SUSTAINABILITY REPORT

2025/26

ABOUT THIS *REPORT*

Scope
This Sustainability Report 2025/26 provides information on the social and environmental activities and impacts of Takko Bidco S.A. (hereinafter referred to as "Takko Fashion") during the past financial year (1 February 2025–31 January 2026).

Reporting frequency
Takko Fashion has published an annual sustainability report since the 2022/23 financial year.

Reporting standard
This report incorporates elements of the German Sustainability Code (DNK) and the Global Reporting Initiative (GRI). In preparation for the Corporate Sustainability Reporting Directive (CSRD), we are already focusing on the chapters in accordance with the European Sustainability Reporting Standards (ESRS).

Reporting languages
Takko Fashion's sustainability report is available in both German and English.

Pronouns
This report may make use of the gender-neutral pronoun "they" when applicable and appropriate.

Editorial deadline June 2026

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FOREWORD FROM THE *EXECUTIVE MANAGEMENT BOARD*

SHAPING SUSTAINABLE GROWTH

Dear readers and friends of Takko Fashion,
The 2025/26 financial year marked a decisive milestone for Takko Fashion in our medium-term growth strategy: we have increased our profitability, achieved our targeted pace of expansion and, at the same time, improved the shopping experience by modernising our stores. Furthermore, with the relaunch of the Takko Friends app, we have fundamentally strengthened our interaction with our customers.

Quality at the heart of our growth
In line with our guiding principle, the customer remains at the heart of everything we do. As a quality fashion discounter, we offer high-quality fashion for the whole family at affordable prices. We take a holistic view of quality – as the interplay of fashion, responsibility and sustainability. In addition to the latest styles and comfort, this encompasses fair working conditions throughout the entire supply chain, as well as the increased use of more sustainable materials and environmentally friendly production processes.

Quality also plays a key role in our growth strategy: we focus on themes and areas that strengthen our positioning as a quality fashion discounter and create genuine added value for our customers. We grow through quality! For us, growth means the holistic development of our company – with a sense of responsibility towards people, the environment and society. Particularly in a dynamic market environment, sustainable growth is the benchmark for long-term viability.

Expansion as a key driver of growth
In the past financial year, we invested specifically in the expansion of our store network. In addition to expansion in our core markets, there was a particular focus on the modernisation of numerous locations. Our store refurbishments offer customers a modern and comfortable shopping experience whilst enabling us to increase energy efficiency, for example through the consistent use of LED lighting.

Strengthened customer loyalty
We are growing not only in our physical stores but also online. Another key driver of growth in the past financial year was the Europe-wide expansion of our customer loyalty programme, Takko Friends. By further developing the app of the same name and increasingly digitalising our customer relationships, we have further strengthened our connection with our customers. Furthermore, as a direct communication channel, Takko Friends will enable us to provide even more transparent information in future on sustainability issues and on our commitment to environmental, social and governance matters.

Growing responsibly
We are aware that corporate growth brings with it responsibility. Reducing our environmental footprint must keep pace with our growth. Our commitment is clear: CO_2 emissions must not rise at the same rate as our expansion. We are therefore constantly working to make processes more efficient, use resources responsibly and adapt our structures to future regulatory requirements.

Our transparent communication on sustainability issues was also recognised externally last year: our sustainability report was awarded the ESG Transparency Award at the highest level of excellence. This recognition confirms our commitment to transparency, credibility and quality in sustainability reporting. It also serves as an incentive to further develop our ESG activities in a targeted manner. The result of this dedicated collaboration across many departments shows that sustainability at Takko Fashion is a collective effort. Continuously improved data availability and quality helps us identify ESG-relevant areas of action more precisely, make progress measurable and systematically develop our measures further. We are still a long way from reaching our goal here and are constantly working on data automation in the ESG area.

Our Sustainability Strategy aims to combine economic success with social responsibility and environmental action. Whether in the supply chain, our product range, our stores or corporate management: we adopt a holistic approach that encompasses continuous improvement, measurable targets and transparent communication.

We would like to extend our special thanks to all our colleagues in #TeamTakko, who, with great commitment and conviction, help integrate and live out sustainability in their day-to-day work. We would also like to thank our partners, investors and customers for their trust and constructive dialogue.

We invite you, dear readers, to use this Sustainability Report to gain a comprehensive insight into our progress, challenges and goals. It shows how Takko Fashion is shaping growth responsibly – today and for the future.

Your Takko Fashion Management

Martino Pessina
Chief Executive Officer
(*since 2024)

Thomas Füllhaas
Chief Operations Officer
(*since 1999)

Sebastian Weber
Chief Product Officer,
Chief Marketing Officer
(*since 2010)

*Company affiliation

ABOUT TAKKO FASHION *– WE ARE A QUALITY FASHION DISCOUNTER!*

As a quality fashion discounter, Takko Fashion stands for a fashionable range and a shopping experience that fits into our customers' everyday lives: our range for the whole family offers everyday basics and mainstream fashion in reliable quality, as well as the latest trends at affordable discount prices. Our stores are easily accessible and offer a shopping experience in a feel-good atmosphere, thanks to their modern store design, friendly staff and in-store advice.

QUALITY *FASHION* DISCOUNTER – OUR RANGE

Our range includes fashion for women, men and children, as well as underwear and accessories. We combine timeless basics, reliable mainstream items and selected fashion highlights.

Most of our range (approx. 90%) consists of basic clothing and mainstream fashions. These products meet everyday needs and are characterised by their versatility, reliable quality and excellent value for money. They are available all year round in seasonal colours and on-trend cuts, offering our customers a wide variety of fashionable outfits for everyday wear.

Our range is complemented by fashion wear that picks up on current styles and sets fashion trends. We deliberately pursue a balanced approach with a limited number of collections. Combined with good product quality, this ensures that our clothing remains wearable for several seasons whilst also offering scope for fashion inspiration.

QUALITY FASHION *DISCOUNTER* – RELIABLE QUALITY

For our customers, along with a fashionable range, our key priorities are value for money and the reliable quality of our clothing. We view quality as extending throughout the entire supply chain. For our customers, it starts with the product. Here, we focus on fashionable designs, cuts suitable for everyday wear, as well as a comfortable fit and high wearability thanks to pleasant materials. The quality of our clothing is backed by recognised certifications such as OEKO-Tex Standard 100, Better Cotton and Lenzing EcoVero.

However, our quality promise encompasses more than just the product itself. For us, quality also means a continuous commitment to improved working conditions in the supply chain and environmentally sound manufacturing processes. Our memberships in the Fair Wear Foundation, the ZDHC Programme and the Partnership for Sustainable Textiles highlight some of the activities through which we are constantly expanding this quality promise.

That is Takko Fashion.

That is Quality Fashion Discount.

That is how we combine:

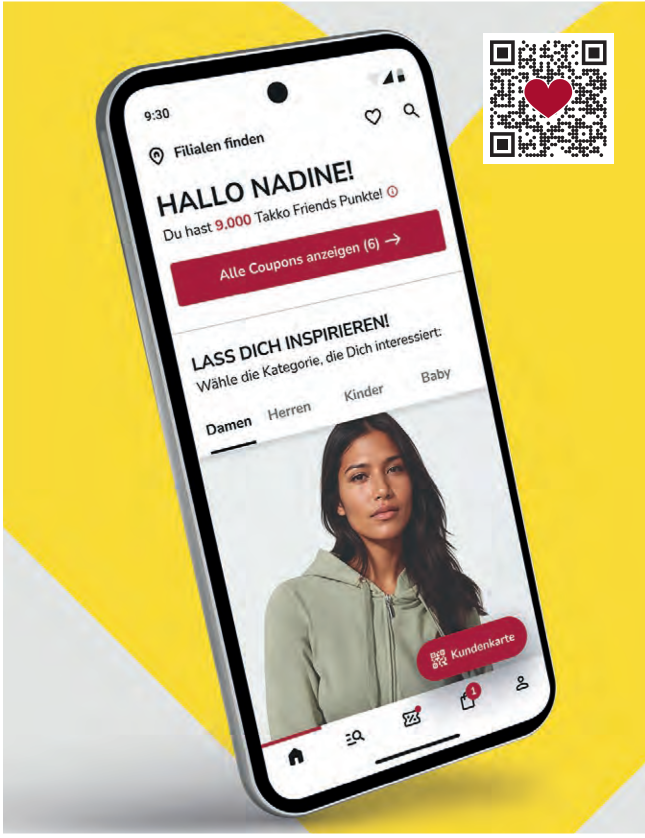
- ***the latest fashion***
- ***quality that stands up to the demands of family life***
- ***discount prices***

QUALITY FASHION DISCOUNTER – PRICES FAMILIES CAN AFFORD

High-quality fashion from responsible production should be affordable for everyone. That is why we place great emphasis on low discount prices. Our pricing strategy is based on an efficient and vertically integrated procurement structure. Through long-term planning, close collaboration with our suppliers and optimised processes throughout the entire value chain, we can reduce costs whilst ensuring reliable quality.

The following factors contribute to the continuous improvement of our efficiency:

- Long-term procurement planning for optimal production-capacity utilisation
- Resource-efficient and efficient product design
- Early-stage quality controls
- Cost-effective sea transport
- Economical packaging solutions
- Favourable store locations
- Intelligent transport
- Moderate marketing
- Smart integration of online and offline business (omnichannel)



CUSTOMER LOYALTY WITH TAKKO FRIENDS

By selling our products in our own stores and via our online shop, we reach millions of customers every year. This offers us valuable insights into consumer behaviour, which we use to continuously optimise our product range.

A key tool in our customer relationship strategy is our Takko Friends loyalty programme. The accompanying app offers personalised benefits such as discounts and exclusive offers, as well as additional features such as a purchase history and a store locator. By the end of the 2025/26 financial year, Takko Friends already had over 10 million members, thereby making a significant contribution to long-term customer loyalty. We further expanded the programme internationally in 2025, successfully establishing the app in a total of ten European countries: Germany, Austria, the Netherlands, the Czech Republic, Hungary, Italy, Slovakia, Belgium, Switzerland and Slovenia. Besides expanding into new markets, we further developed the app's functionality and improved its user-friendliness as part of a relaunch. Since then, our customers have increasingly benefited from personalised offers, enhanced service features and even closer integration of online and offline shopping.

OUR LABELS

KIDS

pageone young	Fashion trends for girls aged 8 to 15
CHAPTER young	Streetwear looks for boys aged 8 to 15
dopodopo girls	Trendy outfits for girls from 2 to 8 years old
dopodopo boys	Casual styles for boys from 2 to 8 years old
dopodopo baby	Cute outfits for babies between 6 and 24 months old
dopodopo newborn	Cute baby looks for the little ones up to 6 months old

WOMEN

ever.me	Basics assortment
pageone	Fashionable trends
flame	Body wear and night wear
maxiblue.	Plus-size fashion
pageone active	Breathable sports assortment

MEN

JEAN PASCALE	Casual fashion for many occasions
CHAPTER	Assortment for trend-conscious men

OMNICHANNEL – WE ARE WHERE OUR CUSTOMERS ARE

It is not just our product range that is geared towards our customers' everyday lives – our store locations are also situated where our customers live and shop. With nearly 2,000 stores across 17 European countries, we have a dense and easily accessible network of stores. Our stores are mainly located in retail parks and shopping centres, as well as in city centres. This makes it easy to combine a visit to Takko Fashion with everyday errands.

In addition to high-quality locations, we place great importance on ensuring our customers feel at home. Modern store concepts, clear product presentation and customer-focused service all contribute to a pleasant shopping experience.

Whilst many customers prefer to shop in our stores, there is a growing demand for e-commerce and online inspiration. We are therefore complementing our high-street business with our online shop. We are specifically linking these two sales channels as part of our omnichannel strategy. Thanks to services such as Click & Collect and promotions in our Takko Friends app, our customers can switch flexibly between online and offline shopping. In the 2025/26 financial year, more than 38% of online orders were delivered to our stores via Click & Collect. This not only enhances customer convenience but optimises our logistics processes at the same time.

We also integrate our online and offline operations when it comes to returns. In the 2025/26 financial year, our returns rate (based on items ordered online) remained unchanged at just under 21%. We handle 100% of returns ourselves. Over 89% of returns are made directly at our stores; only 11% are sent back to our logistics centre in Winsen. For our customers, returns at the stores are free of charge and allow for a direct exchange. At the same time, items returned in-store are immediately put back on sale, thereby saving on transport distances and packaging materials.

as at 31 January 2026

TAKKO FASHION AT A GLANCE

As at January 2026

COMPANY:
TAKKO FASHION

FOUNDED IN 1982

17 SALES COUNTRIES

NEARLY 2,000 STORES

€1.28 BILLION REVENUE (NET)

AROUND **18,000** EMPLOYEES

ONLINESHOPS:
- **TAKKO.DE**
- **TAKKO.AT**
- **TAKKO.NL**
- **TAKKO.FR**
- **TAKKO.CZ**

OVER **10 M** TAKKO FRIENDS

11 PRODUCTION COUNTRIES
585 AUDITS
283 SEWING FACTORIES

MORE THAN **400,000 FOLLOWERS** ON INSTAGRAM

MORE THAN **600,000** FACEBOOK FANS


TAKKO
FASHION

OUR *MILESTONES*

1982
Takko Fashion is founded

Exclusive partnership with importers

2004
Start of vertical procurement

Founding of non-profit association Takko hilft e. V.

2007
Development of our Code of Conduct

2008
90% direct global procurement

Implementation of the Code of Conduct in India and Bangladesh

Establishment of own audit team and first social audits

Founding of Takko School in Tirupur, India

2009
Implementation of the Code of Conduct in China

Partnership with TÜV Rheinland

Establishment of own audit team in China

2011
Joining the Fair Wear Foundation

2013
Joining the Fur Free Retailer Program

2014
100% direct global procurement

Signing the ACCORD on Fire and Building Safety in Bangladesh

2015
Joining the Partnership for Sustainable Textiles

2016
Start of subcontractor auditing

2017
Training and employment of social auditors in Myanmar

2018
Signing the Transition ACCORD on Fire and Building Safety in Bangladesh

Joining the Better Cotton Initiative (BCI)

2019
Worker Education Programs (WEP) in Bangladesh

Implementation of Manufacturing Restricted Substances List (MRSL)

2020
First Living Wage Project

In addition to documentation of production facilities, further registration of laundries and dyeworks

Signatory Friend of the zdhc Foundation

2021
Signing the International ACCORD for Health and Safety in the Textile and Garment Industry

2022
Certification according to The Good Cashmere Standard (GCS)

Participation in the Learning and Implementation Community (LIC) of the msi Working Group on Responsible Purchasing Practices

Membership in The BHive

2023
Implementation of an Animal Welfare Policy

Publication of the Declaration of Principles and Codices for Employees, Suppliers, and Business Partners

First reporting to the Federal Office for Economic Affairs and Export Control (BAFA) under the Supply Chain Due Diligence Act (LkSG)

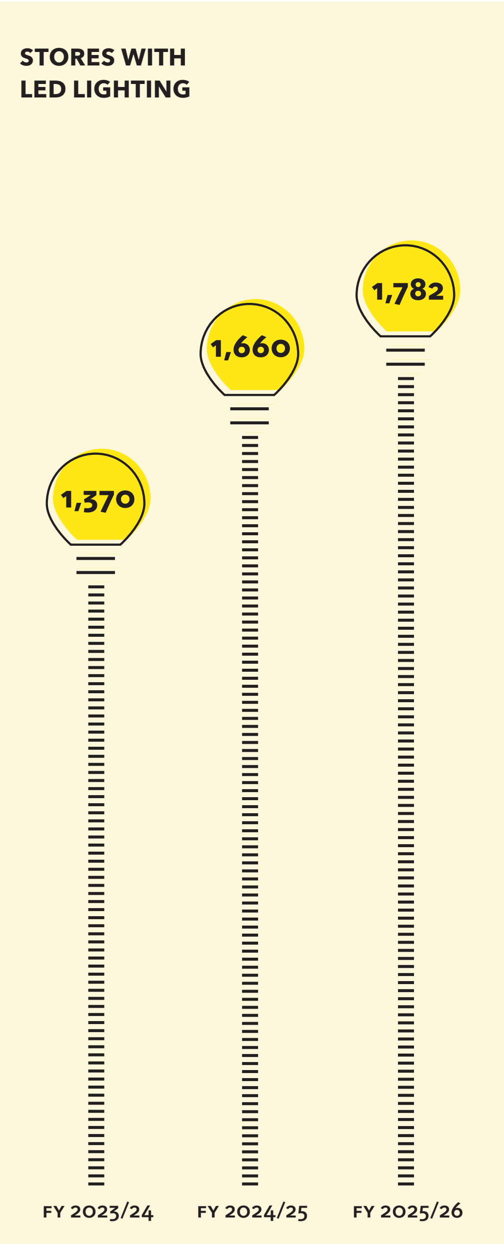
Renewal of the International ACCORD for Health and Safety in the Textile and Garment Industry

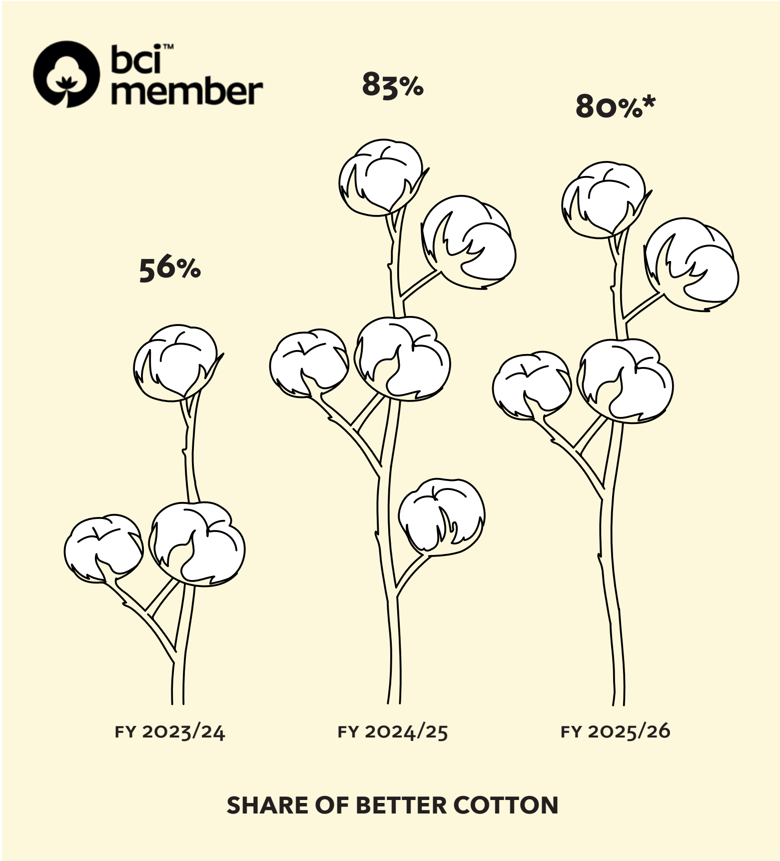
2024
Contributor of the ZDHC Foundation

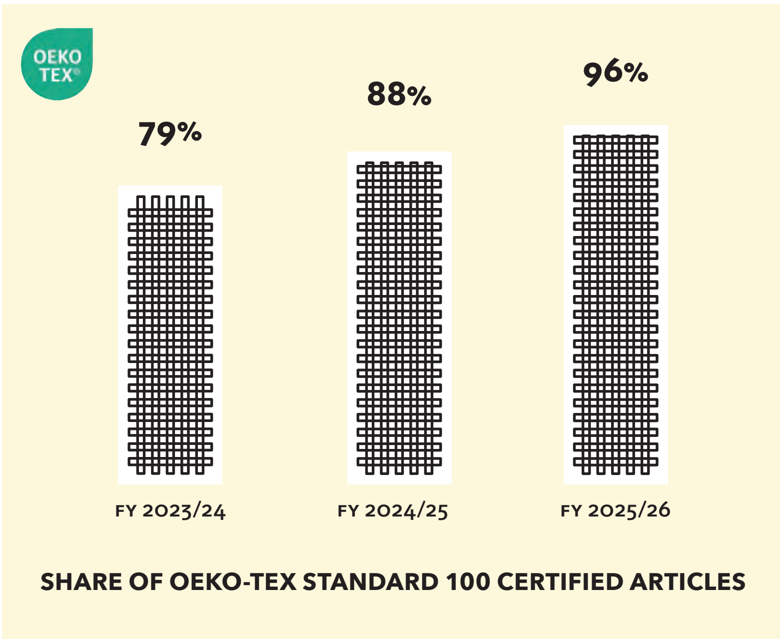
2025
Joining the Employment Injury Scheme (EIS) project: introduction of employer-funded occupational accident insurance in Bangladesh

First Living Wage project in Myanmar

THE 2025/26 FINANCIAL YEAR *AT A GLANCE*







** Detailed information on page 99.*

SINCE 2024:
CONTRIBUTOR TO THE ZDHC FOUNDATION
(Zero Discharge of Hazardous Chemicals)

ZDHC

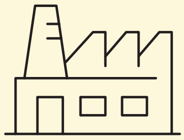
Commitment to eliminating hazardous chemicals from the textile supply chain

MRSL-COMPLIANT WET PROCESSING FACILITIES

47%

WET PROCESSING FACILITIES WITH WASTEWATER REPORTING (ZDHC Foundational Level):

57%



OUT WITH THE OLD, IN WITH THE NEW

By acquiring 3,300 new roll containers of the latest generation, we were able to recycle around 2,000 old and defective roll containers from the first generation, as well as several blue intermediate shelves and other damaged containers.

The special feature: Granulate is produced from the old plastic parts, such as the intermediate shelves, which now serves as material for new roll plates and intermediate shelves.

Old roll containers

Intermediate shelves

Roll containers – latest generation

GENERAL

The ongoing development of our sustainability reporting and our phased alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD) are guided by the European Sustainability Reporting Standards (ESRS). In the 2025 reporting year, we made significant progress in this regard and laid the groundwork for even more comprehensive and standards-compliant reporting in the future.

Key elements of the ESRS are ESRS 2; these are general disclosures containing detailed information on our sustainability strategy, governance structures and key measures and management approaches. In 2025, we focused on improving our internal processes and responsibilities further and expanding our data-collection structures.

The disclosure requirements promote transparency and offer our stakeholders a better grasp of our sustainability practices and goals. Against this backdrop, we are continuously developing our reporting and taking further steps towards CSRD compliance.

DEVELOPMENT OF OUR *SUSTAINABILITY REPORTING*

With this fourth Sustainability Report, we are continuing to build on our reporting step by step. Whilst our earlier reports were mainly about making key sustainability topics transparent and setting up basic structures, we are now focusing more on systematic management, deeper analysis and further integrating sustainability into our business operations. ESG is no longer just a voluntary matter – it is becoming a core compliance and management requirement for businesses.

We have consolidated our content and improved our methods over the past few years. In the 2025 reporting year, we clarified internal responsibilities even further, expanded our data foundations and increased the involvement of relevant departments across the value chain. By relevant departments, we mean the respective responsible units that provide relevant information and data for sustainability reporting and oversee the operational level. Our aim is to ensure that our reporting thoroughly and transparently meets the information needs of as many stakeholders as possible.

This report remains aligned with the European Sustainability Reporting Standards (ESRS). We also take into account the ongoing efforts at the European level to simplify and further develop the ESRS and are preparing to implement upcoming requirements efficiently. A central element is the further development of our double materiality assessment (DMA), which we refined and consolidated methodologically in 2025. In autumn 2025, our audit firm conducted a preliminary review of the DMA as part of early audit procedures for the first mandatory reporting for the 2027/28 financial year. For 2026, a further revision of the DMA is planned based on the “simplified” ESRS.

This report is influenced by a fast-changing regulatory landscape and ongoing uncertainties. Challenges persist due to pending or evolving delegated acts, flexibility in methodology and a lack of data, especially from the upstream supply chain. Furthermore, there is a need to apply new regulatory requirements in a practical and balanced way that maintains transparency, efficiency and feasibility.

This report provides an overview of our current progress. We share our present status, methods and areas for future improvement to maintain transparent and credible reporting that supports stakeholder needs and ongoing developments.

GENERAL PRINCIPLES FOR THE PREPARATION OF SUSTAINABILITY STATEMENTS

This Sustainability Report is based on the European Sustainability Reporting Standards (ESRS) and applies to the entire Takko Group, referred to as Takko Fashion throughout the report. It has been prepared on a consolidated basis and includes all entities within the Takko Group.

The reporting considers the upstream value chain, the own activities of Takko Fashion and the downstream value chain, provided that, pursuant to the materiality assessment, there are significant impacts, risks or opportunities and reliable information is available. In the Takko Fashion upstream supply chain (raw material extraction, material and fabric production and garment manufacturing), there are occasional industry-wide limitations on data availability. In such cases, estimates or modelled data are used where necessary. This is disclosed in the relevant topic-specific disclosures.

ORGANISATION

Overall responsibility for ESG at Takko Fashion rests with the Management Board. It defines the company's strategic direction and makes the key decisions required to integrate sustainability into the corporate strategy and business processes. During the 2025/26 financial year, the Management Board consisted of four members. As Chief Executive Officer (CEO), Martino Pessina is responsible for the company's strategic direction and ongoing growth. He directly manages the Human Resources (HR), Expansion, and Strategy departments. As Chief Financial Officer (CFO), Stefan Macheleidt is responsible for Finance & Controlling, Information Technology (IT) and Legal & Compliance. As Chief Operations Officer (COO), Thomas Füllhaas is responsible for the entire Sales organisation, as well as Sales Operations, Logistics, and ESG, thereby ensuring the operational integration of our sustainability strategy. As Chief Product Officer and Chief Marketing Officer (CPO/CMO), Sebastian Weber is responsible for Product Management, Planning & Allocation, Sourcing, Corporate Social Responsibility (CSR), Quality Control (QC), Customer Relationship Management (CRM) and Marketing.

The ESG department reports directly to the Management Board, enabling strategic decisions relating to our sustainability strategy to be taken without delay and integrated into the company's overall management. The department performs a coordinating role by bringing together ESG-related topics and projects and ensuring compliance with regulatory reporting requirements. At the same time, the ESG department works closely with relevant business functions across the organisation and facilitates the continuous exchange of information and data.

A key role is played by the Legal & Compliance department, which is responsible for compliance and risk management. It provides advice on ESG-related legal matters and conducts company-wide risk assessments. The Corporate Social Responsibility (CSR) department is responsible for human rights and social due diligence throughout the value chain. Its responsibilities include implementing Human Rights Due Diligence (HRDD), planning corrective measures, audits and training programmes, and continuously improving working conditions in our production countries. Strategic management is carried out centrally by the CSR team in Germany, while the teams in our Takko offices in China, Bangladesh, India and Myanmar support implementation on the ground. In total, we employ 34 CSR colleagues across Germany and our international offices.

The Human Resources (HR) department contributes to the long-term availability of qualified employees by attracting, developing and retaining talent, thereby supporting the implementation of our sustainability strategy. The Quality Control (QC) department ensures that our products meet defined quality and safety standards through comprehensive quality inspections in our production countries and incoming goods inspections, while also driving continuous product improvement.

With the introduction of the Corporate Sustainability Reporting Directive (CSRD), close collaboration with the Finance department has become increasingly important. As financial and sustainability information will in future be reported together within the annual report, the ESG and Finance departments work closely together to leverage synergies and ensure consistent, reliable and high-quality reporting.

In addition, the ESG department maintains continuous dialogue with other business functions that influence, or are affected by, the implementation of our sustainability strategy. These include, in particular, Sourcing, Expansion, Logistics & Supply chain, Health & Safety and other functions across the value chain. The ESG department coordinates all ESG-related topics and projects and ensures that they comply with applicable reporting requirements.

> *Sustainability is only possible together – 18,000 employees are making a contribution to a better future.*

STATEMENT ON DUE DILIGENCE

Our corporate due diligence encompasses the continuous identification, assessment and management of actual and potential negative impacts on the environment and people that may arise from our business activities and along our upstream and downstream value chain. This includes our products, services and business relationships.

The due diligence process is designed as an ongoing, risk-based approach and is regularly adapted to changes in our corporate strategy, our business model and our procurement and sales structures. The United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises serve as key frameworks.

Overall responsibility for implementing due diligence obligations lies with the management. A key component is compliance with Human Rights Due Diligence (HRDD), which is managed operationally by the CSR team. Strategic decisions, action planning and the conduct of audits and training are coordinated centrally and implemented in close collaboration with our international teams in the production countries.

We systematically assess potential and actual negative impacts in terms of their severity and likelihood of occurrence. We prioritise relevant issues and derive appropriate measures based on these assessments. The results are incorporated into both our risk and opportunity assessment and the further development of our sustainability strategy.

To complement our due diligence approach, we have implemented a complaints mechanism in the form of a whistleblower system. It is available to employees, business partners, stakeholders along the supply chain, customers and other third parties and enables the reporting of breaches of human rights or environmental regulations. In this way, we ensure that potential issues are identified and addressed at an early stage. Further information on the whistleblower system and other complaint channels can be found on page 33.

RISK MANAGEMENT AND INTERNAL CONTROLS FOR SUSTAINABILITY REPORTING

Our sustainability reporting is based on a structured process for internal controls and approvals. The management team is responsible for final approval of the report.

The content and structure of the report are determined by the ESG department. Data collection takes place on a decentralised basis within the respective specialist departments and is forwarded to the ESG department. The ESG department consolidates the data, checks it for plausibility and places it in a historical context. In doing so, we draw on both internal and, where necessary, external expertise.

In our reporting, we take potential risks into account, particularly with regard to data completeness, data integrity, the accuracy of estimates and the availability of data along the value chain.

OUR *VALUE CHAIN*

Our value chain extends from raw material cultivation through textile processing and garment manufacturing to logistics, distribution, use and the end of the product life cycle. The greatest social and environmental impacts occur in the upstream supply chain, particularly at the production and processing stages.

As part of our sustainability reporting, we attach great importance to a thorough understanding of our value chain. As we collaborate with partners and suppliers from various countries in the development and manufacture of our products, it is crucial for us to ensure transparency across the key links of the value chain. This forms the basis for identifying, assessing and managing impacts, risks and opportunities throughout the entire supply chain.

We systematically map our upstream value chain by requiring our suppliers (Tier 1) to provide information on their sub-suppliers and on the respective production and processing steps. In this way, the upstream stages are mapped step by step. Our approach follows the principle of continuous improvement, particularly regarding the availability, granularity and quality of the data.

We currently have comprehensive transparency at Tier 1 level. In addition, we systematically track Tier 2 suppliers and have already integrated the first Tier 3 suppliers into our data collection. An ongoing focus of our activities is to expand transparency further into deeper links along the value chain.

