



# Responsibility Report 2025



Content



Hi, we are  
FOND OF

→ page 4



Human Rights  
Due Diligence

→ page 19

→ page 79

Sustainability  
Strategy



Welcome  
to our world

→ page 86

# Foreword

In light of the political upheaval in Germany, Europe, and the United States, along with the increasingly challenging consumption and economic climate, sustainability is losing priority in many areas.

From our perspective, this trend is worrying and short-sighted. For FOND OF, sustainability is not a trend that we pay more or less attention to depending on the economic situation, but rather a cornerstone of our corporate identity, deeply rooted in our company values, and providing us with long-term direction.

In the past financial year, we have therefore consistently worked on further professionalizing our sustainability efforts in line with our 2030 Sustainability Strategy and have made progress on many levels:

To improve supply chain transparency, we extended our risk analysis to the Tier 2 level and conducted structured 360-degree feedback meetings with our key producers. In the field of human rights & due diligence, we launched the first pilot projects on ‘Labor Minute Costing’ to create a foundation for paying living wages by transparently calculating labor costs per product. To make progress in the area of CO<sub>2</sub> reduction, we integrated a large portion of our

material consumption into Carbonfact to enable precise CO<sub>2</sub> emission calculations and create a solid basis for targeted CO<sub>2</sub> reduction measures through real-time lifecycle assessments. As the final pillar of our strategy, we aim to promote the circular economy. Last year, we used textile-to-textile fabrics for the first time on a large scale in a collection, gradually replacing Re-PET.

Our sustainability strategy and goals provide us with orientation and guidelines but are not static. With each new year, we gain more experience and learn. For this reason, we regularly question the impact of measures and the direction of goals.

We applied this approach to circularity last year and asked ourselves which measures would most likely help us achieve our overarching goal. For example, we believe that by consistently rolling out textile-to-textile fabrics across all products, we will integrate circularity as a holistic approach, rather than just standalone ‘flagship products.’

Looking back at 2024, we have achieved a lot and are particularly proud that, despite stricter requirements, we were awarded the ‘Leader’ status by the Fair Wear Foundation for the 7th time in a row. In an environment where it is increasingly important to take a clear position on sustainability, we are excited to continue developing what has been achieved in 2025.



Mathias Lievenbrück  
Managing Director FOND OF

A handwritten signature in dark ink, appearing to be 'Mathias Lievenbrück', written in a cursive style.





# Hi, we are FOND OF

Our values → **page 6**  
Our brands → **page 8**  
Our partnerships → **page 11**

# Hi, we are FOND OF



For over 15 years, FOND OF and our brands Affenzahn, ergobag, and satch have been about enthusiasm. Enthusiasm for products, brands, design, sustainability, and above all, people. We aim to be a companion as little worlds grow bigger – in kindergarten and school, with moms and dads, aunts and uncles, and within our FOND OF team.

**At FOND OF, we place special emphasis on our corporate culture. What does this mean?**

We see our team players and their needs holistically. Therefore, on the one hand, we strive to provide space for personal development in our innovative office building, 'the Ship' through offerings like sports activities, modern workplaces in an open office concept, and healthy lunch options in our restaurant, Em Bügche. On the other hand, we aim to promote each person's personality. Initiatives such as nilo – a tool for mental health in the workplace – our

Academy with development opportunities, or looky looky, to explore other job roles, are some examples. Our goal is to create conditions where all team members find and can shape an environment in which they feel comfortable and look forward to going to work.

# Our values

After significant transformation, by the end of 2022, we asked ourselves what defines FOND OF. Which values do we carry from our history, and which ones describe us presently? See for yourself on a journey through our world of values:

## Authenticity

In our organizational culture, we view our team players and their needs holistically. It’s all about ‘Come as you are’ The foundation of our organizational development and cultural work is the AQAL model (all quadrants, all levels). To enable everyone to show up as they are, the Mindset quadrant is particularly important, focusing on thinking, feeling, and attitude. To foster this, we offer programs like the Hero’s Journey, Personal Mastery, and likeminded. We firmly believe that the more each person engages with their own personality, the better they unfold not only their own potential but also enhance the potential and performance of the team. We love it!

## Curiosity

We are open to new ideas and embrace change with an attitude of open mind, open heart, open will. We strive to be empathetic and consider multiple perspectives. There are many great ideas; let’s choose the best one.

## Cohesion

To nurture the FOND OF culture, we prioritize values, relationships, and community. Every team player should understand that each individual, whether consciously or unconsciously, shapes our organizational culture because participating is queen. We provide opportunities for collective involvement that permeates throughout FOND OF. For instance, our teams get a stage once a quarter to review their OKR episodes. This allows teams to learn from each other, discuss missteps, celebrate successes, and find their place within the larger whole.

## Responsibility

We are aware that we are a small part of something larger – part of something bigger. Accordingly, we collectively take responsibility for our actions and consider their impact on our environment. This means we are willing to take risks and depart from familiar paths in order to think holistically.

## Ambition

We aim to create an environment where everyone can work passionately on their individual interests. We believe that when you enjoy what you do, you do it well. When our hearts are truly invested, we share our energy and can achieve great things together. This is a playful performance. During our annual team retreat, the focus is primarily on enjoyable performance. However, what would a camping trip in the Eifel be without a carnival singing organized by team players, bursts of laughter, or bracelet-making sessions?







# Our brands

## Best friends!

Comfort, freedom, and joy are the essential ingredients for a happy childhood, according to Affenzahn. Building on this foundation of values, Affenzahn accompanies parents and children through their developmental milestones. Together, they embark on life's adventure with curiosity and optimism.

Children discover togetherness, nature, and their own personalities. Our animal characters are always there to support them and come to life in various product forms: from barefoot shoes and kindergarten backpacks with playful pull-out tongues to balance bikes and the new children's bicycles. With child-friendly design, resource-efficient manufacturing, and many playful features, Affenzahn makes little worlds a bit bigger every day.

With our barefoot shoes, we aim to lay the foundation for the healthy development of children's feet. The shoes are designed not to constrict small, delicate feet, but rather to provide the necessary protection they need, promoting the foot's natural development into a strong, healthy foot.

**Our new Vegan Dreamy slipper (centered here) is mainly made from high-quality bamboo viscose, a particularly soft and breathable material that ensures maximum comfort and a pleasantly light wearing experience.**





# ergobag



## Grow Together

The start of school – an adventure that makes every heartbeat faster.

For 15 years, ergobag has been combining ergonomic expertise with perfectly thought-out functionality and child-friendly, cheerful designs, never forgetting one thing: values that matter. With ergobag, we set standards for sustainable resource use and responsible treatment of everyone involved in the production of our products.

The outer material of the Next Nature Special Edition backpacks is made entirely from recycled textiles. It is complemented by vegan, bio-based faux leather containing 17% mushroom content, used for sustainable detailing.





## It's up to you!

At satch, everything revolves around kids and teens in secondary schools and their individual needs. Whether it's for school, leisure, or travel: the extensive satch range offers the perfect product for everyone. Here, design diversity meets thoughtful functionality and plenty of customization options.

Sustainability is not a trend for us, but a lived reality that has been an integral part of our DNA since our founding. Back then, we were among the first to create school backpacks using PET-recycled fabrics, and today we still never tire of questioning the status quo, positioning ourselves as innovation drivers in the industry.

Our special edition, Next Denim, uses an innovative and particularly sustainable fabric alternative: TENCEL™ modal fiber. More about it in our story on [page 98](#).





# Our partnerships

## Fair Wear

**Leader Status** → since 2018  
**Focus** → Social responsibility in the supply chain

The FAIR WEAR FOUNDATION (FWF) is a European multi-stakeholder organization composed of NGOs, business associations, trade unions, and companies like ours. Together, we aim to improve working conditions in the textile industry. This is facilitated by the ‘shared responsibility’ approach, where responsibility is not solely placed on suppliers but also on us as a company. We contribute to upholding labor standards and improving working conditions through our business practices. For example, besides conducting on-site audits, we undergo an annual ‘Brand Performance Check’ to assess our implementation of human rights due diligence obligations. Do we conduct a comprehensive risk analysis that impacts our purchasing decisions? Do the results influence measures aimed at improving and preventing human rights violations? Are we aware of the connection between our purchasing prices and the wages paid locally? Are there effective

grievance mechanisms in place in the factories? These and many other questions must be addressed annually or every two years. This is because Fair Wear has scheduled a biannual check when a specific number of conditions are met. The next check will therefore take place at the end of 2025. However, we remain a ‘Leader’ – the highest possible rating from Fair Wear – also in this year.







## bluesign®

**System partner** → since 2016

**Focus** → Chemical monitoring of the production process

The bluesign® system ensures the chemically clean production of a product. FOND OF is a system partner of bluesign®, as are many of our suppliers. As system partners, we adhere to the rigorous bluesign® principles and criteria. This primarily means that highly hazardous chemicals must not be used in the production of our materials, especially during dyeing processes. Additionally, bluesign® ensures that all other chemicals used are filtered in wastewater so that they cannot enter the environment uncontrollably. bluesign® sets strict rules that often exceed legal requirements.

**bluesign**  
SYSTEM PARTNER

Thus, the bluesign® system not only focuses on the chemical purity of the end product but also on the entire production process. In addition, all bluesign® system partners commit to the following five principles: resource productivity, consumer safety, water protection, air emission protection, and occupational health and safety.



Leather Working Group

**Member**→ since 2022  
**Focus** → Ecological & socially responsible  
production of leather

Five years ago, when we expanded our product range to include shoes, we decided to become a member of the Leather Working Group (LWG). The production and processing of leather pose significant social and environmental risks, which we aim to address through our collaboration with LWG. The basis for this is the LWG Audit Standard, which leather suppliers undergo every two years. Key aspects of such audits include transparency in the supply chain, chemical management, waste management, and water consumption. Based on the audit results, suppliers are categorized into four different categories. FOND OF regularly utilizes these audit findings and categories to evaluate new and existing relationships with suppliers, thereby excluding leather suppliers who do not meet the standards.







## Green Button

**Licensed** → since 2020

**Focus** → Corporate duty of care & sustainable production processes

The Green Button is a government certification for sustainable textiles, established in 2019 on the initiative of the Federal Ministry for Economic Cooperation and Development. Since then, it has been continuously developed. In order for our products to bear the Grüner Knopf seal, independent certification bodies verify whether our company fundamentally fulfills our responsibility towards people and the environment in our supply chain and thus meets our corporate due diligence. This includes assessing whether we are aware of the ecological and social risks in our supply chain and what measures we are taking to prevent them. Are we transparent in reporting on these matters, and do we have complaint mechanisms in place? Furthermore, it must be proven that the specific product was produced sustainably. Here, the Green Button acts as a so-called meta-label. This means that the Green Button does not establish

its own criteria here, but rather allows us to use other recognized certifications, such as the GOTS certification for ecological aspects and the Fair Wear Leader status for social aspects, to demonstrate requirements for production processes.

**GREEN  
BUTTON**   
GOOD FOR PEOPLE.  
GOOD FOR NATURE.



Science Based Targets Initiative

System partner → since 2023  
Focus → Climate protection through CO<sub>2</sub> reduction goals

Two years ago, FOND OF decided to set specific goals for the first time to reduce its carbon footprint and have them externally verified. To achieve this, we joined one of the leading initiatives in fighting climate change. The Science Based Targets Initiative (SBTi) is a global coalition of associations, NGOs, and scientific organizations. The aim of the initiative is to guide companies on how much and by when they need to reduce their greenhouse gas emissions to mitigate the devastating impacts of climate change. For this purpose, scientific-based targets define a precise plan to assist FOND OF in aligning its business activities with the 1.5° C goal. We will be annually assessed against the set reduction targets, as we are required to publicly disclose our carbon footprint on the SBTi website.







## Carbonfact

**System partner** → since 2023

**Focus** → Climate protection through CO<sub>2</sub> management

We have established a new partnership with Carbonfact, which perfectly complements our CO<sub>2</sub> strategy. It is the only tool specialized in measuring CO<sub>2</sub> emissions specifically for the textile industry. Carbonfact's mission is to help textile companies better understand where the majority of greenhouse gas emissions from their products originate and how these emissions can be most effectively reduced. Further features include a high degree of automation through integration with existing data systems and the modeling of potential scenarios for CO<sub>2</sub> reduction. Together with Carbonfact, we will henceforth collect

our company's and product-related emissions. Additionally, we aim to provide comprehensive life cycle assessments for all our products.

◦|— Carbonfact



Retraced

System partner → since 2021  
Focus → Transparency in the supply chain

Transparent supply chains form the foundation of environmentally and socially responsible production for us. Only by knowing where our products and their components are produced can we assess the associated social and environmental risks and work to mitigate or prevent them. However, in the textile industry, supply chains are often challenging to trace. For instance, the production of a backpack typically involves more than 50 different suppliers. To maintain oversight and ensure transparency, we collaborate with Retraced.



Together, our goal is to understand our entire supply chain thoroughly, enabling us to always be aware of all social and environmental risks involved. Using a digital platform where both we and our suppliers collaborate, we gather data that helps us reduce risks in our supply chain. This approach consolidates all information in one central location, ideally creating a network effect that benefits other brands as well. In our view, ‘sharing is caring’ should be the motto of the future textile industry, fostering transparency and collective responsibility across the supply chain.











# Human Rights Due Diligence

Our commitment → **page 20**

HRDD implementation → **page 24**

Our supply chain → **page 29**

Supply chain risks and mitigation measures → **page 31**

Our Production Facilities → **page 46**

Handling complaints → **page 48**

Stakeholder Engagement & Communication → **page 50**



# Our commitment

## Our Commitment to Fulfilling Our Human Rights Due Diligence Obligations

In both our [Environment and Human Rights Declaration](#) and the [Responsible Business Conduct](#) of the FOND OF Group, we have committed to fulfilling our HRDD obligations throughout our supply chain. We do this by continuously analyzing human rights risks at the country, sector, business, sourcing model, and product level, and by implementing measures to address and prevent identified risks. We strive to validate and monitor our progress and to communicate transparently with all stakeholders.

FOND OF also collaborates with industry peers, civil society organizations, and other stakeholders to share best practices, address common challenges, and promote transparency in the textile sector. We actively participate in multi-stakeholder initiatives and disclose relevant information about our HRDD performance.

### What is Human Rights Due Diligence?

?

As a company, our business activities and relationships influence people’s lives, and we therefore bear the risk that our actions may directly or indirectly have adverse impacts on human rights. This is why we have a responsibility to respect human rights both within our own operations and throughout our supply chain. Our human rights due diligence – or HRDD – is the ongoing process we undertake as a company to fulfill this responsibility. It involves identifying, preventing, mitigating, and, where necessary, remedying actual or potential negative impacts on human rights.



Connection Between HRDD and Purchasing Decisions

Our purchasing practices – that is, all activities we carry out to acquire our products, including product development, capacity planning, order placement, price negotiations, and more – can impact the conditions at our suppliers and, consequently, the workers.

At FOND OF, we acknowledge the link between our purchasing practices, the working conditions in our supply chain, and the potential risks of human rights violations. To avoid and mitigate negative impacts, we are committed to the Common Framework for Responsible Purchasing Practices (CRRP). This framework serves as a guide for companies like ours that seek to use their purchasing leverage to improve working conditions in supply chains.

To strengthen our impact, FOND OF joined the Learning and Implementation Community (LIC) in 2022 – a peer-learning community that offers us a valuable opportunity to participate in a range of discussions and workshops aimed at improving our purchasing practices in line with the CRRP. By exchanging with various stakeholders and other brands, we gain valuable insights and share best practices.

Approach to conducting HRDD

To put our HRDD into practice, we follow the six steps of the HRDD cycle developed by Fair Wear, which is aligned with international guidelines for responsible business conduct by the OECD and the United Nations.

HRDD Cycle Fair Wear Foundation





**Step ①**  
**Responsible business conduct policy**

In a multi-month feedback and workshop process involving our management and all relevant teams, we developed a strategy that outlines our values and commitments to responsible business conduct and HRDD. It also explains how we anchor and implement HRDD in our strategies and management systems. As an initial step, we apply this approach to all our final-stage suppliers – that is, our Tier 1 suppliers and their subcontractors (e.g. for printing or embroidery). Our long-term goal is to expand the scope of the strategy to cover our entire supply chain.

**Step ②**  
**Identifying and assessing potential and actual harms in your supply chains**

To implement the second step of the HRDD cycle – identifying and assessing potential and actual adverse human rights impacts – we conduct a risk analysis twice a year, or on an ad hoc basis, at the country, supplier, material, and business model levels. More on this can be found on [page 31](#).

