

## **CODE OF CONDUCT of MBA Solutions GmbH**

We are committed to the Code of Conduct of the German textile and fashion industry, and thus recognize the following principles for us.

### **Preamble**

We, the company MBA Solutions GmbH, are committed to our social responsibility and our corporate duty of care, regardless of whether we are economically active in Germany, Europe or in other parts of the world. Supported by a responsible awareness for the social, ecological and economic design of the entire textile value chain, we face the challenges of an increasingly networked and global economy. We are committed to a responsible procurement policy. Thus, we take responsibility for actual negative impacts on human rights and the environment through procurement practices. We seek to avoid these impacts through prevention, mitigate them, or compensate for them through redress. We are committed to responsible corporate behavior. We expect this for our own business activities, but equally this must be supported and implemented by the business partners in our supply chain. To ensure that our efforts truly cover our entire supply chain, our business partners must inform us in the event of subcontracting, and provide us with the necessary information about the relevant suppliers. The processes for prevention, mitigation and remediation of risks and negative impacts shall address the OECD Sector Risks for Textiles:

- **Child Labor**
- **Forced Labor**
- **Discrimination**
- **Working hours/ Overtime**
- **Health and safety at work**
- **Freedom of association, collective bargaining**
- **Non-compliance with minimum wage laws**
- **Lack of living wages**
- **Corruption, bribery**
- **Chemical management**
- **Water consumption, water pollution**
- **Greenhouse gas emissions**

Special consideration should be given to the protection of vulnerable groups. These groups have an increased risk of being exposed to human rights violations. For example, measures should focus particularly on the protection of children and women, as well as indigenous peoples, migrants, and migrant workers.

The Code of Conduct serves as a guideline for socially responsible corporate action. In its function, the Code focuses on, highlighting the areas of responsibility for corporate action and providing a framework of orientation to which we at MBA Solutions GmbH align our corporate policy.

For the implementation in the global value chains, the Code contains practice-related basic rules. The Code of Conduct is based on the internationally recognized principles for the protection of human and labor rights as expressed in the United Nations Universal Declaration of Human Rights, the ILO Core Labor Standards, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, the Code is aligned with the objectives of relevant national initiatives such as the Alliance for Sustainable Textiles or the National Action Plan on Business and Humanrights, as well as to international agreements on environmental protection.

These agreements under international law are fundamentally binding on states - not companies; their enforcement is a state task. As a company in the textile and fashion industry, we support the goal of enforcing human rights, labor, social and environmental standards in economic value-added processes. By conducting our business activities in accordance with principles formulated in these international agreements, we can make a contribution to this. We do this in the knowledge that this is a long-term process, the success of which requires constructive and pragmatic cooperation between government institutions, social players and companies<sup>1</sup>.

## **1. basic understanding of socially responsible corporate governance.**

### **Compliance with law and order**

We comply with the laws and regulations of the countries in which we do business. We take care - especially in countries with weak state structures - to comply with the principles of this Code of Conduct in our own actions, and expect the same from our business partners. If existing national regulations conflict with the contents of the Code, or if the national context makes it impossible to fully meet the responsibility to respect human rights, companies should find ways to nevertheless uphold the principles of internationally recognized human rights and the contents of this Code of Conduct.

### **Contribution to society**

Our company sees itself as part of the societies in which we do business. Through our business activities, we contribute to their well-being, promotion and sustainable development. We take into account the direct and indirect effects of our business activities on society and the environment and strive to achieve an appropriate balance of interests in economic, social and ecological terms.

We respect and accept the different legal, social, cultural and societal backgrounds of the countries in which our value chain extends and recognize their structures, customs and traditions. Where these conflict with the principles set out here, we will as a company enter into dialog with our business partners and work towards understanding and acceptance.

### **Ethical business and integrity**

We as MBA Solutions GmbH pursue legal business practices in compliance with fair competition, industrial property rights of third parties as well as antitrust and competition law regulations. We reject all forms of corruption and bribery and promote in an appropriate manner principles of responsible corporate governance such as transparency, accountability, responsibility, openness and integrity. Business partners are to be treated fairly. Contracts shall be complied with unless there is a fundamental change in the general conditions. General ethical values and principles are to be respected, in particular human dignity and internationally recognized human rights.

## **2. respect for human rights**

The protection of human rights is the duty of the respective states in which we as a company are economically active. In support of the state's duty to enforce human rights on its territory, we should respect human rights. We should avoid affecting the human rights of others through our activities and counter adverse human rights impacts in which they are involved.

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<sup>1</sup> The mention of international agreements in the present text should be understood as meaning that companies orient themselves on their content to the extent that this is possible for private sector organisations.

In order to fulfill the responsibility to respect human rights, depending on the magnitude of the risk of severe human rights impacts and the nature and context of the business activity, we should conduct due diligence on human rights. Due diligence should include procedures to identify, avoid, mitigate and, where appropriate, remedy potential adverse human rights impacts, and should extend to those adverse human rights impacts that we, as a company, cause or contribute to ourselves or that are directly linked as a result of our business relationships, our operations, or our products.

### **3. labor rights and conditions**

We, MBA Solutions GmbH, observe the core labor standards of the International Labor Organization and create a safe and humane working environment

#### **Freedom of association and right to collective bargaining**

We respect the right of employees and employers to form, without prior authorization and at their own discretion, organizations whose purpose is to promote and protect the interests of employees or employers, to join such organizations and to freely elect their representatives. We respect the right of employees and employers to bargain collectively on wages and working conditions. Employees shall not be discriminated against with respect to their employment because of their membership in employee organizations.

