



Human Rights Due Diligence (HRDD) Policy

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1. Commitment to Human Rights Due Diligence

As an internationally active company, Takko Fashion is expressly committed to respecting human rights and implementing human rights due diligence along the entire supply chain. Human rights due diligence (HRDD) ensures that human rights risks are recognised at an early stage, negative impacts are prevented or reduced, and effective remedial action is taken in the event of violations.

Our HRDD policy ensures that human rights risks are systematically identified, assessed and addressed in our company - both in our own business areas and in our supply chain. We rely on transparent processes, partnership-based cooperation with intermediaries, factory management and stakeholders as well as continuous improvement. In this way, we make an active contribution to fair working conditions and sustainable business practices in the textile industry.

2. Scope of Application

This HRDD policy applies to all relevant business areas along the Takko Fashion supply chain where human rights risks may arise. The scope of application includes in particular

- **Production sites**
- **Direct and indirect supply chains**, particularly in cut-make-trim processes, including subcontractors. Due to the increased risks in informal labour relations, Takko attaches particular importance to transparency and control in these areas.
- Logistical processes, warehousing and recycling activities are **not included in the scope of application** unless they are owned by Takko Fashion. Nevertheless, Takko endeavours to continuously extend its human rights due diligence to other areas of the company where this is practicable and sensible.

3. Principles and Obligations

We are committed to complying with international standards and guidelines. Our corporate behaviour is aligned with these, expresses our values and norms and serves as a basis for cooperation with business partners and suppliers. The following international standards and guidelines determine our daily actions:

- United Nations Universal Declaration of Human Rights (UDHR)
- Core Conventions of the International Labour Organization (ILO)
- United Nations Convention on the Rights of the Child (UN CRC)
- United Nations Convention on Women's Rights (UN-CEDAW)
- Guiding Principles of the Organisation for Economic Co-operation and Development (OECD)
- Code of Labour Practices of the Fair Wear Foundation

These internationally recognised standards are taken into account in our HRDD policy for respecting human rights alongside our supply chain. They therefore form the basis for our risk analysis, action planning and cooperation with business partners.

Takko Fashion also acts in accordance with the principles of **responsible purchasing practices** of the Common Framework for Responsible Purchasing Practices (CFRPP): We recognise that our purchasing decisions have a direct impact on working conditions - in particular through fair pricing, realistic delivery times and long-term partnerships.

We promote equality for women in the supply chain and support the right of all employees to organise and bargain collectively.

These commitments are an integral part of our corporate strategy and are executed through concrete measures, training and internal responsibilities.

4. Integration Into Corporate Processes

Takko Fashion sees human rights due diligence as an integral part of corporate management. The HRDD policy is firmly embedded in our management systems and decision-making processes and is supported by clear responsibilities and resource accountability.

The **Management Board** bears overall responsibility for the implementation and further development of the policy. It adopts the principles and ensures that human rights risks are taken into account in strategic decisions.

Operational implementation is carried out through the interaction of various departments, in particular

- **Corporate Social Responsibility (CSR)**
- **Quality Control (QC)**
- **Environmental Social Governance (ESG)**
- **Sourcing and Product Management**
- **Legal & Compliance**

Takko Fashion ensures that sufficient human and financial **resources** are made available for the implementation of due diligence obligations. Training and awareness-raising measures for relevant departments are an integral part of the implementation of the HRDD policy.

5. Stakeholder Engagement

We are convinced that human rights due diligence can only be implemented effectively in dialogue with the affected stakeholder groups. The involvement of relevant stakeholders is therefore a central component of our HRDD approach.

Relevant stakeholders include in particular

- employees in the supply chain,

- employee representatives,
- suppliers and subcontractors,
- non-governmental organisations (NGOs),
- civil society groups and authorities in production countries.

These stakeholders are actively involved in our processes - particularly in the **identification and assessment of human rights risks**, the **development and implementation of measures** and in **monitoring and effectiveness reviews**. Cooperation takes place on an equal footing, continuously and taking local contexts into account.

Takko Fashion is also committed to the **participatory processing of complaints**. We promote access to effective, trustworthy and secure grievance mechanisms - both at factory level and via external channels. Complaints are taken seriously, handled transparently and resolved together with those affected.

6. Risk Analysis

Takko Fashion conducts regular comprehensive risk analyses to systematically identify and mitigate human rights risks throughout its supply chain. This analysis forms the basis for all further measures in the context of human rights due diligence. In high-risk countries, we implement heightened human rights due diligence (HHRDD).

The aim is to identify potential human rights risks at an early stage, take preventative measures and minimise existing risks.

The risk analysis takes particular account of

- **Country risks**, e.g. political instability, inadequate enforcement of labour rights or restrictions on freedom of association,
- **Sector-specific risks**, such as informal employment, wage dumping or discrimination in textile production,
- **Product-specific risks**, e.g. in the case of labour-intensive handicrafts or homework,
- and **company-specific factors**, such as the company's own business model, sourcing strategy and supply chain structure.

Takko Fashion uses the **Fair Wear Country Risk Tool** and other external and internal data sources for support. The identified risks are prioritised according to **the likelihood and severity of the potential impact**. Particular attention is paid to **gender-specific risks** and **context-specific factors** in order to provide targeted protection for vulnerable groups.

