



Sustainability through quality

Sustainability Report 2023





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Message from the CEO

The year 2023 has shown us once again how important it is to take responsibility - for our environment, our fellow human beings and the future of our industry. The devastating earthquakes in Turkey and Syria and the ongoing war in Ukraine illustrate how closely humanitarian, geopolitical and economic challenges are linked and how urgently global solidarity is needed.

At the same time, our industry is facing major challenges: global supply chains are under pressure, while climate change and the use of finite resources make our responsibility for the environment even more urgent. New regulatory frameworks such as the Strategy for Sustainable and Circular Textiles, the Corporate Due Diligence Directive (CSDDD), the Sustainability Reporting Directive (CSRD) and the European Reporting Standards (ESRS) are putting the ecological and social responsibility of companies in focus. Even though these requirements primarily affect larger companies, we use them as guidelines to align our actions sustainably - be it through the conscious use of resources, reducing emissions or promoting the circular economy.

Sustainability is not an option for us, but a central part of our corporate culture. With our principles - quality, durable textiles, humanity and transparency - we are on the right track. With our approach "Quality = Sustainability," we emphasize that high-quality textiles need to be replaced less frequently, saving resources, energy, and emissions. By focusing on timeless basics rather than fast-changing fashion trends,

we actively promote sustainable consumption. But we want to go further: We focus on innovation, recyclability and minimizing the social and ecological footprint of our products. Resource-saving processes, transparent supply chains and a strong corporate culture increase our resilience as a company. They help us to remain stable and future-proof even in uncertain times.

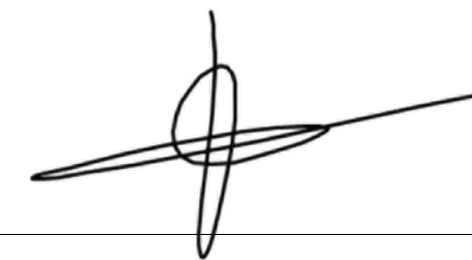
A particular focus is on the circular economy. Recyclable and durable products are becoming increasingly important, and we see this as a key to innovation. In addition, the OEKO-TEX® MADE IN GREEN label strengthens our customers' trust by guaranteeing environmentally friendly, pollutant-free and socially responsible products. Innovations are only possible thanks to our committed team, which brings diverse perspectives with people from 10 different nations. With 56% of women in management positions, we are also setting a clear example for equal opportunities.

Our commitment is reflected in many projects - from the switch to 94 % green electricity in 2023 to supporting humanitarian initiatives such as the Toten Hosen's "Three Chords for Your Donation" fundraising campaign for earthquake victims in Turkey and Syria to promoting biodiversity with our wildflower meadow.

The introduction of EcoVadis certification in 2023 underlines our commitment to the highest sustainability standards and inspires us to come up with new ideas. At the same time, we are looking to the future:

by 2030, we want to reduce our Scope 1 and Scope 2 emissions by 42 % and be climate neutral by 2050. With this clear roadmap and a determined focus on innovation and collaboration, we want to reshape the future of the textile industry - sustainably, transparently and humanely.

We look forward to working with you to drive positive change and create a more sustainable future.



Khalil Mehanna, Managing Director of Promodoro Fashion GmbH

A man with dark curly hair and a beard, wearing a dark blue t-shirt and light-colored pants, stands next to a woman with long brown hair, wearing a white t-shirt and dark blue pants. They are both looking directly at the camera. The background is a blurred outdoor setting with trees and a street.

Our commitment
to **sustainability**
and **ethics**

Our commitment to sustainability and ethics

Promodoro Fashion GmbH operates as a medium-sized company in a resource-intensive industry and takes its social and ecological responsibility seriously. The ESG principles (Environmental, Social, Governance) are an integral part of our corporate strategy and form the basis of our understanding of sustainability. Our goal is not only to minimize our impact on the environment through responsible action, but also to set positive social impulses.

We align our actions with the highest standards in environmental protection, labor rights and product safety – far beyond legal requirements. With clear principles in environmental, social and corporate governance, we take responsibility and actively shape a more sustainable textile industry.

Environmental guidelines

We are committed to the principles of ecological sustainability and responsible action. Our environmental policy is based on sustainable product development and production. We aim to design and produce products that minimize environmental impact and preserve biodiversity.

We follow the 10 principles of the UN Global Compact and actively contribute to the UN Sustainable Development Goals (SDGs) and the European Green Deal. Through resource-saving processes and innovative approaches to product design, we contribute to reducing environmental impacts along our entire value chain.

Supply Chain Compliance Directive

Our compliance guidelines describe the minimum social and environmental requirements that we require our suppliers to comply with. Our internal supplier assessment helps to identify suppliers with an appropriate sustainability performance and is used to determine the procurement strategy and award contracts accordingly.

Sustainability and responsible business practices are firmly embedded in our actions. Our policies and measures underline our commitment to ESG stewardship, ethical business conduct and compliance with standards along the supply chain. We regularly review and update these to ensure that they remain effective and sustainably manage our environmental and social impacts.

Code of Business Conduct

Our Code of Conduct defines binding standards for behavior in important areas to which all employees are committed. These standards include:

- Respect for the environment and commitment to minimizing environmental impacts.
- Promoting sustainability throughout all areas of the company.
- Compliance with all ESG-related laws and regulations.

The Code of Business Conduct forms the basis for our actions and ensures that our business decisions are in line with our values.

Compliance and Governance

We are committed to the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights of 2011, the UN Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women, the conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

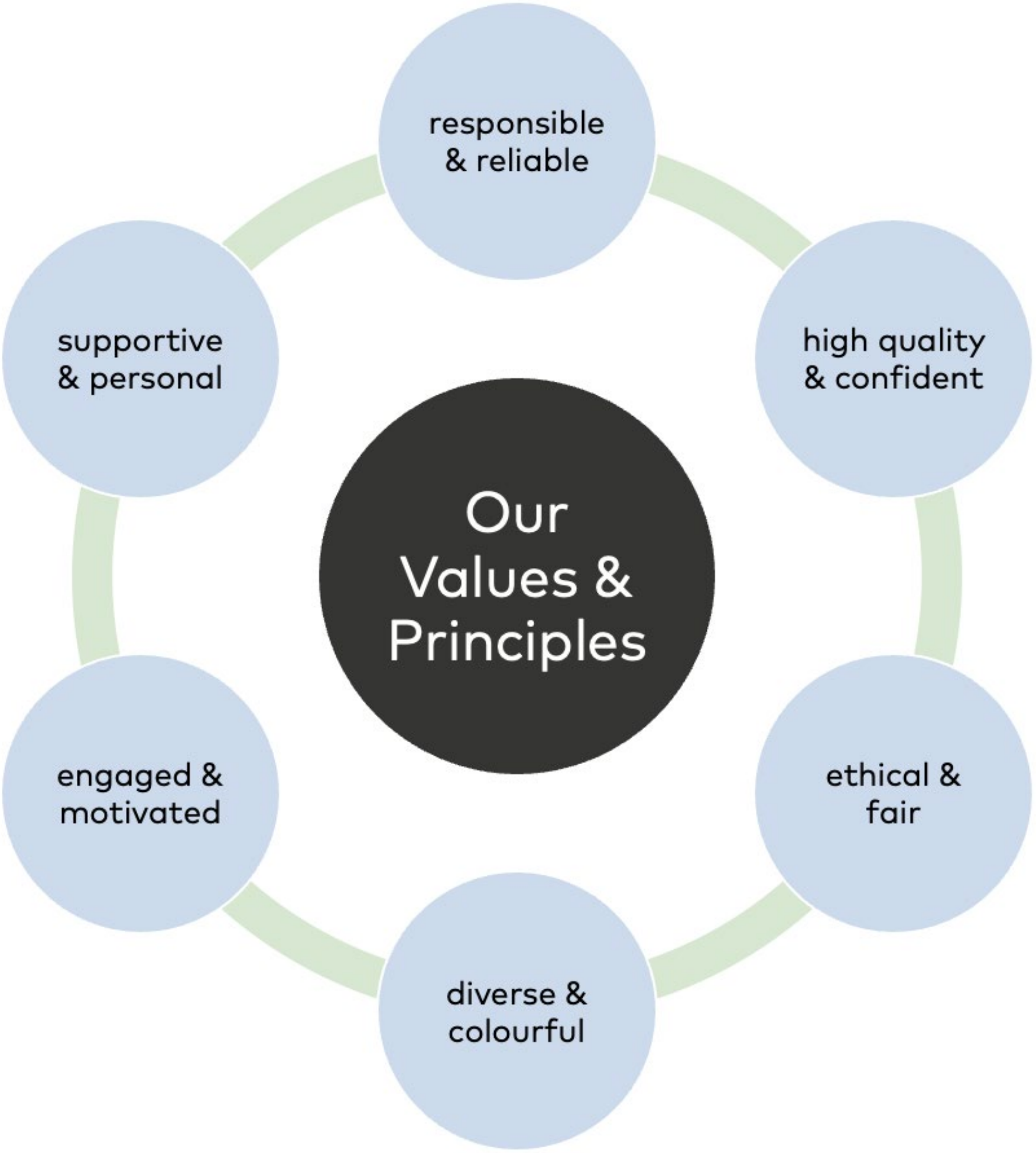
We are committed to upholding the highest standards of corporate governance and believe that good corporate governance is essential to building trust with our stakeholders. Our corporate governance measures include clear guidelines for transparency, responsibility and ethical conduct, which are followed in all areas of our business.

The following chapters provide a detailed insight into our sustainability strategy, our fields of action and the measures we want to take to realize our vision.

A close-up portrait of a young woman with brown hair and blue eyes, smiling and looking off to the side. She is wearing a grey jacket with a black collar and a white shirt underneath. The background is a soft, out-of-focus bokeh of green and yellow light, suggesting an outdoor setting with trees and sunlight.

