	100 (by 2023)
Circular economy and resource use	Generated waste (including old electronic equipment) <sup>12</sup>	CR strategy as of 2021	no	t	107,933	120,812	146,683	134,499	119,888	

<sup>8</sup> Our "preferred fibers portfolio" contains fibers that have a significantly lower environmental impact compared to conventional fibers in the same category (e.g., Cotton made in Africa cotton, recycled and organic cotton compared to conventional cotton) and recycled artificial fibers and animal-based fibers that are produced with careful attention to animal welfare.

<sup>9</sup> Until end of 2022, the FSC<sup>®</sup> certificate was accepted; From 2023 onwards, the Otto Group accepts the following certifications in addition to FSC<sup>®</sup>: EU Ecolabel, Blue Angel (Blauer Engel) and Nordic Swan Ecolabel.

<sup>10</sup> This represents 62% of the volume of wood sold in tons.

<sup>11</sup> Sustainable packaging has a recycled content of at least 80%.

<sup>12</sup> The scope of waste generated has been expanded to include transport packaging and bulky waste from all HES sites. The adjustment has been made retroactively from 2019.

## Social Key Performance Indicators

Topic	Key Performance Indicator	Scope	Externally verified	Unit	2019	2020	2021	2022	2023	Target
Own Workforce	Number of employees <sup>13</sup>	all fully consolidated Group companies	no	#	51,982	41,941	42,705	41,186	38,456	
Supply chain	Share of integrated suppliers of own and licensed brands in the Social Programme	CR strategy 2020	yes	%	95	90				
Supply chain	Number of newly identified supply chain facilities in addition to those already known (procedural count) <sup>14</sup> , starting in 2021 <sup>15</sup>	CR strategy as of 2021	yes	#			2,942	1,996	10,172	

<sup>13</sup> The information on employees relates to the financial year beginning on March 1 and ending on February 28 of the following year.

<sup>14</sup> If a supply chain facility works for multiple business partners or handles multiple, sufficiently different production steps, it is counted multiple times.

<sup>15</sup> The Otto Group is pursuing the overarching goal of cooperating with business partners to implement measurable social and ecological improvements along the entire supply chain. To this end, the Otto Group is seeking to identify 100% of supply chain facilities for its own and licensed brands, from raw materials to finished products.

## Governance Key Performance Indicators

Topic	Key Performance Indicator	Scope	Externally verified	Unit	2019	2020	2021	2022	2023	Target
Governance, risk management and internal control	Ratio of women in the Supervisory Board	Supervisory Board of the Otto Group	no	%	25	30	25	25	25	25 (by 2028)
Governance, risk management and internal control	Ratio of women in the Executive Board	Executive Board of the Otto Group <sup>16</sup>	no	%	25	20	17	17	17	33 <sup>17</sup> (by 2028)
Governance, risk management and internal control	Ratio of women in the Executive Board (Target: One woman per Executive Board at each Group company)	FüPoG <sup>18</sup>	no	%	17	17	33	42	64	100 (by 2025)
Governance, risk management and internal control	Ratio of women in the first management level	FüPoG	no	%	20	22	24	31	27	32 <sup>19</sup> (by 2025)
Governance, risk management and internal control	Ratio of women in the second management level	FüPoG	no	%	34	35	37	41	40	39 <sup>20</sup> (by 2025)

<sup>16</sup> Executive Board of Verwaltungsgesellschaft Otto mbH

<sup>17</sup> Until 2022, the target for the ratio of women in the Executive Board was 30%.

<sup>18</sup> Group companies that fall under the scope of the Leadership Positions Act (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen, or FüPoG), or generally employ more than 500 employees.

<sup>19</sup> By 2021, the target for the ratio of women in the first management level was 23%.

<sup>20</sup> By 2021, the target for the ratio of women in the second management level was 33%.



# Appendix: Scope of the CR Strategy

## Scope “CR Strategy as of 2021”:

All Group companies that make a sizable contribution to the Otto Group’s external revenue in two consecutive financial years. This currently includes the following Group companies: Bonprix, Venus, OTTO, Witt (including Heine), Sheego, Crate and Barrel, Baur, Mytoys<sup>21</sup>, Freemans Grattan, Group company Otto Austria Group (formerly Unito), Limango, Frankonia, Eos Group, Hermes Fulfilment, Hermes Einrichtungen Service (HES), Hermes Germany.

## Scope “CR-Strategy 2020” (until 2020):

All Group companies that make a sizable contribution to the Otto Group’s external revenue and are based in Germany and Austria. This included the following Group companies: Baumarkt direkt, Baur, Bonprix, Eos, Frankonia, Heine, Hermes, Mytoys, OTTO, Schwab/Sheego, Sportscheck, Group company Otto Austria Group (formerly Unito), and the Witt-Gruppe.<sup>22</sup>

<sup>21</sup> myToys.de GmbH was taken into account for the last time in the CR strategy when it ceased operations in the 2023/24 financial year.

<sup>22</sup> In the 2015/16 financial year, the major Group companies of Freeman Grattan Holdings (UK) and the Crate and Barrel Group (USA and Canada) as well as the foreign Group companies of the bonprix Group (USA, France, Italy, Poland) were integrated into the CR Strategy 2020. Separate targets have been applied to these Group companies as of the 2017 calendar year, so their target achievements will not be included in the figures from the CR Strategy 2020.