

SUSTAINABILITY ENVIRONMENT

By joining the BSCI and voluntarily signing up to its code of conduct, the TOM TAILOR GROUP has undertaken to comply with national environmental protection legislation. However, depending on the individual national regulations, the Company does not always consider the local regulations to be sufficient to guarantee adequate environmental protection in the production countries.

The TOM TAILOR GROUP co-founded the Carbon Performance Improvement Initiative (CPI2) in 2011 together with other retail and branded goods companies under the umbrella of the Außenhandelsvereinigung des Deutschen Einzelhandels e.V. (AVE – Foreign Trade Association of the German Retail Trade). This initiative aims to reduce CO2 emissions significantly within individual companies' supply chains. In the emerging and developing countries, huge potential savings in CO2 emissions can be made simply by raising awareness of the problem and by making what are in some cases simple changes. To do this, the CPI2 initiative has developed a management tool for producers in these countries with concrete recommendations on how to save energy.

Following the encouraging completion of its pilot phase in early 2012, the TOM TAILOR GROUP has held seminars in Bangladesh, China, India, Vietnam and Turkey. About 40 of the Group's suppliers are currently involved in the CPI2 project and are at the stage of establishing their existing CO2 emissions. In 2014, all TOM TAILOR GROUP suppliers are expected to participate in the project. The first task is to obtain an overview of the factors causing suppliers' CO2 emissions. After that, targets for cutting CO2 emissions will be set for each individual supplier, taking into account their respective starting situations, and measures will be taken to achieve them. In 2014, the CPI2 initiative plans to extend its activities to other environmental issues such as water and in doing so help to reduce water consumption in the production process. Another project that the TOM TAILOR GROUP has been actively involved with for many years is the "Aid by Trade" foundation's "Cotton made in Africa" (CmiA) initiative. This initiative takes a business-based approach to improving the living and working conditions of cotton farmers in Africa, focusing on the three principles of "Profit, People, Planet". The cotton farmers are trained in modern, efficient, environmentally friendly methods of cultivation that help them to improve the quality of their cotton and raise their income through higher yields. The training concept also extends to children, who are to benefit from improved school education. The "Cotton made in Africa" projects are financed by licence fees, which are paid to the initiative by partner companies such as the TOM TAILOR GROUP in return for the right to sell specified quantities of products made from CmiA cotton. In 2013, the TOM TAILOR GROUP sold a comparable number of products manufactured using CmiA certified cotton as in 2012.

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For some years now, the TOM TAILOR GROUP has also used organic cotton in selected products. This supports the transition from conventional, resource-intensive cotton cultivation towards more ecologically balanced cultivation methods. Organic cotton is produced in accordance with the EU's organic cultivation standards, which are internationally recognised, and the national programmes in Japan, the USA and India. The TOM TAILOR GROUP sources its organically produced cotton from certified suppliers complying either with the leading global certification standard, "GOTS" (Global Organic Textile Standard), or the "Organic Exchange 100" standard. The aim is to steadily increase the proportion of products made from organic cotton year on year. In 2013, the TOM TAILOR GROUP also addressed the issue of recycled cotton and the first products incorporating a certain proportion of recycled cotton arrived in the shops. In the "Tribute to Bambi" fundraising campaign, for example, the TOM TAILOR organic cotton charity jeans contained 15% recycled cotton. In addition, using laser beams in the production process reduced water consumption.