

BERICHTERSTATTUNG ZUM GRÜNER KNOPF 2.0

REPORTING ON THE GREEN BUTTON 2.0 As a family-run company, Güldi-Moden GmbH has been working intensively on the topic of sustainability and human rights since 2018. We have always attached great importance to corruption-free business relationships and maintain direct contacts with our partners throughout the supply chain. We understand sustainability as a process that is also increasingly taking environmental aspects into account and will take them into account. In this context, the Green Button, as a state textile seal, supports us in fulfilling our human rights and ecological due diligence obligations along our supply chain. Through this report, Güldi-Moden communicates regularly (annually) and in a target group-oriented manner publicly about the implementation of its corporate due diligence obligations in its own textile supply chain.

1. Reference to the Declaration of Principle

In the following, our voluntary commitments and expectations of employees and suppliers are presented in accordance with our Declaration of Principles. The complete statement of principles of Güldi-Moden GmbH can be found at this link <https://www.gueldi.de/nachhaltigkeit.php>. Voluntary commitments of Güldi-Moden GmbH We are committed to our social responsibility at all times. As a member of the Gesamtverband der deutschen Textil- und Modeindustrie, we have committed ourselves to the Code of Conduct of the Gesamtverband Textil & Mode. Güldi-Moden GmbH is committed to respecting human rights in accordance with the principles of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The management of Güldi-Moden places a conscious focus on vulnerable groups such as women, children, indigenous people, minorities, migrants or people with disabilities. In order to ensure the needs of these groups, we rely on close and trusting communication with our suppliers and have also developed a strategy to promote living wages in the supply chain. In addition, we are committed to respecting environmental obligations and promoting internationally recognized frameworks such as ZDHC. The legal provisions from laws on environmental protection and ecology are regarded by Güldi-Moden as minimum requirements. Sustainability is a guiding principle in all corporate decisions. We are committed to the goal of constantly increasing the use of sustainable materials along the supply chain. We are committed to responsible procurement and purchasing practices. When designing our corporate due diligence, we follow the UN Guiding Principles and the OECD Due Diligence Guidelines for Promoting responsible supply chains in the clothing and footwear industry. We are dedicated to the prevention, mitigation and compensation of the following risks in particular:

- Child labour
- Discrimination, sexual harassment, gender-specific violence
- Forced labour
- Working time/ Overtime
- Occupational
- Freedom of association and right to collective bargaining
- Wage
- Living wages
- Hazardous chemicals
- Water consumption
- Water pollution
- Greenhouse gas emissions
- Corruption and bribery

Should actual negative effects on human rights and the environment occur as a result of our business activities, Güldi-Moden undertakes to provide appropriate remedies, to make amends and to prevent further cases. Expectations of employees and suppliers We expect our employees and contractual partners to respect human rights and environmental obligations arising from the prevention, mitigation and remediation of the sector risks listed above, as well as the communication of these requirements to other suppliers in the deeper supply chain. For reasons of transparency, Güldi-Moden prohibits subcontracting to suppliers that has not been expressly approved. If cooperation with another company is requested in the form of subcontracting at Güldi-Moden, the same requirements apply as for the direct supplier. The CoC is signed and complied with, an on-site audit by the sustainability officer on the part of Güldi-Moden is approved and all requested documents required for the assessment of the new company should be provided. After receiving a new certificate (Güldi-Moden), which results from an audit, necessary adjustments to new regulations along the supply chain are communicated. All partner companies will be motivated to participate in sustainability practices and to allow Güldi-Moden's support in their implementation.

2. Most serious risks

As part of our corporate due diligence obligations, we carry out a multi-stage risk analysis. We distinguish between risks in the areas of materials, wet processes, manufacturing and the procurement model. The analysis is based on internal and external knowledge and is based on the UN Guiding Principles and the OECD Due Diligence Guidance for Responsible Supply Chains in the textile and footwear sector. Internal knowledge comes in particular from the Sustainability Department, the Management and other relevant departments, who regularly exchange ideas in structured meetings. In addition, findings from training courses and advice from the hessnatur Foundation are incorporated. For the risk analysis of ready-to-wear and wet processes, the suppliers are first grouped by country of procurement in order to identify risks at the country level. This is followed by an individual evaluation of the supplier relationship, including existing mitigation measures and documented negative effects. Information from quick scans, self-reports and, if necessary, complaints will be taken into account. The determined OECD sector risks are evaluated and prioritized according to probability of occurrence, severity and possibility of influence. On this basis, we derive our priorities and measures for the coming year. In accordance with the requirements of the Green Button 2.0, the following are the risks that have been classified as the most serious in the manufacturing and wet processes. Risks in manufacturing and wet processes are typically in the area of social standards. Due to new suppliers at the ready-to-wear level, we supplemented the risk analysis in 2022 on an occasion-related basis and considered the risks of the new suppliers at the country and supplier level. In 2025, as in the previous years 2024 and 2023, the risk analysis was updated within the regular cycle. To evaluate the risks, the knowledge gained from the current audit reports of the suppliers and their own on-site visits and quick scans were used. This year, as a result of effective measures – including obtaining STeP certification from one of our most important suppliers - as well as reducing our supplier base (by responsibly terminating the supplier relationship), no serious risks were identified at the level of our suppliers. However, we continue to closely monitor developments in the field of the environment and human rights also at the country level. According to the relevant country indices, there is an increased risk of discrimination, sexual harassment, gender-based violence, as well as restrictions on freedom of association and the right to collective bargaining. At the level of wet processes, Güldi-Moden relies on suppliers in Europe (Germany, the Netherlands, Italy, UK) due to the comparatively highest European standards in terms of environmental obligations and social standards. We counteract the risks through many years of cooperation with suppliers, supplier visits, relevant certifications, the implementation of the Code of Conduct (CoC) and our Declaration of Principles (GE). In particular, we prohibit any unauthorized subcontracting. So far, no actual negative effects have been identified at the level of assembly and wet processes.

