

DRYKORN®

CAUSE
WE_MIND

DRYKORN MIND

IMPACT REPORT SUMMARY
2023

DRYKORN MIND IS OUR COMMITMENT TO EMBRACING OUR RESPONSIBILITY TO NURTURE BEAUTY IN EVERYONE AND TO PROTECT OUR PLANET.

Beauty has many facets and goes far beyond external appearance. Here at DRYKORN, we believe that “beautiful” describes the spiritual, mental and inner beauty that exists in all of us. Our fashion aims to provide our customers with tools to express their personalities and create their own understanding of beauty.

In our rapidly changing world where our decisions have a global impact, we are also the ones who influence the beauty of

our planet. To ensure we have a positive impact on the world, our company actively practices an ecologically, socially and economically responsible approach to business. We want you to be able to easily understand our actions and their positive and negative consequences. Therefore, we have compiled this abridged version to present the key statements from the individual chapters of our IMPACT REPORT 2023.





FOR BEAUTIFUL PEOPLE

We are deeply committed to the people within our company, throughout our supply chain and far beyond. We promote their well-being and their rights – so that they are free to develop their own unique beauty. Our very foundations are based on transparent relationships that nurture long-term partnerships and ensure traceable working conditions.

100% auditing by 2024.

All of our products are made under social and fair conditions. Companies involved in product manufacturing – known as Tier 1 suppliers – must present a valid social audit. They also need to be involved in a continuous improvement process.

RELATIONSHIP STATUS: IN A LONG-TERM COMMITMENT

In 2023, our supplier relationships were again characterized by over ten years of collaboration in all of our main supply regions. Long-term partnerships with our suppliers are the secret to success for everyone. They ensure the consistent quality of our products and contribute to

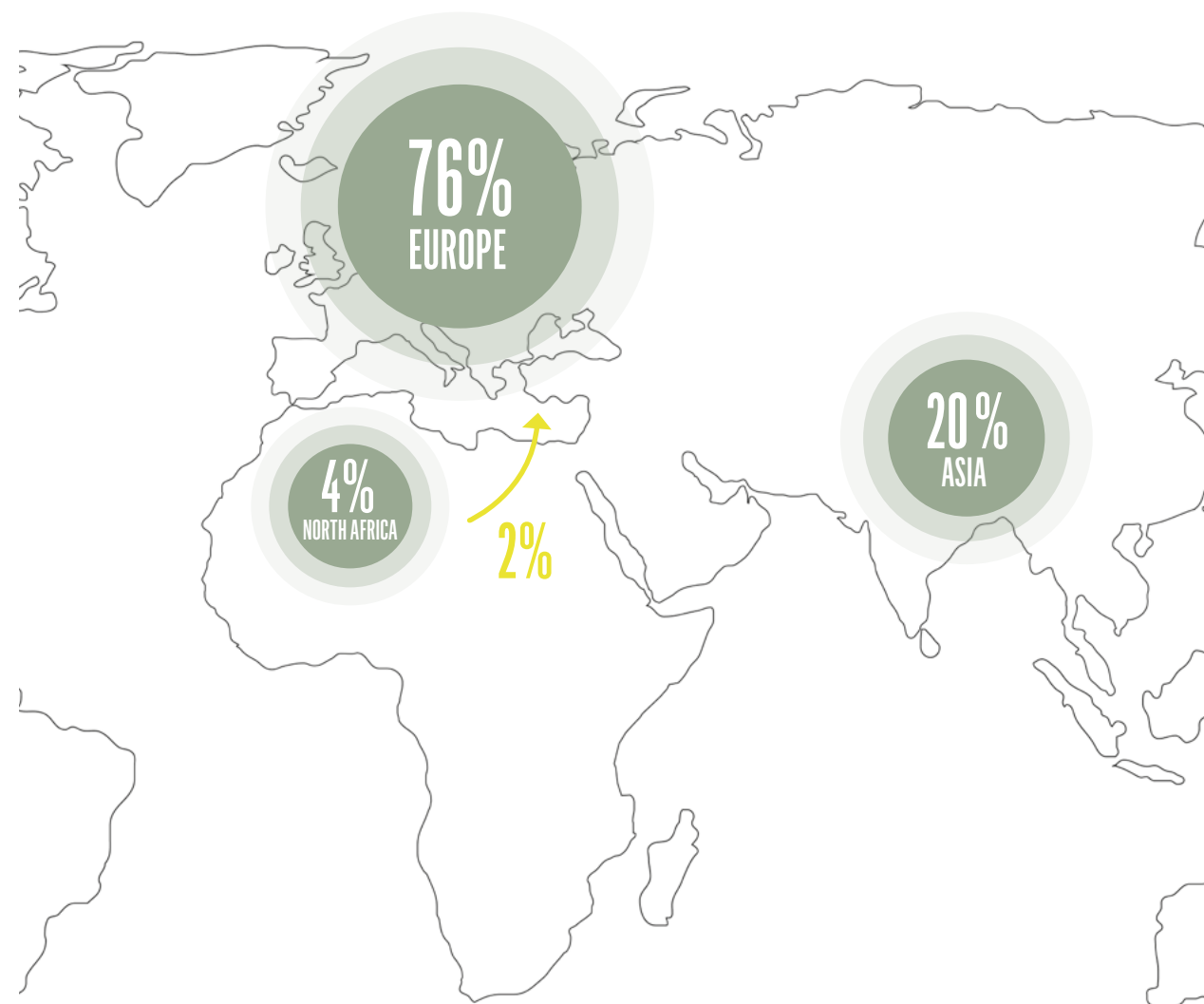
the diligent implementation of our high environmental and labor standards. In return, we provide our partners with a secure order situation through punctual and reliable orders, which in turn strengthens the foundations for appropriate social standards.

