Code of Conduct

Verhaltenskodex

Carstensen Import-Export Handelsgesellschaft mbH

Version 05.26

This Code of Conduct specifies the policy statement of Carstensen Import-Export Handelsgesellschaft mbH (hereinafter “Carstensen”) regarding respect for human rights, environmental protection, and responsible corporate governance.

It establishes binding minimum requirements for responsible conduct in our own business activities as well as in our supply and value chains.
This Code of Conduct is an integral part of our purchasing agreements and applies to all business partners, suppliers, production facilities, agents, importers, service providers, direct and indirect partners, and authorized subcontractors, to the extent that they are involved in Carstensen’s supply and value chains.

It is based in particular on the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Core Labor Standards and the Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the OECD Guidance on Responsible Supply Chains, as well as relevant environmental and industry standards and the applicable legal requirements.

The sector-specific risks described in the OECD Guidelines form the framework for our expectations. These include, in particular, child labor, forced labor and modern slavery, discrimination, violence and harassment, violations of freedom of association, inadequate wages and social benefits, excessive working hours, health and safety risks, risks to vulnerable groups, environmental risks related to chemicals, water, wastewater, waste, resources, and climate, as well as integrity risks such as corruption, fraud, conflicts of interest, and manipulation of evidence.

All business partners are required to effectively integrate the requirements of this Code of Conduct into their own business processes, communicate them to relevant upstream suppliers and service providers, monitor their implementation on a risk-based basis, and provide Carstensen with verifiable evidence upon request.

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Principles of the Code of Conduct

1. Management Practices, Responsibility, and Participation in Due Diligence Processes

Business partners must establish appropriate management systems, responsibilities, processes, and documentation to ensure compliance with this Code of Conduct, applicable laws, and international minimum standards.
Employees and relevant managers must be informed in clear and understandable language about their rights, obligations, complaint procedures, and safety requirements.

Business partners shall participate in Carstensen's due diligence processes. This includes, in particular, the provision of information regarding supply chains, risk analysis, analysis of adverse impacts, supplier qualification, monitoring, prevention and mitigation measures, remedial processes, effectiveness monitoring, reporting, and communication.

Records regarding employment relationships, wages, working hours, health and safety, environmental management, subcontracting, materials used, certifications, complaints, incidents, and corrective actions must be maintained in a complete, truthful, up-to-date, and verifiable manner.

2. Passing on Requirements in the Supply Chain, Subcontracting, and Indirect Procurement

Business partners must pass on the requirements of this Code of Conduct to their direct and relevant indirect partners, production facilities, service providers, and approved subcontractors, and verify compliance on a risk-based basis.

Subcontracting is permitted only if it has been expressly disclosed to Carstensen in advance and approved by Carstensen.
Unauthorized, concealed, or retroactively undisclosed subcontracting is prohibited.

If subcontracting is permitted, subcontractors must 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 and verified upon request.

If Carstensen procures indirectly through agents or importers, these agents and importers must ensure that upstream suppliers and, where applicable, subcontractors comply with these requirements. They must report production facilities, relevant process steps, risks, complaints, measures, and significant changes to Carstensen promptly and transparently.

3. Compliance with Laws and Higher Protection Standards

Business partners must comply with all applicable national and international laws, regulations, official permits, and regulatory requirements. Where international standards impose stricter requirements than national law, we expect compliance with the higher protection standards, to the extent permitted by law.

National regulations or local practices must not be used to circumvent internationally recognized human rights, labor rights, environmental requirements, or integrity standards.

4. Freedom of Association and the Right to Collective Bargaining

Business partners must respect the right of employees to form employee representative bodies or labor unions, to join them, and to be represented collectively. Employees must not be disadvantaged, intimidated, monitored, dismissed, or otherwise sanctioned for exercising these rights.

Where national law restricts these rights, alternative forms of independent, free, and effective social dialogue must be facilitated, for example through freely elected employee representatives.

5. Discrimination, Violence, Harassment, and Vulnerable Groups

Dignity, respect, and equal treatment apply to all workers.
Discrimination based on origin, gender, age, religion, belief, social background, disability, health status, political opinion, sexual orientation, marital status, pregnancy, union membership, immigration status, or other personal characteristics is prohibited.

Business partners must ensure a work environment free from corporal punishment, psychological pressure, threats, intimidation, bullying, sexual harassment, gender-based violence, and any form of degrading treatment.

Particular consideration must be given to vulnerable groups in risk assessments, preventive measures, complaint procedures, and remedies.
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 employment status, and individuals who file complaints or exercise their labor rights.

6. Fair Compensation, Wage Payments, Social Benefits, and Living Wages

Business partners must pay at least the statutory or industry-specific minimum wages, contractual entitlements, social benefits, and all legally required supplements. Overtime must be compensated in accordance with the law, transparently, and at a reasonable rate.