Sustainability strategy and action plan

Sustainability strategy and action plan



Our philosophy, **"Quality = Sustainability"** is at the core of our strategy. High-quality textiles directly contribute to reducing resource consumption, waste, and emissions through their durability. Our sustainability strategy aims to develop and manufacture sustainable products that minimize environmental impact and preserve biodiversity. It is based on our six principles:

1. We are responsible and reliable in order to meet our sustainability ambitions.
2. We deliver high quality and act confidently in our sustainability efforts.
3. We behave ethically and treat each other and others fairly.
4. We welcome diversity and are colorful.
5. We are committed and motivated to improve our sustainability performance day by day.
6. We are supportive and personal and treat ourselves and others with respect.

Our sustainability strategy is based on a solid foundation: it ensures compliance with legal requirements, takes into account the expectations of customers and stakeholders and reflects our own ambitions. In this way, we work consistently towards our vision of a fully sustainable and responsible company.

Key areas and fields of action

Our sustainability strategy is based on the triple bottom line principle and covers three key areas:

- 1. **Ecological sustainability** – Protecting the environment through resource-saving processes and products.
- 2. **Social Sustainability** – Promoting fair working conditions, diversity and social responsibility.
- 3. **Economic Sustainability** – Ensuring transparent corporate governance and long-term value creation.

These key areas are divided into three central fields of action that form the basis for our activities:

- 1. **Sustainable products and materials** – Development of environmentally friendly products and the use of responsibly sourced raw materials.
- 2. **Resilient Workforce and Good Corporate Citizenship** – Promoting a safe, inclusive and supportive work environment and community engagement.
- 3. **Good corporate governance and cooperation** – Promoting ethical conduct, transparent processes and long-term partnerships.



Our sustainability strategy is based on a matrix approach that systematically divides the three fields of action into concrete action topics, measurable main objectives (Key Performance Indicators, KPIs), specific sub-objectives (Objectives and Key Results, OKRs) and coordinated measures.



Transparency and communication

Transparency is a key component of our sustainability strategy. We attach great importance to reporting regularly on our sustainability performance both internally and externally. Our reports provide transparent insights into progress, legal compliance, and sustainability risks and opportunities.

To ensure that our messages reach all relevant audiences, we use a variety of communication and marketing channels to inform our customers, stakeholders and the general public about our sustainability journey while fostering trust and dialogue.

Building on the methodological structure of our Sustainability and ESG Matrix, we have developed a comprehensive action plan that includes ambitious targets. These targets reflect our commitment to international sustainability standards and underline our desire to make a positive contribution to a more sustainable world through our actions.



Action plan

Our action plan defines concrete steps to achieve our sustainability goals. The key measures include:

- **Implementation of specific projects** that promote resource-saving processes and develop innovative solutions.
- **Obtaining and maintaining relevant certifications** to ensure ecological and social standards.
- **conducting due diligence audits** to ensure that our business practices are consistent with our sustainability commitments and ambitions.

In addition, we rely on strategic partnerships to continuously improve our sustainability performance and promote comprehensive initiatives.

Our **sustainability strategy** and action plan were specifically developed to address social, ecological and economic challenges. They are based on the **United Nations' 17 Sustainable Development Goals (SDGs)**. We make an active contribution to achieving these global goals both through the direct implementation of our sustainability measures and through partnerships and cooperation.

Action fields	Action topics	Main Targets	Sub-targets & Actions
Sustainable Products & Materials	1 Climate & Environmental Action	<ul style="list-style-type: none">• 1,5 °C aligned GHG emission reduction of 42 % for Scope 1+2 by 2030• 1,5 °C aligned GHG emission reduction of 63 % for Scope 3 by 2030• Net Zero by 2050 for Scope 1, 2, 3	<ul style="list-style-type: none">• Switch to 100% green electricity at own sites in 2023• Gradually switch to 100 % electric / green powered vehicle fleet (company-owned) by 2030• Gradually increase the share of organic / recycled cotton product portfolio towards 90% by 2050
	2 Sustainable Resource Management & Circularity	<ul style="list-style-type: none">• Conduct Life Cycle Assessments (LCAs) for 100 % of product portfolio by 2027• Develop comprehensive Circularity Strategy and Action-Roadmap by 2025	<ul style="list-style-type: none">• Conduct at least 6 Life Cycle Assessments (LCAs) for key representative products in 2024 in order to identify environmental hotspots
	3 Sustainable Chemicals Management	<ul style="list-style-type: none">• 90% of product portfolio is certified with OEKO-TEX® MADE IN GREEN by 2030• 100 % compliance with REACH	<ul style="list-style-type: none">• The majority of our products is already certified with OEKO-TEX® MADE IN GREEN, we are continuing to increase the certified product portfolio share towards 100 %
Resilient Workforce & Good Corporate Citizenship	4 Attractive Employer, Health & Safety	<ul style="list-style-type: none">• Individual Learning, Training and Career Management activities are rolled out to 100 % of own workforce by 2026• Zero accidents at our own sites every year• A comprehensive health & safety program will be developed by 2026 in order to increase resilience of own employees	<ul style="list-style-type: none">• Average hours of training provided per employee is at least 15 by 2026• For 100 % of own employees a personal development plan is worked out by 2026
	5 Diversity, Equity & Inclusion (DEI)	<ul style="list-style-type: none">• Zero cases of discrimination or harassment incidents every year• The share of women in executive management positions is at least 40%	<ul style="list-style-type: none">• A comprehensive DEI program will be developed by 2026• DEI trainings will be offered to 100% of own employees by 2026
	6 People & Community	<ul style="list-style-type: none">• Develop comprehensive Good Corporate Citizenship program to promote and foster sustainability activities at our own sites, in our supply chains and involved communities by 2026	<ul style="list-style-type: none">• Conduct workshops and social dialogues with internal and external stakeholders to identify Good Corporate Citizenship criteria and activities at our own sites, in our supply chains and involved communities by 2026
Good Governance & Collaboration	7 Sustainable & Resilient Supply Chain	<ul style="list-style-type: none">• 100% of all manufacturers are certified according to social and environmental standards (e.g. GOTS, ISO 14001, ISO 45001, Made in Green by Oeko-Tex, etc.)• Sustainable procurement criteria are implemented in own business practices• Collaboration and support programs for key strategic suppliers are initialized by 2022 to foster resilient supply chains	<ul style="list-style-type: none">• Target was fully achieved in 2022 as social and environmental certifications have been set as minimum requirement in sustainable procurement decisions• 100 % of all suppliers have already signed the supplier code of conduct• 100 % of all contracts include clauses on environmental, social, labor and human rights requirements
	8 Data Security	<ul style="list-style-type: none">• Zero incidents on information and data security every year	<ul style="list-style-type: none">• Our third-party Data Protection Officer ensures that all necessary standards are upheld at any given time
	9 Responsible & Fair Business Practices	<ul style="list-style-type: none">• Zero incidents on business ethics violations every year (e.g. corruption, bribery, fraud, money-laundering, etc.)• Fair Business Payment conditions rolled out to 100% of all suppliers by 2022	<ul style="list-style-type: none">• Regular internal controls and trainings on business ethics for 100% of own employees• The target on Fair Business Payment conditions has been fully implemented in supplier contracts in 2022.

SDGs	Direct positive contribution through our strategy & measures	Indirect positive influence through our strategy and actions
	Responsible & fair business practices; People & Community	✓
	People & Community	✓
	Attractive employer, health & Safety; Diversity, Equity & Inclusion (DEI); Responsible & Fair Business Practices	
	Attractive Employer, Health & Safety	✓
	Diversity, Equality & Inclusion (DEI)	
	climate and environmental protection; Sustainable Resource Management & circular economy	✓
	climate and environmental protection; Sustainable Resource Management & circular economy	✓
	Attractive employer, health & Security; Responsible & fair business practices	✓

	climate and environmental protection; Sustainable Resource Management & circular economy	
	Diversity, Equality & Inclusion (DEI)	
	People & Community	
	climate and environmental protection; Sustainable resource management & circular economy; Sustainable chemicals management; Sustainable & resilient supply chain	
	climate and environmental protection; Sustainable Resource Management & circular economy; Sustainable chemicals management; Sustainable & resilient supply chain	✓
	climate and environmental protection; Sustainable Resource Management & circular economy; Sustainable chemicals management; Sustainable & resilient supply chain	✓
	climate and environmental protection; Sustainable Resource Management & circular economy; Sustainable chemicals management; Sustainable & resilient supply chain	✓
	Diversity, Equity & Inclusion (DEI); Sustainable & resilient supply chain	✓
	Sustainable & resilient supply chain; Responsible & fair business practices; People & Community	✓

Implementation and outlook

We have established robust management and monitoring systems to effectively implement our sustainability strategy. These systems enable us to track progress, identify areas for improvement and continuously adapt our strategy. We also plan to hire a sustainability manager in 2024 who will be responsible for the further development and implementation of our strategy. This role offers the prospect of growing into an independent department in the future as requirements increase.

The successful implementation of our strategy requires the active involvement of all organizational units. Sustainability aspects are therefore firmly integrated into our daily processes, decisions and interactions with suppliers, customers and stakeholders.

Our sustainability strategy and action plan provide a clear framework for our actions. Together with our stakeholders, we are working towards a more sustainable and fairer future.

Ecological
responsibility



Ecological responsibility

Our environmental strategy

Promodoro Fashion GmbH sees sustainability as an integral part of its corporate strategy. Our goal is to combine economic success with ecological and social responsibility. In doing so, we are guided by international frameworks such as the principles of the UN Global Compact, the United Nations Sustainable Development Goals (SDGs) and the requirements of the European Green Deal. Through durable and high-quality products, we reduce the environmental impact at every stage of a textile’s lifecycle. This commitment supports our goals for circular economy and emissions reduction.

A clear roadmap to 2050

Our long-term vision is clearly defined: we want to achieve net zero emissions by 2050 and align our entire value chain with a circular economy. This path requires a holistic strategy that encompasses our operational activities as well as our products and supply chains. We attach particular importance to transparency, the use of science-based methods and the involvement of all stakeholders.

