



Catalogue of Measures

Zero Tolerance and Borderline Cases

Our supply chain is extensive. We produce our textile articles in a wide range of countries. The employees of our producers and suppliers play a central role on this.

In our risk analysis, which we evaluate annually, we were able to define the following hazards for our production countries (the table lists the risks with the highest proportion), for this purpose, we analysed and evaluated information from sources of the Fair Wear Foundation (fairwear.org), Ellen MacArthur Foundation (emafoundation.org) as well as ILO (ILO.org), WHO (who.int), Amnesty International (amnesty.org/en) and Clean Clothes Campaign (cleanclothes.org).

	Working hours/ Overtime	Occupational Safety	Chemicals	Water Pollution	Greenhouse Emissions
Turkey	Excessive overtime		Textile dyeing and treatment with critical chemicals	Due to chemicals and industrialization	
India		No government enforcement available	Textile dyeing and treatment with critical chemicals	Freshwater shortage - 70% of water is polluted	Employees are exposed to air pollution that is life threatening
China	Migrant workers' overtime; violation of labor contracts; long working hours		Synthetic chemicals are released into freshwater; hazardous micro plastics are not degraded	Chemicals from the dye industry and hazardous wastewater	Factories produce soot, which has been linked to respiratory illnesses

To avoid these risks, we have implemented various measures and developed an evaluation system. We have divided violations of these topics into 2 areas.

1. Zero Tolerance

These include prison labour, serious, life-threatening health and safety conditions, child labour and repeated or systematic abuse. Any violation respectively any report about a breach of contract will result in immediate contact with the supplier. If the allegation is confirmed, we will immediately declare the business relationship with the supplier terminated.

2. Borderline Cases

The second point includes serious violations of employment, health safety or environmental issues, as well as combinations of these problems. In these cases, we will impose far-reaching sanctions on the contractor in question or exclude it from production altogether.

In the event that suppliers violate the requirements below, we have various options for action, which are listed below.

- **Child Labour**

We are committed to ensuring that our suppliers do not employ children, under the age of 15 or school-age children (ILO Conventions 138 (ilo.org/C138) and 182 (ilo.org/C182)).

- Children must be taken out of the company immediately and accordingly taken to school at the supplier's expense.
- Suppliers shall hold discussions with parents to clarify the circumstances.
- Audit reports are regularly reviewed by us to determine whether there is appropriate monitoring for proof of age.

- **Discrimination against Minorities, gender-based Violence**

We believe that the human rights and freedoms of every individual must be respected and honored (ILO Conventions 100 (ilo.org/C100), 111 (ilo.org/C111), 158 (ilo.org/C158) and 159 (ilo.org/C159)). Disadvantaged groups and minorities deserve our special attention. The following measures will be effective:

- Suppliers shall ensure that complaint management in the form of freely accessible forms is made available to all workers (BSCI Annex 4 (amfori.org/Annex4)).
- Our suppliers are required to pay men and women the same remuneration for the same work. We refer here to the guidelines of the Ethical Trading Initiative.
- Our supplying companies commit to communicate the following guidelines to their employees:
 - United Nations Guide against Discrimination against Lesbian, Gay, Bisexual, Transgender and Intersex People (LGBTI+) (unfe.org/).
 - Global Compact Guide against Discrimination against people with disabilities ([GC Accessible Disabilities Guide](#)).
- Audit reports shall be checked in regularly.

- **Forced Labour**

Our business partners may not employ forced labour. No employee may be forced to work (ILO Conventions 29 (ilo.org/C029) and 105 (ilo.org/C105)). Employees may terminate their employment at their own free will. We verify this as follows:

- Review audit reports to determine whether there is appropriate monitoring, particularly on the issue of migrant workers.
- Suppliers regularly check work permits and provide us with this information at any time.
- The manufacturer creates a complaint form that can be made freely and anonymously available to all employees at any time.
- We prohibit subcontracting.

