



CARSTENSEN
TRADE SINCE 1991

Policy Statement

**on Respect for Human Rights, Environmental Protection, and
Responsible Corporate Governance**

Carstensen Import-Export Handelsgesellschaft mbH

Version 05.26

1. Scope

Carstensen Import-Export Handelsgesellschaft mbH (hereinafter “Carstensen”) is an owner-managed company with a global supply and value chain. We are convinced that long-term economic success can only be achieved if it goes hand in hand with respect for human rights, compliance with international labor and social standards, protection of the environment, and business conduct based on integrity.

This Policy Statement outlines our commitments, expectations, and due diligence processes for responsible business conduct in our own operations and throughout our supply chains.

It applies to all Carstensen employees, business units, and locations, as well as to all business partners, suppliers, agents, importers, service providers, and authorized subcontractors, to the extent that they are involved in our supply and value chains.

We view corporate due diligence as an ongoing process: risks and negative impacts are identified, assessed, prioritized, avoided, mitigated, and, where necessary, addressed through remedial action and redress. In doing so, we take into account both risks at production sites and risks that may arise from or be exacerbated by our own procurement, purchasing, product development, and business decisions.

2. Commitment to International Agreements and Frameworks

Carstensen is committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights. We are committed to the International Bill of Human Rights, the ILO’s core labor standards, and the International Labor Organization’s Fundamental Principles and Rights at Work. We expect our business partners to also recognize and respect these minimum standards and to effectively integrate them into their own business processes.

Carstensen also adheres to clear requirements in the environmental sphere. These include compliance with applicable environmental regulations, adherence to internationally recognized environmental standards, and the implementation of appropriate measures to prevent and mitigate negative environmental impacts. These requirements are an integral part of our own due diligence processes and are also communicated to our suppliers. Our suppliers must comply with these requirements in their own processes and support their implementation as part of our supplier evaluation, documentation, and control mechanisms. With regard to integrity risks, we adhere to the OECD Guidelines for Multinational Enterprises. Furthermore, we are committed to responsible procurement and purchasing practices, to promoting living wages in our textile supply chains, and to continuously increasing the use of sustainable materials.

We define sustainable materials specifically as fibers and materials from verifiably responsible production or, in the case of synthetic fibers, from predominantly recycled raw materials, to the extent that this is technically, qualitatively, and economically feasible.

3. Our Risk Framework

The sector-specific risks described in the OECD Guidelines for Responsible Supply Chains form the framework for our risk management.

Our risk analysis systematically examines these sector-specific risks and supplements them with risk factors related to specific countries, materials, products, suppliers, and business models.

The sector-specific risks we must consider include, in particular, child labor, forced labor, and modern slavery; discrimination; violence and harassment; violations of freedom of association and the right to collective bargaining; inadequate wages and social benefits; excessive working hours; occupational health and safety hazards; risks to home-based workers, migrant workers, temporary workers, and other vulnerable groups; the improper handling of chemicals; water and wastewater risks; waste, resource, and climate risks; as well as integrity risks such as bribery, corruption, fraud, conflicts of interest, or the manipulation of evidence.

These sector-specific risks define the minimum scope of our analysis. If our annual risk analysis, complaints, audits, stakeholder feedback, or external sources identify additional relevant risks, we expand our risk focus accordingly.

The results inform our prioritization, prevention and mitigation measures, supplier decisions, procurement practices, reporting, and updates to this Policy Statement.

4. Most Serious Risks and Impacts Relevant to Prioritization

Based on our business model as a trading company with a global supply chain, as well as on the OECD sector risks, we currently consider the following risk and impact areas in particular to be potentially severe and relevant for prioritization.

The specific prioritization is reviewed at least annually and as circumstances warrant, and is updated based on severity, scope, irreversibility, and likelihood of occurrence.

Forced labor, modern slavery, and restrictions on freedom of movement, including the withholding of identity, travel, or work documents; security deposits; portions of wages; or personal property; unlawful recruitment fees; debt bondage; intimidation; surveillance; restrictions on leaving the workplace or living quarters; and restrictions on the ability to terminate the employment relationship.

Child labor, inadequate age verification, unlawful employment of minors, and risks to young workers, particularly in hazardous work, night work, excessively long working hours, or lack of access to education.

Discrimination, violence, harassment, and gender-specific risks, particularly against women, migrant workers, minorities, people with disabilities, temporary agency workers, home-based workers, and workers without secure employment status.

