Closed Sustainability Report Year 2020
List of Content

Page 4
Message from the board

Page 11
Sustainability at Closed

Page 16
A BETTER BLUE

Page 23
Environmental impact

Page 29
Certificates & Audits

Page 36
Materials

Page 42
Production partners

Page 48
Charity

Page 50
Closed in numbers
Dear Readers,

We are delighted to present our second sustainability report. In this report, we look back on an exceptional year: 2020. It was a challenging year for us and many others, and it stretched us to our limits. At the same time, it has made us stronger and has motivated us to do even more with regards to sustainability.

The first lockdown from March 2020, demonstrated just how important good relationships with loyal production partners are. We take great pride in the fact that we have been working with most of our production partners for decades. We have nurtured long-standing partnerships based on mutual trust since the company was founded in 1978. These partnerships are the foundation for the high quality of our products – which is always our number one priority – and they are essential in our vision of sustainability.

That is also why we are very excited to share some good news: we recently joined the Fair Wear Foundation, which will audit the production facilities at regular intervals in future – to officially show our customers the excellent conditions in which our production partners work.

As the pandemic unfolded, we saw the level of cooperation between our staff and partners gathering momentum. Although we were unable to travel to our production sites in 2020, something we do regularly under normal circumstances, we remained in constant contact and supported each other in these worrying times. We are deeply thankful to have such phenomenal partners and an exceptional team at our side to weather this crisis together (and grateful, of course, that we are all healthy). Thanks to our loyal partners and close coordination, our collections were produced and delivered on time.

In spite of the difficult conditions in this truly bizarre year, we were also able to work with our partners to introduce some sustainable innovations. We have expanded our eco-denim line A BETTER BLUE – for example, by introducing the world’s first degradable stretch denim garments with the natural rubber yarn Coreva™ in cooperation with our denim mill Candiani.

Our A BETTER BLUE jeans are manufactured with sustainable materials, low-impact dyeing processes and environmentally friendly washing techniques in Italy to save resources. So far, we have produced 223,950 A BETTER BLUE items and are proud to announce that we have saved 6,882,870 litres of water, 649,455 kWh electricity and 77,262 kilograms of chemicals (based on average savings compared to a pair of conventional Closed jeans).

To further reduce our consumption of water, electricity and chemicals, we have also integrated eco-friendly innovations in our collections, for example outerwear made from fully recycled fabrics dyed with plant dyes. We are continuing to increase the proportion of eco-materials.

Another vital factor in guaranteeing smooth production were our short supply chains. This is an aspect that has always been important for us for environmental and quality reasons. An impressive 80 per cent of our products are produced in Europe near our main markets. In order to optimise our ecological footprint, we avoid flying fabrics or semi-finished garments around the world. Our producers in Italy, Portugal, Romania and Turkey primarily work with European materials, while our Chinese partners mainly source materials like silk or technical fabrics in Asia. Our garments, footwear and accessories are transported to our warehouses only by land or sea to keep emissions to a minimum.

To compensate for a proportion of unavoidable emissions we make donations to climate protection projects. Our headquarters and warehouses are already climate-neutral. While we’re on this subject, we have more great news: from the 2021 autumn collection we will offset the CO2 emissions for all A BETTER BLUE jeans. In the next few years, we will increasingly concentrate on eco-friendly measures and CO2 offsetting with the aim of achieving a completely climate-neutral supply chain.
We will also be introducing even more stringent rules for yarns made with animal fibres, as animal welfare is very close to our hearts. In future, in addition to signing our Code of Conduct, we will require our suppliers to submit proof of origin and certificates of animal welfare for all wool yarns. We will also be introducing the PETA Approved Vegan seal shortly, to denote our products without any animal-origin constituents.

In closing, we would like to say that 2020 has yet again shown that sustainability inevitably means lower – but better – consumption. Our mission has never been so clear: we intend to embody the total opposite of fast fashion by designing products distinguished by high quality and longevity. We design our garments, footwear and accessories with a great love for detail – and they are produced responsibly to become favourites our customers will cherish for many years to come. That is our ambition in everything we do.

