

GLOBAL
SOLUTION
PROVIDER



KUFNER ESSENTIALS

CODE OF CONDUCT

OUR VALUES:
SOCIAL
ECOLOGICAL
ETHICAL





PREAMBLE

OUR CORE PRINCIPLE:

Business leadership that acknowledges corporate social responsibility is one of our foundational core principles.

Yesterday, today as well as tomorrow - where ever in the world we are active!

As a worldwide active company in the textile industry, we acknowledge our corporate social responsibility: Within our possibilities, we support the objective of implementing human rights as well as labour, social and ecological standards in economic value creation processes in our whole value creation chain.

The present Code of Conduct applies to all KUFNER business units as well as all agencies and serves as a guideline for socially responsible corporate behaviour for all our employees and partners.

As a matter of course, the KUFNER Code of Conduct is oriented on internationally recognised principles for the protection of human and labour rights as set out in the United Nations Universal Declaration of Human Rights, the ILO Core Labour Standards, the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. We will ensure and protect the human right to freedom of opinion and expression as well as the general personal rights for the protection of privacy. Furthermore, the Code draws on relevant international agreements on protection of the environment.



The KUFNER Code of Conduct supports Agenda 2030 with the SDGs - the goals for sustainable development.





SOCIAL RESPONSIBILITY



1. FUNDAMENTAL UNDERSTANDING OF SOCIALLY RESPONSIBLE BUSINESS MANAGEMENT

> LEGAL COMPLIANCE

We fully **COMPLY WITH THE LAWS** of all countries in which we do business.

Where current national provisions are in contradiction with the content of our Code of Conduct or the domestic context makes it impossible to meet the responsibility for respecting human rights without restriction, we nevertheless find ways of complying with the principles on internationally recognised human rights and the content of the present Code of Conduct.

> CONTRIBUTION TO SOCIETY

We regard ourselves as part of the societies in which we do business. Through our business activities, we contribute **WELL-BEING, ADVANCEMENT AND SUSTAINABLE DEVELOPMENT** in these societies.

At the same time, we take into consideration indirect and direct effects of our business activities on society and environment, and endeavour to bring them into an appropriate balance of economic, social and ecological interests. We respect and accept the different legal, societal, cultural and social backgrounds of the countries into which our value creation chain extends, and recognise their structures, customs and traditions. Insofar as the latter are in conflict with the principles set out here, we will enter into dialogue with our business partners and strive for understanding and acceptance.

> ETHICAL BUSINESS CONDUCT AND INTEGRITY

We only engage in **LEGAL BUSINESS PRACTICES** taking account of fair competition, intellectual property rights of third parties as well as antitrust and competition rules. We reject all forms of corruption and bribery, and promote in an appropriate manner principles of responsible business management such as transparency, accountability, responsibility, openness and integrity. Business partners should be treated fairly. Contracts should be complied with insofar as the framework conditions do not change fundamentally. Generally, we respect ethical values and principles; this applies in particular for human dignity and internationally recognised human rights.

2. RESPECT FOR HUMAN RIGHTS

WE COMMIT TO FULLY RESPECT THE HUMAN RIGHTS.

Through our activities, we avoid infringing the human rights of others and address adverse human rights impacts with which we are involved.

To meet the responsibility to respect human rights, we will exercise Due Diligence in the area of human rights as a function of the size of the company, the risk of serious human rights effects as well as the nature and context of the business activity. Due Diligence should include procedures for identifying, preventing, mitigating and, where applicable, remediating potential adverse impacts on human rights, and should cover such adverse human rights impacts that companies cause or contribute to through our own activities or which may be directly linked to our operations, products or services by our business relationships.

We respect the freedom of opinion as well as privacy protection, both representing fundamental human rights.



SOCIAL RESPONSIBILITY



3. LABOUR RIGHTS AND WORKING CONDITIONS

We respect the core labour standards of the International Labour Organisation and create a **SAFE AND DECENT WORK ENVIRONMENT**.

> FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

We respect the right of workers and employers to establish, without prior authorisation and as they so choose, organisations whose object is to promote and to **PROTECT THE INTERESTS OF WORKERS OR EMPLOYERS**, to join such organisations and to select their representatives freely. We respect the right of workers and employers to conduct collective negotiations on pay and working conditions. Workers must not be discriminated against in terms of their employment due to their membership of worker organisations.

