

European Due Diligence Act with Hohenstein

Corporate Sustainability Due Diligence Directive (CSDDD)

Due diligence directive for sustainable corporate governance

- From July 2028, companies with more than 3,000 employees and a net annual turnover of EUR 1.5 billion worldwide are expected to be affected.
- From 2029, the scope will be extended to companies with 1,000 employees and a net annual turnover of EUR 450 million worldwide.

The scope of application extends to the company's own business activities, those of its subsidiaries, its direct business partners and, in the event of indications of human rights violations or environmental damage, those of its indirect business partners.

WHAT IS REQUIRED?

COMPLIANCE WITH HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE OBLIGATIONS:

- Integration of due diligence obligations into corporate policy and management systems (especially risk management)
- Identification and assessment of adverse human rights and environmental impacts
- Prevention, termination or mitigation of actual and potential adverse human rights and environmental impacts
- Derivation of remedial measures
- Monitoring and evaluation of the effectiveness of measures
- Involvement of affected parties and other stakeholders
- Establishment of a reporting and complaint procedure
- Public communication on the fulfilment of due diligence obligations

Specific requirements under the CSDDD are:

- Consideration of all measurable environmental impacts, such as harmful soil changes, water or air pollution, harmful emissions, excessive water consumption and other impacts on natural resources
- Development of a climate-related transition plan in line with the objectives of the Paris Agreement

HOHENSTEIN DUE DILIGENCE

EVALUATE YOUR MATURITY LEVEL

A. You are already extensively prepared for Due Diligence requirements, have strategies and responsibilities?

The certification schemes responsible Business and the German governmental Green Button can be a suitable approach.

OEKO-TEX® RESPONSIBLE BUSINESS

DUE DILIGENCE ELEMENTS OF EVALUATION

- Business policy
- Risk analysis
- Integration of appropriate actions
- Continuous monitoring
- Transparent communication
- Complaint mechanism



Grüner Knopf 2.0

The government-run certification label for sustainable textiles

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| CORPORATE DUE DILIGENCE PROCESSES <ul style="list-style-type: none"> • Policy statement • Risk Analysis Prevention • Reporting • Complaints mechanisms <p>→ Green Button Audit by Hohenstein</p> | REQUIREMENTS FOR SUSTAINABLE PRODUCTS <ul style="list-style-type: none"> • Proof of use of approved fibres and materials <p>→ Virgin Polyester OEKO-TEX® STANDARD 100</p> | REQUIREMENTS FOR SUSTAINABLE PRODUCTION PROCESSES <ul style="list-style-type: none"> • Confection • Wet processes <p>→ OEKO-TEX® MADE IN GREEN for production processes</p> |

B. You are already sure about your strategy, but some aspects are still missing to fulfil the Supply Chain Act?

- **Anamnesis**
In a workshop format, we analyze your current developments, strategies and business actions
- **Gap analysis**
Together we find out the gaps in terms of sustainability action and write a roadmap to define roles and responsibilities for improving sustainability development

C. The task of the Supply Chain Act seems overwhelming?

- **Customized solution**
Together we discuss what a suitable, realistic and pragmatic way is to work towards due diligence in your supply chain
- **Project support**
Tailor made support for your current situation can be done by our colleagues internationally or on local level