



IRIEDAILY SOCIAL REPORT 2024



CONTENTS

3	1. FOREWORD
4	2. ORGANIZATIONAL CHART
5	3. SUCCESSES & GOALS
9	4. RESPONSIBLE SOURCING STRATEGY
19	5. STANDARDIZED CONTROL AND REMEDY SYSTEM
20	6. RISK-BASED APPROACH
41	7. ACTION PLANS
49	8. COMPLAINTS MANAGEMENT
50	9. TRAINING & HELP FOR SELP-HELP
51	10. TRANSPARENCY & COMMUNICATION
52	11. STAKEHOLDER ENGAGEMENT
54	12. CORPORATE SOCIAL RESPONSIBILITY
56	13. CONTACT

1. FOREWORD



Daniel Luger



Walter Molt

Especially in times when right-wing populists are gaining ground in many countries and the political compass is shifting further and further toward an anti-solidarity protectionism, it is increasingly important for us to clearly acknowledge our responsibility. We must be aware of the risks our business model poses and take measures to minimize them as far as possible.

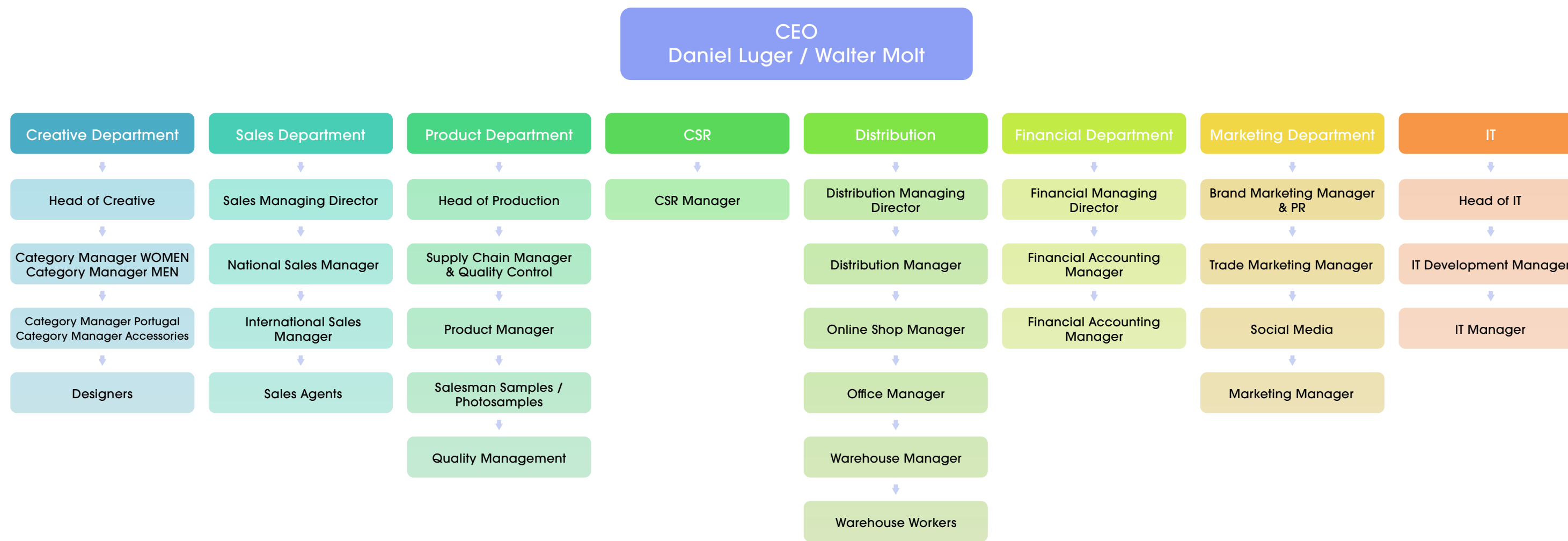
We therefore adopted a new “Responsible Business Conduct Policy” at the end of 2024 that clearly defines our responsibility as a company. For all employees, this means making business decisions not only based on maximizing turnovers or profits, but also taking this responsibility into account.

We are convinced that even in difficult economic times, it is important to face the complex challenges of this risk-based approach in our supply chain.

The following social report summarizes our activities in 2024.
Enjoy reading!

Daniel Luger

2. ORGANIZATIONAL CHART



3. SUCCESSES

FEMALE SUPERVISOR TRAINING

In 2023, together with another member of the Fair Wear Foundation, we were given the opportunity to support our Indian supplier „Sustainable Crafted Clothing“ in specifically training female employees to become managers. The holistic training project was developed and managed by „Good Business Lab“ and took place over a period of four months. During these four months, the 16 participants were taught the necessary „soft skills“ of a manager in four modules. The first „me as a person“ focused on exploring one's own self and one's own strengths. The second module, „me as a supervisor“, focused on understanding the role of a manager and the soft skills required for this. The third module, „me as a member“, focused on the team and how to deal with it. The fourth and final module, „me as a leader“, teaches the soft skills required to act constructively as a manager and lead a team as a role model.

In our country-level risk analysis for India, we rate the risk of gender-based discrimination as very high (rank 102 out of 172 hdr.undp.org/data-center/documentation-and-downloads). Our supplier in India has already taken some sensible measures to reduce gender-based risks. The proposal to specifically train female managers therefore

systematically promotes our risk-based approach.

We support the project for several reasons. Firstly, our supplier brought the project and the idea to us on its own initiative. We consider the intrinsic motivation and trust involved in jointly reducing gender-based risks to be invaluable. On the other hand, we see the promotion of soft skills as a central and indispensable building block in the training of managers. In an environment that is male-dominated by social norms and where women are not offered the same opportunities to learn these skills naturally, we feel that this project is all the more valuable. We hope that all 16 participants will act as role models for those around them and that the six managers who emerged from the project (the original expectation was three managers) will help to break down gender stereotypes and strengthen the participation of female employees.

Risk analysis:

We are currently in the final phase of the project and hope to receive the results of the evaluation of the long-term effects soon.

FACT-BASED EMISSION REDUCTION TARGETS

In 2023, we resolved to increase our focus on environmental sustainability and set ourselves fact-based targets for reducing emissions in line with the Paris Agreement. In 2024, we started to have our carbon footprint calculated. We decided to do this with the help of Climate Partner to ensure that our emissions are recorded accurately and transparently. External experts have the necessary expertise and experience to correctly identify and assess all relevant sources of emissions. This ensures that our calculations comply with current standards and that we can develop targeted measures to reduce our emissions. Together with Climate Partner, we will work on a validated target in accordance with SBTi and evaluate this together in a workshop. Our aim is to have completed the calculations for 2023 and 2024 and set the target by mid-2025.

As a first step, we have recognized that we were able to slightly improve our carbon footprint in 2024 compared to 2023. In the next step, we will set ourselves fact-based targets based on the SBTi guidelines. After the „Corporate Footprint“, we also want to start calculating the „Product Footprint“.

In addition, we have expanded our internal risk analysis to include seven environment-specific risk factors (1. water consumption / water availability; 2. soil and (ground) water pollution; 3. hazardous chemicals; 4. environment & waste; 5. air pollution; 6. biodiversity and deforestation; 7. climate & energy), as well as systematically adding the „Environmental Performance Index“ aspect to our purchasing guidelines.

TIMEBOUNDED ACTIONSPLANS

We consider our „time-bounded action plans“, which were drawn up for the first time in 2024, to be another success. We not only consider the successful implementation of specific measures, but also the systematic categorization and prioritization of existing and potential risks in our supply chain.

We recognize this as an opportunity to fulfil our obligation to communicate transparently with our stakeholders, as well as to integrate

our suppliers into our goals at an early stage and in the long term and to implement them together.

We have added a „gender lens“ to this year's „time-bounded action plan“ as a logical consequence of our human rights duty of care and hope to fulfil this even more holistically as a result.

DIFFERENTIATED RECORDING OF GENDER-BASED RISKS

We recognize that we can only fulfil our human rights due diligence obligations holistically if we identify and differentiate the gender-based risks in our supply chain. In order to fulfil this responsibility, we have started to identify and integrate gender-related indices and sector-specific risks for women into our internal risk analysis on the basis of core labor standards. Based on this, we have begun to re-evaluate our suppliers and scrutinize our own actions. Secondly, we have started to conduct surveys with our suppliers,

which were answered by management and employee representatives in order to determine gender-specific data. We initially created these surveys on the basis of our own risk assessments and later supplemented them with the help of „The Gender Data and Impact (GDI) Tool“ from BSR and the „Laudes Foundation“. We now consider this form of risk identification to be an integral part of our CSR visits to our suppliers in order to identify gender-based risks and reduce them more systematically.

LIVING WAGES

Ensuring living wages is crucial for sustainable change in the garment industry. At W.A.R.D.-GmbH (Iriedaily), we see fair wages as one of our top priorities and will continue to strive towards this goal. It is important to mention that all workers producing IRIEDAILY items receive at least the legal minimum wage in their respective country of production. Through our long-standing and trusting partnership with our supplier Jiangsu Yungao Garments Co, Ltd, we have succeeded in paying living wages for 52% of our production in China. However, due to the different corporate structures of our suppliers, there is no universal approach to calculating and paying living wages. We currently ensure fair payment at Jiangsu Yungao Garments Co, Ltd by making a special payment at the end of each production cycle. Our transparent partnership with Jiangsu Yungao Garments Co, Ltd allows us to determine the actual wage of all workers based on pay slips and attendance records. We

then calculate the difference between this figure and our living wage benchmark. In determining this benchmark, we followed the recommendation of the Fair Wear Foundation and used the current value of the Global Living Wage Coalition for the Suzhou region for the Jiangsu region. This was RMB 4,567 in 2024 (approx. \$622.94 at the exchange rate on 17 January 2025).

As part of our onboarding process, we have agreed with our new supplier Sustainable Crafted Clothing in India that we want to work together to find ways to pay a living wage for our production. Due to its social commitment, this supplier is able to give us different prices when calculating prices. His „normal“ FOB includes his normal wage, which at 11,250 rupees is above the legal minimum wage. Based on his analyses and the figures from the Global Living Wage Coalition, we have agreed on a living wage of 15,750 rupees. In order to achieve our goal of a full living

wage in the long term while still offering competitive prices, we have agreed on a specific timeline with Sustainable Crafted Clothing. In 2024, we negotiated the prices so that a wage is paid for our productions that covers 50% of the difference between the wage paid and the living wage. This wage corresponds to 13,500 rupees. For 2025 we will pay 75% and from 2026 100%.

In addition, we have started to calculate the difference between the wages paid in Portugal and the living wage determined by the organization „The Industry We Want“. We calculated this difference for all suppliers at the CMT production stage. The statutory minimum wage in Portugal for 2024 was 820 € for all suppliers. As all suppliers paid

14 salaries per year, the lowest wage was 956.66 €. Most suppliers pay a food allowance in addition to the salary. Depending on the amount of this subsidy, the wage level for the lowest-paid worker was between 957 € and 1063 €. The average wage level was between 957 € and 1140 €. The living wage proposed by „The Industry We Want“ for a family with 1.5 children and a labor ratio of 1.6 is between 1,049 € and 1,318 €. As all of our suppliers are located in rural areas, we have calculated the gap between the lowest wage and the lowest living wage. This amounts to a maximum of 9% and for five suppliers this gap is less than 5%. Based on this, we will work continuously in 2025 to systematically close this gap.

SYSTEMATIC SOURCING STRATEGY

In order to meet our own requirements regarding working conditions and sustainable business practices, we have recognized that we need a systematic approach to evaluating potential new sourcing countries or new Tier 1 suppliers. We have decided to use six different indexes for the general evaluation of sourcing countries, which cover human rights and labor rights

aspects on the one hand and evaluate environmental and climate-specific factors on the other. New sourcing countries must not fall below a certain threshold value in the sum of the assessments by the respective indices. We have also formulated clear criteria that potential new suppliers must fulfil in order to be included in our supply chain.

IMPLEMENTATION OF SUSTAINABLE KEY PERFORMANCE INDICATORS

In order to make the overarching success of our measures measurable, we decided to define KPIs for our work in 2024 on the advice of the Fair Wear Foundation. We are very proud that we were able to fulfil three of the four targets and record an improvement. Our KPIs are explained in more detail below.

Risk-weighted country sales

This KPI describes the development of the combination of our country index analysis and sales in the respective countries.

The aim is to increase the share of sales in countries with a better country risk and not to fall below 65%.

Risk-weighted supplier turnover

This KPI describes the development of the supplier rating (labor rights, influence and transparency) combined with the turnover of the respective suppliers.

The aim is to increase the share of sales from suppliers with a better rating and not to fall below a value of 75%.

Living Wage coverage rate

This KPI describes the percentage gap between the living wage and the wages paid combined with the turnover at the relevant suppliers.

The aim is to increase the proportion of sales generated by suppliers with a smaller gap and not to fall below 85%.

Sustainability quota in the use of materials

This KPI describes the percentage development of sustainable materials within our collections over a period of one year.

The aim is to increase the use of sustainable and certified materials and not to fall below a quota of 85%.

RESPONSIBLE BUSINESS CONDUCT

In a rapidly changing world, we consider it essential to adapt dynamically to events. This also applies to our „Responsible Business Conduct“, which defines the principles of our responsible business behavior and our duty of care. We have therefore decided to view our „Responsible Business Conduct“ as a living document, which we revise regularly.

We published the latest version in December 2024. It includes the following topics:

- Commitments of W.A.R.D.-GmbH
- The identification of risks
- Mitigating and preventing risks
- The evaluation process
- The reporting
- Our responsible purchasing practices
- Our onboarding process
- Our products and the environment
- Responsibilities and expectations

The aim of structuring and reorganizing the content was to create a compact and transparent foundation for responsible business and cooperation for us and our suppliers. We consider transparency to be

LONG-TERM CONTRACTS

It has always been clear to IRIEDAILY that sustainable change can only succeed together with our suppliers as partners. We have therefore placed great value on friendly, open and long-term relationships with our suppliers. We have now decided to legally guarantee this over a binding period of time in order to offer our suppliers a predictable framework as motivation to implement fair working conditions. Production contracts and framework agreements, which we began developing at the end of 2023, are an essential step in this direction. We have orientated ourselves on the „Common Framework for Responsible Purchasing Practices“. This framework is based on studies by the International Labor Organization (ILA), Ethical Trade Initiatives (ETI), Fair Wear and Better Buying Institute and enables companies to improve their purchasing practices so that they enable the

one of the main characteristics of sustainable behavior, which is why we always publish the latest version of our „Responsible Business Conduct“ on our website, as well as the associated guidelines.

implementation of fair working conditions. It is based on five principles: Integration and reporting, equal partnership, collaborative production planning, fair payment terms and sustainable calculations. To ensure the framework agreements are on an equal footing with our suppliers, we created a survey that we sent to our Portuguese partners at the end of 2023.

In 2024, our CEO visited most of the suppliers to discuss the draft contracts and the results of the survey with them. We realized that our original fear that the relationship of trust that had developed over decades could suffer due to the nature of the contract was unfounded. By the end of 2024, we had signed a framework agreement with eight out of twelve suppliers. This means that we have covered 91% of our production volume with a framework agreement.

GOALS

INTERNAL COMPLAINT MECHANISMS

As a member of the Fair Wear Foundation, W.A.R.D - GmbH (Iriedaily) uses and supports the complaints mechanism developed and provided by the Fair Wear Foundation. This enables individuals and organizations to draw attention to human rights risks and violations of human rights-related obligations that have been caused by the actions of W.A.R.D.-GmbH (Iriedaily) or by the actions of a direct or indirect supplier.

Our aim is to become aware of grievances in the supply chains at an early stage, to rectify them, if possible, in dialogue with those involved and to develop and implement effective preventive measures.

We have understood that in order to achieve this goal, functioning internal complaints mechanisms for our suppliers are essential and would therefore like to optimize these together with our suppliers. To this end, we have developed a new approach based on democratically elected worker committees with gender parity. We are convinced that this will create an even more effective and low-threshold complaints channel. In addition, we hope to achieve a stronger social dialogue within the factories with greater participation of female workers. Our goal is to implement this optimization in 2025 together with our suppliers.

LIVING WAGES

As explained earlier in this report, we believe that ensuring living wages is crucial for sustainable change in the apparel industry. The wage level has a decisive impact on the risk potential, as low wages not only represent a risk in themselves, but also trigger a number of consequential risks. We therefore feel it is our duty to do our part to reduce this risk.

For this reason, we have decided to try to establish our approach to paying living

wages, as we are already doing in China with Jiangsu Yungao Garments Co., Ltd., with two other suppliers in China. This approach requires a great deal of trust and transparency from all parties, which is why we are not the only ones making the decision. We already presented our approach in November 2024 during our supplier visits in China and now hope to receive a positive response from our suppliers soon and to make our contribution there too in 2025.



4. RESPONSIBLE SOURCING STRATEGY

4.1 RESPONSIBLE BUSINESS CONDUCT

Our Responsible Business Conduct (RBC) forms the basis of IRIEDAILY's responsible sourcing strategy. This sets out our unwavering values and defines our basic requirements for our suppliers. It defines our way of doing business responsibly and our commitment to upholding and promoting human rights in our supply chain.

In the past, IRIEDAILY's Human Rights Due Diligence (HRDD) supplemented our Responsible Business Conduct with clear guidelines on respecting human rights along our supply chain. In 2024, we decided to combine both documents and fundamentally revise our Responsible Business Conduct. We published the latest version in December 2024. It includes the

following topics: W.A.R.D.-GmbH's voluntary commitments; The identification of risks; The mitigation and prevention of risks; The evaluation process; Reporting; Our responsible purchasing practices; Our onboarding process; Our products and the environment; Responsibilities and expectations. This is a dynamic document which we intend to update regularly with internal and external expertise.

Our Responsible Business Conduct has been adopted at the highest corporate level with the aim of fulfilling IRIEDAILY's human rights duty of care. The latest version of our Responsible Business Conduct is always available on our homepage.

RESPONSIBLE BUSINESS CONDUCT DECEMBER 2024

W.A.R.D.-GmbH (Iriedaily) regards responsible behavior as a prerequisite for sustainable corporate development. The following Responsible Business Conduct Policy defines our principles and standards, which we are committed to upholding, and defines a framework for responsible business practices along our supply chain. The commitment of W.A.R.D.-GmbH (Iriedaily) goes beyond national and international law and is reflected in voluntary measures that support sustainable behavior wherever possible.

