

DRYKORN: SUPPLIER CODE OF CONDUCT (CoC)

Preamble

The company DRYKORN Modevertriebs GmbH & Co. KG is committed to its social responsibility, regardless of whether it is economically active in Germany, Europe or other parts of the world. Driven by the awareness of a balanced social, ecological and economic design of the entire textile value chain, DRYKORN faces the challenges of an increasingly connected and global economy. In order to take this understanding into account and to shape this process together with the suppliers, this Code of Conduct (CoC) for suppliers has been developed.

With the Supplier CoC, DRYKORN assumes its due diligence for the upstream supply chain. The CoC sets clear requirements for all sewing facilities, suppliers of fabrics and trims as well as direct DRYKORN suppliers of other kinds, without exception. It applies to all who deliver goods to or provide services to DRYKORN. The Supplier CoC must be complied with as soon as a legal entity or individual has entered a contractual relationship with DRYKORN. Intermediate legal entities or individuals who enter into contracts with DRYKORN on behalf of suppliers (e.g. agencies) are also obliged to ensure compliance with the Supplier CoC on their own operations and the legal entities and/or individuals commissioned by them. In this Supplier CoC, the term "supplier" encapsulates all abovementioned entities, therefore referred to as "they/them".

DRYKORN supports the enforcement of human rights as well as social and environmental standards in value chain processes. To do so, DRYKORN aligns its operations with the principles of the United Nations (UN) Guiding Principles on Business and Human Rights and the Guidelines for Multinational Enterprises by the Organisation for Economic Co-operation and Development (OECD), and expects its suppliers to meet the same standards. DRYKORN acknowledges that respect for human rights as well as social and environmental standards is also influenced by its own business and purchasing practices, and commits to shaping these responsibly. DRYKORN is therefore committed to responsible procurement processes, realistic timelines, long-term partnerships and fair and transparent cooperation with suppliers. This CoC is therefore guided by the internationally recognized principles for the protection of human and labor rights, as set out in the UN Universal Declaration of Human Rights, the core labor standards of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights. In addition, the CoC is based on relevant international agreements for the protection of the environment.

If a supplier's national regulations conflict with the content of the CoC, or if the domestic context makes it impossible to comply with them in full, DRYKORN will seek ways to enable the supplier to meet the requirements of the CoC. In this context, DRYKORN pursues a cooperative approach within the scope of its possibilities in order to provide its suppliers with assistance in meeting the requirements of the Supplier CoC if necessary.

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_1 SOCIALLY RESPONSIBLE CORPORATE GOVERNANCE

Compliance with the Law

The supplier shall comply with the laws and regulations of the respective countries in which they operate commercially. The supplier must ensure – particularly in countries with weak legal and social systems – that they comply with the principles of this CoC in all operations at their production site(s) and that they also establish these principles in the supply chains they use.

Contribution to Society

The supplier takes into account the direct and indirect effects of their business activities on society and the environment and is committed to achieving an appropriate balance of interests in economic, social and ecological terms.

Upon request, the supplier shall provide transparent information regarding its production sites and relevant business partners within the supply chain to DRYKORN.

Ethical Business and Integrity

The supplier adheres to legal business practices without exception, following the principles of fair competition, the industrial property rights of third parties, as well as antitrust and competition regulations. The supplier rejects all forms of corruption and bribery. They base their business activities on responsible principles and ethical values such as transparency, accountability, responsibility, openness and integrity. The supplier selects reputable business partners. These are treated fairly and respectfully. Contracts are adhered to as long as the framework conditions do not change fundamentally. General ethical values and principles are respected, in particular human dignity and internationally recognized human rights.

Subcontracting

The transfer of production orders to subcontractors is only permitted with the prior written approval of DRYKORN. The supplier shall ensure that all subcontractors comply with the requirements of this CoC.

Personal Data, Protection of Confidential Information and Intellectual Property

The supplier respects the personal rights of their employees, business partners and customers. They comply with the applicable legal and regulatory requirements for the processing of personal data and information security when handling personal information.

