

A photograph of a man and a woman in winter clothing. The man is on the left, wearing a dark blue turtleneck sweater. The woman is on the right, wearing a light-colored coat with a grey and white patterned scarf. They are both looking towards the camera.

Impact report

Financial year 2023/2024

August 1st 2023 – July 31st 2024

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A letter from our CEO

We live in a time of change, where consumers are increasingly seeking guidance and trust. Right now, it is evident how important our commitment to sustainability and ethical conduct is. At hessnatur, we remain steadfast in our mission to offer sustainable alternatives – doing so in a way that combines responsibility, quality, and innovation.

We are especially pleased that our efforts have been recognized with the German Sustainability Award 2024. This remarkable acknowledgment is not only a milestone but also a motivating incentive for us to continue setting new standards for a sustainable future.

An important step on this journey is our new visual identity with the message "No compromise since 1976." For nearly five decades, we have stood for fashion that unites beauty, fairness, and sustainability. These values are non-negotiable for us and shape everything we do.

In our current impact report 2023/2024, we provide you with exciting insights into the key sustainability topics that drive us. From promoting the Gender Data Gap Initiative to the successes of our organic cotton project in Greece and the innovative use of sustainable materials like pineapple fibers – these projects reflect our innovative spirit and unwavering commitment.

With confidence and determination, we look forward to another year filled with sustainability, progress, and transparency. Your support and trust are key to shaping a future that protects and enriches our planet together.

Thank you for accompanying us on this inspiring journey – let's make an even greater impact together!



Andrea Homann
CEO



About hessnatur

1. About hessnatur

hessnatur has always been and continues to be a pioneer. From the very beginning in 1976, we decided to break new ground. Our holistic approach respects people and nature equally. When manufacturing our products, we act in the interests of people, animals and the environment. We have been working with natural materials for more than 45 years.

We offer sustainable fashion for women and men, baby and children's clothing as well as home textiles. Everything is made of premium-quality, exclusive and innovative natural materials.

We are an e-commerce company that also operates five stores in Butzbach, Dusseldorf, Frankfurt, Hamburg and Munich.

Our vision

Our vision is to be the most consistent and inspiring sustainable fashion and lifestyle brand.

Our mission

We love fashion, and we love our planet, sustainability is our DNA. That's why we create contemporary fashion and lifestyle products – using natural materials. For people and nature.

Our Values

Sustainable

We are pioneers in sustainable fashion and unmatched in our consistency. Since 1976, we've set the standard for fair, healthy and beautiful clothing. We take responsibility for people and the environment - in every decision. With sustainable growth, we find the balance between profitability, environmental and social responsibility. Our relationships with customers, employees and partners are long-term and fair.

Innovative

Our employees know our business best and love to inspire our customers. From this know-how, we develop a flood of bold ideas, implementing the best of them: from products to collaborations. To do this, we network with innovative partners who complement our expertise.

Authentic

We can only perform at our best if we don't have to pretend to be something we are not. Our authentic attitude as a fair fashion pioneer makes us unique. We are enriched by open dialog across all areas and levels. This is how we make even difficult decisions transparent for everyone.

Excellent

We are not satisfied with mediocrity. We work with passion and take responsibility for our goals and results. Together, we create fast and excellent processes and support each other with our know-how. Our products make our customers feel excellent.

Our story

When hessnatur was founded by Dorothea and Heinz Hess in 1976, the primary intention was to produce clothing for babies made from natural materials without the use of harmful chemicals. Building on this idea, we have spent the past 48 years developing new standards for sustainability and fairness.

We have been pioneering throughout our history, including our participation in the world's first organic cotton farming project in 1991. By 2005, we became the first German fashion brand to join the international Fair Wear Foundation (FWF), and since 2017, we have been awarded FWF Leader Status, which

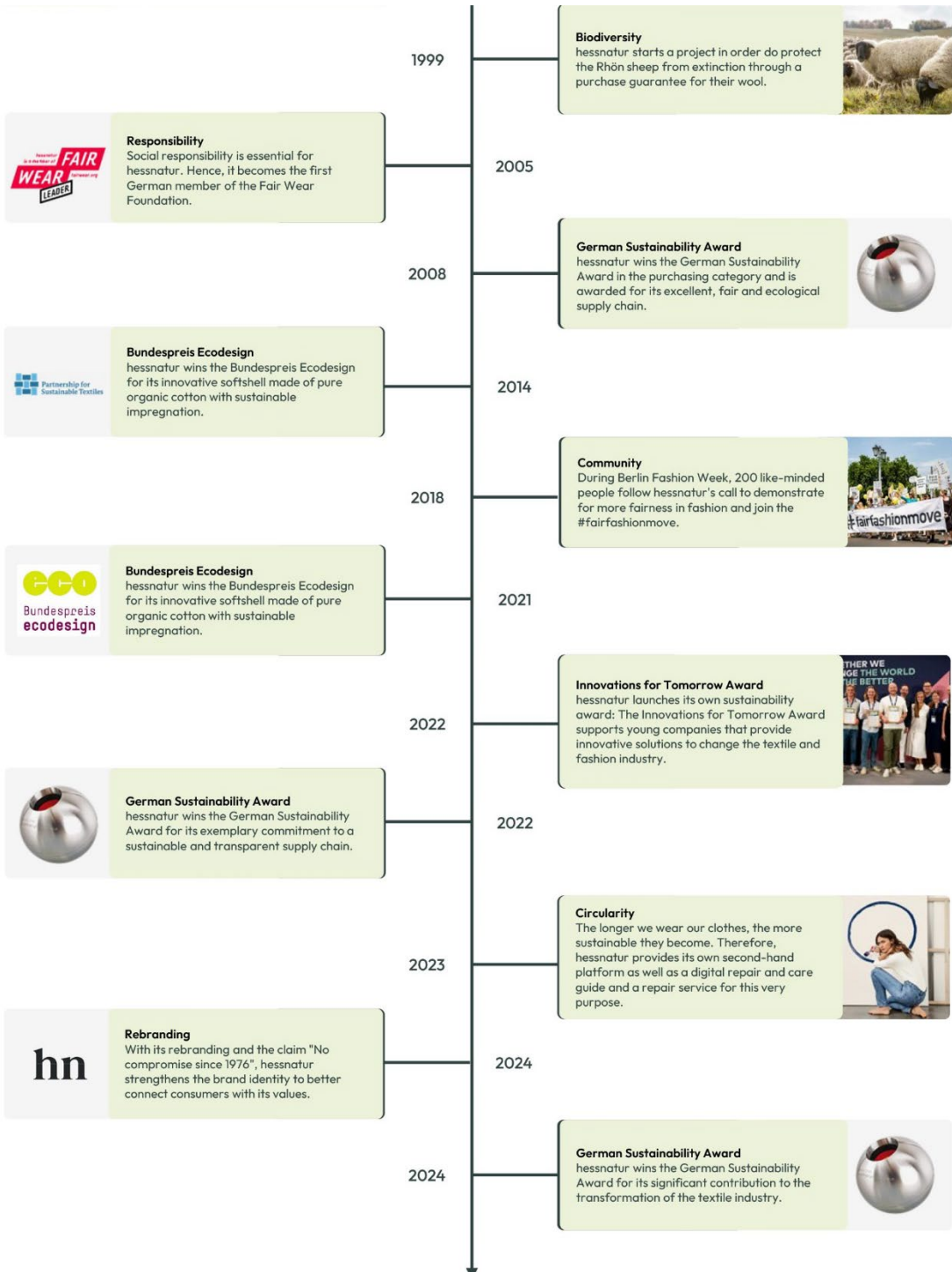
recognizes our commitment to human rights due diligence within our supply chain.

Over the years, our product range has expanded significantly, encompassing fashion for women, men, and children, as well as underwear and home textiles. Our primary sales channel is our e-commerce platform, hessnatur.com, which serves our main markets: Germany, Austria, and Switzerland.

Additionally, we operate five retail stores located in Butzbach, Düsseldorf, Frankfurt, Hamburg, and Munich along with an outlet store at our company headquarters in Butzbach.



Below you will find a brief overview of our key milestones from the past 48 years.



2. Facts & figures

In 2023/2024:



A woman with long dark hair, wearing a light blue ribbed sweater and a matching long skirt, is carrying a young girl on her back. The girl is wearing a dark blue long-sleeved top, a grey knitted vest, and white sneakers with orange soles. They are in a bright, modern interior with light-colored wood paneling on the walls and floor. Large glass windows in the background show a view of a building. The woman is smiling and looking towards the camera, while the girl is also smiling and has her right arm raised in a playful gesture. The overall atmosphere is warm and joyful.

**Highlights
2023/2024**

3. Highlights 2023/2024

Gender Data Gap Project

As part of the "Gender Data Gap Initiative," we are working together with the hessnatur Foundation, GERRY WEBER, FEMNET e.V., and the Global Organic Textile Standard (GOTS) to tackle gender inequalities in the

textile industry. This project is part of the Partnership for Sustainable Textiles and is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Background

Women working in the textile industry are often affected by intersectional discrimination. They frequently experience sexual harassment, unequal pay, barriers to career advancement, and discrimination due to

pregnancy. To effectively fight these forms of discrimination, systematic data collection on gender-specific issues is crucial. The absence of such data often leads to gender inequalities going unrecognized and unaddressed.

Approach and implementation

The goal of this project is to develop a practical tool that enables the collection of gender-specific data in production facilities, allowing for targeted actions to address gender-based discrimination. The initiative is closely collaborating with production facilities in Tunisia to test data collection on-site and implement appropriate measures. Of particular importance is the close dialogue with local stakeholders, such as the Fair Wear Foundation Tunisia and GIZ Tunisia.

During on-site visits to Tunisia, the production facilities and additional local partners were engaged to gain insights into the state of gender equality. By involving the production facilities early in the process and maintaining an ongoing exchange with various stakeholders, the challenges on the ground were better understood and integrated into the project work.

Current status and next steps:

In June 2024, a key workshop took place in Bonn, focusing on the evaluation of the questionnaire's pilot phase, which covers topics such as workplace safety for pregnant women, career advancement opportunities for women, and violence in the workplace. Together with the project partners, actions and recommendations were developed, including the creation and implementation of policies, as

well as awareness and capacity-building trainings. The findings from this pilot phase form the foundation for finalizing the tool.

The project aims to develop a handbook that can be applied across countries and stakeholders to measure, manage, and ultimately improve gender equality in the textile industry. After the successful pilot phase

in Tunisia, the tool is expected to be made available to other members of the Partnership for Sustainable Textiles, with the goal of

contributing to the global improvement of working conditions for women in the textile industry.

Cotton from Greece Project



Since January 2022, we have been working with our supply chain partners on a project in Greece aimed at promoting the production of organic cotton and implementing sustainable cultivation methods. Our goal is to establish environmentally friendly practices that support local agriculture while reducing the environmental impact of cotton farming. By introducing sustainable farming techniques, we aim to create long-term benefits for both the environment and the local communities in

Greece. In addition to these sustainable practices, the project offers enhanced transparency and traceability of the cotton products. Another key benefit is the potential for shorter transportation distances, which may contribute to lower CO2 emissions, although this impact is still to be measured. Overall, the project is an important step toward more sustainable and responsible cotton production in Greece.

