

DRYKORN POLICY: HUMAN RIGHTS

FOREWORD

We are aware that the fashion industry is prone to various forms of human rights violations, which are often hidden deep within supply chains – in particular forced labour and child labour. For DRYKORN, forced and child labour are unacceptable and cannot be tolerated under any circumstances. We condemn child labour in the strongest possible terms, as it exploits the precarious living conditions of children and denies them the chance of an education and a carefree childhood.

This policy places particular emphasis on the prevention of forced labour and child labour, as these risks are particularly serious in global textile supply chains. At the same time, it applies to all human rights risks that may be associated with DRYKORN's business activities, products and business relationships. These include, in particular, discrimination, freedom of association, health and safety at work, fair working conditions, fair pay and the protection of vulnerable groups. DRYKORN recognises that environmental and human rights risks can be closely interlinked. Environmental impacts can have direct or indirect negative consequences for the health, safety and livelihoods of people throughout the value chain.

This Human Rights Policy serves multiple purposes.

- It acts as a **company ethics guideline** for all employees at DRYKORN, with special regards to sourcing and production decisions.
- In addition to our Codes of Conduct, it informs relevant stakeholders about our **supply chain structure, responsibilities and management processes** regarding forced and child labor.
- It clearly communicates our **unwavering ethical position** to supply chain partners up- and downstream.

To ensure clarity of the DRYKORN Human Rights Policy, important supplementary information, such as explanations or underlying guiding principles, is set out in the APPENDIX (pp. **xxx**).

DRYKORN regards human rights due diligence as an ongoing, risk-based process. The aim is not solely to monitor suppliers, but to continuously prevent, identify, minimise, remedy and avoid human rights risks and negative impacts throughout the value chain.

The DRYKORN board of directors supports the implementation of this Human Rights Policy and is responsible for ensuring that human rights due diligence is embedded within the company and continuously developed.

TABLE OF CONTENTS

- _1 DEFINITIONS.....1
- _2 THE DRYKORN SUPPLY CHAIN 2
- _3 RESPONSIBILITIES 3
- _4 DUE DILIGENCE.....4
- _5 POLICY VIOLATION PROTOCOL..... 7
- _6 OUTLOOK..... 9
- _7 APPENDIX.....10

1 DEFINITIONS

Forced Labor (additional information in APPENDIX)

DRYKORN defines Forced Labor based on the International Labour Organization (ILO); C029 - Forced Labour Convention, 1930 (No. 29).

Forced Labor: All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

DRYKORN expects workers to be employed on a voluntary basis and not to be required to pay any unreasonable fees or costs in connection with recruitment or job placement. Particular attention must be paid to ensuring fair and transparent recruitment practices, especially in the case of migrant workers.

Child Labor

Based on the definition by the ILO, Child Labor is defined as follows:

Child labor: Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

This definition refers to work that is mentally, physically, socially or morally dangerous and harmful to children and/or interferes with their schooling by depriving them of the opportunity to attend school. It does so by obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work.

DRYKORN holds the position that children under 15 years of age should not work in an employer-employee-relationship at all.

Young workers (additional information in APPENDIX)

Young worker: Anyone, who is allowed to work according to the respective local laws but is younger than the legal age of adulthood in that country.

Young workers must not be subjected to dangerous or hazardous tasks or substances that could negatively affect their wellbeing now or in the future. Working hours must not interfere with a young worker's education, such as school hours.

Tier-XX supply chain

The term "Tier" describes **the distance of supply chain partners from the company in focus** (in this case: DRYKORN). The higher the number following "Tier", the further a supply chain partner is removed from the final product.

DRYKORN enters contracts with Tier-1 and, in some cases, Tier-2 suppliers. Relationships with deeper levels are only indirect. Examples:

Tier 1 suppliers: Garment manufacturers (sewing factories)

Tier 2 suppliers: Component manufacturers (fabric producers, trim suppliers)

Tier 3 suppliers: Pre-product manufacturers (yarn producers)

Tier 4 suppliers: Raw material production (cotton production, farms)

2 THE DRYKORN SUPPLY CHAIN

Production

DRYKORN products are manufactured using two different production models: Cut-Make-business (CM) and Ready-Made-Garment production (RMG). Whilst CM business generally takes place in countries on the European continent, RMG production are predominantly carried out in Türkiye, countries in Asia and Portugal. Each collection is manufactured by around 50 suppliers across both production models. In the RMG model, up to five production sites are usually nominated – either the supplier's own factories or subcontractors. CM suppliers do not usually work with subcontractors. In total, DRYKORN's Tier 1 supply chain thus comprises an average of 100–130 factories. DRYKORN regards undisclosed or unauthorised subcontracting as an increased human rights risk. Suppliers are therefore obliged to disclose all production sites and subcontractors used for the production of DRYKORN products. The involvement of subcontractors may only take place with prior consent and in compliance with DRYKORN's human rights requirements. To ensure that no forced or child labour takes place in any of these factories, the due diligence mechanisms listed in Chapter 4 are implemented, continuously improved and expanded.

