

20  
22

# SUSTAINABILITY REPORT

**MILES**  
PROMOCEAN

**MILES**  
A Li & Fung Company 

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# FOREWORD

As a globally active company, we at Miles Group are conscious of our far-reaching responsibility for the people working for us and in our supply chain as well as the environment. It is our responsibility to respect human rights in our supply chain, prevent human rights violations and comply with environmental standards.

Through the introduction of our sustainability strategy, we have created a foundation to build greater transparency for our customers, employees, suppliers as well as our broader stakeholder community.

As part of our due diligence processes, we at Miles Group as well as our parent company Li & Fung regularly carry out supply chain risk analysis, in order to identify and reduce unwanted side-effects of our business activities. We have defined the a set of social and environmental standards and a range of measures such as audits and trainings to check and promote the implementation of these requirements at the level of direct suppliers. Our contractual partners are required to pass on these requirements to their suppliers.

The key environmental risks in our supply chain include greenhouse gas emissions, water pollution, lack of resource efficiency and waste management as well as the emission of harmful substances. Key social compliance risks relate to wages and benefits, excessive overtime, lack of health and safety, discrimination as well as unauthorized subcontracting.

The goal of our sustainability approach is to comply with key social and environmental standards in order to minimize, reduce or remediate risks occurring in our supply chain.

„Sustainability in all its forms is a central component of our business activities. This encompasses interacting conscientiously both with our environment and with all the people who work along our supply chains. This awareness is fundamental to our entire management and purchasing practices.“

**Ulrich Mayer**, CEO



# FOREWORD

Our understanding of acting responsibly encompasses our own business operations, our business relations as well as the impact that indirectly arises in our supply chain.

We are guided by international standards such as the Universal Declaration of Human Rights, the ILO-Conventions, the UN Guiding Principles for Businesses and Human Rights, the OECD-Guidelines for Multinational Enterprises and the UN Sustainable Development Goals (SDGs) as well as the Paris Climate Agreement.

Starting from the supplier selection social and environmental compliance is of great importance to us next to price and quality requirements.



„It's nice to see that we not only pay attention to working sustainably in production, but also live this in our everyday office life. Colleagues who come by electric car or bicycle, recycled paper in the printer or water dispensers in every kitchen so that no plastic bottles have to be bought. It feels good and right to work this way.“

**Nina Haack**, Sales Manager

# CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

Our Corporate Responsibility approach is based on three pillars:

- Compliance with social standards
- Ensuring selected environmental standards
- Ensuring product stewardship based on sustainable product certifications.

At the beginning of each business activity, our business partners are required to sign the Li & Fung Code of Conduct (CoC).

## Supplier Code of Conduct

Through our parent company Li & Fung we have set up a *Supplier Code of Conduct*. This Code of Conduct requires our suppliers to comply with the following standards, among others:

- Prohibition of child labour, all workers meet minimum age requirements (15 years or the legal age in the respective country if higher)
- Prohibition of all forms of forced labour
- Right to Freedom of Association and Collective Bargaining
- Respectful treatment and non-discrimination
- Payment of at least the legally required minimum wage
- Adherence to legal working hours
- Responsible hiring and termination practices
- Ensuring Occupational Health and Safety
- Establishment of an environmental management system and minimization of impacts from chemicals, wastewater, waste, air and noise emissions
- Prohibition of unauthorized subcontracting
- Prohibition of corruption and bribery
- Ensuring transparency and access to production facilities
- Availability of valid business licenses.

*The LF Supplier Code of Conduct is currently under revision. An updated version will be available by the end of 2023.*

# CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

Our local teams support the production facilities with trainings and onsite visits in order to raise awareness about social and environmental requirements and indicate improvement measures. We regularly check the results of third party audit reports carried out at our suppliers and analyze the results of our internal audits and customer audits. Based on these different information sources, we define and prioritize the current risks in our supply chain.

We have established own offices in our main procurement countries Bangladesh, China, Pakistan and India. Through close cooperation with our local teams, we receive a comprehensive picture of the situation at our production facilities. Every supplier needs to run through a systematic onboarding process. After successful onboarding into our strategic supplier pool, we have established different control mechanisms in order to check compliance with social and environmental standards. Our local teams conduct yearly announced and unannounced internal assessments at our production facilities. In addition, third party audits (e.g. based on BSCI, Sedex, SA 8000) must be valid throughout the whole production process. Besides, our customers run yearly or twice yearly audits. All necessary improvement measures are then documented in a Corrective Action Plan and followed-up with the suppliers.

Each wet-processing facility requires to uphold a chemical inventory uploaded to either Bhive or BVe3 inventory portals. Additionally, facilities with own ETP's are required to hold a valid ZDHC-conformant waste water test report. Besides, the main production facilities need to confirm the Miles Restricted Substances List (RSL). Furthermore, we hold the following certifications for textiles: Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Organic Cotton Standard (OCS). We are also a member of Better Cotton (BC) and Cotton made in Africa (CmiA) and offer such labelled products to our customers.



WE ARE A  
**LI & FUNG**  
COMPANY



**MILES GROUP**

# THE FUNG GROUP


The Fung Group of companies' core businesses operate across the entire global supply chain for consumer goods including trading, logistics, distribution and retail. We have a rich history and heritage in import and export trading and global supply chain management.


