**Code of Conduct -** pako-fashion Code of Conduct

**1.0 Preamble**

At pako-fashion, we firmly believe that responsibility, respect and compliance with rules and laws are the basis of any co-operation. In particular, personal responsibility, openness and transparency as well as ethically correct behaviour play an important role.

Ethics and compliance are not abstract concepts, but a code of conduct that applies to everyone within the organisation. It applies to employees and everyone who works for us, regardless of their position, business area or the type and duration of the work performed, regardless of the country.

We set ourselves the highest standards and also safeguard the legitimate interests of all our stakeholders - including customers, suppliers and owners. Conversely, we also demand compliance with these standards from our partners.

With our Code of Conduct, we provide all employees of our company with a framework for orientation. At the same time, it is a globally applicable promise for responsible behaviour towards partners, society and the environment. The behaviour of each and every individual is important for our sustainable corporate success and the reputation of our company.

We are counting on you! The management of pako-fashion

**2.0 Principles**

**2.1 Basic requirements**

**2.1.1 Compliance with applicable law**

We comply with all applicable laws and regulations at all times. Any violation of applicable laws or regulations can have serious consequences for both the company and its employees, such as criminal prosecution, consequences under labour law, compensation for damages or damage to reputation.

Stricter regulations than those described in this Code of Conduct may exist in individual countries, business areas or markets or in relation to business partners. In such cases, the stricter regulations must always be applied.

*‘We comply with applicable law at local, national and international level.’*

**2.1.2 Openness**

Wherever people work, mistakes happen. Dealing openly with mistakes enables us to identify their sources and take measures to prevent them from happening again.

We encourage free and critical thinking and value an open climate in which employees can approach their superiors or management with critical issues without hesitation. We encourage open dialogue and investigate concerns raised fairly and without prejudice.

Attempts to intimidate and retaliate against employees who report actual or suspected misconduct in good faith will not be tolerated. ‘In good faith’ means that the person is convinced that the report is true, regardless of whether or not a subsequent investigation confirms the report.

However, reporting against better judgement and with the aim of deliberately falsely accusing another person constitutes a compliance violation with corresponding consequences.

*‘We encourage our employees to raise issues openly and without fear of reprisals. People who raise concerns in good faith about processes within the company must not suffer any disadvantages as a result.’*

**2.1.3 Mutual respect and trust**

We are committed to diversity, inclusion and equal opportunities and stand for a working environment that is characterised by respect and tolerance and in which everyone is valued. Fairness is the foundation of our collaboration.

In relationships of dependency and hierarchical differences, we act exclusively in the interests of the company and do not allow ourselves to be guided by personal interests.

Sexual harassment, discrimination, racism, bullying, abuse of power, intimidation or threats and other forms of harassment are not tolerated.

We do not tolerate any discriminatory behaviour on the grounds of ethnic origin, nationality, gender, sexual orientation and identity, pregnancy or parenthood, marital status, age, religion, ideology or disability or on any other grounds covered by a ban on discrimination.

*‘We treat each other with respect and trust and do not tolerate harassment or discrimination.’*

**2.1.4 Conflicts of interest**

We make business decisions free of personal interests and motives and exclusively in the best interests of pako-fashion in order to avoid conflicting decisions.

Employees who are affected by a potential or actual conflict of interest are obliged to inform their superiors or the management quickly in order to find a fair and transparent solution.

*‘We disclose potential or actual conflicts of interest and resolve them as quickly as possible.’*

**2.1.5 Protection of company assets**

We use and handle resources and company assets, such as products, work equipment, furniture, IT equipment and intellectual property, carefully and responsibly. We protect them from misuse, in particular we do not use them for personal purposes that are inappropriate or unauthorised. Consumables are used sparingly.

All forms of fraud, embezzlement, theft, misappropriation and tax evasion are prohibited, regardless of whether this damages company assets or the assets of third parties.

*‘We handle company property and other company assets responsibly.’*

**2.2 Responsibility**

**2.2.1 Human rights**

The commitment to social and ethical responsibility is an essential part of pako-fashion's corporate philosophy.

