NEW FRONTIER
FASHION & SPORTSWEAR

Annual CSR-Report | 2025

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This is the fifth annual CSR report from New Frontier GmbH. In this report, we provide insight into how we fulfil our due diligence obligations in relation to our sourcing of clothing in Asia. This includes our close collaboration with associations and initiatives, through which we gain access to advice, systems and tools. We also report on incidents and complaints arising from our supply chain and how we have taken these into account when assessing human rights and environmental risks in our updated risk analysis.
This report contains abbreviations and technical terms; for a better understanding, you will find all terms written in italics in the glossary at the end of the document. All figures relate to the calendar year **2025**, unless otherwise stated.

1 Statistics & Numbers

In **2025**, we worked with **22** production partners in **2** countries: **12** in Bangladesh and **10** in China. Of these facilities, a total of **5** were fully integrated, with their own textile production (knitting, dyeing, washing). Our longest business relationship has been in place for **19** years, and our shortest for **1** year. On average, the duration of our collaboration with our production partners is **7** years.

In addition to these **22** production partners with garment manufacturing, our indirect supply chain includes **243** suppliers of the materials used in the garments. This includes both producers of yarn and fabric and suppliers of a wide variety of small components, such as zippers, buttons and labels.

Throughout **2025**, New Frontier CR staff and auditors commissioned by us carried out a total of **89** factory visits to our production partners, of which **37** were in Bangladesh and **52** in China. Among other things, we were on site to conduct **38** *social audits* and **7** *chemical management audits*, as well as **14** training sessions for our production partners' staff. In addition, *chemical management audits* were carried out at three strategic material suppliers with on-site wet process in Bangladesh.

In the *New Frontier social audits*, we were able to confirm that the corrective actions taken had successfully addressed **90** of the non-conformities identified in the previous audit. However, we also identified a total of **106** new non-conformities. Our *chemicals management audits* identified **92** non-conformities. For **22** of these, the review carried out in **2025** confirmed that they had been successfully rectified.

Visits to our production partners in Asia were once again organised from Germany. At the end of **2025**, three members of the executive board and CR management travelled to Bangladesh to visit our production partners and hold discussions on site. Our CR Manager spent the whole of November in the country and used the first two weeks to get to know the country from a different perspective by taking part in the '*Bangladesh: Between Climate and Clothes'* educational tour organised by the Berlin-based tour operator *Al-Sharq*.

At the various stops along the journey, there were also repeated links to the garment industry. These included visits to *GIZ Bangladesh,* the *Friedrich Ebert Foundation* in *Bangladesh*, the *National Garment Workers Federation* (*NGWF*) and the *Bangladesh Institute of Labour Studies* (*BILS*). Particularly impactful was a meeting organised by the *NGWF* with seamstresses from various factories in Savar.

New Frontier GmbH has itself been audited **2** times this year. In March, *Control Union* carried out the annual renewal of our product certifications: the *Global Organic Textile Standard (GOTS)*, the *Organic Content Standard (OCS)*, the *Global Recycled Standard (GRS)*, the *Recycled Claim Standard (RCS)* and the *Responsible Wool Standard (RWS)*.

In June, the first surveillance audit for the *OEKO-TEX® Responsible Business Standard* took place, which we once again passed successfully.

2 Memberships & Engagements

We are actively involved in various associations and initiatives that focus on different aspects of due diligence in the supply chain and sustainable business practices.

2.1 amfori – Trade with purpose

amfori
Trade with purpose

We are a member of amfori
We act for a more sustainable supply chain

Since 2009, New Frontier has been a member of *amfori*, a global business association that promotes sustainable trade and supports our ESG due diligence measures. *amfori* is the organisation behind the *Business Social Commitment Initiative (BSCI)*, an audit system designed to improve working conditions; the *Business Environmental Performance Initiative (BEPI)*, an assessment and improvement system for environmental impact; and the *Speak 4 Change (S4C)* grievance mechanism for workers in the supply chain. We actively use these systems provided by *amfori* to identify areas for improvement and to monitor the implementation of improvement measures by our production partners.

The *amfori BSCI audit* is at the heart of our measures. As part of this audit, independent auditors regularly review the following **13** performance areas of the amfori *BSCI Code of Conduct* at all our production partners:

- Social Management System
- Workers Involvement and Protection
- The Rights of Freedom of Association and Collective Bargaining
- No Discrimination, Violence or Harassment
- Fair Remuneration
- Decent Working Hours
- Occupational Health and Safety
- No Child Labour
- Special Protection for Young Workers
- No Precarious Employment
- No Bonded, Forced Labour or Human Trafficking
- Protection of the Environment
- Ethical Business Behaviour

For a company to work with us, it must complete the two-year *amfori BSCI audit* cycle, comprising a *full audit* and a *follow-up audit*. Depending on the outcome of the *full audit*, a *follow-up audit* will take place after one year at the latest, or a new full audit after two years. When evaluating the *amfori BSCI audits*, it is very important to note that the *BSCI* standard is not a certification. It does not guarantee a specific current status, but merely describes it, with the aim of subsequently initiating continuous improvement of the working conditions found. These audits are supplemented by online and offline training courses, which are available free of charge to members and production partners.

To enable *amfori* members to assess production sites, each audit report includes an evaluation of the implementation of the *Code of Conduct*. The highest rating is **A**, and the lowest is **E**. In the case of critical breaches, such as child labour, there is also a **Zero**

Tolerance rating. In such cases, remedial measures are organised under the guidance of amfori in Brussels to rectify the breach as quickly as possible and to provide redress to those affected. We only work with production partners that achieve a minimum rating of **C**.

In **2025**, a total of **12** *BSCI audits* were carried out at our production partners' sites. Of these, **17%** achieved a grade of ***A***, **42%** a grade of ***B*** and **42%** a grade of **C**. There were no audits with grades of **D** or **E**, nor were there any cases of **Zero Tolerance**.

Since **2022**, we have been systematically tracking the corrective actions carried out following *BSCI audits*. A comparison of the last two *BSCI audits* reveals the following picture. For approximately **28%** of the non-conformities, the follow-up audit confirms that the corrective actions have been successful. At the same time, a similar proportion – approximately **28%** of new non-conformities are identified. For around **45%** of the non-conformities, the measures taken are unsuccessful and the non-conformity reoccurs in the *follow-up audit*.

