

# Human rights report



# Our approach

The Peek & Cloppenburg\* Group (Düsseldorf/Vienna) has been known in the fashion industry as a family-run retail company for over 120 years. Peek & Cloppenburg, or P&C, hereinafter refers to the entire Peek & Cloppenburg group (Düsseldorf/Vienna), including the companies Peek & Cloppenburg B.V. & Co. KG Düsseldorf, Peek & Cloppenburg B.V. & Co.KG Vienna, ANSON'S and Magasin du Nord.

As an internationally influential company, we take responsibility - for our customers and employees, our products and planet.

With this aim in mind, we have launched our We Care Together initiative, which stands for transparent and credible sustainability at P&C, ANSON'S and Magasin du Nord.

A key focus here is on respecting human rights along our supply chains. For this reason, we have developed principles and measures, about which we want to inform transparently in the following human rights report.

# The textile supply chain

Fair working conditions and a human-centred understanding of values are firmly anchored in our principles, but can sometimes pose a challenge in global supply chains. Together with our suppliers, we face these challenges with the aim of improving the implementation of our principles throughout the entire supply chain.

The textile supply chain comprises a sequence of different steps along the value chain of a product (simplified below).

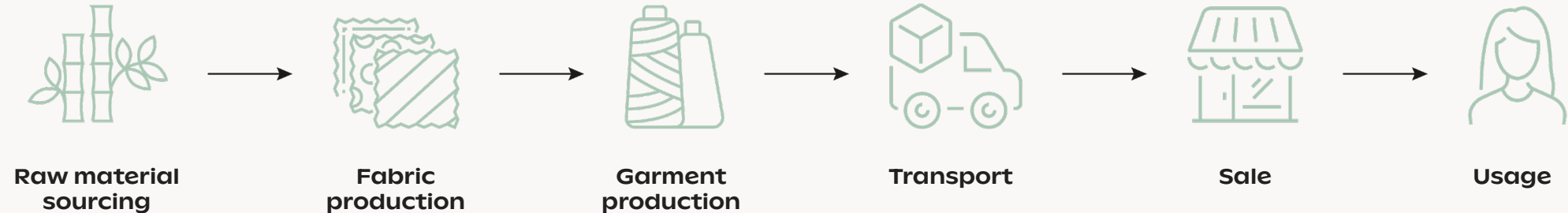
In practice, however, this process is much more complex:

A large number of different actors contribute to the value chain of a garment. This leads to increased complexity in terms of social sustainability and challenges in the traceability of the supply chain.

As a multi-brand retailer, we are also affected by this problem. In order to be able to offer our customers an optimum variety of products, we rely on a mix of carefully selected external and exclusive brands.

Our external brands include brands such as Marc O' Polo and HUGO BOSS. As a retailer, we only have limited influence on the upstream supply chain of the products we offer from these brands.

It's different with our exclusive brands such as Review or JAKE\*S STUDIO. We are responsible for product development and procurement through our subsidiary „International Brands Company“ (IBC) and thus control the selection of production sites along the supply chain. As a result, we have a significantly greater influence on social standards in the supply chain of our exclusive brands compared to external brands.



# Human rights- related principles

Regardless of the different possibilities of influence, depending on external or exclusive brands, we are constantly trying to find new ways to create transparency and improve working conditions along the supply chain. Our We Care Together initiative is addressing this point and aims to fulfil human rights and environmental due diligence obligations in accordance with the German Supply Chain Due Diligence Act (LkSG). The goal is to prevent, minimise or end (imminent) violations. Our human rights-related principles include the following points:

## Human rights standards:

- Ban on child labour
- Prohibition of forced labour and all forms of slavery
- Respect for freedom of association, freedom of unionisation and the right to collective bargaining
- Prohibition of unequal treatment in employment
- Prohibition of withholding an appropriate wage
- Prohibition of the unlawful violation of land rights
- Prohibition of hiring or using private / public security forces that could lead to impairment due to lack of instruction or control
- Prohibition of any acts or omissions in breach of duty which in a clearly serious manner and taking into account all relevant circumstances, could violate human rights
- Respect for occupational health and safety and work-related health hazards