Production countries

Most of our production takes place in Europe and Turkey. Once again this year, we were able to increase our European manufacturing volumes compared to last year. In order to minimize the risk of dependency on individual countries and to offer high quality at reasonable prices, we cannot yet do without suppliers in Asia.

Suppliers by	quantity	Number of suppliers	Duration of collaboration
Europe and Turkey	76 %	32	<i>up to 14 years</i>
Asia	20 %	11	<i>up to 13 years</i>
North Africa	4 %	2	<i>up to 12 years</i>

Production Regions based on the reporting year



THE FOUNDATIONS OF COLLABORATION WITH DRYKORN

No child or forced labor

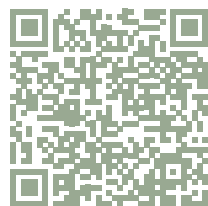
To date, there have been no suspected cases of **child-** or **forced labor** at any of our Tier 1 audited suppliers.

At least the legal minimum wage

In 2023, workers at all of our Tier 1 suppliers were paid at least the legal minimum wage; salary levels at our Eastern European partners were an average of **37 %** higher.

Binding compliance with our principles

Our **Supplier Code of Conduct** defines the basic principles for collaborating with us; all suppliers must acknowledge and agree to them in writing.



QR code to
Code of Conduct

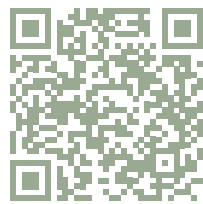


TRUST THROUGH TRANSPARENCY

Audits and on-site inspections by independent, external auditors ensure compliance with our principles. In 2023, 95% of our products were manufactured by audited suppliers. 5% of garments were produced by suppliers who were awaiting an initial or renewal audit.

We listen!

At all times, and to everyone and anyone directly or indirectly involved in our business. Since 2023, our whistleblowing system has offered the opportunity to anonymously report potential grievances, misconduct or problems – with the aim of identifying any violations of laws or our principles.



Whistleblowing portal



Audit rate – based on incoming goods quantities in the 2022-2023 financial year.

A woman with long dark hair, wearing a white fur coat and a brown knit top, stands in a snowy forest. The background is filled with evergreen trees and snow-covered ground. The text 'FOR A BEAUTIFUL PLANET' is overlaid in large white letters on the left side of the image.

FOR A BEAUTIFUL PLANET

Our actions have a direct impact on the planet. This is why we are committed to minimizing our ecological footprint and actively contributing to environmental protection. At our headquarters, we have already made significant progress in our aim to reduce emissions as much as possible. Through targeted measures, we now want to extend these positive developments to our supply chain and the entire value creation process.

