

CODE OF CONDUCT

Preamble

Schoepf professes its social responsibility. Aware of our responsibility within the social, ecological and economic shaping of the complete supply chain, we meet the challenges posed by an increasingly connected and global economy.

Our Code of Conduct is based on a version developed by the German Textile and Fashion Confederation and its member associations who recommend its application as a guideline for socially responsible corporate action. The Code aims at and focuses on highlighting fields of corporate responsibility and offers an orientation framework with which companies can align their corporate policy individually. For its implementation in global supply chains, the Code contains practical ground rules which are feasible not least for small and medium-sized companies with their diverse business models and capacities. The Code of Conduct is oriented on internationally recognized principles of the protection of human and labor 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. Furthermore, the Code draws on relevant international agreements on the protection of the environment. These international agreements are essentially binding on States - not companies. Their implementation is a State task. Schoepf supports the goal of implementing human rights as well as labour, social and ecological standards in economic value creation processes. By aligning our business activities with the principles laid down in these international agreements, we can make a contribution in this respect. We do so in the knowledge that this is a long-term process for whose success constructive and pragmatic cooperation between State institutions, stakeholders in society and companies is essential.

1. Fundamental understanding of socially responsible corporate management

Legal compliance

Schoepf complies with the laws and regulations of all countries in which it does business. We take care - especially in countries with a weakly developed governance structure - to observe the principles of this Code of Conduct in our own actions, and also encourage our business partners to do likewise. Where existing national regulations are in contradiction with the contents of the Code, or if the domestic context makes it impossible to fully assume the responsibility of respecting human rights, we shall nevertheless find ways of complying with the principles of internationally recognised human rights and the content of the present Code of Conduct.

Contribution to society

Schoepf sees itself as part of the societies in which it operates. Through our business activities, we contribute to the well-being, advancement and sustainable development of these societies. We take into account the direct and indirect effects of our business activities on society and environment and strive 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 to which our value chain extends and recognise their structures, customs and traditions. Insofar as the latter conflict with the principles laid down here, we will enter into dialogue with our business partners and work towards understanding and acceptance.

Ethical business conduct and integrity

Schoepf engages in legal business practices in compliance with 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 shall be treated fairly. Contracts shall be complied with unless the framework conditions fundamentally change. General ethical values and principles shall be respected, in particular where human dignity and internationally recognised human rights are concerned.

2. Respect for human rights

Protection of human rights is the duty of the respective States in which Schoepf is economically active. To support of the duty of the State to implement human rights on its territory, we shall respect human rights. We avoid impairing the human rights of others through our activities and counter adverse human rights impacts in which we are involved. In order to meet our responsibility of respecting human rights, we exercise due diligence in the area of human rights, depending on the size of the risk of serious human rights effects as well as the nature and context of our business activities. The concept of due diligence includes procedures for identifying, preventing, mitigating and, where applicable, remediating potential adverse impacts on human rights. It covers such adverse human rights impacts that we ourselves cause or contribute to or which may be directly related to our business operations, products or services as a result of our business relationships.

3. Labour rights and working conditions

Schoepf respects the core labour standards of the International Labour Organisation and creates a safe and humane working environment.

Freedom of association and right to collective bargaining

Schoepf respects the right of employees and employers to form, without prior authorisation and as they so choose, organisations whose object is to promote and protect the interests of employees or employers, to join such organisations and to choose their representatives freely. We respect the right of employees and employers to conduct collective negotiations on pay and working conditions. Employees must not be disadvantaged in terms of employment due to their membership of worker organisations.

In countries where the principles of freedom and the rights of association and collective bargaining are not respected or where the exercise of these rights is restricted or prohibited, we enable our employees to freely choose their own representatives with whom they can enter into a dialogue on workplace issues. Without prejudice of any kind, we respect the right of our employees to lodge complaints; such complaints shall be dealt with in an appropriate procedure.

Prohibition of forced labour

Schoepf does not accept any economic activity based on forced or compulsory labour, debt bondage or serfdom. This encompasses any kind of work or service demanded of a person under the threat of punishment and for which he has not volunteered.

Prohibition of child labour and protection of young workers

Schoepf is committed to the effective abolition of child labour. We observe the relevant legal minimum age for admission to employment or work, which, according to the provisions of the International Labour Organization may not be lower than the age at which compulsory schooling ends and not lower than 15 years of age.

As part of the recruitment process, appropriate mechanisms for determining age prevent child labour. If we identify child labour, we will take the necessary measures for remedy and social reintegration focused on the well-being and protection of the child. We only employ young people aged 16 and over if the nature or conditions of the work they carry out do not endanger the life, health and morality of the young people concerned and if they receive appropriate technical or vocational training in the relevant economic sector.