This report includes a number of other objectives that will pave our way into a more sustainable future as we are great believers in not just reviewing 2020, but also looking ahead. “Step by step into a greener future” remains our motto.
Sustainability is one of our key values
2. Sustainability at Closed: Status Quo

Our latest achievements

1. We became a member of the Fair Wear Foundation!
2. We have just launched the world’s first 100 per cent degradable stretch denim garments as part of our eco-denim line A BETTER BLUE. The jeans and jackets are made of organic cotton and the new biodegradable stretch yarn Coreva™, which consists of natural rubber and was developed by our Italian weaving mill Candiani.
3. All our footwear is now 100 per cent made in Italy (instead of Hungary). This decision was reached as most of the leather and additional materials for our shoes come from Italy. Italian production enables us to minimise distances between suppliers and cut back on emissions.
4. Our headquarters and Hamburg warehouses are climate-neutral by offsetting our carbon emissions by making donations to eco-initiatives.
5. We switched from conventional to organic cotton for many of our essentials. For our spring/summer and autumn/winter 2020 collections, 21 per cent of the cotton we used is organic. Our famous Closed hoodies are now made of organic cotton and recycled polyester.
6. Autumn/winter 2020 saw the introduction of recycled cashmere for men’s and women’s garments.
7. We switched to the vegan leather alternative Jacron for the logo patches of our A BETTER BLUE jeans.
8. We have profiled nine more of our production partners with images, interviews and additional information in the “production” section at Closed.com/about.
9. We have new “eco product” and “eco denim” filters in our online shop to highlight our sustainable items.
10. We have updated our A BETTER BLUE page with lots of in-depth information on all sustainable materials, washing and dyeing methods that are used for our eco-denim line: Closed.com/abb.
We will introduce PETA approved vegan labels for our products that contain no components of animal origin.

From our autumn 2021 collection on, we will be using an innovative outerwear fabric made of recycled nylon. It is dyed with a sustainable dye containing plant pigments. Developed by our Japanese partners Komatsu Matere, ONIBEGIE is an eco-friendly dyeing technique that upcycles onion skins, olives and bamboo.

By offsetting our carbon emissions by donating to eco-initiatives, our A BETTER BLUE jeans will become climate-neutral products from our winter 2021 collection on.

From our winter 2021 collection on, additional certificates, declarations of purchase and the origin of the raw material, including animal welfare regulations, are mandatory for our suppliers of all yarns containing animal fibres.

We will be introducing organic cashmere in our winter 2021 collection.

By incorporating an increasing amount of organic cotton and other eco-friendly materials and techniques in our collections, 35 per cent of our women’s and 47 per cent of our men’s winter 2021 collection are eco-friendly; 41 per cent of the women’s denim and 50 per cent of the men’s jeans are part of our eco-denim line A BETTER BLUE.

We will switch to recycled paper for our hangtags.

Our eco-denim line A BETTER BLUE cuts back water and electricity consumption and reduces emissions and the amount of chemicals added. The goal to produce sustainable jeans from start to finish involves innovative, recycled and organic materials, low-impact washing methods and sustainable dyeing techniques. Every season sees a rise in the volume of our A BETTER BLUE products for men and women.

We do not – and will not – use fur, angora or down because we care deeply about animal welfare. Our wool is mulesing-free.

Our fabric and yarn suppliers guarantee that all animal fibres used in our Closed products come from animal farms that comply with international production guidelines.

The leather we use is exclusively a by-product of the food industry.

The smooth leather we use for our bags and belts is exclusively vegetable-tanned – it is produced with natural tanning agents, primarily extracts from particular woods or nuts. These substances have no negative impact on the environment, which is what makes vegetable-tanned leather much more sustainable.

80 per cent of our products are made in Europe, close to our main markets. The majority of our partners select local fabrics. By keeping transport routes between suppliers short and avoiding air transport wherever possible, we minimise our carbon footprint.

