

GERRY WEBER
INTERNATIONAL AG

ST Y

R LIVING SUSTAIN ABILITY

“we
LOVE
fashion”

SUSTAINABILITY REPORT 2014/15

OUR SUSTAINABILITY AT THREE LEVELS

ECONOMIC

RESPONSIBILITY (read more on page 6 et seq.)

920.8

million euros in **REVENUES**
were generated by the
GERRY WEBER Group in
FY 2014/15

29

million **INDIVIDUAL ITEMS**
across all brands were
produced in FY 2014/15

ENVIRONMENTAL

RESPONSIBILITY (read more on page 52 et seq.)

110

**TONS OF CARBON EMISSIONS
SAVED** through the use of geo-
thermal heat at the headquarters
in Halle/Westphalia

-30%

ENERGY CONSUMPTION
in Bluebox equipped stores

SOCIAL

RESPONSIBILITY (read more on page 68 et seq.)

1,318

TRAINING HOURS
were provided to
employees in FY 2014/15

120

EMPLOYEES
were on
parental leave
in FY 2014/15



WIN

SUSTAINABILITY

Sustainable operation

and social responsibility form part of the set of values of GERRY WEBER International AG. Both serve as the basis for forward-looking and value-based corporate governance. We have committed ourselves to attaining the objectives we have set ourselves with regard to social and environmental responsibility without ever losing sight of our goal to generate profitable growth.



“we
LOVE
content”

A SUMMARY OF THE MOST IMPORTANT INFORMATION IS PROVIDED UNDER THIS SYMBOL AT THE END OF EACH CHAPTER.

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fashion”

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WORDS AND ACTIONS

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Foreword of the Management Board

**DEAR
CUSTOMERS,
PARTNERS
AND FRIENDS
OF OUR
COMPANY,
DEAR
READERS,**

This Sustainability Report for the financial year 2014 / 15 marks our first effort to make our sustainability-related objectives and activities transparent. We would like to inform you of our progress and developments, but also want to present an authentic view of upcoming challenges we want to and have to master.

As a global fashion and lifestyle company and an important employer in Germany, but also with a view to our customers, we are committed to responsible and sustainable corporate governance. We believe that sustainable management means achieving a balance between business requirements in all areas of the company on the one hand and environmental and social aspects on the other hand. In all three areas, we strive for constant improvement in the respectful treatment of people, the environment and nature.

Our business is influenced by the economic and geopolitical conditions in our output markets. Adverse developments, just like the far-reaching crisis in the Ukraine, may have a material impact on demand and, hence, on our sales revenues. The procurement markets of the textiles industry are also characterised by great uncertainties such as political instability, poverty and natural disasters. We therefore attach great priority to organising GERRY WEBER's procurement and sourcing activities in such a way that potential risks remain manageable. In doing so, we focus not only on financial aspects but also aim to protect our local suppliers and employees and to ensure their safety.

Our success in the past decades would have been impossible without the employees in our headquarters, our foreign offices and our branches as well as the workers in the production facilities of our manufacturing partners. We refuse to compromise where their safety is concerned. It goes without saying that we do everything possible to ensure humane and safe working conditions. In doing so, we are well aware of the many different and sometimes difficult living conditions in the manufacturing countries. The commitment to purchase high-quality merchandise under socially and environmentally compatible conditions therefore represents an integral element of our sustainability strategy.

**” OUR EMPLOYEES
STAND FOR THE
SUCCESS OF OUR
COMPANY**

1 T-SHIRT 140

To ensure that we meet our own standards, we comply with the Code of Conduct of the BSCI on the one hand. On the other hand, we decided, in the financial year 2014/15, to join the Sustainable Textiles Partnership. Together with the other members, we strive to improve the social, environmental and economic conditions along the value chain and to communicate them to our stakeholders in a transparent manner. Last year, we started to organise international supplier workshops in order to get a better understanding of the local conditions and promote cooperation with our suppliers with regard to social standards and working conditions above and beyond compliance with relevant international standards. The first workshop took place in Istanbul. More workshops in other countries will follow in the coming months.

Our activities are focused not only on improving social standards but also on environmentally compatible and resource-efficient production. Our objective is to greatly reduce the considerable impact of production processes on the environment in the coming years. In view of the complex textile supply chain - the production of a T-shirt, for instance, comprises 140 production steps - these objectives represent a major challenge, but we are sure that we will master it successfully.

GERRY WEBER International AG is committed to acting in a responsible and sustainable manner now and in the future. We live up to our corporate responsibility towards people, the environment and nature, we have anchored the idea of sustainable management in our long-term corporate objectives and we are ready to be measured by the accomplishment of the objectives we have set ourselves. This is why the present Sustainability Report is geared to the latest requirements of the Global Reporting Initiative (GRI).

We thank you for the confidence placed in GERRY WEBER and your interest in our report.

On behalf of the Managing Board

Ralf Weber

Dr. David Frink

Norbert Steinke

PRODUCTION STEPS make for a complex textile supply chain and represent a great challenge.





MAKING

GERHARD WEBER,
FOUNDER OF
GERRY WEBER
INTERNATIONAL AG

THE

FUTURE

HAPPEN

MAY BE THE
BIGGEST
CHALLENGE
EVERY ONE
OF US SHOULD
EMBRACE.

WE TRY IT ANEW
EVERY DAY.



“we
LOVE
fashion”

**40 YEARS OF
GERRY WEBER:**

Since 1973 the fresh
GERRY WEBER style
has inspired women
all over the world.

THE GERRY WEBER GROUP A COM- PANY WITH A STRONG TRACK RECORD

Company profile

>G4-05 Headquartered in Halle / Westphalia,
>G4-03 GERRY WEBER International AG is one of the best known and most successful fashion and lifestyle companies in Germany. The exceptional story of GERRY WEBER International AG began in 1973 with the vision of a new kind of combination of fashion, lifestyle and experience. The intuition, the visions and the determination of the founders and a strong team resulted in today's international company which is listed in the stock market.

>G4-04

WOMEN ACROSS THE GLOBE ARE ENTHUSIASTIC ABOUT THE GERRY WEBER CORE BRANDS, GERRY WEBER, TAIFUN AND SAMOON, WHICH STAND FOR AN ACTIVE LIFESTYLE – EXCITING, MODERN AND FEMININE. MUNICH-BASED FASHION COMPANY HALLHUBER JOINED THE GERRY WEBER GROUP IN 2015 AND COMPLEMENTS THE BRAND PORTFOLIO WITH YOUNG AND URBANE FASHION.

W
M
4

FOUR
POWERFUL
brands

“*we*
LOVE
fashion”



GERRY WEBER AND ITS SUBLABELS,
GERRY WEBER Collection, **GERRY WEBER**
EDITION AND **GERRY WEBER Casual**,
OFFER FIRST-CLASS FASHION PRODUCTS
FOR MODERN 40+ WOMEN WHO PREFER
FEMININE, HIGH-QUALITY FASHION.



we
LOVE
SAMOON
by GERRY WEBER

7 **SAMOON** by GERRY WEBER is our brand for plus sizes. It stands for casual, self-confident fashion products made from high-quality materials and offering a perfect fit to show women's curves in a favourable light so that they can feel good about themselves.



we
LOVE

HALLHUBER

7 **HALLHUBER** complements our brand portfolio for fashion-conscious women and offers a unique choice of ready-to-wear items, accessories, bags and shoes to create individualised looks. Every two weeks, HALLHUBER presents highly up-to-date collections which offer countless possibilities for combination and always reflect the current zeitgeist.

we
LOVE

GERRY WEBER
COLLECTION

7 **GERRY WEBER Collection** offers complete feminine outfits with perfectly matched cuts and colours, which ensure that the individual items can be combined to perfection. GERRY WEBER EDITION is a fresh and trendy lifestyle brand – casual, individual and authentic. The young GERRY WEBER Casual collection offers uncomplicated casual fashion combining sporty and feminine elements.



we
LOVE
TAIFUN

7 **TAIFUN** stands for international, feminine and urbane fashion that is trend-oriented but also suitable for business occasions. Casual individual items are offered under the TAIFUN Separates label.



**THE GERRY WEBER
LICENSED COLLECTIONS**

TOGETHER WITH THE GERRY WEBER ACCESSORIES,
THE GERRY WEBER LICENSED COLLECTIONS –
GERRY WEBER BAGS, GERRY WEBER SHOES, GERRY WEBER
JEWELRY AND GERRY WEBER EYEWEAR – **IDEALLY
COMPLEMENT THE FASHION AND LIFESTYLE WORLD
OF GERRY WEBER.**

>G4-O4

“we
LOVE
fashion.”

>G4-06

**GERRY WEBER
ACROSS THE GLOBE:**
GERRY WEBER
operates in
62 countries.



Corporate structure

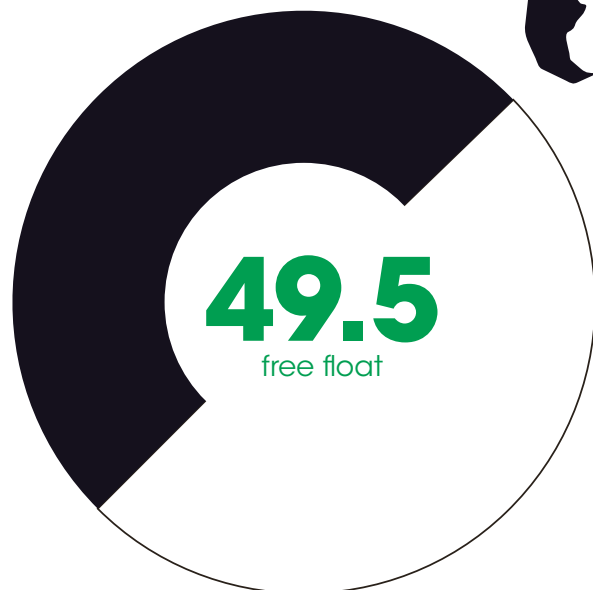
>G4-07 Headquartered in Halle/Westphalia, GERRY WEBER International AG is registered as a joint stock company under German law, whose shares are admitted for trading on the Regulated Market in the Prime Standard of the Frankfurt Stock Exchange. The company is the ultimate parent of the Group.

>G4-13 In December 2014, the company acquired all shares in Munich-based fashion company HALLHUBER. As an operational holding company, GERRY WEBER International AG provides Group-wide services such as accounting, controlling, HR, IT, auditing, compliance as well as marketing and communication. To negotiate the best possible terms and conditions and to achieve economies of scale, the holding company is also responsible for product development and procurement. The complete purchasing process is coordinated in close consultation with the subsidiaries. With the exception of certain HALLHUBER units, all divisions are fully integrated into the holding company.



Shareholder structure
as at 29 Feb. 2016
in %

29.6 Gerhard Weber. **17.5** Udo Hardieck.
3.4 Ralf Weber. **5.3** BNY Mellon Kapital-
anlage-Gesellschaft *




* included in free float

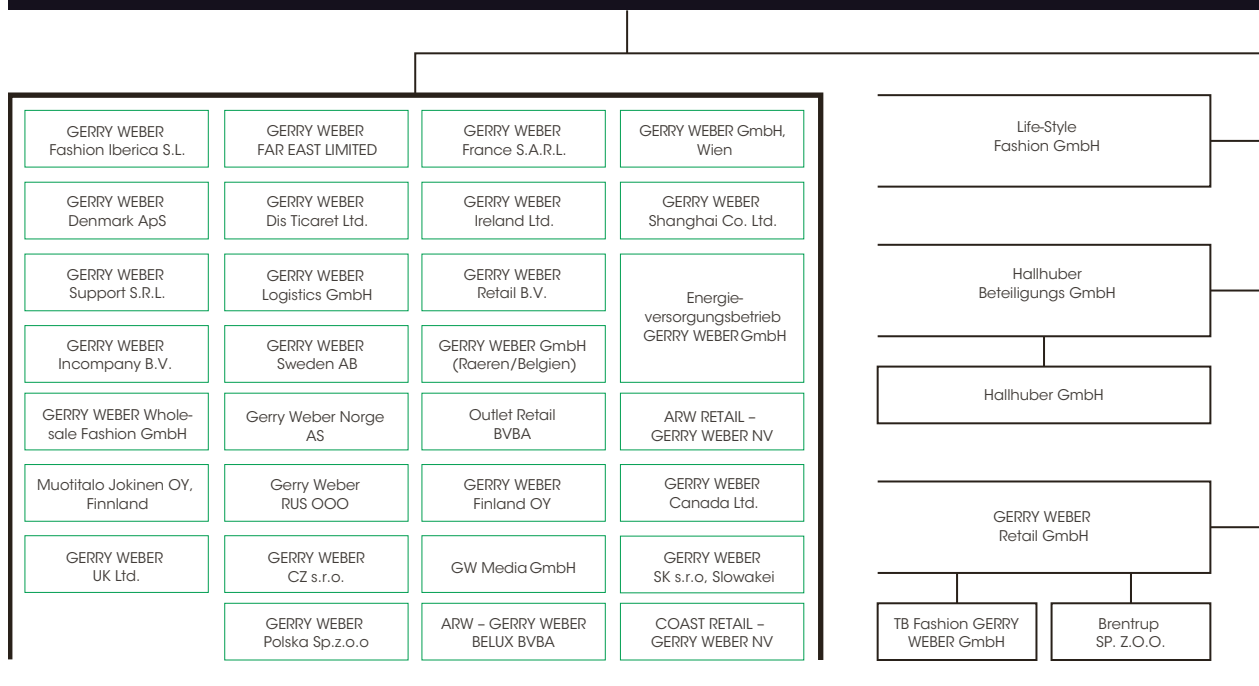
662

Houses of GERRY WEBER and mono-label stores



 Legal corporate structure

GERRY WEBER International AG



**Markets served
and distribution channels**

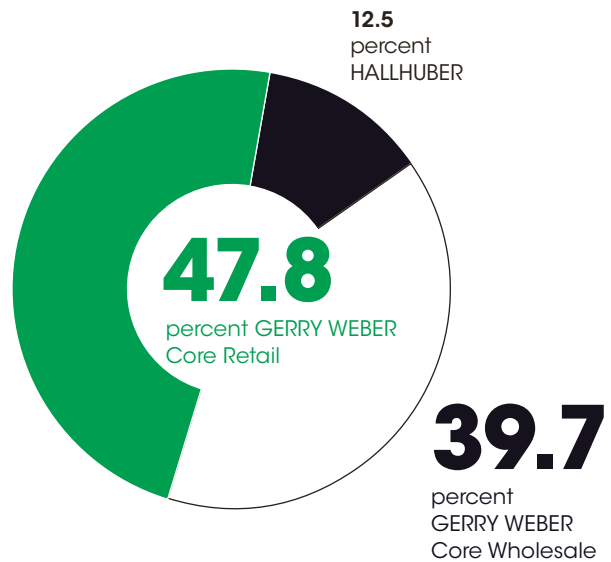
>G4-06
>G4-08

As of the end of the reporting period (31 October 2015), the GERRY WEBER Group had distribution structures in over 60 countries worldwide, where it operated 662 company-managed Houses of GERRY WEBER (HoGW) and mono-label stores (previous year: 629). In addition, there are about 291 concession stores (previous year: 119) and 34 outlet stores (previous year: 30). The GERRY WEBER Group's store portfolio also comprises 262 HALLHUBER stores and concession stores as well as 13 HALLHUBER outlet stores, which means that we operate a total of 1,262 company-managed points of sale. We also operate 2,510 shop-in-shops in the stores of our retail partners as well as branded online shops in nine countries. 271 stores are managed by franchisees.

**Number of sales spaces
by distribution channel**

	2014 / 15	2013 / 14
GERRY WEBER Core-Retail		
Houses of GERRY WEBER	520	485
Mono-label stores	142	144
Concession stores	291	119
Factory outlets	34	30
GERRY WEBER Core Wholesale		
Houses of GERRY WEBER	271	282
Shop-in-shops	2,510	2,808
HALLHUBER		
HALLHUBER mono-label stores	117	-
HALLHUBER concession stores	145	-
HALLHUBER outlet stores	13	-

**Breakdown of 2014 / 15
Group revenues by segment** as
of 31 October 2015



In 2014 / 15, an average of 7,027 (2013 / 14: 5,202) employees in Halle / Westphalia, our sales offices, our production facilities in Romania and the worldwide stores contributed to the success of the company. GERRY WEBER generated total sales revenues of EUR 920.8 million in 2014 / 15, up 8.1% on the previous year.

The distribution system of the GERRY WEBER Group is based on two pillars, i.e. the Wholesale segment (distribution via partners) and the Retail segment (distribution via company-managed sales spaces and online shops). To enable transparency and facilitate a comparison with the prior year figures, "HALLHUBER" is shown as a separate segment in addition to the existing "GERRY WEBER Core Wholesale" and "GERRY WEBER Core Retail" segments. HALLHUBER is counted towards the GERRY WEBER Group's Retail segment on account of its fully vertically integrated business model.

THE GERRY WEBER CORE RETAIL SEGMENT COMPRISES ALL COMPANY-MANAGED POINTS OF SALE AND ONLINE PLATFORMS AND CONTRIBUTED EUR 440.3 MILLION (2013/14: EUR 404.9 MILLION) OR 47.8% TO TOTAL GROUP REVENUES (2013/14: 47.5%).
(EXCL. HALLHUBER)

156,300 **sqm**

This is the total size of the **POINTS OF SALE** of the **GERRY WEBER Core Retail** segment at the end of **FY 2014 / 15.**

As HALLHUBER exclusively operates company-managed points of sale, its sales revenues (EUR 150.2 million) are counted towards the Retail channel. Total sales revenues generated by the company-managed points of sale amounted to EUR 555.4 million or 60.3% of total Group revenues. The GERRY WEBER Core Wholesale segment recorded sales revenues of EUR 365.4 million (2013/14: EUR 447.2 million), which represents 39.7% of the Group's total sales revenues.

The latest Annual Report includes more information on total capitalisation, sales revenues and staff numbers broken down by segments and brands (pp.45).

www.gerryweber.com/annual_report

 **Sales and distribution channels**



*Wholesale customers who have transferred the order process to GERRY WEBER



*RALF
WEBER
(CEO)

*DR. DAVID
FRINK (CFO)

*NORBERT
STEINKE
(CRO)



A CLOSE EYE ON SUSTAINABILITY

Managing Board of
GERRY WEBER International AG:

Ralf Weber (Chief Executive Officer).
Dr. David Frink (Chief Financial Officer) and
Norbert Steinke (Chief Retail Officer)

Management Board of

GERRY WEBER
International AG



MANAGING BOARD MEMBERS

AT THE TIME OF THE PREPARATION OF THE PRESENT REPORT, **THE MANAGING BOARD OF GERRY WEBER INTERNATIONAL AG IS COMPOSED OF THREE MEMBERS:**

- 1 **Ralf Weber** was appointed Chief Executive Officer (CEO) with effect from 25 February 2015 and is in charge of Wholesale and Corporate Development.
- 1 In his capacity as CFO and COO, **Dr. David Frink** is responsible for Finance, IT, Logistics, Production, Administration and Human Resources and serves as the contact for the capital market.
- 1 As CRO, **Norbert Steinke** has been in charge of the Retail segment since 19 October 2015.
- 1 **Arnd Buchardt** was responsible for Products, Brands and Licenses until 30 November 2015.

>G4-34

1 Corporate Governance

Managing Board

Under the dual board system of GERRY WEBER International AG, the Managing Board is responsible for managing the company and represents the company in transactions with third parties. It defines the corporate objectives and the strategic positioning of the GERRY WEBER Group and controls and monitors the business units and subsidiaries. The Managing Board gears its activities and decisions to the interests of the company and is committed to creating sustainable value.

Supervisory Board

The Supervisory Board supervises and supports the Managing Board and is directly involved in decisions that are of fundamental importance for the GERRY WEBER Group. The Supervisory Board maintains a constant exchange with the Managing Board, which ensures that it is at all times informed of the business performance, corporate planning and strategy.

THE GERRY WEBER COMPANY IN 2014/15

SUSTAINABILITY
FACTS &
FIGURES
>G4-09



€

└ **TOTAL REVENUES**
of EUR 920.8 million

79.3

└ million euros
in **EBIT**



└ **SUPPLIERS**
in over 23 countries

483.4

└ million euros
in **EQUITY**



└ **7,027 EMPLOYEES**
worldwide contribute
to the company's
success every day
(annual average)

1,262

└ **COMPANY-MANAGED
POINTS OF SALE**
(incl. HALLHUBER) in over
62 countries



SUSTAIN- ABLE OPERATION

IS A
FUNDAMENTAL
PRINCIPLE

OF OUR
CORPORATE
RESPON-
SIBILITY.

RALF WEBER,
CHIEF EXECUTIVE
OFFICER OF
GERRY WEBER
INTERNATIONAL AG



SUSTAINABILITY RESPON- SIBILITY FOR THE FUTURE

Corporate strategy

Sustainable operation and social responsibility form part of the set of values of GERRY WEBER International AG. Both serve as the basis for forward-looking and value-based corporate governance. We have committed ourselves to attaining the objectives we have set ourselves with regard to social and environmental responsibility without ever losing sight of our goal to generate profitable growth. For us it goes without saying that elementary human and labour rights are respected in the manufacture of our products.