We respect the human rights, personal rights and dignity of our employees and all third parties. We respect the rights to freedom of association and collective bargaining in accordance with applicable laws and regulations. Forced labour, child labour, all forms of modern slavery and human trafficking as well as any form of exploitation are prohibited. No employee may be discriminated against for exercising their personal rights.

We expect the same from our suppliers.

*‘We act in accordance with the principles of the Universal Declaration of Human Rights and the United Nations Global Compact. We expect our suppliers and business partners to share these values and commit to them.’*

**2.2.2 Fair and healthy working environment**

We adhere to the regulations to ensure fair working conditions, including those relating to remuneration, working hours and the protection of privacy.

We comply with the laws and regulations on occupational safety and health in the workplace and ensure a healthy and hazard-free working environment for our employees.

*‘Ensuring fair working conditions and health and safety in the workplace are an integral part of our corporate culture.’*

**2.2.3 Environmental and climate protection**

Sustainability and environmental protection are a central concern of pako-fashion.

Our primary goals are the conservation and protection of natural resources, the responsible use of raw materials, the avoidance, reduction, recycling and proper disposal of waste.

In our own interest, we use natural resources sparingly and protect the environment. Our aim is to minimise the impact of our work on people and nature.

We procure and utilise resources such as energy and water responsibly.

In this way, we minimise our impact on the climate and environment and make a positive contribution to climate and environmental protection with our products.

We also expect this attitude from our business partners.

*‘Protecting the environment and the climate is an essential part of our corporate responsibility.’*

**2.3 Business partners and third parties**

**2.3.1 Relationships with business partners**

We carefully check the identity and integrity of potential business partners. If it becomes apparent during this process or in the course of subsequent collaboration that the business partner is acting inappropriately or illegally, we immediately take appropriate measures.

We make our purchasing decisions fairly and with integrity based on objective criteria such as quality, price, service, reliability, availability, technical performance, contract fulfilment, resource and energy efficiency and environmental compatibility.

We fulfil our obligations to prevent money laundering and minimise the general risk of money laundering through careful checks of third parties.

*‘We act with integrity in our business relationships with others and also expect our business partners to comply with the law.’*

**2.3.2 Protection against corruption and bribery**

Personal gain is never a motive for a business relationship. We strictly reject any form of corruption, bribery, theft, embezzlement, fraud or extortion.

Benefits in the form of invitations or gifts are permitted under certain conditions if they are related to advertising measures or serve the purpose of promoting business relationships or presenting products or services.

Such benefits may only be accepted or granted if they serve a legitimate business purpose and do not constitute consideration for an unlawful advantage. The gift must not be unreasonably high in value and must not disproportionately exceed the limits of normal business practice or the normal standard of living of the recipient. Gifts of money or similar items, such as gift vouchers, are never permitted.

Both donations and sponsoring activities are generally permitted, provided they are of a promotional nature and serve to promote the brand and image. However, they may not be used to gain unlawful business advantages. We refrain from any kind of concealment of benefits that could give rise to corruption risks.

*‘We condemn all forms of corruption and bribery.’*

**2.3.3 Fair competition**

We always behave fairly in competition and comply with applicable antitrust and competition law. We do not participate in agreements that violate antitrust law, other business practices that restrict competition or the exchange of competitively sensitive information with competitor companies.

We immediately put a stop to any infringements.

*‘We are committed to the principle of fair competition.’*

**2.3.4 Dealing with political institutions and authorities**

We are aware that contact with public officials and government agencies is regularly subject to even stricter requirements than usual.

When dealing with governments and authorities, we always act honestly and transparently and in accordance with applicable law. This applies, for example, to contacts with authorities in day-to-day business (for necessary licences, permits or contracts), in political lobbying or in the case of official enquiries (requests for information, official investigations, legal proceedings).

*‘We always act correctly and in accordance with the law when dealing with government and supervisory authorities.’*

**2.3.5 Product quality**

Our aim is to offer our customers high-quality products of impeccable quality. Customer satisfaction and continuous improvement are essential.

We continuously analyse the feedback we receive. This helps us to recognise weaknesses at an early stage or to avoid them altogether. It also allows us to improve the quality of our products and our performance.

*‘We offer high-quality products for our customers.’*

**2.4 Information and finances**

**2.4.1 Data protection**

The processing of personal data is subject to strict legal provisions under the Data Protection Act, to which pako-fashion strictly adheres.

