

# OUR UNDERSTANDING OF SUSTAINABILITY

As an international company, we are aware of our extensive responsibility for people and the environment. In order to minimize an unintended impact of our business activities, Li & Fung and we as Miles Promocean carried out a [risk analysis](#). For the actual execution determined, we have set a list of measures and binding minimum standards.

In the field of environmental ecology, the main risks cover thematic areas of greenhouse gas emissions, water pollution, resource waste, pollutant emissions and excessive waste production.

The potential risks identified in the area of social responsibility essentially are child labor, forced labor, discrimination, working hours / overtime, occupational safety, freedom of association, collective bargaining, minimum wages, bribery and corruption.

We have integrated compliance with minimum standards and the minimization of possible risks as well as our actual effects into our sustainability management.

## ENVIRONMENTAL ECOLOGICAL CORPORATE RESPONSIBILITY

At our company location in Norderstedt (Germany) we maintain an ISO 14.001 certified environmental management system, which includes all legal and environmentally relevant topics. Thanks to this system, we are in a constant process of improvement and further development. For our location and our products, we have defined the following environmental ecological goals and measures.

### REDUCTION OF GREENHOUSE GAS EMISSION

Supporting the goals of the Paris climate agreement and reducing global warming to well below 2 ° C. In line with the agreement, we as a company aim to reduce CO<sub>2</sub> emissions by 85% of the emissions in 2015 by 2050.

### REDUCTION OF THE USE OF POLLUTANTS AND THEIR EMISSIONS

For our apparel products we strive for production according to the requirements of the Greenpeace DETOX commitment. In this context, we regularly carry out wastewater and sewage sludge examinations in the main production facilities with wet processing processes and monitor their results. We also give the production facilities active technical support with our trained specialist staff in Europe and also on site in the procurement markets. When designing our products, we also strive to use raw materials that represent the least possible impact on the environment and support recyclability.

### WASTE PREVENTION

Within our corporate processes and in the product development, we pursue the goal of reducing unnecessary packaging waste. For plastic-based packaging materials, we have set ourselves the goal of reducing them by 50% of the usage of 2015 by 2025 . For wood-based consumables and packaging, we strive to only use sustainable and certified qualities.

# CORPORATE SOCIAL RESPONSIBILITY

To comply with our social responsibility, the [Supplier Code of Conduct \(CoC\)](#) of our parent company Li & Fung forms the basis for all our purchasing activities and is an integral part of the contracts with our business partners. The Supplier CoC is based on international conventions such as the International Bill of Human Rights or the core labor standards of the International Labor Organization and defines clear requirements for all of our business partners in order to avoid negative social impacts along our supply chain. Our business partners must accept the minimum requirements contained in the Supplier CoC and ensure the implementation of these standards along their own supply chain.

A violation (zero tolerance violation) of our Supplier CoC leads to immediate intervention and – in severe cases – to the termination of the business relationship.

As an international member of the Business Social Compliance Initiative ([amfori BSCI](#)) and [Sedex](#), we and our business partners commit to adhere to and implement the BSCI and Sedex code of conduct in the supply chain. They set the framework for basic social and ecological minimum standards to which all our collaborating production partners must commit to .

With our actions we want to contribute to the achievement of the United Nations' [Sustainable Development Goals](#). Our goal is to prevent or reduce the effects of the risks identified and prioritized by us through various measures. This includes, among other things, the appropriate alignment of our management and purchasing practices as well as the awareness and training of relevant employees, suppliers and business partners.

Our local qualified social compliance employees regularly carry out their own audits in the production facilities. It is particularly important to identify existing defects in the respective factory. Our local teams support the factories to remedy deficiencies identified in our social monitoring audits or external audits.

## SAFE JOBS

As a result of the collapse of the Rana Plaza building in Bangladesh, more than 200 international clothing companies and unions have launched the “Accord on Fire and Building Safety”. With the Accord, we are working with the factories to improve fire protection, increase electrical safety and facility security in Bangladesh. Miles Promoclean has reported its supplier factories in Bangladesh to the Accord and has committed herself to support them in monitoring and financial funding for precautionary measures. The aim is to identify possible defects in the areas of building statics, electrical installations or fire protection by means of regular engineering inspections. And if found, to remedy these and thereby contribute to improving occupational safety and fire protection.

## RESPECT OF FUNDAMENTAL RIGHTS

As part of our commitment to the United Nations' Guiding Principles on Business and Human Rights (UNGPR), we comply with our due diligence to take measures to reduce negative effects on human rights in our supply chains. With constant research and hot spot analyzes, we continuously identify human rights risks in our supply chain.

Miles Promocean respects internationally recognized human rights and supports their observance. With the help of our parent company Li & Fung, we have defined the risks and associated measures in the form of our [Modern Slavery statement](#) in order to prevent and proactively address the potential occurrence of modern slavery in our business operations and supply chains.

Our global Miles Promocean Social Compliance Team continuously checks the respect for the fundamental rights of the workers by means of regular internal assessments in the production facilities. In addition, the corporate compliance team from our parent company Li & Fung monitors the production sites regularly in the form of unannounced “spot checks”. Also, external audits are regularly carried out in the factories by accredited test companies .. The strict internal risk assessment system specified by our parent company is an integral part of the selection and ongoing cooperation with our direct business partners. With the help of the internal evaluation system, based on our [Supplier Code of Conduct](#), each business partner is classified in a step-by-step principle from A to F according to the risk situation, so that we can continuously review our social compliance performance and further improve it through targeted training measures. The social compliance performance of Miles Promocean’s business partners is regularly included in the [annual reporting](#) of our parent company Li & Fung.

The focus here is that our business partners prohibit any kind of forced labor and all employees must be at least 15 years old (or the legal age in the country, if this is higher). All employees have to be treated respectfully and furthermore there has to be no discrimination and equal treatment. Another important component for us is to preserve the right to freedom of association and collective administration, as well as responsible employee contracts, wages, working hours and dismissal practices.

Miles Promocean commits to set up a complaints mechanism that is equally accessible to all parties affected by the company’s activities. If Miles Promocean identifies or receives information about a violation of the principles defined in the Supplier CoC, this triggers an internal protection process by Miles Promocean.

## CORPORATE TRANSPARENCY AND ETHICS

At regular intervals we give training in the production countries, where we train our business partners in workshops on the subject of compliant production and raise awareness for it. Therefore subcontracting is not permitted without prior written approval.

Our business partners undertake measures to adhere to ethical business practices with our [Supplier Code of Conduct](#).

## USE AND SUPPORT OF PRODUCT AND SUPPLY CHAIN CERTIFICATIONS

To support our environmental and social responsibility, we participate in various supply chain certification systems. In this context, we hold framework certificates from the Forest Stewardship Council (FSC®), the Global Organic Textile Standard (GOTS), the Organic Content Standard (OCS), the Global Recycling Standard (GRS) and the Responsible Wool Standard (RWS) and offer certified products accordingly.

At the product level, we already deliver many articles with an Oeko-Tex Standard 100® certification in accordance with the strict requirements of Annex VI and in some cases with a MADE IN GREEN by Oeko-Tex® certification.