

## Dibella guideline for the promotion of living wages in the supply chain

### 1. Policy

Dibella strives to promote living wages in its supply chain and ensure that workers in the supply chain receive adequate wages to meet their basic needs.

### 2. Definition of living wages

Living wages are defined as wages that enable workers to achieve a decent standard of living for themselves and their families. These wages take into account the cost of food, housing, education, health care, and other basic needs in the region.

### 3. Collaboration and engagement

We use our wage gap analysis to determine living wages in the regions where our suppliers operate. We will actively work to promote dialogue and collaboration with all relevant stakeholders to advance the payment of living wages.

### 4. Guidelines for suppliers

Dibella informs its suppliers that living wages must be paid. This means that wages exceed the legal minimum wage and adequately reflect local cost of living and social needs. Our suppliers are required to take appropriate action to improve wage practices in their operations.

### 5. Long-term supplier relationships

Dibella seeks long-term relationships with its suppliers to foster trust and collaboration. We form close partnerships to ensure that suppliers can make the improvements necessary to pay living wages without jeopardizing the profitability of their business. Price negotiations are conducted on an equal and open basis, and forward-looking production planning forms the basis of our cooperation.

### 6. Monitoring and audits

Dibella implements a system to regularly query wage practices in its supply chains. This can be done through independent audit reports (STeP), supplier assessments and on-site visits.

## 7. Training and capacity building

Dibella plans to implement a project and capacity building activities for its suppliers to create awareness of living wages and how to pay them.

## 8. Progress reporting and transparency

Dibella will regularly report on progress regarding the payment of living wages. This will be done through communication on our website and engagement with stakeholders. We will communicate transparently about our goals, actions and results.

## 9. Collaboration with other companies in the industry

Dibella will actively collaborate with other companies to share best practices and develop common living wage standards. We will participate in industry initiatives, associations and multi-stakeholder platforms to increase pressure on the industry as a whole.

## 10. Continuous improvement

Dibella will continuously work to improve our living wage payment strategy and practices to achieve long-term positive change.

It is important to note that implementing a living wage strategy requires a long-term commitment for Dibella and that Dibella will continuously work to achieve its goals and drive positive change in the international textile industry.

Dibella faces several challenges in determining and paying living wages:

### 1. Complexity of calculation.

Calculating a living wage requires a comprehensive analysis of the cost of living in different regions. This can be a complex task, as the cost of food, housing, health care, and education varies widely from country to country and region to region. It requires accurate data and an in-depth knowledge of local conditions.

### 2. Data availability and quality

Accurate and reliable data are needed to determine living wages. However, it can be difficult to obtain reliable information on the cost of living, social security systems, and other relevant factors in producing countries. Data availability and quality can therefore be a challenge.

### 3. Price pressure and competition

The textile industry is often characterized by high price pressure and intense competition. This can lead to companies struggling to pay living wages without jeopardizing the competitiveness or profitability of their business. Here we want to raise awareness of the payment of living wages in

order to manage the balancing act between social responsibility and economic sustainability for us and our customers. Legal regulations are needed here to ensure that products for which a living wage is not paid are not at a price advantage.

#### 4. Capacity building with suppliers

Dibella's suppliers play an important role in paying living wages. It takes time, resources and training to build the necessary capacity and implement improvements in wage practices.

#### 5. External influences and political environment

External factors such as political instability, changing legal environments, or exchange rate fluctuations can impact the determination and payment of living wages. Dibella must be flexible and adapt to changes in external circumstances.

Dibella is aware of these challenges and will develop appropriate strategies to successfully establish and implement living wages in the international textile industry. This requires close collaboration with stakeholders, investment in capacity building and a long-term commitment to social responsibility.

Aalten, 09.06.2023



Ralf Hellmann



Simon Bartholomes



Klaus Bauer



Carsten Ridder



Stefan Tenbusch