The protection of personal data, in particular that of employees, customers and suppliers, is of particular importance to pako-fashion. We respect the right of our employees, customers and suppliers to informational self-determination.

*‘We comply with the applicable laws and regulations when we collect, store, process or transfer personal data and information.’*

**2.4.2 Financial integrity**

Our company's business transactions and records must be correct and proper. We record and document all business transactions, assets and liabilities in accordance with legal requirements.

To ensure the proper documentation and retention of records, the highest levels of accuracy and completeness as well as a sense of responsibility in all business processes are essential.

We comply with tax regulations and fulfil our tax obligations.

*‘We conduct our business, record keeping and financial reporting properly and transparently.’*

**2.4.3 Confidential company and insider information**

All information and documents that are not suitable or intended for disclosure to third parties and all other business secrets and sensitive data as well as strategic considerations must be treated as strictly confidential and protected against unauthorised access and misuse in an appropriate manner.

This also applies to the use of artificial intelligence. This brings us new opportunities, but is also associated with great responsibility.

In addition to the careful handling of company information, we also ensure that it is used transparently. We ensure that the data is correct and respect the rights of data subjects.

As employees, we also act as ambassadors for pako-fashion on social media platforms - and are therefore also jointly responsible for the public perception of the company.

*‘We protect confidential information from unauthorised disclosure and misuse.’*

**2.4.4 Statements about products and in advertising**

We stand by our statements. We do not want to deceive or harm customers, suppliers or co-operation partners. We therefore take particular care in sales, marketing and advertising for which we are responsible to ensure that these correspond to the facts and are not misleading.

*‘We do not intentionally make misleading or untrue statements about our products in marketing and advertising.’*

**2.4.5 Use and security of IT systems**

We are aware of the importance of information assets and ensure their appropriate technical protection against unauthorised access. We regard data and information required for our business activities as essential production factors. We therefore protect them against alteration, falsification or loss.

We undertake to use the IT systems provided by the company to fulfil business tasks and not for personal purposes that are inappropriate or unauthorised.

*‘We use the IT systems provided to us by our company to fulfil our tasks and help protect these systems and devices from internal and external misuse.’*

**3.0 Decision-making guide**

**3.0 Guidelines for decision-making**

If you are ever unsure whether a decision is in line with the requirements of the Code of Conduct, the following questions can help you assess and weigh up behaviour and decisions:

* Could I easily justify my decision to third parties?
* Have I considered all relevant issues from my point of view and weighed them up appropriately?
* Can I assume that my decision is in line with legal and internal requirements?
* Can I take responsibility for my actions with a clear conscience?
* Is my behaviour in the interests of my company or is it influenced by a personal interest?
* Could my behaviour damage the reputation of my company?
* Do I have the feeling that I am indebted to my counterpart in this situation?

**4.0 Addressing concerns and reporting violations**

**4.1 Reporting possible misconduct**

Serious information helps to counteract violations at an early stage. This can prevent damage to pako-fashion, our employees and business partners. All employees have the opportunity to submit information or complaints on all topics mentioned in the Code of Conduct and beyond. The same applies to customers and suppliers.

**4.2 Contact persons**

Our managers are the first point of contact for questions about understanding the regulations. They ensure that all employees know and understand the Code of Conduct. As part of their management role, they prevent unacceptable behaviour. If necessary, they take appropriate measures to prevent breaches of the rules in their area of responsibility. Good and trusting cooperation between employees and managers is characterised by honest and open communication and mutual support.

You can contact people in your local work environment to ask questions about this Code of Conduct or to report violations of the Code of Conduct or compliance guidelines. These are, for example:

* Your superiors,
* Your management,
* Your local compliance officers or compliance managers,
* Your HR, legal, finance or audit department,
* or - where available - your employee representatives.

**5.0 Further information**

This Code of Conduct cannot answer all questions that may arise in relation to your actions. Even if the Code of Conduct does not offer a solution for every situation, it nevertheless contains important information and guidelines for all employees to act in accordance with the rules, with integrity and in an ethically correct manner.

The Code of Conduct is an expression of our shared values and basic principles.