Wages, wage components, overtime pay, and statutory benefits must be paid in full, on time, in a transparent manner, and in a legal currency. Unauthorized deductions, penalties, late payments, hidden costs, debt bondage, or the withholding of wages, wage records, or bank cards are prohibited.

Pay stubs, employment contracts, and relevant information must be provided in a language that employees understand. Carstensen expects its business partners to cooperate in conducting wage gap analyses and implementing measures to gradually move toward living wages in the textile supply chains.

7. Working Hours, Rest Periods, Breaks, and Basic Needs

Regular working hours must not exceed legal limits, except for internationally recognized exceptions. Overtime must be voluntary, limited, in compliance with the law, and adequately compensated.
Employees are entitled to daily rest periods, breaks, and at least one day off within a seven-day period, unless stricter legal requirements stipulate otherwise.

During working hours, employees 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.

8. Occupational Safety and Health, Emergency Preparedness, and Freedom of Movement

: Business partners must provide a safe, hygienic, and healthy work environment. This includes, in particular, effective building and fire safety measures, safe machinery, appropriate personal protective equipment, protection against chemicals, dust, noise, heat, and ergonomic hazards, first aid services, emergency plans, regular drills, and adequate training. Escape routes, doors, and emergency exits must not be locked, blocked, or otherwise rendered unusable. Housing must be safe, clean, and humane and must not be used to restrict freedom of movement, privacy, or personal autonomy. Employees must not be prevented from leaving the premises immediately and without prior permission if there is an immediate and serious danger to life, health, or safety. Leaving such a hazardous situation must not result in disciplinary action, wage deductions, discrimination, or retaliation.

9. Child Labor, Age Verification, and Protection of Young Workers

Child labor is prohibited. Employment of individuals below the legal minimum age and below internationally recognized minimum standards—in particular ILO Convention 138—is not permitted.

Business partners must implement effective procedures to verify and document the age of all employees before they begin work. Age verification must be based on reliable evidence and must not result in the withholding of personal documents or discrimination against individuals. If official documents are not available, appropriate alternative verification methods must be used.

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 child labor is identified, a child-welfare-oriented remedy must be implemented, including the immediate and safe termination of the unlawful activity, access to education, and appropriate support to prevent further harm.

10. Prohibition of Forced Labor, Modern Slavery, and Withholding of Documents

Any form of forced labor, modern slavery, human trafficking, debt bondage, involuntary prison labor, and other forms of coerced labor is strictly prohibited.
All employment relationships must be voluntary. Employees must be free to accept work and to terminate their employment 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.

Recruitment fees or comparable costs must not be imposed on employees. Business partners must take appropriate measures to ensure that raw materials, intermediate products, and services do not originate from forced labor.

11. Equal Treatment of Temporary Workers, Migrant Workers, Home-Based Workers, and Other Employee Groups

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

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

Home-based and manual labor must be transparently documented and may only be performed under conditions that comply with legal requirements. Migrant workers must be specifically protected against exploitation, fees, withholding of documents, dependency, discrimination, and restricted access to grievance channels.

12. Environmental Requirements, Chemicals, Resources, and Sustainable Materials

Business partners must comply with all applicable environmental laws, permit requirements, and internationally recognized environmental standards.
This includes the responsible handling of chemicals, effective wastewater and waste management, the safe storage, transport, and disposal of hazardous substances, the prevention of environmental pollution, and compliance with relevant requirements such as REACH, the Minamata Convention, and, where applicable, the EUTR and EUDR.

Processes posing particularly high risks—such as dyeing, bleaching, printing, washing, finishing, and coating—must be assessed against relevant requirements and continuously improved. Water, energy, and raw materials must be used efficiently; greenhouse gas emissions must be tracked and reduced.

Business partners must ensure transparency regarding material origin, fiber composition, chemicals used, certifications, and relevant environmental impacts.
Carstensen expects its business partners to contribute to the continuous increase in the use of sustainable materials, particularly 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.

13. Integrity, Anti-Corruption, Data Protection, and Transparent Documentation

Corruption, bribery, demands for bribes, extortion, embezzlement, fraud, kickbacks, improper benefits, conflicts of interest, document forgery, manipulation of audit or certification records, and deliberate misrepresentations will not be tolerated.

Business partners must provide complete, truthful, traceable, and verifiable information regarding their business activities, ownership and corporate structure, production facilities, subcontractors, certifications, materials, risks, and measures. Conflicts of interest must be disclosed.

Sensitive and confidential information must be protected through appropriate technical and organizational measures. Applicable data protection regulations must be complied with.