The supplier ensures that entrusted trade secrets and other confidential information about business partners and customers are adequately protected against unauthorized acquisition, use and disclosure – at least in accordance with the relevant legal provisions for the protection of trade secrets.

The supplier respects the intellectual property of business partners, customers and other third parties and ensures that sufficient precautions are taken to protect intellectual property rights when transferring know-how and technologies.

_2 UPHOLDING HUMAN RIGHTS

The supplier respects human dignity and internationally recognized human rights, as set out, in particular, in the UN Universal Declaration of Human Rights and addressed in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The supplier also follows the internationally recognized labor standards of the ILO as listed in chapter three.

In all business activities, the supplier strives neither to cause nor contribute to human rights violations. To ensure respect for human rights within its business environment, the supplier fulfills its corporate due diligence obligations. An effective due diligence approach includes systematic procedures to identify, prevent, mitigate and address adverse human rights impacts, as well as measures for remediation and redress where such impacts have occurred. Adverse human rights impacts are understood as those caused by a legal or natural person, or to which they directly or indirectly contribute through their business activities or business relationships.

The supplier acknowledges and strictly complies with the DRYKORN POLICY: HUMAN RIGHTS, as well as the principles set out in the Supplier CoC and the Framework Agreement. This applies to the supplier's own operating sites and – where applicable – to accommodations provided for employees, as well as to all other facilities and organizations operated by the supplier in which employees are subject to the supplier's influence. Furthermore, the supplier commits to communicating the above-mentioned requirements to its own upstream business partners and to verify compliance with these requirements following a risk-based approach. The supplier shall ensure compliance with these requirements through appropriate control mechanisms, document such measures, and make the relevant documentation available to DRYKORN upon request.

(ANNEX: DRYKORN POLICY: HUMAN RIGHTS)

_3 LABOR RIGHTS AND CONDITIONS

The supplier complies with applicable law and the international labor standards of the ILO. The supplier creates a safe and humane working environment. Any form of abuse, harassment, intimidation or other degrading behavior against employees is prohibited. This also includes unlawful penalties of all kinds, in particular wage deductions of any form. Permissible disciplinary measures must be set out in writing and in a form that is understandable to the employee.

Prohibition of Forced Labor

The supplier prohibits any economic activity based on forced or compulsory labor, as defined by the ILO, debt bondage, or serfdom. This includes any type of work or service that is demanded from a person under the threat of punishment and for which the person has not offered themselves voluntarily. Workers must not be required to deposit identity documents, passports, work permits, or personal valuables with the employer or any third party. The supplier implements appropriate due diligence mechanisms to ensure that both its own operating sites and its supply chain are free from forced labor. The supplier documents its processes and mechanisms and discloses them to DRYKORN upon request.

Prohibition of Child Labor and Protection of Young Workers

The supplier never exploits children for work purposes. The supplier complies with the applicable legal minimum age for admission to employment or work, which, in accordance with the provisions of the ILO, must not be below the age at which compulsory schooling ends and must never be below 15 years of age. As part of the recruitment process, the supplier uses appropriate age verification mechanisms to clearly prevent child labor. If child labor is identified, measures must be taken in the best interests of the affected child. These measures shall ensure that affected children are protected and have access to education.

The supplier shall only employ young people under the age of 18 if the nature or circumstances of the work performed by them do not endanger their lives, health and morals. The supplier ensures that young people receive appropriate instructions or vocational training in the relevant economic sector.

Prohibition of Discrimination in Employment and Occupation

The supplier refrains from any form of discrimination, exclusion or preferential treatment based on ethnic origin, skin color, gender or sexuality, age, health status, disability, religion, political opinion, national descent, belief or social origin, which has the effect of cancelling or impairing equality of opportunity or treatment in employment or occupation. Furthermore, the principle of equal pay applies to male, female and non-binary workers for work of equal value.

If applicable, the supplier shall take special precautions to ensure that particularly migrant workers are protected from discrimination of any kind.