We update our risk analysis annually and in the event of significant changes - e.g. when entering new production countries or in crisis situations.

7. Risk Prevention and Mitigation Measures

Takko Fashion takes a proactive approach to avoiding and minimising human rights risks in the supply chain. Based on the risk analysis, we develop targeted measures that are effective at both systemic and site-specific level.

For prioritised risks - such as child labour, forced labour or discrimination - we draw up **risk action plans** that contain specific prevention and intervention measures. These plans are regularly reviewed and adjusted if necessary.

In addition, we develop **production site-specific action plans** in close cooperation with our suppliers. These plans consider local conditions, audit results, complaints and the perspectives of employees and their representatives.

A central component of our strategy is the **integration of human rights due diligence into our purchasing practices**. This is expressed, for example, in long-term partnerships, fair pricing and realistic delivery times. These measures strengthen our leverage and create a stable framework for local improvements.

Should it nevertheless be necessary to part ways with a business partner, this is done as prudently and respectfully as possible, taking into account the social and economic impact. The aim is to minimise negative consequences for affected employees and other stakeholders and to ensure a sustainable solution (responsible exit).

Takko Fashion also favours **cooperation with other brands**, especially when several companies source from the same suppliers. Through joint audits, training or remedial measures, we can utilise resources more efficiently and increase the impact of continuous improvement of working conditions.

8. Grievance Mechanisms and Remediation

Takko Fashion is committed to providing all workers in the supply chain with access to **effective and trustworthy grievance mechanisms**. These mechanisms are a central element of our human rights due diligence and serve to recognise actual or potential human rights violations at an early stage and to remedy them effectively.

We promote the establishment and continuous improvement of internal **grievance mechanisms (Factory-Level Grievance Mechanisms [FLGM])** at our suppliers' production sites. These systems should be transparent, accessible, confidential and independent.

As a member of the Fair Wear Foundation, Takko Fashion uses the **Fair Wear Complaint Helpline** as a channel for complaints. This offers workers a safe way to report grievances anonymously, even if there are no functioning mechanisms in place locally.

Our membership of MADE (Multi-stakeholder Alliance for Decent Employment) provides an additional external complaints mechanism for employees at the production sites in Myanmar.

In Bangladesh, we are also working with the International ACCORD to investigate and resolve complaints.

Takko Fashion itself also provides its own whistleblower hotline on its website.

In the event of actual human rights violations, Takko Fashion is committed to **remediation processes** based on internationally recognised standards.

A central component of our approach is the **involvement of affected stakeholders** - especially workers and their representatives - in the design and implementation of remedial measures. Participatory processes are the only way to ensure that solutions are effective, accepted and sustainable.

9. Monitoring, Verification and Effectiveness Testing

Takko Fashion ensures that all measures to prevent and mitigate human rights risks are systematically monitored, verified and assessed for effectiveness. The aim is to enable continuous improvement and to make the actual impact of our due diligence processes measurable.

We have **internal systems in place to track and evaluate** measures that are implemented as part of action plans and site-specific action plans. These systems enable us to document progress, assign responsibilities and manage timeframes.

The measures implemented are **verified** using a combination of internal and external tools - including audits, interviews with employees, document reviews and feedback from stakeholders. Depending on the risk profile and context, suitable methods are selected to verify implementation.

To **validate effectiveness**, we rely on qualitative and quantitative indicators that are results orientated. Where possible, data is collected and analysed on a gender-specific basis in order to make structural inequalities visible.

These findings are incorporated into the further development of our measures and risk analyses and form the basis for effective and responsible corporate practice.

10. Communication and Transparency

Takko Fashion emphasises open and transparent communication in the context of human rights due diligence. We believe that transparency builds trust with both our business partners and the people who work along our supply chain.

Our **HRDD policy and reports** on the implementation of human rights due diligence are published regularly and are publicly accessible. This enables us to make our goals, measures and results transparent and verifiable.

The HRDD policy is also firmly anchored internally: it is discussed in employee training sessions and is part of the onboarding process for new employees. In this way, we ensure that human rights responsibility is practiced throughout the company.

11. Updating and Further Development

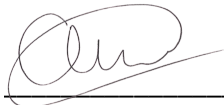
Takko Fashion sees human rights due diligence as a dynamic process that must be continuously developed. Our guidelines such as the Responsible Business Conduct (RBC), the Takko Code of Conduct, the Standard Operation Procedure (SOP), the Social Audit Manual (SAM) and our HRDD policy are therefore **regularly reviewed and adapted as necessary** to take account of new findings, changes in the general conditions and practical experience.

In doing so, we take into account

- **Current developments in production countries**, e.g. political or economic changes,
- **new human rights risks** arising from our business model or changes in the supply chain,
- **feedback from internal and external stakeholders**, in particular from employees, trade unions, NGOs and business partners,
- and **new legal requirements** at national and international level.

The revision is carried out in close consultation with the relevant departments and is coordinated by the CSR department. The aim is to make the policy a living document that continuously contributes to improving our human rights responsibility.

Telgte, July 25, 2025



Martino Pessina

-CEO-



Thomas Füllhaas

-COO-



Stefan Macheleidt

-CFO-



Sebastian Weber

-CPO/CMO-