

CODE OF CONDUCT

SEIDENSTICKER GROUP

„EVERYTHING I TOUCHED
TURNED INTO SHIRTS.“



Company Founder
Walter Seidensticker sen. (1895-1969)

seidensticker
group

Preamble

We, the Seidensticker Group, believe in social engagement, environmental awareness, and dealing fairly with each other as mainstays of our company. As a family business, we acknowledge our corporate responsibility and aim to balance our social, ecological, and economic interests. Fair working conditions combined with the least possible environmental impact are the most important aspects of our corporate philosophy. In addition, sustainable corporate governance is a significant competitive factor in globally-connected clothing markets. These requirements form the basis for exercising due diligence in global supply chains. We have defined these requirements in order to identify, prevent and, if necessary, mitigate negative impacts on human rights as well as environmental concerns in our supply chains. This Code of Conduct is in line with the following international principles and guidelines as well as national regulations:

- UN Universal Declaration of Human Rights (UDHR)
- Conventions and Recommendations of the International Labour Organisation (ILO)
- UN Guiding Principles on Business and Human Rights (UNGPR)
- Gender-specific dimension of the UN Guiding Principles on Business and Human Rights
- UN Children's Rights and Business Principles
- Principles of the UN Global Compact
- OECD Principles for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector
- Business Social Compliance Initiative Code of Conduct (BSCI)
- Federal Republic of Germany's National Action Plan on Business and Human Rights
- German Supply Chain Act

1. Scope of the Code

In our Code of Conduct, we define our standards and our understanding of social and ecological responsibility. It forms the basis for responsible business relationships and applies globally and equally to service providers and consultants, brokers and agents, wholesalers, manufacturers and, last but not least to us. In its global scope, it also applies to any suppliers commissioned by our direct business partners, provided that such suppliers are involved in the production of goods for the Seidensticker Group, meet the same requirements as our direct business partners and have been previously authorized by us. By signing the Code of Conduct, our direct business partners confirm that they share our understanding of sustainability and always align their actions accordingly. In the authorized transfer of orders to subcontractors, our direct business partners are responsible for compliance with social, environmental and quality standards and monitor this with appropriate control mechanisms.

2. Legal compliance

The laws and legal regulations of the respective countries, as well as the conventions, standards and principles referred to in the preamble above, must be adhered to exactly and under all circumstances, and ideally surpassed. Compliance with national legislation is the first obligation. In countries where national legislation provides for a different standard of protection than this Code of Conduct, the standard that ensures the highest level of protection for workers and the environment - but without contradicting the legal framework of the country - must be complied with in each case.

3. Transparency

Our business partners are committed to transparency towards employees of the Seidensticker Group and any third parties involved (e. g. auditors, testing institutes), to identifying, preventing and remedying negative impacts on people and the environment and to monitoring this Code of Conduct – if relevant, also with regard to upstream stages of production.

4. No forced labour, bonded labour or human trafficking

Every employment is exclusively voluntary. Our business partners are not allowed to engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour, including state-imposed forced labour. Employees' personal freedom of movement must not be restricted. Employers may not require employees to deposit money or means of identification with the employer. Following international principles on responsible recruitment, employees must not be charged any recruitment fees or costs. Employees are free to leave their employer reasonable notice in accordance with applicable law at all times and may safely return to work after submitted notice. The production of goods by prison labour is strictly prohibited.

ILO Conventions 29 and 105 as well as Recommendation 203 with measures to effectively eliminate forced labour apply.

5. No child labour and restriction of youth employment

We do not tolerate any form of child labour or the exploitation of children and adolescents. The minimum age for employment may not be below the age at which compulsory education ends, and under no circumstances below the age of 15. Domestic standards of child protection and employment of juveniles are to be adhered to. The scheme is subject to the exclusions defined by the ILO. The observance of the ban on child labour and the restriction of the employment of adolescents are to be guaranteed at all times and under any circumstances.

Vigorous age-verification mechanisms must be established as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

In the event of a violation of this ban, the business partner is to take appropriate remedial action without any delay. Such remedial measures must be fully documented. Moreover, measures and procedures are to be taken that serve the purposes of the rehabilitation and social integration of the children concerned, and that enable them to acquire a general school leaving certificate in accordance with inter-state norms.