14. Complaint Management, Protection Against Retaliation, and Access

Carstensen provides complaint channels through which potentially affected individuals, employees of suppliers, employee representatives, labor unions, local communities, civil society organizations, business partners, employees, and other third parties can submit reports and complaints regarding human rights, environmental, or integrity risks. Complaints may be submitted anonymously or with contact information.

Business partners must communicate Carstensen's complaint channels in a way that is open, freely accessible, understandable, and free of barriers.
At production facilities that manufacture goods for Carstensen, the complaint poster provided by Carstensen must be displayed in a clearly visible location at all relevant production levels.
The use of the complaint channels must not be subject to sanctions or result in negative consequences for those who report concerns.

Complaint filers must be protected from retaliation, discrimination, intimidation, or reprisals to the extent possible within the business partner's sphere of influence. Business partners must cooperate with Carstensen in the review, processing, resolution, and follow-up of complaints and treat information confidentially.

15. Carstensen's Reporting Channels

Reports and complaints may be submitted via the following channels in particular:

- Email: csr_grievance@carstensen.de
- Phone: +49 4106 9777 578
- Digital Whistleblower System / Complaint Form: https://www.eurasia-statinvest.com/soziale-verantwortung/
- By mail:
  Carstensen Import-Export Handelsgesellschaft mbH
  Werner-von-Siemens Str. 3-7
  25479 Ellerau, Germany
- For production facilities in China: additional company account via WeChat, accessible via the complaint poster using a QR code.

The applicable reporting channels are communicated on the website and to relevant business partners.
Local or in-house complaint mechanisms should be accessible, trustworthy, and effective; they must not restrict access to Carstensen's channels.

16. Remedies, Corrective Actions, and Responsible Termination

If violations or negative impacts are identified, business partners must immediately take appropriate protective, corrective, and preventive measures. Action plans must include clear responsibilities, deadlines, root cause analysis, documentation, and effectiveness checks.

Legitimate complaints and reports must be taken seriously. Where negative impacts have been caused or contributed to, remedies and, where appropriate, restitution must be provided or facilitated. Remedies may include, in particular, back pay, reimbursement of unauthorized fees, cessation of harmful practices, medical assistance, reinstatement, protection against retaliation, training, procedural adjustments, or structural improvements.

If serious negative consequences cannot be remedied despite appropriate and repeated attempts at improvement, or if continued cooperation becomes unreasonable, Carstensen may impose sanctions, up to and including the responsible termination of the business relationship.
In doing so, the impact on employees and other affected parties will be taken into account to the extent possible.

17. Reporting, Communication, and Supply Chain Transparency

Business partners must, upon request, provide Carstensen with the information necessary for risk analysis, supply chain mapping, public reporting, complaint handling, remedial action, and monitoring of effectiveness. This includes, in particular, information on production facilities, countries and regions of procurement, process steps, number of employees, employee representation, certifications, materials used, complaints, incidents, risks, corrective actions, and progress.

Business partners must inform employees, in a language they can understand, about the relevant provisions of this Code of Conduct, their rights, complaint procedures, and protection against retaliation. They must ensure that information is not only formally but also effectively accessible, particularly for vulnerable groups.

Personal data, trade secrets, and information that could endanger complainants or affected individuals must be protected. At the same time, confidentiality or trade secrets must not be misused to conceal relevant risks, violations, or negative impacts.

18. Monitoring, Updating, and Recognition

Carstensen may conduct or commission risk-based reviews of compliance with this Code of Conduct. This may include self-reports, document reviews, certificate and audit data, site visits, interviews with employees or their legitimate representatives, complaint analyses, and action plans.
Business partners must provide appropriate support for such reviews.

This Code of Conduct is reviewed regularly and as circumstances warrant, particularly in the event of new legal requirements, new sourcing or production countries, significant changes to the risk profile, new materials or product types, major incidents, or findings from complaints, audits, stakeholder dialogues, and risk analyses.

By collaborating with Carstensen, business partners acknowledge this Code of Conduct and commit to implementing its requirements within their area of responsibility, communicating them to relevant partners, and continuously contributing to improvements.

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Management’s Commitment to Compliance with the Code of Conduct

We, the management of Carstensen Import-Export Handelsgesellschaft mbH, hereby confirm our compliance with and active implementation of this Code of Conduct. We expressly acknowledge the requirements set forth herein and commit to permanently and fully embedding them in our relevant business processes.

To ensure implementation, the Corporate Responsibility Team is entrusted with coordinating, monitoring, and further developing these requirements.
This includes integration into purchasing, procurement, product development, compliance, and supplier management processes, as well as regular communication with employees and business partners.

Ellerau, May 26, 2026

Martin Pancke	**Marco Wöbke**	**Steve Carstensen**
Managing Director	Managing Director	Managing Director