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Preamble

At Kettelhack, we produce and sell high-quality and durable textiles. As an independent family business in its fourth generation, we are very familiar with long-term planning and responsible action. We are working together for a *Good Tomorrow*. A joint action for a sustainable future, without disregarding knowledge and experience from the past. This is our mission, and we are committed to it – at all levels and in all areas of the company.

As globally sourcing company, we are aware that there is a wide range of sustainability challenges in the deeper supply chain. That is why Kettelhack joined the German Partnership for Sustainable Textiles, which was founded to improve the social and environmental conditions within global textile production. The objectives of this multi-stakeholder initiative are based in particular on the ILO Conventions, the UN Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. We are convinced that only the joint initiative of all stakeholders in the textile value chain can lead to a holistic implementation of sustainability in the textile industry. As we maintain long-standing, partnership-based business relationships with our suppliers we would like to work together with them to promote the sustainable development of the global textile industry.

This Supplier Code of Conduct describes what Kettelhack expects from suppliers and business partners regarding legal compliance, labour practices, environmental performance, and anti-corruption. The requirements of the sections regarding labour conditions and ethical business behaviour are based on the amfori BSCI Code of Conduct (v.2021). The Code of this leading global business association refers to the United Nations (UN) Universal Declaration of Human Rights (1948), the International Labour Organisation's (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977), the UN Guiding Principles on Business and Human Rights (UNGPs) (2011) and the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (OECD) (2011). It therefore represents all the most widely accepted international frameworks for responsible business conduct and is the basis for human rights due diligence.

We ourselves are certified according to EMAS, DIN ISO 14001 and STeP by OEKO-TEX. Therefore we expect our business partners also to maintain effective policies, processes and procedures to manage their environmental impact. The derived requirements can be found in the corresponding chapter.

Labour

No Precarious Employment

The signatories commit to:

- Ensure that, their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers,
- Ensure that work is performed on the basis of a recognised and documented employment relationship, established in compliance with relevant national legislations, custom or practice, and international labour standards, whichever provides greater protection,
- Before entering employment, provide workers with understandable information in their own language and ensure that they are aware about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment in their own language,
- Aim at providing decent, and where relevant, flexible working conditions that also support workers, irrespective of gender, in their roles as parents or caregivers, including migrant and seasonal workers whose children may be left in their hometowns,
- Not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, (c) labour-only contracting, and d) contract substitution,
- Not use subcontracting in a way that undermines the rights of workers.

No Bonded, Forced Labour or Human Trafficking

The signatories commit to:

- Not engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour, including state-imposed forced labour,
- Adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers, As a minimum, this includes:
 - No recruitment fees and costs are charged to workers
 - Clear and transparent employment contracts
 - Workers' freedom from deception and coercion
 - Freedom of movement and no retention of identity documents
 - Access to free, comprehensive, and accurate information
 - Freedom to terminate contract, change employer, and safely return
 - Access to free dispute resolution and effective remedies
- Progressively compensate the damages incurred to the workers within a reasonable timeframe, and within the framework of the same international principles, if historical or actual failure of adherence to principles is identified.

No Child Labour

The signatories commit to:

- Not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years old,
- Protect children from any form of exploitation,
- Establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker,
- Take special care and identify measures in a proactive manner in case of the dismissal and removal of children, to ensure the protection of affected children

Special Protection for Young Workers

The signatories commit to:

- Ensure that young persons (age of 15-18) do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development, without prejudice to the specific expectations set out in this principle,
- Remove young workers from any hazardous work or source of hazard immediately when such cases are identified, and redefine their scope of work without any loss of income,
- Ensure that (a) the kind of work is not likely to be harmful to young workers' health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programmes,
- Ensure that under no circumstances any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day.
- Set the necessary mechanisms to prevent, identify and mitigate harm to young workers, with special attention to the provision and access of young workers to effective operational grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes specific to the needs of young workers.