In countries where the principles of freedom of association and right to engage in collective bargaining are not recognised or where the exercise of these rights is restricted or proscribed, we will enable our workers to select freely their own representatives with whom they can enter into a dialogue on workplace issues. At the same time, we respect the right of our workers to lodge complaints without disadvantages of any kind to them arising; such complaints should be dealt with in an appropriate procedure.

> BAN ON FORCED LABOUR

NO FORCED LABOUR AT KUFNER ALLOWED.

We do not accept any economic activity based on forced labour, bonded labour or serfdom.

This encompasses any type of work or service demanded of a person under the threat of punishment and for which that person has not voluntarily made himself or herself available.

> BAN ON CHILD LABOUR AND PROTECTION OF YOUNG WORKERS

We prohibit specifically all type of child labour and actively promotes its effective abolition. Towards our partners, we specify the respect of the **INTERDICTION OF CHILD LABOUR** and the restriction for the employment of adolescents. We respect the relevant statutory minimum age for access to employment or labour labour. Under the provisions of the International Labour Organisation, this may not be lower than the age at which compulsory education ends and not lower than 15 years of age.

Appropriate mechanisms to establish proof of age have been deployed in the framework of the recruitment procedure in order to prevent child labour. If, at any case, we establish proof of child labour, we will initiate necessary measures for remediation and social reintegration focused on the well-being and protection of the child.

We will only employ young people from 16 years of age if the nature of the work performed or the work relationship does not jeopardise the life, health and morality of the young people in question and the latter receive appropriate schooling or vocational training in the relevant business sector.

> BAN ON DISCRIMINATION IN EMPLOYMENT AND PROFESSION

AT KUFNER THERE IS NO SPACE FOR DISCRIMINATION.

We commit clearly to the human rights: to refrain from all forms of discrimination, exclusion or preference based on ethnicity, skin colour, gender, religion, political opinion, nationality and social origin resulting in the removal or restriction of equality of opportunity or treatment in employment or profession. Furthermore, the principle of equal pay for male and female workers for the same work should be applied.

> WORKING HOURS

Insofar as applicable national laws or applicable workplace agreements do not specify a lower maximum working time, **REGULAR WEEKLY WORKING TIME** should not exceed 48 hours plus a maximum of 12 hours of overtime. Overtime will be remunerated at no less than the rate laid down by law or collective agreement and should be required only in exceptional cases.

We grant our employees the right to rest periods on each working day and recognise important statutory holidays. A work-free day should be granted after six consecutive days of work.



SOCIAL RESPONSIBILITY



> REMUNERATION

MINIMUM PAY RATES MUST NOT FALL BELOW THOSE SET BY LAW OR COLLECTIVE AGREEMENT. We take account of the consideration that pay for regular full-time work should be sufficient to meet workers' basic needs even in countries without a pay framework based on law or collective agreement. At the same time, we recognise that companies alone cannot ensure a decent living and that supplementary benefits of the state and other social protection measures are necessary where appropriate.

Pay will not be withheld and will be paid to the worker in an appropriate form. Pay deductions are permissible only on the basis of law or collective agreement and should be itemised. Employees will be regularly informed about the composition of their remuneration.

> EMPLOYMENT RELATIONSHIPS

We **COMPLY WITHOUT EXCEPTION WITH THE PROVISIONS OF NATIONAL LABOUR LAW.** Workers should be provided with comprehensible information about essential working conditions including working hours, remuneration as well as payment and documentation arrangements. We protect the right of workers to terminate their employment relationship taking account of the relevant notice period. In addition, we endeavour to promote workers' vocational qualifications.

> HEALTH AND SAFETY AT WORK

Taking account of national requirements, we have implemented appropriate measures to **SAFEGUARD HEALTH AND SAFETY AT WORK** with a view to preventing work-related accidents in the framework of our activities and protecting the health of our workers. Applicable local rules on health and safety at work as well as on building safety and fire protection will be complied with in order to minimise the risk of accidents and work-related illnesses. Where necessary and appropriate, workers will be supplied with appropriate personal protection equipment.

In direct situations of danger, employees have the right and the duty to leave their workplace immediately and without permission. Vulnerable persons such as young people, young mothers and pregnant women as well as people with disabilities should be given particular protection.

> DECENT TREATMENT

We treat our workers with **DIGNITY AND RESPECT.** We refrain from any form of inappropriate treatment, abuse, harassment and intimidation as well as illegal punishments vis-à-vis workers. Disciplinary measures are set out in writing and in a form which the worker can understand.