Working Hours

The supplier complies with all statutory or applicable collective bargaining provisions regarding working hours, including overtime, rest breaks, and annual leave. Unless applicable national laws or collective bargaining agreements stipulate a lower maximum working time, regular working hours must not exceed 48 hours per week plus a maximum of 12 overtime hours per week. Working hours and overtime are fully recorded and compensated at least in accordance with the applicable legal or collective bargaining regulations, or balanced through appropriate compensation mechanisms. Overtime shall only be required on an exceptional basis. Overtime work must be voluntary and may not be imposed on a regular basis.

The supplier grants their employees the right to breaks on each working day and complies with the working time provisions of relevant public holidays. After six consecutive working days at the latest, the supplier shall grant a day off.

Wages

The supplier adheres to minimum wages applicable by law or through collective bargaining agreements when remunerating their employees. The supplier does not withhold wages and pays them regularly in a form that is suitable for the employee. Wage deductions are only permitted within the legal or collective agreement framework and are to be disclosed to the employee. Employees are regularly informed about the composition of their remuneration.

Employment Relationship

The supplier complies with the provisions of applicable national labor law. Before entering into an employment contract, employees shall be provided with complete information on the essential terms and conditions of employment in a language and form understandable to them. This includes information on working hours, remuneration, payment and payroll arrangements, as well as their rights and obligations. The supplier shall protect the right of employees to terminate their employment relationship in compliance with the applicable notice period. Precarious or abusive forms of employment intended to circumvent labor law obligations must be avoided at all times.

Health and Safety at Work

The supplier takes all necessary measures to ensure health and safety at work in all applicable operations in order to prevent accidents at work and to protect the health of their employees and third parties. They ensure that all obligated employees are registered with the social insurance schemes that are mandatory in the country. All applicable local regulations on occupational health and safety, building safety and fire safety are complied with to minimize the risk of accidents and occupational accidents and diseases.

The supplier shall take appropriate measures to ensure, in particular, that building safety is guaranteed, escape routes are consistently kept clear, safety systems function properly, and protective equipment is fully functional and appropriate. The supplier shall require its employees to leave the workplace immediately and without prior permission in situations of immediate danger. Employees have the right to refuse unsafe work without having to fear sanctions.

Employees are regularly trained on relevant occupational health and safety topics. Where necessary and appropriate, workers are provided with appropriate, fully functioning personal protective equipment. Vulnerable groups such as young workers, young mothers, pregnant women, and people with disabilities receive special protection.

Freedom of Association and the Right to Collective Bargaining

The supplier respects employees' rights to freedom of association and freedom of assembly, as well as the right to collective bargaining and collective wage negotiations, insofar as these rights are legally permitted and feasible in the respective country of employment. Employee representatives must not be discriminated against, disadvantaged, or intimidated on the basis of their activities.

In countries where the principles of freedom of association and assembly and/or right to collective bargaining are not secured by law, or where the exercise of these rights is restricted or prohibited, the supplier shall pursue the concept that employees are free to elect their own employee representatives who represent the views of the workforce in the dialogue between workers and management regarding labor topics/issues.

Right to raise grievances

The supplier enables employees to submit grievances without facing any negative consequences. Grievances may be submitted anonymously and accessibly through a legitimate and transparent grievance system, such as a mailbox in an unobserved location on company premises or an online platform. Grievances may also be supported or submitted by employee representatives, trade unions, or civil society organizations. Grievances are handled by impartial persons, such as an HR representative or ombudsperson, in a standardized and documented process with the aim of finding a solution that fairly considers the interests of all parties. Whenever possible, preventive measures for the future are derived from resolved grievances. Upon request, the supplier shall provide DRYKORN with information on its grievance management system.

4 ECOLOGICAL RESPONSIBILITY

The supplier carries out business activities taking ecological aspects into account. The supplier complies with the applicable laws, regulations, and administrative practices for the protection of people and the environment in the countries in which it operates. The supplier conducts its business activities in a manner that contributes, within the scope of its capabilities, to the United Nations Sustainable Development Goals (SDGs) and aims for a continuous, long-term improvement process for the environment and society. The supplier shall also strive to continuously reduce climate-relevant emissions in line with international climate goals.