Science-based goals

To make our progress measurable and verifiable, we are guided by science-based climate targets. These targets help us reduce our emissions in line with the 1.5-degree target of the Paris Climate Agreement. A central component is our Corporate Carbon Footprint (CCF), which we created for the first time in 2022. The systematic recording of our greenhouse gas emissions forms the basis for strategic decisions and effective measures.

Climate protection measures and GHG reduction

Recording of emissions

As part of our sustainability strategy, we have conducted a detailed analysis of the Corporate Carbon Footprint (CCF) for 2022 and 2023. Adjustments, such as corrections to district heating data and transport figures, have enabled a more accurate data foundation. The CCF serves as the basis for identifying emission trends and implementing targeted measures for emission reduction.

In calculating the Corporate Carbon Footprint, we follow the globally recognized GHG Protocol Corporate Standard and apply the operational control approach. Our accounting covers 100% of greenhouse gas emissions from our operational activities and includes all relevant Scope 1, Scope 2, and Scope 3 emissions.

The CCF provides a robust foundation for identifying the most significant levers for reducing emissions and implementing effective measures.

Targets and Emissions

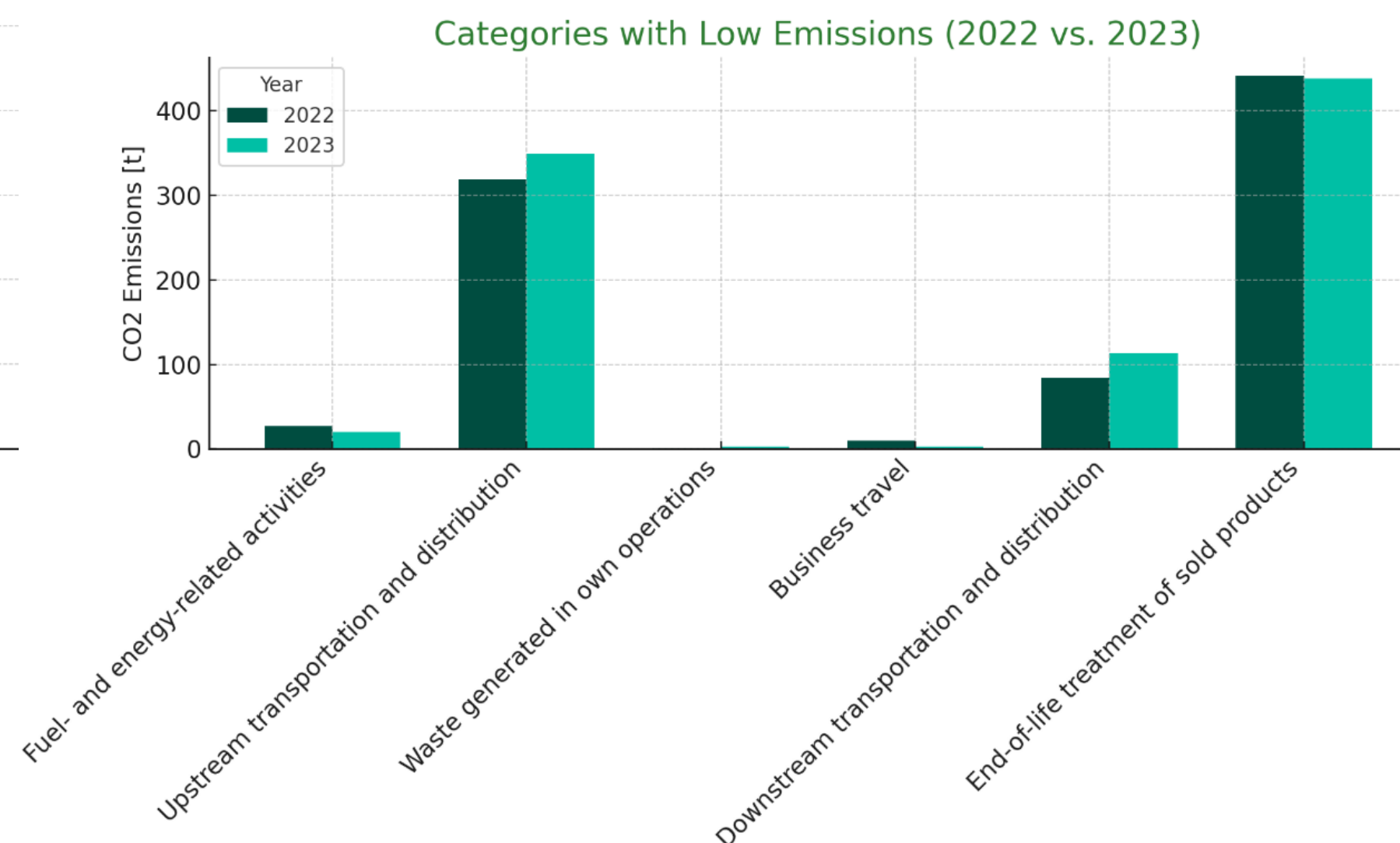
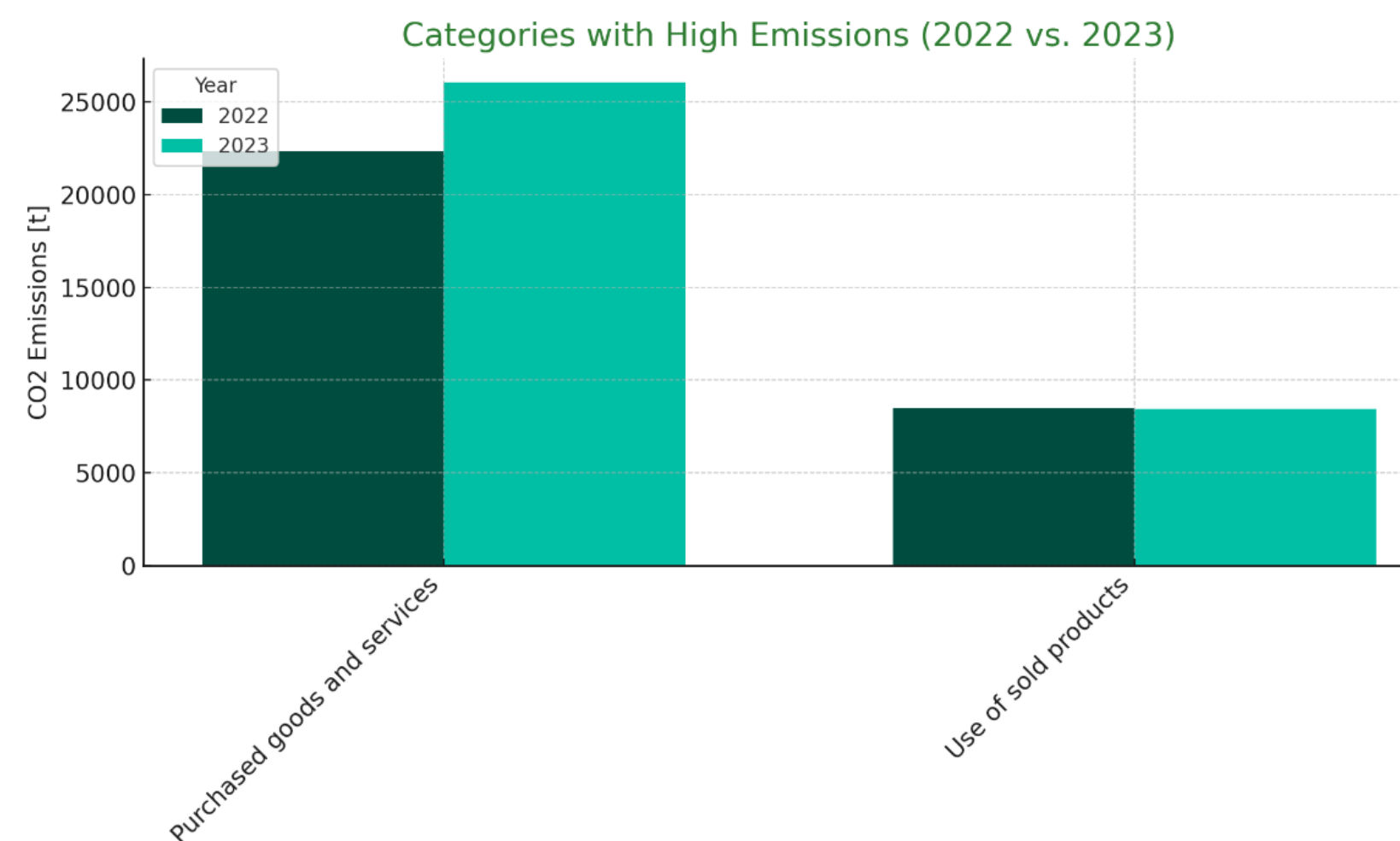
The CCF calculated in 2022 was used to define 1.5°C-aligned GHG emission reduction targets for Scope 1+2 and Scope 3, leveraging publicly available tools from the Science-Based Targets initiative (SBTi). Our science-based 1.5°C targets are defined as follows:

- 1. Absolute reduction of Scope 1+2 GHG emissions by 42 % by 2030, using 2022 as the base year.
- 2. Absolute reduction of Scope 3 GHG emissions by 63 % by 2030, using 2022 as the base year.
- 3. Net zero across Scope 1, 2, and 3 by 2050.

In 2023, the methodology for calculating CO₂ emissions in the logistics sector was significantly updated, including the introduction of the ISO 14083 standards. These changes resulted in more precise, yet higher, emission values for upstream and downstream transport. Consequently, our climate targets, which were established in 2022 based on the methodology in effect at the time, are not fully comparable with the current emission values.

To continue aligning with the standards of the Science-Based Targets initiative (SBTi) and maintain transparency, we plan to review and adjust our targets in 2024 to reflect the updated methodology. Until then, our 1.5°C-aligned targets remain an ambitious framework that underscores our commitment to reducing greenhouse gas emissions.