Closed’s Code of Conduct, which all our production partners comply with, is an official document that guarantees no child labour, fair and statutory wages, paid overtime, safe and hygienic working conditions, fixed working hours and a maximum 48-hour working week. Every partner signs the Code of Conduct twice annually.

Our online shop offers an eco-packaging option (made of 100 per cent recycled material). All online shop orders are shipped in 100 per cent recyclable boxes made of 100 per cent recycled materials. DHL Green ships them using eco-friendly transport within Germany. NEW: On special sale days with a high order volume, eco-packaging is the only available option.

We use green energy from renewable energy sources in our offices, warehouses and shops.

Most of our printed material is produced using recycled paper, including our HARD COPY magazine – which is a carbon-neutral product. Our shopping bags are made of 60 per cent FSC-certified paper and 40 per cent recycled paper.
A BETTER BLUE
Sustainable denim from start to finish
### 3. A BETTER BLUE – our eco-denim collection

Traditional craftsmanship coupled with the latest expertise: we harness the power of new technologies to achieve sustainable, advanced production methods. We take particular pride in our eco-denim line A BETTER BLUE. As traditional methods of producing denim leave room for improvement, chiefly regarding the consumption of water and chemicals, we developed our own eco-denim line in 2018: A BETTER BLUE. We designed this line with our Italian denim partners Candiani, also known as the greenest denim mill in the blue world, and the Everest laundry. Our goal was to set new standards. Sustainable materials, innovative ecological washing and dyeing methods are the essence of A BETTER BLUE. Let’s take a closer look.

**Step 1: Sustainable materials**

Our weaving mill Candiani in Robecchetto near Milan uses 40 per cent cotton from sustainably managed plantations for the A BETTER BLUE denims and develops innovative, environmentally friendly materials. Candiani’s company headquarters is located in an environmental protection area, which isn’t the only reason the company is considered the “greenest weaving mill” in Europe. Before we share an overview of the sustainable materials we use for A BETTER BLUE, we would like to introduce our most recent fibre innovation – the bio-degradable stretch yarn Coreva™!

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>COREVA™ is the world’s first bio-degradable stretch yarn, developed and patented by our denim weaving mill Candiani. It is made of natural rubber, is completely plastic-free and decomposes without residue in composting plants. (To ensure that the entire garment is biodegradable, all our stretch jeans and denim jackets with COREVA™ are made from organic cotton and have buttons and seams made from materials of cellulose origin. We also avoid the use of conventional rivets and zips.)</td>
</tr>
<tr>
<td>2</td>
<td>Cellulose fibres (e.g. TENCEL™, Lyocell, Modal) are dissolved from wood in a closed cycle. The wood comes from sustainably managed, certified and monitored forests. Compared to cotton, cellulose uses up to 95 per cent less water.</td>
</tr>
<tr>
<td>3</td>
<td>TENCEL™ × REFIBRA™ consists of 70 per cent pulp derived from wood (see “cellulose fibres”). The remaining 30 per cent is recycled cotton waste from garment production, which is also converted into cellulose. By using this fabric, we can significantly reduce the amount of virgin cotton.</td>
</tr>
<tr>
<td>4</td>
<td>Organic cotton is produced and certified according to the guidelines of organic farming. Compared to conventional cotton, growing organic cotton requires about 80 per cent less water and about 60 per cent less energy. No genetically modified seeds, toxic chemicals, pesticides or insecticides are used.</td>
</tr>
<tr>
<td>5</td>
<td>Recycled cotton (post-industrial) allows us to reduce the amount of “virgin” cotton required by upcycling cotton residues accumulated during the production of fabrics in weaving mills.</td>
</tr>
<tr>
<td>6</td>
<td>Recycled elastane (post-industrial) is used by the Japanese company AsahiKASEI to produce the world’s first elastane yarn made of 100 per cent recycled material: ROICA Eco-Smart®. It was developed exclusively for Candiani and has been awarded the “Global Recycled Standard” seal.</td>
</tr>
</tbody>
</table>
Step 2: Sustainable dyeing methods

Candiani spins yarns from sustainable materials, which are then dyed — always blue or black — for denim. When dyeing for the A BETTER BLUE line, Candiani also uses environmentally friendly innovations that save water and chemicals. Here is an overview of the techniques in use:

1. **Easy-to-fade** is a dyeing process with colour pigments that do not penetrate as deeply into the yarn. This requires 15 per cent less water and 15 per cent less energy in the denim manufacturing process. The washing process also requires less water, chemicals and energy, since the dye is easier to wash out.