Tier 2+ supply chain

Monitoring the Tier 2+ value chain presents a challenge. The deeper supply chain is tracked at country level, with information being gathered back to the country of origin of the fibres used. Currently, DRYKORN's standard process does not involve tracking all factories in the Tier 2+ supply chain. DRYKORN recognises that, despite extensive due diligence measures, complete transparency and control of global supply chains cannot be fully guaranteed at all times. The company therefore pursues a continuous improvement approach to gradually enhance transparency, traceability and risk assessment.

With upcoming legislation and technologies such as the digital product passport, tracking and controlling human rights-related data will be facilitated in the future. DRYKORN's strong dynamic capabilities enable the implementation of such measures in an appropriate timeframe once required.

Sales

Activities in DRYKORN's downstream supply chain mainly take place in the B2B sector. Products are sold to national and international fashion retailers. There are no exports to the United States. DRYKORN products are predominantly sold on the European continent, with the majority of sales taking place in Germany, Austria, Switzerland and the Netherlands. Internal research conducted as part of risk management has shown that the likelihood of forced and child labour in the fashion retail sector is significantly lower than in the upstream supply chain of fashion brands. In particular, in the markets served by DRYKORN, forced and child labour in the retail sector are extremely rare and unlikely.

Own Operations

DRYKORN operates its headquarters, a prototyping atelier and physical stores as well as an online shop in Germany. For all directly controlled facilities and own operations, full compliance with every applicable German law relating to Human Rights is guaranteed.

Although the entire value chain must be considered in the matter of human rights, DRYKORN's own and downstream operations are not prioritized in the current management of forced and child labor prevention, as the highest risk occurs within the upstream supply chain.

_3 RESPONSIBILITIES

At DRYKORN, human rights risks are regarded as a key component of business decision-making processes and are taken into account in both strategic and operational decisions.

Responsibilities for managing the upstream value chain are clearly defined. Employees at DRYKORN maintain close communication, facilitated by flat hierarchies and short lines of communication. This enables the company to respond to situations in an appropriate manner, acting swiftly and prudently, and to take preventive action.

CPO: The Chief Procurement Officer (CPO) makes final decisions regarding supplier choices and the continuation of collaborations. His/Her decision is based on Exchanges with the CSR-Team, product managers, the purchasing department and technical collection developers as well as information the CPO has gathered him- or herself. The CPO ensures that existing and especially new suppliers do not practice forced labor or child labor. He/She starts and ceases cooperations. Subsequently, the CPO holds the responsibility towards CEO and CFO.

CSR: The Corporate Social Responsibility (CSR) team at DRYKORN consists of trained, experienced specialists. The team is familiar with the entire portfolio of Tier 1 suppliers and is always up to date on changes to the supplier structure. The ongoing due diligence process relating to human rights issues is carried out by the CSR team. The CSR team reports to the CPO. DRYKORN promotes awareness of human rights risks through regular training and awareness-raising measures for relevant employees and departments.

Technical collection development: DRYKORN technicians regularly visit suppliers and report on their visits. Technicians document their visits and are trained to pay attention to human rights issues such as occupational safety, forced labour and child labour. In addition, DRYKORN employs technicians abroad who live in key supplier countries and visit suppliers on a regular basis. All technicians report to the CPO and forward their documentation of the visits to the CSR department.

Purchasing: The purchasing team identifies new suppliers and collaborates with existing suppliers on collection development. Their responsibilities also include visiting suppliers. All purchasing teams report to the CPO. Purchasing decisions and production schedules should be designed in such a way that human rights risks are not unnecessarily exacerbated. DRYKORN places particular emphasis on realistic delivery times, transparent communication and long-term cooperation with suppliers.

Product Management / Design: Product managers work closely with technicians to closely exchange with the suppliers who manufacture the garments they have designed. Product managers also organise visits to and from suppliers. They report to the CPO.

