

A close-up photograph of a person in a dark business suit with their hands clasped together on a wooden desk. In the foreground, there are several sheets of white paper and a black pen. The background is softly blurred, showing what appears to be an office window with greenery outside.

POLICY STATEMENT



DARESOURCING

DARESOURCING GmbH

POLICY STATEMENT ON THE RESPONSIBLE HANDLING OF PEOPLE, THE ENVIRONMENT & INTEGRITY

Version 1, February 2026

In this statement, we would like to address our goals and expectations, referring specifically to our individual risk topics as a company. We explain our commitments and additional voluntary commitments arising from our individual risk analysis. In doing so, we present our expectations in close connection with risk topics and explain the related processes, measures or activities and their implementation.



Our company is firmly committed to a comprehensive approach to sustainable action in the textile industry. We recognize the growing importance of sustainability in our sector and regard it as an integral element of our corporate identity. The following guiding principles form the foundation of our policy statement:

Environmental Protection and Sustainable Procurement

We are actively committed to protecting the environment by prioritizing sustainable materials and promoting environmentally friendly production methods. Our procurement policies include the selection of suppliers who are likewise committed to ecological responsibility. Our aim is to continuously minimize the environmental footprint of our products and use resources responsibly.

Social Responsibility Along the Supply Chain

Our company pursues a social approach that is fair, ethical, and transparent. We are committed to monitoring and improving working conditions throughout our supply chain. This includes promoting fair wages, preventing discrimination, and protecting against child labor and all forms of exploitation. We actively work to ensure that all people involved in the manufacture of our products work under safe and fair conditions.

Quality and Durability

Our pursuit of the highest quality in design and workmanship aims to create products with a long service life. Through timeless design, high-quality materials, and a high level of quality in production, we seek not only to extend the lifespan of our products but also to reduce consumption. Through the implementation of a circular and closed-loop recycling system, raw material consumption is to be sustainably minimized.

Transparency and Communication

We place great value on transparency in our business practices. This includes the disclosure of information about our suppliers, the environmental impact of our production, and measures for continuous improvement. We communicate openly about our sustainability efforts in order to create understanding of our practices and contribute to building a relationship of trust with our stakeholders.

Innovation for Sustainability

Our corporate culture promotes continuous innovation toward sustainable technologies and production methods. We invest in research and development to identify and implement new environmentally friendly solutions. Our goal is to be a pioneer in the development of sustainable practices that positively influence not only our industry but also the environment as a whole.

This policy statement forms the firm framework for our business activities. We view sustainability not merely as an obligation, but as an essential pillar of our corporate responsibility, intended to make a positive contribution to sustainable development in the textile industry and beyond. In doing so, we rely on the three pillars of sustainability: ecology, economy, and social responsibility.