100 % climate-neutral locations and transport by 2025

We reduce the emissions generated by our premises and transport (B2C & B2B) to a minimum. Unavoidable emissions are offset.

100% recyclable packaging by 2025

Our packaging is optimized and recyclable.

100% transparency about emissions by 2025

All CO₂ emissions caused by suppliers involved in the manufacturing of products were recorded and processed in a traceable manner. This was then used to define mitigation targets and develop corresponding measures, which are now being implemented.

NAKED AND NO FILTERS: OUR EMISSIONS IN FIGURES

Together with the climate protection organization myclimate Deutschland GmbH, we also calculated our corporate carbon footprint in 2023. Energy, mobility, transport, catering, consumables, waste and recycling were taken into account. In order to develop more effective reduction strategies, we also plan to include the manufacturing and use phase, in addition to the end of our products' life cycle, in our data collection in 2025.

<h1>3.335,21</h1>	<p>t of CO₂ were emitted by us in 2023.</p>
<h1>93%</h1>	<p>of our Emissions were indirectly generated throughout the value chain.</p>
<h1>2%</h1>	<p>Savings in total CO₂ emissions compared to the previous year.</p>

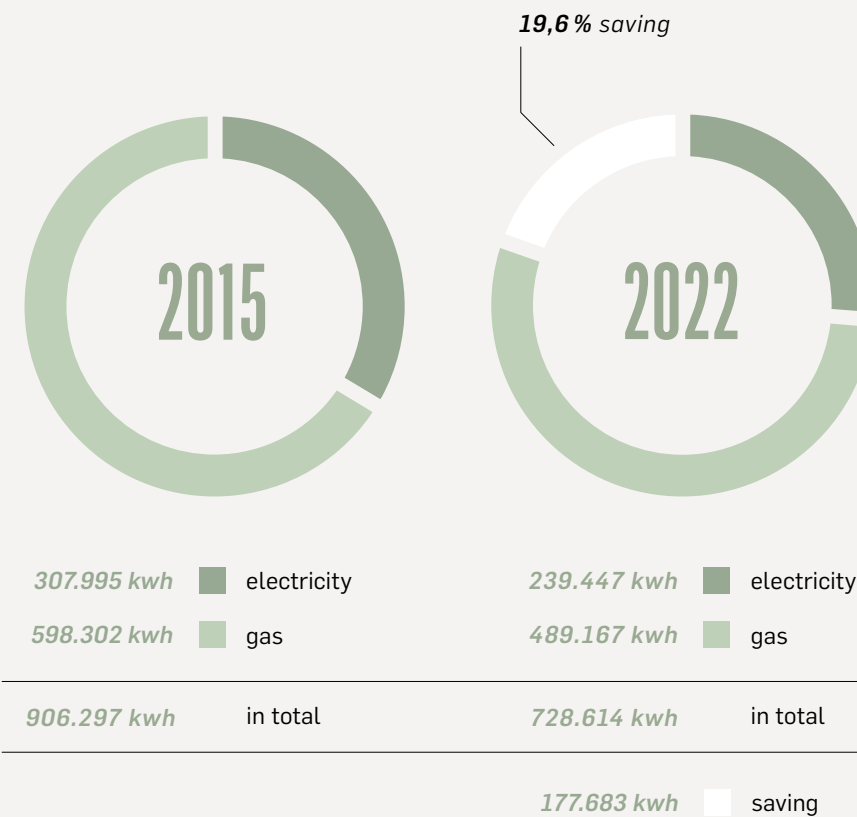
DISTRIBUTION OF EMISSIONS

<p>Scope 1</p>	<p>196,03 t CO₂e → direct emissions from company sources</p>
<p>Scope 2</p>	<p>4,18 t CO₂e → indirect emissions from procured energy</p>
<p>Scope 3</p>	<p>3.135 t CO₂e → indirect emissions through company activity throughout the value chain</p>

WE CONTINUE TO MIND OUR OWN BUSINESS

Emissions in the mobility sector have grown from 466.3 tons of CO₂e to 654.1 tons of CO₂e. We want to encourage our employees to take the leap in 2024. Whether to car pools, public transport or an electric vehicle, we are creating special incentives, aim to improve connections to the local train station, and offer charging points for private electric vehicles. The required electricity is supplied by our two PV systems, which were installed in fall

2022. In 2023, these generated 162,548 kWh of electricity, 47% of which was consumed directly and therefore resulted in a degree of self-sufficiency of 39%. By converting to green electricity, raising awareness among our employees and installing efficient IT and lighting systems, we were able to reduce electricity-related CO₂ emissions by 73% from 56.6 tons to 15.1 tons in 2023.



