



BESTSECRET

# SUSTAINABILITY REPORT

2023



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### ABOUT THIS REPORT

The information presented in this report relates to the BestSecret Group SE, subsequently referred to as BestSecret Group or BestSecret. BestSecret is headquartered in Dornach, Germany. Locations under operation include:

- The headquarters in Dornach near Munich, Germany, and offices in Berlin, Germany, Paris, France, and Milan, Italy
- Logistics centers in Poing, Germany, and Sulechów, Poland
- A premium and outlet store in Munich, Germany, a premium and outlet store in Dornach, Germany, an outlet store in Dresden, Germany, and a premium store in Vienna, Austria
- Tech hubs in Granada, Spain, and Ioannina, Greece

This report was published on May 14, 2024. Data and information presented refer to the fiscal year 2023 (1. January 2023 – 31. December 2023) and refer to all locations under the operational control of BestSecret Group unless noted otherwise.

BestSecret publishes a Sustainability Report on an annual basis. The content of the Sustainability Report has not been externally assured.

# ABOUT BESTSECRET

BestSecret is the #1 premium and luxury online destination for off-price fashion in Europe. Through our members-only business model, we enable our brand partners to clear large volumes of overstock in a desirable environment with high brand equity protection. Focusing on premium and luxury brands, we give customers in 27 countries across Europe a high-end experience and access to an instantly shoppable assortment of over 300,000 articles at exclusive prices.

With a heritage of nearly 100 years in the textile industry, we have demonstrated an impressive growth trajectory, evolving from an offline retailer to a fast-moving, tech-driven online player with a wholesale and curated platform business. Our select number of offline retail stores complements our online offering, with the premium stores designed to promote our brand image and the outlet stores maximizing the clearance rate of the inventory within our ecosystem.

Our success is based on leveraging our deep and trusted relationships with our brand partners and customers. Our unique business model, entrepreneurial focus, and the continued expansion of our operational and technological capabilities have enabled us to embrace the structural shift in the fashion industry to online and continuously adapt to changing consumer behavior and brand partner needs.

BestSecret Group generated revenues of EUR 1,226 million in 2023 and employs approximately 2,000 people from over 90 nations. The Group is owned by Permira Funds and the founding families Schustermann and Borenstein.

**€ 1,226**  
million revenues  
in 2023

**~2,000**  
employees

**~300,000**  
articles

available in  
**27**  
countries





# LETTER FROM OUR CEO

2023 was another excellent year for BestSecret. Against the backdrop of continued geopolitical uncertainties, inflationary pressures, and wavering consumer sentiment, our business model once again proved its resilience. We achieved 17% revenue growth to a record EUR 1,226 million, our adjusted EBITDA margin improved to 15%, and our customer base increased by 19%. The international share of our revenue reached a historic 40%, cementing our position as the #1 premium and luxury online destination for off-price fashion in Europe.

What about sustainability? The core of our business model is to sell over-produced articles (overstock). At least some of these would have been discarded or destroyed to protect full-price sales models. We therefore welcome the EU's plan to ban the destruction of unsold clothing, footwear, and accessories as part of its Ecodesign for Sustainable Products Regulation. By discretely selling overstock through our closed membership model, we offer brands a solution to comply with this ban, while enhancing sustainability in the fashion industry.

In addition, we are actively decreasing our own environmental and social impacts through our Sustainability Program, which aims to make what we sell and how we sell it as sustainable as possible. In 2023, we continued to make progress in our focus areas. For instance, we increased the volume of our online product take-back program and piloted second-hand as an article category to further reduce fashion waste. We prepared for compliance with the German Supply Chain Due Diligence Act to protect human rights in our supply chain and diversified our trainings to advance the employee experience at BestSecret and further nurture a sense of belonging. Finally, to increase transparency into our corporate carbon footprint, we calculated relevant scope 3 emission categories across our value chain for the first time.

In 2024, I look forward to continuing our progress on our sustainability initiatives, as well as our reporting. Regulatory compliance and reporting will be a major effort this year as we prepare for the EU's Corporate Sustainability Reporting Directive (CSRD) and the EU taxonomy for sustainable activities.

**Moritz Hahn, CEO**



# OUR SUSTAINABILITY STRATEGY



We believe our business model provides one of the most sustainable ways to shop for fashion. We focus on clearing existing overstock rather than producing new merchandise, thereby helping to ensure that every piece of fashion that is produced and fit-to-wear finds an owner and is not discarded as waste. Just as second-hand retailers give products a second life, we give fashion its first life.

Moreover, our online off-price model offers our customers a more sustainable alternative to shopping in remote outlet centers. Numerous studies<sup>1</sup> have concluded that online shopping on average leads to lower carbon emissions compared to in-store shopping due to consolidated shipments, well-utilized infrastructure, and avoidance of private transport by car.

In addition, we are further increasing the sustainability of our company through our Sustainability Program, through which we emphasize positive environmental and social impact and minimize negative impacts. The current six focus areas of the program were identified through a 2021 stakeholder analysis that included the perspectives of our customers, employees, investors, and peers.

The Program is organized under two key business activities: what we sell (our articles) and how we sell it to our customers (our orders).

<sup>1</sup> Oliver Wyman, 2021, "Is e-commerce good for Europe?", among others

## Our Sustainability Program

### Sustainability Program overview

	What We Sell – Our Articles			How We Sell – Our Orders		
Focus areas	<b>I</b> Reduce the number of discarded fashion items	<b>II</b> Improve the sustainability of our supply	<b>III</b> Promote human rights in our community	<b>IV</b> Minimize waste per shipment	<b>V</b> Reduce operational greenhouse gas emissions	<b>VI</b> Care for our talent
Current focus	<ul style="list-style-type: none"> <li>Product take-back program</li> <li>Pre-loved product offering</li> </ul>	<ul style="list-style-type: none"> <li>Emissions in the supply chain</li> <li>Sustainable product labeling requirements</li> </ul>	<ul style="list-style-type: none"> <li>Human rights in the supply chain</li> <li>Model cast diversity</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of packaging materials</li> <li>Waste separation optimization</li> </ul>	<ul style="list-style-type: none"> <li>Renewable electricity</li> <li>Scope 3 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Sense of belonging</li> <li>Talent training and development</li> </ul>