As a global fashion and lifestyle company, the GERRY WEBER Group produces its garments in different regions of the world. The company aims to offer its high-quality products at a fair price-performance ratio without compromising on its values and its social responsibility, which is also in the interest of our customers.



It is therefore an integral element of GERRY WEBER's procurement strategy to purchase high-quality goods produced under socially and environmentally compatible conditions. We feel it is our obligation to source products only from those manufacturers who meet our social and environmental standards. In 2010, we set up a Corporate Social Responsibility unit to improve these standards and ensure compliance. Moreover, GERRY WEBER's human resources policy addresses a wide range of issues related to the labour market and community relations.

38
**MEMBER
COM-
PANIES**
of the Group have endorsed the
GERRY WEBER Compliance Guidelines.

7 Values and guidelines >G4-56

Our values are expressed in the Code of Conduct for our Managing Board, our executives and our worldwide employees as well as in the Code of Conduct and the Social Compliance Agreement signed by every supplier as the basis for cooperation. Our internal Code of Conduct is complemented by Group Guidelines. These primarily include the Guidelines on Antitrust and Competition Law and on Accepting and Granting Privileges.

Esteem and respect are fundamental values of our company.

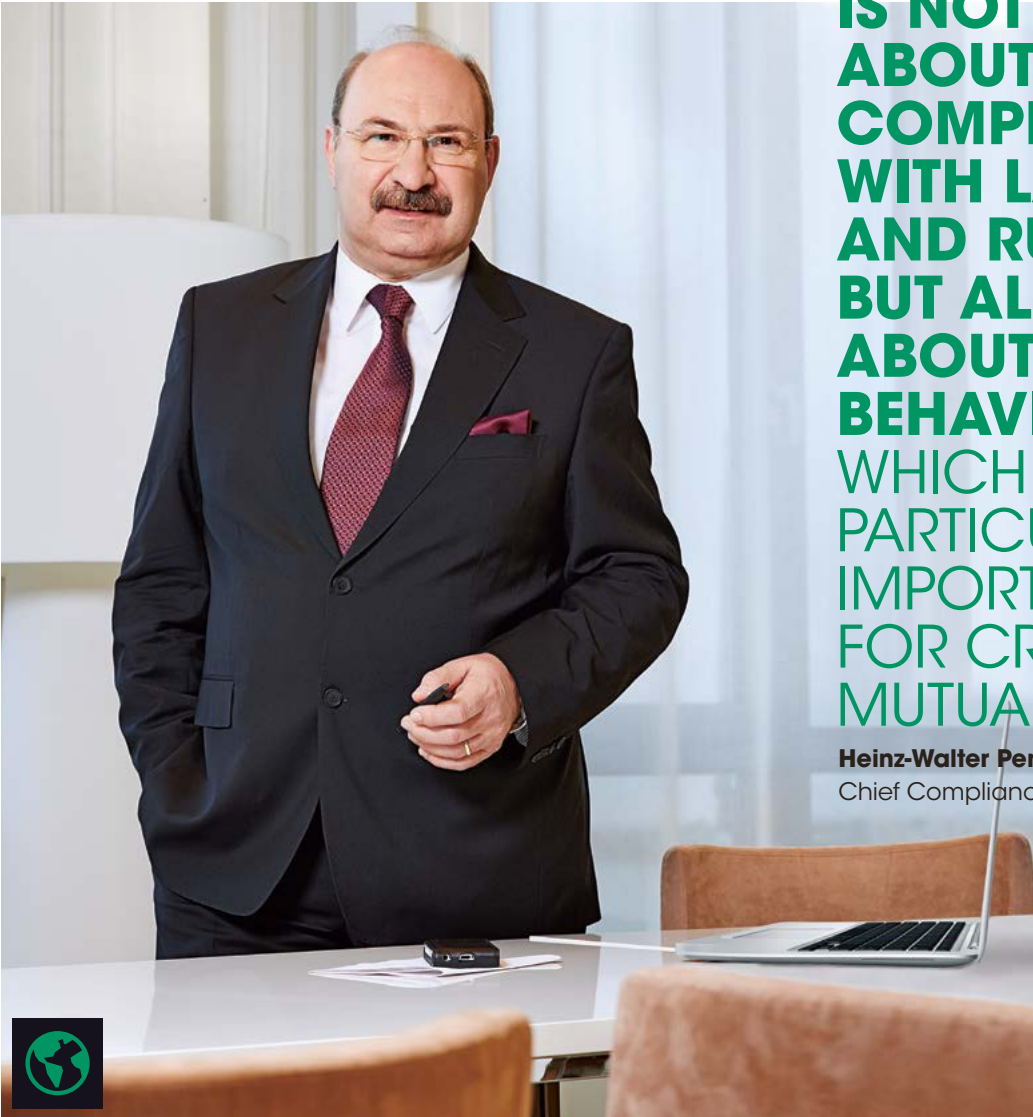
We are committed to respecting individual and cultural differences as well as to offering equal opportunities.

We respect human rights and make sure they are complied with. We do not tolerate disrespectful, intimidating or offensive actions towards GERRY WEBER, its shareholders, customers, business partners or employees.

We see ourselves as role models and are aware that our personal behaviour goes a long way towards ensuring that GERRY WEBER is perceived as a responsible and reliable company.

” **COMPLIANCE IS NOT ONLY ABOUT COMPLIANCE WITH LAWS AND RULES BUT ALSO ABOUT ETHICAL BEHAVIOUR, WHICH IS PARTICULARLY IMPORTANT FOR CREATING MUTUAL TRUST.**

Heinz-Walter Pentek,
Chief Compliance Officer



OUR COMPLIANCE GUIDELINES GIVE OUR EMPLOYEES A RELIABLE FRAMEWORK **FOR RESPONSIBLE BEHAVIOUR.**

>G4-56

Compliance

GERRY WEBER's success is based on the confidence our customers and business partners place in our brands.

It is the task of each individual employee to justify this confidence and to increase it. We also attach top priority to ensuring trust among and between our employees by insisting on compliance with applicable laws as well as ethically and morally impeccable behaviour. We therefore want to provide our employees with a consistent and reliable framework of reference and have therefore developed our Responsible Action Guidelines, which are summarised in the GERRY WEBER Code of Conduct.

Our **Code of Conduct** defines general rules of conduct in dealings with colleagues, customers, suppliers, business partners and other stakeholders and applies equally to the Managing Board, the managers and executives and all employees worldwide. It is designed to help us meet our own high standards as well as social requirements. The Code also forms **the basis for our Group Compliance Guidelines**, which comprise the key points of the Code of Conduct. The guidelines on antitrust and competition law, avoiding conflicts of interest, the treatment of gifts and invitations, the handling of information and data, social compliance, capital markets and communication as well as health, environment and safety define a binding framework which helps us **achieve our goals** and pursue our joint strategy.

 **COMPLIANCE COMMITTEE**

TASKS

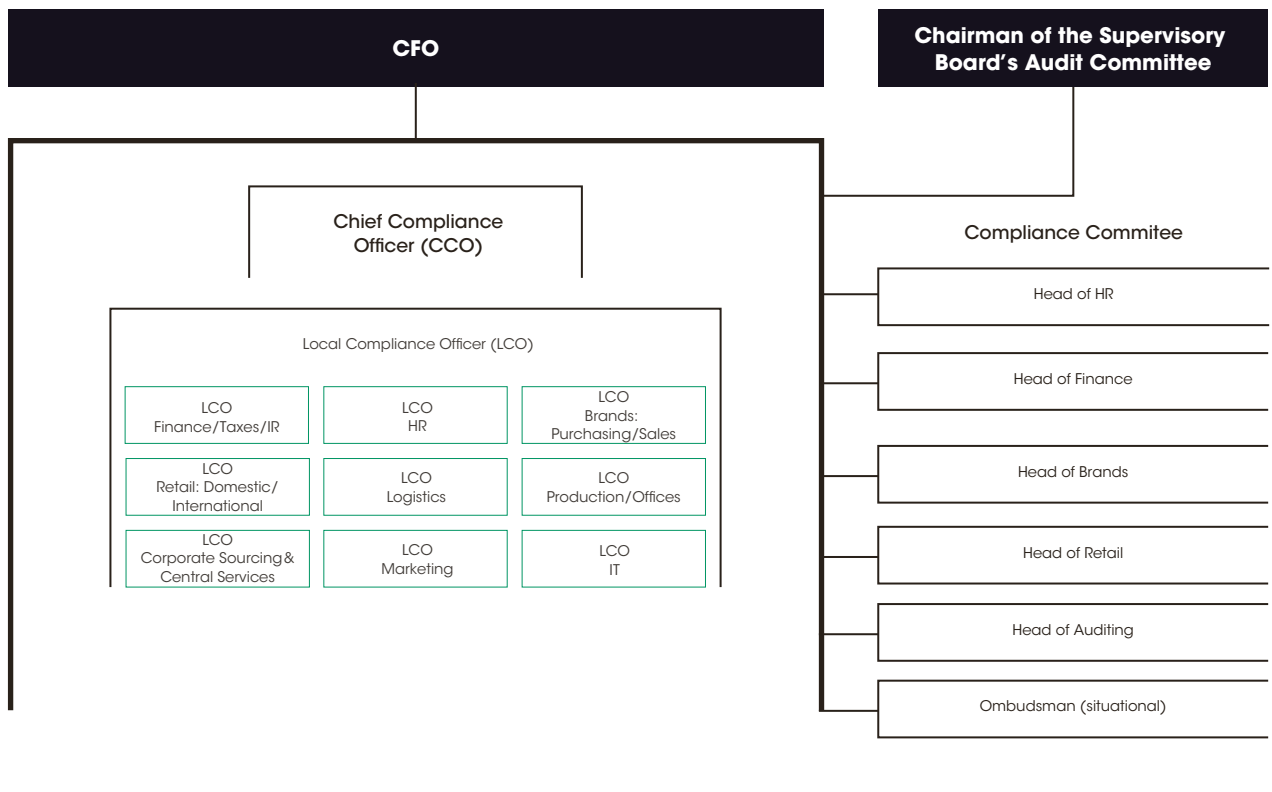
MANAGING FUNCTION

CROSS-DISCIPLINARY MANAGEMENT OF THE ORIENTATION OF THE COMPLIANCE PROGRAMME AND THE COMPLIANCE-RELATED ACTIVITIES WITHIN THE COMPANY.

ADVISORY FUNCTION

ASSISTANCE IN THE INVESTIGATION OF MATERIAL VIOLATIONS OF THE COMPLIANCE REGULATIONS AND RECOMMENDATION OF APPROPRIATE MEASURES IF REQUIRED.

 **The Compliance structure**





The Compliance Programme is complemented by a company-wide whistleblowing system which encourages employees to openly express their ideas and concerns and to attract attention to circumstances which suggest that laws or internal guidelines may be violated. Whistleblowers should contact their superiors, the respective management team, the staff council or the Chief Compliance Officer. Employees and third parties may also contact an independent external ombudsman, who will treat their information confidentially and anonymously. If desired, the ombudsman will ensure the whistleblower's anonymity also towards GERRY WEBER.

In the reporting period, there were no cases of non-compliance or justified complaints regarding the abuse or loss of customer data. During the reporting period, there were eight general inquiries regarding the legality of the collection, storage and passing on of data. In addition, twelve other concerns and various inquiries were addressed to the Chief Compliance Officer and/or the ombudsman. All of them were properly processed and concrete measures were initiated where necessary.

Memberships of and cooperations with associations

As a global player operating in the clothing industry, we have collected a wealth of professional knowledge and experience over the past years and decades. This facilitates a broad exchange of knowledge and opinions with other players in our sector as well as with stakeholders, which we use in various associations and initiatives to gain new ideas, insights and contacts.

- In 2010, we became an active member of the Business Social Compliance Initiative (BSCI). We have joined various working groups to make sure that our global suppliers comply with and improve international labour and social standards. By joining forces with some 1,300 companies, we systematically work to achieve improvements along the supply chain and pool our resources to reach our shared objectives. This is described in detail below.



- Dialog Textil-Bekleidung (DTB) is a communication platform we use regularly to communicate. Companies working all along the textile chain have formed working groups to address tasks and issues and develop potential solutions. Within the textiles and clothing industry, the DTB addresses issues relating to the improvement of product quality. This dialogue between the partners of the textiles and clothing industry and retailers increases the efficiency and the competitiveness of its international members.



- We are also a member of GermanFashion Modeverband Deutschland e.V., which represents the German fashion industry. It assists its member companies with all industry-specific and current issues and represents them vis-à-vis legislators, local authorities and other organisations. They are also kept informed of the latest developments in the fashion industry.



- Gesamtverband der deutschen Textil- und Modeindustrie e.V. (textil+mode) represents the industry in matters relating to economic policy and, in its capacity as an employers' federation, in the field of social policy and collective bargaining. The association aims to secure the innovation capacity and, hence, the leading position of Germany's textile and fashion companies worldwide and to highlight the attractiveness of Germany as a place for business both in Germany and abroad. Dr. David Frink, member of the Managing Board of GERRY WEBER, is a member of the Board of Directors of the regional textil+mode association for northern Germany (textil+mode Regionalverband der Norddeutschen Textil- und Bekleidungsindustrie).



>G4-15
>G4-16

7 Sustainability strategy

GERRY WEBER International AG is committed to responsible and sustainable corporate governance. Sustainable action all along the value chain is both part of our identity as a company and a fundamental principle of our corporate responsibility. It comprises the environmental, social and economic activities of GERRY WEBER International AG and always reflects our responsibility towards our stakeholders.

Economic responsibility

Healthy growth forms the basis for the long-term existence of our company. GERRY WEBER attaches great importance to pursuing its growth objectives within an environmental and social framework. To us, sustainable operation also means building trusting partnerships with our stakeholders and growing with them.

Environmental responsibility

We attach top priority to sustainable business management and environmentally compatible and resource-efficient production. We consider it our responsibility to exclusively source our products from manufacturers who have explicitly committed themselves to complying with the agreed social and environmental standards. Animal and species protection is explicitly anchored in our Code of Conduct.

Social responsibility

We assume responsibility both for our own employees worldwide and for the employees of our suppliers. We support them with the aim of ensuring compliance with human rights and social standards as well as the payment of fair wages by our manufacturing partners.

Responsibility towards our stakeholders

We are committed to public sustainability reporting. We regularly and transparently report on the measures we have initiated which have or will have an impact on the environment and society at our locations in Germany and our worldwide supplier operations as well as on the implementation of sustainable principles in our core business. With regard to the sustainability aspect, we attach particular importance to the health and long-term satisfaction of our customers and stakeholders, which is why we have committed ourselves to offering products that are harmless to humans. To achieve this goal permanently for all GERRY WEBER brands, the quality of our products is controlled and assured from the planning stage to delivery.

**GERRY WEBER IS
COMMITTED TO
ECONOMICALLY,
ENVIRONMENTALLY
AND SOCIALLY
RESPONSIBLE
OPERATION IN AC-
CORDANCE WITH
THE DEMANDS
MADE BY ITS
STAKEHOLDERS.**

5

DIRECT

STAKEHOLDER GROUPS have been identified in the context of our stakeholder analysis and been incorporated into our materiality matrix together with their respective interests.



GERRY WEBER Accessories

Material topics

This is the first sustainability report published by GERRY WEBER International AG. It is following the GRI standards. Given that this is our first report of its kind, we cannot fully comply with all reporting criteria, but we aim to achieve this in the coming years. In order to pursue this aim, we have defined specific objectives for relevant areas and topics. These can be found at the end of the respective chapters.

>G4-18

Materiality analysis

1. Comprehensive internal analysis as the basis

To determine the material sustainability topics, we carried out a comprehensive, company-wide analysis.

Aspects of sustainability were determined and prioritised with regard to their risk and the relevance of the topic internally and in close cooperation with the Managing Board and the management. This was followed by several talks with the individual specialist departments involved in planning and implementing sustainable projects as well as with other internal interfaces. The Group's Managing Board has assessed the relevance of the topics determined for the business success in the next five years.

>G4-24

2. Stakeholder analysis

>G4-25

As an organisation, GERRY WEBER operates in a broad environment of internal and external stakeholders, whose respective interests have been incorporated into the materiality analysis. Building on this, we have defined our indirect and direct stakeholders. Direct stakeholders are those groups who have a direct influence on our business activity and/or value chain. The following report therefore refers to these defined stakeholder groups. We have defined five direct stakeholder groups: shareholders/analysts, consumers, business customers, employees as well as suppliers and producers/manufacturers.

>G4-26

3. Maintaining a dialogue with our stakeholders

We maintain a close and constant dialogue with our most direct and important stakeholder groups. While this exchange is often challenging, it is always profitable in terms of new ideas, partnerships and the definition of goals as well as new areas of activity.

Our first materiality analysis is based on different types of communication with our stakeholders:

- Our customers represent one of the most important stakeholder groups of GERRY WEBER, which is why we attach great importance to their opinions, questions and concerns. We regularly analyse customer inquiries received by mail, e-mail or phone, also with regard to sustainability-related topics. Moreover, our social media activities via social networks such as Facebook lead to a quick and direct exchange with our end customers.
- We are active members of various associations and initiatives. Regular contact with other industry players and with NGOs and representatives of civil society and politics allows GERRY WEBER to engage in an exchange with other stakeholders on industry-related and other topics. It also gives us the possibility to get to know third-party opinions, moods and tendencies regarding our company. Sustainable topics play an increasingly important role in this context.

- We maintain regular contacts with various stakeholder groups and systematically record their suggestions. At the regular shareholder events and the Annual General Meeting, we learn which topics are most important to our shareholders.
- Supplier visits and workshops facilitate the exchange with our manufacturing partners and allow us to learn what sustainability topics are currently on the agenda and relevant for GERRY WEBER in the individual countries in which our products are manufactured.

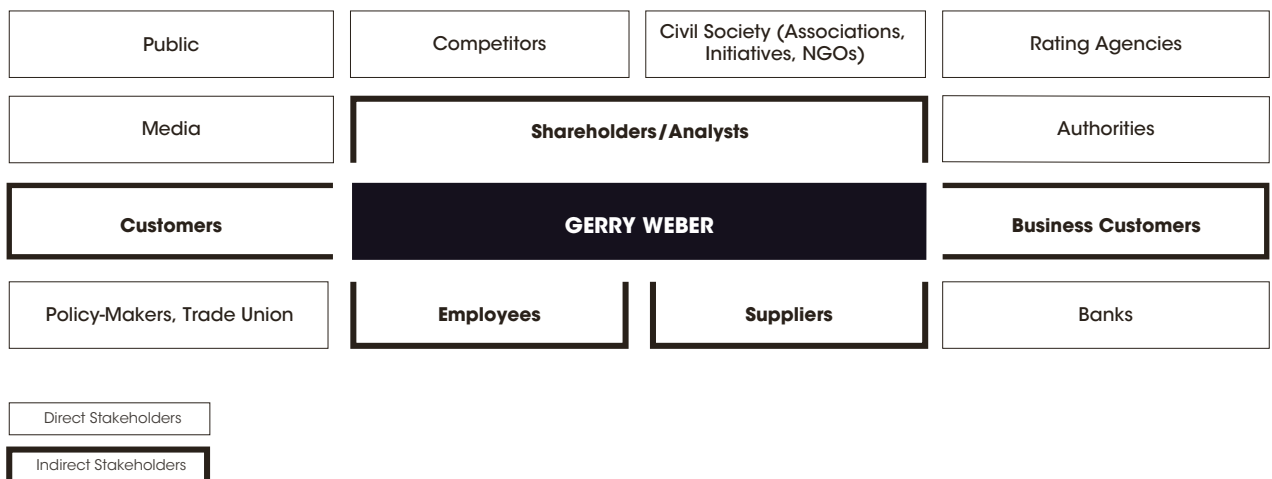
4. Determining material topics

The topics we identified as material were checked against the aspects defined as relevant by our direct stakeholders and their importance for GERRY WEBER. (The combination of both assessments results in the materiality matrix shown below.) We have defined a total of eleven topics that are very important to our stakeholders and are regarded as critical for the business success of the GERRY WEBER Group: These topics have repeatedly been mentioned by our key stakeholders and been classified as relevant by the management.

>G4-27

>G4-24

Our indirect and direct stakeholders



>G4-19
>G4-27

OUR MATERIALITY MATRIX

The upper part of the matrix (green squares) shows the aspects identified as the **highest priority** by both GERRY WEBER and our stakeholders. The present Sustainability Report builds on the result of this analysis and also addresses the topics mentioned by the stakeholders and by GERRY WEBER in the other areas.