To complement *BSCI*, *amfori* has developed *BEPI*, a set of tools designed to measure environmental performance, identify potential risks and initiate improvement measures. It is based on the *BEPI Code of Conduct*, which covers the following **8** environmental performance areas (EPAs):

- Environmental Management System
- Energy and Climate
- Emissions to Air
- Water & Effluents
- Waste
- Biodiversity
- Chemicals
- Nuisances

We primarily use the *Risk Assessment Questionnaire (RAQ)*. This is completed by our production partners in the first quarter of each year. Based on the responses, the system then calculates a risk score, which we can use to initiate further measures. These include on-site inspections or attendance at amfori training courses.
In particular, the annual consumption figures for water and energy are also recorded at this stage. In relation to production figures (pieces or kg), this enables us to establish efficiency benchmarks and identify production sites with low or high consumption levels.

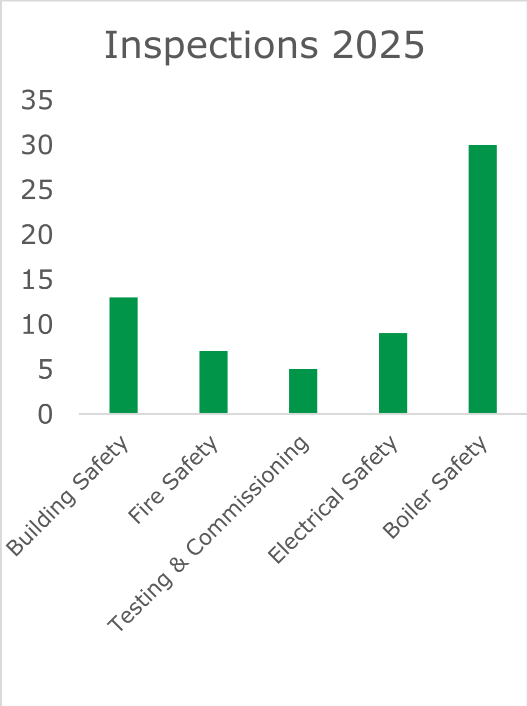
In **2025**, our production partners completed **24** *RAQs*. There were **2** *EPAs* that were assessed as **High** risk at individual production sites. Following an evaluation of the responses, these were found to be due to data entry errors in each case.

2.1.1 *Promotion of equality & prevention of discrimination and harassment*

In **2025**, we continued to work towards ensuring that our production partners in Bangladesh deliver the amfori training to their staff. The progress made this year is detailed in Chapter 6: Measures & Objectives.

In addition, in September **2025**, amfori gave us the opportunity to share our experiences with other members at the *amfori Sustainability Summit* in Frankfurt.

2.2 *International Accord for Health and Safety in the Textile and Garment Industry*



We have been signatories to the Accord since **2013** and have also signed all subsequent agreements, most recently the *International Accord* in November **2023**.

Under this agreement, we undertake to ensure that our production partners' buildings in Bangladesh are safe. This safety covers structural integrity, fire safety, electrical systems and, since **2022**, the boilers that supply steam for the ironing department.

Although all these areas are regulated by law in Bangladesh, the authorities do not monitor compliance sufficiently. For this reason, until **2021**, the *Accord* maintained its own office in Bangladesh with over a hundred staff members, who were responsible for carrying out safety inspections. In **2021**, this responsibility was handed over to *the Ready Made Garment Sustainability Council (RSC)* as a regional partner, which took over the staff and the systems developed by the *Accord* in Bangladesh.

In **2025**, *RSC* safety inspectors carried out a total of **64** inspections at our **12** production partners. As in the previous year priority was given to boiler inspections. A total of **30** boiler safety inspections were carried out, and we received **5** final reports.

Since the *Accord* came into effect, a total of **2,765** findings have been identified at our production partners' sites, of which **1,878** have been corrected to date.

2.3 Zero Discharge of Hazardous Chemicals

The *Zero Discharge of Hazardous Chemicals (ZDHC)* initiative was established in 2011 to promote the responsible use of chemicals in the textile and clothing industry and thereby reduce the environmental impact of wet processes such as dyeing, washing and printing. As a standards-setting body, *ZDHC* is responsible for a *Manufacturing Restricted Substances List (MRSL),* which serves as a guideline for a large part of the industry. Compliance is verified through regular laboratory tests of wastewater and, where applicable, sewage sludge, as well as through the submission of chemical inventories.

The standards defined by *ZDHC* have been part of the requirements we set for our production partners and their suppliers with wet processes for several years now.

In February **2025**, we joined the *Zero Discharge of Hazardous Chemicals (ZDHC)* initiative as a *Signatory Friend of ZDHC – Vendor*. As a member, this gives us direct access to information from our suppliers.

Our aim is for all production sites where any wet process is taking place, to be integrated into the *ZDHC* system, to comply with the *MRSL*, and to have their wastewater and the resulting sewage sludge regularly tested for residual chemicals. Should any limits be exceeded, corrective measures are to be implemented.

As a first step, we have begun connecting all suppliers who already have a *ZDHC* Gateway account to our system. A distinctive feature of the system is that the supplier must confirm the connection before we gain access to the information. To this end, we sent a total of **76** connection requests in **2025**. Of these, **30** were sent to material suppliers in Bangladesh and **46** to material suppliers in China. In Bangladesh, the connection process went largely smoothly, and we received **26** connection confirmations.

In China, implementation is more complicated by the structure of the local sourcing market especially the realities of the agency business. As fabric is largely sourced through intermediaries there, even our production partners do not always have a direct business relationship with the fabric manufacturer. This makes communication considerably more difficult.