Background

In Europe, only a very small percentage of cotton is grown organically. According to Textile Exchange, organic cotton accounted for 3.2% of total cotton production worldwide in 2022, with only 0.01% of this production coming from Europe¹.

Most of the land used to grow organic cotton is in countries such as India and the USA. Our project takes an innovative approach to establishing and expanding the production of organic cotton in Europe.

¹ <https://textileexchange.org/app/uploads/2024/09/Materials-Market-Report-2024.pdf>

Approach and implementation

The project began in 2022 with an initial phase that faced some challenges. During the first harvest, we collected around 100 tons of organic cotton from Greece. However, this quantity was insufficient for ginning. To meet the required amount, we purchased around 350 tons of additional organic cotton from Uganda to ensure we had at least 200 tons for ginning. In the second year, 2023, we harvested nearly 250 tons of cotton, a volume suitable for ginning. In the current seasons, we have been using 80 tons of yarn, made exclusively out of Greece Cotton. Currently, the cotton fibers we are processing come from the Messolongi region and parts of northeastern Greece, where the participating farmers are located.



Current status and next steps

Currently, around 40 farmers are participating in the project, and their number continues to grow. The farmers have reported positive effects on crop rotation. One notable example is a farmer who, in the second year of conversion, produced about 200 tons of raw cotton. Initially, our spinning mill was skeptical, but after seeing the results, they are now fully convinced. The fiber quality is excellent and comparable to conventional Greek cotton.



For the upcoming financial year, we are focusing on increasing the yield of organic cotton in Greece. We are also exploring the possibility of involving more farmers in the project and establishing stronger partnerships with local mills to ensure a stable supply chain for Greek cotton.

Collaborations

We are convinced: We can't save the world alone, but together we can lead the change. That is why we teamed up with inspiring

designers and brands who share our mission towards sustainability for various collaborations throughout the year.

Zero Waste: Collection with Natascha von Hirschhausen

In August 2023, we launched our innovative Zero Waste Capsule Collection in collaboration with designer Natascha von Hirschhausen who embodies a vision of responsibility and systemic change within the fashion industry. This initiative aimed to address the significant material waste typically generated in the fashion manufacturing process, which can reach up to 20% in conventional practices. By employing advanced design techniques, we have successfully reduced this waste to less than 1%. The collection featured unique silhouettes created through intelligent zero waste design, where pattern pieces interlock seamlessly like a jigsaw puzzle. This method not only minimizes textile remnants but also promotes sustainability within the industry.

Additionally, the garments were designed to be size-independent, accommodating a variety of body types and sizes. This approach reflects our commitment to inclusivity and diversity in fashion.



Collections with Wolfgang Joop: WUNDERKIND 2.0 and 3.0

In order to increase visibility among audiences with a high affinity for fashion, we have continued our partnership with Wolfgang Joop's label, WUNDERKIND. The result is two collections that exemplify our commitment to quality, design, and sustainability. Our second collaboration **WUNDERKIND 2.0** in fall/winter 2023 merged striking prints with timeless knitwear essentials crafted from premium natural materials such as alpaca, merino wool, and organic cotton.

Following the success of our first two partnerships, our third collaboration **WUNDERKIND 3.0** in spring/ summer 2024, further demonstrated how elegance can harmoniously coexist with environmental responsibility. This collection featured dresses, jumpsuits, and utility pieces adorned with geometric prints, showcasing that uncompromising design can indeed align with sustainable practices.

Together with WUNDERKIND, we continue to redefine the standards of fashion by prioritizing both aesthetic appeal and ecological integrity.



Collection with Fair Trade Cashmere

Our partnership with FTC® — a brand synonymous with Fair Trade Cashmere — embodies our commitment to sustainability and ethical practices in fashion. As we seek to collaborate with like-minded partners, FTC® aligns perfectly with our values. Their dedication to fair trade principles is evident in their unique supply chain, which encompasses every step of production, from cultivating fodder for their cashmere goats to delivering the final product.

This meticulous approach ensures short transport routes, fair wages for workers, and climate-neutral production processes. By joining forces with FTC®, we have reinforced our shared commitment to sustainability, fairness, and transparency in the fashion industry. Together, we strive to set a standard for high-quality knitwear that prioritizes ethical practices without compromise.

Ocean Collection with NAITO

Oceans are essential for life on Earth, producing nearly 50% of the oxygen we need and absorbing a quarter of all CO2 emissions. Despite their critical role, these vital ecosystems are under significant threat, making their protection imperative. At hessnatur, one of the many reasons we commit to using 100% organic cotton is to safeguard our oceans. Organic cotton cultivation avoids harmful pesticides and fertilizers that can pollute rivers and seas. Remarkably, only slightly more than 1% of cotton produced globally is organic*, highlighting the importance of prioritizing organic quality in every purchase. In this context, we have created our Ocean Collection, which embodies our dedication to environmental stewardship and sustainable practices.

In this collection, we exclusively used cotton from controlled organic cultivation, which is grown without chemical pesticides and fertilizers that could otherwise pollute our oceans through river runoff. The collection featured prints by Japanese graphic artist NAITO, depicting the vibrant and diverse life found in coral reefs.



Fashion made from pineapple fibres

At hessnatur, we are continually pushing the boundaries of sustainable fashion. That's why in spring/ summer 2024, we have launched our first limited edition T-shirt made from innovative pineapple fibers, designed for circularity. These exclusive fibers are derived from the waste product of pineapple leaves, utilizing a resource-saving process that minimizes environmental impact. The result is a recyclable material that offers both comfort and style. Adding a unique touch, the T-shirt has been featuring a pineapple print by artist Ilias Walchshofer, showcasing our commitment to creativity and sustainability in every piece we create

Certificates and memberships

At hessnatur, our commitment to sustainability is reflected in our certifications and memberships, which ensure environmental and ethical practices throughout our supply chain. Together with our partners, we actively

contribute to the sustainable transformation of the textile industry. Because we believe that we can achieve a great deal by joining forces and sharing knowledge.

Global Organic Textile Standard (GOTS)



the raw materials are sourced sustainably but

This certification guarantees that our textiles are made from organic fibers, adhering to strict environmental and social criteria. GOTS not only ensures that

also mandates responsible manufacturing processes, including water management and chemical use. In 2023/24, more than two thirds of our products were certified. We are continuously working to increase the proportion of certified products in our collection. This also means that if we choose new partners, GOTS certification is one of our most important selection criteria.

Fair Wear Foundation Membership



wages, safe working environments, and the right to unionize for workers in our supply chain. We actively engage in monitoring and

As a member of the Fair Wear Foundation (FWF), we are dedicated to improving labor conditions in the garment industry. This membership signifies our commitment to fair

improving labor practices, ensuring that our products are made with respect for human rights. Through these certifications, hessnatur strives to lead the way in sustainable fashion, promoting a healthier planet and a fairer industry for all. Since 2017, we have been awarded with the FWF Leader Status through the annual Brand Performance Check. This is attesting our efforts for human rights due diligence within our supply chain

Textile Exchange Membership²

Since 2021 we are Member of Textile Exchange. Our membership is an important component of our sustainability strategy. It helps us to promote sustainable materials and cooperate together with multiple stakeholders

of the industry to reduce environmental impact of the fashion industry on long term. Textile Exchange is a great driver leading the fashion industry towards a more sustainable future.

² Textile Exchange is a global non-profit organization that aims to create a positive impact on climate and nature in the fashion, textile and apparel industry. It supports and leads a growing community of brands, manufacturers and farmers to promote more sustainable production methods starting from the source of materials.

Quelle: <https://textileexchange.org/about/>

UN Global Compact Membership³

As a sustainable fashion brand, it is our declared aim to continuously improve our business practices and have a positive impact on the environment and society. Since 2023 we

are member of the UN Global Compact, a leading global initiative to promote responsible corporate governance.

German Sustainable Business Association (Bundesverband Nachhaltige Wirtschaft)

We are a member of the German Sustainable Business Association (BNW) since December 2021. This German organization represents the interests of companies that are committed to sustainable business practices. It promotes sustainability and climate change mitigation in business and supports its members in the implementation of ecological, social and

ethical business practices. The BNW offers a platform for the exchange of knowledge and best practices, promotes the networking of companies and political actors and advocates sustainable economic policies at national and international level. The aim is to drive forward the transformation to a sustainable and resource-conserving economy.

German Partnership for Sustainable Textiles (Bündnis für nachhaltige Textilien)

We are a proud member of the German Partnership for Sustainable Textiles (BNT) since its inception in 2014. It is committed to creating a socially responsible, environmentally sustainable and corruption-free textile and clothing industry. The vision of the BNT is to promote an industry that respects the rights of all workers, protects the climate and the environment, operates with integrity and respects the ecological limits of the planet.

The BNT focuses on the implementation of corporate due diligence in Germany and at international level, in accordance with international agreements of the UN, the OECD and the ILO as well as national and EU initiatives. Within this framework, the BNT strives for systemic change towards a more ethical and sustainable global textile industry.

³ The UN Global Compact was launched by the United Nations in 2000 and is now the largest and most important initiative for responsible corporate governance worldwide. Companies that join the UN Global Compact undertake to comply with ten universal principles in the areas of human rights, labour, the environment and anti-corruption.
Quelle: <https://unglobalcompact.org/about>

A woman with long brown hair stands in a field of tall green grass. She is wearing a dark navy blue, button-up jacket over a white knit top and white wide-leg trousers. She is leaning her hands on a rustic wooden fence made of logs. The background is filled with trees and foliage, with sunlight filtering through the leaves, creating a warm, natural atmosphere.

Planet

4. Planet

Our commitment to sustainability is deeply rooted in our respect for the planet. We believe that fashion should not come at the expense of the environment, and we are dedicated to creating products that are durable and sustainable. This chapter outlines our comprehensive approach to environmental stewardship, highlighting the steps we take to promote a healthier planet.

Our sustainability efforts are guided by a holistic understanding of the environmental challenges we face. From the responsible management of chemicals to the adoption of

renewable energy sources, we strive to integrate sustainable practices into every aspect of our operations. We prioritize the use of natural and organic fibres, adhere to stringent environmental standards, and continuously seek innovative solutions to reduce pollution and waste.

By fostering a culture of responsibility and transparency, we aim to inspire positive change within the fashion industry and beyond. Our commitment to sustainability is not just a business strategy; it is a core value that drives us to make a meaningful impact on the world.

Environmental standards

Starting with the utilization of natural materials and continuing with projects for organic fiber cultivation, we always focus on developing new fabrics and textile fiber innovations. Sustainability is a holistic concept. That's why we always take a holistic approach, considering every aspect from the start to the end of the supply chain.

Which is why our entire textile chain is subject to the highest environmental standards – from obtaining raw materials to the shipment of the final products, for the benefit of the health of soil, plant and animal, workers and customers. By applying sustainable fibers like organic cotton and recycled fibers we try to prevent water, soil and air pollution as much as possible and promote the responsible use of natural resources.

The use of chemicals in our manufacturing processes is subject to strict regulations. Our (Manufacturing) Restricted Substances List ((M)RSL) ensures that harmful chemicals are minimized or eliminated, safeguarding workers in our supply chain, the environment and our customers. We continuously monitor and update our (M)RSL to comply with the latest regulations and scientific findings. Furthermore, only wastewater treatment processes are applied in our supply chain that ensure no harmful substances are released into the environment.