**Step ③**  
**Cease, prevent or mitigate harm in own operations and your supply chain**

Based on the outcomes of risk scoping and risk assessments, we prioritize follow-up actions based on the severity and likelihood of potential or actual harm in our supply chain. If we established that we have contributed to actual harm in our supply chain, we first provide or contribute to remediation (see step 6). If a potential risk is identified, we develop and implement preventive or mitigative actions to stop or reduce the potential impact of this risk within an adequate and specific timeframe.

**Step ④**  
**Tracking our progress**

We track our progress on HRDD and continuously work on improvements. To support this, we have a system in place to track the implementation and effectiveness of our due diligence activities across all steps of the due diligence process. We regularly check whether prioritized risks and impacts are being effectively addressed.

**Step ⑤**  
**Communicate about human rights due diligence**

We publicly communicate how we fulfill our HRDD obligations and how we address risks and issues related to compliance with human and labor rights in our annual Responsibility Report. Our commitment to HRDD – through our Responsible Business Conduct Policy and Environmental and Human Rights Policy Statement (see step 1) – as well as the results of our Fair Wear Brand Performance Check, which externally assesses and validates our HRDD performance, are published on our website.

**Step ⑥**  
**Provide for or co-operate in remediation**

If we have caused or contributed to harm, we provide remediation or cooperate with its implementation. If we are not directly responsible but are linked to the harm through a business relationship, we use our leverage to encourage the supplier or business partner to prevent, mitigate, and remedy the harm. When potential risks (i.e. not yet realized harm) are identified in step 2, our actions aim at prevention and mitigation. Preventive and mitigating measures can also be part of a remediation process, developed in consultation with affected stakeholders.

**Our Progress on HRDD**

To further embed human rights due diligence into our processes and operations, we have developed a procurement strategy aimed at influencing working conditions. A comprehensive risk analysis was conducted that considered risk factors at the country, sector, business model, sourcing model, and product levels.

We have also developed a robust and systematic evaluation system to assess the human rights performance of our suppliers. This combines internal assessments from various departments using different indicators with feedback from suppliers to enable a holistic view of our collaboration. The collected information and identified risks led to prioritization and the development of concrete action plans for each production country.



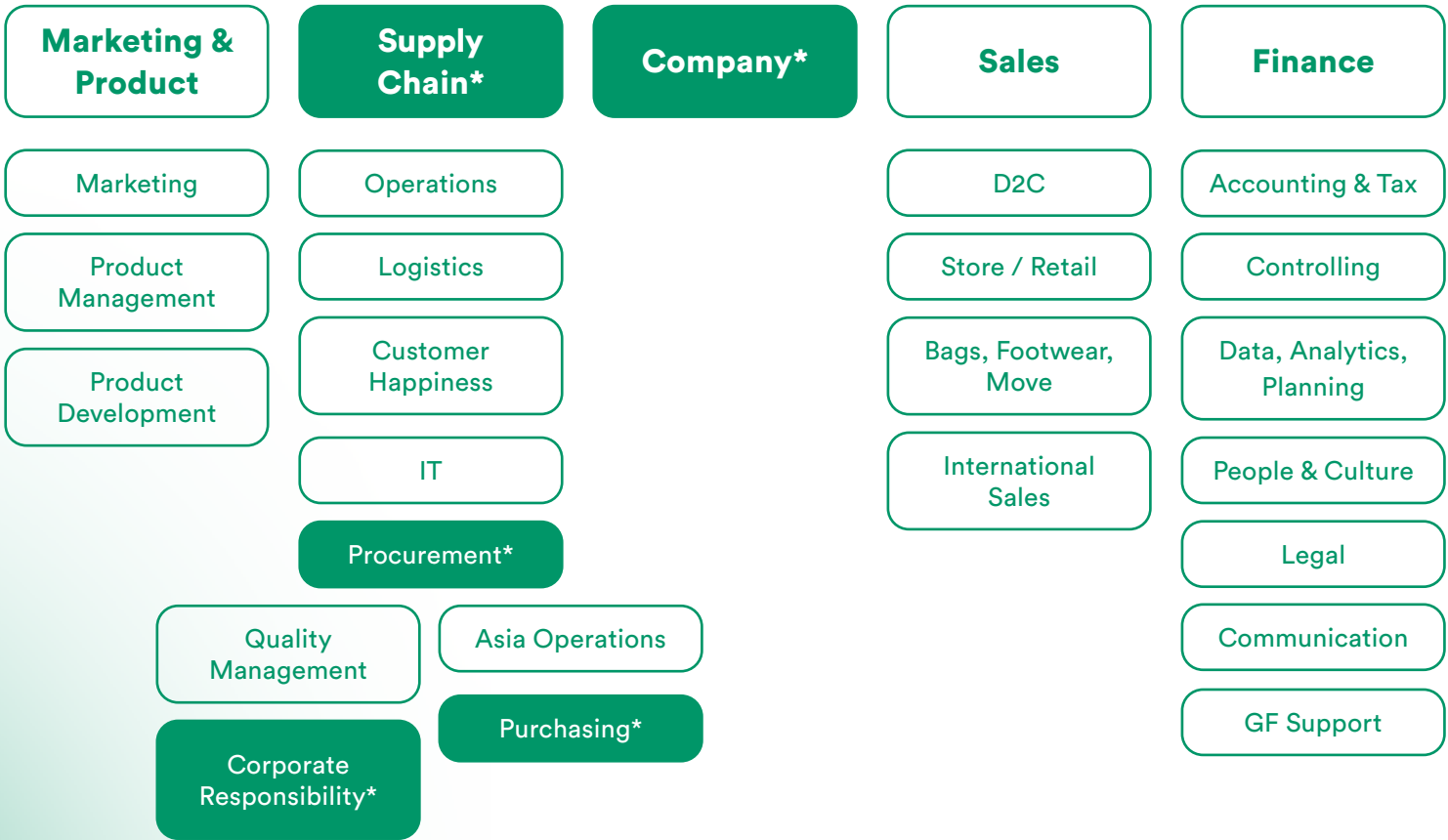




# How do we implement human rights due diligence (HRDD) in our processes and purchasing decisions? Who is responsible for this?

FOND OF is committed to respecting human rights throughout its entire supply chain.

To ensure this, we assess potential risks and take appropriate measures. Our internal procedures and our collaboration with suppliers are guided by various policies and mechanisms that help us align our operations with our human rights responsibilities.



\* Responsible for implementing human rights due diligence in the supply chain



# Policies & Processes for Risk Mitigation

FOND OF aligns its actions with international standards for corporate responsibility, including the [OECD Guidelines for Multinational Enterprises](#), the [UN Guiding Principles on Business and Human Rights](#), and the [ILO Core Labour Standards](#). Based on these frameworks, we have developed a range of corporate policies and procedures that guide our actions:

Standards for Corporate Responsibility	?
<div><div><b>OECD Guidelines for Multinational Enterprises:</b> Recommendations for companies from industrialized countries to act responsibly worldwide — for example, regarding human rights, environmental protection, and anti-corruption. They are voluntary but recognized as an international standard.</div><div><b>UN Guiding Principles on Business and Human Rights (UNGPs):</b> A framework stating that states must protect human rights and companies must respect them — by conducting due diligence and providing remedies in cases of violations.</div><div><b>ILO Core Labour Standards:</b> Eight fundamental labour rights defined by the International Labour Organization, including the prohibition of child labour, forced labour, and discrimination, as well as the right to freedom of association. They aim to ensure decent working conditions worldwide.</div></div>	

**Responsible Sourcing Strategy:**

A policy for implementing responsible purchasing practices across all stages of the procurement process, aimed at fostering long-term partnerships and promoting fair working conditions.

**Code of Conduct:**

A binding agreement signed by our production partners and their subcontractors, confirming that they share and comply with our human rights and environmental standards and expectations.

**Subcontracting Policy:**

Clear requirements and procedures for the disclosure and approval of subcontractors used by our direct suppliers for processes such as sewing, printing, or embroidery.

**Homeworking Policy:**

Our conditions for approving home-based work among our direct suppliers, along with a commitment to improving the working conditions of home-based workers.

**Responsible Exit Strategy:**

A policy that ensures a responsible and coordinated approach to phasing out business relationships, aimed at minimizing negative impacts on workers. This policy applies when we decide to end a partnership with a production supplier.

# Processes for Identifying & Assessing Human Rights Risks

FOND OF follows a risk-based approach to identify and prioritize human-rights risks across the entire supply chain ([page 31](#)). Key elements include:

**Country risk assessment:**

Analyzing human-rights risks in production countries using external data sources.

**Supplier risk assessment:**

Evaluating production sites through audits, training reports and on-site visits.

**Risk prioritization:**

Ranking risks by likelihood and severity (scale, scope, irreversibility) and defining measures accordingly.



# System for Developing Action Plans & Monitoring Progress

Drawing on the identified and prioritized risks, we prepare an annual Corrective Action and Prevention Plan (CAP) that sets out remediation and preventive measures. The CAP is implemented jointly with suppliers and reviewed regularly. To develop the CAPs we use the following sources:

**Findings and action plans from regular audits** by independent organizations such as Fair Wear.

**Automated action suggestions provided in the Fair Wear Member Hub.**

**Feedback meetings** with suppliers to gauge progress and discuss improvements.

**Development of KPIs** to track progress systematically.

# Grievance Mechanisms & Access to Remediation

We ensure that workers at our production partners have access to effective grievance mechanisms ([page 48](#)). This is achieved through:

**Fair Wear Workers Helpline:** An anonymous complaints hotline available in the local language, through which complaints can also be forwarded to us as a brand.

**Direct contact with suppliers** to investigate and resolve grievances.

**Implementation of remedial measures** in collaboration with suppliers, Fair Wear, and other stakeholders.

# Processes for integrating HRDD into our Purchasing Decisions

Our sourcing process is closely aligned with our HRDD approach. When selecting and evaluating new or existing suppliers, we consider the following:

**The presence of freedom of association and collective bargaining** as a key decision-making criterion.

**The results of thorough risk assessments,** including on-site visits and the review of available audit reports.

**A clear preference for long-term partnerships,** to promote sustainable improvements in working conditions.

**An incentive system for socially responsible suppliers,** whereby new development orders are preferably awarded to partners with strong HRDD performance ratings.

# Standard Processes for Onboarding New Suppliers & Ending Supplier Relationships

FOND OF follows a structured approach when initiating or ending business relationships with production partners.

## Onboarding-Process

- ① CR Onboarding Meetings (I & II): Before deciding to work with a new supplier, we hold meetings to gather information for our risk assessment and to inform the supplier about our standards and expectations
- ② On-site visits by relevant departments (e. g., Management, Purchasing, Quality, CR)
- ③ Risk analysis at the country and supplier level
- ④ Decision on whether to begin the business relationship or not
- ⑤ Commitment by the supplier to adhere to our standards by signing our Code of Conduct and other relevant policies
- ⑥ Fair Wear audits and training depending on the supplier's risk profile – sometimes conducted before a final decision is made
- ⑦ Documentation and storage of all relevant information and documents on internal platforms (e. g., Fair Wear Member Hub, Retraced)

## Responsible Offboarding Process

In the event of ending a supplier relationship, we prepare a timely, structured, and responsible exit plan to minimize negative impacts on workers. This process is guided by our Responsible Exit Policy and includes the following steps:

- ① Thorough analysis of the reasons for ending the business relationship
- ② Earliest possible communication of the decision to the supplier
- ③ Assessment of potential negative impacts on workers, taking into account the volume and duration of the business relationship and involving relevant stakeholders.
- ④ Development of a coordinated ‘phase-out’ plan with the supplier to wind down production responsibly
- ⑤ Follow-Up

## Conclusion

### Embedding HRDD in our Management System is an ongoing process

The integration of HRDD into our management system –that is, into our internal operations and structures–is an ongoing journey. It is supported and continuously refined through a range of tools and processes: policies, audits, risk assessments, action plans, onboarding and exit procedures, and strategic purchasing decisions. Our overarching goal remains to sustainably improve human rights standards and working conditions through long-term collaboration with our partners and to drive meaningful, lasting change.







# Our Supply Chain

This chapter provides an overview of our supply chain, which will be examined in greater detail in the following chapters – particularly with regard to the risks we identify and the measures we implement.

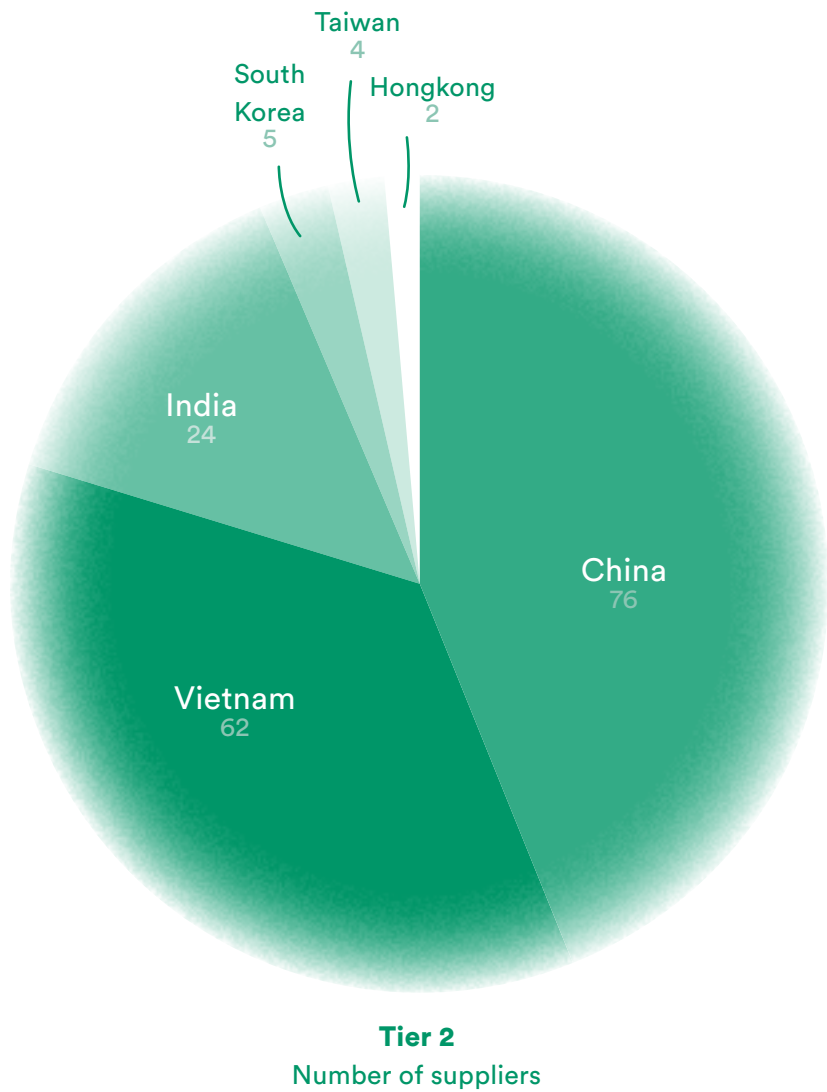
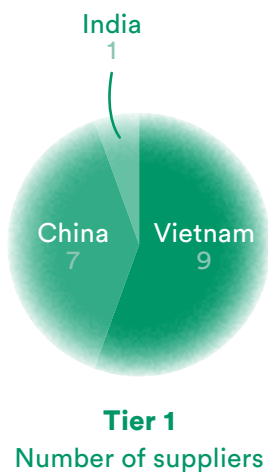
To meet our human rights due diligence obligations, supply chain transparency and strong partnerships are essential. In sourcing our products, we therefore rely on long-term, carefully selected supplier relationships and are continuously working to increase the traceability of our supply chains. Below, we provide an overview of our supply chain. [Page 31](#) and [46](#) go into detail of the risks we’ve identified and the measures we’ve implemented within our supply chain.

In the 2023/2024 fiscal year, our main production countries were Vietnam (78 %), China (21%), and India (1%). In India, we recently onboarded a new partner for producing our Affenzahn shoes, which is why the volume there is still very low.

Around 97 % of our purchasing volume comes from long-term partners – those with whom we’ve been working for at least five years. This reflects the stability of our supply chain and the effectiveness of our sourcing strategy and purchasing practices, which are focused on fostering long-term partnerships.

Just under 1% of our purchasing volume is sourced through an agent in China. This setup presents higher risks in terms of responsible purchasing practices, communication, and direct influence, as we do not have direct contact with the production site. However, relative to our total volume, this share remains small and concerns only a single product category.

A list of our Tier 2 suppliers can be found [here](#). We are continuously working to increase transparency in the deeper levels of our supply chain and already have visibility into some Tier 3 suppliers.



