

Mehler Vario System GmbH

MODERN SLAVERY STATEMENT 2023

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This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Mehler Vario System GmbH (MVS) and other relevant group companies during year ending 31 December 2023 to prevent modern slavery and human trafficking in its business and supply chains.

This statement has been approved by the Board of Directors.

1. Introduction

This is Mehler Vario System GmbH's (MVS) Modern Slavery statement for the financial year ending 31 December 2023 and is issued under the UK Modern Slavery Act 2015. It describes the actions taken as part of our Human Rights Due Diligence Strategy to prevent slavery and human trafficking in our own operations and supply chains.

Modern slavery continues to be an important global issue. We understand and accept our responsibility to prevent and mitigate the risks of human trafficking, forced, bonded and child labour in our business and supply chains (and remediate where necessary).

Disruption of global supply chains and logistic routes continued in 2023. War in Ukraine continued and tensions in the Middle East increased extensively during 2023. The impact is felt by employees, suppliers and thousands of workers in our supply chains. The ongoing challenges require adaptation.

The German Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains became active on January 1st, 2023. Mehler Vario Systems recognizes the new legal obligations regarding human rights along our supply chains. Mehler Vario Systems will fall under the legislation by January 2025 but started advancing safe, lawful, humane, and ethical practices in our supply chains.

The new regulations reinforce our commitment to our customers and stakeholders; we will always treat people in our business and supply chain fairly. This means we will continually review and improve our policies, practices, and procedures so that we can fulfil this commitment.

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2. Our Business and Supply Chains

Mehler Vario System GmbH is a broadly based and globally active company, offering integrated solutions for professional users and specialists in the areas of protection and carrying systems and safety equipment.

Mehler Vario System GmbH has multiple subsidiaries active as independent entities. A manufacturing subsidiary is based in Serbia and is going forward the main source for MVS sewn product in Europe.

MVS is working with contract sewing partners in south-east Asia.

3. Governance and Leadership

The Director leading each of our business departments is responsible for managing any modern slavery risk within their operations, with overall accountability held by the Board of MVS.

The MVS Code of Conduct commitments focus on key policy areas affecting MVS, ensuring that we act in line with relevant laws and regulations, industry standards and that we give stakeholders confidence.

In 2023 the German Whistle Blower legislation came into force, based on the EU Directive of 2019 on the protection of persons who report breaches of Union law. MVS is updating policies and procedures accordingly.

In 2023 MVS has been ISO 14001 certified for Environmental Management Systems.

A status-quo review on Human Rights Due Diligence has been conducted by a third party. This review is the kick-off for an comprehensive HRDD project, preparing the organization living up to the German Supply Chain Act legislation and the EU Corporate Sustainability Due Diligence Directive regulations. The project will be executed in 2024.

In the light of increased due diligence expectations, MVS plans to install a Legal Council to oversight all legal aspects of Human Rights Due Diligence including Modern Slavery aspects.

Our expectations for suppliers to provide good working conditions, comply with our sourcing principles and identify modern slavery risks, are set out in our supply chain and responsible sourcing commitment. Our sourcing agent in Asia is in close contact with our regional vendors and started conducting regular awareness raising sessions around the risks of Modern Slavery.

Human Rights risk analyses are carried out on an annual basis. The independent certifying body Worldwide Responsible Accredited Production (**WRAP**) conducts annual social compliance audits for MVS in all Asian sewing facilities.

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4. Policies and Contractual Controls

We have continued to develop our policies with input from in-house experts, suppliers and external stakeholders.

We have several groupwide policies in place relevant to modern slavery:

- Mehler Ethical Code of Conduct for all MVS Group staff
- Mehler Ethical Code of Conduct for all sourcing agents and third-party inspectors
- Principles of Worldwide responsible Accredited production applying to all sewn product suppliers in Asia.
- OEKO-TEX or Blue Sign certification requirement for textile material suppliers

All our purchasing contracts prohibit subcontracting without written approval of MVS and all our suppliers sign the MVS Code of Conduct. Breach of this contractual term may lead to immediate termination of our business relationship with the factory/supplier.

Protecting the most vulnerable workers across the supply chain and reducing the risk of modern slavery is an ongoing key focus.

5. Assessment of Modern Slavery Risk in our Supply Chain

MVS is aware of its own responsibilities and applies responsible purchasing practices. We continue to manage, with the help of our local agents and independent certifying body WRAP, social compliance within our Asia Supply Base (focus tier 1, sewing facilities). Regarding the European supply chains, we focus on consolidation of sewing work in the MVS subsidiary in Serbia.

6. Due Diligence and Assessment of Suppliers and Supply

In 2022 we have intensified working with WRAP to identify potential areas of increased supply chain risks in Asia. In 2023 WRAP has audited all tier 1 sewing facilities in Asia.

We conduct due diligence within our supply chains and operations to understand where there is greatest risk of modern slavery and human trafficking. In 2023 we were able to increase the in-person meetings with tier 1 suppliers in Asia, to understand how they are managing labour, health and safety and working hours on site.

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7. Modern Slavery Awareness Raising

MVS strives to create long term partnerships with suppliers. In 2023 we maintained our supply chain and were able to provide continued orders. This allows us to deepen our understanding and oversight. Regular on-site visits by our own- and third-party staff takes place at tier 1 and more recently tier 2 supplier levels.

Awareness-raising remains a key priority during training of all our staff working with factories, including technicians and inspectors.

8. Partnerships and Collaborations

The role of partnerships in tackling modern slavery is crucial, particularly when confronting some of the global challenges we face within the industry. Those partnerships are especially important where our commercial leverage to influence suppliers is weaker. MVS Group is a member of SEDEX in the UK since 2021 and works closely together with WRAP to understand local sourcing challenges.

9. Next Steps


In the light of the German Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains German and the EU Corporate Sustainability Due Diligence Directive, internal projects have been started to further reinforce internal policies and procedures. External experts provide the framework for HRDD projects. We are confident prevention of modern slavery and human trafficking in our business and supply chains will be reinforced continuously.

Fulda, September 27th, 2024

For an on behalf of Mehler Systems Group



Thomas Homberg
CEO



Dr. Mario Amschlinger
CFO & COO