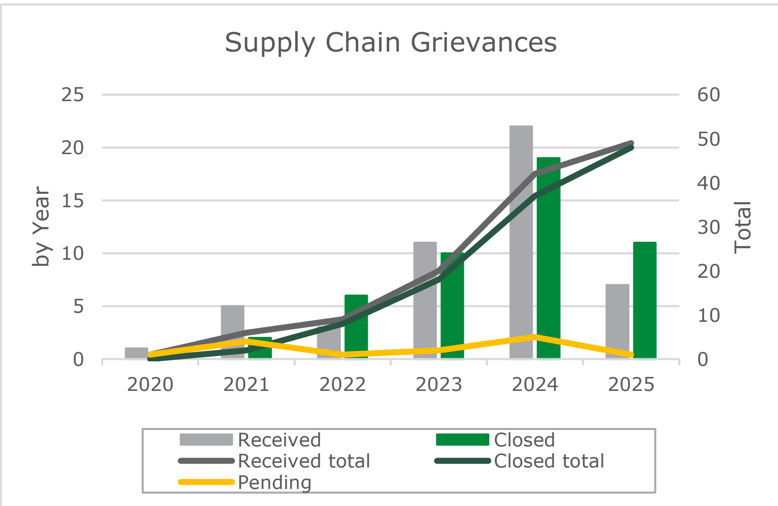
After informing our production partners in China about our new *ZDHC* requirements during a video meeting, our request was accepted by a total of **12** material suppliers, which represents just over a quarter of the total. Before onboarding additional material suppliers into the system, we must first successfully establish links with the existing ones. We are therefore planning a discussion with *ZDHC* in **2026** to explore how we can improve our approach in this area in order to achieve our goals.

3 Grievance Mechanism & Complaints

Effective grievance mechanisms are one of the pillars of the *UN Guiding Principles on Business and Human Rights*. To ensure the greatest possible accessibility for affected stakeholders within the limits of our capabilities, we utilise five different mechanisms. A telephone number in Bangladesh is of no more use to our own staff than an email address on our website is to the workers at our production partners in Dhaka. We have therefore set up an external ombudsman service for our own staff, the contact details for which are also published on our website. This means that our neighbours or other organisations with a legitimate interest can also contact this service.

For workers in Bangladesh, the *RSC* grievance mechanism, *amfori Speak 4 Change* and our customers' whistleblowing systems are available. At our production partners in China, workers currently only have access to our customers' whistleblowing systems but will in future also have access to amfori Speak 4 Change. We have also shared the access details for the *OEKO-TEX® whistleblowing form* with our supply chain.

3.1 Received Complaints



In **2025**, we received no reports or complaints via our external ombudsman service, *amfori Speak 4 Change*, the *OEKO-TEX® whistleblowing system*, or our customers' complaints mechanisms. However, a total of **7** complaints were received via the RSC complaints mechanism in Bangladesh. Of these, **6** were dealt with directly by us. This involved reviewing the documentation and evidence provided by the production facility, which either substantiated the measures taken to resolve the issue or refuted the complaint. In the case of some complaints, we also conducted interviews with the complainants to obtain further information about the circumstances.

In the case of **1** complaint that fell within the *RSC's* scope, we received only the outcome of the *RSC's* investigation and the subsequent corrective measures taken by the production site, and did not take any further action ourselves.

The following table provides an overview of the complaints received and processed in **2025**:

No.	Year	Status	Comment
23	2024	Closed	The production facility has been closed
26	2024	Closed	The allegations could not be confirmed
38	2024	Closed	The allegations could not be confirmed
41	2024	Closed	The allegations could not be confirmed
42	2024	Closed	The allegations could not be confirmed
43	2025	Closed	Allegations confirmed – severance pay paid retrospectively.
44	2025	Closed	The allegations could not be confirmed
45	2025	Closed	The allegations could not be confirmed
46	2025	Closed	The allegations could not be confirmed
47	2025	Closed	The allegations could not be confirmed
48	2025	Closed	The allegations could not be confirmed
49	2025	Pending	Under review

Of the **7** complaints received in **2025**, **1** related to a sector-specific risk (systematic payment of wages below the minimum wage). **6** complaints concerned, in various forms, disputes over severance payments following terminations or dismissals. These cannot be attributed to any specific sector-specific risk.

3.2 Continuous Improvement of the Grievance Mechanism

3.2.1 RSC-Complaint Mechanism

In May **2025**, the *Accord* Caucus in Amsterdam also discussed the expansion of the complaint mechanism, so that in future the *RSC* will also handle complaints directly that are not related to occupational safety. During a direct discussion with the head of the *RSC* complaints mechanism, we reaffirmed our support for expanding the mechanism. In November **2025**, the *RSC* began informing our production sites about the implementation of this expansion in the following year.

3.2.2 amfori Speak 4 Change

In December, we received news that the *amfori Speak 4 Change* grievance mechanism will be temporarily suspended from January **2026**. Following a change of service provider, the mechanism is set to be relaunched on 1 April **2026** with a new point of contact.
For the workers in our production facilities, this will make little difference. In Bangladesh, surveys of workers show that the *RSC* mechanism is significantly better known than *S4C*, even though posters in the local language are displayed on noticeboards everywhere. In China, *S4C* is still in the planning phase.

4 Incidents & Events

4.1 Protests & walkouts

During **2025**, there were **5** temporary factory closures at production partners' sites due to workers' protests either in the vicinity of or directly at those sites. In **2** cases, this led to violent disturbances by employees, prompting the local authorities to intervene.

4.2 Earthquake in Bangladesh

Bangladesh is situated in a seismically active region. On Friday, 21 November **2025**, the earth shook in Dhaka in the late morning. The earthquake, which measured 5.5 on the Richter scale, caused relatively little damage overall.

Just three days later, the RSC requested and analysed information, including photographic evidence, on the consequences of the earthquake from all production sites under its responsibility. Where damage was found, the RSC carried out additional structural inspections.

None of our active production partners suffered any damage that would have required an additional inspection. The strength of the quake was unexpected. To ensure we are better prepared for the future, the *RSC* has also organised online webinars highlighting the dangers of earthquakes and providing information on possible protective measures.

4.3 Boiler-safety

During its boiler inspections in **2025**, the *RSC* identified a serious fault which necessitated the decommissioning of the affected boiler. The fault was repaired later that year, enabling the *RSC* to authorise its recommissioning.

Repair work was also completed on another boiler that had been temporarily decommissioned the previous year, and the *RSC* has granted authorisation for its recommissioning.

5 Risks & Measures

Since the start of **2021**, we have been conducting an annual assessment of the human rights and environmental risks associated with the production of clothing in our sourcing countries, China and Bangladesh.
We have revised the system originally set up – which we reported on in our *Risk Report 2021* – and adapted it to meet new requirements.