The promotion of fair and sustainable business practices within our supply chain is the basis of socially responsible, ecological and economic corporate governance. We are aware that there are different laws, cultures, standards and traditions to respect within the various countries in our supply chain. The Responsible Business Conduct is a supplement to the existing guidelines and reaffirms our belief in responsible business practices in accordance with the following guidelines:

Our Code of Conduct is based on the internationally recognized principles for the protection of human and labor rights as set out in the United Nations Universal Declaration of Human Rights, the core labor standards of the International Labor Organization (ILO), the Fair Wear Foundation Code of Labor

Practices, the United Nations Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

- Iriedaily Sourcing Policy
- Internal Onboarding Process
- Iriedaily_Exit Policy
- Child Labor Policy
- Homeworker Agreement_W.A.R.D.-GmbH
- Supplier Code of Conduct W.A.R.D.-GmbH
- Environmental Policy
- Internal Code of Conduct
- Stakeholder Engagement Policy
- Iriedaily_Chemical Policy
- Transparency Policy
- Modern Slavery and Forced Labor Statement
- Animal Welfare Statement
- Anti-Corruption Statement

W.A.R.D.-GmbH (Iriedaily) Promise

The Responsible Business Conduct Policy is aimed at all employees, department heads, company managers, contractors, consultants and freelancers. Disregarding or violating our Responsible Business Conduct Policy, including the guidelines stated therein, will not be tolerated.

W.A.R.D.-GmbH (Iriedaily) respects the internationally recognized principles for the protection of human and labor rights

as defined in the United Nations Universal Declaration of Human Rights, the core labor standards of the International Labor Organization (ILO), the Fair Wear Foundation Code of Labor Practices, the United Nations Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the chemicals legislation of the European Union.

Obligations

- We undertake to comply with the following guidelines and the above policies and to accept the associated work for implementation and to provide the corresponding resources.
- We are committed to equal opportunities and equal treatment. We reject any form of discrimination in the workplace and are expressly committed to promoting equal opportunities and diversity among employees with regard to gender, age, culture, religion, abilities, social background, marital status, origin, nationality and sexual orientation, taking into account the respective cultural and legal characteristics. We are committed to implementing this in the remuneration of comparable tasks, the allocation of positions and promotions, and also to working towards this in our supply chain. We are also committed to strengthening the rights of women within our supply chain.
- We are committed to strengthening the influence of the people who represent the employees. We are committed to promoting voluntary, free and transparent employee elections through education and training.

- We are committed to appropriately and structurally identifying and mitigating risks in our supply chain and taking remedial action where necessary. In addition, we are committed to explicitly recognizing gender-based risks in our risk-based approach and incorporating them into all decisions.
- We are committed to fair purchasing behaviour. This obliges us to engage in joint dialogue and long-term production and capacity planning, as well as to comply with fair payment terms.
- We are committed to recognising the impact of our business activities on the environment and biodiversity and using this knowledge to promote the positive effects and reduce the negative effects.
- We are committed to reducing the use of harmful chemicals in production in accordance with our Chemicals Policy.
- We are committed to promote trainings for the implementation of democratically elected employee representation.
- We are committed to promoting worker representation and encouraging participation in meetings and audits, as well as engaging in dialogue with management whenever required by the Fair Wear Foundation Code of Labor Practices.
- We are committed to promoting „Meaningful Stakeholder Engagement“ in our supply chain to an appropriate extent.

In addition to the obligations established by W.A.R.D.-GmbH (Iriedaily), we are committed to fulfilling the binding requirements between us and all relevant parties. Such requirements include legal and regulatory requirements as

well as customer relationship requirements.

Identification of Risks

In line with our risk-based approach and in accordance with our human rights due diligence, we have identified the following potential risks, without limiting ourselves to these:

- Child labor
- Discrimination
- Gender equality
- Forced labor
- excessive working hours
- Work-related and health-related damage
- Violation of the right of employees to form or join trade unions and representative organizations of their choice and of the right of employees to collective bargaining
- Non-compliance with minimum wage laws and wage levels that do not meet living wage levels to meet the basic needs of workers and their families
- Hazardous chemicals
- Water consumption and water pollution
- Greenhouse gas emissions
- Loss of biodiversity
- Bribery and corruption
- Animal welfare

We carry out our risk analyses for the above-mentioned risks at country, industry, business model, sourcing model and product level as well as for our suppliers. W.A.R.D.-GmbH (Iriedaily) bundles data and information from third parties on the above-mentioned risks in the form of reports, guides or country studies.

With the help of our supplier evaluation and our sourcing strategy, we ensure that the skills and capacities of our suppliers meet

our requirements and that human rights and environmental risks are constantly monitored. We strive for long-term business relationships with our suppliers, whereby the willingness to jointly eliminate risks is an essential prerequisite.

Mitigating and Preventing Risks/Preventing Negative Effects

We consider the joint implementation of preventive training programs with our suppliers and employee representatives to be essential for compliance with responsible sourcing practices and our corporate duty of care. To ensure compliance with our guidelines, we consult with all parties involved and review them at regular intervals. In addition, we are committed to regularly reviewing our own policies for negative impacts and adjusting them where necessary.

Regularly assessing our suppliers helps us to recognize problems and potential risks at an early stage and take appropriate measures. Training our employees and suppliers can be beneficial for both parties and is the key to fair working conditions, sustainable developments and improved product quality.

Transparent communication between suppliers and W.A.R.D.-GmbH (Iriedaily) is essential for responsible production planning and compliance with social and environmental standards. For this reason, we regularly discuss their capacities with our suppliers and develop „Critical Production Path“ plans together. We also hope that these measures will sensitize our suppliers to transparent communication and create more room for more sustainable production conditions together.

W.A.R.D.-GmbH (Iriedaily) is aware of its responsibility within the supply chain, but also in the fashion industry. We see it as our duty to actively use our influence to promote sustainable developments and to work together with interest groups and other companies.

Evaluation Process

W.A.R.D.-GmbH (Iriedaily) uses an internal supplier evaluation to measure the effectiveness of long-term measures and strategies and at the same time to be able to consider these in relation to important parameters and factors. We practise a transparent approach to the evaluation of our suppliers. Together with the potential risks, the internal supplier evaluation forms the basis for the action plans we draw up.

Furthermore, the sustainable commitment and the associated measures of W.A.R.D.-GmbH (Iriedaily) are reviewed and evaluated at regular intervals by auditors from the Fair Wear Foundation as part of the Brand Performance Check.

W.A.R.D.-GmbH (Iriedaily) strives to establish a two-way evaluation channel in our supply chain in order to systematically record the feedback from suppliers and stakeholders and take it into account in our evaluations and future decisions.

Reporting

We regularly monitor, measure and review our sustainability performance and developments with the help of the Fair Wear Foundation's Brand Performance Check. We also report transparently on our sustainable developments every year in the form of a social report, in which we also provide

information on our goals and strategies for the future.

Responsible Purchasing Practices

W.A.R.D.-GmbH (Iriedaily) considers responsible purchasing practices to be one of our most important tools for acting responsibly. As a sustainable company, W.A.R.D.-GmbH (Iriedaily) adapts its purchasing practices to respond to the needs of our suppliers and find the best possible solutions for responsible cooperation. At the same time, we ensure that our requirements in terms of human rights, animal welfare and environmental protection are met. We rely on long-term, sustainable supplier relationships that guarantee a particular willingness and ability to create positive developments in the supply chain.

Our sourcing strategy is designed to enter into long-term business relationships with our producers. We categorically rule out frequent changes of supplier in order to promote a trusting partnership with our suppliers. We are committed to dialogue with suppliers to plan order and delivery dates. We try to provide order and material forecasts as early as possible. Our aim is transparent price calculations that enable us to pay a living wage.

When selecting a new producer, we adhere to an internal onboarding plan that defines and monitors the onboarding process. Only when a supplier fulfils all requirements and our specifications does he or she qualify as a trustworthy partner and is integrated into our supply chain.

Responsible purchasing practices are crucial for improving working conditions in the factories and long-term supplier contracts

are of fundamental importance. We try to conclude contracts with as many suppliers as possible in order to create a clear legal framework for the entire production process. These contracts clearly regulate the following points, among others:

- Term of the contract
- Production planning with all deadlines
- Terms of payment
- Transfer of ownership
- Compliance with the Code of Conduct
- Handover of our designs (Techpacks)

Process for Revising, Accepting and Integrating New Suppliers (Onboarding)

The acceptance of new suppliers follows a standard methodology defined by W.A.R.D.-GmbH (Iriedaily), compliance with which is mandatory.

The sourcing policy specified by W.A.R.D.-GmbH (Iriedaily) determines whether and which countries are considered as possible sourcing countries. We use the following index categories to evaluate our sourcing countries:

- [Democracy Index](#)¹
- [Human Development Index](#)²
- [Labor Rights Index](#)³
- [Corruption Perception Index](#)⁴
- [Environmental Index](#)⁵
- [Gender Inequality Index](#)⁶

Potential sourcing countries must be assessed in advance using these indices and may not fall below a defined threshold value that

summarises all indices. An analysis using the methodology described is mandatory and forms the basis for the inclusion of a new sourcing country.

The onboarding process for new suppliers into the supplier structure of W.A.R.D.-GmbH (Iriedaily) is clearly defined and aims to eliminate possible risks in advance and to ensure a smooth and long-term cooperation between both parties.

We have decided to divide our onboarding process transparently into seven phases. Each phase contains specific requirements that we consider to be an essential basis for a trusting working relationship. The process is divided into the following phases:

- First Contact
- Initial Information
- Contract Agreement
- Sampling
- Factory Visit
- Order
- Confirmation of the producer

Long-term cooperation is only possible once all phases of the onboarding process have been completed and all requirements have been met and ends with the signing of our long-term supplier contract. If the requirements in the individual phases are not met, cooperation is excluded.

The joint coordination and definition of a „Critical Production Path“ between W.A.R.D.-GmbH (Iriedaily) and our suppliers aims to

¹ www.eiu.com/n/campaigns/democracy-index-2024/

² hdr.undp.org/data-center/country-insights#/ranks

³ laborrightsindex.org/lri-2024-documents/lri-2024-complete-3-oct-2024_compressed.pdf

⁴ www.transparency.org/en/cpi/2024

⁵ epi.yale.edu/measure/2024/EPI

⁶ hdr.undp.org/data-center/documentation-and-downloads

avoid production peaks and minimize the risk of excessive overtime and the associated risks caused by W.A.R.D.-GmbH (Iriedaily). The „Critical Production Path“ is regularly revised and constantly monitored by Supply Chain Management. The relevant departments of W.A.R.D.-GmbH (Iriedaily) are instructed in the process and undertake to adhere to the deadlines that have been worked out.

Our Products and the Environment

W.A.R.D.-GmbH (Iriedaily) is determined to constantly reduce the environmental impact associated with our company and our products.

W.A.R.D.-GmbH (Iriedaily) strives to source materials and products from sustainable and traceable sources in our supply chain. Designers are encouraged to consider the environmental impact, recyclability and origin of materials when sourcing and developing products and to continuously increase the proportion of recycled materials and ecologically certified alternatives in the collections.

W.A.R.D.-GmbH (Iriedaily) works together with its suppliers to guarantee the safe handling of hazardous chemicals. When developing products, care must be taken to ensure that the use of chemicals is minimized. Through regular independent inspections, we ensure that the safety requirements for handling chemicals are guaranteed and that suitable measures are in place to prevent environmental pollution. In addition, our suppliers have undertaken to comply with national and international legal environmental standards.

Internal regulations of W.A.R.D.-GmbH (Iriedaily) to minimize the environmental impact of employees are laid down in the internal Code of Conduct of W.A.R.D.-GmbH (Iriedaily). All employees have read, contributed to and signed this code.

With the help of experts, our aim is to formulate realistic and measurable long-term climate targets to reduce greenhouse gas emissions and implement them effectively in our shops, offices and distribution networks. We are trying to have our corporate targets validated as part of the Science Based Targets Initiative 2025.

Responsibilities and Expectations

We expect our employees to read, understand and follow the Responsible Business Conduct and the guidelines set out therein. Decisions should be made transparently, ethically and in accordance with the relevant guidelines.

We expect our suppliers and subcontractors to fulfil the environmental and ethical standards we expect of them and to be willing to work together to promote social and environmental sustainability in the supply chain.

The employees of W.A.R.D.-GmbH (Iriedaily) are responsible for the:

1. implement this Responsible Business Conduct Policy and our Code of Conduct and Labor Practices in our supply chain using industry recognized methods, including audits and site visits to assess compliance with the Code of Conduct.

2. appropriate support and training of our suppliers in the implementation of the Code of Conduct.
3. working with industry partners, governmental organizations, non-governmental organizations (NGOs) and trade unions to effectively implement the Code of Labor Practices and apply best practices to assess compliance.

The suppliers of W.A.R.D.-GmbH (Iriedaily) are responsible for:

1. signing of our labor standards and a supplier code of conduct
2. monitoring the implementation of our Code of Conduct in all factories and registered subcontractors authorized by W.A.R.D.-GmbH (Iriedaily).

3. granting unrestricted, immediate and unaccompanied access and transparency to W.A.R.D.-GmbH (Iriedaily) and/or our authorized representatives. In order to verify compliance with the Code of Labor Practices, W.A.R.D.-GmbH (Iriedaily) reserves the right to conduct unannounced audits within or outside the established audit cycle. In such cases, W.A.R.D.-GmbH (Iriedaily) and/or our authorized representatives must be granted access to the site in question immediately and without prior notice.

4. compliance with the Chemical Policy and support in the collection of data to minimize the harmful impact on the environment and biodiversity.

4.2 PURCHASING CRITERIA & PRICE CALCULATIONS

For more than 25 years, our company has pursued a sourcing strategy that focuses on developing strong, collaborative relationships with our suppliers. We are convinced that this approach is the key to continuous product quality and stable delivery times. Mutual trust and planning security have always been a priority for us and have been the driving force behind our success in producing fair and high-quality products. In order for our suppliers to be certified to work with us, it must be ensured that the companies fulfil our fair working conditions and ecological criteria. This can only happen on the

premise that they can rely on our long-term partnership. In addition to ensuring order fulfilment, punctual payment is therefore a matter of course for us. Our collections are divided into four countries depending on the product group. Jackets, trousers, shirts, shorts, accessories and knitwear were produced by five manufacturers in China in 2024. Items such as T-shirts, tops, dresses, sweatshirts, hoodies and socks were produced by five suppliers in Portugal. There is also a supplier for trousers, jackets and shirts in India. A new supplier for knitted hats has been added in Germany.

Thanks to more than 25 years of cooperation with M.C.L., a textile agency that represents our interests locally in Portugal, all our producers are well informed about the requirements of the FWF. Our long-standing partnerships with suppliers have enabled us to maintain a stable price level in recent years. They are familiar with our quality standards, order quantities and expected size distribution, which makes it easier for them to calculate prices. Using approximate

comparative figures from previous years, we can estimate the expected costs of a product with reasonable accuracy. We have therefore been comparing workers' wages for years in order to draw conclusions. In cooperation with our direct business partners and intermediaries, we are constantly trying to achieve greater transparency. We also enquire about minimum and average wages in order to agree fair prices with our suppliers that guarantee appropriate wages.

4.3 SOURCING STRATEGY

We have been pursuing the same strategy when purchasing our products for more than 30 years now:

We can only achieve consistent quality and stable delivery times if we maintain a partnership-based relationship with our suppliers.

That is why mutual trust and planning security have been our key to producing fair and high-quality products ever since.

Our declared aim is to work with suppliers who share our values with regard to labor practices, human rights and environmental protection.

For our suppliers, this means that they have to invest a lot of time and effort if they want to have their company certified for our production with regard to the implementation of fair working conditions and ecological criteria. Understandably, our partners are only prepared to do this if they can rely on us in the long term. Therefore, in addition to the assurance of orders, punctual payment

of our suppliers is a matter of course for us.

We categorically reject frequent changes of supplier and take great care to build long-term relationships when selecting our partners.

We currently work with 14 tier 1 suppliers. We usually have a direct business relationship with them and the main production process (cut-make-trim) takes place there. They are subject to stricter requirements and are assessed by us once a year.

These suppliers use subcontractors for special production steps such as dyeing, washing, printing or embroidery. We currently have 11 subcontractors at this stage of the supply chain.

The fundamental problem for us is that, due to our size and our business model, we have no direct relationships with the manufacturers of the material and the suppliers of the raw materials. This means that we have very little detailed information about our production facilities for the two supply chain stages

„raw material cultivation“ and „spinning and weaving“. In order to minimize the risks at these stages of the supply chain, we are constantly working to use as many certified materials as possible in our collections and to exclude certain high-risk production areas.

Our production countries are China, Portugal, India and Germany.

Guidelines:

We use the following indices to evaluate our sourcing countries

- [Democracy Index](#)
- [Human Development Index](#)
- [Labor Rights Index](#)
- [Corruption Perception Index](#)
- [Environmental Index](#)
- [Gender Inequality Index](#)

These indices are added together and the resulting average may not be less than 52% for countries in which we have existing supplier relationships.

If the average value falls below the threshold, a very thorough review of our existing suppliers must be carried out. These checks take into account the duration of the business relationship and the importance of the supplier for the respective product category. The respective supplier is evaluated in an annual supplier rating. This supplier rating leads to further measures, which are primarily orientated towards the aspects with the lowest values. Annual „action plans“ are derived from this. If improvements cannot be achieved, the result can also lead to a decision to withdraw in line with our withdrawal policy.

Internal Guidelines for Accepting New Suppliers:

When looking for new suppliers for production, it is important to work primarily with existing supplier countries in which employees have the right to freely form or join a trade union and/or engage in collective bargaining. These are currently: Portugal, India, Germany.

If sourcing from one of these countries is not possible, new production countries can also be added. It must be ensured that the average value of the above-mentioned indices does not fall below a minimum value of 54%. In addition, the right to freedom of association and the right to collective bargaining must be guaranteed in new production countries. Furthermore, for new production countries, we only accept countries that have achieved a maximum gender inequality index value of 0.2 (80% gender equality). For suppliers from countries with a lower gender equality index, an increased commitment must be demonstrated at supplier level. The decision on a new production country is made by consensus between Production Development (Creative Department) and the CSR, whereby the CSR has the right to exclude production countries at any time. Risk analyses at country, supplier and product level are included in this decision-making process.

