



ALBIRO
fashion on the job!

**SUSTAINABILITY
REPORT**

2025

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1. GREETINGS BY CORINNE AND LUKAS LOOSLI

At ALBIRO, social sustainability has been a core priority for many years and is firmly embedded in our way of doing business. In 2025, the focus was on further strengthening established structures and translating expectations from customers, business partners and the evolving regulatory environment into consistent implementation across our value chain, particularly with regard to human rights, working conditions and transparency.

At the same time, the overall market environment remained challenging in 2025. The economic slowdown anticipated by many became a reality. Ongoing economic uncertainty and inflation continued to increase price sensitivity among customers across the industry. Against this backdrop, maintaining stability while responding flexibly to changing market conditions required additional effort and resilience.

One of the key challenges remained ensuring that our social standards are applied consistently across all production sites. Differences in local conditions, processes and economic pressures require close cooperation, continuous dialogue and a pragmatic, solution-oriented approach with our suppliers. In parallel, rising expectations regarding documentation, data quality and traceability further drove the improvement of internal processes and helped clarify roles and responsibilities across the organization.

To remain competitive in this demanding environment, we continued to focus on comprehensive customer support tailored to individual needs. Through optimised collections and digital solutions, ALBIRO offers functional and adaptable work-

wear solutions that provide an attractive alternative to standard market offerings, particularly for small and medium-sized enterprises. Digital, internet-based platforms and interfaces enable transparent access to individual collections and inventory levels, simplifying ordering processes and supporting efficient workwear management.

A high level of delivery reliability also remained a key priority in 2025. Our decentralised warehousing structure allows us to maintain high product availability, while close partnerships with laundries and logistics providers help ensure reliable and timely delivery of workwear. These operational measures support continuity for our customers while contributing to stable and predictable supply processes.

Overall, 2025 was characterised by consolidation and continuous improvement. Building on the foundations established over the years, we continued to address social risks proactively, strengthen collaboration between CSR, production and management, and work with partners to support safe and respectful working conditions throughout the value chain, even under challenging economic conditions.

Best regards,
Corinne and Lukas Loosli/
CEOs ALBIRO Switzerland



2. EXECUTIVE SUMMARY

In this Sustainability Report, we present our progress, challenges, and priorities in implementing responsible business practices in 2025. Our focus is on human rights due diligence (HRDD), gender-responsive due diligence (GRDD), and responsible sourcing across our supply chain. Our approach is guided by international standards and by the requirements arising from the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

Key progress in 2025

- Strengthened HRDD system:
Enhanced risk-based human rights due diligence across company, country, and factory levels, enabling more targeted actions
- Expansion of gender-responsive due diligence (GRDD):
Introduction of mandatory Gender Action Plans and integration of gender aspects into risk assessments, monitoring, and grievance mechanisms
- Improved social dialogue:
Increased worker engagement through anonymous surveys, trainings, and stronger interaction with worker representatives
- Wage improvements initiated:
Price adjustments at several suppliers supported wage increases and better working conditions
- Strong supplier relationships & leverage:
High share of own and closely affiliated production enabled effective collaboration and implementation of improvements
- Operational improvements at factory level:
Progress in wage transparency, working hours tracking, health & safety measures, and grievance handling systems
- Maintained external recognition:
Continued Fair Wear Foundation “Leader” status confirms the strong performance of the due diligence system

Key challenges

- Living wage gap:
Persistent gap between minimum wages and living wages across several production countries
- Economic pressure & pricing constraints:
Inflation, cost increases, and production capacity limitations slow down wage progress
- Inconsistent implementation across suppliers:
Variations in local conditions require continuous monitoring and tailored approaches
- Labour shortages & workforce instability:
- Migration, an ageing workforce and competition from other industries impact worker availability
- Overtime risks:
Peak production periods still create pressure on working hours
- Data & reporting challenges:
Need for more standardized data collection, clearer KPIs, and improved traceability

Priorities for 2026

Based on the learnings from 2025, we will focus on:

- Advancing living wage projects through targeted wage increases and improved cost transparency
- Strengthening social dialogue and worker participation at factory level
- Consolidating our supplier base to increase leverage and long-term impact
- Enhancing monitoring systems and KPIs to improve impact measurement and CSRD alignment
- Further integrating gender equality into all stages of due diligence and supplier management
- We remain committed to transparency, continuous improvement, and responsible business conduct throughout our value chain.

At a glance – 2025

Production countries: Bosnia and Herzegovina, Bulgaria, India, Morocco, North Macedonia, Serbia, Slovakia, Türkiye

Production volume: 83% Europe, 16% Africa, 1% Asia

Key focus areas: HRDD, gender equality, social dialogue

Supplier engagement: Mandatory Gender Action Plans implemented

Grievance mechanisms: Accessible, confidential, and actively used

External verification: Fair Wear Foundation “Leader” status maintained.



3. COMPANY & GOVERNANCE FRAMEWORK

3.1. ABOUT ALBIRO

Founded in Sumiswald more than 195 years ago, ALBIRO is a family-owned company now led by its seventh generation. Today, ALBIRO operates as an internationally active group, working with a diverse network of partners and employing people from different cultural and social backgrounds.

Responsible business conduct is an integral part of ALBIRO's corporate identity. The company is committed to equal treatment and does not tolerate discrimination of any kind. These principles are embedded in daily operations and apply to employees as well as business partners.

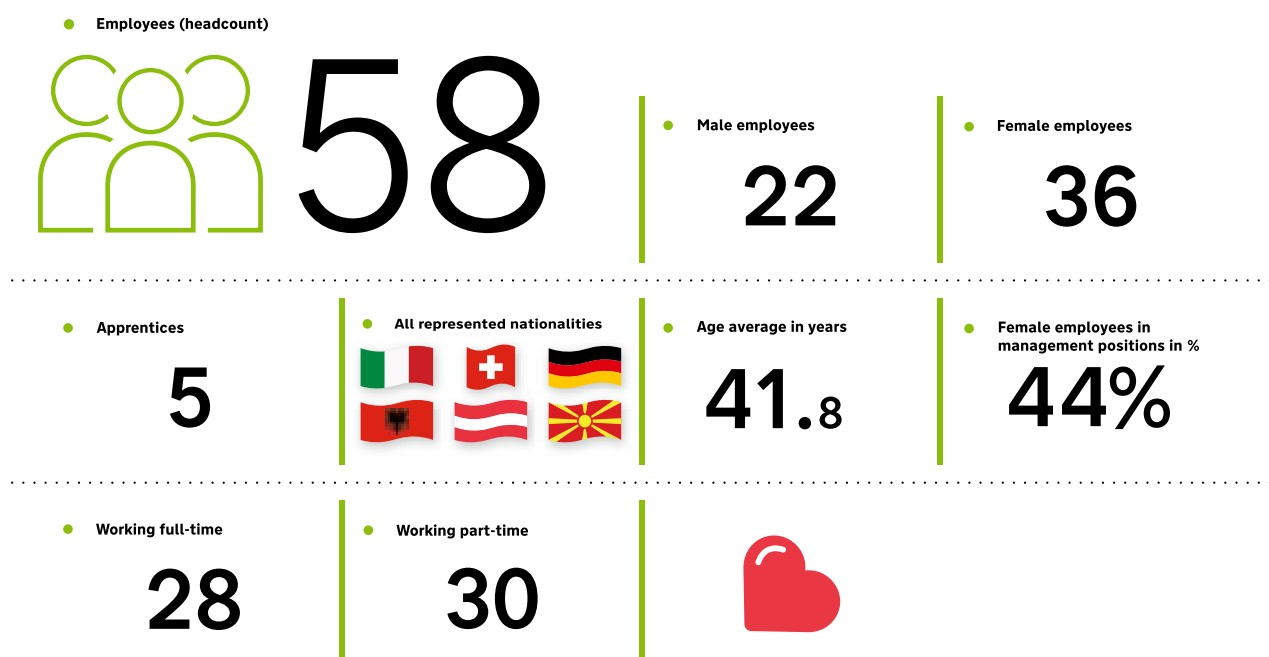
ALBIRO's responsibility to respect human rights is anchored in its Human Rights Policy and applies across all business activities and along the value chain. The policy is aligned with internationally

recognised standards, including the core conventions of the International Labour Organization (ILO), relevant UN Conventions, the OECD Guidelines for Multinational Enterprises, the European Convention on Human Rights and the UN Women's Empowerment Principles. These commitments are further specified in the Declaration of Principles on Respect for Human Rights.

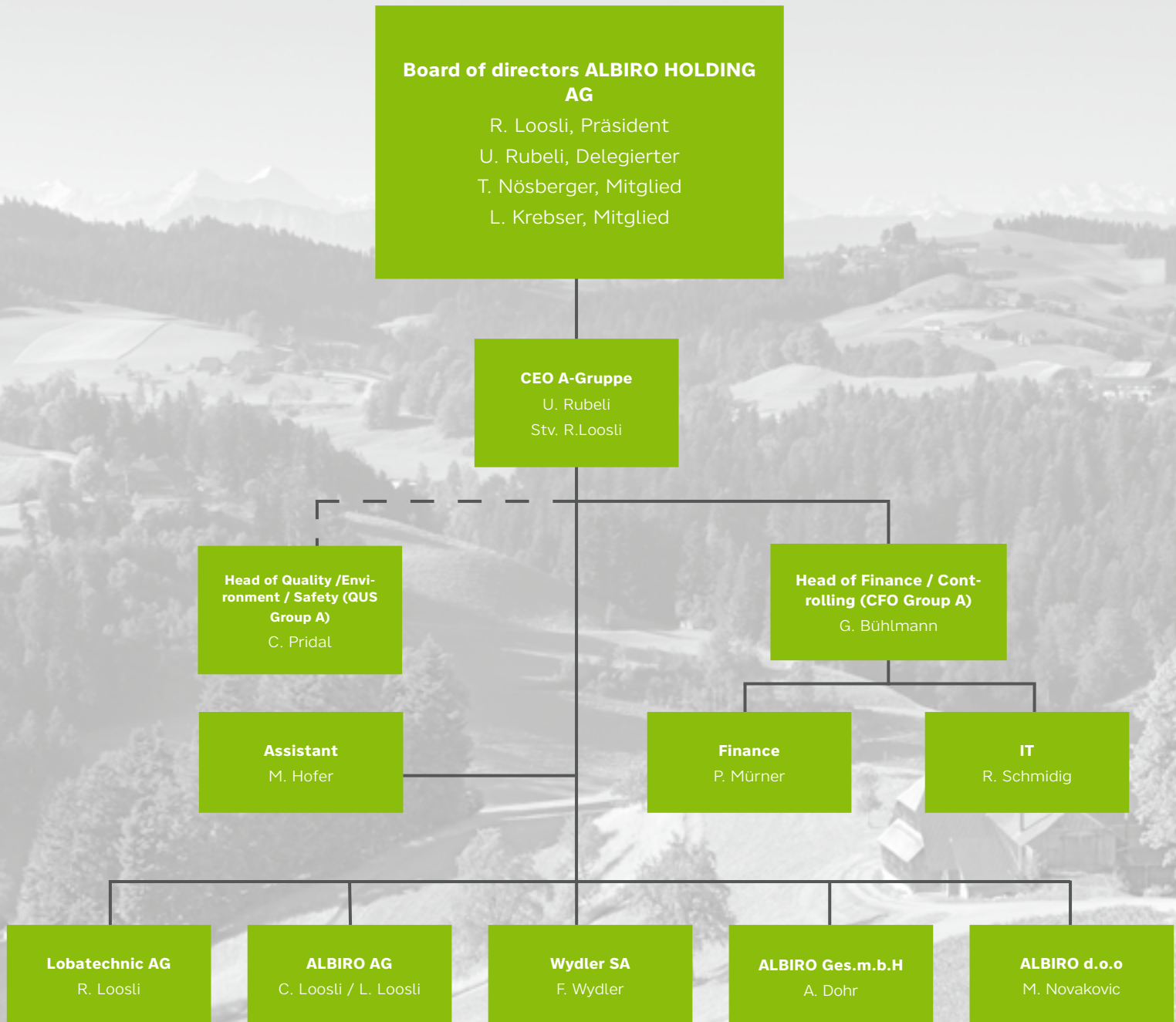
To support responsible supply chain management, ALBIRO applies a structured human rights due diligence approach and collaborates with Fair Wear and amfori BSCI to monitor working conditions and support improvements at garment manufacturing partners. Through ongoing dialogue and cooperation, ALBIRO aims to ensure safe and respectful working conditions throughout its supply chain.