Violations of freedom of association, the right to collective bargaining, obstruction of employee representation, discrimination against union members, or insufficient social dialogue.

Inadequate wages, unpaid or delayed wages, unauthorized wage deductions, lack of social benefits, lack of wage transparency, and gaps in living wages.

Excessive working hours, involuntary overtime, lack of rest periods, inadequate break regulations, insufficient access to sanitary facilities, drinking water, or other basic necessities during working hours.

Health and safety risks, particularly due to building and fire safety deficiencies, machinery, personal protective equipment, heat, chemicals, dust, noise, ergonomic strain, inadequate emergency preparedness, or the inability to leave the workplace in the event of an acute danger.

Risks related to indirect procurement, agents, importers, subcontracting, and outsourced process steps, particularly unauthorized subcontracting, lack of transparency, insufficient qualifications of upstream suppliers, and limited access to grievance mechanisms.

Environmental risks, in particular hazardous chemicals, wastewater, water consumption, energy consumption, greenhouse gas emissions, waste, material use, environmental permits, and risks associated with raw material extraction.

Integrity risks, in particular corruption, bribery, extortion, conflicts of interest, fraud, manipulation of audit or certification records, and improper advantages in procurement and supplier relationships.

To prevent or mitigate these risks, Carstensen has established due diligence processes.

These include supply chain mapping, regular risk analysis, analysis of negative impacts, supplier qualification, contractual expectations, supplier monitoring, dialogue with and support for suppliers, responsible purchasing practices, measures to promote living wages, grievance mechanisms, remedial and redress processes, internal responsibilities, training, KPIs, and public reporting.

5. Expectations Regarding Our Own Business Operations and Business Partners

We expect all employees and business partners to respect human rights, labor rights, environmental requirements, and integrity standards.

These expectations apply throughout our own supply chains and must be communicated by direct suppliers to upstream suppliers, service providers, and subcontractors. If we source indirectly through agents or importers, we expect them to implement and monitor our requirements at upstream suppliers and to provide appropriate evidence of compliance.

Our business partners must comply with the applicable laws of the respective country. To the extent that international standards impose stricter requirements than national law, we expect our business partners to adhere to the higher protection standards, to the extent permitted by law. National regulations may not be used as a justification for circumventing international human rights and labor standards.

5.1 Prohibition of Forced Labor, Withholding of Documents and Wages

Carstensen rejects any form of forced labor, modern slavery, human trafficking, debt bondage, involuntary prison labor, and other forms of forced labor.

All employment relationships must be voluntary. Employees must be free to accept their jobs and must be able to terminate them in accordance with statutory or contractually permissible notice periods.

The withholding of identity documents, passports, residence or work permits, bank cards, wage records, personal belongings, security deposits, or wages is prohibited unless expressly required by law and accessible to employees at all times. Wages, wage components, overtime pay, and statutory benefits must be paid in full, transparently, and on time. Unauthorized deductions, penalties, debt bondage, or the charging of unreasonable fees are prohibited.

Recruitment fees or comparable costs must not be imposed on workers. Should such costs be identified, we expect reimbursement to the affected individuals and measures to prevent a recurrence.

5.2 Freedom of Movement, Basic Needs, and Protection in Case of Imminent Danger

Workers' freedom of movement must not be unreasonably restricted. Employees must be able to leave the workplace freely at the end of their shift. Doors, escape routes, and emergency exits must not be locked or blocked. Housing must not be used to restrict freedom of movement, privacy, or personal autonomy.

Workers must not be prevented from leaving the workplace immediately and without prior permission if there is an immediate and serious danger to life, health, or safety. Leaving such a dangerous situation must not result in disciplinary action, wage deductions, discrimination, or retaliation.

During working hours, workers must not be prevented from meeting their basic needs. These include, in particular, free and adequate access to clean sanitary facilities, drinking water, breaks, first aid, safe food, and, where applicable, adequate rest and breastfeeding facilities. Restrictions that prevent workers from using sanitary facilities or taking necessary breaks are not permitted.

5.3 Age Verification, Prohibition of Child Labor, and Protection of Young Workers

Child labor is prohibited. Suppliers must implement and document effective procedures for verifying the age of all employees prior to their employment.

Age verification must be based on reliable evidence and must not result in the retention of personal documents. If official documents are not available, appropriate alternative verification procedures must be used without discriminating against the individuals concerned.