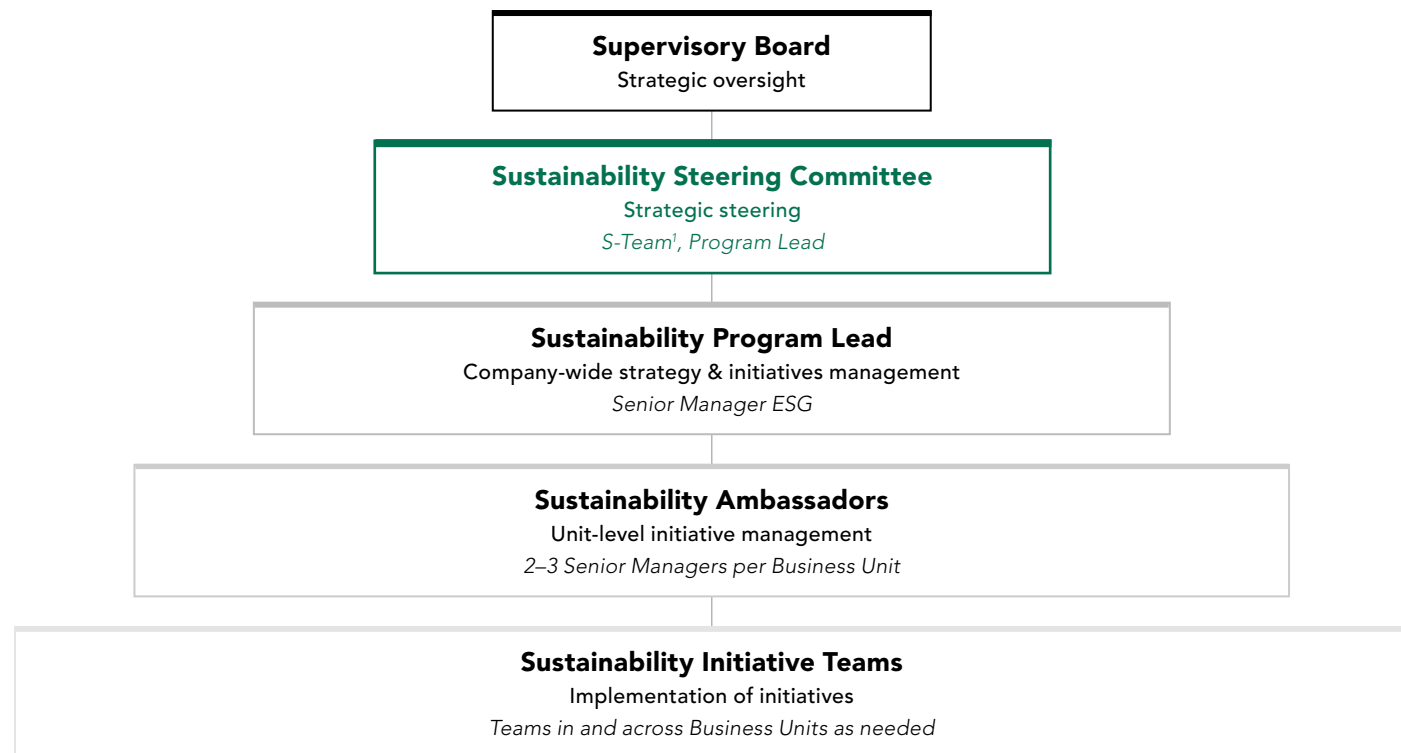
### Sustainability governance structure

To ensure sustainability is anchored throughout the organization, we established a clear organizational structure. BestSecret's Sustainability Steering Committee, which is comprised of BestSecret's Senior Leadership Team (S-Team)<sup>1</sup> and the Sustainability Program Lead, provides strategic steering and ensures commitment from the Management Board and all senior leaders. It convenes quarterly and regularly provides updates to our Supervisory Board.

The Sustainability Program Lead coordinates initiatives across the company, advances overarching initiatives – such as KPI development – and informs the strategic direction of the program. To ensure the Sustainability Steering Committee is regularly updated on initiative progress and developments in regulations and stakeholder requirements, the Program Lead reports to the Committee quarterly.

Sustainability Ambassadors and their teams in our different business units work on initiatives designed to promote progress toward our six focus areas and identify and fill existing gaps. They regularly meet with the Sustainability Program Lead and report to their respective Unit Owner.

Sustainability organization



Sustainability reporting

In 2023, we continued to drive our Sustainability Program while beginning preparations for the upcoming Corporate Sustainability Reporting Directive (CSRD) of the EU, which will significantly ramp up non-financial reporting requirements for companies. We set the foundation by conducting a materiality assessment based on the European Sustainability Reporting Standards (ESRS), which we completed in 2024. Our internal sustainability experts and stakeholder experts from corporate functions, such as Investor and Public Relations, Legal, and

Human Resources, assessed a total of 21 ESG topics for impact and financial materiality. External stakeholders, including investors, suppliers, and supply chain experts, were also directly involved through questionnaires. While most of the identified topics are in line with our current focus areas, we will report in more detail and enhance our reporting with governance topics in the future. Our focus in 2024 will be to further advance our non-financial reporting to ensure compliance with all upcoming regulatory requirements, such as the EU Taxonomy, and continue to advance the strategic initiatives of our Program.

<sup>1</sup> Includes BestSecret’s Management Board, Chief of Staff, General Counsel, selected Advisors, and all Unit Owners

# WHAT WE SELL – OUR ARTICLES



By mainly selling overstock, we help ensure that every piece of clothing produced and fit-to-wear finds an owner who appreciates it. We thereby divert clothing from landfills, increase the use of produced garments, and avoid the environmental, societal, and economic impact of exporting products outside of Europe.

As part of our Sustainability Program, we aim to further promote sustainability in fashion by providing a high-quality and durable assortment of products, maximizing the life of articles. Furthermore, we promote our articles in an inclusive way that reflects the diversity of the world we live in.

We identified the following three focus areas to make “what we sell” more sustainable:

FOCUS AREAS

- I** Reduce the number of discarded fashion items
- II** Improve the sustainability of our supply
- III** Promote human rights in our community

**FOCUS AREA I**

**REDUCE THE NUMBER OF DISCARDED FASHION ITEMS**

The production of each fashion item results in carbon emissions, energy and water consumption, and ultimately waste. Therefore, every item produced should be worn. However, increasingly volatile weather, rapidly changing consumer trends, long lead times and more fragile supply chains, alongside ambitious sales targets, present difficulties in accurately forecasting product demand. The result is unsold overstock. A significant portion of newly manufactured garments remains unsold and is frequently discarded or destroyed before ever being used.

BestSecret has worked to solve this problem for years. By focusing on selling our brand partners' overstock, we offer our members high-quality articles at great prices while ensuring they are not discarded. Although our goal is to maximize the percentage of overstock in our portfolio, since

product availability fluctuates with global market trends, we supplement overstock merchandise with evergreens, special productions, in-season collections, and products from our Private Label. This makes our overall portfolio more attractive to our members, which in turn allows us to clear out overstock more effectively and consistently. In 2023, our net merchandise value share of overstock articles was 76%.

Ensuring we do not create an overstock problem ourselves and that all articles we source find an owner are very important to us. Therefore, we only discard or destroy items if they are severely damaged or we are legally required to do so. As in years past, 99% of our articles were sold within the BestSecret ecosystem of our online platform and retail stores<sup>1</sup> in 2023.