3.2. WHO WE ARE

All our employees



3.3. GOVERNANCE & ORGANIZATION



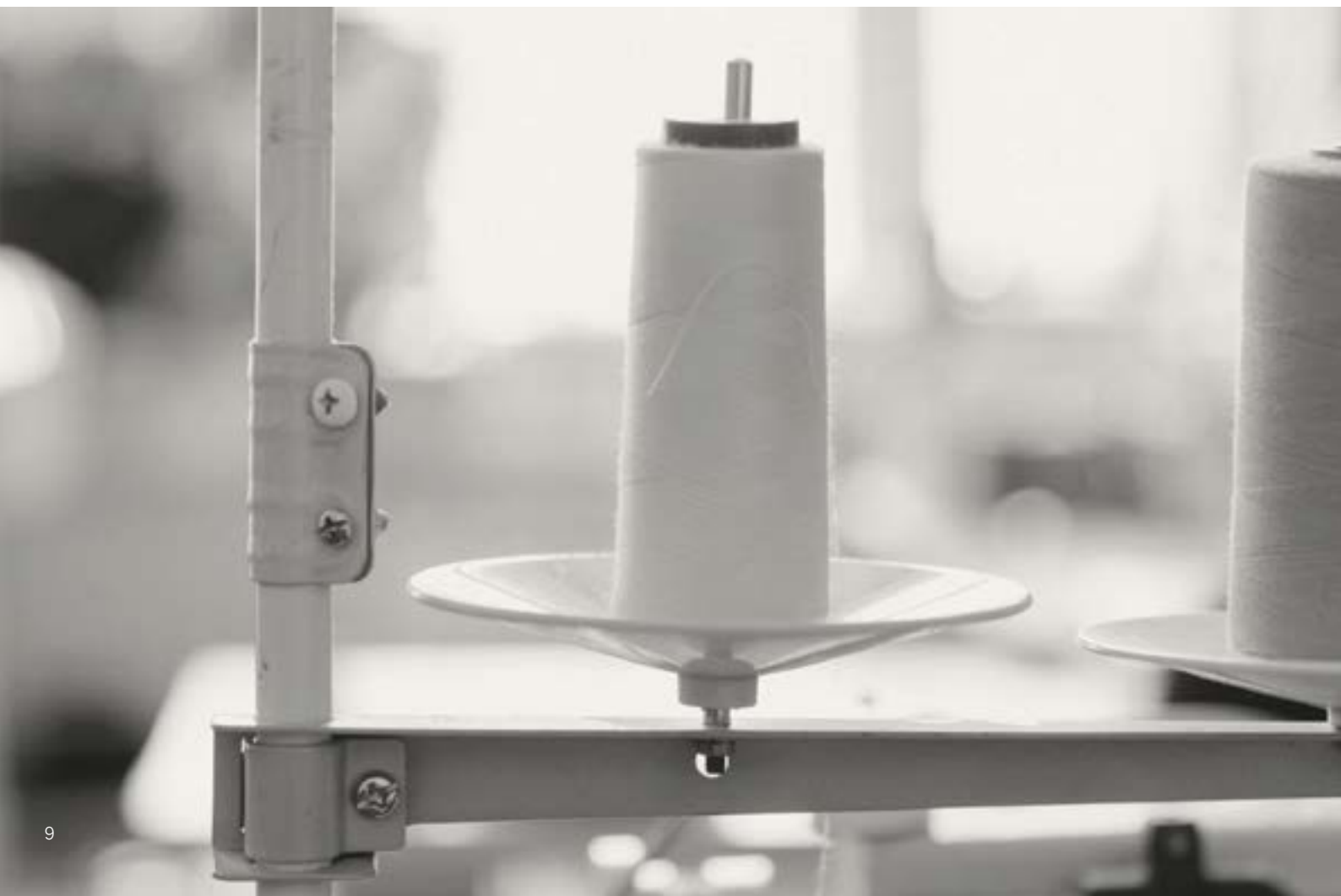
4. COMMITMENTS OF ALBIRO

4.1. SOCIAL COMMITMENTS

4.1.1. Declaration of Principles on Respect for Human Rights.

ALBIRO AG's Declaration of Principles on Respect for Human Rights defines the company's responsibilities regarding human rights and responsible business conduct. The policy applies to ALBIRO AG, its group companies and its entire value chain and forms the foundation of the company's human rights due diligence approach. The policy is aligned with internationally recognised standards, including the core labour standards of the International Labour Organization (ILO), relevant United Nations Conventions, the OECD Guidelines for Multinational Enterprises, the European Convention on Human Rights and the UN Women's Empowerment Principles. It also refers to the Fair Wear Code of Labour Practices, which sets out eight labour standards. Human rights due diligence at ALBIRO is implemented through regular risk analyses, preventive

and corrective measures, and ongoing dialogue with production partners and worker representatives. Clear expectations for employees and business partners are defined in internal regulations, employment contracts and the Supplier Code of Conduct. Compliance with these requirements is monitored through assessments, on-site visits, prevention programmes and corrective action plans. Access to remedy is ensured through established complaints mechanisms, including the Fair Wear helpline, which enables workers in production facilities to raise concerns anonymously. Reported grievances are reviewed and addressed in cooperation with relevant partners. Overall, the policy provides a structured framework for ALBIRO's social sustainability activities and related reporting.

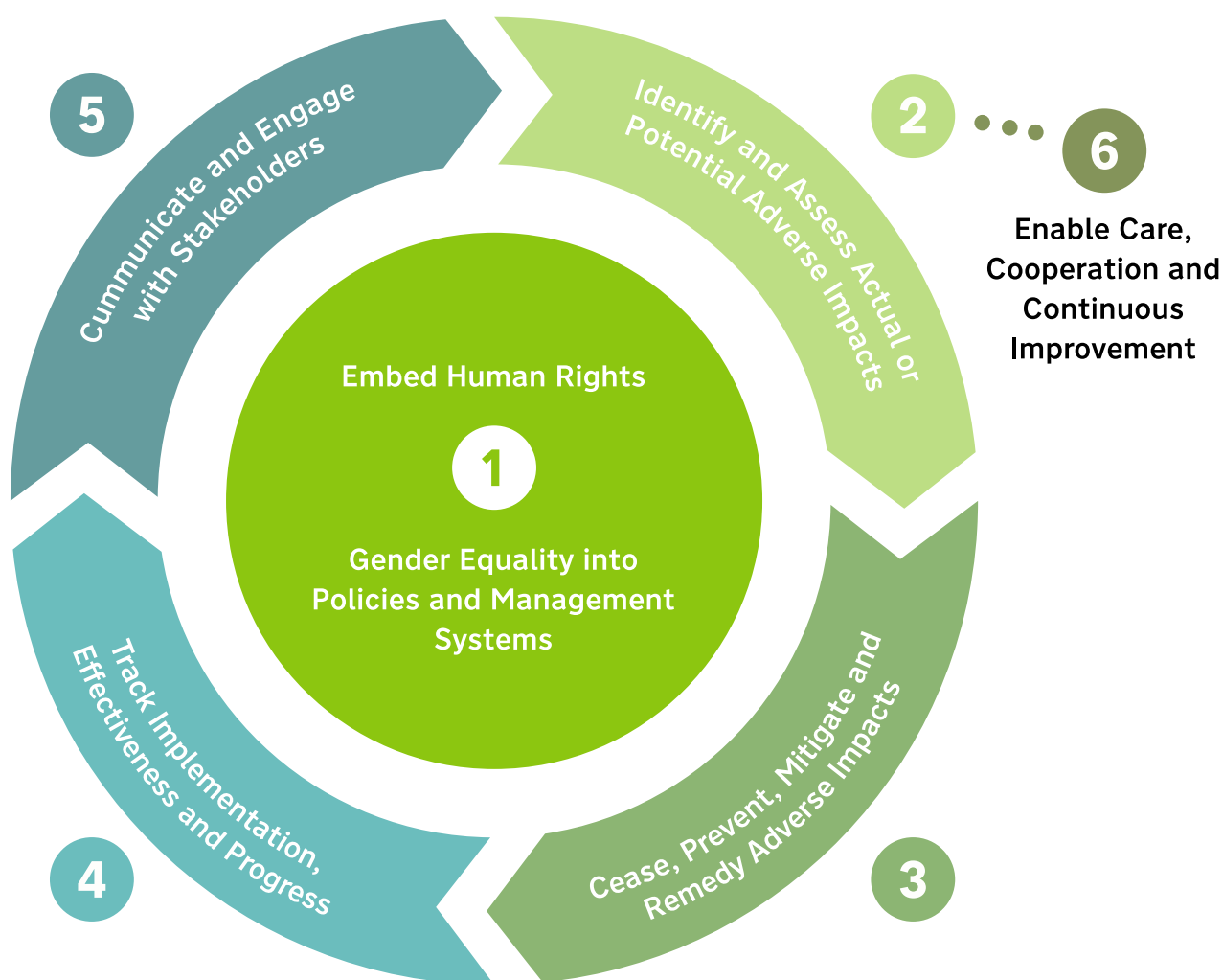


4.1.2. Human Rights Due Diligence (HRDD)

Human rights due diligence refers to the ongoing process through which companies identify, prevent, mitigate and account for actual and potential adverse human rights impacts arising from their own activities and from business relationships throughout the value chain.

ALBIRO's human rights due diligence framework follows the OECD Due Diligence Cycle and is embedded across relevant functions, including Purchasing, Production, CSR and Management. Responsibilities are clearly defined and integrated into operational decision-making processes.

A gender-responsive perspective is applied across all steps of the due diligence cycle to ensure that risks affecting women and men differently are appropriately identified, assessed and addressed.



Step 1: Embed responsible business conduct

ALBIRO's responsibilities are anchored in the Declaration of Principles on Respect for Human Rights, the Employee Code of Conduct and the Supplier Code of Conduct. These documents define expectations for internal operations and for business partners throughout the supply chain.

Human rights considerations are integrated into sourcing decisions, supplier selection and production planning. Policies are reviewed periodically and applied consistently across all production locations.

Step 2: Identify and Assess Risks

As part of its human rights due diligence process, ALBIRO conducts a structured and multi-level risk assessment to identify actual and potential adverse impacts within its own operations and throughout its supply chain.

The assessment follows a stepwise approach:

First, sector-specific risks commonly associated with the textile and garment industry are identified based on recognised external sources and industry analyses. These risks provide the contextual baseline for further assessment.

Second, country-specific risks are evaluated in relation to the eight labour standards of the Code of Labour Practices. This assessment considers structural conditions such as legal enforcement, governance frameworks, political stability and practical implementation of labour rights.

Third, a gender-responsive lens is applied to assess whether structural inequalities or gender-related vulnerabilities may increase specific risks in certain sourcing contexts.

Risk identification is further informed by supplier-level monitoring data, audit findings, corrective action plans, dialogue with production partners and worker representatives, as well as grievance data.

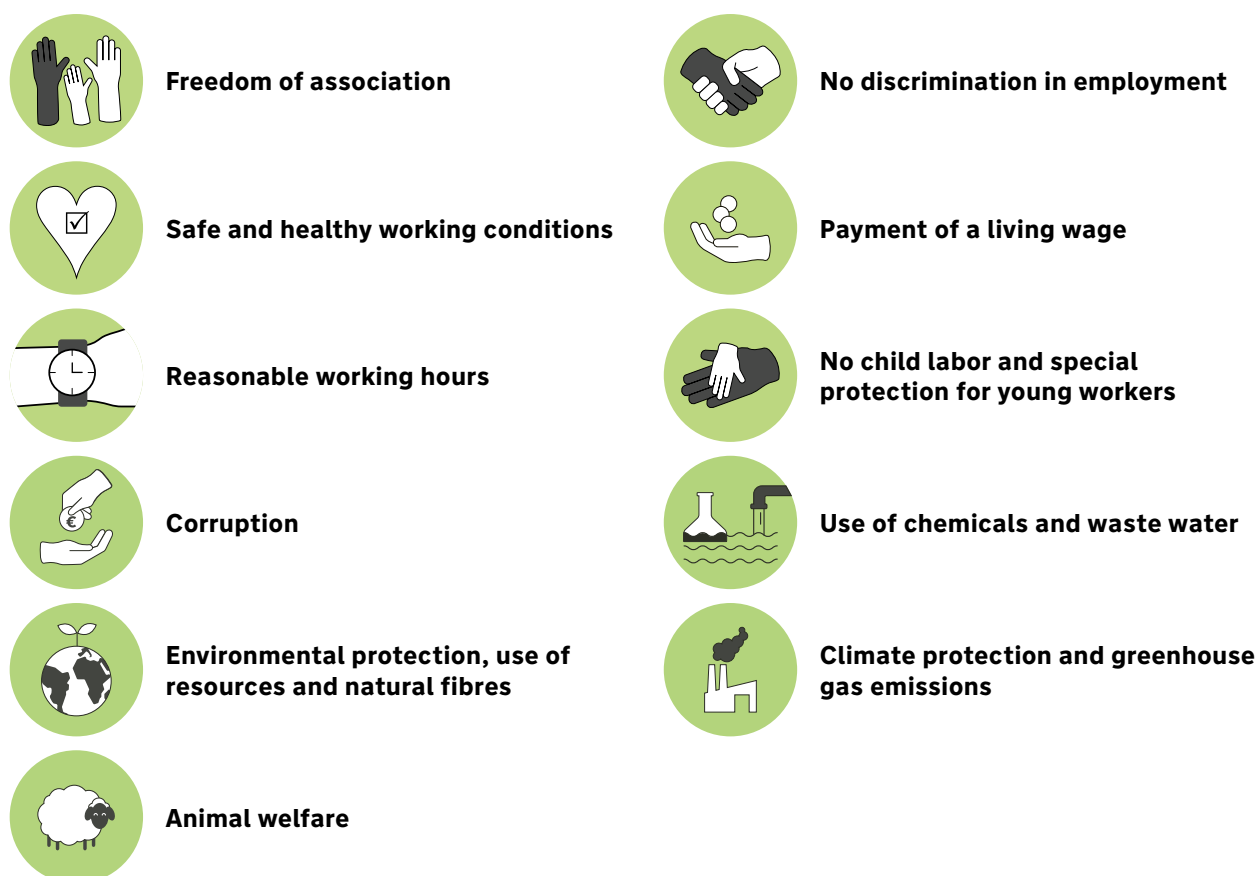
The assessment combines qualitative and quantitative information and is reviewed regularly to reflect changes in sourcing structures, political developments or emerging risks.