Country of production	FOB volume
Vietnam	78 %
China	21 %
India	1 %



Production partners	Country	FOB volume in %	Estimated leverage, i. e. capacity utilization of FOND OF
<b>ASG Global Co.,Ltd</b>	Vietnam	43 %	40 %
Phuong Nam Vina Garment Company*	Vietnam	2 %	34 %
Dang Quang Vina Co., Ltd.*	Vietnam	1%	25 %
Hankook Vina Embroidery Company*	Vietnam	0 %	23 %
<b>HAKSAN VI NA Co. Ltd.</b>	Vietnam	13 %	24 %
<b>INS Vina</b>	Vietnam	7 %	34 %
UK VINA*	Vietnam	0 %	7 %
<b>Viva Vina Branch 1 Co. Ltd.</b>	Vietnam	11%	28 %
Damy Vina Co., Ltd.*	Vietnam	0 %	1%
Hankook Vina Embroidery Company*	Vietnam	0 %	23 %
Huizhou City Yu Cheng Umbrella Co., Ltd**	China	1%	2 %
<b>Shenzhen SingBao Sewn Products Co., Ltd. (SBL)</b>	China	13 %	16 %
Tian Hui Bags Factory*	China	2 %	20 %
Shenzhen Shengde Sewing Products Co., Ltd. (Shengde Bags)*	China	2 %	30 %
Sidarui Sewing Products (Sewing) Co., Ltd. (Starry)*	China	3 %	21%
Guo Xing Toys and Accessories*	China	0 %	15 %
Yuang Feng Long*	China, Hong Kong Special Administrative Region	0 %	20 %
<b>TATA International Ltd (Tamil Nadu)</b>	India	1%	1%

\* Subcontractor or support process, e.g. printing, embroidery

\*\* is sourced by agent



# Supply chain risks and mitigation measures

## FOND OF Risk Analysis

Our risk analysis is the central starting point for our HRDD management and increasingly determines our sourcing decisions.

Concretely, this means that – for example – when selecting new suppliers, we conduct a comprehensive risk analysis and base our decision on whether to enter a partnership on this. In addition to evaluating new suppliers, we update the risk analysis at least once a year at the country level or on an ad hoc basis for our existing suppliers and derive specific improvement measures from it [\(page 46\)](#).

Our goal for the coming years is to work consistently based on risk, improve our data basis, and conduct a deeper examination of the supply chain, so that we can integrate the results of our risk analyses even more strongly into our purchasing decisions in the future and prevent negative impacts on human rights and the environment in our supply chains.









# How do we implement the risk analysis?

## Sector Risks

The supply chain of our products is complex and involves a multitude of risks for people and the environment. To assess and prioritize all these risks, we have selected 12 risk fields relevant to the textile industry, based on the OECD sector risks for the apparel and footwear industry as well as the Fair Wear Code of Labour Practices. Our risk analysis is conducted on 5 levels or steps:

### ① Country Risk Assessment (Gross Risk)

Analysis and evaluation of social and environmental risks at the abstract country production level – rated from very low (1) to very high (5) (e.g., how high is the risk of insufficient occupational health and safety in Vietnam?)

Special consideration of vulnerable groups (e.g., are children, women, migrant workers, or minorities particularly affected by these risks?)

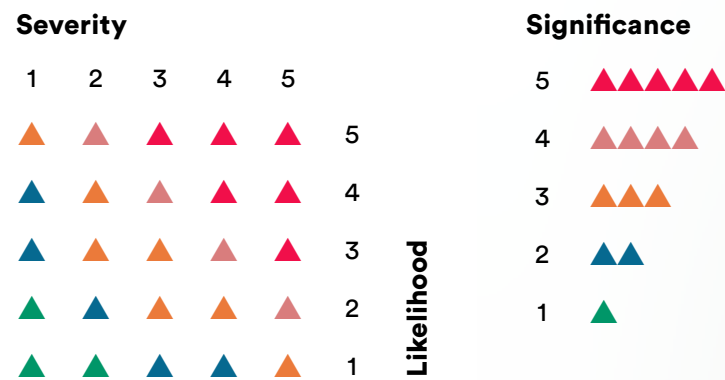
Sources used: Fair Wear Country Risk Scoping Tool, MVO CSR Risk Check, recognized indices and publications from NGOs and international (governmental) organizations

### ② Supplier Risk Assessment (Net Risk per Supplier) & Prioritization (Tier-1 & Supporting Processes)

Analysis and evaluation of social and environmental risks at our production site level based on the country assessment and consideration of internal information on actual impacts and prevention / remediation measures (e.g., how high is the risk of insufficient occupational health and safety at our supplier X in Vietnam?)

Special consideration of vulnerable groups (e.g., are children, women, migrant workers, or minorities particularly affected?)

Sources used: audit and training reports, complaints, supplier surveys, direct dialogue with suppliers during visits or remotely



Significance of the Risk for FOND OF



Prioritization of risks by comparison of:

**a. Likelihood of risk occurrence at supplier X, rated from very low (1) to very high (5)**

Conducting training, visits, or audits that confirm improvements reduces our rating of likelihood

Upon receipt of complaints or negative audit results, the likelihood rating for the respective risk is increased and only lowered again once long-term improvements are validated by further audits or visits

**b. Severity of the risk, rated from very low (1) to very high (5), as the average of:**

Degree – How severe are the (potential) negative impacts at supplier X?

Scope – How many people are affected by the (potential) negative impacts?

Irreversibility – How easily can the damage be repaired or compensated?

**Result:** see supplier profiles

**③ Most Important Risks in FOND OF Production Countries (Net Risk at Country Level)**

Evaluation of the most serious risks in FOND OF production countries based on the average of prioritized supplier risk assessments

**Result:** see risk spider chart

**④ Material Risk Analysis**

Analysis and evaluation of social and environmental risks at the abstract level of the main materials and manufacturing processes used for our products by country – rated from very low (1) to very high (5)

Special consideration of vulnerable groups (e.g., are children, women, migrant workers, or minorities particularly affected?)

Sources used: MVO CSR Risk Check, scientific publications, recognized indices and publications from NGOs and international (governmental) organizations

**⑤ Business and Procurement Model Risk Analysis**

Analysis of strengths and weaknesses of our business and procurement model regarding (potentially) negative and positive impacts on social and environmental risks in our supply chain

Sources used: internal discussions and analyses

**Work in progress:**  
**Risk Analysis in the deeper Supply Chain**

Our risk analysis currently focuses on sector, country, and partner-specific risks with direct production partners (Tier-1). For assessing actual risks (net risks) at our indirect suppliers (Tier-2+x), we still lack sufficient data in some cases. Therefore, we currently assess their potential risks based on external sources using the risk analysis tool of our CR platform Retraced. In the future, we want to refine this analysis with more information and update it at least once a year for Tier-2+x clusters.

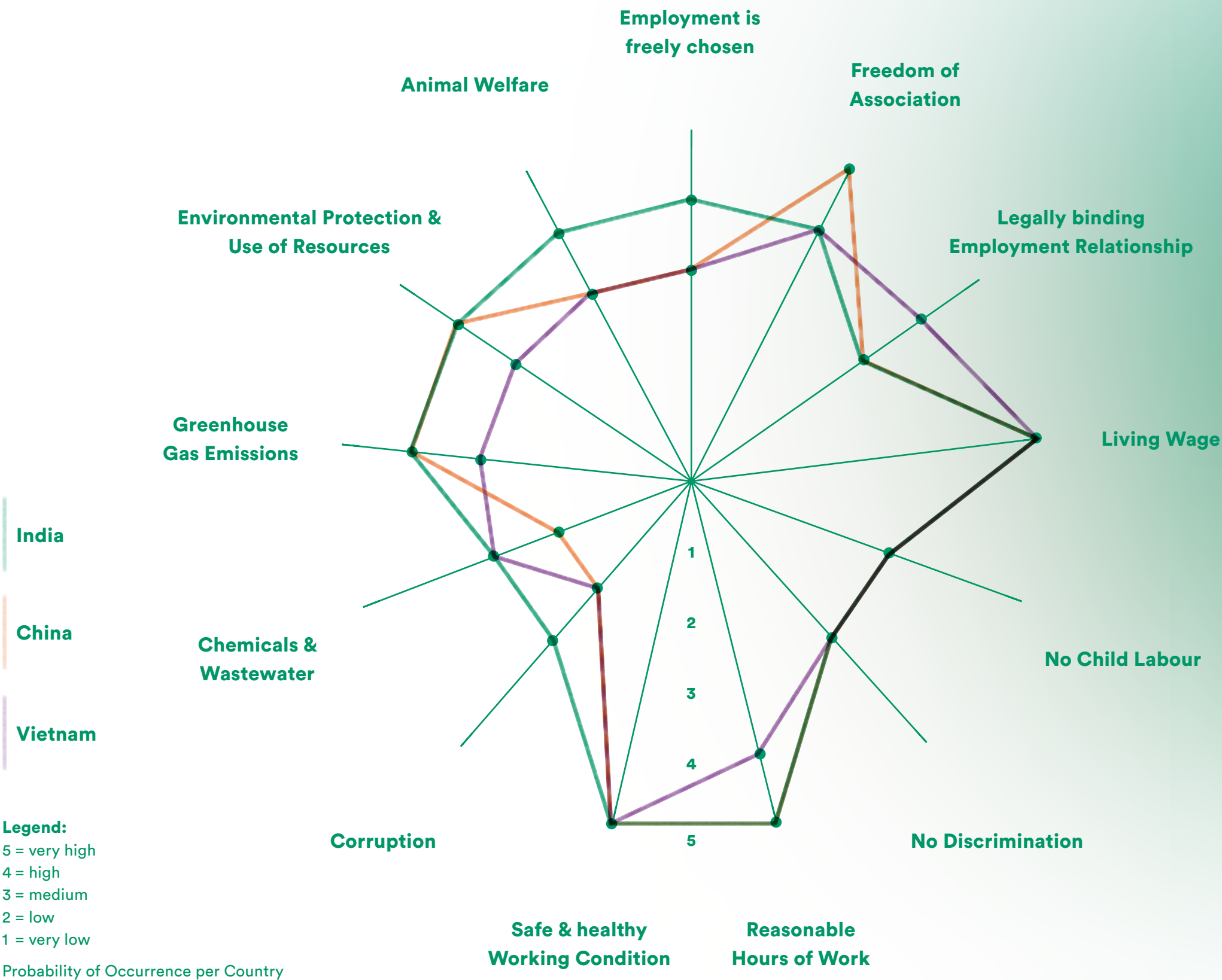
**See:** Sustainability Strategy / Supply chain transparence / retraced

# Risk spider chart

## Prioritized Risks in the FOND OF Production Countries (Net Risk at Country Level)

On the following pages, we outline the key risks we have prioritized for each of our production countries – China, India, and Vietnam – based on our risk analysis. These are derived from the average of the prioritized risks at the level of our production facilities in each respective country. An overview is provided in our risk spider diagram. The explanations below refer to the risks we have prioritized for each FOND OF production country (net risk at the country level), but they describe the risks on a more abstract, country-specific level (gross risk) – meaning they refer to general conditions in the respective production country, regardless of the specific circumstances at the factories we work with.

This approach allows us to gain an initial understanding of the legal framework and the general, country-specific extent of the risks typical for the apparel and footwear industry. We then examine these risks at the factory level using information from audit or assessment reports, site visits, complaints, conversations with workers or their representatives, and factory management. For details on the specific risks we have identified and prioritized at our production facilities, as well as the strategies we pursue internally at FOND OF and in cooperation with our production partners to mitigate or prevent these risks, please refer to [page 41](#).





Key Risks in

# India



### Priority Risk ①

#### Freedom of Association

Although Indian legislation recognizes the right to form unions and engage in collective bargaining, the ILO core conventions on these rights have not been ratified. In practice, implementation remains weak: less than 5 % of workers are unionized. Employers often discourage union activity through intimidation or by offering only temporary contracts. Women and migrant workers are particularly affected – while they make up the majority of the workforce in the sector, they are significantly underrepresented, often unaware of their rights, and especially vulnerable to retaliation and discrimination. Informal employment relationships, subcontracting structures, and fear of job loss further hinder genuine worker participation.

### Priority Risk ②

#### Living Wage

Despite legal provisions for wage protection – such as the Minimum Wages Act and the Code on Wages – fair wages remain out of reach for many workers in India’s garment industry. Causes include infrequent inspections, low penalties for violations, complex procedures, and limited awareness of rights among employees. Informal employment relationships, weak trade union enforcement, and the weakening of civil society actors exacerbate the problem. Migrant workers are particularly affected; they are often underpaid, dependent, and inadequately protected. The collapse of social dialogue, exemplified by the fact that the Indian Labour Conference has not been convened for 12 years, further hinders systematic improvements.

### Priority Risk ③

#### No Child Labour

Despite legal prohibitions, many children – especially girls – work under hazardous conditions in regions such as Delhi, Bangalore, and Tamil Nadu, often using falsified age documents. These children lose access to education and face high risks of exploitation and health hazards. Weak enforcement of child labour laws and widespread informal employment structures worsen the issue. This also reinforces gender inequalities and hinders progress toward equal opportunities.



## Priority Risk ④

### No Discrimination

Despite numerous anti-discrimination laws, unequal treatment remains widespread, particularly affecting women, Dalits, migrants, and people with disabilities. Women face sexual harassment, age discrimination, disadvantages during pregnancy, and are rarely promoted. They also tend to lose their jobs earlier than men. People with disabilities and Dalit women face multiple layers of discrimination. Enforcement of anti-discrimination laws is weak, especially in the informal sector. Traditional gender roles and the lack of paternity leave further aggravate the situation.

## Priority Risk ⑤

### Reasonable Hours of Work

Excessive and poorly compensated overtime is a major issue in India's garment industry. Many workers, especially migrant workers, work up to 72 hours per week, often without proper pay or formal contracts. Women are disproportionately affected: they shoulder the bulk of unpaid care work and have less freedom to decline overtime, often due to fear of job loss or harassment. Contributing factors include tight production deadlines, informal employment, and lack of inspections. These conditions result in significant health burdens, particularly for women, who also face insufficient breaks, inadequate sanitation facilities, and a lack of rest periods. The limited influence of trade unions further exacerbates the issue.

## Priority Risk ⑥

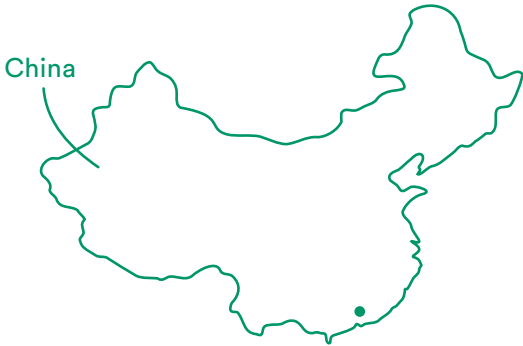
### Safe & Healthy Working Conditions

Dangerous working conditions prevail in Tamil Nadu's tanneries: workers are exposed to toxic chemicals such as chromium and sulfuric acid – often without proper protection – leading to severe health problems. Accidents involving machinery are also common. New labour laws have worsened the situation by excluding small enterprises from occupational safety requirements. Women are especially vulnerable, typically working in precarious, low-paid jobs with no protection. Despite legal safeguards, they are frequently subject to sexual harassment, unequal pay, and lack access to safe sanitation facilities. The combination of hazardous conditions, lack of education, and systemic discrimination makes the leather industry a high-risk sector for human rights violations.



Key Risks in

# China



**Priority Risk ①**  
Employment is freely Chosen

Forced labour remains a systemic risk in China. While official data is lacking, the Global Slavery Index 2023 estimates that around 5.8 million people live in modern slavery. International reports document cases of forced labour, particularly in prisons, as well as the use of Uyghur and North Korean labourers. Common practices such as wage withholding, loss of pay upon resignation without permission, or unpaid overtime during peak production periods further increase the risk of involuntary work. The use of external labour forces in border regions such as Dandong also requires increased attention in the supply chain.

**Priority Risk ②**  
Freedom of Association

China has not ratified the ILO Core Conventions on freedom of association and collective bargaining. While union formation is legally permitted, only the state-controlled All-China Federation of Trade Unions (ACFTU) is officially allowed. Union representatives are often selected by factory management, and genuine worker participation remains limited. Collective bargaining rarely occurs, and there is no effective protection against retaliation. Women, who make up most of the workforce in the sector, are underrepresented in union structures and have particularly limited access to participation – due to insecure employment and a higher risk of sexual harassment.