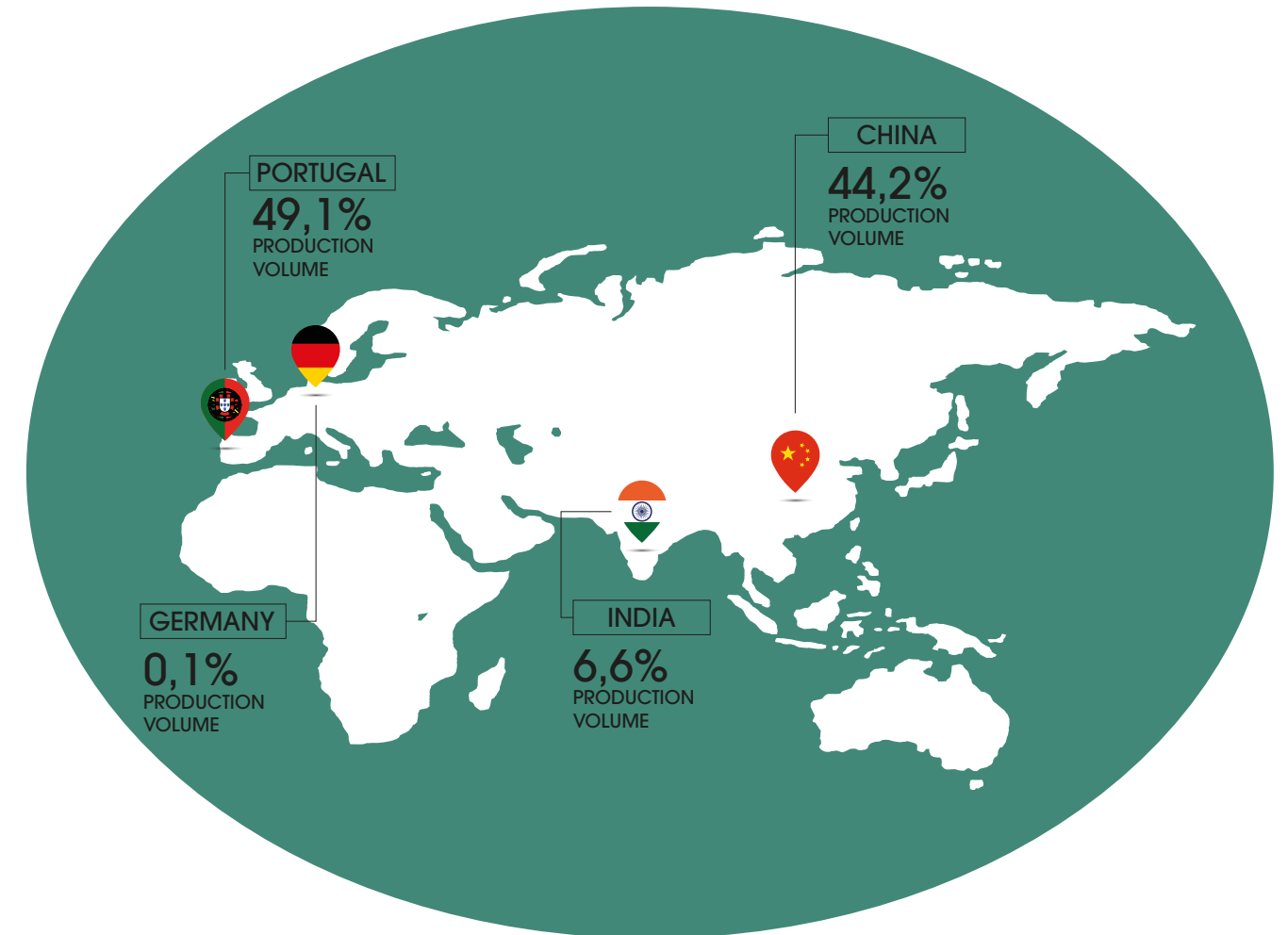
Requirements for New Tier 1 Suppliers:

- The supplier shall provide us with detailed information about its factory and its supply chain. It is important to ensure that the supplier only has a limited number of suppliers. Existing audit reports from recent years (GOTS, Fairwear Foundation, Fairtrade, SA 8000) are particularly

important

- The supplier agrees to our requirements within the framework of FWF membership and is prepared to sign the relevant documents (FWF Questionnaire, Disclosure Agreement)
- The supplier must sign our onboarding documents: (Policy Papers, Supplier Code of Conduct, Transparency Policy, Homeworker Agreement, PETA Disclaimer, Chemical Policy)
- The supplier must be open to audits
- There must be a documented visit by an Iriedaily employee. A Basic Health Safety Check and our internal supplier CSR checklist must be used. The supplier must give us access to the required documents. The supplier must allow us to take photos.
- The supplier must provide appropriate proof of social labor conditions. This

- can be existing audits (GOTS, Fairwear Foundation, Fairtrade, SA 8000). If this is not available, a corresponding audit must be carried out before the first production
- The supplier must be prepared to create a democratic working environment (such as employee representatives, employee committees, trade union participation).
- The supplier is willing to work with us on living wages
- The supplier has the possibility to provide us with the necessary data on energy consumption for the calculation of emissions
- The supplier has the potential for a long-term partnership. Our Framework Manufacturing Agreement with a term of 3-5 years should be signed after one year (or two productions) at the latest.



4.4 SUPPLIER RELATIONSHIPS

IRIEDAILY has been pursuing the same strategy in the sourcing of its products for over 20 years. We can only achieve consistent quality and stable delivery times if we maintain a partnership-based relationship with our suppliers. Mutual trust and planning

reliability therefore always been the key to success when it to producing high-quality products fairly. Long-term relationships are therefore not only a self-evident virtue, but also a vehicle for implementing fair working conditions and minimizing risks.

PORTUGAL

We have been producing in Portugal since the IRIEDAILY brand was founded. For the first ten years, all of our collections were manufactured exclusively in Portugal, and now 49,1% of our production volume is located there. In Portugal, a statutory

minimum wage is paid in many sectors, which has been continuously increased in recent years. However, as everywhere in the EU, the cost of living has also risen disproportionately, meaning that the difference between the minimum wage and

living wage has increased. Together with our suppliers, we are taking various measures to optimize our products so that they still meet our high-quality standards, but can be produced so efficiently we can keep the price as stable as possible.

Although we strive to supply our suppliers with continuous orders for as long as possible in accordance with our purchasing strategy, we were forced to withdraw from one supplier in 2024. During the semi-annual visit of our designers to Conceicao Pereira & Carvalho LDA in March 2024, the owner informed our designers that the cooperation with Iriedaily would not make sense for him, as the orders were too small for his calculation. There were

several reasons for this decision. Firstly, we have had problems with quality, delivery dates and communication with this supplier for years. Secondly, the general economic situation of our suppliers in Portugal is not easy. Almost all of our factories there have had to contend with a considerable drop in orders in recent years and, due to the general economic situation, we also have to expect declining production figures. We analyzed our supplier base in Portugal according to the parameters of influence, duration of cooperation, our percentage production volume within the factories, quality and reliability and determined that an exit from Conceicao Pereira & Carvalho LDA would mean the least damage to the workers and

our business model within our supply chain in Portugal. We communicated this to the owner in June 2024 and at the same time assured him that he would be able to manufacture the upcoming production for the spring/summer 2025 collection until further notice

to give him 9 - 12 months to compensate for this loss. Our Head of Creative, our Category Manager for Portugal, our CSR Manager, our CEO and our agency in Portugal were involved in the decision-making process.

CHINA

China is one of our most important production countries, from which we sourced 44,2% of our products last year. Over the past ten years, the country has developed at an impressive pace. These changes have contributed to an increase in the standard of living, particularly in urban areas, which

in turn led to an increase in the cost of living. Despite the rise in wages, there is still a gap between the statutory minimum wage and a living. Raising wage levels therefore remains an important priority in this region, even though our producers often pay more than the minimum wage

INDIA

In 2023, we took the step of not only a new supplier but also a new production country to our supply chain. We did not make this decision out of necessity, but consciously in

order to minimize risks in our supply chain in the long term. In 2024, the production volume accounted for 6,6%.

GERMANY

In 2024, we have already added another new supplier and a new production country to our supply chain. We saw this as an opportunity to minimize the risks in our supply chain and meet our own targets (KPIs) on the one hand,

and to expand our range with products of the highest quality on the other. In 2024, the production volume unfortunately only accounted for 0,1%.

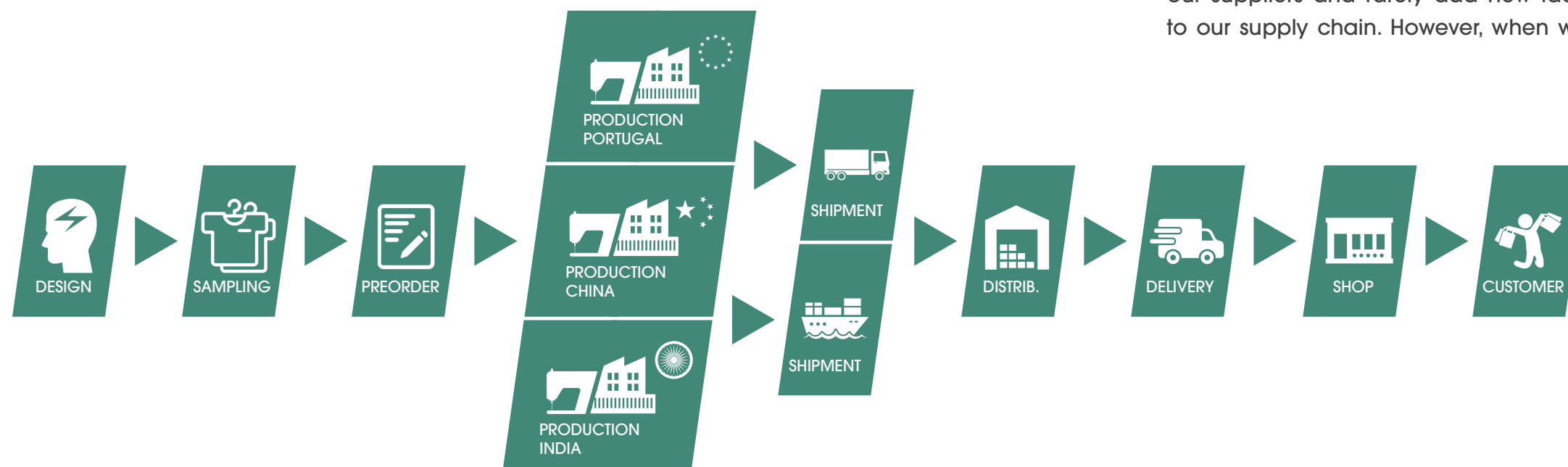
FACTORY LIST 2024

Factory	Address	Country	Workers	Female	Male	Domestic Migrant Workers	Process	Productrange	Union Representation	Average Wage Level for Sewing Worker	Legal Minimum Wage	Living Wage
Blur Unipessoal Lda	Rua do Seixo, Arcozelo, 4750-778 Barcelos	Portugal	56	24	32	0	Digitalprintig	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
Conceicao Pereira & Carvalho LDA	Rua da Boavista 145, 4765-036 Bairro	Portugal	54	44	10	0	Cut, Make, Trim	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	961.44 €	820 €	1,049 € - 1,318 €
Desejo Original, congecao Unipessoal, Ld	Rua do Covilho, no 169, 4620-423 Lousada	Portugal	12	11	1	0	Sewing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	1,063.10 €	820 €	1,049 € - 1,318 €
Dongguan WanHuiTu	No. 268 Xinjia Team, Sukeng Village, ChangpingTown, 523577 Dongguan	China	106	61	46	98	Cut, Make, Trim	Knitwear	No Union registered	The average wage paid to workers is around 4,300 to 5,200 CNY gross per month (10/2024)	2,360 CNY	5,410 CNY
Estamparia Jorsan, Lda	Rua de Avioso, no 342, 4475-617, Avios, Santa Maria	Portugal	5	4	1	0	Printing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
EuroSas Confeccoes, Lda.	Rua Penedo Redondo 93, 4755249 Goios Barcelos	Portugal	23	20	3	0	Cut, Make, Trim	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	1,044.67 €	820 €	1,049 € - 1,318 €
FELMAC, Malhas e Confecoes Lda.	Rua das Cardasas 614, Zora Industrial de Amorim, 4495-125 Povoa de Varzim	Portugal	36	31	5	0	Cut, Make, Trim	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	956.67 €	820 €	1,049 € - 1,318 €
GLOBAL WASH CARE	No 919, 7th Mile, Bharani Industrial Estate, Chikkabegur Gate, Hosur Main Road, 560068 Bangalore	India	53	42	11	Information not available	Washing	Shirts, Pants, Shorts, Jackets	Information not available	Information not available	9,502 INR	15,000 INR
Gomes & Fernandes Barbosa, C.IT, Lda	Rua das Industrias no 2845, Parque Industrial Ibaboc Lantemil-S.Tiago de Bougado, 4785-633, Trofa	Portugal	55	30	25	0	Cut, Make, Trim	Socks	Unions are avaiable by Portugese law - Factory is not unionized	1,062.17 €	820 €	1,049 € - 1,318 €
Guangzhou Jin Qi Shi Jia Leather Co. Ltd.	No. 4 He Bei Liu Street, Yishan Village, Shiling Town, Huadu District, Guangzhou, Guangdong	China	17	11	6	17	Cut, Make, Trim	Accessories	Factory is not unionized	The average wage paid to workers is around 5,600 CNY gross per month_benefits included (05/2022)	2,360 CNY	5,410 CNY
Jaingsu Yayuan Headwear Manufacturing Co., Ltd (Asian Sourcing)	No 2 South Guangzhou Road, 223005 Huai An	China	1181	1016	165	0	Cut, Make, Trim	Caps, Beanies	Factory is unionized and the trade union is subject to All China Federation of Trade Union (ACFTU)	The average wage paid to workers is around 4,500 CNY gross per month_benefits included (09/2020)	2,490 CNY	4,567 CNY
Jiangsu Yungao Garments Co., Ltd (Lucky Top)	No.98 Beiguo Xingyuan Rd Gushan Town, 214414 Jiangyin, Jiangsu	China	61	54	7	0	Cut, Make, Trim	Shirts, Pants, Shorts, Jackets	Factory is not unionized	The average wage paid to most workers is around 6,350 CNY _ all benefits included (10/2024)	2,490 CNY	4,567 CNY
Jiangyin Beiguo Zhenye Garment Printinig Factory	No.98 Beiguo Xingyuan Road, Gushan Town, 214414 Jiangyin	China	18	6	12	Information not available	Printing	Shirts, Pants, Shorts, Jackets	Information not available	Information not available	2,490 CNY	4,567 CNY
Jiangyin Chengfeng Garment Factory	Hongmiao Village, Huashi Town, Jiangyin City, 214400 Jiangyin	China	50	47	3	0	Cut, Make, Trim	T-Shirts, Sweatshirts	Factory is not unionized	The average wage paid to most workers is around 5,200 CNY _ all benefits included (11/2022)	2,490 CNY	4,567 CNY
Jiangyin Huitai Garment Finishing Factory	No.274 Huanzhen Road, Beiguo Village - Gushan Town	China	10	8	2	Information not available	Washing	Shirts, Pants, Shorts, Jackets	Information not available	Information not available	2,490 CNY	4,567 CNY
Lopama Confeccoes, Lda.	Rua Do Paco 94, Macieira de Rates, 4755-267, Barcelos	Portugal	18	17	1	0	Sewing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	956.67 €	820 €	1,049 € - 1,318 €
Motivos & Relevo Unipessoal Lda	Rua de Cha da Raposa, n° 239 - Fracao F, 4795-784 Vilarinho - Santo Tirso	Portugal	3	1	2	0	Embroidering	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
Neivacor Estamparia Têxtil Lda	Rua dos Queijeiros 184, Abade de Neiva, 4750-001 Barcelos	Portugal	80	53	27	0	Printing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
Pereira & Filhos - Bordados, Lda.	Rua da Gandra, no. 26, 4755-067 Barcelos	Portugal	48	6	42	0	Embroidering	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	1,123.07 €	820 €	1,049 € - 1,318 €
Rodrigues & Abreu LDA	Rua Sao Sebastiao No 333, Manhete, 4750-557 Barcelos	Portugal	60	34	26	0	Printing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
Rodrigues & Jorge Oliveira Lda	Rua De Granda, Lote 7, 4805-413 Guimaraes	Portugal	15	2	13	0	Printing	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
SOCISILVAS-CONFECQUES IMPORTACAO, EXPORTACAO, LDA	Rua D. Antonio Castro Meireles, 313, 4425-637 Maia	Portugal	7	6	1	0	Cut, Make, Trim	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	1,008.67 €	820 €	1,049 € - 1,318 €
Sustainably Crafted Clothing Pvt. Ltd.	31/2, Naraikuppam, Kodipalli post, 635121, Krishnagiri, Tamil Nadu	India	655	533	122	17	Cut, Make, Trim	Shirts, Pants, Shorts, Jackets	Factory is not unionized	The average wage paid to sewing workers is around 11,250 INR per month_all inclusive (05/2024)	9,502 INR	15,750 INR
Tigerbor Industria De Bordados Lda	Rua da Farrapa, 22, 4755-560 Vila Seca, 4755-560 Barcelos	Portugal	11	3	8	0	Embroidering	T-Shirts, Sweatshirts	Unions are avaiable by Portugese law - Factory is not unionized	Information not available	820 €	1,049 € - 1,318 €
Walter Stohr GmbH	Feistelberger Strasse 19, 92533 Wernberg-Kobilitz	Germany	58	na	na	0	Cut, Make, Trim	Beanies	Information not available	Information not available	2,159 €	1,173 € (upper single) - 3,024 € (upper - family)

4.5 PRODUCTION CYCLE

IRIEDAILY publishes two collections per year. The two main seasons are Spring/Summer (48%) and Fall/Winter (52%). As a fashion brand, we recognize that many suppliers are faced with the challenge of completing a large part of their production within a relatively short timeframe due to the industry's usual cycles. We are aware of this conflict, but we also have to adhere to the requirements of the market. To address this issue, we are holding intensive discussions with the management of our main suppliers to find customized solutions. Together, we have agreed timetables, so-called „critical

production path“ plans. Earlier solutions resulting from these previous discussions, such as the decision to bring forward orders by two weeks, if necessary, are recorded in writing. We have realized that smaller producers in particular have difficulties delivering larger orders on a specific date. We have therefore started to accept weekly deliveries from our Portuguese partners, which helps our suppliers with financing and extends the production phase.