Step 2: Sector-Specific Risk Identification

Human rights due diligence refers to the ongoing process through which companies identify, prevent, mitigate and account for actual and potential adverse human rights impacts arising from their own activities and from business relationships throughout the value chain.

ALBIRO's human rights due diligence framework follows the OECD Due Diligence Cycle and is embedded across relevant functions, including Purchasing, Production, CSR and Management. Responsibilities are clearly defined and integrated into operational decision-making processes.

A gender-responsive perspective is applied across all steps of the due diligence cycle to ensure that risks affecting women and men differently are appropriately identified, assessed and addressed.



These risks form the baseline for further country-specific and supplier-level assessments. They do not represent an automatic classification of individual production partners but provide the contextual framework for subsequent risk prioritisation.

Step 2: Country-Specific Risk Assessment

In addition to sector-wide risks, ALBIRO conducts a country-specific assessment based on the eight labour standards of the Code of Labour Practices, which are derived from ILO Conventions.

For each sourcing country, risks are evaluated in relation to:

- freely chosen employment
- freedom of association and collective bargaining
- non-discrimination
- child labour
- payment of living wages
- reasonable working hours
- occupational health and safety
- legally binding employment relationships

The assessment considers publicly available data, audit findings, local legal frameworks and practical enforcement realities. Countries are classified according to their overall risk exposure, taking into account both structural risks and experience at production level.

Code of Labour Practice / country	Bosnia and Herzegovina	Bulgaria	India	Morocco	North Macedonia	Serbia	Slovakia	Turkey
Employment is freely chosen (ILO Conventions 29 and 105)								
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"								
"There is no discrimination in employment (ILO Conventions 100 and 111)"								
"No exploitation of child labour (ILO Convention 138 and 182)"								
"Payment of living wage (ILO Conventions 26 and 131)"								
"Reasonable hours of work (ILO Convention 1)"								
"Safe and healthy working conditions (ILO Convention 155)"								
"Legally binding employment relationship (ILO Recommendation (No. 198))"								
Result:	Moderate Risk	Moderate Risk	Very High Risk	High Risk	Moderate Risk	Moderate Risk	Low Risk	Very High Risk

This country-level assessment informs the application of enhanced due diligence measures in higher-risk environments and supports the prioritisation of preventive and corrective actions.

Step 2: Gender-Responsive Country Risk Assessment

In addition to general sector and country risks, ALBIRO applies a gender-responsive lens when assessing sourcing countries. This assessment considers internationally recognised indices to evaluate structural gender inequality and potential gender-specific vulnerabilities within each sourcing context.

The analysis includes:

- The Global Gender Gap Index
- The Corruption Perception Index (as an indicator of institutional governance)
- The Social Institutions & Gender Index

These indicators support a broader understanding of structural discrimination, institutional effectiveness and gender-related risks that may influence working conditions at production level.

Step 2: Our Gender Lens

Index / country	Bosnia and Herzegovina	Bulgaria	India	Morocco	North Macedonia	Serbia	Slovakia	Switzerland	Turkey
"The Global Gender Gap Index (2025) Ranking 1 to 146"	"0.717 Rank: 73"	"0.706 Rank: 83"	"0.644 Rank: 131"	"0.628 Rank: 137"	"0.699 Rank: 90"	"0.774 Rank: 26"	"0.723 Rank: 70"	"0.785 Rank: 17"	"0.633 Rank: 135"
"Gender Inequality Index (GII) (2023) 0 = Almost equal 1 = Inequality"	0,169	0,362	0,697	0,749	0,432	0,260	0,268	0,127	0,588
"Social Institutions & Gender Index / SIGI (2023) 0 = No Discrimination 100 = Absolute Discrimination"	"271 (Classification: Low)"	"18.9 (Classification: Very Low)"	"43 (Classification: High)"	"49.3 (Classification: High)"	"22 (Classification: Low)"	"14.7 (Classification: Very Low)"	"14.2 (Classification: Very Low)"	"10 (Classification: Very Low)"	"24 (Classification: Low)"
Social Institutions & Gender Index / Women, Business and the Law (2024)	"Index 1: 85 Index 2: 77.5"	"Index 1: 90.6 Index 2: 82.5"	"Index 1: 74.4 Index 2: 60"	"Index 1: 65.6 Index 2: 60"	"Index 1: 85 Index 2: 80"	"Index 1: 93.8 Index 2: 82.5"	"Index 1: 87.5 Index 2: 75"	"Index 1: 88.1 Index 2: 75"	"Index 1: 82.5 Index 2: 80"
Women, Business and the Law (2024)	N/A	"84.75 Rang: 29"	"72.16 Rang: 73"	"63.92 Rang: 91"	"81.31 Rang: 44"	"88.43 Rang: 18"	"90.25 Rang: 10"	"90.08 Rang: 11"	"76.27 Rang: 64"
Result:	Moderate risk	Low risk	Very high risk	Very high risk	Moderate risk	Low risk	Low risk	Low risk	High risk

The outcome of this assessment informs ALBIRO's prioritisation of risks and the application of enhanced due diligence measures in higher-risk environments.

Step 2: Prioritisation of Identified Risks

Following the identification of sector, country and gender-related risks, ALBIRO prioritises risks based on their severity and likelihood.

Particular attention is given to impacts that may be severe in scale, widespread in scope or difficult to remediate. Even where the likelihood of occurrence is lower, risks with potentially serious consequences for workers' rights are treated as priority areas.

In addition, contextual factors such as ALBIRO's leverage at production level, sourcing volumes and the presence of vulnerable groups are considered in the prioritisation process.

The outcome of this structured assessment is reflected in the definition of ALBIRO's salient human rights issues, which guide preventive measures, supplier engagement and monitoring activities.

The structured prioritisation process described above enables ALBIRO to focus its due diligence efforts on those human rights issues that are most relevant within its sourcing context.

Step 2: Salient Human Rights Issues

Based on the assessment of sector-specific risks, country-level exposure and gender-related vulnerabilities, ALBIRO has identified the following salient human rights issues within its supply chain:



Payment of a living wage

Wage levels and transparency remain a structural challenge in the garment industry. Particular attention is paid to wage compliance, documentation and dialogue regarding wage development.

Reasonable working hours

Excessive overtime and production pressure may negatively impact workers' wellbeing. Production planning and monitoring therefore aim to prevent systematic overtime and ensure compliance with applicable standards.

No discrimination in employment

Risks of unequal treatment based on gender, ethnicity, age or other characteristics require continuous attention, particularly in recruitment, promotion and wage development processes.

No child labour and special protection for young workers

Although child labour risks vary by country context, strict verification procedures and monitoring systems are applied to prevent underage employment and ensure adequate protection of young workers.

Safe and healthy working conditions

Occupational health and safety remain a key focus area, including fire safety, machinery safety and workplace ergonomics.

Forced labour

While no systemic cases have been identified within ALBIRO's production network, structural risks such as recruitment practices, contract transparency and freedom of movement are continuously monitored.

These salient issues guide ALBIRO's preventive and corrective measures, supplier engagement and monitoring priorities. The following step outlines how identified risks are addressed through targeted prevention and mitigation measures.

Step 3: Prevent and Mitigate Adverse Impacts

Building on the identified salient human rights issues, ALBIRO implements targeted preventive and corrective measures to address identified risks and mitigate potential adverse impacts. Preventive action begins with responsible sourcing decisions and structured production planning. Forecasting, lead times and pricing discussions are managed with consideration for their potential impact on working conditions, particularly regarding working hours and wage levels. Where risks are identified at production level, corrective action plans are developed in cooperation with the respective production partner. These plans define concrete improvement measures, responsibilities and timelines. Particular attention is paid to structural issues such as wage transparency, documentation of working hours, occupational health and safety procedures and non-discrimination practices. Supplier engagement plays a central role in this process. ALBIRO maintains ongoing dialogue with production partners to strengthen compliance systems and support continuous improvement. Where necessary, capacity-building measures and training are encouraged.

In cases where identified risks cannot be adequately mitigated or where progress remains insufficient despite sustained engagement, escalation procedures are applied in line with internal decision-making processes. Responsible disengagement remains a last resort and is implemented in accordance with ALBIRO's defined exit strategy.

Step 3: Strengthening Leverage through Collaboration

As part of its prevention and mitigation approach, ALBIRO strengthens its leverage through collaboration with other brands and recognised monitoring initiatives.

Joint audits coordinated corrective action plans and shared training initiatives increase the effectiveness of improvement measures at production level. In shared production facilities, cooperation with other brands enhances alignment of expectations and contributes to more consistent implementation of labour standards.

Collaboration also supports responsible decision-making when entering or exiting supplier relationships, ensuring that due diligence measures are applied in a structured and coordinated manner.

Step 4: tracking and validating on progress made in the Implementation and Prevention Programmes

ALBIRO systematically monitors the implementation and effectiveness of preventive and corrective measures in order to assess whether identified risks are being adequately addressed.

Monitoring is based on a combination of audit results, follow-up assessments, corrective action plans, production visits and ongoing dialogue with production partners. Where relevant, grievance data and worker feedback are also considered.

Defined indicators are used to evaluate progress, including the implementation status of agreed measures, documentation of working hours, wage transparency and health and safety improvements. Particular attention is given to recurring findings or systemic patterns that may indicate structural risks.

Where appropriate, data is reviewed from a gender perspective to assess whether measures effectively address gender-related vulnerabilities. If monitoring indicates that measures are insufficient, adjustments are made to strengthen their effectiveness and ensure continuous improvement.

Step 5: Communicate and Report

Transparency is an integral part of ALBIRO's human rights due diligence approach.

ALBIRO reports annually on identified risks, implemented measures and progress achieved through its Social Report. Reporting reflects the structure of the OECD Due Diligence Cycle and provides information on salient human rights issues, country-level developments and improvement activities.

The effectiveness of the due diligence system is further assessed through external mechanisms, including recognised monitoring initiatives. These external evaluations provide additional feedback and support continuous development of ALBIRO's human rights approach.

Step 6: Provide for or Cooperate in Remediation

Where adverse impacts are identified, ALBIRO cooperates with production partners to provide or support appropriate remediation.

Remediation measures are defined based on the nature and root causes of the issue and aim to restore affected rights where possible. In addition to corrective measures at individual level, structural improvements may be introduced to prevent recurrence.

Accessible grievance mechanisms form an essential part of this process. Workers at production sites can raise concerns through established reporting channels. Reported cases are assessed in cooperation with the relevant stakeholders, ensuring confidentiality and protection from retaliation.

This structured approach ensures that identified impacts are addressed in a responsible, transparent and solution-oriented manner.

4.1.3. Fair Wear Foundation (FWF)

*Do you have QUESTIONS
about your salary, working
hours or any of these*

ALBIRO
fashion on the job!

ALBIRO began its collaboration with the Fair Wear Foundation in 2012 as the first Swiss workwear company to engage with the organization. This collaboration supports ALBIRO's long-standing commitment to addressing working conditions in its supply chain and strengthening its human rights due diligence approach.

For ALBIRO, cooperation with Fair Wear provides a structured framework to review and further develop sourcing and production practices. The focus lies on understanding how purchasing decisions, long-term supplier relationships and operational planning influence working conditions at production sites. Through this collaboration, ALBIRO aims to systematically identify risks, support improvements and address issues in close cooperation with its production partners.

An important element of this collaboration is the annual Brand Performance Check. This assessment allows ALBIRO to review how effectively human rights due diligence is integrated into its business practices, including risk assessment, supplier engagement, monitoring and remediation. The results help ALBIRO to evaluate progress, identify areas for improvement and further strengthen internal processes and responsibilities.

In 2024, ALBIRO achieved a benchmark score of 91 points and reached a monitoring threshold of 100%. Based on this assessment, ALBIRO was classified in the "Leader" category, reflecting the level of implementation and monitoring of social standards across its supply chain.