Young workers may only be employed in accordance with legal requirements and international labor standards. They must not perform hazardous work, work at night, or be subjected to excessively long working hours.

If a violation of the prohibition on child labor is detected, we expect a remedy that prioritizes the best interests of the child. This includes protective measures, the safe termination of the unlawful activity, support in accessing education, income support within reasonable limits, and measures to prevent further harm to the child or the family.

5.4 Equal Treatment of Temporary Workers and Other Employee Groups

Temporary workers, seasonal workers, contract workers, migrant workers, home-based workers, and employees hired through agencies or other intermediaries must not be treated less favorably than comparable permanent employees.

We expect them to be granted the same rights and benefits, including equal pay for work of equal value, statutory and contractual social benefits, protections regarding working hours and breaks, occupational safety, personal protective equipment, access to training, access to grievance mechanisms, and protection against discrimination.

Employment contracts, pay stubs, and relevant information must be provided in a language that employees understand. Employees must not be placed in a worse legal, social, or economic position by agencies, sub-agents, or intermediary structures.

Carstensen expects suppliers, agents, and importers to actively review the employment conditions of temporary and migrant workers and to avoid risks such as fees, dependency, discrimination, withholding of documents, or restricted access to grievance channels.

5.5 Additional Minimum Labor and Social Standards

We expect safe and healthy working conditions, compliance with statutory working hours, payment of statutory minimum wages and social benefits, and a commitment to gradually contribute toward the payment of living wages. Overtime must be voluntary, in compliance with the law, limited in scope, and adequately compensated. Disciplinary measures must be lawful, proportionate, and documented; corporal punishment, psychological pressure, threats, intimidation, sexual harassment, and any form of degrading treatment are prohibited.

Freedom of association and the right to collective bargaining must be respected. Employees must have the right to form employee representative bodies or unions, to join them, and to be represented collectively. Where legal restrictions exist, we expect suppliers to facilitate alternative forms of independent and free social dialogue.

5.6 Environmental Requirements

We expect our business partners to comply with environmental laws, permit requirements, and internationally recognized environmental standards. This includes the responsible handling of chemicals, effective wastewater and waste management, resource efficiency, energy efficiency, the reduction of emissions, and the prevention of environmental pollution. Processes posing particularly high risks—such as dyeing, bleaching, printing, washing, finishing, and coating—must be assessed and improved in accordance with relevant requirements.

We expect transparency regarding material origin, fiber composition, chemicals used, certifications, and relevant environmental impacts. Our product development and procurement take into account sustainable materials, durability, quality, recyclability, and a continuous reduction of negative environmental impacts.

5.7 Integrity, Anti-Corruption, and Transparent Documentation

Carstensen expects conduct based on integrity in all business relationships. Bribery, demands for bribes, extortion, fraud, improper benefits, kickbacks, conflicts of interest, document forgery, manipulation of audit evidence, or deliberate misrepresentations will not be tolerated. Business partners must provide transparent, traceable, and verifiable information and disclose conflicts of interest.

Integrity risks are taken into account in supplier qualification, monitoring, and the evaluation of reports. Suspected cases are investigated, documented, and, where necessary, addressed with corrective measures, sanctions, or the termination of the business relationship.

5.8 Subcontracting and Indirect Procurement

Subcontracting is permitted only if it has been expressly authorized in advance by Carstensen. Unauthorized or concealed subcontracting is not permitted. If subcontracting is permitted, we expect subcontractors to be qualified according to the same human rights, environmental, and integrity criteria as direct suppliers prior to the commencement of the business relationship. This qualification must be updated at least annually during the course of the business relationship.

When Carstensen sources indirectly through agents or importers, we expect them to communicate the requirements of this policy statement to upstream suppliers and, where applicable, subcontractors; to assess their qualifications; to report risks and adverse impacts to Carstensen; and to cooperate in implementing preventive, mitigating, and corrective measures. Agents and importers must ensure that Carstensen receives adequate information regarding upstream production facilities, relevant process steps, risks, complaints, and measures taken.

6. Integration into the Company

Carstensen's executive management formally adopts this Policy Statement and bears overall responsibility for fulfilling the corporate due diligence obligations described therein. Operational coordination is the responsibility of the Corporate Responsibility Team. Implementation is carried out on a cross-functional basis involving the departments of Purchasing, Procurement, Design, Product Development, Human Resources, Compliance, and other relevant functions.