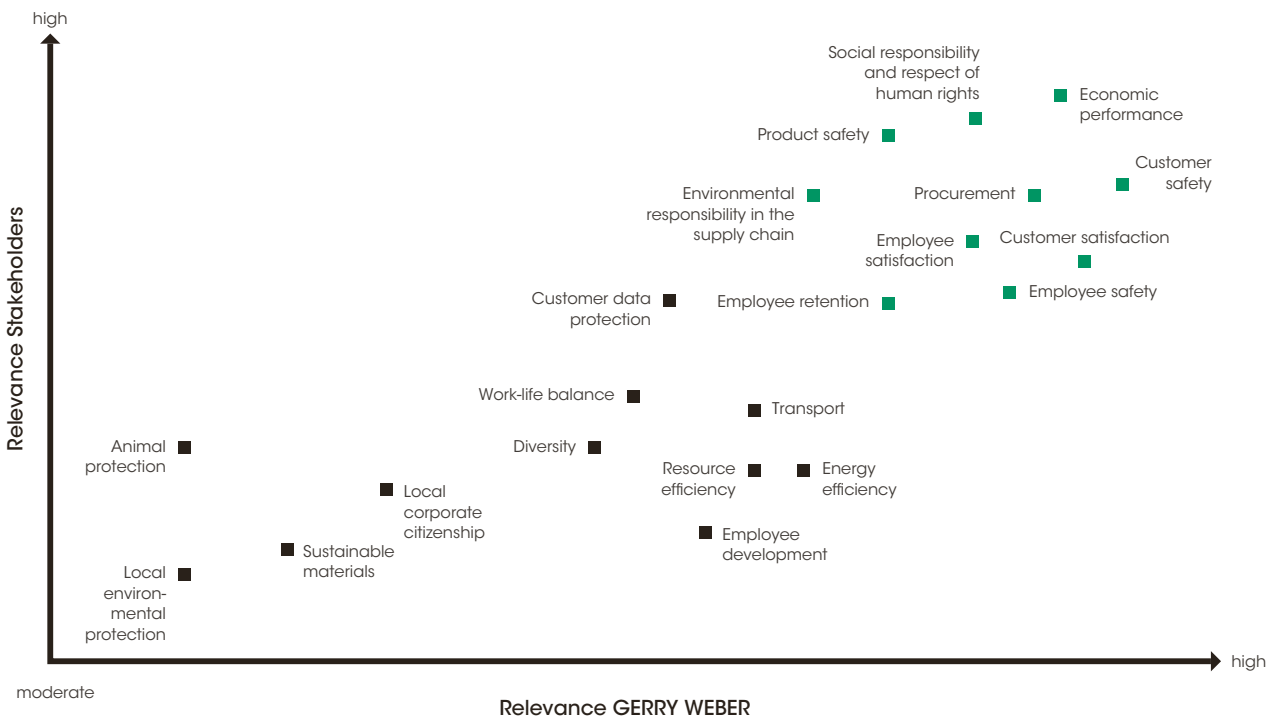


SUSTAINABILITY ASPECTS

THE ABOVE RELEVANT SUSTAINABILITY ASPECTS ARE SUMMARISED IN THE MATERIALITY MATRIX SHOWN BELOW.

- └ economic performance
- └ social responsibility along the supply chain
- └ compliance with human rights
- └ environmental responsibility along the supply chain
- └ employee safety
- └ employee satisfaction
- └ employee retention
- └ customer safety
- └ customer satisfaction
- └ procurement
- └ product safety

Our materiality matrix



29 MILLION

INDIVIDUAL ITEMS were produced by the GERRY WEBER Group in FY 2014/15, with the Hallhuber brand accounting for 3.6 million items out of the total.



GERRY WEBER Collection

>G4-18



Presentation of the process for determining the material topics



>G4-20
>G4-21

Report boundaries

The overview below shows the identified material topics in relation to the three fields of **economy, environment** and **society** as well as the areas/players they affect:

Area / Topic	Explanation	Topic is relevant for	Relevant within the company	Relevant outside the company
Economy				
Performance	Economic performance indicator	Own business operations	x	
Procurement	Cooperation with suppliers; focus on partnership and direct business relationships	Suppliers, business customers		x
Laws	Compliance with laws	Own business operations	x	x
Product quality	Quality guarantee regarding fit and workmanship	Own business operations, end customers	x	x
Customer satisfaction	Satisfaction and confidence of the customers with regard to products and brands	End customers, business customers		x
Product safety	Non-hazardousness of products, compliance with standards and regulations	End customers, business customers		x
Customer safety	Non-hazardousness of the final product, labelling of products	End customers		x
Environment				
Resource efficiency and environmental protection in the supply chain	Responsible use of resources in production (energy, water, chemicals)	Suppliers		x
Resource efficiency and environmental protection at the Halle head office and the HoGWs	Responsible use of energy and water	Own business operations	x	
Animal protection and biodiversity	Avoidance of animal suffering with regard to fur and downs	Own business operations, suppliers	x	x
Transport	By road, sea and air	Own business operations, suppliers	x	x
Society				
Respect of human rights	Assessment of compliance with human rights	Suppliers		x
Working conditions	Assessment of working conditions	Suppliers		x
Social responsibility in the supply chain	Compliance with the Code of Conduct of the Business Social Compliance Initiative (BSCI)	Suppliers		x
Employee satisfaction	Satisfied employees will stay with GERRY WEBER in the long term	Employees	x	
Employee development	Professional vocational training and further education as well as personal development of employees	Employees	x	
Corporate citizenship	Donation activities and social projects at regional and global level	Society		x

SUSTAINABLE OPERATION IS A KEY ELEMENT OF THE SET OF VALUES OF GERRY WEBER INTERNATIONAL AG



“we LOVE sustain-ability”



SUSTAINABILITY IN FY 2014/15

Internal Code of Conduct - Code of Conduct - Social Compliance Agreement

Economic responsibility	Environmental responsibility	Social responsibility
High-quality products at a fair price-performance ratio	Environmentally compatible procurement and production	Respect of elementary human and labour rights along the value chain

Responsibility towards our stakeholders

Important topics in 2014/15

Economic performance	Social responsibility along the supply chain	Compliance with human rights	Environmental responsibility along the supply chain
Employee safety	Employee satisfaction	Employee retention	Customer safety
Customer satisfaction	Procurement	Product safety	

DR. DAVID FRINK,
CHIEF FINANCIAL OFFICER
(CFO) OF GERRY WEBER
INTERNATIONAL AG

IT IS OUR
**OBLI-
GA-
TION**
AND OUR
**RESPON-
SIBILITY**

TO SOURCE GOODS
ONLY FROM
PRODUCERS WHO
COMPLY WITH THE
AGREED SOCIAL AND
ENVIRONMENTAL
STANDARDS TO
PROTECT HUMAN
RIGHTS, SECURE THE
QUALITY OF OUR
PRODUCTS AND
PROTECT THE
ENVIRONMENT.



“we
LOVE
fashion”



SUSTAINABLE PROCUREMENT AND PRODUCTION

Our social responsibility in the supply chain

Sourcing its goods from international manufacturing partners, GERRY WEBER International AG is aware of the different and sometimes problematic working and living conditions in many procurement countries. We are therefore committed to doing our best to ensure compliance with human rights. We make it clear that equal treatment, the freedom of association and the right to collective bargaining must be ensured and protected in relation to both our own employees and the employees of our global manufacturing partners. We condemn child, forced and compulsory labour and will by no means tolerate such practices.



In order to underline our commitment, we joined the BSCI industry initiative in 2010. The guidelines of the BSCI are based on the conventions of the ILO (International Labour Organisation), the UN Human Rights Declaration on the rights of children, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and other internationally accepted agreements. The Code of Conduct defines, among other things, the prohibition of child and forced labour, equal opportunities, the freedom of association, the prohibition of discrimination of any kind, the payment of adequate wages, working hour regulations as well as compliance with occupational health and safety regulations.



THE BSCI CODE OF CONDUCT

- Right to Freedom of Association and Collective Bargaining
- Fair Remuneration
- No Child Labour
- No Forced Labour
- Decent Working Hours
- Special Protection for Young Workers
- Protection of the Environment
- No Discrimination
- Occupational Health and Safety
- No Precarious Employment
- Ethical Business Behaviour

7 Sustainable procurement

We feel committed and obliged to source goods only from manufacturers who comply with the agreed social and environmental standards. The commencement of a business relationship is conditional on the prospective manufacturing partner signing both our Code of Conduct and the Social Compliance Agreement. Our suppliers must be BSCI-audited or at least be able to present a comparable audit accepted by us. To document, improve and ensure these standards, we set up an independent Social Compliance Department already back in 2010.

 **OUR PROCUREMENT STRATEGY**

BUY **HIGH-QUALITY GOODS** PRODUCED UNDER **SOCIALLY AND ENVIRONMENTALLY COMPATIBLE CONDITIONS.**

 **Our values**



”CORPORATE SOCIAL RESPONSIBILITY AND FAIR AND RESPONSIBLE DEALINGS WITH EACH OTHER HAVE BECOME INTEGRAL ELEMENTS OF THE GLOBALISED WORLD.

Annette Koch,
Social Compliance Manager

Our procurement strategy and our purchasing policy have been modified during the reporting period. It has meanwhile been anchored in our policy that no business relations with suppliers are established without the vote of the Social Compliance Officer. The social performance of a potential supplier has thus become an indispensable criterion in favour of or against a supplier. This adjustment of internal processes shows the increased importance we attach to implementing social standards in our sourcing routines.

The production of roughly 29 million items of all brands (including 3.6 million for HALLHUBER) in the reporting period was facilitated by two types of procurement, i.e. cut-make trim (CMT) and full package service (FPS). In the former case, all components required for a garment, such as fabrics, zippers and buttons, etc., are purchased by GERRY WEBER and compiled for production. In contrast to CMT arrangements, suppliers under FPS arrangements produce the entire garment, which means that they are responsible not only for manufacturing but also for the procurement of all materials. We supply our FPS partners with the technical data and give them clear instructions regarding outer fabrics and findings.

48.2

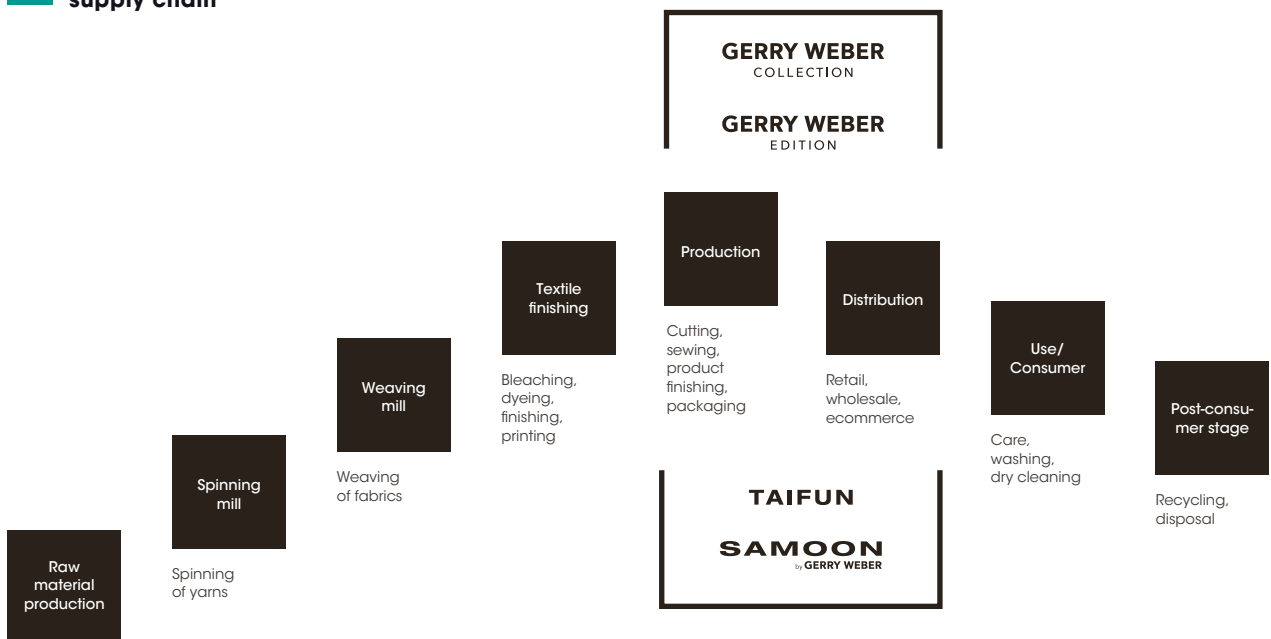
PERCENT of our collections are produced in Asia (2013/14: 49.6%), mostly in China, Sri Lanka, India and Bangladesh.

77.1% of the Core brands of GERRY WEBER were sourced under FPS arrangements (2013/14: 77.9%), while 22.9% (2013/14: 22.1%) were sourced from CMT suppliers in Eastern Europe (mainly Romania and Bulgaria). 48.2% of our collections are produced in Asia (2013/14: 49.6%), with the main focus on China, Sri Lanka, Vietnam and Indonesia; 28.3% comes from Turkey (2013/14: 28.3%). The remaining 3.5% is produced in Eastern Europe. HALLHUBER's key manufacturing countries are China (39.5%), Turkey (23.6%) and Bulgaria (14.1%).

>G4-12




Our textile supply chain



7 Compliance with international social standards along the supply chain

We attach top priority to the high quality of our products and the resulting satisfaction of our customers. We are convinced that they can be ensured only through respectful and trusting dealings with our employees at the Halle/Westphalia headquarters and our stores as well as the workers and employees of our worldwide production facilities.

We primarily concentrate on the cooperation with our manufacturing partners, as sewing is an activity with a low degree of automation, which makes it more risky in terms of social and labour standards and the working environment is characterised by high cost and time pressure.

 What we **expect** of our suppliers

CONTINUOUS IMPROVEMENT	COOPERATION	EMPOWERMENT
<p>As a BSCI member, we have committed ourselves to implementing the Code of Conduct. We expect our manufacturers worldwide to guarantee that they will continuously improve the working conditions in their production facilities.</p> <p>We assist them in their efforts and organise not only BSCI workshops but also our own training courses for and at our manufacturers to increase their commitment to issues such as occupational safety. This not only provides us with an insight into the structures, processes and conditions in the factories but also allows us to get to know the countries from which we source our products.</p> <p>Cultural and regional circumstances show us the special aspects of everyday (working) life of the workers who manufacture our products.</p> <p>Thanks to our on-site visits, we better understand and appreciate their challenges, problems and difficulties.</p>	<p>As an active member, we do a lot within the BSCI. We participate in regular meetings of various working groups to have a say in amendments and improvements of existing contents and structures.</p> <p>According to the motto "only together will we be strong", the alliance of as many as 1,700 companies has the leverage to address the improvement of the working and social conditions more systematically and to bring about notable improvements.</p> <p>We consider the trusting cooperation with our business partners along the supply chain to be extremely important and beneficial. This means that we do not merely focus on the anonymous control of our suppliers but on their continuous development which we want to support.</p>	<p>The BSCI, just like GERRY WEBER, has set itself the objective to strengthen and inform its business partners in a way that empowers them to build and expand their supply chains while at the same time respecting human and labour rights.</p> <p>For this purpose, they are provided with instruments that allow them to improve working conditions in a sustainable manner. Most importantly, they are encouraged to develop and implement internal management systems to firmly anchor our principles and those of the BSCI in their practices.</p>

Careful selection of suppliers

Established in 2010, the Social Compliance Department is tasked with putting into practice the company's commitment to working exclusively with suppliers using socially and environmentally compatible manufacturing methods. In our company, the examination of and compliance with social standards is based on GERRY WEBER's own Social Compliance Agreement, which every manufacturer must sign as the basis of the business relationship, as well as on the Code of Conduct and the guidelines of the BSCI. Our values match those of the BSCI and our relations with our worldwide manufacturing partners also focus on CONTINUOUS IMPROVEMENT, COOPERATION and EMPOWERMENT.

AS AN ACTIVE MEMBER, WE PLAY AN IMPORTANT ROLE WITHIN THE BSCI.

We attach great importance to exactly knowing our suppliers and their sub-suppliers. It is mandatory for our suppliers to provide us with full information on their sub-suppliers to ensure transparency and control of our supply chain.

Recognising that not all our suppliers are able to fully comply with our Code of Conduct from the very beginning, we operate a continuous development process to provide them with extensive support and promote close collaboration. We choose our suppliers carefully and with a view to long-term cooperation, taking international labour, social and environmental standards into account. As the basis of our business relationship, all our suppliers sign a binding agreement on compliance with these social and environmental standards, which they must implement at all stages of their production process. This is a precondition for any business relationship.

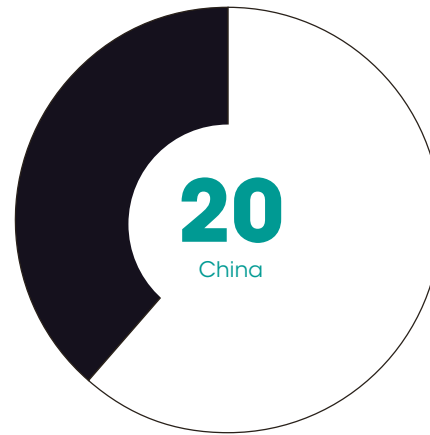
>G4-LA15
>G4-HR11

Regular audits

Before starting production for the GERRY WEBER Group, every new supplier must give proof of or undergo an audit to BSCI standards by an independent, accredited auditing firm. If the result of the audit meets the requirements, the manufacturer fulfils our social standards. By contrast, the result "improvement needed" shows us that certain processes, measures or areas of the manufacturer are characterised by defects. These must be improved or eliminated within an appropriate period of time. A re-audit carried out within one year must prove that the requirements are met. Serious defects must be eliminated immediately.

40% of the 52 full audits and 13% of the 38 re-audits conducted in the reporting period resulted in a "non-compliant" rating. These suppliers do not comply with our social and labour standards and therefore require intensive cooperation and support. Although the suppliers rated "non-compliant" showed serious deviations/defects, none of the business relationships had to be terminated immediately. This is generally the last resort for us, e.g. in the event of serious violations and the refusal to remedy defects.

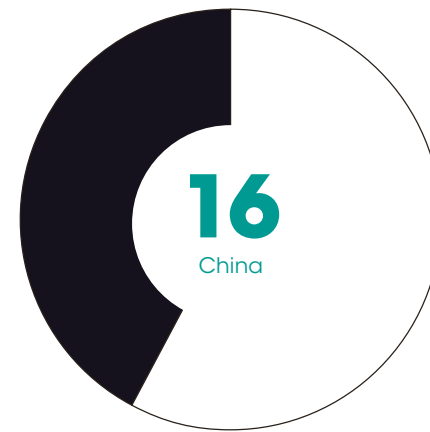
Full audits November 2014 and October 2015



52
Total

- 16 Turkey,
- 6 Bangladesh,
- 4 India,
- 2 Vietnam,
- 1 Eastern Europe,
- 1 Indonesia,
- 1 Sri Lanka,
- 1 Macedonia

Re-audits November 2014 and October 2015



38
Total

- 10 Turkey,
- 6 Bangladesh,
- 2 India,
- 2 Vietnam,
- 2 Albania

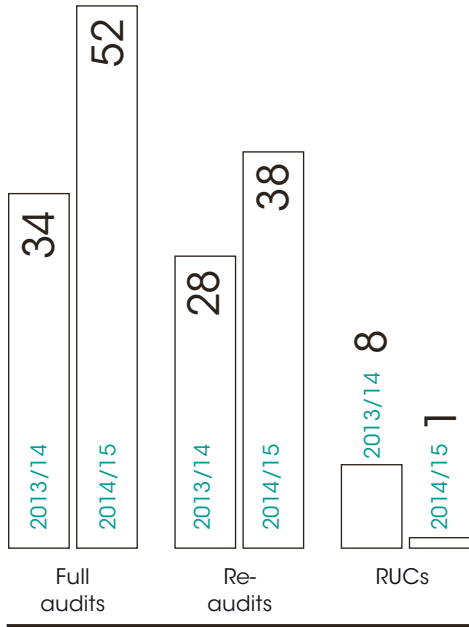
Random unannounced checks (RUCs) November 2014 and October 2015



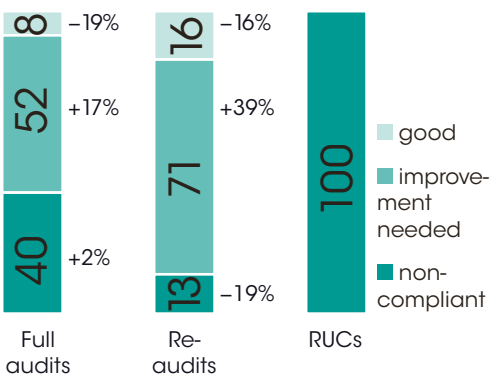
1
Total

PROCUREMENT AND PRODUCTION

Comparison of the number of audits FY 2013/14 and FY 2014/15



Audit results in % FY 2013/14 vs. FY 2014/15

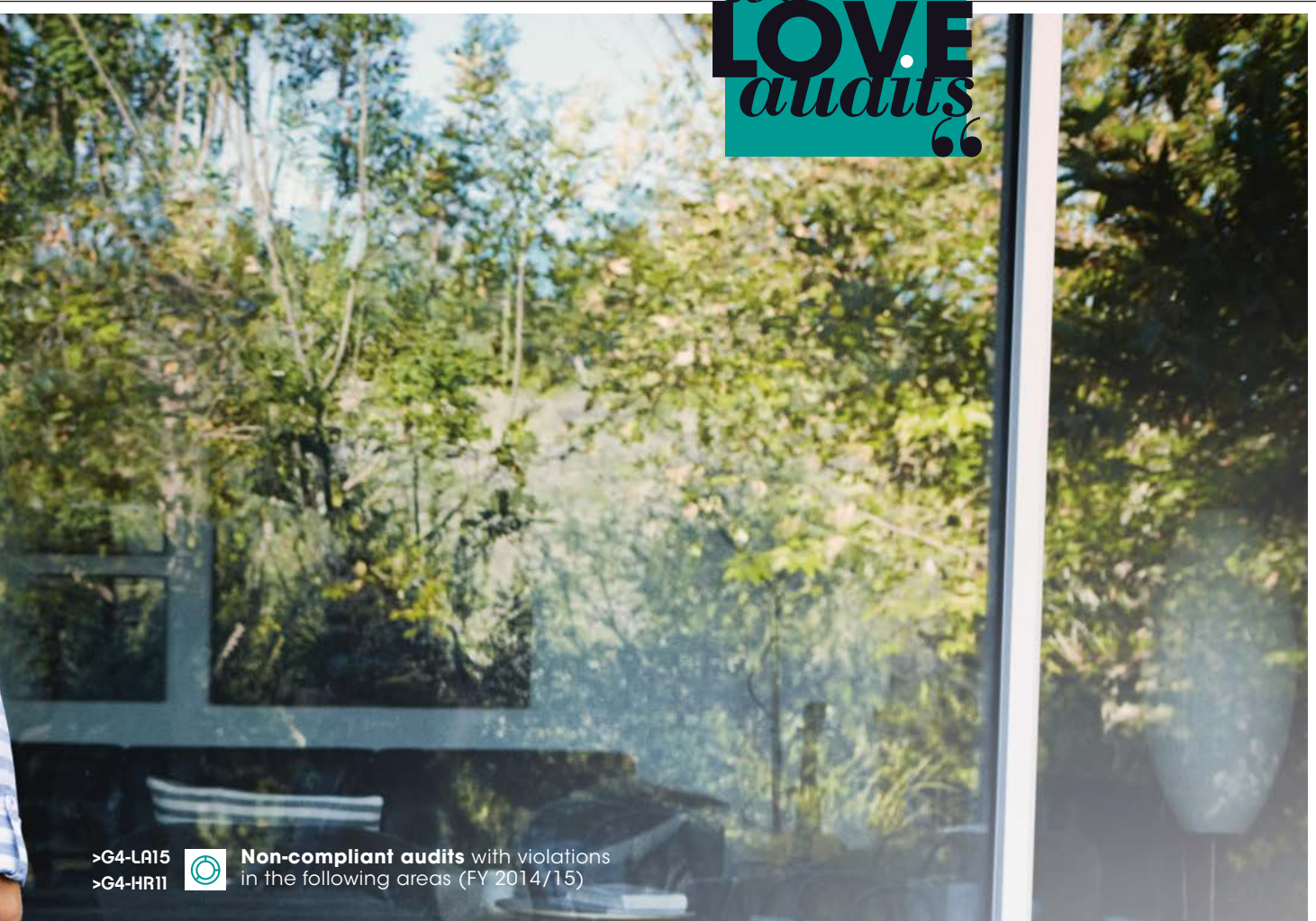


Our requirements are often stricter than the applicable laws and regulations in the manufacturing country, which means that it is a challenge for our suppliers to meet these standards. Depending on the seriousness of the defects, we allow our suppliers up to twelve months to address and eliminate them. A re-audit conducted after this improvement period checks if and to what extent this process has progressed and defects have been eliminated.



