

Declaration of Compliance of Promodoro Fashion GmbH

Scope

The Declaration of Compliance applies to all business activities of Promodoro Fashion GmbH. It includes adherence to legal requirements as well as social and environmental standards that are binding across all business areas and the entire supply chain. The goal is to ensure sustainable business practices, product safety, and responsible corporate governance.

As an internationally active company that operates in a resource-intensive industry, we are aware of our social and environmental responsibility and aim to successively improve our performance as a good corporate citizen. In order to fulfil this responsibility Promodoro Fashion commits itself to the International Bill of Human Rights, the Guiding Principles on Business and Human Rights by the United Nations from 2011, the UN Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination Against Women, the Conventions of the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Enterprises.

As a responsible textile trading company, we are committed to ensuring that our business operations are in compliance with all relevant laws, regulations, and standards. This includes those pertaining to environmental protection, sustainability, labour rights, and product safety, among others.

Sustainability Practices

We are dedicated to incorporating sustainability in our business operations. This includes utilising sustainable textile materials, promoting recycling and reuse, minimising waste, and reducing our corporate and product carbon footprints. We are committed to contributing to the goals of the European Sustainability Strategy, including the net zero target on greenhouse gas emissions by 2050.

Product Safety Compliance: All our products meet safety standards, we ensure our products are safe for use and do not pose any harm to our customers.

Good Corporate Governance:

Our company is committed to maintaining the highest standards of corporate governance. We believe good governance is essential for establishing trust with our stakeholders including shareholders, employees, customers, and the communities in which we operate.

Compliance with Environmental Regulations

We affirm that our operations are in adherence with the environmental protection laws our business is operating in, including packaging and waste management.

Respect for Labour and Human Rights

We respect and protect the rights of all workers in our supply chain. We follow the 10 principles of the UN Global Compact. We confirm that we regularly monitor our compliance with these commitments and continually strive to improve our sustainable practices.

We have identified the following vulnerable groups that might be affected by our operations considering the recommendations of the OECD: women, ethnic, religious and caste minorities, international and domestic migrant workers, indigenous people, home-based workers and community members.

In addition, a comprehensive risk analysis was conducted. The identified risks relate to the following areas: child labour, forced labour, discrimination, harassment, working time/ overtime, occupational health and safety, freedom of association, collective bargaining, minimum wages, living wages, corruption, bribery, chemical and resource management, water consumption, water pollution, greenhouse gas emissions. The company aims to prevent and mitigate the associated risks and our actual impacts on human rights and the environment with increased priority.

Further, Promodoro Fashion commits to establishing a grievance mechanism that is equally accessible to all parties affected by the enterprise operations. This mechanism shall especially provide a 'safety net' or backup system if factory-level systems cannot succeed in providing a proper remedy. If Promodoro Fashion identifies or receives information on any violation of the conventions listed above, this will trigger Promodoro Fashion's internal procedures that include appropriate remediation of the violations to which Promodoro Fashion has evidently contributed.

We also want to make our contribution to the Sustainable Development Goals by the United Nations largely through our sustainable core business but additionally by supporting social and ecological projects.

In order to put above mentioned norms and conventions into practice we have implemented the following set of rules we ask our employees and business partners to respect:

- **Environmental Policy**
Our Environmental Policy provides the guidelines for environmental issues related to our business.
- **Code of Business Conduct**
Our Code of Business Conduct sets a framework of certain non-negotiable minimum standards of behaviour in key areas all employees commit to.
- **Promodoro Fashion Corporate Sustainability Supply Chain Compliance Policy (including Code of Conduct)**
Our compliance policies describe the minimum social and environmental requirements we ask our suppliers to comply with.

Both the compliance declaration and policies are reviewed, updated and supplemented on a biennial basis. A change to any laws that apply to us naturally leads to an early adjustment. All stakeholders have constant access to the current version.


Responsibilities

The executive management holds overall responsibility for implementing and reviewing the Declaration of Compliance. The sustainability lead is responsible for integrating sustainability aspects into business processes and implementing improvement measures. The finance lead ensures compliance with labor regulations in the personnel area and supports the financing of sustainable projects. The quality lead ensures compliance with product safety and quality standards.

In addition, every employee is obligated to comply with the requirements of the Declaration of Compliance within their area of responsibility and actively contribute to its implementation. This includes the responsibility to identify deviations or potential improvements and to take appropriate measures within their capabilities.

Date / Signature of responsible person

03.12.2024



Khalil Mehanna, Managing Director of Promodoro Fashion GmbH