5.1 Risk assessment scope

The original basis for our risk assessment is the country risk classification published by amfori, which is based on the *World Bank's Worldwide Governance Indicators*. Once a year, this classification provides an assessment for six indicators, on which a risk score between 0 and 100 is calculated.
If the overall indicator falls below a threshold of 60, the country is classified as a high-risk country, and it is recommended that due diligence measures be carried out. For this reason, in our initial risk analysis we focused on our clothing production in Asia and did not consider downstream stages such as the transport of our goods within Europe.
To meet the standard requirements of the *OEKO-TEX® Responsible Business* certification, we are now researching, analysing and assessing the potential risks to human rights and the environment across the following stages of the supply chain:

- Own Business
- Transport in the Netherlands and Germany
- Garment production and wet process by direct production partners
- Material production by indirect material suppliers
- Raw material cultivation and extraction in the deep supply chain

Furthermore, intermediaries and agencies – such as cotton traders and chemical manufacturers – are not considered.

5.2 Inclusion of rights holders

During our study tour in Bangladesh, we had the opportunity to engage in a discussion with staff from the *Gesellschaft für Internationale Zusammenarbeit* (GIZ). As a result of this discussion, we were given the opportunity to take part in the *GIZ* project '*Our Rights, Our Voices*' (*OROV*). The project was set up to involve local rights-holders in the human rights risk assessments carried out by companies in the garment industry. The rights-holders are represented by trade unions in the clothing and textile industry. *GIZ* acts as a facilitator and organiser in this context.

As participants, we provide the rights holders with our risk analysis for the clothing and textile production sector in Bangladesh from the previous year, along with accompanying documentation. The trade union representatives then review our assessment and provide us with detailed feedback during a one-day workshop. Participants were invited to identify areas where they agreed with our assessment and areas where their views differed. In addition, the top five risks are identified from the trade unions' perspective, and possible prevention and mitigation measures are proposed.

The workshop took place at the *GIZ* offices in Bangladesh. New Frontier was represented on site by our CR auditor, whilst our CR manager and Director of Operations joined via video conference from Germany. During the event, we provided transparent information about our risks and measures, which was very well received by the trade union representatives. At that time, we were also the only participant who, in addition to our direct production partners, had also taken the pre-production stage in Bangladesh into account and assessed it separately.

During the event, the trade union representatives identified an additional risk from their perspective:

- Increasing automation and, consequently, job losses

As a mitigating measure to address this risk, it was recommended that support be provided for vocational training and further education programmes for the workforce, so that they might continue to have career prospects in the future.

We can, in principle, understand this assessment from the trade unionists' perspective. However, we do see difficulties in classifying this as a human rights risk, which is why we have not yet included this risk in the new assessment. We have incorporated the other findings, as well as the proposed measures, into our risk assessment.

This first workshop was not intended to be a one-off event. We have agreed to take part in a follow-up meeting in a year's time. In addition to discussing our updated risk assessment once again, we will then also report on the extent to which we have already been able to implement the information and suggestions from the first workshop in our day-to-day work.

Participating in this project represents an important contribution to the further development of our due diligence obligations. As an SME, we appreciate the opportunity provided by *GIZ* to participate in this initiative.

5.3 Risk identification

We obtain information on potential risks from a wide range of external sources, such as reports from *NGOs*, press reports, publications by *amfori*, the *International Accord* and many others. For our **2025** risk assessment, we drew on a total of **35** new external sources. These provide us with an overview of the framework conditions in our production countries and enable us to track both positive and negative developments.
On this basis, we have identified the following potential risks:

Environment	Social	Governance
• Greenhouse gas emissions	• Unauthorized subcontract	• Purchasing practices
• Discharge of untreated Wastewater	• Child labour	• Bribery and corruption
• Hazardous chemicals	• Bonded labour	
• Use of chemicals with persistent organic pollutants	• Severe risk for occupational health and safety	
• Use of chemicals with mercury	• Sexual harassment	
• Water consumption and availability	• Discrimination and harassment	
• Hazardous waste	• Sourcing from home workers	
• Air pollution	• Excessive overtime	
• Soil degradation	• Non-payment of a living wage or living income	
• Loss of biodiversity	• Systematic payment below minimum wage / systematic late payment	
	• General health and safety	
	• Freedom of association & collective bargaining	

These identified risks apply to varying degrees across the different stages of production; some risks also apply only to specific processes or countries. We have not yet taken into account in this assessment the risk associated with automation, which we have learnt about from rights holders in Bangladesh.

5.4 Risk assessment

Our assessment system is aligned with the *OECD Due Diligence Guidance*. As a first step, we evaluate each identified risk based on the following three criteria, using a four-level scale ranging from **Low** to **Very High**:

- **Severity** – How serious are the consequences for the person affected?
- **Range** – How many people are potentially affected?
- **Irreversibility** – To what extent can the consequences be remedied?

Based on the assessment, the **Impact** of each risk is calculated as the average of the three criteria. This evaluation is conducted initially as a baseline and is only adjusted if new information about the risk becomes available.

Based on the events of the previous year, we reassess the **Likelihood** of occurrence for each risk on an annual basis. Following this evaluation, our system calculates a **Risk prioritization** for each assessed risk by averaging the **Severity** and **Likelihood** scores. This **Risk prioritization** then serves as the basis for determining further measures.

We conduct this annual assessment separately for each country and each stage of the supply chain. If over the course of the year, we receive information indicating a fundamental change in the risk situation, we perform a reassessment accordingly.

5.4.1 Own business

For our own business operations, we identified and assessed **1** material risk.

Risk	Risk Impact	Prioritization Germany
Purchasing practice and business model	Moderate	Moderate

In our **2025** assessment, the **Likelihood** for the risk associated with *purchasing practices and business model* was rated **Low**.

Purchasing practices can have a significant impact on working conditions in production. Not only our requirements, but also our behaviour — such as last-minute changes or delays in approvals — can cascade through the supply chain and for example contribute to excessive overtime at production sites. As a trading company, we act as an intermediary between our clients' visions and the realities of production. Every day, we work continuously to implement our clients' wishes and requirements. Orders must be delivered on time, in the agreed quantity, and at the expected level of quality.

Our product managers in Germany, together with our local technician team and external technical specialists, closely monitor both the pre-production and production processes. Any issues that arise are communicated transparently and resolved in coordination with all parties involved. Change requests are carefully reviewed and only implemented if they are feasible within the given time frame and budget. We do not make unilateral decisions, nor do we demand arbitrary price reductions from our production partners to lower costs retroactively.