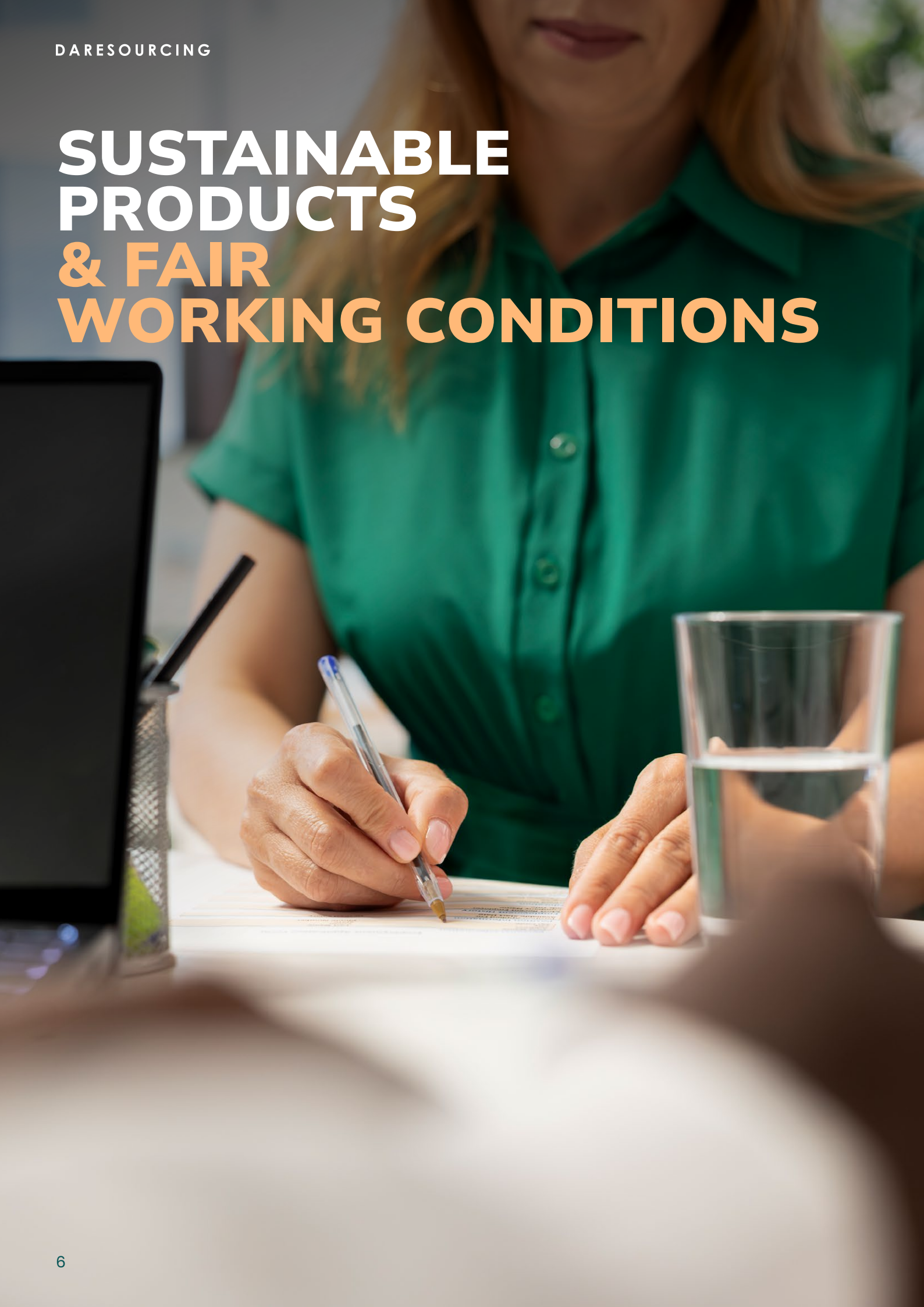
**HUMAN RIGHTS
RESPONSIBILITY &
ENVIRONMENTAL
PROTECTION**

As a company operating internationally, we are aware of our human rights due diligence obligations and also wish to contribute to environmental protection. The ILO core labor standards as well as the Human Rights Charter and the rights formulated therein provide the basis for our human rights responsibility. At the same time, the OECD Guidelines and environmental frameworks such as the Zero Discharge of Hazardous Chemicals (ZDHC) form the foundation of our daily actions. In addition to aligning ourselves with the Sustainable Development Goals (SDGs) as a global political framework, our principles are based on the following internationally recognized declarations, conventions, and principles:

- **The International Bill of Human Rights and the ILO core labor standards**
- **Internationally recognized environmental frameworks**
- **The United Nations (UN) Universal Declaration of Human Rights**
- **The UN Convention on the Rights of the Child**
- **The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises**
- **The fundamental conventions of the International Labour Organization (ILO)**
- **The United Nations Guiding Principles on Business and Human Rights**

These minimum requirements for working conditions and environmental standards form the basis of our actions and our purchasing practices and are documented in our Code of Conduct for Employees and our Code of Conduct for Business Partners. We therefore place the same expectations on our suppliers and require production facilities to comply with social and ecological standards. Where subcontracting is permitted by us, we expect these requirements to be passed on accordingly and that opportunities for improvement are reviewed before entering into a business relationship.

SUSTAINABLE PRODUCTS & FAIR WORKING CONDITIONS



In the development of our products, we place a strong focus on quality, because the higher the quality of our products, the more durable and therefore the more sustainable they can be. In this context, we pay particular attention to high-quality materials and components. OEKO-TEX Standard 100, Made in Green, and Green Button 2.0 are basic requirements for us. Through our long-standing partnerships with suppliers and business partners, we work on the basis of a high level of trust and with shared goals in mind. Together, we work on responsible sourcing and purchasing practices in order to expand them extensively. As a result, we also place continuous emphasis on increasing the use of sustainable materials and are constantly striving to optimize our production processes and make them more sustainable.