In countries where the principles of freedom of association, the right to organize and collective bargaining are not respected or the exercise of these rights is restricted or prohibited, companies should allow their workers to freely elect their own representatives with whom they can engage in dialogue on workplace issues. Companies should respect the right of their employees to raise grievances without suffering any disadvantage, and such grievances should be dealt with through an appropriate procedure.

#### **Prohibition of forced labor**

An economic activity based on forced or compulsory labor, debt bondage or serfdom is not accepted by us as MBA Solutions GmbH. This includes any kind of work or service that is required of a person under threat of punishment and for which he has not voluntarily made himself available

#### **Prohibition of child labor and protection of young workers**

We are committed to the effective abolition of child labor. We observe the respective legal minimum age for admission to employment or work, which, in accordance with the provisions of the International Labor Organization, may not be less than the age at which compulsory education ends and not less than 15 years.

As part of the hiring process, appropriate age assessment mechanisms should prevent child labor. When we identify child labor in companies in our value chain, we will initiate necessary remedial and social reintegration measures that focus on the well-being and protection of the child. Companies will only hire young people under the age of 18 if the nature or conditions of the work performed by them do not endanger the life, health or morals of the young people concerned and they receive appropriate relevant instruction or vocational training in the relevant industry.

#### **Prohibition of discrimination in employment and occupation**

Any form of discrimination, exclusion or preference based on ethnic origin, color, sex, religion, political opinion, national origin, sexual identity and social origin which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation shall be prohibited. Furthermore, the principle of equal pay shall be applied to male and female workers for work of equal value.

## **Working hours**

Unless applicable national laws or applicable collective bargaining regulations specify a lower maximum working time, the regular working time should not exceed 48 hours per week plus a maximum of 12 hours of overtime per week. Overtime shall be remunerated at least in accordance with the relevant statutory or collectively agreed regulations, and its imposition should remain an exception. Companies shall grant their employees the right to rest breaks on each working day and shall observe the relevant statutory holidays. After six consecutive working days, a day off shall be granted.

## **Wages**

State or collectively agreed minimum wages must not be undercut. We note that in countries without a collectively agreed or statutory wage framework, wages for regular fulltime work should be sufficient to meet the basic needs of workers. At the same time, we know that companies cannot secure a livelihood commensurate with human dignity on their own, but that supplementary state benefits and other social protection measures may be necessary. Wages shall not be withheld and shall be paid regularly in a form suitable for the employee. Wage deductions are only permitted within the legal or collectively agreed framework and are to be shown. Employees are regularly informed about the composition of their wages.

## **Employment relationships**

The rules of national labor law must be observed. Employees should be provided with comprehensible information on the main terms and conditions of employment, including working hours, remuneration and payment and settlement arrangements. We protect the right of employees to terminate their employment relationship by giving the relevant notice period. We also strive to promote the professional qualifications of employees.

## **Health and safety in the workplace**

We and our business partners should take appropriate measures to ensure occupational health and safety, taking into account national requirements, in order to prevent occupational accidents and protect the health of workers in the course of their activities.

Applicable local regulations on occupational health and safety, health and safety at work, building safety and fire safety will be complied with in order to minimize the risk of accidents and occupational diseases. Where necessary and appropriate, workers are provided with appropriate personal protective equipment. In situations of immediate danger, employees have the right and duty to leave their workplace immediately and without permission. Vulnerable persons such as young workers, young mothers and pregnant women, as well as persons with disabilities, shall receive special protection.

## **Treating people with dignity**

We treat our employees with dignity and respect, and expect the same from our business partners. Any form of undignified treatment, abuse, harassment and intimidation, as well as unlawful punishments against employees will be refrained from. Disciplinary measures will be set out in writing and in a form that the employee can understand.

## **4. environmental protection**

We comply with applicable laws, regulations, and administrative practices for the protection of people and the environment of the countries in which we operate. We generally conduct our operations in a manner that contributes to the overall goal of sustainable development. To this end, we are establishing a system tailored to our business that will enable us to monitor our operational activities for harmful environmental impacts and to take all necessary and appropriate measures, in compliance with existing regional laws and regulations, to reduce burdens on people and the environment, to prevent environmental damage, and to take remedial action within our means.

We strive for the continuous and long-term improvement of its environmental results by promoting the introduction of appropriate technologies and production processes that enable the efficient use of natural resources and energy and the minimization of emissions. We strive to evaluate the chemicals used in our operations and try to select them under environmental and occupational health and safety as well as consumer protection aspects and to replace chemicals that are particularly harmful. Proper disposal of waste and possible reuse of materials within the framework of the circular economy are important, if this is possible due to local conditions.

## **5. consumer interests**

We, MBA Solutions GmbH take appropriate measures to ensure the quality of the products we offer. We ensure that our products comply with all legal regulations regarding consumer health and safety and are safe and harmless to health for their intended use. We also take consumer interests into account in information and sales activities by using fair business, marketing and advertising practices and promoting consumer education.

## **6. animal and species protection**

We observe the principles of animal protection in our business activities. Animal husbandry and use are to be organized in a manner appropriate to the species. We recognize the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for the protection of animals and plants of endangered species and align our business activities accordingly.

## **7 Communication**

We communicate the contents of the Code of Conduct to employees, contractual partners and, if necessary, to third parties. It should become comprehensible to the contractual partner that compliance with the Code of Conduct is fundamentally guaranteed. However, the disclosure of company and business secrets or of competition-related or other sensitive information worthy of protection is, however, excluded from this for legal reasons.

## **8 Implementation and Enforcement**

We, MBA Solutions GmbH, observe this Code of Conduct in our own actions. We expect our business partners to apply the Code of Conduct in the same way. We support our business partners in organizing their supply chain in such a way that human and employee rights are respected and working conditions are continuously improved working conditions. In the interests of good corporate governance, we anchor the principles of responsible corporate management set out in the Code in our strategic and operational management systems.