Energy use – Savings over the last 7 years amounted to 19.6%.

TRANSPORT

Shorter transport routes, more efficient shipping planning and increased production within Europe have enabled a reduction of 164.7 tons of CO₂e. As a result of the local infrastructure in Europe and Turkey, 89% of our goods were transported over-

land by truck. Back in 2022, we decided to stop handling rail shipments from Asia via Russia, and switched to air freight instead. This year, 5% of our products have been transported by air. Our goal is to return to our pre-pandemic air freight share of 3%.

7% REDUCTION

of transport-related emissions in 2023, despite a 60-ton increase in product volume to 1,750 tons.

Emissions related to the transport of goods, transport volume and distance –
Based on the 2023 financial year

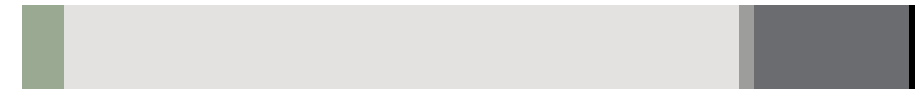
CO₂e

2092,6 t



transport distance

2.940.139,52



transport volume

1.750,81 t



■ airplane
 ■ truck
 ■ SEA-Air
 ■ sea vessel
 ■ train

WE'RE CASTING OFF THE CARDBOARD

The use of optimized, lighter grass boxes enabled us to save 5.2 tons of material in e-commerce. But this is not enough for us. This is why we have been using reusable shipping boxes made by the start-up hey circle in our internal logistics since fall 2022. We are currently testing

the option of extending this system to our shipping for B2B customers. Our aim is to ensure that shipping material is reused, similar to the clothes hanger circular system. Thanks to this initiative, 48% of DRYKORN hangers were reused multiple times in 2023.



*More about
hey circle*



**176 TONS OF
PACKAGING MATERIAL**

were used in 2023.

A photograph of three models walking in a city street. On the left, a blonde woman in a dark green sweater and jeans. In the center, a woman in a black leather jacket with a white fur collar over a green top and plaid pants. On the right, a man in a dark green suit and tie. The background shows multi-story buildings and trees.

FOR BEAUTIFUL PRODUCTS

Immense resource consumption, high levels of post-consumer waste and the exploitation of animals – none of this could be further from our values. Yet these are problems that are inherent to the fashion industry we are part of. Because of this, we take a clear stance against fast fashion, uphold on-demand production and design high-quality, timeless clothing that accompanies its wearers for a long time to come. We stand for fashion that always strives to live up to our commitment to more ecological products.

100% preferred fibers by 2030

All our products use preferred fibers from renewable or recycled raw materials. The criteria are regularly reviewed and adapted to the latest standards.

100% animal welfare by 2025

We only use materials that uphold animal welfare standards.