**Reducing the number of discarded fashion items**

	2023	2022	2021	Change 2023
<b>Number of second-hand items taken back from customers</b>	<b>11,252</b>	<b>8,592</b>	<b>738</b>	<b>31 %</b>
Via online take-back program	8,491	5,665	-	50%
Via pop-up events in stores	2,761	2,927	738	-6%
<b>Share of BestSecret stock sold via our ecosystem<sup>1</sup></b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>-%</b>
<b>Overstock share by NMV<sup>2</sup></b>	<b>76%</b>	<b>74%</b>	<b>81%</b>	<b>3%</b>

<sup>1</sup> KPI does not include articles sold by our brand partners via our Curated Platform.

<sup>2</sup> NMV: Net Merchandise Value

We acknowledge that our responsibility for our articles doesn't end after they have been sold. Since luxury items are typically of high quality and very durable, they are particularly suitable for a second life. In 2023, we continued our product take-back program in our stores and significantly expanded the volume of our online program, offering our customers a more sustainable alternative to purchasing new items. In total, customers successfully handed in more than 11,000 articles. All items from our take-back programs are offered for resale through our partnership with Vite EnVogue. In 2023, we also initiated a pilot program, offering second-hand luxury articles on BestSecret. The new pre-loved category was very well received by our members and we are thus planning to expand our online pre-loved offering and include more product categories in 2024.

Our goal with both initiatives is to contribute to the circularity of fashion. While the linear economy is essentially a one-way street, with resources being used only once and then thrown away, circularity is like a recycling loop, where resources are kept in use for as long as possible, with minimal waste and pollution. Through our pre-loved and product take-back programs, we are "bending" the linear process and preventing articles from ending up in landfills prematurely.

**WHAT WE ACHIEVED IN 2023:**

- Expanded our product take-back program by 50%
- Launched a pre-loved second-hand product category
- Maintained the share of articles in our stock that could not be sold in our ecosystem at 1%

**WHAT WE ARE WORKING ON IN 2024:**

- Expanding our pre-loved offering
- Continuing our product take-back programs

**11,252**  
second-hand  
items taken back  
from customers

**99%**  
of BestSecret  
stock is sold via  
our ecosystem



**FOCUS AREA II**

**IMPROVE THE SUSTAINABILITY OF OUR SUPPLY**

The environmental and social impacts of fashion are significant, from fiber growing and sourcing to chemical dyes to labor conditions in the supply chain to end-of-life disposal. At BestSecret, our core activity is to sell already produced overstock and focus on premium to luxury fashion. These products are inherently a more sustainable shopping choice because they are generally higher quality and more durable than most fast-fashion items.

Our [SUPPLIER CODE OF CONDUCT](#) is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children’s Rights and Business Practices, the United Nations Guiding Principles on Business and Human Rights, the International Labor Standards of the International Labor Organization, as well as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). In 2023, our focus was on compliance with the German Supply Chain Due Diligence Act. To learn more, see the chapter [PROMOTE HUMAN RIGHTS IN OUR COMMUNITY](#).

While our control over the production practices and sustainability of the materials used to manufacture the overstock items we sell is limited, we have more control over our Private Label (PL) products. After a significant shift for shoe production – the largest product category of our PL business – from China to Europe in 2022, our second largest category – women’s fashion apparel – will follow suit for certain product groups in 2024. While European production is more expensive, environmental and social standards tend to be higher and transportation routes shorter. In addition, in 2023, our buyers further increased the share of more sustainable materials, such as organic cotton, more sustainably produced viscose, and recycled polyester in women’s fashion apparel, and reduced packaging materials.

In 2023, we developed a basic “sustainable sourcing guide” for all textile buyers and began training them on more sustainable sourcing practices and the CO<sub>2</sub> intensity of different materials. To better understand reduction levers, we also

began calculating the carbon footprint associated with the production of our articles. (For more information, read the chapter [REDUCE OPERATIONAL GREENHOUSE GAS EMISSIONS](#).) Another initiative we pursued was to analyze how to improve our sustainable product labeling in light of upcoming regulations, such as the EU’s Green Claims Directive. While we welcome the directive, it requires a level of detail and documentation that we currently cannot meet. We therefore stopped our sustainable product labelling and will evaluate in 2024 how to ensure the transparency necessary to avoid any form of greenwashing.

**WHAT WE ACHIEVED IN 2023:**

- Developed a sustainable sourcing guide for textiles
- Conducted a workshop for buyers to train them on climate-friendly and sustainable sourcing practices
- Increased the share of sustainable materials in our Private Label women’s fashion apparel line

**WHAT WE ARE WORKING ON IN 2024:**

- Ensuring compliance with sustainable product labeling requirements such as the EU’s upcoming Green Claims Directive
- Continuing to strategically increase the use of more sustainable materials in our Private Label women’s fashion apparel line and shifting more production from China to Europe
- Analyzing our article portfolio in more detail in line with our preparations for the EU’s Corporate Sustainability Reporting Directive (CSRD)



**FOCUS AREA III**

**PROMOTE HUMAN RIGHTS IN OUR COMMUNITY**

We are committed to safeguarding human rights throughout our company and across our supply chain. In addition, we promote diversity, equity, and inclusion (DEI) in the fashion industry and support humanitarian work and social causes through donations.

**Human rights in our supply chain**

The most significant human rights challenges in the fashion industry typically arise in the garment production phase. They include issues such as health and safety, poor working conditions, low pay, gender-based violence, and repression of unions and freedom of association. The industry’s record on human rights is not acceptable – we all must increase our efforts.

As a fashion reseller in the off-price market segment, our direct impact on the supply chain of most items we sell is limited. However, we are committed to complying with the requirements of the German Supply Chain Due Diligence Act (SCDAA). One way we achieve this is through our **SUPPLIER CODE OF CONDUCT**, which is made accessible to all suppliers before doing business with us. We have also begun asking suppliers to accept our Code and will continue our efforts in 2024.

In 2023, we conducted an assessment of human rights-related risks both in BestSecret’s own operations as well as related to our direct suppliers, as required by the SCDDA. The results were incorporated into a **POLICY STATEMENT**, which has been approved by BestSecret’s Management Board. In addition, we made available a dedicated SCDDA complaints channel via our general electronic **WHISTLEBLOWER SYSTEM**, enabling stakeholders to anonymously report potential incidents and raise concerns. A Human Rights Officer was appointed to monitor the SCDDA risk management, review and audit preventive and remedial measures, and report to the management board on a regular basis (at least once per year).

**Other efforts to promote human rights**

Our company **CODE OF CONDUCT**, updated in November 2023, reaffirms our respect for everyone’s fundamental dignity and human rights. This underscores our goal to ensure equal opportunities, fair compensation, and health and safety, among other priorities. We do not tolerate any form of discrimination, harassment, child and forced labor, or any other human rights violation by any employee of BestSecret. We also expect our business partners to share the values embodied in our Code of Conduct.