No Discrimination, Violence or Harassment

The signatories commit to:

- Treat all workers with respect and dignity,
- Ensure that workers are not subject to any form of violence, harassment, and inhumane or degrading treatment in the workplace, as well as threats of violence and abuse, including corporal punishment, verbal, physical, sexual, economic or psychological abuse, mental or physical coercion, or other forms of harassment or intimidation,
- Understand the possible grounds for discrimination in their specific context, and not discriminate or exclude persons based on sex, gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other condition that could give rise to discrimination,
- Establish disciplinary procedures in writing and explain them verbally to workers in terms and language which they understand. The disciplinary measures must be in line with national legislation and internationally recognized human rights,
- Provide gender-sensitive and equal opportunities and treatment throughout recruitment and employment,
- Verify that workers are not harassed, disciplined, or retaliated upon for reporting issues on any of the grounds listed above

Rights of Freedom of Association and Collective Bargaining

The signatories commit to:

- Respect the right of workers to form and join trade unions – or to refrain from doing so – and bargain collectively, in a free and democratic way, without distinction whatsoever and irrespective of gender,
- Ensure meaningful representation of all workers, without distinction whatsoever and irrespective of gender,
- Not discriminate against workers because of trade union membership,
- Not prevent workers' representatives and recruiters from having access to workers in the workplace or from interacting with them,
- Respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues, when operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed.

Fair Remuneration

The signatories commit to:

- Comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours,
- Pay wages in a regular, timely and stable manner, and fully in legal tender. Partial payment in the form of allowance "in kind" is only accepted in line with ILO specifications,
- Assess the pay gap accurately, and work progressively towards the payment of a living wage that is sufficient to afford a decent standard of living for the workers and their families,
- Reflect the skills, responsibility, seniority, and education of workers in their level of wages,
- Where a pay rate for production, quota or piece work, is established, allow workers to earn at least a wage which respectively meets or exceeds applicable legal minimum wages, industry standards, or collective bargaining agreements (where applicable) within standard working hours,
- Ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification,
- Implement deductions only under the conditions and to the extent allowed by law or fixed by collective agreement,
- Provide the workers with the social benefits that are legally granted, such as without negative impact on their pay, level of seniority, position, or promotion prospects.

Decent Working Hours

The signatories commit to:

- Interpret applicable national legislation, industry benchmark standards or collective agreements within the international framework set out by the ILO, and promote working hour practices that enable a healthy work-life balance for the workers,
- Ensure that workers are not required to work more than 48 standard hours per week, without prejudice to the specific expectations set out hereunder,
- Use overtime as an exceptional and voluntary practice, which does not exceed 12 hours per week and is paid at a premium rate of minimum 125% of the standard rate. Overtime

shall not represent a significantly higher likelihood of occupational hazards, and in no circumstance go the limits defined under national legislation,

- Grant their workers the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

Occupational Health and Safety

The signatories commit to:

- Respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection,
- Comply with national occupational health and safety legislation, or with international standards where national legislation is weak or poorly enforced,
- Ensure that there are systems in place to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers,
- Train all departments and individuals on occupational health and safety regularly throughout all stages of employment, and provide information on potential occupational health and safety risks to workers and public, including affected communities,
- Take effective measures to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work. These measures aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace,
- Seek improving workers' protection in case of accident, including through compulsory insurance schemes,
- Maintain records of all health and safety incidents in the workplace and all other facilities that are provided or mandated,
- Take all appropriate measures, and obtain all relevant licenses and documentation required by national legislation, to see to the stability and safety of the equipment and buildings they use, as well as to protect against and prepare for any foreseeable emergency. This includes residential facilities for workers when these are provided or mandated by the employer or a recruitment partner,
- Establish relevant committees, such as an Occupational Health and Safety Committee, to ensure active co-operation between management and workers, and/or their representatives for the development and effective implementation of systems that ensure a safe and healthy work environment. These committees aim to represent the diversity of the workers,
- Provide awareness to workers, and respect their right and responsibility to exit the premises and/or stop working without seeking permission in dangerous situations and uncontrolled hazards,
- Provide adequate occupational medical assistance and related facilities and provide equal access to all workers for these services. Health services (including insurance) should serve the distinctive concerns and needs of all genders and ages,
- Provide access to safe and clean drinking water, and eating and resting areas free of charge, and where applicable, provide access to cooking and food storage areas,
- Provide an adequate number of safe, separate toilets with adequate level of privacy for all genders, and paper towels and washbasins with hand soap in all work areas,
- Ensure that when residential facilities are provided or mandated, they are clean and safe, and they meet all the basic needs of the workers,