2. **Nitrogen dyeing** is a process where the yarn passes through a chamber filled with nitrogen, which reacts with the colour pigment and intensifies the dyeing process. This method saves 30 per cent of the chemicals. Nitrogen is salt-free and less harmful for the environment.

3. **Pre-reduced Indigo** is water-soluble and can be used directly for dyeing — unlike conventional indigo, which needs to be treated first. This reduces the amount of chemicals required by 50 per cent.

4. **Vegetal sizing** uses an innovative, plant-based alternative to conventional agents for sizing in denim production. This process does not use PVA (polyvinyl acetate) or other chemicals, instead employing natural sizing agents that are completely biodegradable and free from plastics.

5. **KITOTEX®** is a patented technology that uses a natural polymer for sizing the denim. It upcycles mushrooms or the shells of shrimps, both of which are biodegradable and microplastic-free waste products of the food industry. KITOTEX® requires 70 per cent less water, 50 per cent less chemicals and 30 per cent less energy during the dyeing process.

Step 3: Sustainable washing methods

Along with Candiani, the laundry company Everest from the Italian town of Piombino Dese was also significantly involved in the development of our eco-denim line A BETTER BLUE. Everest is an innovative company that has its own water treatment plant and is constantly developing new, environmentally friendly washing processes without chemicals — many of which even do without water completely! Let’s take a look at them:

1. **Lasers** can add any kind of pattern and fading to a pair of jeans. This technique “washes” with heat – and requires no chemicals at all. Water consumption and the degree of manual processing are also lower than with conventional washing methods.

2. **Ozone** is a naturally occurring gas with strong oxidising properties that can be used when washing denim: the colour pigments of indigo oxidise with ozone and become lighter in colour. Ozone is a residue-free and therefore very environmentally friendly washing method. After use, it is heated very slightly so that it breaks down into oxygen and is released back into the air without any pollution.

3. **Eco-friendly oxidising agents** can partially replace conventional chemicals such as chlorine and potassium permanganate. One example of this is our new formula for highly enriched oxygenated water as an oxidant. Unlike common chemicals, it leaves no residues in the water — saving water and energy.

4. **Bio enzymes** react with the colour pigments and lighten the denim fabric like the traditional stone-washing process — but in a more eco-friendly way. Using bio enzymes reduces average water consumption by 30 per cent compared with conventional enzymes.

5. **“Eco-Stones”** describes two eco-friendly alternatives to the classic stone-washing process. Firstly, we use “stones” made of an innovative, eco-friendly material that wears out more slowly than traditional pumice stones. Pumice stone is very porous, it rubs off quickly during washing and loses substance. This results in sediments in the wastewater, which have to be disposed of as blue-coloured hazardous waste. This is avoided by using Eco-Stones.
Details of the materials, dyeing and washing processes used for each individual pair of A BETTER BLUE jeans are printed on the inside of the pocket – and we have just updated our website with detailed information about our A BETTER BLUE production methods.

By the way, since 2020 we have been using a logo patch made of Jacron for all A BETTER BLUE jeans. This vegan leather alternative is made of particularly strong and resistant paper. This means that all A BETTER BLUE jeans where the KITOTEX® process was not used are completely vegan.