Environmental KPIs	2022	2023
Scope 1 GHG emissions	143.6 t CO2e	148.9 t CO2e
Scope 2 GHG emissions (market-based)	94.1 t CO2e	6.2 t CO2e
Scope 3 GHG emissions	31,707.5 t CO2e	35,413.4 t CO2e
TOTAL GHG emissions	31,945.3 t CO2e	35,568.5 t CO2e
GHG emission reductions for Scope 1+2 and Scope 3 will be reported as soon as a time series can be calculated.	The CCF of 2022 is the base year.	



With a view to our growing company, whose sales and consequently CO₂ emissions are increasing, it is crucial to always relate emissions to the number of units produced. This approach allows us to realistically evaluate the efficiency of our measures and present them transparently. To further optimize this, we will increasingly use life cycle assessments (LCAs) in the coming years. These provide a comprehensive perspective on the environmental impact of our products and help us design future climate protection measures even more effectively.

For Scope 3 GHG emissions, a total of 8 out of 15 Scope 3 categories were included in the 2023 CCF. Two categories could not be determined due to missing data or insufficient data quality, while 5 categories are not relevant to the business context of Promodoro

Fashion (e.g., Category 14: Franchises) or were not triggered in 2023 (e.g., Category 15: Investments). Promodoro Fashion will gradually enhance data granularity and quality to improve the robustness and completeness of the annual CCF, particularly in the assessment of Scope 3 GHG emissions.

The visualizations show that the largest sources of emissions stem from the categories "Purchased goods and services" and „Use of sold products." At the same time, slight increases are observed in some smaller categories, such as "Downstream transportation and distribution".

Interpretation of the data

Our emissions data for Scope 1 and Scope 2 indicate that we are on a promising path to achieving our ambitious 1.5°C-aligned targets. Notably, the transition to 94 % green electricity in 2023 resulted in a significant reduction in Scope 2 emissions – a decrease of an impressive 93.37% compared to the previous year. This highlights the positive impact of our efforts to enhance energy efficiency and promote renewable energy sources. Although Scope 1 emissions increased slightly (+3.67%), reducing direct emissions remains a key focus of our climate strategy, which we are continuously addressing.

In contrast, Scope 3 presents new challenges, particularly due to methodological changes in the logistics sector. The introduction of new standards such as ISO 14083 has led to a reported increase in Scope 3 emissions by 11.68 %. These higher values reflect not only stricter calculation methods but also the complexity and importance of this emissions category. Significant differences are evident between the individual Scope 3 categories. Below, we analyze the key developments and drivers in detail.

The Scope 3 category "Purchased goods and services," one of our largest sources of emissions, saw a marked increase from approximately 22,000 t CO₂ in 2022 to over 25,000 t CO₂ in 2023. This rise is attributed to higher production volumes.

Emissions from the category "Use of sold products" remained relatively stable, staying at a similar level to the previous year. This indicates that the impact of customer usage on total emissions has remained consistent. However, it must continue to be addressed to achieve long-term reduction targets. Our current data is based on standard values. However, given the high quality of our products, we assume that the carbon footprint across the lifecycle of our textiles is lower than that of lower-quality products that require more frequent replacement. To verify this assumption and provide more precise insights, we are currently developing lifecycle assessments (LCAs) for our key products. Over the coming years, these values will be more accurately tailored to the specific characteristics of our products.

For upstream transport, emissions increased by 30.46 t CO₂ (+9.6 %), primarily due to supply chain disruptions, particularly as a result of unrest in Bangladesh. Consequently, we had to temporarily adjust our transport processes, which led to an increase in emissions.

Downstream transport also saw an increase of 29.35 t CO₂ (+35 %), primarily driven by methodological changes implemented by our logistics partners, rather than an actual rise in emissions.

Reducing Scope 3 emissions – particularly from purchasing, usage, and logistics – remains a key challenge. Additional measures to optimize materials, production and logistics processes, and usage behaviors are essential to achieve long-term improvements.

Measures to reduce GHG emissions

Since October 2021, 95 % of our shipments have been sent using UPS Carbon Neutral Shipment to offset their climate impact. While we include these emissions in our Corporate Carbon Footprint and do not subtract the offset amounts, we see it as a positive step to actively offset part of our emissions in addition to reducing them. Since 2023, we have increasingly relied on the more environmentally friendly transport method by inland waterway in order to sustainably reduce the climate impact of our company. Since then, a significant proportion of our textiles have been transported by water from the port of arrival in Europe to our warehouse in Düsseldorf.

Measures already implemented:

- Conversion to 94 % green electricity in 2023.
- Introduction of the environmentally friendly transport route by inland waterway (since 2023).
- 95 % of packages shipped via UPS Carbon Neutral Shipment (since October 2021).

Planned measures:

- Conversion of the vehicle fleet to electric drives by 2030.
- Continuation of the transition to energy-efficient LED lighting in the warehouse.
- Further switch to environmentally friendly transport methods such as ship and train
- Expanding sustainable material sourcing with a focus on organic cotton and recycled materials to reduce Scope 3 emissions.
- promoting sustainable consumption
- Conduct Life Cycle Assessments (LCAs) for key products to more accurately determine the carbon footprint.

Sustainable material procurement

A key focus of our sustainability strategy is to increase the proportion of organic cotton and recycled materials. This not only contributes to reducing Scope 3 emissions, but also promotes the resource-efficient cultivation of raw materials.

The increased use of organic cotton helps to reduce water consumption and the use of chemicals, as well as to preserve biodiversity on cultivated land. Given the current availability of organic cotton (<1% of global production), we work closely with suppliers to promote long-term cultivation and adapt the sustainability strategy.

Promoting sustainable consumption

In 2023, we began to specifically target our communication to promote a more conscious use of resources and thus contribute to reducing Scope 3 emissions. In 2023, we used an advertisement in a trade magazine for textile finishing, promotional textiles and workwear to draw attention to the fact that although our products are so high quality that they can be washed at 60 °C, it is much more environmentally friendly to clean them at lower temperatures.

Our focus on durable basics instead of fast-changing trends not only supports a sustainable lifestyle but also demonstrates that sustainability is achievable through quality. We would like to further expand this commitment to sustainable consumption in the coming years. We are using targeted marketing measures to raise awareness among our customers about environmentally friendly actions and to make a positive contribution to conserving resources.

The Corporate Carbon Footprint 2022/2023 shows that we have already taken important steps to reduce our emissions. Measures such as switching to green electricity and increasing the use of inland waterway vessels lay the foundation for more sustainable logistics and production. With our science-based 1.5 °C targets, we are committed to ambitious reduction targets by 2030 and to achieving net zero by 2050. Continuous monitoring and adaptation of our strategies remains essential in order to minimize emissions in the long term and achieve our sustainability goals.

Circular economy and resource use

Packaging

An important part of our commitment to sustainable resource management is the optimization of our packaging. We already use exclusively 100 % recycled cardboard for shipping. In the B2C area, we have switched from polybags to recycled bags, thereby reducing the use of new plastic. We press old cardboard boxes on site and feed them into the recycling cycle in order to reuse materials and minimize waste.

We have clear goals for the future: We want to use even more environmentally friendly packaging materials, reuse supplier boxes, switch to 100 % recycled polybags in all areas and continuously increase the proportion of reusable packaging. With these measures, we are actively contributing to reducing waste and promoting a circular economy.

Waste management

Another focus of our circular economy strategy is the sensible utilization of textile waste. Our leftovers from textile production are recycled and reused as needed to manufacture various products, such as cleaning rags or painter's fleece. In this way, we contribute to reducing waste and support the circular economy in the textile industry.

In the future, we would like to work more closely with partners to bring even more waste into the recycling cycle and further optimize its subsequent use. In



addition, we are working on developing solutions in product design that make our textiles more recyclable. Our goal is to extend the life cycle of our products through innovative designs and material selection and to facilitate recycling at the end of use. These approaches are essential to realizing our vision of a closed circular economy.