- Provide effective and tailored Personal Protective Equipment (PPE) to all workers free of charge, taking the needs of different worker categories, such as pregnant and nursing women, into consideration,
- Compensate the damages incurred to the workers on the occasion that historical or actual failure of adherence to principles is identified.

Grievance mechanism

The signatories commit to:

- Establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted, and maintain accurate records.
- Where relevant (e.g. when a migrant worker population is present), the operational-level grievance mechanism is accessible in relevant local languages, and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination.
- Ensure that employees, who raise any complaint based on applicable national/international laws and/or on this Code, are not subject to any form of disciplinary measures or reprisal.

Environment

Environmental Management

The signatories commit to:

- Implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system,
- Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment,
- Measure energy and water use, emissions and discharges into the environment, and disposal of wastes,
- Take measures to continuously improve energy efficiency e.g. in buildings, transport and production, and make reasonable efforts to use renewable or less carbon intensive energy sources,
- Take measures to reduce waste through design and operational efficiency, and facilitate reuse & recycling where possible,
- Take measures to minimise noise pollution and emissions to air, soil and groundwater.

Chemical Management

The signatories commit to:

- Implement an effective chemical management system, which encompass the entire life cycle of chemicals, including purchasing, storage, transport, use and the safe disposal/discharge of chemicals,

- Implement control measures to ensure that chemicals do not contain hazardous and restricted substances listed on the ZDHC-MRSL and to ensure the delivered goods comply with European Legislation¹,
- Maintain an inventory of all chemical substances used and stored on-site, together with relevant and up-to-date Material Safety Data Sheets (MSDS). This inventory must include information on the quantity of chemical substances used,
- Regularly train/communicate chemical management requirements to all staff handling/exposed to chemicals as well as define emergency procedures.

Compliance and Ethical Business Behaviour

Legal Compliance

The signatories commit to:

- Comply with national and other applicable law at all times and apply that provision which affords the greater protection of workers or the environment, where provisions of law and the code of conduct address the same subject,
- Obtain all necessary environmental permits and keep them up-up-date,
- Comply with all applicable anti-bribery and corruption laws.

Ethical Business Behaviour

The signatories commit to:

- Not 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,
- Develop and adopt adequate internal controls, programmes or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery, developed on the basis of a company-specific risk assessment,
- Keep accurate information regarding their activities, structure and performance, and disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities,
- Not falsify, or participate in falsifying any information or in any act of misrepresentation in the supply chain,
- Provide awareness to the workers about the policies, controls, programmes and measures against unethical behaviour, and promote compliance within the company through trainings and communication,
- Collect, use, and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.

¹ Supplied goods a) correspond to the prohibition and limitation of hazardous substances acc. to Annex XVII of the Regulation (EG) 1907/2006 (REACH), b) contain substances from the REACH candidate list only up to a weight fraction of 0,1%. and c) comply with the requirements of the POP Regulation (EU) 2019/2021

Terms of Implementation

Kettelhack wants to build long term relationships with suppliers who are genuinely committed to working together towards better labour conditions and environmental performance, and will help them to overcome the difficulties they may face.

Kettelhack expects their suppliers to comply with the contents of the Code of Conduct. We further encourage our suppliers to demand this expectation from the contractual partners in their own supply chain.