How A BETTER BLUE is expanding:

<table>
<thead>
<tr>
<th>2018/2019</th>
<th>12,471 pairs of A BETTER BLUE jeans</th>
<th>218,592 pairs of jeans in total</th>
<th>5.7 per cent A BETTER BLUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/2020</td>
<td>23,178 pairs of A BETTER BLUE jeans</td>
<td>227,111 pairs of jeans in total</td>
<td>10.2 per cent A BETTER BLUE</td>
</tr>
<tr>
<td>2020 a/w</td>
<td>55,877 pairs of A BETTER BLUE jeans</td>
<td>140,229 pairs of jeans in total</td>
<td>39.8 per cent A BETTER BLUE</td>
</tr>
<tr>
<td>2020 s/s</td>
<td>79,851 pairs of A BETTER BLUE jeans</td>
<td>167,234 pairs of jeans in total</td>
<td>47.7 per cent A BETTER BLUE</td>
</tr>
<tr>
<td>2021 a</td>
<td>52,573 pairs of A BETTER BLUE jeans</td>
<td>95,358 pairs of jeans in total</td>
<td>55.1 per cent A BETTER BLUE</td>
</tr>
</tbody>
</table>
4. Environmental impact

Our headquarters and Hamburg warehouses have been climate-neutral since 2018. Closed is now taking the next big step: we are very pleased to announce that from the 2021 winter collection we will offset the CO2 emissions for all A BETTER BLUE jeans to make them climate-neutral products!

It is our goal to constantly reduce our emissions and offset the emissions we cannot yet avoid. In coming years, we will gradually concentrate on further eco-friendly measures and CO2 compensation to progress towards a completely climate-neutral supply chain.
What we are going to do

Step 1:
Carbon-neutral headquarters and Hamburg warehouse (209 employees). Our annual carbon emissions for 2020: around 500 tons. Compared to other companies of our size and in our industry, our emission value per employee is in the low range. We offset 1000 tons of carbon emissions for 2019 and 2020 by supporting the Bujagali Hydropower Project in the Republic of Uganda, which we already supported to compensate our emissions for 2018. The hydroelectric power station across the Victoria Nile harnesses the energy of the Bujagali Falls. It contributes to the fact that Uganda’s electricity grid is 90 per cent renewable, making the country one of the cleanest energy producers in the world. The project provides long-term support for the region and the whole country.

Step 2:
carbon-neutral production of our A BETTER BLUE jeans, starting with the 2021 autumn collection. We are going to offset the carbon emissions for our autumn/winter 2021 A BETTER BLUE jeans for men and women by supporting a project for the production of efficient cooking stoves and distribution of water filters in Tanzania. This project aims to reduce greenhouse gas emissions, curb deforestation and improve air quality by manufacturing and distributing charcoal and wood-fuel-efficient biomass stoves and water purification systems to households across Tanzania. The high-quality stoves are more efficient and durable than typical cooking methods in Tanzania. In addition, water filtration systems by LifeStraw® are used – a microbial treatment system for clean water.

Step 3:
Carbon-neutral production of our entire collection

Step 4/5:
Carbon-neutral supply chain.

We are going to save emissions by:

1. Producing close to our main markets in Europe and sourcing local materials to keep transport routes short.
2. Using more organic and recycled materials in our collections to conserve resources.
3. Increasing the volume of A BETTER BLUE products to limit water, electricity and chemical consumption.
4. Travelling for business by rail instead of air if possible (and by offsetting the emissions of our flights with donations to climate projects)
5. Encouraging our employees to cycle instead of driving by leasing bikes for them.
Closed officially joined Fair Wear Foundation in January 2021
5. Certificates & Audits

We are committed to fair working conditions and wages, environmental compatibility and responsible treatment of both animals and resources. Closed has been collaborating with the majority of the company’s partners for decades and visits them on a regular basis to personally monitor working conditions on site. All partners sign our Code of Conduct twice a year. Above and beyond this, our current objective is to define an additional method of officially documenting our observations.