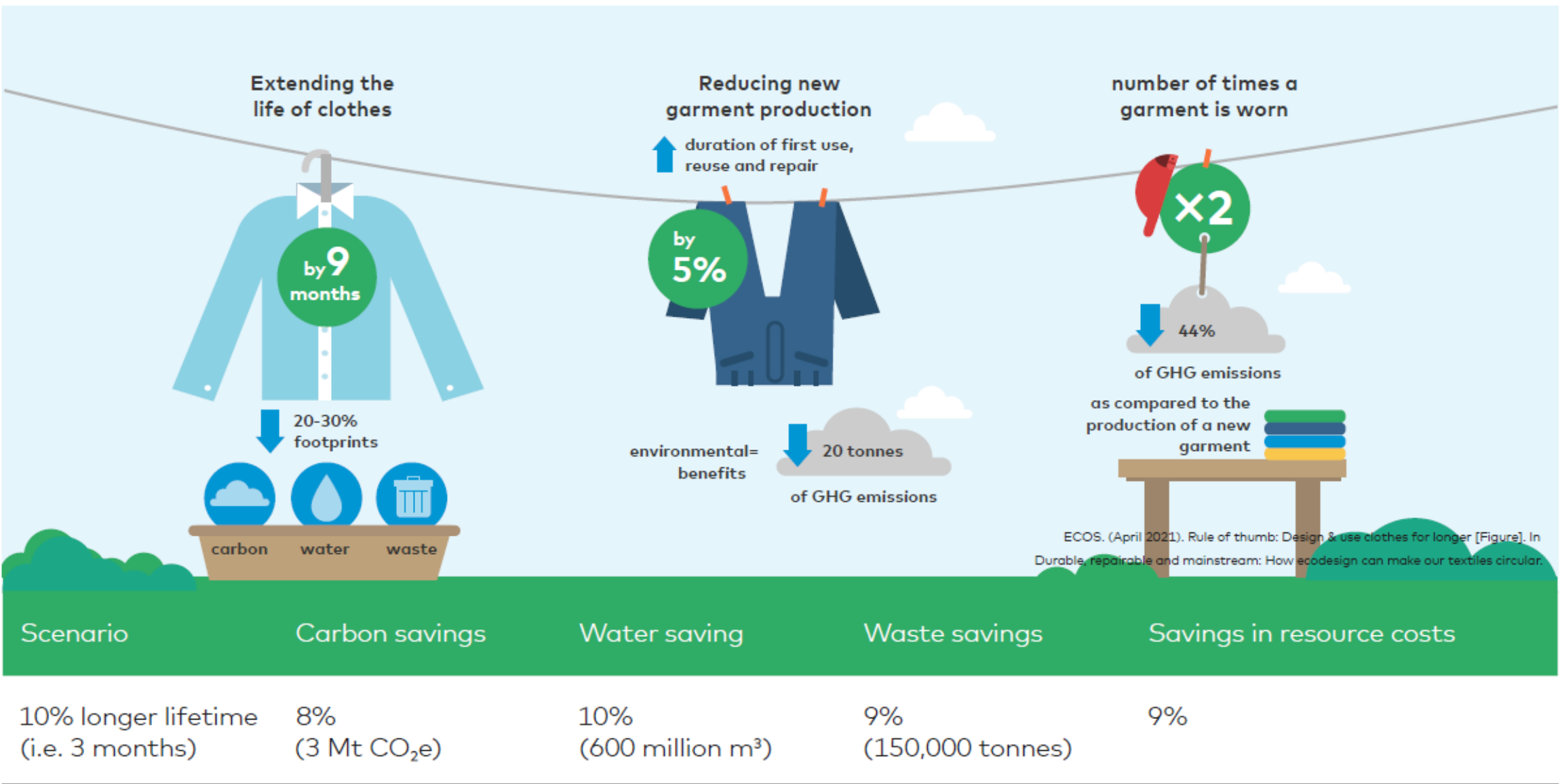
Sustainable material procurement

Our goal is to steadily increase the proportion of recycled raw materials and the recyclability of our textiles – without compromising on quality or safety. We plan to gradually increase the proportion of sustainable raw materials to 90 % by 2050. In this way, we promote the resource-saving cultivation of raw materials, which reduces the use of chemicals and water and protects biodiversity.

Products and materials

Product strategy

We strive to always maintain the high quality and durability of our garments, which is why we launched our Sustainability through Quality program with a dual strategy: 1) reducing the impact of our supply chain and 2) increasing the lifespan of our textiles.



Sustainability and durability are at the core of our product strategy. We introduced our first T-shirts made from certified organic cotton back in 2014 and have since expanded our portfolio to include other sustainable textiles. In 2022, we reached another milestone with the launch of our first product made from recycled polyester.

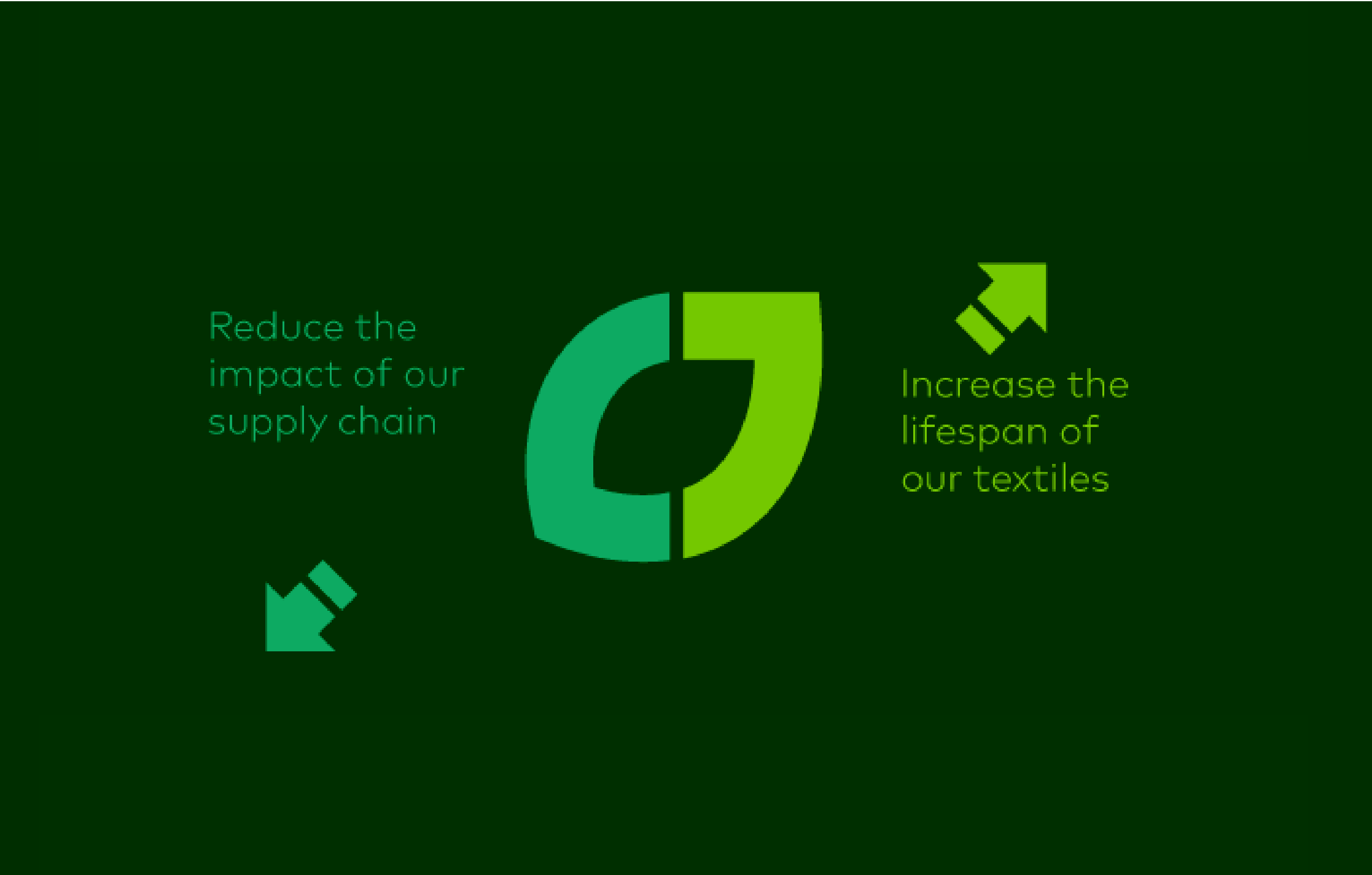
We plan to carry out life cycle assessments for 100 % of our product portfolio by 2027. The starting signal will be six representative products, whose life cycle assessments we will prepare in 2024. On this basis, we will identify emission drivers and develop a comprehensive circular strategy by 2025 in order to implement targeted measures to reduce Scope 3 GHG emissions along our supply chain.

The durability of our textiles offers a sustainable alternative to fast fashion. Durable, high-quality clothing reduces the need for new production and thus conserves valuable resources.

Extending the lifespan of textiles by just 9 months can reduce carbon emissions by up to 27 %¹ – a key lever for sustainable consumption. Our high-quality textiles play a crucial role in minimizing environmental impact through their durability.

¹ECOS. (April 2021). Using clothes for longer time could potentially reduce our footprint and prompt savings in resource costs [Table]. In Durable, repairable and mainstream: How ecodesign can make our textiles circular.

promodoro's twofold strategy



For this reason, the quality of all our textiles is carefully monitored: For each batch, a fabric sample is tested in our quality management department in Düsseldorf and only after comprehensive tests is the fabric processed further. The textile is then quality-checked again before production begins. The delivery is subjected to another quality check.

We also maintain close contact with our partner factories, with whom we exchange reports on a monthly basis. The aim is to support them in improving their processes and making production more efficient and sustainable.

Environmental KPIs	2022	2023
Number of product life cycle assessments (LCAs)	1	1
A comprehensive circular economy strategy and action roadmap will be developed by 2025. Then specific KPIs and OKRs are defined accordingly.		

Sustainability and durability are at the core of our product strategy. Our commitment to environmental sustainability is reflected in our approach to product development and manufacturing. Our goal is to design and manufacture products that have minimal impact on the environment. This includes considering the entire life cycle of our products, from development, procurement, production, use phase and end of life.

We do not use materials that come from animals (such as leather, down, wool). Instead, we use environmentally friendly, organic and recycled materials. We aim to reduce waste and water consumption and strive to minimize environmental and air pollution. We also want to increase energy and resource efficiency wherever possible. Promodoro Fashion is certified according to the ISO 14001 environmental management system, which demonstrates our continuous improvement efforts.

Environmental KPIs	2022	2023
ISO 14001 certification	100% achieved	100%
Extended Producer Responsibility (EPR) Certificate for household packaging	100% achieved and from third party	100% achieved and from third party

We only work with manufacturers who are certified in various areas along the production chain. These certifications cover a wide range of topics, including social standards, sustainability and/or environmental protection. Our partners are members of initiatives such as the Business Social Compliance Initiative (BSCI), the Customs-Trade Partnership Against Terrorism (CTPAT), Fairtrade, the Global Organic Textile Standard (GOTS), the Global Recycled Standard (GRS) 4.0, the Higg Index, ISO 14001, ISO 45001, ISO 9001, OEKO-TEX® MADE IN GREEN and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

	Sustainability (reducing supply chain impacts)	quality (increasing the lifespan of textiles)
Products designed for longevity		✓
High-quality yarns, all sources OEKO-TEX certified	✓	✓
State-of-the-art dyeing and finishing technology	✓	✓
High-quality, OEKO-TEX-certified dyes and accessories	✓	✓
Own laboratory in Düsseldorf, which checks all parameters of each batch before sewing		✓
AQL inspection before shipping		✓
ISO-certified warehouse	✓	
re-inspection upon arrival		✓
5 test washes in daily operation		✓
Quarterly test washes for selected products (54 washes)		✓
UPS Carbon Neutral Shipping	✓	
Transport by inland waterway from the port of arrival in Europe	✓	
WRAP	✓	
Global Organic Textile Standard (GOTS)	✓	
Textile Exchange	✓	
ISO 9001		✓
ISO 45001	✓	
ISO 14001	✓	
amfori BSCI (Business Social Compliance Initiative)	✓	
REACH Certificate of Compliance	✓	
OEKO-TEX® STANDARD 100	✓	
OEKO-TEX® MADE IN GREEN	✓	
SEDEX	✓	✓
Supplier Qualification Program (SQP)		✓
Think Green Initiative (TGI)	✓	
Fairtrade	✓	

Responsibility and safety for customers
Our 100 % cotton garments are made exclusively from organic cotton, certified either GOTS (Global Organic Textile Standard) or OCS (Organic Content Standard). We are also committed to complying with the EU chemicals regulation REACH, which aims to protect human health and the environment. All our textiles are certified according to the OEKO-TEX® STANDARD 100, which guarantees that they have been tested for harmful substances and are harmless to health.

