

HOLY FASHION GROUP
Ethical Code of Conduct

Version 1.0

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1. Introduction

As an internationally operating fashion and lifestyle company in the premium segment, the companies of the HOLY FASHION GROUP (hereinafter «HFG») are not only committed to ensuring the highest product quality, but also actively practice and firmly embed sustainable and socially responsible corporate governance as a basic principle in their operational and strategic management processes.

The success of the HFG, with the brands JOOP!, windsor. and Strellson, is based on responsible and value-oriented procurement and purchasing practices as well as responsible handling of natural resources. To the HFG, taking responsibility for humans, animals, the environment and society is the foundation for its business activities and the cooperation with its business partners.

Due to a global and complex value chain with numerous international partners, the protection of human rights as well as labour, social and environmental standards is an important and central challenge, which the HFG meets by acting with particular care and proactivity.

The requirements and values laid down in the following Code of Conduct are in line with the HFG's established and practiced corporate culture that is firmly based on respect for human and labour rights.

2. Scope

The HFG Ethical Code of Conduct defines minimum standards for ethical and responsible conduct and must be observed by all business partners of the HFG. It forms the basis of all national and international business relationships and applies to both the HFG itself and its indirect and direct business partners.

The principles and requirements agreed herein are in line with the conventions of the International Labour Organisation (ILO), the amfori Business Social Compliance Initiative (BSCI), the OECD Guidelines for Multinational Enterprises as well as the United Nations' (UN) Universal Declaration of Human Rights. They are the foundation for ethical entrepreneurship and shall be regarded as minimum rather than maximum requirements. Therefore, the HFG expects from its business partners the ambition and the will to exceed them whenever possible.

The key principles in dealing with the HFG's supply chain are:

- **Continuous improvement:** The HFG always strives to improve and break new ground. This Code of Conduct is regularly updated and, if necessary, adapted.
- **Cooperation:** Ethical entrepreneurship is only possible in close cooperation with producers, suppliers and customers. The HFG therefore supports its business partners in implementing this Code of Conduct.
- **Transparency:** The HFG endeavours to offer its customers and business partners extensive transparency.

3. Compliance with applicable legislation

All business partners are obliged to comply with applicable national and international laws and regulations, conventions of the ILO and the UN, minimum industrial standards as well as other relevant norms and standards. In doing so, those standards that impose the stricter requirements and offer the persons concerned the highest level of protection must always be applied.

Of course, regulations governing competition, money laundering, sanctions and taxation must also be observed.

4. Management system and cascade effect

Business partners are obliged to introduce appropriate management systems to enable the implementation, observance and monitoring of the principles laid down in this Code of Conduct. Such a system is based on clear responsibilities and processes as well as responsible, worker-friendly management practices.

To be able to ensure the implementation of this Code of Conduct throughout the supply chain, the HFG requests its direct business partners to forward it to their relevant business partners and take appropriate measures to ensure that they comply with it.

5. Workers involvement and protection

Business partners are obliged to introduce responsible and gender-responsive management practices that involve all workers and their representatives in sound information exchange. Workers receive training to make them aware of their rights and responsibilities, paying special attention to vulnerable persons and their needs.

Business partners must also establish an effective grievance mechanism for individuals and communities. This serves to effectively address and remedy any issues reported. Grievances must be documented truthfully and reliably.

In addition, business partners and their workers can use the independent HFG grievance mechanism (see «19. Grievance procedure»).

6. Rights of freedom of association and collective bargaining

The workers' rights of freedom of association and collective bargaining must be respected by all business partners. If they operate in countries where these rights are restricted or even completely denied, the free and independent association of workers for the purpose of conducting negotiations on working conditions and wages must alternatively be enabled and granted as a minimum requirement. Workers who exercise this right must in no way be sanctioned, harassed, dismissed or otherwise put at a disadvantage.

7. No discrimination, violence or harassment

All workers must be treated equally with respect and dignity as part of the recruitment process and throughout the employment relationship. Any form of discrimination, violence or harassment is prohibited. The following principles apply:

- **Discrimination:** Any discrimination, i.e. distinction, exclusion or preference based on race, caste, skin colour, gender, age, religious beliefs, political opinions, membership in trade unions or other legitimated workers' organisations, physical or mental disability, ethnic or social background, nationality, sexual orientation or other personal attributes, is prohibited.
- **Violence and harassment:** Business partners are obliged to ensure that their workers are not subject to any form of physical or psychological violence, harassment and inhumane or degrading treatment at the workplace.

8. Fair remuneration

Minimum wages mandated by local governmental minimum wage legislation, industry standards or those agreed based on collective bargaining, whichever is higher, must be complied with, the aim being to pay not only living wages, but wages that are sufficient to afford a decent standard of living for the workers and their families. The skills, seniority and education of workers must be reflected in the level of their wages. The living wages at the locations of the business partners must be conscientiously calculated by the business partners.

Where the wage is calculated based on quota or piece work, workers must be able to earn at least a wage that meets applicable legal minimum wages, industry standards or collective bargaining agreements.

