S-GARD SAFETY GARMENTS

– Hubert Schitz GmbH

HRDD report

Reporting period (Financial year: January 1st – December 31st, 2025)

COMPANY WEBSITE www.s-gard.de

FAIR WEAR MEMBER SINCE JANUARY 1ST 2016

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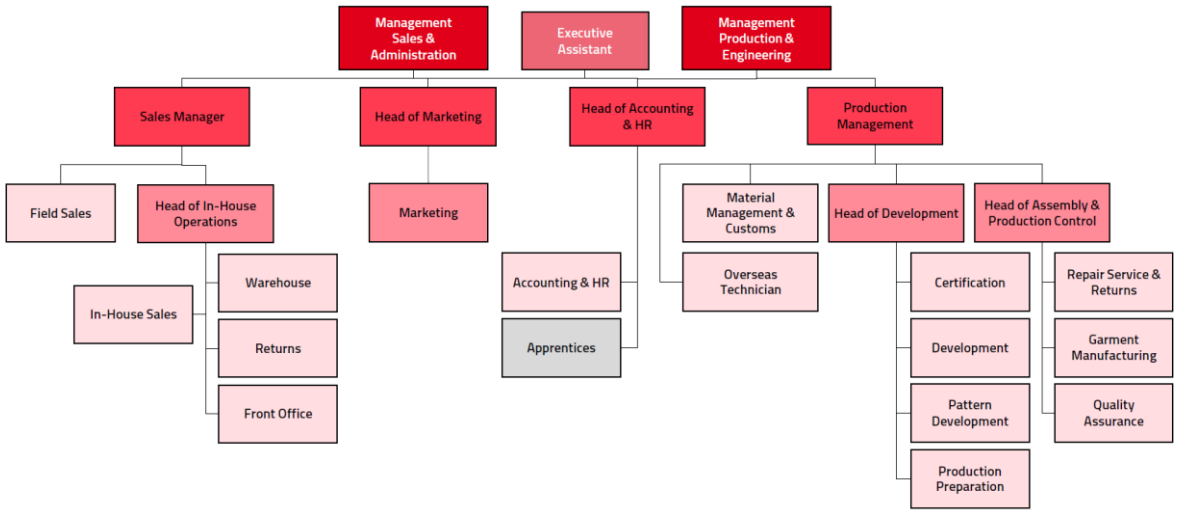
Organizational chart



Summary: 2025 goals & achievements

2025 was a stable year for S-GARD, allowing the company to further consolidate its sourcing structure and strengthen its social compliance activities.

A key development in 2025 was the responsible exit from our production location Dekorteks Tekstil Ürünleri San. Tic. Ldt. Şti. in Turkey. Following unresolved issues identified in previous audits and the lack of sufficient improvement despite follow-up efforts, S-GARD initiated and commenced a responsible exit process in line with Fair Wear requirements.

In 2025, S-GARD continued its cooperation with Fair Wear, marking the start of the 10th year of collaboration. A supplier risk assessment was conducted to better identify and prioritize social risks within the supply chain. However, balancing Fair Wears requirements with daily operational work remains challenging for a growing brand with limited internal resources. To strengthen internal capacity, S-GARD invested effort in recruiting for a dedicated CSR position during 2025. While the

position could not yet be filled, suitable candidates were found, starting a crucial step toward improving social compliance management at S-GARD.

Overall, 2025 showed both progress and limitations: while growth and structural challenges slowed the speed of implementation of Fair Wear-related ambitions, key foundations were laid through risk assessments, responsible decision-making regarding supplier relations, and organizational planning for improved CSR capacity in the future.

"Improving labor conditions in our supply chain is an essential part of S-GARD's long-term business strategy. As our company grows, so does our responsibility. Fair Wear provides us with a clear framework to identify risks, make informed decisions and take responsibility where we fall short. 2025 has shown us that change takes time and resources, but responsible choices – such as a well-managed supplier exit – are crucial for building a resilient and credible business."