3. Prevention, mitigation and remedial measures

The following are the prevention and mitigation measures that have been addressed for the most serious risks and negative effects. Since no actual negative effects that have occurred at both the ready-to-wear and wet process level have been identified this year either, no remedial measures have been implemented. At the policy level, the existing policy statement was first updated, expanded and adopted by the company management. This policy statement is based on the OECD sector risks and obliges the company and its suppliers to comply with human rights. In the course of these policies (Declaration of Principles and CoC), the focus is on support and, if possible, advice in the event of deviations and problems, so that suppliers can implement the requirements. A warning or sanctioning will only be issued if these measures are unsuccessful or the violations are too serious.

4. Learning experiences, progress and challenges

The following table shows our learning experiences and progress on the measures taken. When implementing measures in the future, we will take our learning experiences and challenges into account accordingly. We regard this as a valuable resource with which we can develop further.

Area	Assumption	Challenge	Learning experience
Supply Chain transparency	The transparency up to the extraction of raw materials is quickly established by informing the suppliers	Some suppliers do not know their entire supply chain or are not willing to disclose it	Regular visits and a continuous exchange have intensified the cooperation and made it more open. The development is proceeding positively: mutual trust has grown, and there is now a high degree of transparency in most work processes. Nevertheless, information on the downstream stages of the supply chain – especially for the extraction of raw materials – has so far only been recorded to a limited extent.

Area	Assumption	Challenge	Learning experience
Implementation of sustainability in the company	Sustainability has the same high priority for all employees	Sustainability does not have the same high priority for all employees	The 'Green Button' continues to have a high priority at Güldi and is worn with pride. Sustainability issues are increasingly being discussed within the company. For example, a training course on women's rights and gender gaps took place in December 2024, which promoted internal exchange and strengthened the awareness of employees for these topics.
Living wages	Living wages are a human right and should be implemented in the supply chain	Realistically assess one's own ability to influence in order to take actionable measures	For Güldi, living wages are considered the minimum standard in the direct supply chain. Open discussions enable flexible solutions - especially in the case of a close and trusting relationship with the supplier.

Our strategy for promoting living wages

Güldi Moden pursues a clear strategy to promote living wages in its supply chain. The implementation is practical and gradual, with a focus on concrete improvements at the supplier level, especially in high-risk countries such as Tunisia and Poland.

Implementation and priorities of the strategy

The strategy is based on four key priorities:

1. Strengthening internal structures and competencies - Conducting semi-annual training courses for purchasing and product development to raise awareness of the impact of their own purchasing practices on wages. - Establishment of clear responsibilities: The management and the sustainability officer are responsible for the implementation. - Wage gap analyses have already been carried out for relevant countries and will be gradually extended to other risk countries.

2. Cooperation with suppliers - In close cooperation with a strategically important supplier, it was agreed within the framework of the STeP certification to gradually reduce temporary work and to create permanent employment relationships. - Overtime is avoided by forward-looking planning and clear production coordination. - A log-in system was introduced at a supplier in order to avoid unpaid overtime and to record working hours transparently. - Sample processes have been optimized to avoid unnecessary costs for suppliers (e.g. through internal sample production at Güldi Moden and targeted communication of requirements).

3. Avoidance of cost traps to strengthen the wage structure - Minimization of unforeseen additional costs for suppliers (e.g. through efficient sample processes, cutting technical support and targeted communication). - Individual adaptation of the layering plans to the technical possibilities of the respective clothing company.

4. Objectives and KPIs - In our strategy to promote living wages, we have defined various goals, the implementation of which is regularly recorded and evaluated. - The strategy is continuously adapted and further developed on the basis of the knowledge gained. - We are currently examining participation in relevant industry initiatives to promote living wages (e.g. ACT, Fair Wear Foundation) in order to actively shape systemic changes.

