

Reporting Mechanisms and Operational Implementation Process

Updated July 2024

The establishment of a functional reporting mechanism is an essential component in respecting the rights of employees. The concerns of all employees of the Brands Group are handled through the company's **internal feedback management system**. Additionally, internal as well as external stakeholders can use an external reporting office to submit violations within the scope of the **German Whistleblower Protection Act (§ 2 HinSchG)**.

We also offer employees in our supply chains and other external stakeholders the opportunity to report **violations of labor, human, and environmental rights in our supply chains**, and thus against our **Declaration of Compliance**. Regardless, we urge our direct and indirect suppliers to establish an internal complaint mechanism in their factory and refer to relevant guidelines for implementation. The presence and effectiveness of the factory-internal mechanisms are verified during audits, assessments, and our own factory visits.

In the event of a report submitted by an employee of the Brands Group, an employee within our supply chains, a supplier, a service provider (e.g., an external auditor), or another relevant stakeholder, the following process applies:

1. **Assessment:**

To evaluate the origin and scope of the report, an assessment is conducted within defined timeframes based on the following questions:

- Who submitted the report?
- Is it in the scope of our company or business activities?
- What is the subject of the report?
- Is it an idea or suggestion from employees within our company context, a report of a violation within the scope of § 2 HinSchG, or a complaint due to a violation of our declaration of compliance?

The assessment deadlines are as follows:

- Violation of our declaration of compliance: 24 hours
- Feedback management: 7 days / in the case of confidential contributions to the HR department: 3 days
- Whistleblower protection: 7 days

2. **Addressing:**

If we believe that the report directly concerns us and/or our business activities or constitutes a clear violation of our declaration of compliance, we address it within defined timeframes through the following measures:

- Investigation of the actual issue underlying the report and any causes that should be considered
- Involvement of relevant stakeholders
- Consideration of possible solutions
- Estimation of potential costs arising from remedial or implementation measures

The deadlines for commencing the processing are as follows:

- Violation of our declaration of compliance: 7 days
- Feedback management: 3 months / in the case of confidential contributions to the HR department: 7 days
- Whistleblower protection: 3 months

If sufficient information is available, we decide, if possible, together with the affected party/parties*, how the report can be addressed and what measures need to be taken to resolve or improve it. The reporting party will be informed accordingly, if possible*.

*Any report can be submitted anonymously at any time. If the report is not submitted anonymously, the reporting party will be offered the opportunity to be involved in the resolution process.

3. Follow-up:

To ensure that the report has been satisfactorily addressed, we check within defined timeframes whether:

- The defined measures have been implemented in the long term
- The affected party/parties is/are satisfied with the solution found and considers the report resolved

The follow-up deadlines are as follows:

- Violation of our declaration of compliance: 4-8 weeks depending on the violation
- Feedback management: 6 months / in the case of confidential contributions to the HR department: 4-8 weeks depending on the issue
- Whistleblower protection: 6 months (internal follow-up)

Brands Fashion assures every reporting party that they will be protected from retaliation and reprisal.

The reporting mechanisms are regularly reviewed for effectiveness and adjusted if necessary. Relevant stakeholders are informed promptly about significant changes.

The following employees of Brands Fashion, who are qualified accordingly, are responsible for the reporting mechanisms at the operational level:

- **Violations against the Declaration of Compliance**

Rabea Schafrick: sustainability@brands-fashion.com, +49 4181 / 9422 – 360

- **Feedback management:**

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- **Whistleblower Protection Act:**

Violations:

ESCHE SCHÜMANN COMMICHAU

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Questions and information:

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