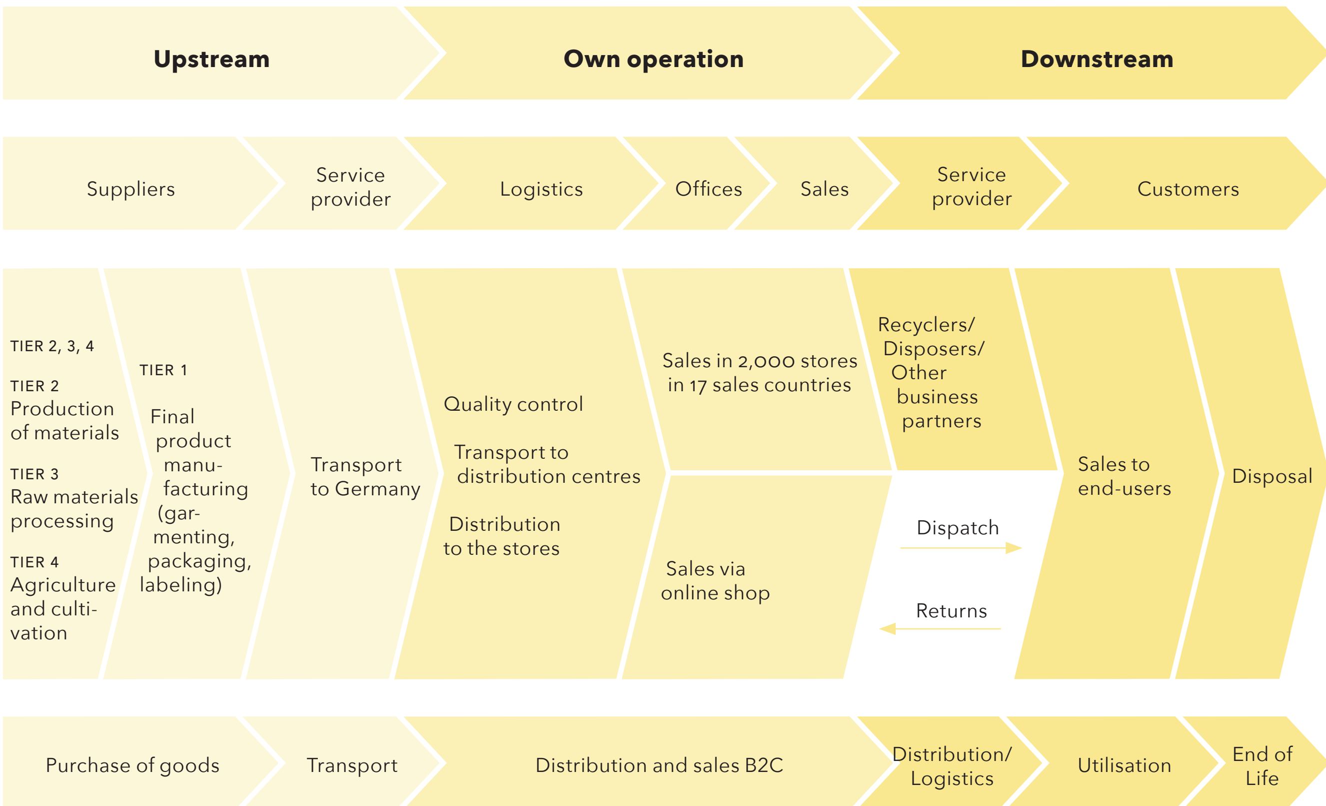
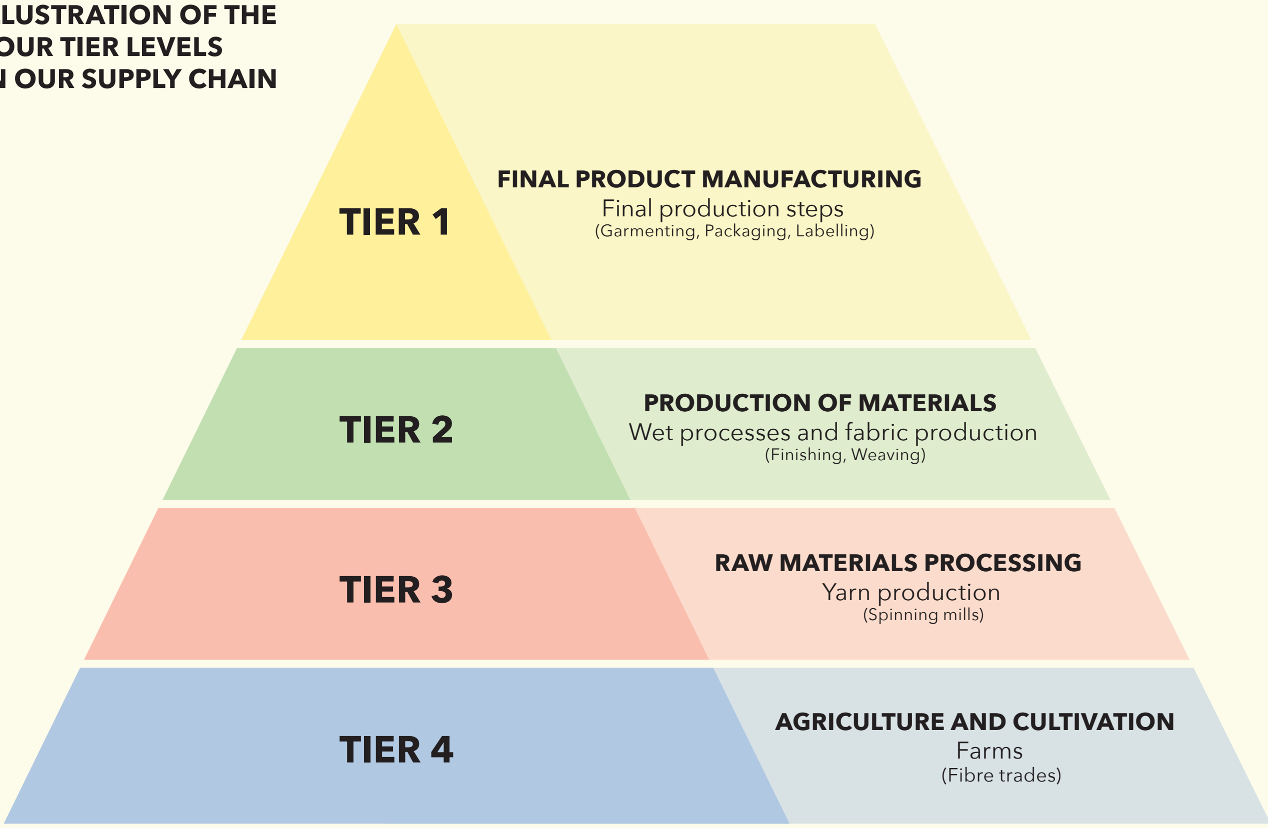


ILLUSTRATION OF THE FOUR TIER LEVELS IN OUR SUPPLY CHAIN

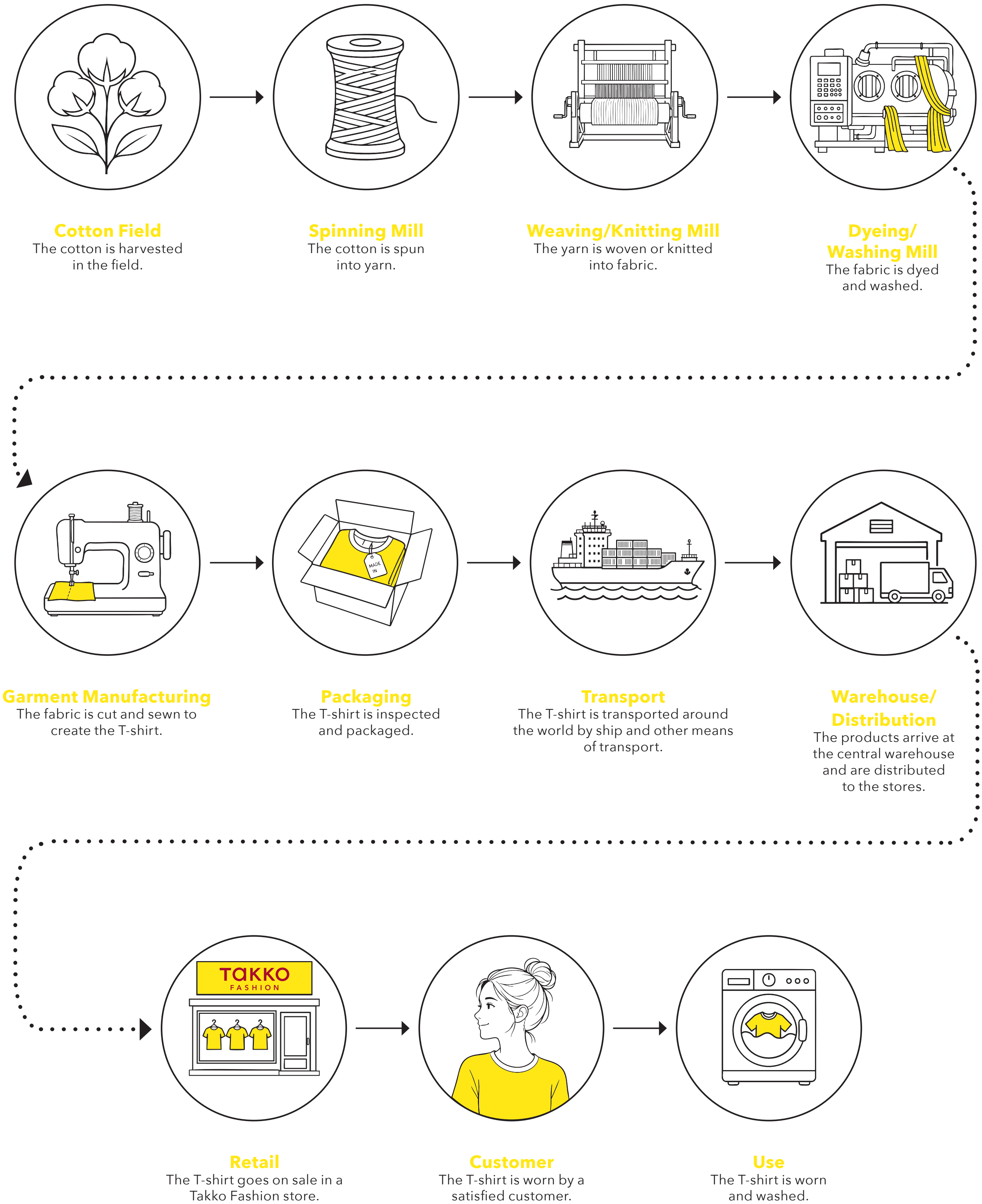


THE JOURNEY OF A *COTTON T-SHIRT*

QUALITY THROUGHOUT THE SUPPLY CHAIN

Before our products are offered for sale in our stores, they undergo various production and transport stages as well as a series of quality inspections. The journey of our example yellow T-shirt begins in the cotton field, where the cotton is grown and harvested. It is then processed into yarn at a spinning mill and subsequently manufactured into fabric at a weaving or knitting mill. In the dyeing facility, the fabric is coloured and washed before the individual components are cut and sewn together into a T-shirt during the garment manufacturing stage.

Quality and product safety are not only checked at the end of the process but are monitored throughout the entire production cycle. Materials and fabrics are tested against defined quality and safety requirements from the outset. During production, order-specific quality inspections are carried out directly in the factories, for example through inline inspections during manufacturing, pre-final inspections shortly before the goods are completed, and final inspections prior to shipment. In addition, chemical and physical testing is conducted by accredited testing laboratories in the country of production. This enables potential deviations to be identified and corrected at an early stage.


Cotton Field
The cotton is harvested in the field.
Spinning Mill
The cotton is spun into yarn.
Weaving/Knitting Mill
The yarn is woven or knitted into fabric.
Dyeing/ Washing Mill
The fabric is dyed and washed.
Garment Manufacturing
The fabric is cut and sewn to create the T-shirt.
Packaging
The T-shirt is inspected and packaged.
Transport
The T-shirt is transported around the world by ship and other means of transport.
Warehouse/ Distribution
The products arrive at the central warehouse and are distributed to the stores.
TAKKO FASHION
Retail
The T-shirt goes on sale in a Takko Fashion store.
Customer
The T-shirt is worn by a satisfied customer.
Use
The T-shirt is worn and washed.

DOUBLE *MATERIALITY ASSESSMENT*

The double materiality assessment (DMA) is a central component of our sustainability management and forms the basis for identifying and prioritising material sustainability issues. It is aligned with the requirements of the CSRD and the European Sustainability Reporting Standards (ESRS) and considers the impacts of our business activities on the environment and society as well as the financial risks and opportunities for our company.

We systematically analyse impacts, risks and opportunities (IROs), thereby linking non-financial and financial materiality. The aim is to identify issues that are of particular importance to us and our stakeholders, from both the impact and economic perspectives.

Our analysis is conducted from two perspectives:

Impact materiality (inside-out)
We assess the actual and potential impacts of our business activities on people and the environment throughout the entire value chain. In doing so, we distinguish between positive and negative impacts, as well as between short-, medium- and long-term time horizons.

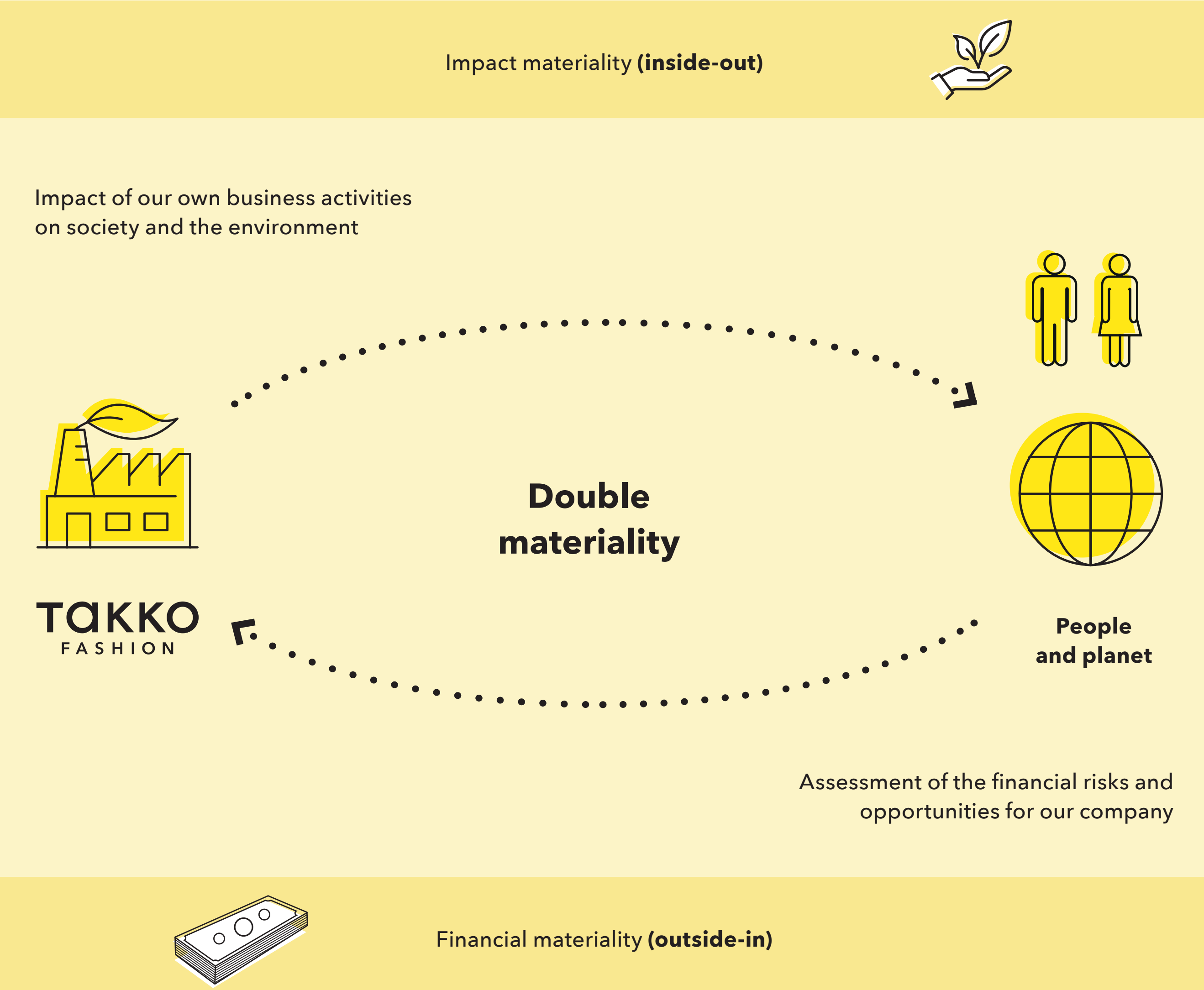
The assessment is carried out in a differentiated manner:
- We assess actual negative impacts based on their severity, comprising extent, scope and irreversibility.
- We assess potential negative impacts based on severity and likelihood of occurrence; in the case of human rights impacts, severity takes precedence.
- We assess positive impacts, where they occur, based on their scale and scope; for potential impacts, we also take probability into account.

Financial materiality (outside-in)
In parallel, we analyse sustainability issues for their financial impact on our company. In doing so, we identify risks and opportunities that may influence our business performance, financial position and long-term resilience.

The assessment is based on
- the probability of occurrence, as well as
- the potential financial magnitude over short-, medium- and long-term time horizons.

Methodological approach
Our double materiality assessment follows a structured, ESRS-compliant process:
- **Identification of relevant topics:** The starting point is a comprehensive list of topics based on ESRS guidelines as well as industry-specific and company-relevant aspects.
- **Assessment of issues:** We systematically assess all identified issues in terms of their impacts and their risk and opportunity perspectives, applying the ESRS methodology.
- **Stakeholder engagement:** The views of relevant stakeholders are incorporated into the assessment and complement our internal perspective.
- **Prioritisation:** Based on the results, we establish a prioritisation that serves as the basis for our sustainability strategy and reporting.

The analysis results are reviewed regularly and updated in the event of significant changes to our business model, our value chain or our operating environment.



INTERESTS AND VIEWS OF STAKEHOLDERS

We capture the expectations and assessments of our stakeholders using various methods, including benchmarking, screening of ESG-related enquiries, surveys, interviews (particularly with internal experts) and research. The insights gained are directly incorporated into assessments of sustainability issues.

To prioritise these, we analyse both

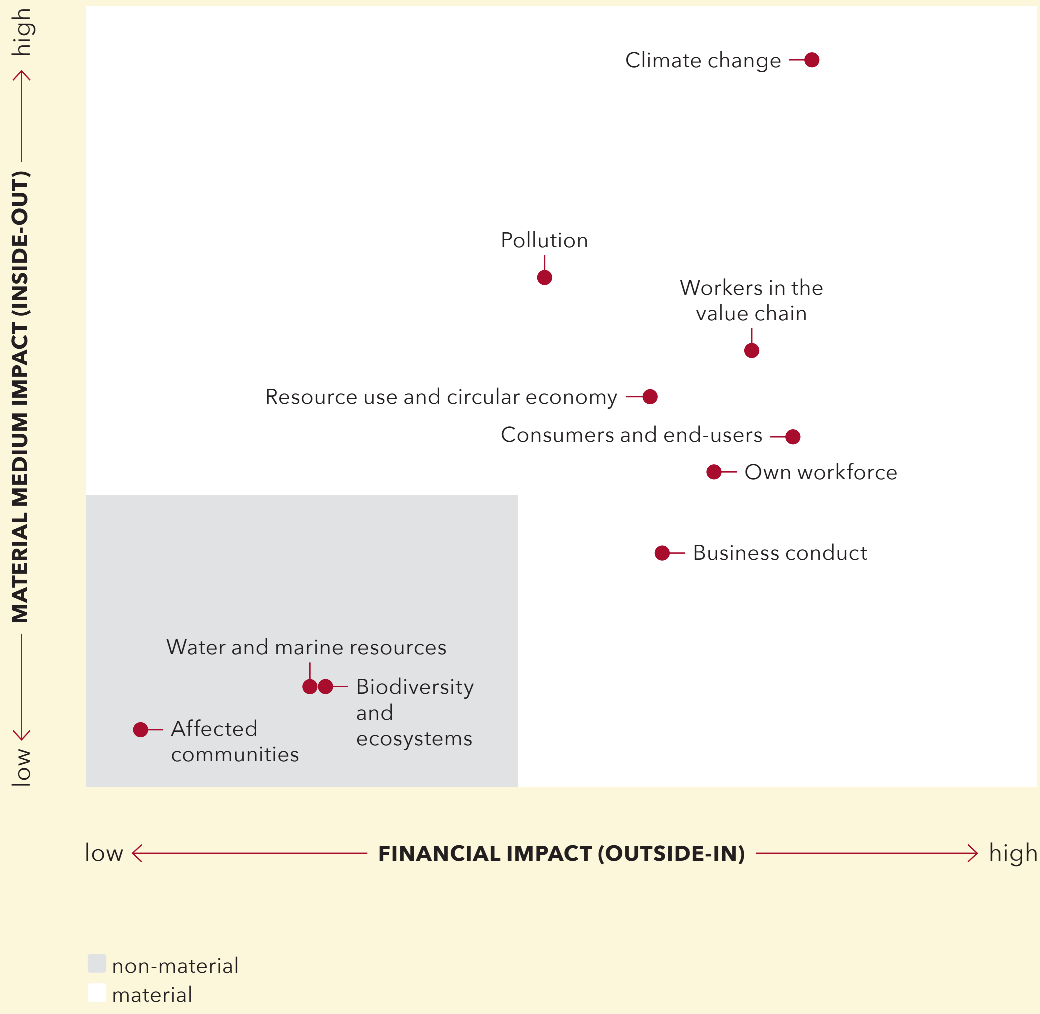
- the impact of our business activities on the respective stakeholder groups, as well as
- the influence of stakeholders on our company.

Based on this, we derive a ranking of our most important stakeholders. This forms the basis for the targeted selection of the groups included in the materiality analysis, as well as for the further development of our stakeholder-engagement strategy.

Through this structured approach, we ensure that our stakeholders' perspectives are given due consideration and that our sustainability strategy aligns with key expectations and challenges.

RESULTS OF THE DOUBLE MATERIALITY ANALYSIS

In the 2024/25 financial year, we began conducting a DMA in accordance with the Corporate Sustainability Reporting Directive. In our latest Sustainability Report, we provided an update on the progress made at that time. Due to the regulatory changes resulting from the Omnibus Regulation and the resulting Simplified ESRS, we will realign the DMA again in the current financial year 2026/27. For this report, we have deliberately focused on the most significant IROs and summarised overarching themes to ensure clarity and readability. This is a status quo report and will be finalised in the current financial year 2026/27 within the framework of the Simplified ESRS.



Summary of key IROs by ESRS-topics

Topic	Positive impacts	Negative impacts	Risks	Opportunities
G1 Business conduct	Established compliance and governance structures strengthen trust amongst employees, partners and investors	Weak governance can lead to a loss of trust and organisational shortcomings	Reputational and compliance risks arising from inadequate governance (e.g. corruption prevention, payment practices, supply chain legislation, reporting obligations)	Strengthening the brand, investor confidence and competitiveness through clear governance structures
S1 Own workforce	Secure jobs, health and safety, further training, etc., promote social security and employer attractiveness and enhance employee satisfaction	Potential shortcomings in working conditions and development opportunities undermine motivation and retention	Skills shortages, staff turnover and reputational risks if diversity and health and safety are not adequately promoted	A strong corporate culture boosts commitment, productivity and competitiveness
S2 Workers in the value chain	Initiatives and standards (e.g. social audits, grievance mechanisms) improve working conditions and promote social standards	Potential violations of human rights and labour law in the supply chain	Reputational and compliance risks in the event of non-compliance with international standards	Stable, long-term and collaborative supplier relationships strengthen supply-chain resilience and brand trust
S4 Consumers and end-users	Transparent product information and a wide, affordable product range promote social inclusion and customer satisfaction	Potential product defects, inadequate communication and greenwashing	Reputational and liability risks arising from inadequate product safety and consumer transparency	Strengthening customer loyalty and brand trust through safe, high-quality products and transparent communication
E1 Climate change	Investments in energy efficiency, renewable energy and sustainable materials reduce emissions	Greenhouse gas emissions across the entire value chain	Physical climate risks (e.g. extreme weather) and regulatory requirements (e.g. CO_2 pricing) lead to rising costs and changes in the availability of raw materials	Cost savings through energy efficiency, transport optimisation and a product portfolio adapted to climate change
E2 Pollution	Improved environmental practices (chemicals management, resource and emissions reduction) reduce environmental impact	Air, water and soil pollution caused by production, chemical use and transport	Compliance and reputational risks as well as rising costs due to stricter environmental regulations or potential environmental damage	Early adaptation strengthens regulatory resilience and brand trust
E5 Resource use and circular economy	The use of sustainable materials and initiatives (e.g. Better Cotton) reduces environmental impacts along the value chain	High resource consumption due to linear business models	Regulatory requirements (e.g. recyclability, recycled content, EPR) influence disposal and material costs	Circular business models and recycled materials increase resource efficiency and lead to cost advantages in relation to eco-modulation (EPR)

OUR FOCUS TOPIC: CLIMATE CHANGE

Climate change is one of the most critical sustainability issues for us. As an internationally active trading company with a globally diversified textile supply chain, we contribute significantly to greenhouse gas emissions and are simultaneously affected by climate change-related physical and transitional risks.

Our main impacts on climate change arise primarily along the upstream value chain, particularly in raw material extraction, textile processing and energy-intensive production stages. In addition, emissions from transport, logistics and the operation of our stores influence our climate-related footprint. Due to our business model and our procurement volume, we contribute to global greenhouse gas emissions, although most of these emissions lie outside our direct operational sphere of influence.

At the same time, we are increasingly affected by the consequences of climate change. Physical risks such as extreme weather events, water shortages or rising temperatures can undermine the stability of our supply chains, jeopardise production sites and lead to delays or cost increases. These risks primarily affect the regions from which we source the majority of our textiles. In addition, transitional risks arise from regulatory developments, mounting demands from business partners and changing customer expectations regarding climate-friendly products and business models.

As part of our double materiality analysis, the issue of climate change was classified as highly relevant from the point of view not only of its impact but also of the financial risks and opportunities involved. Alongside risks, we also recognise opportunities, for example through efficiency gains, increased use of climate-friendly materials, more resilient supply chains, and improved positioning vis-à-vis customers who increasingly value climate protection.

For us, classifying climate change as a key issue does not at all imply that other sustainability issues are less important. Rather, we view climate change as an overarching, cross-cutting issue with multiple links to other key areas on which it has a significant influence. For example, the consequences have a direct impact on social issues within the value chain: extreme weather events, rising temperatures or water scarcity can worsen working conditions, compromise workers' health and safety and exacerbate existing social risks in producing countries.

Furthermore, climate change influences environmental issues such as water and resource use, biodiversity and the use of chemicals, whilst also being closely linked to aspects of governance such as those regarding risk management, strategic steering and the long-term resilience of our business model. Against this backdrop, we view climate change not in isolation but rather as a framework within which numerous significant impacts, risks and opportunities unfold.

CROSS-CUTTING STANDARDS

ESRS 1 General requirements	**ESRS 2** General disclosures – *page 16*

TOPIC-SPECIFIC STANDARDS

G	**ESRS G1** Business conduct *page 32*				
S	**ESRS S1** Own workforce *page 62*	**ESRS S2** Workers in the value chain *page 70*	**ESRS S3** Affected communities	**ESRS S4** Consumers and end-users *page 78*	
E	**ESRS E1** Climate change *page 88*	**ESRS E2** Pollution *page 94*	**ESRS E3** Water and marine resources	**ESRS E4** Biodiversity and ecosystems	**ESRS E5** Resource use and circular economy *page 98*

SUSTAINABILITY BETWEEN REGULATION AND A COMPANY'S OWN STANCE

INTERVIEW

FRAUKE DIERKS

ESG EXPERT
(Sustainability Reporting and preparation for the CSRD)

The regulatory framework for sustainability is currently undergoing significant changes. How would you describe the current environment?
We are currently experiencing a period of great dynamism. Whilst the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards) have established a basic framework, many details have not yet been finalised. These include, amongst other things, discussions surrounding simplified ESRS, pending or delayed delegated acts – for example in ecodesign, such as the digital product passport – as well as overlaps and demarcation issues between different European regulatory frameworks. For companies, this means: the direction is clear, but the path has not yet been clearly defined in every respect.

How does Takko Fashion deal with these uncertainties in practice?
Our approach is deliberately pragmatic: we align ourselves as far as possible with existing and foreseeable regulations, without waiting for every detail to be finalised. At the same time, we do not depend on regulatory requirements alone. Instead, we focus on what we can control ourselves: our key issues, our impact along the value chain and our own strategic goals. We see regulation as a guide, not as the sole driving force.

What does this mean for the Sustainability Report?
For us, our Sustainability Report is not merely a compliance document. It serves as a management tool and reflects our standpoint. We are currently still reporting on a voluntary basis – for the fourth year running – because we want to transparently show where we stand, what we are working on and where we aim to improve. This intrinsic motivation enables us to set our own priorities, drive projects forward and formulate goals, even if these are not (yet) explicitly required by regulations. Internal clarity is crucial, particularly within a changing legal framework. Our Takko Compass supports us in this as a central guiding principle. It combines economic goals with clear values and a long-term vision.

What is particularly important to you personally when it comes to the overall management of the Sustainability Report?
It is important to me that the report remains credible. That means realistic, transparent and consistent with our actual actions. Sustainability is not a static state but rather a dynamic process of development – and that is precisely what the report should reflect. If we succeed in consistently bringing together regulatory requirements, strategic goals and our intrinsic motivation, then the Sustainability Report fulfils its actual purpose.

What was your personal highlight last year?
A particular highlight for me was receiving the EUPD ESG Transparency Award. This recognition shows that our approach to communicating sustainability in a transparent, structured and comprehensible way is being noticed. Particularly considering increasing regulatory requirements and growing expectations from stakeholders, this award sends a strong signal. It makes it clear that, with our focus on credibility, clarity and continuous improvement, we are on the right track – and motivates us to continue pursuing this goal in the future.

GOVERNANCE

Based on the identified impacts, risks and opportunities (IROs) around corporate governance, responsible governance is a key success factor for us. Clear compliance structures and a corporate culture based on integrity help strengthen trust amongst employees, business partners and investors, whilst inadequate standards can lead to reputational and compliance risks in the short term. At the same time, we see a strong corporate policy as an opportunity to specifically promote our brand, our reliability in business relationships and our long-term competitiveness.

CORPORATE COMPLIANCE & *RESPONSIBLE CORPORATE GOVERNANCE*

As an internationally active trading company, responsible and lawful conduct forms a central component of our corporate governance. We are committed to complying with all applicable legal requirements, internationally recognised standards and our internal guidelines and codes of conduct. This includes respect for human and environmental rights throughout our entire value chain.

We regard corporate compliance as an integral part of our governance structure and as an essential tool for safeguarding our financial stability, our reputation and our long-term competitiveness. The management is expressly committed to a zero-tolerance policy towards legal violations, corruption and unethical behaviour.

COMPLIANCE AND RISK MANAGEMENT SYSTEMS

To ensure compliance with legal and ethical standards, we have implemented a Group-wide Compliance Management System (CMS) and a Risk Management System (RMS). Both systems follow a structured and systematic approach to identifying, assessing and managing material risks.

We carry out regular and ad hoc risk analyses for both our own company and our supply chain, and we regard these as central elements of both systems. The aim is to identify, assess and manage potential risks to human and environmental rights at an early stage. If significant risks are identified, we initiate appropriate preventive and remedial measures. The effectiveness of these measures is regularly reviewed and adjusted where necessary.

We pay particular attention to risks relating to the following aspects:

- Corruption and bribery
- Human rights and environmental due diligence
- Data protection and IT security
- Collaboration with business partners and suppliers

The following compliance measures, amongst others, form an integral part of our CMS:

- Prevention of corruption and bribery
- Implementation of human rights and environmental due diligence obligations throughout the supply chain
- Structured case management for handling compliance breaches
- Policy management
- Business partner due diligence
- Approval and authorisation procedures, including clearly defined signing authorities
- Code of conduct for employees, business partners and suppliers
- Comprehensive complaints and whistleblower system, including online
- Appointment of a Human Rights Officer

GUIDELINES, CODES OF CONDUCT AND BUSINESS PARTNER COMPLIANCE

To implement our compliance principles, we have binding guidelines and codes of conduct in place that are regularly reviewed and updated. These apply to all employees and to all persons acting on our behalf.

Our codes of conduct for suppliers and other business partners require compliance with fundamental ethical, social and environmental standards. They are regularly reviewed and updated and apply to all forms of collaboration. Amongst other things, they are based on internationally recognised conventions and guidelines. These include the following:

- United Nations Universal Declaration of Human Rights (UDHR)
- Core labour standards of the International Labour Organization (ILO)
- United Nations Convention on the Rights of the Child (UNCRC)
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- Minamata Convention on Mercury
- Convention on persistent organic pollutants (POPs)

Compliance with these requirements forms part of our business-partner assessments and contractual agreements. The policies, guidelines and codes that form the foundation of our compliance management system include, for example, the following:

- Policy Statement on Respect for Human and Environmental Rights
- Code of Conduct for Employees
- Code of Conduct for Suppliers and Business Partners
- Animal Welfare Policy
- Energy Policy
- Human Rights Due Diligence
- Anti-Corruption and Anti-Bribery Policy
- Data Protection and IT Policies

Most of these documents are publicly available in their current versions on our company website.

WHISTLEBLOWER AND COMPLAINTS MECHANISMS

Key elements of our compliance management system are our whistleblower and complaints mechanisms. These are open to both internal and external stakeholders and enable the confidential or anonymous reporting of compliance risks and breaches.

Incoming reports are recorded in a structured manner and are reviewed and processed in accordance with established procedures. In this way, we ensure that identified breaches are addressed appropriately and that suitable remedial measures are initiated.

To fulfil our human rights due diligence obligations along international supply chains, the external complaints mechanisms of the Fair Wear Foundation are also available. This complaints channel is managed in close collaboration with our CSR department. Further information on this can be found at: *https://api.fairwear.org/wp-content/uploads/2020/09/Fair-Wear-Complaints-procedure-V2.0.pdf*

Our Compliance Officer, who manages reports submitted via the whistleblowing system, can be contacted via the following channels:

compliance@takko.de

https://company.takko.com/en-gb/company/responsibility/reportingsystem.html

In person/confidentially
Takko Fashion GmbH
Compliance Officer
Alfred-Krupp-Straße 21
48291 Telgte, Germany

+49 2504 923 100

PREVENTING AND DETECTING CORRUPTION AND BRIBERY

Corruption and bribery pose significant risks to responsible corporate governance and undermine trust in business relationships. As an internationally active trading company, we therefore pursue a zero-tolerance policy towards corruption and bribery. Our aim is to conduct all business relationships with integrity and transparency and in compliance with the law, and to consistently avoid any impression of improper influence.

All of Takko Fashion's relationships with public officials, business partners and private individuals must be transparent and based exclusively on objective, business-related grounds. We do not offer, promise or grant any gifts or benefits to our business partners. Likewise, we refuse to accept such benefits.

The prohibition of bribery and corruption is firmly enshrined in our company-wide Anti-Corruption Policy. This policy contains clear guidelines on the handling of gifts, invitations, benefits and other gratuities. It is a central component of our compliance framework and is communicated to all employees upon recruitment. In this way, we ensure that our expectations regarding ethical conduct are transparent from the outset and serve as a binding standard in our day-to-day work.