Our measures and requirements ensure that our products are not only environmentally friendly, but also safe for consumers. We rely on quality instead of chemical additives to produce products that, for example, provide soft and comfortable clothing without compromising safety or the environment. An essential part of our quality assurance is that all of our textiles are certified according to the OEKO-TEX® STANDARD 100. This certificate guarantees that they have been tested for harmful substances and are harmless to health.

The safety of our customers is our top priority. This is also reflected in our results: There were no product recalls in 2022 and 2023 – proof of our high safety and quality standards.

Environmental KPIs	2022	2023
Number of OEKO-TEX® MADE IN GREEN certified items	86 certified articles	81 certified articles
number of confirmed REACH violations	0	0
number of product recalls	0	0

Another aspect of our consumer safety efforts is our B2C polybags. These are provided with multilingual warnings to indicate potential choking hazards and are also equipped with ventilation holes. In this way, we help to minimize potential risks in advance.

With these measures, we underline our commitment to the highest quality and safety – for our customers and a sustainable future.

The development of the environmental KPIs from 2022 to 2023 shows that we continue to maintain high standards in environmental and product safety. There were no confirmed violations of the REACH regulation in either year, confirming compliance with our strict chemical safety requirements.

The number of items certified according to OEKO-TEX® MADE IN GREEN has decreased slightly from 86 in 2022 to 81 in 2023. This change has nothing to do with certification, but is due to a strategic decision as part of the further development of our range, in which some older items were removed from the range. The OEKO-TEX® MADE IN GREEN certification remains a central part of our sustainability strategy and all relevant products will continue to be manufactured according to these strict standards.

These figures reflect our continuous efforts to maintain both the quality and sustainability of our offering at a high level.

Certificates and standards

Our products are manufactured exclusively in fully vertical factories that have integrated water treatment plants. We attach great importance to transparency and quality and therefore consistently refrain from subcontracting.

Certifications and environmental standards

We use the OEKO-TEX® STANDARD 100 as a minimum standard for all our products. In addition, we strive to continuously increase the proportion of OEKO-TEX® MADE IN GREEN certified items in our range. This label enables consumers to identify each certified textile product using a unique product ID on www.oeko-tex.com/en/label-check. It provides the assurance that:

- 1. the product is made of materials tested for harmful substances,
- 2. it was produced in environmentally friendly factories
- 3. and production took place under safe and socially responsible conditions.

The OEKO-TEX® MADE IN GREEN label makes our sustainable manufacturing processes transparent and supports consumers in making informed, environmentally friendly purchasing decisions.

Our 100 % cotton garments are made exclusively from organic cotton, certified either GOTS (Global Organic Textile Standard) or OCS (Organic Content Standard). We are also committed to complying with the EU chemicals regulation REACH, which aims to protect human health and the environment.

For products made from recycled materials, we follow the Global Recycle Standard (GRS), which sets strict requirements for the certification of recycled raw materials as well as social and environmental practices along the supply chain.

Supplier requirements and regular review

To ensure compliance with our sustainability standards, we work with clear and binding guidelines for our suppliers. Every supplier is required to sign our "Chemical Requirements" and the "General Quality Agreements". These documents contain detailed requirements for the materials, chemicals and processes used, which comply with both legal regulations and environmental standards such as OEKO-TEX® STANDARD 100.

The "Chemical Requirements", for example, stipulate that no hazardous or environmentally harmful substances may be used and contain specific limits for chemicals such as heavy metals, pesticides and volatile organic compounds (VOCs). In addition, the "General Quality Agreements" ensure compliance with ecological, social and quality standards along the entire supply chain.

We regularly check these documents for completeness, timeliness and legal compliance. If necessary, we adapt the content to ensure that it complies with the latest legal requirements, scientific findings and our corporate sustainability goals. By signing these agreements, our suppliers commit to actively contributing to environmental and social responsibility.

Biodiversity and local initiatives

As a company, it is important to us not only to reduce our emissions, but also to actively contribute to promoting local biodiversity. A special highlight of our commitment is the wildflower meadow that we planted on our company premises in spring 2022.

The meadow was carefully planned and planted with a mix of native wildflower species to provide a valuable habitat for insects such as bees, bumblebees and butterflies. In 2023, we continued to maintain the meadow and ensured that it could develop magnificently through sustainable care. The colorful blooms were not only a beautiful sight for our team and visitors, but also an important contribution to strengthening the local ecosystem.

With this initiative we want to set an example: for the protection of nature, for the importance of biodiversity and for the connection between business and environmental responsibility. For us, our wildflower meadow is a symbol of how small, concrete measures can have a big impact.

Analysis of environmental indicators

In 2023, we made important progress on our environmental indicators. At the same time, the figures recorded also make us aware of areas with potential for improvement that we want to specifically address. In 2022, we prepared our first sustainability report and calculated our corporate carbon footprint, with which we systematically recorded a lot of data for the first time. As we continue to address the topic and constantly expand our knowledge and develop our processes, it was necessary to correct some figures from the previous year in order to ensure a more precise and transparent presentation of our sustainability performance.

A milestone in 2023 was the change in our electricity supply: we were able to increase the proportion of green electricity from 0 % in 2022 to 94 % in 2023. However, the complete switch to 100 % was not yet possible because the billing for one building on our company premises is handled by the landlord, which means we currently have no direct influence here. We would like to address this issue in the future in order to achieve our goal of 100 % green electricity.

Gas consumption increased from 620,044 kWh (2022) to 645,982 kWh, and electricity and water consumption also rose slightly. This development is due to the fact that 2022 was still heavily influenced by the corona pandemic – with higher levels of sick leave and more home office work. The return to more stable office working conditions led to higher energy requirements in 2023.

Key figures	2022	2023
Fuel consumption of the company's own fleet (petrol)	3,800 liters	2,600 liters
Fuel consumption of the company's own fleet (diesel)	9,300 liters	10,541 liters
Electricity consumption of the company's own fleet		780 kWh
Leakage of coolants	0 kg	0 kg
electricity consumption	210,980 kWh	218,722kWh
Of which green electricity	0 kWh	205,122 kWh = 94%
Gas consumption	620,044 kWh	645,982 kWh
Water consumption	463 m³	511 m³
Waste of paper, cardboard, cartons	18,811 kg	28,211 kg
Remaining waste	20,880 kg	17,344 kg
Plastic and packaging waste	8,280 kg	7,122 kg
Textile waste	-	6,360 kg
Bulky waste	-	1,900 kg
Timber	-	6,090 kg
Metal	-	380 kg
Total weight of recycled waste	16,940 kg	50,188 kg
Total weight of hazardous waste	0 kg	0 kg
Carbon offset program for the transport of products to customers	100% achieved and verified by third parties (the offset GHG emissions were in Corporate Carbon Footprint not taken into account according to the GHG Protocol standard)	100% achieved and verified by third parties (the offset GHG emissions were in Corporate Carbon Footprint not taken into account according to the GHG Protocol standard)

There was a shift in the fuel consumption of our fleet: gasoline consumption decreased because a previously used rental car (petrol) was replaced by our own diesel vehicle in 2023. This change led to an increase in diesel consumption.

In the area of waste figures, the data for paper, cardboard and cartons from 2022 had to be corrected because an additional collection had not been taken into account. Nevertheless, we recorded a significant increase in cardboard volumes of around 10,000 kg for 2023. This increase is due to the fact that from 2023 onwards we had to repack all incoming goods on site because the quality of the supplier boxes was inadequate for shipping to customers. There is a need for action here: We will coordinate with our suppliers to jointly develop a solution that improves the quality of the boxes and enables reuse.

To further increase transparency, we included additional waste streams such as textile scraps, lumber and metal in our key figures in 2023. Textile scraps, for example, are recycled by our partner Remondis and processed into cleaning rags or painter's fleece. In 2023, we sorted out damaged clothing as part of a comprehensive warehouse cleanup, which led to a significantly higher amount of textile waste. We generally keep this until it makes ecological and economic sense to collect it in larger quantities in order to use resources and transport costs efficiently. This also explains why there can be major fluctuations in the amount of textile waste from year to year.

The analysis of the ecological indicators shows us that there is still potential for improvement. In addition to optimizing our packaging processes, we plan to expand our training and education offerings for employees. The aim is to further increase awareness of resource-saving actions and effective waste sorting. With targeted measures and the commitment of everyone involved, we will continue to improve our ecological processes in the coming years.

Employee engagement: living sustainability together

Sustainability begins with each individual. That is why we actively encourage the commitment of our employees so that together we can make a positive contribution to environmental protection. Through regular communication, we sensitize our team to the individual and collective impact of our actions on the environment. Employee suggestions are not only taken into account, but also actively supported. Our goal is to firmly integrate sustainable thinking and action into everyday work and at the same time offer inspiration for a resource-saving lifestyle.

A special example of this sustainability in action is our "gift box", which was launched a few years ago. Here, employees can put away well-preserved items that they no longer need and make them available to others. Everyone is free to help themselves, even without contributing anything themselves. This gives

unused items a new life and conserves resources. Items that have not found a new owner after a month are donated to a local second-hand department store, where they can continue to be put to good use.