Our standards are defined in guidelines which we developed in close cooperation with external experts. The hessnatur quality guidelines extend far beyond what is legally required. Compliance with our guidelines is monitored, documented, and regularly reviewed by our experts as part of the environmental monitoring system.

Biodiversity

The protection of biodiversity and species diversity is a core element of our sustainability strategy. We recognize the significant impact our practices have on the environment and are committed to preserving natural ecosystems through sustainable land use and organic fibers.

Sustainable land use is essential because it protects natural habitats and promotes biodiversity. Our practices prevent soil degradation, support healthy ecosystems, and regenerate local flora and fauna. We prioritize organic fibers in our products, avoiding

synthetic pesticides and fertilizers harmful to wildlife. This choice reduces pollution, enhances soil fertility, and fosters healthier environments.

Additionally, we support the cultivation of endangered species like the Rhön sheep, contributing to a diverse cultural landscape. Our company premises feature various habitats, including flowering areas and rainwater ponds, which support local flora and fauna.

Protect the climate

Climate change poses one of the greatest challenges of our time, and as a responsible fashion company, we are committed to contributing to the reduction of global warming. A key element of our climate strategy is the comprehensive calculation of our corporate carbon footprint, encompassing both internal operations and supply chain activities. We continuously refine this calculation to enable targeted measures and ongoing improvements. What applies to hessnatur products also applies to our company's headquarter.

For over 20 years, we have utilized renewable energy at our headquarters, significantly reducing our Scope 2 CO₂ emissions. We are conscious and responsible in our use of the resources we need for our daily work, whether it is water, energy or packaging and office materials. This includes the reuse of rainwater collected on the company premises, the use of environmentally friendly office materials such as recycled paper, as well as our own certified organic canteen.

Circularity

We stand for sustainability and longevity. That's why we create timeless fashion that endures for many years. The longer the lifecycle of a garment, the more sustainable it becomes. However, we don't just focus on

design and quality; we also consider the end-of-life of our products, including the recyclability and biodegradability of our natural fibres.

Natural fibres

For more than 48 years, we have been doing what we do best: sustainable fashion made from natural fabrics acting in the interests of people, animals, and the environment. To achieve this, we rely primarily on natural fibers, such as cotton, from controlled organic cultivation. In this way, we not only try to protect our climate and biodiversity, but also to counteract the plastic crisis our earth is facing.

Every time synthetic clothing, e.g. made from polyester, is washed, tiny plastic particles, which we call microplastics, are released. These enter our oceans via wastewater and rivers, and then our own bodies through our food chains. Today, up to 35% of the microplastics in our oceans come from synthetic clothes.

That is why for hessnatur, plastic-free is an integral part of our corporate philosophy. With a share of 99.6% we process almost exclusively natural and nature-based, sustainable regenerated and recycled fibers. We only use elastane in very small quantities where the functionality and durability of our garments require it.

When it comes to recycling textiles, single-material garments are easier to process and recycle because they can be broken down and repurposed without the complications that arise from blended materials. Therefore, mono-material fabrics contribute to a circular economy by ensuring that valuable resources are continuously reused rather than ending up in landfills. As a total of 71.3% of our materials consist of only one fiber, that is the best prerequisite for recycling textiles by type.

To further raise the share of natural fabrics, we are working at full speed on the development of innovations. Because we are convinced that the future belongs to innovative companies, we have committed ourselves to setting new sustainability standards in the fashion industry. We believe in progress instead of stagnation. We are not simply satisfied with what we have reached already. We want to continue to break new ground. We do it for a better tomorrow for all of us.

Some of our innovations so far:

Nature Fleece since 2004

Conventional fleece is mostly made of synthetic fibers, such as polyester. To make the fleece as fluffy as possible, the surface is roughened. Unfortunately, this causes it to lose a particularly large amount of microplastic every time it is washed. Therefore, we do things differently: For our soft fleece essentials, we process organic cotton and virgin wool. The advantage: The skin can breath in an ideal way. And the body climate is optimally regulated in both quiet and active phases.



Nature Shell since 2019

Outdoor functional clothing is very popular, but often it is a burden for nature due to the use of plastic and harmful chemicals. We saw this as a challenge and wanted to do better. So together with our partner we developed an organic and natural shell. The innovation is made of organic cotton which is ultra-tightly woven with a special weaving technique. It is ecologically impregnated and provides full functionality



Recycling of production waste

In order to become more resource-efficient, we embrace a cyclical approach to production. This philosophy drives us to create new favorite pieces from our own production scraps, saving 22 tons of production waste since 2018.

Through our BetterRecycling program, we focus on reprocessing fabric waste to minimize waste and conserve resources. For instance, cutting waste is transformed into innovative products such as teddy plush slippers and wool felt slippers. This approach not only helps us reduce waste but also extends the life of our materials while creating high-quality, sustainable fashion. Additionally, we recycle cutting and spinning waste into new yarn for our BetterRecycling collection. By exclusively using our own cutting and spinning waste, we combine it with raw fibers to produce new,

high-quality yarns. This results in fresh garments made from fleece or denim crafted from organic and recycled cotton. Through these initiatives, we are committed to fostering a more sustainable future in fashion.



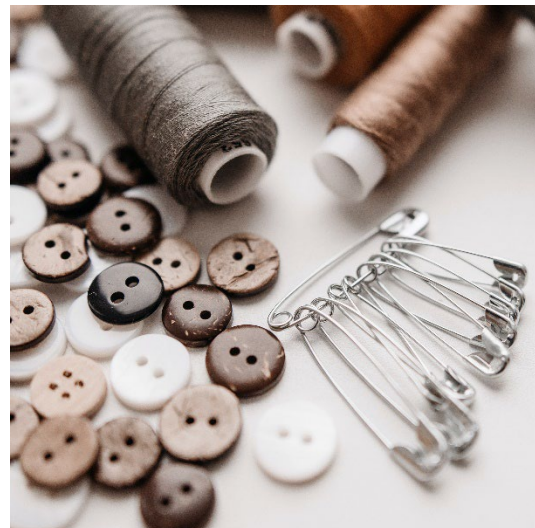
Repair service and care guide

At hessnatur, we value the journey of every piece of clothing, believing each garment deserves to continue its story. Our repair program is a fundamental aspect of our sustainability strategy. By encouraging repairs, we aim to extend the life of our products and reduce resource consumption. We provide our customers with the tools and services to repair their clothing themselves, along with professional repair options to ensure longevity.

Our online Repair & Care Guide offers comprehensive instructions on how to mend, maintain, and sustainably reintegrate garments into the fashion cycle. This guide includes six sections: Care, Repair, Repair Service, Return, Upcycling, and Everyday Tips, each offering detailed advice on giving new life to worn garments.

Throughout our store network, we provide a complimentary repair service for hessnatur

clothing, helping to extend the lifecycle of our customers' beloved items. In 2023/2024, we prioritized enhancing this service in collaboration with local repair partners and actively promoting it within our community.



Improved fits for less returns

In the current financial year, we initiated a fitting project in January 2024, with its impact expected to be reflected in our collections starting from spring/ summer 2025. The primary goals of this project are to reduce the number of returns, ensure accuracy and stability of fit for our customers, and ultimately increase customer satisfaction. Additionally, we aim to enhance internal process reliability.

As part of this initiative, we are implementing new or updated body measurements that correspond to the broad mass of society (Size Germany), establishing fullness regulations to determine the width between body measurements and garments—such as for a regular fit T-shirt—and developing a construction kit of various basic cuts to further improve fit consistency across our collections.

Handling of returns

Repeatedly, there are headlines, about how returns in the fashion industry are handled. The returned products are mostly flawless and saleable new goods. Nevertheless, they are often destroyed or at least never sold and worn again.⁴ This results in wasted textiles and resources.

At hessnatur, we do not destroy returns. All returned items are carefully inspected. If they are in proper condition, they return into the normal sales cycle. If not, they are sold through our outlet store in Butzbach or donated to Renatec in Dusseldorf



⁴ E.g. tagesschau (2023), Greenwashing bei Zalando-Retouren, <https://www.tagesschau.de/investigativ/report-mainz/vollbild-zalando-nachhaltigkeit-ruecksendungen-101.html> or Stern (2019), Mode für die Tonne,

<https://www.stern.de/neon/vorankommen/nachhaltigkeit/mode-fuer-die-tonne--was-passiert-wirklich-mit-unseren-retouren--8535386.html>

Packaging

In our commitment to sustainability, we centralize all product movement and logistics at our Butzbach warehouse, contrasting with the decentralized logistics often seen in the mail order industry. We aim to be as resource-efficient as possible in our shipping practices. Our shipping cartons are 100% recyclable, made from 80% recycled material. Additionally, 80% of our products are packaged with a paper sleeve, while 12% are wrapped in glassine instead of plastic, helping us conserve resources and reduce plastic usage. We also optimize packaging for each order to minimize empty space; for smaller orders, we utilize paper shipping bags instead of cardboard boxes to save space and weight during transit.



Second hand shop

A further key component to enhance fashion circularity is our second-hand shop, launched in March 2023 in partnership with reverse.supply. This eco-friendly option extends the life of clothing and keeps it in circulation, reducing resource use. Customers can easily upload a photo, select a category, and send their garments to reverse.supply free of charge. Through active promotion on social media and newsletters, we engage with environmentally conscious customers, reinforcing our commitment to a more sustainable fashion cycle.



Animal welfare

Animal fibers such as wool are among the oldest natural materials people use for making clothes. We have worked with wool since the beginning, because we love high quality fibers, the performance of wool in specific and its many wonderful characteristics like high moisture absorption, high thermal insulation or its high elasticity and stretchability. It is not for nothing that wool is also called nature's high-tech fiber, it doesn't need to be washed often,

it warms and keeps the body dry and is ideal for sports. We believe: Fairness does not stop with people and nature. That's why animal welfare has always been very important to us and plays a crucial role in how we work, being an integral part of our requirements. Therefore, we have defined strict standards for ourselves and our partners that ensure the animals' well-being.

Step One: Material Selection

Our first step involves a careful selection of materials. We consciously exclude certain materials from our products, including:

- Real fur
- Angora wool
- Mulesed wool: Our guidelines explicitly prohibit mulesing. All partners must acknowledge this requirement legally and provide certification.
- Animal materials from endangered species

Step Two: The "5 Freedoms"

Our standards are grounded in the "5 Freedoms" established by the Farm Animal Welfare Committee (FAWC), an internationally recognized framework for assessing animal welfare.

Step Three: Additional Criteria

We prioritize using animal fibers sourced from controlled organic livestock farming whenever possible. These sources are verified by independent certification organizations. Animal welfare is a cornerstone of organic farming practices, ensuring that animals can live according to their natural behaviors and needs. Controlled organic animal husbandry (kbT) adheres to strict regulations that include:

- Generous rotational grazing areas
- Low stocking density
- Natural reproduction methods
- No use of pesticides or fattening aids

Organic farming emphasizes a closed farm cycle, with state-approved inspection bodies conducting annual assessments of compliance with rigorous production guidelines. In the reporting year, 74% of our animal fibers were sourced from controlled organic livestock farming. Notably, 85% of our sheep's wool came from certified organic sources. Additionally, we utilize project-based collaborations for sourcing regional wool from Rhön and dike sheep.