We recognize that fashion marketing is frequently non-inclusive and reinforces stereotypes. As part of our human rights focus, in 2023 we continued our work to increase the diversity of models in our promotional shootings by increasing the number of POC (people of color) models and expanding the representation of different fashion sizes. We also prioritized creating an inclusive environment on set and will further advance model diversity on our app and website in 2024.

**Donations**

We are aware of our responsibility to support human rights, alleviate human suffering, and promote well-being beyond our business activities. Providing financial support during global crises is one of our main donation goals. In response to the earthquakes in Turkey and Syria, we launched two donation initiatives with our employees and customers. BestSecret more than doubled employee donations and donated 5% of all revenues generated on our online platform on 17.02.2023 to the victims of the earthquake. All funds raised benefited “Aktion Deutschland Hilft,” a coalition of 20 organizations providing humanitarian aid to the people in the affected regions. We also regularly support causes related to women’s empowerment and to promoting diversity. In 2023, we donated to the Pink Ribbon Association Germany to raise awareness and help those affected by breast cancer, and to Diversity Munich e.V. in support of LGBTQIA+ rights.

**WHAT WE ACHIEVED IN 2023:**

- Implemented a risk management system for human rights and environmental risks pursuant to the German SCDDA
- Established an electronic whistleblowing and complaints mechanisms for SCDDA-related risks
- Updated our company Code of Conduct
- Donated to the victims of the earthquakes in Turkey and Syria

**WHAT WE ARE WORKING ON IN 2024:**

- Ensuring compliance with and further strengthening our approach regarding the German SCDDA
- Building a more diverse and inclusive model cast

# HOW WE SELL – OUR ORDERS

We believe our online model represents a more environmentally responsible alternative to shopping overstock in physical stores. Outlets are often characterized by an intentional physical distance from city centers and therefore require dedicated car trips, whereas transportation of goods via e-commerce can be achieved more efficiently. However, excessive packaging and numerous returns in online shopping can outweigh the overall positive impact.

We are thus continuously optimizing our processes to further improve our environmental impact. To be able to succeed as a sustainable company, the well-being of our workforce is just as important. We have identified the following three focus areas to increase the sustainability of “how we sell” our articles:

## FOCUS AREAS



Minimize waste per shipment



Reduce operational greenhouse gas emissions



Care for our talent

## FOCUS AREA IV

### MINIMIZE WASTE PER SHIPMENT

Packaging materials for shipping are the main source of waste in our operations and contribute significantly to global waste streams. Although packaging is critical to protect our articles during shipping from our suppliers to us or from us to our customers, we are constantly striving to minimize this waste and its impact.

#### Our packaging

The vast majority of articles we sell arrive at our logistics center already packaged. To deliver these items safely to our customers, we add our BestSecret cardboard boxes or paper mailing bags, filling materials and, to a lesser extent, plastic poly bags. We closely track our use of these packaging materials, continually work to reduce the weight and volume of packaging per shipment, replace

materials with environmentally preferable alternatives, and train our employees accordingly. After extensive changes to our packaging sizes and materials in 2022, we introduced another intermediate box size in 2023 to further reduce our average package size.

Our number of shipments increased by 12% in 2023 due to our continued business growth, and thus our total consumption of packing material also increased, as expected. Packaging weight per average shipment only increased slightly, by 1%. Although going forward, we expect our total packaging consumption to continue to increase alongside our business growth, we are investigating this small increase in packaging usage per shipment to identify if additional efficient packing training measures are needed, especially in our new fulfillment center that opened in March 2023.

#### Our packaging

	2023	2022	2021	Change 2023
Total packaging material per shipment (in grams)	319	315	324	1%
Total packaging material (in tons)	5,264	4,633	4,220	14%
Cardboard and paper	5,159	4,539	4,044	14%
Plastics	105	94	176	12%
Shipments (in thousands)	16,495	14,720	13,024	12%

All data refer to all business-to-customer logistics, including outsourced logistics. Shipments processed and sent by brand partners via our Curated Platform are excluded.

### Waste management

Most waste at BestSecret is our brand partners' packaging. Although we keep their original product packaging wherever possible, we must dispose of significant amounts of cardboard, plastics, and other materials. Both of our logistics centers, in Poing, Germany, and a new one in Sulechów, Poland, separate waste and recycle all cardboard and plastic packaging waste. However, the facilities have differences in waste management systems, requiring us to adjust our waste reporting in the reporting year.

The opening of our new logistics center was the primary reason for the increase in cardboard, paper, and plastic waste and our 10% increase in total waste. The –93% decrease in "other" waste in 2023 was mainly due to our ongoing efforts to preserve wooden pallets. During the reporting year, wood waste was nearly reduced to zero by reusing or selling all intact pallets and disposing only of damaged ones.

#### Waste in our logistics centers

	2023 <sup>1</sup>	2022	2021	Change 2023 <sup>1</sup>
<b>Total waste (in tons)</b>	<b>2,687</b>	<b>2,437</b>	<b>2,582</b>	<b>10%</b>
Cardboard and paper	2,065	1,803	1,838	15%
Plastics	604	450	429	34%
Residual waste	5	8	15	–36%
Other waste <sup>2</sup>	13	176	315	–93%
<b>Shipments (# in thousands)</b>	<b>16,495</b>	<b>14,720</b>	<b>13,024</b>	<b>12%</b>

Returns and other outsourced logistics services are not included. Waste occurring there is managed by our partners.

<sup>1</sup> Includes our new fulfillment center in Sulechów, Poland, which opened in 2023.

<sup>2</sup> Includes wood, metal, and bulky waste.

In 2023, we also began to look more closely at waste data from our offices and retail stores. In the process, we identified a need to optimize waste separation at some of these locations and will focus on this in 2024.

#### WHAT WE ACHIEVED IN 2023:

- Included waste data from our new logistics center in Poland
- Introduced a new intermediate box size to further reduce average size of our packages
- Decreased wood waste to almost zero by reusing and selling all intact wood pallets

#### WHAT WE ARE WORKING ON IN 2024:

- Improving waste data collection and reporting in line with our preparations for the upcoming Corporate Sustainability Reporting Directive (CSRD) of the EU
- Optimizing waste separation in offices and stores
- Analyzing the use of reusable shipping boxes
- Continuing to test a dimensioning device, which will allow us to automatically suggest the most efficient packaging container to our packers based on the dimensions of articles
- Charging for bags in our retail store in Vienna and donating proceeds to a local charity (already practiced in German stores since 2022)



**FOCUS AREA V**

**REDUCE OPERATIONAL GREENHOUSE GAS EMISSIONS**

Recognizing that climate change is one of the most pressing issues of our time, we have always operated our business with energy efficiency in mind. We regularly conduct energy audits and have procured renewable electricity for all our major facilities in Germany and Austria since 2021. From 2020 to 2022, we reduced our scope 1 and 2 emissions by 81 % and in 2023, we performed a scope 3 emissions assessment for the main categories for the first time. Although our energy consumption and scope 1 and 2 greenhouse emissions increased in 2023 due to opening a large logistics center and new offices to accommodate business growth, we will aim to reduce this effect in 2024.