GERRY WEBER Accessories

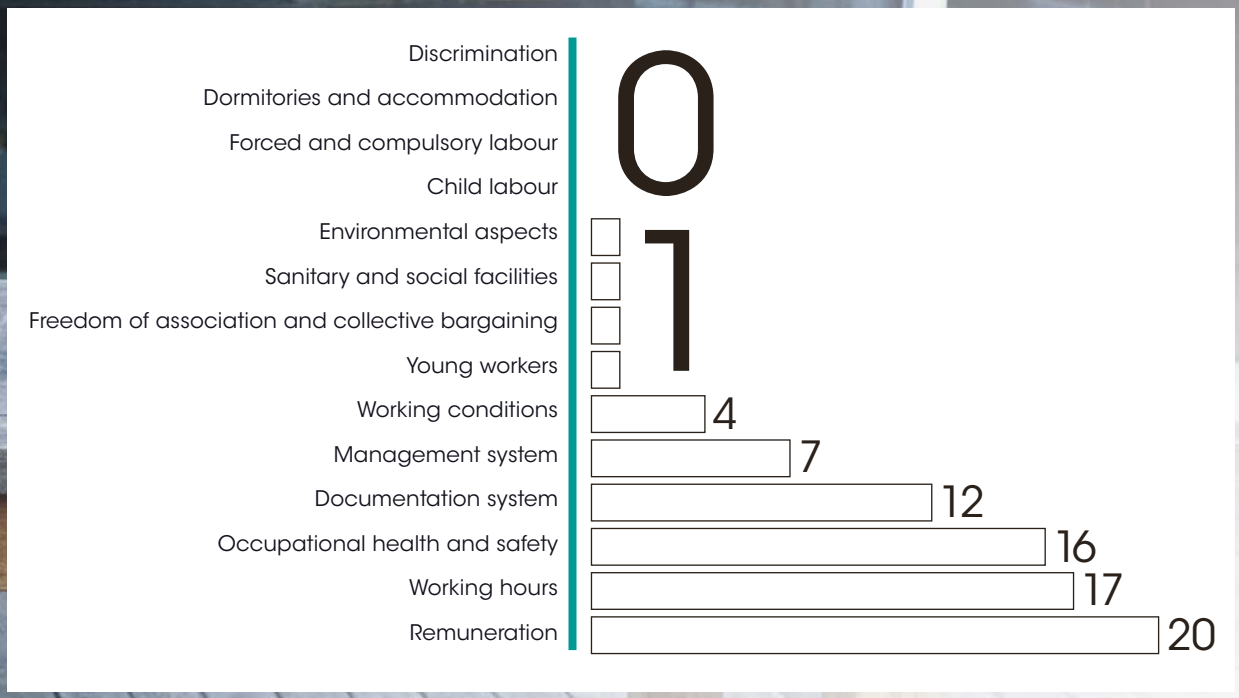
“we
LOVE
audits”



>G4-LA15
>G4-HR11



Non-compliant audits with violations in the following areas (FY 2014/15)

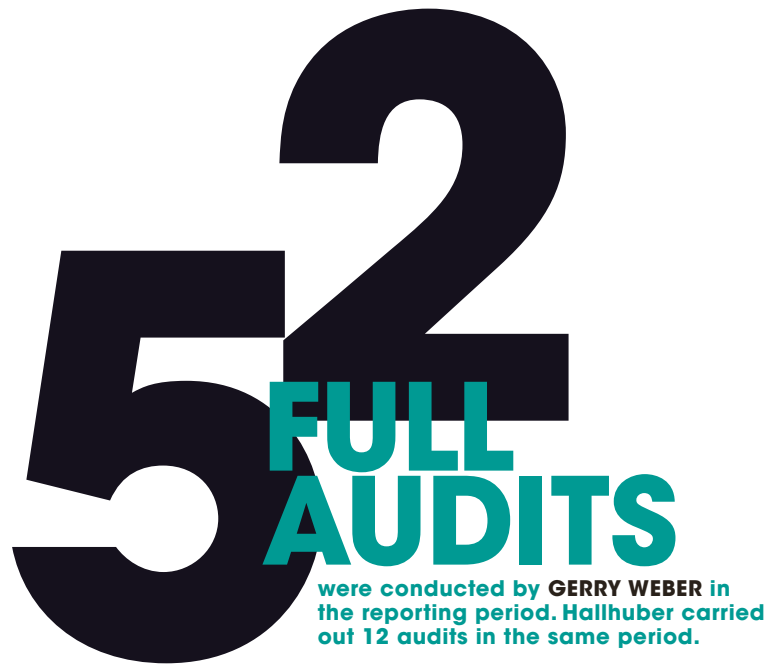


Audits resulting in a “non-compliant” rating in the financial year 2014/15 did not identify any serious defects with regard to child labour, dormitories and accommodation, forced and compulsory labour as well as discrimination. However, the aspects shown in the table on page 37 require improvement.

Deviations regarding remuneration, working hours and documentation systems are often mutually dependent. Defects mostly relate to payment, payroll accounting and proper documentation of overtime worked. Where occupational health and safety are concerned, we try to increase the understanding for measures that can easily be implemented, e.g. with regard to blocked emergency exits or unmarked escape routes as well as a lack of protective equipment such as gloves and goggles. We often realise that defects, especially in the area of occupational safety, are not due to intent but primarily to ignorance.

HALLHUBER also has its own Code of Conduct under which suppliers undertake to produce under ethically and environmentally correct conditions. Great importance is attached to long-standing cooperation with a reliable and established network of suppliers. Besides the mandatory compliance with laws and regulations, the cornerstones of the Code of Conduct primarily include compliance with the labour standards and working conditions of the ILO (International Labour Organisation; e.g. occupational health and safety, overtime, forced labour, wages) as well as environmental protection. HALLHUBER works with some 30 regular suppliers from Asia (China), Turkey and Europe (Bulgaria, Greece, Ukraine and Poland).

In 2015, a total of 12 audits were conducted, i.e. five in China, one in Bulgaria, two in Ukraine and four in Turkey. In China, we identified marginal violations with regard to management systems and the implementation of guidelines as well as more relevant violations in the field of occupational health and safety as well as overtime. In Bulgaria and Turkey, we detected marginal violations regarding management systems and the implementation of guidelines. In Ukraine, there were relevant and material deviations in the field of occupational health and safety.



52
**FULL
AUDITS**
were conducted by **GERRY WEBER** in
the reporting period. Hallhuber carried
out 12 audits in the same period.

HALLHUBER has informed the respective suppliers of all deviations and asked them to correct them. In the case of material violations of the Code of Conduct, they must remedy them in a timely manner and subject themselves to a re-audit in order to demonstrate improvements.

Critical violations and/or deviations from the Code of Conduct were identified at none of HALLHUBER's suppliers in 2015.

Continuous cooperation for ongoing supplier development

Since January 2016, a revised BSCI Code of Conduct and audit process including a rating system have been implemented and become valid. This new Code of Conduct is aimed at achieving three key objectives. First, manufacturers should assume even greater responsibility and include their sub-suppliers in the social compliance process to gradually allow the full supply chain to be covered. Second, the introduction of a living wage is a long-term, yet ambitious objective, as it requires many stakeholders to work towards the same goal. The aim is for these wages to ensure that people can live a decent life in terms of nutrition, housing, education, child care, healthcare, etc. Moreover, the focus is to be placed more on the individual circumstances and the expandable management systems of the suppliers. The new rating system will be converted into a 4-step model, facilitates a differentiated view of the suppliers audited and will result in even greater transparency.

To ensure that our suppliers comply with the Code of Conduct, our cooperation is focused on the ongoing improvement process. In doing so, we concentrate on individual suppliers who benefit from special assistance, e.g. in the context of pilot projects. In the past financial year, for instance, deviations were identified with regard to hours worked. With the help of qualification measures and dedicated workshops and training courses, we aim to increase plant productivity with the aim of avoiding overtime. We continue to push ahead with our projects to help our partners to further improve the local working conditions and to achieve better working results in the process. In 2013, we conducted a pilot project at a selected supplier in Bangladesh with the aim of improving both social standards and the company's performance/productivity in order to create a win-win situation for all parties involved.

Local workshops and talks with the company's management helped to identify challenges which had an adverse impact on production efficiency. The analysis showed that internal communication is problematic, that helpers are not deployed optimally or their capacity is not fully utilised, that outdated machines and technologies are used and that no fundamental quality and management systems exist. Low productivity and inefficient planning led to significant overtime.

Together with the company's managers, we agreed specific measures to significantly improve the situation such as the inadequate efficiency of the helper structure. Increased productivity is expected to lead to reduced overtime, while improved non-financial incentives for employee involvement such as free meals and transport are designed to increase employee retention. Training courses will lead to greater occupational safety.

CODE OF CONDUCT

Since JANUARY 2016, a revised BSCI Code of Conduct and audit process including a rating system have been implemented and become valid at GERRY WEBER.



“we
LOVE
fashion”



GERRY WEBER Collection

*So long as we
observe everything
from our*

POINT *of* VIEW,

*we will
never discover
the truth.*

Shrī Ramakrishna (Hindu mystic)

TRAVEL REPORT

by Annette Koch

CA.

160

million people live in
Bangladesh on an area
twice the size of Bavaria.



MANUFACTURING IN BANGLADESH

I have repeatedly received inquiries from consumers who are surprised that we have our products made in Bangladesh. Frequent media reports on poor working conditions, inadequate safety standards and inadequate pay influence people's opinions of one of the poorest countries in the world. It was in particular the catastrophe of the collapsed Rana Plaza Building in April 2013 which put the country in the limelight.

4

million people in Bangladesh work in the textiles industry

thereof **85%**

thereof **15%**



” OCCUPATIONAL SAFETY IS A VERY IMPORTANT ELEMENT OF OUR CONTROL.

In Bangladesh, twice as many people as in Germany live on an area that is about twice as large as Bavaria. 66% of these people live in the countryside, which has become almost infertile as a result of the many floods. Especially women have no possibility to earn their living and are financially dependent.

Many leave the rural areas in the hope of finding work in one of the roughly 5,000 factories to support their families and lead an independent life.

My first trip to Bangladesh is a culture clash. The contrast could not be bigger. After a stop-over in Dubai, where wealth and luxury are apparent everywhere, the arrival in Dhaka, the capital of Bangladesh, is a shock.

The difference becomes apparent already during the flight, as the aircraft is of a much lower quality. People are pushing and shoving as everybody tries to be the first.

Upon my arrival in Dhaka, humid heat hits me as I try to make my way through the crowd. Good nerves are needed for the immigration procedure. Thank God, my business partner has sent me assistance in the form of a friendly young man who leads me from counter to counter.

The next test of my nerves awaits me in the street – the traffic in what appears to be the only major road is pure chaos. Making maximum use of their horns, everybody tries to move forward inch by inch; policemen wave their sticks to force motorists to drive on, on a road which apparently has no lanes. It takes forever till we reach the nearby hotel. Now I need a break first.



Bicycle rickshaws are the typical means of transport in Bangladesh. You find them not only in Dhaka but throughout the country.



The next morning, the German Gerry Weber engineer who works in Dhaka and me are picked up by a driver of our business partner. The driver greets my colleague with a friendly “Good morning, Sir!” and totally ignores me – certainly something a European woman first has to get used to. We are back in the fight for survival on Dhaka’s roads. Beggars are knocking on the windows of the car, there is an unbelievable pushing and shoving in the streets, rubbish is piling up on the sides and rickshaw cyclists are trying to make their way through the chaos. We finally reach the factory and I am very excited to see what awaits me. I see a 6-storey building and immediately think of all the hazards it may contain.

Before we enter the building, all workers are asked by megaphone to close the windows.

First, I am shown the fire extinguisher, whose spray reaches the top floor. Then I am guided onto the roof, where the tank for the extinguishing water and other facilities can be found.

When I ask how quickly the building can be evacuated and where the workers can gather, a test alarm is sounded and I can satisfy myself of the effectiveness of the training. I am impressed but I also know that things won’t work that way everywhere.

Another day, another factory. An energy-saving programme has been implemented here, for which a woman is responsible. So “equal rights” is not an entirely alien concept, which appeases me somewhat. The factory is situated on a park-like estate and offers benefits such as food at cost price, further training activities, etc. Environmental protection projects are implemented with the help of development aid funds.

I meet a long-serving BSCI representative in Bangladesh, who knows the country very well. He emphasises the importance of being present and knowing the conditions and your business partners.



BANGLADESH FACTS

NAME: **PEOPLE'S REPUBLIC OF BANGLADESH**

CLIMATE: SUBTROPICAL MONSOON CLIMATE;
DRY SEASON FROM NOVEMBER TO MARCH

GEOGRAPHIC LOCATION: 20°34' – 26°38'
NORTH LATITUDE, 88°01' – 92°41' EAST LONGITUDE,
BAY OF BENGAL

AREA: 147,570 SQUARE KILOMETRES

CAPITAL: DHAKA
(ESTIMATED POPULATION: APPROX. 15.3 MILLION)

POPULATION: 159.5 MILLION (2015);
COUNTRYSIDE: 66%; CITY: 34%
POPULATION GROWTH 1.2% (2014);
A POPULATION DENSITY OF ALMOST 1,100 PEOPLE
PER SQUARE KILOMETRE MAKES BANGLADESH
ONE OF THE MOST DENSELY POPULATED COUN-
TRIES IN THE WORLD (EXCEPT FOR CITY STATES).

LANGUAGE: BANGLA (BENGALI); ALSO SEVERAL
INDIGENOUS MINORITY LANGUAGES; ENGLISH
WIDELY USED IN LARGE CITIES

RELIGIONS: MUSLIMS 90.5%, HINDUS 8.5%,
BUDDHISTS APPROX. 0.6%, CHRISTIANS
APPROX. 0.3% (ALL FIGURES ESTIMATED)

NATIONAL HOLIDAY (INDEPENDENCE DAY):
26 MARCH, INDEPENDENCE: 26 MARCH 1971

GOVERNMENT: DYNASTICALLY INFLUENCED PAR-
LIAMENTARY DEMOCRACY WITH MAJORITY VOT-
ING SYSTEM; THE 10TH NATIONAL PARLIAMENTARY
ELECTION WAS HELD ON 5 JANUARY 2014.

Source: Federal Foreign Office
As at August 2015

At one of his lectures in Germany, I learn to consider so-
cio-cultural aspects. Bangladesh has a mostly Muslim popu-
lation with Hindu roots. It is considered a shame to tell the
truth, especially when it is uncomfortable, and may put the
person who says it and their family in a bad light. To be
respected, your body language must be very dominant.

The biggest problems for the manufacturing sector are
caused by the poor infrastructure, frequent strikes, poorly
trained managers and nepotism.

We have set up an office in Dhaka to have a permanent
local presence. Engineers look after the carefully selected
business partners. They receive special training and make
sure, for instance, that no orders are placed with unknown
sub-suppliers. But needless to say, the influence of a single
company is limited. This is why we have joined alliances
such as the BSCI, as the alliance with other companies may
be used as a catalyst for improvement.

But even this is not enough. We need the cooperation of
companies, trade unions and governments to actually imple-
ment improvements in the long term. This may be initiated
by the Partnership for Sustainable Textiles, which we joined
last year.

MY PERSONAL CONCLUSION:
FUNDAMENTAL CHANGES AND
IMPROVEMENTS WILL TAKE A LONG TIME.
BUT THE SOLUTION CANNOT BE FOR
MANUFACTURES TO EXIT THE COUNTRY
ALTOGETHER, AS THIS WOULD DEPRIVE
MANY PEOPLE OF THE ONLY POSSIBILITY
TO EARN AN INCOME.

66
PERCENT

OF THE POPULATION live in the countryside,
which has become almost infertile because of
the frequent floods. This makes the textiles in-
dustry all the more important for the people in
Bangladesh.



SUPPLIER WORKSHOP IN ISTANBUL

We attach great importance to maintaining direct contacts with our suppliers, which is not only reflected in the fact that our engineers visit potential suppliers before we enter into business relationships with them. Employees of our CSR Department also visit the production facilities frequently.

In 2015, the CSR Department additionally launched a pilot project in the form of supplier workshops. As the BSCI auditing process will be amended as of 2016, which will have a direct impact on suppliers, we informed them in a personal dialogue. Our aim was not only to simply provide them with information but also to start a direct exchange of opinion with our business partners and to learn where the amendments could potentially lead to challenges and problems. This knowledge allows us to continue making an active and practical contribution to the work of the BSCI.

45

EMPLOYEES

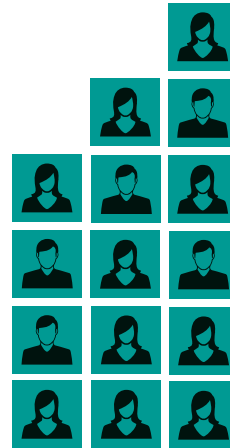
of the intercultural GERRY WEBER team work in Istanbul to organise all steps of the garment engineering process – from order placement to technical monitoring of the sampling and production processes to delivery of the finished products.



DIRECT CONTACTS WITH OUR SUPPLIERS ARE EXTREMELY IMPORTANT AND VALUABLE, WHICH IS WHY WE REGULARLY CONDUCT SUPPLIER WORKSHOPS IN OUR PROCUREMENT COUNTRIES.

Sarah R. Brinkmann,
Corporate Social Responsibility

15



employees of GERRY WEBER participated in the workshop in Istanbul.

At least one employee from a total of 25 supplier firms as well as 15 employees of the GERRY WEBER office in Istanbul attended the workshop. The participants came from different fields such as management, human resources, CSR and purchasing, which led to many inspiring discussions and interesting questions. The participants were not only informed about the most important amendments but also trained in interactive case studies. The workshop primarily addressed the labour and social standards such as “occupational safety”, “child labour” as well as “overtime and remuneration” which are particularly important for GERRY WEBER.

All workshop participants were enthusiastic about the mutual exchange of experience. After the workshop, we visited the manufacturing plants of the suppliers. On this occasion, we again received detailed feedback on the workshop. All suppliers expressed the wish to be informed of fundamental changes by way of such workshops in the future.

7 Our membership of the partnership for sustainable textiles

Catastrophes such as the collapse of the Rana Plaza factory complex in Bangladesh in 2013 or the fire in a textile factory in Pakistan in 2012, which claimed a total of over 1,000 lives, have raised awareness of the conditions under which textiles are produced both in the public at large and in the corporate sector.