ALBIRO seeks to improve working conditions by setting clear expectations for its closely affiliated production partners and subcontractors and by maintaining stable, long-term relationships. Working conditions at production sites are reviewed through audits carried out by Fair Wear's local audit teams. As part of these audits, groups of workers are interviewed anonymously, providing insights into their working conditions and experiences and supporting a more comprehensive understanding of potential risks.

The collaboration with Fair Wear is based on the Code of Labour Practices, which defines eight labour standards derived from International Labour Organization (ILO) Conventions and the United Nations Declaration of Human Rights. These standards serve as a reference point for ALBIRO's engagement with production partners and support the consistent application of internationally recognised labour standards across the supply chain.

@ complaints@fairwear.org

Fair Wear will always treat your complaint confidentially. If you wish to file a complaint, we will investigate the issue. If possible, we will help you to solve the issue you have raised. Fair Wear is an independent, nonprofit organisation. You can learn more at www.fairwear.org

BSCI Code of Conduct

Our enterprise endorses the amfori BSCI Code of Conduct principles to respect the following principles to exercise human rights due diligence and environmental protection in as set out in the amfori BSCI Code of Conduct.

4.1.4. amfori BSCI

amfori BSCI Principles

Since 2009, ALBIRO has also participated in the amfori Business Social Compliance Initiative (amfori BSCI) as part of its efforts to strengthen social compliance across the supply chain. The amfori BSCI system is an internationally recognised framework designed to support companies in identifying, assessing, monitoring and improving working conditions in global supply chains. It is based on a common Code of Conduct that aligns with international standards, including International Labour Organization (ILO) conventions, the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines.



Social Management Cascade

Our enterprise endorses the amfori BSCI Code of Conduct principles through all the functions of our system.



Workers Involvement and Protection

Our enterprise informs all workers about their rights and responsibilities and protects workers according to the amfori BSCI Code of Conduct.



The Right to Freedom of Association and Collective Bargaining

Our enterprise respects the right of workers to join or form unions –and bargain collectively.



No Discrimination and Harassment

Our enterprise treats all workers equally and ensures that workers are not subjected to any form of discrimination, harassment or inhumane or degrading treatment.



Fair Remuneration

Our enterprise respects the right of workers to receive fair remuneration and works progressively towards the payment of a living wage.



Decent Working Hours

Our enterprise observes the law regarding working hours and adheres to the international references for specific exceptions.



Occupational Health and Safety

Our enterprise ensures a healthy and safe working environment, identifying potential and actual risks to the health and safety of workers and taking all necessary measures to eliminate and reduce them.



Special Protection for Young Workers

Our enterprise provides special protection to young workers against exploitation and ensures their safety and health, physical, mental, moral, and social.



Prohibition of Forced Labour or Human Trafficking

Our enterprise does not use or through business partners, forced, bonded, indentured, or trafficked or non-voluntary labour and adheres to international principles of responsible recruitment.



Prohibition of Child Labour or Human Trafficking

Our enterprise does not use or through business partners, forced, bonded, indentured, or trafficked or non-voluntary labour and adheres to international principles of responsible recruitment.



Protection of the Environment

Our enterprise implements adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.



Ethical Business Behaviour

Our enterprise does not take part in any act of corruption, extortion, or embezzlement, nor in any form of bribery.

amfori BSCI Values



Code Observance



Protection of Vulnerable Persons



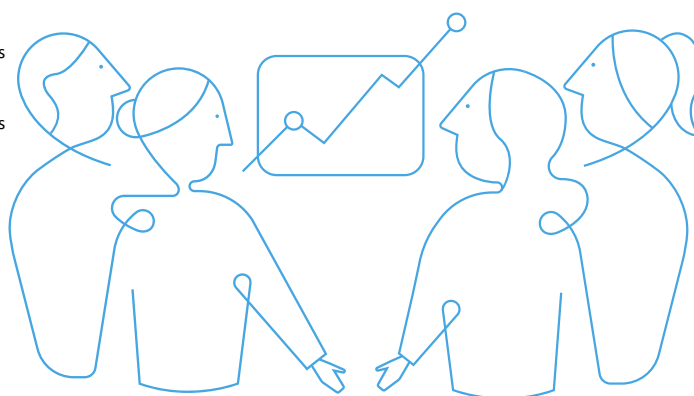
Grievance Mechanism



4.1.5. Women Empowerment Principles

"ALBIRO is committed to equal treatment, diversity and inclusion and provides a safe and respectful working environment.

By endorsing the Women's Empowerment Principles, ALBIRO confirms that gender equality is an integral part of its corporate culture. "



The Women's Empowerment Principles were developed jointly by UN Global Compact and UN Women to support gender equality and the empowerment of women in the workplace, the marketplace and the community. The principles are grounded in internationally recognised labour and human rights standards and provide guidance for responsible business conduct.

Principle 1 – Leadership commitment

Principle 1 is embedded through a clear leadership commitment to gender equality and inclusion. A dedicated team from the CSR and HR departments works closely with management to support implementation and continuous oversight.

Principle 2 – Equal treatment and non-discrimination

Equal treatment of all employees is firmly anchored in ALBIRO's internal regulations and applies across all functions and levels. Gender-neutral language has been implemented in internal and external communications, and suppliers reaffirm their commitment to equality through the Supplier Code of Conduct.

Principle 3 – Health, safety and well-being

ALBIRO ensures a safe and healthy working environment through open dialogue between employees, department heads and management, and by implementing improvements where feasible. At production sites, health and safety conditions are reviewed through regular visits and assessments, and identified issues are addressed jointly through corrective action plans.

Principle 4 – Education and professional development

ALBIRO supports education and professional development for all employees, with a particular focus on equal access to training opportunities. In addition to being a training company with apprenticeships, ALBIRO supports capacity-building measures at production sites, including onboarding and social dialogue trainings in cooperation with Fair Wear Foundation.

Principle 5 – Business practices and workplace equality

Women are well represented across ALBIRO's workforce and management, and employment conditions such as career development, part-time models and parental leave are clearly defined in internal regulations. Expectations regarding non-discrimination and inclusive practices also apply to business partners, who are required to develop and regularly review gender action plans.

Principle 6 – Supplier and community engagement

ALBIRO collaborates with organizations such as Fair Wear Foundation and amfori BSCI to support the prevention of discrimination and exploitation in the supply chain. In its sourcing decisions, ALBIRO prioritises partners that apply gender-responsive practices and engage in community-based initiatives.

Principle 7 – Measurement, reporting and transparency

Progress on gender-related topics is documented and reviewed through ALBIRO's annual Social Report. As part of its reporting, objectives and outcomes are evaluated on a regular basis to support transparency and continuous improvement.

4.2. ECOLOGICAL COMMITMENTS

4.2.1. ISO 14001:2015 Certification of environmental management systems

ISO 14001:2015 defines internationally recognised requirements for an environmental management system that enables organizations to systematically manage their environmental responsibilities and improve environmental performance. The standard provides a structured framework for identifying environmental impacts, setting objectives, monitoring progress and supporting continuous improvement as part of sustainable business practices.

Since 2010, ALBIRO AG has operated an environmental management system certified in accordance with ISO 14001:2015 by SQS. This certification forms the foundation of ALBIRO's continuous improvement process and supports the ongoing integration of environmental considerations into business operations.



4.2.2. OEKO-TEX Standard 100

Since 2015, ALBIRO Holding AG has been certified according to the OEKO-TEX STANDARD 100®. This certification confirms that all materials used in ALBIRO products are tested for harmful substances and comply with strict human-ecological requirements covering regulated and non-regulated substances.

Compliance with the STANDARD 100® criteria is verified through regular testing and annual audits by accredited OEKO-TEX® institutes. This ensures that product safety requirements are continuously monitored and consistently applied across ALBIRO's product range.



4.2.3. Other ecological facts

ALBIRO's headquarters in Sumiswald was constructed in accordance with the MINERGIE® ECO standard, which combines high energy efficiency with ecological construction principles and healthy indoor conditions. The standard places particular emphasis on low energy consumption, reduced environmental impact and the use of environmentally responsible materials.

In addition, photovoltaic panels have been installed on the roof of the building. During the summer months, the system is able to cover the full electricity demand of the site and contributes to a reduction of approximately 50 tonnes of CO₂ emissions per year. This infrastructure supports ALBIRO's efforts to reduce its environmental footprint and to operate its facilities in an energy-efficient manner.



4.3. ECONOMICAL COMMITMENTS

4.3.1. ISO 9001:2015 Certification of quality management systems

ISO 9001:2015 is an internationally recognised standard that defines requirements for an effective quality management system. It supports organizations in consistently providing products and services that meet customer expectations as well as applicable legal and regulatory requirements, while promoting continuous improvement and risk-based thinking.

Since 2010, ALBIRO AG has operated a quality management system certified in accordance with ISO 9001:2015 by SQS. The certification is renewed every three years and is supported by annual surveillance audits, which verify the ongoing effectiveness and conformity of the quality management system. This framework contributes to transparency, reliability and confidence among customers and other stakeholders.



4.3.2. Swiss Textiles Federation

Since 2016, ALBIRO has been a member of SWISS TEXTILES, the leading association representing the Swiss textile and clothing industry. SWISS TEXTILES advocates for favourable economic, trade and regulatory framework conditions and represents the interests of its members at national and international level.

Through its membership, ALBIRO is regularly informed about relevant legal and regulatory developments, including changes in legislation and case law that affect textile and clothing companies in their day-to-day business. This exchange supports ALBIRO in anticipating regulatory requirements and aligning its business practices accordingly.



5. SOURCING STRATEGY AND SUPPLIERS

5.1. PURCHASING PRACTICES

Procedure before placing orders with new suppliers

Before placing orders with new suppliers, potential production partners are reviewed jointly by the Purchasing, Production and Sustainability departments. This review includes existing audit reports, country studies and internal risk analyses to assess suitability. If the initial assessment is positive, the supplier receives the required documentation for review and signature, including the Fair Wear worksheet and information on the complaint hotline.

Prior to final approval, a health and safety check is conducted by the Production Manager or CSR Manager. This includes a site visit where possible, photographic documentation and discussions with management and worker representatives. In addition, the supplier checklist must be completed before the production site is entered into ALBIRO's system. The process is complemented by employee surveys, the results of which are analysed and discussed with the production team.

Production countries

ALBIRO prioritises cooperation with existing production facilities wherever possible and prefers sourcing from countries where the company already operates, allowing it to build on established knowledge and structures. Where alternative suppliers are required, country selection is based on a comprehensive risk assessment drawing on internal analyses as well as external sources such as Fair Wear country profiles and amfori BSCI risk tools. Low-risk countries are prioritised, while high-risk countries are approached with increased caution and countries presenting the most severe risks are excluded from sourcing.

Certain sourcing countries require enhanced due diligence due to their political and social context. In China, legal restrictions on freedom of association and collective bargaining require particular attention to alternative mechanisms for worker representation and dialogue. Myanmar and Bangladesh are also classified as high-risk countries due to political instability, civil unrest and limitations on labour rights. When engaging with suppliers in such contexts, ALBIRO applies enhanced monitoring measures, with a focus on worker access to grievance mechanisms and cooperation with established verification systems.

Establishment and termination of supplier relationships

New supplier relationships:

Büttner Textil EOOD

In 2025, ALBIRO initiated cooperation with Büttner Textil EOOD in Bulgaria. This partnership builds on ALBIRO's long-standing collaboration of more than 15 years with Büttner GmbH and marks the start of cooperation with its own production facility in Bulgaria. The new production site replaces Pagany Styles, with which the business relationship was concluded in 2024.

Termination of supplier relationships:

In 2025, ALBIRO did not terminate any supplier relationships, continuing to focus on long-term partnerships and improvement measures.

Exit strategy

ALBIRO's primary objective is to improve working conditions through cooperation rather than to terminate business relationships. Where a supplier repeatedly fails to meet minimum requirements and improvement

efforts do not lead to adequate progress, ALBIRO may reduce order volumes as an intermediate step. Termination of the business relationship is considered only as a last resort.

In such cases, ALBIRO follows a structured exit strategy to minimise negative social impacts. This includes timely and transparent communication with the supplier, assessment of potential impacts on workers in cooperation with worker representatives, and verification of compliance with applicable severance regulations. Fair Wear is informed accordingly, and a phased exit plan is developed, which may include a gradual reduction of orders, support in identifying alternative customers and measures to mitigate impacts on employment.

5.2. PRICING STRATEGY

Strategic planning and forecasting

As part of its responsible purchasing practices, ALBIRO provides production partners with production schedules at an early stage wherever possible. This includes advance information on product specifications and estimated quantities to support realistic planning and achievable production timelines. Responsibilities are clearly defined to ensure smooth processes and to reduce the risk of excessive overtime.

Any deviations from forecasts are communicated and discussed with production partners at an early stage, and the latest possible order dates are agreed jointly. By producing own brands, NOS items and individual corporate fashion solutions, ALBIRO is able to better balance production volumes throughout the year, easing capacity pressure during peak seasons and enabling more stable planning for production facilities.

