

## Marc Cain policy statement on human rights strategy

Version 1 November 2023

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### 1. Foreword

As an international fashion company, we are aware of our responsibility for our global supply chain. Our long-term business success depends on ensuring that both our own business activities and those of our suppliers are in harmony with people and nature. For this reason, we have set ourselves the goal of analysing environmental and social risks along our supply chain, preventing them and, in case of doubt, taking remedial action. At the same time, environmental risks can affect human rights.

The owner and managing director of Marc Cain, Helmut Schlotterer, takes over the responsibility for this policy statement.

### 2. Commitment to respecting human rights

In order to fulfil our corporate responsibility, we have integrated human rights and environmental due diligence as a fixed factor at Marc Cain and in our business relationships. Therefore, Marc Cain joined the amfori BSCI initiative in 2019. By committing to the amfori BSCI Code of Conduct and integrating it into the supplier framework agreement, Marc Cain commits itself and its direct business partners to ensuring basic labour and human rights standards in the supply chain and anchoring them in business processes. In doing so, Marc Cain is guided by the following internationally recognised standards and guidelines, which amfori regards as the basis for responsible business conduct:

- Universal Declaration of Human Rights of the United Nations (UN)
- Guiding Principles on Business and Human Rights of the United Nations (UNGPR)
- Conventions and recommendations of the International Labour Organization (ILO) on labour and social standards
- Principles of the United Nations Global Compact (UNGC)
- UN Convention on the Rights of the Child (CRC)
- UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)
- Guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises

In this policy statement, we consider environmental and human rights risks equally and integrate both environmental and human rights aspects in our risk assessment. Marc Cain regards environmental human rights as an integral part of its human rights strategy, as environmental damage often has a direct negative impact on the well-being of people. One example of this is the pollution of rivers by untreated wastewater from industrial production processes, which can affect the health of local residents.

### 3. Risk management

We have set up a risk management system in order to meet the due diligence obligations described above. As part of this, we analyse the effects of our business activities to identify human rights and environmental risks. Based on this knowledge, we develop appropriate measures to prevent, eliminate or minimise risks relating to human rights and the environment. The corresponding internal processes are continuously reviewed for their effectiveness and adjusted if necessary. In our activities, we focus in particular on areas in which human rights and environmental risks are especially relevant and can be influenced.

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### 3.1 Risk analysis

As part of our risk analysis, we analyse risks that may arise for our business partners in connection with our business activities. This comprehensive survey initially maps abstract human rights and environmental risks. Public reports and recognised indices are used to identify industry- and product-specific risks at country level. We carry out a detailed risk assessment at supplier level for areas in which risks are identified. The risk analysis is based on the assessment of potential risks and actual identified risks.

When analysing our business model and the supply chain, the following potential human rights and environmental risks were identified. These risks vary depending on the country of production:

- Forced labour or modern slavery
- Disregard for health and safety at work
- Disregard for legally stipulated working hours
- No guarantee of living wages
- Disregard for the responsible handling of industrial and hazardous waste
- Environmental pollution, especially water pollution

### 3.2 Prevention and remediation procedures

Based on the identified gross and net risks, we take risk-based measures to ensure compliance with human rights and environmental standards in our own business operations and in our value chain. These include measures to identify, prevent and remedy violations. Some steps are to be considered both preventive and remedial measures.

Prevention and remediation measures in our own business area:

- Responsible practices are continuously integrated into the business processes of relevant departments, e.g. employees from Purchasing are actively involved to ensure compliance with human rights in the supply chain
- Implementation of regular and mandatory training for our employees to sensitise them to compliance with human rights and environmental standards at the site and along the entire supply chain

The measures listed as examples in our own business area are continuously monitored for their effectiveness.

Preventive and remedial measures towards direct suppliers:

- Promotion and anchoring of long-term partnerships with suppliers and producers in order to jointly promote the expansion of social and environmental standards
- Integration of the amfori BSCI Code of Conduct into supplier contracts to ensure that production partners comply with the Code of Conduct
- Continuous expansion of sustainable procurement and purchasing processes, such as the consolidation of

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the supplier structure

- Carrying out a net risk analysis for potential new suppliers to identify human rights and environmental risks and thus the possible exclusion of critical suppliers
- Conducting risk-based social audits to verify compliance with the Code of Conduct by production facilities
- Creation of a Corrective Action Plan (CAP) following the identification of deviations from the Code of Conduct during an audit in order to record problems, measures and timetables for their follow-up

Measures in the deeper supply chain:

- Our suppliers are obliged to pass on our requirements for ensuring environmental and social standards to the relevant contractual partners in the value chain
- If there are actual indications of substantial risks in the deeper supply chain, these are assessed by the transparency enquiries and followed up accordingly

### **3.3 Complaints mechanism**

Our grievance mechanism enables workers along the value chain of Marc Cain products to anonymously report potential human rights and environmental risks as well as actual violations of obligations caused by the actions of Marc Cain or our direct suppliers. We endeavour to become aware of any grievances in our own business area as well as in our value chain at an early stage. If complaints are received, we examine them carefully and engage in dialogue with all parties involved to resolve identified problems and implement effective remedial measures. We also use the findings from the complaints to derive preventative measures.

Complaints received by Marc Cain are followed up by authorised employees. In order to carry out an objective assessment, independent experts with knowledge of country-specific characteristics and the local language are consulted if necessary. In most cases, relevant specialist departments, in particular Purchasing, are also involved. We work hard to resolve every complaint in co-operation with the parties concerned and our partners. An action plan is developed on the basis of these efforts. The complaints received are incorporated into our risk analysis in order to prevent further offences of this kind. Marc Cain expressly encourages all affected persons to provide information on possible risks via the complaints' mechanism described above.

### **4. Documentation and reporting obligations**

Marc Cain documents the implementation of the risk analysis and its results. We also consider a transparent presentation of human rights and environmental risks as well as our preventive and remedial measures to be an essential part of our duty of care. For this reason, we report on existing risks in the value chain and the measures taken in our annual sustainability report. We publish this report on our website. In addition, our declaration of principles is continuously adapted and expanded accordingly.