One of our main concerns is our voluntary commitment to promoting living wages. The assumption was made that if the payment of living wages were pursued, this would simultaneously help minimize the risks of “minimum wage and social benefits” as well as the risk of “working hours and overtime” and “migrant workers and other vulnerable groups,” which we analyzed for our main production country, China. Based on our individual country- and sector-specific risk analysis, the risk of non-compliance in our production country is particularly high. For this purpose, our Code of Conduct for Business Partners requires the following:

“Compensation for regular working hours and overtime must comply with the national statutory minimum wage or the industry’s customary minimum standards, whichever amount is higher. Compensation for overtime must, in all cases, exceed compensation for regular hours. Where compensation is not sufficient to cover the costs of ordinary living and to build a minimum level of savings, the supplier is obliged to increase compensation accordingly. Employees must be granted all benefits required by law. Wage deductions as disciplinary measures are not permitted. The supplier must ensure that employees receive clear, detailed, and regular written information about the composition of their compensation. Compensation paid should therefore be transparent and make the wage structure understandable. In addition to the obligation to pay fair and adequate remuneration, suppliers are required to determine the amount of appropriate living wages on the basis of an analysis of local living costs.”

In addition to the mandatory signing of the Code of Conduct, we have set ourselves the goal of minimizing this risk in our supply chain through a regular wage gap analysis. In order to support our business partners as effectively as possible from our side, we work continuously on forward-looking production

planning and fair price negotiations. We communicate openly with our business partners that failure to comply may lead to termination of the business relationship. At present, following relevant efforts and close cooperation with our business partners, we can assume that living wages are at least being paid at the garment manufacturing stage (Tier 1).

At the garment manufacturing level, in addition to ensuring the payment of living wages, the most prominent risks mainly concern social standards, covering various aspects such as working conditions, discrimination, child labor, and occupational safety. At the same time, the identification of women as a vulnerable group at the production site in China led to the planning of targeted measures and increased awareness-raising. Training sessions and equality policies were planned in order to minimize discrimination and ensure safe working environments. The needs of this group include family-friendly measures, career development opportunities, health care, and protection against discrimination. For this purpose, we rely on continuous consultations, partnerships with external organizations, and regular reviews to ensure the safe treatment of women in the workplace and to promote an inclusive environment. In addition, certain country-specific risks were identified for our production country.



**DESCRIPTION OF
THE MOST SERIOUS
RISKS AND THE DUE
DILIGENCE PROCESSES
EMBEDDED IN THE
COMPANY**

One of the most serious country-specific risks we analyzed is the influence of the government on human rights and ethics, and the associated right to freedom of association and collective bargaining, as well as prevailing corruption and restricted freedom of the press. These circumstances can result in grievances along the supply chain not being reported. In this regard, we have obtained assurances that these rights exist for employees at our main production facility. In this case, worker representatives were elected within the trade union and a grievance mechanism was established. Therefore, in the subsequent analysis it was decided to address all of these points through a revision and expansion of the existing grievance

**Any Complaint ?
Please don't hesitate to contact us !**
如果您对您的工作及其环境有什么不满意，请随时联系我们！



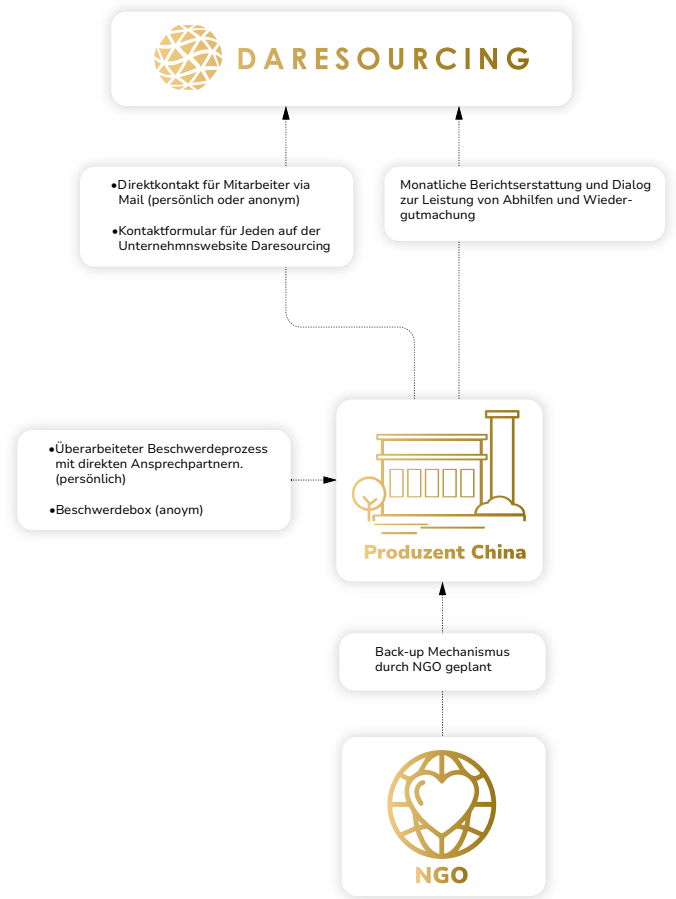
Write us an Email at: sustainability@daresourcing.de or contact us anonymous via our contact form on our website www.daresourcing.de under „whistleblowing“
您可以发邮件至sustainability@daresourcing.de进行实名投诉或者在我们官网www.daresourcing.de的whistleblowing菜单下进行匿名投诉。