Design and product development

Late design changes and unclear specifications can lead to shortened lead times, negatively affecting working conditions and product quality. ALBIRO therefore places strong emphasis on clear and detailed product documentation to minimise errors, reduce rework and save time and costs on both sides.

Close knowledge of production facilities and machinery allows ALBIRO's teams to assess production feasibility at an early stage. Structured development processes, efficient sampling and internal awareness of the impact of changes contribute to longer effective production times and help reduce the risks of excessive overtime or unauthorised subcontracting.

Price negotiations and contract conclusion

Transparent price calculations and open dialogue form the basis of ALBIRO's pricing approach. Cost developments such as minimum wage increases, energy prices or other operational changes are discussed with production partners in a transparent manner. Where applicable, production partners are encouraged to use Fair Wear's pricing tools to better understand cost structures and calculate prices under different wage scenarios.

Fair and clearly defined payment terms are agreed in advance. ALBIRO's policy is to pay invoices on time and to avoid penalties wherever possible. If penalties are unavoidable in exceptional cases, they are transparent and contractually regulated. This approach supports stable business relationships and contributes to more predictable planning and remuneration at production level.

5.3. ORGANISATION OF THE SOURCING DEPARTMENT

ALBIRO's sourcing structure is organised into four product groups, reflecting different levels of development responsibility, production control and supplier integration within the supply chain.

■ Group 1 - Own production

Group 1 comprises styles developed in-house and produced under ALBIRO's direct sourcing responsibility. For these products, procurement and production planning are fully managed by ALBIRO.

The availability of materials and accessories within ALBIRO's warehouse enables efficient production planning without unnecessary delays. Material master data, bills of materials and production scheduling are managed through the company's ERP system (SAP), ensuring traceability and coordination. Order planning is carried out by Purchasing and Production Management in alignment with available production capacities. Manufacturing is supported by ALBIRO's technical specialists and quality management team to ensure compliance with defined quality and social standards.

■ Group 2 - External production

Group 2 includes styles developed in Switzerland and manufactured by long-term production partners in Türkiye, Bulgaria, Slovakia and India.

All suppliers in this category are required to hold a valid OEKO-TEX® certification and to comply with the social standards defined through ALBIRO's collaboration with Fair Wear Foundation and amfori BSCI. Products manufactured under Group 2 are subject to the same quality and compliance requirements as Group 1 products and are monitored accordingly.

■ Group 3 - Trade items

Group 3 includes complementary trade items that extend ALBIRO's product portfolio as part of its customer service offering. These products are sourced from selected external suppliers and are not developed or produced under ALBIRO's direct production management.

All suppliers in this category are required to confirm adherence to ALBIRO's minimum social standards, including compliance with the Code of Labour Practices.

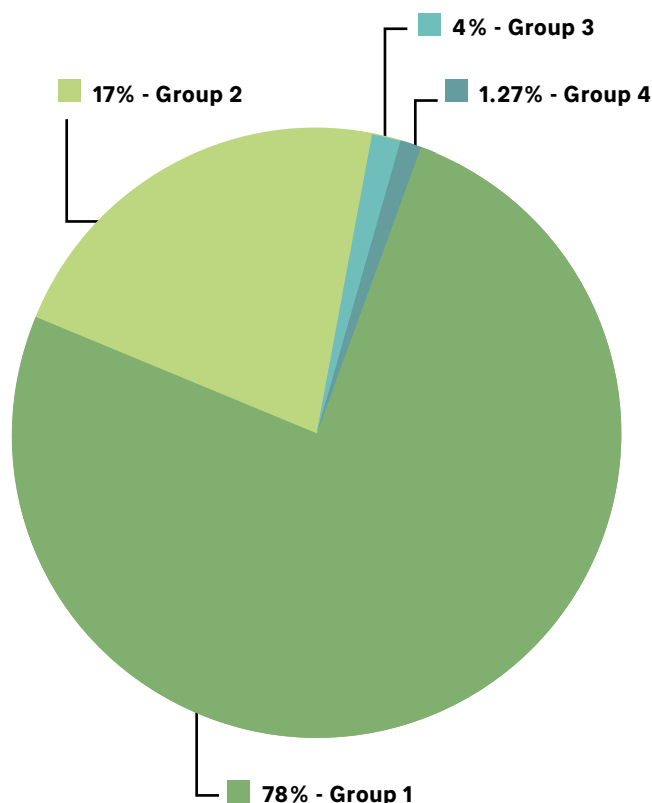
Further details on trade item suppliers, approval procedures and sustainability requirements are provided in section 5.6.

■ Group 4 - Support processes

Group 4 comprises service providers such as printing, embroidery and laundry facilities that refine or customise ALBIRO products.

These partners are also required to sign the Fair Wear questionnaire and confirm compliance with the Code of Labour Practices. This approach ensures that social standards are considered not only in primary manufacturing but also in downstream processing activities.

Division of the Groups 2025

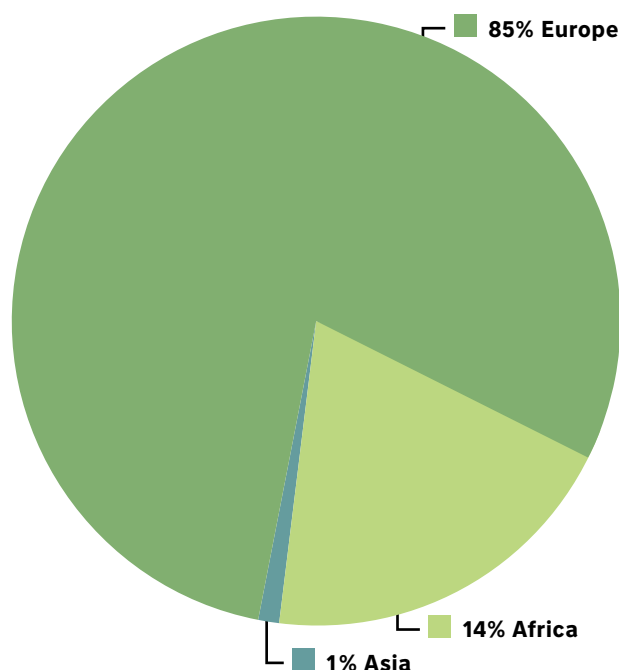


5.4. PRODUCTION DISTRIBUTION BY REGION

In 2025, ALBIRO's production volume remains predominantly concentrated in Europe, accounting for approximately 85% of total output. Around 14% is produced in Morocco, while approximately 1% of production takes place in Asia.

This regional focus supports shorter supply chains, closer collaboration with production partners and more direct oversight within ALBIRO's human rights due diligence framework.

Division in countries 2025



5.5. PRODUCTION CYCLE

Workwear is generally less influenced by short-term fashion trends and seasonal fluctuations than conventional apparel, allowing for stable and forward-looking production planning. However, larger corporate fashion orders under the ALBIRO brand may lead to temporary variations in production volumes.

Due to its financial independence, long-standing relationships with material suppliers and closely affiliated production facilities in Europe, ALBIRO is able to respond flexibly to such fluctuations. Supported by a modern ERP system, stock levels and production capacities can be adjusted in a structured manner to maintain planning reliability and avoid excessive pressure on production sites.

5.6. SUPPLIERS OF TRADE ITEMS

As outlined in section 5.3, ALBIRO sources selected complementary products such as formal suits, uniforms, caps, scarves, belts and bags from external suppliers as part of its extended customer service offering. These long-standing partners are primarily located in Switzerland or within the European Union, with production mainly taking place in Europe. Although these products are not manufactured under ALBIRO's direct production management, defined approval and monitoring requirements apply.

Prior to approval, suppliers of trade items undergo an internal assessment to verify compliance with ALBIRO's sustainability expectations and the ILO core labour standards. Suppliers are expected to maintain their own Code of Conduct or participate in recognised monitoring initiatives such as Fair Wear or amfori BSCI.

Through structured onboarding, ongoing dialogue and regular exchange of information, ALBIRO seeks to ensure continued alignment with its social standards and to promote transparency within this supplier segment.

6. MONITORING AND IMPLEMENTATION AT PRODUCTION LEVEL

Following the human rights due diligence framework described in Chapter 4, this chapter outlines how the defined system is implemented at production level and how identified risks are addressed in practice.

6.1. MONITORING AT PRODUCTION SITES

Working conditions at production facilities are monitored through regular audits, follow-up assessments and production visits. Audit findings are translated into corrective action plans (CAPs) in cooperation with the respective production partners.

The focus at production level lies on the practical implementation of agreed measures, documentation of progress and resolution of identified findings. Particular attention is given to wage documentation, working hours, occupational health and safety measures and employment contracts.

Monitoring results are reviewed regularly to ensure timely implementation of corrective actions.

6.2. COUNTRY-SPECIFIC IMPLEMENTATION

ALBIRO's production network spans several sourcing countries, each with specific structural and regulatory contexts. Based on the risk assessment described in Chapter 4, monitoring intensity and engagement measures are adapted to the respective country risk profile.

The following sections provide an overview of implementation status and relevant developments at country level:





6.3. NORTH MAZEDONIA

1. CURRENT SITUATION

Political & Economic Context

North Macedonia remained under a national-conservative government in 2025. EU accession negotiations continued to be stalled due to constitutional disputes with Bulgaria, contributing to ongoing political uncertainty. Macroeconomic conditions stabilised compared to previous years, with inflation moderating. However, overall economic growth remained cautious, influenced by both domestic structural challenges and weaker demand in key European markets. The country continues to serve as a near-shoring location for the European textile industry, with competitiveness largely driven by labour costs.

In 2025, a serious industrial accident in Kočani highlighted ongoing challenges related to occupational health and safety in certain sectors. None of ALBIRO's production sites, employees, or their families were affected by this incident.

Labour Environment

Wage levels in the garment sector remain structurally low, with the statutory minimum wage significantly below estimated living wage benchmarks. This persistent gap continues to be a key challenge for workers. The sector is also affected by labour shortages due to emigration, increasing pressure on factories in terms of workforce stability and working hours. While freedom of association is legally protected, collective bargaining remains limited in practice, and structured social dialogue is still underdeveloped in many factories.

2. WAGE STRUCTURE

- Minimum wage: 22,567 MKD net/month
- Estimated living wage (family of four): 72,300 MKD net/month
- Worker-estimated "decent wage": approx. 35,000 MKD net/month
- Significant wage gap between minimum and living wage levels.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- High wage gap requires targeted wage development strategies and pricing alignment
- Labour shortages increase the risk of overtime pressure and workforce instability
- Weak collective bargaining requires strengthened worker dialogue and representation mechanisms



KRZNO DOOEL

1. FACTORY OVERVIEW

Year of starting business		2004
Percentage of total production		54%
Estimated leverage		100%
Date of last visit		November 2025 / CSR
Date of last audit		15.10.2024 / FWF
Date of last training		09.04.2025 / Onboarding Training suppliers workers
Products		Workwear, Outdoor
Workers		Female: 142 / Male: 34 Migrants/Refugees: 0
Complaints:		10.03.2025 / #2528

2. FACTORY RISKS

Code of Labour Practice	Risk
“Employment is freely chosen (ILO Conventions 29 and 105)”	
“Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)”	
“There is no discrimination in employment (ILO Conventions 100 and 111)”	
“No exploitation of child labour (ILO Convention 138 and 182)”	
“Payment of living wage (ILO Conventions 26 and 131)”	
“Reasonable hours of work (ILO Convention 1)”	
“Safe and healthy working conditions (ILO Convention 155)”	
“Legally binding employment relationship (ILO Recommendation No. 198)”	

3. ACTIONS 2025

- Wage adjustments were implemented following price negotiations with the supplier
- Internal trainings on social dialogue were conducted for management and workers
- Participation in the Glasen Tekstilec seminar on collective bargaining and social dialogue
- Attendance at a trade union seminar to strengthen understanding of worker representation
- Follow-up training programmes are being implemented
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Worker reassignment was successfully completed following grievance resolution
- A new worker representative election was conducted
- Electrical installations were inspected and verified by a certified expert
- Regular medical checks were provided to workers
- Measurements of microclimate conditions were conducted

4. IMPROVEMENT PLANS

- New price negotiations
- Developing a pay scale system
- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Development of an overtime policy
- Working on the dismissal policy
- Working on the gender action plan
- Provide workers with chairs with back support



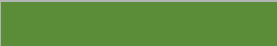


RITEKS DOOEL

1. FACTORY OVERVIEW

Year of starting business		2005
Percentage of total production		3%
Estimated leverage		100%
Date of last visit		November 2025 / CSR
Date of last audit		31.10.2024 / FWF
Date of last training		22.05.2025 / Onboarding Training suppliers workers
Products		Workwear
Workers		Female: 70 / Male: 13 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	 
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	 
"There is no discrimination in employment (ILO Conventions 100 and 111)"	 
"No exploitation of child labour (ILO Convention 138 and 182)"	 
"Payment of living wage (ILO Conventions 26 and 131)"	 
"Reasonable hours of work (ILO Convention 1)"	 
"Safe and healthy working conditions (ILO Convention 155)"	 
"Legally binding employment relationship (ILO Recommendation No. 198)"	 