**Energy consumption**

Excluding our new facilities, our energy consumption was approximately 10 % lower in 2023. For district heating, we registered a decrease of 25 % as a result of our conscientious heating practices during the energy crisis in Germany last winter. However, due to our business growth – primarily the opening of our new logistics center – our total energy consumption was 18 % higher than the previous year. Most notably, our use of natural gas, electricity, and motor fuels increased. But despite these increases, our overall energy intensity per unit of revenue remained stable.

Excluding our new operations, the share of renewable electricity increased to 99 % as our tech hub in Spain also switched to renewable electricity. In overall operations however, it decreased to 86 %, down from 95 % in 2022. Although we expect a small further increase in our energy consumption in 2024, as it will be the first full operating year of our new logistics center, we will evaluate options to switch to renewable electricity in our new facilities in 2024.

**86 %**  
renewable  
electricity used  
in our facilities

**Energy**

	2023 <sup>1</sup>	2022	2021	Change 2023 <sup>1</sup>
Energy consumption per € million revenues (in MWh)	17.6	17.3	18.8	1 %
Energy total (in MWh)	21,530	18,223	17,767	18 %
Electricity	12,030	11,052	10,239	9 %
Share of renewable electricity	86 %	95 %	55 %	-9 %
Natural gas	4,123	867	1,012	375 %
District heating	3,529	4,683	5,030	-25 %
Motor fuels	1,849	1,620	1,486	14 %
BestSecret Group revenues (in € million)	1,226	1,051	943	17 %

Data refer to all facilities under operational control of BestSecret Group.

<sup>1</sup> In 2023, we opened a new logistics center and three offices.

### Scope 1 and 2 greenhouse gas emissions

After sharp decreases in our scope 1 and 2 emissions in 2021 and 2022 (81 % from 2020 to 2022), they continued to decrease in 2023 (16%) when excluding our new operations. However, our total scope 1 and 2 emissions including our new facilities that opened in 2023 more than doubled compared to

the previous year and our intensity per unit of revenue doubled as well. In particular, the energy consumption at our new logistics center in Poland, where energy supply is still dominated by fossil fuels, had a significant impact on emissions from heating fuels and electricity. As previously mentioned, we will look into ways to switch to renewable electricity sources in 2024.

#### Scope 1 and 2 emissions

	2023 <sup>1</sup>	2022	2021	Change 2023 <sup>1</sup>
<b>Scope 1 and 2 emissions per € million revenue (in tons of CO<sub>2</sub>e)</b>	<b>2.3</b>	<b>1.1</b>	<b>2.6</b>	<b>103%</b>
<b>Total scope 1 and 2 emissions (in tons of CO<sub>2</sub>e)</b>	<b>2,824</b>	<b>1,195</b>	<b>2,407</b>	<b>136%</b>
<b>Scope 1</b>	<b>1,500</b>	<b>785</b>	<b>787</b>	<b>91%</b>
Heating fuels	841	176	208	378%
Motor fuels	485	428	395	13%
Refrigerants	174	181	183	-4%
<b>Scope 2<sup>2</sup></b>	<b>1,324</b>	<b>410</b>	<b>1,621</b>	<b>223%</b>
Electricity	1,082	137	1,173	692%
District heating	242	273	448	-11%
<b>BestSecret Group revenues (in € million)</b>	<b>1,226</b>	<b>1,051</b>	<b>943</b>	<b>17%</b>

All data refer to all facilities under operational control of BestSecret Group. All carbon footprint data were compiled and calculated in collaboration with ClimatePartner, which follows the guidelines of the Greenhouse Gas Protocol.

<sup>1</sup> In 2023, we opened a new logistics center and three offices.

<sup>2</sup> Scope 2 emissions were calculated using the market-based approach. Using the location-based approach, they would amount to 5,368 tons of CO<sub>2</sub> in 2023, 4,309 tons of CO<sub>2</sub>e in 2022, and 4,000 tons of CO<sub>2</sub>e in 2021.

### Scope 3 greenhouse gas emissions

Scope 3 emissions are those not caused by a company’s own consumption of energy but indirectly through upstream and downstream business activities. They are much harder to measure and control, but account for the vast majority of emissions for most companies. We performed a detailed calculation of our most relevant scope 3 emissions categories for the first time in 2023 using a hybrid approach that integrates both activity-based data and spend-based data<sup>1</sup>. Over 90% of our emissions were derived from activity-based data.

The analysis showed, as expected, that 99.5% of our total emissions are scope 3. Our biggest source of scope 3 emissions is from the production of articles we sell (91.4%), which are generated before articles even enter our facilities. The majority of articles we sell are textiles, for which the most important parameters that influence carbon intensity are the energy consumed and the fiber types used during the different production steps.

About 70% of our emissions from article production originate from overstock from our brand partners, where we have little control. However, 30% are from non-overstock article production, including our Private Label (PL) products, for which we have the opportunity to improve emissions intensity. To begin addressing this major emissions source, in 2023 we included information on more climate-friendly materials in our “sustainable sourcing guide” for our buyers and trained them on the topic. Some of our PL departments have already taken steps to increase their share of more sustainable materials and move production to countries with a less emissions-intense energy mix (see [IMPROVE THE SUSTAINABILITY OF OUR SUPPLY](#)). The articles with the lowest emissions intensity however are pre-loved, and we will continue to drive the sale of more second-hand items on our platform in 2024 (see [REDUCE THE NUMBER OF DISCARDED FASHION ITEMS](#)).

<sup>1</sup> Hybrid method described in the GHG Protocol’s Corporate Value Chain Emissions Accounting Standard. For some of the business travel emissions, the spend-based approach was used.

Our second biggest scope 3 category, although much smaller, is the emissions from product transportation (4.2%). Around 40% of these emissions are generated by deliveries to and returns from our customers, primarily in Germany. In 2023, we therefore invested in DHL's GoGreen solutions and Hermes CO<sub>2</sub>-neutral shipments, which finance Gold Standard-certified climate protection projects. Although we do not claim that emissions are thereby offset, we believe that supporting such projects is sensible. We also continued our efforts to reduce returns in 2023, an inherent aspect of online fashion shopping, by preventing those due to incorrect product descriptions or product damage. To achieve this, we furthered our efforts to identify faulty articles before they are shipped to customers, improve product descriptions on high-return items, or sell them through our stores rather than online. In 2024, we will focus on improving our overall product presentation and sizing information in particular.