100% preferred production by 2030

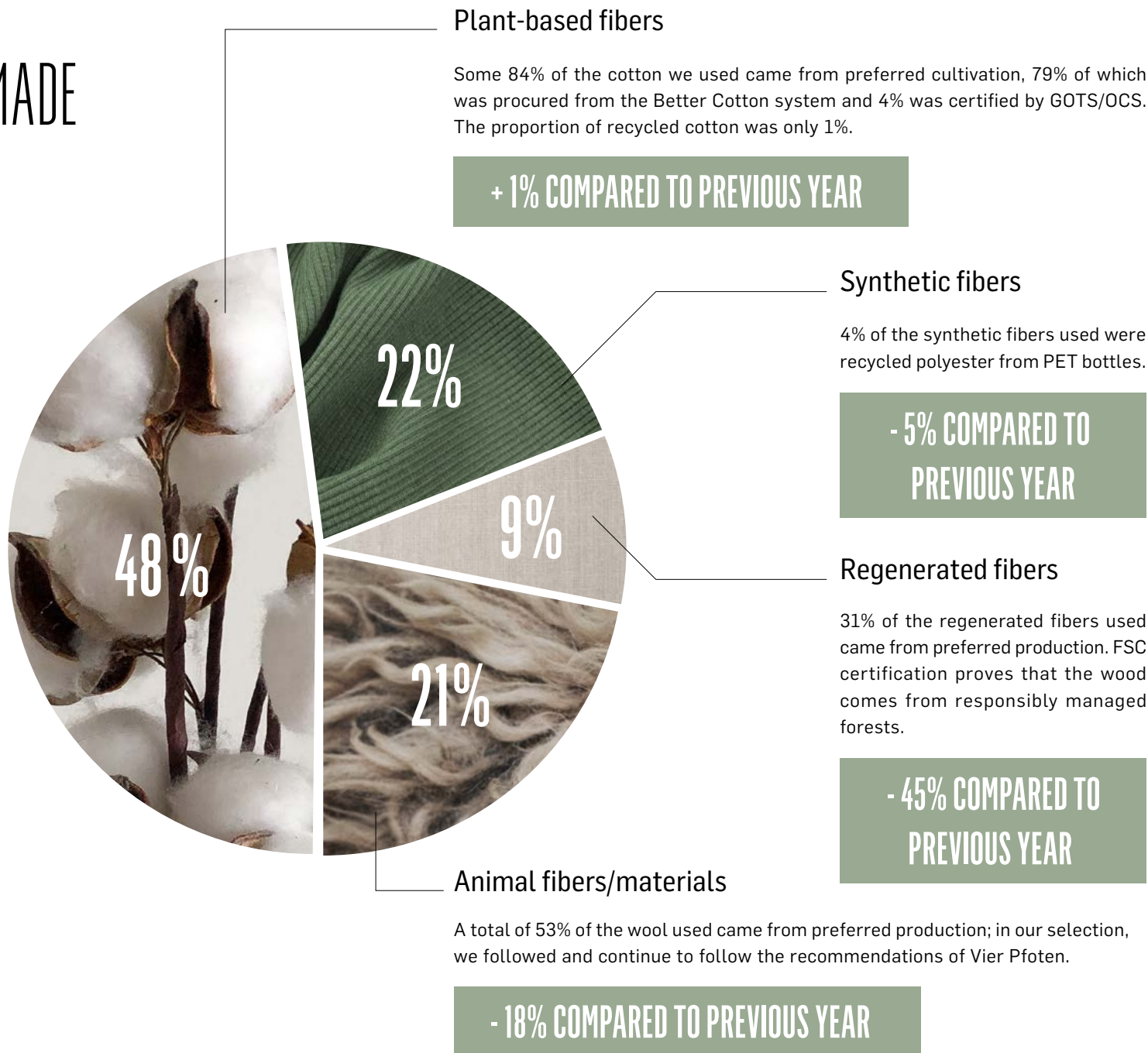
Our clothes are the product of resource-efficient manufacturing processes. Optimized processes enable ecological impacts to be reduced to a minimum wherever technically possible.

100% recyclable products by 2030

By following a circular economy, all of our products are given the chance to extend their life cycle. The proportion of garments in the collection that are being recycled is continuously growing. Individual labels and product IDs inform customers about repair, resale, maintenance and possible recycling options.

78 % OF OUR PRODUCTS ARE MADE USING NATURAL FIBERS

Cotton and wool play a central role in our fashion. Synthetic fibers constitute 22% of our total fiber volume and complement the natural fibers with specific properties such as elasticity, durability and good washing properties. Our goal is to achieve an optimal balance between the use of virgin fibers, recycled fabrics and synthetic raw materials without compromising on the quality, longevity and value for money that our products offer. We endeavor to use fibers from preferred sources. Industry-specific certification helps us to ensure that we choose progressive, ecological and socially fair fabrics. **In 2023, conditions for procuring certified products at reasonable prices were extremely difficult, and we fell short of our expectations in this area as a result. However, this is all the more reason for us to train our existing suppliers on new and alternative certification this year.**



Fiber use – preferred fibers/materials in total fiber consumption in the reporting year

USING AND WEARING ANIMAL MATERIALS MEANS ASSUMING RESPONSIBILITY

<p>Mulesing</p>	<p>Mulesing is a common procedure used on Australian Merino lambs. It involves cutting and removing crescent-shaped flaps of skin around a lamb's breech and tail to prevent flystrike. A cruel procedure performed without anesthesia that we expressly reject.</p>
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We are committed to procuring animal-based materials from responsible sources. For us, this means that we only use leather and lambskin if they are by-products of the food industry. Leather must come from a tannery certified by the Leather Working Group. A total of 70% of our wool is mulesing-free. We aim to increase this to 100% by 2025.