We do not know in advance which products in what quantities will be ordered by our clients, so we are unable to book production capacities with our production partners in advance. However, we can partially offset this disadvantage by placing our orders well in advance. As a result, the effective planning timeline for our production partners is ulti-

mately comparable to the traditional seasonal business model used by brands, which includes collection development, capacity booking, pre-orders, and disposition.
We also cannot predict the extent to which our production partners will be occupied by orders from other clients. As a result, the focus of our production shifts each year between our long-standing partners. In **2025**, **42%** of our total production took place in facilities with which we have been working for more than **10** years, and an additional **23%** was produced in facilities with which we have had partnerships for over **6** years.

5.4.2 Transport in the Netherlands and Germany

The majority of our goods are delivered to the Port of Rotterdam and are transported from there by a long-standing logistics service provider.

For the logistics and transport sector in Germany and the Netherlands, we have identified and assessed **7** material risks.

Risk	Risk Impact	Prioritization Germany	Prioritization Netherlands
Greenhouse gas emissions	Very high	Very high	Very high

In our **2025** assessment, the **Likelihood** for the critical risk associated with *Greenhouse gas emissions* was rated **Very High**.

This rating is based on the fact that the energy used to transport our orders is largely generated by fossil fuels, thereby contributing to global climate change. The **Severity** of the risk results in a **Very High** prioritization. As the extent of these emissions cannot currently be prevented or offset, we are not in a position to implement effective mitigation measures.

Risk	Risk Impact	Prioritization Germany	Prioritization Netherlands
Forced and bonded labour	High	Moderate	Moderate
Severe risk for occupational health and safety	High	Moderate	Moderate
Discrimination and harassment	High	Moderate	Moderate
Systematic payment below minimum wage / systematic late payment	Moderate	Low	Low
Excessive overtime	High	Moderate	Moderate
Freedom of association and collective bargaining	Moderate	Moderate	Moderate

In our **2025** assessment, the **Likelihood** for each of the different risks associated with the transport sector was rated **Low**.

This rating is based on the designation of Germany and the Netherlands as non-risk countries. For this reason, no further measures have been initiated

5.4.3 Production partner apparel and wet process

The focus of our risk assessment and our mitigation measures is still with our production partners. Based on the insights gained through our New Frontier audits, we can assess the actual risk situation with a high degree of accuracy. Our own internally collected data is supplemented by the detailed *BSCI audit* reports, which we can access as an *amfori* member, as well as the annually completed *BEPI RAQ*, wastewater test reports, *RSC* inspections, and information received through the grievance mechanisms.

For the area of garment production and wet process, we have identified **22** material risks.

Risk	**Risk Impact**	**Prioritization Bangladesh**	**Prioritization China**
Unauthorized subcontract	Very high	High	High

In our **2025** assessment, the **Likelihood** of the critical risks *unauthorized subcontract* was rated **Moderate** and **Low**.

This rating is based on our existing preventive measures. In addition to our on-site inspections, this also includes the option to subcontract work, subject to consultation with us. We regard the active use of this option by our production partners in situations where there are bottlenecks as confirmation that our existing measures are effective and that no additional measures are currently considered necessary. In our assessment of Bangladesh, we have taken the feedback from rights holders into account.

Risk	**Risk Impact**	**Prioritization Bangladesh**	**Prioritization China**
Sourcing from home workers	Low	Low	Low

In our **2025** assessment, the **Likelihood** of the risks *Sourcing from home workers* was rated as **Low**.

This rating is based on our existing preventive measures. In addition to our on-site inspections, this also includes the option to subcontract work, subject to consultation with us. We regard the active use of this option by our production partners in situations where there are bottlenecks as confirmation that our existing measures are effective and that no additional measures are currently considered necessary.

In our assessment of Bangladesh, we have taken the feedback from rights holders into account.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Forced and bonded labour	High	Moderate	Moderate
Severe risk for occupational health and safety	High	Moderate	Moderate
Child labour	High	Moderate	Moderate

In our **2025** assessment, the **Likelihood** of each of the critical risks *Forced & bonded labour*, *Severe risk for occupational health and safety* and *Child labour* was rated **Low**.

This rating is based on the information we have received about our production partners. Based on the information available to us, we have not identified evidence of these critical risks among our production partners. We will continue to maintain our existing measures, such as the thorough vetting of new production facilities prior to placing orders and regular internal and external audits of existing production partners. In our assessment of Bangladesh, we have taken the feedback from rights holders into account.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Greenhouse gas emissions	Very high	Very high	Very high

In our **2025** assessment, the **Likelihood** for the critical risk of *Greenhouse gas emissions* was rated **Very high**.

The energy required for the production and transport of our orders is largely generated using fossil fuels and contributes to global warming. As it is not yet possible to prevent or offset the scale of these emissions, we are currently unable to take effective measures to prevent them.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Discrimination and harassment	High	Moderate	Moderate
Sexual harassment	High	High	Moderate

In our **2025** assessment, the **Likelihood** for the hidden severe risks of *Discrimination and harassment* and *Sexual harassment* was rated **High** for Bangladesh and **Moderate** for China.

As an additional preventive measure, we have continued to roll out the amfori training programme on gender equality and zero tolerance for violence and harassment in the workplace amongst our production partners. See sections 2.1.1 and 6.1.1. In our assessment for Bangladesh, we took the rights holders' feedback into account.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Discharge of untreated wastewater	High	High	Moderate
Hazardous waste	High	High	Moderate
Water consumption & availability	High	High	Moderate

In our **2025** assessment, the **Likelihood** for the severe risks of *Discharge of untreated wastewater*, *Hazardous waste* and *Water consumption & availability* was rated **Moderate** for Bangladesh and **Low** for China.

This rating is based on the information available to us regarding our production partners that have in house wet processing facilities. All of them have a fully operational wastewater treatment plant to treat the water contaminated by dyeing, printing and washing before it is discharged back into the environment. Furthermore, all participate in the *ZDHC* programme, meaning that compliance is verified not only with local statutory parameters but also with the stricter parameters of the *ZDHC* Wastewater Guideline. Through *BEPI*, we have been informed that only one production partner is located in a region experiencing high water stress. This partner reuses its treated water, meaning that no wastewater is produced and no fresh water needs to be extracted on a large scale for production. The resulting sewage sludge is disposed of via local waste management service providers. As a member of the *ZDHC* initiative, we have access to the wastewater test reports and *ZDHC* compliance assessments of the chemical inventories.