**WHAT WE ACHIEVED IN 2023:**

- Switched to renewable electricity in Spain
- Moved to shipping tariffs in Germany that finance climate projects
- Educated buyers on climate-friendly sourcing options
- Improved emission data collection
- Conducted a scope 3 assessment of our most relevant emission categories

**WHAT WE ARE WORKING ON IN 2024:**

- Evaluating options to switch to renewable electricity for our new facilities
- Working on a plan to install solar panels on the roof of our logistics centers
- Continuing to roll out LED lighting in our stores
- Further analyzing our scope 3 emissions and how to reduce them
- Ensuring compliance with the European Corporate Sustainability Reporting Directive (CSRD) on climate change (including all scope 3 categories)

**2023 scope 3 emissions**

	Tons of CO <sub>2</sub> e
<b>Total scope 3</b>	<b>621,890</b>
Purchased goods and services	573,242
From articles we sell	568,191
From overstock	395,322
From non-overstock	172,870
From packaging	4,962
From other sources <sup>1</sup>	89
Fuel- and energy-related activities	1,013
Upstream transportation and distribution (including deliveries and returns) <sup>2</sup>	26,220
Waste generated in operations	143
Business travel	449
Employee commuting	5,063
Downstream transportation	not relevant <sup>3</sup>
End of life treatment of sold products	15,760
<b>Total scope 1, 2 and 3 emissions</b>	<b>624,714</b>
<b>Total GHG emissions per € million revenue</b>	<b>510</b>

All carbon footprint data were compiled and calculated in collaboration with ClimatePartner, which follows the guidelines of the Greenhouse Gas Protocol.

<sup>1</sup> Other purchased goods and services (non-product) include water, external data centers, and electronic devices.

<sup>2</sup> Upstream transportation includes inbound logistics, intralogistics, and shipping to our customers (including returns).

<sup>3</sup> According to the definitions of the Greenhouse Gas Protocol, all transportation relevant for BestSecret is categorized as upstream transportation.



**FOCUS AREA VI**

**CARE FOR OUR TALENT**

With our roots as a family-owned business, making sure our employees feel welcome, valued, and included is important to us. In the face of a changing landscape, we want to build supportive structures and equip our employees with the skills they need to be successful in their roles.

**89%**  
participation  
rate in employee  
engagement  
survey

**80%**  
find purpose in  
the work they do

**Our employees**

	2023	2022	2021	Change 2023
Employees (average headcount)	1,972	1,827	1,617	8%
Employees (headcount EOY)	2,085	1,852	1,761	13%
New hires <sup>1</sup>	447	464	602	-4%
Leavers <sup>1</sup>	338	397	406	-15%

All employee figures are year-end data and do not include external staff, employees on long-term leave due to sickness or on parental leave.

EOY: end of year

<sup>1</sup> New hires and leavers only include permanent employees.

**Employee engagement**

Employee engagement and communication are critical, especially since most BestSecret employees work remotely at least partially. Members of our Senior Leadership Team host Town Hall meetings open to the entire workforce about every two months, where employees are transparently informed and can ask questions about new business developments or other BestSecret-related topics.

In 2023, we reaffirmed our sense of belonging by reintroducing major company events post-pandemic. This provided valuable opportunities for employees to connect and bond, most notably at our Summer and Christmas parties. We conducted our employee engagement survey in June 2023, inviting all employees (excluding operational logistics and retail) to anonymously share their feedback. The response rate remained stable at 89% and our engagement score increased to 79%. This year, about 80% of participants highlighted finding purpose in and feeling valued for their work, and having opportunities to learn and grow at BestSecret. The survey also identified areas for improvement, including additional learning opportunities, celebrating achievements,

increasing transparency in roles and responsibilities, and unifying the promotion process. In response, and building on the launch of our company purpose statement “Be part of something special,” in early 2023, we nurtured our #BeSpecial culture and introduced the “Something special” award to celebrate the achievements of our many teams. For our resulting initiatives on talent development, please refer to [TALENT GROWTH](#). In 2024, we plan to further improve our annual employee survey and add regular pulse checks.

**WHAT WE ACHIEVED IN 2023:**

- Held regular Town Hall meetings hosted by Senior Leadership members
- Celebrated as a company at Summer and Christmas parties
- Conducted a company-wide employee survey
- Launched our “Something special” award

**WHAT WE ARE WORKING ON IN 2024:**

- Introducing regular employee pulse surveys
- Improving our onboarding journey
- Defining Corporate Values to foster a sense of belonging and identity, and provide leadership guidance
- Improving information channels to reach all employees

### Talent growth

We are striving for a culture of continuous learning, growth opportunities, and positive employee experience. This is crucial for attracting, retaining, and promoting the best and brightest talent. We provided comprehensive support for the professional development and growth of our employees in 2023. This included expanding our training offers and improving our performance review and promotion processes.

We continued our existing programs in 2023, such as language classes and our Brown Bag Lunches, where employees share their expertise with colleagues. In addition, we diversified our training offers by launching LinkedIn Learning as our company-wide learning platform and O’Reilly specifically for our employees in Tech. Both have been very well received. To streamline our performance review and promotion processes across the company, we introduced a Competency Framework that defines requirements for different job levels. In addition, we strengthened requirements and guidelines for panels and documentation during the promotion process. In 2024, we will launch additional leadership programs, such as a junior leadership development program to support new leaders, invite external speakers to our brown bag sessions, and further facilitate efficient learning on LinkedIn Learning for our employees.

**WHAT WE ACHIEVED IN 2023:**

- Introduced LinkedIn Learning and O’Reilly as on-demand learning platforms
- Implemented a Competency Framework
- Launched a junior leadership development program
- Strengthened our performance review process

**WHAT WE ARE WORKING ON IN 2024:**

- Launching dedicated leadership programs
- Initiating growth conversations based on our new Competency Framework
- Creating learning collections with BestSecret-specific content for LinkedIn Learning
- Introducing external keynote speakers in our virtual brown bag session

### Diversity, equity, and inclusion

BestSecret’s workforce is 53% female and employs colleagues from over 90 different nations. The fashion industry has traditionally been a career path for many women and minority workers (particularly in logistics), yet both remain underrepresented in leadership circles, including at BestSecret. In addition, we recognize that diversity, equity, and inclusion (DEI) goes far beyond male and female gender equity, ethnicity, or numbers. Achieving equity and inclusion for everyone is a journey, and we are not there yet.

To promote DEI at BestSecret, we implemented several initiatives throughout 2023. We provided a gender-inclusive language resource document to relevant functions, including internal communications, marketing, and recruiting, and improved the inclusivity of our job postings. We also analyzed our unadjusted gender pay gap in more detail. Initiatives we will be working on in 2024 to close the gap include pursuing diverse hiring pipelines and increasing awareness of the gender pay gap during salary rounds.

Our new Competency Framework, which also promotes equity, and thus diversity, and inclusion, will be the basis of our 2024 promotion process. An important contributor to gender inequality in careers is the effects of parental leave. To begin to address this, we will conduct a culture change workshop with managers and offer an unconscious bias training. In addition, to support our parental leavers in their transition back to work, we will provide a tool that connects them with peers across industries and offers coaching, e-learning, and inspirational role models on how to manage job and family.