4.6 INTEGRATION OF SOCIAL STANDARDS AND PURCHASING CRITERIA

We have established a comprehensive monitoring and improvement process to ensure humane working conditions in our production facilities. This includes regular training for our suppliers, consultations with partners, internal training and FWF audits of our factories.

By maintaining constant contact with our agencies and conducting regular factory audits, we are to identify violations of the FWF Labor Code, the eight core labor standards derived from the ILO conventions and the Universal Declaration of Human Rights at an early stage. We categorically reject cooperation with suppliers who are not to a joint and continuous improvement process.

We try to build long-term partnerships with our suppliers and rarely add new factories to our supply chain. However, when we do,

we make sure that the suppliers are aware of the Fair Wear standards and willing to work together to continuously improve working conditions and thus minimize the negative impact on workers. We openly communicate the results of each factory audit or training with our suppliers and invest a lot of time in implementing corrective actions within a defined timeframe.

In order to achieve far-reaching, structural changes at management level, we define clear conditional action plans. We only regard suppliers as reliable, long-term partners who show understanding and guarantee to implement improvements on a permanent basis.

We use an internal factory rating tool to obtain a company-wide overview of our suppliers. This tool records and evaluates all positive and negative findings, audits, progress and other „soft factors“ such as willingness to communicate and transparency. We share this assessment with our producers once a year to give them the opportunity improve.

Our risk assessment of suppliers has a further influence on the awarding of contracts. We adjust this assessment annually or renew it as soon as new findings emerge. Decent working conditions are a top priority for us and we try to continuously them through our monitoring and improvement process.

We see the continuous improvement of our

own processes as our duty, as well as the logical result of risk minimization. A decisive factor in the clothing industry is time and, in most cases, the lack of it. Short-term collection deliveries, deadlines, late changes or production phases that are too short significantly increase the risk of overtime and thus also promote a number of health risks. For this reason, our supply chain manager has developed individual production schedules (critical production path) together with our suppliers, based on the wishes and experience of both parties. The critical production path defines the most important deadlines and responsibilities within the collection and production phase and aims to minimize potential disruptions and delays in production and thus reduce the avoidable risk of overtime. It should be possible to view each item individually in order to track any delays or areas where excessive overtime could occur. The list contains information on order submission, order size, all sample confirmation dates, as well as the dates when the supplier has the materials in-house or the previously negotiated delivery dates. This provides a more precise overview and can improve possible weak points for the future.

Once the production phase is complete, we plan to gather feedback from suppliers and integrate it into future plans. The top priority in this process is the equal participation of

all parties in the development of the plans. Some of our suppliers have accepted the process very well and regular dialogue takes place. Some suppliers see fewer benefits than more work, as we communicate more via traditional email. We are trying to adapt the list for them and make it clearer and enable a more efficient exchange.

Another building block for the integration of social standards is the signing of our „Framework Manufacturing Agreement“, as it provides our suppliers with a predictable framework as motivation to implement fair working conditions and our purchasing team with clear guidelines.

In 2024, we introduced sustainable key performance indicators (KPIs), which also measure the implementation of social standards within our supply chain and are a helpful means of scrutinising ourselves. We have chosen the following KPIs for this purpose:

- Risk-weighted supplier sales
- Risk-weighted sales
- Living Wage coverage rate
- Sustainability quota in the use of materials

5. STANDARDIZED CONTROL & REMEDY SYSTEM

As a FWF member brand and environmentally conscious company, we have a duty of care and control. In order to fulfil this obligation in accordance with the applicable FWF requirements, we audit our production sites at regular intervals.

The basis for this is our comprehensive risk analysis, whereby we first analyze and prioritize potential risks and then have measures implemented in the form of training or audits. These audits are carried out by an independent FWF audit team operating at local level and provide us with information on the strengths and weaknesses of the suppliers in their current state.

The resulting audit report contains suggestions for improvement and is shared with our producers immediately upon receipt.

The next step is to prioritize the remedial measures to be taken according to urgency. We include country studies in this process in order to be able to accurately assess the risks identified for workers.

In cooperation with the factory, we take corrective measures to rectify any defects identified. We monitor the progress and success of these measures through visits to the factories and constant communication with our responsible local partners.

In 2024, we started to record the most important risks in time-bound action plans for each supplier. This is where we define the next actions in order to systematize the improvements in a meaningful way. For 2025, we have also added a „gender lens“.



6. RISK-BASED APPROACH

6.1 THE RISK-BASED APPROACH

As a responsible company, it is our duty to monitor the risks of our actions and our supply chain. Since 2022, we have been pursuing a holistic and risk-based approach to drive sustainable changes and improvements. To this end, we have consolidated, redefined and formulated binding internal guidelines. These guidelines provide the framework within which our actions may take place. The cornerstone of our systemic approach is the Responsible Business Conduct Policy (RBC Policy), which commits us to making a positive contribution to sustainable development while preventing or mitigating the negative impacts of our business activities, our supply chain or other influences on people, the planet and society. Continuous risk analysis is an essential part of this approach. We summarize country, sector, product, business model and factory risks. Categories include the core labor standards of the International Labor Organization (minimum wage, overtime, occupational health and safety, child and forced labor, discrimination, etc.), as well as water

pollution, CO2 emissions and corruption. We obtain information on individual risks based on scientific reports from NGOs, country studies and audit reports. Potential risks can thus be accurately assessed and, if necessary, preventively corrected before an emergency occurs. Positive developments and measures that we have already implemented are also integrated into the analysis. We update our risk assessment at regular intervals. In addition to assessing the risks, we also determine the probability of occurrence and severity (extent, scope and irreversibility). If we find a significantly increased risk, we initiate measures such as employee training, a risk adjustment by the supplier or even an exit. Further steps to minimize potential risks include factory audits, recurring training sessions and the collection and review of supplier data. However, risk assessment/prevention is only one part of our holistic approach. It is also important to measure and communicate progress and, if necessary, adjust measures if they are not effective.



6.2 RISKS IN CHINA

More than a decade ago, we made the strategic decision to relocate part of our production to China. This move meant both growth and greater responsibility for our company. Although China presents challenges in terms of the political landscape, we have seen rapid change and growth in areas such as social, environmental concerns and related regulations. We have built and maintained long-term, trusting relationships with our suppliers because we have recognized it as one of our responsibilities to

play a role in improving working conditions in the fashion industry. The following section describes the most significant and prioritized risks in China at country and factory level. The prioritization follows the assessment of the risks by our risk analysis. We estimate the probability of occurrence and severity (extent, impact and irreversibility) for each risk in the form of points. We then calculate a cumulative value from these factors. This approach helps us to assess and prioritize risks in a uniform manner.

6.2.1. COUNTRY-SPECIFIC RISKS

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

China has not ratified ILO Conventions 87 and 98 on freedom of association and the right to collective bargaining. In theory, Chinese laws grant comprehensive trade union rights. However, as the ACFTU is the only recognized trade union organization in China and part of the government hierarchy, all these laws are undermined by the fact that all trade unions are subordinate to the ACFTU. Unfortunately, collective bargaining is also made more difficult by law and workers' representatives are generally not adequately protected. The right to strike has been officially abolished, even though it is not officially prohibited. This represents inadequate protection of essential labor rights.

Gender Lense: Trade unions, as well as social dialogue through employee representatives, are important vehicles for promoting gender equality. However, there are a number of barriers for female employees to join trade unions or participate in social dialogue. These include lack of time due to disproportionate „care work“, higher risk of repression, male-dominated trade unions with too little support for women, lack of knowledge about gender equality, lack of „soft skills“ to express their needs and lack of investment to train them, trade unions sometimes exclude home workers, part-time and seasonal workers.

Approach: We are aware that we do not have the influence to fully minimize this risk and yet we see it as our duty to make a difference. Our approach is to strengthen the role of employee representatives and to inform employees of their rights through training. In addition, we plan to take the first steps towards an employee committee with gender parity by optimizing internal grievance mechanisms and thus also strengthen the social dialogue as such, as well as the participation of women. We have also started to systematically identify the

risks for female employees at our suppliers and at the same time to raise awareness among management and employee representatives.

However, this can only be realized with a good relationship with management and a great deal of trust, which is why we hope to support this approach through the framework agreements. In our revised sourcing strategy, we have excluded the inclusion of new suppliers from countries that do not guarantee freedom of association.

EXCESSIVE OVERTIME

Unfortunately, excessive overtime is not uncommon, especially during peak seasons. The tight planning of orders that have to be completed in a given period of time favours high levels of overtime. In addition, the widespread system of payment by quantity or quota and not by time, which indirectly motivates and sometimes obliges employees to work a lot of overtime and does not grant them overtime pay. An ageing workforce and the lack of young skilled workers also favour excessive overtime, as there is simply a lack of trained staff.

can also increase the risk of gender-based violence and female workers who refuse to work overtime are at higher risk of retaliation.

Approach: To determine the causes of the overtime, we conduct a survey of the factory management and analyze the results. If the cause of the overtime is related to structural conflicts, we liaise with management to identify possible improvements. If the cause is within our direct sphere of influence, we initiate corrective measures.

Gender Lense: Female employees are more susceptible to excessive overtime and its consequences for a variety of reasons. For example, gender-based discrimination in pay levels can lead to female employees being more dependent on overtime. Added to this is the often unfair distribution of „care work“, which represents an additional burden on top of the overtime. Excessive overtime

In the future, we hope to be able to minimize the risk of overtime as a preventative measure through the use of „Critical Production Path“ plans and the payment of living wages. Furthermore, by strengthening the internal grievance mechanisms and the associated employee committees, we hope to create a reliable safety net to which those affected can turn.

PAYMENT OF LIVING WAGES

According to analyses by „The Industry We Want“, the statutory minimum wage does not cover the living wage. While the lowest minimum wage (Hunan Province) was only CNY 1,220 (161 €), the living wage ranged between CNY 2,700 and CNY 6,636 (358 € to 878 €). The resulting gap is very large at up to 73%. As a result, employees are forced to compensate for this by working long hours and paying overtime.

Gender Lense: There are many reasons for wage discrimination against female workers. On the one hand, female workers who perform unpaid „care work“ have fewer opportunities to compensate for their wages through overtime, and on the other hand, „care work“ can make it more difficult to gain access to positions or necessary further training. At the same time, stereotypes lead to the same work being valued and remunerated differently and promotion opportunities are often not based on transparent criteria.

Approach: We currently pay a living wage for 52% of our production in China by making a special payment at the end of each production phase. Our transparent partnership with Jiangsu Yungao Garments Co, Ltd allows us to determine the actual wage of all workers for each production cycle based on pay slips and attendance records. We then calculate the difference between this figure and our living wage benchmark. We intend to extend this model to other production sites as part of our contract negotiations. Based on the initial preliminary discussions we held in November 2024, we are confident of expanding our model in 2025.

During our visits to suppliers, we check their payrolls. We also look for possible gender pay gaps. In addition, we gather information on our suppliers' promotion criteria and collect information on the treatment of mothers.

FORCED LABOR

Forced labor is a very sensitive issue in China and there is no official data on cases of forced labor. In January 2020, the Fair Labor Association (FLA) published a short report in which it identified an increased risk of forced labor in Xinjiang in connection with the imprisoned Uyghur minority. China is the world's largest cotton producer, accounting for around 20% of global cotton production, with over 80% of cotton reportedly coming from the Xinjiang region. This creates a particularly high risk for the textile industry. Forced labor also takes other forms, such as employers withholding wages to prevent employees from being dismissed. Payment according to piece rates can lead to forced overtime, as overtime bonuses are not paid and overtime leads to higher wages.

Gender Lense: Minorities are generally exposed to a higher risk of forced labor.

Corruption, weak authorities, a lack of trade unions and complaints systems increase the risk. It is very difficult for those affected to free themselves from these conditions.

Approach: We have taken several measures to reduce the risk of forced labor in our supply chain to a minimum. For example, we mainly use cotton that is GOTS-certified, which minimizes the risk.

At the same time, we check international lists of suppliers and factories that are suspected of using or supporting forced labor. In addition, our Supplier Code of Conduct defines that forced labor leads to the immediate termination of the business relationship. However, the most effective means of excluding forced labor are audits by experts, which we regularly have carried out by Global Service.

6.2.2 SUPPLIER RISKS CHINA

JIANGSU ASIAN SOURCING HEADWEAR MFG.CO.,LTD



No.2 Guangzhou South RD, 223005 Huai An City, Jiangsu Area

Product group:	Caps, Hats - recycled yarns & organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2009
Last visit:	2023
Nr. of workers:	1181
Gender split:	(W) 1016 - (M) 165
Leverage:	1%

Subcontractors:

- none

Risk category: 3

Risk 1
Freedom of Association

Our last official audit in 2020 found that the factory was unionised and that union members and employee representatives were democratically elected. Most workers were aware of the union and its members and had basic knowledge of the right to freedom of association. There was also some collective bargaining in the form of collective negotiations on wages and working hours. During our visit in 2023, we did not observe any negative changes in this situation, which we are very happy about.

Risk 2
Reasonable Working Hours

During our last visit in May 2023, we also checked the employees' timesheets. All employees have at least one day off and work an average of 59 hours a week. Unfortunately, with a share of less than 0.1% of the total production volume, our influence on working hours is very limited. Nevertheless, we hope to exert a positive influence on working hours with our „Critical Production Path“ plans.

Risk 3
Living Wages

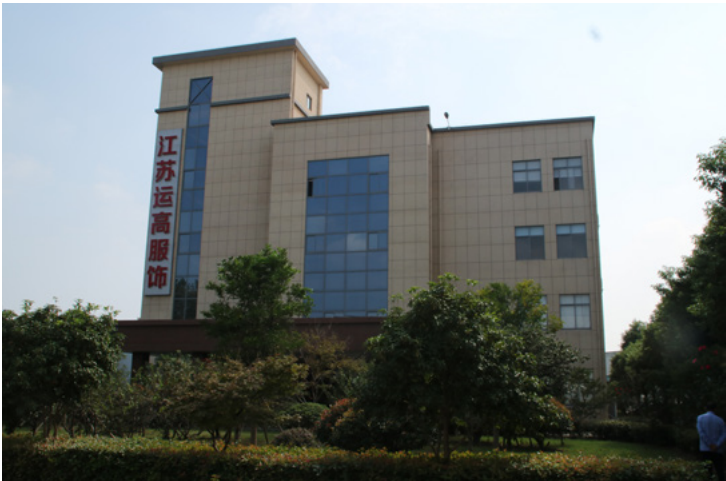
During our last visit in May 2023, we also checked the wages. The average wage was just below the benchmark for living wages (Asia Floor Wage). Unfortunately, with a share of less than 0.1% of the total production volume, our influence on the living wage is very limited.

Risk 4
Free Choice of Labor

The factory has never retained the workers' original documents or deposits. The factory stated that it has never resorted to any form of forced labor and an audit confirmed that no workers are from the Xinjiang region. Workers are free to resign and must submit a letter of resignation 30 days prior to their termination. The factory stated that workers were free to refuse to work overtime.

6.2.2 SUPPLIER RISKS CHINA

JIANGSU LUCKYTOP GARMENT CO.,LTD



No 98 Beiguo Xingyuan Road Gushan Twon Jiangyin
- 214414 - Jiangyin Area

Product group:	Woven, knitwear, fleece - recycled yarns & organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2008
Last visit:	2024
Nr. of workers:	61
Gender split:	(W) 54 - (M) 7
Leverage:	20%

Subcontractors:

- Jiangyin Beiguo Zhenye Garment Printing Factory / *Printing*
- Huitai Washing Company / *Washing*

Risk category: 3

Risk 1
Freedom of Association

The factory is not unionised, but employees are free to join a union. The employee representatives were democratically elected and have irregular meetings with management at an advisory level. There is no form of collective bargaining and no strike has yet taken place. In discussions with the employee representative, who was elected a year ago, we were told that women have the same rights to have a say and the same access to employee representation. The employee representatives are regularly elected every two years. One positive aspect we noticed was that there is gender parity in management.

Risk 2
Reasonable Working Hours

The factory stated that all overtime is voluntary and has an effective system to credibly document overtime worked. Unfortunately, excessive overtime is a recurring problem, which, according to the management, is primarily due to a lack of qualified employees. This poses a higher risk of stress, especially for the approximately 45 mothers employed. Nevertheless, we hope to be able to reduce overtime with the help of the „Critical Production Path“ plans and the framework agreements.

Risk 3
Living Wages

Our transparent partnership with Jiangsu Yungao Garments Co, Ltd allows us to determine the actual wage of all workers based on pay slips and attendance records. We then calculate the difference between this figure and our living wage benchmark. We could not find any significant difference between female and male workers during the review. When determining this benchmark, we followed the recommendation of the Fair Wear Foundation and used the current value of the Global Living Wage Coalition for the Suzhou region for the Jiangsu region. This was CNY 4,567 in 2024 (approx. \$622.94 at the exchange rate on 17 January 2025). However, the audit found that there is only social insurance for 18 employees.

Risk 4
Free Choice of Labor

The factory has never retained the workers' original documents or deposits. After it was discovered in the 2024 audit that some temporary workers did not have a valid employment contract, we discussed this with management and received confirmation that this deficiency has now been rectified. The factory stated that it has never resorted to any form of forced labor. Workers are free to resign and must submit a letter of resignation 30 days prior to their termination. The factory stated that workers are free to refuse to work overtime, the negative impact of which particularly affects mothers.

6.2.2 SUPPLIER RISKS CHINA

JIANGYIN CHENGFENG GARMENT FACTORY



181-2, Ludong Avenue, Huashi Town Jiangyin Area

Product group:	Woven, knitwear, fleece - recycled yarns & organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2018
Last visit:	2024
Nr. of workers:	50
Gender split:	(W) 47 - (M) 3
Leverage:	14%

Subcontractors:

- Huitai Washing Company / Washing

Risk category: 4

Risk 1
Freedom of Association

The factory is not unionised, but employees are free to join a union. The employee representatives were democratically elected and have irregular meetings with management at an advisory level. There is no form of collective bargaining and no strike has yet taken place. In discussions with the employee representative, who was elected three years ago, we were told that women have the same say and access to employee representation.

Risk 2
Reasonable Working Hours

During the last audit in 2022, it was found that the factory keeps a manual attendance register to record all hours worked by the workers. When analysing the attendance records, cases of excessive overtime were documented. During our visit in 2023, we found that overtime was still being worked, but that it no longer exceeded the threshold for excessive overtime. Unfortunately, we were unable to view the timesheets during our visit in 2024. We have therefore arranged an audit for 2025.

