



KiK Textilien & Non-Food GmbH

Code of Conduct

(Version December 2022)

I. Introduction

As an internationally active company, KiK Textilien & Non-Food GmbH, referred to as 'KiK' in this document, is committed to respecting human rights wherever we operate. We are determined to conduct our business in an ethical and responsible manner that supports and respects human rights. We believe that it is our responsibility to conduct our operations in alignment with national legislation and core internationally recognised human rights contained in the International Bill of Human Rights and the International Labour Organization (ILO)'s Core Conventions. To that end, we follow the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises and the UN Global Compact, as well as the Paris Climate Agreement.

We expect all direct and indirect business partners to respect the labour, occupational health and safety, and environmental standards contained in this Code and all other applicable laws. Human rights describe universal rights that apply to all people in the same way. They must be respected and protected under all circumstances. No one who works with or for us shall suffer mental or physical harm.

This Code of Conduct is part of our General Terms and Conditions. It forms not only the guideline for our entire cooperation with business partners, but is also the basis for the implementation of due diligence obligations with regard to our business partners, which arise for KiK from the German Supply Chain Due Diligence Act and other legal regulations (more on this can also be found in our **Human Rights Policy**).

Business partners must comply with the requirements set out in this document with respect to all employees participating in the provision of all products and services supplied by them or their subcontractors, irrespective of the contractual relationship with the employees. This explicitly includes contract workers. National regulation that is stricter than this Code of Conduct apply in all cases. The legal standard that offers the greater protection always applies. KiK also strives to exceed minimum standards whenever possible.



II General obligations of the business partners

We strive to establish and maintain long-term business relationships with all our business partners. We expect our business partners, to commit to comply with this Code of Conduct and all social and environmental standards it contains, and to act in a fair and honest manner. Specifically, we expect our business partners to establish appropriate internal processes to meet the following requirements:

1. Compliance with legal requirements

All KiK business partners must comply with applicable national regulation, in particular labour and social laws, as well as environmental protection regulations. In addition, all business partners shall comply with the regulations of this Code.

2. Information

Business partners must put this Code on display, freely accessible in all essential workplaces. This Code must be translated into the common language(s) of the employees for everyone's knowledge. The business partner must regularly train employees on their rights and obligations resulting from this Code and relevant local laws.

3. Cascading

Business partners must communicate the contents of this standard to all their direct business partners and subcontractors and ensure appropriate monitoring of the compliance with the agreed standards.

4. Implementation

Business partners must name a person as a contact person for KiK who is responsible for the implementation of the regulations of this Code. Furthermore, the business partner commits to adequately document compliance with national laws and the Code. KiK expects, without restriction, that all business partners initiate effective measures to ensure compliance with the requirements described.

5. Review

For the purpose of performance review and rapid progress in the development of business partners, KiK or third parties authorised by KiK are entitled to visit all premises of its business partners and their subcontractors for inspection purposes at any time and without prior notice. Business partners are prohibited from passing on the results of these inspection visits/audits to third parties without prior



authorisation from KiK. Should there be any concrete risks or violations, KiK expects proactive communication and active participation in the clarification of cases by the business partner.

6. Principles of corporate governance/ corruption

Business partners are expected to align their business organisation with appropriate and responsible management within the framework of applicable law and generally recognised ethical values, and implement these in their operational management and compliance structure. The principles of corporate governance, such as accountability, responsibility, transparency and integrity, shall be observed in all areas of the business relationship. Business partners will implement structural and operational preventive measures to prevent all forms of corruption, such as bribery, fraud, extortion, kickbacks, etc., as well as abuse of commercial powers.

III. Standards for employees

1 Working atmosphere

All employees must be treated with respect and dignity. Any form of physical punishment, psychological, sexual or verbal harassment and abuse, and any other form of intimidation or degrading treatment is prohibited.

Disciplinary measures must not violate national legislation and internationally recognised human rights. Employees who file a complaint based on violations of the provisions of this Code of Conduct or national laws shall not be subject to any form of disciplinary action and punishment.

2 Working hours

Working time arrangements, including break, rest, overtime and holiday periods, as well as sick days and parental leave, must be set in accordance with local laws. In any case, employees may not work more than 48 hours in a regular workweek. Overtime must be voluntary, may not exceed 12 hours per week, and must be compensated. All employees must have at least one day off after six consecutive days of work.

3 Remuneration

All employees must be paid for work performed during regular working hours at a rate at least equal to the legal minimum wage, the industry minimum wage or the minimum wage based on collective bargaining, whichever is higher. Overtime must be compensated with statutory or industry standard bonuses. In addition, business partners are obliged to aim for a remuneration that covers the cost of



living and includes an amount at the free disposal of employees if the statutory minimum wages are not sufficient for this purpose. Employees must receive at least legally prescribed social benefits. Wage deductions as a disciplinary measure are not permitted. Furthermore, employees must be informed of the full composition of their wages in a manner they can understand.

4 Conditions of employment

Employees must be informed of the terms and conditions of employment in an understandable manner and the employment relationship must be based on formal documents such as an employment contract or recruitment letter. This document must provide information on the terms and conditions of employment including wages, period of payment, pension benefits, holiday entitlement, sickness, maternity and parental leave and notice period and must be given to employees. The requirements of this Code of Conduct must not be circumvented through false training programmes, contract work or similar methods.