Kettelhack reserves the right to monitor the suppliers' compliance with the values and principles of the Code of Conduct, e.g. by means of auditing. In order to make the most efficient use of our own and your resources, audits of other third parties may be recognized as evidence of compliance with the Code of Conduct. (Provided that these audits cover every aspect of this Code of Conduct, have been carried out by independent institutes, and corresponding audit reports are made available in complete length.)

Kettelhack expects that any violations that are identified will be dealt with appropriate preventive and/or remedial measures. In case of egregious violations, including, but not limited to, child labour, forced or prison labour, bribery, fraud, and use of counterfeit components, Kettelhack reserves the right to terminate the business relationship with the supplier, including cancellation of outstanding orders.

Suppliers may not subcontract any part of the production process without prior written consent from Kettelhack. The use of any unauthorized production unit is strictly prohibited.

By signing these Terms of Implementation you confirm:

- You have read and understood the Code of Conduct as well as the Terms of Implementation.
- You endorse the values and principles of the Code of Conduct.
- You take the appropriate measures to observe the values and principles of the Code of Conduct at your own facilities.
- You communicate the values and principles of the Code of Conduct to your employees and you train your employees on relevant topics.
- You communicate the values and principles of the Code of Conduct to your business partners.

Name of the Company:	Name, position of the responsible Person:
Address of the Company:	Date, Signature, Company Stamp:

Glossary

Apprentice: Someone who undertakes a system of learning a craft or gains specific expertise within a business enterprise of that sector of knowledge.

Apprenticeship: Systematic, long-term training with alternating periods in a school or training centre and at the workplace; the apprentice is contractually linked to the employer and receives remuneration (wage or allowance). The terms of apprenticeship are usually regulated by law as well as by labour agreements. By means of these terms, the employer assumes responsibility for providing the apprentice with training leading to a specific occupation.

Complicity: It has both non-legal and legal meanings. As a non-legal matter, business enterprises may be perceived as being "complicit" in the acts of another party where, for example, they are seen to benefit from an abuse committed by that party. As a legal matter, complicity means being implicated in abuse that another business enterprise, government, individual, group, etc., is causing. The risk of complicity in a human rights abuse may be particularly high in areas with weak governance and/or where human rights abuse is widespread.

Due Diligence: It refers to an enterprise's ongoing process which aims to identify, prevent, mitigate, and account for how it addresses the adverse human rights impacts of its own activities or which may be directly linked to its operations, products, or services by its business relationships. The process should include assessing actual and potential impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.

Employer Pays Principle (EPP): It is a commitment that reflects Article 1 of Dhaka Principles for Migration with Dignity: "No fees are charged to migrant workers". In line with the principle, no worker should pay for a job; the cost of recruitment should be borne by the employer.

Gender: The economic, social and cultural attributes and opportunities associated with being male or female in a particular point in time. Also refers to the socially constructed relationship between women and men and the attributes, behaviour and activities to which each is expected to adhere. Gender differences are determined and reinforced by cultural, historical, ethnic, religious and economic factors. Gender roles differ over time and between cultures but may be changed. Gender is often wrongly conflated with "sex", which refers to the biological differences between women and men.

Grievance: It may have a non-judicial and a judicial meaning. As a non-judicial matter, a grievance refers to an expression of dissatisfaction or allegation that the expectations raised by a system, a business organisation or an individual were not satisfactory or fulfilled. As a judicial term, grievance refers to a formal legal document that sets out the facts and legal reasons that the filing party believes are sufficient to support a claim against another party and that entitles the filing party to a remedy.

Grievance Mechanism: A non-judicial procedure that offers formalised means through which individuals or groups can raise concerns about the impact a business enterprise has on them – including, but not exclusively, on their human rights – and can seek remedy. These mechanisms may use adjudicative, dialogue-based, or other processes that are culturally appropriate and rights-compatible. For a grievance mechanism to be effective, it should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning.