## Hong Kong

headquartered multinational group with

**1** company listed on the Hong Kong Stock Exchange 

 Over **1,100** retail outlets in over **400** cities across 12 markets

 Leaders in **Trading, Logistics, Distribution and Retail**

 A global network of over **350** offices and distribution centers

Some **25,000+** Employees\* 

 **40** export markets

 **115+** years of history & evolution

**US\$ 17.7** billion   
Group turnover in 2019



**1906**

Founded as a Canton-based trading startup



**1979**

Emergence of a regional company



**1949**

Hong Kong-based exporter



**1995**

Evolution of a multinational group



**2006**

A global supply chain group



**TODAY**

Creating the future of retail and the supply chain

MILES GROUP

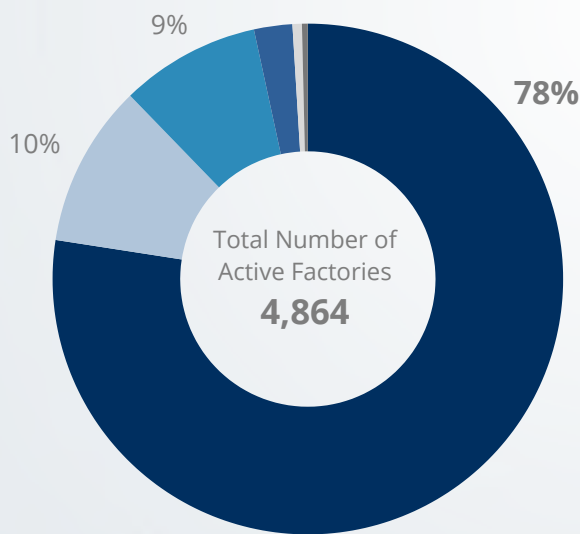


# SUPPLY CHAIN

The Fung Group designs, sources and delivers a diverse range of products – including apparel, accessories, furniture and household products, among others – from a network of up to 5,000 suppliers in over 40 production countries, to more than 2,000 customers worldwide.

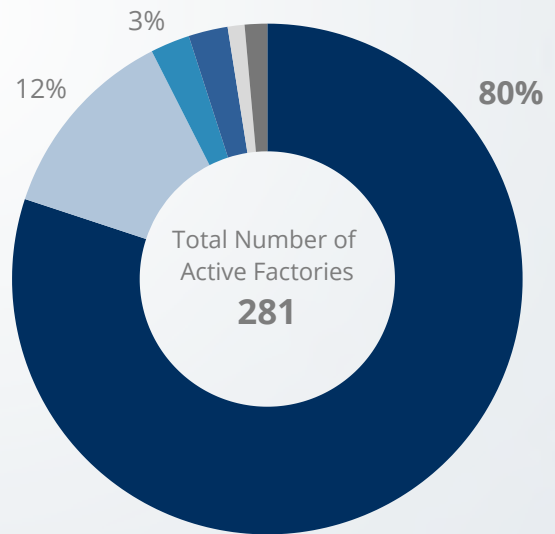


## LI & FUNG SUPPLY CHAIN



China	3,797	78%
South Asia	501	10%
Southeast Asia	431	9%
Europe and Turkey	118	2%
Others	29	1%
Americas	18	1%

## MILES SUPPLY CHAIN



China	225	80%
Bangladesh	35	12%
Pakistan	7	3%
India	7	3%
Others	4	1%
Vietnam	3	1%

# MILES GROUP

We are a private label producer, which offers branded products and celebrity endorsed programs, focusing on global mass market retailers. Our product range include apparel, footwear, hardgoods and home textiles for traditional retail and e-commerce. Further areas of our companies are virtual product development, 3D design, and the digital supply chain.

Acquired by  
Li & Fung in  
**2008**

Founded in  
**1957**

Total number of  
employees  
**> 150**

Turnover  
**> €240 Mio**

**> 300**  
suppliers

**13**  
offices worldwide

**16**

employees in  
international  
Sustainability  
Team

**10**  
sourcing offices  
worldwide

Main offices in  
**Norderstedt**  
**Paris**  
**Den Bosch**

# 6 CORE GOALS



# GOAL #1



## REDUCTION OF GREENHOUSE GAS EMISSIONS

The Miles Group has set itself the goal of an 85 % reduction in its greenhouse gas emissions by 2050. To achieve this goal, we regularly calculate our carbon footprint, define measures for improvement and monitor the progress on a regular basis.

### SAVING ENERGY

From the use of green energy in the office to parking spaces for electric cars: we are reducing our carbon footprint every day at the office, too.

### IMPROVING PRODUCT DESIGN

With the support from external consultants, our employees are working on concepts to help optimize our product design in terms of CO<sub>2</sub> emissions.

### SELECTING MATERIALS WITH CARE

When manufacturing our products, we take care to use materials in the least energy intensive way possible.

### REDUCING FLIGHTS

We check the necessity of each flight before taking it. Since January 2020, before the Covid-19 pandemic, we have been offsetting the CO<sub>2</sub> emissions from unavoidable domestic flights.

Covered SDGs:



# OUR CARBON FOOTPRINT IN 2022



Greenhouse gas emissions are divided into 3 different areas or so-called "scopes":

**Scope 1** covers all direct emissions, which are emissions caused directly by Miles, such as the burning of gas for heating or petrol for cars.

**Scope 2** covers indirect emissions. At Miles we only have 1 type of Scope-2 emissions, which is the consumption of electricity.

**Scope 3** covers all other emissions which are caused by our business operations. Such as business travels, logistic operations, but also employee travelling and most importantly: The production of the products which we sell to our customers.

When looking at the report for 2022, it becomes very obvious, which part of our business has the greatest impact on our emissions. With around 93% of all Miles emissions resulting from the production of the goods we sell, it is very clear where we have to focus the most in order to lower our emissions.

Miles Group Carbon footprint 2022	Source of emissions	tonnes CO <sub>2</sub>	in % without: Goods & Services / Delivery of goods / Transport upstream	in % (total result)
Scope 1	Heating (Gas)	501	62,3%	0,4%
	Company Cars	57	7,1%	0,0%
	Aircondition (leakage)	0	0,0%	0,0%
<i>Sum of Scope 1</i>		558	69,4%	0,5%
Scope 2	Electricity**	0	0,0%	0,0%
	(location based)	225		
<i>Sum of Scope 2</i>		0	0,0%	0,0%
Scope 3	Goods and Services	107.364	--	93,7%
	Petrol / Energy loss*	0	0,0%	0,0%
	Delivery of Goods	6402	--	5,6%
	- inbound Seefreight	4966	--	4,3%
	- inbound truck	0	--	0,0%
	- inbound Airfreight	1435	--	1,3%
	Waste	55	6,9%	0,0%
	- emissions caused by waste	75	--	0,1%
	- certified emission reductions	-20	--	0,0%
	Business Travel	52	6,5%	0,0%
	Employee commuting	138	17,2%	0,1%
	Transport outbound Goods	0	--	0,0%
<i>Sum of Scope 3 (without goods &amp; services &amp; transports)</i>		246	30,6%	0,2%
<i>Sum of Scope 3 total</i>		114.067	--	99,5%
<i>Total result (without Goods &amp; Services, Transportations)</i>		804	100,0%	
<b>Total result</b>		<b>114.625</b>	<b>--</b>	<b>100,0%</b>