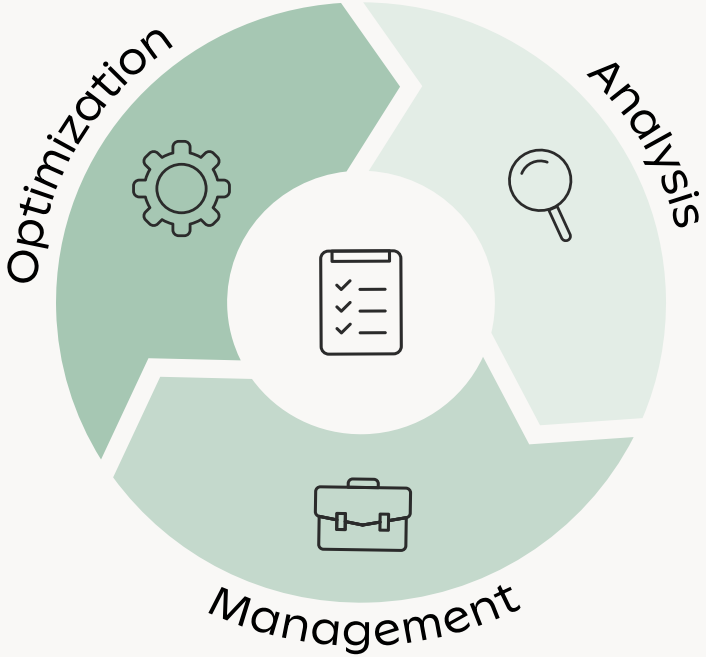
## Environmental standards:

- Prohibition of the destruction of natural resources through environmental pollution
- Prohibited production, use and/or disposal of mercury (Minamata Convention)
- Prohibited production and/or use of substances in the Scope of application of the Stockholm Convention (POP) and non-environmentally sound handling of waste containing POPs
- Prohibited import/export of hazardous waste within the meaning of the Basel Convention

# Our due diligence process

Based on our principles, we have developed a procedure to fulfil our commitment to respect human rights in our supply chains. It is based on a three-step process of analysis, management and optimisation and aims to establish a system of continuous improvement along the entire supply chain by constantly scrutinising and monitoring our processes.

The anchoring of our due diligence process is supported by an internal cross-functional project team. This team consists of representatives from the departments of Sustainability, Compliance and various operational purchase departments. Amongst other things, the project team is responsible for carrying out risk analyses and planning preventive and/or remedial measures. The implementation and follow-up of possible preventive and/or remedial measures are then carried out in the relevant departments. The project team is supported by an internal control committee consisting of senior management representatives from the Legal and Compliance department, as well as the subsidiary IBC. The internal control committee reports regularly to the executive management.



# Analysis

Within our due diligence process we focus on supply chains and therefore also on our suppliers. To ensure that they fulfil all the necessary requirements, we regularly carry out risk analyses to assess suppliers' compliance with our human rights principles.

In addition, employees and external third parties have the possibility to inform us of (potential) risks or violations through one of our reporting channels. In the event of a potential risk, this will be assessed immediately and appropriate preventive measures will be initiated instantly.

We have our own Corporate Social Responsibility (CSR) departments in the production countries, which are in direct dialogue with the production facilities and actively implement preventative measures. This enables us to ensure and continuously improve our standards on site. If a human rights-related violation has occurred, we commit ourselves to intervene immediately by taking remedial actions.



# Management

## Preventive measures

Our preventive and remedial measures form our concept for managing risks and/or violations.

Depending on the degree of severity, preventive measures range from self-disclosure questionnaires with regards to human rights-related prohibitions, requests for specific certifications, to the termination of the business relationship as a last resort.