Although our company has been trying for years, through its work in trade unions and associations, to influence the conditions in the factories in which our products are produced, the GERRY WEBER Group has decided to additionally join the Partnership for Sustainable Textiles, which was established at the initiative of the German Federal Ministry for Economic Cooperation and Development (BMZ) on 16 October 2014.

THE TEXTILES PARTNERSHIP AIMS TO CONTINUOUSLY IMPROVE THE SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY ALONG THE ENTIRE SUPPLY CHAIN OF THE TEXTILE INDUSTRY.

Defects such as inadequate building and occupational safety, the use of toxic chemicals or the payment of inadequate wages are to be eliminated in the long term. In this context, the Partnership aims to master challenges in procurement countries more effectively through the joining of forces of all players, to leverage synergies in joint projects and to learn from each other.

Together with other leading players in the textile industry, we want to play an active role in designing the action plan and the further development of the Partnership through participation in specific working groups. We are facing some quite ambitious challenges and objectives, which we will actively embrace through our membership of the Textiles Partnership.

The members of the Textiles Partnership and other up-to-date information can be found at www.textilbuendnis.com

OUR OBJECTIVES REGARDING SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

Objective	Time frame	Status
100% audit rate: audits conducted at all our suppliers	ongoing	underway
Organisation of regular internal training courses on social compliance, social responsibility (managers, merchandisers, purchasing departments)	ongoing	underway
SA8000 certification of our top three suppliers (largest order volume, longest relationship)	from 2016	in preparation
Inclusion of laundries in the audit process	from 2016	in preparation
Organisation of 2 external supplier training courses per year on topics such as auditing, BSCI, social standards	ongoing	underway
Active participation in the Textiles Partnership's "Social standards" working group	until end of 2016	underway
Implementation of the new supplier sourcing process with regard to social performance	2015	completed

Our product responsibility

Environmental requirements in production

GERRY WEBER is committed to offering its customers only products that are known to be harmless to humans. A special quality management system covering all products from planning to production to delivery ensures that this objective is permanently achieved across all brands and product groups of the GERRY WEBER Group.

Besides the targeted selection of raw materials suppliers across the globe and the constant monitoring of critical parameters by independent and certified laboratories, this also includes the installation of a catalogue of requirements, which comprises all product-related and human-related ecological minimum standards and partly goes beyond the legal minimum requirements as well as the requirements of Öko-Tex Standard 100. "Special Conditions", which are endorsed by our suppliers and also include compliance with the European Chemicals Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), list chemicals which may be contained in our end products either in limited quantities or not at all. All articles, both from Europe and from our Asian procurement countries, are regularly checked for prohibited azo and dispersion dyes as well as for allergenic and cancerogenic substances by our certified contractual partners.

Only non-hazardous articles and raw materials are approved for production to ensure that all products of GERRY WEBER International AG are non-hazardous to human health.

This company standard is implemented by means of the following measures:

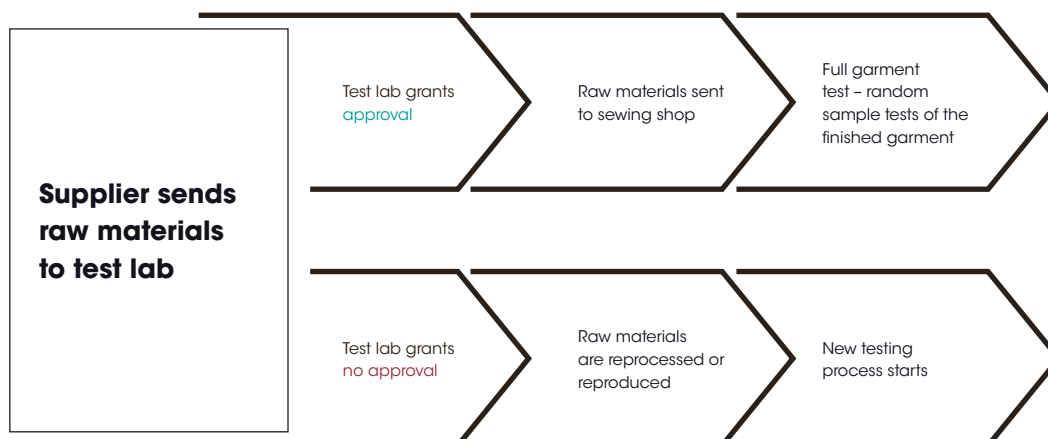
- targeted selection of qualified raw materials suppliers
- check of all raw materials for allergenic and cancerogenic substances in the country of origin and counter-check of the end product on a random sample basis
- continuous monitoring of all parameters by independent certified laboratories

>G4-PRO3

In addition to the Textile Labelling Regulation and the related obligation to label "non-textile parts of animal origin" (e.g. leather labels on a pair of jeans or horn buttons or down lining of a jacket) of the year 2012, GERRY WEBER indicates the country in which an article was produced. This makes it transparent to our customers where our goods are produced.



Hazardous substance testing process



No use of chlorine and sandblasting

Chlorine is highly toxic and may therefore be hazardous to health. If workers wear no or inadequate protection, it may cause skin irritation during the production process or later in the wearer of the jeans. Moreover, the process used to heat the water to the necessary temperature leads to high energy consumption in the production process. Even low concentrations of chlorine are hazardous to organisms living in the water and soil. This is why GERRY WEBER uses the environmentally compatible sugar-based jeans bleaching process (glucose) in nearly all European production facilities.

To achieve the popular used or vintage look in jeans and other denim products, they are treated either with chemical procedures, manually (e.g. sanding paper) or often also with wind sand blasters. In the latter case, sand is shot onto the fabric under high pressure to bleach and soften it. Sandblasting may cause life-threatening diseases such as silicosis (incurable lung disease, "black lung") in the workers, even if they wear protective clothing. Due to these high health risks, no sandblasting is used in the manufacture of our denim products.

IN ORDER TO PROTECT THE ENVIRONMENT AND REDUCE ENERGY CONSUMPTION, **THE EUROPEAN PRODUCTION FACILITIES OF GERRY WEBER USE SUGAR TO BLEACH NEARLY ALL DENIM FABRICS.**



The six pillars of GERRY WEBER's duty of care

GERRY WEBER INTERNATIONAL AG

Purchasing conditions	Special conditions	In-house/ external tests	Supplier audits	Ecological tests of primarily materials	Ecological tests of finished goods
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0 PERCENT

ANGORA WOOL used in the
GERRY WEBER collections.

Animal and species protection

Animal protection is explicitly anchored in the Corporate Code of GERRY WEBER International AG and thus enjoys maximum priority.

We do not use real fur in the collections of any of our brands. We are thus keeping a promise we have made towards animal protection organisations and have instructed our manufacturing partners to exclusively use woven fur. Real fur products are not acceptable to us and are neither environmentally friendly, due to the high energy consumption and chemicals used, nor a natural product. It therefore goes without saying for GERRY WEBER International AG to ban real fur from the collections of all its brands. Real fur is not even used as an accessory or for trimmings.

Nor do we use angora wool, as the welfare of rabbits used for the production of fur cannot be guaranteed. No use is made of downs and feathers gained from live animals and we oblige our suppliers to comply with all national and international laws and regulations on animal welfare. The use of downs and feathers from the production of foie gras is also prohibited. Both bans apply to all products made for the GERRY WEBER Group. Compliance with these principles is guaranteed by a written declaration and checked on a random sample basis.

GERRY WEBER International AG has banned any form of sheep mulesing. This is a painful operative procedure to protect the animals from an aggressive fly. GERRY WEBER has additionally instructed sheep shearers to pay attention to a species-appropriate and pain-free shearing procedure.

We exclusively use leather and hides from livestock, i.e. from animals bred for the production of meat and not for the production of leather.



FUR FREE RETAILERS – FASHION WITHOUT FUR

EVEN THOUGH THE BAN OF REAL FUR AND THE RESULTING PROTECTION OF ANIMALS HAS BEEN A STANDARD PROCEDURE AT GERRY WEBER FOR MANY YEARS, WE JOINED THE INTERNATIONAL "FUR FREE RETAILER" INITIATIVE ON 13 APRIL 2015 TO UNDERLINE THIS RESPONSIBILITY. **"FUR FREE RETAILER"** IS AN INTERNATIONAL INITIATIVE WHICH HELPS CONSUMERS FIND FUR-FREE FASHION PRODUCTS AND BRANDS. IT IDENTIFIES RETAILERS WHO HAVE CONTRACTUALLY UNDERTAKEN NOT TO USE FUR IN ANY OF THEIR PRODUCTS. **THE FUR FREE RETAILER PROGRAMME IS ALSO SUPPORTED BY THE FUR FREE ALLIANCE (FFA)** – AN INTERNATIONAL COALITION OF LEADING ANIMAL AND ENVIRONMENTAL PROTECTION ORGANISATIONS FROM EUROPE, AMERICA, ASIA AND AUSTRALIA. FOR A LIST OF ALL COMPANIES REFRAINING FROM USING REAL FUR, VISIT **WWW.FURFREERETAILER.COM**.



Unterstützt von VIER PROTEN – Stiftung für Tierschutz

**PETA Germany's Vegan Fashion
Award 2014**

Every year, PETA Deutschland e.V. singles out fashion brands and designers for their animal-friendly products. In 2014, the "Vegan Fashion Award" was awarded in a total of 12 categories. Fashion experts Ariane Sommer and Armin Morbach judged the entries for criteria such as design, innovative materials and animal friendliness. A TAIFUN biker jacket won the award in the "Best Outerwear Ladies" category, as the jury was impressed with its contrasting material mix of denim patch and synthetic leather.



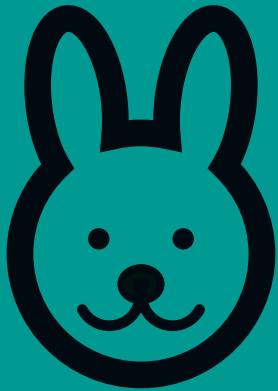
VEGAN FASHION AWARD

**2014 TAIFUN won an innovative
award in the "Best Outerwear
Ladies" category.**

ON THE WAY TOWARDS A SOCIALLY AND ENVIRONMENTALLY CONSCIOUS SUPPLY CHAIN



FACTS AND FIGURES ON OUR SUSTAINABLE OPERATION



10 PERCENT ANGORA WOOL USED for the collections of all GERRY WEBER brands

2010

Accession to the BSCI sector initiative and installation of the Corporate Social Responsibility Department



48.2 PERCENT of the collections are produced in Asia

2015

Accession to the international „FUR FREE RETAILER“ PROGRAMME

§

SINCE JANUARY 2016, the revised Code of Conduct including audit process of the BSCI has been mandatory for all suppliers of GERRY WEBER

52

FULL AUDITS were conducted at GERRY WEBER suppliers between November 2014 and October 2015

WE WANT
TO CREATE
A PLEASANT

SHOP- PING

NORBERT STEINKE,
CRO OF
GERRY WEBER
INTERNATIONAL AG

ATMOS- PHERE

FOR OUR CUS-
TOMERS WHILE
AT THE SAME
TIME REACHING
THE ENERGY
CONSUMPTION
TARGETS WITH
THE HELP OF
OUR INTELLI-
GENT ENERGY
MANAGEMENT
SYSTEM.



“we
LOVE
fashion.”

ENVIRONMENTAL EFFICIENCY AT GERRY WEBER

>G4-EN06

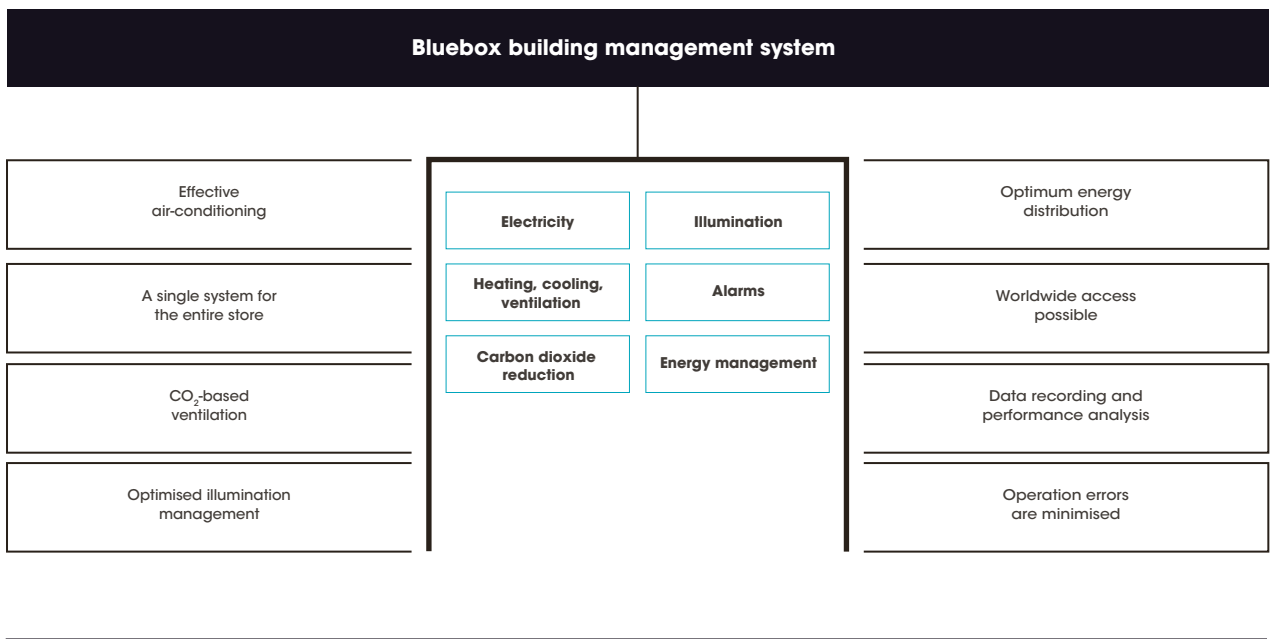
Environmentally intelligent stores

Central energy management using the Bluebox system

The first test stores were equipped with “Bluebox” systems in 2009. The nation-wide introduction of these systems in all Houses of GERRY WEBER in Germany started in 2010.

The system makes it possible to control the lighting, ventilation, cooling and heat supply of the stores centrally from our Group headquarters. This kind of central energy management allows us to identify problems at an early stage. We can check, for instance, whether night-time electricity consumption (e.g. due to advertising signs in the shop windows) is really necessary or whether adjustments can be made. Optimised illumination times and the intelligent control of the room temperature thus help to reduce the electricity consumption.

 **Bluebox building management system facilitates the centralised management of the stores**



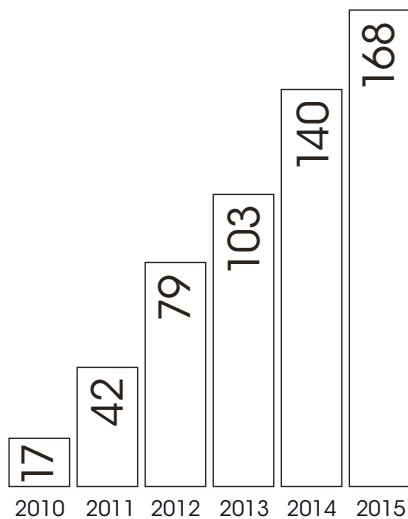
In stores without building management system (BMS), i.e. where lighting and heating are not controlled centrally, we frequently identified situations which made the energy-optimised operation of the store impossible:

- cooling action of air-conditioning system being offset by underfloor heating and vice versa
- heating action of air-conditioning system being wasted by switched off air curtain and open window(s)
- heating action of air curtain being offset by cooling action of air-conditioning system and vice versa

Ever since we started to install the “Bluebox” system in our stores and implement additional elements of our climate concept, we have been able to reduce our energy consumption by 30%. The continuous optimisation of the switching times, which are always matched to our shop hours, and the reduction of the lighting circuits for nighttime cleaning activities, enable us to save even more energy and help ensure that our stores are operated energy efficiently.

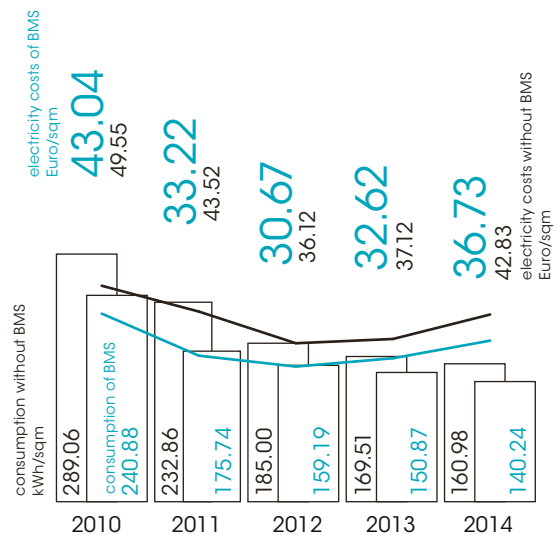
168
BLUEBOX
SYSTEMS currently installed in stores

 Stores equipped with the Bluebox system



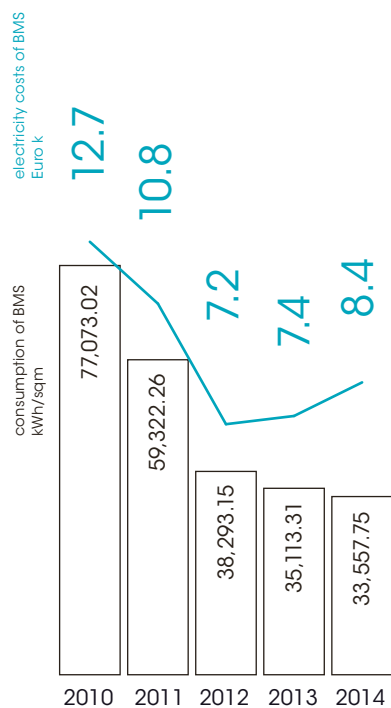
30
PERCENT
REDUCTION in the stores' energy consumption >G4-EN06

 Electricity consumption of the German HoGWs over time



minus
1.556
kWh/sqm
ENERGY CONSUMPTION
on average
per store (2013 vs. 2014)

Average electricity consumption and costs per store over time

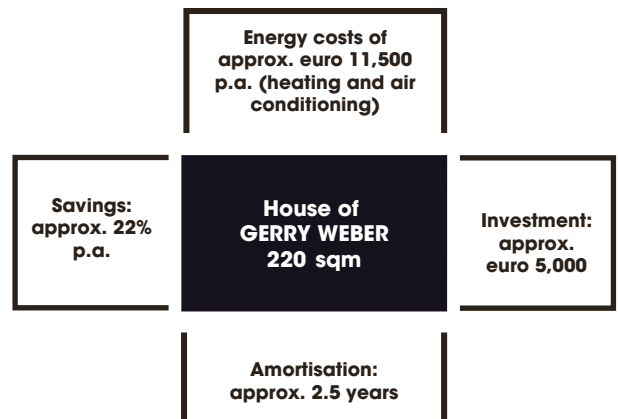


Even though rising energy prices and the EEG apportionment mean that energy savings will not automatically result in costs savings, we are determined to continue implementing our climate concept.

However, the BMS used in our stores also entails certain challenges, as local sales staff have so far been unable to influence the heating and illumination. We have taken these concerns seriously and are currently testing the introduction of touch panels which would allow the staff of our HoGWs to control the systems themselves.

22
PERCENT
ENERGY SAVED
thanks to Bluebox systems
and control technology

Savings achieved by the installation of the Bluebox system and control technology at a given store



OUR CLIMATE CONCEPT PROVIDES FOR OUR STORES TO BE SUPPLIED WITH FRESH AIR USING MODERN CROSS FLOW HEAT EXCHANGERS, WHICH ENABLE **UP TO 80% OF THE HEAT TO BE RECOVERED.**

Efficient climate concept

Our climate concept provides for our stores to be supplied with fresh air using modern cross flow heat exchangers with bypass flap, which enable up to 80% of the heat to be recovered. CO₂-based fan speed control means that no avoidable energy costs are incurred. The used and heated air is extracted and run through a heat exchanger, where the energy of the hot air is released into the fresh air flowing in from outside and channelled into the store. The result is fresh air in all rooms and a positive energy savings balance.

As the heat exchange function is not required in the summer, a bypass ensures that the rooms are aired without the fresh air being heated. The bypass flap facilitates free cooling of the room while outdoor temperatures are at appropriate levels, thereby reducing both energy consumption and cooling costs during the in-between seasons.

The stores are temperature controlled by modern inverter air-conditioners, which ensure efficient heating in the winter thanks to the heat pump function as well as a pleasant shopping temperature in the summer. As the heat is transported with the air, the room temperature can be adjusted in line with actual requirements. As soon as the room temperature approaches the target temperatures, the system operates at reduced capacity to maintain these target temperatures.