At least once a year, the Executive Board reviews progress in implementing due diligence processes, significant risks, complaints received, corrective actions, target achievement, and the effectiveness of the measures. Relevant functions are assigned clear responsibilities, resources, targets, and appropriate metrics to track the implementation of this Policy Statement.

Carstensen ensures that responsible employees are familiar with the fundamental requirements of corporate due diligence and can apply them in their respective roles. Employees who have direct contact with potentially affected individuals, suppliers, agents, or importers are made aware of the need to identify human rights, environmental, and integrity risks, as well as indications of negative impacts, to document them appropriately, and to forward them to the relevant departments.

We review our incentive and reward systems to ensure that they support the implementation of due diligence obligations and do not create misaligned incentives. Particularly in purchasing, procurement, product development, design, and compliance, objectives should not be focused exclusively on price, speed, or short-term commercial advantages, but should also take into account supplier qualifications, fair purchasing practices, risk reduction, cooperation, and progress toward improvement.

The results of the risk analysis, prioritization, and analysis of negative impacts are incorporated into relevant decision-making and strategic processes. This includes, in particular, the establishment or termination of sourcing and production locations, the selection and development of suppliers, the product development strategy, material selection, the procurement and purchasing strategy, decisions regarding direct or indirect procurement models, and the responsible termination of business relationships.

7. Analysis and Prioritization of Risks and Adverse Impacts

Carstensen analyzes and prioritizes human rights, environmental, and integrity risks along its own supply chains. Risk analysis is conducted at least annually and on an ad hoc basis in the event of significant changes, such as new sourcing or production countries, new materials or product types, serious changes in the political or social situation, complaints, reports of incidents, or significant information gaps.

7.1 Transparency in the Textile Supply Chain

We collect relevant information about our textile supply chains. This includes, at a minimum, suppliers at the garment manufacturing and wet processing levels, as well as—as transparency increases—information on fabric production, yarn production, and raw material extraction. Relevant information includes location, region, production types, product types, parent company, number of employees, type of employee representation, materials used, certifications, existing grievance mechanisms, and known risks.

Where information is missing, we document the information gaps, explain the reasons for them, and define measures to gradually improve the data situation. In the case of indirect sourcing, agents and importers are required to provide relevant information from upstream suppliers and to increase transparency.

7.2 Country, Sector, Material, and Product Risks

Our risk analysis takes into account country-specific risks, OECD sector risks, material- and product-specific risks, as well as risks arising from our business model and our procurement and purchasing practices. If suppliers in deeper supply chains are not yet fully identified, we analyze these levels based on material-related risks, distinguishing in particular between natural fibers, fibers of animal origin, cellulose-based regenerated fibers, and synthetic chemical fibers.

We draw on internal expertise and external sources, such as information from labor unions, employee representatives, civil society organizations, industry initiatives, audit and certification data, complaint information, country analyses, and publicly available risk data. The sources and assumptions used are documented.

7.3 Vulnerable Stakeholders and Groups

Carstensen identifies stakeholders and groups that may be particularly affected by our business activities and business relationships. These include, in particular, women, children and adolescents, migrants, migrant workers, temporary agency workers, home-based workers, people with disabilities, ethnic or religious minorities, workers without secure residency or work status, workers in outsourced processes, local communities, and individuals who file complaints or exercise workers' rights.

The needs of these groups are taken into account in risk analysis, supplier assessment, prevention and mitigation measures, grievance mechanisms, remediation, and reporting. Where possible and appropriate, we involve affected parties or their legitimate representatives in the development, implementation, and evaluation of measures.

7.4 Assessment of Probability of Occurrence and Severity

Identified risks are assessed based on likelihood and severity. We determine severity based on the degree, extent, and irreversibility of potential or actual impacts. When assessing probability of occurrence, we consider, among other factors, country- and sector-specific risk data, supplier qualification, existing prevention and mitigation processes, complaints, audit findings, information from stakeholder dialogues, and the influence of our business model and procurement practices.

Based on this, we identify our most significant risks, high-risk countries, high-risk suppliers, and high-risk materials. The results are communicated internally to the relevant decision-makers and incorporated into action plans, supplier decisions, procurement practices, and public reporting.