To further prevent corruption and bribery, we have established internal approval and control mechanisms. These include binding approval procedures and the dual-control principle for all business decisions, payments and commitments. In addition, signing authorisations are clearly defined and reviewed on a regular basis. These processes increase transparency, prevent misuse and help identify potential risks at an early stage.

SCIENTIFIC ADVISORY BOARD

To support our governance and sustainability work, our Scientific Advisory Board meets twice a year. This body brings together experts from the fields of procurement, quality, ESG and legal affairs, as well as external scientific expertise from the disciplines of chemistry, toxicology and textile and clothing technology.

The Advisory Board supports the following measures in particular:

- early assessment of regulatory developments (e.g. REACH, European Green Deal, Ecodesign for Sustainable Products Regulation)
- further development of chemicals management in the supply chain
- identification of measures to reduce our environmental footprint and promote the circular economy

In the 2025/26 financial year, the requirements and challenges of the Ecodesign Regulation were discussed, amongst other topics. The insights derived from this help us translate regulatory requirements into practical and feasible solutions at an early stage.

CORPORATE *CULTURE*

OUR TAKKO COMPASS

With the Takko Compass, we have clearly defined our mission, vision, values and understanding of our culture and made them transparent to all employees. It serves as a binding framework for our daily actions – in the stores, in logistics and in the administrative departments.

Around 18,000 employees are part of our #TeamTakko. As diverse as our roles, backgrounds and perspectives may be, we are united by a common goal.

OUR MISSION:

"We love to dress our customers with quality fashion for discount prices."

Our mission forms the basis of our business activities and places the customer at the heart of all decisions.

OUR VISION:

"We dress the world with respect for people and planet."

Our vision underscores our commitment to combining economic success with social and environmental responsibility. For us, corporate culture therefore also means firmly embedding sustainability in our identity.

7

OUR SEVEN CORPORATE VALUES

Our culture is evident in our daily interactions. The seven corporate values define our team spirit and shape our collaboration, decision-making and approach to challenges:

We are driven by **CUSTOMER-CENTRICITY**. Our customer is at the centre of every decision we make.

We have the **COURAGE** to make changes and use mistakes as a learning opportunity.

We always stay **FOCUSED** on the important things, keep our processes lean and conserve resources.

We are **OPEN-MINDED** by sharing knowledge and experiences with each other and being open to new things.

Our **TRUST-BASED** collaboration is reflected in open and honest communication as well as mutual support.

We achieve more together. Our values make us **ONE TEAM**.

We show **RESPECT** through equal opportunities and treatment, employee protection, and respectful use of resources in order to protect the environment.

These values are not only our guiding principles but also provide the benchmark for leadership and collaboration.

EMPLOYEE RETENTION AND #TEAMTAKKO SPIRIT

To strengthen our corporate culture, we implement targeted measures to boost employee retention. A key element is the Takko Fashion Award, through which we recognise exceptional commitment and exemplary behaviour consistent with our values. This is how we exhibit our gratitude to colleagues who distinguish themselves through outstanding performance, exceed their targets and actively embody our corporate values in their day-to-day work.

Nominations are made by the employees themselves: colleagues can be nominated via an online form, regardless of their department or role. This results in an award that is driven from within the organisation and conveys genuine appreciation on an equal footing.

In the 2025/26 financial year, there were a total of 117 winners in the "Values" category, 34 in the "Performance" category and 31 in the "Special Achievement" category. The winners from our 17 sales countries were invited to our headquarters in Telgte and honoured by the management during a celebratory event. This Takko Fashion Award not only boosts motivation and a sense of belonging but also makes our culture visible and tangible.

Values
This category recognises employees who exemplify Takko Fashion's corporate values in their day-to-day work as shown in areas such as customer focus, courage and team spirit. The spotlight is on how our values are put into practice, the attitude displayed and the contribution made to our corporate culture.

Performance
This category recognises store teams that make a measurable contribution to the company's success through strong results. It is based on specific key performance indicators (KPIs) that show how well strategic goals are implemented in day-to-day operations – for example, in terms of sales performance and customer loyalty.

Special Achievement
This category honours special achievements by project teams or individuals who actively drive the corporate strategy forward. The focus is on innovation, cross-departmental collaboration and contributions to the strategic development of Takko Fashion.

DIALOGUE AND CONTINUOUS DEVELOPMENT

A strong corporate culture requires continuous reflection and development. Our Employer Branding department helps further develop both our internal culture and our positioning as an employer.

It actively supports recruitment by developing target-group-specific measures to engage potential employees and by strengthening Takko Fashion's positioning as an attractive employer. This includes, amongst other things, designing career pages and job advertisements, as well as supporting recruitment campaigns.

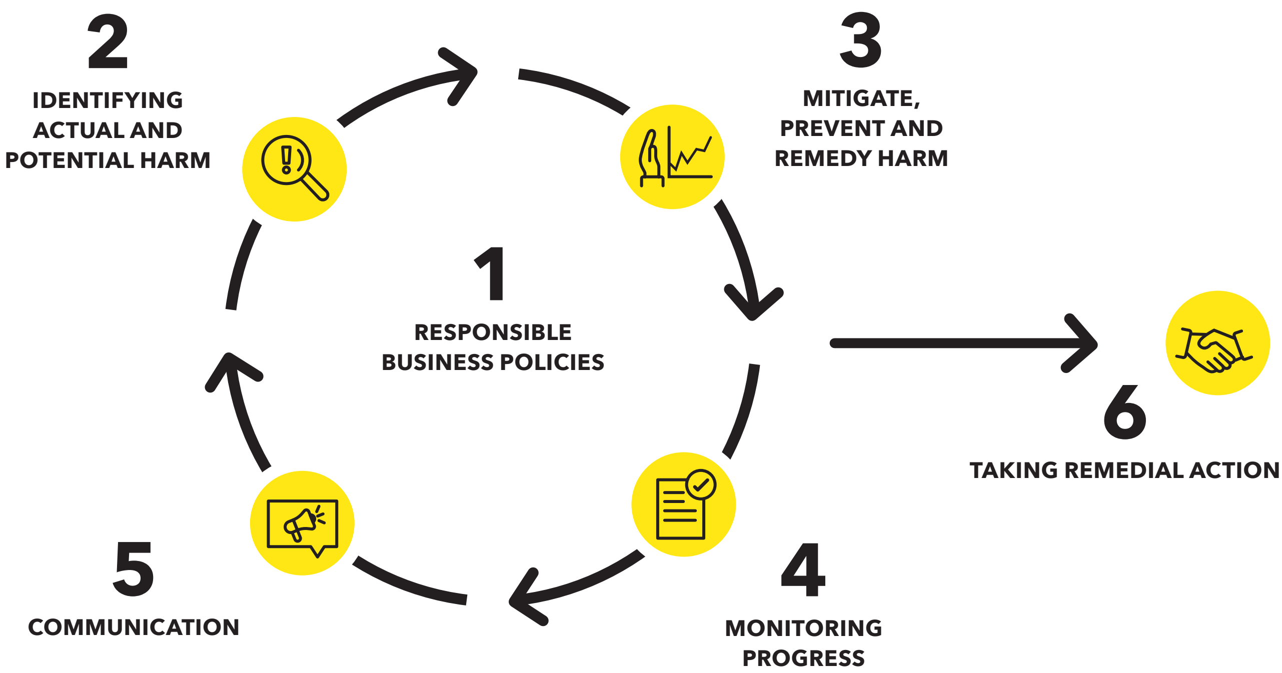
Another key aspect of its work is the organisation and implementation of employee surveys. The findings are evaluated in a structured manner and serve as a basis for identifying areas for action and devising targeted measures to further develop our corporate culture.

HUMAN RIGHTS *DUE DILIGENCE*

OUR CORPORATE SOCIAL RESPONSIBILITY

As an international company, we recognise our responsibility to ensure that production and manufacturing processes within our supply chain comply with human and environmental rights. Taking social responsibility for our business activities is a central pillar of our corporate philosophy. In the increasingly complex textile and clothing industry, business decisions significantly impact workers throughout global supply chains. Takko Fashion therefore has a process in place that ensures respect for human rights, fulfils human rights due-diligence obligations and improves working conditions in the long term. This process enables us to identify, prevent, mitigate and remedy actual and potential negative impacts within our supply chain.

In developing this due diligence process, we have drawn on the six-step framework of the OECD (Organisation for Economic Co-operation and Development):



STEP 1

Embedding and adapting responsible business practices within our policies and management systems to better address risks in our supply chain

We actively promote compliance with standards of conduct and respect for human and environmental rights throughout our entire supply chain. To this end, we have taken measures that enable us and our business partners to identify and prioritise human-rights and environmental risks. This enables us to fulfil our due diligence obligations together. These include, amongst other things, compliance with regulations on anti-discrimination, occupational health and safety, freedom of association, fair remuneration, regulated working hours, the prohibition of child and forced labour and environmental obligations.

We promote standards of conduct that prevent gender-based discrimination and strengthen gender equality throughout our supply chain.

We reject any human-rights and environmental violations. Our actions are guided by international standards and guidelines that reflect our values and norms and form the basis for our collaboration with business partners and suppliers. The following international standards and guidelines guide our daily actions:

- United Nations Universal Declaration of Human Rights (UDHR)
- Core labour standards of the International Labour Organization (ILO)
- United Nations Convention on the Rights of the Child (UNCRC)
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

We implement these standards and guidelines through internal and external codes of conduct, including the Code of Conduct, Standard Operating Procedure (CSR SOP), Social Audit Manual (SAM), Human Rights Due Diligence Policy (HRDD) and internal procedural guidelines. These documents are reviewed annually in conjunction with senior management and the relevant specialist departments and are updated as necessary. This process incorporates insights gained from our collaboration with stakeholders such as the country teams, Fair Wear, the Partnership for Sustainable Textiles, International ACCORD Bangladesh, MADE, GIZ and accredited testing institutes.

STEP 2

Identification and assessment of actual and potential negative impacts in the value chain

Takko Fashion has a comprehensive risk management system that specifically identifies and assesses human rights risks in all sourcing countries and production sites. This system enables us to take preventive and corrective action where the need for action is greatest.

The assessment is based on the Code of Labour Practices (CoLP) and its supplementary guidelines, as well as on audit results, country studies and documented complaints from the respective regions. Our risk analysis considers product, sector and country-specific risks to identify factors that may contribute to human rights risks. Gender-specific risks are also factored in to identify and address potential inequalities or discrimination at an early stage.

Attention is paid to production sites with a higher risk potential. We work closely with stakeholders, experts and our local teams to compile comprehensive information. In countries not covered by our country teams, we conduct virtual factory inspections. Current information obtained through our daily media screening and from our memberships and initiatives, including the Fair Wear Foundation, relating to our sourcing countries is continuously incorporated into our assessments and risk evaluations.

We conduct specific assessments when expanding our product range or entering new sourcing countries. As a matter of principle, every production facility is audited.

SOCIAL AUDITS

Audit process: transparency and continuous improvement
Audits are a central element of our human rights due diligence. Audits help us verify compliance with legal requirements and our Code of Conduct, identify risks early on and work with our partners to implement sustainable improvements.

In our key production countries – including China, Bangladesh, India and Myanmar – our trained country teams carry out regular and ad hoc social audits based on the Fair Wear Code of Labour Practices. In production countries where we are not represented by our own local teams, we only accept audits conducted by recognised independent third-party providers and continuously monitor the results.

Our audit approach
The audit process comprises three key steps:
1. Preparation and planning
2. On-site implementation (including document review, site inspection and interviews with management and employees; employees are also interviewed outside the production facility)
3. Follow-up through concrete action plans (Corrective Action Plans (CAPs))

All audit reports and action plans are recorded digitally and transferred directly into our Product Lifecycle Management (PLM) system. This enables us to document progress transparently, track outstanding issues efficiently and implement targeted training measures.

We use various types of audits depending on the situation involved – from initial and full audits to follow-up audits and unannounced surprise audits. In addition, we carry out regular factory visits to strengthen ongoing dialogue with our business partners and closely monitor developments on site.

The audit results can be found on pages 73–74.

STEP 3

Prevention, avoidance and mitigation of negative impacts in the value chain
Once potential or actual risks have been identified, we develop targeted measures to remedy, mitigate or – where possible – prevent negative impacts in the future. To support the development of these measures, we use a system-based tool that suggests appropriate courses of action based on probability of occurrence and severity.

When dealing with human rights-related issues, we rely on close dialogue with our stakeholders, particularly our business partners and production sites. The aim is to incorporate different perspectives, gain a better understanding of the root causes and jointly develop sustainable solutions. Training courses are key tools for imparting knowledge, raising awareness and prompting behavioural change – for example, on occupational safety, fair treatment, discrimination and workers' rights.

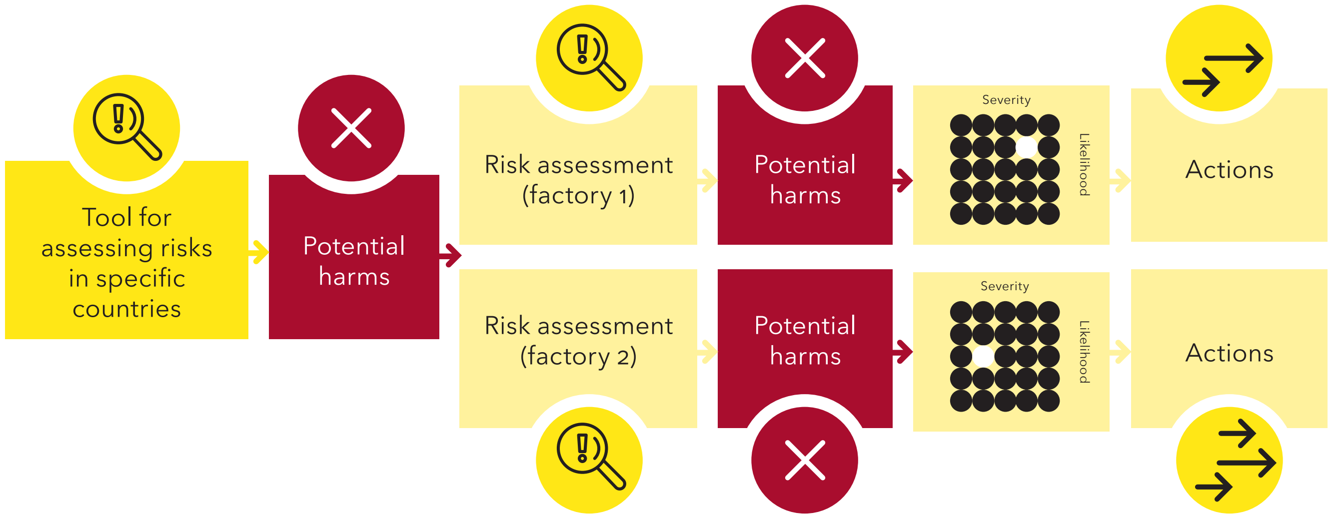
We regularly review the effectiveness of our measures, including through social audits and direct dialogue with employees at production sites.

Training programmes are a key component of our preventive approach. They create transparency regarding rights and responsibilities, strengthen awareness of international labour standards and promote constructive dialogue between management and workers. Through targeted training measures, we help to identify risks at an early stage, prevent grievances and embed sustainable improvements within production facilities.

In Bangladesh, we have been implementing the gender-focused Workplace Education Programme (WEP) across all production facilities on a regular basis since 2019 through our own training teams. The programme aims to establish and strengthen Anti-Harassment Committees and to support workers – particularly women – in exercising their rights and raising concerns confidentially and without fear of retaliation. In addition, the programme contributes to promoting gender equality in the workplace.

Since mid-2025, Workplace Education Programme trainings on Violence and Harassment (WEP VH) have been implemented in selected production facilities in India in cooperation with the Fair Wear Foundation (FWF).

In addition, we have been conducting regular Code of Labour Practices (CoLP) training programmes in Bangladesh and India for many years.



The CoLP training programmes are aimed equally at management and workers. They cover fundamental labour rights, reasonable working hours, fair remuneration and existing grievance and reporting mechanisms. At the same time, they encourage constructive dialogue and strengthen sustainable communication and conflict-resolution mechanisms within production facilities.

Our local trainers have been trained by Fair Wear and continuously integrate the training content into their day-to-day work. In India, so-called "Takko Desks" have been established in production facilities through the local Takko office. These serve as permanent on-site contact points, providing workers with the opportunity to raise concerns directly at any time.

In addition to Bangladesh and India, we also conduct CoLP training programmes in China and Myanmar. There, the training forms an integral part of the onboarding process for new production facilities and is designed to familiarise management and workers at an early stage with our social standards and internationally recognised labour standards.

Since the 2025/26 financial year, these onboarding training programmes have been systematically delivered by our Country Teams. During the initial phase, the existing factory pool is also being included. An expansion of this approach to Cambodia is planned.

The Fair Wear Foundation complements our activities through country-specific training programmes. Furthermore, we maintain regular personal dialogue with our suppliers. The exchange of experience and the promotion of awareness of human rights due diligence obligations are integral elements of our collaboration.

As part of our sustainability strategy, we place great importance on on-site training. Our experienced Country Teams have a thorough understanding of local conditions and act as direct points of contact for suppliers and workers. In this way, we help ensure that labour standards are sustainably embedded and that social dialogue within production facilities is continuously strengthened.

STEP 4

Progress evaluation

Based on the results of the risk analysis and further assessments, we set priorities for follow-up measures, guided by the severity and likelihood of potential and actual negative impacts in the supply chain. The risk analysis is updated as and whenever necessary. Responsible procurement practices are another key measure for preventing adverse impacts in the supply chain. From 2022 to 2024, we participated in the Learning and Implementation Community (LIC), which is organised by the Multi-Stakeholder Initiative (MSI) Working Group on Responsible Purchasing Practices and is based on the *Common Framework for Responsible Purchasing Practices*.

Through this participation, we have developed a clear understanding of how we can systematically integrate responsible purchasing practices into our day-to-day work. At the same time, we have been able to develop concrete approaches to work with our business partners on the further development and improvement of our purchasing practices.

On the systems side, we have optimised our Product Lifecycle Management (PLM) system regarding supply chain transparency and the management of Corrective Action Plans (CAP), enabling faster and more targeted tracking.

STEP 5

Communication on human rights due diligence
Takko Fashion communicates its Fair Wear membership in accordance with the relevant Fair Wear Foundation guidelines. Both the Fair Wear logo and a brief explanation of our membership can be found on our website. Since 2018, we have also been informing our customers about our Fair Wear membership through announcements in our stores. In addition, we attach a hangtag to every product indicating this membership. The Brand Performance Check report is published. Furthermore, Takko Fashion reports in detail on human rights due diligence annually as part of its sustainability report.

Internally, we regularly provide updates on progress and new developments via our employee app, myTakko. We also use other internal communication channels to inform all employees about our human rights due diligence. These include virtual town hall meetings, training sessions and onboarding materials.

STEP 6

Implementation of remedial measures
Complaints can be submitted in various ways through the complaint channels described above – in person, for example via employee representatives at the production site, online or by telephone. These representatives are regularly elected by the employees and represent their rights and concerns vis-à-vis the employer.

Whenever possible, we collaborate with other fashion brands on initiatives to prevent, mitigate or remedy human rights risks and abuses.

COMPLAINT MANAGEMENT

To ensure the greatest possible transparency regarding working conditions and occupational safety in our production facilities, we enable all workers to report grievances via two central complaint mechanisms:

Internal grievance systems in the factories
In addition to external complaint mechanisms, we encourage the establishment and active use of internal complaint systems in our production facilities. These enable direct and structured communication between employees and management.

Employees can, for example, submit their concerns via suggestion boxes. Clear responsibilities and fixed timeframes are defined for the regular collection and processing of incoming complaints. The concerns are discussed in regular meetings, and solutions are developed jointly. The results are documented and made transparently available to employees.

Employee representatives are elected in accordance with legal requirements. To continuously improve the effectiveness of the complaints systems, we also support our production sites as required through targeted training for both management and employee representatives.

External complaint mechanisms
A key component of our complaints system is access to independent, external reporting channels. We take complaints from production countries very seriously and investigate them promptly in order to implement improvements quickly.

Employees can report breaches of working conditions or social standards anonymously through the following independent complaint mechanisms:
- Fair Wear Complaint Hotline
- International Accord Bangladesh
- Takko Fashion: its own whistleblower system. Complaints can be submitted directly to Takko Fashion via this system. It is available in all languages of our production countries (see page 33)
- MADE (Multi-stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry) project: for complaints from Myanmar
- Multi-Stakeholder Initiative: Partnership for Sustainable Textiles, which reports incidents at our production sites, which we also investigate.

FAIR WEAR COMPLAINT HOTLINE

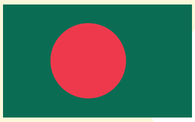
The hotline number, a corresponding e-mail address and information on social regulations are displayed prominently in the factories by our teams – in the local language in each case. External stakeholders such as non-governmental organisations (NGOs) can also use the hotline to draw attention to shortcomings directly.

Number of complaints received through the Fair Wear:

Status	Number
Received	32
Closed	14
In progress	18

All complaints are handled through the Fair Wear Complaints Management Process, which is illustrated below using an example.

Example of a Fair Wear complaint



Country: Bangladesh
Subject: Labour standards – legally binding employment relationship
Status: Closed

In July 2025, a case from Bangladesh was reported via the Fair Wear complaint mechanism.

The worker concerned stated that they wished to take one or two days' leave and had the corresponding remaining leave days available. They explained that they had asked their supervisor for permission. However, the supervisor replied that it was not necessary to formally request leave and that the worker could simply stay away.

When the worker returned to work as normal the following day, management asked about the reason for their absence. Despite explaining the situation, a conflict arose. According to the complaint, the worker was eventually pressured into signing a letter of resignation, and the employment relationship was terminated.

The person concerned contacted Fair Wear with the request to be reinstated.

Procedure and solution
After Takko Fashion forwarded the complaint, management examined the case in detail. Through dialogue between Takko Fashion, the factory and Fair Wear, an amicable solution was reached. This was achieved in accordance with local legislation and implemented in compliance with the law.

The factory paid the affected person the sums to which they were legally entitled. Takko Fashion provided the relevant proof of payment. This was verified by Fair Wear in consultation with the complainant. Receipt of the payment was confirmed.

Although the affected person had initially sought reinstatement, they expressed satisfaction with the financial settlement reached.

The case was subsequently closed.

Learning
This case highlights the importance of clear, transparent and documented processes regarding holiday requests and the termination of employment contracts. Misunderstandings between managers and employees can quickly lead to labour law disputes – particularly if informal agreements are not documented in a traceable manner.

As part of our risk-based due diligence approach, we not only assess structural risks in our supply chains but also respond to specific individual cases. The Fair Wear complaint mechanism is a key tool for receiving reports at an early stage and processing them in a structured manner.

Considering this case, we are implementing the following measures in particular:
- Raising awareness amongst managers regarding transparent communication and correct leave and termination procedures
- Strengthening documented HR processes in the factories
- Improving and continuously reviewing the effectiveness of operational complaint mechanisms

The case demonstrates that even in situations that initially escalate, viable solutions can be found through dialogue and structured follow-up.

Thanks to the rapid involvement of Takko Fashion and collaboration with Fair Wear, a constructive outcome was achieved. This helped prevent further escalation and strengthen trust in the complaints mechanism.

For Takko, this is an important part of responsible sourcing:
- Complaints are systematically recorded and assessed.
- Risks are not only documented but actively addressed.
- Solutions are reviewed transparently and agreed with those affected.

The case serves as an example of how human rights due diligence is implemented in practice – through clear processes, collaborative dialogue and concrete remedial measures.

FAIR WEAR CODE OF LABOUR PRACTICES

Fair Wear's Code of Labour Practices (Source: **https://www.fairwear.org/about-us/labour-standards/**)

Our social audits are based on the Fair Wear Code of Labour Practices. In accompanying CoLP training programmes, we provide training on the labour rights set out in the Code and promote their consistent implementation.

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

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

No discrimination in employment
Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

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

Payment of a living wage
Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

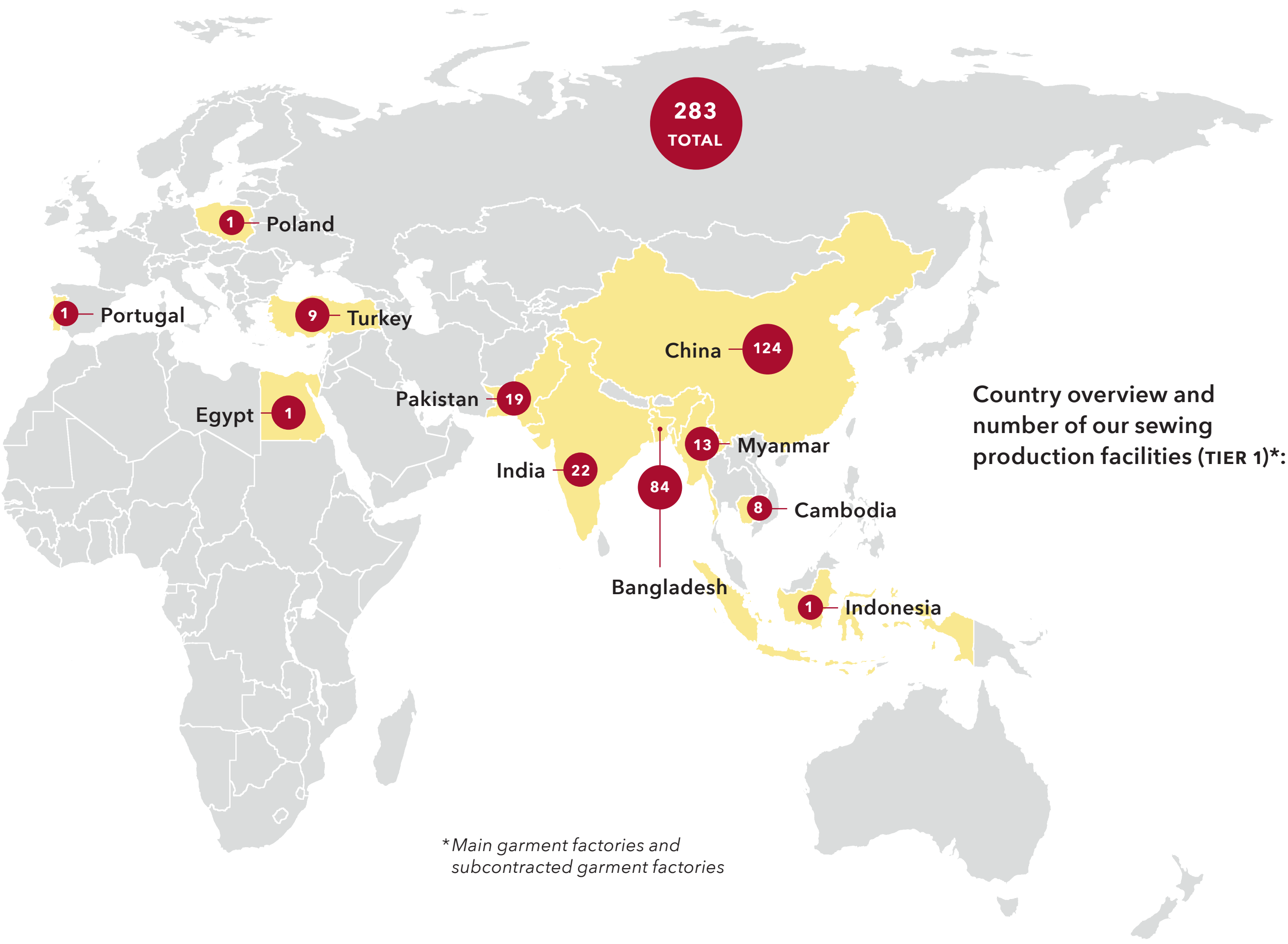
Reasonable hours of work
Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary,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

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

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

MANAGEMENT OF *SUPPLIER RELATIONSHIPS*

OUR SOURCING STRATEGY



OUR APPROACH

Our sourcing strategy is an integral part of our corporate governance and is closely linked to our human rights and environmental due diligence. The aim is to ensure a resilient, transparent and responsibly managed supply chain that provides economic stability whilst meeting social and environmental needs.

We adopt a risk-based approach founded on systematic risk analyses at the country, sector, product and supplier levels. In doing so, we take particular account of the political environment, labour law risks, social challenges and potential environmental impacts along the value chain. On this basis, we prioritise actions, develop preventive and remedial measures and strengthen the resilience of our supply chain.

Our strategy is built on the following key pillars:

- decent and socially responsible working conditions
- long-term business relationships in a spirit of partnership
- responsible purchasing and payment practices
- integration of social and environmental criteria in the selection and evaluation of suppliers

SELECTION, ASSESSMENT AND ONBOARDING OF NEW SUPPLIERS

Social and environmental requirements are binding components of our supplier relationships. The aim is to identify and assess potential human rights, social, environmental and compliance-related risks before a business relationship even begins.

As part of our supply chain risk management, all potential suppliers undergo a mandatory, multi-stage due diligence process before a business relationship is established:

1. COMMITMENT TO MANDATORY STANDARDS

Suppliers commit to complying with our Code of Conduct (based on the Fair Wear Code of Labour Practices), our CSR Standard Operating Procedures, the Manufacturing Restricted Substances List (MRSL) Commitment Declaration, and other contractual requirements.

2. RISK ASSESSMENT AND COMPLIANCE REVIEW

We review company documentation, sanctions lists, and relevant social, environmental and quality certifications. Existing audit reports issued by accredited auditing and certification bodies are analysed, and identified risks are systematically assessed.

3. RISK-BASED DUE DILIGENCE

In high-risk countries or in cases of an elevated risk profile, we request additional evidence or conduct our own on-site audits.

4. INTERNAL APPROVAL

The final decision is made by the CSR department in consultation with the Buying department. A business relationship can only be established following a positive assessment and full transparency.

Our CSR team in Germany

Monitoring and Continuous Improvement

Following onboarding, suppliers are integrated into our ongoing audit, monitoring and training processes. Compliance with our human rights and environmental requirements is reviewed regularly on the basis of our Social Audit Manual.

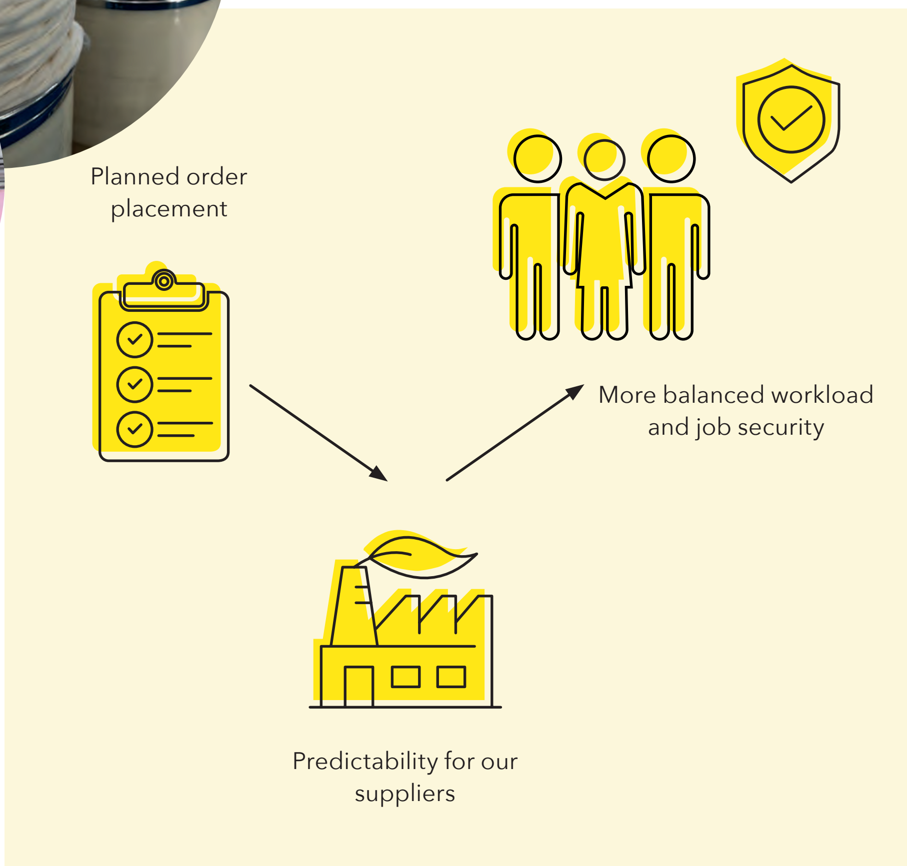
A grievance mechanism enables workers to report potential violations confidentially and within a protected framework. In addition, our requirements and processes are reviewed at least annually in collaboration with Legal & Compliance and further developed where necessary in order to continuously strengthen transparency, risk management and effectiveness.

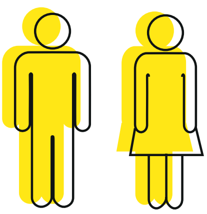
RESPONSIBLE PURCHASING AND PAYMENT PRACTICES

We adhere to the Common Framework for Responsible Purchasing Practices, which serves as a guide for responsible purchasing processes and helps keep our procurement practices from adversely affecting working conditions.