We don't veganwash our products

The list of primary products, ingredients, processing stages and auxiliary materials used is long. So long, in fact, that even our suppliers are unable to reliably ascertain whether or not animal products have been used. After all, they can also be hidden in detergents (surfactants). So how could

we even attempt to claim with complete certainty that our products are vegan? We can't. What we do know, however, is whether or not products contain direct animal ingredients. If they do not, we label them in our online shop with: "Produced without direct use of animal materials."



Our company and our fashion uphold the following:

**NO ANGORA | NO MOHAIR |
NO REAL FUR | NO MATERIALS FROM
EXOTIC OR ENDANGERED SPECIES**

OUR PRODUCTION PROCESS IS MORE THAN A BLACK BOX

The production of our garments is subject to stringent ecological requirements. This is why we rely on recognized certificates such as the Standard 100 by Öko-Tex® and concepts such as GOTS. In addition to this, 5-6% of our products were randomly tested for harmful substances in 2023. The error rate was just 0.2%.

We cannot control every stage of our production process, but we can help to shape it with our decisions. By introducing the option of a product footprint from 2026, we aim to gain deeper insights into our garment production in order to extend our positive influence throughout the manufacturing process.

CHEMICALS
RESOURCE CONSUMPTION
WATER CONSUMPTION

MONOCULTURES
AIR, WATER AND
SOIL POLLUTION



LONG-LASTING FASHION WITH A CONSISTENT DESIGN, TIMELESS CHARACTER AND HIGH QUALITY



Longevity

Longevity is one of the key pillars in our aim to achieve a truly circular economy. To ensure this, our products, fabrics and ingredients undergo physical textile tests as well as repeated wash and wear tests. This guarantees that today's favorite garment has a new lease of life in the future.

Repair

A torn button, a small hole or a broken zipper – thanks to our efficient repair service and the online repair guide due to be published this year, memories of a wild night and your DRYKORN favorite will be preserved for a long time to come. We donate factory thirds to local charity stores or offer them to our employees in return for a donation. In 2023, just 0.2% of returned items had to be destroyed. No energy utilization took place. This is thanks to our collaboration with the textile recycling company TURNS®. Its aim is to find the highest-quality value stream for every fiber donated to it. In the best-case scenario, new yarns are made from these fibers.

Textile care

Sometimes all that is needed to keep your favorite garment in shape for as long as possible is the right care. This is why, from the spring/summer 2024 collection, a QR code on the care label will take customers to our DRYKORN MIND website. From 2024, the site will provide them with everything they need to know about how to care for, repair or resell their DRYKORN garments. This signals the first step towards the EU Digital Product Passport and makes it easier for our customers to access product-relevant information.

OUR ACTIONS OF TODAY DETERMINE THE FASHION OF TOMORROW. THE FASHION OF TOMORROW DETERMINES WHAT OUR WORLD WILL LOOK LIKE IN THE FUTURE.

And exactly this lies in our hands. In the hands of companies like DRYKORN, of those who sell our clothes and of those who wear them. This is why we want to establish long-term partnerships even after our clothes have been produced – in order to preserve the beauty of our planet together. What is needed to achieve this? Open and honest communication with you and everyone else we reach through our fashion.

We do our best to ensure that your DRYKORN favorite consumes as little energy and resources as possible, and that the work that goes into its production is done under social conditions and with fair wages. However, we still have a long way to go to achieve a fully circular collection, and sometimes we do experience the odd setback. This makes us all the more determined to strive to find new and better solutions every day. For our future and the beauty of our planet. For beautiful people.



In light of our company size, we are not subject to the German Supply Chain Act. Nevertheless, we follow its guidelines and endeavor to ensure compliance in all areas.

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DRYKORN FOR BEAUTIFUL PEOPLE