

Environment and Human Rights Declaration

MELA is a sustainable fashion brand that challenges conventional practices in the textile industry. Our mission is to create uncompromisingly sustainable textiles, with the foundation being that all our products are certified by Fairtrade Cotton, Global Organic Textile Standard (GOTS) and the Green Button (Grüner Knopf). As a responsible fashion company, we recognize the social and ecological impact of our products, and we are committed to continuously improving them day by day, going beyond existing certifications. At MELA, we design our products with a focus on closed-loop material cycles, inspired by the Cradle to Cradle concept. This design approach emulates nature, in which waste is nonexistent. We aim to create products that not only avoid harming the environment but can also return to it as nutrients. As part of this philosophy, we use 100% cotton and avoid mixing fibers, ensuring that materials can be separated and recycled. We also continuously work on improving the additional materials in our products, beyond the main fabric, such as cotton sewing thread and natural corozo buttons.

Commitment

MELA is fully aware of the potential social and environmental risks in our supply chains in India. We take our responsibility seriously and are committed to minimizing these risks by adhering to the following international frameworks:

- United Nations Guiding Principles on Business and Human Rights (2011)
- UN Convention on the Rights of the Child
- Convention on the Elimination of All Forms of Discrimination Against Women
- International Labour Organisation (ILO) Conventions
- OECD Guidelines for Multinational Enterprises, which cover Human Rights, Disclosure, Employment and Industrial Relations, Environment, Combating Bribery, Consumer Interests, Science, Technology and Innovation, Competition, and Taxation.

In line with the OECD's recommendations for the textile sector, we are committed to preventing, mitigating, and addressing any negative impacts on human rights and the environment arising from our procurement practices.

Social and Environmental Standards

To mitigate risks and adverse effects in our supply chains, all MELA products, suppliers, and operations are certified by the GOTS, Fairtrade Cotton and the Green Button.

The Fairtrade Cotton standard guarantees cotton farmers a stable purchase price along with an additional premium, which is invested in community projects like schools and local infrastructure. Social standards are maintained throughout the supply chain, meeting at least the minimum criteria set by the International Labour Organization (ILO). Regular independent audits by FLO-CERT ensure these standards are consistently upheld.

Through our GOTS certification, we meet stringent ecological criteria throughout the supply chain, from raw fiber extraction to environmentally friendly, socially responsible production. Annual audits by independent GOTS-approved auditors ensure compliance. GOTS for example prohibits the use of 11 hazardous chemicals targeted by Greenpeace's Detox campaign and we

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are fully committed to these requirements. We also conduct independent laboratory tests on materials and finished products of all our production lots.

For MELA, the Green Button certification underscores our commitment to sustainable textile production. MELA was one of the first companies to update to the new Green Button 2.0 version, meeting even stricter social and environmental criteria that enhance transparency and due diligence throughout our supply chain. This certification, verified through independent audits, reflects our dedication to fair labor practices, safe working conditions, and eco-friendly processes. By achieving the Green Button label, MELA empowers customers to make informed choices and reaffirms our leadership in responsible textile manufacturing.

Subcontracting

MELA sources all products directly from our Tier 1 suppliers located in India. In line with our certifications, subcontracting is only permitted if the subcontractor is registered with the certification body under the scope of our suppliers. This is verified by our sourcing agency, which regularly visits production units to conduct inspections. Second-tier subcontracting is strictly prohibited.

Risk Assessment

We refresh our risk assessment at least twice a year, identifying key social and environmental risks throughout our supply chain. The most significant environmental risks include chemical management, soil and groundwater contamination, and waste management. Key social risks involve labor conditions (such as working hours, wages, discrimination, gender issues, freedom of association and child labor), as well as corruption and bribery. All our direct suppliers have signed our Code of Business Conduct, which outlines our values, ethics, and legal compliance, and they are expected to familiarize themselves with this Environment and Human Rights Declaration.

Vulnerable Stakeholders

We have identified vulnerable stakeholder groups that may be impacted by our operations, in accordance with OECD recommendations. These groups include women, ethnic and religious minorities, caste minorities, international and domestic migrant workers, indigenous peoples, home-based workers, and local communities. We are committed to addressing their needs in our due diligence processes by prioritizing and developing measures that consider their interests.

With the support of our standards, we employ systematic approaches to address the needs of vulnerable stakeholders in our supply chains. For instance, our standards mandate the establishment of committees, training sessions, and grievance mechanisms designed to protect these groups. One specific measure is the Internal Complaints Committee aimed at preventing sexual harassment of women in the workplace.

These measures are communicated to our suppliers in all languages spoken by their employees, including those of migrant workers, while ensuring confidentiality throughout the process. We also assess non-discrimination in employment practices for vulnerable stakeholders, evaluating aspects such as salary, benefits, discipline, termination, or retirement based on vulnerabilities such as race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion, or disability."

Grievance Mechanisms

Grievance mechanisms are essential for strengthening human rights, environmental protection, and integrity within textile supply chains. These effective systems are vital for identifying issues and providing individuals with a platform to voice their concerns.

To facilitate this, we have established a direct complaint mechanism on our website, which is easily accessible via the footer menu. To guide the complaint process, we have developed a clear process chart that outlines the specific steps following a complaint, including designated staff members and timelines for resolution. We are committed to protecting complainants from retaliation, ensuring that all voices are heard and respected.

Living Wages

A living wage gives people the financial freedom to take care of themselves, to look after their family and to invest in their future. We believe that everyone should receive a wage that covers his or her basic needs and we acknowledge that there is still a long way to go to achieve living wages in most textile supply chains. We regularly conduct a wage analysis with all our direct suppliers and are in discussions with them for measuring and ultimately reaching living wages. MELA was the first fashion label to become license holders of the Fairtrade Textile Standard and we supported one of our main suppliers Purecotz to become certified according to this standard, which includes a commitment to paying living wages. A second supplier of ours was certified against the Fairtrade Textile Standard in 2023. For these suppliers, we pay a FOB value for our products based on the Anker method used by the Fairtrade Textile Standard, to support our suppliers in surpassing the national minimum wage and moving toward a living wage.

Henning Siedentopp,

A handwritten signature in black ink that reads "Henning Siedentopp". The signature is written in a cursive style with a large, prominent 'H' and 'S'.

On behalf of the Managing Directors, mela wear GmbH

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