We also incorporate fine hair fibers like cashmere or alpaca only when transparency is assured. Compliance with our standards is guaranteed through verified sources.

For down and feathers, we source exclusively from controlled origins that prohibit force-feeding for foie gras production, forced moulting, and live or moulting plucking practices.

The leathers used in our shoes and accessories are sourced solely from Europe, ensuring ethical treatment throughout the entire process - from animal husbandry to tanning - while strictly excluding chrome tanning methods.

At hessnatur, we are dedicated to sourcing high-quality fibers from sustainable partners. We meticulously verify that every material meets our stringent standards throughout the textile supply chain. Through these efforts, we reaffirm our commitment to animal welfare and sustainability in every aspect of our business.

Transparency

Transparency is a key element in creating a more responsible fashion industry that promotes both social and environmental justice. It empowers all stakeholders—from manufacturers to consumers—to actively participate in the shift towards greater

fairness and sustainability. Considering this, we have implemented various initiatives aimed at enhancing transparency in 2023/24 and are committed to taking further steps to ensure our practices align with these values.

Circularity ID

Together with circular.fashion we have been working on further closing the loop and being even more transparent. In spring/summer 2024 we have tagged ten of our denim styles with a product identifier. By scanning this identifier, a digital product site can be reached to get information on relevant product data like material, detailed components, care information to ensure longevity as well as reuse and recycling instructions. Together with our partner circular.fashion we worked on further closing the loop and being even more transparent. Therefore, it develops software and services for circular design and closed loop recycling that enable a transparent flow of information between material suppliers, fashion brands, consumers and recyclers.



Preparing for CSRD compliance

As a sustainable fashion brand, from 2026 on we will be committed to report according to the European Corporate Sustainability Reporting Directive (CSRD). By following several key steps, we aim to enhance our sustainability reporting and transparency.

We have already evaluated both financial materiality (how sustainability issues affect our

performance) and environmental/social materiality (how our operations impact the environment and society). This assessment helps us prioritize significant sustainability aspects. Next, we will conduct a gap analysis to compare our current practices against CSRD requirements, identifying areas for improvement.

Outlook to the digital product passport

In our ongoing commitment to sustainability, we have partnered with the greentech start-up Retraced to enhance digitalized traceability and transparency of our supply chain. Our collaboration aims to provide our customers with detailed insights into the journey of our products, from raw materials to finished goods.

As part of this initiative, we will select 300 products to feature a digital product passport.

This digital passport will offer comprehensive information about each product.

By leveraging Retraced's advanced traceability technology, we aim to foster greater transparency and trust with our customers. This project not only aligns with our sustainability goals but also empowers consumers to make informed choices, reinforcing our commitment to ethical and sustainable fashion.

Outlook to implementing DHL Go Green plus

At hessnatur, we are committed to sustainability in every aspect of our operations, including our shipping practices. In September 2024, we are taking a further step forward by implementing DHL GoGreen Plus. Compared to traditional "offsetting" where incurred CO2 emissions are compensated through e.g. reforestation projects,

DHL GoGreen Plus actively reduces CO2 emissions in the first place through decarbonization investments into its logistics network, e.g. replacement of Diesel vehicles by E-vehicles. The reduction is fully compliant with EU legislation and allows companies such as hessnatur to include CO2 savings from inssetting in our own CO2 reporting.

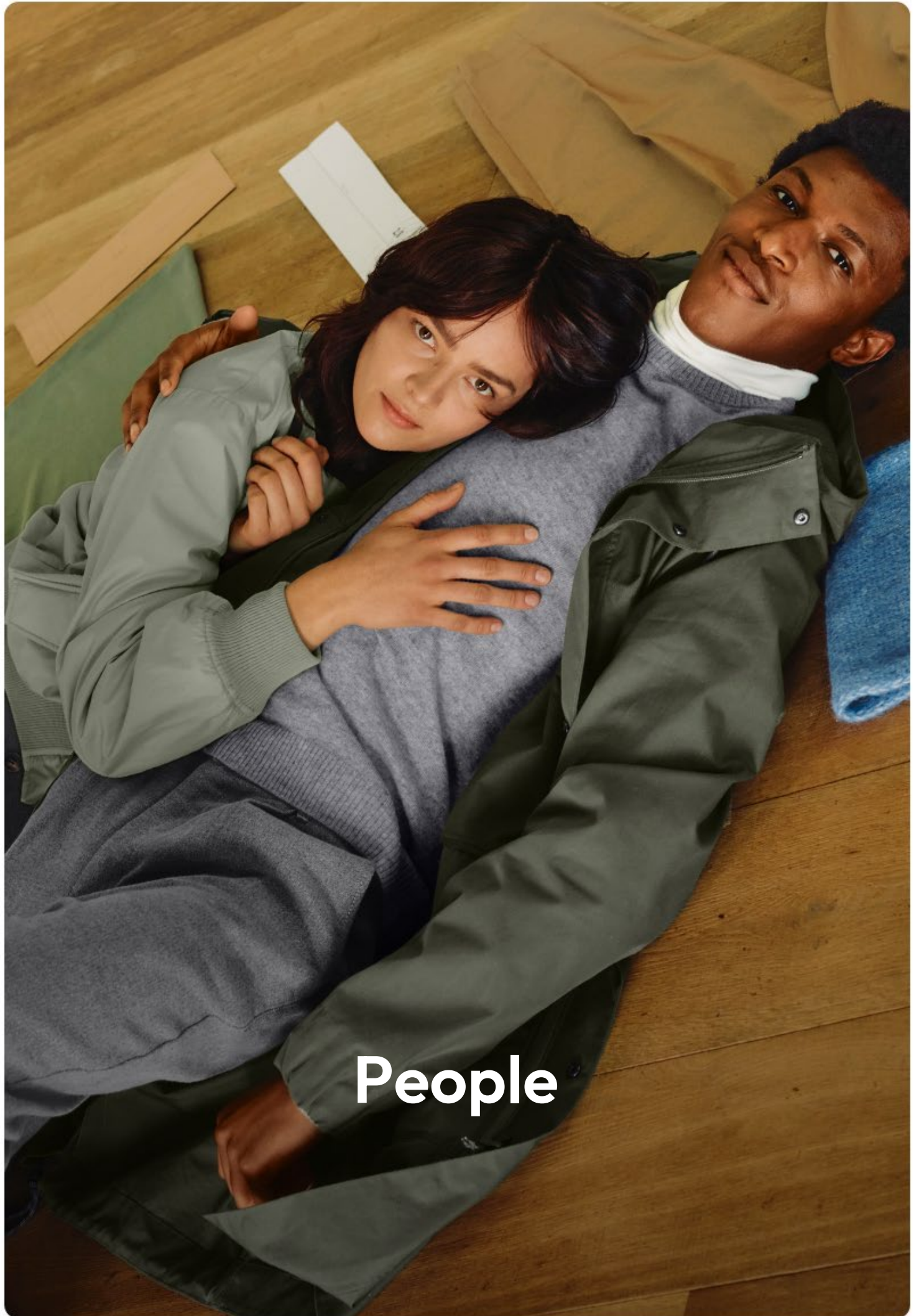
Beehives

For the past three years, six of our employees have been engaged in species-appropriate beekeeping on our company premises. After having received extensive training, the team manages four bee colonies housed in single-chamber hives. This modern beekeeping system combines brood and honey space in a single chamber, ensuring that not all honey is harvested at once, as is common in conventional beekeeping practices.

Due to weather conditions, the honey harvest for 2024 was average, yielding approximately 45 kg of spring and summer honey. This honey was extracted, stirred, and packaged for distribution. It quickly sold out among our employees who appreciated the delicious, sustainably produced product.

Through our beekeeping efforts, we aim to contribute to biodiversity and raise environmental awareness. Additionally, we seek to promote a garden with insect-friendly plants, benefiting not only honeybees but also the many wild bee species that have found a habitat on the premises.





People

5. People

Sustainable and fair: When manufacturing our products, we act in the interest of people, animals, and the environment. Acting, trading, and cooperating in a fair way is possible and to

our understanding indispensable. The fashion industry must take responsibility - including for those who make fashion.

Our own workforce

We are committed to maintaining the highest ecological and social standards within our own business activities for our employees. For this purpose, we are guided by the OECD Guidelines for Responsible Corporate Conduct. hessnatur has a freely and democratically elected works council that collaborates closely with the responsible departments (such as Human Resources, House Services) and is represented in key decision-making bodies to implement our high standards.

The culture at hessnatur is marked by respect, transparency, cooperation and direct feedback. Inclusion and equality are a matter of course for hessnatur. In addition, our company is characterized by performance, personal responsibility and proactive behaviour.

Diversity enriches hessnatur and improves our products. It is therefore important to provide a safe environment for people with different backgrounds, experiences and identities, where they are respected and can thrive. To further support this our company has a representative for severely disabled persons.

Moreover, we are committed to equal rights and to the balancing of family and career, which is why we offer flexible working hours, remote working, part-time working models and daycare allowances. And these actions prove to be successful:

78% of all our employees are women.

60% of our executive management team are female.

Satisfied, motivated employees who are convinced of their work mean a lot to us. As a natural fashion label, we focus not only on ecologically and socially fair produced collections, but also on our employees' wellbeing. In accordance with the hessnatur philosophy, our goal is to be a role model as a company, to create humane working conditions and an open, trusting relationship with one another.

We believe that those who do good deserve something good as well. And at our company, a lot of people do a lot of good. That's why we offer a wide range of services and benefits to help our employees feel valued and well cared for and improve their financial and physical wellbeing, e.g. a company pension plan, capital-forming benefits, discounts, natural garden and roof terrace for meetings and breaks, organic food in our cafeteria, advanced trainings and bike leasing.

A company doctor offers regular consultations and eye examinations and advises employees on ergonomic problems in their workplace. Furthermore, a committee that focuses on the health of our employees meets four times a year to organize programs such as a regular health day. In addition, we offer workshops with experts on topics such as restorative breathing and resilience training as well as an exclusive range of online yoga courses. Another highlight of the year is a six-week step challenge for everyone that gets the company moving in a fun way.

Human rights due diligence

Human rights due diligence (HRDD) is of great importance to us. As a company that thinks and acts ecologically and socially, we are not only accountable to our customers and other stakeholders, but most importantly to the workers who produce our products. Together with the Fair Wear Foundation (FWF), we are fully committed to continuously improving

working conditions. The social standards defined by the FWF, based on the core labor standards of the International Labour Organization (ILO), and the Universal Declaration of Human Rights, serve as the foundation and regulate conditions at our production sites.

The core labor standards are:



1. Employment is freely chosen

There shall be no use of forced, including bonded or prison labour (ILO Conventions 29 and 105).



2. There is no discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).



3. No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years" (ILO Convention 138). There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182).



4. Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognized (ILO Conventions 87 and 98). The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).



5. Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic

needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.