**Priority Risk ③**  
No Child Labour

Child labour is legally prohibited and strictly regulated in China. However, the risk persists, especially through the use of minors in mandatory school internships. These ‘work-study’ programs often show characteristics of exploitative labour: excessively long hours, low pay, lack of employment contracts, and inadequate health protection. Young women are particularly affected, as they are more often pushed into low-paid, temporary work with limited protection mechanisms.

**Priority Risk ④**  
Reasonable Hours of Work

Long working hours are widespread, especially during peak seasons. Work weeks exceeding 60 hours and missing rest days are not uncommon. Piece-rate systems and lack of time tracking often result in unpaid overtime. Many workers – especially women – depend on overtime due to insufficient base wages. At the same time, breaks, maternity protection, and reintegration options are often lacking, placing an additional burden on female workers.

Key Risks in

# Vietnam



## Priority Risk ①

### Living Wage

In Vietnam’s textile industry, wages are often below a living wage level – that is, a wage that covers the basic cost of living for workers and their families, including the ability to save. Although Vietnam has ratified ILO Convention 131 on minimum wages, there are no binding national regulations on living wages. Analyses and audit results from Fair Wear show that none of the factories they have reviewed in Vietnam currently meet the wage benchmarks set by local organizations for a living wage. This lack of living wages leads to dependence on over-time and performance-based bonuses, particularly affecting women and migrant workers. Many women face significant financial pressure to support their families and are therefore forced to work overtime regularly, which can negatively impact their health.

## Priority Risk ②

### Freedom of Association

Although women make up 75 – 80 % of the workforce in Vietnam’s garment industry, over 70 % of union leadership positions are held by men. As a result, women are underrepresented in social dialogue structures, and their concerns are rarely adequately addressed. Institutions such as the state-funded Women’s Union have played an important role in improving women’s rights in Vietnam but also tend to reinforce traditional gender roles. In principle, all trade unions must belong to the state-controlled Vietnam General Confederation of Labour (VGCL), which is closely affiliated with the Communist Party – independent unions are not permitted. Vietnam has not ratified ILO Convention 87 on freedom of association. Factory assessments and surveys show that while unions exist formally, participation, transparency, and mechanisms for worker feedback are often weak. As a result, many workers feel inadequately represented. There is an urgent need to strengthen basic trade union rights and make dialogue mechanisms between workers and management more effective.

### Risk Analysis



The risks described in this chapter form the baseline for the in-depth risk analysis. They provide a solid overview of the legal frameworks in each production country and the highest risks in the apparel and footwear industry.

We then examine these risks at the production site level, using information from audit or assessment reports, site visits, complaints, discussions with workers or worker representatives, and management. The identified risks and corresponding mitigation measures are described from [page 46](#) onward.

The average of all production sites per country then results in our net risk, which is illustrated in the risk spider diagram.







**Based on the results of our risk analysis, we set priorities for various measures and their implementation to prevent, remediate, or reduce negative impacts on human rights and working conditions in our supply chain.**



We create action and progress plans on two levels: production partner-specific ([page 41](#)) and company-wide ([Company Action Plan](#)). The latter addresses overarching measures on risk topics that we have prioritized in several production countries, as well as internal improvements to our HRDD process and purchasing practices. It also includes measures to implement the recommendations from our Fair Wear Brand Performance Check to improve our HRDD performance.

The key topics and measures of our current Company Action Plan are:



# Company Action Plan

## Intensified use of the Fair Wear Member Hub

**Status:** Setup completed, usage ongoing

The Fair Wear Member Hub is a digital platform for Fair Wear members and serves as a central point for managing producer data, resources, and best practices related to HRDD (Human Rights Due Diligence) in the textile industry. In recent years, new features such as the risk assessment tool and the Action Center have been integrated to facilitate the management of HRDD processes. Following our Brand Performance Check 2023, we decided to make more intensive use of these tools.

### Our measures:

- ① Use of the risk assessment tool for social risk analysis at country and producer level.
- ② Use of the Action Center for developing action plans and tracking progress: Based on risk assessments, audits, or complaints, the Action Center automatically generates preventive, mitigation, and remediation measures at the factory level, which we can implement directly or in an adapted form.

## Integration of responsible purchasing practices into our contracts

**Status:** in progress

Our Fair Wear Brand Performance Check 2023 showed that we can further improve our purchasing practices. To better leverage this crucial lever for effective HRDD, we plan to improve our purchasing practices in line with the Common Framework for Responsible Purchasing Practices (CFRPP) over the next few years and integrate them into our contracts with producers.

The CFRPP is a kind of textbook for brands like us. It defines responsible purchasing practices as those that help suppliers avoid excessive overtime, pay fair wages, and take measures to improve working conditions. Integrating this approach into our contracts means concluding written agreements that not only regulate classic business terms between suppliers and brands but also include human rights due diligence obligations. This is a long-term project that requires a comprehensive review of existing agreements with possible adjustments.

### Our measures:

- ① Participation of the CR team in webinars by Fair Wear and the Responsible Purchasing Project (RPP) on responsible purchasing practices and contract design in March and December 2024.
- ② Deepening internal knowledge of responsible purchasing practices: analyzing and deriving improvements based on relevant external resources such as the CFRPP, the Guide to Responsible Buying (ETI), and the Supplier Model Contract Clauses of the RPP.
- ③ Gap analysis of the current contract framework: comparative analysis of our existing contracts (General Terms and Conditions (GTC), Code of Conduct, purchase documents) with the identified requirements for responsible purchasing practices, aiming to identify gaps and develop concrete improvement proposals.
- ④ Discussion of gap analysis results and revision of the contract framework: conducting a meeting with the departments of Purchasing, Legal, and CR to discuss the gap analysis results and present improvement proposals.

Promotion of freedom of association & social dialogue

Status: in progress

Our risk analysis has shown that restrictions on freedom of association and limited social dialogue – the structured exchange on working conditions between employers and workers and/or local governments – pose prioritized risks in several of our production countries. As these risks are often systemic, our influence is limited. Nevertheless, we see it as our responsibility and goal to actively promote these enabling rights for workers.

Our measures:

- ① Improving the information base: In March 2025, a detailed supplier survey on freedom of association was created and conducted among all Tier-1 suppliers, based on materials from Fair Wear, CNV International, and Mondial FNV.
- ② Deepening risk assessment: integrating survey results into our producer risk analysis.
- ③ Developing targeted measures and integrating them into supplier CAPs (Corrective Action Plans): analyzing which suppliers would benefit most from targeted measures such as modular Fair Wear audits or social dialogue trainings and presenting and coordinating these locally with the respective suppliers.
- ④ Deepening internal knowledge: simultaneously strengthening our internal knowledge on the topic through e-learning programs and further materials from Fair Wear and other stakeholders.

Promotion of living wages

Status: in progress

As a Fair Wear member, we are committed to ensuring that living wages are paid in all direct production facilities (Tier-1) that produce for us. Our challenge, however, is that as a brand we do not pay workers’ wages directly but only purchase prices for our products.

Our goal is therefore to ensure by 2030 that our purchasing prices enable the payment of living wages. To do this, we first need to understand how our purchasing prices (FOB) relate to the wages actually paid in factories.

Our measures:

- ① Conducting a first wage gap analysis to highlight differences between wages actually paid, based on audit reports, and current estimates (benchmarks) of living wages.
- ② Strengthening internal knowledge on living wages: completion of the Fair Wear e-learning program ‘Living Wages – Getting Started’ and working through additional Fair Wear materials on the topic.
- ③ Introduction and follow-up of the Labour Minute Costing (LMC) method and Fair Price App with suppliers during our Vietnam trip in June 2024.



Promotion of appropriate working hours

Status: in progress

Based on our risk analysis, excessive overtime in several of our production countries has been prioritized as a central risk with a high likelihood of occurrence. Excessive working hours often arise from last-minute orders, insufficient production planning, or inefficient processes. Brands can have direct influence through their purchasing practices and product development processes. Therefore, we see it as our responsibility to ensure that our processes do not contribute to overtime work at our production partners.

Our production planning follows a 12-month cycle with multiple delivery dates per order. To prevent last-minute changes and thus the risk of excessive overtime, we engage with our suppliers early on. We provide quantity forecasts for the various delivery dates of our orders and discuss when suppliers have capacity for production. To avoid production peaks, we have analyzed which products can also be produced during the low season. In the last Brand Performance Check, we received further recommendations on how to improve these processes. Whether violations of appropriate working hours still occur at our producers is regularly checked by independent audits. If this is the case, we engage in dialogue with our partners, analyze the causes, and check whether we, as FOND OF, are part of the problem.

Our measures:

- ① Further optimization of joint production planning: conducting exchanges between CR and the purchasing team to evaluate production processes after each season and further improve our quantity forecasts.









# Spotlight on our Production Facilities

A detailed view of our **risk analyses** can be found in the [Annex](#).







To fulfill our HRDD responsibilities (Step 6), we are committed to providing appropriate remedy in cases where actual human rights violations occur in our supply chain, and to using our leverage to support such efforts.

However, this requires that we, as a brand, are made aware of any violations of labor standards and human rights at our production partners. This step is therefore closely linked to the topic of grievance mechanisms.

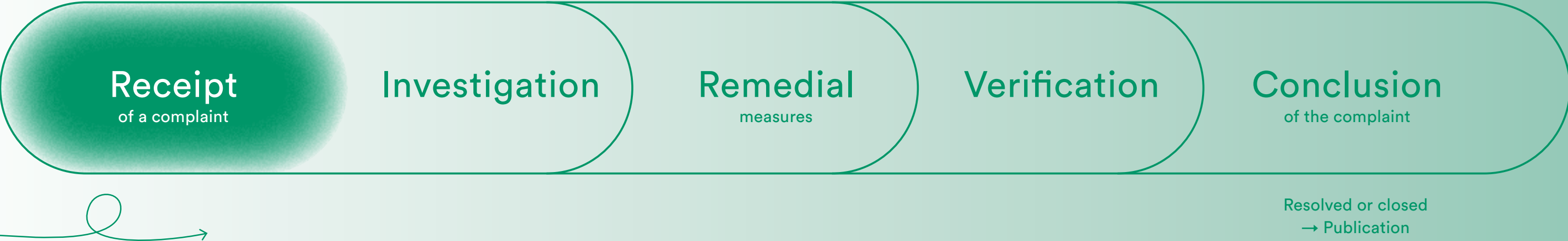
Providing Remedy Based on Complaints:

As part of Fair Wear’s **‘Shared Responsibility’ approach**, it is our duty to ensure that workers in the production facilities we work with have access to an effective grievance mechanism when labor standards are violated. We address this through multiple layers of grievance mechanisms:

Internal grievance mechanisms at our suppliers:

First, we collect information on the existence of **internal complaint systems** in factories and support their proper functioning. These mechanisms – such as anonymous complaint boxes or open-door policies – encourage dialogue between management and workers and ensure that grievances are addressed promptly and effectively.

Moreover, we actively contribute to improving **factory-level grievance mechanisms**. We support our suppliers in establishing and strengthening their own systems so that workers feel confident in using and trusting them. Where possible, we collaborate with other brands to promote a unified grievance system at our shared production partners.



Fair Wear Complaint Mechanism

If the internal mechanism proves insufficient or lacks credibility, workers can contact the Fair Wear complaint system wenden. To ensure this, we display a Worker Information Sheet in every partner factory. **The poster outlines workers’ rights** in the local language and provides the Fair Wear complaint hotline number and email address. Complaints can be submitted anonymously and are then reviewed by the local Fair Wear team. If deemed admissible, the complaint is forwarded to us, and we jointly develop a remediation plan with the supplier and, if necessary, other Fair Wear members. The local Fair Wear officer monitors the implementation of the actions and communicates with the complainant until the issue is resolved.

Additionally, we analyze the root causes of each complaint and use our leverage to address them. Fair Wear regularly publishes updates on complaints received and how we and our suppliers have addressed them on their public complaint page. We also monitor the visibility of the Worker Information Sheets through site visits and photo documentation and encourage our partners to include this information in onboarding for new workers.

In the last fiscal year (2023 / 24), no complaints were received through the Fair Wear complaint hotline. This may be due to various factors: effective internal mechanisms, the first positive effects of communication training, or declining awareness of the hotline. Additionally, legal requirements and the increasing number of external complaint mechanisms may cause confusion or lead workers to prefer other hotlines. To better understand the reasons, we will consult with our partners and review awareness of the Fair Wear mechanism as well as the effectiveness of internal mechanisms.

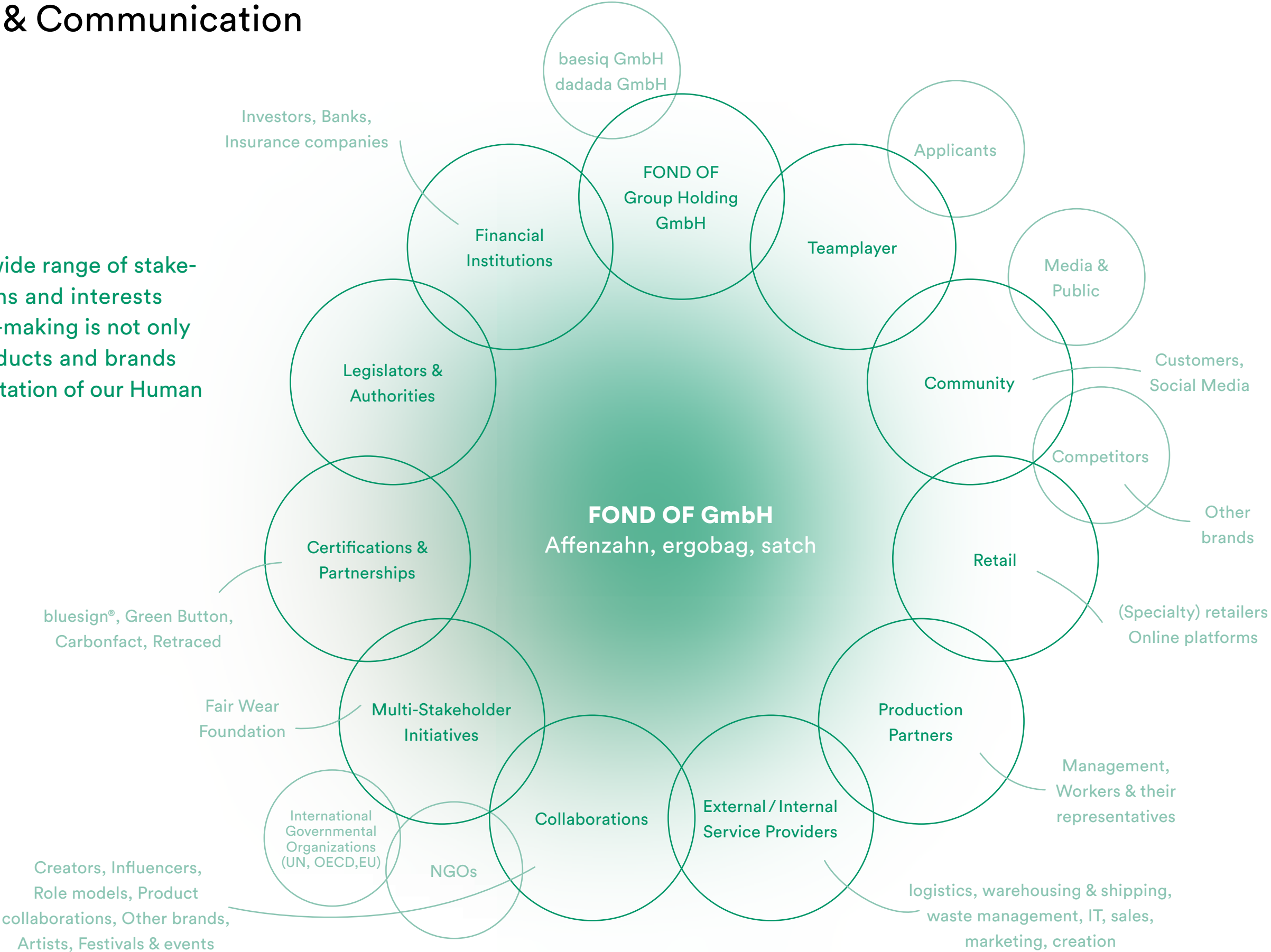
Providing Remedy Based on Audit Findings

Another way we learn about actual human rights violations at our production partners is through audit results, in the form of reports and corrective action plans. In such cases, we engage in dialogue with our suppliers and other stakeholders to identify root causes and take appropriate remediation measures. These are then integrated into our supplier-specific action plans (see page 46).