With projects like the "gift box" we not only want to support the circular economy, but also raise awareness of how easy sustainable action can be in everyday life. Our employees are crucial partners for us in promoting ecological sustainability at all levels of our company.

Our path: Ecological responsibility as a common goal

Open communication and collaboration are essential for us to achieve sustainable change. With objective and trusting dialogue - both internally with our employees and externally with partners, customers and the public - we create the basis for consistently pursuing and further developing our environmental goals.

A particular focus is on promoting conscious and sustainable consumption. We want to inspire our customers to actively contribute to environmental protection through informed decisions. Whether through the use of durable materials, the reduction of resource consumption or innovative product designs - our goal is to shape a more sustainable future together. Our environmental activities reflect our deep commitment to environmental sustainability. We are convinced that economic growth and environmental

responsibility are not contradictory, but must go hand in hand. By continuously monitoring, analyzing and improving our strategies and measures, we ensure that we constantly optimize our environmental performance and move closer to our ambitious goals.

Social **Responsibility**



Social Responsibility

Promodoro Fashion GmbH sees it as its responsibility to create a working environment that promotes safety, health and well-being, strengthens diversity and equality and respects human rights. We are guided by the 17 Sustainable Development Goals (SDGs) and the 10 principles of the UN Global Compact. In addition, our measures are based on international frameworks such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women, the conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

As a medium-sized company with around 70 employees, we know that our success is based on the responsible treatment of people, resources and communities. With comprehensive programs and initiatives, we not only promote a motivating and supportive corporate culture, but also actively engage with the communities in which we operate. Our goal is to make a positive contribution to a fair, inclusive and sustainable society – both within our company and along our entire supply chain. Our commitment to good corporate citizenship plays a central role in this, with which we actively shape our responsibility for people and the environment.

Health and safety as a priority

At the heart of our social responsibility is our commitment to an accident-free environment. In addition to complying with all legal requirements, we go beyond this in many areas. With the support of an external consultant and regular meetings of our safety team, we continuously develop strategies to ensure a safe working environment. Annual training courses on first aid, fire protection and health-promoting working methods sensitize all employees to these important topics.

Our preventive approaches include a variety of ergonomic work equipment that is adapted to the specific requirements of different work areas. In the warehouse, for example, we use lifting lifts, exoskeletons, special lifting devices and roller conveyors to reduce physical strain. Standing mats provide additional comfort for standing activities, while gravity roller conveyors make it easier to unload larger containers. In the offices, we promote the health of our employees with height-adjustable desks that allow them to switch between sitting and standing activities. We also offer the option of choosing between different seating options in order to individually adjust the sitting posture and prevent strain.

Looking ahead, we are developing a comprehensive health and safety program by 2026. This program takes a proactive approach to preventing and managing health and safety risks. It will help promote good working practices and strengthen a culture of safety awareness. The aim is to further improve the physical

Social KPIs	2022	2023
ISO 45001	100%	100%
Proportion of employees with a salary above the minimum wage	100%	100%
Lost time accident frequency rate (LTI) for direct Workforce – (Total number of accidents resulting in days lost × 1,000,000 / company-wide working hours)	40 hours of loss in total (1 person, 1 week) LTI: 56.12	0 hours total loss (LTI: 0)
Number of deaths due to work-related injuries and work-related diseases	0	0
Number and rate of reportable work accidents	2	0
Number of employees trained in health and safety issues	50	56
Percentage of employees who have health insurance	100%	100%
Number of customer health and safety incidents	0	0

and mental resilience of our employees and to provide them with a supportive environment in which they can work successfully.

In addition, we offer our employees a wide range of physical and mental well-being options. A company fitness room with sauna not only promotes health, but also relaxation and stress management. For this purpose, we are also planning to set up a company boxing room in 2024. Our rental bikes offer an ideal opportunity for exercise during breaks and contribute to active relaxation. We believe in the importance of a healthy body as a complement to a healthy mind.

Our extensive safety equipment and ergonomic aids help to make daily work easier and minimize physical strain. In our company, we are convinced that healthy, safe and satisfied employees are the foundation for our

success. We are committed to continuously improving these standards and ensuring them in the long term.

The KPIs in the area of occupational safety show an improvement from 2022 to 2023. Lost days due to accidents were reduced from 40 hours in 2022 to 0 hours in 2023, which is also underlined by the reduction in the occupational accident frequency rate (LTI) to 0. Likewise, the number of reportable occupational accidents fell from 2 to 0, which indicates the effectiveness of preventive measures and a strengthened safety culture in the company. In addition, there were no health and safety incidents at customers in 2023, which underlines the sustainability of our protective measures. Overall, the data reflects the success of our ongoing efforts to create a safe and healthy work environment.

Promoting well-being and mental health

In addition to physical health, which is promoted through safe working environments and ergonomic measures, we attach great importance to the mental well-being of our employees. Both aspects go hand in hand to create a holistically healthy corporate culture. With our "Happy for More: Promoting Smiles and Well-Being" program, we create a positive working atmosphere that promotes cohesion and appreciation through surprises, snacks and team events. At the same time, our "Employee Empowerment Loan Initiative" offers financial flexibility in difficult situations and underlines our commitment to a supportive work environment.

In order to take preventive action on mental health, we are improving lighting conditions in workplaces and focusing on stress management through offers such as fitness, a planned boxing room and a planned early morning exercise group. Regular surveys on mental stress, including surveys by the professional association, give us valuable insights into how we can further expand our commitment.

Professional Development and Work Culture

A healthy and supportive work environment forms the basis for professional development and satisfaction. Building on this, we promote the skills of our employees through targeted measures and development programs.

The professional development of our employees is a central part of our company culture. We offer a wide range of training programs, from e-learning to workshops, to strengthen skills and promote career paths. By 2026, we aim to establish individual development plans for 100 % of our workforce that support both personal and professional goals.

Social KPIs	2022	2023
Number of training courses conducted	87	110
Average training hours per employee	5.1	6.5

The training data shows a positive development in 2023. The number of training courses conducted increased from 87 in 2022 to 110 in 2023, an increase of 26 %. Likewise, the average training time per employee increased from 5.1 to 6.5 hours. This illustrates our increased commitment to further develop the qualifications and awareness of our employees in relevant areas.

However, the data for 2022 had to be corrected retrospectively because some internal training courses had not been fully recorded initially. This correction was necessary to ensure a transparent and accurate presentation of training activities. The increase in 2023 therefore reflects both improved recording and an actual increase in training activities.

We are planning an internal survey for 2024 to better understand the satisfaction of our employees. The results will provide us with valuable insights to take targeted measures to further strengthen well-being and work culture. On this basis, we are striving for the "Great Place to Work" certification in order to further consolidate our position as an attractive employer.

Diversity, Equality and Inclusion

Promodoro Fashion GmbH is committed to promoting a culture of diversity, equity and inclusion (DEI). We believe that a diverse and inclusive workforce is key to creativity, innovation and competitiveness. With targeted training, flexible working models and a 56 % female quota in management positions, we are actively committed to equal opportunities.

Our goal is to create a working environment in which all employees feel valued, respected and included – regardless of gender, age, ethnic origin, religion, sexual orientation, physical disability or other personal characteristics. We do not tolerate discrimination and harassment.

The social development of our organization shows a positive trend that reflects our commitment to diversity, equal opportunities and a more inclusive work culture. The total number of employees remained stable at 70. At the same time, the number of permanent employees increased from 50 to 56, while the number of temporary employees decreased from 20 to 14. This change underlines our commitment to promote long-term employment relationships and strengthen job security.

We are proud that our workforce includes people from 10 nations and different cultural and geographical backgrounds. The age structure of our team is equally diverse. A significant increase can be seen in the proportion of employees over 50, which rose from 34 % to 52 %, while the proportion of 30- to 50-year-olds fell from 47 % to 29 %. This development requires increased measures to promote knowledge transfer between generations and to adapt the working environment to the needs of all age groups.

With 56 % of women in management positions, we have already significantly exceeded our target of 40 % in 2022. In addition, there were no whistleblower cases of discrimination or harassment in 2022 and 2023, which confirms our efforts to create a respectful working environment.

We also respect and promote human rights in our business activities and supply chains. Our long-term supplier relationships are based on trust and shared values, with all of our partners certified according to social and environmental standards. We are particularly proud that over 80 of our items are Made in Green certified, which makes the social aspects of our supply chain transparent and verifiable. In addition, we offer products made from GOTS-certified cotton, which also take social criteria throughout the supply chain into account.

Social KPIs	2022	2023
Total number of employees	70	70
Number of permanent employees	50	56
Number of temporary employees	20	14
Total number of full-time employees	33	42
Total number of part-time employees	12	14
Number of interns and trainees	5	4
Total number of female employees	40	43
Total number of male employees	30	27
Proportion of women in leadership positions	56% (target of at least 40%) achieved	56%
Proportion of men in leadership positions	44%	44%
Diversity of geographical nationalities of employees	A total of 10 different nations	A total of 10 different nations
Percentage of employees with geographical origin:		
Germany	85.7%	85.7%
Great Britain and Northern Ireland	1.4%	1.4%
Poland	1.4%	2.9%
Portugal	1.4%	0.0%
Russian Federation	1.4%	1.4%
Serbia	1.4%	0.0%
Thailand	1.4%	1.4%
Türkiye	1.4%	1.4%
Ukraine	1.4%	0.0%
Uzbekistan	1.4%	1.4%
Syria	0.0%	2.9%
Bulgaria	0.0%	1.4%
Percentage of employees from minorities and/or vulnerable groups in the entire organization	1.4%	1.4%
proportion of employees < 30 years	19%	20%
Proportion of employees aged 30-50 years	47%	29%
proportion of employees > 50 years	34%	52%
Number of whistleblower cases of discrimination or harassment	0 (100%) achieved	0
Number of employees working on the topic discrimination or harassment	0	0

People & Community

At Promodoro Fashion, we align our actions with the 17 Sustainable Development Goals (SDGs) and the 10 principles of the UN Global Compact. These include freedom of association, the right to collective bargaining, the elimination of forced and child labor, and the promotion of equal opportunities in employment and occupation. In addition, our measures are based on international frameworks such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, and the conventions of the International Labor Organization.