Working Conditions
We are proud to announce that we officially joined the Fair Wear Foundation in January 2021. Our partners already sign our Code of Conduct to guarantee statutory, fair wages, fixed working hours, safe and hygienic working conditions and no child labour. Now, on top of this, we are pleased to take the next step with a highly respected organisation. Fair Wear will perform regular third-party checks in our production sites from now on.
About Fair Wear Foundation:
Fair Wear engages with factories, trade unions, NGOs and governments to make fair fashion the new normal – for a world where the garment industry supports workers in their right to safe, dignified, properly paid employment. Being one of Fair Wear’s 140 member brands in the garment industry is an official commitment to finding a fairer way to make clothes – and to ensuring transparency, as the foundation’s reports on brands can be accessed by the general public.

Fair Wear has the following four pillars for a fair fashion norm:

Brand performance checks: Fair Wear measures how well brands have assessed, identified and resolved issues with their suppliers. For example, by checking if the brand’s production planning is realistic to avoid unreasonable deadlines which could lead to excessive overtime. The results of these checks are open to the public to ensure transparency.

Factory audits: Fair Wear audits the brand’s production sites (e.g. health and safety inspections, interviews with workers) to find out how well they comply with the Fair Wear Code of Labour Practices and then follow up to see how successful they have been at making changes. Findings and recommendations for improvement are shared with the factory management and the brand to create an action plan.

Factory trainings: Fair Wear empowers workers with education. The foundation trains workers and management on the Fair Wear Code of Labour Practices with its eight labour standards (employment is freely chosen, freedom of association and the right to collective bargaining, no discrimination in employment, no exploitation of child labour, payment of living wage, reasonable hours of work, safe and healthy working conditions and legally binding employment relationship).

Complaints helplines: Fair Wear has complaints helplines for workers in major garment-producing countries. Garment workers can file a complaint if they feel that their rights are being violated. Fair Wear immediately launches an investigation and requires the brand to work with the factory to fix the problem.
Animal Welfare
At Closed, we condemn animal abuse and are committed to sustainable production and animal welfare. We use high-quality fabrics and yarns from suppliers who guarantee that the animal fibres used for Closed articles come solely from farms that comply with international production guidelines. These include the humane treatment of animals and a strict ban on any cruel practices.

We do not and will not process fur, angora or down.

Our wool is mulesing-free.

We only work with mohair suppliers who belong to the Mohair South Africa association.

The leather and lambskin we utilise are exclusively byproducts of the food industry.

We have concrete plans to introduce even stricter guidelines for animal fibres in 2021. Closed is going to require additional certificates from all our yarn and fabric suppliers to ensure animal welfare, including certificates of origin and proof of purchase for all raw materials.

Environment
We are in the process of determining the appropriate certificates for environmental standards in our production sites in 2021. Our production partners already do their best to use innovative, sustainable methods and ensure environmental compatibility during the production process. Some examples: the headquarters of our denim mill Candiani is located in an environmental protection area, our denim laundry Everest has its own water treatment plant – and Daro’s, our Portuguese expert for leather bags, uses only vegetable-tanned leather to make Closed bags.
Sustainability also means buying fewer, but better products
6. Materials

We choose our materials carefully to achieve the highest possible quality in order to create items that will remain our customers’ favourites for years to come. Sustainability also means buying fewer, but better products. Most of our materials are of natural origin, e.g. cotton or wool. In some cases, we also choose innovative synthetic alternatives. We not only use sustainable fabrics for our eco-denim line A BETTER BLUE, but also for an increasing number of items in our women’s and men’s collections. For our spring/summer and autumn/winter collections 2020, almost a quarter of our fabrics was eco-friendly.

Overview of materials in use:

<table>
<thead>
<tr>
<th>Material</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>54.2% Cotton</td>
<td></td>
</tr>
<tr>
<td>23.4% Sustainable Materials</td>
<td></td>
</tr>
<tr>
<td>9.2% Synthetic fibres</td>
<td></td>
</tr>
<tr>
<td>8.1% Wool</td>
<td></td>
</tr>
<tr>
<td>4.7% Leather &amp; lambskin</td>
<td></td>
</tr>
<tr>
<td>0.4% Silk</td>
<td></td>
</tr>
</tbody>
</table>