3. ACTIONS 2025

- Wage adjustments were implemented following price negotiations with the supplier
- Reimbursement of unpaid Saturday work to workers
- Internal trainings on social dialogue were conducted for management and workers
- Participation in the Glaseri Tekstilieri seminar on collective bargaining and social dialogue
- Attendance at a trade union seminar to strengthen understanding of worker representation
- Follow-up training programmes are being implemented
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Regular worker-management dialogue meetings were established
- Improvement of the working hours registration system
- Evaluation and placement of appropriate safety signage in designated areas
- First aid training for at least 2 workers

4. IMPROVEMENT PLANS

- New price negotiations
- Developing a pay scale system
- Increasing our share of the living wage project
- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Working on the gender action plan





GALATEKS DOOEL

1. FACTORY OVERVIEW

Year of starting business		2005
Percentage of total production		9%
Estimated leverage		35%
Date of last visit		November 2025 / CSR
Date of last audit		29.06.2024 / amfori BSCI / full Audit
Date of last training		27.05.2025 / Onboarding Training suppliers workers
Products		Workwear
Workers		Female: 74 / Male: 6 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
“Employment is freely chosen (ILO Conventions 29 and 105)”	 
“Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)”	 
“There is no discrimination in employment (ILO Conventions 100 and 111)”	 
“No exploitation of child labour (ILO Convention 138 and 182)”	 
“Payment of living wage (ILO Conventions 26 and 131)”	 
“Reasonable hours of work (ILO Convention 1)”	 
“Safe and healthy working conditions (ILO Convention 155)”	 
“Legally binding employment relationship (ILO Recommendation No. 198)”	 

3. ACTIONS 2025

- Internal trainings on social dialogue were conducted for management and workers
- Follow-up training programmes are being implemented
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Regular worker-management dialogue meetings were established
- Measurements of microclimate conditions, including noise levels and dust exposure in the workplace, have been completed
- BSCI Code of Conduct communicated to all workers; regular trainings introduced for new employees
- Complaint procedure updated to include a clear process for handling external stakeholder complaints
- Formal procedure established for supplier selection and monitoring when sourcing independently

4. IMPROVEMENT PLANS

- New price negotiations
- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Integration of newly installed machinery into the overall risk assessment process
- Conduct a safety inspection of the electrical and grounding systems
- Provision of lockers and access to hot water for all workers





6.4. MOROCCO

1. CURRENT SITUATION

Political & Economic Context

Morocco remained a relatively stable constitutional monarchy under King Mohammed VI in 2025. The country continues to position itself as a key near-shoring hub for the European textile and garment market, supported by its geographic proximity to Europe, established industrial infrastructure, and trade agreements with the EU. Government strategies remain focused on strengthening industrial development, export capacity, and foreign investment, particularly in sectors such as textiles and automotive manufacturing. While macroeconomic conditions showed relative stability, economic pressures such as inflation, regional disparities, and unemployment continue to affect parts of the population and influence overall purchasing power.

Labour Environment

Morocco has a well-established labour law framework regulating working hours, minimum wages, and social security contributions. The textile sector is strongly integrated into international supply chains and is subject to compliance requirements from global buyers and monitoring initiatives.

Despite this structured framework, challenges remain at operational level. These include wage levels that are often close to the statutory minimum, the need for effective overtime management during peak production periods, and limited union representation in some factories. While compliance systems have improved in recent years, continued focus is required on strengthening social dialogue, wage development, and consistent implementation of labour standards at factory level.

2. WAGE STRUCTURE

- Minimum wage (SMIG): approx. 3,110 MAD gross/month for a 44-hour workweek in the industrial sector
- Estimated living wage (Anker methodology, 2025 – family of four): approx. 7,300 MAD net/month
- Worker-estimated “decent wage”: approx. 4,500–5,000 MAD net/month
- Observation: There remains a significant gap between the statutory minimum wage and the estimated living wage, meaning many textile workers rely on overtime or additional household income to meet basic living costs.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Wage levels close to the minimum wage require continued focus on wage development and pricing alignment
- Peak production periods increase the risk of overtime and working hour pressure
- Limited union presence requires strengthened worker representation and social dialogue mechanisms



MTM CONFECTION

1. FACTORY OVERVIEW

Year of starting business		2008
Percentage of total production		14%
Estimated leverage		100%
Date of last visit		April 2025
Date of last audit		05.06.2025 / amfori BSCI
Date of last training		29.09.2025 / Onboarding Training suppliers workers
Products		Workwear
Workers		Female: 113 / Male: 14 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	
"There is no discrimination in employment (ILO Conventions 100 and 111)"	
"No exploitation of child labour (ILO Convention 138 and 182)"	
"Payment of living wage (ILO Conventions 26 and 131)"	
"Reasonable hours of work (ILO Convention 1)"	
"Safe and healthy working conditions (ILO Convention 155)"	
"Legally binding employment relationship (ILO Recommendation No. 198)"	

3. ACTIONS 2025

- Internal trainings on social dialogue were conducted for management and workers
- Follow-up training programmes are being implemented
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Development of a policy on forced labour and overtime management
- Development of a dismissal policy
- Provision of anti-fatigue mats for workers

4. IMPROVEMENT PLANS

- Initiation of a living wage project to reduce the gap between minimum wage and living wage
- Internal trainings on social dialogue and FoA
- No formal mechanism exists for worker representatives to express their views and feedback
- Long-term goals are defined by management but are not communicated to workers or their representatives, and lack clear timelines and strategic planning
- A full inspection by Apave is planned for the first half of 2026





6.5. BOSNIA

1. CURRENT SITUATION

Political & Economic Context

Bosnia and Herzegovina remains a politically complex country with a highly decentralized governance structure, shaped by the Dayton Peace Agreement. Decision-making processes are often fragmented across different administrative levels, which can slow down reforms and economic development. Despite these structural challenges, the country continues to play an important role as a near-shoring location for the European textile and garment industry. Its geographic proximity to the European Union, combined with relatively competitive labour costs and a long-standing manufacturing tradition, makes Bosnia and Herzegovina an attractive sourcing destination. The textile sector is strongly export-oriented and closely integrated into European supply chains, with many factories producing for international brands.

Labour Environment

The labour environment is governed by national legislation regulating working hours, wages, and social security contributions. In practice, the textile sector is characterised by a high number of subcontracting arrangements, with factories primarily producing for European clients under externally defined conditions. Key challenges remain, particularly regarding relatively low wage levels compared to living wage estimates. In addition, ongoing labour migration to EU countries contributes to workforce shortages, which can affect production stability and increase pressure on existing workers. While legal frameworks are in place, continued efforts are required to strengthen wage development, workforce retention, and the consistent implementation of labour standards at factory level.

2. WAGE STRUCTURE

- Minimum wage: 1,000 BAM net/month
- Estimated living wage: approx. 2,000 BAM net/month
- Worker-estimated “decent wage”: approx. 1,400 BAM net/month
- Observation: A clear gap remains between minimum wage and estimated living wage levels.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Low wage levels require focused wage development strategies and improved pricing structures
- Labour shortages due to migration increase the risk of workforce instability and overtime pressure
- Subcontracting structures require enhanced monitoring and transparency in supply chain management



BENI-TEX

1. FACTORY OVERVIEW

Year of starting business		2011
Percentage of total production		7%
Estimated leverage		100%
Date of last visit		November 2025
Date of last audit		10.09.2025 / amfori BSCI
Date of last training		-
Products		Workwear
Workers		Female: 56 / Male: 5 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
“Employment is freely chosen (ILO Conventions 29 and 105)”	 
“Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)”	 
“There is no discrimination in employment (ILO Conventions 100 and 111)”	 
“No exploitation of child labour (ILO Convention 138 and 182)”	 
“Payment of living wage (ILO Conventions 26 and 131)”	 
“Reasonable hours of work (ILO Convention 1)”	 
“Safe and healthy working conditions (ILO Convention 155)”	 
“Legally binding employment relationship (ILO Recommendation No. 198)”	 

3. ACTIONS 2025

- Internal trainings on social dialogue were conducted for management and workers
- Implementation of the amfori BSCI training on “Gender Equality and Zero-Tolerance for Violence and Harassment in the Workplace”
- Wage increase implemented to reduce the gap between minimum wage and living wage
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Development of an anti-corruption policy
- Development of a dismissal policy
- Development of a policy to prevent harassment and abuse in the workplace
- Development of a policy to prevent informal employment

4. IMPROVEMENT PLANS

- New price negotiations
- Increasing our share of the living wage project
- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Workers are required to wear personal protective equipment (PPE)





6.6. SERBIA

1. CURRENT SITUATION

Political & Economic Context

Serbia is a parliamentary republic and an EU candidate country, continuing its gradual economic integration with the European Union in 2025. While accession negotiations are ongoing, regulatory alignment and economic cooperation with EU markets remain key priorities. The country has strengthened its position as an important near-shoring location for the European textile and garment industry. This is supported by its geographic proximity to the EU, a skilled and experienced workforce, and comparatively competitive labour costs. The textile sector is highly export-oriented and closely integrated into European supply chains, with many factories producing for international brands under long-term partnerships.

At the same time, Serbia's economic environment remains influenced by external market developments, including fluctuating demand in key EU countries and broader regional economic trends.

Labour Environment

Serbia has a well-established legal framework regulating employment contracts, working hours, minimum wages, and social security contributions. In practice, the textile sector is largely characterised by supplier and subcontracting relationships with European brands.

Despite this structured framework, several challenges persist. Wage levels in the garment sector remain relatively low compared to living wage estimates. Additionally, labour shortages continue to affect the industry, driven by migration to EU countries and increasing competition from other sectors offering higher wages. These factors can impact workforce stability, production planning, and working conditions, requiring ongoing attention at factory level.

2. WAGE STRUCTURE

- Minimum wage: approx. 47,000 RSD net/month
- Estimated living wage: approx. 95,000 RSD net/month
- Worker-estimated "decent wage": approx. 65,000 RSD net/month
- Observation: A significant gap remains between statutory minimum wage levels and estimated living wage levels.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Low wage levels require targeted wage development strategies and pricing alignment
- Labour shortages due to migration increase the risk of workforce instability and overtime pressure
- Strong dependence on subcontracting requires enhanced monitoring and transparency in supply chain management

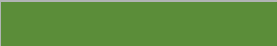


ALBIRO DOO

1. FACTORY OVERVIEW

Year of starting business		2021
Percentage of total production		1%
Estimated leverage		100%
Date of last visit		September 2025
Date of last audit		16.09.2025 / amfori BSCI
Date of last training		24.12.2024 / Onboarding Training Module 1
Products		Workwear
Workers		Female: 104 / Male: 4 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	 
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	 
"There is no discrimination in employment (ILO Conventions 100 and 111)"	 
"No exploitation of child labour (ILO Convention 138 and 182)"	 
"Payment of living wage (ILO Conventions 26 and 131)"	 
"Reasonable hours of work (ILO Convention 1)"	 
"Safe and healthy working conditions (ILO Convention 155)"	 
"Legally binding employment relationship (ILO Recommendation No. 198)"	 

3. ACTIONS 2025

- Internal training on the following topics: freedom of association and the right to collective bargaining; no forced labour; no child labour; no discrimination; health and safety at work
- Follow-up on the training programme
- Participation in the FWF seminar on “Responsible contracting practices in textile supply chains”
- Wage increase implemented to reduce the gap between minimum wage and living wage
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Development of an anti-child labour policy
- Development of an anti-forced labour and OT policy
- Development of a policy to prevent informal employment
- Signing of the Supplier Code of Conduct
- Drawing up operating instructions for cutting area
- Conducting evacuation drills
- Updating personnel files to include more information about employees
- Revision of the working hours system to provide greater transparency for workers
- Revision of the signs on the evacuation route

4. IMPROVEMENT PLANS

- New price negotiations
- Increasing our share of the living wage project
- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Provision of the safety data sheets for machine oil
- Provision and use of personal protective equipment.





6.7. TÜRKİYE

1. CURRENT SITUATION

Political & Economic Context

Türkiye remains one of the largest textile and garment producers supplying the European Union market. Thanks to its strong industrial base, experienced workforce, and geographic proximity to Europe, the country continues to play a key role as a near-shoring production hub. The textile and apparel industry is highly export-oriented and an important pillar of the national economy. However, the economic environment in 2025 continues to be affected by high inflation and currency volatility.

Labour Environment

Türkiye has established labour legislation regulating working hours, minimum wages, and social security registration. The textile and garment sector is one of the country's largest employers and is closely integrated into international supply chains. While many factories operate under international compliance and auditing systems, challenges may still occur regarding overtime management, wage pressure caused by inflation, and the presence of informal employment in parts of the sector.