7.5 Analysis of Adverse Impacts

In addition to risk analysis, we investigate actual negative impacts on human rights, the environment, and integrity on a case-by-case basis. Relevant triggers include, in particular, complaints; reports of incidents at suppliers or within our own company; information about changing risks; insufficient information regarding the most significant risks; or reports from affected parties, labor unions, employee representatives, NGOs, government agencies, auditors, or industry initiatives.

In our analysis, we take into account internal expertise as well as feedback from potentially affected parties and/or their legitimate representatives. Where appropriate, we collaborate with suppliers, other companies, industry initiatives, civil society organizations, and employee representatives to better understand negative impacts, share findings, and develop joint solutions.

7.6 Business Model, Procurement Practices, and Wage Gaps

Carstensen analyzes the extent to which its own business model and its procurement and purchasing practices may contribute to negative impacts. In doing so, we focus in particular on procurement strategy, forecasting and planning, pricing and price negotiations, sample and product development processes, tech packs, order changes, lead times, payment terms, penalties, quality requirements, cancellations, and the termination of business relationships.

In high-risk countries or with high-risk suppliers, we analyze the wage gap between wages paid and available benchmarks for living wages. Wage gaps identified through this process are incorporated into our strategy for promoting living wages, into our dialogue with suppliers, and into the further development of our purchasing practices.

8. Prevention and Mitigation

Carstensen implements internal measures and measures within its supply chains to prevent or mitigate the most serious risks and to address any identified negative impacts. Our measures are based on the nature, severity, and likelihood of the risk, our contribution to an impact, and our ability to influence the respective business partner.

8.1 Supplier Qualification and Minimum Requirements

Direct suppliers are assessed prior to establishing a new business relationship and subsequently at least once a year to determine whether they meet our expectations and what measures they have taken to prevent and mitigate negative impacts. The assessment takes into account country-specific risks, OECD sector risks, information on supplier qualification, audits, certifications, complaints, incidents, remedial processes, and other relevant information.

In high-risk countries and for high-risk suppliers, the evaluation also includes, to the extent appropriate and feasible, on-site interviews with potentially affected parties—particularly workers—conducted by qualified personnel. This takes into account awareness of their own rights, access to grievance mechanisms, specific problems, incidents, and implementation challenges.

The results of the supplier assessment are given equal weight alongside commercial factors such as price, quality, capacity, and delivery time in the awarding of contracts. When subcontracting is permitted, subcontractors are assessed according to the same minimum requirements. In the case of indirect procurement, we require agents and importers to evaluate upstream suppliers and, where applicable, subcontractors accordingly.

8.2 Contractual Provisions and Monitoring

Our expectations are incorporated in an appropriate manner into supplier contracts, terms and conditions of purchase, ordering processes, or comparable agreements.

Direct suppliers are required to pass on relevant requirements to upstream suppliers, service providers, and approved subcontractors.

We monitor implementation through a risk-based monitoring process. This includes supplier self-reports, document reviews, certification and audit data, discussions with suppliers, site visits, external audits, complaint analyses, stakeholder feedback, action plans, and key performance indicators. Findings from the monitoring process are used to reassess risks, improve measures, and adjust our purchasing and procurement decisions.

8.3 Support, Dialogue, and Incentives for Suppliers

We recognize that sustainable improvements in supply chains often require cooperation. Carstensen supports suppliers in high-risk countries and high-risk suppliers in meeting our expectations, for example through training, consulting, discussions on requirements, assistance with action plans, participation in initiatives, or sharing information on effective grievance mechanisms and best practices.

At least once a year, we engage in dialogue with relevant suppliers regarding implementation challenges, risks, negative impacts, living wages, grievance mechanisms, and the potential influence of our own procurement practices. In the case of indirect procurement, we also direct the dialogue, to the extent possible, to upstream suppliers and involve agents or importers.

We provide incentives for continuous improvement. These may include longer-term business relationships, greater planning certainty, capacity dialogues, support for training and certification, consideration of positive improvement efforts in the awarding of contracts, or organizational support for specific improvement measures.

8.4 Improving Our Own Procurement and Purchasing Practices

We work to design our procurement and purchasing practices in such a way that they do not contribute to negative impacts. This includes forward-looking planning, realistic lead times, transparent and fair price negotiations, consideration of labor and wage costs, reduction of short-term order changes, responsible payment terms, timely communication, and fair handling of cancellations or changes.

Insights from risk analysis, supplier feedback, complaint mechanisms, wage gap analyses, and monitoring are incorporated into the improvement of our procurement processes. The goal is to reconcile commercial requirements with human rights responsibilities.