Cotton – 54.2%: Closed jeans, chinos, blouses, shirts, T-shirts and sweatshirts are made of cotton or cotton mix qualities. All our partners carefully select the best raw materials to create premium fabrics. As an example: the highest-quality cotton from Spain, Greece, Egypt and the US and cotton from the Better Cotton Initiative (BCI) from Africa and Brazil are used to make Candiani denim.
Organic cotton: growing organic cotton is more eco-friendly than conventional cotton as the process consumes less water and requires fewer chemical additives during cultivation. Of the cotton we used for our spring/summer and autumn/winter 2020 collections, 21 per cent was organic. As the quantities of organic cotton are limited, we are progressing step by step instead of immediately switching our entire production to organic cotton.

Lyocell, TENCEL™ and other cellulose fabrics: lyocell is a natural fibre produced from wood taken from sustainable forests. Its production has a low ecological impact and the fibre is completely biodegradable. The Austrian company Lenzing has been pioneering the production of fibres derived from wood for decades. Its high-quality lyocell is marketed as TENCEL™.

Recycled fibres: not only do we use recycled cotton, we also integrate recycled elastane, recycled cashmere and recycled nylon in our men’s and women’s collections.

Thinsulate™ Recycled Featherless by 3M™: since 2015 we have relied on the down substitute Thinsulate™ Featherless by 3M™ as an animal-friendly insulating padding for our jackets and coats. From autumn/winter 2020 onwards, it has been made of 100 per cent recycled fibres.

Thermore® Ecodown®: some of our jackets come with a Thermore® Ecodown® filling, made of 100 per cent recycled PET bottles. Every jacket insulated with Ecodown® is the equivalent of recycling as many as 10 PET bottles, which would have otherwise ended up as waste in a landfill.

Linen: linen is a natural material, made from flax plant fibres. When it’s not dyed, it is completely biodegradable. Its cultivation requires only a small fraction of the water that cotton requires and very little to no fertilizer.

Sustainable materials – 23.4%:
In order to produce our collections as environmentally consciously as possible, we are continually increasing the amount of sustainable materials throughout all product groups. Take a look:

Synthetic fibres – 9.2%: high-quality polyester, mostly in cotton or wool mixes, lends certain fabrics specific properties, such as increasing durability, lightness and stability. Elastane and elastomultiester give our stretch denims flexibility.

Wool (cashmere, merino, alpaca, mohair) – 8.1%: the finest cashmere, alpaca and merino fibres are selected to guarantee long-lasting quality. Our fabric and yarn suppliers guarantee that all animal fibres come from animal farms which comply with international production guidelines.

Leather & lambskin – 4.7%: the leathers and skins for our footwear, garments and accessories are sourced from first-rate European tanneries. We use vegetable-tanned leather whenever possible, so no chemicals are involved in the process. All our leathers and skins are by-products of the meat industry.

Silk – 0.4%: Closed’s crêpe de Chine, a high-quality silk, comes from the Hangzhou province in China. It is handled by our Chinese silk experts to reduce transport routes.
Over 80 per cent of our clothes are produced in Europe
7. Production partners

Timeless design means perfection from the word go. We search the globe for partners who have absolute expertise in their sphere and who regard quality as their top priority. Most of our associates are located in Europe where 80 per cent of our products are made, enabling us to reduce delivery channels and raise ecological standards. This also applies to our suppliers in China and India, who champion eco-friendly and fair practices just as much as their colleagues in Europe.

Code of Conduct
Sustainability also means ensuring uniformly good working conditions for all employees. Our managers, designers and clothing engineers visit our production sites at regular intervals and engage in a constant dialogue with our suppliers. These long-standing partnerships have resulted in a Code of Conduct for ecological and social guidelines. It is signed twice annually by all partners to guarantee fair, statutory wages, fixed working hours, safe and hygienic working conditions and a ban on child labour.