ILO Conventions 131, 138 and 182 as well as Recommendations 14 and 190 apply.

6. Special protection for young employees

Business partners must ensure that young people do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development, without prejudice to the specific expectations set out in this principle. Young workers shall be removed from any hazardous work or source of hazard immediately when such cases are identified, and their scope of work must be redefined without any loss of income.

It is to be ensured that (a) the kind of work is not likely to be harmful to young workers' health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation are approved by the competent authority or their capacity to benefit from training or instruction programmes.

The necessary mechanisms to prevent, identify and mitigate harm to young workers must be set up, with special attention to the provision and access of young workers to effective operational grievance mechanisms and to occupational health and safety trainings schemes and programmes specific to the needs of young workers.

ILO Conventions 10 and 77 as well as Recommendations 14 and 146 apply.

7. No discrimination, sexual or gender-based harassment or violence in the workplace

The principle must be maintained that all employees are treated equally, with respect and dignity, and are offered equal opportunities. It must be ensured that workers are not subject to any form of violence, harassment, inhumane or degrading treatment in the workplace, as well as threats of violence and abuse, including corporal punishment, verbal, physical, sexual, economic or psychological abuse, mental or physical coercion, or other forms of harassment or intimidation. Any form of discrimination - on the grounds of sex, age, religion, descent, caste, birth, social origin, ethnic or national origin, nationality, membership of workers' or employers' organisations such as unions or other legitimate organizations, political affiliation or opinion, sexual orientation, family responsibilities, marital status, pregnancy, disease, disability or other conditions that may lead to discrimination - is not to be permitted. This applies in particular when the matter concerns hiring, wages or remuneration, access to training courses, promotion and notice of employment termination or retirement. Disciplinary procedures in writing are to be established and explained verbally to workers in terms and language which they understand.

ILO Conventions 100, 111, 156, 159 and 190 as well as Recommendations 165 and 206 apply.

8. Disciplinary measures

Any disciplinary measures must be carried out only in accordance with national laws and internationally recognised human rights. No employee may be subjected to verbal, psychological, physical, sexual and/or bodily violence, nor to coercion or harassment. Employees who lodge a complaint based on this Code of Conduct and/or applicable national or international law, may not be subjected to any form of disciplinary or retaliatory measures.

9. No precarious employment

The recruitment process and employment relationships must not cause insecurity and social or economic vulnerability for their workers. It must be ensured that work is performed on the basis of a recognised and documented employment relationship, established in compliance with relevant national legislations, custom or practice, and international labour standards, whichever provides greater protection.

Business partners shall provide their employees with written, clear and transparent employment contracts. The minimum content of an employment contract are as follows:

Name, address, date of birth, function in the company, date of commencement of employment, working hours, salary and remuneration, probation period (if applicable), right to paid leave, details of notice of employment termination (by employee or employer), signatures of both parties to the contract, employee and employer and the date.

Before entering employment, workers must be provided with understandable information in their own language and it must be ensured that they are aware of their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment in their own language.

Our business partners are committed to create flexible working conditions that also support workers, irrespective of gender, in their roles as parents or caregivers, including migrant and seasonal workers, whose children may be left in their hometowns.

Employment arrangements must not be used in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection.

Our direct business partners also guarantee the appropriate documentation for the subcontractors and other agents they use.

ILO Conventions 24, 25, 95, 117, 158, 175, 177 and 181 apply.

10. Fair Remuneration

The minimum remuneration paid for the standard working time must be based on the legal, industry-specific minimum standards or applicable collective agreements, whichever involves the greater amount. The payment of wages takes place in a regular, timely and stable manner, and in full legal tender.

It must be ensured that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification.

Business partners should particularly aim to pay such wages that cover the basic needs of employees and their families, leaving a sufficiently large part of their income to be disposed of as they wish and enable an adequate standard of living, if the domestic statutory minimum wages are not enough for this purpose. Business partners accurately identify the wage gap and gradually work toward paying a living wage.