— **Bruno Schmitz, Management, S-GARD**

Sourcing strategy

HUMAN RIGHTS DUE DILIGENCE

As part of its Human Rights Due Diligence (HRDD) approach, S-GARD continues to strengthen its risk-based management of social compliance in 2025, in alignment with the OECD guidelines. Building on previous years, S-GARD conducted a structured risk assessment considering factory-specific risks, audit outcomes and business-related risk factors such as production volumes and dependency. While Tunisia remains the main production country and therefore the primary focus of S-GARD's due diligence activities, the risk assessment was applied consistently across all active sourcing locations. The results of the risk assessment are used to prioritize monitoring activities, management attention, and sourcing strategies.

SOURCING STRATEGY & PRICING

S-GARD produces personal protective equipment (PPE), focusing exclusively on protective clothing. Most of the production is located in Tunisia, where S-GARD works with a long-established production setup (ABH) and several dedicated sewing factories. Smaller volumes are produced in Poland for urgent orders, small batches and repair services.

Sourcing decisions are based on long-term partnerships, technical capability, quality, reliability and social compliance considerations. S-GARD's supplier relations in Tunisia on average span over ten+

years, enabling close cooperation and mutual understanding of production planning, capacity management and social standards.

Production planning and coordination are managed through continuous direct communication. Weekly meetings take place between S-GARD and Mr. Atef Bennani, who is responsible for coordinating production at the Tunisian factories. In addition, international supplier relations are supported by our International Operations Manager Mr. Slobodan Rendic to ensure clear communication and alignment.

Pricing is negotiated in an open and ongoing dialogue, considering order volumes, model complexity and necessary adjustments in working methods. While no fixed prices are defined, pricing discussions are embedded in the HRDD approach with the aim of promoting reasonable working hours and stable production planning. Findings from the Brand Performance Check confirm that S-GARD performs strongly in long-term supplier relations, while further system implementation is needed in areas such as gender-sensitive approaches, systematic scoping of human rights risks and living wage assessments.

ORGANISATION OF THE SOURCING DEPARTMENT

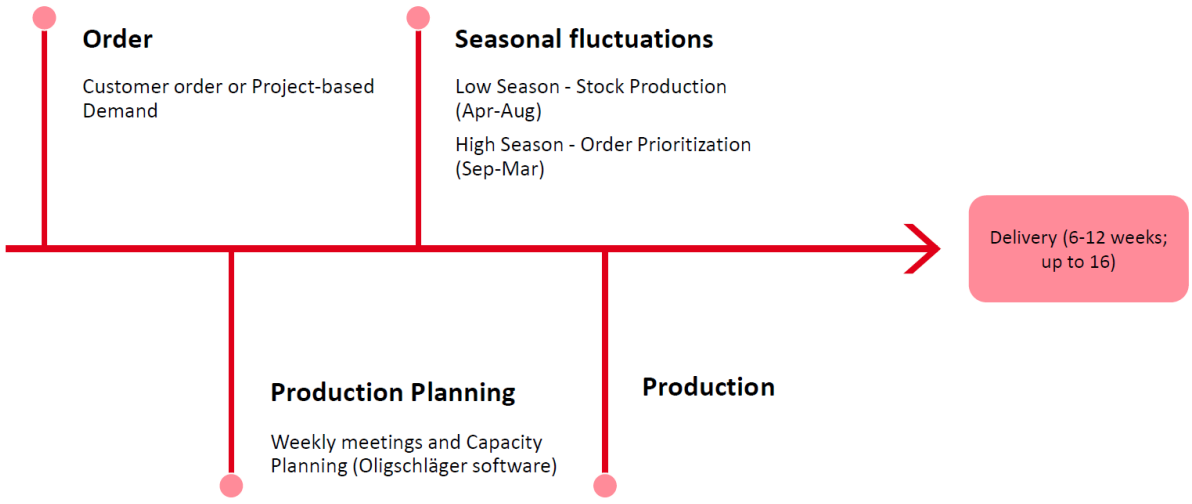
The sourcing and production management structure at S-GARD is organized as follows:

- Strategic planning and company leadership: Mr. Bruno Schmitz, Mr. Hubert Schmitz
- Production management: Mr. Hubert Schmitz (Technical Director), Mrs. Lea Wintgens (Head of Production)
- Fabric purchasing: Mrs. Angelina Busch
- Customs handling: Mr. Lukas Limburg
- Product development: Mr. Jonas Kuschnir (Head of Product Development), Mrs. Vera Bongard (Head of Assembly)

Order allocation and production planning decisions are made jointly by technical management and production management, considering capacity and quality performance. S-GARD does not collaborate with commercial agents. Production is coordinated directly via the Tunisian supplier ABH and Mr. Atef Bennani. Since there is direct communication with all the factories, Mr. Atef Bennani does not function as an agent or intermediary but helps with communication, production planning and distribution of material and orders.