8.5 Promotion of Living Wages

Carstensen is committed to promoting living wages in its own textile supply chains. We expect, at a minimum, compliance with statutory minimum wages, contractual entitlements, social benefits, and proper overtime pay. In addition, we analyze wage gaps at the garment manufacturing level in high-risk countries and among high-risk suppliers, and use this information to develop measures for a gradual transition toward living wages.

Our strategy takes into account internal conditions, available data, benchmarks, fair cost allocation, purchasing practices, social dialogue, and the question of how measures actually contribute to wage increases for workers. We take care to avoid potential side effects, such as pressure on working hours, employment, or informal employment relationships.

8.6 Cooperation with External Stakeholders

Many risks have systemic causes that a single company cannot resolve on its own. Therefore, where appropriate and reasonable, we collaborate with external stakeholders, such as suppliers, other companies, industry or multi-stakeholder initiatives, labor unions, employee representatives, civil society organizations, experts, or local actors.

Such collaborations can serve to analyze the causes of risks, improve access to grievance mechanisms, qualify suppliers, strengthen social dialogue structures, improve environmental management, address wage issues, or support remedial processes. Lessons learned from these collaborations are incorporated into our measures.

8.7 Responsible Termination of Business Relationships

If serious negative impacts cannot be remedied after reasonable and repeated attempts at improvement, or if continued cooperation becomes unreasonable, it may be necessary to terminate a business relationship. In such cases, Carstensen assesses the impact of termination on employees and other affected parties and endeavors to avoid or mitigate negative consequences.

A responsible termination includes, to the extent possible, transparent communication of the reasons, sufficient notice proportional to the order volume, payment for work already performed and materials already ordered, as well as the requirement that suppliers comply with statutory wages, severance pay, social benefits, international labor standards, and collective bargaining agreements. Measures already identified to mitigate negative impacts will be continued until the termination, to the extent that this is possible and reasonable. Potentially affected parties and their legitimate representatives may report issues related to the termination through grievance channels.

9. Grievance Mechanisms, Remedies, and Redress

Carstensen promotes access to effective complaint mechanisms within its own supply chains. Complaints and reports are a central component of our due diligence approach because they help identify risks and negative impacts at an early stage, listen to those affected, provide remedies, and improve preventive measures.

We are committed to listening to, investigating, and addressing all complaints and reports received by Carstensen regarding human rights, environmental, or integrity risks. We protect complainants from retaliation, discrimination, intimidation, or reprisals to the extent within our control. Confidentiality and, where possible, anonymity are maintained.

9.1 Access and Reporting Channels

Potentially affected individuals, employees of suppliers, employee representatives, labor unions, local communities, civil society organizations, business partners, Carstensen employees, and other third parties may submit reports and complaints through the reporting channels provided by Carstensen. The applicable channels are communicated on the website and to relevant business partners.

- Email: csr_grievance@carstensen.de
- Digital Whistleblower System: [Complaint Form](#)
- Phone: +49 4106 9777 578
- Mail:
Carstensen Import-Export Handelsgesellschaft mbH, Werner-von-Siemens Str. 3-7, 25479 Ellerau, Germany
- Reports via suppliers, agents, importers, employee representatives, labor unions, or other legitimate representatives, provided these channels are accessible and trustworthy in the specific context.

We ensure that complaint channels are understandable, accessible, well-known, confidential, and, to the extent possible, available in appropriate languages. Where local or in-house complaint mechanisms are more accessible to those affected, we do not seek to undermine them but rather to strengthen their role.

9.2 Handling Complaints and Adverse Effects

Incoming complaints are documented, reviewed for factual plausibility, and assessed based on severity and urgency. Responsibilities, decision-making processes, and potential resources for remedial action and redress must be clarified internally. Employees who receive or handle complaints must be able to assess complaints appropriately, escalate them as necessary, and treat those affected with respect.

The handling process typically includes acknowledgment of receipt, initial assessment, clarification of responsibility, investigation, involvement of relevant individuals and, where appropriate, affected parties or their legitimate representatives, determination of measures, feedback on the outcome, implementation, follow-up, and evaluation. In the event of serious risks or acute hazards, protective measures are reviewed immediately.