Risk 3
Living Wages

During the last audit, wages that cover the local minimum wage but are below the value recommended by the Global Living Wage Coalition were also reviewed. Unfortunately, we have experienced too little transparency in the past to be able to realise our approach to paying living wages. Unfortunately, we were also unable to see the pay slips during our visit in 2024. We have therefore arranged an audit for 2025. We are currently trying to convince the owner to implement a living wage for our productions with us.

Risk 4
Free Choice of Labor

The factory never retained the workers' original documents or deposits. The factory stated that it has never resorted to any form of forced labor. Workers are free to resign and must submit a letter of resignation 30 days prior to their termination. The factory stated that workers are free to refuse overtime, which has a negative impact on mothers. We will review this information in 2025 with the help of the audit.

6.2.2 SUPPLIER RISKS CHINA

GUANGZHOU JIN QI SHI JIA LEATHER CO. LTD



Blgd C,Pinglong West Road, Pinghu Town, Longgang D, 518111, Shengzhen - Guangdong Area

Product group:	Bags, Wallets, Accessories
Process:	Cut Make Trim - CMT
Supplier since:	2016
Last visit:	2024
Nr. of workers:	17
Gender split:	(W) 11 - (M) 6
Leverage:	6%

Subcontractors:

- none

Risk category: 4

Risk 1
Freedom of Association

The factory is not unionised, but employees are free to join a union. The employee representative was democratically elected and has irregular meetings with the management on a consultative level. There is no form of collective bargaining and no strike has yet taken place. In discussions with the employee representative, we were informed that women have the same rights to have a say and the same access to employee representation. However, we see an increased risk here as the representative is male and has been in this role for a very long time

Risk 2
Reasonable Working Hours

The factory has a digital time recording system, which is also used to document overtime. During the last audit in 2022, excessive overtime was found and days off were not observed. The audit team noted that all overtime was voluntary. A root cause analysis revealed that short-term orders from other companies and seasonal peaks are the main components of the problem. During our visit in 2024, we also checked the time recording and found that there is still overtime, but at an average of 22 hours/week, it is not yet excessive. This poses a higher risk of stress, especially for the 3 mothers employed All employees always had a day off.

Risk 3
Living Wages

Wages were also reviewed during the last audit. The wages were above the local minimum wage, but do not correspond to the value for a living wage. During our last visit in 2024, we found a wage level of around 4,300 CNY. We could not find any significant difference between female and male workers during the inspection. We are currently trying to convince the owner to work with us to implement a living wage for our productions.

Risk 4
Free Choice of Labor

The factory never retained the workers' original documents or deposits. The factory stated that it has never resorted to any form of forced labor. Workers are free to resign and must submit a letter of resignation 30 days prior to their termination. The factory stated that workers are free to refuse to work overtime, the negative impact of which particularly affects mothers.

6.2.2 SUPPLIER RISKS CHINA

DONGGUAN WANHUIXIANG KNITTING CO., LTD.



No. 268 Xinjia Team, Sukeng Village, ChangpingTown

Product group:	Knitwear - recycled yarns & organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2022
Last visit:	2024
Nr. of workers:	106
Gender split:	(W) 61 - (M) 45
Leverage:	2%

Subcontractors:

- none

Risk category: 4

Risk 1
Freedom of Association

The factory is not unionised, but employees are free to join a union. There are two employee representatives who have been democratically elected and have regular meetings with management at a consultative level. There is no form of collective bargaining and no strike has yet taken place. In discussions with the employee representative, we were told that women have the same rights to have a say and the same access to employee representation.

Risk 2
Reasonable Working Hours

The factory has a digital time recording system, which is also used to document overtime. During the last audit in 2021, excessive overtime was found and days off were not observed. The audit team noted that all overtime was voluntary. A root cause analysis revealed that the seasonal peaks are the main part of the problem. The factory promised to reduce overtime, which we will check on our next visit. When we checked the time sheets, we found a maximum of 64 hours of overtime per month. This corresponds to approx. 15 -16 hours of overtime per week. This represents a higher risk of stress, especially for the approximately 50 mothers employed

Risk 3
Living Wages

Employees earn different wages depending on the type of work and the difference is high. During our last visit in 2024, we found a wage level of 4,300 - 5,200 CNY, with the basic wage being quite low at 1,900 CNY. We could not find any significant difference between female and male workers during the inspection. Only 42 employees have full social insurance. Only commercial insurance was taken out for 61 employees. Unfortunately, our influence is very limited due to our low production volume.

Risk 4
Free Choice of Labor

The factory never retained the workers' original documents or deposits. The factory stated that it has never resorted to any form of forced labor. All employees have a labor contract. Workers are free to resign and must provide a letter of resignation 30 days prior to their termination. The factory stated that workers are free to refuse overtime, the negative impact of which particularly affects mothers.

6.3 RISKS IN INDIA

Although India poses major risks and challenges in terms of human rights, we are convinced that we have found an important partner here who will support us on our path to becoming more sustainable and fairer and, despite all the country-specific risks, will be an asset to our supply chain. India also offers us the first opportunity to track the entire supply chain, from the extraction of raw materials to the finished product.

The following section describes the most significant risks in India that we have prioritized at country and factory level. The prioritization follows the assessment of the risks by our risk analysis. We estimate the probability of occurrence and severity (extent, impact and irreversibility) for each risk in the form of points. We then calculate a cumulative value from these factors. This approach helps us to assess and prioritize risks in a uniform manner.

6.3.1 COUNTRY-SPECIFIC RISKS

PAYMENT OF LIVING WAGES

India has a complex minimum wage system that depends on region and occupation. According to analyses by „The Industry We Want“, the statutory minimum wage does not cover a living wage. While the lowest minimum wage (Rajasthan province) was only 7,410 rupees (82 €), the living wage ranged from 15,143 rupees to 36,193 rupees (168 € to 401 €). The resulting gap is very large at up to 70%. For this reason, we consider the risk of non-payment of a living wage to be very high in India.

Gender Lense: There are many reasons for wage discrimination against female workers. On the one hand, female workers who perform unpaid „care work“ have fewer opportunities

to compensate for their wages through overtime, and on the other hand, „care work“ can make it more difficult to gain access to positions or necessary further training. At the same time, stereotypes mean that the same work is valued and remunerated differently and promotion opportunities are often not based on transparent criteria. Added to this are male-dominated management levels that lack the necessary understanding of the problems described above.

Approach: From the outset, we focused on a supplier for whom the issue of living wages is not new territory. As described in detail in point 3, we have mutually agreed a plan with the aim of paying the full living wage for our

products there by 2026. To this end, we have ensured that our supplier has a transparent system for promotions and remuneration, as

well as internal systems to meet the needs of female employees.

DISCRIMINATION AND HARASSMENT

Analyses show that women and females working in the textile industry in India face structural discrimination and harassment. This is reflected on the one hand in the positions they occupy within company structures and on the other hand in the lack of opportunities for promotion. In addition, we consider the risk of physical and psychological abuse and physical assaults on vulnerable groups to be high.

Approach: Minimizing the risk of discrimination and harassment is one of our top

priorities. Our approach began in the onboarding process, where we deliberately chose a supplier that we believe has a very low risk of discrimination and harassment. In addition, together with another Fair Wear Foundation member, we took part in a gender-sensitive supervisor training program for women, where we are currently evaluating the results. We hope to be able to establish meaningful measures there in the future. At the same time, we consider the internal complaints mechanism to be less than optimal, but functional and accessible.

FORCED LABOR

Various forms of forced labor represent another significant risk within the textile sector in India. These include the non-payment of overtime and the threat of penalties if production targets are not met. There are also false promises of wages or labor by intermediaries who take advantage of language barriers and ignorance of young workers. Young, female employees in particular are exposed to an increased risk of forced labor.

Gender Lense: Minorities are generally exposed to a higher risk of forced labor. Corruption, weak authorities, a lack of trade unions and complaints systems increase the

risk. It is very difficult for those affected to free themselves from these conditions.

Approach: Our focus was on working with a supplier that already works with other Fair Wear Foundation members and therefore maintains a certain standard. In addition, during our visits we check payrolls and conduct interviews with workers and their representatives. We also ensure that the complaints hotline is known and that factory guidelines are also available in Tamil and participated in an audit by the Fair Wear Foundation. At the same time, we assess the internal grievance mechanism as not optimal, but functional and accessible.

OCCUPATIONAL SAFETY

Another high risk is the frequent lack of occupational safety in India, which is partly due to the large informal sector. Cut injuries are one of the most commonly reported physical injuries and are due to a lack of protective clothing. In addition, there is often a lack of fire protection systems, the buildings are not suitable for commercial production and there is a lack of hygiene.

Gender Lense: Women work more often in jobs and positions with long-term consequences and less visible injuries, such as back and knee pain or deteriorating eyesight. Work & protective clothing, if available, is often designed for men and protects women less or is not worn. Inadequate toilets for women, a lack of

hygiene or time due to production constraints are common problems. Unpaid „care work“ combined with the additional work leads to a lot of pressure and can increase the risk of headaches, high blood pressure, depression and exhaustion.

Approach: In addition to checking documents and authorizations, we have occupational safety confirmed by audits and also systematically check this ourselves during personal visits. We also obtain the opinions of workers through interviews in order to gain a holistic picture of the production facility. If we identify any discrepancies, we inform the supplier. We then work together to find a solution and review the result in due course.

representatives and ensure that they are aware of their rights. We also check the policies on discrimination and freedom of association and talk to management about collective bargaining and trade unions. External expert audits are also carried out to assess the risk.

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

The degree of unionization in the Bangalore region is very low, which can be attributed to various causes. Migrant workers are often not even aware of their rights regarding trade unions. Employers see trade unions as a major disruptive factor and often try to sabotage trade union activities within the factory through harassment and intimidation of members. For all these reasons, we consider the risk of restrictions on freedom of association and the right to collective bargaining to be greatly increased

Gender Lense: Trade unions, as well as social dialogue through employee representatives, are important vehicles for promoting gender

equality. However, there are a number of barriers for female employees to join trade unions or participate in social dialogue. These include lack of time due to disproportionate „care work“, higher risk of repression, male-dominated unions with too little support for women, lack of knowledge about gender equality, lack of „soft skills“ to express their needs and lack of investment to train them, unions sometimes exclude homeworkers, part-time and seasonal workers. In addition, social norms or male family members prevent them from joining a trade union

Approach: During our visits, we conduct interviews with workers and their

6.3.2 SUPPLIER RISKS INDIA

SUSTAINABLY CRAFTED CLOTHING PVT. LTD.



31/2, Naraiuppam, Kodipalli post, 635121 Krishnagiri, Tamil Nadu

Product group:	Woven - recycled yarns & organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2023
Last visit:	2024
Nr. of workers:	655
Gender split:	(W) 533 - (M) 122
Leverage:	1%

- Subcontractors:
- GLOBAL WASH CARE / Washing

Risk category: 2

Risk 1
Living Wages

In order to calculate a realistic living wage, Sustainable Crafted Clothing worked with local stakeholders to determine the local living wage. This was 15,750 rupees in 2024. Together with Sustainable Crafted Clothing, we agreed on a „Livingwage Plan“, which envisages that we will gradually close the gap between the normal wage and the living wage by 2026. By 2024, we will have paid 50% contribution margin.

Risk 5
Freedom of Association

The factory is not unionised, but employees are free to join a union. The workers' committee was democratically elected and has regular meetings.

Risk 2
Discrimination

Sustainable Crafted Clothing has a written policy against discrimination or harassment that is available to employees, as well as a suggestion box and an employee committee. The employee representatives could not report any incidents to us and we could not find any evidence of discrimination or harassment during further interviews with employees. Employees told us that they could always contact management or their supervisors directly. Management provides free transport so that female employees have a safe commute to work and offers free childcare so that mothers also have the opportunity to work and become more independent.

Risk 3
Free Choice of Labor

The company has a termination policy in place to ensure a fair termination of employment for both parties, as well as an anti-forced labor policy. All employees have valid employment contracts and are aware of the internal policies. During our interviews with employee representatives and employees, we did not find any evidence of forced labor.

Risk 4
Occupational Safety

During our visit to Sustainabel Crafted Clothing in February 2023, we carried out a basic health and safety check. The building is comparatively large, very modern, has two floors and makes a very good impression. The factory was clean, tidy and no significant safety risks were found here either. Potential risks are labelled with warning signs, there are escape routes and evacuation plans, a fire-fighting system and a dedicated medical infirmary. Employees are provided with anti-fatigue mats and/or ergonomic chairs and temperatures are permanently cooled to 25 degrees by modern fans. Minor points of criticism were found during an audit in 2023, which SCC rectified as quickly as possible.

6.4 RISKS IN PORTUGAL

We started producing our textiles in Portugal over 25 years ago and therefore have a long and close relationship with our main manufacturing companies. Our suppliers are mainly small family businesses with more than 20-30 years of experience that fulfil smaller orders. The workforce is predominantly local. All companies comply with Portuguese labor safety laws and payment of the minimum wage is guaranteed. In Portugal, it is customary to pay workers 14 salaries per year. For 30 years, we have been working with a textile agency that represents our interests locally. However, as our FWF membership obligations have become increasingly

labor-intensive, we now have an agency employee who is responsible for monitoring all FWF processes.

The following section describes the most significant risks in Portugal that we have prioritized at country and factory level. The prioritization follows the assessment of the risks by our risk analysis. We estimate the probability of occurrence and severity (extent, impact and irreversibility) for each risk in the form of points. We then calculate a cumulative value from these factors. This approach helps us to assess and prioritize risks in a uniform manner.

are male-dominated management levels that lack the necessary understanding of the problems described above.

Approach: With the increased level of transparency due to the long-term contracts, we were able to carry out dedicated wage analyses for all CMT suppliers. We consider

the results to be overwhelmingly positive. As described in detail in point 3, we identified a gap of no more than 9% for all suppliers in the CMT sector.

In addition, we started to collect and analyze gender-specific information, including questions on equal opportunities, care work and income.

DISCRIMINATION AND HARASSMENT

Even though we could not find any direct evidence of discrimination, we unfortunately cannot rule out the risk of discrimination against women and female readers, as well as other vulnerable groups in Portugal.

Approach: During our visits, we talk to management and employee representatives

specifically about discrimination and review the measures taken by companies to combat it. At the same time, we review general hygiene and safety standards and try to raise awareness among our suppliers. We are also reviewing the existing grievance mechanisms and have already taken initial measures to implement our new approach.

6.4.1 COUNTRY-SPECIFIC RISKS

PAYMENT OF LIVING WAGES

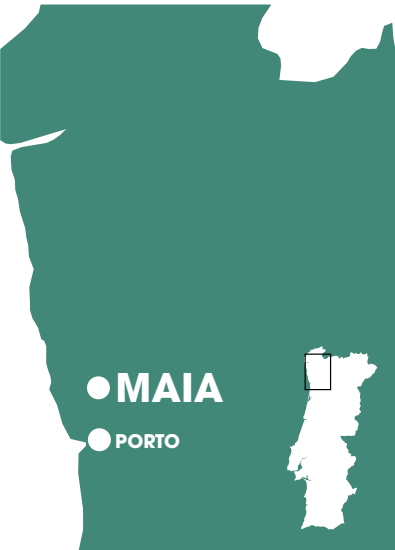
According to analyses by „The Industry We Want“, the statutory minimum wage does not cover the living wage. While the minimum wage was 760 €, the living wage was between 1,049 € and 1,318 €. The resulting gap is large at up to 36%. This difference is cushioned by the payment of 14 salaries.

Gender Lense: There are many reasons for wage discrimination against female workers.

On the one hand, female workers who perform unpaid „care work“ have fewer opportunities to equalize their wages through overtime, and on the other hand, „care work“ can make it more difficult to gain access to hearing positions or necessary further training. At the same time, stereotypes mean that the same work is valued and remunerated differently and promotion opportunities are often not based on transparent criteria. Added to this

6.4.2 SUPPLIER RISKS PORTUGAL

SOCISILVAS CONFECÇÕES-IMPORTAÇÃO E EXPORTAÇÃO, LDA



Rua D. Antonio Castro Meireles 313, 4425-637 Maia

Product group:	Knitwear - organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	1996
Last visit:	2023
Nr. of workers:	8
Gender split:	(W) 7 - (M) 1
Leverage:	100%
Subcontractors:	
<ul style="list-style-type: none">Desejo Original, Confecao Unipessoal, Lda / <i>Sewing</i>Estamparia Jorsan Lda / <i>Printing</i>Pereira & Filhos - Bordados, Lda. / <i>Embroidering</i>	

Risk category: 1

Risk 1
Living Wages

In 2024, we reviewed the payrolls and those of the subcontractor Desejo. No difference in pay was found between male and female employees. Both pay at least the minimum wage and 14 salaries. Both also pay a meal allowance, which means that we have a maximum gap of 4% to the living wage of 1,049 €. The supplier has confirmed to us that his calculated labor minute is sufficient to pay these wages. There are no indications or complaints that wages are paid late or not at all. We will work on closing the gap in the future.

Risk 2
Discrimination

Socisilvas does not have a written policy against discrimination or harassment. However, the management supports our „Supplier Code of Conduct“ and has signed it. Employees can complain via a suggestion box, the employee representative or officially via the portal of the government authority „Autoridade para as Condições do Trabalho“. During the interview, the employee representative was unable to report any incidents. During our interviews based on the Gender Impact Tool, we could not find any evidence of discrimination based on stereotypical or social norms against women. All interview participants were aware of the „Fair Wear Foundation“ grievance mechanism.

6.4.2 SUPPLIER RISKS PORTUGAL

EUROSÁS CONFECÇÕES, LDA.



Rua Penedo Redondo 93, 4755249 Góios Barcelos - Braga Region

Product group:	Knitwear - organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2011
Last visit:	2024
Nr. of workers:	23
Gender split:	(W) 20 - (M) 3
Leverage:	50%

Subcontractors:

- Lopama Confecções, Lda / Sewing
- Neivacor Estamparia Têxtil Lda / Printing
- Estamparia Rodrigues & Abreu, Lda / Printing
- Pereira & Filhos - Borbados, Lda / Embroidering

Risk category: 1

Risk 1
Living Wages

We reviewed the salary lists here in 2024. No difference in pay was found between male and female employees. Eurosas pays at least the minimum wage and 14 salaries. Eurosas also pays a food allowance, which means that there is a minimal gap to a living wage of 1,049 €. The supplier has widely confirmed to us that his calculated labor minute is sufficient to pay these wages. There are no indications or complaints that wages are paid late or not at all.