# Stakeholder Engagement & Communication

We maintain close daily dialogue with a wide range of stakeholders. Understanding their expectations and interests and incorporating them into our decision-making is not only essential for the development of our products and brands but also crucial for the effective implementation of our Human Rights Due Diligence (HRDD).



The people in our supply chain, particularly potentially affected parties such as suppliers, workers, or local communities – or their representatives like trade unions or local NGOs – often have the best insight into the social and environmental risks and issues on the ground. Without including these stakeholder perspectives, our HRDD may prove ineffective and miss relevant risks.

Engaging with (potentially) affected stakeholders or their representatives helps us better understand risks, set priorities correctly, and implement targeted improvement measures. Moreover, the major challenges in our industry can only be tackled effectively through dialogue with other brands and coordinated industry initiatives. To build trust and credibility with our broader stakeholders, we also communicate transparently – internally and publicly – about our HRDD performance.

Production Partners

Our direct suppliers are key partners in implementing our human rights due diligence. Through close exchange – via email, calls, on-site visits, or our Supplier Days – we gain valuable insights for our risk analyses and identify appropriate measures. Going forward, we aim to involve our production partners more actively, for example, in revising our contracts to reflect responsible purchasing practices or in updating our company policies on HRDD.

Workers of Our Production Partners & Their Representatives

Currently, when we discuss the needs and concerns of employees with our production partners, we mostly communicate with management, account managers, or the suppliers’ compliance / CR officers. Direct and in-depth conversations with workers are rare due to language barriers and limited availability. Meaningful dialogue with trade unions or other worker representatives is also challenging, as unions in our production countries, such as Vietnam or China, are not entirely independent and only partially effective. Nevertheless, we continue to seek ways to better consider workers’ interests and needs directly.



## Membership in Industry-Specific Multi-Stakeholder Initiatives

Our membership in Fair Wear and the Green Button certification connects us with valuable expertise and a broad network of stakeholders such as NGOs, the Partnership for Sustainable Textiles, and public institutions.

From 2022 to 2024, FOND OF was part of the Learning and Implementation Community (LIC) of the Working Group on Responsible Purchasing Practices. In workshops with suppliers and European brands, we worked together to develop our purchasing practices based on the Common Framework for Responsible Purchasing Practices (CFRPP). We also use materials from these partners in our risk analyses to incorporate local stakeholder perspectives. Fair Wear’s audits, trainings, and tools are essential elements in our prevention and improvement measures and their tracking.

In addition, Fair Wear provides valuable input for further developing our stakeholder engagement in the context of human rights due diligence. International guidelines call for early, respectful, and effective stakeholder inclusion (‘Meaningful Stakeholder Engagement, MSE). We welcome this development but also recognize the practical challenges. At the Fair Wear Stakeholder Meeting 2024, specific case studies were presented with a clear recommendation: to avoid overburdening local stakeholders, brands should increasingly participate in joint MSE initiatives. This is a recommendation we aim to adopt going forward.

## Collaboration with Other Brands

Reducing human rights risks and ensuring fair working conditions requires a joint effort from the entire industry. At events organized by Fair Wear, Grüner Knopf, and other partners, we regularly exchange ideas with CR managers from other brands on current topics, challenges, and best practices.

When we share a supplier with another brand, we combine our leverage to implement improvements. For example, we have already collaborated with various Fair Wear member brands to jointly follow up on improvement plans after audits, resolve complaints, align questionnaires, and conduct joint supplier visits.

## International Governmental Organizations

Although we do not directly engage with international governmental organizations, we have voluntarily aligned our HRDD with the international guidelines of the United Nations and OECD from the beginning.

We believe such clear and ambitious frameworks are essential for sustainable supply chains and fair competition. That’s why we have welcomed and prepared for the EU’s growing regulatory efforts to embed due diligence and reporting obligations into law through the Green Deal.

However, we view the EU’s current Omnibus Regulation proposal—intended to simplify CSDD, CSRD, and the EU Taxonomy—critically, as it could weaken important progress and create uncertainty. Based on our experience, a risk-based HRDD can be implemented step-by-step and is both feasible and meaningful. What matters most is that regulations provide reliable frameworks that empower responsible companies rather than discourage them.









# Sustainability Strategy

Our goals until 2030 → **page 55**

# Our goals until 2030

Supply chain  
transparency



Human rights &  
due diligence

CO<sub>2</sub> reduction



Circular  
economy



# 1

## Supply chain transparency

We are always aware of the actors in our supply chains and the associated social and environmental risks, and we take these into account in our sourcing decisions.



All direct suppliers (Tier 1) and their subcontractors are known at all times, and a risk analysis is conducted for each supplier, specifically tailored and updated at least once a year.

→ We update the risk analysis several times a year as described on [page 33](#).



All direct suppliers (Tier 1) and their subcontractors are visited and externally audited regularly, but at least every three years, by the CR-team.

→ CR visits were conducted last year with our partners in Vietnam and China. All direct suppliers as well as their subcontractors were visited by the CR team. Potential new partners were also visited as part of our onboarding process.



All indirect suppliers (Tier 2), as well as the entire supply chains of all fabric suppliers (Tier 2+×), are known at all times. Clusters are formed for which a risk analysis is conducted specifically tailored to them, but updated at least once a year.

→ All Tier 2 suppliers are known at all times and are queried annually.

→ The next step in the onboarding process on Retraced has been completed (nominated Tier 2 suppliers), and an initial risk analysis was conducted.



FOND OF organizes an annual meeting with suppliers to further develop our partnerships based on mutual feedback. We incentivize good Corporate Responsibility (CR) performance through allocation of volumes and awarding new developments.

→ Feedback discussions were held for the second time. These were valuable and revealed areas for improvement that we plan to implement in the coming year.

## 2

### Human rights & due diligence

Ensuring compliance with our human rights due diligence obligations across our supply chains is fundamental to fostering a collaborative partnership.



Based on the risk analyses conducted, we continuously manage our actions to prevent and minimize negative impacts on human rights within our supply chains.

- Integration into the FW Member Hub is partially implemented.
- The harmonization of systems (Fair Wear Member Hub, Excel spreadsheets, Retraced) and the different levels of risk analysis (business model, purchasing strategy, etc.) is still in progress.



We have full transparency regarding the wage costs of our direct suppliers (Tier 1), and our purchasing prices ensure the payment of a living wage according to the Anker Wage Methodology for all direct suppliers (Tier 1).

- We had initial discussions about implementing transparency in wage costs and were able to make some progress by integrating labor cost minutes into purchasing prices.



We promote freedom of association and social dialogue as empowering rights for workers.


- We conducted surveys on freedom of association and social dialogue, integrated the results into the risk analysis, and defined some improvement measures. We regularly review the functionality of grievance mechanisms.






# CO<sub>2</sub> reduction

We are reducing our CO<sub>2</sub> emissions in line with Science Based Targets, aiming to achieve carbon neutrality by 2050.



Annually, all corporate and product emissions (Scope 1–3) are calculated and publicly reported.

- Scope 1 and 2 emissions will be reduced by 42 % by 2030\*, and Scope 3 emissions will also be significantly reduced.
- Scope 1–3 emissions will be reduced by 90 % by 2042\*.
- By 2050, FOND OF will no longer contribute to the atmospheric burden of greenhouse gases.



FOND OF has Life Cycle Assessments for the entire product range, which can be accessed in real-time and serve as the basis for CO<sub>2</sub> reduction measures.

- We have further improved the quality of our data by collecting and providing more accurate information. Several automation processes were initiated.

\* Compared to the base year 2022

Learning journey towards our CO <sub>2</sub> footprint	!
You don't see any progress here yet. That's because, with our complex products and supply chains, it is equally complex to determine an accurate CO <sub>2</sub> footprint that we can use to measure reductions. Nevertheless, there are already insights and measures along the way. We will share these with you as we take you along on our <a href="#">learning journey</a> toward understanding our CO <sub>2</sub> footprint.	

# 4

## Circular economy

When developing our products, we think in terms of circularity and promote the use of forward-looking, resource-efficient materials.



Each brand has at least one circular product in its product portfolio.

→ A workshop was held with Effizienz-Agentur NRW and the product team to raise awareness of circular economy and define the first steps.



For all new product developments and facelifts, a recyclability rate of at least 80 % should be achieved.

→ In the redesign of products, the recyclability of individual components is taken into account, e.g., by ensuring they can be easily removed for reuse.



FOND OF has a functioning take-back system for its products and works with appropriate recycling partners.

→ Initial discussions were held with cooperation partners.



All textiles made from crude oil or recycled PET bottles are being replaced with forward-looking alternatives such as textile-to-textile recycling, bio-based PET, etc.

→ The use of Textile2Textile fabrics as a substitute for our fabrics made from recycled PET bottles has been further advanced and already implemented for all new developments in the new ergobag collection.



Each brand has an annual special drop to test forward-looking materials and strengthen brand images.

→ Special drops are occasionally used to test forward-looking materials, e.g., our Satch 'Next Denim' story.









# Welcome to our world

Fair Wear Member Day → **page 62**

Learning journey towards our CO<sub>2</sub> footprint → **page 64**

Next Steps → **page 69**

satch 'Next Denim' → **page 70**



# Fair Wear Member Day



## 25 Years of Fair Wear – Celebrating Collective Impact, Shaping the Future

On April 10, 2025, the Fair Wear Member Day took place in Amsterdam – a special occasion: 25 years of joint commitment to fair working conditions in the global garment industry. It was an event we couldn't miss, and it is a highlight for our CR team every year.

Under the theme '25 Years of Joint Global Impact' brand representatives, professionals from production countries, and members of civil society organizations came together to share experiences, spark new ideas, and develop strategies for the future.

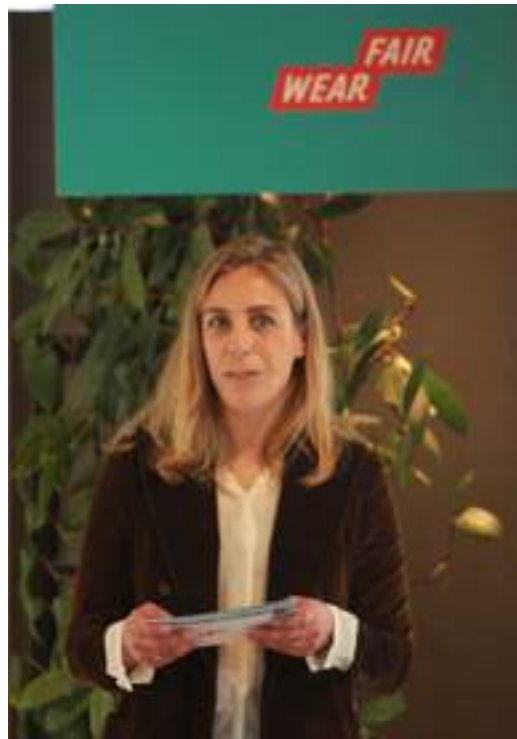
After an open welcome from the moderation team, an interactive quiz encouraged participation and discussion. Key topics included current political developments that are reshaping and challenging the way human rights due diligence is approached, and how effective collaboration along global supply chains can be further strengthened.

A particularly special moment was the introduction of Fair Wear's new Executive Director, Annabel Meurs. In her first public address in this role, she reflected on the organization's achievements so far and presented the new 2026–2030 strategy – clearly focused on making human rights due diligence both practical for companies and effective for workers.

## Dialogue Formats, Country Strategies, and Collective Learning

One of the highlights of the day for us was gaining insights into the work of Fair Wear's country offices, made tangible through short videos and personal conversations at the 'Country Tables.' In small groups, questions were discussed such as:





The new Executive Director of the Fair Wear Foundation, Annabel Meurs, introduces herself.



Discussions also touched on why existing dialogue formats in factories often fail: lack of participation, fear among workers, absence of decision-makers, or one-sided communication. The shared reflections made it clear: trust, eye-level dialogue, and concrete follow-up are key success factors for sustainable improvements.

How can effective grievance mechanisms be strengthened?

How can social protection in production countries be effectively promoted?

### Country Incubators: Co-Developing Solutions

In the afternoon, we took part in the ‘Country Incubator Session’ working in groups on real challenges from production countries – including living wages, gender equality, and improved dialogue between workers and management. Concrete strategies to improve working conditions were developed, such as root cause analyses, awareness-raising, targeted training, more frequent audits, or the integration of social standards into purchasing decisions. The outcomes were presented in short pitches – a strong testament to the power of collaborative formats.

### 25 Years of Shared Progress – and Fresh Energy for the Road Ahead

The day concluded in a relaxed atmosphere with drinks and conversation – but the impact lingers. Fair Wear Member Day 2025 demonstrated that collaboration, transparency, and mutual learning are key to real change. For 25 years, companies, experts, and civil society actors have worked together for fair working conditions – and the gathering in Amsterdam made it clear: this journey continues, now with fresh energy and concrete ideas.

For us, the day was valuable on many levels – through deep insights into the work of country managers, open exchanges, encounters with other brands, and the opportunity to learn from each other and build networks.



# Learning journey

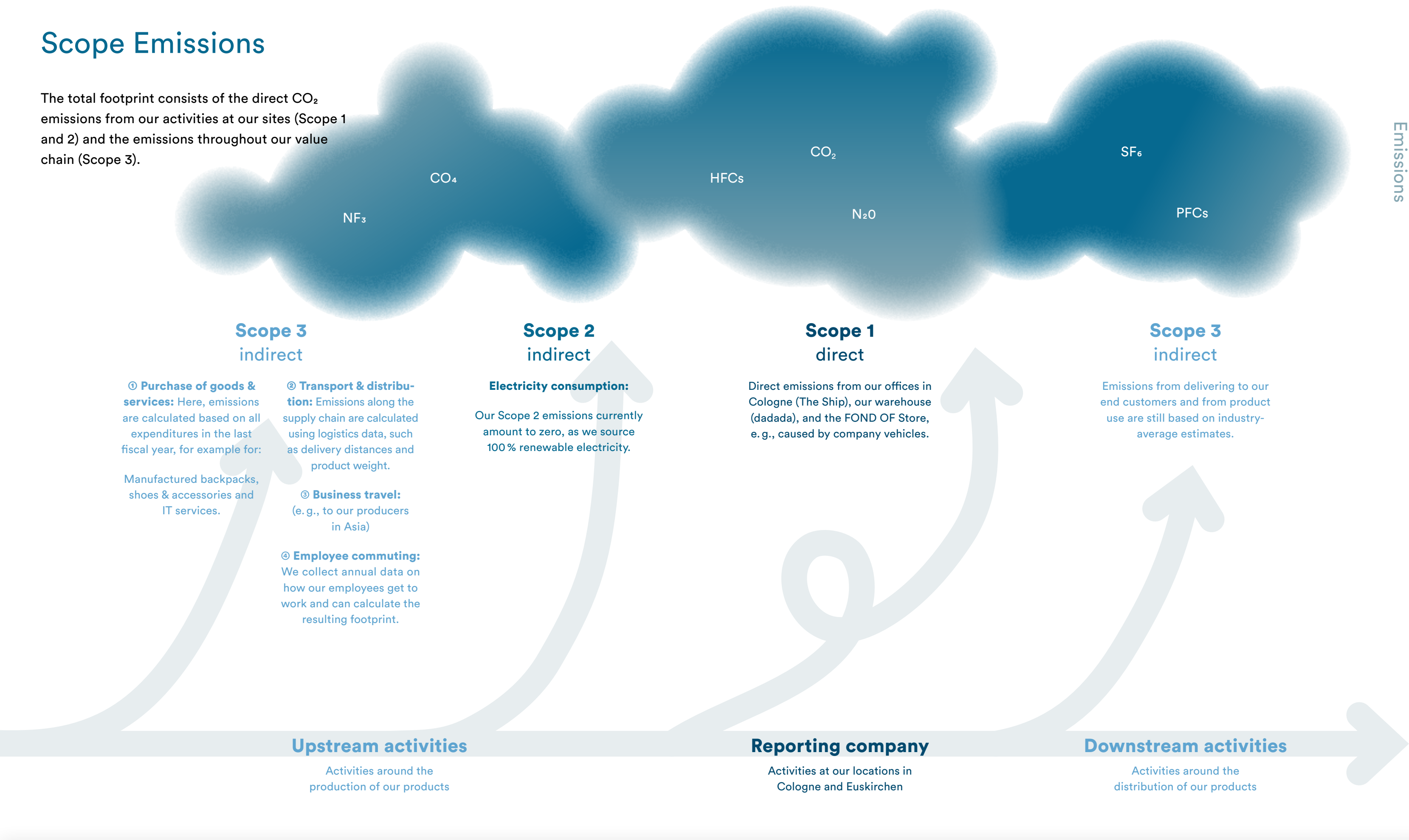
After the second year of our partnership with Carbon Fact, we have come significantly closer to our goal of mapping our entire product portfolio using Life Cycle Assessment (LCA) and determining the total CO<sub>2</sub> footprint of FOND OF. Our next big step is to further refine the individual product footprints.