\* Calculation in progress

\*\* Due to 100% green energy sourcing, the CO<sub>2</sub>-emissions of electricity on a market-based approach can be valued with 0 tonnes of CO<sub>2</sub>e. The location-based electricity CO<sub>2</sub>-equivalent emissions is 225 tonnes of CO<sub>2</sub>e

# OUR CARBON FOOTPRINT 2022



## SCOPE 1

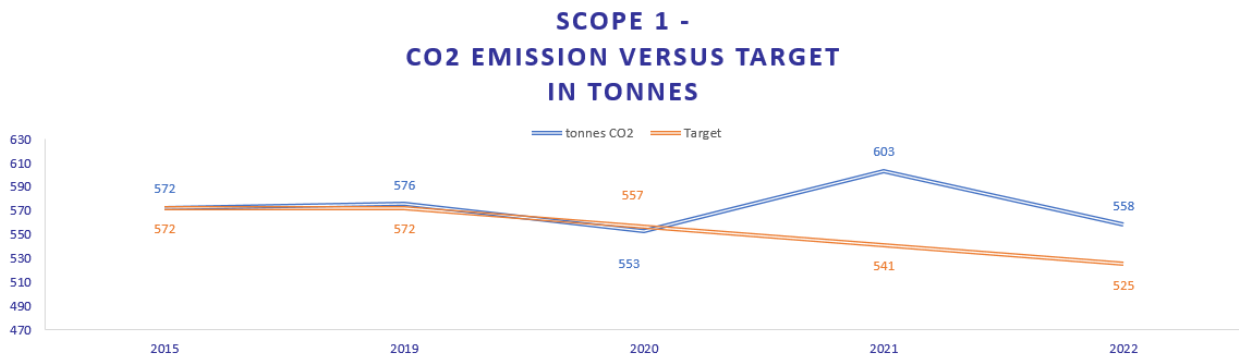
Scope 1 mainly consists of the emissions caused by heating our office buildings and the fuel consumption of the company cars currently in service.

Savings through optimized energy utilisation, "closed doors" measures and work from home options helped lower the consumption towards pre-corona levels, nevertheless the result is still above target

As our buildings are already optimized with regard to isolation, and as the company cars only make up a very small amount of the emissions we cause, the only way we can achieve our target will be through compensation.

For 2019, 2020, 2021 and 2022, the total sum of 90 tons of CO<sub>2</sub>e should be compensated in order for Miles to be on track.

KPI - Environmental		due date	Base year 2015	Status 2019	Status 2020	Status 2021	Status 2022	Target 2023
Reduction of Scope 1 CO <sub>2</sub> -emission by 85 % (compared to 2015)	cumulative	2050	100,00%	0,60%	-0,03%	11,50%	17,74%	-10,96%
	annually	2050	100,00%	0,60%	-0,63%	11,53%	6,23%	-2,74%



# OUR CARBON FOOTPRINT 2022

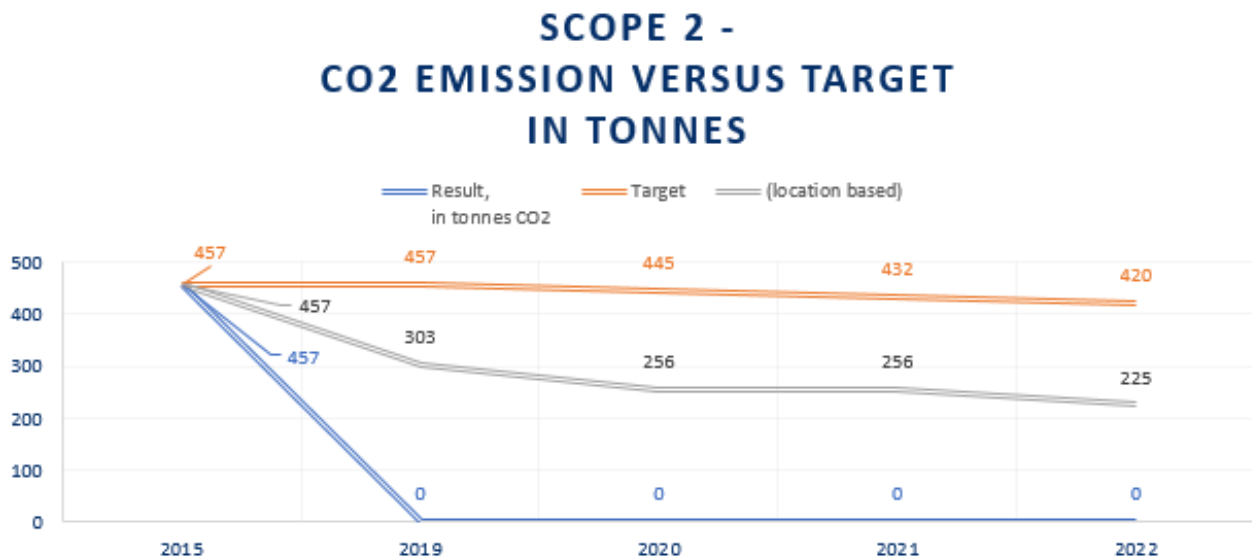


## SCOPE 2

Since 2019, Miles is using electricity from 100% regenerative sources and this is why, our electricity use can be calculated as being carbon neutral. To make it comparable, the emissions from our electricity use is also calculated with the average market emission data, but the results can be excluded from calculations.