We take our responsibility seriously and utilise our extended scope of influence for our exclusive brands. For example, regular on-site audits at the production facilities where production for our exclusive brands takes place.

These audits are used to check compliance with human rights standards, labour laws and ethical standards and are conducted by auditors on site. They usually take place once or twice a year.

Since 2003, our subsidiary IBC has been working together with the amfori Business Social Compliance Initiative (BSCI) to carry out these on-site audits.

With our subsidiary IBC, which is responsible for the development of our exclusive brands' products, we are equally committed to the compliance with the amfori BSCI Code of Conduct. This is based on internationally recognised principles of respect for human rights such as the ILO<sup>1</sup>-conventions and the UN Charter of Human Rights.

Through defined purchasing practices in the onboarding process, we also ensure that we only establish business relationships with audited production facilities.

<sup>1</sup> International Labour Organization



# Audit process (amfori BSCI)

## 1. Preparation:

In preparation for an audit, our suppliers are informed of the period during which the production facility will be audited. This enables them to prepare for the audit with internal training and preliminary inspections.

## 2. Realisation:

An independent, accredited auditor carries out the audit on site at the production facilities. Various aspects are checked, such as working conditions, labour protection, wages, working hours and compliance with environmental standards.

## 3. Reporting:

The auditor then prepares a detailed report documenting the results and any deviations from the Code of Conduct. The report is made available to both P&C\* and amfori BSCI.

## 4. Corrective measures:

If anomalies are identified, we immediately draw up an action plan together with the suppliers to rectify them. The implementation of this plan is reviewed on a regular basis.

## 5. Follow-up:

A follow-up audit is carried out after a set period of time to ensure continuous compliance with the standards and to review progress in the implementation of corrective measures.

### Follow-up procedure

There are various follow-up procedures for an amfori BSCI audit, depending on the overall result:

### A & B rating:

No written action plan for continuous improvement; audit results are valid for two years

### C-Rating:

Written action plan for continuous improvement is mandatory; at least one follow-up audit after 2 to 12 months

### D-Rating:

Written action plan for continuous improvement is mandatory; follow-up audit after 2 to 12 months; if the problems persist, sanction procedures are initiated and an exit plan is followed. Prior to a potential exit, we try to support our suppliers in improving their performance.



# Management

## Remedial measures

In contrast to preventive measures, we do not take remedial measures when we are aware of potential risks, but only after an actual human rights-related violation has occurred. They therefore serve as a direct measure to end the violation as quickly as possible. Our approach varies depending on the situation. When creating and implementing concrete remedial action plans, the following will be considered in particular:

- (1.) the joint development and implementation of a plan to end or minimise the extent of the breach with the company causing the breach,
- (2.) the merger with other companies within the framework of industry initiatives and Industry standards to increase the ability to influence the causer,
- (3.) a temporary suspension of the business relationship during the efforts to risk minimisation.

For successful preventive and remedial measures, we attach particular importance to monitoring the future development of the supplier. Our responsibility does not end as soon as a measure has been developed and implemented with the supplier. We review the effectiveness of remedial measures once a year as well as occasion related, especially when we are faced with a significantly changed or expanded risk situation in our own area of business or with suppliers. As a consequence, remedial measures are updated immediately if necessary.

# Optimisation

The information collected during the implementation of our due diligence process and the achieved results are documented comprehensively and in detail. This enables transparency and traceability as well as conclusions for the improvement of our internal processes.

This human rights report serves as part of our documentation. It provides insights on established processes and ongoing measures to address key human rights issues. Our long-term goal is to continuously expand our measures, in order to respect and improve human rights within our supply chains. In addition, we are pursuing a gradual increase of transparency down to the lower levels of our supply chains.

On this path, we will continue to face challenges in the future, which we will have to tackle. We are aware that we cannot master these challenges alone. Through close cooperation with our partners and suppliers along the value chain, we want to solve problems and challenges together, in order to respect human rights and continuously improve working conditions.

**together for a better tomorrow**