All complaints and reports, including those submitted to Carstensen through channels other than our own mechanisms, are incorporated into risk analysis, supplier evaluation, action planning, and reporting. This also applies to negative impacts at suppliers with whom we no longer have an active business relationship, provided that the relationship was terminated only recently and there is a connection to our business activities.

9.3 Remedies and Redress

If Carstensen has caused or contributed to negative impacts, we will take remedial action and, where appropriate, provide restitution or assist in doing so. If we are directly linked to negative impacts through a business relationship, we will use our influence to promote remedial action by the responsible party and prevent recurrence.

Remedial and compensatory measures are determined by the nature and severity of the impact and the needs of those affected. In particular, they may include the cessation of the harmful practice, corrective actions, rehabilitation measures, medical support, reinstatement, protection against retaliation, an apology, changes to procedures, training, disciplinary measures, adjustments to purchasing practices, or structural improvements at suppliers.

We monitor the implementation of remedial and compensatory measures and assess their effectiveness, including, to the extent possible, from the perspective of those affected. Insights gained from complaints and remedial cases are used to further develop prevention and mitigation measures, supplier qualification, complaint mechanisms, and internal processes.

10. Dealing with Vulnerable Stakeholders and Engaging Affected Parties

In implementing its due diligence processes, Carstensen takes into account the particular vulnerability of vulnerable stakeholders and groups. We recognize that certain groups are often more exposed to risks, face greater difficulties in exercising their rights, or have poorer access to grievance mechanisms.

When conducting risk analyses, supplier assessments, implementing preventive measures, establishing complaint mechanisms, and taking corrective action, we therefore examine whether specific barriers exist—such as language, legal status, dependence on an employer or intermediary, discrimination, fear of job loss, lack of knowledge of one's rights, lack of access to digital channels, or the risk of retaliation. We aim to engage affected individuals and their legitimate representatives in an appropriate manner. This may include confidential interviews with workers, dialogues with worker representatives, engagement with labor unions, exchanges with local NGOs, participation in industry initiatives, or feedback mechanisms with suppliers. The findings are documented and incorporated into the further development of our measures.

11. Public Reporting, Communication, and Supply Chain Transparency

Carstensen publicly communicates this policy statement.

Relevant components are communicated to employees who are responsible for implementation or whose duties are affected by the requirements. Direct suppliers are required to implement and pass on the relevant requirements to upstream suppliers. If German is not the language of business, we provide relevant information in English or the local language.

We report publicly at least once a year, in a manner tailored to the target audience, on the implementation of our corporate due diligence obligations. The reporting is intended to enable external stakeholders to understand our due diligence processes, our approach to risks and negative impacts, as well as our progress and challenges.

Our reporting covers, in particular:

- Reference to the commitments and expectations set forth in this Policy Statement;
- the most serious risks in our own supply chains and the methodology used to identify and prioritize them;
- prevention, mitigation, remediation, and redress measures, as well as examples and, where available, metrics on their effectiveness;
- Lessons learned, progress, and challenges in implementing the measures;
- Information on the strategy to promote living wages, including benchmarks used and progress toward implementation;
- existing grievance mechanisms, the aggregate number and topics of complaints received, and, to the extent possible and without compromising confidentiality, information on remedies and redress;
- Engagement with external stakeholders, in particular suppliers, potentially affected individuals, and their legitimate representatives;
- a list of sourcing countries and regions at the level of garment manufacturing and wet processes, as well as general information gaps; as transparency increases, we are expanding our reporting to deeper levels of the supply chain, all the way back to raw material extraction.

In our public communications, we prioritize clarity, accessibility, and the protection of those affected. Personal data, trade secrets, and information that could endanger complainants or affected parties will not be disclosed.

Final Commitment & Validity

We, the management of Carstensen Import-Export Handelsgesellschaft mbH, hereby affirm that we formally adopt this Statement of Principles and take responsibility for implementing the due diligence processes described herein. We call upon all employees, business partners, suppliers, agents, importers, and authorized subcontractors to adhere to these principles and to actively contribute to acting in a manner that is consistent with human rights, socially responsible, environmentally conscious, and with integrity.

This policy statement is effective upon approval and will be communicated to relevant employees and business partners and reviewed at least annually.

In the event of significant changes to the risk profile, new sourcing countries, new materials, or major incidents, an ad hoc update will be made.

Ellerau, May 26, 2026



Martin Pancke
Managing Director



Marco Wöbke
Managing Director



Steve Carstensen
Managing Director