ECOLOGICAL RESPONSIBILITY



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



4. ENVIRONMENTAL PROTECTION

We comply with applicable laws, provisions and administrative practices regarding the **PROTECTION OF PEOPLE AND THE ENVIRONMENT** in the countries where we are active.

> ENVIRONMENTALLY SUSTAINABLE BUSINESS ACTIVITY

We exercise our business activity in such a way that they make a contribution to the general objective of **SUSTAINABLE DEVELOPMENT**. To this end, we have put in place a management system which enables us to monitor our operational activities for harmful environmental impacts and to take all necessary and appropriate measures with a view to reducing strain on people and the environment, preventing environmental damage and taking remedial action within the framework of their possibilities, taking applicable regional laws and provisions into account.

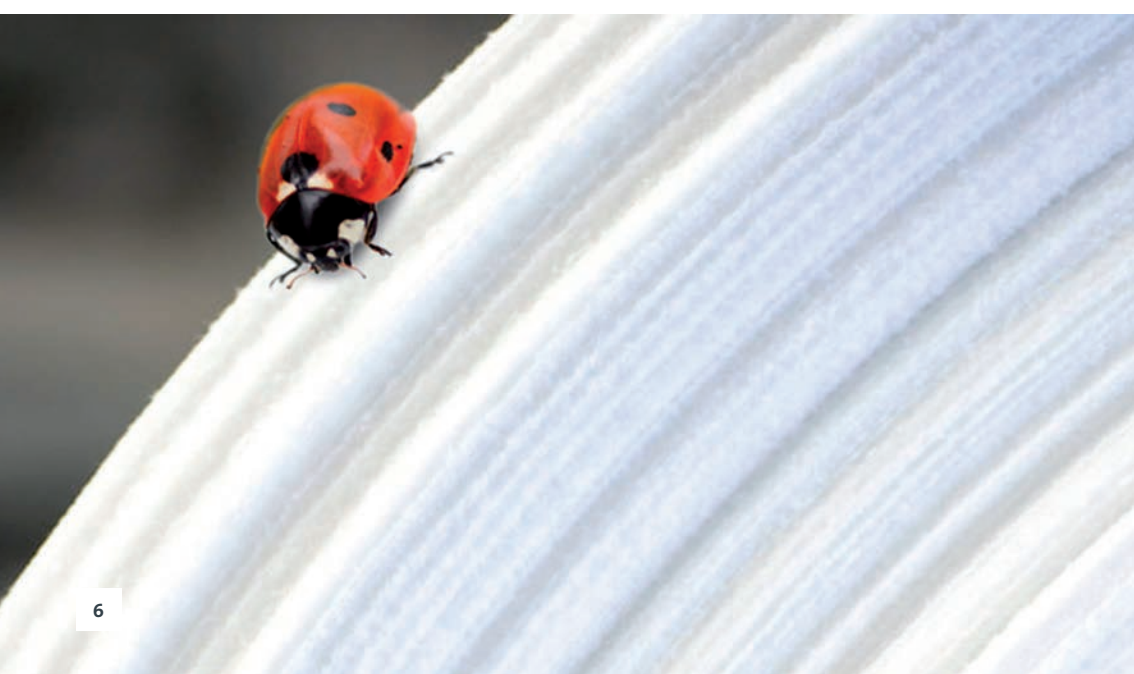
The constant and long-term improvement of our environmental performance is an integral part of our strategic target. To realise this, we promote the introduction of appropriate technologies and production processes which enable an efficient use of natural resources and energy as well as a minimisation of emissions. All of our selected suppliers, raw materials and chemicals are evaluated, approved and assessed on an ongoing basis with an eye to health and safety at work as well as consumer protection. All application of chemicals is oriented on the guidelines of ZDHC MRSL, in close cooperation with our suppliers. Proper management of waste as well as possible reuse in the framework of the recycling economy are important and self-evident for us.

> WATER, AIR AND ENERGY MANAGEMENT

Since long, we are extremely aware of the sensitive natural resources water, air and energy. Therefore, our facilities are always on top of the **LATEST TECHNOLOGICAL STANDARDS** - worldwide in all KUFNER sites, of course.

5. ANIMAL AND SPECIES PROTECTION

In our business actions, we respect the principles of animal protection. Animal husbandry and use should be organised to meet the needs of specific species. This applies equally to all our suppliers. We adhere to the Washington Convention on **PROTECTION OF ENDANGERED SPECIES OF FAUNA AND FLORA** (CITES) and orient their business actions accordingly.