Life Cycle Assessment (LCA)	?
... is defined in the ISO 14040 as ‘the compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle.’	
This includes all phases of a product’s life cycle, from raw material extraction, production, and use, to disposal, recovery, or recycling.	
The method used by our partner Carbon Fact is based on ISO 14040.	

towards our  
CO<sub>2</sub> footprint

# Scope Emissions

The total footprint consists of the direct CO<sub>2</sub> emissions from our activities at our sites (Scope 1 and 2) and the emissions throughout our value chain (Scope 3).





# How much of which material is used in which product?

## What happened so far

In the first year, we began mapping LCA information for 10 models from our product range, using this as a basis to approximate our total emissions.

We used the second year to systematically improve our data quality regarding Scope 3 emissions from the production of our products. For example, we increased the number of assessed models from 10 to 50. This brings us five times closer to understanding our actual emissions and allows us to use the data at the product level for the sustainable development of our products.

## Insights from 2024

To answer the question of how big the CO<sub>2</sub> footprint is which the activities around our products left behind in 2024, data from various sources must be brought together:

To capture the precise material consumption across our entire product portfolio, we worked closely with our manufacturers. After all, they have the most expertise when it comes to the detailed production of our bags, shoes, and other items. They provide us with a so-called Bill of Materials (BOM) for each model. This document lists all materials used, including their size and weight. While we have been able to significantly expand the number of models, the calculation of individual product footprints still relies on certain assumptions.

# What is the CO<sub>2</sub> footprint of each material?

Our materials team maintains close contact with key fabric suppliers and curates a comprehensive material library. In this library, all materials used are systematically recorded – including their origin, composition, and certifications. This allows us to assign specific emission factors to each material, taking into account production processes, material usage, and transportation routes. For example, it's important to note whether a fabric is bluesign® certified, since low chemical usage in manufacturing also leads to a smaller carbon footprint.

# How many and which products did we purchase from our manufacturers last year?

Our accounting department not only systematically records data on our internal activities but also stores all purchase orders made with our suppliers. With this data, we can precisely determine which products were manufactured for us and in what quantities.

A major, time-consuming step in data collection is transferring the BOMs into our internal database. The backpack small friend Tiger, for example, consists of around 30 different components, all of which need to be reviewed and entered. A well-maintained database is extremely important to us, as it serves as our 'single source of truth.' Through an interface, we can transmit the data directly to Carbon Fact. This is not only fast but also helps reduce transmission errors.

Carbonfact uses the available data to calculate the CO<sub>2</sub> footprint. Where data is missing, Carbonfact supplements it with estimates based on industry expertise. It is therefore normal that CO<sub>2</sub> footprints are part of an ongoing approximation process.

At present, we are working on significant improvements in data accuracy. Precise figures will therefore be published in our next report.







# 5 first Carbonfacts

1  
satch accounts for the largest share of our footprint, followed by ergobag and Affenzahn

2  
The production of our products accounts for by far the largest share of our emissions.

3  
In the production of our products, raw material extraction as well as yarn and fabric manufacturing account for by far the largest share of CO<sub>2</sub> emissions.

4  
The largest portion of Affenzahn's emissions is attributable to the shoes.

5  
Our most significant impact can be made in fabric production – for both shoes and backpacks.

# What's next?

In general, the data shows us that there is still a lot to learn – both for us and for the entire industry – when it comes to Life Cycle Assessment (LCA). That's why we're taking many exciting projects from the past year with us into the future, so we can share even more with you in the coming year.

## Data Refinement

Over the past year, we focused heavily on refining our data, and this work will continue into the next year. As previously described, calculating the carbon footprint requires gathering data from a wide range of sources and bringing it together at a specific point in time. This year, we weren't yet able to do that for our growing AFZ footwear range. We achieve greater accuracy by capturing fabric recycling rates, the precise dimensions of each component, and detailed energy consumption data from our fabric suppliers.

## Making LCA-Based Decisions

We also aim to use the capabilities that Carbon Fact offers to integrate the CO<sub>2</sub> footprint of various product variants into our design and purchasing decisions. What is the specific impact of switching from virgin PET to recycled PET fabric, for example? Which role do production methods, country of origin, and transportation play in a product's environmental footprint?

## Implementing First Measures

We already have initial changes in the pipeline that will make our products gradually more circular and lower in carbon emissions. Because our planning cycles are long-term, we can only share these decisions in the year the products actually reach the market.

That's why we're excited to continue taking you along on this journey.



# satch ‘Next Denim’

## Innovative materials instead of problematic manufacturing process

A Denim Look Without Harmful Environmental Practices, but with High Functionality – Is That Even Possible?

This challenge was taken on by our Material Management team, who share their approach and the result in the following text: our ‘Next Denim’ collection for satch.

### satch ‘Next Denim’: Sustainability Meets Innovation

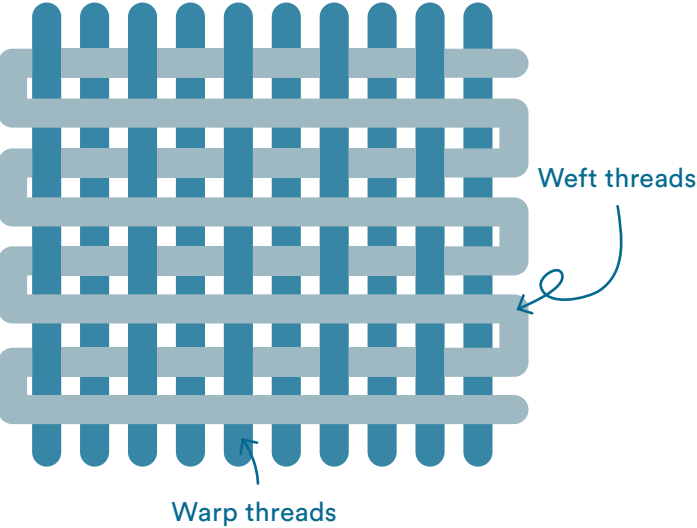
Textile technology is an exciting field because, in theory, almost any idea can be realized, and various gears in the process chain can be identified that are worth turning. This allows us to think of materials that have a bad reputation in an alternative way and implement them. This was precisely the approach for the ‘Next Denim’ Edition from satch. On the one hand, we wanted to meet the design team’s wish to create a denim look. On the other hand, we did not want to support problematic and environmentally harmful practices that are still common in the denim industry.

Additionally, we faced the challenge of developing a functional adaptation so that the fabric would be waterproof and durable enough to be used as a backpack outer material.

Together with our partners Leejo Textile CO., LTD. from South Korea (weaving & finishing) and Lenzing AG from Austria (fiber manufacturer), we developed a groundbreaking solution. It is based on two yarn systems: blue warp threads and white weft threads – but with a sustainable twist.







Denim fabrics are made up of two yarn systems: the vertically running blue warp threads and the horizontally running white weft threads, woven together into a fabric.



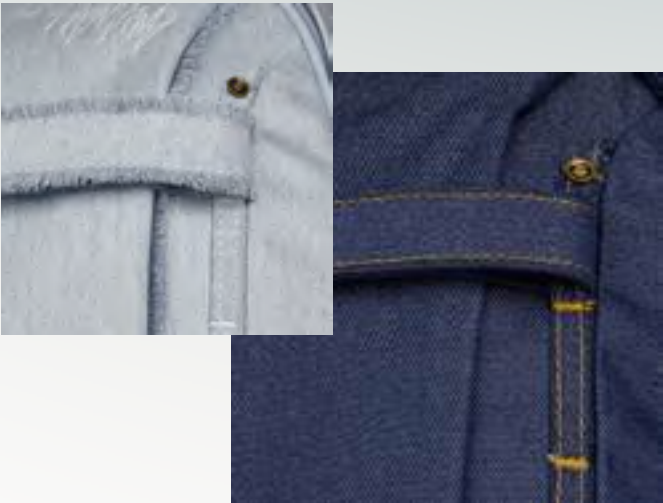
Blue Yarn: Indigo Without Water and Chemical Waste






Typically, cotton, which has a high water consumption during cultivation, is used, along with dye baths that involve several fixation and wash processes. Raw denim, meaning very dark over-dyed denim fabric, often still causes the indigo vat dye to bleed, which can risk staining other textiles.

In the ‘Next Denim’ edition, we do things differently. The yarn is not based on cotton, but on TENCEL™ Modal, a regenerated cellulose fiber made from controlled and certified wood sources. During the spinning process, indigo pigments are added to the modal fiber, so the final fiber already has the desired blue color – without any wet processes like dye baths

and subsequent steps. This saves water (>99 %), chemicals (>80 %), and energy (>99 %). The TENCEL™ Modal with Indigo Color Technology, developed with our partner Lenzing, is particularly notable because the dye is permanently fixed in the fiber, and there is no risk of bleeding during use. Additionally, fading or yellowing of the fabric from sunlight is significantly reduced compared to conventional denim.

In our ‘Next Denim’ Special Edition, we showcase not only a model in the raw denim look but also one in the used denim look. Here too, sustainability was our focus. The light-colored outer fabric is created without problematic bleaching processes, sandblasting, or techniques like stonewash or acid wash, which are harmful to the environment and pose occupational safety risks. Instead, we worked on the composition of the yarn mix and blended the blue warp with white, un-dyed modal fibers to lighten the fabric’s color. This white yarn, however, has its own unique benefits, making it worth a closer look.



	Warp	Weft
Lenzing™ Modal Color Indigo	100 % 	100 % 
Carbon Zero Lenzing™ TENCEL™ Modal	90 %  10 % 	100 % 



White Yarn: CO<sub>2</sub> Reduction on the Path to True Carbon Zero

The white yarn component comes from Lenzing and appears in the weft direction in both editions and in the used denim style also in the warp direction of the fabric. Specifically, we use TENCEL™ fibers with certified contributions to climate actions\*.

TENCEL™ Lyocell and Modal fibers are ClimatePartner certified for climate actions. This means that they comply with a 5-step climate action plan according to ClimatePartner certification protocol:

<sup>2</sup>5-step climate action plan according to ClimatePartner certification: Calculation of GHG emissions, defining CO<sub>2</sub> reduction targets, implementing reduction measures, financing climate projects, transparent communication. Details can be found at [TENCEL™ Lyocell](#), [TENCEL™ Modal](#).

Step ①  
Product carbon footprints

The environmental impact of a product can only be improved under the condition that it is assessed with concrete data in the first step. Therefore, the carbon footprint of TENCEL™ fibers is calculated with a cradle-to-customer assessment. This methodology includes all stages of production, from the extraction of raw materials through processing, manufacturing, and transportation to the customer.

Step ②  
Reduction targets

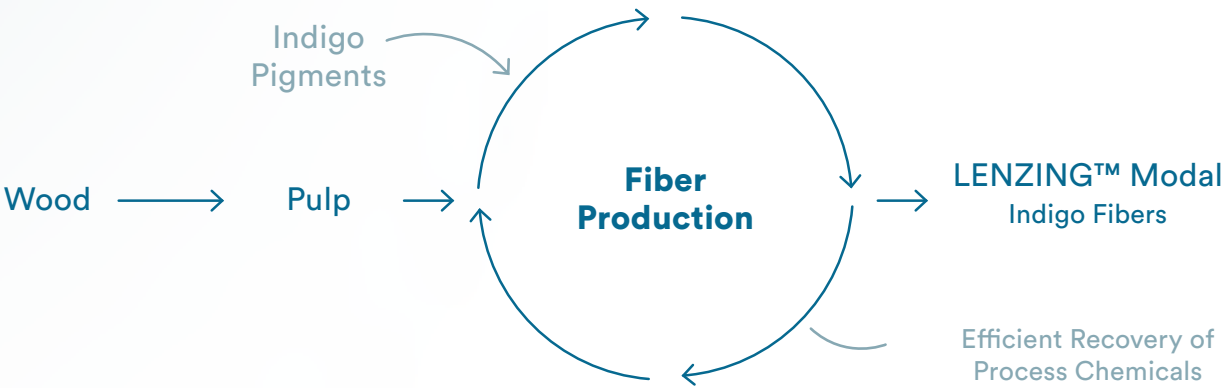
Lenzing has set concrete reduction targets as a company to reduce scope 1, 2 and 3 emissions. In the near-term targets, Lenzing commits to reduce absolute scope 1 and 2 greenhouse gas emissions by 42 % and scope 3 emissions by 25 % by 2030 (baseline: 2021). These targets have been scientifically verified and officially approved by the Science-based targets initiative (SBTi).

Step ③  
Reduction measures

- Lenzing only considers products for ClimatePartner certification for which certain reduction measures have been implemented:
- Energy set-up of the fiber production includes renewable electricity
  - An optimized raw material sourcing strategy and supplier engagement regarding scope 3 impact
  - Increasing the share of biomass energy.

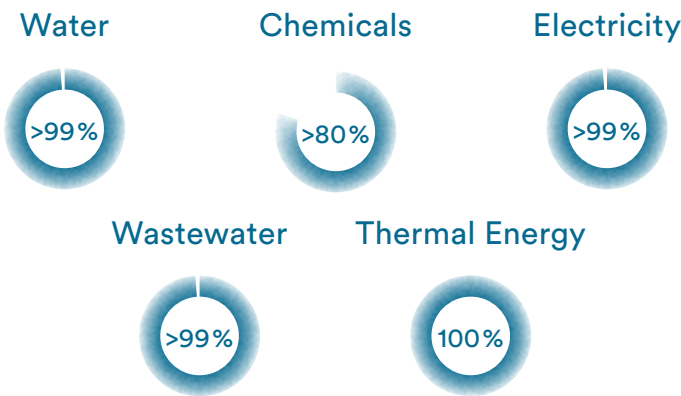
Cradle-to-Cradle Cycle

- Indigo Color Technology**  
Saving over 99 % water & over 80 % chemicals in denim dyeing (compared to three conventional denim dyeing methods)
- Sustainable Production**  
TENCEL™ Lyocell and Modal fibers are produced with at least 50% lower carbon emissions and water usage compared to conventional Lyocell and Modal fibers.



Savings achieved by using TENCEL™ Modal with Indigo Color Technology

compared to conventional powdered indigo dyeing and conventional pre-reduced liquid indigo dyeing



**Step ④**  
Climate projects

Lenzing contributes to certified climate projects to counterbalance as yet unavoidable carbon emissions from fiber production. Lenzing finances these projects in the amount of the unavoidable emissions from TENCEL™ fiber production through the purchase of carbon credits. The projects are regularly audited by independent third parties, providing external carbon reductions and removals, and contribute to achieving the United Nations Sustainable Development Goals.

**Step ⑤**  
Transparency

We transparently communicate all our actions and supported climate projects under Climate-ID pages.

Why ‘Next Denim’?

SATCH showcases an extraordinary material story with ‘Next Denim’ and invests in a forward-looking technology while ensuring it resonates with the young target audience of the brand.







# About this report

We are not perfect! And neither is this report. Although as a company we do not (yet) have reporting obligations, we want to transparently inform our stakeholders about how we fulfill our social and environmental responsibilities and where we stand. We are proud of what we have already achieved, but we also want to communicate clearly and honestly where we need to improve.

In selecting the topics and content for this report, we have asked ourselves the following questions: Where does our production chain have the greatest impact on social and environmental conditions, and how do we contribute to improvement here? What was announced in the last report? What topics are of interest to our target audiences? How can we make our report visually more appealing? Additionally, this year we have extensively engaged with recognized reporting standards such as the Global Reporting Initiative (GRI) and the German Sustainability Code (DNK), partially aligning with their guidelines. We believe such standards are crucial to ensure that corporate sustainability reporting is transparent, credible, and comparable. Over the coming years,

we aim to gradually move towards full compliance with one of these standards for our future reporting. Considering all these considerations, compared to last year, we are already providing additional information and presenting content in new ways in this report.

Our reports are published annually. The reporting period covers our last fiscal year, from August 1, 2023, to July 31, 2024. To conserve resources, this report is exclusively available in digital format.