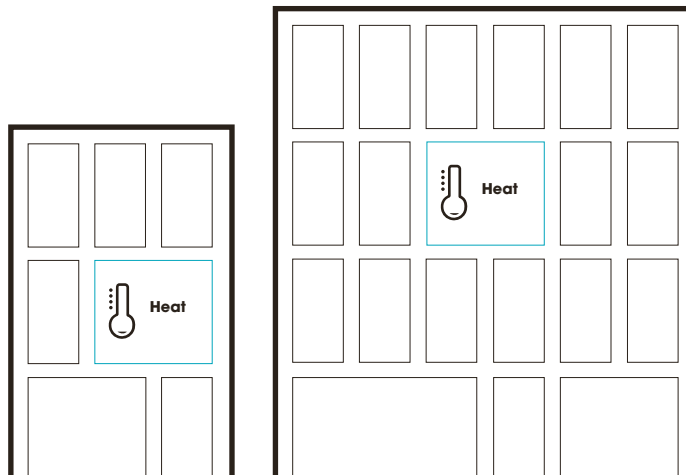
Heat generation



75%* of the heat is taken from the air for free



Approx. 25%* of the heat comes from electrical drives and engines



* The relation may vary depending on the outdoor temperature and the operating conditions

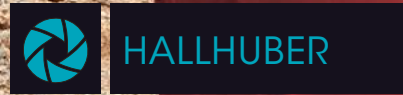
2016/17 END

PAPER BAGS are to substitute all plastic bags by the end of the financial year 2016/17.

Air curtains are used for energy optimisation purposes, as this allows the stores to keep their doors open to attract more buyers. This way, up to 80% of the heating energy can be saved. They are connected to the building's water heating system for energy-efficiency reasons. The system uses a counterflow to prevent cold air from entering the Houses of GERRY WEBER. As a positive side effect, draughts are made virtually impossible in our stores, which greatly increases the quality of the time spent in our stores for both customers and employees.

Our environmental protection objectives in the Houses of GERRY WEBER

Objective	Time frame	Status
Introduction of the Bluebox system in all stores	from 2015	underway
Introduction of LED lights in all stores	from 2014	underway
Energy efficiency projects	ongoing from 2015	underway
Stop use of plastic bags and introduce paper bags	FY 2015/16 to FY 2016/17	underway



7 Environmental protection at our headquarters in Halle/Westphalia

Use of geothermal heat

The GERRY WEBER headquarters in Halle/Westphalia and the company's in-house day nursery are heated using geothermal energy. This energy-efficient technology helps save 110 tons of carbon dioxide per year. 8,500 spruce trees would have to be planted to achieve a comparable reduction in carbon dioxide emissions.

Energy Scouts OWL project

It is important for GERRY WEBER International AG that our sustainability concept is actively embraced and filled with life by all employees both at our stores, the Houses of GERRY WEBER and at the company's headquarters in Halle/Westphalia.

This is why, in the financial year 2014/15, we joined the "Energy Scouts OWL" project, which brings together companies and local authorities in Eastern Westphalia Lippe. The Energy Scouts are a project of the nation-wide "Mittelstand-sinitiative Energiewende und Klimaschutz" (SME initiative for the nuclear phase-out and climate protection). It is organised by the Chambers of Industry and Commerce of Lippe and Eastern Westphalia as well as several "Wirtschaftsjunioren" and supported by EnergieAgentur NRW, Effizienzagentur NRW and Netzwerk Energie Impuls OWL e.V. The aim of our participation is to increase the awareness for sustainability and the corresponding behaviour of our employees and to make the energy and resource efficiency issue transparent in our company with the active assistance of two apprentices.



IT IS INTERESTING TO SEE THAT EVEN MINOR INTERNAL CHANGES CAN **HAVE SUCH A NOTABLE INFLUENCE ON ENERGY SAVINGS.**

Philip Pascal Schaumburg and Robert Rolf, apprentices of GERRY WEBER International AG

ONE OF THE GOALS OF OUR PARTICIPATION IN THE "ENERGIE-SCOUTS OWL" PROJECT IS **TO ENCOURAGE OUR EMPLOYEES TO ENGAGE IN SUSTAINABLE THINKING AND ACTION.**

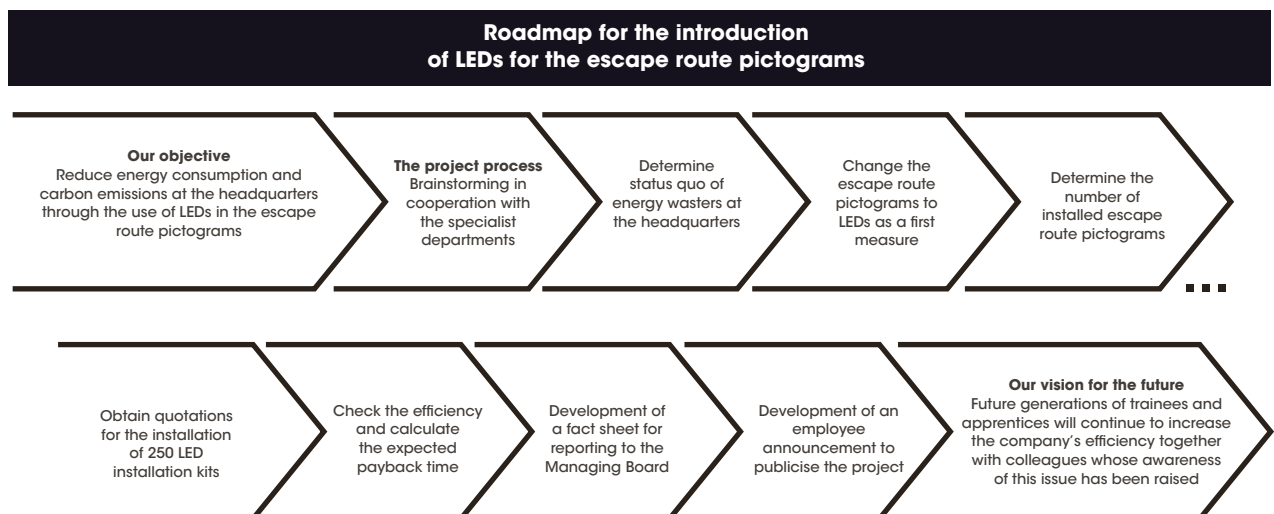
110

tons of CO₂ are saved through the use of geothermal heat.

Going forward, at least two apprentices per year are to participate in the "Energy Scouts OWL" project in order to provide fresh stimuli, approaches and ideas for environmentally conscious and sustainable action. This way, we will continuously train more "energy experts", who will be retained within the company, fill our resource-conscious corporate policy with life and pass it on to their colleagues and future apprentices.

Efficiency calculation	LED	Fluorescent lamp
Total costs per year (EUR)	5,993	12,760
Total investment (EUR)	27,708	
Annual savings of current costs (EUR)	6,767	
Amortisation period (years)	4	
Annual electricity savings (kWh)	11,826	
Annual carbon savings (kg)	7,096	

 **Roadmap for the introduction of LEDs for the escape route pictograms**



By installing LEDs in all escape route pictograms, we can save 11,825 kWh of electricity and 7,069 kg of carbons per year

“ I HAVE BEEN INTERESTED IN SUSTAINABILITY EVER SINCE I WENT TO SCHOOL.

Franziska Wiesner
Architecture & Construction
Management Department



“SUSTAINABLE SHOP-FITTING” PROJECT

We have launched a promising project which we primarily owe to the **commitment and initiative of an employee working** in Architecture & Construction Management and which will increase the sustainability of our stores.

Mrs Franziska Wiesner obtained her Master’s degree with a focus on “Architecture and the Environment” in a dual-track course. Her Master’s thesis is entitled “Entwicklung eines recycelfähigen Ladenbaukonzepts” (development of a recyclable shop-fitting concept). Going forward, we want to anchor the knowledge gained and the suggestions for improvement made in the thesis in our company in the context of various projects.

In the coming years, we will review and analyse all details of our store concept in order to find and implement alternative and sustainable solutions and measures regarding furniture, building materials and wall paint.



WE INTERVIEWED MRS WIESNER ABOUT HER SPECIAL DISCIPLINE.

Why are you interested in sustainability and what made you choose your subject and the topic of your Master's thesis?

Franziska Wiesner: I am primarily interested in proactive, lasting responsibility for the world we live in. Humanity is a powerful "instrument" in the overall eco-system. People are able to protect the environment, but unfortunately also to destroy it. The latter has happened over the past years. The time has long come for humanity to use our capacity to restore the environmental balance. When I became aware of the on-the-job Master's programme focusing on architecture and the environment, I knew that this would be my professional future.

What could be the benefit for GERRY WEBER?

Wiesner: As a global player, Gerry Weber has the chance to help solve our environmental problems in the long term by acting in a sustainable manner. One benefit for Gerry Weber would be to present itself as a responsible, forward-looking company that takes the problems of society seriously and attempts to identify solutions. In addition, this would make it possible to win more "conscious" consumers, who attach importance not only to the product but also to environmental protection and working conditions in the textiles industry.

What do you hope the "sustainable shop-fitting and store expansion" project will bring for GERRY WEBER?

Wiesner: I do not see "sustainable shop-fitting and store expansion" as a short-term project but as a new, forward-looking and firmly established part of the company. I hope that I will be able to work on a growing number of shop-fitting related topics and to reduce environmental shortcomings to a minimum in the long term. But you also have to be realistic and be aware that it will not always be possible to achieve 100 percent sustainability. The important thing is to make a contribution and to assume responsibility by finding and implementing environmentally friendly alternatives wherever possible.

GERRY WEBER IS
A COMPANY
WHICH TAKES THE
CHALLENGES
FACED BY OUR
SOCIETY SERIOUSLY
AND ENDEAVOURS
TO IDENTIFY THE
**RIGHT
SOLUTIONS.**



TAIFUN STORE CONCEPT

“Piepenbrock goes green” campaign

Through our cooperation with Piepenbrock GmbH, the company that is in charge of cleaning our buildings, we participated in the “Piepenbrock goes green” campaign and helped ensure that 572 trees were planted in the Stechlin Nature Park in the Ruppiner Land region. A total of over 29,000 trees have been planted since 2010. This carbon dioxide-reducing measure is another step in our efforts to put sustainable action into practice and anchor it in the company.

Staples Easy Tree

The “easy tree” sustainability campaign initiated by Staples, one of our suppliers, takes a similar approach. Sustainable items from selected manufacturers are labelled with the “easy tree” logo and 1.5% of the revenues generated by these products is donated to “Schutzgemeinschaft Deutscher Wald”, an organisation committed to protecting Germany’s forests. These donations are used to plant trees.

Environmental protection objectives at the Halle/Westphalia location

Objective	Time frame	Status
Raise the awareness of the head office employees for energy savings/ environmental protection through Energy Scouts	from 2016	at planning stage
Development and use of an energy management tool to get an overview of the load profiles and to devise suitable measures to reduce the load profiles	FY 2016/17	underway
Reduction in energy consumption through reduced transports through start-up of the new logistic centre	FY 2016/17	underway

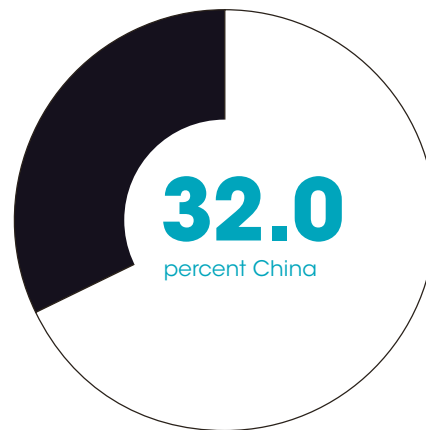
7 Energy-efficient logistic processes

Our climate protection measures are primarily aimed at increasing energy efficiency. This takes priority over the expansion of renewable energy generation, the purchase of green electricity or the compensation of carbon emissions.

Environmentally conscious omni-channeling

In the reporting period, most of our garments were produced in China (2014/15: 32%, previous year: 35%) and Turkey (2014/15: 24%, previous year: 28%).

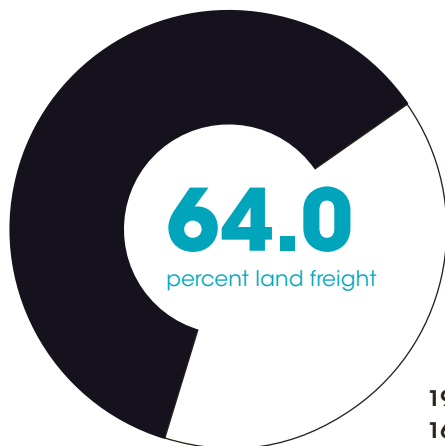
GERRY WEBER manufacturing countries (excl. HALLHUBER) in %



23.8 Turkey, **8.0** Macedonia, **6.9** Bulgaria, **6.8** Bangladesh, **4.7** Ukraine, **4.6** Sri Lanka, **13.2** Others

64
PERCENT
of the TRANSPORTS
are made by road.

 **Transport types**
in %



19.0 Sea freight,
16.0 Air freight,
1.0 Others

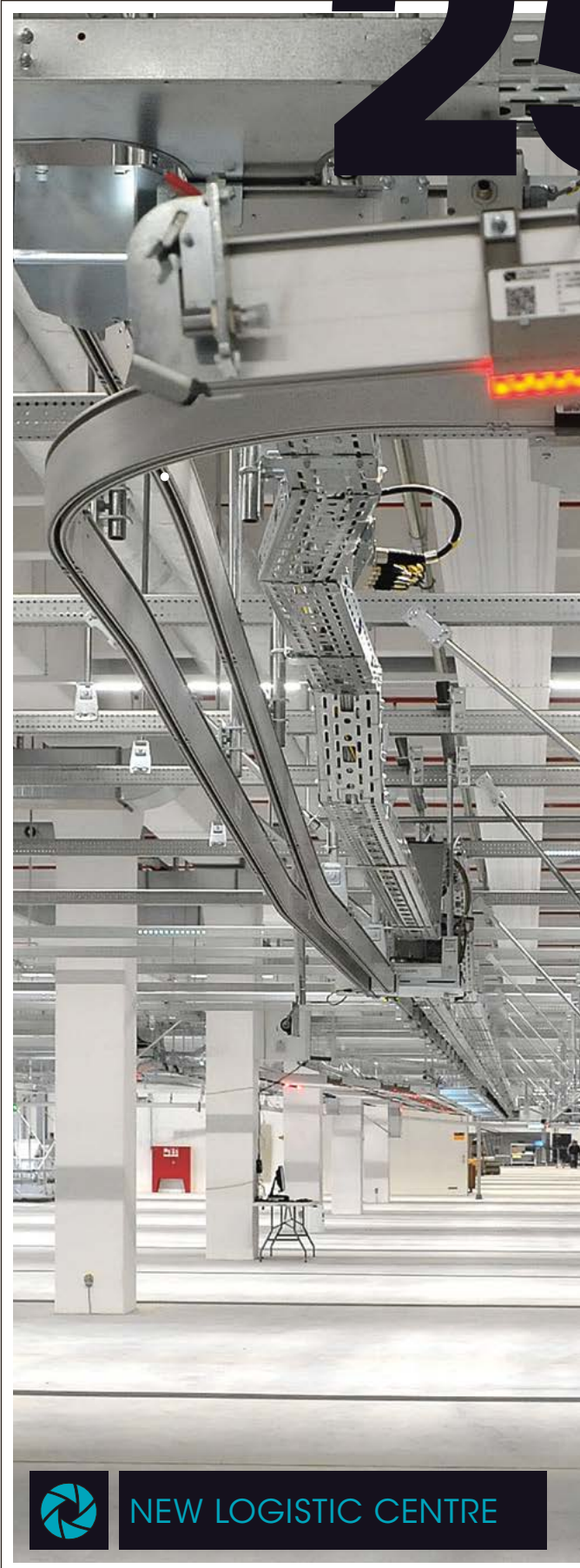
Vertical integration makes omni-channelling and thus logistics a critical factor in the trading process. The ongoing optimisation of the logistic processes thus plays a key role for the GERRY WEBER Group. To improve the efficiency of the supply chain in the long term and to reduce the time between the design of a garment and its availability in the store, the entire logistic system was restructured in 2009. Distribution now takes place in close cooperation with two specialist logistic service providers, where all processes – from incoming goods to stock-keeping, quality assurance and order picking to shipment – are pooled and synchronised.

Products sourced from the Far East are transported by ship as this is more environmentally friendly than air transport, which is avoided whenever possible. Goods transported by air accounted for 16% in 2014/15 (previous year: 17%) and we intend to further reduce this share in the coming financial years.

Our objectives regarding environmental responsibility in the supply chain

Objective	Time frame	Status
Selection of suppliers also under regional aspects, so that shared transports can be arranged	ongoing	underway
Minimise business trips by installing a number of video conference systems	completed	introduced
Purchase and use of organic cotton for a selected collection on a trial basis	FY 2016/17	underway
Active participation in the Textiles Partnership's "Natural fibres" working group	until end of 2016	underway

255 SHUTTLE VEHICLES

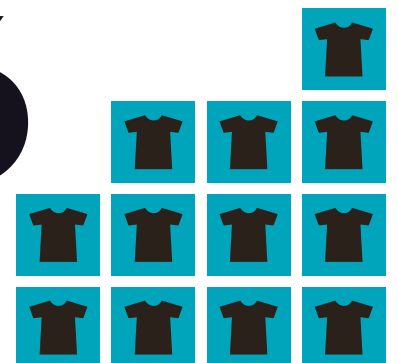


THE NEW LOGISTIC CENTRE IS ALMOST FULLY AUTOMATED

INVENTORY IS POOLED ACROSS ALL DISTRIBUTION CHANNELS USING A COMMON INVENTORY STOCK. THIS ALLOWS FOR MORE EFFICIENT MERCHANDISE MANAGEMENT AS WELL AS GREATER FLEXIBILITY IN RESPONDING TO THE DEMANDS OF THE INDIVIDUAL DISTRIBUTION CHANNELS.

5.6

million items can be stored here



NEW LOGISTIC CENTRE

New "Ravenna Park" logistic centre

A 36-hectare industrial and trading estate called "Ravenna Park" has been erected right in the middle of the economically prospering eastern Westphalian region, which benefits from good transport connections. This is where GERRY WEBER International AG has built its new logistic centre in the immediate vicinity of its Group headquarters in Halle/Westphalia. The first sod was turned on 28 April 2014. The centre was taken into operation and the ramp-up phase was initiated in December 2015. The currently decentralised warehouses in Dortmund, Ibbenbüren, Osnabrück and Brockhagen are to be pooled in the new logistic centre by the third quarter of 2016, when all brands will be transferred to the new warehouse. This will obviate the need for trips to the Halle headquarters and between the warehouses and lead to energy savings. Besides the logistic centre, which meets all requirements of the company, a new outlet centre was also built on the 145,000 square metre site (useful area of 76,000 square metres) and opened in November 2015.

Going forward, all logistic activities for the existing distribution channels will be centralised at the new multi-channel warehouse. As a supplier of combination goods, GERRY WEBER has an increased effort to manage and control the joint delivery of hanging and folded merchandise to the points of sale. This simultaneous delivery will be much easier and more flexible in the future. The centralisation will enable us to respond quickly to changing order structures and the usual volume fluctuations in the market. Other advantages of the new logistic centre include:

- reduced energy and logistic costs due to fewer trips
- exploitation of RFID potential, i.e. simplification and acceleration as well as increased transparency of the logistic processes
- facilitation of more accurate inventory management and faster supply of goods to the points of sale

Going forward, up to 37 million items per year are to be handled at Ravenna Park. The warehouse has a storage capacity of 5.6 million pieces.

GOING FORWARD, UP TO **37 MILLION** **ITEMS PER YEAR** ARE TO BE HANDLED AT RAVENNA PARK.

To leverage the full potential of the multi-channel warehouse, radio frequency identification (RFID) technology, which we introduced in 2010, plays an important role. This technology allows many logistic processes to be simplified and accelerated. Each collection item of the GERRY WEBER Core brands is marked with a unique product number in the RFID microchip that is sewn into the care label during the production process. This product number can be recorded and evaluated with the help of special reading devices, which makes it easy to identify the goods upon delivery to the multi-channel warehouse and to check them for completeness. The same applies to recording stocks at the individual stores. RFID technology not only makes the logistic process more transparent but also affords a more exact overview of stocks and enables a faster supply of merchandise to the points of sale. Once a product has been sold, the microchip is either deactivated or removed at the check-out or it is destroyed after several washes. Thanks to the RFID chip's excellent visibility on the care label, it can also be easily removed by the consumer at any time. As HALLHUBER is integrated into the new logistic centre, all HALLHUBER products will also be equipped with RFID microchips in future.

36 HECTARES

The city of Halle puts the name **"RAVENNA PARK"** down to a legend according to which a Duke of Saxony built three castles - "Theklenburg", "Iburg" and "Ravensburg" for his three daughters, Thekla, Ida and Ravenna. Our new logistic centre sits in an industrial estate located in the vicinity of Ravensburg castle.



