

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 Principles

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> .

Commitments by 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. We have also developed a strategy to promote living wages in the supply chain, which is regularly checked for timeliness and effectiveness

and implemented gradually.

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, wherever possible.

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 specific risks::

- Child labour
- Discrimination, sexual harassment, gender-specific violence
- Forced labour
- Working time/ Overtime
- Occupational safety
- Freedom of association and right to collective bargaining
- Minimum wage
- Living wage
- Hazardous chemicals
- Water consumption
- Water pollution
- Greenhouse gas emissions
- Corruption & 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 of Güldi-Moden is approved and all requested documents required for the assessment of the new company must 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. Severe 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 consulting by apsus GmbH 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 at the supplier level, 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 2.01, 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 the continuation of STeP certification at one of our most important suppliers - and the further reduction of our supplier base (through responsible termination of 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 at the country level. According to relevant country indices and risk checks, there is an increased risk of corruption, significant government influence and restricted political rights, suppression of freedom of expression and assembly, discrimination (including against women and LGBTIQ people), inadequate occupational health and safety standards and severe water stress.

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.

All existing suppliers as well as new suppliers are informed about the CoC and the Declaration of Principles and are requested to acknowledge them in writing. 100% of the suppliers at the level of confection and wet processes have returned the signed CoC. The Gesamtverband der deutschen Textil- und Modeindustrie e. V. had planned a revision of the CoC for the year 2025, but this was temporarily suspended due to current legal developments at the national and European level.

Another measure concerns the accessibility of the CoC. As part of the regular visits to the production facilities, it is checked that a translation into the local language is available. If necessary, assistance for translation is provided.

In addition, the employees of the relevant departments of Güldi-Moden took part in the continuation of the webinar on gender equality within the framework of the Maxtex Association in November 2025. This has continued and strengthened the company's existing commitment to raising awareness of gender issues.

As part of the regular visits to the production facilities, it is also checked whether the suppliers themselves have a CoC that conforms to the Güldi Moden CoC in terms of content, is displayed in the local language and in English. In 2025, 100% of our suppliers will meet this requirement.

We attach great importance to the personal visit and exchange with suppliers. For this purpose, we have developed a quick scan, which is considered as a guideline and template. The production facilities are visited at least once every two years. After each visit, comments and possible improvement measures are recorded and documented in the quick Scan. This allows us to monitor the performance of our suppliers, in particular in relation to our goals and measures.

Cooperation with audited suppliers is of central importance to us. After we had set ourselves the goal of having at least 60% of our suppliers audited according to a recognized standard by 2025, we have now strategically focused on working with a manufacturer who is certified according to STeP by OEKO TEX®. With this targeted bundling of the cooperation, the set goal for 2025 was achieved. At the same time, the continuous assignment of this partner serves as an incentive and recognition for the

successful achievement as well as the continuous continuation of the STeP certification.

A continuous dialogue with suppliers is characteristic of our cooperation. We also want to expand this dialogue to a greater extent in the area of sustainability and human rights protection and in this way raise our suppliers' awareness of the issue of the complaints mechanism. In 2023, we have achieved the goal that 100% of workers will have access to a complaints system. We continue to monitor compliance with this goal.

A continuous exchange within the framework of initiatives from the textile industry, but also cooperation with other relevant actors who operate across industries, is considered to be an important and indispensable prerequisite for progress and positive changes in our entire value chain. For this reason, Güldi-Moden has been a member of the UN Global Compact since January 2022. In addition, since October 2022, there has been a membership in Maxtex, an international association of textile manufacturers, garment manufacturers, raw material producers, textile service providers, scientific institutions and start-ups founded in 2014. The management of Güldi Moden is also a member of the board of the Verband der Nord-Ostdeutschen Textil- und Bekleidungsindustrie e. V. (vti), which acts as a partner of the regional textile associations in other federal states and belongs to the Gesamtverband der deutschen Textil- und Modeindustrie e. V.

In addition, the Compliance Unit holds regular (monthly) internal meetings with relevant departments or persons on human rights and environmental issues. Güldi-Moden is assisted and accompanied by apsus GmbH. This ensures internal competence development through external expertise.

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.

Field	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	For larger suppliers, especially during internal restructuring, it was sometimes difficult to find the right contact person who was willing to make contact. Through persistent follow-up and repeated discussions, additional information on the deeper supply chain could still be gained.
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	A training on women's rights and gender gaps took place in December 2024. In November 2025, it was continued as part of Maxtex Academy. The interest of the employees has increased significantly, and they gladly participated in the training.
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 continue to enable flexible solutions and remain an integral part of cooperation – especially where there is a trusting relationship with suppliers.

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

Implementation and priorities of the strategy

The strategy is based on four key priorities:

1. Strengthening internal structures and competencies

In order to strengthen internal structures and competencies, semi-annual training courses are held for the areas of purchasing and product development in order to raise awareness of the impact of one's own purchasing practices on wages. At the same time, clear responsibilities are defined: implementation is the responsibility of the management and the sustainability officer. In addition, wage gap analyses are carried out annually for the currently relevant risk countries.

2. Cooperation with suppliers

In close cooperation with a strategic supplier, temporary work was gradually reduced as part of the STeP certification and completely transferred to permanent employment relationships by April 2025. Overtime is avoided by forward-looking planning and clear production coordination. In addition, the joint creation of a permanent position is planned for 2026, which will be financed pro rata and will serve to better manage the supply chain.

3. Avoidance of cost traps to strengthen the wage structure

Unforeseen additional costs for suppliers are minimized by efficient sample processes, technical support and targeted communication. In addition, layering plans are individually adapted to the technical possibilities of the respective clothing companies.

4. Objectives and improvements

As part of our strategy to promote living wages, defined goals are regularly reviewed and evaluated; on this basis, the strategy is continuously adapted and further developed.

Güldi Moden's wage gap analysis is based on publicly available reference values such as those of Anker Living Wage and WageIndicator.

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.

5. 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 2025 and the first half of 2026 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.

In addition, internal meetings with the brand leaders take place regularly. Thanks to the close contact and family contact, an open dialogue is possible at any time.

6. *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 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.

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.

7. Increasing 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 stage	Location	
	Country	Region
Wet processes	Deutschland	Nordrhein-Westfalen
	Deutschland	Baden-Württemberg
	Niederlande	Gelderland
	Italien	Lazio
	UK	Lancashire
	Tunesien	Tunis
Manufacturing	Polen	Oppeln
	Polen	Masowien
	Tunesien	Monastir

Raw Material Extraction	Pakistan	k.A.
	Türkei	Adana
	Türkei	Sivas
	Malaysia	k.A.
	Indien	k.A.
	Italien	k.A.
	Tunesien	Tunis
	USA	k.A.
	Benin	k.A.
	Brasilien	k.A.
	Westafrika	k.A.
	China	k.A.
	Pakistan	k.A.
	Pakistan	Punjab
	Yarn production	Türkei
Portugal		Norte
Portugal		k.A.
Slovenia		k.A.
Indien		k.A.
Pakistan		k.A.
Pakistan		Punjab
Surface production Finishing / Dyeing	Portugal	k.A.
	Indien	k.A.
	Türkei	West Kleinasien
	Portugal	Norte
	Italien	k.A.