Diversity and inclusion are core values of our company and shape our commitment to the communities in which we operate and to people in particular need. Our success is inextricably linked to the well-being of our employees and the communities that benefit directly or indirectly from our work. We are therefore actively committed to upholding and protecting labor and human rights – both within our company and along our supply chains.

Our social responsibility also includes supporting people affected by global crises and is reflected in our ongoing commitment to humanitarian causes. One example of this is our support of the fundraising campaign "Three chords for your donation", which was organized by the Düsseldorf band Die Toten Hosen for the benefit of earthquake victims in Turkey and Syria. As a company also based in Düsseldorf, we supported the campaign together with printers and other partners by providing T-shirts at cost price. All proceeds went to organizations such as Doctors Without Borders, the Red Cross and Medico International. This initiative shows how cooperation between different partners - from artists to companies - can provide quick and effective help to support people in a humanitarian crisis.

By 2025, we will develop a comprehensive Good Corporate Citizenship program to promote sustainability activities in our locations, supply chains and the communities involved. A particular focus is on further expanding our local commitment. To this end, we plan targeted fundraising campaigns and support for regional projects in order to make a positive contribution to the communities in which we operate. The launch will be with workshops and social dialogues with internal and external stakeholders to define clear criteria and measures.

Summary

Our commitment to social responsibility, diversity and inclusion is reflected in all areas of our business. We continually review our policies and actions to ensure they remain relevant, effective and sustainable.

We believe that satisfied, motivated and well-supported employees are not only the basis for our success, but also play a crucial role in ensuring that our company remains stable and resilient even in difficult times. By fostering a corporate culture based on appreciation, well-being and social responsibility, we are shaping a future that is fair and supportive for everyone involved – within our company and beyond.

A man and a woman are standing in front of a classical building with large stone columns and ornate wooden doors. The woman, in the foreground, is wearing a maroon polo shirt and dark trousers, leaning her hand on a stone ledge. The man, standing behind her, is wearing a light blue polo shirt and dark trousers, with his arm around her shoulder. Both are looking directly at the camera.

Governance: **Responsibility**
and **transparency** at
Promodoro Fashion

Governance: Responsibility and transparency at Promodoro Fashion

For Promodoro Fashion GmbH, good corporate governance is not just an obligation, but the basis of our actions. Our governance strategy combines transparency, ethical business practices and strong leadership responsibility to create sustainable values and ensure long-term success. The focus is on the integration of ecological, social and economic responsibility. For us, governance is an active lever for driving change.

Good corporate governance and cooperation

Our corporate governance is based on the highest standards and sets clear guidelines for the sustainable development of the company. Promodoro's Code of Conduct forms the foundation of our governance approach. It applies to all employees and defines binding standards for ethical behavior, environmental protection, compliance with legal regulations and the promotion of fair business practices.

Violations of the Code of Conduct are pursued consistently. Our internal mechanisms ensure that every violation is documented, analyzed and appropriate action is taken. Depending on the severity of the violation, these measures can range from training to contract terminations to legal action. To ensure that all employees understand and comply with the standards, we regularly conduct training based on the content of the Code.

The management has direct responsibility for implementing the sustainability strategy, which underlines the importance of this topic for our company. To further strengthen our governance strategy, we will create the position of a sustainability manager by 2024. This person will report directly to the management and ensure that sustainability aspects are taken into account and strategically developed in all business areas.

Collaboration with our stakeholders also plays a central role in our governance approach. We encourage dialogue with customers, suppliers, employees and the communities in which we operate to advance shared values and goals. Through close cooperation and clear communication, we ensure that our ethical principles are lived not only internally, but also along the entire value chain.

Responsible supply chains

Our supply chain is a key factor in achieving our sustainability goals. The selection of suppliers is based on a systematic due diligence process and includes a thorough review of the validity of all relevant certification documents before any business is conducted. Promodoro requires all business partners to comply with internationally recognized standards such as International Convention on Human Rights, the United Nations Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child,

the Convention on the Elimination of All Forms of Discrimination against Women, the Conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

Economic KPIs	2022	2023
Share of sustainably certified suppliers	100% achieved	100%
Percentage of target suppliers who have signed the Supplier Code of Conduct	100%	100%
Percentage of target suppliers with contracts containing clauses on environmental, labor and human rights requirements	100%	100%
Percentage of target suppliers that have been assessed for their environmental and/or social practices	100%	100%
Percentage of target suppliers where an on-site CSR audit was conducted	100%	100%
Percentage of audited/assessed suppliers who corrective measures or capacity building	100%	100%
Percentage of all buyers who have received training on sustainable procurement	100%	100%

An important part of our requirements is the supplier code of conduct, which all our partners must sign. This code obliges suppliers to comply with minimum social, ecological and ethical standards and forms the basis for sustainable cooperation. In addition, we expect our suppliers to submit valid certificates from independent third parties. The standards we accept include:

- **GOTS (Global Organic Textile Standard):** Guarantees minimum ecological and social standards along the entire supply chain.
- **OEKO-TEX® MADE IN GREEN:** Certified pollutant-free textiles that have been produced under socially responsible conditions.
- **amfori BSCI:** Promotes fair working conditions in global supply chains.
- **GRS (Global Recycled Standard):** Ensures that recycled materials are sourced and processed responsibly.

To ensure compliance with these standards, we attach great importance to transparency in our supply chain. Our business partners are obliged to disclose their production and processing steps. This is done through regular reports that are recorded and reviewed centrally.



Certification for fair working conditions



Initiative for Social Corporate Responsibility



Platform for Ethical Supply Chains



Climate-neutral shipping



ISO 45001 standard

Management systems for health and safety at work



ISO 14001

Environmental management systems



ISO 9001 standard

Quality management



Supply chain security against terrorism



EU Chemical Regulation



Sustainability standards for raw materials and finished products



Implementation of environmental protection measures in the manufacturing process



CO₂ reduction through recycling



Sustainability label for textiles



Outdoor textiles tested for harmful substances



Textiles tested for harmful substances



Eco textiles tested for harmful substances

Information security and data protection

In a digitalized world, the protection of personal and business data is essential. Promodoro is committed to processing all data in accordance with applicable data protection laws and to adhering to the highest standards. This includes the protection of employee, customer and business information.

Our data protection strategy is supported by our collaboration with an external data protection officer who monitors and regularly checks compliance with the guidelines. In addition, we train our employees to ensure that data protection standards are consistently applied.

Technical measures such as encryption and access controls ensure the security of our IT systems and data. Our goal is to avoid any incidents in the area of information security or data protection in the future – a goal that we successfully achieved in 2022 and 2023.

We regularly review and optimize our data protection and security measures. From 2024, we plan to introduce systematic risk assessments in order to identify weaknesses in information security at an early stage and remedy them even more specifically.

Economic KPIs	2022	2023
Number of confirmed incidents in the area of data and information security	0 (100%) achieved	0

Business ethics and corruption prevention

Compliance with ethical business practices is a central part of our governance strategy. Promodoro is guided by clear principles aimed at preventing corruption, bribery, money laundering and other unethical behavior. These values shape both our internal processes and our cooperation with our business partners.

Our employees receive regular training in business ethics to ensure they know and implement the principles and standards. By 2024, we plan to introduce an anonymous whistleblowing system that will enable employees and external stakeholders to safely report violations or concerns. This system will serve as a reliable tool to promote transparency and further strengthen trust in our governance mechanisms.

We also attach great importance to fair business practices. This is reflected in the timely payment of invoices, the respectful treatment of business partners and the commitment to making contracts honest and transparent.

Governance objectives and continuous improvement

For us, governance is a dynamic process that is regularly reviewed and further developed. In order to strengthen our position as a responsible company, we pursue clear goals:

- The introduction of a sustainability manager by 2024.
- The further expansion of supply chain transparency through targeted processes.
- Integrating ESG risk assessments into all business areas to identify and mitigate potential risks at an early stage.
- The introduction of a comprehensive whistleblowing system that is open to all stakeholders.

Economic KPIs	2022	2023
Percentage of employees trained in ethics issues	100%	100%
Number of reported cases of business ethics violations through internal or external whistleblower procedures	0 (100%) achieved	0
Number of confirmed corruption incidents	0 (100%) achieved	0
Average time it takes us to pay an invoice	25.5 days	23.1 days

Through these measures, we ensure that our governance strategy meets the growing demands of our stakeholders and consistently supports our sustainability goals.

Summary

With clear standards, transparent processes and strong leadership responsibility, we create the basis for sustainable corporate management. Our governance strategy combines ecological, social and economic responsibility and shows that sustainable business and long-term success go hand in hand.

Shaping a sustainable future together

The year 2023 marks an important milestone for Promodoro Fashion GmbH in our commitment to sustainability. We have implemented concrete measures to promote ecological, social and economic sustainability in all business areas. From the introduction of the Eco-Vadis certification to the OEKO-TEX® MADE IN GREEN label, which provides transparency about the origin and production of our textiles, to the development of a clear roadmap to reduce our CO₂ emissions – we have shown that responsible business is not only possible, but also makes economic sense.

By implementing a more climate-friendly supply chain, promoting diversity and introducing robust governance mechanisms, we are sending a clear signal of our commitment to a sustainable future. But the journey is far from over: issues such as transparency in global supply chains, the further development of the circular economy and the protection of human rights remain key challenges that we will actively address.

We want to be a role model in the textile industry - through innovative approaches, responsible decisions and long-term commitment. We aim to achieve net zero emissions by 2050 and want to make the life cycles of our products even more sustainable. We remain open to new ideas, technologies and partnerships that help us achieve our goals. Sustainability is an ongoing process for us, rooted in continuous improvement. Our vision for a sustainable textile industry centers on the principle „Quality = Sustainability“ as durable, timeless basics directly contribute to a future-proof textile economy. By deepening the dialogue with our stakeholders and critically evaluating ourselves, we aim to make our contribution to a livable future.