At a minimum, employees must receive all legally mandated benefits. Any overtime work must be paid in line with statutory, industry-specific standards or collectively agreed norms currently in force, whichever involves the larger amount. Employees must be given complete and comprehensible information, in writing, on the structuring and detail of their wage rates, including deductions, overtime bonuses and additional benefits. Deduction from wages as a disciplinary measure is not allowed.

ILO Conventions 95, 100 and 131 as well as Recommendations 85, 135 and 180 apply.

11. Decent working hours

Working hours must comply with applicable law and industry-specific standards, whichever are more stringent. Under no circumstances can employees be required to work in excess of 48 hours per week on a regular basis. Working hour practices that enable a healthy work-life balance for the workers are to be promoted. Overtime must be an exceptional and voluntary practice, paid at a premium rate of minimum 125% of the standard rate and shall not represent a significantly higher likelihood of occupational hazards. Overtime shall not exceed 12 hours per week and shall not be required on a regular basis.

Exemptions from these prohibitions are only allowed if both of the following two conditions are met:

- a) national law expressly allows for working hours exceeding these upper limits; and
- b) a freely negotiated collective labour agreement is in force allowing for the averaging of working hours, including appropriate rest periods.

Workers have the right to resting breaks in every working day and the right to take at least one day off in every seven days, unless exceptions, defined by collective agreements, apply.

ILO Conventions 1, 14, 101, 110, 132 and 171 as well as Recommendations 116 and 110 apply.

12. Freedom of association and collective bargaining

The right of any employee (without any distinction and regardless of gender) to found associations or organisations of their own choosing for the purpose of promoting and protecting employees' interests, and to join or resign from such organisations and to conduct collective bargaining in a free and democratic manner, is to be respected.

Employers are encouraged to develop a positive approach towards the right to freedom of associations and collective bargaining by actively notifying their employees of such rights, and to exert an open and positive attitude towards trade unions and their organisational activities.

Where the right to freedom of association and collective bargaining is restricted by law, alternative possibilities of independent and free organisations and the conduct of negotiations should be created. Business partners must ensure a meaningful representation of all workers. Workers must be allowed to freely elect their own representatives with whom the company can enter into dialogue about workplace issues. Employees are to be protected against discrimination, harassment, intimidation or reprisal. They must be given free access to their fellow employees, to ensure that they are able to exercise their rights in a legally compliant and peaceful manner.

ILO Conventions 11, 87, 98, 135 and 154 as well as Recommendations 91, 92, 143 and 158 apply.

13. Health & safety at work

The right to healthy working and living conditions of workers and local communities shall be respected. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection. National occupational health and safety legislation must be complied with, or international standards where national legislation is weak or poorly enforced.

A safe and hygienic work environment is to be provided for all employees. It has to be ensured that there are systems in place to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers. Departments and individuals must be informed on occupational health and safety at their workplace. Effective measures are taken to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work. These measures aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace. These exercises and procedures for improving or strengthening occupational safety shall be communicated to and regularly trained with employees from all work areas.

Free provision and use of protective equipment, access to clean sanitary facilities, eating and resting areas as well as access to safe and clean drinking water is to be provided. Sanitary facilities should provide an adequate number of safe, separate toilets with adequate level of privacy for all genders. In addition, adequate occupational medical assistance and related facilities must be provided and equal access to all workers for these services. The measures also include the improvement of workers' protection in case of accident, through compulsory insurance schemes. These health services (including insurance) should serve the distinctive concerns and needs of all genders and ages.

All health and safety incidents in the workplace and in all facilities provided or required by the employer will be documented.

The business partner commits to take all appropriate measures, and obtain all relevant licenses and documentation required by national legislation, to guarantee the stability and safety of the equipment and buildings they use, as well as to protect against and prepare for any foreseeable emergency. Furthermore, the employer must provide awareness to workers, and respect their right and responsibility to exit the premises and/or stop working without seeking permission or being punished for it in dangerous situations and uncontrolled hazards.