Nevertheless, the reduction of overall energy consumption is an important aspect of our daily work. In this regard, 2022 saw a reduction of electricity consumption of 12,5% from 2021 (and when compared to 2019, the reduction is 25%)

		due date	Base year 2015	2019	2020	2021	2022	Goal 2023
Reduction of Scope 2 CO2-emission by 85 % (compared to 2015)	cumulative	2050	100,00%	0,00%	-100,00%	-100,00%	-100,00%	-10,96%



# OUR CARBON FOOTPRINT 2022



## SCOPE 3

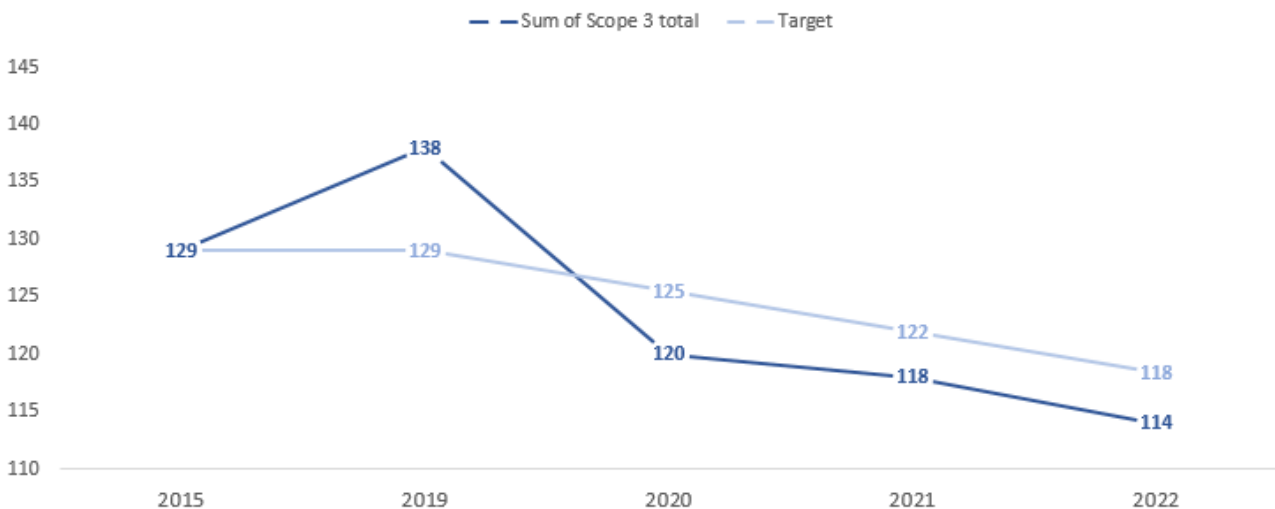
When it comes to Scope 3 emissions, they encompass all the other emissions, and that's why we believe this aspect requires our special attention.

Reflecting on 2022, we can confidently say that we're currently on track with our goals.

Yet, it's not just about looking at the end result; it's essential for us to delve into the details of how we've collectively achieved these goals. This is crucial to assess whether we, as a group, are aligned with our targets or if external factors have affected our results.

		due date	Base year 2015	2019	2020	2021	2022	Goal 2023
Reduction of Scope 3 CO <sub>2</sub> -emission by 85 % (compared to 2015)	cumulative	2050	100%	7,18%	2,32%	-1,51%	-5,38%	-10,96%
	annually	2050	100%	7,09%	-4,77%	-3,83%	-3,87%	-2,74%
	per 1 M EUR turnover		100%	-3,72%	1,59%	3,90%	-0,70%	-2,74%

CO<sub>2</sub> EMISSION VERSUS TARGET (IN TSD)





# OUR CARBON FOOTPRINT 2022



## SCOPE 3 CONT.

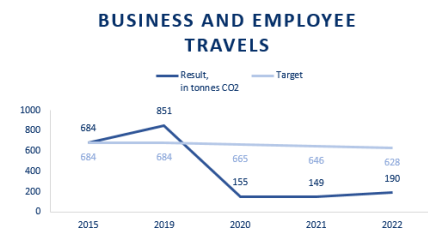
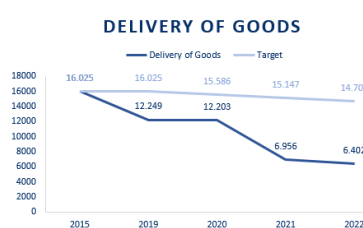
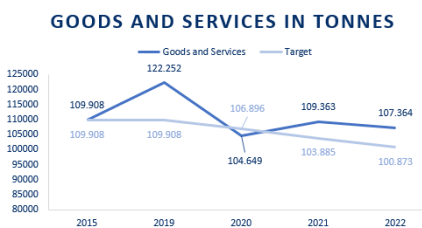
In 2022, there was a slight reduction in CO2 emissions in Scope 3 "Goods and services" compared to 2021, resulting in approximately 2,000 tons less CO2 emissions.

This decrease can be attributed primarily to an increase in the production of products using more CO2-efficient or certified materials, such as recycled PES instead of virgin PES and Better cotton instead of conventional cotton.

The proportion of more CO2-efficient products rose from 12% to 22%, meaning that nearly a quarter of all products were manufactured using at least one more CO2-efficient material.

However, we still fell short of our target by 6.5%. In addition to using more CO2-efficient materials, our next steps will involve transitioning to more CO2-efficient factories. Considering that two-thirds of production-related emissions resulting directly from the energy consumption in Tier 1 and Tier 2 facilities, this segment holds significant potential for reducing CO2 emissions..

	due date	Base year 2015	2019	2020	2021	2022	Goal 2023	
Reduction of Scope 3 - (goods and Services) CO2-emission by 85 % (compared to 2015)	annually	2050	100%	11,23%	-2,10%	5,27%	6,44%	-2,74%
Reduction of Scope 3 - (delivery of Goods) CO2-emission by 85 % (compared to 2015)	annually	2050	100%	-23,56%	-21,71%	-54,08%	-56,48%	-2,74%
Reduction of Scope 3 - (business travel & employee commuting) CO2-emission by 85 % (compared to 2015)	annually	2050	100%	32,13%	-91,47%	-99,22%	-85,29%	2,74%



In tackling greenhouse gas reductions, our emphasis is on supply chain challenges. We employ data-driven tools to track and calculate emissions, fostering a sustainable future through collaborative efforts with suppliers. Committed to significant reductions in our environmental footprint.

**Bjarke Jørgensen**, Manager Technical



# GOAL #2



## REDUCTION OF HAZARDOUS SUBSTANCES

The GREENPEACE DETOX COMMITMENT sets the highest standards for the use of chemicals in the manufacture of textile products and shoes. Likewise, the campaign demands complete transparency for supply chains and the publication of the test results for wastewater, which is reintroduced into the environment.

