

POLICY STATEMENT (GRUNDSATZERKLÄRUNG)

CECIL

■ Street One

STREET ONE STUDIO

■ STREET ONE
MEN

INTRODUCTION

The CBR Fashion Group (CBR) is an international fashion company with a long history of success. For many years, we have taken responsibility beyond the boundaries of our own operations. We consider it our duty to treat the people in our global supply chain and the environment responsibly. To live up to this environmental and social responsibility, we are constantly working to improve our processes and to develop and implement measures to reduce the risks associated with our business activities.

This policy statement explains how CBR fulfills its human rights and environmental due diligence obligations. It supplements our Code of Conduct/Supplier Code of Conduct, which has been in force for many years. In our sustainability report, we also highlight current developments in the financial year in greater detail.

OUR COMMITMENT

WE RESPECT HUMAN RIGHTS AND ARE COMMITTED TO PROTECTING THE ENVIRONMENT!

We are unequivocal in our commitment to human rights and environmental protection, both in our own operations and with our suppliers. We have been obliging our own employees and direct suppliers to comply with our Code of Conduct for years. This takes into account the following internationally applicable standards and guidelines:

- › Universal Declaration of Human Rights of the United Nations
- › United Nations Guiding Principles on Business and Human Rights
- › Conventions and recommendations of the International Labour Organization
- › Labor and social standards Principles of the United Nations Global Compact
- › United Nations Convention on the Rights of the Child
- › United Nations Convention on the Elimination of All Forms of Discrimination against Women
- › Guidelines of the Organization for Economic Cooperation and Development on responsible business conduct
- › Minamata Convention on Mercury
- › Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- › Stockholm Convention on Persistent Organic Pollutants

OUR RESPONSIBILITY

Responsibility for compliance with CBR's human rights and environmental due diligence obligations lies primarily with the management. It observes these in its decisions and demands the same from all employees and contractual partners.

All departments are tasked with exercising due diligence in the operational business. To this end, our own employees in Germany and Europe are familiar with the CBR Code of Conduct and comply with it. It can be viewed publicly in various languages on the CBR website <https://www.cbr.de>.

Our measures to protect human rights and the environment are managed centrally by the "Corporate Social Responsibility (CSR)" department. The head of the CSR department is tasked with carrying out a risk analysis at least once a year and ensuring that an appropriate risk management system is in place.

The Management Board is regularly informed about the risks identified for people and the environment and the measures taken to manage these risks.

RISK ANALYSIS

We have been analyzing the human rights and environmental risks associated with our business activities for many years. We monitor their development on an ongoing basis and adjust our risk assessment as necessary.

The human rights and environmental risks from our own operations are low. This is partly due to the nature of our activities and partly due to the locations where we provide our services. CBR develops and sells its high-quality fashion products exclusively in Europe. All our facilities are located in the European Union and Switzerland. More than 90% of our employees are based in Germany.

We do not have own production facilities and all logistics services are also provided by service providers. Our own operations therefore pose hardly any risk to people or the environment. As we also naturally comply with all applicable labor and environmental protection regulations for the protection of people and the environment, there are no relevant risks to people or the environment in our own business area.

The main human rights and environmental risks associated with our business activities lie in the manufacture of products and logistics. We counter the latter by having logistics services provided only by reputable service providers based in the European Union. Textile supply chains, on the other hand, are fragmented and highly interconnected. The associated risks typical of the industry also apply to our direct and indirect suppliers. We consider the most serious risks in the textile supply chains to be

- › Child labor
- › Forced labor
- › Disregard for occupational safety
- › Inadequate wages and working hours
- › Discrimination and gender-based violence
- › Non-environmentally friendly handling of chemicals.

Our assessment is based on a close exchange with LRQA (formerly ELEVATE), the renowned audit service provider working for us, and our own experience gained from audits carried out since 2009. With the help of the country risk assessment platform EiQ operated by LRQA, we can also identify and assess current developments worldwide at an early stage. We also use publicly available sources from the media and independent organizations.

PREVENTIVE AND REMEDIAL MEASURES

In order to minimize the negative impact of our business activities on people and the environment and to avoid human rights and environmental risks, CBR has anchored extensive preventive and remedial measures in the relevant business processes.

We consider the clear communication of our expectations to our employees and product suppliers and their incorporation into our contracts to be the most important preventive measures. In addition, we explain in detail to our product suppliers what we expect from them in our Production Guide and our Social Compliance Manual.

We offer all direct textile suppliers free access to LRQA's online training program with around 75 courses on various ESG topics. This enables factories to familiarize all relevant people with ESG topics and train them accordingly. If we identify weaknesses in individual topics at suppliers, we require the relevant people to complete the relevant online training.

We have compliance with our social and environmental standards checked by a third party. To this end, LRQA carries out semi-announced audits on our behalf at all production sites at risk-based intervals. The first audit takes place before the start of production. No factory produces for CBR that does not have a valid audit. Unacceptable violations (so-called Zero-Tolerance Findings) must be rectified immediately and the successful rectification confirmed with a follow-up audit by LRQA. In the case of less serious violations, the supplier must identify and implement corrective measures in the form of a Corrective Action Plan (CAP). In the event of non-compliance, CBR aims to rectify it, not to terminate the business relationship with the supplier concerned. This is the last resort if a supplier is not willing or able to work on improvements.

In our contracts, we also prohibit the use of certain materials or production methods in the entire supply chain with regard to human rights and environmental risks. We check compliance with these prohibitions on a random basis, e.g. by means of isotope analyses.

GRIEVANCE MECHANISM

We take potential violations of laws and our standards as well as harm to people or the environment very seriously. The CBR Fashion SpeakUp-Line can be used to report risks or violations of human rights or environmental obligations around the clock and in more than 70 languages via the web, app or telephone. The complaints system is designed to be low-threshold so that it can be used by everyone along the supply chain. It also allows anonymous complaints.

Our Code of Conduct and the references to the CBR Fashion SpeakUp-Line are displayed in the respective national language and clearly visible in the production facilities. This is checked as part of the audits.

Our legal and compliance department confirms receipt of the reports and processes the content in strict confidence. Information on the procedure is published in the „Guidelines on the CBR Fashion Group whistleblower system“. The effectiveness of the complaints procedure is reviewed once a year and on an ad hoc basis.

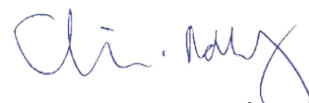
REPORTING AND DOCUMENTATION

We have carried out and continuously document our risk analysis for our own business processes as well as for our direct and indirect suppliers with regard to the German Supply Chain Due Dillgence Act. We review our risk management on an ad hoc basis and at least once a year; in doing so, we assess the appropriateness and effectiveness of our preventive and corrective measures and adjust them if necessary.

Isernhagen, 20.12.2023



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