

Declaration on Respect for Human Rights and Environmental Protection

As an internationally operating fashion and lifestyle company in the premium segment, the companies of the HOLY FASHION GROUP (hereinafter «HFG») are not only committed to ensuring the highest product quality, but also actively practice and firmly embed sustainable and socially responsible corporate governance as a basic principle in their operational and strategic management processes.

The success of the HFG with the brands JOOP!, windsor. and Strellson is based on responsible and value-oriented procurement and purchasing practices as well as responsible handling of natural resources. For the HFG, the basis for its business activities is that it is responsible for humans, animals, the environment and society.

Due to a global and complex value chain with numerous international partners, the protection of human rights as well as labour, social and environmental standards is an important and central challenge, which the HFG meets by acting with particular care and proactivity.

The commitment to responsible action is reflected in HFG's **sustainability strategy and goals**. A detailed description is available on the website at <https://www.holyfashiongroup.com/responsibility>.

The following internationally recognized frameworks and standards form the basis for implementing human rights and environmental responsibility:

- The Core Labour Standards of the International Labour Organization (ILO)
- The UN Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises
- The requirements of the UN International Bill of Human Rights
- UN Convention on the Rights of the child
- Chemical management according to ZDHC

Regular risk analyses are carried out **to identify potential risks and actual negative effects** of business activities. The focus here is not only on the company's own internal activities, but also on the entire textile supply chain. As a matter of principle, there is a strict ban on child and forced labor, all forms of discrimination, bribery and corruption. Compliance with minimum wage laws must be ensured and living wages promoted. Regulations on health and safety in the workplace, as well as the right to freedom of association and collective bargaining, must be ensured. Furthermore, the regulation of hazardous chemicals is crucial, as well as the reduction of water consumption and pollution and greenhouse gas emissions. Animal welfare is also of essential importance.

To implement preceding expectations, HFG takes a variety of measures to assess, mitigate, and remediate.

Particular attention is paid to **vulnerable stakeholder groups**, which were identified on the basis of the risk analysis. These primarily include women, migrants and people with disabilities in the supply chain stage of Cut-Make-Trim. Partners are made aware of these issues through **on-site and virtual training programs**.

A freely accessible **grievance mechanism** (<https://www.holyfashiongroup.com/grievancemechanism>) gives all stakeholders and persons potentially affected the opportunity to report any violations and/or other matters anonymously at any time. HFG takes or participates in remedial action in the event of substantiated grievances about adverse impacts it has caused or to which its business activities have contributed.

Since 2008, HFG has been a member of **amfori BSCI**, one of the leading corporate initiatives for improving working conditions in global supply chains. Based on the amfori BSCI Code of Conducts, the garment factories are audited at least every two years by independent auditing institutes in order to uncover any grievances and drive continuous improvement. HFG has also joined the multi-stakeholder program **Sustainable Textiles Switzerland 2030** (STS 2030), which supports actors in the Swiss textile and apparel sector to act in a socially

and environmentally responsible manner along their supply chains and to integrate transparent sustainability criteria - linked to the goal of supporting the UNDP Sustainable Development Goals (SDGs). HFG's other memberships include the **Better Cotton Initiative**, which promotes more sustainable cotton production, and the **Leather Working Group**, which promotes more environmentally friendly leather production.

In addition, HFG has successfully passed the **Green Button 1.0** audit and is also certified for the **Global Organic Textile Standard (GOTS)**, **Organic Content Standard (OCS)**, **Global Recycled Standard (GRS)**, **Recycled Claim Standard (RCS)**, **Responsible Wool Standard (RWS)**, **Responsible Mohair Standard (RMS)**, **Responsible Alpaca Standard (RAS)** and **Responsible Down Standard (RDS)**. A large number of the products are already certified or originate from responsible sources. In the future, too, more sustainable certified materials such as organic natural fibers or recycled natural and synthetic fibers will be used preferentially in the collections, with the aim of continuously increasing their share.

With regard to the topic of **chemicals management**, HFG prohibits hazardous pollutants in products. The specially developed Restricted Substances List (RSL) goes beyond the legal requirements of REACH Regulation 1907/2006 and is based on the stricter requirements of OEKO-TEX® STANDARD 100 and GOTS 7.0. Verification takes place through laboratory tests in accredited testing institutes.


Compliance with **environmental protection measures** is also an essential part of HFG's business activities. It obtains its energy from sustainable resources. At its own production site in Portugal as well as at its headquarters in Kreuzlingen, HFG relies on its own photovoltaic systems. Its stores and showrooms in Germany are supplied with certified green electricity, thereby supporting selected climate funds. By automating its CO² accounting, HFG determines its carbon footprint and works primarily to reduce its greenhouse gas emissions. Reducing packaging use and making it more sustainable is an ongoing important project for HFG. The B2B shipping cartons have been changed to GREENCOR, a carton made of FSC certified paper and about 30% grass. FSC-certified cardboard is also used exclusively for online shipping.

As part of its **responsible procurement and purchasing policy**, HFG relies on long-term partnerships and continuous dialog with its suppliers. On-site visits take place on a regular basis. Collection framework planning ensures effective production planning that takes into account reasonable delivery times and fair payment terms. Unauthorized subcontracting of orders to third parties is prohibited. Immediate termination of business relationships will only be enforced in serious cases and after careful consideration. HFG also strives to promote **living wages** in procurement countries. As a first step, a wage gap analysis was carried out at the ready-to-wear level based on amfori BSCI audit reports and supplier surveys. Through training and cooperation in multistakeholder initiatives, further measures are being worked on to raise awareness of fair working conditions and wages among suppliers.

In addition to this Declaration, the **Ethical Code of Conduct (ECoC)**, which is freely accessible as a standalone document, is applied in all areas of purchasing by both the HFG and its business partners. Furthermore, the HFG instructs its suppliers to communicate these requirements to their upstream suppliers and partners and verify compliance with them in an appropriate manner.

Unauthorized subcontracting to third parties is strictly prohibited. The HOLY FASHION GROUP hereby undertakes to respect and promote the above-listed fundamental rights also in the future to meet its responsibility along the value chain to the greatest possible extent.

Kreuzlingen, June 14th 2023

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