Güldi Moden's wage gap analysis is based on publicly available reference values such as those of Anker Living Wage and the Global Living Wage Coalition. We regularly review our purchasing processes in order to improve the conditions for fair wages. This mainly concerns:

- realistic delivery dates to avoid production pressure and overtime
- early communication for repeat orders
- partnership-based planning and financial transparency in cooperation with suppliers.

1. Complaint channels and complaints received

We have set up an internal and external complaints mechanism. Internally, we have given Güldi-Moden employees the opportunity to pass on complaints, improvements and suggestions without having to reveal their identity. This system is handled internally by a neutral responsible person. The external complaints mechanism is used to communicate with potentially affected persons and to create remedial measures if necessary. The contact can be made publicly accessible either via the suppliers or the website. The complaints mechanism follows an internally defined process. In 2022 and 2024, both internal and external findings were achieved in the area of complaint

management. Externally, the complaint systems of the suppliers were queried at the level of the ready-to-wear and fabric and deposited with evidence. This made it possible to gain an overview of the complaint mechanisms in the immediate supply chain. The internal complaints system consists of a complaints box in the own business units and a compliance e-mail address, publicly available on the Güldi Moden website. Based on the reviews of the complaints received on the compliance e-mail address, it can be noted for the year 2024 and the first half of 2025 that there were no complaints that fall within the scope of the risks defined in the risk analysis and suitable reporting topics. Therefore, no further steps and remedial action were necessary with regard to the complaints received. At the beginning of 2024, we reviewed our complaints system with regard to accessibility and effectiveness by specifically obtaining feedback from our employees as part of an internal appointment. In addition, internal meetings with the band leaders take place regularly. Thanks to the close contact and family contact, an open dialogue is possible at any time.

2. Involvement of external stakeholders and potentially affected parties

As a small, medium-sized company, we attach great importance to association work and the strength of networks. That is why we actively participate in industry associations STFI (Research in Product and Environment), DTV (processes sustainability and Environment) as well as global multi-stakeholder initiatives such as the UN Global Compact Network. We are committed to our social responsibility at all times. As a member of the Vti, an organization of the German Textile and Fashion Industry Association, we have committed ourselves to the Code of Conduct of the German Textile & Fashion Association. In order to increase transparency in the supply chains, especially with regard to actual effects, a supplier self-assessment at tier 1 and Tier 2 level was carried out in 2022, as well as on-site visits to selected suppliers at the ready-to-wear level. During the on-site visits, the Sustainability Unit systematically evaluated the conditions of the production facilities on the basis of a quick scan. The quick Scans are based on the content of the OECD sector risks and ask the status quo of the suppliers on these risks. The Quick Scan was expanded in 2023 in accordance with the results of the risk analysis in order to depict the topic of occupational safety in even more detail. In addition, in the course of the quick scans and the on-site visits, a dialogue with potentially affected people took place. In particular, the needs of vulnerable groups – such as migrant workers, women in low-paid positions and young employees - are taken into account. In addition, we have sought and expanded the exchange with other multi-stakeholders in 2022. In addition to being a member of the UN Global Compact, we have been a member of the MaxTex association since October 2022, which promotes the development of skills and the exchange between members for sustainable action along the entire textile value chain. In addition, the Sustainability Unit has participated in

various training courses in the course of its memberships, including on the topics of an integrated health, environmental and climate strategy and corporate due diligence obligations in the field of human rights. The findings from the theoretical training courses as well as from the practical work were passed on to internal employees on a monthly basis and discussed.

1. Increase in Supply Chain Transparency

The current overview of all procurement countries and the corresponding regions for the production stages of ready-made and wet processes is presented below. If available, information on the origin is also listed up to the level of raw material extraction for the Güldi modes.

Process	Location	
	Country	Region
Material	Germany	Nordrhein-Westfalen
	Germany	Baden-Württemberg
	NL	Gelderland
	Italy	Lazio
	UK	Lancashire
	Tunisia	Ben Arous
Manufacturing	Poland	Oppeln
	Poland	Lodsch
	Poland	Masowia
	Czech Republic	Reichenberg
	Tunisia	Sfax Region
Raw material	Pakistan	k.A.
	Türkiye	Adana
	Türkiye	Sivas
	Malaysia	k.A.
	India	k.A.
	Italy	k.A.
	Tunisia	Tunis
	USA	k.A.

Process	Location	
	Country	Region
	Benin	k.A.
	Brazil	k.A.
	West Africa	k.A.
	China	k.A.
Yarn production	Pakistan	k.A.
	Pakistan	Punjab
	Türkiye	West Asia minor
	Portugal	Norte
	Portugal	k.A.
	Slovenia	k.A.
	India	k.A.
Surface production Finishing / Dyeing	Pakistan	k.A.
	Pakistan	Punjab
	Portugal	k.A.
	India	k.A.
	Türkiye	West Asia minor
	Portugal	North
	Italy	k.A.