Risk 2
Discrimination

Eurosàs has a written policy against discrimination or harassment, which is available to employees. The management supports our „Supplier Code of Conduct“ and has signed it. Employees can complain via a suggestion box, the employee representatives or officially via the portal of the government authority „Autoridade para as Condições do Trabalho“. During the interview, the employee representative was unable to report any incidents. During our interviews based on the Gender Impact Tool, we could not find any evidence of discrimination based on stereotypical or social norms against women. All interview participants were aware of the „Fair Wear Foundation“ grievance mechanism.

6.4.2 SUPPLIER RISKS PORTUGAL

FELMAC, MALHAS E CONFEÇÕES LDA.



Rua das Cardosas, 614, Zona Industrial de Amorim, 4495-125 Póvoa do Varzim

Product group:	Knitwear - organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2017
Last visit:	2024
Nr. of workers:	36
Gender split:	(W) 31 - (M) 5
Leverage:	15%

Subcontractors:

- Tigerbor / Embroidering
- Estamparia Rodrigues & Abreu, Lda / Printing
- Blur Unipessoal Lda / Printing

Risk category: 2

Risk 1
Living Wages

We reviewed the salary lists here in 2024. No difference in wages was found between male and female employees. Felmac pays the minimum wage and 14 salaries, so that we arrive at a gap of 9% to a living wage of €1,049. The supplier has widely confirmed to us that his calculated labor minute is sufficient to pay these wages. There are no indications or complaints that wages are paid late or not at all.

Risk 2
Discrimination

Felmac has a written policy against discrimination or harassment, which is available to employees. The management supports our „Supplier Code of Conduct“ and has signed it. Employees can complain via a suggestion box, the employee representatives or officially via the portal of the government authority „Autoridade para as Condições do Trabalho“. During the interview, the employee representative was unable to report any incidents. During our interviews based on the Gender Impact Tool, we could not find any evidence of discrimination based on stereotypical or social norms against women. All interview participants were aware of the „Fair Wear Foundation“ grievance mechanism.

6.4.2 SUPPLIER RISKS PORTUGAL

GOMES & FERNANDES BARBOSA, C.I.T., LDA, TROFA



Lantemil- S.Tiago de Bougado, Apartado 235, 4786-909 Trofa

Product group:	Socks
Process:	Cut Make Trim - CMT
Supplier since:	2017
Last visit:	2023
Nr. of workers:	55
Gender split:	(W) 30 - (M) 25
Leverage:	0,65%

Subcontractors:

- none

Risk category: 1

Risk 1
Living Wages

We reviewed the salary lists here in 2024. No difference in pay was found between male and female employees. Eurosas pays at least the minimum wage and 14 salaries. Eurosas also pays a meal subsidy, so there is no gap between this and a living wage of €1,049. There are no signs or complaints about wages not being paid on time or not being paid at all.

Risk 2
Discrimination

The management supports our „Supplier Code of Conduct“ and has signed it. Employees can complain via a suggestion box, the employee representation or officially via the portal of the government authority „Autoridade para as Condições do Trabalho“.

6.4.2 SUPPLIER RISKS PORTUGAL

CONCEIÇÃO PEREIRA & CARVALHO, LDA



Rua da Boavista, nº 145, 4765-036 Bairro

Product group:	Knitwear - organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2018
Last visit:	2024
Nr. of workers:	50
Gender split:	(W) 44 - (M) 6
Leverage:	5%

Subcontractors:

- Rodrigues & Jorge Oliveira Lda / *Printing*
- Motivos & Relevó Unipessoal Lda / *Embroidering*

Risk category: 1

Risk 1
Living Wages

We reviewed the salary lists here in 2024. No difference in pay was found between male and female employees. Felmac pays the minimum wage and 14 salaries as well as a small meal allowance, so that we arrive at a gap of 8% to a living wage of €1,049. There are no signs or complaints about wages not being paid on time or not being paid at all.

Risk 2
Discrimination

Conceição Pereira & Carvalho has a written policy against discrimination or harassment, which is available to employees. The management supports our „Supplier Code of Conduct“ and has signed it. Employees can complain via a suggestion box, the employee representatives or officially via the portal of the government authority „Autoridade para as Condições do Trabalho“. During the interview, the employee representative was unable to report any incidents. During our interviews based on the Gender Impact Tool, we could not find any evidence of discrimination based on stereotypical or social norms against women. All interview participants were aware of the „Fair Wear Foundation“ grievance mechanism.

6.5 RISKS IN GERMANY

In 2024, we decided to work with a new supplier from a new sourcing country. This was a cap manufacturer from Germany. We saw this as a great opportunity to reduce our risk portfolio and drive forward our general sourcing strategy. We consider Germany to be a safe sourcing country, which was also

confirmed in our risk analysis. This is mainly due to strong and non-corrupt institutions, comparatively strong labor rights and existing grievance channels. The following section describes the most significant risks in Germany that we have prioritized at country and factory level.

6.5.1 COUNTRY-SPECIFIC RISKS

PAYMENT OF LIVING WAGES

According to analyses by „The Left“, the living wage in Germany in 2021 ranged from 1,173€ (upper threshold for single adults) to 3,024€ (upper threshold for a family). Unfortunately, no new analyses of the living wage in Germany have been produced since then. The minimum wage for a 40-hour week in Germany in 2024 was €2,259 for a 40-hour week. We therefore see a potential risk for families where there is one main earner.

Gender Lense: In Germany, the unadjusted gender pay gap was 16% in 2024, and the gender gap in the labor market was 37% according to the Federal Statistical Office. There are many reasons for wage discrimination against female workers. On the one hand, female workers who perform unpaid „care work“ have fewer opportunities to compensate for their wages through

overtime, and on the other hand, „care work“ can make it more difficult to gain access to hearing positions or necessary further training. At the same time, gender-specific stereotypes mean that the same work is valued and remunerated differently and promotion opportunities are often not based on transparent criteria. Added to this are male-dominated management levels that lack the necessary understanding of the problems described above.

Approach: Normally, our approach is always to close our share of the gap between the minimum wage and the living wage. However, this approach requires a high degree of transparency and trust and takes some time to work through. In addition, as described above, there are some hurdles to accurately determining the wage gap.

6.5.2 SUPPLIER RISKS GERMANY

WALTER STOHR GMBH



Feistelberger Strasse 19,92533 Wernberg-Koblitz, Bayern, Deutschland

Product group:	Beanies- organic cotton
Process:	Cut Make Trim - CMT
Supplier since:	2024
Last visit:	2024
Nr. of workers:	58
Gender split:	no data
Leverage:	0,11%

Subcontractors:

- none

Risk category: 1

Risk 1
Living Wages

There is a fundamental risk of a gender pay gap, as well as the risk that the statutory minimum wage is not sufficient to cover a family's basic living expenses. Unfortunately, with a share of 0.1%, we do not have enough influence to obtain transparent data.

6.6 PRODUCT-SPECIFIC RISKS

We continue to analyze the risks of our products on an ongoing basis. Due to our size and our business model, we still have no direct relationship with the manufacturers of the material and the suppliers of the raw materials. As a result, we have very little detailed information on our production facilities for the two supply chain stages

„raw material cultivation“ and „spinning and weaving“.

In order to minimize the risks at these stages of the supply chain, we always use the highest possible proportion of certified materials in our collections.

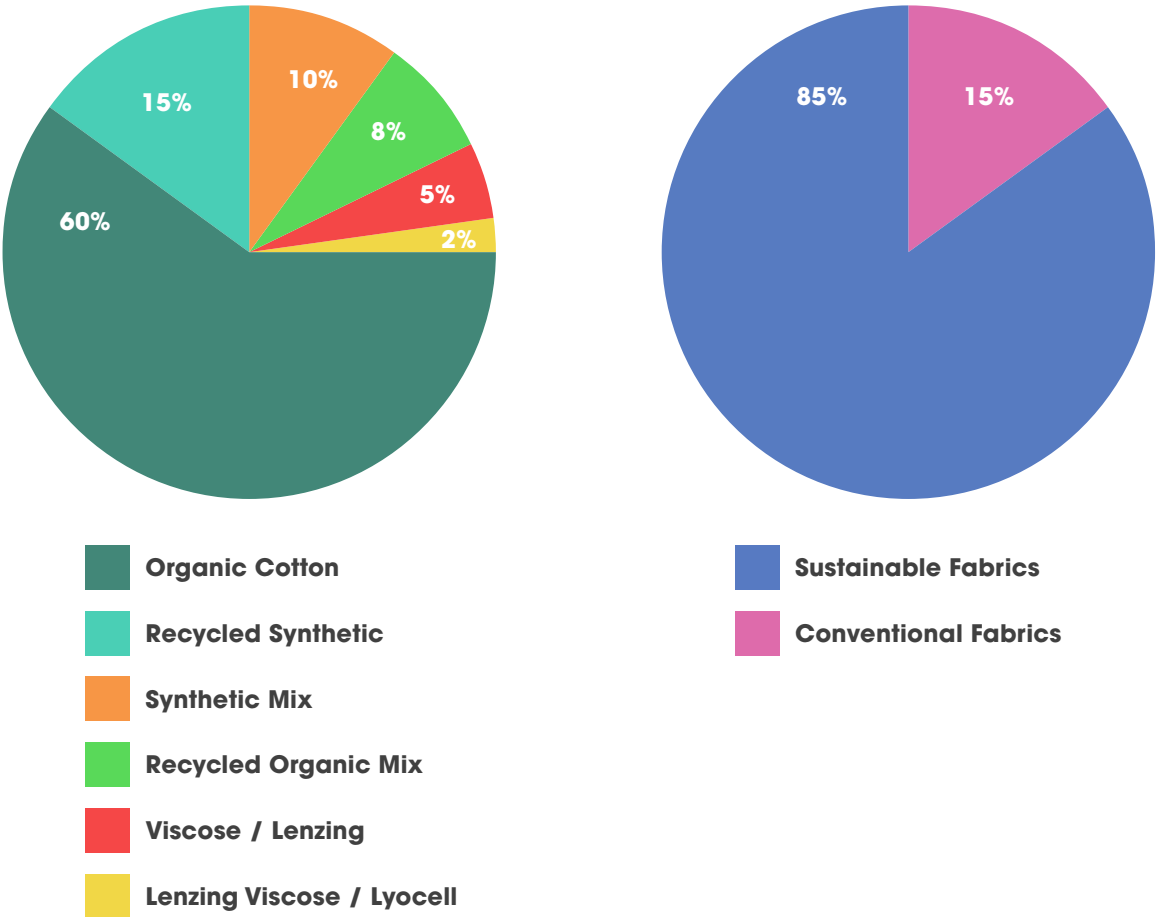
By using materials that are certified by GOTS (Global Organic Textile Standard) and GRS (Global Recycled Standard), we can ensure that these raw materials are based on socially and environmentally responsible cultivation practices or that suitable grievance mechanisms exist for the workers. Our aim is to continually reduce the sourcing of critical raw materials and thereby increase the use of sustainable materials. When selecting future production facilities, we also ensure that we only work with suppliers that have a certified supply chain.

found that more complex products, which consist of many different ingredients, have an increased risk of excessive overtime. Article groups that have specific or multiple finishing processes always have a higher risk of overtime, as processes can be delayed there. For the article groups caps, accessories (except socks), jackets, shorts and trousers, which we currently produce in China, we are trying to reduce the processes for printing and washing, as we have to reckon with increased impacts on health and the environment due to a lack of standards. Finishing processes that involve a lot of manual labor, such as hand embroidery, for example: Hand embroidery, which have an increased risk of home labor, are excluded by us. Sandblasting“ is also prohibited in our collections due to a very high health risk.

Thanks to our Fair Wear membership, we have better data available for the „wet processes and finishing“ and „ready-made garments“ stages of the supply chain. The risks occurring there correspond to the risks for countries and production sites.

We have continued to analyze our item groups for product-specific risks and

FABRICS 2024



6.7 RISKS BASED ON OUR BUSINESS MODEL

In the following, we present the most significant risks to core labor standards resulting from the impact of IRIEDAILY's business model. In addition, we would like to inform you about our approaches to minimize the risks.

EXCESSIVE OVERTIME

The most significant risk to core labor standards is the increased risk of overtime resulting from the increased time pressure of multiple product lines and limited production times.

Approach: IRIEDAILY's overarching strategy lies firstly in the „Critical Production Path“

plans that our supply chain management has developed together with our suppliers and which are designed to reduce the risk of time pressure. This will be supplemented in future by framework agreements that rule out increased time pressure due to changes after the order has been placed and provide for an annual feedback loop.

LACK OF OCCUPATIONAL HEALTH AND SAFETY

Another significant risk is the lack of occupational health and safety, as a direct consequence of the risk of overtime and the resulting possible fatigue of workers. This is also underpinned by the effects of the different product lines and limited production times.

Approach: Here, too, our focus was on the „Critical Production Path“ plans, as this risk is primarily triggered by the risk of overtime and has the same mechanisms.

6.8 RISKS BASED ON OUR PURCHASING PRACTICE

The following section looks at the impact of our purchasing practices on the risks to core labor standards and IRIEDAILY's approach to resolving them.

LOW PURCHASE VOLUMES FROM SUPPLIERS

Our low purchase volume from some of our suppliers poses a fundamental risk for all core labor standards, as our influence on suppliers is limited and changes are therefore difficult to implement without strong intrinsic motivation from suppliers.

Approach: To compensate for our limited influence, we have coordinated with other companies and jointly implemented measures to reduce potential risks. In addition, IRIEDAILY's new sourcing policy prioritizes suppliers that already work with other Fair Wear members to facilitate this process.

LIMITED VISIBILITY

A further risk to core labor standards arises from our work with intermediaries or agents. They are the link between us and some of our suppliers and represent our interests locally. Without these agents, our work would not be possible and yet the cooperation is also a potential risk, as we only have limited access to the suppliers and information.

Approach: Unfortunately, this risk can never be completely ruled out, but we try to minimize it by providing complaints mechanisms together with the Fair Wear Foundation, having independent audits carried out regularly and visiting suppliers in person. We also hope that the framework agreements will lead to greater transparency on the part of suppliers in the future.

7. ACTION PLANS

ACTION PLANS - JIANGSU YUNGAO GARMENTS (LT)

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Allowances, bonuses or social security benefits are not paid as legally required	Living wage	use the good relationship to Lucky Top management and the signed contract to point out the need of social security for all workers - analyze the quote of social security coverage in all factories and prefer factories with a high coverage - update our „Supplier Code of Conduct“ and let it sign	organize trainings to educate workers on social security rights	find out how many workers are receiving social security benefits - make a gender analysis	Dez 24	speak with management about reasons and point out that the payment of social security is legally required - make a timebounded plan with factory to increase the coverage quote yearly	Mai 25	define with supplier the costs on FOB for social security and create a plan to integrate parts of this costs in the FOB price	Okt 25
Wages are paid later than legally required.	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	Jan 25	use next visit to proove the payment receipts and speak with worker representative to find out if workers receive payslips regular	Apr 26	Update Data	Okt 26
Insufficient minimum wage and overtime premiums	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of OT premiums	collect and analyze payslips to proove the payment of OT premiums	Jan 25	organize training to educate workers on the understanding of their payslips			
Statutory leaves are not paid to workers as legally required	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of statutory leaves	collect and analyze payslips to proove the payment of statutory leaves	Jan 25	use next factory visit to proove payslips together with worker representative and focus on parental/parental leave and maternity benefits, including pay and medical insurance coverage	Apr 26		
Workers are paid below living wage as estimated by local stakeholders	Living wage	As there is a signed contract with our supplier Lucky Top which clearly asks for transparency in all wage information to calculate the gap between wages and living wage, we need payslips, attendance records and filled living wage calculation files	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	Jan 25	continue paying our share	Jul 25	continue paying our share	Jan 26
There are no work contracts or other proof of employment relation - risk of invisible workers and subcontracting risks	Legally binding employment relationship	map the full supply chain - make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that every worker receives a written contract	control through audits and visits that all workers have a written contract	speak with supplier and factory managment about the importance of this issue	Nov 24	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	Jun 25	check during visit that every worker receives a copy of the working contract	Apr 26
Exessive and hidden overtime	Reasonable hours of work	make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that working hours should not exceed 60 hours per week and the factory must provid at least one day off per seven days	collect and analyze attendance records - collect and analyze payslips to proove the payment of OT premiums	collect and analyze attendance records to see if workers work more then 60 hrs per week or 3 hrs more per days or have one days off per week	Okt 24	continue working on critical path to optimize production planing	Mrz 25		
Increase worker participation	Social Dialogue	analyzing the survey about social dialogue - we could see that no trade union and no worker committee is present in the factory	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	speak with the supplier (Lucky Top) and explain the difference between worker committee and a worker rep. Explain the positive impact for the factory	Mai 25	define together with Lucky Top, factory management und worker representative the process, election and job of a worker committee. Make sure that there is a policy for members of committee that there will be no retaliation action.	Okt 25	organize a meeting during next vist	Apr 26
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Apr 26	Share informations with worker committee, management and other stakeholders (St.Pauli) and plan corrective actions	Mai 26		
The internal complaints mechanism is insufficient	Factory communication	In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective then the current mechanism	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	evaluate existing processes and policy	Nov 24	install accessable access points. (At least one access point, advertised, in a language understood by all workers and female and migrant workes)	Jun 25	establish worker committee with representative gender ratio and party	Okt 25