Key elements include:
- early and reliable order planning
- minimising last-minute order changes and cancellations
- timely payments in accordance with agreed payment terms

Around 70% of our items are ordered with lead times of eight to 13 months. By placing orders this far in advance, we enable our suppliers to plan effectively. The preferred placement of orders outside the industry's typical peak periods supports a more even utilisation of production facilities and promotes job security for the workforce there.





34 CSR COLLEAGUES

We employ these measures to avoid late payments and to strengthen the economic stability of small and medium-sized suppliers. Our payment processes are designed to ensure that contractually agreed deadlines are met and liquidity risks in the supply chain are minimised.

LONG-TERM PARTNERSHIPS AND CONTINUOUS IMPROVEMENT

Long-term business relationships form the basis of our procurement strategy. Through continuous dialogue, local teams in our main procurement countries and regular assessments, we promote transparency, trust and the sustainable development of our supplier base.

We view our sourcing strategy as a dynamic process. Through regular risk analyses, internal assessments and dialogue with suppliers and other stakeholders, we continuously adapt our processes in light of regulatory requirements and rising expectations regarding sustainability.

RESPONSIBLE EXIT

Should it become necessary to terminate a business relationship, this will be done whilst considering our responsibility towards suppliers and their employees.

A responsible withdrawal will occur:
- in close consultation with the supplier
- with adequate notice
- considering the factory’s current workload for Takko Fashion orders

Order volumes will be reduced gradually to give the affected production sites sufficient time to secure alternative orders and mitigate any negative impact on employment.

THE 2025/26 FINANCIAL YEAR

In the 2025/26 financial year, our sourcing countries were particularly affected by external factors. Political unrest, a tense social climate and high inflation placed added strain on the economy and society. Furthermore, challenging environmental conditions, recurring energy shortages and natural disasters created a difficult environment with, in some cases, noticeable effects on supply chains, infrastructure and production processes. For example, the political reshuffling of the government in Bangladesh brought with it economic and social uncertainties. At the same time, energy shortages and an unstable supply infrastructure affected production processes and required close, flexible coordination with local partners.

Thanks to the trusting collaboration with our suppliers and other stakeholders, we nevertheless managed to maintain stability and ensure responsible production conditions. Through continuous dialogue, prudent risk management and intensive support for our partners, we have consistently continued and further developed our sustainability activities, even under difficult conditions.

MYANMAR

As part of our membership of the Fair Wear Foundation, we transparently report in the following section on how we fulfil our human rights due diligence responsibilities in Myanmar through comprehensive due diligence measures.

We have been working with production facilities in Myanmar since 2014. We currently work mainly with nine factories there that produce clothing for Takko Fashion. Our business relationships in Myanmar are based on long-standing collaboration, trust and close coordination.

We closely monitor the ongoing challenges and crises in Myanmar to ensure that we can respond promptly and appropriately to changing circumstances. These include political instability, armed conflicts, natural disasters and human rights issues. We strongly condemn the military violence against the people of Myanmar since the military coup in 2021.

Despite the challenging conditions, we are convinced that we can continue our collaboration with selected partners in Myanmar through enhanced due diligence measures. Additionally, through our active membership in EuroCham Myanmar and the MADE project, we can ensure that our business activities remain in line with international standards such as the ILO Conventions, the UN Guiding Principles and the OECD Guidelines.

THE SITUATION IN MYANMAR

Myanmar has been in a state of emergency since the military coup that occurred there in February 2021. The military government is exerting pressure on the civilian population in many parts of the country, whilst facing opposition from armed resistance groups. The situation worsened in January 2025 with the introduction of a new conscription scheme for civilians.

Geopolitical and humanitarian situation

The year 2025 was marked by significant political, economic and humanitarian changes in Myanmar, which had a major impact on the social environment.

The focus was on the preparation and conduct of the elections that were organised by the military government and held between December 2025 and January 2026. The political transition phase required further adjustments in the economy and the population.

On 28 March 2025, a devastating earthquake measuring 7.7 on the Richter scale struck the region near Mandalay. Several thousand people lost their lives, and more than 5,000 were injured. The regions of Mandalay, Sagaing and Magway were hit particularly hard, with significant damage to infrastructure, housing and public services.

Takko Fashion supported the immediate relief efforts with a donation of US$100,000 to several organisations: the Danish Red Cross, Medical Action Myanmar, Community Partners International and the Dutch Relief Alliance. The funds were used, amongst other things, for emergency shelter and to provide clean water, food and hygiene items.

Reconstruction in the affected regions remains a challenge, particularly due to restricted access for international aid efforts and rising food prices. As early as mid-2025, the World Bank forecast continued subdued economic growth.

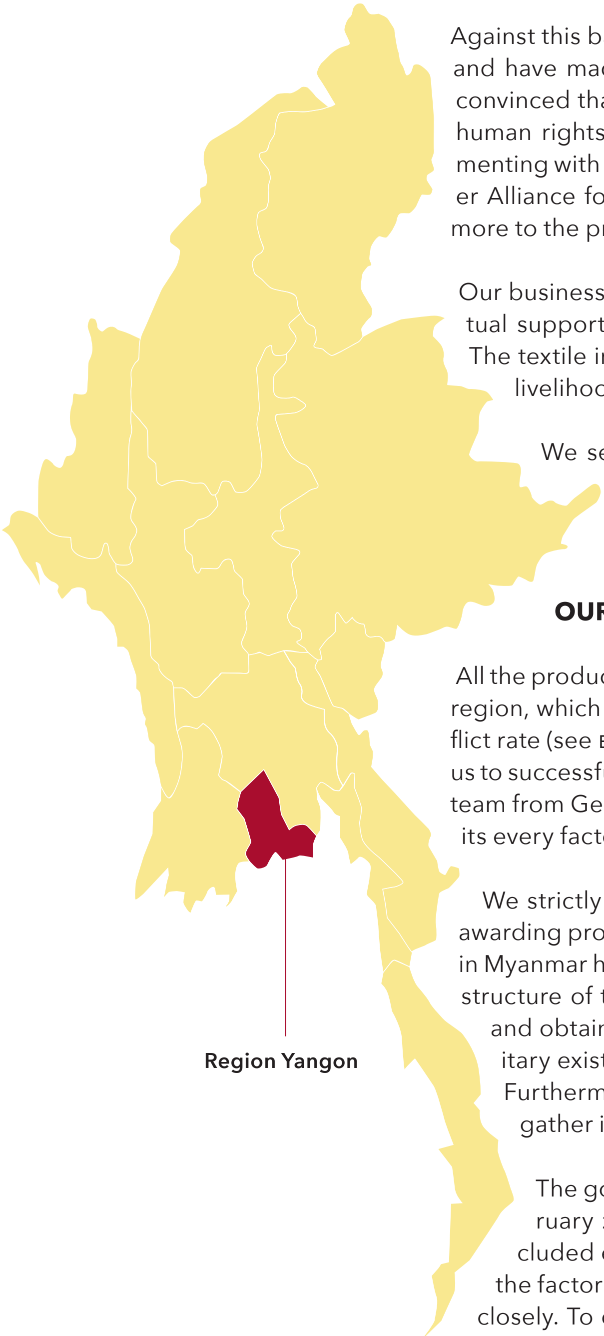
OUR COMMITMENT IN MYANMAR

Since the military took power in Myanmar, European companies have come under increasing pressure to end their business relationships in that country. The withdrawal of numerous international brands has already led to significant job losses and further exacerbated the economic situation of many families.

Against this backdrop, we have carefully reviewed our activities in the country and have made the conscious decision not to withdraw completely. We are convinced that a responsible continued presence – subject to clearly defined human rights conditions and enhanced due diligence, which we are implementing with the support of EuroCham and the MADE project (Multi-Stakeholder Alliance for Decent Employment), amongst others – currently contributes more to the protection of workers than an immediate withdrawal would.

Our business relationships in Myanmar are based on trust, reliability and mutual support – particularly in an environment characterised by uncertainty. The textile industry is a key sector of the country's economy and provides a livelihood for hundreds of thousands of people, particularly women.

We see it as our responsibility to contribute to economic continuity through stable, long-term business relationships, to preserve jobs and to actively support compliance with social standards.



OUR RESPONSIBILITY

All the production facilities we work with in Myanmar are located in the Yangon region, which is considered one of that country's safer regions with a low conflict rate (see EXERA Vanguard Risk Score). The situation on the ground enables us to successfully implement measures to improve working conditions. Our CSR team from Germany reviews this annually together with our local team and visits every factory on site.

We strictly observe all EU sanctions against the military government when awarding production contracts. We ensure that none of our business partners in Myanmar has any links to the military. To conclude, we record the ownership structure of the factories, check whether they are located in a military zone and obtain written confirmation from our suppliers that no links to the military exist. We also verify this information during audits and factory visits. Furthermore, we monitor media reports for possible links and regularly gather information from various stakeholders.

The government in Myanmar reinstated the Military Service Act in February 2024. Measures taken immediately in response to the move included ensuring the safe transport of all employees from their homes to the factories and back. We continue to monitor the enforcement of the law closely. To date, none of our colleagues has been conscripted into military service, and we are not aware of any cases in which a factory worker has been conscripted.

Considering the current situation, we place particular emphasis on ensuring responsible conduct. In doing so, we are guided by an enhanced human rights due diligence (eHRDD) framework.

Should we be forced to cease production in Myanmar, we will act responsibly to minimise any negative impact on all parties involved. To ensure we can react promptly and prudently should the situation deteriorate, we are continuously reviewing options with our suppliers to relocate production volumes and sites to other sourcing countries. In the event, we will inform all relevant stakeholders in a timely and transparent manner regarding the reasons for and the process of any withdrawal.

Should such a situation arise, we will, of course, ensure that our employees are flown out and that their employment contracts can be continued in a country of their choice. For the workers in the factories, we are developing socially responsible solutions that will safeguard their financial stability as effectively as possible.

Why is enhanced due diligence necessary?
High-risk contexts such as Myanmar present an elevated likelihood of human rights violations. The consistent implementation of human rights due diligence is therefore essential for us as a company seeking to actively contribute to positive change and fulfil our responsibilities.

To meet these requirements, we increased our on-site CSR team to five people last year. The team conducts regular social audits to ensure compliance with labour and social standards. Measures derived from the audits are carefully monitored and implemented in close collaboration with suppliers. Through direct engagement with employees, the team conducts surveys and offers targeted training, with a particular focus on the eight Code of Labour Practices. Through close coordination with the CSR team at headquarters and collaboration with local stakeholders, the on-site CSR team plays a crucial role in achieving sustainable improvements and continuously monitoring and optimising social standards.

Furthermore, staff from our CSR and Purchasing teams in Germany are regularly on site to witness the situation for themselves. Just a few weeks before the devastating earthquake, our CEO, CPO and Sourcing Director were in Yangon. They visited our production facilities and embarked in a dialogue with our local team as well as with local business partners.

Back in January 2025 and 2026, our CSR team from Germany, joined by local colleagues, visited all production facilities. This led to valuable dialogues – both with factory management and with the employees. The open dialogues with employee representatives were particularly insightful. They went far beyond the usual topics such as wages, health and safety and working hours. Employees also shared personal insights and spoke about current issues, their satisfaction and their concerns.

These direct encounters and transparent conversations have given us an authentic and in-depth insight into the actual situation on the ground. They are an indispensable part of our due diligence and will continue to be held regularly in the future.

FEATURES OF THE EXTENDED DUTY OF CARE

Increased risk awareness:
We are aware of the increased risk associated with our business activities in Myanmar. To enable us to make informed decisions, we conduct regular risk assessments in Myanmar. This allows us to identify potential human rights risks in the supply chain early on and implement targeted risk-mitigation measures. The risk assessment is carried out systematically and is based on a multi-stage process incorporating both internal and external tools and methods.

Our stakeholder network in Myanmar – our key partners:

Fair Wear Foundation (member since 2011)
As a long-standing member of the Fair Wear Foundation, we benefit from an independent, multi-stakeholder approach.

Fair Wear supports us through:
1. in-depth country and risk analyses
2. clear methods for implementing human rights due diligence
3. training programmes
4. an independent complaints hotline

This ensures that workers in Myanmar will have access to effective grievance mechanisms and that working conditions will be continuously improved.

EuroCham Myanmar
As a member of the European Chamber of Commerce in Myanmar, we are in direct contact with other European companies and political stakeholders.

EuroCham offers:
1. daily situation updates
2. economic assessments
3. a platform for dialogue and advocacy
4. promotion of responsible business practices

Particularly in a volatile environment, this information is essential for responsible decision-making.

MADE (Multi-stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry)
MADE is a Yangon-based initiative promoting decent working conditions in the textile industry.

Direct contact with factory management and workers enables:
1. targeted training programmes
2. the promotion of labour rights
3. support for living-wage initiatives
4. daily monitoring of social and political developments

This local presence, just like our local team on site, provides well-founded and authoritative insights into the actual situation on the ground.

Myanmar Garment Manufacturers Association (MGMA)
We advocate for transparency and continuous improvements in factories through regular dialogue with the MGMA industry association. Dialogue at the association level helps to address structural issues across the industry.

Collaboration with other companies
In addition to institutional partnerships, we are in constant dialogue with other companies – both members and non-members of the Fair Wear Foundation.

The aim is to work together to develop solutions that will:
1. secure jobs
2. sustainably strengthen social standards
3. promote economic stability

COUNTRY RISK MYANMAR – RISK ASSESSMENT

Our data sources:
Takko Fashion uses reports from the Fair Wear Foundation along with the expertise of our local CSR colleagues and of local partners such as MADE and EuroCham Myanmar. We also rely on reporting by various local and global media outlets. Our database is supplemented by audits carried out by accredited testing institutes. We analyse political, social and economic developments in Myanmar to assess their impact on our supply chain. On-site visits, amongst other factors, play an important role in risk analysis at the factory level.

Focus on social issues:
In the area of social issues, we adhere to Fair Wear's eight Codes of Labour Practices (CoLPs). Following a thorough analysis and taking into account the specific circumstances in our partner factories – which may differ from the general overall risk profile – we place particular emphasis on the following aspects:
- living wages
- freedom of association
- reasonable working hours

Actions following risk assessment:
As soon as risks are identified, we take targeted measures to improve the situation. These include:

Audits – review and follow-up:
Identified risks are reviewed in our audits. Every factory that produces for us undergoes at least four audits per year. These are carried out by our local team, our external local partner MADE and an accredited inspection body. Key findings for our factories in Myanmar and the corresponding corrective measures are listed on pages 114–115.

Training:
Our local Takko Fashion team is regularly on site and addresses topics that, according to the audit results, require further clarification, such as health and safety, legal regulations or grievance mechanisms. Since June 2025, we have been using updated training materials for our sessions, which we developed with the support of the Fair Wear Foundation. The training sessions are aimed at both factory management and employees and focus on core labour standards, internal communication (social dialogue) and the internal grievance channel.

Strengthening the internal grievance mechanism:
A functioning and transparent grievance mechanism is of central importance to us. It enables a rapid response to problems, prevents escalation and promotes trust between employees and management. We ensure, for example during our CSR team's visit in January, that every factory we work with has a Worker Consultation Committee (WCC) elected in accordance with the law.

Workshops:
We organise and support participation in workshops run by our partner MADE on topics such as social dialogue and workers' rights. These workshops take place both in the factories and externally.

Review of working hours:
We systematically record and analyse working hours. Overtime can increase, particularly during peak production periods. We engage in dialogue with suppliers to find solutions. We employ this structured approach to ensure that we not only identify risks but also actively and sustainably mitigate them.

RESULTS OF THE LATEST RISK ANALYSIS – A LOOK AT OUR ACHIEVEMENTS

The latest assessments have provided us with important insights. The analysis was carried out both at country level and, more specifically, at factory level. The issue of living wages currently represents the greatest human rights risk in Myanmar. Economic instability, rising living costs, and fluctuations in currency and energy prices are increasing the financial pressure on employees.

1. Wage development
Current situation and measures: Dialogue with employee representatives confirms that the statutory minimum wage is insufficient to cover the basic needs of an average family.

As a direct consequence, we have further intensified our monitoring in Myanmar. We analyse salary data not only on a monthly basis but also broken down by:
- statutory daily minimum wage
- actual basic salary paid
- overtime pay
- bonus payments

Positive developments are being recorded at our production sites. Between November 2024 and February 2026, basic wages (8 hours/day) were significantly increased. Both basic wages and effective daily pay, including bonuses and overtime, show substantial increases. This underlines our ongoing efforts to improve income conditions. To achieve further improvements, we are working closely with other companies that also manufacture in Myanmar. Together, we have developed a benchmark for fair payment. More information regarding wages in Myanmar can be found in the appendix on pages 116–117.

MADE Initiative: The MADE Initiative is one of our key partners in improving social and economic conditions in Myanmar. It is particularly committed to labour rights, living wages and educational opportunities. All of our production facilities are part of this programme, which has been successfully implemented for several years. The initiative has significantly raised awareness of fair working conditions, leading to noticeable improvements in the factories. Wages play a central role in this, as they directly contribute to the quality of life of the workers.

In addition, we maintain regular dialogue with suppliers and worker representatives (WCCs). Our suppliers and production facilities also initiate additional support measures for their employees, such as providing essential food items including rice, cooking oil and noodles.

Our analysis of salary data identified a production facility with comparatively low average incomes that nevertheless invests heavily in further training for its staff. The factory actively promotes the upskilling of unskilled workers, thereby improving their long-term employability.

2. Freedom of association and social dialogue
Freedom of association is a sensitive and important issue, particularly since the systematic restrictions following the military coup in Myanmar. For Takko Fashion, respect for freedom of association, as enshrined in our Code of Conduct and the Fair Wear Code of Labour Practices (CoLPs), remains a central commitment.

Every factory in Myanmar has a Freedom of Association (FoA) Policy and a Non-Retaliation Policy. To ensure that workers remain regularly informed about the Code of Labour Practices (CoLP), training sessions are conducted on a regular basis. In addition, the visually designed Worker Information Sheets are prominently displayed throughout the production facilities.

We are continuously working to strengthen the internal grievance mechanism in place to provide factory employees with a safe platform for their concerns. Every factory that produces for us has a freely elected workers' representative body (WCC – Worker Consultation Committee) that holds regular meetings with the respective factory management. Minutes of the proceedings of these meetings are kept.

WORKING HOURS

Overtime can occur in the textile industry, particularly during peak production periods. Reports from workers' representatives and non-governmental organisations (NGOs) indicate that in Myanmar's textile industry, there is a risk that overtime is not always voluntary in some cases, and that statutory maximum working hours are exceeded. There are also indications that some employees are not granted sufficient breaks or not getting their prescribed days off. Within this framework, we do not tolerate mandatory overtime or working hours that exceed legal limits. We also place great importance on ensuring that workers receive adequate rest breaks and regular days off.

To ensure compliance with our requirements on working hours, rest breaks and days off in our supplier factories, we conduct regular audits and systematically monitor compliance with these requirements. If, for example, there is a disproportionately high amount of overtime, we engage in dialogue with the suppliers to identify the causes and find solutions. This structured approach ensures that we can not only identify risks but also actively and sustainably mitigate them.

COMPLAINTS MECHANISM

The complaints mechanism is a central element of our enhanced human rights due diligence (eHRDD). To ensure human rights protections in Myanmar, we have formulated clear requirements for our business partners and established effective channels for complaints. Our aim is to provide all workers with safe and trustworthy channels – both internally and externally.

Internal grievance mechanism:
Complaints can be raised internally in various ways: directly to the workers' committees (WCC) or anonymously via a suggestion box, which resembles a post box. This box is located in a discreet area of the factory and is opened in the presence of a workers' representative.

The concerns are discussed in regular meetings between the WCC and factory management. The results are published on the noticeboard and in some factories are also communicated via loudspeakers. The presence of a secure, easily accessible box and the process itself are regularly reviewed as part of the audits.

A functioning and transparent complaints mechanism is of central importance to us. We expect every factory we work with to have an elected body of workers' representatives, in accordance with the law. This is regularly checked during audits and additionally verified during site visits by our team. Furthermore, our local colleagues have access to the minutes of meetings between workers' representatives and factory management.

During our visits, we make a point of setting time aside for dialogues with employee representatives. These dialogues cover not only employee representatives' responsibilities but also their experiences of the election process and their assessment of the current situation. Our local colleagues and partner organisations such as MADE are on hand to provide support in the event of questions or uncertainties regarding the election process, offering training specially tailored to equip newly elected employee representatives for their important role.

External grievance mechanisms:
In addition, employees may use further external channels in accordance with Step 6 of our Human Rights Due Diligence Policy (HRDD) (see page 42). These include:

Worker Information Sheet:
This information sheet contains the contact details of the complaints hotline and the e-mail address of the Fair Wear Foundation, which offers an independent reporting channel.

Whistleblower system:
A whistleblower system available on the Takko Fashion website is accessible in Burmese, amongst other languages, to break down language barriers and ensure ease of use.

Further measures:
In addition, MADE carries out assessments to evaluate working conditions on site and identify weaknesses at an early stage. These measures are complemented by the active involvement of our own CSR staff.

FURTHER ON-SITE SUPPORT

Takko Fashion is not only committed to providing ongoing support to selected aid organisations but also makes ad hoc donations of rapid and effective assistance in acute crisis situations. In the event of natural disasters such as earthquakes or other acts of God, we provide targeted funding to support affected regions and communities, such as following the earthquake in Myanmar in March 2025.

We donated US$100,000 to four organisations working to support the regions affected by the earthquake in Myanmar.

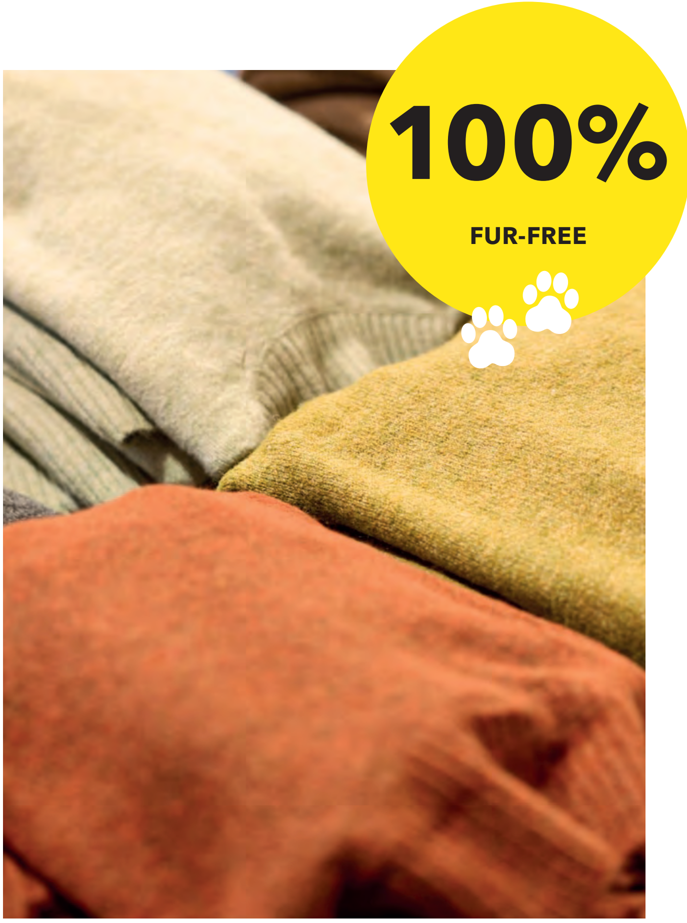
TRANSPARENCY

Takko Fashion has published an official statement on its website to let customers, business partners and stakeholders know why we are continuing to operate in Myanmar despite the current political situation, together with the measures we are taking to ensure enhanced due diligence.

ANIMAL *WELFARE*

Alongside human rights and environmental protection, animal welfare also plays a key role in our corporate due diligence obligations. We are therefore committed to animal welfare and to adhering to the 'five-domain' model and its associated animal-welfare objectives. The use of any materials derived from wild animals is strictly prohibited. This includes materials derived from exotic, threatened or endangered species listed in the 'Convention on International Trade in Endangered Species' (CITES) and/or on the red list of the 'International Union for Conservation of Nature' (IUCN). We do not use materials such as angora, alpaca, down, feathers, merino, mohair, fur or silk in our products. Products derived from animals that are not kept in a manner appropriate to their species may not be used in the manufacture of our goods. We reject animal testing for all goods. This also applies to the development of new products and materials.

We use animal-derived materials only to a very limited extent; in the 2025/26 financial year, this consisted exclusively of leather in our belt collection.



FUR FREE RETAILER PROGRAM

Both our clothing and our accessories are 100% free from animal fur. The Fur Free Retailer Program is the world's leading initiative for certifying fur-free companies and highlights which manufacturers adhere to animal-welfare principles in the production of fashion items.

SOCIAL

The results of the double materiality analysis show that social aspects throughout our entire value chain – from our own workforce to workers in the supply chain and on to consumers – have a significant influence on our sustainable corporate development. Measures to improve working conditions, promote workers' rights and enhance transparency towards consumers make a positive contribution to the social stability of our business activities. In the supply chain in particular, existing initiatives and programmes help gradually improve social standards and increase the resilience of our supplier relationships. Against this backdrop, we see an opportunity not only to reduce risks through the continuous development of our social standards, but also to build long-term stable partnerships, strengthen our appeal as an employer and further enhance the trust of our customers.

OUR OWN *WORKFORCE*

OUR APPROACH

Our employees form the foundation of our success. Our HR strategy therefore aims to create a working environment that combines security, equal opportunities and attractive career prospects. The focus is on continuously improving our working conditions. We create reliable working conditions and practise diversity and inclusion based on our Code of Conduct and Corporate Compass. Discrimination and unfair treatment are not tolerated.

We place particular emphasis on responding at an early stage to key challenges such as securing a skilled workforce, staff retention and evolving skills requirements. We invest in training, skills development and the promotion of young talent. Individual development and other programmes designed to enhance staff satisfaction are integral to our corporate culture. In this way, we strengthen our employees' motivation, performance and long-term commitment

Through this integrated approach, we consolidate our position as an attractive employer. An appreciative corporate culture, reliable working conditions and targeted support help attract and retain employees in the long term, thereby securing our competitiveness for the long haul.

METRICS AND TARGETS

TARGETS

Our measures for our own workforce are guided by the following overarching objectives:
- Promoting skills development, a feedback culture and internal career prospects
- Improving our employees' health and well-being
- Improving working conditions and the work-life balance
- Embedding diversity, equal opportunities and fair remuneration
- Retaining staff in the long term and securing qualified young talent

ACTIONS TO ACHIEVE OUR TARGETS

To implement these measures, we rely on, amongst other things:
- regular feedback and development reviews
- talent- and leadership-development programmes
- comprehensive training and development opportunities
- targeted programmes to promote young talent
- measures to promote health and safety
- flexible working time arrangements
- clear guidelines on diversity and fair pay

The effectiveness of these measures is reviewed through internal evaluations, key performance indicators and feedback from staff, with further developments undertaken where necessary.

PERFORMANCE INDICATORS

Topic	KPI	Definition	Target	Actual FY 2025/26	Scope
Employee Development	Employees Offered a Development Review (%)	Percentage of employees offered at least one development review during the financial year	Maintain high coverage levels	100%	Own workforce (Permanent employees)
Learning and Development	Training and Development Hours	Total number of documented training and development hours completed during the financial year	Continuous improvement	25,956 hours	Own workforce
Talent Development	Participants in Talent Programmes	Number of employees participating in talent and development programmes	Ongoing provision of programmes	37	Own workforce
Employee Retention and Turnover	Employee Turnover Rate (%)	Percentage of employees leaving the company during the financial year	Long-term stabilising	18.8%	Own workforce
Health and Well-being	Sickness Absence Rate (%)	Average sickness-related absence rate during the financial year	Long-term stabilising	4.29%	Own workforce
Occupational Health and Safety	Reportable Workplace Accidents	Number of reportable workplace accidents resulting in more than three calendar days of absence	Continuous reduction	108	Germany
Occupational Health and Safety	Employees Covered by Occupational Health and Safety Structures (%)	Percentage of employees covered by established occupational health and safety structures	Maintain high coverage levels	100%	Germany

PROCESSES FOR ENGAGING WITH OWN WORKFORCE

A key component of our management approach is to involve our employees. We use various formal and informal procedures to identify perspectives, needs and potential impacts on our workforce.

These include regular dialogue between managers and staff, as well as feedback mechanisms such as annual performance reviews. We have also established a "trusted partner" scheme offering all staff the opportunity to raise concerns, ask questions or discuss potential issues in a safe and confidential setting. This promotes open dialogue, strengthens trust within the company and ensures that issues are identified and addressed at an early stage.

Furthermore, employees have access to established reporting and complaints channels through which they can raise issues, suggest improvements or report potential grievances. Reports are treated confidentially and are incorporated into the ongoing development of our measures (see page 33).

Another important tool is the employee survey. It serves as a structured feedback tool and provides insights into satisfaction, leadership, collaboration and areas for improvement. The results are systematically evaluated and translated into concrete measures. The survey also helps managers improve dialogue with their teams. This ensures that our corporate culture does not remain a static mission statement but is actively shaped.

The employee survey conducted in the 2025/26 financial year showed that our willingness to recommend the company has increased in the three business areas of Sales, Logistics and Head Office compared to the last survey – as demonstrated by the Employee Net Promoter Score (ENPS) of +22 this year compared to +13 from the 2023 survey. With this result, we are well above the average general score for German companies (ENPS +5). We see this result as an incentive to continue to capitalise on the identified potential and to consistently build on this positive trend.

CHARACTERISTICS OF OUR WORKFORCE

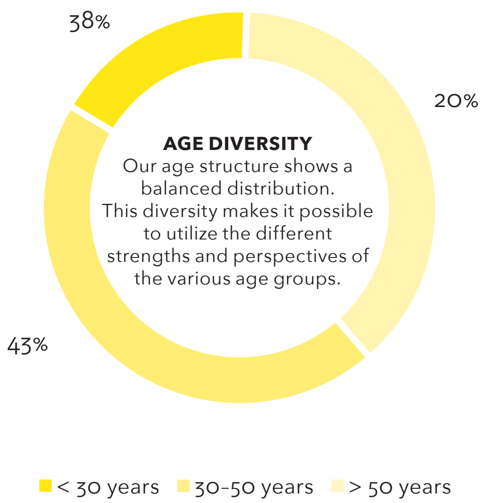
Our #TeamTakko – that is, all our employees – form the heart of our company. With passion and team spirit, they have played a key role in shaping Takko Fashion's success for more than 40 years. There are nearly 18,000 people working for our company today.

Our workforce comprises store staff, staff at logistics sites and staff at in our head offices. At the end of the 2025/26 financial year (as at 31 January 2026), we employed a total of 17,695 people across our 17 sales countries, of whom 4,550 were part-time employees. Around 51% of employees are in marginal employment, primarily in our stores. The total number of part-time and marginal employees corresponds to a full-time equivalent headcount of 8,026.

DIVERSITY PARAMETERS

We aim to promote a diverse and inclusive working environment. Our workforce is characterised by a variety of professional backgrounds, qualifications and personal experiences. We regard this diversity as a key factor for success in terms of innovation, collaboration and long-term corporate development.

We take diversity into account during recruitment, staff development and career and talent programmes. Our aim is to offer equal opportunities to all employees and to create a working environment characterised by respect and appreciation. This is firmly anchored in our Code of Conduct for Employees.



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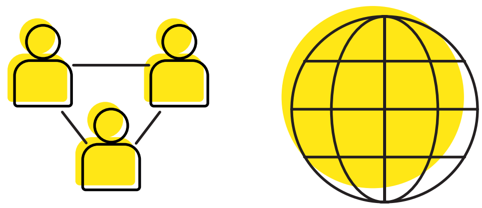
nationalities



Our age structure shows a balanced distribution across different age groups. This diversity enables us to integrate different perspectives and make targeted use of our employees' respective strengths – from experience and specialist expertise to fresh ideas and innovative ways of thinking.

Our workforce is also internationally diverse. A total of 91 nationalities are represented across our 17 sales countries. This cultural diversity enriches collaboration, fosters intercultural skills and strengthens our understanding of diverse customer needs.

Despite our different languages and cultural backgrounds, we succeed in embodying and strengthening the shared Takko Fashion team spirit across the entire company. Our internal communication platform, myTakko, plays a central role in this, enabling all employees to connect with one another. With integrated and straightforward translation options, we ensure that information is accessible and understandable to everyone. This is how we facilitate cross-location and cross-border exchange, promote transparency and participation and strengthen cohesion across national borders. At the same time, we ensure that all employees are kept up to date with the latest information.

EMPLOYEE TURNOVER

Takko Fashion's Group-wide employee turnover rate is 18.8%. This remains within the range typically seen in the retail sector, where a high proportion of store-based employees and seasonal workforce movements generally result in comparatively higher turnover rates. A particularly positive picture emerges in our German Sales organisation, where the employee turnover rate is 14%, reflecting the strong level of employee retention in our most important market.

TRAINING AND SKILLS DEVELOPMENT

The continuous training and development of employees is a central component of HR development at Takko Fashion. Over the past three financial years, we have been able to steadily increase the number of training hours to 25,956 by expanding digital learning opportunities and integrating learning time into the daily work routine (+28.7% on the previous year).