Labour-Only Contracting: A prohibited arrangement where the contractor or subcontractor merely recruits, supplies or places workers to perform a job, work or service for a principle. In labour-only contracting, the following elements are present: (a) The contractor or subcontractor does not have substantial capital or investment to actually perform the job, work or service under its own account and responsibility; and (b) The employees recruited, supplied or placed by such contractor or subcontractor are performing activities which are directly related to the main business of the principal.

Legal Minimum Wage: The lowest hourly, daily or monthly remuneration that employers are legally required to pay to workers and employees for regular working hours. Countries that do not have a minimum wage defined by law rely on employer groups and trade unions to set minimum earnings through collective bargaining.

Living Wage: The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.

Migrant: An umbrella term, not defined under international law, reflecting the common lay understanding of a person who moves away from his or her place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons. The term includes a number of well-defined legal categories of people, such as migrant workers; persons whose particular types of movements are legally defined, such as smuggled migrants; as well as those whose status or means of movement are not specifically defined under international law, such as international students.

Migrant Worker: A worker who works within their home country, yet away from their place of usual residence, is called a domestic migrant worker; and a worker who works outside of their country or origin is called a foreign migrant worker. Women migrant workers constitute 48% of overall foreign migrants. Migrant workers are considered as vulnerable persons as they may be at risk to forced and bonded labour in addition to facing inhumane treatment and working conditions.

Personal Protective Equipment (PPE): Personal protective equipment (PPE) refers to protective clothing, helmets, goggles, masks or other garments or equipment designed to protect the wearer's body from injury and infectious diseases. Protective equipment may be worn for job-related occupational safety and health. The purpose of personal protective equipment is to reduce workers' exposure to hazards and to protect them from contagious diseases when engineering and administrative controls are not feasible or effective to reduce these risks to acceptable levels.

Residential Facilities: A structure that grants safe living accommodation and housing to workers. It can be provided or mandated by the employer, a recruitment partner, or another party. It can be on- or off-site, but the location must ensure that the workers are not exposed to natural or production-related hazards or health and safety risks.

Seasonal Worker: A worker who works on a short-term basis or only works in certain seasons. Seasonal workers are also often more vulnerable to abuses than other workers.

State Imposed Forced Labour (SIFL): It concerns work exacted by state authorities, the military or paramilitary, compulsory participation in public works, and forced prison labour (under certain conditions). Forced labour imposed by rebel groups has also been considered to fall within this category.

Temporary Worker: A worker who is under "temporary employment, whereby workers are engaged only for a specific period of time, includes fixed-term, project- or task-based contracts, as well as seasonal or casual work, including day labour". Temporary workers are also often more vulnerable to abuses than other workers.

Trade Union: An organisation of workers who have freely banded together to achieve common goals and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members (rank and file members) and negotiates labour contracts (collective bargaining) with employers. The most common purpose of these associations or unions is "maintaining or improving the conditions of their employment." This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies.

Violence and Harassment: As per the ILO Convention C190 - Violence and Harassment Convention, it "refers to a range of unacceptable behaviours and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment".

Vulnerable Persons: It refers to individuals and members of communities who might be at risk, or are put into situations that cause insecurity, due to their sex, gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases, or any other condition. Vulnerable persons may include young workers, older workers, workers with disabilities, pregnant and nursing women workers, women agricultural workers, migrant workers (both domestic and foreign), temporary workers, seasonal workers, workers who are not under a collective bargaining agreement (CBA), workers hired indirectly, workers on probation, workers with night shifts, and workers on parental leave. Vulnerability can depend on the context, and certain individuals, groups, and communities may be vulnerable in more than one aspect.

Workplace: As defined by the ILO Convention 190 – Violence and Harassment Convention, it refers to the space the workers use in the course of, linked with or arising out of work. It includes public and private spaces where they are a place of work: where the worker is paid, takes a rest break or a meal, or uses sanitary, washing and changing facilities, stays in employer-provided accommodation. Workplace involve work-related communications, including those enable by information and communication technologies. Workplace also cover commuting to and from work. Workplace implicates a broader scope, such as work-related events outside of workplace, employer-provided accommodation, or work-related technologies.