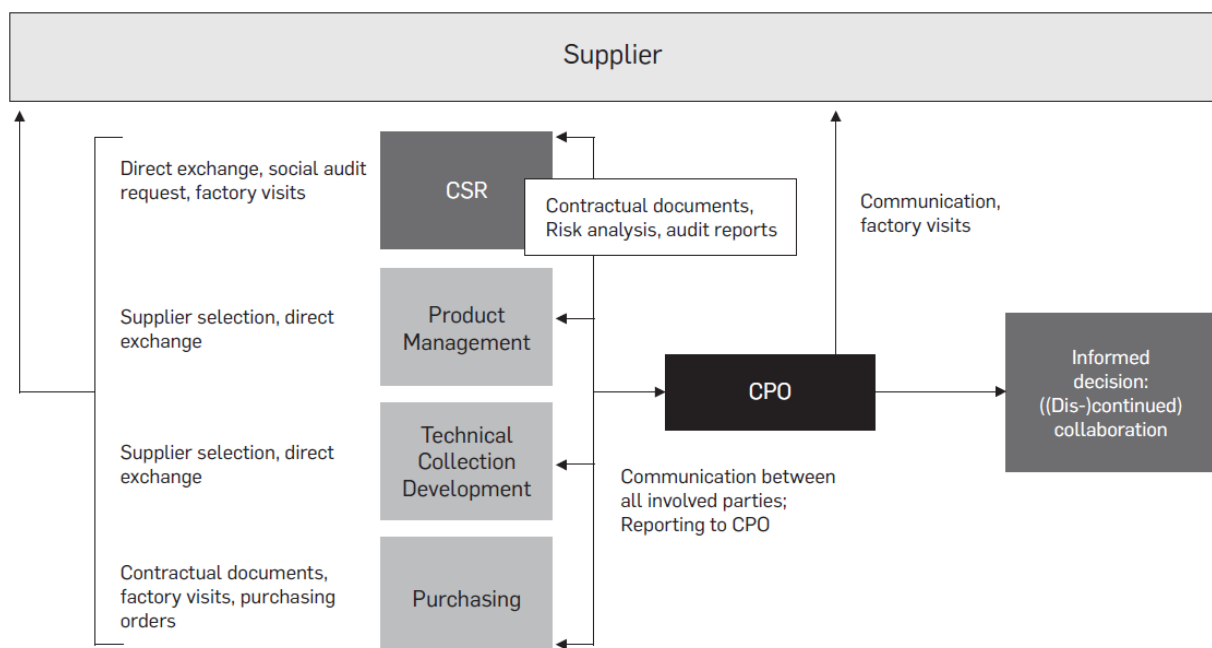


Figure 1 Intelligence gathering process for supplier risk evaluation and collaboration for decision making.

4 DUE DILIGENCE

4.1 Country Risk Analysis

All countries in which Tier 1 suppliers and their subcontractors are located are systematically subjected to a risk analysis covering social and environmental risks. Each country is assigned a rating between 'A' and 'D', with 'A' representing the lowest risk and

'D' the highest. This enables the identification of systemic, sustainability-related risks, which are continuously considered and, where necessary, addressed during supplier visits or in communication with suppliers – particularly human rights risks. Identified risks are prioritised based on the severity of potential impacts, the likelihood of occurrence, and the ability to influence the risks. Strategic management decisions regarding further business expansion in a specific country also take the results of the risk analysis into account. The risk analysis is updated regularly or repeated in the event of relevant changes in a country or in the run-up to a potential new entry – in future also with a focus on Tier 2+ supplier countries.

4.2 Supplier selection

As part of its quality-focused procurement process, DRYKORN works exclusively with suppliers who can demonstrate that they meet high product quality standards.

Experience has shown that high-quality suppliers place greater emphasis on respecting human rights and promoting employee satisfaction. New suppliers are usually visited on-site by DRYKORN staff before the start of a partnership to ensure that production processes comply with the social, environmental and human rights requirements of the DRYKORN Code of Conduct.

4.3 Supplier Code of Conduct

Before entering into a business relationship, all new suppliers receive the binding Supplier Code of Conduct. This sets out clearly defined minimum ethical and social standards. It requires suppliers to fully disclose all subcontractors involved and their own sites, and to submit up-to-date social audit reports for all production sites. By signing the Supplier Code of Conduct, suppliers give DRYKORN a binding assurance that no forced labour or child labour takes place in any of the facilities manufacturing for DRYKORN.

4.4 No China Cotton declaration

DRYKORN does not accept cotton grown in China, as there is a high risk of forced labour, particularly in Xinjiang province. All suppliers who use textiles of any kind containing cotton for DRYKORN products, or who supply DRYKORN with semi-finished products containing cotton, must therefore provide a binding declaration stating that no Chinese cotton is used. The country of origin of the cotton must be specified in writing for all cotton-containing goods used in DRYKORN products. To ensure compliance, random samples of garments and outer fabrics containing cotton are subjected to stable isotope analysis to verify the origin of the material.