Employees have the opportunity to plan their own learning time in consultation with their managers and to make use of further training opportunities via digital learning platforms such as Good Habitz and Busuu. The training programme includes, amongst other things:

- E-learning programmes
- In-house seminars
- Trainer training
- Training for sales staff

In addition, Takko Fashion offers various programmes to support young professionals and talent.

Training programmes:
Takko Fashion trains young talent both in its stores and in its head office departments and logistics. In addition, dual study programmes are offered in the fields of business administration, business informatics and textile business administration. An overview of all training programmes can be found on page 68.

Around 169 apprentices began their training at Takko Fashion in 2025. The retention rate in winter 2025 stood at 75%, which exceeds the German national average.

International learning experiences:
As part of the ERASMUS programme, trainees have the opportunity to gain international work experience for a period of four weeks and to develop their intercultural skills and language proficiency.

Takko Fashion Academy:
To promote professional and personal development, Takko Fashion operates the internal learning platform Takko Fashion Academy. In addition to face-to-face seminars at the Sarstedt site, the digital Academy offers learning content and training modules for apprentices and staff in the stores.

Talent development:
Through the Takko Talent Pool, we support employees with particularly strong professional performance in their career development. Following successful completion of the programme, participants can, for example, undertake a trainee programme, take on their first management responsibilities or assume additional professional responsibilities.

In the 2025/26 financial year, 27 employees took part in the Takko Talent Pool. Seven employees completed the trainee programme, including six who now hold management positions.

SOCIAL PROTECTION

Our employees benefit from a range of social benefits in line with legal requirements and internal policies. In addition to basic social security cover, we also offer employer-provided additional benefits. These include, amongst other things, company pension schemes, health and prevention programmes with access to fitness facilities and flexible return-to-work arrangements following parental leave. We also offer additional financial benefits such as staff discounts and seasonal vouchers.

HEALTH SERVICES

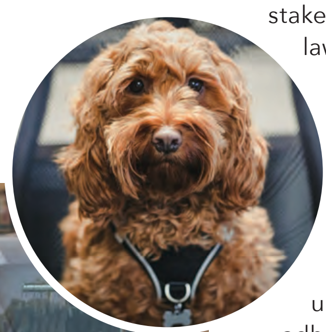
We place a high priority on health and safety in the workplace. At our headquarters in Telgte, we regularly organise health days offering employees preventive healthcare services.

In addition, we provide various health services, including:

- Health courses such as yoga or autogenic training
- Workshops to promote mental health

Furthermore, we partner with Wellhub to offer discounted sports and fitness options for employees in Germany. These range from digital training programmes to discounted gym memberships.

To promote sustainable mobility, there is a Jobbike scheme that offers employees discounted leasing terms for bicycles.



WORK-LIFE BALANCE

Takko Fashion helps its employees balance their professional and personal commitments. Where organisationally feasible, employees can easily return to work on a part-time basis after parental leave. We also offer our employees flexible working time arrangements. In our stores, we ensure that staff rota planning is as flexible as possible, taking individual preferences into account. Since 2022, employees in our head office have had the option, subject to agreement with their managers, to work up to 60% of their working hours from a mobile office.

DATA PROTECTION

The protection of the personal data of our employees – as well as that of customers, business partners and other stakeholders – is an integral part of our commitment to lawful and responsible corporate governance. This commitment is underpinned by a Group-wide Data Protection Policy, which establishes uniform rules for the handling of personal data and applies to all employees. We process personal data exclusively in accordance with applicable data protection legislation, for clearly defined purposes and on the basis of appropriate legal grounds under the General Data Protection Regulation, while adhering to the principle of data minimisation.

An external Data Protection Officer and an internal Data Protection Coordinator monitor compliance with data protection requirements and provide expert guidance where needed. Our employees receive regular information and training and are required to handle personal data confidentially.

In addition, we maintain a high level of data security through appropriate technical and organisational measures and ensure that the rights of data subjects are always safeguarded. These rights include the right of access, rectification, erasure, restriction of processing, data portability and the right to object to processing.

HEALTH AND SAFETY

The protection of our employees' health and safety is our top priority. As an internationally active retail company with diverse working environments – from stores and logistics centres to our head office – we pursue a structured and preventive approach to occupational health and safety.

In Germany, we base the design of our occupational health and safety management system on the fundamental principles of ISO 45001. These form the framework for clear responsibilities, systematic risk assessments, regular training and instruction, and continuous improvement processes.

Outside Germany, occupational health and safety is organised on a decentralised basis. The respective national subsidiaries are responsible for implementing the applicable national legal requirements and adapting measures to local conditions.

In Germany, Takko Holding and Takko Logistik are supported by an inter-company occupational health and safety service. This support is provided in accordance with the Occupational Safety Act (ASiG) and includes, amongst other things:

- Support with risk assessments
- Regular inspections of stores, logistics sites and office buildings
- Advice on accident prevention, ergonomics and emergency management
- Analysis of accidents and identification of improvement measures

All relevant regulations, operating instructions and training materials are centrally accessible to employees via internal platforms. In this way, we ensure transparency, up-to-date information and a consistent information base.

Prevention is a key component of our approach. This includes regular training and instruction tailored to the specific tasks and risks involved. Managers bear responsibility for implementing health and safety requirements within their departments. In addition, training on safety-related topics such as fire safety, first aid, robbery prevention and ergonomic working practices is provided on a regular basis. In the process, we always take linguistic diversity and varying levels of qualification into account.

Our approach to health and safety is based on the principle of continuous improvement. Any shortcomings identified during site inspections, accident analyses or feedback from the workplace are systematically evaluated and incorporated into organisational and technical improvements. The aim is to identify risks at an early stage, reduce accidents in the long term and ensure safe working conditions for all employees.

Accidents and work-related illnesses

- **Workplace and commuting accidents:** In 2025, a total of 108 reportable workplace and commuting accidents were recorded in Germany. Reportable accidents are those resulting in more than three calendar days of absence from work, excluding the day of the accident.
- **Fatalities:** There were no fatal workplace accidents in the reporting year.
- **Reportable work-related illnesses:** No reportable work-related illnesses were recorded.

Analysis of the causes of accidents shows that most incidents are attributable to typical risks such as trips and falls, crush injuries or the handling of work equipment. We use these findings to derive targeted preventive measures and continuously adapt the content of our training programmes.

We are currently working on consolidating data from all countries to enable group-wide reporting for Takko Fashion in future. To this end, we are establishing new reporting channels and continuously refining our processes. In future, data collection will also be switched to a financial-year basis.

OUR APPRENTICESHIP PROGRAMS

APPRENTICESHIP IN THE STORE

APPRENTICED PROFESSIONS

- Sales person (m/f/d)
- Retail sales person (m/f/d)

HIGH SCHOOL GRADUATE PROGRAMS

- Commercial specialist (m/f/d)

APPRENTICESHIP IN OUR HEADQUARTERS

APPRENTICED PROFESSIONS

- Wholesale and foreign trade clerk (m/f/d)
- Media designer digital and print (m/f/d)
- IT specialist system integration (m/f/d)
- E-commerce Specialist (m/f/d)
- IT specialist application development (m/f/d)

DUAL STUDIES

- Business administration (m/f/d)
- Business informatics specialist (m/f/d)
- Textile business administrator (m/f/d)

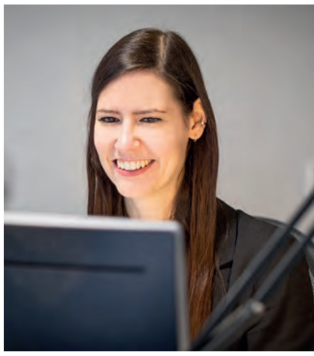
APPRENTICESHIP IN LOGISTICS

APPRENTICED PROFESSIONS

- Warehouse assistant (m/f/d)
- Warehouse logistics specialist (m/f/d)









#TeamTakko

Our success is built on the people at Takko Fashion. Every day, our employees shape the future of our company through their commitment, teamwork and passion.









WORKERS IN THE *VALUE CHAIN*

OUR APPROACH

According to the CSRD, workers in the value chain are all persons involved throughout the entire production process – from raw-material extraction through manufacturing to distribution. We are actively committed to improving working conditions in the textile industry. In this chapter, we focus on our upstream value chain, whereby a partnership-based and long-term collaboration with our suppliers is particularly important to us.

Our strategy regarding workers in the value chain takes a risk-based approach to implementing human rights due diligence obligations throughout our upstream supply chain. The aim is to identify, prevent or mitigate potential and actual negative impacts on workers at an early stage and to take appropriate remedial action where necessary.

A central component of our strategy is long-term collaboration with our suppliers based on partnership. Through continuous dialogue, training and joint improvement measures, we help our business partners sustainably strengthen social standards at their production sites.

Our requirements are based on our Supplier Code of Conduct and the Code of Labour Practices (CoLP). These define binding minimum standards covering working hours, remuneration, occupational health and safety, freedom of association, equal treatment and prohibitions on child and forced labour.

Our strategy comprises five core elements:

1. Binding standards

All suppliers sign our Code of Conduct and the Code of Labour Practices. The requirements form an integral part of supplier contracts and the onboarding process for new business partners.

2. Risk-based prioritisation

We identify and assess risks based on country-, sector- and supplier-specific factors. On this basis, we prioritise measures and focus our activities in this regard on production sites in high-risk countries and on production processes that are particularly high-risk.

3. Review and further development

Regular social audits and assessments ensure compliance with our requirements. We also host training programmes for management and employees to raise awareness of workers' rights and social standards. Any non-conformities identified are systematically addressed and monitored through Corrective Action Plans (CAPs).

4. Remedial action and grievance mechanisms

We ensure that reports from the supply chain are addressed and that potential or actual negative impacts are remedied. To this end, we utilise, amongst other things, independent grievance mechanisms as well as internal procedures for handling reports.

5. Integration into procurement practices

Human rights considerations are incorporated into our procurement and planning processes to reduce the structural causes of potential negative impacts. We also collaborate with international initiatives and multi-stakeholder organisations to promote long-term improvements in working conditions within the textile industry.

METRICS AND TARGETS

TARGETS

Our aim is to identify human rights risks in the upstream value chain at an early stage, prevent or mitigate negative impacts and continuously improve working conditions in our production facilities. In doing so, we pursue the following objectives in particular:

- Strengthening occupational health and safety in production facilities
- Promotion of safe working conditions and equal treatment
- Promoting grievance mechanisms and redress access
- Strengthening social dialogue between employees and management
- Achieving a "Good" rating in the annual Fair Wear Brand Performance Check

ACTIONS TO ACHIEVE OUR TARGETS

We implement a variety of measures to achieve these objectives. These include:

- Collaboration with international initiatives such as Fair Wear as well as programmes to improve building safety and occupational health and safety
- Regular internal and external audits to review social standards
- Training programmes for employees and management, for example on workers' rights, occupational safety and conflict resolution
- Utilising independent grievance mechanisms and promoting internal grievance systems in the factories
- Developing and implementing corrective action plans to address identified non-conformities
- Digital tracking of audit findings and action plans to ensure efficient implementation of improvements

Through these measures, we aim to improve working conditions in our supply chain in the long term whilst reducing risks for workers and for our company.

- Stakeholder dialogue
- Grievances
- Assessments

- Training programmes
- Corrective Action Plans
- Responsible purchasing practices

- Occupational health and safety
- Equal treatment
- Social dialogue

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS

We factor the perspectives of workers in the value chain into our decision-making and management processes in several ways.

Key tools include:

- Social audits, including interviews with employees and insights into actual working conditions
- Complaints mechanisms through which workers can raise concerns directly
- Supplier dialogues featuring transparent discussion of collaboration
- Collaboration with industry initiatives and stakeholders to better understand systemic risks

Insights from these channels enter into our risk analyses, further developments of our standards and the prioritisation of measures.

FAIR WEAR FOUNDATION

PARTNER SINCE 2011:

In 2011, we became the first German fashion discounter to partner with the Fair Wear Foundation, a globally recognised, non-profit organisation committed to enhancing working conditions across the clothing, textile and footwear sectors. This partnership underscores our enduring dedication to upholding human rights, promoting fair employment practices and striving to achieve ongoing progress throughout our supply chain.

The Fair Wear Foundation plays a pivotal role in supporting our efforts. It offers robust standards, expert guidance and impartial oversight to help us advance labour rights and manage risks proactively. A particular highlight is the independent Fair Wear Foundation grievance mechanism, which we implement collaboratively to ensure that any concerns raised by supply-chain workers are addressed swiftly, responsibly and transparently.

Our most recent Brand Performance Check was conducted in 2025, with Takko Fashion once more receiving a "Good" rating. This assessment evaluates how we implement and continuously develop our human rights due diligence obligations throughout the supply chain. Fair Wear publishes results for all of its member companies.

15 years

ongoing commitment to fair working conditions for workers in the supply chain

AUDIT RESULTS

We regularly conduct internal and external audits, as well as supplementary factory visits, to ensure compliance with our Code of Conduct, legal requirements and international standards. The aim is to continuously review working conditions and implement improvements.

The audits are carried out both by our own teams and by independent third parties, such as the Fair Wear Foundation and accredited testing institutes. We also make use of country-specific initiatives and programmes such as the International Accord in Bangladesh or Fair Wear's training and grievance mechanisms.

In addition to on-site audits, we also conduct virtual factory visits – particularly with new business partners or in countries in which we have no local presence. The assessments are based on recognised social standards, in particular the Code of Labour Practices.

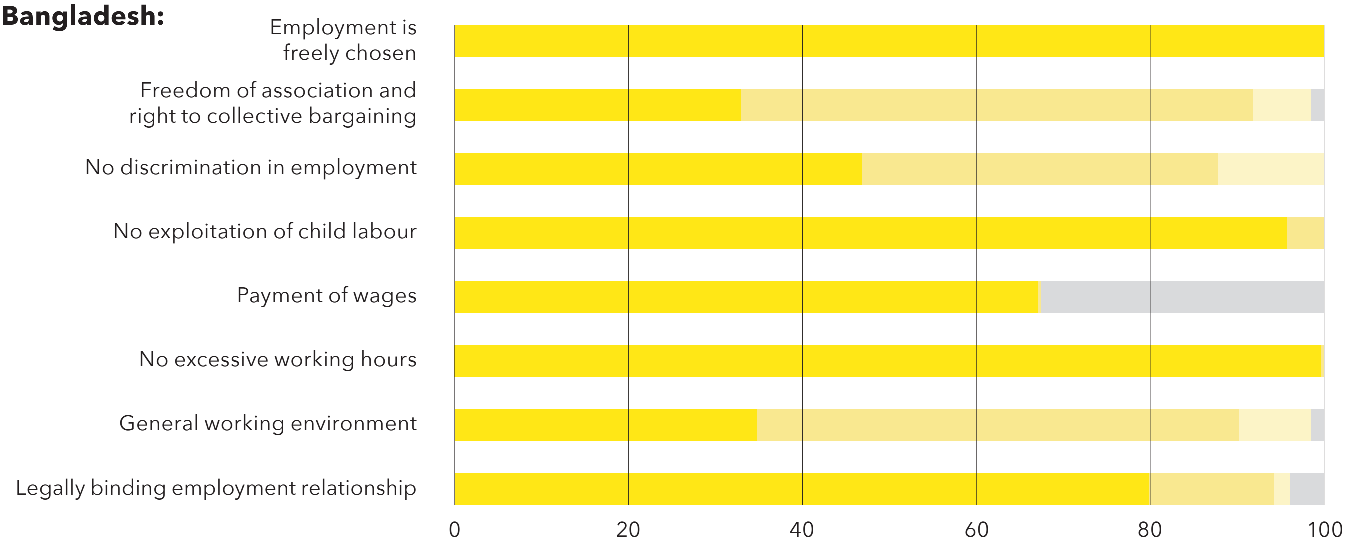
In this section, we report transparently on the results of our internal audits.

Country	Total audits	Internal audits	External audits
Bangladesh	288	282	6
China	128	113	15
India	67	47	20
Indonesia	*	–	*
Myanmar	68	45	23
Pakistan	19	–	19
Turkey	10	–	10
Cambodia	3	3	–
Egypt	1	–	1
Portugal	*	–	*
Poland	1	–	1
TOTAL	**585**	**490**	**95**

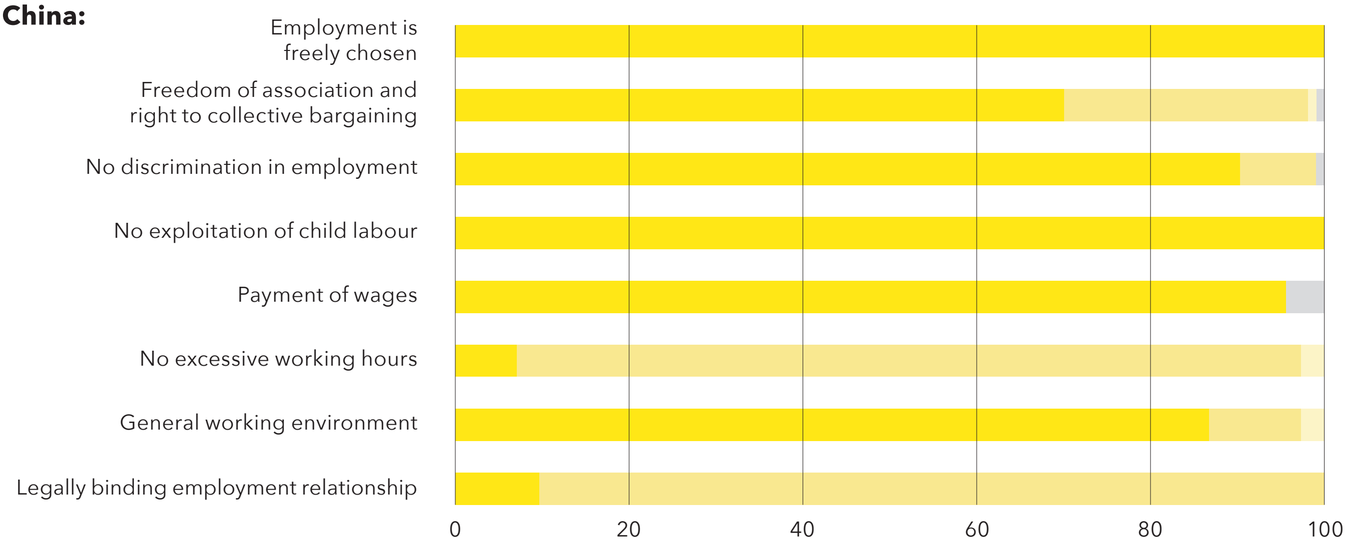
** = valid audit available*

Result	Scoring
A	≥ 90%
B	< 90% and ≥ 80%
C	< 80% and ≥70%
Fail	< 70%

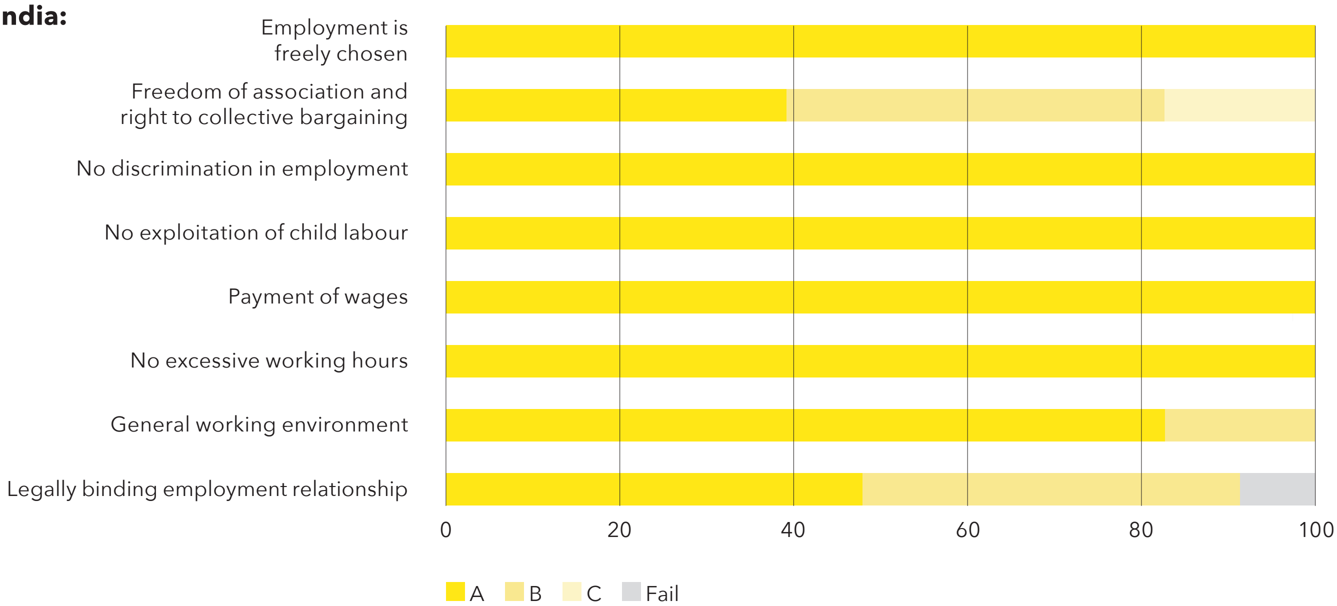
Bangladesh:



China:



India:



COUNTRY-SPECIFIC PROJECTS

Strengthening grievance mechanisms in Pakistan
In June 2023, together with other fashion brands, we successfully completed a pilot project as part of the Partnership for Sustainable Textiles' "Grievance Mechanisms" initiative. The project aimed to systematically strengthen internal grievance mechanisms in production facilities in Pakistan. Takko Fashion took part in this project with three factories.

A bespoke training programme was developed and implemented as part of the initiative. It covered management awareness, employee awareness-raising and joint development of sustainable and structured grievance systems. Both managers and employees received on-site training to address and resolve complaints relating to working conditions constructively.

Consolidation and implementation (2025)
In a follow-up project, ongoing since 2025, we are once again involved with three factories.

The second phase builds on findings to date and aims to promote a safer, more inclusive working environment in Pakistani textile factories. The focus here is on women and vulnerable groups.

The project was designed based on a risk analysis identifying challenges such as harassment, discrimination, lack of confidential reporting channels, inadequate documentation and low levels of trust between workers and management.

The aim is to establish fair, transparent and accessible grievance systems. These are intended to ensure safe reporting channels, clearly defined procedures, proper documentation and compliance with international standards.

Implementation to date
The second phase included the following aspects:
- standardised review of existing GRM structures
- three training sessions
- development of an SOP manual, supporting materials and a verification checklist
- on-site visits and validation of implementation, including review of documentation and formal guidelines

The focus now is on embedding these systems sustainably through improved documentation, consistent follow-up of complaints, regular training and continuous monitoring. The aim is to ensure effective and trustworthy complaint mechanisms in the long term.

Employment in jury scheme pilot in Bangladesh
Together with the International Labour Organization (ILO) and the German Society for International Collaboration (GIZ), we provide support to the "Employment Injury Scheme" (EIS) pilot project in Bangladesh, which addresses a key gap in the existing social-protection system. The programme covers some four million workers in the export-oriented garment sector and guarantees monthly pension payments as income replacement in the event of work-related disability or death. These supplement the government's lump-sum payments and are consistent with ILO Convention No. 121. The pilot project is funded by voluntary contributions from international brands. The aim of the project, which runs until 2027, is to lay the groundwork for a permanent, legally enshrined social insurance system, thereby achieving a sustainable structural improvement for workers across the entire sector.

INTERNATIONAL ACCORD FOR HEALTH AND SAFETY IN THE TEXTILE AND GARMENT INDUSTRY

Sustainable building safety

A key component of our commitment to improving working conditions is our participation in the International Accord for Health and Safety in the Textile and Garment Industry. The legally binding agreement between global brands and international trade unions was extended for the period from 2023 to 2026.

The International Accord builds on the Accord on Fire and Building Safety in Bangladesh, which was established in 2013 following the collapse of the Rana Plaza factory building. Its objective is to achieve sustainable improvements in fire safety, electrical safety and structural building safety in production facilities.

Independent engineers carry out regular inspections and prepare a Corrective Action Plan (CAP) for each production facility, setting out clearly defined actions and timelines. Progress in implementing these measures is continuously monitored and transparently published on the Accord website.

At the end of the 2025/26 financial year, 108 production facilities with which Takko Fashion is registered under the Accord were covered by the programme. We maintained active business relationships with 74 of these factories. In 19 production facilities, we are designated as the Lead Brand and assume a coordinating role vis-à-vis other brands and the Accord Secretariat.

Responsibility for implementing the required building safety measures lies with the factory owners. As a signatory company, we are committed to actively supporting implementation and accompanying the necessary measures within the framework of our business relationships. Even after a business relationship has ended, we remain involved in the implementation of outstanding safety measures for a defined period in accordance with the Accord requirements.

At the end of the 2025/26 financial year, the implementation rate of the required safety measures in the production facilities used for our orders stood at 88%.

In addition to inspections, the International Accord includes a comprehensive training programme. Its aim is to inform workers about their occupational health and safety rights and to support factory management in independently improving safety standards. Furthermore, the Accord promotes the establishment of occupational health and safety committees within production facilities to oversee the implementation of corrective measures on an ongoing basis.

Grievance Mechanism for Health and Safety

The International Accord operates an independent and confidential grievance mechanism. Workers can directly report health and safety concerns through this system. All complaints received are reviewed by independent experts and, where necessary, followed up on-site. Individuals raising concerns are explicitly protected against discrimination, retaliation and other adverse consequences.

The mechanism serves both to address specific health and safety issues and as an early-warning system for identifying structural risks. In this way, it contributes to the continuous and sustainable improvement of occupational health and safety standards.

International ACCORD for Health and Safety in the Textile and Garment Industry

CONSUMERS *AND END-USERS*

OUR APPROACH

Our customers are at the heart of our business model. As a quality fashion discounter, our aim is to offer fashion that is not only affordable but also safe, reliable and produced responsibly. At the same time, we ensure that legal requirements and rising expectations regarding product responsibility and information are met all along the value chain.

Our approach to consumers and end-users is based on three key pillars:

1. Product safety and quality
2. Consumer information and feedback channels
3. Data protection

The manufacture of safe products is our top priority. We ensure that our products meet and, where possible, exceed the applicable legal requirements. In doing so, we eliminate any health or safety risks for our customers. This includes regular testing of materials and products, as well as clear internal responsibilities for product and quality assurance. Our own standards go beyond the requirements of law.

The responsible handling of personal data is also a central component of our consumer protection. We have established data-protection guidelines that govern the collection, processing, storage and disclosure of personal data. These measures protect the privacy of our customers and are regularly reviewed and adapted to legal developments.

Furthermore, we place great importance on transparent and accessible communication and feedback channels. Consumers should be able to express concerns, complaints or feedback regarding products and services without any barriers. We take this feedback seriously and process it in a structured manner.

METRICS AND TARGETS

TARGETS

We pursue the following overarching objectives:
- Strengthening our customers' trust through reliable and safe products
- Ensuring high product safety and quality standards across the entire product range
- Continuously improving transparency in product information and labelling
- Minimising potential risks to consumers through rigorous testing and monitoring
- Protecting personal data and complying with data-protection requirements.

ACTIONS TO ACHIEVE OUR TARGETS

To implement these objectives, we focus on the following measures:
- Close collaboration with suppliers to ensure compliance with our standards
- Binding requirements for product safety and chemical management in our procurement processes
- Collaboration with independent, accredited testing institutes
- Risk-based quality and product-safety audits by internal and external audit bodies
- Expansion of transparent information and feedback systems for customers

These measures are monitored through existing quality and control processes. Findings from audits, complaints and customer feedback are incorporated into the further development of our standards.

PERFORMANCE INDICATORS

Topic	KPI	Definition	Target	Actual FY 2025/26	Scope
Product Quality	First-Pass Rate (%)	Percentage of products passing the final inspection at the first attempt	Maintain a rate above 95%	>95%	Supply Chain/ Quality Assurance
Product Quality	Incoming Goods Defect Rate (%)	Percentage of orders identified as non-conforming during incoming goods inspection relative to the total number of inspected orders	Maintain a rate below 5%	<4%	Incoming Goods Inspection/ Quality Assurance

PROCESSES FOR ENGAGING WITH CONSUMERS

We involve our customers in the evaluation of our products and services, particularly through feedback and service channels. Feedback from customer service, digital contact forms and direct enquiries is incorporated into our internal processes and evaluated by the relevant departments. The aim is to identify recurring issues at an early stage and implement continuous improvements. We also use customer feedback to further develop product quality, fit and user-friendliness.

Feedback or complaints can be submitted through a variety of channels. Incoming comments are recorded, reviewed and forwarded to the relevant internal departments. Three main communication channels are available for comprehensive feedback:

- Customer helpline: Our customers can contact us by phone to discuss their concerns directly.
- Contact form on the website : A user-friendly form allows enquiries and feedback to be submitted quickly and easily.
- Feedback via our stores.

In addition, there is a whistleblower system for reporting compliance risks and breaches. Further information on this can be found in the Corporate Compliance section on page 33.

Through customer surveys, we gain insights into brand perception as well as quality and sustainability efforts. This feedback is of great value to us, as it helps us continuously improve our products and services. Customers can either return faulty goods to one of our stores or send them by post to our warehouse. In both cases, reasons for the return can be provided. Frequent reports regarding a specific item are carefully examined by our Quality Control (QC) team. Where necessary, corrective measures are implemented to improve product quality. Our staff in our stores can also report identified quality defects via internal systems. We use regular evaluations to systematically identify and prevent errors.

To further increase transparency, we are preparing well in advance for introduction of the Digital Product Passport (DPP) under the European Ecodesign Regulation. We take a proactive approach and view the DPP not merely as a regulatory obligation but as a strategic tool for improving data quality, transparency and internal processes. As early as 2023, we carried out a pilot project together with our partner "The BHive" to analyse existing product data, data gaps and potential DPP requirements. Building on this, in 2025 the foundations were laid for an interdisciplinary team of specialist departments from sustainability, procurement, quality, marketing, legal and IT. The IT department plays a key role: it forms the basis for the integration of existing data sources, ensuring data consistency and the future scalability of the DPP approach. The aim of the internal solution is to be able to respond flexibly to new regulatory requirements and market players.

PRODUCT SAFETY

The safety of our products is our top priority. To prevent health risks to consumers, we have defined our own requirements for chemical and mechanical product safety that go beyond the legal requirements. This is based on a company-specific Restricted Substances List (RSL), which is aligned with recognised industry standards – particularly the OEKO-TEX® Standard 100 RSL – as well as applicable international and European legislation.

Our RSL sets binding limits on prohibited and restricted chemical substances in materials and end products. It applies to all product groups and is regularly reviewed and updated to reflect new regulatory requirements and the latest scientific findings. Compliance with the RSL is ensured through external laboratory analyses. Standard Operating Procedures (SOPs) for our suppliers define in detail the requirements, testing procedures and corrective measures observed in the event of non-compliance with the RSL. To support our product responsibility, laboratory analyses are carried out by accredited testing institutes. The tests are carried out in the countries of production prior to shipment and form part of our established due diligence and quality assurance processes. They help us identify potential risks at an early stage and respond appropriately. As part of our quality management, in addition to our internal testing processes, we have products sampled at random by an independent third party directly from our stores. These samples are then tested externally once again. This additional control mechanism ensures that our defined quality and sustainability standards are consistently observed throughout the supply chain. Independent verification increases transparency, enhances process reliability and supports our continuous improvement process.

Product groups with heightened safety requirements are subject to additional, specific testing and compliance processes. For example, as part of our quality assurance procedures, our sunglasses are tested and certified by an accredited testing institute in accordance with the applicable European standards. This independent testing is a key component of our quality management system.

To monitor continuous improvements and, above all, changes in legislation, we at Takko Fashion have in-house expertise, particularly in the QC and L&C departments. We are also advised by a Scientific Advisory Board, which meets approximately every six months. Further information on this can be found on page 34.

Through this structured approach to chemical management and product safety, we help to avoid negative impacts on our customers whilst strengthening confidence in the quality and safety of our products.

OEKO-TEX® STANDARD 100

The OEKO-TEX® Standard 100 was introduced in 1992 to establish a globally uniform, independent testing and certification system for textile raw materials, intermediate products, end products and accessory materials used. To qualify for certification, all components of the tested products must meet all defined requirements. Since 2016, we have been able to continuously increase the proportion of OEKO-TEX® Standard 100-certified garments in our textile range. In the 2025/26 financial year, this proportion stands at 96% of our total textile range.

OEKO TEX®

DATA PROTECTION

Protecting our customers' personal data is a top priority for Takko Fashion. We provide transparent information on data processing, particularly in our online shop and as part of our 'Takko Friends' customer loyalty programme. There, we explain in clear terms which personal data is collected, for what purposes it is processed (e.g. order processing, customer account, marketing communications), how long it is stored, and the legal basis for its processing.

Our data protection guidelines govern the collection, processing, storage and disclosure of personal data across the entire Group. Data protection management is organised centrally to ensure a uniformly high level of protection. At the same time, we naturally comply with the applicable country-specific data protection requirements in all markets in which we operate.

Enquiries or complaints regarding data protection are handled in accordance with our data protection policy. Consumers may exercise their rights in relation to their personal data – such as the right to access, rectification or erasure – via the designated contact channels. All enquiries are treated confidentially and reviewed and responded to within the statutory time limits.