When assessing the risks for Bangladesh, we have taken the feedback from the rights holders into account.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Hazardous chemicals	High	High	Moderate

In our **2025** assessment, the **Likelihood** for the severe risks of *Hazardous chemicals* was rated **Moderate** for Bangladesh and **Low** for China.

This rating is based from the fact that hazardous chemicals with varying levels of risk are used in the wet process of textile production. This also applies to chemicals that comply with the *ZDHC Manufacturing Restricted Substances List (MRSL)*; safety measures such as chemical management are therefore essential to reduce risks to people and the environment.

In China, we work exclusively with a fully integrated facility using wet process that is *OEKO-TEX® STeP* certified.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Use of chemicals with persistent organic pollutants	Very high	High	High
Use of chemicals with mercury	High	Moderate	Moderate

In our **2025** assessment, the **Likelihood** for the severe risks of *Use of chemicals with persistent organic pollutants* and *Use of chemicals with mercury* was rated **Low**.

This rating is based on our information regarding the annual tests for chemical residues in wastewater and sewage sludge. In the wastewater and sewage sludge samples tested by independent institutes in accordance with *ZDHC* requirements, no contamination with either the group of persistent organic pollutants or with mercury has been detected.

As this is a highly technical risk, the rights holders in Bangladesh were unable to provide an assessment of it.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Systematic payment below minimum wage & systematic late payment	Moderate	Low	Moderate

In our **2025** assessment, the **Likelihood** for the severe risks of *Systematic payment below minimum wage / systematic late payment* was rated **Low** for Bangladesh and **Moderate** for China.

This rating is based on the information available to us, which indicates that all our production partners in Bangladesh implemented the new minimum wage from day one, and that we were unable to identify any instances of non-compliance during our regular inspections throughout the year. Wages were also paid for the period during which the factories were closed. We have likewise found no instances of the minimum wage being undercut among our production partners in China; however, there are still shortcomings here in the implementation of statutory social security provisions.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Bribery and corruption	Low	High	Moderate

In our **2025** assessment, the **Likelihood** for the hidden severe risk of *Bribery & corruption* was rated **Very High** for Bangladesh and **High** for China.

This rating is based on Transparency International’s assessment of the two countries. We do not have any information on actual cases of bribery, but as corruption is very widespread, particularly in Bangladesh, we cannot interpret this as meaning there is no risk. The rights holders in Bangladesh agree with our assessment.

Risk	**Risk Impact**	**Prioritization Bangladesh**	**Prioritization China**
General occupational health and safety	Moderate	High	High

In our **2025** assessment, the **Likelihood** for the systemic risk of *General occupational health and safety* was rated **Very High**.

This rating is based on the internal New Frontier social audit reports and *BSCI audit reports* available to us. Each individual audit continues to identify shortcomings in health and safety. To address this situation in the long term, we support the continuous improvement of our production partners. See Chapter 2.1 and Chapter 6.1.2.
The rights holders in Bangladesh agree with our assessment.

Risk	**Risk Impact**	**Prioritization Bangladesh**	**Prioritization China**
Excessive overtime	High	High	High
Non-payment of a living wage	Moderate	High	Moderate

In our **2025** assessment, the **Likelihood** for systemic risk of *Excessive overtime* and *Non-payment of a living wage* was rated **Very High** and **High.**

The number of overtime hours worked by factory workers in Bangladesh and China is too high, regardless of the standard used as a benchmark.

In Bangladesh, this is due to the low level of the statutory minimum wage, which, even with overtime, is barely enough to make ends meet. The gap is so wide that even working 14 hours a day is not enough to earn a living wage. In China, the gap between the minimum wage and a living wage is significantly smaller, meaning that in some cases a living wage is actually achieved. Most workers here are paid on a piece-rate basis. To earn a decent wage, they must produce a correspondingly large number of items, which can result in long working hours.

Our influence on these systemic risks is limited. As a first step, we therefore aim to improve our understanding of the actual situation. See Chapter 6.1.3.

The rights holders do not agree with our assessment and would rate the risk lower. For them, the risk of overtime is highly context dependent. We have not taken this assessment into account in our current evaluation.

Risk	Risk Impact	Prioritization Bangladesh	Prioritization China
Freedom of association & collective bargaining	Moderate	High	High

In our **2025** assessment, the **Likelihood** for systemic risk of Freedom of association & collective bargaining was rated **Very High**.

This rating is based on the information available to us regarding the legal restrictions on freedom of association and the right to collective bargaining in both Bangladesh and China. We do not regard the Participation Committees in place at our production partners as an equivalent substitute. We are currently unable to take any action on this matter.

The rights holders generally agree with our assessment but would assign a higher priority to the risk.

5.4.4 Material production

The risks identified in our production countries apply not only to garment manufacturing but also to the local material production. In addition to China and Bangladesh, materials are also sourced from three yarn producers in India, so we consider a total of three countries. Further to the country-specific risk there are additional risks related to the specific production processes of the materials, such as the use of hazardous chemicals in the production of polyurethane or paper.

Through our supply chain mapping, we have a good overview of the material suppliers for our products. However, we have significantly less concrete information available, so we can only estimate the **Likelihood** at a relatively high level. Our primary sources of information about the actual presence of risks and existing mitigation measures are certifications such as *GOTS* and *GRS*, as well as social audit reports. Where *BSCI audits* are available, we gain better insight into the situation, as we have direct access to the comprehensive reports with all details on the *amfori* platform. Overall, audit reports or certificates are available for **61%** of our indirect material suppliers.

Standard	Total	Fabric & Yarn	Accessories
BSCI-audit reports	17%	19%	12%
Other social audit reports	3%	4%	2%
Certification	58%	72%	37%
Total	61%	73%	42%

Because a high number of our material suppliers neither are certified nor have been audited by a third party, we must generally assume a higher **Likelihood** for the various risks.

For the area of material production, we have identified and assessed **21** significant risks.