2. WAGE STRUCTURE

- Minimum wage: approx. 17,002 TRY net/month
- Estimated living wage: approx. 30,000–35,000 TRY net/month
- Worker-estimated “decent wage”: approx. 22,000–25,000 TRY net/month
- Observation: A significant gap remains between the statutory minimum wage and estimated living wage levels, particularly due to continued inflationary pressure.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

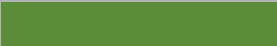
- Low wage levels require targeted wage development strategies and pricing alignment
- Labour shortages due to migration increase the risk of workforce instability and overtime pressure
- Strong dependence on subcontracting requires enhanced monitoring and transparency in supply chain management



1. FACTORY OVERVIEW

Year of starting business		2015
Percentage of total production		10%
Estimated leverage		12%
Date of last visit		June 2024
Date of last audit		16.09.2025 / amfori BSCI
Date of last training		25.09.2023 / Factory Dialogue Module
Products		Workwear
Workers		Female: 56 / Male: 70 Migrants/Refugees: 4
Complaints:		-

2. FACTORY RISKS

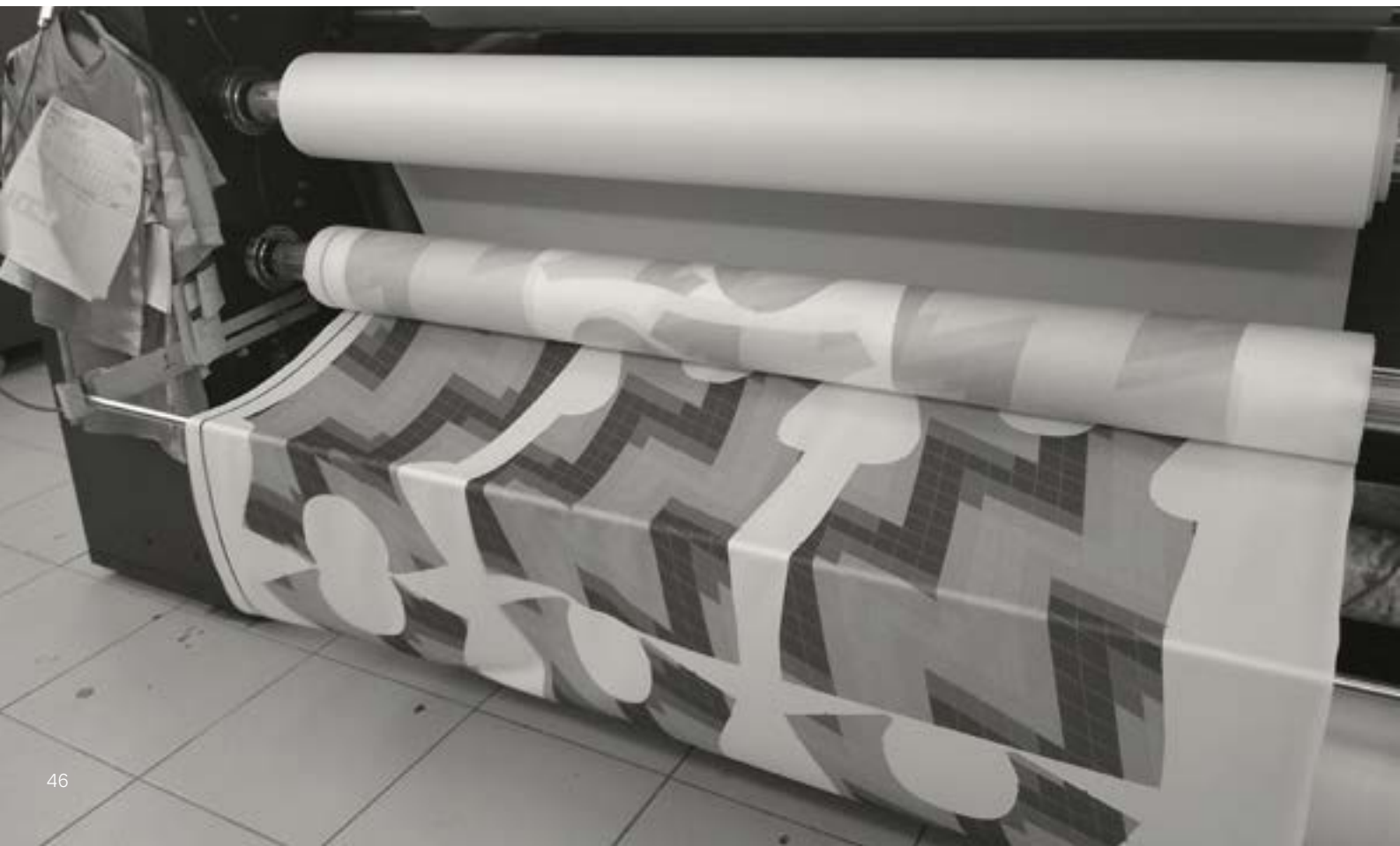
Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	 
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	 
"There is no discrimination in employment (ILO Conventions 100 and 111)"	 
"No exploitation of child labour (ILO Convention 138 and 182)"	 
"Payment of living wage (ILO Conventions 26 and 131)"	 
"Reasonable hours of work (ILO Convention 1)"	 
"Safe and healthy working conditions (ILO Convention 155)"	 
"Legally binding employment relationship (ILO Recommendation No. 198)"	 

3. ACTIONS 2025

- Implementation of the amfori BSCI training on “Gender Equality and Zero-Tolerance for Violence and Harassment in the Workplace”
- Internal training courses on various guidelines
- Developing a Gender Action Plan
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Drawing up a policy on working hours, short-time working, downtime, etc.
- The ventilation system in the stain removal has been improved
- Improving the calculation of severance pay
- The contracts have been brought into line with the relevant legislation

4. IMPROVEMENT PLANS

- Internal trainings on social dialogue and FoA
- Working on the negotiations between management and worker reps
- Retention of manual production records for the last 12 months
- Management must establish formal guidelines and procedures for performance appraisals
- The production must carry out a hazard identification and risk assessment of the production processes





B-FASHION TEKSTIL

1. FACTORY OVERVIEW

Year of starting business		2024
Percentage of total production		1%
Estimated leverage		100%
Date of last visit		June 2024
Date of last audit		17.12.2024 / amfori BSCI
Date of last training		04.03.2024 / Onboarding Training Module 1
Products		Workwear
Workers		Female: 80 / Male: 36 Migrants/Refugees: 0
Complaints:		12.07.2025 / GR-2596 13.07.2025 / GR-2597

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	
"There is no discrimination in employment (ILO Conventions 100 and 111)"	
"No exploitation of child labour (ILO Convention 138 and 182)"	
"Payment of living wage (ILO Conventions 26 and 131)"	
"Reasonable hours of work (ILO Convention 1)"	
"Safe and healthy working conditions (ILO Convention 155)"	
"Legally binding employment relationship (ILO Recommendation No. 198)"	

3. ACTIONS 2025

- Implementation of the amfori BSCI training on “Gender Equality and Zero-Tolerance for Violence and Harassment in the Workplace”
- Developing a Gender Action Plan
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Emergency assembly zones have been located in a safe area
- Work permits for all Syrian employees
- Training on the complaints procedure

4. IMPROVEMENT PLANS

- Working on the negotiations between management and worker reps
- The building permit and building use permit must cover the whole area
- Repayments to employees
- Training for supervisors on discrimination
- The internal complaints system needs to be overhauled and strengthened





6.8. INDIA

1. CURRENT SITUATION

Political & Economic Context

India remains one of the world's largest textile and garment producers and continues to play a central role in global apparel supply chains in 2025. The southern state of Tamil Nadu is one of the country's most important textile hubs, particularly known for knitwear, spinning mills, and garment manufacturing clusters such as Tiruppur. The region benefits from a well-established industrial ecosystem, reliable infrastructure, and a highly skilled workforce with long-standing experience in textile production.

Government initiatives, including production-linked incentive schemes and export promotion policies, continue to strengthen the sector's global competitiveness. Tamil Nadu also places increasing emphasis on sustainable manufacturing practices, including renewable energy use and water management, positioning itself as a forward-looking sourcing destination for international brands.

Labour Environment

India maintains a comprehensive legal framework governing labour rights, including regulations on wages, working hours, and social security. In Tamil Nadu, the textile sector employs a large and diverse workforce, including a significant number of migrant workers. Many export-oriented factories comply with international labour standards and undergo regular social audits.

However, ongoing challenges remain. Wage levels often stay close to minimum wage benchmarks, and extended working hours can occur during peak production periods. Additionally, labour availability and worker retention have become more complex due to increasing mobility and evolving worker expectations in 2025.

2. WAGE STRUCTURE

- Minimum wage (Tamil Nadu – garment sector): approx. 10,000–12,000 INR net/month
- Estimated living wage: approx. 22,000–25,000 INR net/month
- Worker-estimated “decent wage”: approx. 14,000–17,000 INR net/month
- Observation: A significant gap remains between statutory minimum wage levels and estimated living wage benchmarks in Tamil Nadu.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Wage gap between minimum and living wage remains a key structural risk in India
- Risk of excessive overtime during peak production periods
- Labour availability and worker turnover can impact production stability
- Varying enforcement of labour laws across regions and suppliers
- Increasing expectations from international buyers regarding compliance and sustainability

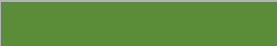


AADHAVA APPARELS

1. FACTORY OVERVIEW

25Year of starting business		2025
Percentage of total production		0.5%
Estimated leverage		0.5%
Date of last visit		June 2024
Date of last audit		30.09.2025 / SA8000
Date of last training		26.09.2025 / Onboarding Training suppliers workers
Products		Workwear
Workers		Female: 20 / Male: 5 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	 
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	 
"There is no discrimination in employment (ILO Conventions 100 and 111)"	 
"No exploitation of child labour (ILO Convention 138 and 182)"	 
"Payment of living wage (ILO Conventions 26 and 131)"	 
"Reasonable hours of work (ILO Convention 1)"	 
"Safe and healthy working conditions (ILO Convention 155)"	 
"Legally binding employment relationship (ILO Recommendation No. 198)"	 

3. ACTIONS 2025

- Implementation of the FWF Onboarding Training for suppliers and workers
- Implementation of the follow-up plan initiated
- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Internal trainings on the following topics: anti-sexual harassment and abuse, child labour, discrimination, forced labour, grievance mechanism procedure and overtime

4. IMPROVEMENT PLANS

- Improving communication, conflict resolution, and worker-management engagement
- Ensure transparency and clear communication on wages, overtime payments, and statutory entitlements
- Ensure clear understanding among workers of their contracts, social security benefits, and documentation





6.9. BULGARIA

1. CURRENT SITUATION

Political & Economic Context

Bulgaria is a member of the European Union and remains one of the most competitive production hubs within the EU textile and garment industry in 2025. The sector continues to be a key pillar of the national economy, supported by a long tradition in tailoring, technical expertise, and high-quality manufacturing. Bulgaria's strategic location on the Black Sea, combined with its land border with Türkiye, positions the country as an important near-shoring destination and logistical bridge within European supply chains. In 2025, the economic environment is shaped by efforts to ensure price stability and fiscal alignment as the country advances towards Euro adoption. Inflation control, energy costs, and maintaining export competitiveness remain central priorities. The textile sector benefits from stable trade relations within the EU and strong integration with European buyers.

Labour Environment

The labour market in Bulgaria is regulated by the national Labour Code, which is fully aligned with EU standards on worker rights, occupational safety, and social security. The textile and garment sector remains a major employer, particularly in rural areas where alternative employment opportunities are limited. Despite relatively low labour costs compared to other EU countries, the sector faces structural challenges. These include an ageing workforce, ongoing emigration of skilled workers to Western Europe, and increasing pressure to improve wage levels. At the same time, factories are closely integrated into European compliance systems and are subject to regular social audits and buyer requirements.