RAVENNA-PARK

ENVIRONMENTAL EFFICIENCY THANKS TO INTELLIGENT ENERGY MANAGEMENT



“we LOVE fashion”



SUSTAINABILITY
FACTS & FIGURES



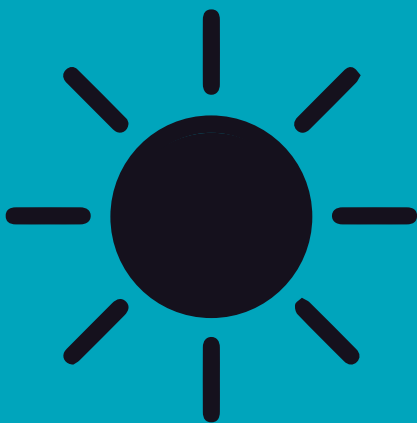
START OF THE GROUP-WIDE INTRODUCTION of energy-efficient Bluebox systems in the Houses of GERRY WEBER

30%

ENERGY CONSUMPTION since Bluebox systems were installed in the stores



110 tons of carbon saved through the use of geothermal heat at the headquarters in Halle / Westphalia



80% OF POTENTIAL HEAT RECOVERY and heating energy savings thanks to the efficient climate concept



BY THE END OF THE FINANCIAL YEAR 2016/17 all plastic bags are to be replaced with paper bags

2015

CENTRALISATION of 5 logistic warehouses into one multi-channel logistic centre at “Ravenna-Park”



“we
LOVE
fashion

DR. DAVID FRINK,
CHIEF FINANCIAL
OFFICER (CFO) OF
GERRY WEBER
INTERNATIONAL AG

**IT IS
OUR**

**EMPLOYEES
PASSION**

**FOR FASHION
AND THEIR
COURAGE TO
COME UP WITH
NEW IDEAS
WHICH LEAD
TO THE DIVERSE
COLLECTIONS OF
GERRY WEBER.**



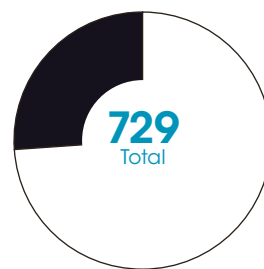
GERRY WEBER AS AN EM- PLOYER AND CORPORATE CITIZEN

Our company would not be successful without the commitment, the personal motivation and the skills of our employees. It is their passion for fashion and their courage to come up with new ideas which lead to the diverse collections of GERRY WEBER. We want our employees to enjoy their work so much and to identify with our brands to such an extent that they dedicate their full commitment and creativity to the GERRY WEBER Group in the long term – and we go to great lengths to ensure this, especially in view of the demographic change. As a value-oriented employer, we aim to convince potential applicants of the benefits we can offer them. We therefore present our company at job fairs and career starter events throughout Germany and the career portal of our website specifically addresses potentially suitable candidates. We offer people the possibility to work in a busy, ambitious and international environment and to engage in a constant exchange across hierarchies and departments.

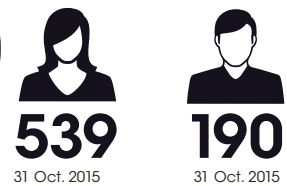
Our employee structure

As of 31 October 2015, the GERRY WEBER Group employed 3,608 people in Germany and approx. 1,800 people at its foreign locations. In the context of the integration of HALLHUBER, an additional 1,764 new employees working out of Munich and in the 275 HALLHUBER points of sale in Germany, the Netherlands, Belgium, the UK, Switzerland and Austria joined the GERRY WEBER Group.

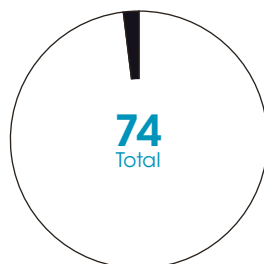
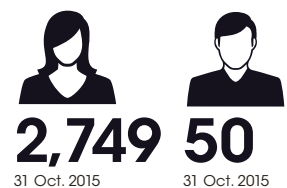
Employee structure of GERRY WEBER as at 31 Oct. 2015 (Germany)



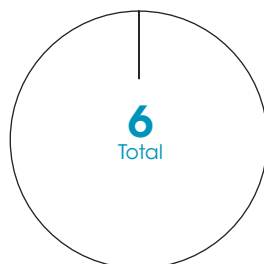
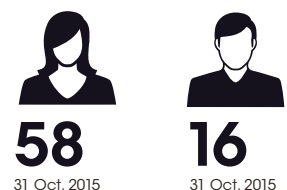
EMPLOYEES GERRY WEBER INT. AG



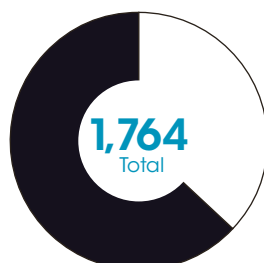
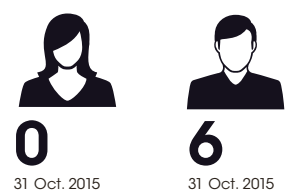
EMPLOYEES GERRY WEBER RETAIL GMBH



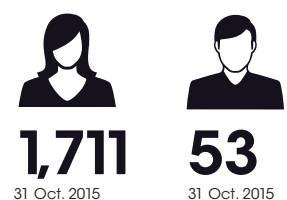
EMPLOYEES GERRY WEBER LIFESTYLE GMBH



EMPLOYEES GERRY WEBER LOGISTIK GMBH



EMPLOYEES HALLHUBER GMBH



As far as GERRY WEBER is concerned, the information provided below relates to our employees in Halle and at our points of sale in Germany. An international view is taken for HALLHUBER.

Employee structure of GERRY WEBER (Germany)	Total workforce			Female			Male		
	As at 31 Oct. 2013	As at 31 Oct. 2014	As at 31 Oct. 2015	As at 31 Oct. 2013	As at 31 Oct. 2014	As at 31 Oct. 2015	As at 31 Oct. 2013	As at 31 Oct. 2014	As at 31 Oct. 2015
GERRY WEBER Int. AG	593	520	729	413	363	539	180	157	190
GERRY WEBER Retail GmbH	2,559	2,857	2,799	2,531	2,814	2,749	28	43	50
GERRY WEBER Lifestyle GmbH	168	182	74	140	153	58	28	29	16
TAIFUN-Collection GERRY WEBER Fashion GmbH	70	68	—	61	59	—	9	9	—
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH	34	35	—	29	30	—	5	5	—
GERRY WEBER Logistik GmbH	—	—	6	—	—	0	—	—	6
HALLHUBER GmbH	—	—	1,764	—	—	1,711	—	—	53
Total (excl. HALLHUBER GmbH)	3,424	3,662	3,608	3,174	3,419	3,346	250	243	262

>G4-LA01

In the past three financial years, the GERRY WEBER Group welcomed 2,599 new employees in Germany (excl. HALLHUBER):

New employees hired by GERRY WEBER (Germany)	Number of newly hired employees			Newly hired employees *		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
GERRY WEBER Int. AG	65	65	69	10.96%	12.50%	9.47%
GERRY WEBER Retail GmbH	896	896	584	35.01%	28.95%	20.86%
GERRY WEBER Lifestyle GmbH	32	32	5	19.05%	13.74%	6.76%
TAIFUN-Collection GERRY WEBER Fashion GmbH	11	11	—	15.71%	11.76%	—
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH	2	2	—	5.88%	11.43%	—
GERRY WEBER Logistik GmbH	—	—	6	—	—	100%

* Of total workforce

7,027 PEOPLE

worked for **GERRY WEBER** in FY 2014/15 (average).
As of the reporting date on 31 October 2015,
3,608 employees worked in Germany and roughly
1,800 were employed at the foreign companies.
1,764 people joined us as a result of the takeover
of **HALLHUBER**.



GERRY WEBER EDITION



>G4-LA01 In the financial year 2014/15, the GERRY WEBER Group's staff turnover rate stood at 9.67% (previous year: 7.92%).

Staff turnover rate of GERRY WEBER (Germany)	Staff turnover rate *		
	2012/13	2013/14	2014/15
GERRY WEBER Int. AG	3.04%	3.65%	6.76%
GERRY WEBER Retail GmbH	10.79%	8.89%	11.04%
GERRY WEBER Lifestyle GmbH	6.55%	6.04%	6.76%
TAIFUN-Collection GERRY WEBER Fashion GmbH	1.43%	8.82%	—
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH	2.94%	—	—
GERRY WEBER Logistik GmbH	—	—	—
HALLHUBER GmbH	—	—	33.00%

* Staff turnover rate according to BDA formula (Bundesverband der Deutschen Arbeitgeberverbände): Staff departures (only if not caused/desired by employer) divided by average headcount x 100

Number of employees going into retirement	2012/13	2013/14	2014/15
GERRY WEBER Int. AG	0	1	12
GERRY WEBER Retail GmbH	5	7	21
GERRY WEBER Lifestyle GmbH	0	1	0
TAIFUN-Collection GERRY WEBER Fashion GmbH	2	2	—
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH	0	0	—
GERRY WEBER Logistik GmbH	—	—	0
HALLHUBER GmbH	—	—	0

>G4-I1 Collective bargaining (GERRY WEBER Germany)

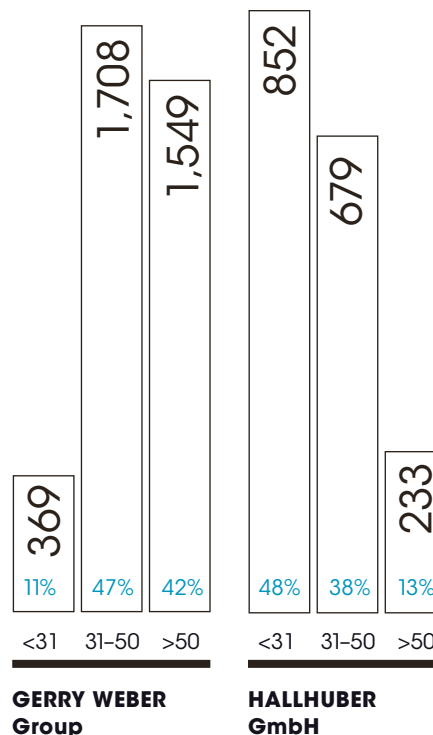
Number of employees under collective bargaining or comparable agreements	2012/13	2013/14	2014/15
GERRY WEBER Int, AG	526	473	631
GERRY WEBER Retail GmbH	2,525	2,803	2,758
GERRY WEBER Lifestyle GmbH	122	139	47
TAIFUN-Collection GERRY WEBER Fashion GmbH	53	54	—
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH	29	29	—
GERRY WEBER Logistik GmbH	—	—	3
	3,255	3,498	3,439

In the financial year 2014/15, 95.3% of the employees of the GERRY WEBER Group were employed under a collective bargaining or comparable agreement (previous year: 95.5%).

Diversity at GERRY WEBER

As an international enterprise operating on a global scale, the GERRY WEBER Group benefits from its heterogeneous staff structure and the diversity of its workforce. For us it goes without saying that people of different age, gender, origin, culture, religion and belief as well as people with handicaps work together as a goal-oriented team for our company.

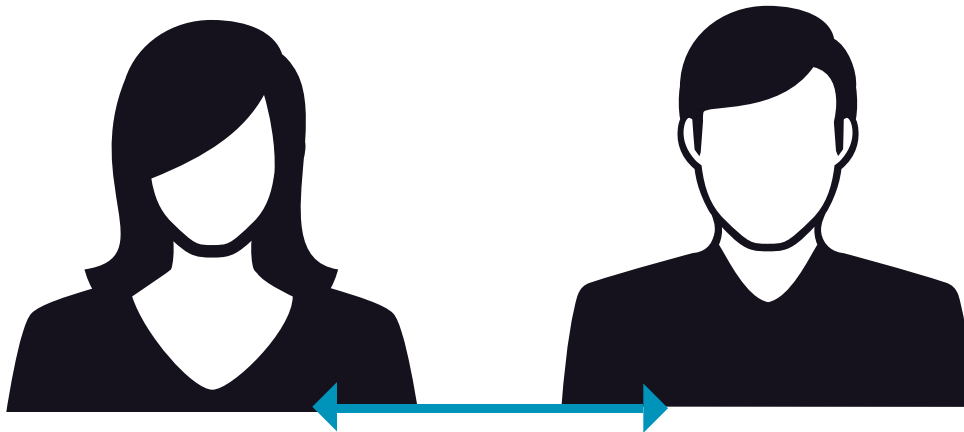
Age structure of the GERRY WEBER Group and HALLHUBER GmbH in the financial year 2014/15 >G4-LA12
(number of employees in age groups and in percent of total workforce)



SHARE OF WOMEN

44%

of all senior employees at GERRY WEBER in Germany are women.



>G4-LA12

	Share of women			Share of men		
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
Management structure of GERRY WEBER (Germany)						
Managing Board	0%	0%	0%	100%	100%	100%
Senior staff	37%	43%	44%	37%	57%	56%
Employees	93%	94%	93%	7%	6%	7%
Management structure of HALLHUBER						
Managing Board	—	—	0%	—	—	100%
Senior staff	—	—	50%	—	—	50%
Employees	—	—	81%	—	—	19%

* in percent of the total workforce

“*we*
LOVE”

running



RUNNING COURSES
WITH PROFESSIONAL
COACH

cooking



COOKING COURSES
HEALTH DAYS AT THE
CANTEEN IN COOPERATION
WITH AOK

working



ERGONOMIC
WORKPLACE DESIGN

health care



FREE ANNUAL
INFLUENZA VACCINATION

Our health management system

As our company attaches great importance to the safety and well-being of its employees, the staff council has introduced a health management system that goes beyond its statutory tasks.

Modern office design

Between 2010 and 2012, the 48,820 sqm head office was modernised in accordance with employee suggestions and based on modern workplace design concepts. The reorganised offices are large and bright and equipped with new office furniture, and communication barriers such as excessively high cabinets have been eliminated. The great challenge of the construction project was to redesign the building with regard to the requirements of optimised process organisation as well as the attractiveness of the individual workplaces and the necessary building technology. The requirements were met with the help of large windows, natural light and a 400 sqm atrium at the heart of the new Creative Centre. After the successful completion of the “Creative Centre” project, nearly all other areas of the location in Halle were rebuilt, reorganised and redesigned during a two-year reconstruction phase.

83 PEOPLE

with physical, intellectual or mental impairments have benefited from various measures organised by the company to allow them to PARTICIPATE IN WORKING LIFE.

Workplace equipment

At GERRY WEBER International AG, the promotion of occupational health starts with fitting out and equipping the workplaces. Office furniture may be adapted to employees' individual requirements, i.e. workplaces may be equipped with height-adjustable tables, orthopaedic chairs or enlarging monitors, depending on each employee's health requirements. Should employees need glasses for work at their computer or workplace, we provide them with financial assistance under an enterprise agreement that exceeds statutory standards. In addition to the lenses, GERRY WEBER contributes up to EUR 50 for the glass frames. 10% of the company's employees benefited from this refund in the financial year 2014 / 15. Where additional measures are required to support employees' working capacity, these measures are geared to their individual needs. We thus enabled 83 employees with physical, intellectual or mental impairments to participate in working life.

Prevention offerings

Prevention also plays an important role in our health management system: GERRY WEBER International AG supports employees with the specifically developed "SALUTO" back training programme. Once a week, employees have the possibility to do exercises to stabilise their back muscles at a discounted price. The training takes place at the company's headquarters in Halle / Westphalia. Employees may also use the sports and wellness facilities of the GERRY WEBER Sportpark Hotel at a discounted price. In addition, the company offers "Fit & Active Prevention Courses", for which employees may receive subsidies from their statutory health





insurance. The programme combines endurance training on fitness equipment, power exercises with and without equipment as well as exercises aimed at improving participants' stretching and coordination skills. Employee feedback to this course has been so positive that it will be offered regularly in future and a second course is already being planned.

Preventive influenza vaccination

Every year, employees have the possibility to get free vaccination against influenza at the company's headquarters.

Healthy food

Our canteen, which features a large outdoor terrace, serves freshly prepared breakfasts and lunches for our employees. To support a healthy diet, the menu includes different salads and vegetables which change every day. As a regular special, we offer our employees healthy, low-calorie dishes developed by women's magazine "Brigitte" in cooperation with the German Nutrition Society and diet experts. A water dispenser situated in a central location provides employees with free mineral water.

450

MEALS

per day are prepared in the kitchen of the in-house canteen. The menu also includes healthy, low-calorie dishes developed by women's magazine "BRIGITTE".

Health Day

At the first Health Day organised by GERRY WEBER International AG in cooperation with AOK Gesundheitskasse at the company's headquarters in January 2014, employees were provided with information on health and nutrition as well as valuable ideas and suggestions. At the AOK stands, employees had the opportunity to have their body fat percentage measured, their lung volume tested and their biological age determined. In addition, Weight Watchers and metabolic balance provided tips for the right diet, losing weight or preventing diseases. It is planned to regularly organise a GERRY WEBER Health Day. The next Health Day is scheduled for mid-2016. Building on the first Health Day, the company has offered various nutritional and dietary courses such as "Fat-conscious eating" since 2014. Moreover, the first AOK company run was organised in August 2014 and will now become an annual feature.

Occupational health and safety

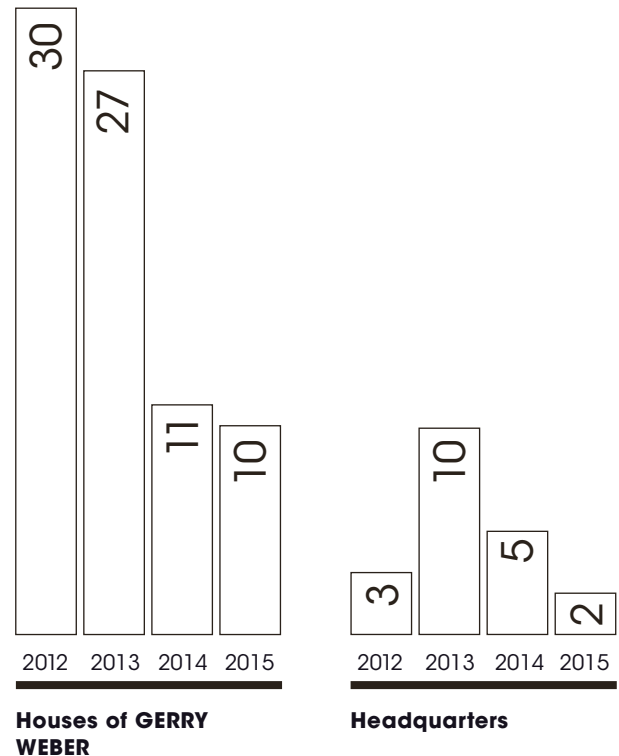
Where occupational health and safety are concerned, GERRY WEBER International AG complies with applicable EU Directives and national laws. The staff council and the work committees are involved in drawing up enterprise agreements on working conditions which balance employee and business needs as well as incorporate social aspects.

UP TO 20% OF THE CONCERNS REPORTED TO THE STAFF COUNCIL BY OUR EMPLOYEES RELATED TO HEALTH.



Accident statistics

for the period from 2012 to 2015 in Germany



Most of the work accidents reported were bruises and sprains; where commuting accidents are concerned, most of them resulted in injuries to the cervical vertebra caused by car accidents.



7 Training at **GERRY WEBER**

Our apprentices

To cover its future demand for skilled workers and managers, the GERRY WEBER Group offers young and ambitious people the possibility to undergo vocational training accompanied by intensive support. Every year, we offer young people apprenticeships as industrial clerks, retail salespersons, management assistants in event organisation, IT management assistants or textile and fashion tailors. Besides the day-to-day practice and the vocational school courses, the training is complemented by comprehensive internal qualification measures such as English or product science courses. Apprentices showing excellent performance are seconded to our international locations and offices (e.g. Istanbul, Shanghai, Copenhagen), where they gain project experience in a global context. It is our declared objective to offer all apprentices permanent employment contracts once they have successfully completed their training.

Career Day "Tailor-made Career"

In April 2015, some 500 interested students attended the Career Day organised at the fashion and lifestyle company's headquarters in Halle / Westphalia. This was the second edition of the successful event first organised in 2013. Participants learned how to tailor their perfect career. At lectures and presentations as well as DIY stands where they were able to sew make-up bags or mobile phone cases, visitors were

**IN APRIL 2015, SOME
500 INTERESTED
STUDENTS ATTENDED
THE CAREER DAY AT
THE FASHION AND
LIFESTYLE COMPANY'S
HEADQUARTERS IN
HALLE / WESTPHALIA.**

“we LOVE fashion careers”

informed about the apprenticeships offered by GERRY WEBER International AG and had the chance to find out which suited them best. Some 70 employees from different fields answered students' questions and introduced them to their day-to-day work as well as to the career prospects awaiting them after the vocational training. Former apprentices reported on the international experience gained in the context of the “Azubi International” programme, on dual study courses or on the start of the company's Trainee Programme and presented the special aspects of their vocational training in the form of short lectures and presentation charts. Emphasis was also placed on practical aspects: In simulated job interviews and looking at the application papers, HR experts provided valuable tips for the application phase and a successful career start in the fashion industry.



a passion for fashion

Visitors interested in technical professions very much appreciated the possibility to give it a try at the sewing machine. Retail apprentices arranged role plays to show the students how to engage with customers. The tour of the company provided future school-leavers, students and graduates as well as parents and teachers with exciting insights into the different professions and showed what the motto “Leidenschaft zieht an” stands for. Going forward, the Career Day will be organised every two years.