Risk	Prioritization Bangladesh	Prioritization China	Prioritization India
Greenhouse gas emissions	Very high	Very high	Very high
Unauthorized subcontract	High	High	
Forced and bonded labour	Moderate	Moderate	Moderate
Severe risk for occupational health and safety	High	Moderate	Moderate
Child labour	High	Moderate	Moderate
Discrimination & harassment	High	High	High
Sexual harassment	High	High	High
Hazardous chemicals	High	High	Moderate
Use of chemicals with persistent organic pollutants	Very high	Very high	-
Use of chemicals with mercury	Moderate	High	Moderate
Hazardous waste	High	High	-
Discharge of untreated wastewater	Moderate	High	-
Water consumption & availability	High	High	Moderate
Systematic payment below minimum wage / systematic late payment	High	Moderate	Low
Bribery and corruption	High	Moderate	High
General health and safety	High	High	High
Excessive overtime	High	High	High
Non-payment of living wages	High	High	High
Freedom of association & collective bargaining	High	High	Low
Sourcing from home workers	Low	Low	Low
Air pollution	Low	Low	-

In our **2025** assessment, the **Likelihood** for the different risks related to the production of material was rated variously. However, due to our limited ability to influence this stage of the supply chain, we are not providing a detailed individual analysis of each risk.

As a preventive measure, our production partners have, as a first step, committed to establishing a separate due diligence agreement with their respective material suppliers to cascade our requirements throughout the supply chain. See Chapter 6.2.3.

As part of our efforts to reduce the environmental impact of wet production facilities, we have joined the *ZDHC* initiative and use the *ZDHC* Gateway to monitor our indirect material suppliers' compliance with the *ZDHC MRSL*. See Chapter 2.3 and Chapter 6.2.1.

5.4.5 Raw material cultivation and extraction

The extraction and cultivation of raw materials form the starting point of our supply chain. For the majority of materials used in our products, we currently have no available information regarding this production stage. To be able to carry out a risk assessment of the raw material stage, we have decided to limit our evaluation to a specific material type. The following supply chains are therefore not included in this assessment:

- Recycled animal fibres
- Chemical fibres, paper and upstream industries
- Synthetic fibres, plastics, chemicals upstream industries as well as crude oil extraction
- Metals, upstream industries and mining

Instead, we focus on the supply chain of the natural fibres we use — cotton and virgin wool. For the raw material stage of natural fibres, we have identified and assessed **12** risks as material.

5.4.5.1 Fibres – Cotton

Risk	**Prioritization India**
Non-payment of a living income	High

In our **2025** assessment, the **Likelihood** for systemic risk of *Non-payment of a living income* was rated **Very High**.

Risk	**Prioritization India**
Severe risk for occupational health and safety	High
Hazardous chemicals	High
Use of chemicals with Mercury	High
Child labour	High
Forced and bonded labour	High
Excessive overtime	High
Discrimination and harassment	High
General risk for occupational health and safety	High
Systematic payment below minimum wage / systematic late payment	Moderate

In our **2025** assessment, the **Likelihood** for the various risks related to the cultivation of cotton was rated **High**.

Risk	**Prioritization India**
Water consumption & availability	High
Soil degradation	High

In our **2025** assessment, the **Likelihood** for the risk of *Water consumption & availability* and *Soil degradation* was rated **Moderate**.

These ratings were based on information from external sources and *NGO* reports concerning cotton cultivation in India and global cotton farming practices. We currently do not have specific information about the origin of the cotton used in our supply chain. The only exceptions are orders certified under *GOTS*, *OCS*, or *Fairtrade®*, for which we know the country of origin of the cotton used in our products. In the case of *Fairtrade®* orders, we also know the name of the cotton cooperative and the ginning facility. As an initial step, we have therefore decided in **2024** to enhance our knowledge base by requesting origin information for the cotton used in every order. See Chapter 6.3.1.

5.4.5.2 Fibres – Virgin Wool

Risk	**Prioritization Product**
Animal welfare	Moderate

In our **2025** assessment, the **Likelihood** for the risk of *Animal welfare* was rated **Low.**

This rating is based on our decision to certify our wool product lines under the *Responsible Wool Standard (RWS)*, which we took already in the initial product development stage. The *RWS* sets clear requirements regarding the breeding, keeping, and shearing of sheep and is founded on the Five Freedoms of animal welfare. This applies also to virgin wool sourced from Australia, where the practice of *mulesing* is still in use—an approach we explicitly exclude for our products.

6 Measures & Objectives

We have set specific objectives and defined key performance indicators (KPIs) for our measures to monitor and evaluate the progress of their implementation and effectiveness.

6.1 *Production partner apparel and wet process*

For direct suppliers, we have defined **3** specific objectives.

6.1.1 *Equality and Zero Tolerance for Discrimination and Harassment in the workplace*

Since informing our production partners in Bangladesh and China about the new amfori training in August **2024**, we have been systematically tracking its implementation:

Progress - Training Equality at the workplace

By the end of **2025**, **100%** of our production partners have completed the training for managers, and training for workers has started in every factory.

Since November **2024**, the *BSCI audit* has been checking whether managers at the production site are aware of the training programme and whether training sessions for employees have already taken place. In **2025**, **12** BSCI audits were carried out at our production partners' sites and confirmed the implementation of the training:

Progress – BSCI-Audit check

The BSCI audit report only indicates whether the training has taken place, but not whether the content has been effectively communicated and understood. In the case of large production facilities with a high number of employees, the report also does not specify how many training sessions have already been conducted.

We wanted to bridge this information gap through our own New Frontier social audits. We began this in the second half of **2025** and, during a trial run, found that it is better to conduct the interviews during a separate factory visit rather than as part of an audit.

Progress - New Frontier social audit check

We aim to have gathered information from all our production partners by the end of the first quarter of **2026**.

6.1.2 Corrective Actions after BSCI Audits

In December **2025,** we had information about the corrective actions our production partners implemented for **93%** of the BSCI audit findings of this year.

<u>Progress - BSCI Corrective Action</u>

By **2026**, we aim to improve this rate to 100 per cent.

In **2025**, we received evidence that **53%** of the identified defects had been rectified within the specified timeframe.

<u>Progress – Processing time of BSCI corrective actions</u>

We have therefore not achieved last year's target of **70%.** We are setting ourselves this target once again for **2026**.

6.1.3 Evaluation of the overtime situation of our production partner

A high level of overtime is a systemic risk in the apparel and textile industry.

<u>Progress - Evaluation of the status quo</u>

Work on implementing this objective could not begin during the reporting year. Taking into account a reassessment of the effort involved, we intend to evaluate the current situation regarding overtime at six of our production partners in Bangladesh and China by the end of **2027**. The evaluation will also include interviews with the workers directly affected. We also intend to determine to what extent New Frontier GmbH, and the other customers of the production facility, contribute to the level of overtime.
On this basis, we plan to engage in dialogue with amfori to develop approaches for potential solutions.