**WHAT WE ACHIEVED IN 2023:**

- Introduced a gender-inclusive language resource document
- Updated our job descriptions with more inclusive and gender-neutral language
- Analyzed our gender pay gap

**WHAT WE ARE WORKING ON IN 2024:**

- Implementing inclusive hiring training for managers, including unconscious bias training
- Increasing female representation on hiring panels
- Supporting parental leavers
- Working on initiatives to close the gender pay gap
- Improving data collection and reporting in line with the requirements of the European Corporate Sustainability Reporting Directive (CSRD)

**Gender diversity**

	2023	2022	2021
<b>Supervisory Board<sup>1</sup></b>			
Female	14%	14%	14%
Male	86%	86%	86%
<b>S-Team (1st Management Level)</b>			
Female	17%	21%	17%
Male	83%	79%	83%
<b>Senior Leadership Team (2nd Management Level)</b>			
Female	34%	37%	40%
Male	66%	63%	60%
<b>All employees</b>			
Female	53%	51%	52%
Male	47%	49%	48%

Based on headcounts end of year  
<sup>1</sup> Referred to as Advisory Board prior to 2023.

**Health and safety**

Ensuring the health and safety (H&S) of our employees is one of our most important responsibilities. This is particularly relevant in our logistics center. As part of the logistics onboarding process, each employee receives general occupational health and safety training for the site. Further training, such as for the handling of forklifts, conveyor technology, and correct and safe picking and packing, are also held within relevant departments.

The Health, Safety & Fire Protection team of our logistics center in Poing began designing a new certifiable system environment H&S program based on ISO 45001 in 2022. To unify processes and improve transparency and reporting structures, the team was expanded in 2023 and will be responsible for the occupational health management of all operative facilities from 2024 onward (where legally possible). Although we had to postpone the implementation of the new H&S platform, it will now not only serve our logistics centers, but all entities with operational locations of BestSecret. The platform is scheduled to be rolled out to

**0** significant occupational accidents

German locations in 2024 and to international locations in 2025. In parallel, we will assess the status of occupational H&S and fire protection by conducting internal audits at all locations in accordance with ISO 45001. Moreover, we will roll out new training programs.

There were once again no significant occupational accidents in 2023. Most accidents were related to employee inattentiveness, with the most common types of injuries being cuts and bruises. To avoid this, we regularly work to diffuse or cushion areas prone to these issues. We are also working to address the issue of goods arriving at our logistics center moldy by ensuring they are disposed of quickly and appropriately, and providing protective gear where necessary.



# KEY FIGURES

## Health and safety

	2023	2022	2021	Change 2023
Reportable accidents <sup>1</sup>	33	25	18	32%
Lost days	289	388	520	-26%
Fatalities	0	0	0	-
Employees (headcount EOY)	2,085	1,852	1,941	13%

All data refer to permanent employees.

EOY: end of year

<sup>1</sup> Incidents with at least three days lost.

### WHAT WE ACHIEVED IN 2023:

- Conducted internal audits for our logistics center in Poing
- Trained fire safety assistants in our logistics centers by the H&S team
- Restructured our H&S organization and increased the size of our team

### WHAT WE ARE WORKING ON IN 2024:

- Conducting internal audits to assess the status quo of occupational H&S and fire protection at all locations
- Fully implementing the certifiable system environment H&S program based on DIN45001 for our operations in Germany
- Updating and intensifying training in occupational H&S and fire protection
- Further increasing the size of our team H&S organization
- Improving data collection and reporting in line with requirements of the European Corporate Sustainability Reporting Directive (CSRD)

## Social

	Unit	2023	2022	2021
<b>Employees</b>				
Employees	headcount	2,085	1,852	1,761
Permanent	headcount	1,815	nc	nc
Female	headcount	981	nc	nc
Male	headcount	834	nc	nc
Temporary	headcount	270	nc	nc
Female	headcount	120	nc	nc
Male	headcount	150	nc	nc
Full-time	headcount	1,782	nc	nc
Female	headcount	819	nc	nc
Male	headcount	963	nc	nc
Part-time	headcount	303	nc	nc
Female	headcount	282	nc	nc
Male	headcount	21	nc	nc
New hires <sup>1</sup>	headcount	447	464	602
Leavers <sup>1</sup>	headcount	338	397	406
Workers who are not employees <sup>2</sup>	FTE	627	nc	nc
<b>Diversity</b>				
Supervisory Board <sup>3</sup>				
Female	%	14%	14%	14%
Male	%	86%	86%	86%
S-Team (1st Management Level)				
Female	%	17%	21%	17%
Male	%	83%	79%	83%

Social	Unit	2023	2022	2021
Senior Leadership Team (2nd Management Level)				
Female	%	34 %	37 %	40 %
Male	%	66 %	63 %	60 %
All employees				
Female	%	53 %	51 %	52 %
Male	%	47 %	49 %	48 %
<b>Health and Safety<sup>4</sup></b>				
Reportable accidents	#	33	25	18
Lost days	#	289	388	520
Fatalities	#	0	0	0
Employees	headcount	2,085	1,852	1,941

All employee figures are year-end data and do not include external staff, employees on long-term leave due to sickness or on parental leave.

Abbreviations: nc-not collected, FTE-full-time equivalent.

<sup>1</sup> Hires and leavers only include permanent employees.

<sup>2</sup> Workers who are not employees are mainly subcontracted workers who support operational logistics and retail. Their number is subject to seasonal fluctuations (e.g. Christmas, Black Friday, Easter).

<sup>3</sup> Referred to as Advisory Board prior to 2023.

<sup>4</sup> All health and safety data refer to permanent employees and reportable incidents with at least three days lost only.

Environmental	Unit	2023 (includes a new logistics center and three new offices)	2022	2021
<b>Energy<sup>5</sup></b>				
Energy consumption	MWh/€ million	17.6	17.3	18.8
Energy total	MWh	21,530	18,223	17,767
Electricity	MWh	12,030	11,052	10,239
Share of renewable electricity	%	86.4 %	94.6 %	54.7 %
Natural gas	MWh	4,123	867	1,012
District heating	MWh	3,529	4,683	5,030
Motor fuels	MWh	1,849	1,620	1,486