We consistently adhere to these requirements and goals in our supply chains. In the dye works, washing facilities and tanneries that process our main materials, we carry out regular wastewater and sludge analyses and monitor the results. Should we identify deviations, we support the businesses in identifying the failures and implementing the necessary corrective measures. A team of trained experts is on hand to provide local support in Europe and in our procurement markets.

Before we design a product, we inform ourselves about the materials needed to make it. Our goal is to use **RAW MATERIALS** that have as little environmental impact as possible and, ideally, are recyclable, too.

Trained specialists at our **PRODUCTION SITES** in Europe and our procurement markets provide active, on-site technical support.

We run regular workshops to give our employees further training in **SUSTAINABLE PRODUCT DESIGN**.

Covered SDGs:



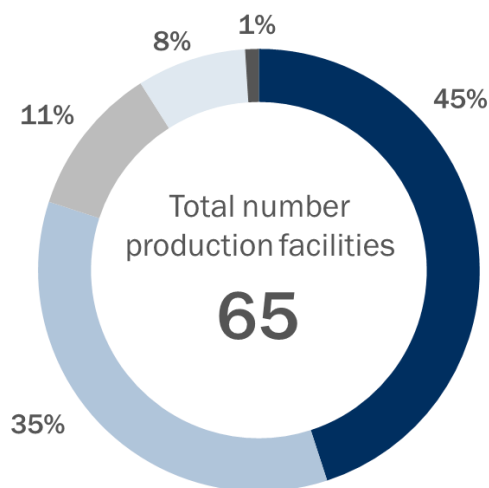
# GOAL #2



## REDUCTION OF HAZARDOUS SUBSTANCES

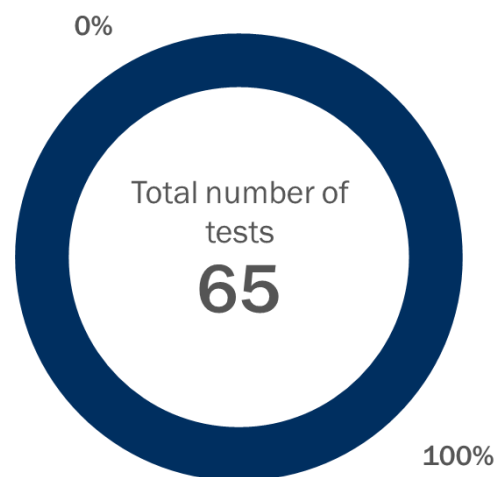
The following graphs show the performance of the wet-process production facilities, that have been used for textile and shoe orders from August 2021 to August 2022.

### Distribution of wet-process production facilities



China	29	45%
Bangladesh	23	35%
India	7	11%
Pakistan	5	8%
Vietnam	1	1%

### ZDHC waste water reports



ZDHC test	65	100%
Non-ZDHC	0	0%

# GOAL #3



## RESOURCE EFFICIENCY & WASTE REDUCTION

Part of our sustainability strategy is the reduction and prevention of waste or - if unavoidable - to use the resources in the most efficient way.

Among the multiple targets, a reduction of plastic packaging by 50% and office paper reduction by 30% till 2025 are some of our ambitious goals.

**R**educe

**R**euse

**R**eplace

**R**ecycle



Covered SDGs:



# GOAL #3



## RESOURCE EFFICIENCY & WASTE REDUCTION

„Embracing sustainable design involves harnessing the power of renewable sources like sugar cane, paving the way for eco-friendly solutions. By integrating such resources, we create products and systems that not only meet current needs but also ensure a harmonious coexistence with our environment, fostering a resilient and responsible future.“

**Janina Lueders**, Senior Product Developer



KPI - Environmental		due date	Base year 2015	2019	2020	2021	2022	Goal 2023
Reduce plastic retail packaging by 50 % till 2025	%	2025	n/a	0%	-8,6%	-35,5%	-64,8%	33,3%
Amount of plastic retail packaging	Tonnes	2025	n/a	959,88	877,50	619,44	337,88	



**50 %**  
REDUCTION IN  
PLASTIC PACKAGING  
by 2025  
(compared with 2015)

# GOAL #3



## RESOURCE EFFICIENCY & WASTE REDUCTION

For us, reduce-reuse-replace and recycle means a philosophy of resource conservation that promotes a reduction in waste through changes in the way materials are purchased, used and disposed of. That is why we are pursuing various strategies to achieve our waste reduction goals.

KPI - Environmental		due date	2019	2020	2021	2022	Goal 2023
Reduce the internal use of plastic and other packaging material (e.g. single sugar sachets)	satisfactory / not satisfactory	2021	Target formulated	on Track	on Track	on Track	satisfactory
Provide a guideline for export carton quality	yes/no	2020	Target formulated	Target Achieved	Target Achieved	Target Achieved	yes
Avoid PVC adhesive tapes on export cartons	yes/no	2020	Target formulated	Target not achieved	Target not achieved	on Track	yes
Use of certified / recycled sanitary and office paper only	yes/no	2020	Target formulated	Target Achieved	Target Achieved	Target Achieved	yes



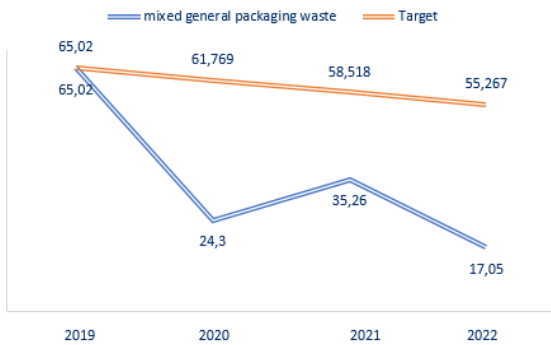
# GOAL #3



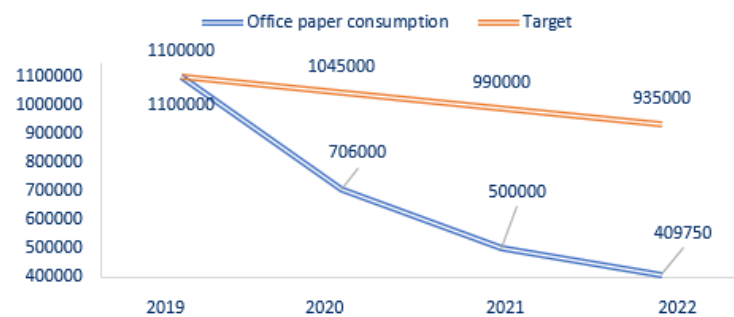
## RESOURCE EFFICIENCY & WASTE REDUCTION