6.2 Material production

In the 'Indirect Suppliers' area of focus, we have set ourselves two objectives. We will no longer be pursuing one of last year's objectives, as other opportunities have arisen.

6.2.1 ZDHC-Gateway – Connection to all wet process units

We have been a member of the *ZDHC* initiative since March **2025** and use the *ZDHC* Gateway. Through the system, we have access to information from **100%** of our production partners operating in house wet processing facilities, but only from a portion of our indirect material suppliers in the supply chain.

Progress - ZDHC Gateway connection with wet process – Accounts existing

By the end of **2026**, we aim to have established a connection with **80%** of our indirect suppliers who already have an account on the *ZDHC* Gateway.
Once we have achieved this target, we intend to begin onboarding indirect suppliers who are not yet integrated into the *ZDHC* system.

Progress - ZDHC Gateway connection with wet process – Total

By the end of **2028**, we aim to ensure that **100%** of our indirect wet production sites in the supply chain are integrated into the *ZDHC* system and linked to us within it.

6.2.2 BEPI RAQ

As an amfori member, we use *the BEPI Risk Assessment Questionnaire (RAQ)* to find out how our suppliers manage specific environmental risks and to collect consumption data. All our production partners complete the *RAQ* every year.
We have also started to include strategic material suppliers on the amfori platform and ask them to complete the *RAQ*.

Progress – RAQ completed by strategic material supplier

We did not achieve last year's target but were able to maintain the existing level. Due to the significant effort involved, in future we will only work towards including material suppliers in the amfori system in individual cases and will discontinue reporting on this. Instead, we will focus on integrating our material suppliers with wet process into the *ZDHC* system (see 6.2.1).

6.2.3 Cascading due diligence in the supply chain

In August **2024**, we agreed new requirements with our production partners. One particular new requirement is the cascading of our requirements down the supply chain via specific cascading clauses.

These include the values and standards defined in the *BSCI* and *BEPI Codes of Conduct*, the *ZDHC MRSL,* our *RSL* and, in addition, details of how to access the external *OEKO-TEX®* complaints mechanism.

To monitor the cascading of our requirements, we are collecting the signed contracts. By the end of **2025**, we had received a signed agreement by **21%** of our material suppliers.

Progress – Cascading of our requirements

By the end of **2026**, we aim to have signed due diligence agreements in place with at least **30%** of our indirect suppliers.

6.3 Raw material

For the deep supply chain, we have defined **1** specific objective.

6.3.1 Origin of cotton

In **2025**, we received information on the country of origin of the cotton used in **79**% of our orders involving cotton products.

Progress – Information about the origin of cotton

The target of obtaining this information for **100%** of contracts remains in place for **2026**.

7 Glossary

Accord	The International Accord for Health and Safety in the Textile and Garment Industry is a multi-stakeholder initiative with the aim of making garment and textile factories safer. The initiative is active in Bangladesh and Pakistan. The International Accord emerged from the Accord for Health and Safety in the Textile and Garment Industry in Bangladesh.
amfori	amfori is a business association that promotes sustainable trade.
amfori BEPI	The Business Environmental Performance Initiative is a collection of tools to measure and improve the environmental performance of factories.
amfori BSCI	The Business Social Compliance Initiative is amfori's social audit program.
amfori Speak for Change	The Speak for Change Programme is a grievance mechanism for supply chains.
Chemical management audit	Chemical management audits are generally carried out at production sites with wet process, as these processes—such as dyeing and finishing—typically involve significant use of chemicals.
Code of Conduct	Code of Conduct
CR	Corporate Responsibility is the comprehensive concept of corporate responsibility for every impact that a company's activities have on society and the environment.
ESG	The abbreviation ESG stands for Environmental, Social, and Governance. These are criteria and frameworks established by the United Nations (UN) and financial institutions to integrate environmental, sustainability, and social considerations into the governance of companies, public bodies, governments, and authorities.
GermanFashion	GermanFashion is a German business association based in Cologne for apparel and garment businesses.
GIZ	Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a development cooperation organisation that operates internationally on behalf of various ministries of the Federal Republic of Germany.
GOTS	The Global Organic Textile Standard is a product certification for the use of fibres grown according to organic standards (e.g. cotton). The standard also includes very detailed requirements for all stages of the supply chain.
GRS	The Global Recycled Standard is a product certification for the use of material obtained from recycling. The standard includes additional requirements for all stages of the supply chain.
LkSG	The Supply Chain Due Diligence Act is based on the UN Guiding Principles and has applied to large companies in Germany since 01.01.2023.
IndustriALL	The IndustriALL trade union federation represents 50 million workers in the manufacturing sector across the globe.
Manufacturing Restricted Substances List	A Manufacturing Restricted Substances List (MRSL) sets out limit values for certain chemicals found in dyes and textile auxiliaries used in the textile and clothing industry.
Wet process	The term wet process covers all production steps that generate wastewater. This includes dyeing and washing as well as certain types of printing.
NGO	Non-governmental organisation
OCS	The Organic Content Standard is a product certification for the use of fibres grown according to organic standards (e.g. cotton, linen, wool).
OECD	Organisation for Economic Cooperation and Development
OECD-Due Diligence Guidance	The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Industry
OEKO-TEX® Responsible Business	The OEKO-TEX® Responsible Business Standard is a company certification. The standard contains requirements for a company's due diligence obligations.
OEKO-TEX® Standard 100	The OEKO-TEX® Standard 100 is a product certification to ensure chemical limit values.
OEKO-TEX®	The OEKO-TEX® STeP Standard is a company certification for textile and clothing producers.

STeP	The standard includes both social and environmental requirements.
RCS	The Recycled Claim Standard is a product certification for the use of recycled materials
RSC	The Ready-Made Garment Sustainability Council is a non-profit limited company in Bangladesh. The RSC is responsible for implementing the requirements of the Accord.
RWS	The Responsible Wool Standard is a product certification for compliance with animal welfare criteria in sheep farming.
Social audit	A social audit is conducted to assess working conditions, focusing on the adherence to national labour laws and the core labour standards as defined by the International Labour Organisation (ILO).
UN-Guiding Principles	The United Nations Guiding Principles on Business and Human Rights is a global standard adopted in 2011 to prevent and remedy human rights violations in connection with business activities.
UNI Global Union	UNI Global Union is a global trade union federation representing 20 million workers in the service sector worldwide.

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