Our business partners should establish relevant committees, such as a health and safety committee, to ensure active co-operation between management and workers. These are to be included as part of the analysis and evaluation of potential and actual health risks and hazards, and in the implementation of procedures to prevent them.

The policy applies equally to all social services and employee housing, if provided by the employer.

ILO Conventions 148, 155, 183, 184 and 187 as well as Recommendation 164 apply.

14. Environmental protection

Currently applicable laws and international regulations regarding environmental protection must be strictly adhered to. This also means taking appropriate measures to avoid, mitigate, and remedy adverse impacts or pressures on surrounding communities, natural resources, the climate, and/or the environment. In particular, this means:

- preventing the release of hazardous substances into the environment;
- complying with environmental standards regarding wastewater treatment, the discharge of emissions and general waste management;
- properly labelling chemicals and other dangerous substances, and storing them in a safe manner;
- increasing energy efficiency;
- minimising the use of natural resources (including water, mineral raw materials, agricultural commodities and fossil fuels).

To achieve these goals, business partners are required to introduce and implement an appropriate and effective management system for environmental and climate due diligence.

15. Ethical business practices

The Seidensticker Group counters domestic and foreign competition solely through customer orientation and the quality of products and services. The group of companies condemns in the strongest possible terms, and will not tolerate, any form of bribery and corruption. From our business partners we expect not to take part in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive. We expect behaviour based on fairness and compliance with applicable national and international standards.

On the basis of a company-specific risk assessment, adequate internal controls, programs or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery must be developed and implemented. This includes requiring our business partners to implement an anti-bribery and anti-corruption policy in all areas of their business. Awareness about the policies, controls, programs and measures against unethical behaviour, and compliance within the company through trainings and communication must be provided to the workers.

Our business partners commit to not falsifying or participating in falsifying any information or in any act of misrepresentation in the supply chain.

Personal information must be collected, used, and otherwise processed (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.

16. Management systems

The standards defined in this Code of Conduct are to be recognised by the management of each business partner and integrated into business policies. To comply with all requirements established in this Code, our business partners are expected to introduce an appropriate management system, which includes the appointment of responsible personnel, the defining of all processes and adequate documentation attesting to compliance with this Code of Conduct and national/international law.

Employees are to be informed about the content of this Code and applicable national/international law in an open and accommodating manner, including the provision of all relevant information in the local language and, in case of illiteracy, by providing verbal information and appropriate training.

Furthermore, by signing the Code of Conduct, our business partners undertake to actively communicate the principles of the Code of Conduct to all suppliers and subcontractors involved in the manufacturing process of Seidensticker Group products, as well as to other relevant stakeholders, and to require them to comply with the requirements.

17. Monitoring of the Seidensticker Code of Conduct

Seidensticker strongly advocates ensuring compliance with the basic principles of this Code. The Seidensticker Group and all of its business partners therefore commit to carrying out independent social and environmental audits.

Our partners guarantee that the Seidensticker Group itself or, if necessary, any third party it authorises, may be allowed to carry out a review of how the principles set down in this Code of Conduct are being observed, on the premises of either the immediate agents themselves or on those of any other sub-agents they deploy.

18. Complaints procedure

Our business partners are committed to establishing or participating in effective grievance mechanisms at the operational level for individuals or communities that may be adversely affected (e.g., employees, residents, etc.), and to accurately documenting complaints made and how they are handled.

Complaints or notices regarding violations of the Seidensticker Group's Code of Conduct may be submitted, openly or anonymously, at any time. The person filing the complaint is requested to report only such complaints and notices where that person believes in good faith that the report is correct. All business partners guarantee to refrain from any discriminatory or disciplinary measures against the person disclosing such information.

Contact information:

Textilkontor Walter Seidensticker GmbH & Co. KG

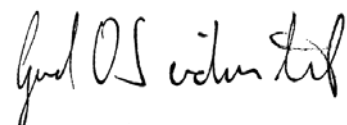
Department „Corporate Responsibility“

personal/confidential

Herforder Str. 182-194

33609 Bielefeld

responsibility@seidensticker.de



Bielefeld, June 2022

Frank and Gerd Oliver Seidensticker
Managing Partners Seidensticker Group