# Contact

[cr@fondof.de](mailto:cr@fondof.de)  
FOND OF GmbH  
Vitalisstreet 67, 50827 Cologne  
Germany



## Our CR Team



Katharina Liefner  
[katharina.liefner@fondof.de](mailto:katharina.liefner@fondof.de)



Josephine Spiecker  
[josephine.spiecker@fondof.de](mailto:josephine.spiecker@fondof.de)



Charlotte Erdle  
[charlotte.erdle@fondof.de](mailto:charlotte.erdle@fondof.de)



Stephanie Nitze  
[stephanie.nitze@fondof.de](mailto:stephanie.nitze@fondof.de)

# Annex

# Risk analysis





# Supply Chain Transparency

Our Production Facilities	!
Below, we provide a detailed overview of the production facilities where our products are manufactured by our long-standing partners. Compared to previous reports, this year we are taking transparency a step further – particularly regarding our risk assessments at each location and the resulting action plans derived from them.	



## Context of our Risk Assessment

Our risk assessment for each production site is the result of an in-depth analysis based on sector- and country-specific risks. It considers not only the likelihood of a risk occurring at a given location, but also the potential severity of its impact in the event of actual harm ([page 31](#)).

In practice, we do not evaluate risks in a blanket manner, for example, ‘No child labour’, but instead examine a wide range of possible manifestations, such as whether legally permitted youth employment complies with both local laws and international standards. A medium risk rating (▲▲▲) for areas such as ‘Employment is freely chosen’ or ‘No child labour’ does not mean that violations have been identified in the factories we work with. Rather, it reflects that, based on the sector and country context, and the generally high severity of such violations, there is indeed a potential risk at our production sites. We monitor this closely, even though the current probability of occurrence among our suppliers is generally low.



Address	Plot A4, street No6, Long Hau-Hoa Binh IZ, Nhi Thanh, Thu Thua, Long An
Brands & products	ergobag: Primary school backpacks & school supplies satch: School bags and accessories
Production processes	Cut, Make, Trim, Packing, Product Finishing
Order volume in %	43 %
Audit & date	Fair Wear Verification Audit (May 2022), planned FW full onsite assessment: June 2025
Key Findings Regarding Code of Labour Practices	Management System; Freedom of Association; Communication in the Production Facility; Living Wage; Reasonable Hours of Work; Safe & Healthy Working Conditions
Business partnership since	2011
Visits in FJ 2023 / 2024 & visiting departments	CR, Quality management; Product development; Design; Product management
Grievances in FJ 2023 / 2024	none

Number of employees	1.875 total (89 % female; 11 % male)
Number of migrant workers	199 total (77 % female; 23 % male)
Average overtime hours per week	9 hours / week (2022)
Wage level	81% of the Living Wage Estimate Region 1*
Trade unions and / or worker representatives	Trade Union of ASG Global Company (VGVL)
Subcontractors / Supporting processes	Phuong Nam Vina Garment Company Hankook Vina Embroidery Company Dang Quang Vina Co., Ltd.
Specifics	· Payment of living wages (significantly above industry standards) · Payment of voluntary bonuses · Participation in training for improved dialogue between workers and management
Energy source	73 % solar energy, 27 % Vietnam energy mix

\* The information refers to the 2024 benchmark study (Living Wage for Minimum Wage Region 1,) Vietnam – Global Living Wage Coalition), conducted in the region by the Global Living Wage Coalition.



Employment is freely chosen	▲▲▲
Freedom of association	▲▲▲▲▲→
Legally binding employment relationship	▲▲▲
Living wage	▲▲▲▲▲→
No child labour	▲▲▲
No discrimination	▲▲▲
Reasonable hours of work	▲▲▲▲▲→
Safe & healthy working conditions	▲▲▲▲→
Estimated overall risk level	▲▲▲▲



Risk ① – Freedom of Association



The factory is unionized, with over 90 % of employees being members –around 60 % of whom are women. Representatives are elected every five years by a secret ballot. A collective agreement that goes beyond the legal minimum standards is negotiated jointly every three years.

The most recent audit confirmed a fundamental awareness of freedom of association and code-termination. However, due to the state-controlled trade union system in Vietnam (VGCL), freedom of association remains limited. To strengthen dialogue, additional training was conducted to improve communication between management and employees.

Improvement & Mitigation Measures – Freedom of Association:

Measure	Status	Timeline
Survey on freedom of association and the right to collective bargaining	Completed	01/2025
Adjustment of risk assessment based on survey results on freedom of association	Completed	03/2025
Discussion of survey results on freedom of association and collective bargaining with the producer and agreement on improvement measures	In progress	07/2025
Implement system for regular review of the functionality of internal grievance mechanisms	In progress	08/2025
Conduct next full on-site assessment	In progress	06/2025

Risk ② – Living Wage



Our risk assessment regarding living wages at ASG Global is based on the overall country risk as well as the results of the May 2022 audit. Since then, significant improvements have been achieved in three out of five findings.

The wage level at the last audit matched the regional benchmark for living wages. Since the increase of the statutory minimum wage and benchmarks, the wage level has not yet been externally verified (next audit scheduled for June 2025). Initial progress was made through greater transparency in labor minute costs, which have already been integrated into our purchase prices.

Improvement & Mitigation Measures – Living Wage:

Measure	Status	Timeline
Introduction of labour minute cost calculation (LMC) / Fair Price App at ASG Global to link wage levels with purchasing prices	Completed	06/2024
Implementation of labour minute costs in the bill of materials	Completed	09/2024
Discussion of options for long-term increase of labour minute costs	In progress	08/2025



Risk ③ – Reasonable Hours of Work

▲▲▲▲▲

Overtime at the production site strongly depends on order volume and demand. In 2022, legal maximum working hours were exceeded. Due to decreasing demand, no further cases occurred in subsequent years.

However, the risk remains high and is continuously monitored by us. An analysis of our ordering practices in relation to production capacity utilization was conducted to identify possible influencing factors.

Improvement & Mitigation Measures – Reasonable Hours of Work:

Measure	Status	Timeline
Joint identification and analysis of causes for exceeding the 60-hour workweek (root cause analysis)	Completed	11/2023
Ensuring that the impact on exceeding 60 working hours is not minimized through mitigation and prevention measures	In progress	02/2025

Risk ④ – Safe & Healthy Working Conditions

▲▲▲▲

In the past, individual deficiencies were identified regarding fire protection, machine safety, communication of policies, and personal protective equipment.

All deficiencies were addressed within the corrective action plan, but the risk continues to be assessed as high due to prior findings and the breadth and variety of deficiencies.

Improvement & Mitigation Measures – Safe & Healthy Working Conditions:

Measure	Status	Timeline
Ensuring that the factory has resolved all individual deficiencies identified in the last Fair Wear audit regarding fire protection, machine safety, electrical safety, and ergonomics	Completed	12/2023
Ensuring that the factory has established a system for regularly reviewing the sustained implementation of improvements identified in the last Fair Wear audit in fire protection, machine safety, electrical safety, and ergonomics	Completed	12/2023



Address	Quarter 3, Tan Dinh Ward, Ben Cat Town, Binh Duong
Brands & products	Affenzahn Children’s Shoes
Production processes	Cut Make Trim, Cutting, Embroidery, Packing, Finishing
Order volume in %	13 %
Audit & date	Fair Wear Monitoring Audit: July 2022, planned FW full onsite assessment: July 2025
Key Findings Regarding Code of Labour Practices	Freedom of Association; Living Wage; Reasonable Hours of Work; Safe & Healthy Working Conditions
Business partnership since	2019
Visits in FJ 2023 / 2024 & visiting departments	CR, Quality Management, Product Development, Design, Product Management
Grievances in FJ 2023 / 2024	None

Number of employees	1.736 total (89,5 % female; 10,5 % male)
Number of migrant workers	836 total (88 % female; 12 % male)
Average overtime hours per week	18 hours / week (2022)
Wage level	87% of living wage estimate Region 1 Vietnam*
Trade unions and / or worker representatives	Trade Union of Haksan Vina Co. Ltd. (VGCL)
Subcontractors / Supporting processes	None
Specifics	<div>· Free meals</div> <div>· Excellent cooperation to improve working conditions</div>
Energy source	100 % Vietnam energy mix (solar plant planned)

\* The information refers to the 2024 benchmark study (Living Wage for Minimum Wage Region 1,) Vietnam – Global Living Wage Coalition), conducted in the region by the Global Living Wage Coalition.



Employment is freely chosen	▲▲▲
Freedom of association	▲▲▲▲▲→
Legally binding employment relationship	▲▲▲
Living wage	▲▲▲▲▲→
No child labour	▲▲▲
No discrimination	▲▲▲
Reasonable hours of work	▲▲▲▲▲→
Safe & healthy working conditions	▲▲▲▲
Estimated overall risk level	▲▲▲▲



Risk ① – Freedom of Association



The factory is unionized, with over 90 % of employees being members, 77% of whom are women. Membership is actively promoted. Representatives are elected by a secret ballot every five years. Regular union meetings take place. The union is affiliated with the state-controlled trade union federation (VGCL). A survey confirmed a basic awareness of freedom of association and collective bargaining.

The existing collective agreement is regularly updated jointly and covers wages, working hours, social benefits, and occupational safety. Additionally, elected worker representatives and a well-known internal grievance mechanism exist.

Improvement & Mitigation Measures – Freedom of Association:

Measure	Status	Timeline
Monitoring of new elections to ensure independent representatives are elected	Completed	05 / 2024
Survey on freedom of association and right to collective bargaining	Completed	01 / 2025
Adjustment of risk assessment based on survey results	Completed	03 / 2025
Discussion of survey results and agreement on improvement measures with the factory	In progress	07 / 2025
Discussion of the possibility of conducting WEP Communication Training	In progress	03 / 2025
Next full on-site assessment	In progress	07 / 2025
Implementation of a system for regular review of the functionality of internal grievance mechanisms	In progress	08 / 2025

Risk ② – Living Wage



The risk assessment regarding living wages at Haksan is based on the last audit and review of wage records. Basic wages are above the legal minimum wage, and wages are paid on time and transparently. Employees also receive bonuses and allowances above the legal requirements.

Identified violations were promptly remedied and supplemented by preventive measures. Nevertheless, the risk remains that legal standards may not always be met in exceptional situations. Payment of living wages remains a long-term goal. A planned study aims to better reflect regional living costs in the future.

Improvement & Mitigation Measures – Living Wage

Measure	Status	Timeline
Introduction of labor minute cost calculation (LMC) / Fair Price App at Haksan	Completed	06 / 2024
Implementation of labor minute costs in bill of materials	In progress	09 / 2025
Conducting a survey on regional living costs	In progress	10 / 2025
Discussion of options for long-term increase of labor minute costs	In progress	12 / 2025



Risk ③ – Reasonable Hours of Work

▲▲▲▲▲

The Fair Wear Foundation audit in May 2022 found that during the reporting period, legal limits on working hours were regularly exceeded. Overtime was announced in advance and confirmed by employees, but actual working hours repeatedly surpassed legal limits. Workers reported that overtime was voluntary and could be refused without sanctions, but the risk remains high due to insufficient working time management and the need for improvements.

Improvement & Mitigation Measures – Reasonable Hours of Work:

Measure	Status	Timeline
Joint identification and analysis of reasons for exceeding the 60-hour workweek (root cause analysis)	Completed	11/2023
Ensuring factory management prevents exceeding 60 working hours per week, with corresponding mitigation and prevention measures	In progress	02/2025
Active querying of available capacity for new orders and discussion of improvement possibilities	In progress	Annually



Address	204/15 Pham Van Sang Street, Hamlet 2, Xuan Thoi Thuong Commune, Hoc Mon District, Ho Chi Minh
Brands & products	Affenzahn: Backpacks, Small Bags, Travel Bags ergobag: Leisure and Kids Backpacks satch: Accessories
Production processes	Cut & Sew, Embroidery, Packaging, Product Finishing
Order volume in %	7 %
Audit & date	Fair Wear Monitoring Audit: March 2023
Key Findings Regarding Code of Labour Practices	Management System; Communication within Production Facility; No Discrimination; Living Wage; Reasonable Hours of Work; Safe & Healthy Working Conditions
Business partnership since	2012
Visits in FJ 2023 / 2024 & visiting departments	CR, Quality Management, Product Development, Design, Product Management
Grievances in FJ 2023 / 2024	None

Number of employees	420 total (75 % female; 25 % male)
Number of migrant workers	none
Average overtime hours per week	3 hours / week (2023)
Wage level	92 % of living wage estimate Region 1 Vietnam*
Trade unions and / or worker representatives	Trade Union of INS Vina Company (VGCL)
Subcontractors / Supporting processes	UK VINA
Specifics	<ul style="list-style-type: none"><li>· Meal subsidies</li><li>· Free training workshops (e. g., sewing skills to qualify for higher wage groups)</li><li>· Free language training opportunities</li><li>· Additional days off</li><li>· Training to improve dialogue between workers and management</li></ul>
Energy source	33 % solar energy; 67 % Vietnam energy mix

\* The information refers to the 2024 benchmark study (Living Wage for Minimum Wage Region 1,) Vietnam – Global Living Wage Coalition), conducted in the region by the Global Living Wage Coalition.



Employment is freely chosen	▲▲▲▲
Freedom of association	▲▲▲▲ →
Legally binding employment relationship	▲▲▲▲
Living wage	▲▲▲▲▲ →
No child labour	▲▲▲
No discrimination	▲▲▲▲ →
Reasonable hours of work	▲▲▲
Safe & healthy working conditions	▲▲▲▲▲ →
Estimated overall risk level	▲▲▲▲



Risk ① – Freedom of Association



In Vietnam, the risk of restricted freedom of association is generally rated as high. At INS Vina, a trade union was established with over 90 % of employees as members – 85 % of whom are women. The union is affiliated with the state-recognized VGCL, which may limit its independence compared to international standards. Representatives are regularly elected by secret ballot. Communication happens, among other channels, via a group chat.

The collective bargaining agreement is reviewed every 2 – 3 years with the union and employees, covering wages and working conditions. Additionally, elected worker representatives exist, and quarterly dialogue meetings are held. Results from meetings are communicated via notice boards, SMS, or meetings. An internal survey provided further insights into the implementation of freedom of association.

Improvement & Mitigation Measures – Freedom of Association:

Measure	Status	Timeline
Survey on freedom of association and collective bargaining rights	Completed	01 / 2025
Adjustment of risk assessment based on survey results	Completed	03 / 2025
Discussion of survey results with producer and agreement on improvement measures	In progress	07 / 2025
Establish a system for regular review of functionality of internal grievance mechanisms	In progress	08 / 2025
Review of collective agreements	Planned	12 / 2025

Risk ② – Living Wage



According to the Fair Wear audit from March 2023, the wage structure at INS Vina is transparent and wages are paid punctually via bank transfer. Employees receive a base salary plus various allowances and bonuses, including a 13th-month salary. Issues identified related to overtime calculation, timely payment upon termination, and communication about promotion opportunities have been resolved. However, the risk remains high until external verification occurs.

Improvement & Mitigation Measures – Living Wage:

Measure	Status	Timeline
Compliance with legal calculation of wages, severance, overtime, and leave entitlements	Completed	07 / 2023
Introduction of labor minute cost calculation (LMC) / Fair Price App at INS Vina	Completed	06 / 2024
Implementation of labor minute costs into bill of materials	In progress	09 / 2025
Discussion of options for long-term increase of labor minute costs	In progress	12 / 2025



Risk ③ – Employment is Freely Chosen

▲▲▲▲

The March 2023 audit found that overtime work at INS Vina is regularly performed and announced in advance but without the legally required written consent of employees. Break times were also not fully observed. Delays in wage payments to departing workers increased the risk. These were not intentional but done for efficiency by combining payments. All violations were corrected, and improvements verified by documents and visits. Despite recent improvements, the risk remains elevated due to structural weaknesses.

Improvement & Mitigation Measures – Employment is Freely Chosen:

Measure	Status	Timeline
Obtain written consent from workers before overtime work	Completed	07 / 2023
Ensure legally required short breaks are granted	Completed	07 / 2023
Conduct root cause analysis	Completed	07 / 2023

Risk ④ – Safe & Healthy Working Conditions

▲▲▲▲▲

The last audit found some deficiencies in occupational health and safety, especially regarding fire safety. Challenges occurred during the move to a new factory building but all violations have since been addressed. The risk remains high until external verification of these measures.