6. No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate (ILO Convention 1).



7. Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

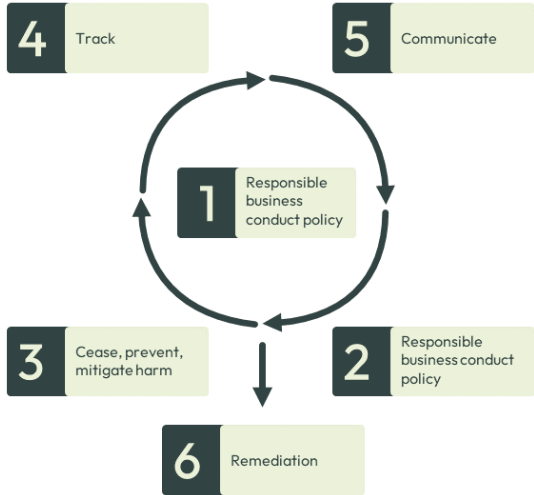


8. Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

We follow a zero-tolerance policy towards forced and child labor. Should these risks occur, they must be remedied immediately. We commit to regularly assessing the likelihood of occurrence as well as the adequacy of its own monitoring measures. The last resort is to terminate the cooperation.

We are committed to human rights, and we are actively working on the prevention of any violations within our supply chain. Our business operations may impact human rights, and we are committed to taking all steps and measures needed to prevent such issues. To ensure our suppliers adhere to our human rights standards, we have established a comprehensive human rights due diligence process.



1. Responsible Business Conduct Policy

We have implemented a comprehensive Responsible Business Conduct policy, which aligns with the HRDD policy of the Fair Wear Foundation (FWF), the OECD Guidelines, and the United Nations Guiding Principles on Business and Human Rights (UNGPs). Our policy is part of a broader responsible business framework that also includes environmental due diligence and applies to our entire supply chain as well as to our own operations.

This policy demonstrates our commitment to respecting human rights and clarifies how HRDD is integrated into our management systems and corporate structure, ensuring it is a core component of our business processes.

2. Identify actual and potential harm

We continuously conduct risk assessments in our supply chain to ensure the safety and rights of workers. This includes regularly updating our risk assessments at both country and partner levels to address key risks effectively. Through regular surveys, we gather relevant information on grievances and workforce changes, which inform our assessments. Additionally, we ensure that an effective grievance mechanism is in place by providing essential information to workers and carefully reviewing any complaints received. During our regular visits to production sites, we assess working conditions on-site, conduct health and safety evaluations, and engage directly with management and workers.

3. Cease, prevent, mitigate harm

To cease, prevent, and mitigate harm in our supply chain, we prioritize actions based on our risk assessments, focusing on the severity and likelihood of potential or actual harm. When actual harm is identified, we are committed to providing remediation. For potential risks, we implement preventive measures tailored to the specific nature of the identified harms.

We engage closely with our suppliers and with worker representatives, if possible, to gather input on risks and discuss potential solutions. This dialogue is crucial for understanding how our practices may contribute to risks and developing strategies to address them. Additionally, we implement internal controls to prevent our continued contribution to harm, which may involve revising our policies or procedures.

Monitoring key indicators helps us identify risks early. Responsible purchasing practices play a huge role in minimise pressure on our supply chain partners, enabling us to reduce excessive overtime and improve working conditions.

Through these comprehensive efforts, we are dedicated to ensuring the safety and rights of workers in our supply chain, while fostering a culture of continuous improvement and collaboration.

4. Track

We actively track our progress on human rights due diligence (HRDD) and invest in continuous improvement through several key actions. We monitor the effectiveness of our due diligence activities by increasingly work on the FWF Member Hub to document our risk assessments, action plans, and audit findings. This allows us to keep track of the progress made. Through external assessments, we ensure our supply chain's compliance with the Code of Labour Practices (CoLP) and the Responsible Business Conduct (RBC) guidelines, providing us with customized insights into the factories.

5. Communicate

Communication and transparency are essential for building trust with relevant stakeholders and our customers. Therefore, we publish our impact reports annually to provide detailed insights into our work. In preparation for new EU legislation, such as the Corporate Sustainability Reporting Directive (CSRD), we are proactively working on measures to ensure compliance with upcoming requirements.

6. Remediation

When harm is identified, we take immediate action to implement remediation measures that address the situation and prevent future occurrences. After conducting assessments and factory visits, we work closely with factory management to create Corrective Action Plans that tackle the identified issues.

Our RBC policy is adopted by the highest company level, informed by internal and external expertise and made publicly available. The policy undergoes annual updates based on evolving human rights risks. All relevant partners, including subcontractors, are obligated to comply with local laws, implement FWF CoLP and meet detailed expectations outlined in our supplier guidelines.

Our social standards address many points that are also covered by local legislation in production countries. However, the rules do not always coincide with each other. In all cases where differences arise between our social standards and local legislation, the stricter rule has priority.

Our focal point: manufacturing

Our work on HRDD has a clear focal point: the production steps after material production, in our case this usually refers to sewing. In contrast to the preliminary production stages such as spinning, weaving, or dyeing, sewing has hardly been automated to date. A lot of manual work is needed, often subject to great

time and cost pressure - facts that often cause poor working conditions. Therefore, our monitoring concentrates on factories that carry out production steps after the fabric manufacturing, especially cutting and sewing, but also washing of ready-made clothing.

The textile chain using a t-shirt as example



1. Idea

hessnatur fashion represents a modern sustainability. We produce according to strict ecological requirements. Regular controls assure these high standards.



2. Cultivation

For organic production, already the cotton seeds come from certified organic farms, where special care is given to the use of natural fertilizers, crop rotation and natural pest control.



3. Yarn

Only a good yarn can be processed to a good fabric. We take care that no contamination with conventional fibres can occur. Operational policies are subject to the strict hessnatur standards.



4. Fabric

During the production process, yarns are protected against abrasion and tearing using natural sizing agents.



5. Processing

One of the main working steps when it comes to ecology: At hessnatur, oxygen is used for bleaching, colours without heavy metals are used for dyeing and a water-based printing process is used. The characteristics of the cloth are primarily optimized by mechanical and thermal methods. In addition, recycling systems are used so that all water passes through a two-stage treatment facility at least.



6. Manufacturing

This production phase is subject to great time and wage pressure. As a result, people work under appalling conditions at many producers. By contrast, hessnatur is in close contact with production sites and advocates for continuous improvement in working conditions in cooperation with FWF.



7. Transport

We take care of short transportation ways and environmentally friendly packaging - one reason for us to concentrate on European production. Because less kilometers mean more sustainability. 3-5 High degree of automation and little manual work / 6 Low degree of automation and a lot of manual work

Our cooperation with Fair Wear Foundation

Fair Wear Foundation (FWF) is an international multistakeholder-organization based in the Netherlands. It aims to improve working conditions in the clothing industry and to promote collective social responsibility.

Companies that join FWF commit to implement and monitor social standards at their production sites. As the first German brand, we joined FWF in 2005.

The work principles of FWF:

- Brands and producers share the work of improving social standards.
- Labour standards conform to the widely accepted ILO conventions and the UN's Universal Declaration of Human Rights.
- Processes follow the OECD Due Diligence Guidance.
- Implementing the standards is seen as a process that may take many years.
- Local entities are included in auditing and corrective measures.
- Implementation of the Code of Labour Practices on the part of members is independently reviewed ("external assessment" or "verification").

The FWF also conducts assessments at factories to assess the current situations and define areas where improvements are needed. In addition, they offer trainings on HRDD as well as FoA and Social Dialogue. A neutral complaint system of the FWF enables workers to speak with knowledgeable local contact persons in the event of problems.

The commitment to the FWF Code of Labour Practices is not only a lip service – FWF audits all member brands. hessnatur is also monitored bi-annually.

The last Brand Performance Check confirmed our "leader" status at the FWF, attesting our efforts for social standards in our supply chain.

FWF is a multi-stakeholder organization meaning that all groups involved in clothing manufacturing are represented: non-governmental organizations (NGOs), labor unions, trade associations, manufacturers, and retailers. This ensures the broadest possible participation of all stakeholders in the process of improving working conditions.

Sourcing strategy

Organization of sourcing department

The Product and Sourcing department is responsible for procurement, product development, and purchasing. This includes supply chain management, the development of specific product lines, and technical quality control. Manufacturer selection is based on criteria such as compliance with labor standards and product quality, which also serve as the basis for evaluating product managers.

The Corporate Responsibility (CR) department also plays a role in supplier selection. While suppliers are proposed by the Sourcing department, the final onboarding decision is

made by CR. After thorough checks, a decision is made in coordination with the Sourcing team. Additionally, CR monitors compliance with sustainability and social standards in the supply chain, including fair wages, non-discrimination, and safe working conditions. The CR department is also responsible for materials and quality assurance.

Close collaboration between CR and Procurement is essential to ensure that economic goals are not achieved at the expense of ethical standards. CR supports supplier selection and helps ensure compliance with sustainability guidelines.

Our purchasing strategy

Our approach to sourcing is aiming to build new relationships while staying true to our current partners. We use an advanced production planning system that ensures reasonable working hours and prevents excessive overtime. Our focus is to get the best materials, working together effectively and ensure everyone's rights are respected through the whole process. The prices we pay our partners are designed to support our share of the payment of a living wage, and we ensure timely payments. We also require our partners to pay their subcontractors and suppliers punctually and as agreed, while maintaining responsible purchasing practices. Every year, all suppliers are evaluated based on their environmental and social due diligence, which plays a critical role in future purchasing decisions.

This strategy follows strict rules about human rights, which means we carefully check suppliers before we start working with them and have process in place, if we need to end our business partnership.

We follow a zero-tolerance policy toward corruption. hessnatur employees and suppliers are strictly prohibited from offering, requesting, or accepting anything that could be interpreted as corruption, as defined by the Fair Wear Foundation (FWF):

Corruption is the abuse of power for unlawful individual or group advantage.

To uphold this, hessnatur has implemented a company-wide policy on gift acceptance, and the dual control principle is applied in all purchasing processes. Decisions are made in consultation with all relevant departments.

Countries

To always be in line with our highest social and environmental standards, we rely on a close cooperation with our partners, who are true experts in their fields. In that light, we carefully assess where our production shall take place. The result is a focus on production in Europe as

well as on countries and regions representing the source of special materials and/or center of expertise. For example, silk, hemp, and cashmere are from China, where the highest level of know-how in manufacturing these fibers can be found.

Selecting new partners

Employees in the CR and product departments pursue a joint strategy when selecting new production sites. While the procurement department takes the lead in proposing new suppliers, the CR department has a decisive say in the selection process. The start of a new collaboration and order placement can only take place after the new partner has been approved by the CR department. In existing partnerships, the CR department has the right and responsibility to stop production if risks

reach a critical level. An analysis of social and environmental risks is part of the decision-making process when selecting new suppliers. In principle, our partners are allowed to nominate subcontractors. However, these must be checked and approved by us in advance. Unauthorized use of subcontractors is not permitted. The commissioning of home workers may only take place with the prior review and approval of hessnatur (CR).

Termination of cooperation

Since we focus on long-term partnerships, the termination of the cooperation is the last resort. We are committed to informing our partners at an early stage about a possible exit

and to working on a joint solution to prevent it. If an exit does occur, we commit to planning a socially responsible exit in a spirit of partnership.