Business partners must pay wages regularly, punctually and in full in a manner that is appropriate for the recipients. Deductions are only permitted under the conditions and to the extent allowed by law or fixed by collective agreement.

9. Decent working hours

Business partners must ensure that the working hours of their workers comply with the industry standards or the relevant ILO conventions, whichever is more strict. In general, workers must not work more than 48 standard hours per week. The exceptions recognized by the ILO apply.

Overtime is permitted on a sporadic and voluntary basis and must be paid at a premium rate. These premium rates must be properly reported to the competent authorities. Workers have the right to resting breaks on working days and the right to at least one day off per week as well as the statutory minimum vacation.

10. Occupational health and safety

Business partners must ensure a safe, healthy and hygienic working environment.

They must take appropriate measures to ensure that there are systems in place to assess, identify, prevent and mitigate potential and actual threats to the health and safety of workers. This also includes targeted, regular personnel training to make the workers aware of risks and safety at the workplace as well as applicable health and safety standards. The provision of suitable and safe protective workwear is expected. In addition, there must be regular fire and emergency drills.

Business partners of the HFG are obliged to obtain all relevant licences and safety-related documentation required by national legislation and to ensure the stability and safety of the equipment and buildings they use. Business partners are requested to take regular building maintenance measures and comprehensive fire prevention measures. The HFG prefers production sites that serve exclusively the manufacture and production of garments. Mixed use of buildings, e.g. supermarkets, banks, flats, etc. in the same building, must be avoided.

Business partners must also ensure that workers have access to hygienic, gender-appropriate sanitary facilities, eating and resting areas as well as clean drinking water at all times. Where business partners provide their workers with residential facilities, these must meet the same requirements.

11. No child labour and special protection for young workers

Child labour and any form of exploitation of children and young persons are not tolerated.

Business partners must not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law. Under no circumstances may workers be younger than 15 years. The exceptions recognised by the ILO apply.

In addition, reliable age-verification mechanisms must be established as part of the recruitment process, which may not be in any way degrading or disrespectful to the potential workers.

Young workers must be specially protected. They must not be exposed to dangerous or unsafe situations or situations harmful to health. Working hours must be organised in such a way that young workers are not restricted in their development and can continue attending school.

In the event of a violation of the above-listed prohibitions, the business partner must immediately take appropriate remedial action while ensuring that the measures and procedures initiated serve the purpose of rehabilitation and social integration of the children and young persons concerned. They must be designed so as to enable them to obtain a general school graduation certificate in accordance with domestic standards and to secure a livelihood for themselves and their families.

12. No precarious employment

The employment of workers must be based on a recognised and documented employment relationship.

This must be established in compliance with relevant national legislations, custom or practice and international labour standards, whichever provides greater protection to the workers. National requirements for health and social insurance must be complied with.

It must be ensured that the workers are provided with understandable information in their own language before entering employment to make them aware of their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

13. No forced labour or human trafficking

Any form of forced labour or human trafficking is prohibited.

Business partners must not engage in any form of servitude, forced labour, bonded labour or non-voluntary labour, including state-imposed forced labour. Workers must not be forced to work, directly or indirectly, by violence, threat of violence or coercion. They may only be employed on a voluntary basis. In addition, they have the right to terminate the employment relationship in compliance with the applicable legal notice periods.

Retaining, confiscating or destroying identification, travel or other personal documents of the workers is prohibited.

14. Protection of the environment

The protection of the environment is an integral part of the HFG's corporate culture. Business partners are therefore expected to adhere to applicable national and international environmental standards. They are obliged to comply with corresponding procedures, standards and laws for waste management, wastewater treatment as well as the handling of chemicals and other hazardous substances.

In addition, the HFG is committed to reducing environmentally harmful emissions as well as water and energy consumption and also requires its business partners to do so.

This means specifically:

- **Greenhouse gas emissions and energy consumption:** Climate protection and resource-efficient economic activity are a central matter to the HFG. For the 2019 reporting year, it measures its carbon footprint for the first time with the aim, among other things, of continuously optimising its energy consumption. In the course of this, it upgrades its lighting to highly energy-efficient LED technology at its headquarters as well as in its stores and showrooms.

The HFG's production site in Portugal is largely powered by solar energy and the capacities will be expanded further in the medium term. All German stores and showrooms of the JOOP!, windsor. and Strellson brands use electricity exclusively from renewable energy sources with the EKOenergy label and, having already switched to 100% hydroelectric power, the HFG also relies on sustainable energy sources at its headquarters in Kreuzlingen.

Likewise, business partners are encouraged to continuously monitor and take appropriate measures to minimise their energy consumption. This applies in particular to business partners with energy-intensive production processes. As far as possible, energy from renewable sources should be used with the aim of reducing greenhouse gas emissions.