Apprentice structure at GERRY WEBER (Germany)	Total number of apprentices		Female		Male	
	As at 31 Oct. 2014	As at 31 Oct. 2015	As at 31 Oct. 2014	As at 31 Oct. 2015	As at 31 Oct. 2014	As at 31 Oct. 2015
	Industrial clerks	15	16	10	10	5
Fashion tailors	8	11	8	11	0	0
Management assistants in event organisation	17	15	17	15	0	0
Retail salespersons	2	2	2	2	0	0
Retail salespersons HALLHUBER GmbH	—	6	—	5	—	1
Total (excl. HALLHUBER GmbH)	42	44	37	38	5	6

Our trainees

GERRY WEBER International AG has developed a special Trainee Programme for graduates to facilitate their career start. Besides the well-established commercial Trainee Programme, which has won the Absolventa award for a “career-promoting and fair trainee programme”, we also launched a technically oriented international programme, which is primarily based in the Group’s branches in Shanghai, Dhaka and Istanbul, in 2013. Young graduates are thus given the opportunity to hone their skills in an international environment and to expand their apparel engineering knowledge.

Our commercial and technical trainees are closely involved in the individual divisions of GERRY WEBER International AG in order to optimally prepare them for their future jobs. Depending on the target position, the GERRY WEBER Trainee Programme lasts between 12 and 18 months. During this time, trainees work in five to six areas of the GERRY WEBER Group which are relevant for their future target position. In addition, participants can expand their technical, methodological and managerial skills in the context of additional qualification and HR development measures. The Trainee Programme is matched to the participant’s personal career preferences and closely accompanied by a mentor. The latter is a member of the management or the Managing Board and supports the trainee’s development within the company.

Trainees	31 Oct. 2013	31 Oct. 2014	31 Oct. 2015
GERRY WEBER Group			
Commercial	5	3	4
Technical	1	1	1
HALLHUBER GmbH	—	—	9
Total (excl. HALLHUBER GmbH)	6	4	5

Human resources development and further training

At GERRY WEBER, we attach great importance to learning from each other. Employees’ development potential is therefore determined in annual meetings with their direct superior, the so-called “Progress Dialogues”, after which specific further training measures are recommended. This way, GERRY WEBER supports the development of employees’ professional and personal potential to enable them to grow with the company.

The measures derived from the Progress Dialogue may focus, for instance, on a multi-week English course at different levels. During the reporting period, a total of 101 employees participated in such a course. We cooperate with a regional service provider who has long-standing experience as well as good references from different sectors.

1,318

>G4-LA09

hours of further training
in 2014 / 15

thereof **972**

thereof **346**

The dynamism of the GERRY WEBER Group is reflected in the qualification of our staff. The mission of the GERRY WEBER Retail Academy is to shape the careers of our fashion advisors and store managers based on an analysis of their individual potential conducted at its Development Centre, with participants benefiting from customised internal training events and courses.

In the field of product science, we organised a “Knitwear, flat knitwear (pullovers)” workshop, which was attended by twelve employees. To support our international orientation, we also held several workshops focusing on international labour law.

The quality of the vocational and further training offerings is ensured by an internal evaluation process, which also documents the success and the sustainable effect of the measures. The results in the reporting period showed that GERRY WEBER’s employees consider the broad range of further training options as conducive to their professional development and appreciate it as a contribution to their professional development.

1.5 hours of further training per employee in 2014 / 15 – all training courses (methodological skills and technical skills) were held for qualified skilled staff.

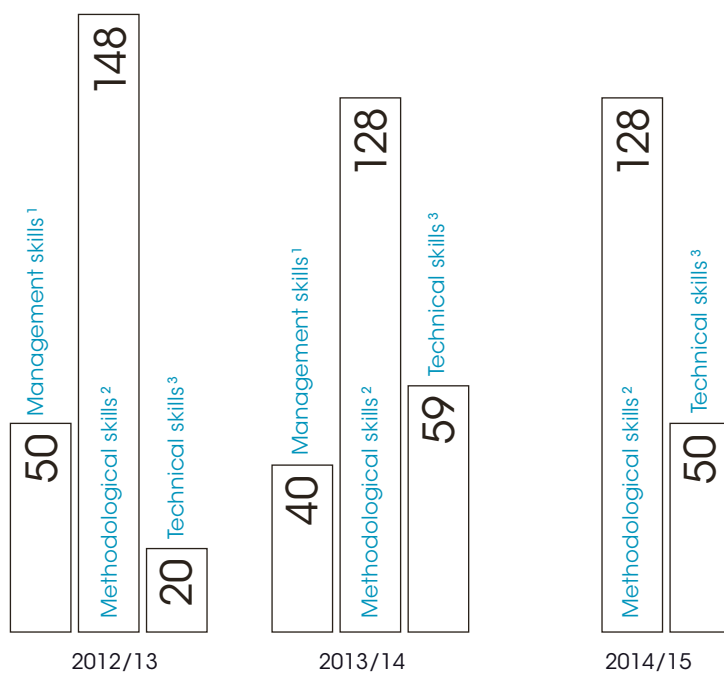
178

In-house training days
(previous year: 227 days)

>G4-LA09



Training days at GERRY WEBER (Germany)



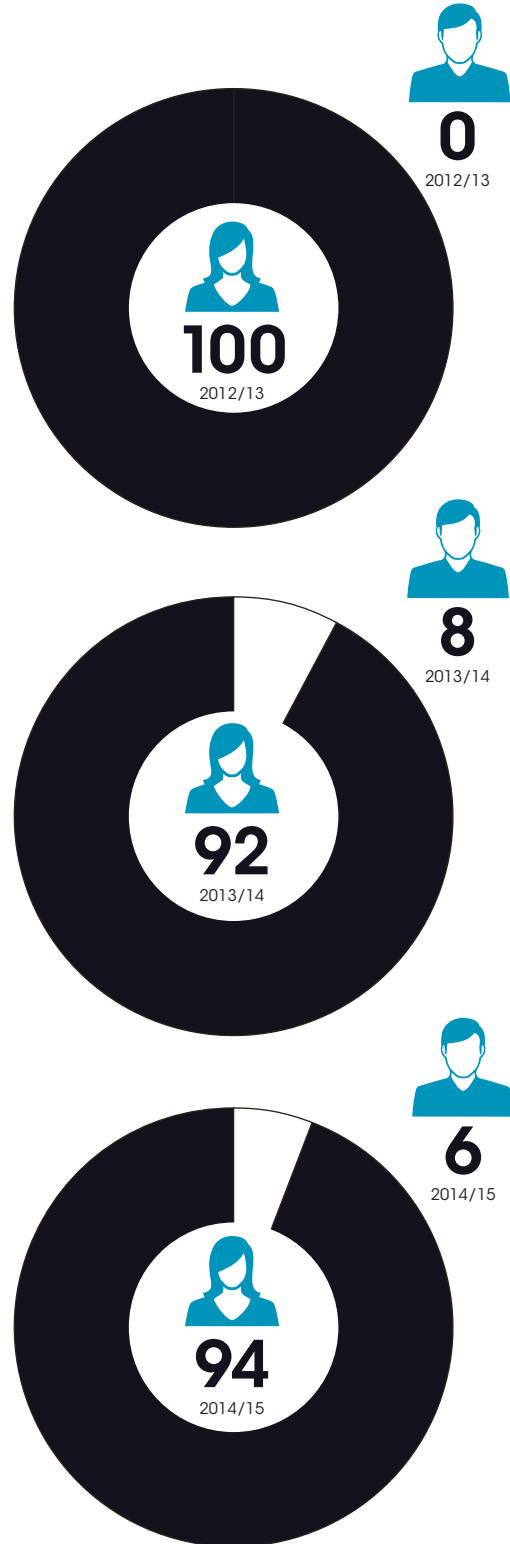
1 Achieving business success with employees. Identifying and resolving conflicts. Leadership – Followship. Motivating employees. Sustainable communication with employees. Shaping change. Progress dialogue. Skills management: situational leadership. Skills management: Leadership through communication.

2 Communication – in writing, comprehensible, precise and up-to-date. Self-management. Negotiating with long-term benefit. Communication – verbal, comprehensible. Resolving conflicts and leveraging them. Resolving conflicts and leveraging them – follow up. Personal impact. Difficult talks.

3 New Media Business eLearning English. New Media Textile Technology. New Media IT for IT Professionals. Blended eLearning MS-Office. Product science modules 1 to 8.

**PERSONALISED
CAREER
DEVELOPMENT
AND FAIRNESS
ARE INTEGRAL
ELEMENTS OF THE
GERRY WEBER
PHILOSOPHY.**

 **Employees on parental leave at GERRY WEBER
(Germany)** (excl. maternity protection) in %



Work life balance

Balancing working and family life is an important aspect of GERRY WEBER's human resources policy.

To retain employees in the long term and further increase our attractiveness as an employer, we do everything possible to offer our employees a good work-life balance.

Work-life balance

"KIDS WORLD", the GERRY WEBER day nursery, is located on the same site as the head office in Halle /Westphalia and offers sufficient space for six groups with a total of 90 places for children from the age of four months. The opening hours of the day nursery are adapted to the employees' needs. Positive feedback shows that some of our employees return from their parental leave earlier because they can rely on their children getting excellent care in the immediate vicinity of their workplace. The confidence placed in the work of the carers is primarily supported by the close contacts between the day nursery staff and the parents. Our special

child care offering has helped us win many employees for our company, while at the same time increasing the equality of opportunities for working mothers and fathers. Child care places were available to all interested employees in the reporting period.

Since flexible working hours were introduced in 2010 and employees' and executives' awareness for the need to avoid overtime was raised, overtime at the Halle head office has been reduced by 65% and maintained at this level. This had a great impact on the satisfaction, motivation and commitment of the entire workforce and is also reflected in the low staff turnover rate.

In the financial year 2014/15, a total of 120 employees were on parental leave (previous year: 111 employees). This is equivalent to 3.3% of the total workforce (previous year: 3%).

90 CHILD CARE PLACES

are available to **GERRY WEBER** employees at the company's in-house day nursery.

A parent's view - Stefanie Bitter

Two-year-old Lisa has attended the in-house day nursery since June 2015. Her mother, Stefanie Bitter, joined the Corporate Sourcing & Central Services in early 2010 and is happy to know that her daughter is in good hands. Thanks to KIDS WORLD, she was able to return to work 17 months after Lisa's birth and earlier than originally planned. The job-friendly opening hours and the proximity to the office make for an excellent work-life balance. Lisa herself not only loves the many animals at the day nursery and the daily singing; most of all, she loves Thursdays, when the "Red Kids", Lisa's group, do sports and gymnastics.



“we
LOVE
kids
world.”



THE GERRY WEBER DAY NURSERY



” OUR IN-HOUSE DAY NURSERY MADE IT **EXTREMELY EASY FOR ME TO RETURN TO WORK AFTER MY MATERNITY LEAVE.** AND IT IS VERY REASSURING TO KNOW THAT I CAN BE WITH MY DAUGHTER QUICKLY AT ANY TIME IN CASE OF AN EMERGENCY.

Stefanie Bitter,

Mother and employee Corporate Sourcing & Central Services

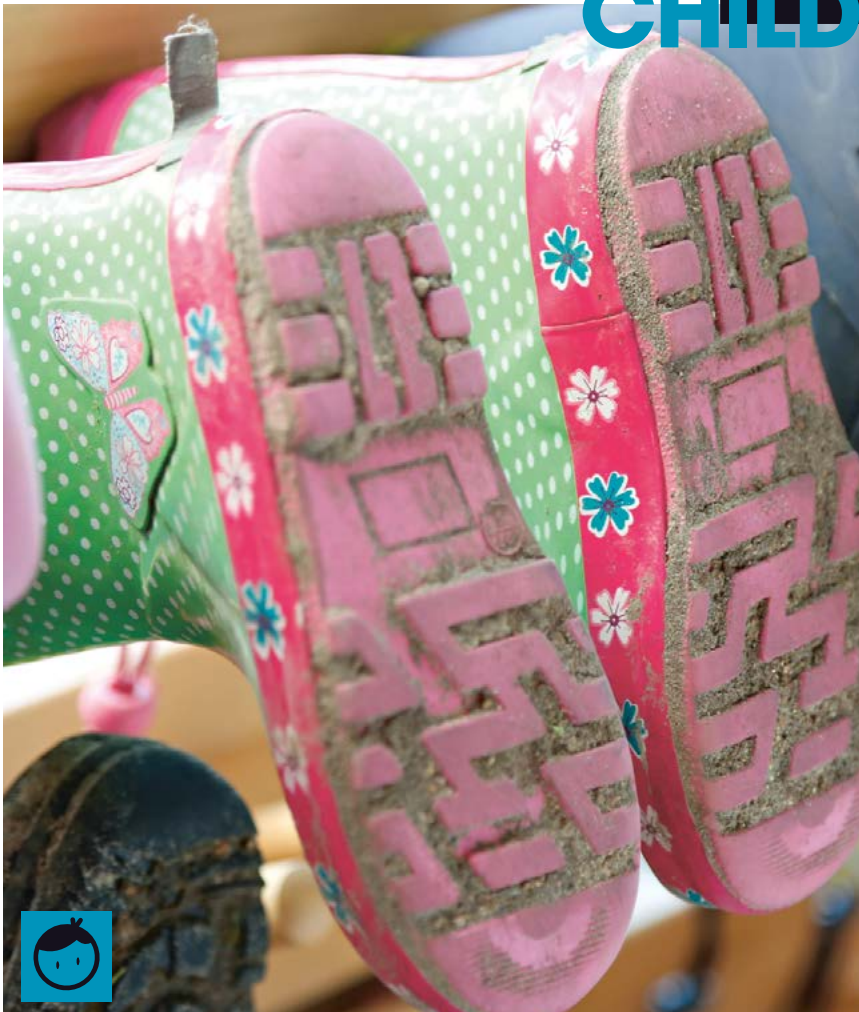
**7 A parent's view -
Tobias Grote**

According to Tobias Grote, father of four-year-old Liam, who has worked in IT Software Operations since 2012, the proximity and the opening hours are the greatest advantages of KIDS WORLD. Liam was admitted to the day nursery at short notice in summer 2015, which also allowed his mother to return to work smoothly and quickly. Another advantage is the great flexibility in planning the annual leave, as the day nursery closes only between Christmas and New Year. Liam himself is happy that he can regularly dress as a pirate to knock about the place. It is the combination of competent carers, **creative playing and the company of other kids which makes Liam enjoy his time at the day nursery so much.**

26

CHILD CARERS

LOOK AFTER the kids and accompany them through the day.





5,000 sqm

OF OUTDOOR SPACE with many attractions for kids to play and romp around.

” THE FACT THAT THE DAY NURSERY IS OPEN **45 HOURS** A WEEK GIVES US MAXIMUM **FLEXIBILITY**. EVEN IF WE OCCASIONALLY HAVE TO WORK A BIT LONGER, **WE NEVER FEEL ANY TIME PRESSURE** AS THE NURSERY DOES NOT CLOSE BEFORE 6 P.M.

Tobias Grote.
Father and employee IT Software Operations

CORPORATE CITIZENSHIP

WE ATTACH
SPECIAL
IMPORTANCE TO
MAKING A
**CONTRIBUTION
TO SOCIETY**
AT BOTH A
REGIONAL AND
INTERNATIONAL
LEVEL.

Corporate citizenship & sponsoring at regional level

Cooperation with wertkreis Gütersloh gGmbH

wertkreis Gütersloh is an association that is committed to promoting the dignity and the rights of handicapped people and aims, among other things, to integrate them into the labour market with the cooperation of regional enterprises. GERRY WEBER has supported wertkreis Gütersloh since 1993.

By employing people with mental or intellectual impairments, we pursue the objective of sustainable professional integration. Since 2010, 15 employees of wertkreis Gütersloh have worked for GERRY WEBER. One of the employees, who started in the Retail/Organisation Department in November 2010, signed a permanent employment contract in November 2012. In recognition of this commitment, GERRY WEBER received the "Social Oscar" in 2012. This prize recognises outstanding and exemplary achievements in the sustainable integration of people with mental or intellectual impairments by companies operating in the Gütersloh district.

The tasks performed by these people during their time with the company are diverse and range from jobs in the accounting department, in organisation or the incoming mail department to work at the former outlet store in Brockhagen. The company plans to create more office workplaces going forward.

In the context of the annual GERRY WEBER OPEN, donations are handed over to wertkreis Gütersloh together with international tennis players; over the past 21 years, an amount of over EUR 300,000 was donated to the association.

On the same occasion, famous tennis players also hand over donations to "von Bodelschwingschen Stiftungen Bethel" in nearby Bielefeld.

Support of the Good Hope Centre e. V.

By supporting the Good Hope Centre e. V., a charitable organisation based in Halle/Westphalia, GERRY WEBER International AG helps young people in Tanzania build a better future. The Good Hope Centre supports disadvantaged orphans and street children in Greater Arusha, in the Arumeru District in Tanzania. In 2010, the organisation facilitated the construction of the "Ngorika: Happy Watoto Home" for 100 children aged 7 to 13. The facility comprises a home for the younger children and a kindergarten as well as an English-speaking school. The donations made by GERRY WEBER International AG were used to build a house for 16 children and their carers. In the long term, the money will be used to secure the educational and medical supply as well as a balanced diet for the children.



7 Cooperation with academic institutions

GERRY WEBER and the Hochschule Niederrhein

The cooperation between enterprises and universities is a typical win-win situation – enterprises gain access to specialist knowledge and the latest scientific findings, scientific services as well as to academically trained talent. Students benefit from the close relationship with "the practical side" as it allows them to apply their specialist knowledge in a forward-looking manner.

In the past years, GERRY WEBER's CSR Department has cooperated closely with the Hochschule Niederrhein (University of Applied Sciences) and its EthNa CSR Competence Centre in the context of the research project "Ethisches Unternehmerhandeln im Spannungsfeld zwischen Kundenerwartung und Lieferkettenmanagement" (balancing the conflicting priorities of customer expectations and supply chain management through appropriate business ethics). The project is about the socially compatible behaviour of companies, e.g. with regard to work along the supply chains of the textile industry. It addresses the interesting and important question of how companies can reach the goal to observe ethical aspects, human dignity and corporate social responsibility without having to increase the prices for end consumers. The project was launched in 2012 and is sponsored by the North Rhine-Westphalian Ministry for Innovation, Science and Research.

The cooperation between GERRY WEBER and the University has resulted in other regular knowledge transfers, e.g. in the form of workshops, which are very much appreciated by all parties involved. The focus has been placed on topics such as "sustainability" and "social responsibility" as well as other aspects such as stakeholder analyses and risk management.

EMPLOYEE SATISFACTION AS A SUCCESS FACTOR



SUSTAINABILITY FACTS & FIGURES



744 PERCENT
of our senior staff are women

1,764

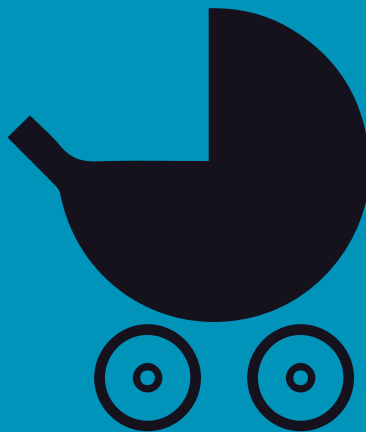
NEW EMPLOYEES
joined us as a result of the HALLHUBER takeover



500 INTERESTED STUDENTS
attended the Career Day in Halle / Westphalia

1,318

TRAINING HOURS
were provided in 2014 / 15



120 EMPLOYEES
were on parental leave in FY 2014/15



90 CHILD CARE PLACES
are available at the in-house KIDS WORLD day nursery

ABOUT THIS REPORT

- >G4-28 The present report of GERRY WEBER International AG covers the period from 1 November 2014 to 31 October 2015 (financial year 2014/15). It is the first report of its kind and is to be updated and published every two years.
- >G4-30
- >G4-32 The present report is based on the Core option of the G4 Guidelines of the Global Reporting Initiative (GRI). It presents the current topics identified as material as well as their results. The information used has been captured, compiled, analysed and disclosed in such a manner that it can be checked for reliability. It has not been verified externally.
- >G4-33

>G4-17 All information provided in the report applies to GERRY WEBER International AG and its subsidiaries, GERRY WEBER Lifestyle Fashion GmbH, TAIFUN Collection GERRY WEBER Fashion GmbH, GERRY WEBER Retail GmbH, SAMOON Collection Fashion Concept GERRY WEBER GmbH, HALLHUBER GmbH as well GERRY WEBER Logistik GmbH, and covers all points of sale in Germany.

With effect from the financial year 2014/15, the brand companies TAIFUN Collection GERRY WEBER Fashion GmbH and SAMOON Collection Fashion Concept GERRY WEBER were merged into Lifestyle Fashion GmbH, which has since acted as the wholesale distribution company for the GERRY WEBER, TAIFUN and SAMOON brands. As part of the merger, the product development and procurement operations were pooled in GERRY WEBER International AG.

The report does not cover our foreign subsidiaries as different legal conditions make it impossible to compare these subsidiaries and present their data in a well structured manner.

The present Sustainability Report is available online on the GERRY WEBER website and in paper form in both German and English language. Where the German version, in particular, uses only male pronouns and suffixes for reasons of better readability, these should always be read as being inclusive of both genders.

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General standard disclosures

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G4-33	External assurance for the report	92	The information provided in this report has not been reviewed externally.
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EDITORIAL INFORMATION

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Concept, advice and design

IR-One AG & Co., Hamburg
 www.ir-1.com



Printing & paper



This printed product has been awarded the Blue Angel. Code: GU9



“*we*
LOVE
fashion”

MORE THAN **STYLE**

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