KPI - Environmental		due date	2019	2020	2021	2022	Goal 2023
Reduction of office paper consumption -30 % (compared to 2015)*	%	2025	Target formulated	-36%	-55%	-63%	-20%
Office paper consumption	pages	2025	1.100.000	706.000	500.000	409750	n/a
Reduction of mixed general packaging waste by 30 % (compared to 2015)*	%	2025	0%	-65%	-46%	-74%	-20%
Unnecessary mixed general packaging waste	Tonnes	2025	65,02	22,69	35,26	17,05	n/a

### REDUCTION OF UNNECESSARY PACKAGING



### OFFICE PAPER CONSUMPTION



# GOAL #4



## PROMOTING FAIR & SAFE WORKPLACES

We are committed to achieving safe and fair workplaces within our supply chain. We require our production facilities to establish a social management system that is aligned with international standards, local law, customer requirements and defined third party standards.

Through our own internal audits, we assess the social compliance level of our business partners and support them in making improvements at factory level. We have set-up clear policies and guidelines to support the implementation of our requirements.



Covered SDGs:





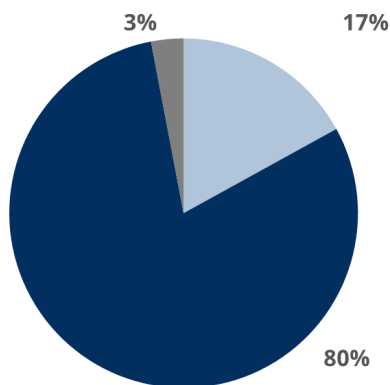
# GOAL #4



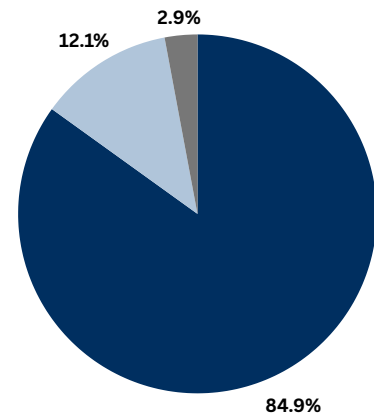
## PROMOTING FAIR & SAFE WORKPLACES - THIRD PARTY AUDITS

Our first approach to achieve fair and safe workplaces is to build on third party social auditing at our Miles production facilities. We are jointly committed to comply with and implement the BSCI and SEDEX Code of Conduct. In addition, we also accept SA8000 audits. These third party auditing standards define our set of minimum social and environmental requirements. Overall, the majority of our current suppliers are BSCI-audited:

Status BSCI Audit  
Rating 2021



Status BSCI Audit  
Rating 2022



■ C-Rating  
■ A-B Rating  
■ Others

# GOAL #4



## PROMOTING FAIR & SAFE WORKPLACES - INTERNAL AUDITS

As a further approach to achieving fair and safe workplaces, we regularly conduct internal audits covering all strategic Miles production facilities across the categories apparel, shoes and housewares.

Our experienced and dedicated social compliance teams in each of our core markets in Asia support us to implement our own as well as customer-specific requirements and review key social compliance standards that are based on international frameworks such as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. In addition, our parent company Li & Fung requires all suppliers to adhere to its Supplier Code of Conduct, including safe workplaces, fundamental rights at the workplace, environmental resilience and business transparency & ethics. Furthermore, Li & Fung's compliance team carries out random and risk-based unannounced visits.

Our goal is to conduct internal assessments at all our key production facilities at least once a year. For 2022, our local teams successfully carried out internal assessments in 100 % of our apparel factories in Bangladesh and China.

Besides, we strive to conduct internal assessments in production facilities with the highest FOB volume. As a result our team was able to visit the TOP 25 of our key suppliers. Our initial goal for 2023 is to assess the TOP 30 production facilities.

### KPI - Social

		due date	2020	2021	2022	Goal 2023
Increased internal Assessments covering textile facilities	%	2025	100%	100%	100%	100%
Increased internal Assessments covering hard line facilities	No.	2030	FOB Top 16	FOB Top 20	FOB Top 25	FOB Top 30

# GOAL #4



## PROMOTING FAIR & SAFE WORKPLACES - ACCORD PERFORMANCE

The pictures of the collapsing Rana-Plaza building in Bangladesh went around the world. Over 1000 garment workers lost their lives in the ruins of the eight-story building and the poor working conditions in many factories in Asia suddenly became apparent for the wider public.

We joined the International Accord on Fire and Building Safety at the end of 2013 to increase workplace safety in our Bangladesh factories and since then have been continuously supporting our production facilities in the development of the following four core areas:



FIRE SAFETY



BUILDING SAFETY

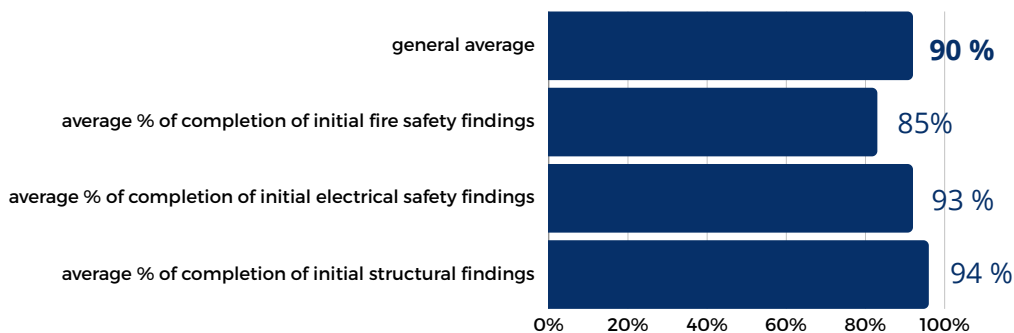


ELECTRICAL SAFETY



SAFETY TRAINING PROGRAM

In the meantime, the RMG Sustainability Council (RSC) has taken over the former Accord safety inspections, safety trainings as well as the independent complaints mechanism for workers. For 2022, we tracked the remediation rate of initial findings in the area of building, electrical and fire safety. The average remediation rate across all three areas amounts to 90 %:



### KPI - Social

	due date	2020	2021	2022	Goal 2023
100% ACCORD remediation completion rate of initial findings (fire, electrical & building safety)	%	on-going	82%	90%	95%

# GOAL #4



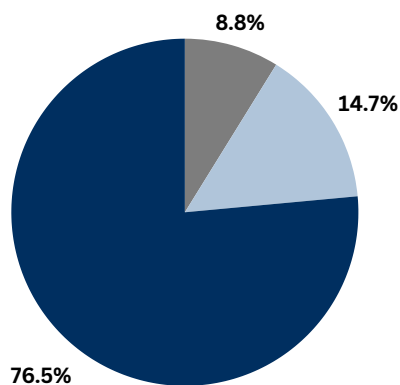
## PROMOTING FAIR & SAFE WORKPLACES - GRIEVANCE HANDLING

The RMG Sustainability Council (RSC) offers an independent complaint mechanism on Occupational Health and Safety (OHS) to all workers in the Ready-Made Garment sector. These complaints are handled directly by the RSC. Non-OHS complaints are channeled to the participating member companies. From 2019 until 2022, we have received the following type of complaints from Miles suppliers. All complaints were followed-up upon by our local CR-team in Bangladesh and could be remediated.

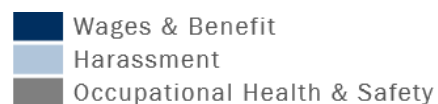
### KPI - Social

	due date	2020	2021	2022	Goal 2023
100% rate of closed and remediated ACCORD Grievances	%	on-going	10%	100%	100%

Most complaints related to the payment of wages and benefits. Besides, workers raised cases of harassment and special cases connected to OHS issues:



### Grievance typology 2019 -2022



Beyond that, the Miles GmbH participated in the amfori SPEAK FOR CHANGE Program in Vietnam. From 2020-2022 this pilot project granted all potentially affected parties access to a complaints mechanism. In future, we are considering to participate in the roll-out to Turkey, Bangladesh and India. In future, amfori BSCI plans to set up grievance mechanism in all key supplier countries of amfori members.

# GOAL #5

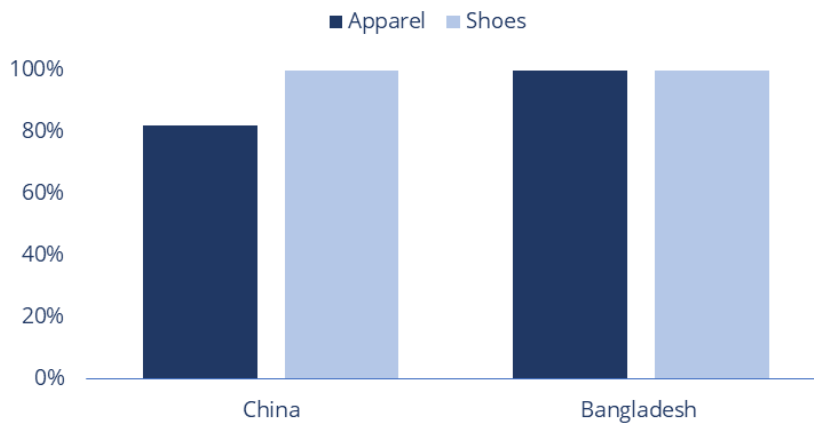


## RAISING SOCIAL AWARENESS & PERFORMANCE

We are continuously working to maintain and increase the awareness about social compliance among Miles employees and production facilities through regular exchange and trainings.

Our goal is to conduct social compliance trainings covering key Miles and customer requirements at all strategic production facilities. Besides, selected production facilities have the chance to participate in capacity building programs offered by our customers.

SEVERE RISK TRAININGS OF POOLED FACTORIES



KPI - Social

		due date	2020	2021	2022	Goal 2023	
Increased level of severe risk trainings of pooled production facilities	Apparel	%	2025	81%	84%	100%	100%
	Shoes	%	2025	55%	73%	80%	100%

Covered SDGs:



# GOAL #5



## RAISING SOCIAL AWARENESS & PERFORMANCE - E-LEARNINGS

Raising awareness about key social compliance topics is an important element of our Miles sustainability strategy. The purpose of the following Li & Fung e-learning is to create a joint understanding about modern slavery, safe workplaces, fundamental rights at the workplace as well as operating with a high standard of business ethics. Further, the e-learning is designed to familiarize everyone with the Li & Fung Employee and Supplier Code of Conduct. The graphs below show the status of Miles Group employees that have already participated in the trainings:

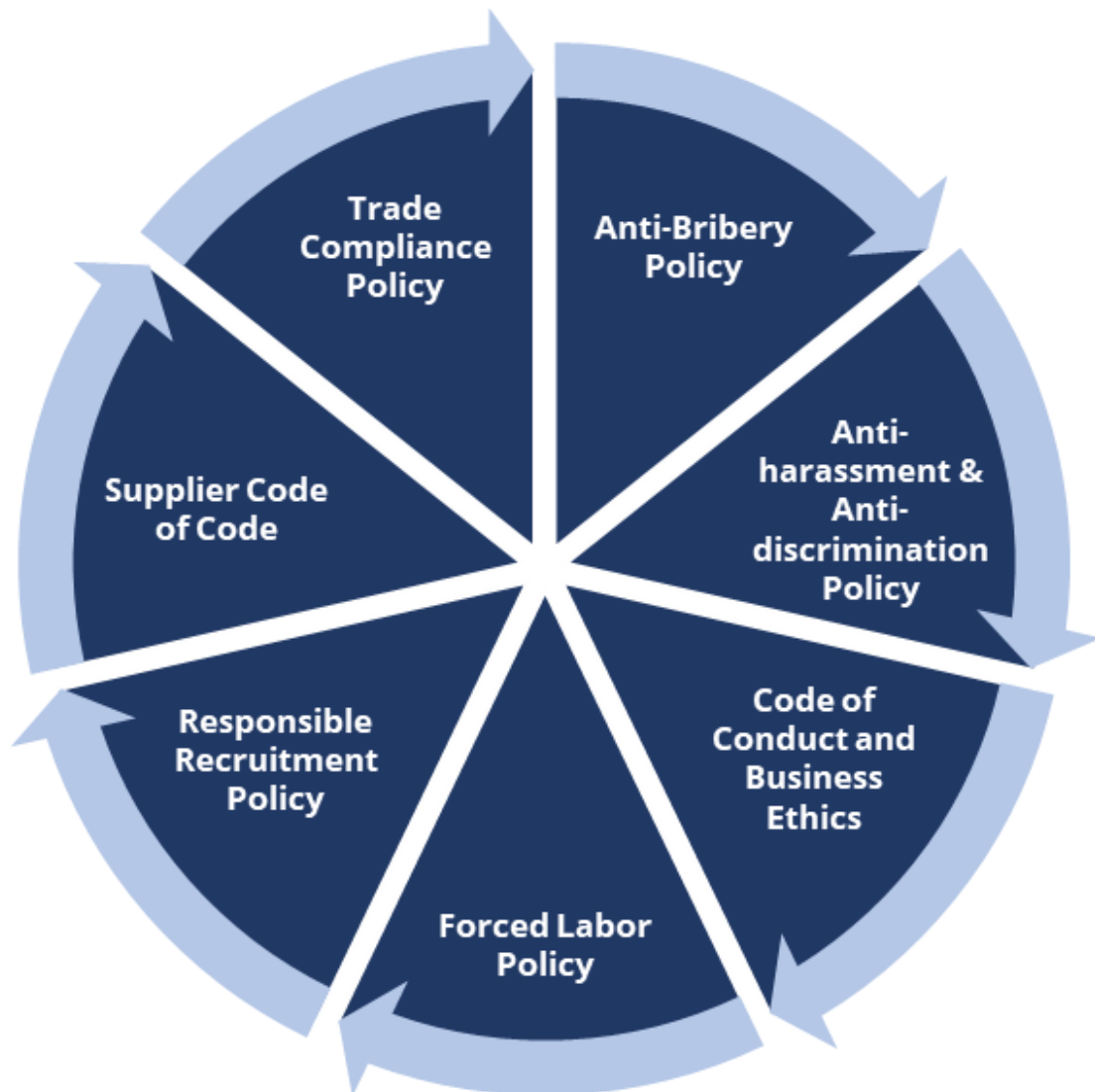


# GOAL #5



## RAISING SOCIAL AWARENESS AND PERFORMANCE

### - LI & FUNG POLICIES



# GOAL #6



## STAKEHOLDER ENGAGEMENT & INITIATIVES

We as Miles engage with affected stakeholders as part of our due diligence efforts. Meaningful engagement can bring benefits to us and stakeholders alike through better-informed decisions and a reduction of potentially negative impacts of our work on the environment and the people in our supply chains.

This process of engaging with stakeholders is key to identifying and understanding human rights and environmental risks as well as receiving feedback on actions the company is taking. Increased stakeholder engagement strengthens a company's efforts to know what its supply chain main risks and to show that it is taking effective steps to manage these risks.



Covered SDGs:





# GOAL #6



## STAKEHOLDER ENGAGEMENT & INITIATIVES - OVERVIEW

Implementing social and environmental standards in global supply chains requires a close cooperation between customers, suppliers and relevant stakeholder groups.

Among other initiatives and organizations, we are represented in the amfori Business Social Compliance Initiative (BSCI) and the International Accord on Fire and Building Safety in Bangladesh, now the RMG Sustainability Council (RSC). Currently, we are checking our participation in the planned Pakistan Accord. Besides, we partner with the Center for Child Rights and Business (CCR CSR). Furthermore, we hold the following certifications:



# GOAL #6



## STAKEHOLDER ENGAGEMENT & INITIATIVES - GREEN BUTTON CERTIFICATION

The Green Button was introduced by the German Ministry for Economic Cooperation and Development (BMZ) at the end of 2019. It aims at supporting consumers in making conscious purchasing decisions when buying textiles such as clothing, bedding or backpacks. The overarching goal is to ensure the protection of people and the environment across the entire value chain – from cotton field to clothes hanger.

Unlike existing sustainability labels, the Green Button is not only a credible, governmentally backed certification, but beyond the product level also requires the fulfillment of responsible business practices.

To be entitled to label products with the Green Button, companies must fulfill ambitious product and business practice criteria, to proof that both the product and the company's processes meet the social and ecological standards defined by the BMZ.

Independent auditing bodies verify the fulfilment of compliance with a set of product and company related criteria during an on-site audit. A re-audit has to take place on an annual basis. In April 2023, Miles was successfully certified according to the Green Button 2.0 standard.

The further development of the Green Button 1.0 standard to the Green Button 2.0 standard mainly comprises the following central innovations:

- Introducing steps towards living wages
- Successive expansion of risk analysis to the entire supply chain
- Stronger anchoring of due diligence in the company
- Stronger involvement of local people
- Expansion of supply chain stages to raw material extraction and requirements for fibers and materials

# OUTLOOK

In recent years progress has been achieved in the area of shaping more sustainable supply chains. We, as Miles, are proud of what our company has accomplished, but at the same time well aware that we still have a long way to go in order to implement sustainability holistically in all our business activities.

We believe that the latest regulation such as the German Supply Chain Law as well as several upcoming legislations at EU level (EU Green Deal, Corporate Responsibility Due Diligence Directive, Corporate Sustainability Reporting Directive) will lead to even more ambitious customer requirements. Besides, increased consumer awareness coupled with ongoing supply chain challenges in key sourcing countries, will require all players in our industry to strive for more long-term partnerships and multi-stakeholder solutions in the years to come. We see this development as a process that takes time and needs to be well prepared in order to ensure positive change for both the people working in our supply chains and the environment.

We will continue working on our sustainability performance jointly with our suppliers. Our daily work will be shaped by making progress within the six environmental and social compliance goals outlined in this Sustainability Report.

For further information about our sustainability goals and program, please visit our corporate website: <https://milesgroup.eu>.

# Miles Group

## Sustainability Disclosure 2022

If you have questions, need help locating information, or want to know about the latest update on our sustainability work including strategy, goals, policies and

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We appreciate your feedback.

Thank you!



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