5 Health and safety at work

The workplace and the performing of their tasks must not endanger the employees, their physical and mental health and safety. A safe and clean working environment and compliance with occupational health and safety obligations must be ensured by the employer through health and safety standards and systems. Effective measures must be taken to prevent accidents and injuries at work or resulting from the use of company facilities. Furthermore, it must be ensured that employees have access to adequate food, clothing, water and sanitary facilities at the workplace. These measures and procedures must be communicated to employees and training on how to apply them effectively must be provided. The same principles apply to all social facilities and company accommodation, if provided by the employer.

6 Forced labour

All employees must take up their work of their own free will and continue employment at their own request, i.e. they have the right to terminate their employment relationship subject to the contractually agreed or statutory notice period. Any form of slavery or forced labour, compulsory labour, unpaid work, slave-like conditions, debt bondage, unlawful prison labour or other forms of domination or oppression in the workplace environment is prohibited. Employees may not be restricted in their personal freedom of movement. It is forbidden to withhold identification documents



from employees. The business partner shall exercise particular care in the direct and indirect use of employment agencies.

7 Child labour

Child labour in the sense of ILO Conventions No. 138 and 182 as well as national regulations is prohibited. The age limit for permitted employment is not below that of the of compulsory school age and in no case under 15 years of age (or 14 years of age where national law permits in accordance with ILO Convention No. 138). Regardless of age, the promotion of any of the worst forms of child labour activities listed in ILO Convention No. 182 is prohibited. Each business partner will be held directly responsible for violations of the prohibition of child labour, should they be found in its own business activities or those of its subcontractors. Appropriate measures to improve the situation of those affected must be taken immediately, taking into account the child's age, social background and education to ensure the child's welfare in the future. Regulations for the protection of juvenile workers must be followed.

8 Discrimination

All employees must be treated equally and not discriminated against in, for example, recruitment, pay, benefits, promotion or dismissal. Discrimination on the basis of national or ethnic origin, social origin, state of health, disability, sexual orientation, age, gender, political affiliation, religion or belief, establishment, joining or membership of a trade union or any other personal characteristic, will not be tolerated unless the difference in treatment is justified by the requirements of the employment.

9 Freedom of association and collective bargaining

It is the right of workers to form or voluntarily join a workers' organisation (or trade union) of their own choice. Where the right to freedom of association is restricted by national law, workers must be allowed to use alternative forms of representation to further their interests in collective bargaining and for direct exchange with their employers.

10. Data protection

The security of personal data must be ensured for everyone, including employees.



IV. Further standards

1. Land rights & protection of indigenous peoples

In the acquisition, development or other use of land, the unlawful clearance and/or deprivation of land, forests and waters shall be prohibited, particularly where their use secures a person's livelihood. Respect for local communities, including indigenous peoples, must be ensured in accordance with applicable local, national, international and traditional land, water and resource rights, and the free, prior and informed consent of affected communities must be secured.

2. Use of security forces

The use of security personnel must be controlled by the business partner to prevent risks related to torture and cruel, inhuman or degrading treatment, harm to life and limb or interference with the right to organise and freedom of association. When recruiting public or private security personnel, security personnel must be familiarised with this Code of Conduct. In particular, but not limited to, security guards shall not cause physical or psychological harm to workers or others concerned, shall not interfere in actions related to freedom of association and collective bargaining, and shall refrain from all forms of discrimination and harassment.

3. Environment

Business partners must implement adequate measures to prevent or minimise harmful environmental impacts that arise from their production processes and cause health hazards or affect food production and access to drinking water and sanitary facilities. This applies in particular to the creation of harmful soil changes, water and air pollution, noise emissions and excessive water consumption. Business partners shall comply with all applicable relevant environmental laws and contractually agreed upon regulations with respect to their business activities as well as the final product.

Business partners are required to develop an environmental management system in order to develop, implement and document the environment- and climate-orientation of their business activities.

4. International agreements

Where relevant, KiK expects business partners to introduce adequate measures to ensure compliance with the bans on the use and production of mercury and the treatment of mercury waste under the Minamata Convention, the ban on the production and use of chemicals (persistent organic pollutants) and the handling, collection, storage and disposal of waste in a non-environmentally sound manner



under the Stockholm Convention, and finally the ban on the export and import of hazardous waste under the Basel Convention.

V. Cooperation and development

KiK expects its business partners to independently ensure that risks are identified in accordance with these requirements and prevented, ended or minimised through appropriate management systems. We understand human rights due diligence as a continuous process and expect our business partners to cooperate and to show their willingness to constantly expand their processes in this regard. At the same time, we are aware of the complexity of implementing some of the requirements of this Code and are prepared to support our business partners in their implementation thereof.

Even if an infringement on the part of the business partner made it necessary to restrict, suspend or terminate a business relationship, we offer our support in finding solutions to difficult situations and the development of cooperative suppliers to enable the resumption of business relationships. However, as a last resort, KiK reserves the right to terminate business relationships whenever violations of this Code as well as fundamental human rights, or systematic falsification and/or persistent lack of willingness to cooperate are identified and other remedial measures have been exhausted.

Complaints

KiK provides all affected persons or serious whistleblowers with the direct opportunity to inform us confidentially and justifiably of possible violations of this Code via this channel (<https://kik.integrityline.com/> oder socialcompliance@kik-textilien.com). The notification is made while safeguarding the legitimate interests of the business partner or its subcontractors. Further details are regulated in the publicly accessible KiK Complaints Guidelines. Business partners must inform their employees about the complaint possibilities at KiK.

We also encourage our business partners to define and implement their own effective complaint mechanisms for employees and local communities that could potentially be negatively impacted by business operations.



Our senior management will oversee the implementation of this policy.

Patrick Zahn

CEO

Dirk Ankenbrand

CMO

Ansgar Lohmann

Head of CSR Department