SOCIAL *ENGAGEMENT*

TAKKO HILFT E.V.

Responsibility is part of who we are: as an international company, we are mindful of our social responsibility. It was from this sense of purpose that the charity "Takko hilft e.V." was founded in 2004. Employees of Takko Fashion volunteer their time in this non-profit, independent initiative. The shared goal: to support facilities and institutions for children and young people – and make the world a little bit better along the way!

In terms of its work, "Takko hilft" focuses on two key areas: the development of children and young people through education and supporting them in situations of need. For example, Takko hilft supports schools, school-related projects and nurseries with donations – directly and straightforwardly. In addition, Takko hilft supports other charitable projects, such as:

PROJECTS

Takko hilft has been working with **Kinderglück e.V.** since 2017. The charity has dedicated itself to helping children in difficult life situations for many years. In recent years, Takko hilft has been particularly involved in the "School Bag Project". In collaboration with youth welfare offices, schools and other educational institutions, Kinderglück e.V. draws up a list of requirements and provides a fully equipped school bag for every child on the list to take with them on their first day of school.

Sternenland e.V. is a centre for grieving children and young people who have lost a loved one. By covering the monthly rent for the association's premises in Telgte, Takko helps create a safe space where grief can be openly addressed.

The **Königskinder** outpatient **children's hospice** supports families in Münster and the surrounding area whose children, teenagers or young adults are suffering from a life-shortening illness. It supports families throughout the entire course of the illness by offering help, encouragement and support in this difficult situation.

For over 40 years, **Kinderkrebshilfe e.V. Münster** has been providing individual support to families with children suffering from cancer, offering counselling, hospital equipment, and medical and psychosocial support services. Its wide-ranging activities include aftercare projects, research funding and emergency family support, the "Brückenteam" (bridge team) and grief counselling.

Under the motto "Strong support under one roof", the **BLAUER ELEFANT** children's centres offer numerous unbureaucratic services and direct support for children and families. The various care services include play, leisure, holiday and participation opportunities for children. In addition, there is a wide range of educational, counselling and information services for parents and children. The BLAUER ELEFANT is a seal of quality from the German Child Protection Association; Takko hilft supports the centres in Lage and Halle an der Saale.

Other projects supported by Takko hilft include: **Lukas' Stern e.V.** (Chemnitz), a charitable association that fulfils the heartfelt wishes of seriously ill children; **moment.mal e.V.** (Berlin) for yoga and mindfulness initiatives for children; **TV Schiefbahn 1899 e.V.** (Willich), an inclusive sports club where children and young people with and without disabilities can play sports together and take part in leisure and holiday activities. In addition, Takko hilft supports many other initiatives, such as the **sports mentoring** project in Münster, the **KLC e.V.** (Kinder lernen clever) association in Dortmund, and the **Child Protection Association** in Münster.

TAKKO FASHION

TAKKO SCHOOL

The Takko School in Tirupur, southern India, is a project very close to our hearts. Since 2008, it has been providing education to boys and girls from financially disadvantaged families. 209 children attended the all-day school in the 2025/26 academic year. They receive free tuition and meals. Qualified teachers ensure varied, high-quality instruction. School uniforms foster a sense of community – regardless of social or religious background. Modern classrooms and a well-equipped computer room facilitate multimedia learning. There are a large school playground and sports fields for break times. The Takko School offers the chance to gain a recognised school-leaving qualification – for a promising start to the future and a self-determined life. Takko supports this initiative with around 80,000 euros annually.

ACCOMMODATION FOR REFUGEES ON OUR PROPERTY IN TELGTE

Since 2023, we have been making a plot of land available at our headquarters in Telgte for the accommodation of refugees. As we waive rent payments for the land, the town of Telgte can use the money saved to support people in situations of need.

In the 2025/26 financial year, we committed to further developing the site, enabling the town of Telgte to install additional residential containers. This has doubled the number of accommodation units for refugees on our site. The site currently provides a temporary home for 80 people.

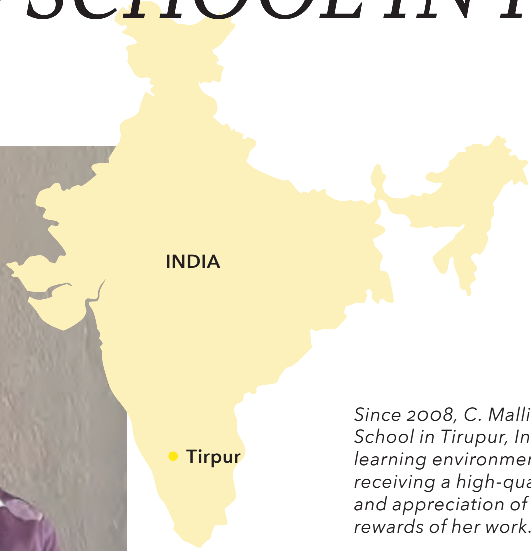
TAKKO HOLIDAY CAMP TELGTE

Since 2006, we have been supporting the "Stadtranderholung" in Telgte – a two-week holiday camp for children during the summer holidays – with a special Takko holiday day sponsored by us. Our "Takko Day" in 2025 offered pure fun, games and excitement for around 600 children, with bouncy castles, a climbing wall, craft tables and much more. In addition, during the last financial year, we provided all the children at the holiday camp with water bottles.

EARTHQUAKE AID FOR MYANMAR

Following the devastating earthquakes in March 2025, we donated US$100,000 to aid organisations: the Danish Red Cross, Medical Action Myanmar, Community Partners International and the Dutch Relief Alliance. The funds were used to organise vital relief efforts such as the provision of emergency shelter, clean water, food and hygiene items. The donation also helps fund medical care for the injured. Takko Fashion has been working with suppliers in Myanmar since 2014. We feel a strong connection to our business partners, the workers in the textile factories and our colleagues in our local CSR office, and hope that our donation will help support the people of Myanmar during this difficult time.

EDUCATION CHANGES LIVES
THE TAKKO SCHOOL IN INDIA



Since 2008, C. Mallika has been leading the Takko School in Tirupur, India. She helps create a positive learning environment where pupils can thrive while receiving a high-quality education. The affection and appreciation of the children are the greatest rewards of her work.

A conversation with C. Mallika, Principal of the Takko School, about opportunities, responsibility and her personal motivation

The Takko School in Tirupur, India, is one of our most cherished projects. Through the school, Takko helps children from low-income families gain access to quality education and better opportunities for the future. Since the school was founded in 2008, Principal C. Mallika has played a key role in its development with remarkable dedication and passion. In this interview, she talks about her professional journey, the challenges children face and the transformative power of education.

How long have you been working at the Takko School, and what has your career journey been like?

MALLIKA I have been working at the Takko School since 27 March 2008. My career in education began in 1994 when I worked as an English teacher at a secondary school in Pollachi, my hometown in the Indian state of Tamil Nadu. In 2001, I had the opportunity to join a government school in the Maldives, where I progressed from teaching into the role of Vice Principal. Since joining the Takko School, I have continued this work with great passion. My enthusiasm for education has always motivated me to dedicate myself fully to supporting and inspiring young people.

What inspired you personally to work in children's education?

MALLIKA My motivation comes from a deep belief that education can change a child's life. I am passionate about helping children gain knowledge, confidence and new opportunities. At the same time, I see it as a way of making a positive contribution to society. I firmly believe that every child deserves access to quality education and the chance to pursue their dreams.

What challenges do children from low-income families face when it comes to attending school regularly?

MALLIKA Many children from low-income families face significant challenges. These can include financial hardship, a lack of transport options and family responsibilities that often take priority over attending school. In many cases, children also receive little educational support at home. All of these factors can make it much harder for them to participate in school consistently.

How does the Takko School help children believe in themselves and develop aspirations for the future?

MALLIKA The Takko School provides a supportive and encouraging learning environment where every child can develop their individual potential. Alongside a high-quality education, we actively nurture their talents, build their confidence and help them develop important social and life skills. This enables our pupils to recognise their own strengths and develop realistic ambitions for their future.

In March 2025, our CEO Martino Pessina (right), CPO Sebastian Weber (centre) and our Sourcing Director Radek Sorcik (left) visited the Takko School. Principal C. Mallika introduced them to the different classes, teaching facilities and members of staff.

Can you share an example of how education can transform a child's life?

MALLIKA One particularly inspiring example is a boy from a nearby village who came from a family of daily wage labourers and joined the school with a partial hearing impairment. During his early years at school, he required a great deal of individual support and patience. From Year 3 onwards, however, he made remarkable progress, consistently achieved top marks in his class and excelled academically. Eventually, he secured a place at medical school entirely on merit. Today, he works as a doctor. His story demonstrates the life-changing impact education can have. It also transformed the future of his family, bringing them immense pride and renewed hope.

What do you enjoy most about being a school principal?

MALLIKA For me, being a principal is incredibly rewarding because it allows me to guide young people on their journey, support teachers and make a positive difference to children's development every day. It is wonderful to see pupils grow, achieve their goals and find their own path in life.

What does Takko Fashion's support mean for the school and its pupils?

MALLIKA Takko Fashion's support is vital for the Takko School. Many of our pupils come from families who are unable to provide even basic school materials. Thanks to Takko Fashion's commitment, children have access to textbooks, stationery, school uniforms and other essential resources. This support gives them the opportunity to focus on their education and provides them with genuine prospects for a better future.

Why is the Takko School so close to your heart?

MALLIKA Over the years, the Takko School has become very close to my heart. My connection with the pupils and the teaching staff, as well as the opportunity to make a lasting difference in children's lives, motivates me every day. The trust people place in me and the positive developments I witness give my work a special meaning. What touches me most is the children's genuine and unconditional affection – it is one of the greatest rewards of my role.

ENVIRONMENT

Based on the identified impacts, risks and opportunities (IROs) in the environmental sphere, it becomes clear that the management of greenhouse gas emissions, energy-related resource consumption and logistical processes is of central importance to us. As an internationally active retail company, emissions arise throughout our value chain, particularly through transport, distribution, energy consumption at our sites and the manufacturing of our products. At the same time, increasing regulatory requirements, volatile energy prices and climate-related expectations from stakeholders can lead to operational and financial risks. Topics such as the comprehensive accounting of our greenhouse gas emissions, decarbonisation in the supply chain, efficient logistics processes and the expansion of lower-emission solutions present opportunities to reduce our environmental impact, lower costs in the long term, and sustainably strengthen our competitiveness.

CLIMATE *CHANGE*

OUR APPROACH

Climate change is one of the greatest global challenges and affects our business model. As an internationally active trading company, our emissions arise not only from our own operations but, above all, from the manufacture of our products.

Our focus is therefore on a holistic climate-management approach that takes into account both operational emissions and those along the supply chain. We are adopting a phased approach that is realistic to implement and considers the areas in which we can make a difference.

METRICS AND TARGETS

TARGETS

As part of our holistic climate management, we are pursuing the following overarching goals in particular:

- systematic reduction of our greenhouse-gas emissions across the entire value chain
- continuous improvement of energy efficiency in our own operational processes, particularly in stores and administrative sites
- greater transparency regarding our climate impact and the continuous improvement of data quality, particularly in the area of Scope 3
- gradual decarbonisation of our supply chain, taking into account our scope for influence as a retail company

ACTIONS TO ACHIEVE OUR TARGETS

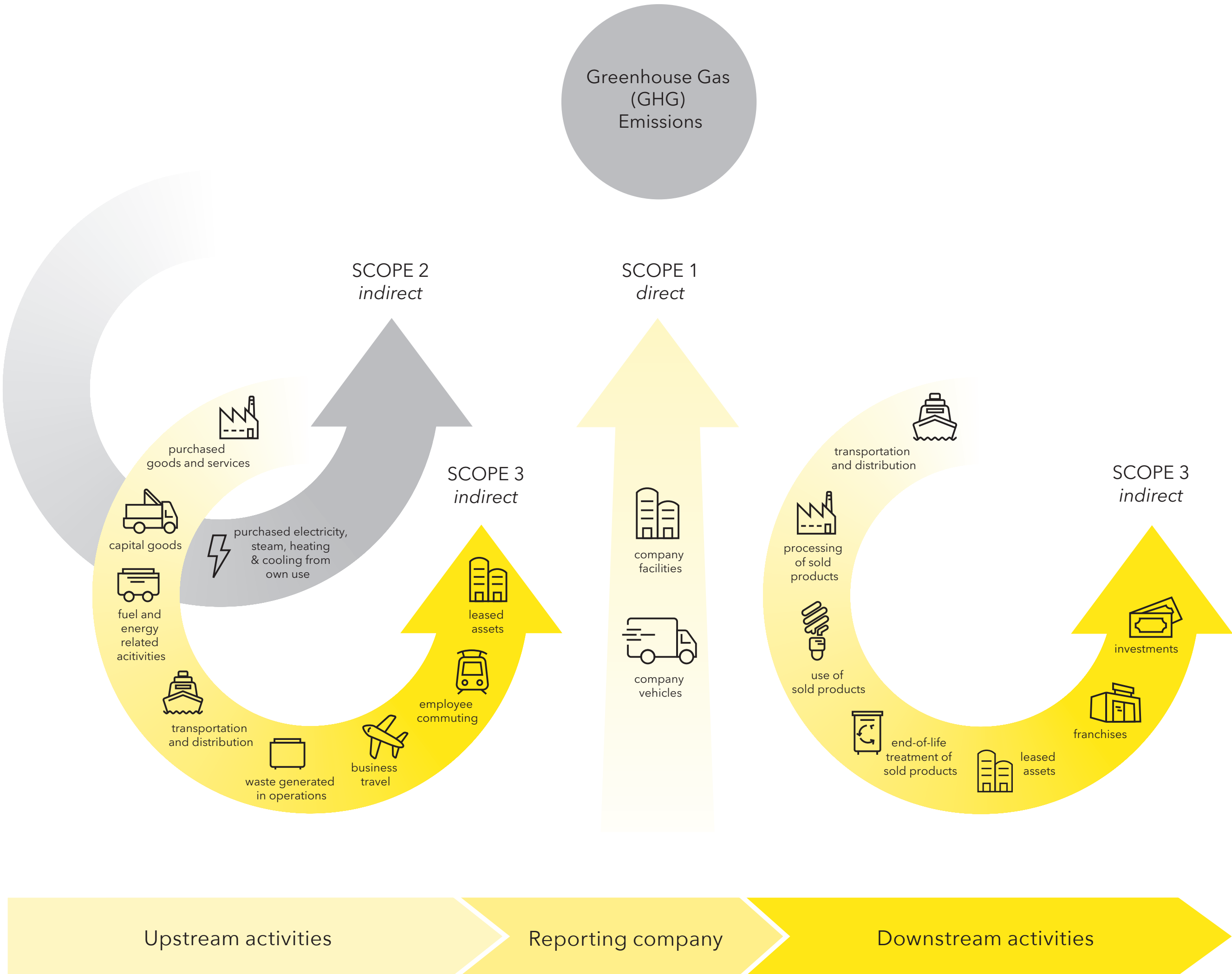
To implement these targets, we are focusing on:

- expansion of our data collection and management as part of greenhouse-gas accounting
- gradual integration of climate-protection measures into our collaboration with suppliers, particularly along the upstream value chain
- continuous optimisation of transport and logistics processes to reduce emission-intensive activities
- measures to increase energy efficiency in our stores and administrative sites
- use of energy-efficient technologies such as LED lighting and modern ventilation and building services

We monitor progress through annual greenhouse-gas accounting in accordance with the Greenhouse Gas Protocol, in collaboration with our partner SwissClimate. We are continuously developing the data foundation for Scope 3 to strengthen our ability to manage climate change in the long term.

PERFORMANCE INDICATORS

Topic	KPI	Definition	Target	Actual value	Scope
Energy Efficiency	Energy Consumption per Store	Relative energy consumption per m² of sales area (kWh/m²)	15% reduction by FY 2030/31	-8,4%	Own sites
Energy Efficiency	LED-Converted Stores	Number of stores converted to LED lighting	+50 stores in FY 2026/27	1,782	Own sites
Energy Efficiency	LED Conversion Rate	Number of stores converted to LED lighting	100% by FY 2030/31	90%	Own sites
Digitalisation	Stores with Digital Energy Monitoring (Smart Meters) (%)	Percentage of stores equipped with digital energy monitoring systems (smart meters)	95% by FY 2028/29	758 (63.5%)	Own sites Germany
Transport Efficiency	Container Utilisation Rate (%)	Average utilisation rate of transport containers	Consistently ≥ 85%	86%	Transport
Logistics	Reusable Transport Solutions (%)	Percentage of initial store deliveries transported using reusable transport solutions	Consistently ≥ 93%	93%	Store distribution



GREENHOUSE GAS EMISSIONS

We calculate our greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol and ISO 14064–1. Our inventory covers Scope 1, Scope 2 and the material Scope 3 categories across the value chain. The majority of our emissions arise within the upstream value chain, particularly from raw materials, production processes, and transport and distribution activities. Consequently, upstream Scope 3 emissions represent the most significant lever for achieving long-term decarbonisation.

During the 2025/26 financial year, our focus was on further completing the Scope 3 emissions inventory and integrating emissions data into a centralised system for managing our Corporate Carbon Footprint (CCF). The objective is to establish a consistent, auditable and robust data foundation to support regulatory requirements, management decision-making and future verification processes.

The 2022/23 financial year currently serves as the base year for Scope 1 and Scope 2 emissions. The Scope 3 inventory will continue to be refined methodologically during FY 2026/27 before a final base year is established. We are pursuing the gradual improvement of data quality and the further integration of emissions data into digital systems in order to continuously enhance the transparency and reliability of our emissions reporting.

At the time of publication of this report, the results for the downstream Scope 3 categories were not yet fully available due to ongoing validation processes. Therefore, the complete results will be published in the next Sustainability Report.

Scope 1: Includes direct greenhouse gas emissions arising primarily from the combustion of natural gas used to heat our sites and from fuel consumption by our company-owned vehicle fleet.

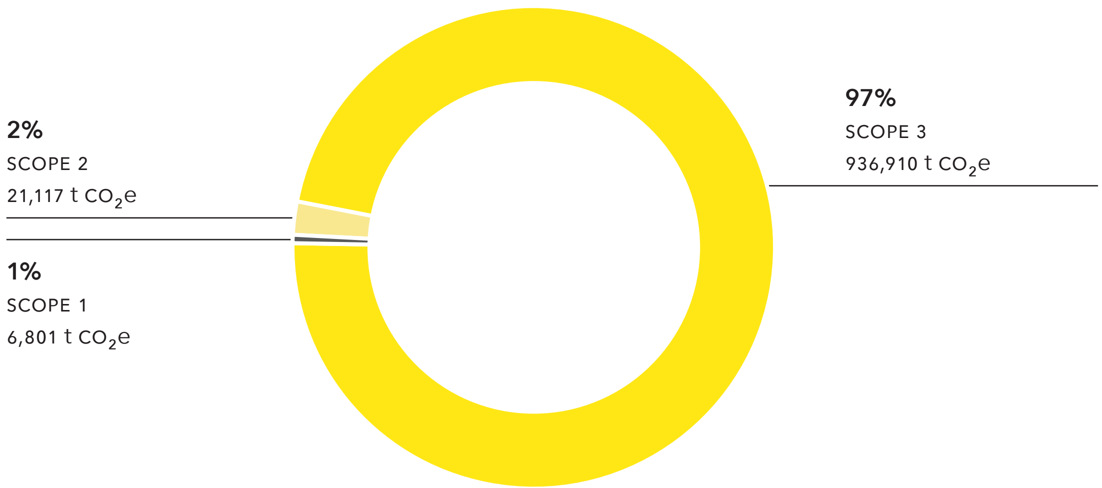
Scope 2: Refers to indirect emissions associated with the generation of purchased electricity. These emissions do not occur directly at our operations but at the facilities of our electricity suppliers.

Scope 3: Covers upstream and downstream emissions across our entire supply and value chain. This includes all greenhouse gas emissions that are not classified as Scope 1 or Scope 2 and typically account for the largest share of our carbon footprint. In line with the GHG Protocol, we report the relevant Scope 3 categories as illustrated above.The following categories are included in our Scope 3 inventory:

Upstream Emissions
- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.3 Fuel and energy related activities
- 3.4 Transportation and distribution
- 3.5 Waste generated in operations
- 3.6 Business travel
- 3.7 Employee commuting

Downstream Emissions
- 3.9 Transportation and distribution*
- 3.10 Processing for sold products*
- 3.11 Use of sold products*
- 3.12 End-of-life treatment of sold products*

** The CO_2 emissions figure was not yet available at the time the report was published.*



DECARBONISATION IN THE SUPPLY CHAIN

Decarbonising the supply chain is a key component of our strategy to reduce greenhouse gas emissions. The largest proportion of our greenhouse gas emissions arises in the upstream value chain and lies beyond our direct operational control. We therefore focus on close collaboration and joint learning processes with our suppliers.

As a first step in this context, we have joined the "Supplier Decarbonisation" initiative within the Partnership for Sustainable Textiles, of which we have been a member since 2015. The aim of the initiative is to systematically reduce greenhouse gas emissions in production facilities by training on-site managers to record their energy consumption, calculate emissions and implement specific energy-efficiency measures. The project was carried out between September 2023 and August 2025.

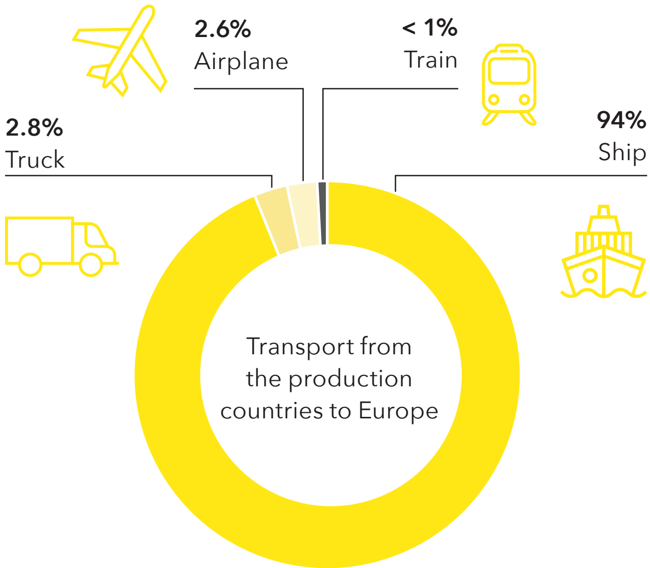
A total of nine production facilities from our supply chain in Bangladesh and Pakistan took part in the project. In the participating factories, 32 measures to reduce greenhouse gas emissions were identified, of which around 50% had already been implemented by the end of the 2025/26 financial year. These include, amongst other things, more efficient ventilation systems, motors and pumps, as well as improved insulation of equipment and initial investments in renewable energy. The results show that even low-threshold and comparatively cost-effective measures can enable significant emission reductions.

The project has demonstrated that targeted training, regular support and trust-based collaboration are crucial to achieving emissions reductions in the supply chain. There are positive side effects in addition to reducing greenhouse gases, such as falling energy costs at production sites and improved supplier preparedness for future regulatory requirements. At the same time, it became clear that a lack of energy data and barriers to investment represent key challenges.

In the long term, we view the decarbonisation of the supply chain as an ongoing process that is being gradually expanded and plays a central role in achieving our climate targets.

An overview of our findings:

- 32 measures identified to reduce CO_2
- Potential savings of 17,000 tonnes of CO_2 equivalents
- Half of the measures have already been successfully implemented



LOGISTICS

Our logistics and supply-chain processes form a key part of our value chain. We therefore focus specifically on avoiding air freight, optimising capacity utilisation and routes, and using alternative fuels and more efficient packaging solutions. In e-commerce shipping as well, we work closely with logistics partners to further develop processes and utilise climate-related programmes.

Not only are we gradually making our stores more energy-efficient – we have also converted our logistics centres to low-emission LED lighting. The German Sustainable Building Council (DGNB) has certified our logistics centre in Winsen as a "Green Building" with the Gold seal of approval due to its sustainable construction and fit-out.

Transport from the production site to the warehouses

Our goods are manufactured worldwide, predominantly in the Far East. Even at the production sites, we take care to avoid unnecessary packaging materials and have introduced internal packaging guidelines for our suppliers. The products often travel long distances before they arrive at our logistics centres and stores. The choice of transport therefore has a decisive impact on our environmental footprint. We handle 94% of our freight volume by water. Through close, collaborative partnership with a service provider, our goods are consolidated prior to shipment to achieve optimal container utilisation and significantly reduce the number of containers required. We avoid air freight wherever possible. In the 2025/26 financial year, air freight accounted for 2.6% of our total freight volume, as it generates significantly more emissions than the more CO_2-efficient shipping. Furthermore, only small quantities of goods can be transported by air freight.

Key measures to reduce CO_2:

1. Switch to DHL GoGreen
Since August 2024, we have been shipping every order from the Takko Fashion online shop to our customers in Germany via DHL GoGreen. Through this programme, we offset transport-related CO_2 emissions and support global climate-protection projects.

Between August 2024 and July 2025, we offset nearly 200 tonnes of CO_2 equivalents through just under 500,000 shipments. DHL uses the funds to support climate-protection projects in various sectors worldwide that meet the Gold Standard. This internationally recognised certification guarantees not only that emissions are reduced, but also that social and environmental benefits are generated.

2. Switch to paper envelopes
By the end of 2024, we had replaced two-thirds of the shipping boxes used in our online shop with paper shipping bags. This switch saves 90% in CO_2 equivalents compared to the previous boxes. Small and medium-sized orders are now sent in lighter shipping bags that make optimal use of the packing volume. This allows us to significantly reduce emissions.

3. Use of reusable roll containers
We use reusable roll containers to transport goods from our logistics centres to our stores. Currently, 93% of our initial stock deliveries to stores are carried out using our reusable transport containers. Last year, 31,154 roll containers were in use. This allows us to save on cardboard boxes, wooden pallets, shipping bags and sealing and security materials. In the 2024/25 financial year, we purchased 5,585 new roll containers. The new generation is 10 cm taller than the previous reusable roll containers and can therefore hold around 5% more volume. The new generation currently accounts for approximately 18% of the total volume of roll containers in use. By using these containers, we are able to increase the fill rate and thus reduce transport distances. In the 2025/26 financial year, we were able to increase the fill rate of our reusable roll containers by 8% compared to the budget. This eliminated the need for approximately 6,000 reusable roll containers in deliveries, corresponding to savings of approximately 111 transport journeys. The aim is to further increase the proportion of new reusable roll containers in the 2026/27 financial year.

In the 2025/26 financial year, we purchased 3,300 new roll containers and recycled around 2,000 old and defective containers and intermediate shelves in the process. The old plastic parts were turned into granulate, which serves as material for new roll plates and intermediate shelves. This recycling saves primary raw materials and thus reduces resource consumption during production.

4. Handing in online returns at stores
All online returns handed in at the store remain in the store, are resold there and are not returned to the central warehouse. This allows us to avoid additional packaging materials and transport journeys.

5. Switch to bio-LNG
Since 1 July 2023, our partner EKB Container Logistik has been using low-emission bio-LNG for our container transport between the port of Hamburg and our logistics centre in Winsen. As a result, we expect annual CO_2 savings of up to 92% compared to conventional fuels. The renewable fuel bio-LNG is produced from green hydrogen, generated using wind energy, and from biomethane derived from certified organic waste processes. The production process for bio-LNG complies with the criteria of the European Union's Renewable Energy Directive II (RED II). In the 2025/26 financial year, the use of bio-LNG resulted in savings of just under 220 tonnes of CO_2 equivalents.

EXPANSION AND ENERGY-EFFICIENT SITE DEVELOPMENT

For us, growth and sustainability are not mutually exclusive. As part of our expansion, we aim to design new and modernised sites to be more energy-efficient. We see new openings and renovations as key levers for reducing energy consumption in store operations, driving the use of modern technologies and increasing the share of renewable energy.

Our approach to expansion is based on:

- the integration of energy-efficient standards in new openings and renovations,
- the use of modern building technology,
- the gradual switch to renewable energy sources and efficient heating and cooling systems.

We use regular inspections and data-driven analyses to create transparency regarding energy consumption and continuously identify further potential for savings. In this way, we ensure that our growing store network is operated in the most resource-efficient manner possible.

CO_2 reduction and efficiency measures

1) Audits and energy management system

Energy has a significant impact on our business processes and cost structures. We therefore carry out regular energy audits in most of the countries in which we operate to make consumption data transparent and identify potential savings.

At the moment, we are in the implementation phase of an energy management system in accordance with DIN EN ISO 50001 in Germany, through which we aim to systematically manage and continuously improve our energy performance.

In 2025, we published an energy policy that provides the framework for the responsible use of energy. In it, we commit to complying with all relevant legal requirements, continuously improving our energy efficiency and implementing clearly defined energy targets. Key components include the transparent recording and analysis of energy consumption, the identification of significant energy inputs and the consistent implementation of efficiency measures.

2) New openings and renovations as levers for efficiency

We make targeted use of new openings and renovations to reduce energy consumption at our sites. By investing in innovative technologies and modern building concepts, we have already reduced electricity consumption and greenhouse gas emissions at our stores.

3) Conversion to modern lighting technology

Improving energy efficiency through the roll-out of LED lighting remains a key focus of our energy management activities. A key performance indicator in this regard is our energy intensity per square metre of sales area (kWh/m²). In the 2025/26 financial year, we improved this metric by 8.4% compared with the previous year, demonstrating the positive impact of our energy efficiency measures.

During the reporting year, the conversion of our administrative locations and distribution centres to modern LED technology was completed. In addition, 1,782 Takko Fashion stores are now equipped with LED lighting. As a result, we save approximately 32 GWh of energy and avoid around 16,000 tonnes of CO_2e emissions each year.

For the 2025/26 financial year, we had planned to convert 50 stores to LED lighting. We significantly exceeded this target. Taking conversions, new store openings and closures into account, the number of stores equipped with LED lighting increased by 122 compared with the previous year.

4) Energy-efficient ventilation and air-conditioning systems

The modern ventilation systems in our stores are fitted with heat-recovery systems that can reuse up to 80% of the available energy. The systems also ensure consistently high indoor air quality.

We also use efficient heat pumps and air curtains. This reduces our energy requirements for heating and cooling and ensures a comfortable indoor climate in our stores.

5) Centrally controlled building services

At 705 stores, we control and monitor technical systems via a central online portal. This enables demand-based regulation, rapid identification of deviations and continuous optimisation of energy efficiency.

6) Smart meters

To monitor electricity consumption accurately, 758 stores in Germany and 45 stores in Austria are currently equipped with smart meters.

POLLUTION AND *USE OF CHEMICALS*

OUR APPROACH

In the textile retail sector, the main environmental impacts arise primarily in the upstream supply chain, particularly during the manufacture and finishing of our products. These include, amongst other things, the use of chemicals in wet processes and the management of wastewater.

Our aim is to systematically minimise our environmental impact and manage existing risks. To this end, we focus on clearly defined minimum requirements for our suppliers, transparent monitoring mechanisms and the gradual refinement of our standards. As a retailer, our direct scope for influence is limited. This makes it even more important for us to collaborate with our suppliers and to utilise established industry standards.

METRICS AND TARGETS

TARGETS

Given our significant impact on the upstream value chain, our focus around environmental pollution is particularly on the handling of chemicals and wastewater in textile production.

In doing so, we primarily pursue the following objectives:
- Reducing the environmental and health-related risks posed by chemicals
- Improving chemical management at our suppliers
- Strengthening wastewater standards in production processes involving wet methods

ACTIONS TO ACHIEVE OUR TARGETS

To prevent and reduce environmental pollution, we focus on the following aspects:
- Binding requirements for chemical management throughout the supply chain
- Use of the ZDHC Manufacturing Restricted Substances List (MRSL)
- Requirements for wastewater and environmental management at suppliers using wet processes
- Collaboration with external inspection bodies and certification programmes
- Raising awareness and providing training for our suppliers

PERFORMANCE INDICATORS

Topic	KPI	Definition	Target	Actual FY 2025/26	Scope
Chemical Management	ZDHC-Compliant Suppliers (%)	Share of suppliers using chemicals compliant with the ZDHC MRSL	80% by 2027	47%	Supply chain
Wastewater Management	Wet Processing Facilities with ZDHC-Compliant Wastewater Reporting (%)	Percentage of relevant wet processing facilities providing ZDHC-compliant wastewater reporting	80% by 2027	57%	Supply chain

RESPONSIBLE USE OF CHEMICALS

Chemicals play a central role in textile production – from raw-material processing through dyeing and finishing processes to the preservation of materials. They make a significant contribution to the quality, functionality and durability of our products. At the same time, improper use and inadequate management can have negative impacts on the environment and health.