- The supplier shall take appropriate measures that are based on legal and internationally recognized standards and cover the following topics, among others:
- Efforts to increase energy efficiency and the share of renewable energies in energy consumption at the company's own locations;
- Reduction of CO₂ equivalent emissions in accordance with the "Greenhouse Gas Protocol";
- Efforts to reduce water consumption;
- Professional and legal handling of hazardous substances and other chemicals as well as waste, including disposal;
- Responsible use of chemicals based on the Zero Discharge of Hazardous Chemicals (ZDHC) framework;
- Efforts to reduce or avoid waste;
- Minimization of emissions from operational processes (e.g. wastewater, exhaust air/gases, noise);
- Conservation of natural resources, for example through measures to save packaging, chemicals and other substances relevant to production;
- Promoting circular economy principles and other ecologically preferred technologies, processes, raw materials and products, as well as continuously increasing the proportion of preferred materials.
- The supplier respects the protection of biodiversity and natural ecosystems.

_5 INTERESTS OF CONSUMERS

The supplier takes appropriate measures to ensure the quality of the goods. The supplier shall ensure that products comply with all regulations specified by DRYKORN regarding consumer health and safety and are safe and harmless to health for their intended use. The supplier shall ensure the traceability of relevant product information and make such information available to DRYKORN upon request.

_6 ANIMAL AND SPECIES PROTECTION

The supplier observes the principles of animal welfare in its business activities. The supplier shall ensure that animal husbandry and animal use within its supply chain are conducted in compliance with applicable laws and in a species-appropriate manner. The supplier acknowledges the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for the protection of endangered animal and plant species and aligns its business activities accordingly. The supplier supports internationally recognized animal welfare standards. The supplier acknowledges the DRYKORN POLICY: ANIMAL MATERIALS and complies with its requirements.

(APPENDIX: DRYKORN POLICY: ANIMAL MATERIALS)

_7 DOCUMENTATION, REPORTING, AND COMMUNICATION

The supplier shall document its actions in the business areas covered by the Supplier CoC in a structured and careful manner. Relevant documents shall be made available to DRYKORN upon request in a transparent, complete, and timely manner. DRYKORN voluntarily reports annually on its environmental and social activities and encourages each of its suppliers to follow this example by regularly preparing their own sustainability reports, within the scope of their respective possibilities, and making them available to their stakeholders.

_8 IMPLEMENTATION AND ENFORCEMENT

The supplier makes appropriate and reasonable efforts to comply with the contents of the Supplier CoC at their own sites as well as any potential subcontractors. DRYKORN encourages suppliers to demand that their contractual partners in their respective supply chains also comply with the requirements set out in this CoC.

DRYKORN is committed to long-term, partnership-based business relationships. Contractual partners are therefore identified and checked in an appropriate manner before a supply relationship is established, e.g. through self-declarations, supplier visits or social audits.

DRYKORN reserves the right to monitor suppliers' compliance with the expectations set out in this CoC, for example by means of audits. Such monitoring may be announced or unannounced and may include confidential interviews with employees. Identified violations shall be addressed through specific corrective measures, deadlines, and follow-up. If serious violations are identified, DRYKORN reserves the right to take appropriate contractual action, including termination of the business relationship. In any case, DRYKORN expects that identified violations are addressed with appropriate remedial and/or preventive measures.

Notice of Violations

DRYKORN takes every violation of the CoC seriously. Where functioning grievance mechanisms are not at all or insufficiently available on site, DRYKORN strives to support or expand them with appropriate measures.

In the event of reports of violations, DRYKORN initiates measures for proper and confidential clarification and, where necessary, takes appropriate countermeasures in the form of remedial and/or preventive measures. Whistleblowers must not be subjected to any disadvantages, sanctions, or reprisals as a result of submitting a report.

Contractual partner (only if no direct supplier)

Supplier

Supplier's address

DATE

SIGNATURE AND STAMP