Our Code of Conduct complies with the Confederation of the German Textile and Fashion Industry. It is available in German, English and in the languages of all our production partners.
ITALY – 41%
Italian denim experts have been making our jeans by hand since 1978. The country is home to the best weaving mills, manufacturers and laundries. Virtually all our jeans are entirely handmade in Italy, from the fabric through to the very last stitch. Candiani, our weaving mill, closely cooperates with our laundry, Everest, and the Paul sewing shop – we refer to them as our denim triangle. Since 2020, all of our shoes for men and women are 100% made in Italy.

PORTUGAL – 14%
Our cotton specialists are located in Portugal, one with expertise in cotton blouses and shirts, the other in jersey. The cotton qualities processed are mainly Portuguese. Our leather bags are also crafted in Portugal, by a traditional family business.

TURKEY – 21%
Our T-shirts and sweatshirts are produced from premium cottons by Turkish jersey experts; their speciality is sporty styles such as the Closed hoodies. Another partner in Turkey is an absolute expert for leather and lambskin. These luxurious materials require special skills, which we are happy to have found in Istanbul.

CHINA – 16%
Our Chinese partners specialise in innovative materials and delicate fabrics like silk. The Japanese fabrics we select (mostly for our chinos) are made up here, as are our technical Chinese fabrics, for instance outerwear garments. All this reduces transport routes.

ROMANIA – 7%
Our skilled tailor for jackets, coats and other on-trend, ready-to-wear garments is based in Romania. We were able to locate a partner here, who has extensive expertise and shares our passion for every tiny detail.

INDIA – <1%
Our associates here specialise in the finest details, such as embroidery on blouses and shawls.

MOROCCO – <1%
Our men’s suits are tailored by a first-rate partner we cooperate with in Morocco who has consummate expertise in high-quality menswear.

(Figures refer to our autumn/winter 2020 collection)
We would never throw away or destroy unsold Closed items
No disposal of unsold goods: we would never throw away or destroy unsold Closed items. Products unsold by the end of the season are marked down for our sale periods. Remaining items have an additional chance to sell in our outlets. The next step after the outlets is our twice yearly factory sale. After this, unsold items have been donated to a Chilean charity organisation for many years. The clothes are sold in Chile and the total proceeds support a music school for children in need.

On a regular basis, we donate to other good causes. One example: We are supporting a German non-profit telephone-counselling organisation (TelefonSeelsorge®) with part of the proceeds of our “Closed 24/7” capsule collection, launching in April 2021. We chose this cause because mental health is more relevant than ever in our current global situation. In times where an increasing number of people feels isolated and lonely, the voluntary telephone counsellors are always there to help – 24/7.
To give you a break from all those words – get to know us by having a look at our numbers instead!

<table>
<thead>
<tr>
<th>7</th>
<th>Production countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Italy, Portugal, Turkey, Romania, China, India, Morocco</td>
</tr>
</tbody>
</table>

29 years  
Longest partnership  
Paul S.p.A., our Italian denim sewing shop

22  
Pieces  
for every pair of our Pedal Pusher Jeans

31  
Number of steps  
it takes to produce a pair of Closed jeans

240,000  
Photos  
produced in our studio per year

1,200  
Wholesale partners

48  
Closed shops  
(38 in Germany, 2 in Austria, 3 in Belgium, 4 in the Netherlands, 1 in Spain)

<table>
<thead>
<tr>
<th>49</th>
<th>36</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>Managerial positions</td>
<td>Managerial positions</td>
</tr>
<tr>
<td></td>
<td>women</td>
<td>men</td>
</tr>
<tr>
<td>46</td>
<td>39</td>
<td>13</td>
</tr>
<tr>
<td>Internationally based employees</td>
<td>Average age of employees</td>
<td>Managerial positions</td>
</tr>
</tbody>
</table>

Employer benefits
We are a family business – and we care about our employees. Always have, always will. And not only because they are our greatest asset. One objective in our sustainable corporate mission is to invest in our employees’ health and well-being. To do this, we provide certain benefits:

Bicycle leasing  
at a discounted rate for all staff at headquarters and warehouse facilities (Jobrad)

Complimentary yoga classes  
on a regular basis at the headquarters (dynamic and restorative options)

Workshops and further training

Flextime  
(headquarters)