ACTION PLANS - JIANGYIN CHENG FENG GARMENT

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Allowances, bonuses or social security benefits are not paid as legally required	Living wage	use the good relationship to Lucky Top management and the signed contract to point out the need of social security for all workers - analyze the quote of social security coverage in all factories and prefer factories with a high coverage - update our „Supplier Code of Conduct“ and let it sign	organize trainings to educate workers on social security rights	find out how many workers are receiving social security benefits - make a gender analysis	Nov 24	organize a full assessment by GS to get information -find out how many workers are receiving social security benefits - make a gender analysis	Jul 25	speak with management about reasons and point out that the payment of social security is legally required - make a timebounded plan with factory to increase the coverage quote yearly - organize training to educate workers on social security rights	Okt 25
Wages are paid later than legally required.	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	Nov 24	organize a full assessment by GS to get information -prove that wages are not paid later than legally required.	Jul 25	Follow up on the results	Aug 25
Insufficient minimum wage and overtime premiums	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of OT premiums	collect and analyze payslips to proove the payment of OT premiums	Nov 24	organize a full assessment by GS to get information -prove that wages are not paid later than legally required.	Jul 25	Follow up on the results	Aug 25
Statutory leaves are not paid to workers as legally required	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of statutory leaves	collect and analyze payslips to proove the payment of statutory leaves	Nov 24	organize a full assessment by GS to get information -prove that wages are not paid later than legally required.	Jul 25	Follow up on the results	Aug 25
Workers are paid below living wage as estimated by local stakeholders	Living wage	As there is a signed contract with our supplier Lucky Top which clearly asks for transparency in all wage information to calculate the gap between wages and living wage, we need payslips, attendance records and filled living wage calculation files	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	Nov 24	work on CEO level to get the transparency to calculate our share	Jan 25	Start to roll out our living wage model and collecting all neccessary information	Aug 25
There are no work contracts or other proof of employment relation - risk of invisible workers and subcontracting risks	Legally binding employment relationship	map the full supply chain - make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that every worker receives a written contract	control through audits and visits that all workers have a written contract	audit in 2022 showed that all workers had received a written contract	Nov 24	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	Jun 25	organize a full assessment by GS to get information -prove that all worker still have a valid working contract	Jul 25
Exessive and hidden overtime	Reasonable hours of work	make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that working hours should not exceed 60 hours per week and the factory must provid at least one day off per seven days	collect and analyze attendance records - collect and analyze payslips to proove the payment of OT premiums	collect and analyze attendance records to see if workers work more then 60 hrs per week or 3 hrs more per days or have one days off per week	Nov 24	continue working on critical path to optimize production planing	Mrz 25	organize a full assessment by GS to get information to get information about OT	Jul 25
Increase worker participation	Social Dialogue	analyzing the survey about social dialogue - we could see that no trade union and no worker committee is present in the factory	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	speak with the supplier (Lucky Top) and explain the difference between worker committee and a worker rep. Explain the positive impact for the factory	Mai 25	define together with Lucky Top, factory management und worker representative the process, election and job of a worker committee. Make sure that there is a policy for members of committee that there will be no retaliation action.	Okt 25	organize a meeting during next vist	Apr 26
The internal complaints mechanism is insufficient	Factory communication	In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective then the current mechanism	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	evaluate existing processes and policy	Nov 24	install accessable access points. (At least one access point, advertised, in a language understood by all workers and female and migrant workes)	Jun 25	establish worker committee with representative gender ratio and party	Okt 25
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Apr 26	Share informations with worker committee, management and other stakeholders and plan corrective actions	Mai 26		

ACTION PLANS - GUANGZHOU JIN QI SHI JIA

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Allowances, bonuses or social security benefits are not paid as legally required	Living wage	use the good relationship to Lucky Top management and the signed contract to point out the need of social security for all workers - analyze the quote of social security coverage in all factories and prefer factories with a high coverage - update our „Supplier Code of Conduct“ and let it sign	organize trainings to educate workers on social security rights	find out how many workers are receiving social security benefits - make a gender analysis	Nov 24	speak with management about reasons and point out that the payment of social security is legally required - make a timebounded plan with factory to increase the coverage quote yearly 10%	Jul 25	organize training to educate workers on social security rights	Jan 26
Wages are paid later than legally required.	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	Nov 24	use next visit to proove the payment receipts and speak with worker representative to find out if workers receive payslips regular	Apr 26	organize training to educate workers on the understanding of their payslips	Apr 26
Insufficient minimum wage and overtime premiums	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of OT premiums	collect and analyze payslips to proove the payment of OT premiums	Nov 24	book full assessment for 2026 to control OT premiums	Mrz 26	organize training to educate workers on the understanding of their payslips	Apr 26
Statutory leaves are not paid to workers as legally required	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of statutory leaves	collect and analyze payslips to proove the payment of statutory leaves	Nov 24	book full assessment for 2026 to control payment of statutory leaves	Mrz 26	organize training to educate workers on the understanding of their payslips	Apr 26
Workers are paid below living wage as estimated by local stakeholders	Living wage	As there is a signed contract with our supplier Lucky Top which clearly asks for transparency in all wage information to calculate the gap between wages and living wage, we need payslips, attendance records and filled living wage calculation files	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	Nov 24	work on CEO level to get the transparency to calculate our share	Jan 25	Start to roll out our living wage model and collecting all neccessary information	Aug 25
There are no work contracts or other proof of employment relation - risk of invisible workers and subcontracting risks	Legally binding employment relationship	map the full supply chain - make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that every worker receives a written contract	control through audits and visits that all workers have a written contract	audit in 2022 showed that all workers had received a written contract	Nov 24	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	Jun 25	organize a full assessment by GS to get information -proove that all worker still have a valid working contract	Mrz 26
Exessive and hidden overtime	Reasonable hours of work	make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that working hours should not exceed 60 hours per week and the factory must provid at least one day off per seven days	collect and analyze attendance records - collect and analyze payslips to proove the payment of OT premiums	collect and analyze attendance records to see if workers work more then 60 hrs per week or 3 hrs more per days or have one days off per week	Nov 24	continue working on critical path to optimize production planing	Mrz 25	organize a full assessment by GS to get information to get information about OT	Mrz 26
Increase worker participation	Social Dialogue	analyzing the survey about social dialogue - we could see that no trade union and no worker committee is present in the factory	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	speak with the supplier (Lucky Top) and explain the difference between worker committee and a worker rep. Explain the positive impact for the factory	Mai 25	define together with Lucky Top, factory management und worker representative the process, election and job of a worker committee. Make sure that there is a policy for members of committee that there will be no retaliation action.	Okt 25	organize a meeting during next vist	Apr 26
The internal complaints mechanism is insufficient	Factory communication	In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective then the current mechanism	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	evaluate existing processes and policy	Nov 24	install accessable access points. (At least one access point, advertised, in a language understood by all workers and female and migrant workes)	Jun 25	establish worker committee with representative gender ratio and party	Okt 25
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Apr 26	Share informations with worker committee, management and other stakeholders and plan corrective actions	Mai 26		
Factory working conditions pose threat to the health of workers	Safe & healthy working conditions		Organize together with factory management ergometric chairs	Factory Visit by CSR to ask workers directly if they are willing to sit on ergometric chairs. Organize a sample chair for testing	Apr 26	Analyze survey results and share information	Mai 26		

ACTION PLANS - DONGGUAN WANHUITU

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Allowances, bonuses or social security benefits are not paid as legally required	Living wage	use the good relationship to Lucky Top management and the signed contract to point out the need of social security for all workers - analyze the quote of social security coverage in all factories and prefer factories with a high coverage - update our „Supplier Code of Conduct“ and let it sign	organize trainings to educate workers on social security rights	find out how many workers are receiving social security benefits - make a gender analysis	Dez 24	speak with management about reasons and point out that the payment of social security is legally required - make a timebounded plan with factory to increase the coverage quote yearly 10%	Jun 25	define with supplier the costs on FOB for social security and create a plan to integrate parts of this costs in the FOB price	Okt 25
Wages are paid later than legally required.	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	collect and analyze monthly payslips and bank payment receipts to ensure wages are not delayed	Nov 24	use next visit to proove the payment receipts and speak with worker representative to find out if workers receive payslips regular	Apr 26	organize training to educate workers on the understanding of their payslips	Okt 26
Insufficient minimum wage and overtime premiums	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of OT premiums	collect and analyze payslips to proove the payment of OT premiums	Nov 24	book full assessment for 2026 to control OT premiums	Sep 26	organize training to educate workers on the understanding of their payslips	Okt 26
Statutory leaves are not paid to workers as legally required	Living wage	update our „Supplier Code of Conduct“ in this point and let it sign	collect and analyze payslips to proove the payment of statutory leaves	collect and analyze payslips to proove the payment of statutory leaves	Nov 24	book full assessment for 2026 to control payment of statutory leaves	Sep 26	organize training to educate workers on the understanding of their payslips	Okt 26
Workers are paid below living wage as estimated by local stakeholders	Living wage	As there is a signed contract with our supplier Lucky Top which clearly asks for transparency in all wage information to calculate the gap between wages and living wage, we need payslips, attendance records and filled living wage calculation files	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	collect and analyze payslips. Use the calculation tool to calculate our share to close the gap for our production and pay twice per year	Nov 24	work on CEO level to get the transparency to calculate our share	Jan 25	As our leverage in 2024 was only 2 % we focus here on other issues. To roll out our model we need at least a leverage of 5%.	
There are no work contracts or other proof of employment relation - risk of invisible workers and subcontracting risks	Legally binding employment relationship	map the full supply chain - make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that every worker receives a written contract	control through audits and visits that all workers have a written contract	audit in 2021 showed that all workers had received a written contract	Nov 24	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	Jun 25	organize a full assessment by GS to get information -proove that all worker still have a valid working contract	Sep 26
Exessive and hidden overtime	Reasonable hours of work	make clear that every supplier has signed the „Supplier Code of Conduct“ and has agreed that working hours should not exceed 60 hours per week and the factory must provid at least one day off per seven days	collect and analyze attendance records - collect and analyze payslips to proove the payment of OT premiums	collect and analyze attendance records to see if workers work more then 60 hrs per week or 3 hrs more per days or have one days off per week	Nov 24	continue working on critical path to optimize production planing	Mrz 25	organize a full assessment by GS to get information to get information about OT	Sep 26
Increase worker participation	Social Dialogue	analyzing the survey about social dialogue - we could see that no trade union and no worker committee is present in the factory	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	speak with the supplier (Lucky Top) and explain the difference between worker committee and a worker rep. Explain the positive impact for the factory	Mai 25	define together with Lucky Top, factory management und worker representative the process, election and job of a worker committee. Make sure that there is a policy for members of committee that there will be no retaliation action.	Okt 25	organize a meeting during next vist	Apr 26
The internal complaints mechanism is insufficient	Factory communication	In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective then the current mechanism	speak with the supplier (Lucky Top) and factory about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	evaluate existing processes and policy	Nov 24	install accessable access points. (At least one access point, advertised, in a language understood by all workers and female and migrant workes)	Jun 25	establish worker committee with representative gender ratio and party	Okt 25
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Apr 26	Share informations with worker committee, management and other stakeholders and plan corrective actions	Mai 26		

ACTION PLANS - JAINGSU YAYUAN HEADWEAR (ASI)

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Allowances, bonuses or social security benefits are not paid as legally required	Living wage			Visit in 2026 to check payment if social security benefits has been paid	Jun 26				
Wages are paid later than legally required.	Living wage			Visit in 2026 to check if wages are paid in time.	Jun 26				
Insufficient minimum wage and overtime premiums	Living wage			Visit in 2026 to check overtime premiums are respected.	Jun 26				
Statutory leaves are not paid to workers as legally required	Living wage			Visit in 2026 to check payment if statutory leaves are paid	Jun 26				
There are no work contracts or other proof of employment relation - risk of invisible workers and subcontracting risks	Legally binding employment relationship	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	control through audits and visits that all workers have a written contract	develop a policy for subcontracting and let it sign by supplier and factories - make clear that unapproved subcontracting might be the end of bussines relation	Jun 25	check by CSR visit that all workers had received a written contract	Jun 26		
Excessive and hidden overtime	Reasonable hours of work		collect and analyze attendance records - collect and analyze payslips to prove the payment of OT premiums	continue working on critical path to optimize production planing	Mrz 25	Visit by CSR to check attendance records	Jun 26		
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Apr 26	Share informations with worker committee, management and other stakeholders and plan corrective actions	Mai 26		

ACTION PLANS - SUSTAINABLY CRAFTED CLOTHING

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Factory management does not allow trade unions to approach workers	Freedom of Association	Discuss if the factory has a policy on FoA and CB.		Speak with mangement on CEO level if there are any policies on FoA and CB	Jul 25	Check policies during onsite visit	Nov 25		
Discrimination in hiring practices, compensation and opportunities	No discrimination	Support workplace training for workers and management.	Female Supervisor Training	Analyze results from STICH training	Jun 25	Organize meeting with Nudie and factory management to speak about learnings and possible follow ups	Jul 25		
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disagrated data		Factory Visit by CSR to check gender disagrated data. Use survey with all workers or with a representative ammout of worker/gender.	Nov 25	Share informations with worker committee, management and other stakeholders (Nudie Jeans) and plan corrective actions	Dez 25		
Workers are paid below living wage as estimated by local stakeholders	Living wage		Close the gap between paid wages and living wage						
Total working time per week exceeds the legal limit, but is not over 60 hours	Reasonable hours of work	check if our orderes have the risk to create ovettime		our Spring Summer production was very late. Make root cause analysis with supplier to find the reasons	Mrz 25	prepare the criticalpath together with supplier to reconfirm our deadline to place the orders	Apr 25	work weekly on the critical path	Sep 25

ACTION PLANS - EUROSAS

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Workers are paid below living wage as estimated by local stakeholders	Living wage	calculate the gap between paid wages and living wage Check the living wage gap from „Industry We Want - Wage Score“	close the gap step-by-step	analyze minimum and living wage from 2025 together with management and define the gap - check potential wage discrimination.	Apr 25	make a labor-minute calculation to define the costs of a direct labor minute. Define the direct labor costs per garment	Jun 25	make a plan together with supplier to close the gap - set a target wage	Okt 25
The internal complaints mechanism is insufficient	No discriminations		In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective than the current mechanism	speak with the factory management about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	Apr 25	to minimize the risk through a lack of missing committee and trade union, we want to continue with a non-retaliation agreement and define a written process. Install accessible access points. (At least one access point, advertised, in a language understood by all workers and female and migrant works) - check during onsite visit	Okt 25	establish worker committee with representative gender ratio and party - check during onsite visit	Jan 26
Factory working conditions pose threat to the health of workers	Health and safety working conditions		Organize a professional audit to minimize any risk	speak with the factory management to organize together a SMETA audit by SEDEX	Apr 25	organize audit	Sep 25	create a corrective action plan out of the findings and start working on it	Okt 25
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disaggregated data		Factory Visit by CSR to check gender disaggregated data. Use survey with all workers or with a representative amount of worker/gender.	Okt 25	Share information with worker representative, management and other stakeholders and plan corrective actions	Nov 25		

ACTION PLANS - SOCISILVAS

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Workers are paid below living wage as estimated by local stakeholders	Living wage	calculate the gap between paid wages and living wage	close the gap step-by-step	analyze minimum and living wage from 2025 together with management and define the gap - check potential wage discrimination.	Apr 25	make a labor-minute calculation to define the costs of a direct labor minute. Define the direct labor costs per garment	Jun 25	make a plan together with supplier to close the gap - set a target wage	Okt 25
The internal complaints mechanism is insufficient	Factory communication		In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective than the current mechanism	speak with the factory management about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	Apr 25	to minimize the risk through a lack of missing committee and trade union, we want to continue with a non-retaliation agreement and define a written process. Install accessible access points. (At least one access point, advertised, in a language understood by all workers and female and migrant works) - check during onsite visit	Okt 25	prepare anti-discrimination policies and make sure that all workers have access	Jan 26
Factory working conditions pose threat to the health of workers	Health and safety working conditions		Organize a professional audit to minimize any risk	we will start with an audit with Eurosas - after analyzing the results and costs we could outroll the model to this supplier	Jan 26				
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disaggregated data		Factory Visit by CSR to check gender disaggregated data. Use survey with all workers or with a representative amount of worker/gender.	Okt 25	Share information with worker representative, management and other stakeholders and plan corrective actions	Nov 25		

ACTION PLANS - GOMES & FERNANDES BARBOSA

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Workers are paid below living wage as estimated by local stakeholders	Living wage	calculate the gap between paid wages and living wage	close the gap step-by-step	analyze minimum and living wage from 2025 together with management and define the gap - check potential wage discrimination.	Jun 25	make a labor-minute calculation to define the costs of a direct labor minute. Define the direct labor costs per garment			
The internal complaints mechanism is insufficient	Factory communication	Make a contract which helps to get all information to calculate the gap between wages and living wage.	In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective than the current mechanism	speak with the factory management about the possibility to make a contract.	Apr 25	sign contract(if factory management is willing)	Okt 25	make interview with worker representative	Okt 25
Factory working conditions pose threat to the health of workers	Health and safety working conditions		Organize a professional audit to minimize any risk	speak with factory management if there are existing audits	Apr 25	make a Basic Safety and Health Check	Apr 25	make a Basic Safety and Health Check through CSR manager	Okt 25
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disaggregated data		Factory Visit by CSR to check gender disaggregated data. Use survey with all workers or with a representative amount of worker/gender.	Okt 25	Share information with worker representative, management and other stakeholders and plan corrective actions	Nov 25		

ACTION PLANS - FELMAC

Issue	Category	Preventive Action	Corrective Action	Phase 1	Timeline Phase 1	Phase 2	Timeline Phase 2	Phase 3	Timeline Phase 3
Workers are paid below living wage as estimated by local stakeholders	Living wage	calculate the gap between paid wages and living wage	close the gap step-by-step	analyze minimum and living wage from 2025 together with management and define the gap	Apr 25	collect payslips and define the gap clear the reason of different food supplements.	Mai 25		
Workers are paid below living wage as estimated by local stakeholders	Living wage	Check the living wage gap from „Industry We Want - Wage Score“		Update data	Mai 25	Update data	Jan 26	Update Data	
The internal complaints mechanism is insufficient	Factory communication		In order to establish a low-threshold and functioning complaint mechanism, it has been found that a worker committee is more effective than the current mechanism	speak with the factory management about the possibility to establish a worker committee to strengthen the social dialogue. The committee has to be elected democratically and should be gender representative	Mai 25	install accessible access points. (At least one access point, advertised, in a language understood by all workers and female and migrant workers) - check during onsite visit	Okt 25	establish worker committee with representative gender ratio and parity - check during onsite visit	
Factory working conditions pose threat to the health of workers	Health and Safety working conditions		Organize a professional audit to minimize any risk	analyze existing SMETA audit - speak with management about results	Mai 25	create a corrective action plan out of the findings and start working on it	Aug 25		
Discrimination in hiring practices, compensation and opportunities	No discrimination	Gain gender disaggregated data		Factory Visit by CSR to check gender disaggregated data. Use survey with all workers or with a representative amount of worker/gender.	Okt 25	Share information with worker representative, management and other stakeholders and plan corrective actions	Nov 25		

8. COMPLAINTS MANAGEMENT



A key aspect of implementing responsible business practices is the provision of an effective grievance mechanism to ensure access to remedies in the supply chain. This responsibility of brands is described in numerous international standards, such as the „OECD Guidelines for Multinational Enterprises“, the „UN Human Rights Council,

Guiding Principles on Business and Human Rights“, the „OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector“ or in the „Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy“ by the ILO.