2. WAGE STRUCTURE

- Minimum wage: approx. 1,077 BGN gross / 830–850 BGN net per month
- Estimated living wage: approx. 1,450–1,650 BGN net per month
- Worker-estimated “decent wage”: approx. 1,200–1,350 BGN net per month
- Observation: Despite a significant increase in the statutory minimum wage at the beginning of 2025, a substantial gap remains. Rising living costs—particularly for energy and food—mean that minimum wage levels still cover only part of actual household needs in Bulgaria.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Wage gap between minimum and living wage remains a structural challenge in Bulgaria
- Labour shortages due to ageing workforce and migration of skilled workers
- Rising labour costs and increasing wage pressure
- Risk of overtime during peak production periods
- Strong compliance requirements driven by EU regulations and international buyers



BÜTTNER TEXTIL EOOD

1. FACTORY OVERVIEW

Year of starting business		2015
Percentage of total production		1%
Estimated leverage		12%
Date of last visit		-
Date of last audit		Planned via amfori BSCI in March 2026
Date of last training		Planned via FWF in 2026
Products		Workwear
Workers		Female: 24 / Male: 5 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
“Employment is freely chosen (ILO Conventions 29 and 105)”	
“Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)”	
“There is no discrimination in employment (ILO Conventions 100 and 111)”	
“No exploitation of child labour (ILO Convention 138 and 182)”	
“Payment of living wage (ILO Conventions 26 and 131)”	
“Reasonable hours of work (ILO Convention 1)”	
“Safe and healthy working conditions (ILO Convention 155)”	
“Legally binding employment relationship (ILO Recommendation No. 198)”	

3. ACTIONS 2025

- Drawing up internal guidelines on the following topics: Freedom of association and the right to collective bargaining, forced labour, overtime, sexual harassment & abuse, child labour, discrimination, grievance mechanism procedure
- Informing workers about amfori BSCI and FWF
- Joint preparation for the amfori BSCI audit

4. IMPROVEMENT PLANS

- The improvement plan will be drawn up following the completion of the risk assessment, the amfori BSCI audit and the FWF induction training





6.10. SLOVAKIA

1. CURRENT SITUATION

Political & Economic Context

Slovakia is a member of the European Union and the Eurozone, providing a stable and highly integrated environment for textile and garment production in 2025. The country benefits from strong institutional frameworks, a well-developed industrial base, and seamless access to the EU Single Market. Although the textile sector is smaller compared to heavy industries, it remains an important niche player, particularly in premium apparel, technical textiles, and specialized manufacturing.

Slovakia's strategic location in Central Europe supports efficient logistics and short lead times for European buyers. However, the industrial landscape is heavily dominated by the automotive and electronics sectors, which continue to attract a large share of investment and labour. This creates increasing competition for workers and contributes to rising labour costs in the textile industry. Despite these challenges, the sector remains strongly export-oriented and closely linked to Western European markets.

Labour Environment

The labour market is governed by a comprehensive legal framework aligned with EU directives, ensuring high standards for employment contracts, working conditions, and social security contributions. The textile and garment industry operates mainly in regional clusters with a long tradition in manufacturing. In 2025, the sector faces a persistent labour shortage, driven by competition from higher-paying industries such as automotive and electronics. This results in upward wage pressure and challenges in worker retention. At the same time, factories are subject to strict compliance requirements, including regular social audits and adherence to international labour standards.

2. WAGE STRUCTURE

- Minimum wage: approx. 816 EUR gross / 650–670 EUR net per month
- Estimated living wage: approx. 1,150–1,300 EUR net per month
- Worker-estimated “decent wage”: approx. 1,000–1,150 EUR net per month
- Observation: While Slovakia has one of the highest statutory minimum wages among near-shoring locations, a gap remains compared to estimated living wage levels. Higher costs for housing, energy, and services within the Eurozone continue to drive this gap compared to non-EU Balkan countries.

3. COUNTRY RISK IMPLICATIONS FOR PRODUCTION

- Labour shortages due to strong competition from automotive and electronics sectors in Slovakia
- Increasing wage pressure driven by higher-paying industries
- Risk of production delays due to limited workforce availability
- Relatively high labour costs compared to other near-shoring locations
- Strong regulatory and compliance requirements within the EU framework

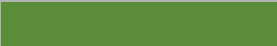


MARC THOMBARD

1. FACTORY OVERVIEW

Year of starting business		2006
Percentage of total production		6%
Estimated leverage		10%
Date of last visit		Oktober 2019
Date of last audit		16.04.2024 / Oeko-Tex STeP
Date of last training		-
Products		Workwear
Workers		Female: 53 / Male: 1 Migrants/Refugees: 0
Complaints:		-

2. FACTORY RISKS

Code of Labour Practice	Risk
"Employment is freely chosen (ILO Conventions 29 and 105)"	 
"Freedom of association and the right to collective bargaining (ILO Conventions 87 and 98)"	 
"There is no discrimination in employment (ILO Conventions 100 and 111)"	 
"No exploitation of child labour (ILO Convention 138 and 182)"	 
"Payment of living wage (ILO Conventions 26 and 131)"	 
"Reasonable hours of work (ILO Convention 1)"	 
"Safe and healthy working conditions (ILO Convention 155)"	 
"Legally binding employment relationship (ILO Recommendation No. 198)"	 

3. ACTIONS 2025

- Gender lens survey and wage data analysis were conducted
- Freedom of Association (FoA) risk assessment was carried out
- Internal training on social policy
- Internal training on health and safety
- External inspection of the building structure
- An increase in pay to close the gap between the minimum wage and the living wage

4. IMPROVEMENT PLANS

- Internal audits and the complaints procedure must be incorporated into the internal quality management manual
- Establishing a gender action plan



6.11. CORRECTIVE ACTIONS AND PROGRESS

Corrective action plans are implemented in cooperation with production partners and followed up through structured reviews. Where recurring findings are identified, broader preventive measures are introduced to address root causes.

In 2025, the focus remained on strengthening wage transparency, improving documentation processes and reinforcing occupational health and safety management systems.

6.12. COLLABORATION AT PRODUCTION LEVEL

In 2025, ALBIRO continued to strengthen its impact through collaboration with other brands active at shared production facilities.

Joint audits and coordinated follow-up on corrective action plans were conducted in cooperation with fellow Fair Wear member brands. This collaborative approach enhanced alignment of expectations towards production management and increased the effectiveness of improvement measures.

In Türkiye, cooperation with other brands supported the structured implementation of corrective action plans at shared suppliers. In India, due diligence activities for newly onboarded production partners included exchange with existing brands producing at the facility and coordination of planned audit and training activities. Collaboration at production level enables ALBIRO to increase its leverage, particularly in facilities where order volumes are shared among several brands. This approach supports structural improvements and contributes to more sustainable outcomes.

7. COMPLAINTS

7.1. COMPLAINTS PROCEDURE

The Fair Wear Foundation provides garment workers with a mechanism to raise concerns about potential violations of their labour rights. In all production facilities, the FWF Code of Labour Practices is displayed in the local language so that workers are informed about their rights and the available complaint channels. If workers believe their rights are not being respected, they can submit a complaint through a local complaints handler who speaks their language, ensuring that concerns can be raised in a safe and confidential manner.

Once a complaint is submitted, the member brand receives a notification by email. ALBIRO then follows its internal procedure: the CSR Manager informs the CEO and the Head of Production and initiates an investigation at the factory concerned. Throughout the process, ALBIRO regularly updates FWF on the status and progress of the case.

FWF remains in contact with the complainant to assess whether the agreed remediation measures are effectively implemented from the worker's perspective. The organization is also responsible for verifying whether the remediation has been completed in line with the agreed action plan. If the verification confirms that the issue has been satisfactorily resolved, the complaint status is changed to "closed". All complaints are publicly documented on the FWF website to ensure transparency.

7.2. COMPLAINTS IN 2025

B-Fashion: GR-2596 and GR-2597

In 2025, a grievance related to a production facility in Türkiye was investigated by the Fair Wear Foundation. The investigation included document reviews as well as interviews with workers and factory management. Several labour-related issues were identified during the investigation process, including concerns related to workplace practices, wage payments during production interruptions, and certain management procedures. The investigation also confirmed that the factory experienced a significant reduction in production volumes during 2025, which contributed to operational challenges and the temporary suspension of work for part of the workforce.

Corrective actions and recommendations were defined following the investigation. Due to the timing of the investigation and the remediation planning process, the case will continue to be addressed and monitored during 2026. Further follow-up will focus on verifying the implementation of corrective measures and ensuring that working conditions are aligned with the Fair Wear Code of Labour Practices.

KRZNO: GR-2528

In 2025, the Fair Wear Foundation received a grievance concerning workplace practices at a supplier factory. The investigation focused on several issues related to working conditions, internal grievance mechanisms, and factory management procedures.

The investigation confirmed that the worker involved had raised concerns regarding their working conditions and requested reassignment to a position better suited to their health condition. Following the remediation process, the worker was transferred to a suitable role within another production line under a different supervisor. The worker confirmed that they were satisfied with this outcome.

During the investigation, additional concerns were identified regarding workplace communication and the factory's procedures for issuing warnings and handling employee grievances. As part of the remediation process, the factory—supported by the Fair Wear member—introduced improvements to internal systems. These included the development of a clearer dismissal procedure in line with legal requirements, the establishment of a structured internal grievance mechanism, and awareness-raising training for workers and management to strengthen social dialogue.

The grievance cases were closed after remediation measures were implemented, while continued monitoring was recommended to ensure that the improvements remain effective and that similar issues do not reoccur.

8. TRAINING AND CAPACITY BUILDING

8.1. INTERNAL CAPACITY BUILDING

Sustainability and responsible business conduct are embedded across ALBIRO's internal functions. Since joining Fair Wear in 2012, all relevant staff members have been introduced to ALBIRO's sustainability commitments and human rights due diligence approach.

New employees receive an introduction to ALBIRO's social standards and responsibilities. Ongoing updates are provided through internal communication channels, regular meetings and dedicated sustainability briefings. Staff from purchasing, production, CSR, marketing and sales are actively involved in the annual Brand Performance Check, Social Report and Work Plan development.

This continuous internal engagement supports informed decision-making in sourcing and production planning.

8.2 SUPPLIER AND WORKER TRAINING

Training at production level forms an essential part of ALBIRO's human rights due diligence implementation.

ALBIRO encourages participation in Fair Wear training modules, including onboarding sessions on labour rights and grievance mechanisms, as well as training on social dialogue and workplace cooperation. Where relevant, local trainers are engaged to ensure contextual relevance.

These training initiatives aim to strengthen awareness of labour standards, improve grievance accessibility and support dialogue between management and worker representatives.

8.3 INTERMEDIARY ENGAGEMENT

In countries where ALBIRO cooperates with Intermediaries, sustainability expectations are communicated clearly. Intermediaries are informed about ALBIRO's standards and involved in improvement processes at production level.

Where applicable, external training resources such as the amfori Academy are made available to support capacity building among agents and local partners.

9. INFORMATION MANAGEMENT AND GOVERNANCE

ALBIRO's sustainability governance is coordinated centrally by the CSR Manager, who reports directly to the CEO. The CSR function acts as an interface between purchasing, production, development and marketing, ensuring alignment of sustainability objectives across departments.

Clear reporting lines and defined responsibilities support structured information flow and timely decision-making. Relevant data from audits, risk assessments, country developments and stakeholder dialogue are systematically collected, evaluated and communicated internally.

Sustainability objectives are defined at Board level and implemented operationally by management.

Regular exchange between executive management and the CSR function ensures that identified risks and developments are addressed in a timely and coordinated manner.



10. COMMUNICATION AND TRANSPARENCY

ALBIRO communicates its sustainability commitments transparently through its website, social media channels, product catalogues and direct customer dialogue.

Information on ALBIRO's collaboration with recognised monitoring initiatives, its human rights due diligence approach and annual progress is made publicly available through the Social Report and other communication channels.

This transparency supports informed decision-making by customers and stakeholders and contributes to accountability within the supply chain.

11. FURTHER SOCIAL ENGAGEMENT

ALBIRO's commitment to social responsibility extends beyond its supply chain activities.

11.1 ALBIRO FOUNDATION

Established in Sumiswald in 2012, the ALBIRO Foundation supports initiatives in the fields of education, science, culture and humanitarian assistance. The foundation operates independently and focuses on projects in regions where ALBIRO maintains business relationships. While separate from ALBIRO's human rights due diligence framework, these initiatives reflect the company's broader commitment to social responsibility.

In 2025, ALBIRO supported local community initiatives in Morocco through targeted humanitarian assistance in vulnerable regions.

Financial contributions enabled the procurement and distribution of essential relief goods to families in economically disadvantaged areas, particularly in remote regions near the Atlas Mountains. Support included the provision of blankets, clothing and footwear, addressing basic needs during colder periods when temperatures in these regions can drop significantly.

The initiative complements ALBIRO's broader commitment to responsible business conduct by supporting communities in sourcing regions and addressing local socio-economic challenges beyond factory level.

12. GLOSSARY

BSCI	Business Compliance Initiative of Foreign Trade Association, Brussels
CAP	Corrective Action Plan of Fair Wear Foundation Audit Report
CoLP	Code of Labour Practice of Fair Wear Foundation
CSR	Corporate Social Responsibility
FTA	Foreign Trade Association
FWF	Fair Wear Foundation, Amsterdam
ILO	International Labour Organisation
MSA	Management System of ALBIRO
NGO	Non-governmental organisations
SAP	Systems, Applications & Products in Data Processing - Software
SGS	Société Générale de Surveillance – Inspection, Verification, Testing and Certification Institute, Geneva, Switzerland
SQS	Swiss Association for Quality Management and Systems ISO 9001 (Quality Management), ISO 14001 (Environment Management), Zollikofen, Switzerland
WEP	Workplace Education Program of Fair Wear Foundation
OECD	European Convention on Human Rights
HRDD	Human Rights Due Diligence
GRDD	Gender-Responsive Due Diligence
WEPS	Women Empowerment Principles



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