ETHICAL RESPONSIBILITY



8 DECENT WORK AND ECONOMIC GROWTH



13 CLIMATE ACTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



6. CONSUMER INTERESTS

We take appropriate measures to safeguard the **QUALITY** of the products we offer. We ensure that our products comply with all statutory rules with regard to health and safety, and are harmless and safe in health terms for their intended use. We also take consumer interests into account by applying fair business, marketing and advertising practices and promoting consumer education.

7. COMMUNICATION

We communicate the **CONTENT OF THE KUFNER CODE OF CONDUCT** vis-à-vis workers, contractual partners and, as and when appropriate, third parties. It should be comprehensible for contractual partners that compliance with the Code of Conduct is in principle ensured. However, communication of operational and business secrets or competition-sensitive or other information deemed worthy of protection for legal reasons are excluded from this requirement.

8. IMPLEMENTATION AND ENFORCEMENT

This Code of Conduct is the **BASIS FOR ALL OUR ACTIVITIES**. We will make every appropriate and reasonable effort to implement and to apply the principles and values described in this code.

We commit our business partners to compliance with the requirements according to this guideline. And we support our business partners in organising their own supply chains in such a way that human and labour rights are respected and working conditions are fully applied according to this standard and, where necessary, continuously improved. Our business partners adherence to the requirements of this Code of Conduct shall be fully traceable for KUFNER.

All KUFNER employees are asked to inform us if they become aware of an infringement of the Code of Conduct. Employees and third parties may also contact **compliance@kufner.com** on a confidential and anonymous basis, if they observe incorrect business practices in the company. All reports about eventual infringements of the KUFNER Code of Conduct will be examined by the Executive Board of KUFNER Holding and measures will be taken if necessary.

All information and notifications are treated with strict confidentiality. We will also ensure that no employee is disadvantaged solely because he or she passed on information according to his or her best knowledge. We will not tolerate any kind of retaliatory measures against this person. In return we will not tolerate any abuse of this instance to report eventual infringements of this KUFNER Code of Conduct.

With a view to good Corporate Governance, we have enshrined the principles of responsible business management set out in this Code of Conduct in our strategic and operational management system.



Munich, 20th May 2023
 Marco Fries, C.O.O. - Ulrich Sogl, C.E.O. - Richard Lohner, C.F.O.
 KUFNER Holding GmbH

This Code of is based on the guideline of the Confederation of the German Textile and Fashion Industry (t+m).



WORLDWIDE SERVICE

Algeria
 Argentina
 Australia
 Austria
 Bahamas
 Bahrein
 Bangladesh
 Belarus
 Belgium
 Bolivia
 Bosnia-Herzegovina
 Botswana
 Brazil
 Brunei
 Bulgaria
 Cambodia
 Canada
 Chile
 China
 > Beijing
 > Dalian
 > Guangzhou
 > Ningbo
 > Qingdao
 > Shanghai

Macedonia
 Madagascar
 Malaysia
 Maldives
 Malta
 Martinique
 Mauritius
 Mexico
 Moldavia
 Montenegro
 Morocco
 Mozambique
 Myanmar
 Netherlands
 New Zealand
 Nicaragua
 Northern Ireland
 Norway
 Oman
 Pakistan
 Peru
 Philippines
 Poland
 Portugal
 Romania

Colombia
 Costa Rica
 Croatia
 Cyprus
 Czech Republic
 Denmark
 Dominican Republic
 Egypt
 El Salvador
 Estonia
 Fiji Islands
 Finland
 France
 Germany
 Greece
 Guatemala
 Honduras
 Hong Kong
 Hungary
 Iceland
 India
 Indonesia
 Iran
 Iraq
 Ireland
 Israel
 Italy
 Japan
 Jordan
 Kazakhstan
 Kenya
 Korea
 Kuwait
 Latvia
 Lebanon
 Lithuania
 Macau

Russia
 Saudi Arabia
 Serbia
 Singapore
 Slovakia
 Slovenia
 South Africa
 Spain
 Sri Lanka
 Sweden
 Switzerland
 Syria
 Taiwan
 Thailand
 Tunisia
 Turkey
 Ukraine
 United Arab Emirates
 United Kingdom
 Uruguay
 USA
 Uzbekistan
 Venezuela
 Vietnam
 Zimbabwe

