

POLICY STATEMENT ON RESPECTING HUMAN RIGHTS AND PROTECTING THE ENVIRONMENT

Dealing respectfully with all the direct and indirect impacts which our business activities have on human rights and the environment is an essential component of our actions at PETER HAHN. In this regard, we consider not only the impacts of our own internal activities, but also those of our supply chain. Our actions are based on 4 primordial aspects: products, environment, social and corporate responsibility.

"Sustainability is an essential part of our ethical understanding and our corporate strategy. We produce high-quality and durable products – respecting the environment and respecting human rights, both at PETER HAHN itself as well as in our supply chain. The latter clearly focuses on adhering to and improving social standards because we feel that this factor is closely linked to achieving the high quality of our products." Stefan Kober, PETER HAHN Managing Director

We carry out regular **risk analyses** in order to live up to our corporate responsibility in all areas. These analyses are guided, amongst other things, by the requirements of the **"OECD recommendations for the textile sector"**. These recommendations include the risks relevant to our industry in the sectors of child labour, forced labour, discrimination & harassment, working time, health and safety at work, freedom of association, collective-bargaining, minimum wage/living wage, corruption, bribery, management of chemicals, water consumption and pollution, and greenhouse gas emissions. All the measures and precautions named in this document serve the evaluation, prevention and redress of these risks.

We adhere closely to statutory regulations and conventions such as the **ILO Core Labour Standards and the International Convention on Human Rights**. In implementing these standards we are aided primarily by our many years of membership of amfori, the leading European and international retail association which is committed to sustainable supply chains. We have been making use of their **amfori BSCI** (Business Social Compliance Initiative) service, the world's biggest social standards initiative, since 2013. As part of these amfori BSCI social standards activities, independent testing institutes regularly audit the production sites of our suppliers. We work together to continuously improve processes based on their reports. In addition, we offer a comprehensive training programme with courses provided on-site or online by amfori BSCI, and PETER HAHN supplier days in our procurement markets.

The amfori BSCI code of conduct also includes an **anonymous grievance mechanism**. This gives all stakeholder groups around the world, such as factory workers, the opportunity to draw attention to possible issues. PETER HAHN's own direct employees have access to a grievance mechanism, too, via the works council. In order to ensure that all other stakeholder groups are also involved in our efforts, comments or questions on the issue of sustainability at PETER HAHN can be sent to us via our publicised email address sustainability@peterhahn.co.uk.

PETER HAHN GMBH

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As part of an amfori BSCI project to introduce a grievance procedure, we are additionally participating in the "Speak for Change" pilot. This pilot scheme is currently being implemented in Vietnam for suppliers of amfori members. "Speak for Change" enables employees of suppliers to contact amfori, provide hints and report concerns and possible grievances in factories. This reporting can be done via the internet, by telephone or chat and can be done anonymously. It is planned that the "Speak for Change" grievance procedure is expanded to other countries. As an amfori member, we support this project because we are convinced that the voices of employees and company support contribute significantly to mutual success and good working conditions.

By implementing a whistleblowing system for all people, who are in the wide sense in "work-related connection" with PETER HAHN, additional efforts are made to draw attention to grievances in order to eliminate them. Employees, trainees, interns and temporary employees, applicants, suppliers, and service providers have access to this system.

In addition, and in collaboration with our external partners, we frequently conduct **supplier projects** on issues such as social and environmental standards and chemical management (in accordance with the ZDHC regulations). For example, from 2016 to 2018 we conducted a PPP project (public-private partnership) with selected suppliers in China. We worked with the Hessnatur Foundation here in Germany and with Consulting Service International in Hong Kong on this project. We created a manual on the issue of health and safety at work in cooperation with the NGO LESN (Labour Education and Services Network) in Hong Kong. We also engage in **exchange with other stakeholders**, for example in the DTB (Dialog Textil Bekleidung) and in moderated industry discussions held as part of the PPP project. In addition to this, PETER HAHN was actively involved in the creation of The Good Cashmere Standard®, the new Aid by Trade Foundation standard, and was the very first partner of this new standard for animal welfare, environmental protection, and social standards. Further, PETER HAHN has been a part of the Fur Free Retailer programme since 2016 and is therefore in regular exchange with animal welfare organisation Four Paws. PETER HAHN has also been certified according to the Global Organic Textile Standards (GOTS) since 2019 and we are in close collaboration with sustainable upstream suppliers such as Lenzing.

PETER HAHN GmbH sets itself **targets** for continued sustainability improvements within its own company and in the supply chain. Amongst other elements, we seek to expand our range of sustainable products and to further improve audit results in our procurement markets by means of the BSCI system and our own trainings.

Since 2012 the **PETER HAHN sustainability department** has been tasked by the management team with coordinating all activities related to environmental protection and corporate social responsibility and with carrying out certain tasks. In addition to this, since 2016 we have been working in our interdepartmental **"Sustainability Task Force"** on the implementation of these themes in all areas of the company.

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PETER HAHN also pays particular attention to **vulnerable groups** (for example women, children, migrants, people with disabilities etc.). We offer our assistance in a variety of formats, for example providing a hotline for addressing employees' social issues or by making clothing donations to the charity Tafel Baden-Württemberg. We also support projects in our procurement countries, for example a project to promote independence through work amongst women in Peru or a school project in Madagascar. Our internal policies on **social and environmental issues, procurement, child labour, forced labour and the UK modern slavery act** are supplements to this policy. The amfori BSCI position papers on human rights, gender equality etc. complement our activities.

Our activities regarding **environmental protection** are another major aspect of our responsibility. We have already been able to implement multiple measures, for example in the field of climate protection. Since October 2021, PETER HAHN has been offsetting all greenhouse gases that were calculated in a corporate carbon footprint. By investing in climate protection projects PETER HAHN has achieved the status of "climate-neutral company". We are working to reduce our ecological footprint more and more. For example, with the acquisition of hybrid and electric vehicles in our fleet, the use of green electricity and climate-neutral printing in all our office buildings. In addition to calculating our corporate carbon footprint, climate-neutral products are another important aspect. Furthermore, all advertising materials are printed on PEFC-certified paper, and packaging materials are reduced wherever possible.

PETER HAHN is also pursuing a clear approach when it comes to **chemical management**. Suppliers are supported in selected projects (e.g., ZDHC project) and in pursuing certifications such as the GOTS standard. An internal chemical management system including product tests completes this approach.

Despite all the measures listed above, incidents with a negative impact on human rights or the environment may still occur during our procurement process. In order to deal with these issues, we have established the following **processes for prevention, reduction and redress**: Incidents which affect product safety trigger an internal process with defined responsibilities and actions, e.g., our REACH team and accompanying product recall process. There is also a process for chemical tests within the procurement markets and upon goods receipt, which we have developed in collaboration with the Hessnatur foundation.

In urgent cases of non-compliance at production sites, the BSCI-Zero-Tolerance-Protocol comes into force. This informs all concerned parties within 72 hours and has them working together to find solutions.

In terms of prevention, our suppliers are contractually obliged to comply with social and environmental standards, and we inform them of the significance of these issues through comprehensive documentation (e.g., Tristyle Quality Guidelines PETER HAHN/ Supplier Manual). These documents set out, amongst other things, our expectations in terms of subcontracting.

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This policy statement, along with our policies and risk assessments, are regularly reviewed and updated where necessary. This task is undertaken by our sustainability department in consultation with external experts (e.g., the Hessnatur foundation).

The management team is responsible for implementing all corporate duty of care and due diligence requirements.

Winterbach, May 2022

PETER HAHN Management



Stefan Kober