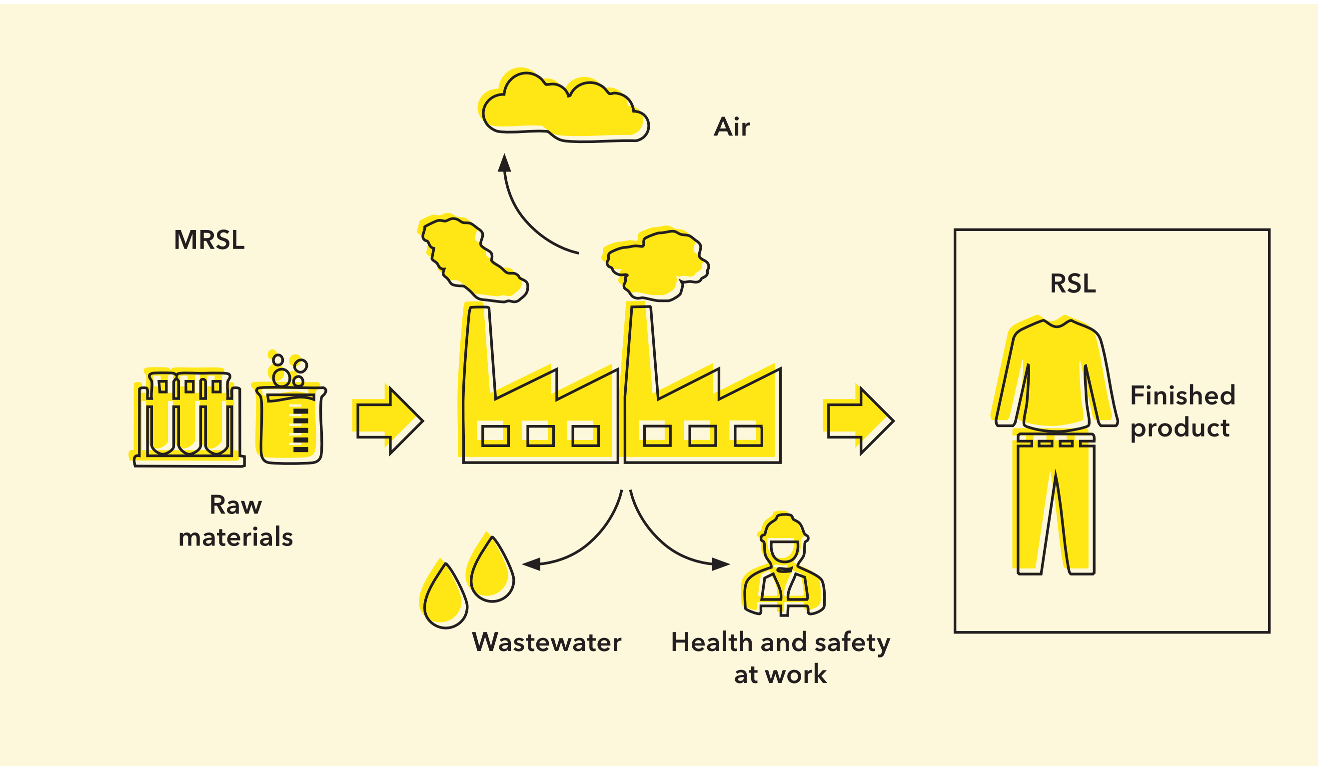
Our aim is therefore to gradually reduce or eliminate the use of potentially hazardous chemicals throughout our supply chain. In doing so, we focus on production stages that pose an increased risk of chemical exposure, such as wet processing stages including dyeing, washing, printing or bleaching.

The responsible use of chemicals is a central component of our product responsibility and our environmental management. Our approach is based on clear guidelines for the use of chemical substances in the upstream value chain. These guidelines are aligned with legal requirements and established industry standards and firmly integrated into our procurement and quality processes. Through close collaboration with our suppliers, we promote the responsible use of chemicals throughout the entire value chain.

Zero Discharge of Hazardous Chemicals (ZDHC)
A key component of our chemicals strategy is our participation in the Zero Discharge of Hazardous Chemicals (ZDHC) initiative, of which we have been a member since 2020. The initiative aims to eliminate hazardous chemicals from the textile production process, thereby reducing risks to the environment, consumers and factory workers.

Through our ZDHC Contributor status, we are increasing the transparency and controllability of our chemicals management, strengthening our position in the international sustainability landscape and working more closely with global partners along the supply chain. At the same time, we benefit from the exchange of ideas within the initiative and from uniform standards that support us in the further development of our processes.

Our efforts are based on the Manufacturing Restricted Substances List (MRSL), which restricts or prohibits the use of certain chemicals in the manufacturing process. This list addresses substances that may be released into the environment during production, including certain azo dyes, per- and polyfluoroalkyl substances (PFAS), chlorinated solvents, heavy metals, plasticisers and biocides. It also considers relevant SVHCs (Substances of Very High Concern) in accordance with the REACH Regulation. This means that requirements are not only checked against a Restricted Substances List (RSL) at the finished-product stage but are applied right from the manufacturing process, enabling controls on critical chemicals at an early stage. By combining the RSL and MRSL, we ensure that both the manufac-



turing process and the finished product meet our requirements for the responsible use of chemicals. Currently, 100% of our suppliers have committed to avoiding hazardous or potentially hazardous chemicals during production in accordance with the ZDHC MRSL.

The ZDHC also provides guidelines and limit values for wastewater and sewage-sludge management and promotes transparency in the supply chain. Production sites can document and share data on chemical inventories and wastewater quality through dedicated platforms. We are currently connected to over 150 factories in our supply chain.

By the end of 2025, 57% of our wet-processing facilities had achieved MRSL compliance regarding wastewater. This represents a 5% increase compared to the previous year. By the end of 2025, 47% of our wet-processing facilities were MRSL-compliant regarding chemicals, representing a 40% increase compared to the previous year. Factories are considered MRSL-compliant if they have successfully implemented the ZDHC requirements and can demonstrate this through wastewater reports and chemical inventories.

On-site workshops and webinars in the local language help our suppliers to expand their knowledge in the areas of sustainability and environmental awareness. This collaborative approach is a central component of our strategy to achieve meaningful improvements along the supply chain through partnerships and initiatives.

The BHive

To further improve chemical management, we provide our suppliers with the digital platform "The BHive" free of charge. This system helps factories systematically record the chemicals they use and verify compliance with the ZDHC MRSL.

Thanks to a straightforward mobile app, chemicals can be added to a digital inventory and automatically assessed simply by scanning the label. The app is available in several languages and makes it easier for smaller production facilities to implement chemical requirements.

Factories in Bangladesh, China, India, Turkey and Pakistan are currently using the system. In this way, "The BHive" helps to increase transparency regarding the chemicals used and to continuously improve chemical management within our supply chain.

The BHive®

RESOURCE USE AND *CIRCULAR ECONOMY*

OUR APPROACH

The main resource inputs in our business model stem primarily from the use of textile raw materials and other materials for our products. In fashion retail, most of the main environmental impacts associated with resource use occur in the upstream value chain, particularly in the cultivation, extraction and processing of raw materials. Against this backdrop, our focus is on the gradual transition from conventional materials to more sustainable alternatives.

As cotton accounts for the largest proportion of the materials we use, we see this area as offering the greatest potential for improving resource efficiency. Conventional cotton cultivation is often associated with high water consumption and the use of pesticides. We also consider the use of viscose and synthetic fibres to be relevant, as their production also has environmental impacts further up the value chain. Our approach aims to gradually increase the proportion of more sustainably sourced and recycled materials, thereby reducing the resource-related impacts of our product range.

METRICS AND TARGETS

TARGETS

In the area of resource use and the circular economy, we are pursuing the following objectives in particular:

- Completely transitioning key raw materials such as cotton and viscose to more sustainable sourcing channels
- Continuously increasing the proportion of recycled materials in our product range
- Promoting the long-term circular use of resources throughout our value chain

ACTIONS TO ACHIEVE OUR TARGETS

To implement these objectives, we are focusing on the following measures:

- Prioritising procurement of more sustainable materials
- Collaborating with initiatives such as Better Cotton to promote more sustainable cotton farming practices
- Integrating sustainability criteria into our purchasing and procurement processes
- Gradually expanding the use of recycled materials in our products

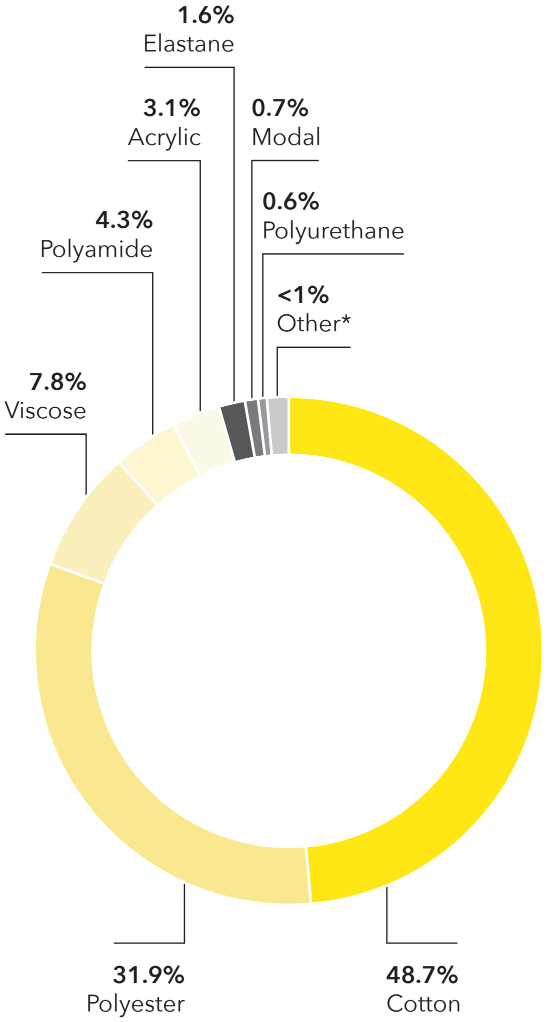
Through these measures, we aim to improve the resource efficiency of our product range whilst reducing the environmental impact along the upstream value chain.

PERFORMANCE INDICATORS

Topic	KPI	Definition	Target	Actual FY 2025/26	Scope
Cotton	Share of More Sustainably Sourced Cotton (%)	Percentage of more sustainably sourced cotton as a share of total cotton volume	100% by 2027	80%	Cotton volume
Viscose	Share of Sustainably Sourced Viscose (%)	Percentage of sustainably sourced viscose in orders containing viscose	100% by 2030	46%	Orders containing viscose
Recycled Materials	Certification of Recycled Fibres	Successful implementation of a certification scheme for recycled fibres within the product range	Certification achieved in FY 2026/27	n/a	Entire textile product range

RESOURCE INFLOWS – MATERIALS

In the 2025/26 financial year, 49.3% of our total fibre volume, measured by weight, consisted of natural fibres and 50.7% of man-made fibres. The most important fibre in our range is cotton, accounting for 48.7%.



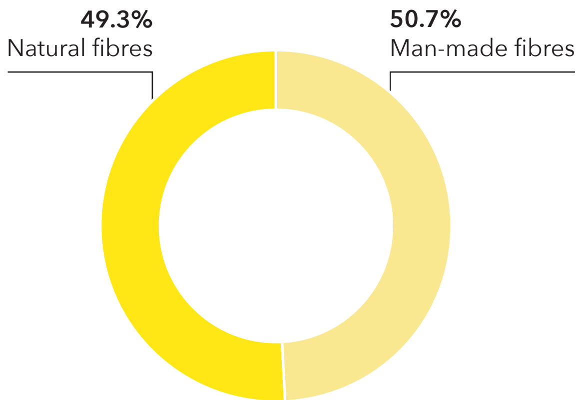
**Other: including linen, nylon, lyocell, leather and polypropylene*

To achieve our goals, we have been prioritising more sustainable alternatives for cotton for several years.

Since 2018, we have been sourcing the majority of our cotton through the Better Cotton Initiative (BCITM). Through our membership, we support the goal of improving cotton cultivation worldwide. Through its partners, BCI supports farmers to use water more efficiently, protect soil health, preserve natural habitats and reduce the use of harmful chemicals. Our sourcing is carried out via a mass balance system and is therefore not physically traceable to the end products. In the 2025/26 financial year, we sourced 80% of our cotton as BCI Cotton*.

In addition, we use **organic cotton** in selected product ranges. We regularly offer items that are certified to the **Global Organic Textile Standard (GOTS)** and individually labelled as such. Our baby collection regularly features GOTS-certified products.

We also focus on more sustainable alternatives in **viscose** and cellulose-based fibres. In this context, we place particular emphasis on the responsible sourcing of the wood used and the controlled use of chemicals in fibre production. In the 2025/26 financial year, we offered items containing **TENCEL™ Lyocell and modal fibres**. In addition, since 2022 we have been sourcing sustainable **LENZING™ ECOVERO™** viscose fibres, which are derived from certified and controlled wood and pulp sources. This lays the foundation for gradually increasing the proportion of sustainable viscose in our range. In the last financial year, the proportion stood at nearly 46%.



* The slight decline in the reported proportion of sustainable cotton (83% in the previous FY) is due to a timing difference and does not reflect an actual reduction in our commitment to BCI. In our collaboration, we follow the BCI year, which runs from October to September. Due to the nature of the system, the associated Better Cotton Claim Units (BCCUs) are recorded in the period from October to November. As our sustainability reporting is based on the financial year, this can lead to timing differences in the financial reporting. Depending on which financial year the recording of the BCCUs falls into, the reported proportion changes year-on-year. If, however, the BCI year is taken as the relevant reference frame, a positive trend emerges: the proportion has risen from 65% in the previous year to 78% in the current BCI year. The difference in the financial year comparison is therefore solely attributable to different reference periods and the timing of the BCCU booking, and not to an actual change in our procurement approach.

Beyond these material-related measures, we are working to further expand the use of recycled materials. Alongside natural fibres from more sustainable cultivation, this is a key lever we can use to reduce the consumption of new raw materials and, in the long term, align resource inputs in our product range more closely with the principles of the circular economy. By using recycled fibres, we reduce the use of primary raw materials and thereby improve the resource efficiency of our products. Particularly within Scope 3 of our carbon footprint, the use of recycled fibres is one of the most important levers for reducing greenhouse-gas emissions, as their production generally involves lower resource and energy consumption than the production of primary fibres. Further information on the carbon footprint can be found on page 90.

RECYCLING OF OUR RECYCLABLE MATERIALS

Reusable shopping bags

Most of our textiles are shipped to us by sea. To ensure that they arrive in perfect condition, careful product and transport packaging is essential. For example, we use plastic bags to reliably protect the textiles from the elements and dirt. At the same time, we place great importance on continuously optimising our packaging materials: we are working to reduce them and sort them by type to create an ideal basis for efficient recycling.

Since 2024, we have been supplying these plastic bags to produce our reusable bags, which are manufactured in Germany by our partner "Papier-Mettler". This saves on long transport distances – and best of all: we return the plastic bags to the cycle in this way. In this process, the plastic is compressed together with other waste plastic and then recycled. The result is a stylish reusable bag – Made in Germany, using at least 80% recycled material, 100% recyclable, certified with the Blue Angel and reusable multiple times. Thanks to the mass balance principle, we can use our own waste film to cover – and even exceed – the entire amount of film required to produce the bags. Of a total of 422 tonnes of plastic recyclables generated, 133 tonnes were used to manufacture new products – such as our reusable carrier bags.

PARTNERSHIPS AND *CERTIFICATIONS*

OUR PARTNERSHIPS

The Better Cotton Initiative: We partner with the Better Cotton Initiative, the mission of which is to improve global cotton farming. *(bettercotton.org)*

Fair Wear Foundation: Together with the Fair Wear Foundation and its member companies, we aim to continuously improve working conditions in producing countries. *(fairwear.org)*

Alliance for Sustainable Textiles: Alliance members have set themselves the goal of improving conditions in global textile production. *(textilbuendnis.com)*

International ACCORD for Health and Safety in the Textile and Garment Industry: Together with the signatories of the ACCORD, we promote workplace safety in producing countries. *(internationalaccord.org)*

Zero Discharge of Hazardous Chemicals (ZDHC): As part of this alliance, we are partnering with other companies to eliminate hazardous chemicals from textile production. *(roadmaptozero.com)*

The BHive: Using an app, this initiative aids us in implementing sustainable chemical management within the production process. *(thebhive.net)*

Fur Free Retailer Programme: As a member of the Fur Free Retailer Programme, our products are 100% free from animal fur. *(furfreeretailer.com)*

OUR CERTIFICATIONS AND STANDARDS

Oeko-Tex Standard 100: Label for textiles tested for harmful substances. *(oeko-tex.com)*

Lenzing EcoVero: Standard for eco-friendly viscose with a significantly smaller environmental footprint than conventional viscose. *(ecovero.com)*

TENCEL™ Lyocel- und Modalfasern: TENCEL™ Lyocell and Modal fibres are derived from sustainable wood sources. They come from certified and controlled sources that meet strict guidelines. *(tencel.com)*

GOTS (Global Organic Textile Standard): Global standard for the processing of textiles made from organically produced natural fibres. *(global-standard.org)*

KEY FIGURES

The figures presented are based on internal analyses and the currently available data. Methodologies and data collection processes are continuously reviewed and further developed as part of the ongoing development of sustainability management.

Area	KPI	Unit	2025/26
GOVERNANCE			
Corporate structure	Revenue	EUR billion	1.28
Corporate structure	Stores	Number	1,979
Corporate structure	Sales countries	Number	17
Corporate structure	New store openings	Number	85
Digitalisation	Countries with a Takko Fashion online shop	Number	5
Value chain	Garment manufacturing factories (CMT main factories + CMT subcontractors)	Number	283
Value chain	Audits conducted at garment manufacturing factories	Number	585
Value chain	Audit coverage of active factories	%	100
Value chain	Share of production volume sourced from long-term partner factories (>5 years)	%	> 50
Value chain	Share of new factories assessed for social aspects	%	100
Value chain	Factories assessed for social impacts	Number	373
Compliance	Reports received through the whistleblowing system	Number	27
Compliance	Incidents of discrimination reported through the whistleblowing system	Number	0
Compliance	Confirmed corruption incidents	Number	0
Compliance	Operational sites assessed for corruption risks	%	100
Compliance	Incidents of non-compliance with laws and regulations	Number	0
Compliance	Convictions for violations of anti-corruption and anti-bribery laws	Number	0
Compliance	Fines for violations of anti-corruption and anti-bribery laws	EUR	0
Compliance	Severe human rights incidents involving the undertaking's own workforce	Number	0
Compliance	Fines related to human rights violations	EUR	0
Compliance	Financial political contributions	EUR	0
SOCIAL			
Employment	Total employees	Number	17,695
Employment	Employees (full-time equivalent, FTE)	Number	8,026
Employment	Full-time employees	Number	4,164
Employment	Part-time employees	Number	4,550
Employment	Marginal part-time employees	Number	8,981
Employment	Part-time employment rate	%	26
Employment	Employee turnover rate	%	18.8
Leadership & diversity	Employees (headcount) at the top management level	Number	4
Leadership & diversity	Women (headcount) at the top management level	Number	0
Leadership & diversity	Female representation in the workforce	%	93
Leadership & diversity	Female representation in supervisory bodies	%	25
Leadership & diversity	Female representation in management positions	%	91
Leadership & diversity	Female representation in management positions up to the third management level	%	37
Diversity	Nationalities	Number	91
Diversity	Employees with disabilities	%	< 5
Age structure	Employees aged under 30	%	38
Age structure	Employees aged under 30	Number	6,637
Age structure	Employees aged 30-50	%	43
Age structure	Employees aged 30-50	Number	7,598
Age structure	Employees aged over 50	%	20

Area	KPI	Unit	2025/26
SOCIAL			
Age structure	Employees aged over 50	Number	3,460
Learning & development	Training and development hours	Hours	25,956
Learning & development	Participants in talent programmes	Number	37
Apprenticeships	Apprentices starting in 2025	Number	169
Apprenticeships	Apprentice retention rate	%	75
Health & safety	Absence rate due to sickness	%	4.29
Health & safety	Work-related accidents (Germany)	Number	108
Community	Donations by Takko hilft e.V.	EUR	212,296
ENVIRONMENT			
Energy & buildings	Store refurbishments	Number	118
Energy & buildings	Stores with LED lighting	Number	1,782
Energy & buildings	Stores converted to LED lighting	Number	74
Energy & buildings	Stores with smart meters	Number	803
Energy & buildings	Share of sites equipped with smart metering	%	41
Energy & buildings	Sites with centrally controlled building management systems	Number	705
Energy & buildings	Share of sites with centrally controlled building management systems	%	36
Energy & buildings	Distribution centres with LED lighting	Number	3
Energy	Electricity consumption	kWh	72,962,221
Energy	Heating energy consumption (natural gas for 538 stores)	kWh	24,833,995
Energy	Vehicle fuel consumption (petrol, diesel, LPG)	l	961,097
Energy	Electricity savings through LED lighting	GWh	32
Climate	CO_2 savings through LED lighting	t CO_2e	16,000
Climate	Scope 1 CO_2 emissions	t CO_2e	6,801
Climate	Scope 2 CO_2 emissions	t CO_2e	21,117
Climate	Scope 3 CO_2 emissions (upstream)	t CO_2e	936,910
Business travel	Business travel by air	km	985,866
Logistics	Freight transported by sea	%	94
Logistics	Freight transported by road	%	2.8
Logistics	Freight transported by air	%	2.6
Logistics	Freight transported by rail	%	< 1
Logistics	Container utilisation rate	%	86
Logistics	Share of initial deliveries using reusable transport solutions	%	93
Resources	Paper consumption	t	156
Resources	Plastic consumption	t	422
Resources	Weight of transport and sales packaging	t	6,082
Waste	Total waste generated	t	580
Materials	Sustainably sourced cotton	Mt	17,955
Materials	Share of more sustainably sourced cotton	%	80
Materials	Share of sustainably sourced viscose	%	46
Certifications	Share of textile assortment certified to OEKO-TEX® STANDARD 100	%	96
Chemicals	Suppliers using ZDHC-conformant chemicals	%	47
Chemicals	Wet processing facilities covered by ZDHC wastewater reporting	%	57
Customers	Online return rate	%	21
Customers	Share of returns processed through stores	%	89
Customers	Share of returns processed through the distribution centre	%	11
Customers	Share of returns processed internally	%	100

APPENDIX

ESRS INDEX

The ESRS Index below provides a cross-reference between the disclosures included in this Sustainability Report and the respective disclosure requirements of the European Sustainability Reporting Standards (ESRS). It offers a structured overview of where the individual requirements are addressed, either partially or in full, within the report. The table is based on the draft Simplified ESRS published at the time of reporting.

A dash in the page reference column indicates that the respective disclosure requirement has not yet been implemented, or has not yet been fully implemented, for the reporting year. Takko Fashion is continuously developing its sustainability reporting and is committed to further enhancing its reporting processes, data availability and the scope of disclosed information on an ongoing basis.

Simplified ESRS	Title	Page
BP-1	Basis for preparation of the sustainability statement	18
BP-2	Specific information on phasing-in provisions	N/A
GOV-1	Role of the administrative, management and supervisory bodies	19
GOV-2	Integration of sustainability-related performance in incentive schemes	–
GOV-3	Statement on due diligence	20
GOV-4	Risk management and internal controls over sustainability reporting	20
SBM-1	Strategy, business model and value chain	21
SBM-2	Interests and views of stakeholders	25
SBM-3	Interaction of material impacts, risks and opportunities with strategy	27–28
IRO-1	Process to identify and assess material impacts, risks and opportunities	24
IRO-2	Material impacts, risks and opportunities and disclosure requirements	27
E1-1	Transition plan for climate change mitigation	–
E1-2	Identification of climate-related risks and scenario analysis	27-28
E1-3	Resilience in relation to climate change	28
E1-4	Policies related to climate change mitigation and adaptation	33
E1-5	Actions and resources in relation to climate change mitigation and adaptation	88
E1-6	Targets related to climate change	89
E1-7	Energy consumption and mix	105
E1-8	Gross Scope 1, 2 and 3 GHG emissions	90/105
E1-9	GHG removals and carbon credits	–
E1-10	Internal carbon pricing	–
E1-11	Anticipated financial effects from climate-related risks and opportunities	–
E2-1	Policies related to pollution	33
E2-2	Actions and resources related to pollution	94
E2-3	Targets related to pollution	94
E2-4	Pollution of air, water and soil	–
E2-5	Substances of concern and substances of very high concern	95
E5-1	Policies related to resource use and circular economy	33
E5-2	Actions and resources related to resource use and circular economy	98
E5-3	Targets related to resource use and circular economy	98
E5-4	Resource inflows	99
E5-5	Resource outflows	100

Simplified ESRS	Title	Page
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S1-3	Actions and resources related to own workforce	62
S1-4	Targets related to own workforce	63
S1-5	Characteristics of the undertaking's employees	64
S1-6	Characteristics of non-employees	–
S1-7	Collective bargaining coverage and social dialogue	–
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S1-10	Social protection	66
S1-11	Persons with disabilities	104
S1-12	Training and skills development	65
S1-13	Health and safety	67
S1-14	Work-life balance	66
S1-15-a/b	Remuneration metrics	62/66
S1-16	Incidents of discrimination and human rights violations	62/64
S2-1	Policies related to workers in the value chain	33/39
S2-2	Engagement with value chain workers	71
S2-3	Actions and resources related to value chain workers	71
S2-4	Targets related to value chain workers	71
S4-1	Policies related to consumers and end-users	33
S4-2	Engagement with consumers and end-users	79
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S4-4	Targets related to consumers and end-users	79
G1-1	Policies related to business conduct	33
G1-2	Actions related to business conduct	32–34
G1-3	Targets related to business conduct	32–34
G1-4	Metrics related to corruption and bribery	104
G1-5	Metrics related to political influence and lobbying activities	104
G1-6	Metrics related to payment practices	48

OVERVIEW OF PRODUCTION PARTNERS

Fair Wear Factory ID	Country	Year of starting business	Number of female workers	Number of male workers	Latest audit date	Latest factory visit	Latest training	Latest Fair Wear complaint/ grievance case
37078	Bangladesh	2024	0	40	2025-10-08	2025-10-08		
37064	Bangladesh	2025	558	520	2026-04-19	2025-11-09	2026-01-06	
37044	Bangladesh	2021	1157	680	2026-03-02	2025-09-07	2025-09-08	
36985	Bangladesh	2025	1289	1844	2026-02-26	2025-06-30	2026-01-21	
36966	Bangladesh	2025	449	549	2025-12-30	2025-07-09	2025-12-03	
36965	Bangladesh	2025	447	413	2025-12-01	2025-07-01	2026-01-05	
36953	Bangladesh	2025	480	320	2026-02-17	2025-09-11	2026-01-27	
36771	Bangladesh	2024	1086	466	2026-01-11	2026-01-11	2026-01-12	
36762	Bangladesh	2024	700	550	2025-12-17	2025-12-17	2025-11-02	
36758	Bangladesh	2023	327	483	2025-11-16	2025-11-16	2025-12-24	
36756	Bangladesh	2024	1036	1925	2025-08-13	2025-08-13	2025-10-28	2026-01-15
36755	Bangladesh	2024	825	675	2026-02-01	2025-10-12	2025-12-03	
36751	Bangladesh	2024	1080	831	2025-12-07	2025-12-07	2025-12-08	2025-09-14
36747	Bangladesh	2024	1161	643	2025-10-14	2025-10-14	2025-10-15	
36745	Bangladesh	2024	1573	1096	2025-12-09	2025-12-09	2026-01-07	
36743	Bangladesh	2024	1153	1013	2025-03-19	2025-03-19	2025-07-08	
36738	Bangladesh	2024	1000	1200	2026-01-13	2026-01-13	2026-01-14	
36730	Bangladesh	2024	163	87	2026-03-10	2025-10-20	2025-12-29	
36725	Bangladesh	2024	755	604	2026-02-08	2025-10-06	2025-12-21	
36580	Bangladesh	2024	435	1015	2025-03-10	2025-05-10	2025-03-10	
36274	Bangladesh	2012	250	1470	2025-07-29	2025-07-29		
36185	Bangladesh	2023	1348	1193	2026-01-26	2026-01-26	2026-01-27	2026-04-14
36153	Bangladesh	2023	1636	1339	2026-02-17	2025-08-17	2025-12-07	
35929	Bangladesh	2025	904	948	2026-04-05	2025-11-19	2025-11-23	2024-01-19
35659	Bangladesh	2017	1238	1946	2026-09-20	2025-09-28	2026-01-11	
35655	Bangladesh	2015	500	750	2026-04-21	2025-02-16	2025-11-18	2026-04-06
35494	Bangladesh	2022	558	341	2026-03-30	2025-09-01	2025-11-13	2026-01-07
35488	Bangladesh	2022	865	625	2026-03-05	2026-01-06	2026-01-28	2026-01-08
35485	Bangladesh	2022	455	195	2026-04-02	2025-12-21	2025-10-26	
34952	Bangladesh	2023	1664	1886	2026-02-24	2025-08-03	2025-11-06	2026-04-04
34834	Bangladesh	2020	1077	1906	2025-12-23	2025-12-23	2025-12-24	2026-04-03
34831	Bangladesh	2021	818	1237	2025-12-11	2025-12-11	2026-01-25	2024-09-07
34830	Bangladesh	2021	666	1177	2026-02-24	2025-09-10	2025-11-26	
34661	Bangladesh	2021	400	657	2026-02-08	2025-05-12	2025-07-23	
33632	Bangladesh	2020	2451	2464	2026-01-18	2026-01-18	2026-01-19	
33631	Bangladesh	2020	1592	1393	2026-04-07	2025-11-23	2026-01-26	2024-01-22
15352	Bangladesh	2019	464	383	2026-01-18	2026-01-18	2026-01-19	
15342	Bangladesh	2019	617	1186	2025-11-27	2025-11-27	2026-01-11	
15141	Bangladesh	2023	2720	3246	2026-03-11	2025-07-23	2025-12-12	2022-09-13
15053	Bangladesh	2024	1436	2153	2025-12-28	2025-12-28	2026-01-01	2026-01-13
15014	Bangladesh	2025	858	702	2026-04-02	2025-05-14	2026-01-20	
14009	Bangladesh	2018	761	326	2026-02-15	2025-11-04	2025-11-27	
14000	Bangladesh	2011	1802	1700	2026-02-15	2025-10-12	2025-11-04	
13161	Bangladesh	2023	500	750	2025-01-30	2025-01-30	2025-04-24	
12410	Bangladesh	2017	1138	487	2025-10-13	2025-10-13	2025-11-16	2024-09-12
11367	Bangladesh	2015	1857	1001	2026-01-14	2026-01-14	2025-12-04	2025-04-17
11354	Bangladesh	2015	330	298	2026-01-15	2026-01-15	2025-12-23	
10434	Bangladesh	2025	907	742	2025-12-02	2025-12-02		
10400	Bangladesh	2015	500	450	2026-01-28	2026-01-28	2025-11-11	2024-10-12
10295	Bangladesh	2025	0	0	2025-11-11	2025-11-11	2026-01-12	
10290	Bangladesh	2015	400	200	2025-09-09	2025-09-09	2025-10-19	2021-08-14
10271	Bangladesh	2013	1020	680	2026-04-13	2025-12-09	2025-12-10	
10253	Bangladesh	2026	124	196	2025-12-03	2025-12-03		