Production cycle

At an early stage, just after the conception of the new collection, we consider the capabilities and capacities of our partners. The production planning is made in cooperation between hessnatur's buying, product management and design team and our partners.

Approx. nine months prior to the first deliveries of a season, the buying team starts the planning with the partners. Timelines and styles are discussed, common deadlines are elaborated.

The operational buying team is always monitoring the outstanding orders and delivery dates. As soon as we can see that the order quantities aren't matching the capacities or if a partner informs us about a shortage of capacity, we try to adapt our planning, split the orders, or postpone the delivery dates.

Supplier relations

Strong, long-term partnerships are the basis for our collaboration with agencies, suppliers and production sites: 61% of our volume is done with partners we have worked at least five years with and about half of our buying volume is done with partners we have worked with for at least ten years. Our manufacturers tend to be true specialists in the processing of specific

fibers, such as hemp, or in specific product groups, such as knitted pullovers, hosiery or jackets and coats. A high level of environmental and manufacturing expertise has been built up over many years. That is why skill and quality are more important to us than the lowest price.

Agencies

In the year under review, we cooperated only with local agencies in Portugal and Turkey and additionally onboarded one agency in India. They organize and supervise production on our behalf in the sourcing countries and are important points of contact for the suppliers. In addition, the agents work particularly close

with our relevant employees from purchasing, quality assurance and CSR. Orders and payments to production partners are either made directly to the suppliers or processed through the agency. The first delivery from the Indian agency does not take place until the following financial year.

Suppliers

Our suppliers deliver ready-for-sale products and account for them with hessnatur. In many cases, they manufacture the finished goods themselves in their own facilities. In other cases, production is (partly) handled by

external partners who sell their products or services to the supplier. Many of our suppliers also manage earlier stages of production in-house, such as fabric production.

Production Sites

Production sites or manufacturers are the companies who manufacture our products; in our supply chain this usually refers to sewing. With Lithuania and Germany as the two countries with the highest purchasing value, 74,2% of our total purchasing value was paid to production sites in the European Union.

Actions under review

Living Wages

We are currently conducting a detailed analysis of the living wage benchmarks for each of our suppliers and their respective regions, aiming to establish a solid foundation for future actions. This analysis is carried out in close collaboration with our suppliers to ensure that the benchmarks realistically reflect local conditions and challenges. We are starting this direct assessment with suppliers in Greece and Tunisia, and will subsequently expand this review to additional production sites in Turkey and India and the rest of our production locations.

In parallel, we have begun to gather more wage data through a supplier self-assessment questionnaire. We also focus on modest wages besides average wages. This data collection allows us to determine which wages are most commonly paid in the factories, providing a more accurate basis for evaluating any gaps compared to the living wage benchmarks. By

combining these efforts, we aim to ensure that our assessments are as precise and nuanced as possible.

Our goal is to develop tailored solutions that address the specific conditions of each supplier and region. We believe that a one-size-fits-all approach would not do justice to the complexity of this issue, and therefore, we are committed to a gradual and collaborative approach.

Until this approach is fully established and refined, we ensure that our contribution to a living wage is reflected in our pricing. This is done by calculating the potential minute wage based on living wage benchmarks, which is then included in our open cost sheets as a non-negotiable element. This allows us to ensure that our prices have the potential to support a living wage – if other brands were to follow similar pricing practices.

Trainings and auditing

In the past year, due to personnel shortages, we had to limit the implementation of planned training sessions on social dialogue among other things. However, we acknowledge the urgency and value of such training and have considered alternative approaches to raise awareness of social issues in the meantime.

One example of this is our weekly exchange with a new supplier, where all relevant departments are involved to discuss various topics and promote social dialogue. Our other supplier is also very open in this regard, and we hold regular discussions on important concerns.

Additionally, several other Fair Wear brands are active with this supplier and have initiated projects that further enhance communication and collaboration.

For the coming year, we will place particular emphasis on the onboarding trainings of new suppliers as well as on suppliers with increased risk to ensure that they are adequately supported, and that necessary training can be conducted in a timely manner.

Risk assessment and gender lens

In our ongoing commitment to improve the assessment of risks within our supply chain, we are continually adapting our country-level risk assessments. However, our current focus lies on countries where we identify a higher level of risk, which are countries where Fair Wear is active. While we also want to address countries where Fair Wear is not active, this targeted approach allows us to prioritize follow-up actions effectively and address the most pressing challenges in our operations.

To enhance our understanding of gender-specific issues, we are actively working on initiatives such as the Gender Data Gap Project. We recognize the critical importance of data in addressing gender-related challenges within our supply chain and to apply a gender-lens on the topics.

As part of our supplier questionnaire, we gather gender-specific data, including information on wages, sick leave by gender, and the representation and voice of women within the workforce. This data is essential for informing our strategies and ensuring that we take a comprehensive gender lens in our risk assessments.

Moving forward, we aim to further integrate gender considerations into our risk scoping efforts. By continuously analyzing the prevalence and impact of risks, especially in high-risk countries, we can enhance our practices and foster a more equitable and supportive environment for all workers in our supply chain.

Our monitoring system

Maintaining a stable supply chain is crucial to advancing our human rights due diligence efforts. Both internal and external audits by Fair Wear and GOTS, along with reports from social monitoring programs, help us identify weaknesses in our supply chain and prevent breaches of our ethical standards. We strive to

integrate audit findings directly into our sourcing decisions. To achieve this, our sustainability team works in close coordination with our product team. Regularly exchanging insights with Head of Supply Chain as well as the strategic Buying department.

Onboarding Process

Our Corporate Responsibility (CR) and Product departments follow a collaborative strategy when selecting new production sites. The strategic buying team takes the lead in proposing new suppliers, but the CR team plays a critical role in the final selection. New collaborations and order placements only proceed once the CR team has approved the new partner. In established partnerships, the CR department holds the authority to halt production if risks escalate to a critical level.

The evaluation of social and environmental risks is integral to the supplier selection process. Partners may suggest subcontractors, but these must be thoroughly vetted and approved by us beforehand. Unauthorized subcontracting is strictly prohibited. The engagement of home-based workers is only allowed after prior review and approval by hessnatur (CR).

Exit Process

As we prioritize long-term relationships, ending a partnership is considered a last resort. We are committed to notifying our partners early about a potential exit and working together to find solutions to avoid it. In

cases where an exit is unavoidable, we ensure that it is carried out in a socially responsible manner, fostering a spirit of partnership throughout the process.

Monitoring

Previously countries have been distinguished between low-risk and high-risk countries according to their EU membership. In low-risk countries, compliance with laws and standards was generally well regulated and monitored by legislative authorities. These countries included the member states of the European Union except for Bulgaria, Italy and Romania. In high-risk countries by contrast, there was often a discrepancy between existing laws and

standards and compliance with them. Accordingly, there was an increased need to work on social standards in the respective production sites and FWF defines different monitoring requirements for low-risk and high-risk countries. Moving away from this form of risk assessment we now assessed potential risk in three steps:

1. Country risk scoping
2. Production location risk assessment
3. Risk assessment according to business model and product type

This means that production partners in high-risk countries can be considered lower risk according to their specific practices, the sourcing model or product type and vice versa.

The likelihood and severity of violations of core labor standards against women, migrant workers and other minorities have increased. When assessing risks, findings, or complaints we take into consideration how above-named groups can be specifically affected by labor rights violations and how remediations can meet their potentially specific needs. Therefore, we apply a gender-lens and pay attention to minority groups. Risks are assessed in the risk analysis by country, sector, business model, procurement model, and product level. These include ensuring that there is no excessive overtime, that workers are paid a living wage and that they are empowered to stand up for their own rights

(including through internal grievance systems, elected employee representatives and trade unions). To this end, training courses should be held, employee representatives should be elected and their participation in the above-mentioned processes should be ensured. It is monitored that there are functioning internal grievance systems, because the additional independent FWF grievance mechanism should only be used as a last resort in case of failure of the internal dialogue or complaint. Training on communication should be provided to ensure that internal grievance systems work. In addition, we support the free and democratic election of workers' representatives with high priority. Freedom of association and the right to collective bargaining are systematically taken into account in the hessnatur due diligence system.

Monitoring in the year under review

Over the past year, we have implemented comprehensive measures with our suppliers to further develop our collaboration and secure our standards. As part of a reorganization of our supplier portfolio, we had to part ways with a total of 15 suppliers. At the same time, we were able to onboard three new suppliers, from whom we have already received the first successful deliveries.

Our teams were on-site regularly to directly support processes with our partners and ensure that our quality and sustainability standards are met. These visits allow us to

identify challenges early and develop solutions together.

Our monitoring focuses in particular on those countries and production sites where we have identified higher risks. This targeted approach enables us to prioritize our resources and address the most pressing issues in our supply chain, ensuring that we can effectively mitigate and manage identified risks.

A detailed overview of all actions and changes for each supplier can be found in the table in the [appendix](#).

Complaints

Complaints system

In case of work-related problems, employees at our production sites can contact an independent party through the FWF complaints procedure. The contact persons for the workers are local complaint handlers, who are chosen and trained by FWF. Their contact details can be found on the FWF Worker Info Sheets, which must be prominently displayed in the local language at all hessnatur production sites at the beginning of the cooperation. Additionally, factory managers and workers are informed about the complaints system during social audits and training sessions as well as during factory visits by our social

standards team or by the FWF contact person itself.

When receiving a new complaint, the FWF complaints officer assesses whether the complaint concerns the regulations of our Code of Labour Practices. If so, the FWF head office and we are informed. We analyze each case in detail, including interviews with all parties involved and usually on-site visits. Appropriate corrective action is then defined and reviewed in collaboration with FWF, which reports publicly on each complaint.

The complaints' procedure in brief

1. Management and workers are informed about the complaints system
2. Complaints received
3. Admissibility of the complaint is assessed by FWF
4. Investigation of the case
5. Corrective Action Plan is agreed on with all involved parties
6. hessnatur supports and monitors the implementation of corrective actions
7. Verification of taken steps and public reporting by FWF

Trainings and capacity building

Supplier trainings

The FWF Code of Labour Practice forms the basis for collaboration with our suppliers. This standard includes guidelines that inform both employees and management about their labor rights. Every supplier wishing to work with us commits to implementing this Code of Conduct. It is signed by the supplier and the respective production site before any potential collaboration begins. Additionally, our suppliers sign our Supplier Code of Conduct, through which they commit to actively contributing to the compliance with our hessnatur standards, promoting transparency, preventing corruption, and accepting that non-compliance with these standards will result in immediate consequences from our side. To raise awareness of fair working

conditions, we require that "Worker Information Sheets" are displayed in prominent locations for employees in all factories from the beginning of production.

In collaboration with the FWF, we conduct internal training sessions in factories to enhance employees' awareness of sustainability. These training sessions educate employees on topics such as the independent grievance system and the benefits of FWF's work.

During our visits, we place great importance on personal contact to get an accurate understanding of the working environment on-site.

Agency trainings

In the year under review, we worked with local agencies in Portugal and Turkey as well as onboarding new suppliers through an agency in India. We are building a close relationship with the agencies, visiting them on-site to ensure that our values are communicated to the suppliers through them. The ongoing exchange with the agencies, both through the CSR team and the product and purchasing team, ensures that we are all aligned with our goals. Some of the agencies collaborate with several suppliers on our behalf, so we place great importance on ensuring that our commitments and vision are consistently communicated.