- **Water consumption and wastewater management:** Within the scope of calculating and optimising the carbon footprint, the HFG's water consumption is also recorded and measures are developed to reduce it. Business partners are urged to reduce their water consumption as well. Should water come into contact with chemicals as a result of production processes, they

are obliged to ensure clean disposal in accordance with the legal requirements. In general, an effective hazardous substance management system must be established and applied when handling chemicals or other hazardous substances.

- **Waste management and recycling:** The HFG also expects its business partners to develop effective waste management strategies. Waste must be generally avoided and reduced and must be disposed of in compliance with legal regulations and standards. The HFG encourages its business partners to recycle suitable waste materials whenever possible. The HFG's own workers are also urged to actively contribute to waste sorting.

Using PVC-free plastics is just as natural to the HFG as using eco-friendly shipping boxes (Greencore) for transporting merchandise to customers. The HFG requests its partners to follow this recommendation.

15. Animal welfare

Ethical entrepreneurship also includes treating animals in a decent and responsible manner. The HFG considers the killing of animals for the sole purpose of producing garments to be unethical. The processing of wildlife products, especially those from endangered animal species, is generally prohibited. The above-listed principles also apply to the HFG's business partners. They are additionally obliged to promote animal welfare for their part and communicate these principles to their own business partners. They are urged to take the «Five Provisions and Animal Welfare Aims» as a basis.

Specifically, the following applies when processing textile materials of animal origin:

- **Wool:** The HFG endeavours to continuously increase the share of wool that is verifiable mulesing-free. In addition, the HFG is certified to the Responsible Wool Standard (RWS) that calls for compliance with stricter animal welfare criteria.
- **Down:** The HFG uses exclusively down that is certified to the Responsible Down Standard (RDS). This ensures that down and feathers only come from geese and ducks that are not exposed to unnecessary suffering. Live-plucking and force-feeding of animals are prohibited.
- **Leather:** The HFG only processes leather that has been obtained as a by-product of the food industry.
- **Furs:** The HFG completely foregoes the breeding of fur animals.

16. Ethical business behaviour

The requirements laid down in this Code of Conduct are the foundation for ethical business behaviour.

By signing it, business partners commit 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.

To this end, they must introduce effective internal control mechanisms for preventing and detecting corruption. Should cases of corruption or bribery be detected, they must be reported immediately and remedied by taking corresponding measures.

Personal information of the workers and other sensitive information must be treated as confidential. Applicable data protection legislation must be observed. Furthermore, business partners are obliged to protect information, data and trade secrets of the HFG that are disclosed to them. This also applies after termination of the business relationship.

17. Special provisions for JOOP! Living

The principles for dealing with humans, animals and the environment laid down in this Code of Conduct also apply to the HFG's JOOP! Living line as well as its business partners. The product range of JOOP! Living comprises textile products, such as bedding and towelling, as well as small items of furniture

and accessories. Therefore, additional provisions apply to the processing and procurement of the materials used for this purpose.

Business partners are expected to have sustainable and eco-minded timber procurement policies. They must not procure timber, wood fibres or other timber products from the following sources:

- Illegally harvested timber that has been obtained by violating governmental forest management requirements or other applicable laws and provisions
- Conflict timber, i.e. timber that is obtained and traded in a way that leads to violent conflicts or poses a threat to national/regional stability
- Timber from forests that serve as habitat for endangered animal species, provide fundamental functions of nature (e.g. erosion protection) and/or represent the basis of livelihood for the local population

In general, producers must make sure not to use any procedures and materials that are harmful to the environment or human health. All stages of the value chain from procurement of raw materials to delivery of end products must be based on ecological considerations.

The HFG encourages its business partners to obtain certification to common standards and quality labels, such as «Golden M», «Forest Stewardship Council®» (FSC®) and «Blue Angel», to increase the share of products that are proven to be sustainable.

18. Supply chain monitoring

The responsibility for ensuring compliance with the principles laid down in this Code of Conduct lies with the HFG.

The HFG is therefore authorised to monitor and verify compliance with this Code of Conduct. In case of need, business partners are obliged to submit themselves to social audits conducted by the HFG itself or by authorised third parties.

In the event of any violations of the requirements and standards laid down in the HFG Ethical Code of Conduct, the HFG reserves the right, after thoroughly investigating all circumstances of the incident, to impose sanctions, including termination of the business relationship in the event of repeated violations.

19. Grievance procedure

Violations of this Code of Conduct can be reported to the HFG at any time, including in anonymous form. All business partners guarantee to neither impose any sanctions on the reporting person nor otherwise put them at a disadvantage. Any retaliatory measures are prohibited.

Grievances and indications can be reported to the HFG using the following channels:

General point of contact:

Department: Sustainability, Compliance & Quality

Address: Strellson AG

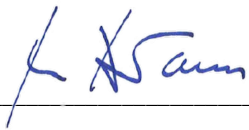
Sonnenwiesenstrasse 21

8280 Kreuzlingen

Email: grievance@holyfashiongroup.com

Grievance portal: <https://www.holyfashiongroup.de/responsibility>

Kreuzlingen, 31 March 2022



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