COMPLAINT FOLLOW-UP AND CONFLICT RESOLUTION PROCESS OF THE FWF

The Fair Wear Foundation offers a grievance system that includes a national grievance hotline for all our production countries. Through this hotline, workers can raise their concerns anonymously in their native language with local representatives, especially if the internal grievance mechanisms at factory level are ineffective. The information sheet for workers, which outlines workers' rights and must be posted in each factory, includes the hotline number. During the Workplace Education Program (WEP) training, this hotline is highlighted as an important resource. Workers are urged to use it when necessary.

The FWF forwards the complaint to the responsible FWF member as soon as it is received via the hotline. The FWF member brand is then obliged to contact the factory

and investigate the complaint. The aim is to solve the problem, regardless of whether it was caused by poor or too tight production planning or whether it is the responsibility of the factory management. In co-operation with the FWF, we define corrective measures and monitor their implementation. FWF reviews and reports transparently on the steps taken to resolve the complaint.

The Fair Wear complaint mechanism is designed not only to ensure that the rights holder receives adequate redress for the harm suffered, but also focuses on the brand's role in seeking redress and how its purchasing practices contributed to the harm in the first place.

There were no complaints in 2024.

9. TRAINING & HELP FOR SELF-HELP

9.1 ACTIVITIES TO INFORM EMPLOYEES

Every single employee at IRIEDAILY is aware of the importance of what we do. We maintain constant cross-departmental communication to share the latest projects, discoveries and ideas, which are discussed in our weekly company meeting. Our CSR managers regularly inform colleagues about upcoming events and share the latest findings and measures that are currently being implemented.

All information about our corporate responsibility, our sustainability, the fair working conditions in the factories and the work performed as a Fair Wear member can be found transparently and freely accessible to all IRIEDAILY employees on our servers and in an internal database.

Furthermore, we have created an internal ranking of our suppliers, which gives every employee involved in the process the opportunity to see and compare the quality of our production facilities in terms of workers'

rights at a glance.

New employees receive intensive training from our CSR manager and always have the opportunity to seek direct personal contact thanks to our flat company hierarchy.

In December 2024, we presented our new Responsible Business Conduct Policy and Sourcing Policy to all employees as part of our annual results presentation. In addition, we presented sustainable key performance indicators for the first time alongside our business results. Our intention with this step is not only to make our actions more measurable, but also to give them the same importance as business successes.

We also inform our representatives about the current status of our measures, progress and goals at semi-annual retreats.

At management level, there is an ongoing dialogue between our CSR and CEO.

9.2 ACTIVITIES TO INFORM AGENTS

Agents are the interface between IRIEDAILY, our general agency in Portugal, and the agency in China and the factories where we produce

our goods. Our agents play a key role in the implementation of FWF requirements at national level by acting as intermediaries and

supporting us in corrective actions following factory audits. They conduct regular factory visits and also accompany our CEO or CSR

Manager on their business trips. We see them as indispensable partners in our efforts to actively improve labor standards.

9.3 ACTIVITIES TO INFORM SUPPLIERS & WORKERS

The FWF Code is the basis for sustainable cooperation with our suppliers. The standard, also known as the Code of Labor Practices (CoLP), contains guidelines that inform both employees and management about their labor rights

Every new supplier who wants to work with us must undertake to comply with and implement this Code of Conduct. In addition, we require all suppliers to sign a „Supplier Code of Conduct“, in which our partners declare their willingness to fulfil further guidelines. By agreeing to fulfil the code, our partners undertake to actively promote environmental protection, ensure transparency, prevent corruption and understand that non-compliance with these standards will result in immediate consequences on our part.

In order to raise general awareness of our commitment to fair working conditions, we demand that information sheets, so-called „Worker Information Sheets“, be displayed in central locations for workers in all factories from the start of production.

In cooperation with the FWF, we organize internal factory training courses to raise workers' awareness of sustainability. In these trainings, called WEPs, workers are educated on topics such as the independent grievance system and the benefits of FWF's work. We conduct these training sessions at regular intervals to ensure that as many workers as possible are trained.

During our visits, we naturally try to talk to the workers personally in order to get an accurate picture of the working atmosphere on site. In addition to the Worker Information Sheets, we also distribute Worker Information Cards, which provide information about the FWF Code of Conduct and the local grievance mechanism. To ensure that every worker is informed, we instruct the worker representatives elected by the workers so that they can also provide information in the event of queries. After a factory audit, we also involve them in the follow-up process as representatives of the workers' interests.

10. TRANSPARENCY & COMMUNICATION

Transparency is the basis of trust. This applies not only to business relationships with our suppliers, but also to communication with our end customers.

General information about our FWF membership and our progress in improving labor standards can be found in our annual Social Report and in the Brand Performance Check Report. These documents are freely accessible on our website and on the official FWF homepage.

You can also find more information about the organization and its work at: www.fairwear.org

We provide information about our sustainability efforts and newly developed articles on our social media channels. We also plan to communicate even more of our work transparently in the future. We want to reach as many of our end customers as possible with information videos and blog posts.

Once a year, we also report in detail on all our production facilities and suppliers in our social report. This is only possible because

all suppliers have signed a disclosure agreement in which they confirm that they consent to the publication of their contact details.

This gives us the opportunity to create even more transparency for our customers. Since the spring/summer 20 season, it has been technically and legally possible for us to indicate exactly where and in which factory each item was manufactured on our website. This information is visible to everyone next to the product description.

In each product description, the manufacturing company is now noted with a deep link to the factory subpage, where a more detailed factory description and photos from the site can be found.

We have integrated a [„Responsibility“](#) subpage on our website. We use this to provide information on our brand philosophy, our production countries, the manufacture of our products, CSR measures and, in particular, our FWF membership.

The „Social Report“ and the „Brand Performance Check“ are also available there as [PDF downloads](#).



11. STAKEHOLDER ENGAGEMENT

IRIEDAILY has identified a large number of interest groups (hereinafter referred to as stakeholders) that are important to our business and whose cooperation and dialogue is part of our success. We believe that only together and on an equal footing can we achieve truly sustainable business. We consider transparent dialogue with our stakeholders to be our responsibility and are prepared to take on this responsibility.

STAKEHOLDER ENGAGEMENT POLICY

One important step is the newly drafted „Stakeholder Engagement Policy“, which guarantees a coherent approach to our stakeholders and serves to set out the most important principles and define responsibilities within the company. It also sets out the general expectations, performance and responsibilities for cooperation between IRIEDAILY and our stakeholders.

IRIEDAILY PRINCIPLES:

- We work proactively with our stakeholders
 - We focus on long-term partnerships
 - Together we implement fair working conditions in the supply chain
 - We take the opinions of our stakeholders seriously and integrate them into our decisions
 - We report openly and regularly on our social commitment and offer reporting opportunities
- The most important stakeholder groups that we have defined for ourselves as IRIEDAILY are:

SUPPLIERS

As our direct business partners, our suppliers are our most important contacts when it comes to implementing fair working conditions. Change can only be achieved together with them. It is therefore important to us to obtain their open opinion on all decisions. We are currently working with them on a framework agreement to guarantee a fair, transparent and long-term partnership. We have involved our suppliers in this process by conducting surveys when drawing up the contracts and have incorporated their opinions into the agreement.

EMPLOYEES OF THE SUPPLIER & THEIR REPRESENTATIVES

When we talk about improving working conditions, the opinion of employees and their representatives is very important to us. It only makes sense to change something if the employees also want these changes and recognize that they make sense. That is why we always seek direct dialogue with employees during our visits to the factories. Unfortunately, there are always problems with language at this point, but we are very well supported by our agencies.

NON-GOVERNMENTAL ORGANIZATIONS

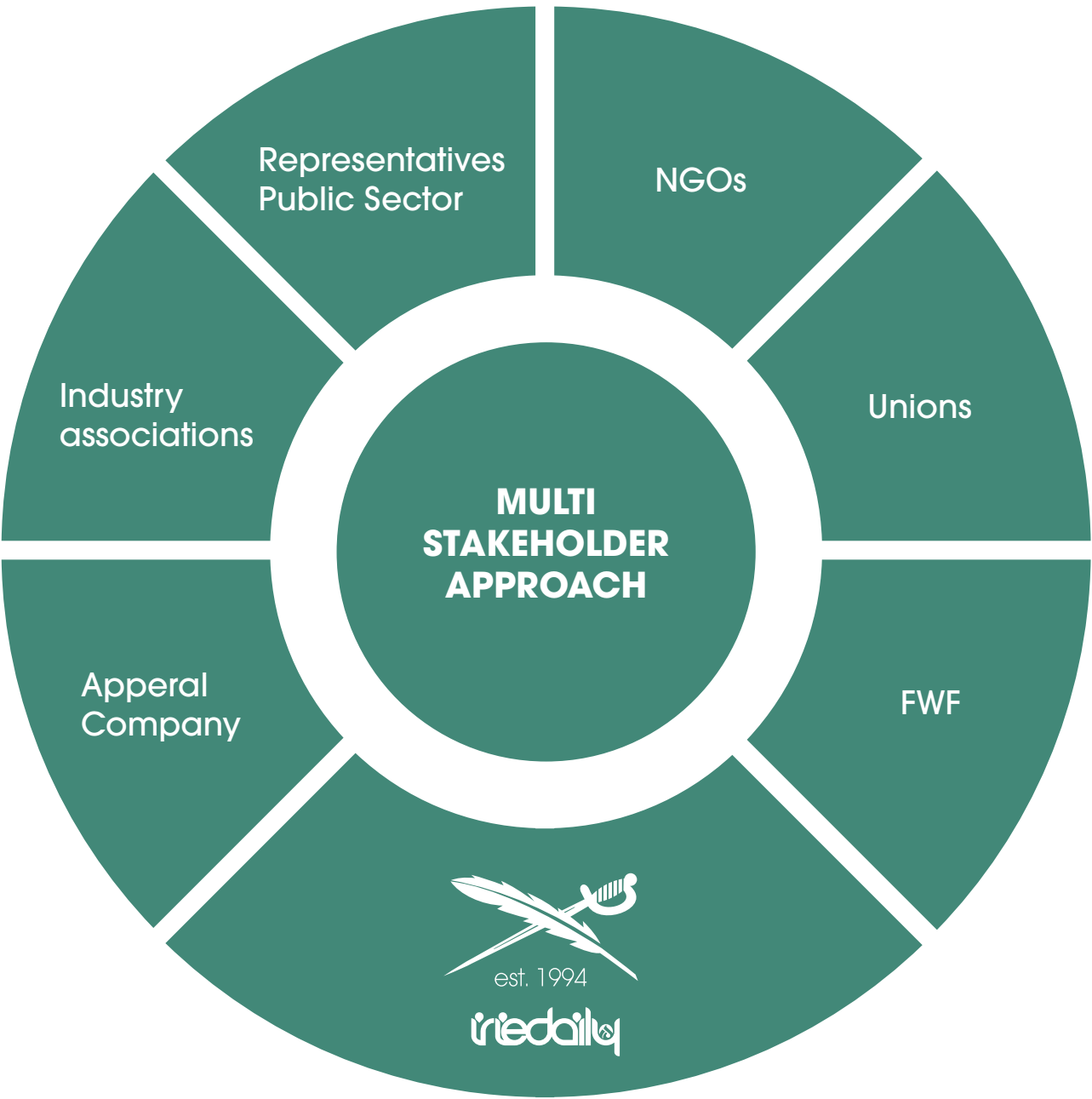
Fair Wear Foundation

We are proud of our FWF membership and very happy to be working with the FWF. Thanks to the materials provided, such as country studies, health and safety checklists, templates and other tools, we are well placed to continue to develop and ensure fair working conditions in all our factories. FWF regularly organizes stakeholder meetings with representatives from the public sector, NGOs, trade unions and industry. At these meetings, our CEO and CSR manager exchange views with colleagues on current topics, present findings and successes and constructively discuss how the major challenges facing our industry can be overcome.

INTERNATIONAL GOVERNMENTAL ORGANIZATIONS

Although we have very little direct contact with government organizations, they do help us to implement our HRDD. They provide the framework within which we develop our business model. For example, the OECD's Sustainable Development Goals (SDGs) provide the framework for sustainable

development on an economic, social and environmental basis and therefore guide our actions. At national level, the Supply Chain Act regulates corporate responsibility and sets out rules for recording and documenting it.



12.

CORPORATE SOCIAL RESPONSIBILITY



At Iriedaily, we are committed to standing against gender-based violence, discrimination, and all forms of racism. Fairness, tolerance, equality, and a shared set of values are the foundation for conscious and respectful coexistence!

As a company based in Berlin-Kreuzberg, we also take on social responsibility in other ways. In addition to sponsorship support, we

actively participate in local projects and engage in community action days. Iriedaily also pursues a consistent and sustainable approach in marketing, which for us means supporting projects and their creators in the long term and working together toward their goals.

OPFERPERSPEKTIVE E.V. x IRIEDAILY

The association Opferperspektive is active in the federal state of Brandenburg and provides support to victims of right-wing violence and racist discrimination. But that's not all—the organization also engages heavily in raising awareness and focuses on highlighting societal processes that lead to right-wing violence, racism, and antisemitism.

Iriedaily regularly organizes donation campaigns for Opferperspektive to help sustain their valuable work. It's not just about

raising funds but also about increasing awareness and visibility for the organization.

As part of our 30-year anniversary celebration at SO36, we commissioned Berlin-based artist Hülpmann to create two canvases live on-site, which were then auctioned off on stage in support of Opferperspektive e.V.

-> www.opferperspektive.de

-> www.instagram.com/p/C_yCXGBsu8W/

OROVERDE x IRIEDAILY

In 2024, Black Friday and Cyber Monday once again became the Iriedaily Green Weekend, during which 20% of net sales from our webshop and Berlin brand stores were donated to the rainforest foundation OroVerde. OroVerde is a non-profit organization that supports sustainable development projects to protect tropical rainforests and the people living there.

Due to the Iriedaily Green Weekend, we were able to donate €5,500 to OroVerde and the BIOFINCAS project. BIOFINCAS promotes biodiversity and sustainable agriculture in Mexico, Guatemala, and the Dominican Republic—important work for environmental protection and preserving our planet.

-> www.regenwald-schuetzen.org

-> www.instagram.com/p/DDhSo0JM9Zb/

PFEFFERSPORT x IRIEDAILY

For the Berlin-based club Pfeffersport e.V., we designed a special jersey that we proudly handed over to all trainers in February 2024. Pfeffersport stands out not just for its broad range of sports offerings but especially for its strong commitment to inclusion, diversity, and integration.

The goal of our collaboration was to more visibly promote the message of #MissionInklusion and to support the club

with our expertise in production, materials, and design. By waiving traditional fees and licensing costs, we were able to offer a fair jersey price to club members. Since Iriedaily has long supported wheelchair skating and athlete David Lebuser, it was particularly important to us to back Pfeffersport's inclusion mission.

-> www.instagram.com/reel/C3ijfZ3MXZL/

SKATEISTAN x IRIEDAILY

Iriedaily has supported the NGO Skateistan since its founding in 2007. Founder Oliver Percovich established the first skateboarding school in Kabul, Afghanistan, to not only teach local children and youth how to skateboard but also to offer a platform for exchange and education.

What makes it so special is that girls—who have even fewer sporting opportunities than

boys in Afghanistan—were actively included from the start. Today, Skateistan has built skateboarding infrastructure around the world and partners with local organizations to use skateboarding as a tool for confidence, unity, communication, and equality.

-> www.skateistan.org

PROJECT WINGS x IRIEDAILY

Since 2023, we have supported Project Wings with monetary and clothing donations. This group of young pioneers and idealists aims to make environmental protection mainstream. Every project is designed to leave behind self-sustaining systems led by local communities.

One of their current goals is building the world's largest recycling village—made

from 250 tons of plastic waste—on the island of Sumatra. Their work promotes not only recycling but also sustainable agriculture and environmental education.

The organization is funded entirely through private donations.

-> www.project-wings.de

„STARK WIE EIN BAUM“ PROJECT

Since January 2020, we have supported the „Stark wie ein Baum“ project run by the [Hof Grüneberg Foundation](#) and the [Caritas Children's Hospice Service](#). This initiative not only contributes to nature conservation but also helps families with severely ill children or adolescents.

Since the beginning of 2020, we have sponsored two trees—Tree 1105 (Williams Christ Pear) and Tree 406 (Red Gravensteiner

Apple). Half of the sponsorship fee goes to the Caritas Children's Hospice, one-third to Hof Grüneberg Foundation to support sick or disabled children and their families, and the rest contributes to tree maintenance and nature conservation efforts.

A wonderful project that we are proud to support!

-> www.riedaily.link/stark-wie-ein-baum

LOCAL AND GLOBAL SUPPORT

Some of our donation projects are smaller and more discreet. In our hometown, for example, we are able to quickly support the Berlin Stadtmission with textile donations—especially crucial in winter.

We also have a heartfelt project in Nepal, where we directly send clothing donations to an aid organization for Nepalese schoolchildren:

-> www.kenkmannfond.de

ADDITIONAL DONATIONS

We've also supported the following organizations through monetary donations:

- | | |
|-----------------------------------|--|
| • Amnesty International | www.amnesty.de |
| • Afrika Rise | www.afrikarise.de |
| • Ärzte ohne Grenzen e.V. | www.aerzte-ohne-grenzen.de |
| • S.C. Berliner Amateure Jugend | www.berlineramateure.de |
| • Dieter Kenkmann Foundation | www.kenkmannfond.de |
| • Drop In e.V. | www.dropin-ev.de |
| • FSV Hansa 07 e.V. | www.hansa07.de |
| • Mensch Mensch Mensch e.V. | www.menschmenschmensch.de |
| • Seebrücke | www.seebruecke.org |
| • Opferperspektive e.V. | www.opferperspektive.de |
| • Project Wings | www.project-wings.de |
| • Sea-Watch e.V. | www.sea-watch.org |
| • sit in skate | www.sitnskate.de |
| • Skateistan | www.skateistan.org |
| • Stiftung Hof Grüneberg | www.hof-grueneberg.de/stiftung |
| • Zukunftsstiftung Landwirtschaft | www.zukunftsstiftung-landwirtschaft.de |



DO YOU HAVE ANY QUESTIONS?

Feel free to contact us!

Luis Luger
CSR Manager
luis@riedaily.de

Website
www.riedaily.de

Social Media
Instagram: [@riedailyberlin](https://www.instagram.com/riedailyberlin)
Facebook: [@riedailyberlin](https://www.facebook.com/riedailyberlin)
TikTok: [@riedailyberlin](https://www.tiktok.com/@riedailyberlin)