Improvement & Mitigation Measures – Safe & Healthy Working Conditions:

Measure	Status	Timeline
Ensure all individual deficiencies identified in last Fair Wear audit (fire safety, machinery safety, electrical safety, ergonomics) have been corrected	Completed	03 / 2024
Ensure the factory has a system in place to regularly review sustained compliance with these improvements	Completed	03 / 2024

# Viva Vina Branch 1 Co. Ltd

Ho Chi Minh, Vietnam



Address	450/60 Dang Thuc Vinh, Dong Thanh village, Hoc Mon District, Ho Chi Minh
Brands & products	satch: Bags
Production processes	Cut & Sew, Cutting, Finishing, Packaging
Order volume in %	11 %
Audit & date	Fair Wear Monitoring Audit: March 2023
Key Findings Regarding Code of Labour Practices	No Discrimination; Safe & Healthy Working Conditions; Legally Binding Employment Relationship
Business partnership since	2011
Visits in FJ 2023 / 2024 & visiting departments	CR, Quality Management, Product Development, Design, Product Management
Grievances in FJ 2023 / 2024	None

Number of employees	492 total (85 % female; 15 % male)
Number of migrant workers	192 total (85 % female; 15 % male)
Average overtime hours per week	5 hours / week (2023)
Wage level	93 % of living wage estimate Region 1 Vietnam*
Trade unions and / or worker representatives	Trade Union of Viva Vina Company Branch 1 (VGCL)
Subcontractors / Supporting processes	Hankook Vina Embroidery Company Damy Vina Co., Ltd.
Specifics	· Free meals · Voluntary bonus payments · Participation in Fair Wear training to improve dialogue between workers and management (January 2023 – May 2024)
Energy source	100 % Vietnam energy mix

\* The information refers to the 2024 benchmark study (Living Wage for Minimum Wage Region 1,) Vietnam – Global Living Wage Coalition), conducted in the region by the Global Living Wage Coalition.



# Viva Vina Branch 1 Co. Ltd

Ho Chi Minh, Vietnam

Employment is freely chosen	▲▲▲
Freedom of association	▲▲▲
Legally binding employment relationship	▲▲▲▲ →
Living wage	▲▲▲▲▲ →
No child labour	▲▲▲
No discrimination	▲▲▲
Reasonable hours of work	▲▲▲▲ →
Safe & healthy working conditions	▲▲▲▲▲ →
Estimated overall risk level	▲▲▲▲



# Viva Vina Branch 1 Co. Ltd

Ho Chi Minh, Vietnam

## Risk ① – Legally Binding Employment Relationship



At Viva Vina, the risk related to legally binding employment relationships is considered moderate. Most employees are directly employed and have legally binding, proper, and documented contracts. After a probationary period, fixed-term one-year contracts are issued, followed later by permanent employment. In the past, weaknesses were identified in the handling of fixed-term employees, who were not included in the statutory social insurance system and received incomplete severance payments.

This represented a deviation from legal requirements. Although these issues have since been addressed and the foundation for legally compliant employment is in place, the risk remains elevated for this group, as it indicates that a legally binding employment relationship may not have been fully ensured. We continue to assess the risk as high with regard to consistent implementation for all groups of workers.

### Improvement & Mitigation Measures – Legally Binding Employment Relationship:

Measure	Status	Timeline
Ensuring that the factory has remedied all deficiencies regarding legally binding employment contracts identified in the most recent Fair Wear audit	Completed	03 / 2023

## Risk ② – Living Wage



Viva Vina pays all workers hourly wages via bank transfer and provides additional benefits such as attendance bonuses, transportation allowances, free meals, as well as annual and holiday bonuses. There are no differences in pay between men and women. Looking back, during the Covid-19 period there were instances of falling below the minimum wage and incomplete severance payments.

The risk remains high, as according to the latest Fair Wear audit in March 2023 and discussions with on-site management, workers are paid more than the legal minimum wage but less than most local benchmarks for living wages. Therefore, we are working with the supplier to understand how our purchasing prices can support the payment of living wages.

### Improvement & Mitigation Measures – Living Wage:

Measure	Status	Timeline
Introduction of labor minute cost calculation (LMC) / Fair Price App at Viva Vina to establish the link between wage levels and purchasing prices	Completed	06 / 2024
Integrate labour minute costs into the bill of materials (BOM)	In progress	07 / 2025
Discussion of options for the long-term increase of labour minute costs	In progress	08 / 2025



Risk ③ – Reasonable Hours of Work



Viva Vina generally plans working hours in a structured manner and obtains documented consent for overtime. Overtime can be declined without any disadvantage. Nevertheless, the risk remains elevated, as legal working hour limits were repeatedly exceeded during the peak season in 2022. This indicates that the current working time management is insufficient to effectively prevent overwork and legal violations under increased production pressure.

Improvement & Mitigation Measures – Reasonable Hours of Work:

Measure	Status	Timeline
Ensuring that factory management keeps the weekly working hours below 60 and implements appropriate mitigation and prevention measures	Completed	03 / 2023
Further optimization of joint production planning	Planned	12 / 2025

Risk ④ – Safe & Healthy Working Conditions

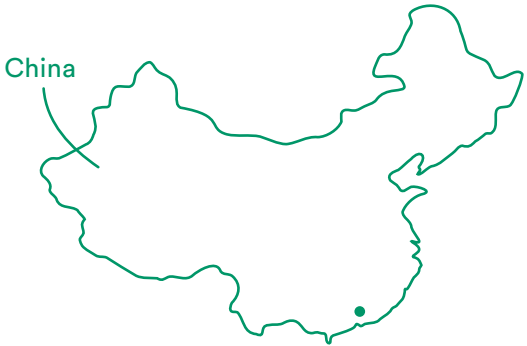


Viva Vina has comprehensive structures in place for occupational health and safety, including clearly defined responsibilities, training, basic medical care, and cooperation with a nearby hospital. Fire protection systems were largely compliant with legal requirements, and regular drills are conducted. However, some deficiencies were noted in the signage of escape routes, electrical safety, and ergonomics.

In addition, information about nursing rooms and break options for breastfeeding mothers was not known to all employees. Over the past two years, VIVA has implemented a number of corrective measures. However, since external verification of these improvements through a follow-up Fair Wear audit is still pending, we continue to assess the risk as high for the time being.

Improvement & Mitigation Measures – Safe & Healthy Working Conditions:

Measure	Status	Timeline
Ensuring that the factory has addressed all individual deficiencies identified in the most recent Fair Wear audit and during the last visit in July 2024, including issues related to emergency exit signage, electrical safety, emergency equipment, and ergonomics	In progress	08 / 2025
Ensuring that the factory has established a system to regularly verify that the improvements identified in the most recent Fair Wear audit and visit – covering emergency exit signage, electrical safety, emergency equipment, and ergonomics – are consistently maintained	In progress	08 / 2025



Address	No. 2 South Da Lang Road, Dunbei Industrial Zone, Long Hua New District, Shenzhen
Brands & products	Affenzahn: Backpacks, Small Bags, Travel Bags ergobag: Primary School Backpack, School Supplies satch: Accessories
Production processes	Cut Make Trim, Cutting, Embroidery, Packing, Finishing
Order volume in %	13 %
Audit & date	Global Services Verification Audit: May 2021, Next assessment planned: May 2025
Key Findings Regarding Code of Labour Practices	Reasonable Hours of Work; Freedom of Association
Business partnership since	2013
Visits in FJ 2023 / 2024 & visiting departments	CR, Quality Management, Product Development, Design, Product Management
Grievances in FJ 2023 / 2024	None

Number of employees	450 total (65% female; 35 % male)
Number of migrant workers	320 total (61% female; 39 % male)
Average overtime hours per week	<20 hours / week (2022)  (not verified due to inconsistencies in attendance and production records), but corrective actions limited working hours to 60 per week
Wage level	Not verified due to inconsistencies in last audit
Trade unions and / or worker representatives	Singbao Trade Union (All China Federation of trade Union)
Subcontractors / Supporting processes	Dongguang Shengying Bags Co., Ltd. Tian Hui Bags Factory Shengde Bags Factory Starry Ltd. (GSL) (Guangxi)
Specifics	· Extra payments for social insurance · Extra payments as housing allowance
Energy source	100 % China energy mix



Employment is freely chosen	▲▲▲
Freedom of association	▲▲▲▲▲→
Legally binding employment relationship	▲▲▲
Living wage	▲▲▲▲▲→
No child labour	▲▲▲
No discrimination	▲▲▲
Reasonable hours of work	▲▲▲▲▲→
Safe & healthy working conditions	▲▲▲▲▲→
Estimated overall risk level	▲▲▲▲



## Risk ① – Freedom of Association



The factory has a company union established under the supervision of local authorities. Representatives are elected every three years by a secret ballot, and annual meetings take place. Employees can contact the union at any time. Due to the state-controlled union system, freedom of association and the right to collective bargaining are severely restricted. A supplementary survey on the implementation of freedom of association was conducted.

### Improvement & Mitigation Measures – Freedom of Association:

Measure	Status	Timeline
Survey on freedom of association and the right to collective bargaining	Completed	01 / 2025
Adjustment of risk assessment based on the results of the freedom of association survey	Completed	03 / 2025
Discussion of survey results on freedom of association and collective bargaining with the producer and agreement on improvement measures	In progress	07 / 2025
Conducting next full on-site assessment	In progress	05 / 2025
Implement system for regular review of the effectiveness of internal grievance mechanisms	In progress	08 / 2025

## Risk ② – Living Wage



Because wage-related risks are very high across all production sites in China due to the country’s systemic conditions, the risk remains consistently high. Common issues include incorrect calculations of overtime, lack of evidence for hours worked, paid bonuses, and holiday pay. Although all deficiencies in these areas have been addressed, the risk remains very high due to structural problems. Furthermore, only a small portion of workers are enrolled in the social security scheme.

### Improvement & Mitigation Measures – Living Wage:

Measure	Status	Timeline
Introduction of Labor Minute Cost Calculation (LMC) / Fair Price App at Starry to link wage levels and purchase prices	Completed	06 / 2024
Implementation of labor minute costs into the bill of materials	In progress	09 / 2025
Discussion of options for the long-term increase of labor minute costs	In progress	12 / 2025



Risk ③ – Reasonable Hours of Work



In recent years, there have been repeated cases of excessive overtime exceeding the legal limit. Since last year, no overtime is worked one day per week, which has limited overtime to the legal maximum. However, working hours remain a structural issue that significantly restricts fundamental improvements.

Improvement & Mitigation Measures – Reasonable Hours of Work :

Measure	Status	Timeline
Joint identification and analysis of the reasons for exceeding the 60-hour workweek (root cause analysis)	Completed	11/2023
Ensuring factory management that the weekly working hours do not exceed 60 hours, and implementation of corresponding mitigation and prevention measures	Completed	08/2023

Risk ④ – Safe & Healthy Working Conditions



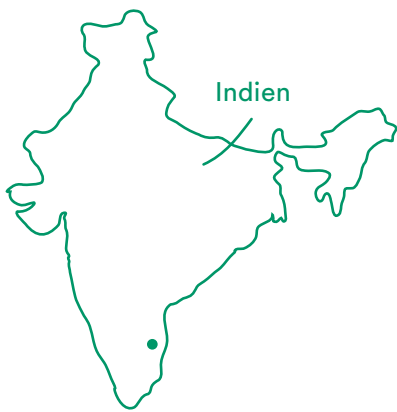
Many risks around health and safety at the workplace have already been addressed or improved. Long-term adjustments, such as chairs with backrests or anti-fatigue mats, remain open points that require more time.

Improvement & Mitigation Measures – Safe & Healthy Working Conditions:

Measure	Status	Timeline
Workers with sedentary tasks are to be provided with chairs with backrests. For employees who work standing, anti-fatigue mats as well as high stools or rest areas are to be provided.	In progress	12/2025

# TATA International Ltd (Tamil Nadu)

Ranipet, Indien



Address	35958 / Sipcot Phase 1, Sipcot, 632403 Ranipet
Brands & products	Affenzahn: Children’s Shoes
Production processes	Cut & Sew, Cutting, Embroidery, Packaging, Product Finishing
Order volume in %	1%
Audit & date	Fair Wear Assessment: November 2023
Key Findings Regarding Code of Labour Practices	Living Wage; Reasonable Hours of Work; Safe & Healthy Working Conditions; Freedom of Association
Business partnership since	2024
Visits in FJ 2023 / 2024 & visiting departments	Quality Management, Product Development, Design, Product Management
Grievances in FJ 2023 / 2024	None
Number of employees	310 total (57% female; 43% male)
Number of migrant workers	None
Average overtime hours per week	Approx. 1 hour overtime per weekday; none on weekends; overtime only in October due to increased demand

Wage level	Approx. 46 % of Living Wage Estimate for the region; bonuses not included in audit, so wage calculation incomplete
Trade unions and / or worker representatives	No registered union; Works Committee with 2 employee representatives
Subcontractors / Supporting processes	None
Specifics	<ul style="list-style-type: none"><li>· Inclusion of workers’ experience in wage setting</li><li>· Two additional breaks for group gymnastics</li><li>· Annual bonuses above industry standard</li><li>· Financing /subsidy of transport costs</li><li>· Loyalty program to promote long-term employment relationships</li></ul>
Energy source	100 % India energy mix



# TATA International Ltd (Tamil Nadu)

Ranipet, Indien

Employment is freely chosen	▲▲▲
Freedom of association	▲▲▲▲ →
Legally binding employment relationship	▲▲▲
Living wage	▲▲▲▲▲ →
No child labour	▲▲▲
No discrimination	▲▲▲
Reasonable hours of work	▲▲▲▲▲ →
Safe & healthy working conditions	▲▲▲▲▲ →
Estimated overall risk level	▲▲▲▲



# TATA International Ltd (Tamil Nadu)

Ranipet, Indien

## Risk ① – Freedom of Association



In India, trade unions are legally permitted; however, at TATA International, there is no registered union. To better understand the implementation of freedom of association, a supplementary survey was conducted.

Several elected works committees exist in the factory, including committees for occupational safety, equal treatment, and employee welfare. Complaints are discussed regularly in meetings with the HR department and communicated back to the workforce.

### Improvement & Mitigation Measures – Freedom of Association:

Measure	Status	Timeline
Survey on freedom of association and right to collective bargaining	Completed	01 / 2025
Adjustment of risk assessment based on the results of the freedom of association survey	Completed	03 / 2025
Discussion of survey results on freedom of association and collective bargaining with the producer and agreement on improvement measures	In progress	07 / 2025
Implementation of a system for regular review of the functionality of internal grievance mechanisms	Completed	04 / 2025

## Risk ② – Living Wage



According to the Fair Wear Assessment from November 2023, TATA International pays the legal minimum wage for new employees and higher wages for experienced workers. Wages are paid on time, and social benefits as well as an above-average bonus are provided.

A risk exists due to the unclear wage calculation method based on 30 instead of 26 working days, for which no official approval exists, as well as limited transparency in wage statements for outsourced workers. We are working with TATA to increase transparency regarding labor cost minutes, which are to be integrated into our purchasing prices in the future. The risk remains high due to the low minimum wage in India.

### Improvement & Mitigation Measures – Living Wage:

Measure	Status	Timeline
The factory’s payroll system needs to be improved so that all required information is accurately included, and pay slips are provided to workers in a language they understand	Completed	02 / 2024
Introduction of labor minute cost calculation (LMC) / Fair Price App at TATA to link wage levels and purchase prices	Completed	11 / 2024
Implementation of labor-minute costs into the bill of materials	Completed	02 / 2025
Discussion of options for the long-term increase of labor minute costs	In progress	12 / 2025



# TATA International Ltd (Tamil Nadu)

Ranipet, Indien

## Risk ③ – Reasonable Hours of Work



The Fair Wear audit found occasional overtime exceeding the legal limit, but only among office employees. The HR department keeps a record of overtime hours and their causes, including over-time caused by the fire department.

We have agreed to be informed about such cases to further improve our processes and reduce the risk of excessive overtime.

### Improvement & Mitigation Measures – Reasonable Hours of Work:

Measure	Status	Timeline
It must be ensured that workers receive at least one day off per seven working days. This requires root cause analyses, preventive measures, and clear responsibilities.	Completed	02 / 2024
The maximum weekly working time of 60 hours must not be exceeded. Management must establish a binding working hours and overtime policy, document its implementation, appoint a responsible person, and ensure that legally mandated premiums are paid correctly.	Completed	02 / 2024

## Risk ④ – Safe & Healthy Working Conditions



There have been various cases related to health and safety in the workplace, most of which have already been addressed. However, long-term changes, such as the implementation of chairs with backrests or anti-fatigue mats for standing positions, are still ongoing.

### Improvement & Mitigation Measures – Safe & Healthy Working Conditions:

Measure	Status	Timeline
Management must carry out, update, and document legally required evacuation drills, health checks, and all H&S documents completely and on time.	Completed	02 / 2024
Workers with sedentary tasks must be provided with chairs with backrests. For employees who stand, anti-fatigue mats as well as high stools or rest areas must be provided.	In progress	12 / 2025