PRODUCTION CYCLE

S-GARD produces a mixed portfolio of standard products and customer-specific items, with an annual total production volume of approximately 200,000 garments. Standard lead times range from 6 to 12 weeks, depending on product complexity and urgency, and may exceptionally extend up to 16 weeks. Seasonal fluctuations occur between September and March (high season) and April to August (low season). As demand is largely project-based, no classical forecast system is possible. Instead, production planning conducts collaboratively with suppliers on a weekly basis.
Long-term partnerships, detailed production planning and the use of S-GARD's international production software "Oligschläger" allows for precise capacity planning and monitoring of individual production steps. Weekly planning meetings with Mr. Atef Bennani ensure early identification of workload peaks. During low production periods, standard items are produced for stock-building, while in peak periods orders are prioritized or rescheduled where necessary. This approach supports the maintenance of reasonable working hours, avoids excessive overtime and ensures product quality.



FACTORY RELATIONS

S-GARD maintains long-term supplier relationships and makes changes to its supplier base only after careful consideration. No new production sites were added in 2025.
In 2025, S-GARD initiated a responsible exit from production facility Dekorteks Tekstil Ürünleri San. Tic. Ldt. Şti. This decision was based on repeated findings from audits and assessments indicating a lack of alignment with S-GARD's sourcing strategy as well as its HRDD requirements. A structured exit process was defined and initiated, including a transition of six months. The goal was to avoid sudden order cancellations and mitigate potential negative impact on workers. Measures included a

gradual reduction of order volumes and the purchase of all stock materials related to S-GARD products, aiming to prevent financial losses and potential job risks at the factory. Following confirmation from the agent that the exit process had been successfully implemented, direct communication with the production facility indicated that key elements of the agreed exit plan have not been communicated to or executed at the factory. Following further discussions regarding the potential purchase of stock materials remaining at the factory, S-GARD was presented with documents and invoices that were subsequently identified as forged. In response, S-GARD developed and communicated a structured proposal outlining potential solutions to address the situation. This proposal aims to resolve the issue in a responsible manner while safeguarding the company from financial or operational risks. Despite these efforts, no further response has been received from the factory to date.

Supplier selection criteria in general include production capacity, quality, price level, communication, logistics and social and environmental standards. Final decisions are taken by senior management in cooperation with production coordination.

Name	Country
Jolie PROD	Tunisia
Societe Nobel Confection	Tunisia
ABH Textile Service Extension	Tunisia
A.B.H Textile Service	Tunisia
MRM Confection	Tunisia
Hanitex	Tunisia
Zaklad Konfekcji Odziezowey Adam Malentowicz	Poland
Dekorteks Tekstil Ürünleri San. Tic. Ldt. Sti.	Turkey
Cint GmbH	Germany

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

Monitoring activities, including audits and risk assessments, play an increasing role in sourcing decisions. The responsible exit in 2025 was a direct result of monitoring outcomes, which identified persistent non-compliance with agreed sourcing standards and HRDD principles.

By linking risk assessment results, audit findings and production planning, S-GARD aims to ensure that its sourcing strategy supports the effective practice of the Fair Wear Code of Labor Practices.

Coherent system for monitoring and remediation

S-GARD applies a coherent monitoring and remediation program that combines risk-based due diligence with close connection to production countries. Monitoring activities include annual risk scoping and risk assessment, regular visits by S-GARD representatives, follow-ups on corrective actions and the use of independent assessments where applicable.

Tunisia remains our main production country and therefore the primary focus of ongoing monitoring and remediation. In 2025, Turkey was phased out through a responsible exit process following persistent non-alignment with S-GARD's HRDD expectations. Poland continues as a smaller production location with comparatively lower country risks.

S-GARD benefits from high leverage due to long-term partnerships and strong dependency on S-GARD orders in most production sites. This enables frequent and transparent communication and corrective actions when required.