Prohibition of discrimination in respect of employment and occupation

We shall refrain from any form of discrimination, exclusion or preference based on ethnicity, skin colour, gender, religion, political opinion, national or social origin leading to the elimination or

impairment of equality of opportunity or treatment in employment or occupation. The principle of equal pay for work of equal value for male and female workers shall also be applied.

Working hours

Unless applicable national laws or collective bargaining regulations specify a lower maximum working time, the regular working time shall not exceed 48 hours per week plus a maximum of 12 overtime hours per week. Overtime shall be remunerated at no less than the rate fixed by the relevant statutory or collective bargaining regulations and its arrangement should remain an exception. Schoepf grants its employees the right to rest periods on every working day and observes the relevant public holidays. A day off shall be granted after six consecutive working days.

Remuneration

Wages must not fall below national or contractual minimum rates of pay. In countries without a statutory or agreement-based pay framework, Schoepf takes into account that wages for regular full-time work should be sufficient to meet the basic needs of employees. At the same time, we recognise that companies alone cannot ensure a decent living, but that additional state benefits and other social protection measures may be necessary. Wages will not be retained and will be paid regularly and in a form suitable for the employee. Wage deductions are permissible only on the basis of law or collective agreement and must be itemised. Employees will be regularly informed about the composition of their remuneration.

Employment relationships

The rules of national labour law shall be observed. Employees are provided with clear information on the main working conditions, including working hours and remuneration as well as payment and settlement arrangements. Schoepf protects the right of employees to terminate their employment relationship in compliance with the relevant period of notice. Furthermore, we strive to promote the professional qualifications of employees.

Health and safety at work

Taking into account the relevant national requirements, Schoepf implements appropriate measures to ensure health and safety at work in order to prevent accidents at work and protect the health of its employees in the context of its activities. In order to reduce the risk of accidents and occupational diseases to a minimum, applicable local regulations on occupational safety, health and safety at work as well as building safety and fire protection will be observed. Where necessary and appropriate, employees shall be provided with adequate personal protective equipment. In situations of direct danger, employees have the right and the duty to leave their workplace immediately and without prior permission. Vulnerable persons such as young employees, young mothers and pregnant women as well as persons with disabilities will receive special protection.

Decent treatment

Schoepf treats its employees with dignity and respect. We shall refrain from any form of unworthy treatment, abuse, harassment and intimidation as well as illegal punishment against employees. Disciplinary measures shall be laid down in writing and in a form comprehensible to the employee.

4. Environmental protection

Schoepf complies with the laws, regulations and administrative practices in force to protect man and the environment in the countries in which it operates. As a matter of principle, we conduct our business in such a way as to make a contribution to the overall objective of sustainable development. To this end, we shall set up a customized system that enables us to assess our operational activities for harmful environmental impacts and to take all necessary and appropriate measures to reduce negative impacts on man and the environment, to avoid any damage to the environment and, in compliance with existing regional laws and regulations, to provide remedy to the best of our ability. We are committed to constant and long-term improvement of our environmental performance by promoting the introduction of appropriate technologies and production processes that enable the efficient use of natural resources and energy as well as a minimisation of emissions. We strive to evaluate the

chemicals used and try to select them under aspects of environment protection, health and safety at work as well as consumer protection, and to replace particularly harmful chemicals. We guarantee the professional disposal of waste as well as the possible reuse of materials within the framework of the recycling economy insofar as this is possible under local conditions.

5. Consumer interests

Schoepf takes appropriate measures to guarantee the quality of the products it offers. We ensure that our products comply with all legal regulations with regard to consumer health and safety, do not present any health risk and are safe for their intended use. In all our information and distribution activities, we shall take into account the consumers' interests by applying fair business, marketing and advertising practices and by promoting consumer education.

6. Animal and species protection

Schoepf observes the principles of animal protection in its business activities. Animal husbandry and use shall meet the needs of specific species. We adhere to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and act accordingly.

7. Communication

Schoepf communicates the contents of the Code of Conduct to employees, contractual partners and, when appropriate, third parties. It shall be comprehensible to contractual partners that compliance with the Code of Conduct is guaranteed as a matter of principle. However, disclosure of company and trade secrets or information which is competition-related or deemed worthy of protection for legal reasons is excluded from this requirement.

8. Implementation and enforcement

Schoepf respects the present Code of Conduct in its own actions. We encourage our business partners to apply the Code of Conduct accordingly and support them in organising their supply chain in such a way that human and employee rights are respected and working conditions are continuously improved.

In the spirit of good corporate governance, we embed the principles of responsible corporate management set out in the Code in our strategic and operational management systems.

Stammbach, April 2018