- **Working Hours/ Overtime**

We ensure fair conditions for all employees, especially with regard to working hours and overtime. Our supplying companies must adhere to ILO Conventions 116 (ilo.org/C116) and 161 (ilo.org/C161) for fair and transparent labour contracts and conditions that regulate working hours and adequate compensation for overtime. Employed workers in our supply chain must not suffer hardship in their daily lives. We ensure this through the following measures:

- In particular, we regularly check through the BSCI certifications that when overtime is worked, it is done on a voluntary basis and that rest breaks are respected.
- We avoid last-minute changes to projects and allow longer delivery times with our suppliers.
- By planning appropriate production capacities with our supplying companies and jointly monitoring utilization.

- **Living Wages/ Minimum Wages**

Appropriate minimum and living wages must cover the livelihoods of workers and their families in such a way that an adequate standard of living is possible. Wages must be paid in accordance with local customary practices. We have agreed on the following procedures for verification and assurance:

- we refer supplying companies to tools such as Living Income Toolkit (living-income.com/measurement), Wage Indicator (wageindicator.org) and ILO Recommendation 135 (ilo.org/R135).
- Our suppliers certify that they take into account a remuneration method based on the Fair Labor Association and guarantee compliance with statutory minimum wage standards (fairlabor.org/living-wage).
- We use specially created questionnaires to ask our suppliers about the wages paid annually and compare these with the requirements of the Fair Wear Foundation and the wage ladders per production country (fairwear.org/wage-ladder). In case of discrepancies or complaints about the Fair Wear Foundation and BSCI/ Sedex audit reports, we intervene and demand a compensation payment from the supplying companies to their employees.
- Price increases due to inflation rates or raw material increases are adjusted in consultation with our supplying companies. In certain cases, we also equalize our margins with our customers.

- **Occupational Health and Safety**

Employees in the factories must be protected from risks such as fire, accidents and toxic substances. We require our suppliers to have a management system for occupational health and safety that meets the norms of the international standard ISO 45001(hse.iso45001).

- Review of audit reports (BSCI/Sedex) on occupational health and safety and Covid 19 training.
- Our suppliers are required to provide regular information on occupational health and safety trainings.
- Access to drinking water, provision of rest areas, and effective personal protective equipment for individual employees is required by us.
- We have developed an internal hygiene concept for Covid 19 (limitation of the number of people in the premises, home office possibilities, ventilation concepts, test series, disinfection and provision of masks).

- **Chemical Management**

We prohibit any use of harmful and toxic chemicals in our textiles. Our guidelines are updated annually and we try to reduce chemicals already in the selection and production of the materials used.

- We work according to a RSL list (Restricted Substances List), developed specifically for our products, which is based on the ZDHC (Zero Discharge of Hazardous Chemicals) guidelines (roadmaptozero.com) and on blue sign (bluesign), which our supplier confirm.
- Our suppliers shall reduce the use of hazardous substances in the supply chain and ensure this through annual monitoring (our suppliers are GOTS (global-standard.org), Oeko-tex (oeko-tex.com/en) and GRS (ecocert.com/en-grs) certified).
- the use of per - and polyfluorinated chemicals (PFC's and FC's) APEOs (non-ionic surfactants), organoid compounds, azo dyes, chlorophenols, SCCPs (chlorinated kerosenes and chlorobenzenes) is not allowed for our products. The supplied goods correspond to the prohibition and limitation of toxic substances as they are laid down in the Annex XVII of the Regulation (EG) 1907/2006, which can be downloaded from the following website (echa.europa.eu) and which forms an essential part of this agreement.

- **Environmental Management/ Greenhouse Emissions/ Water Pollution**

Our suppliers shall strive to improve environmental conditions and demand the same from their suppliers. They are required to use natural resources responsibly, prevent pollution and continuously improve their environmental performance. Valid operating permits are a prerequisite for this.

- We expect our suppliers to have an environmental management system analogous to ISO 14001 (asq.org/iso-14001), including energy balances and regular measurements and monitoring of energy flows. A conversion to renewable energies is to be aimed at.
- Any waste water generated should be treated on site. We only accept suppliers who have appropriate systems in place and comply with local regulations. We recommend to have tests carried out by ZDHC (base.roadmaptozero.com).
- Uncontrolled air emissions are not permitted.
- Suppliers are required to provide training for their employees and suppliers to inform them about sustainability principles and measures. For appropriate monitoring, we evaluate our company questionnaire annually.
- We try to offer and use more and more recycled and sustainable materials (recycled polyester, Tencel, vegan leather, organic cotton, hemp and bamboo).
- For production items, we use compostable individual packaging and recyclable master poly bags as well as sustainable fabric tape.
- Consolidating shipments by sea, air and ground reduces our carbon footprint and is done in consultation with shipping companies and our freight forwarder.