RISK ASSESSMENT

As part of its Human Rights Due Diligence approach, S-GARD conducted a structured risk scoping exercise to identify and prioritize the most salient labor rights risks within its supply chain. The assessment considered country-level risks, supplier information, audit outcome, grievance mechanisms and business leverage. Particular attention was given to risks related to wages, working hours, social dialogue and gender-related vulnerability.

The results of the risk scoping exercise are used to prioritize monitoring activities, guide supplier engagement and annual action planning.

TUNISIA

Share of total production: 85,15%

- Regular factory visits by S-GARD management (Head of production, Head of Product development, Fabric purchasing, CEO) during the year
- Continuous operational cooperation and transparency through the ABH (weekly exchanges on production planning, quality topics, shipping and workload distribution)
- A designated S-GARD representative with 50% share of working time in Tunisia to support international relations, coordination and on-site communication

In 2025, the focus in Tunisia was on prevention and tracking through planning and close cooperation. Particular attention was paid to workload planning to support reasonable working hours and quality, including early discussion of high-season peaks and rescheduling or prioritizing orders to avoid excessive overtime where possible.

POLAND

Share of total production: 10,15%

Poland continues as a smaller production location (urgent orders, small batches, repairs). Monitoring is conducted through direct contact and periodic checks by S-GARD staff, with a lower country risk context due to the EU regulatory framework.

TURKEY

Share of total production: 3,61%

In 2025, S-GARD commenced a responsible exit from the supplier base in Turkey, following persistent findings and unsuccessful remediation efforts. The decision was based on monitoring outcomes, including an on-site audit conducted in 2024 and following attempts to engage factory management in corrective action planning. Due to repeated refusal to engage transparently and the lack of willingness to cooperate on remediation, S-GARD concluded that a sustainable partnership aligned with our HRDD approach was not achievable.

The exit was designed to minimize negative impact on the supplier and workers by:

- Phasing out production over approximately six months rather than abruptly stopping orders
- Managing remaining materials and products responsibly to avoid financial losses through leftover stock
- Providing predictability and time for the supplier to seek alternative customers.

After direct communication with the factory, further discussions took place regarding the potential purchase of remaining stock materials. During this process, S-GARD was presented with questionable documentation and invoices. Despite repeated requests for clarification, the factory ceased communication, and no further response has been received.

GERMANY

Share of total production: 1,09%

Germany represents a small share of S-GARD's production volume. Monitoring is ensured through direct communication with the production site.

No new production sides were added in 2025.

Complaints handling

S-GARD maintains an internal complaint handling system that allows factory management and workers to raise concerns related to working conditions. The primary contact person for handling complaints at the production location in Tunisia is Mr. Atef Bennani, who coordinates all cases in close consultation with S-GARD.

Upon receiving a complaint, the issue is discussed between the parties involved and, where necessary, in collaboration between the factory and S-GARD. The workplan is to identify the concern, agree on appropriate corrective actions and implement solutions. S-GARD assesses whether a complaint relates to an individual case or indicates a structural issue, to define prevention measures and avoid recurring problems. Measures agreed upon are implemented with the factory management and monitored through continued communication and follow-up.

In addition to the internal procedures, workers are informed about the Fair Wear Complaints mechanisms as an independent external channel. Information about the Fair Wear Code of Labor Practices (CoLP) and the Fair Wear complaints helpline is communicated at factory level, enabling workers to raise concerns confidentially and without fear of retaliation, including directly to Fair Wear if they do not feel comfortable using internal channels.