Environmental	Unit	2023 (includes a new logistics center and three new offices)	2022	2021
<b>Emissions<sup>5</sup></b>				
Scope 1 and 2 emissions per € million revenue	tCO <sub>2</sub> e/€ million	2.3	1.1	2.6
Total scope 1 and 2 emissions	tCO <sub>2</sub> e	2,824	1,195	2,407
Scope 1	tCO <sub>2</sub> e	1,500	785	787
Heating fuels	tCO <sub>2</sub> e	841	176	208
Motor fuels	tCO <sub>2</sub> e	485	428	395
Refrigerants	tCO <sub>2</sub> e	174	181	183
Scope 2 <sup>6</sup>	tCO <sub>2</sub> e	1,324	410	1,621
Electricity	tCO <sub>2</sub> e	1,082	137	1,173
District heating	tCO <sub>2</sub> e	242	273	448
Scope 3	tCO <sub>2</sub> e	621,890	nc	nc
Purchased goods and services	tCO <sub>2</sub> e	573,242	nc	nc
From articles we sell	tCO <sub>2</sub> e	568,191	nc	nc
From overstock	tCO <sub>2</sub> e	395,322	nc	nc
From non-overstock	tCO <sub>2</sub> e	172,870	nc	nc
From packaging	tCO <sub>2</sub> e	4,962	nc	nc
From other sources <sup>7</sup>	tCO <sub>2</sub> e	89	nc	nc
Fuel- and energy-related activities	tCO <sub>2</sub> e	1,013	nc	nc
Upstream transportation and distribution (including deliveries and returns) <sup>8</sup>	tCO <sub>2</sub> e	26,220	nc	nc
Waste generated in operations	tCO <sub>2</sub> e	143	nc	nc
Business travel	tCO <sub>2</sub> e	449	nc	nc
Employee commuting	tCO <sub>2</sub> e	5,063	nc	nc
Downstream transportation	tCO <sub>2</sub> e	not relevant <sup>9</sup>	nc	nc
End of Life treatment of sold products	tCO <sub>2</sub> e	15,760	nc	nc
Total (Scope 1, Scope 2 and Scope 3) emissions	tCO <sub>2</sub> e	624,714	nc	nc
Total GHG emissions per € million revenue	tCO <sub>2</sub> e	510	nc	nc

# GRI CONTENT INDEX

BestSecret Group SE has reported the information cited in this GRI content index for the period 01 January 2023 to 31 December 2023 with reference to the GRI Standards.

Environmental	Unit	2023 (includes a new logistics center and three new offices)	2022	2021
<b>Waste<sup>10</sup></b>				
Total waste	t	2,687	2,437	2,582
Cardboard and paper	t	2,065	1,803	1,838
Plastics	t	604	450	429
Residual waste	t	5	8	15
Other waste <sup>11</sup>	t	13	176	315
<b>Packaging material<sup>12</sup></b>				
Total packaging material per shipment	g	319	315	324
Total packaging material	t	5,264	4,633	4,220
Cardboard and paper	t	5,159	4,539	4,044
Plastics	t	105	94	176
<b>Reduce the number of discarded fashion items</b>				
Number of second-hand items taken back from customers	#	11,252	8,592	738
Via online take-back program	#	8,491	5,665	-
Via pop-up events in stores	#	2,761	2,927	738
Share of BestSecret stock sold via our ecosystem <sup>13</sup>	%	1%	1%	1%
Overstock share by NMV	%	76%	74%	81%

<sup>5</sup> All energy and scope 1 and 2 emissions data refer to all facilities under operational control of BestSecret Group. In 2023 includes four new locations as well as energy consumption from our e-vehicle fleet. All carbon footprint data were compiled and calculated in collaboration with ClimatePartner, which follows the guidelines of the Greenhouse Gas Protocol.

<sup>6</sup> Scope 2 emissions were calculated using the market-based approach. Using the location-based approach, they would amount to 5,368 tons of CO<sub>2</sub> in 2023, 4,309 tons of CO<sub>2</sub>e in 2022, 4,000 tons of CO<sub>2</sub>e in 2021, and 4,166 tons in 2020.

<sup>7</sup> Other purchased goods and services (non-product) include water, external data centers, and electronic devices.

<sup>8</sup> Upstream transportation includes inbound logistics, intralogistics, and shipping to our customers (including returns).

<sup>9</sup> According to the definitions of the Greenhouse Gas Protocol, all transportation relevant for BestSecret is categorized as upstream transportation.

<sup>10</sup> All waste data refer to our two main logistics centers. Our fulfillment center in Sulechów, Poland, opened in 2023. Returns and other outsourced logistics services are not included. Waste occurring there is managed by our partners.

<sup>11</sup> Other waste includes wood, metal, and bulky waste.

<sup>12</sup> All packaging data include all business-to-customer logistics, including outsourced logistics. Shipments processed and sent by brand partners via our Curated Platform are excluded.

<sup>13</sup> Share of BestSecret stock sold via our ecosystem does not include articles sold by our brand partners via our Curated Platform.

## GRI 1 used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	p. 2, 4-5
	2-2 Entities included in the organization's sustainability reporting	p. 2
	2-3 Reporting period, frequency and contact point	p. 2
	2-4 Restatements of information	p. 12, 20
	2-5 External assurance	p. 2
	2-6 Activities, value chain and other business relationships	p. 4-5
	2-7 Employees	p. 28, 35
	2-8 Workers who are not employees	p. 35
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 9-10
	2-13 Delegation of responsibility for managing impacts	p. 9-10
	2-22 Statement on sustainable development strategy	p. 7
	2-23 Policy commitments	p. 14, 16
	2-24 Embedding policy commitments	p. 14, 16
2-25 Processes to remediate negative impacts	p. 8, 9, 16	
2-26 Mechanisms for seeking advice and raising concerns	All employees and business partners (suppliers, customers, etc.) can report violations of laws, the Code of Conduct and policies anonymously through an electronic whistleblower system. The Chief Compliance Officer or other appropriate departments are available to all our employees and business partners for any questions related to compliance issues.	
2-27 Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations during the reporting period.	
2-29 Approach to stakeholder engagement	p. 8, 10	
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	p. 8
	3-2 List of material topics	p. 9
<b>Reduce the number of discarded fashion items</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	p. 12-13



GRI Standard	Disclosure	Location
<b>Improve the sustainability of our supply</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 14-15
<b>Promote human rights in our community</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 16-17
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	p. 16
<b>Minimize waste per shipment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 19-21
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 19-21
	306-2 Management of significant waste related impacts	p. 19-21
	306-3 Waste generated	p. 19, 20, 38
<b>Reduce operational greenhouse gas emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 22-26
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 22, 36
	302-3 Energy intensity	p. 22, 36
	302-4 Reduction of energy consumption	p. 22-23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 24, 37
	305-2 Energy indirect (Scope 2) GHG emissions	p. 24, 37
	305-3 Other indirect (Scope 3) GHG emissions	p. 27, 37
	305-4 GHG emissions intensity	p. 24, 27, 37
	305-5 Reduction of GHG emissions	p. 22, 24
<b>Care for our talent</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28-33
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 28, 35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 33
	403-5 Worker training on occupational health and safety	p. 33
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 33
	403-9 Work-related injuries	p. 33, 34, 36
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	p. 30
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 32, 35-36

## Imprint

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05/2024



B E S T S E C R E T