- **Complaint Management**

We have developed our own complaints management system for the employees of our suppliers in the individual production plants. Employees can contact us at any time via a specially created complaint form on our homepage ([sustainability/complaint form](https://sustainability/complaint-form)). To ensure that the requirements for effective complaints mechanisms are implemented, textilhandel cotton-n-more GmbH has defined an internal process for dealing with complaints. Any complaints will be handled anonymously and confidentially. Complaints can be submitted in any language. Interpreters or comparably qualified specialists are used for translation. If information about specific mismanagement or incidents in the supply chain is brought to our attention, it will be processed as follows.

- The Purchasing/Sustainability Department receives a complaint and documents its receipt.
- All information is treated confidentially. We maintain neutrality in the respective facts.
- We will analyse each complaint within 48 hours, check for plausibility and the degree of severity.
- A response letter will be formulated and sent to the employee acknowledging receipt.
- In the case of a complaint by stakeholders, we will contact the supplying company within one week.
- If a complaint is substantiated, corrective action plans will be provided to the affected employee.
- A proposal for redress will then be agreed with the affected person and the supplying company.
- If this proposal is accepted, remedial action will be taken and compliance monitored.

In addition, since March 2023 we are working together with the Fair Wear Foundation (fairwear.org/Complaints-procedure) on a pilot project. Posters and information material have been displayed in our supplying companies so that employees can submit complaints to the FWF via submitted hotlines and contact persons.

Depending on the severity of the complaint, we will investigate the complaint ourselves or through the FWF and initiate our measures as defined above.

- **Responsible Sourcing Practices**

We are committed to responsible sourcing and procurement practices to eliminate overtime, forced labour, and unauthorized subcontracting as well as to low wage/ labour costs. In doing so, we aim to pre-empt any negative impacts on the entire supply chain and have established the following measures within the company.

- a) We commit ourselves to work together with supplying companies and their supplying production sites with whom we have long-term partnerships and who share our values and commitment.
- b) We give preference to suppliers who comply with sustainable labor standards and successfully reduce environmental impacts. We require appropriate certificates such as BSCI (amfori.org/bsci), GOTS (global-standard.org), SEDEX (sedex.com) and support with certification processes and environmental and human resources investments.
- c) We have developed a form for new suppliers to better evaluate them in advance according to our criteria and to check if they meet our standards.
- d) We support fair payment terms. All suppliers are paid by us in time.
- e) For all production items, advance payments are mad to supplying companies. The amount can vary according to the needs of the companies. We thus guarantee the liquidity of our partners.
- f) Samples that are not part of the order are paid for by us.
- g) Problems with quality and deliveries can be minimised by using proven standard qualities on a recurring basis and communicating reasonable delivery times. Id delivery dates are postponed, we take into account our share of increased freight costs due to air freight.
- h) We consider legally and collectively negotiated wages in our calculation and are constructive and cooperative with our suppliers.
- i) Late order changes are to be avoided and cancellations are not intended. Our “Checklist“ form for orders ensures early order clarity.
- j) An appropriate collection framework planning enables an effective production planning of our suppliers, so that we can avoid production peaks and lows and thus try to ensure continuous capacity utilisation.
- k) Termination of the cooperation is to be implemented immediately only in serious cases. A continuation of the business relationship takes place in dialogue. The following implementation measures are planned:
 - We weigh up the reasons and consequences of an exit.
 - An appropriate review will take place to access consequences.
 - An appropriate exit time is agreed with the supplying company.
 - We ensure that remaining material costs and labour costs are paid.
- l) A specially developed questionnaire based on “better buying“ (betterbuying.org) helps us to identify and mitigate negative impacts in dialogue with our suppliers.

m) Our purchasing department commits itself to act according to these principles and to support our suppliers in the implementation of these principles.

March 2024

Date, signature of Marc Kuhn, Managing Director

A handwritten signature in dark ink, consisting of several loops and a long horizontal flourish extending to the right.