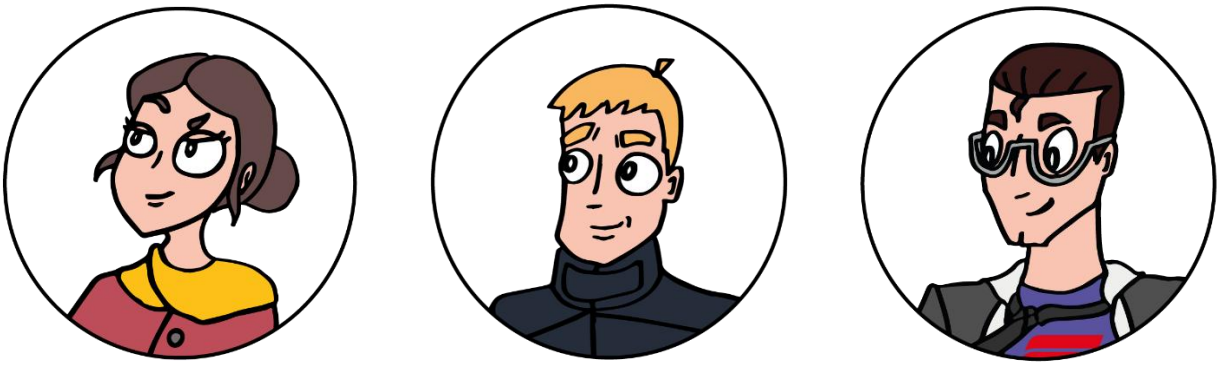
In 2025, no complaints were reported through the internal complaint procedure, nor were any complaints submitted through Fair Wear's external complaints mechanism. Despite the absence of complaints, S-GARD recognizes that the lack of reported complaints does not automatically indicate the absence of grievances.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

In 2025, S-GARD continued to inform and raise awareness among internal staff about its Fair Wear membership and the Fair Wear CoLP.

A dedicated presentation was used to introduce Fair Wear and S-GARD's approach to responsible supply chain management. The presentation is designed in a storytelling format and introduces the topic from different perspectives as illustrated characters, Sarah, representing workers, Thomas as the customer and the company itself represented by Mr. S-GARD.



Fair Wear membership and related CSR topics are addressed regularly in internal meetings, ensuring that staff members remain informed about current developments and the relevance of Fair Wear requirements for their respective roles. These activities enable employees, including sales staff, to provide fundamental information on Fair Wear and S-GARD's engagement when interacting with external partners and clients.

ACTIVITIES TO INFORM AGENTS

In 2025, S-GARD no longer worked with external agents, following the responsible exit from the agent relationship linked to the Turkish supplier. As a result, no training or information activities for agents were conducted during the reporting period.

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

S-GARD continued to focus on informing manufacturers and workers about labor rights and expectations under the Fair Wear CoLP. The Fair Wear CoLP and related information are displayed in visible and easily accessible locations within all production facilities. This ensures that workers are aware of their rights and obligations, as well as the available channels to raise concerns.
In Tunisia, management representatives from S-GARD, the production platform (ABH) and local factory management conducted introduction and follow-up sessions to explain and discuss the CoLP with factory management and workers, particularly where increased clarification was necessary.

Through these activities, S-GARD aims to strengthen awareness of labor standards, occupational health and safety, and complaint mechanisms.

Transparency & communication

In 2025, S-GARD continued to communicate transparently about its Fair Wear cooperation and its commitment to improving labor conditions in the supply chain. After the responsible exit from our Turkish supplier, our factory disclosure went from 77,78% to 100% showing, that we value transparency in our supply chain. Communication activities are aimed at informing customers, business partners, public procurers and the public about S-GARD's affiliation with Fair Wear and the relevance of Fair Wear CoLP. Information on Fair Wear cooperations is publicly accessible via S-GARD's corporate website, where the Fair Wear logo is displayed and relevant policy documents are published. S-GARD's Responsible Business Conduct (RBC) Guideline remains available online and provides an overview of the company's social responsibility approach in connection with Fair Wear requirements.

Fair Wear cooperation is also communicated through product-related materials, included in product brochures and PDF documents and appear on product hangtags. To support transparent communication with clients and public authorities, S-GARD uses a written information statement explaining Fair Wear cooperation and its core principles. Fair Wear and the CoLP are further referenced in tender and procurement documents.

In addition, Fair Wear cooperation and related topics are communicated via S-GARD' social media channels, contributing to general awareness among a broader audience. Through these combined measures, S-GARD aims to ensure that accurate and consistent information about its Fair Wear engagement is available across different communication channels.

Communication channel	Content/ purpose
Company website	Fair Wear Logo, publishing of RBC www.s-gard.com / www.s-gard.de
Product brochures & PDFs	Visibility & communication of Fair Wear cooperation
Hand-Tags	Customer information on the product and communication of Fair Wear cooperation
Customer & Tender Documents	Statement about Fair Wear Membership and CoLP
Tender Documents	Reference to Fair Wear and Social Standards
Social media (Facebook, Instagram, TikTok, Blog)	General public information

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