If you sent us an email, we are able to directly inform you about the status of your enquiry. If you prefer to rather stay anonymous, we will inform you through official notices in the facility.
如果您通过私人邮箱向我们发送电子邮件，我们会及时回复您并处理您的投诉，更新投诉状态。当然您也可以通过网页进行匿名投诉，我们将通过官方渠道处理您的投诉。

process and, through continuous consultations with management and the entire workforce, to minimize these risks or counter them by creating awareness for the early identification and mitigation of these potential risks and by establishing preventive remedial measures.

For this purpose, the existing grievance mechanism was reviewed for gaps within an ethics and compliance management system introduced by us in 2024 and was revised in collaborative cooperation with the garment manufacturer.

At the same time, a specially developed grievance process was implemented, which, through internal and external communication channels, monitoring, and documentation, is intended to develop into an increasingly strong barrier against these analyzed risks and through which prevention and remedial measures are to be effectively implemented.



We are committed, to the best of our ability, to protecting complainants from retaliation, for example by preserving anonymity and by following up on every complaint internally as well. In addition, we take legitimate complaints or indications of negative impacts on human rights, the environment, and integrity seriously when they are attributable to our company or when we have contributed to them. In such cases, we actively work toward remedy and redress or contribute constructively to appropriate solutions. This principle forms the foundation of our willingness to take responsibility and our commitment to transparent and ethically responsible corporate governance.

The second focus was placed on the risk of unpaid living wages. The assumption was made that if the payment of living wages were pursued, this would simultaneously help minimize the risks of “minimum wage and social benefits” as well as the risk of “working hours and overtime” and “migrant workers and other vulnerable groups.” The wage gap analysis carried out at the garment manufacturing facility showed that, after relevant efforts, it is already paying living wages for the identified region.



**SUSTAINABLE
MATERIALS**

In order to improve the sustainability of cotton and polyester in the textile industry, various measures are necessary. These include promoting organic cultivation and sustainable farming methods for cotton, reducing the use of pesticides and herbicides, and promoting innovative technologies for water efficiency in irrigation. For polyester, promoting recycling and developing new manufacturing processes based on renewable raw materials are important approaches for reducing environmental impacts. In addition, raising consumer awareness of the environmental impacts of cotton and polyester as well as promoting sustainable consumption practices are of great importance in bringing about positive change in the textile industry.

Quality and management systems such as ISO 14001 and ISO 9001 have been implemented and audited both at the garment manufacturing stage and at the wet processing stage. OEKO-TEX Standard 100, MADE IN GREEN, and Green Button 2.0 are also standard for both companies with regard to the materials used. Cooperation is regularly reviewed on the basis of the required standards by the Hohenstein Institute Germany and the Hohenstein Institute based in Shanghai in order to ensure the consistent quality of processes. Nevertheless, Daresourcing has set itself the goal of significantly increasing the use of organic cotton and recycled polyester. The two companies agreed to make this possible in 2024. Organic cotton was provided for production. The aim is to address this topic and promote the use of sustainable materials.



PROCUREMENT & BUSINESS MODEL



Shortly after its establishment, Daresourcing GmbH still exhibits typical start-up characteristics and is currently in the phase of rapid growth and development of its procurement and business model. As part of this process, Daresourcing is heavily engaged in responding to customer inquiries and acquiring potential new customers. This phase is characterized by dynamic responses to customer needs, as the company strives to establish itself in the market and consolidate its presence. In this start-up phase, planning and forecasting for production is a challenge, as demand and customer inquiries can vary in ways that are difficult to predict. Flexibility is therefore of crucial importance, as Daresourcing must respond quickly to market changes, both in terms of procurement and production.

In order to manage this rapid growth, Daresourcing aims to adapt its capacities and develop a flexible procurement strategy in order to meet constantly changing requirements. This means that the company may have to rely on short-term procurement sources to meet customer needs while at the same time striving to build long-term partnerships and maintain long-term business relationships with its existing customers.