During our visits in India in November 2023 and March 2024, the CSR team, the purchasing department, and the agency jointly visited our supply chain partners to discuss CSR topics. These in-person interactions with the agency staff have deepened their understanding of the CSR requirements and allowed us to address concerns and questions more effectively. Additionally, remediation work is supported by the agency and its qualified CSR team. Furthermore, the agency participated in an assessment at one of our suppliers to learn more about the detailed work of Fair Wear Foundation (FWF).

(New) employee training

At hessnatur, it is not only the CSR department that is responsible for our high environmental, social, and quality standards, but every department has its share in this responsibility. This is why every new employee receives training on the fundamental values of hessnatur. Our environmental and social standards are explained in detail by our Chief Sustainability Impact Officer. As our CSIO left the Company within the year under review, new employees get this training as a video training.

In addition, a hessnatur expert for social standards specifically describes the eight core labour standards, membership of the FWF and the hessnatur monitoring system for social standards in a 1:1 meeting.

These meetings are specified for employees, actively having an impact on social standards, e.g. purchasing colleagues.

The CSR team frequently participates in learning opportunities, including Fair Wear's resources on the Code of Labour Practices, webinars, and brand exchange programs. This ensures that we remain informed and up-to-date on best practices.



Annex

6. Annex

Imprint

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Supplier Overview

Austria:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Austria	1. Payment of a living wage	Gottstein GmbH & Co.KG	Shoes	GOTS	/	/	2	No discrimination. Discrimination in hiring practices, compensation and opportunities	No resulting actions but ongoing monitoring	Stein Tex KFT, Hungary - Risk Level 2	Stein Tex: Freedom of Association, Payment of a Living Wage, No discrimination	No resulting development but ongoing monitoring

China:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	WALTON HK GROUP LIMITED	Woven	/	/	/	/	/	/	Hangzhou Diyasi Clothing, China - Risk Level 4	Hangzhou Diyasi Clothing: Freedom of association, Payment of a living wage, Reasonable hours of work, Employment is freely chosen	No resulting development but ongoing monitoring
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	PGS Seiwald GmbH	Knit	/	/	/	/	/	/	Inner Mongolia Sannong Textile Co., Ltd, China - Risk Level 4	Inner Mongolia: Payment of a living wage; Freedom of association, Safe & healthy working conditions	Living Wage Project CR x EK
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	SUZHOU BELLANZA WELLSON	Knit	FWF, GOTS	/	72 (75% women)	4	Freedom of association: Worker / union reps are not chosen by workers or not democratically elected; Workers cannot freely	For living wage issues, a wage gap analysis could be conducted to compare current pay against local Living Wage estimates. Factories could be trained to comply with legal	/	/	Living Wage Project CR x EK
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	InterArt of Cashmere World AG	Knit	/	/	/	/	/	/	Hebei Liyimeng Cashmere Products, China - Risk Level 3	Hebei Liyimeng: Freedom of association, Payment of a living wage, Legally binding employment relationship, No child labour, No discrimination	Living Wage Project CR x EK
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	Sichuan Tiansang Technology Co.,LTD	Jersey	/	/	/	/	/	/	/	/	/
China	1. Freedom of Association 2. Payment of a living wage 3. Overtime 4. Forced Labour	Hemp Fortex Industries Ltd.	Woven	BSCI	/	201 (82% women)	4	Freedom of association: Workers cannot freely form or join the union of their choice Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders Reasonable hours of work: Total working time per week exceeds the legal limit, but is not over 60 hours	For living wage issues, a wage gap analysis could be conducted to compare current pay against local Living Wage estimates. Factories could be trained to comply with legal requirements for allowances and benefits. To tackle excessive working hours could ensure that workers receive one day off per week, in line with legal and international standards. Buyers might also adjust order timelines to prevent overworking.	Yantai Yuying Garments Co., Ltd, China - Risk Level 4	/	Living Wage Project CR x EK

Germany:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Germany	1. Payment of a living wage 2. Safe & healthy working conditions 3. No discrimination	Comazo	Jersey	GOTS	/	125 (55% women)	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	Comazo, Romania - Risk Level 3 Maier Textil, Croatia - Risk Level 3 Werkkol d. o. o., Bosnia - Risk Level 4 Firma Lemmer, Germany - Risk Level 2 Textilveredelung Keller GmbH, Germany - Risk Level 2 Fa. Dean, Germany, Risk Level 2	Comazo: Payment of a living wage, Freedom of association, No discrimination, Safe & healthy working conditions Maier Textil: Payment of a living wage, No discrimination, Safe & healthy working conditions Werkkol d. o. o.: Payment of a living wage, Safe & healthy working conditions, Freedom of association, No discrimination	Living Wage Projekt CR x EK
Germany	1. Payment of a living wage 2. Safe & healthy working conditions 3. No discrimination	Disana	Baby	GOTS	yes	/	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring		Fa. Dean: Payment of a living wage	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Hanskruchen GmbH	Home	GOTS	yes	/	2	/	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Werner Schuhe GmbH	Shoes	/	/	/	/	/	/	Comodi, Romania - Risk Level 4 R-Obuv, Slovakia - Risk Level 3	Comodi: Payment of a living wage, Safe & healthy working conditions R-Obuv: Payment of a living wage, No discrimination	Living Wage Projekt CR x EK
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Traumina	Home	GOTS	yes	/	2	/	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Wilhelm Grözinger	Knit	/	/	/	/	/	/	Gloria line, Bosnia - Risk Level: 3 R + S Socks Dizaju, Croatia - Risk Level: 3 Tatrasvit, Slovakia - Risk Level: 3	Gloria Line: Payment of a living wage, Freedom of association, Safe & healthy working conditions R + S Socks: Payment of a living wage, No discrimination, Safe & healthy working conditions Tatrasvit: Payment of a living wage, No discrimination	Living Wage Projekt CR x EK
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Dormiente GmbH	Home	/	/	51 (47% women)	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Richter Textilien GmbH&Co KG	Home	GOTS	/	18 (61% women)	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Biberna	Home	GOTS	/	/	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Elza GmbH & Co. KG	Knit	GOTS	yes	51 (43% women)	2	/	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Hirsch Natur GmbH	Knit	GOTS	yes	30 (73% women)	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Evers Strümpfe GmbH	Knit	GOTS	/	/	/	/	To tackle excessive working hours could ensure that workers receive one day off per week, in line with legal and international standards. Buyers might also adjust order timelines to prevent overworking.	Bretex, Germany - Risk Level 2	Bretex: Payment of a living wage, Safe & healthy working conditions	No resulting development but ongoing monitoring
Germany	1. Payment of a living wage 2. Health & Safety 3. Discrimination	Interbelt GmbH	Accessoires	/	/	8 (38% women)	2	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring

Greece:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Greece	1. Payment of a living Wage 2. Freedom of association 3. No discrimination 4. Safe & healthy working conditions	Pulse of Fashion	Jersey	GOTS, FWF	yes	/	3	Freedom of association: The existing TUs or worker reps are not involved in improving working conditions Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders	In order to support the election of worker representatives also in smaller factories, we are in a strong exchange and discussion with the supplier to remind of the positive sides of worker representatives and their important role in the improvement of working conditions. There has to be a workers voice represented to the management. We also support the management in writing and implementing a policy on FoA and CBA. If necessary, we have to support a workplace training for workers and management on workplace dialogue. When it comes to living wages, we are checking together with the supplier on the local living wages, implementing questionnaires to calculate local living wages on factory level und check wether our prices support the payment of a living wage. We are strongly working together with the supplier to reduce overtime, increase productivity und support the supplier in raising the wage levels.	Ecofashion, North Macedonia - Risk Level 3 Burov, Bulgaria - Risk Level 3	Ecofashion: Freedom of Association, Reasonable hours of work Burov: Freedom of Association, Payment of a Living Wage	Living Wage Projekt CR x EK Support election of worker representatives and support social dialogue

Hungary:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Hungary	1. Freedom of Association 2. Living Wages 3. Discrimination 4. Safe & healthy working conditions	Hegatex GmbH	Woven	/	/	/	/	/	/	Carpet Kelimart KFT, Hungary - Risk Level 3	Carpet Kelimart KFT: Freedom of association, Payment of a living wage	Living Wage Projekt CR x EK
Hungary	1. Freedom of Association 2. Living Wages 3. Discrimination 4. Safe & healthy working conditions	Umato Knitwear Manufacturing Ltd.	Knit	GOTS	yes	26 (96% women)	3	Freedom of Association: The Existing TUs or worker reps are not involved in improving working conditions Payment of a living wage: Workers are paid below LW as estimated by local stakeholders	In order to support the election of worker representatives also in smaller factories, we have to discuss with the supplier to remind of the positive sides of worker representatives and their important role in the improvement of working conditions. There has to be a workers voice represented to the management. If necessary, we have to support a workplace training for workers and management on workplace dialogue. When it comes to living wages, we are checking together with the supplier on the local living wages, and check whether our prices support the payment of a living wage. We are strongly working together with the suppliers to support in raising the wage levels.	Siszi-Sita, Hungary Woukie, Hungary	/	Living Wage Projekt CR x EK

Italy:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Italy	/	MARZOTTO LAB S.R.L.	Woven	/	/	/	/	/	/	AB Litexsas, Lithuania - Risk Level 2	Litexsas: Payment of a living wage	No resulting development but ongoing monitoring

Lithuania:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Lithuania	1. Payment of a living Wage 2. No discrimination	LTP	Jersey	Hoenicke Consulting 2021	/	/	1	/	No resulting actions but ongoing monitoring	Adikopas, Lithuania - Risk Level 1 LTP Balkan, Romania (in onboarding) LTP Tebesa, Romania (in onboarding) LTP UAB, Lithuania - Risk Level 1 Valdaura, Lithuania - Risk Level 3 Ziugtas, Lithuania - Risk Level 2	Valdaura: Payment of a Living Wage Ziugtas: Payment of a Living Wage	Living Wage Projekt CR x EK
Lithuania	1. Payment of a living Wage 2. No discrimination	Dainava AG	Woven, Denim	GOTS	/	135 (93% women)	2	No discrimination: Discrimination in hiring practices, compensation and opportunities.	Talking with supplier about transparency in wages.	Sanveda, Lithuania - Risk Level 1 Ziugtas, Lithuania - Risk Level 2	/	Living Wage Projekt CR x EK
Lithuania	1. Payment of a Living Wage 2. No discrimination	AB Utenos trikotazas	Jersey	GOTS, SAB000	/	448 (84% women)	2	No discrimination: Discrimination in hiring practices, compensation and opportunities.	No resulting actions but ongoing monitoring	Valdaura, Lithuania - Risk Level 3	Valdaura: Payment of a Living Wage	Living Wage Projekt CR x EK

Nepal:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Nepal	1. Employment is freely chosen 2. Freedom of Association 3. Payment of a Living Wage 4. No child labour 5. No discrimination	Arns Craft Niryat Pvt.Ltd	Wovens	WFTO hessnatur Stiftung	/	/	/	/	/	New Sadle, Nepal, Risk Level 3 Moonsun Trading, Nepal, Risk Level 4	New Sadle: Payment of a living wage, No child labour, No discrimination	No resulting development but ongoing monitoring