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9965	Bangladesh	2025	716	662	2026-03-04	2025-07-30	2025-12-18	
9458	Bangladesh	2012	968	1182	2025-10-15	2025-10-15	2025-11-03	2025-02-20
9054	Bangladesh	2021	2387	1823	2026-04-08	2025-10-19	2026-01-20	
9032	Bangladesh	2017	721	701	2026-03-29	2025-10-22	2026-01-26	2026-02-22
9018	Bangladesh	2015	1300	700	2026-01-21	2025-02-10	2026-01-21	2026-05-08
8864	Bangladesh	2019	1128	1416	2025-11-30	2025-11-30	2025-09-02	
8801	Bangladesh	2014	853	702	2025-12-18	2025-12-18	2026-01-18	
8791	Bangladesh	2012	311	465	2025-09-07	2025-09-07	2025-11-26	2023-11-19
8768	Bangladesh	2014	145	265	2026-01-21	2026-01-21	2026-01-22	2024-09-11
8757	Bangladesh	2013	1018	832	2026-01-26	2026-01-26	2025-12-10	
8720	Bangladesh	2014	897	796	2025-10-12	2025-10-12	2025-10-13	2025-10-16
8700	Bangladesh	2014	2760	1840	2026-03-01	2025-10-29	2026-01-27	
7579	Bangladesh	2023	434	669	2025-10-19	2025-10-19	2026-01-25	2025-10-22
7196	Bangladesh	2018	1326	1084	2026-04-15	2025-12-22	2025-11-24	2021-04-09
7156	Bangladesh	2009	381	209	2025-12-23	2025-12-23	2025-12-24	2024-02-14
7143	Bangladesh	2005	2600	4800	2026-04-11	2025-10-29	2025-11-11	2024-05-02
7139	Bangladesh	2006	720	310	2024-10-01	2024-10-01	2024-09-02	2024-12-30
7131	Bangladesh	2013	845	455	2026-04-21	2025-12-28	2025-12-29	
7117	Bangladesh	2010	1289	1844	2025-11-02	2025-03-10	2025-11-03	
7116	Bangladesh	2011	1006	543	2026-04-13	2025-10-23	2026-01-05	
7029	Bangladesh	2020	430	1086	2025-07-20	2025-07-20	2025-07-21	2026-01-24
6987	Bangladesh	2013	590	860	2025-03-16	2025-03-16	2025-06-17	
6950	Bangladesh	2013	686	1118	2026-04-11	2025-02-13	2026-01-29	
6681	Bangladesh	2024	570	610	2026-04-19	2025-12-07	2025-12-08	2025-08-02
6597	Bangladesh	2024	270	330	2025-11-02	2025-11-02	2019-09-16	
6465	Bangladesh	2010	1173	1458	2026-01-29	2026-01-29	2025-12-10	2025-08-19
6301	Bangladesh	2012	257	566	2026-02-22	2025-03-17	2025-12-11	2024-12-07
6287	Bangladesh	2025	1404	1296	2026-01-11	2025-07-30	2026-01-12	
5688	Bangladesh	2017	751	818	2025-01-08	2026-01-08	2021-10-30	
5592	Bangladesh	2007	870	580	2026-03-15	2025-11-26	2025-11-27	2024-05-27
3156	Bangladesh	2012	928	972	2026-01-07	2026-01-07	2026-01-18	2021-03-08
36980	Cambodia	2025	397	206	2025-08-06	2025-08-06		
36979	Cambodia	2024	58	36	2025-08-04	2025-08-04		
36978	Cambodia	2019	493	457	2025-08-05	2025-08-05		
36734	Cambodia	2024	356	189	2024-06-10	2024-06-10		
36728	Cambodia	2023	216	135	2024-07-03	2024-07-03		
36726	Cambodia	2024	1474	386	2024-07-10	2024-07-10		
36188	Cambodia	2024	230	113	2024-07-09	2024-07-09		
34852	Cambodia	2021	185	130	2024-07-02	2024-07-02		
37077	China	2023	115	5	2024-11-12	2024-11-12		
37060	China	2025	40	60	2025-03-13	2025-03-13		
37059	China	2025	79	34	2024-11-28	2024-11-28		
36974	China	2025	28	19	2025-05-19	2025-05-19		
36973	China	2025	23	15	2025-12-02	2025-12-02		
36972	China	2024	65	18	2025-07-11	2025-07-11		
36971	China	2024	360	18	2025-07-09	2025-07-09		
36970	China	2024	177	4	2025-08-04	2025-08-04	2025-08-06	
36969	China	2024	4	34	2025-06-18	2025-06-18	2025-06-18	
36968	China	2024	71	33	2026-04-23	2025-03-10	2025-03-10	
36967	China	2025	75	13	2025-09-22	2025-09-22		
36802	China	2023	20	4	2026-04-22	2026-04-22		

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36788	China	2024	44	12	2025-08-21	2025-08-21	2025-08-19	
36761	China	2024	442	345	2025-09-01	2025-09-01		
36760	China	2023	90	270	2025-05-26	2025-05-26		
36757	China	2023	69	9	2025-07-18	2025-07-18		
36753	China	2024	141	34	2024-07-24	2024-07-24		
36752	China	2023	274	27	2025-06-11	2025-06-11		
36748	China	2024	75	23	2025-06-18	2025-06-18	2024-12-19	
36746	China	2024	442	90	2025-05-08	2025-05-08	2025-05-08	
36742	China	2023	43	9	2025-07-17	2025-07-17		
36733	China	2024	55	8	2025-08-01	2025-08-01		
36297	China	2009	280	120	2026-03-18	2026-03-18		
36201	China	2023	91	43	2026-03-23	2025-03-12		
36196	China	2023	50	150	2025-07-25	2025-07-25		
36195	China	2025	119	60	2026-03-27	2025-04-01		
36190	China	2023	88	11	2023-11-13	2023-11-13		
36177	China	2023	248	110	2024-10-28	2024-10-28		
36157	China	2023	285	45	2025-07-14	2025-07-14		
35922	China	2022	18	8	2024-09-05	2024-09-05		
35658	China	2016	17	11	2025-07-23	2025-07-23		
35657	China	2012	71	23	2025-03-26	2025-03-26		
35653	China	2022	30	12	2024-03-12	2024-03-12		
35640	China	2020	90	10	2025-10-31	2025-10-31		
35639	China	2020	100	20	2025-03-28	2025-03-28		
35637	China	2018	22	19	2025-09-03	2025-09-03		
35632	China	2019	35	2	2025-10-27	2025-10-27		
35631	China	2019	39	25	2025-03-19	2025-03-19		
35630	China	2021	50	80	2025-03-17	2025-03-17		
35629	China	2025	50	40	2025-04-11	2025-04-11		
35493	China	2022	185	115	2025-03-26	2025-03-26		
35490	China	2022	15	10	2025-05-28	2025-05-28		
35487	China	2022	54	36	2025-07-09	2025-07-09		
35484	China	2022	73	26	2024-11-18	2024-11-18		
34969	China	2020	76	83	2024-06-27	2024-06-27		
34861	China	2019	41	6	2024-07-16	2024-07-16		
34860	China	2021	202	44	2025-05-07	2025-05-07		
34859	China	2021	18	14	2026-03-23	2026-03-23		
34858	China	2021	56	30	2025-05-05	2025-05-05	2025-05-05	
34851	China	2021	86	11	2025-07-16	2025-07-16		
34846	China	2021	45	15	2026-03-18	2025-04-21		
34844	China	2021	108	24	2025-11-17	2025-11-17		
34842	China	2021	40	10	2026-04-24	2026-04-24		
34841	China	2021	30	4	2025-10-13	2025-10-13		
34840	China	2021	30	7	2025-07-28	2025-07-28		
34839	China	2019	80	50	2025-09-09	2025-09-09		
34838	China	2021	50	30	2025-10-29	2025-10-29		
34837	China	2017	35	25	2024-08-29	2024-08-29		
33978	China	2007	50	35	2025-09-22	2025-09-22		
33558	China	2023	128	13	2025-09-08	2025-09-08		
15590	China	2020	140	60	2026-04-20	2025-03-24		
15588	China	2020	53	45	2024-11-06	2024-11-06		
15587	China	2020	55	25	2025-04-23	2025-04-23		

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15351	China	2019	582	78	2025-06-25	2025-06-25		
15335	China	2019	65	25	2024-05-09	2024-05-09		
15331	China	2019	136	36	2025-09-24	2025-09-24		
15324	China	2019	100	10	2025-03-21	2025-03-21		
14202	China	2019	64	11	2025-06-27	2025-06-27		
14198	China	2017	80	20	2026-03-16	2025-03-24		
14190	China	2018	47	8	2026-04-22	2026-04-22		
14178	China	2018	45	15	2025-03-26	2025-03-26		
14057	China	2018	83	14	2025-10-31	2025-10-31		
14056	China	2018	45	47	2025-07-30	2025-07-30		
14052	China	2018	48	54	2025-07-28	2025-07-28		
14032	China	2018	109	89	2025-06-16	2025-06-16		
14030	China	2018	22	6	2024-07-30	2024-07-30		
14028	China	2007	5	8	2026-03-23	2026-03-23		
14026	China	2014	41	29	2024-04-23	2024-04-23		
13993	China	2018	115	14	2025-06-13	2025-06-13		
13151	China	2019	43	40	2025-04-23	2025-04-23		
12421	China	2017	220	180	2025-04-07	2025-04-07		
11714	China	2016	31	17	2024-11-20	2024-11-20		
11613	China	2023	296	296	2025-10-27	2025-10-27	2025-10-27	
11415	China	2015	221	24	2024-07-18	2024-07-18		
11414	China	2015	8	50	2024-06-20	2024-06-20		
11404	China	2016	25	17	2025-05-19	2025-05-19		
11366	China	2023	51	4	2024-05-21	2024-05-21		
11352	China	2016	36	13	2024-06-20	2024-06-20		
11351	China	2016	120	120	2025-08-20	2025-08-20		
10297	China	2015	24	12	2025-07-30	2025-07-30		
10280	China	2015	73	23	2025-06-09	2025-06-09		
10206	China	2023	130	90	2024-09-23	2024-09-23		
9200	China	2020	39	10	2025-05-05	2025-05-05		
8852	China	2014	99	73	2026-04-09	2026-04-09		
8848	China	2005	42	9	2025-10-15	2025-10-15		
8749	China	2014	71	77	2024-07-23	2024-07-23		
8735	China	2006	140	115	2026-03-25	2026-03-25		
8712	China	2007	36	24	2025-03-17	2025-03-17		
8195	China	2023	70	42	2025-02-25	2025-02-25		
7108	China	2013	285	81	2026-04-07	2025-04-07		
7104	China	2013	54	9	2025-08-18	2025-08-18		
7091	China	2012	32	27	2025-06-02	2025-06-02		2019-11-16
7090	China	2012	110	24	2024-07-20	2024-07-20		
7083	China	2020	49	14	2024-08-26	2024-08-26		
7082	China	2010	43	10	2026-03-25	2026-03-25		
7060	China	2008	96	49	2025-10-15	2025-10-15		
7055	China	2006	188	84	2025-08-22	2025-08-22		
6799	China	2013	12	4	2025-05-09	2025-05-09		
6746	China	2005	179	106	2025-10-13	2025-10-13		
6664	China	2013	13	15	2024-05-23	2024-05-23		
6618	China	2009	153	29	2026-04-07	2026-04-07		
6613	China	2005	67	25	2025-06-04	2025-06-04		
6606	China	2007	105	40	2025-07-02	2025-07-02		
6573	China	2010	79	11	2025-06-30	2025-06-30		

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6561	China	2012	113	34	2023-03-05	2023-03-05		
6526	China	2013	75	77	2025-10-29	2025-10-29		
6431	China	2020	110	110	2024-10-31	2024-10-31		
6334	China	2009	76	44	2024-05-21	2024-05-21		
6329	China	2009	33	13	2025-11-12	2025-11-12		
6306	China	2007	361	86	2024-08-22	2024-08-22		2023-07-05
5723	China	2012	145	27	2024-06-18	2024-06-18		
4928	China	2009	200	150	2025-09-15	2025-09-15		
4355	China	2006	32	14	2024-08-01	2024-08-01		
4169	China	2005	840	260	2025-05-22	2025-05-22		
36194	Egypt	2023	941	1098	2025-05-27	2025-05-27		
36976	India	2024	42	58	2023-11-03	2026-01-07		
36975	India	2024	70	230	2025-02-05	2026-01-06		
36750	India	2024	504	167	2024-09-12	2026-01-28		
36729	India	2024	60	120	2025-01-22	2025-03-11		
35682	India	2021	50	145	2025-11-04	2025-11-04		
35498	India	2022	52	40	2026-01-30	2026-01-30	2025-12-10	
34854	India	2021	200	350	2023-04-17	2024-01-22		2024-04-19
34853	India	2021	110	140	2025-12-17	2026-01-21		
33634	India	2020	130	290	2026-02-25	2026-02-25		
15353	India	2023	169	253	2025-09-08	2026-01-29		
14018	India	2018	50	80	2025-09-01	2025-09-01		
11344	India	2012	19	75	2025-10-08	2025-10-08	2025-12-12	2025-09-25
9015	India	2023	78	82	2024-07-29	2024-07-29		
6804	India	2008	47	18	2026-01-08	2026-01-08	2025-09-12	
6784	India	2011	610	140	2025-12-29	2025-12-29	2026-09-18	
6750	India	2006	15	25	2026-03-13	2025-11-22	2026-01-29	
6749	India	2005	92	160	2026-01-27	2026-01-27	2025-12-12	
6365	India	2012	646	174	2025-12-16	2025-12-16	2025-12-16	
6353	India	2013	209	199	2024-12-12	2024-12-12		
6338	India	2010	77	107	2025-12-18	2025-12-18	2025-12-12	2020-01-28
6307	India	2006	57	14	2026-01-07	2026-01-07	2026-01-24	
4156	India	2006	376	476	2025-12-30	2025-12-30	2025-12-30	2022-05-29
36977	Indonesia	2024	787	656	2024-02-05	2026-01-08		
36962	Myanmar	2025	531	123	2026-02-19	2026-02-19	2026-02-19	
36961	Myanmar	2025	720	130	2026-04-07	2026-04-07	2025-07-17	
36877	Myanmar	2025	961	188	2026-02-23	2026-02-23	2025-06-18	
36874	Myanmar	2025	934	227	2026-03-09	2026-03-09	2025-06-19	
36524	Myanmar	2024	540	95	2026-01-23	2026-01-23	2025-06-20	
35055	Myanmar	2022	1215	199	2025-12-15	2025-12-16	2025-06-10	
33639	Myanmar	2020	789	51	2026-03-19	2025-11-06	2025-07-07	
15327	Myanmar	2019	700	150	2026-01-28	2026-01-28	2025-06-12	2022-12-09
15326	Myanmar	2019	789	321	2026-03-30	2025-11-24	2025-07-22	
14038	Myanmar	2018	757	143	2026-03-25	2025-11-17	2025-07-10	2024-10-15
14010	Myanmar	2018	584	143	2025-12-11	2025-12-11	2025-07-21	2024-11-26
10818	Myanmar	2016	329	47	2026-03-23	2025-11-11	2025-08-26	2024-07-23
8512	Myanmar	2014	1173	327	2026-02-09	2025-09-03	2025-07-01	2022-10-05
36983	Pakistan	2025	75	170	2025-08-19	2025-12-18		
36982	Pakistan	2025	400	750	2025-12-30	2025-12-17		
36981	Pakistan	2025	20	280	2025-02-19	2025-12-16		
36163	Pakistan	2023	30	570	2024-03-20	2023-12-14		

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35917	Pakistan	2022	25	225	2024-06-13	2024-09-05		2026-04-01
35870	Pakistan	2023	20	430	2025-12-22	2024-09-03		
35500	Pakistan	2022	47	423	2025-01-24	2024-09-06		
34867	Pakistan	2021	22	207	2025-04-09	2024-01-09		
33643	Pakistan	2020	159	2811	2025-10-03	2026-04-28		
33635	Pakistan	2020	442	1723	2024-12-26	2024-09-09		2023-05-25
33521	Pakistan	2021	15	600	2025-04-18	2024-09-02		
15231	Pakistan	2020	264	1586	2025-12-04	2026-05-05		
14023	Pakistan	2018	190	740	2025-11-12	2024-09-07		2024-01-19
13982	Pakistan	2017	426	5357	2025-07-27	2024-01-16		
10288	Pakistan	2017	50	550	2025-03-03	2026-03-11		
10259	Pakistan	2015	157	5263	2024-07-19	2024-09-03		
10169	Pakistan	2025	42	668	2025-05-17	2026-04-29		
8853	Pakistan	2021	69	415	2025-05-14	2024-09-07		2023-05-06
6802	Pakistan	2013	60	1418	2025-09-10	2024-09-02		
10419	Poland	2015	68	17	2025-04-23	2023-11-07		
35483	Portugal	2022	26	14	2024-06-12	2023-11-23		
36731	Türkiye	2024	339	140	2025-11-04	2024-12-20		
35645	Türkiye	2023	108	150	2024-06-03	2023-12-05		
33939	Türkiye	2017	47	44	2024-02-16	2023-10-31		
14049	Türkiye	2007	56	37	2024-10-10	2023-11-27		2025-02-14
13989	Türkiye	2018	51	51	2025-07-11	2023-11-02		
11341	Türkiye	2016	21	22	2025-08-05	2023-12-07		2020-12-22
10421	Türkiye	2013	68	53	2024-12-19	2023-10-30		2022-09-08
6376	Türkiye	2013	101	97	2026-02-02	2023-11-01		
6320	Türkiye	2009	128	235	2024-06-11	2024-02-21		

FINDINGS OF AUDITS IN MYANMAR AND CORRECTIVE ACTIONS

The data relate to measures implemented at our main factories and in the upstream supply chain beyond the main manufacturing stage.

Fair Wear ID no.	Key findings	Corrective Action Plan (CAP)
15327	Limited dining space capacity was identified at one location, resulting in a temporarily insufficient number of tables and seats for employees during peak break times.	A site inspection was conducted by the CSR HQ team to assess the situation. Following the assessment, additional seating capacity was arranged and break schedules were reorganised to ensure adequate access to dining facilities for all employees.
	The Working Environment Measurement Certificate (WEM) expired in 2025.	The factory has initiated the renewal process with the authorised body. The updated Working Environment Measurement is scheduled to be conducted, and the renewed certificate will be obtained and shared once issued.
33639	Workplace environment monitoring was not conducted in full alignment with required standards and frequency.	The facility has initiated a review of its workplace environment monitoring procedures. A qualified third-party service provider will be appointed to conduct the required measurements, and an internal tracking system will be implemented to ensure timely and regular monitoring moving forward.
	The Working Environment Measurement Certificate (WEM) expired in 2025.	The factory has initiated the renewal process with the authorised body. The updated Working Environment Measurement is scheduled to be conducted, and the renewed certificate will be obtained and shared once issued.
36524	The existing Youth Labour Prevention Policy does not yet fully cover all required elements in line with applicable standards and best practice requirements.	The policy is currently under review and will be revised to ensure full alignment with relevant legal requirements and international standards. The updated policy will be formally approved, communicated to management and employees, and integrated into regular compliance training sessions.
	The number of fire extinguishers available on-site was found to be insufficient in relation to the facility's layout and applicable safety requirements.	A comprehensive fire safety assessment has been conducted to determine the required number and placement of fire extinguishers. Additional units will be installed accordingly, and regular inspections will be implemented to ensure ongoing compliance with fire safety standards.
35055	Although relevant policies were displayed on-site, their visibility and readability were limited, reducing effective communication to employees.	The facility will reformat and repost all relevant policies to ensure they are clearly visible, legible, and accessible to employees. This includes using appropriate font size, language versions understood by the workforce, and placement in prominent areas. Regular checks will be implemented to maintain effective communication standards.
	A review of on-site ferry transportation capacity identified potential limitations during peak usage periods.	An on-site assessment was conducted to evaluate transportation capacity. Based on the findings, adjustments to scheduling and capacity planning will be implemented to ensure sufficient and reliable transportation for employees.
15326	Unpleasant odours were observed in the restroom facilities.	Corrective measures have been initiated, including adjustments to the water flow system and an increase in the frequency of cleaning. Ongoing monitoring will be conducted to ensure that hygienic standards are consistently maintained.
	During the on-site canteen furniture check, it was confirmed that additional tables have been installed since the last visit.	The added seating has improved canteen capacity and contributes to enhanced comfort and accessibility for employees during break times.
10818	Break times were not fully aligned with applicable legal requirements and/or internal standards, resulting in inadequate rest periods for employees.	The facility will review and adjust break schedules to ensure full compliance with legal requirements and company standards. Management will monitor implementation, and supervisors will be trained to ensure consistent adherence moving forward.
	The Workers' Committee (WCC) requested an increase in ferry transportation compensation to better reflect current costs.	In response, management agreed to increase the allowance from 1,000 MMK to 2,000 MMK. The adjustment is currently in the process of formal implementation.
8512	The Young Workers Management Policy was not effectively implemented in practice, particularly regarding awareness and procedural application.	Targeted training sessions are being provided to relevant management and HR personnel to ensure proper understanding and effective implementation of the policy. Internal procedures will be reviewed and strengthened to ensure consistent application and monitoring going forward.
	Reports from the Workers' Committee (WCC) indicated instances of unprofessional and non-collegial behaviour among employees, which have led to workplace tensions.	Factory management has acknowledged the concerns and committed to fostering a respectful and inclusive working environment. Measures include reinforcing the Code of Conduct, strengthening internal communication, and promoting awareness of respectful workplace behaviour. The implementation of these actions will be followed up by our local team during the next audit.
14038	Training activities were found to be insufficient in scope and/or frequency to fully support employee awareness and compliance with applicable standards.	A structured training plan will be developed and implemented, covering all relevant topics and employee groups. Regular refresher sessions will be scheduled, and attendance will be documented to ensure consistent knowledge transfer and ongoing compliance.
	It was identified that topics raised through the suggestion box, as well as the corresponding follow-up actions, were not consistently communicated to the entire workforce.	Going forward, the outcomes of suggestion box submissions and the actions taken will be communicated to employees on a regular basis (e.g., via notice boards, meetings, or internal communication channels) to ensure transparency and strengthen employee engagement.

Fair Wear ID no.	Key findings	Corrective Action Plan (CAP)
14010	Dormitory facilities were found to be insufficiently equipped to fully meet established accommodation standards.	A comprehensive needs analysis and inventory assessment will be conducted to identify gaps. Based on the findings, a structured improvement plan will be developed and implemented to ensure the dormitories meet required standards. Progress will be monitored to ensure sustainable improvement.
	Fire extinguishers were not inspected on a regular basis in line with safety requirements.	Implement a documented inspection schedule for fire extinguishers to ensure regular maintenance and compliance with safety standards.
36874	Workers demonstrated limited awareness and understanding of the internal grievance mechanism and related policy.	The facility will strengthen communication and training on the internal grievance mechanism to ensure all employees are informed about available channels, confidentiality safeguards, and non-retaliation principles. Awareness sessions will be conducted regularly, and information will be displayed clearly in accessible areas to reinforce understanding and usage.
	The follow-up process for Corrective Action Plans (CAPs) requires improvement to ensure more timely and efficient implementation.	Factory management has committed to strengthening internal tracking and monitoring mechanisms to ensure corrective actions are implemented within defined timelines. Responsibilities and deadlines will be clearly assigned, and progress will be reviewed regularly to enhance accountability and effectiveness.
36875	In 2025, certain chemicals were not approved for use in line with applicable chemical restrictions. As a result, alternative solutions had to be identified, leading to temporary production delays.	In line with our responsible purchasing practices, compliance with chemical restrictions remains a non-negotiable requirement. Where necessary, potential delays are accepted to ensure adherence to regulatory and internal chemical standards. Suppliers are supported in identifying compliant alternatives to prevent recurrence and strengthen proactive chemical management.
	Unpleasant odours were observed in the restroom facilities.	Corrective measures have been initiated, including adjustments to the water flow system and an increase in the frequency of cleaning. Ongoing monitoring will be conducted to ensure that hygienic standards are consistently maintained.
36873	The existing age verification process was found to be insufficiently robust to fully ensure reliable age validation during recruitment.	The process has been reviewed and strengthened by introducing enhanced document verification procedures, clearer internal guidelines, and additional training for HR staff. Regular internal checks will be conducted to ensure consistent and effective implementation moving forward.
	In 2025, certain chemicals were not approved for use in line with applicable chemical restrictions. As a result, alternative solutions had to be identified, leading to temporary production delays.	In line with our responsible purchasing practices, compliance with chemical restrictions remains a non-negotiable requirement. Where necessary, potential delays are accepted to ensure adherence to regulatory and internal chemical standards. Suppliers are supported in identifying compliant alternatives to prevent recurrence and strengthen proactive chemical management.
36877	A required building safety inspection had not been conducted in line with applicable regulations and standards.	The facility has committed to arranging the necessary building safety inspection through a qualified and authorised body. Upon completion, any recommendations will be addressed promptly, and a monitoring system will be implemented to ensure future inspections are conducted within the required timeframe.
	The ferry used for worker transportation was found to be overcrowded, posing potential safety concerns.	Additional ferry services will be arranged to ensure safe and adequate transportation capacity for all workers.
36962	No valid Working Environment Measurement reports were available at the time of the assessment.	The facility will arrange for the required working environment measurements to be conducted by a qualified and authorised service provider. Upon completion, the reports will be documented and maintained on-site. A tracking mechanism will be implemented to ensure timely renewal and continuous compliance with applicable requirements.
	The ferry used for worker transportation was found to be overcrowded during peak times. Currently, the factory provides 14 ferries for employee transport.	Additional ferry services will be arranged to ensure safe and adequate transportation capacity for all workers. Transportation planning will be reviewed regularly to align capacity with workforce needs and maintain safe commuting conditions.
36961	Limited dining space capacity was identified at one location, resulting in a temporarily insufficient number of tables and seats for employees during peak break times.	A site inspection was conducted by the CSR HQ team to assess the situation. Following the assessment, additional seating capacity was arranged and break schedules were reorganised to ensure adequate access to dining facilities for all employees.
	Insufficient fire safety measures were identified, indicating gaps in compliance with applicable safety standards.	A comprehensive fire safety assessment will be conducted to identify required improvements. Necessary measures, including upgrading equipment, ensuring adequate fire detection and firefighting systems, improving emergency signage and escape routes, and strengthening inspection routines will be implemented. Regular training and fire drills will be carried out to ensure ongoing compliance and preparedness.
36876	First aid training was found to be insufficient, with an inadequate number of trained personnel available on-site.	Additional employees will be enrolled in certified first aid training to ensure adequate coverage across shifts and departments. Refresher training sessions will be scheduled regularly, and training records will be maintained to ensure ongoing compliance with health and safety requirements.
	The canteen capacity was found to be insufficient to comfortably accommodate all employees during peak break times.	Additional break slots have been introduced to better distribute employee attendance and reduce congestion during peak periods. The effectiveness of this measure will be monitored to ensure adequate comfort and accessibility for all workers.

WAGES MYANMAR

Table 1 shows the daily wages and Table 2 the monthly wages at our nine main factories in Myanmar in November 2024 (solid bars) and February 2026 (transparent bars), expressed in the local currency (MMK).

Blue: Base wage for an eight-hour working day (basic wage only, excluding variable components)
Green: Total remuneration = base wage including bonuses and overtime payments

The percentage change between November 2024 and February 2026 is also presented for each figure. During the period under review, base wages increased significantly across the production facilities assessed.

Table 1: Daily Wages

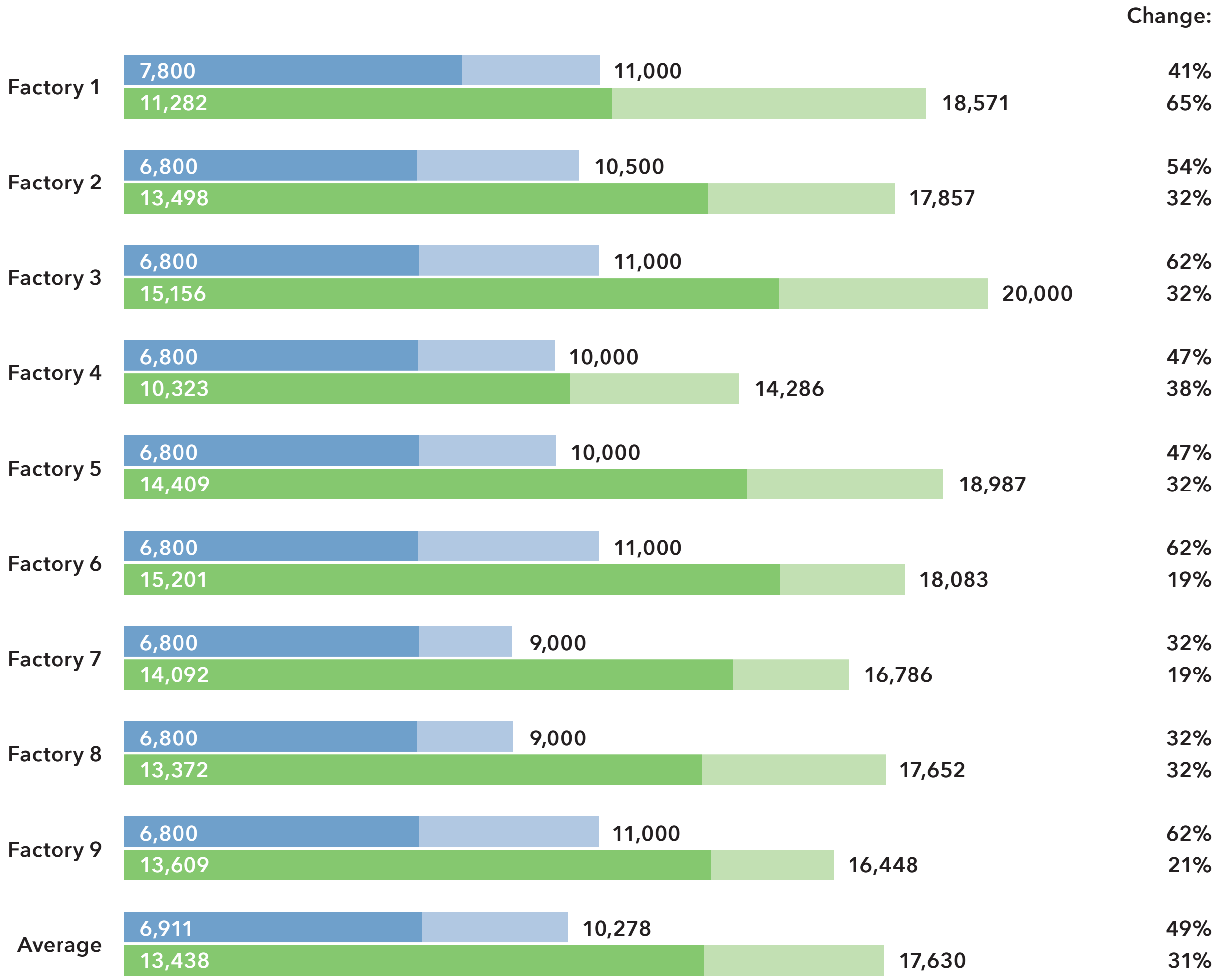
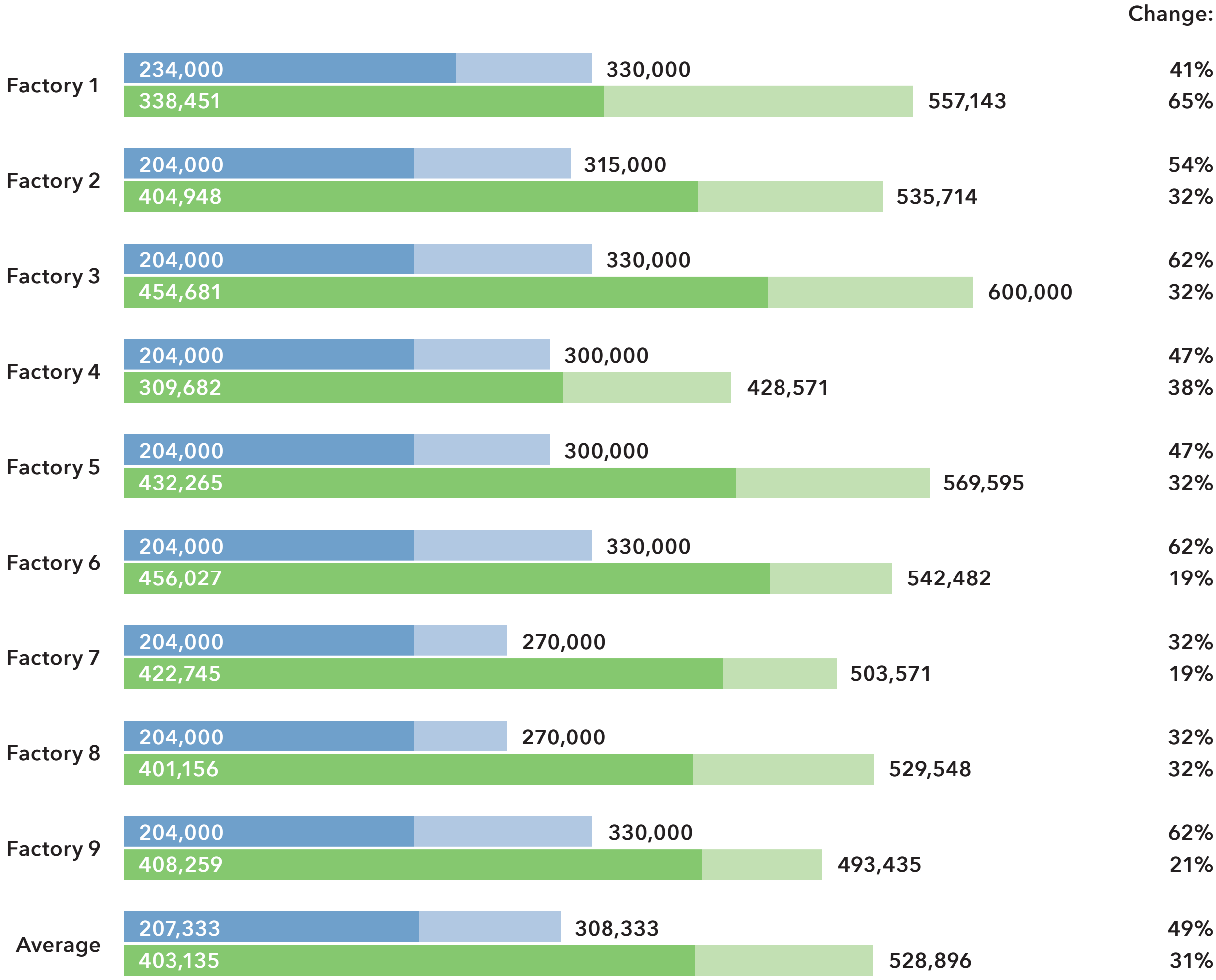


Table 2: Monthly Wages



QUESTIONS *ABOUT THE REPORT*

Do you have any questions, suggestions or feedback on our Sustainability Report? We look forward to hearing from you!

presse@takko.de

Dirk Stolz
Head of ESG Takko Fashion

Christina Scholz
Manager Public Relations Takko Fashion

Does your heart beat for high-quality and responsibly produced fashion? So does ours! If you would like to become part of #TeamYellow, apply online via *jobs.takko.com*

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