In the course of continuous growth and the establishment of long-term business relationships with existing customers, Daresourcing plans to stabilize its procurement, plan more predictively, and develop forecasts better aligned with market requirements. This includes developing a robust procurement strategy that enables both short-term adjustments and long-term planning in order to respond to the changing needs of the market.

By stabilizing procurement and implementing improved forecasting capability, Daresourcing intends to overcome the challenges of uncertainty and dynamic customer inquiries while at the same time creating the basis for a sustainable and successful business model. This enables the company to build long-term business relationships while preserving the flexibility needed to respond to new market opportunities.

Overall, the development and stabilization of Daresourcing's procurement and business model in this growth phase is of decisive importance in creating a solid foundation for the company's future growth and success. The challenges of this phase provide the opportunity, through rapid and flexible adjustments, to ultimately establish an effective and sustainable procurement strategy tailored to current and future market requirements. For this purpose, a closed-loop circular model is currently being tested and co-developed. In cooperation with us, our recycling partners are creating the opportunity to further sustainably reduce the use of new raw materials.

Our goal is for our business model in the future to comprise only a few production cycles per year, thereby ensuring sufficient lead time for effective planning and procurement on the part of the garment manufacturer and preventing increased risk caused by time pressure.



**INTEGRATED
SUSTAINABILITY
RESPONSIBILITY &
OBJECTIVES**

Responsibility at the highest corporate level is firmly embedded in our company and is consistently implemented in all sustainability processes. The formal recognition and adoption of sustainability statements, processes, and implementation measures takes place at the highest management level, thereby documenting a clear commitment to ethical and ecological principles. This responsibility is also reflected in performance evaluation, in which sustainability goals are regarded as a decisive factor for individual and organizational success. The highest corporate level assigns specific roles and mandates that ensure operational implementation. Thus, one of the first official acts after the company was founded was to appoint a trained and experienced sustainability manager, and to expand the development of our sustainability department through the addition of an international ethics and compliance manager and a project manager for operational sustainability management and feel-good management. Ongoing training ensures that knowledge transfer is always kept up to date and is also passed on internally.

Progress measurement and the monitoring of implementation are also an integral part of our corporate practice in order to ensure that sustainability goals do not merely exist on paper but are actively and effectively implemented. Consideration in strategic decisions underscores the continuous integration of sustainable principles into the long-term orientation of our company. Accordingly, participation in and adoption of the company's established sustainability objectives have also been shaped by the management.

As clear objectives that we pursue, we are committed to implementing the following measures:

- 1. Digitalization of the reporting system and grievance mechanism:** *Our objective includes the digitalization of our reporting system and grievance mechanism. We planned the implementation of an automated ticketing system that enables the anonymous recording of complaints. This was successfully implemented in 2024. Every complaint is handled directly by us. Through automatic categorization and documentation, we aim not only for efficient processing, but also to generate proposals for action, create implementation plans, and establish continuous monitoring for transparent and effective handling.*
- 2. Project to promote recycling, sustainable materials, and fibers:** *Our clear objective is to actively pursue the promotion of sustainable materials and fibers. We aim to implement a comprehensive plan to increase the proportion*

of sustainable fibers in our production. This includes the research and development of environmentally friendly materials as well as cooperation with suppliers and partners to promote sustainable alternatives that generate the most closed loop possible.

- 3. On-site visits and consultations:** *In order to ensure direct communication and strategic planning, we aim to conduct on-site visits to our garment manufacturers and suppliers. We will introduce consultations for management on sustainable working methods and review the agreed sustainable practices through regular audits and evaluations.*
- 4. Cooperation with organizations and the establishment of back-up mechanisms:** *Communicating the rights of all employees involved in production is a key objective at the center of our efforts. We aim to develop consultations to ensure that every person can understand and exercise their rights in the production process. We seek close cooperation with organizations such as the Partnership for Sustainable Textiles in order to promote collaborative approaches to sustainable development. Each year, ethics management now ensures implementation on site.*
- 5. Continuous improvement and evaluation:** *As a clear objective of our company, we are committed to the continuous improvement of our sustainability practices. We will regularly review and adjust our goals and strategies. In doing so, we will evaluate implementation results and adjust our measures accordingly in order to ensure that we achieve positive impacts on an ongoing basis.*

These objectives underline our commitment to transparent, ethical, and sustainable corporate governance along the entire value chain.



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