Peru:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Peru	1. Employment is freely chosen 2. Freedom of Association 3. No child labour 4. Legally binding employment relationship 5. Payment of a Living Wage 6. No discrimination 7. Safe & healthy working conditions	Kero Design S.A.C.	Knit	Fair Trade	yes	42 (50% women)	2	Freedom of association: Worker / union reps are not chosen by workers or not democratically elected Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders Safe & healthy working conditions: Factory working conditions pose threat to the health of workers	No resulting actions but ongoing monitoring	/	/	Living Wage Projekt CR x EK
Peru	1. Employment is freely chosen 2. Freedom of Association 3. No child labour 4. Legally binding employment relationship 5. Payment of a Living Wage 6. No discrimination 7. Safe & healthy working conditions	Incalpaca TPX.S.A.	Knit	SGS del Peru	/	/	3	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders Legally binding employment relationships: There are no work contracts or other proof of employment relationship Safe & healthy working conditions: Factory working conditions pose threat to the health of workers	No resulting actions but ongoing monitoring	/	/	No resulting development but ongoing monitoring

Poland:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Poland	1. Freedom of association 2. Payment of a living wage 3. No discrimination 4. Healthy and safe working conditions	Martello	Knit	GOTS	yes	/	3	Freedom of Association: Factory Management does not allow trade unions to approach workers; Management mistreats workers due to their union membership activities No discrimination: Discrimination in hiring practices, compensation and opportunities Safe & healthy working conditions: Evidence of workplace violence or harassment exists	Discuss and support confidential internal grievance mechanisms with supplier and enforce clear policies to prevent workplace violence, harassment, and discrimination. Also we want to support training for workers and management to ensure awareness and compliance.	/	/	Living Wage Projekt CR x EK Support internal and external grievance mechanisms as well as discuss policies with management

Portugal:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Portugal	1. Payment of a living wage 2. Safe & healthy working conditions	Gubec / Becri	Jersey	GOTS, BSCI, Sedex	yes	83 (86% women)	3	Payment of a living wage: Workers are paid below living wages as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	Living Wage Projekt CR x EK
Portugal	1. Payment of a living wage 2. Safe & healthy working conditions	Vestire / M.D.M. MALHAS, LDA	Knit	GOTS, QIMA	/	77 (66% women)	3	Payment of a living wage: Workers are paid below living wages as estimated by local stakeholders	No resulting actions but ongoing monitoring	/	/	Living Wage Projekt CR x EK
Portugal	1. Payment of a living wage 2. Safe & healthy working conditions	Alec Garments - Simao & Olgando SA	Jersey	GRS, GOTS, BSCI, SLCP	yes	/	/	/	/	Simao & Olgando SA, Portugal - Level 3	Simao & Olgando SA: Payment of a living wage	Living Wage Projekt CR x EK
Portugal	1. Payment of a living wage 2. Safe & healthy working conditions	Nestor Amorim LDA	Shoes	/	/	/	Level 3	1. Payment of a living wage: Workers are paid below living wages as estimated by local stakeholders	/	/	/	Living Wage Projekt CR x EK

Romania:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Romania	1. Freedom of association 2. Payment of a living wage 3. Safe & healthy working conditions 4. No discrimination	KaMC Stollenmeier GmbH & Co.KG	Knit	GOTS	/	/	/	/	/	S.C. Offensive S.R.L. - Satu Mare, Romania - Level 3 S.C. Offensive S.R.L. - Cehu Silvaniei, Romania - Level 3	S.C. Offensive S.R.L.-Cehu Silvaniei: Payment of a living wage, No discrimination, Safe & healthy working conditions	Living Wage Projekt CR x EK

Spain:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Spain	1. Payment of a living wage 2. No discrimination 3. Safe & healthy working conditions	greenergrass GmbH	Shoes	/	/	/	/	/	/	Akenaton Sun, Spain Costa Anatomica, Spain - Risk Level 2 Eco Manufactured, Spain	Costa Anatomica: Payment of a living wage, no discrimination	No resulting development but ongoing monitoring
Spain	1. Payment of a living wage 2. No discrimination 3. Safe & healthy working conditions	ESCA Shoes GmbH	Shoes	/	/	/	/	/	/	Best Partner, Spain - Risk Level 2	Best Partner: No discrimination, safe & healthy working conditions	No resulting development but ongoing monitoring

Tunisia:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Tunisia	1. Gender 2. Social Dialogue 3. Living Wages 4. Freedom of Association 5. Overtime	Denim Manufacture	Denim	GOTS, BSCI, FWF	yes	410 (85% women)	4	No discrimination: Discrimination in hiring practices, compensation and opportunities No child labour: Juvenile work is not compliant to local law and/or international standards Freedom of association: Factory management does not allow trade unions to approach workers; Management mistreats workers due to their union membership or activities; The existing Tunis or worker reps are not involved in improving working conditions Legally binding employment relationship: Workers are dismissed and rehired to avoid paying wages for permanent workers Safe & healthy working conditions: Evidence of workplace violence or harassment exists; Factory working conditions pose threat to the health of workers	We work closely with this supplier, particularly on gender-related topics and addressing gender-based violence. As the supplier supports a pilot project on the gender data gap, all areas are being evaluated through a gender lens. Our current focus includes promoting non-violent communication, fostering social dialogue, and strengthening grievance mechanisms.	Fares Confection, Tunisia - Level 4 Gonser Denim Revolution, Tunisia - Level 4	Fares Confection: Payment of a living wage, Freedom of association, legally binding employment relationship, no child labour, no discrimination, safe & healthy working conditions	Living Wage Projekt CR x EK Project on Gender Data Gap
Tunisia	1. Gender 2. Social Dialogue 3. Living Wages 4. Freedom of Association 5. Overtime	Manufacturing International Company	Denim	GOTS, GRS	yes	/	/	/	/	Nebiha Story, Tunisia Washing International Company, Tunisia	Nebiha Story: Payment of a living wage, Safe & healthy working conditions	Living Wage Projekt CR x EK Project on Gender Data Gap

Turkey:

Country	Country Risks	Supplier	Product Group	Assessments since 2020	Visited	Number of Production Workers	Risk Level	Main Risks	Remediation / Action	Production Sites / Subcontracting	CMT Production Site Risks	Development Plan
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	Zorlu	Home	/	/	/	/	/	/	Defneteks, Turkey - Risk Level 4 Hometeks, Turkey - Risk Level 4	Defneteks: Payment of a living wage, Employment is freely chosen, Freedom of association, No discrimination, Reasonable hours of work, Safe & healthy working conditions Hometeks: Payment of a living wage, Employment is freely chosen, Freedom of association, No discrimination, Reasonable hours of work, Safe & healthy working conditions	No further development but ongoing monitoring
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	Egedeniz Tekstil	Jersey	GOTS, FWF	yes	83 (58% women)	4	Payment of a living wage: Workers are paid below living wage as estimated by local stakeholders Safe & healthy working conditions: Evidence of workplace violence or harassment exists	in onboarding	DE Tasarim, Turkey Dogru, Turkey Tuano, Turkey	/	Living Wage Projekt CR x EK
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	Gisi Giyim Sanayi	Woven	FWF	/	34 (29% women)	4	Payment of a living wage: Allowances, bonuses or social security benefits are not paid as legally required; Workers are paid below living wage as estimated by local stakeholders Reasonable hours of work: Total working time per week exceeds the legal limit, but is not over 60 hours; Total working time per week exceeds 60 hours Safe & healthy working conditions: Factory working conditions pose threat to the health of workers; Factory working conditions pose threat to the lives of workers	To address the risk of insufficient Living Wages, a detailed analysis will be conducted to identify gaps between current pay and Living Wage benchmarks. Factories could be trained to meet legal requirements for allowances and benefits. To eliminate the risk of excessive working hours, the identification of root causes, such as fluctuating order volumes or inefficient processes, could inform solutions. Training factory management and optimizing production planning might help reduce overtime.	Trend Kuru Temizleme, Turkey - Level 4 Zaferteks, Turkey	/	Living Wage Projekt CR x EK
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	Unimoda Dis Ticaret A.S.	Jersey	FWF	/	177 (46% women)	5	Payment of a living wage: Allowances, bonuses or social security benefits are not paid as legally required, Allowances, bonuses or social security benefits are not paid as legally required, Workers are paid below living wage as estimated by local stakeholders Reasonable hours of work: Total working time per week exceeds 60 hours, Total working time per week exceeds the legal limit, but is not over 60 hours, Workers do not receive 1 day off per 7 days of work	No actions but ongoing monitoring	/	/	No further development but ongoing monitoring
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	ACLAN TEKSTİL VE KONFEKSİYON	Woven	FWF	/	/	/	/	in onboarding	Demirisik, Turkey Akcakaya, Turkey Egemen, Turkey Parboy, Turkey	/	Living Wage Projekt CR x EK
Turkey	1. Forced Labour 2. Syrian Workers 3. Overtime 4. Living Wages 5. Freedom of association 6. Safe & healthy working conditions	Mergü Tekstil Konfeksiyon	Woven	FWF, GOTS, BSCI	yes	107 (73% women)	Level 3	Payment of a living wage: Workers are paid below living wages as estimated by local stakeholders Safe & healthy working conditions: Evidence of workplace violence or harassment exists	in onboarding	Beta Konfeksiyon, Turkey	/	Living Wage Projekt CR x EK

Exits in the year under review:

Country	Supplier	Volume %	Last Delivery	Exit Reason
Austria	David Fussenegger Textil	0%	HW23	Restructuring of supplier portfolio
Bulgaria	Seth GmbH	1%	FS24	There were several challenges, particularly in communication and financial management, which impacted smooth collaboration.
Germany	Möve-Frottana Textil GmbH	1%	FS24	Restructuring of supplier portfolio
Germany	Luwitex	0%	HW23	Elimination of the product group
Germany	Philipp Bazlen GmbH	0%	HW23	Restructuring of supplier portfolio
Italy	BLUE LINE EVOLUTION s.r.l.	1%	FS24	Challenges with performance, pricing, and communication, which affected the partnership.
Italy	Studio e Stile Tuscany S.r.l.	0%	HW23	Restructuring of the product group
Mongolia	Suikhent Co. Ltd	0%	HW23	Challenges, particularly in communication which impacted smooth collaboration.
North Macedonia	Okitex DOO	0%	HW23	Several issues with quality performance over multiple seasons, with no progress made, led to the decision to exit.
North Macedonia	Hatico Mode GmbH	0%	HW23	The exit was primarily due to pricing challenges, which made continued collaboration unsustainable.
Peru	Art Atlas S.R.L	1%	HW23	Restructuring of supplier portfolio
Portugal	Mis Casa Es tu Casa	3%	FS24	Restructuring of supplier portfolio
Portugal	Leicil	1%	FS24	Restructuring of supplier portfolio
Thailand	Ming Fung Knitting Group1985 Co.,LTD	1%	FS24	Restructuring of supplier portfolio
Thailand	Thaisomboon Weaving Co., LTD	1%	FS24	Restructuring of supplier portfolio