4.5 Whistleblowing system

DRYKORN provides an open, digital and anonymous whistleblowing system that is always accessible (see APPENDIX). The whistleblowing system is also open to employees of suppliers, subcontractors and other potentially affected individuals along the supply chain. To ensure easy usability and broad accessibility, the system is available in multiple languages and can be used worldwide. All reports are treated confidentially and investigated in accordance with a standardised procedure. Whistleblowers have the option to remain anonymous and to receive feedback on the status of the investigation and its outcome. The system complies with the requirements of the German Whistleblower Protection Act. Furthermore, suppliers are specifically encouraged, through direct dialogue, to establish their own transparent and trust-building complaint mechanisms. Findings from complaints, reports and identified breaches are incorporated

into the continuous development of internal processes, preventive measures and risk assessments.

4.6 Supplier dialogue

A key component of DRYKORN's corporate due diligence is regular direct communication with business partners. This includes video conferences or surveys with randomly selected suppliers. This communication serves both to build trust and to exchange information on human rights-related issues. DRYKORN is convinced that long-term, trusting business relationships form an important basis for transparency and the effective prevention of human rights risks. Topics addressed include, for example, the handling of complaints or the verification of employees' ages. In doing so, DRYKORN pays particular attention to vulnerable groups who, due to their personal, social or economic circumstances, may be at increased risk of human rights violations. These include, in particular, children, young workers, migrant workers, women, agency workers and those in informal employment.

4.7 Stakeholder dialogue

As part of its human rights due diligence, DRYKORN considers the relevant perspectives of stakeholders, particularly those of individuals or groups who may be affected. Dialogue with employees, suppliers, civil society organisations and other relevant stakeholders serves to improve our understanding of risks and to develop appropriate preventive and remedial measures.

4.8 Factory visits

Suppliers are regularly visited by DRYKORN staff as part of the collection development process. Visiting staff are trained by the CSR team to identify signs of human rights violations – including forced labour and child labour – and are made aware of the relevant issues. Findings from on-site visits are documented in a structured manner, forwarded to the relevant departments and discussed internally. Members of the CSR team also visit suppliers on an ad hoc basis.

4.9 Sozialaudits

All suppliers are required to provide valid social audits, conducted by third parties, for all sites involved in production. The CSR team continuously checks that the audits are valid and up to date. Where no audits are available, independent audits are commissioned in accordance with the requirements of the DRYKORN Code of Conduct.

Social audits are one of the key sources of information for ensuring minimum human rights standards, particularly with regard to working conditions, wage structures and the prohibition of child and forced labour. The preferred audit standards are amfori BSCI, SEDEX SMETA, Fair Wear Foundation, Initiative for Compliance and Sustainability (ICS) and SA8000. Around 90% of the audit reports submitted are done according to the SEDEX SMETA or amfori BSCI standard. DRYKORN consistently maintains an audit rate of over 90%. Unaudited facilities are located in Ukraine, where audits cannot currently be carried out. DRYKORN monitors relevant developments and key performance indicators within its supply chain in order to continuously improve its assessment of human rights risks and the effectiveness of existing measures. This includes, in particular, information on audit coverage, reported incidents, supplier assessments and identified risk areas.

DRYKORN recognises that, despite their importance, social audits and on-site visits can only reveal a fraction of potential human rights risks. These measures are therefore supplemented by further due diligence tools such as direct dialogue, whistleblowing systems and risk analyses.

4.10 Business conduct

DRYKORN recognises that its own purchasing and business practices can have an impact on working conditions and human rights throughout the supply chain. The company therefore strives to ensure responsible procurement processes, realistic timelines, long-term partnerships, and fair and transparent cooperation with suppliers.

5 POLICY VIOLATION PROTOCOL

In the event of proven breaches of this Policy or the Supplier Code of Conduct, a tiered escalation and remedial action process will be applied:

1. **Formal warning and Corrective Action Plan (CAP):**
The supplier concerned will receive an official warning accompanied by a binding Corrective Action Plan, which sets out specific steps to be taken and a binding deadline for their implementation.
2. **Verification of CAP implementation:**
Within the set deadline, a follow-up check is carried out – typically in the form of an audit or on-site inspection – with the aim of verifying the effectiveness and completeness of the measures implemented.
3. **Final review and decision of further business relationship:**
If the supplier in question proves unwilling or unable to implement the necessary measures, DRYKORN reserves the right to terminate the business relationship as a last resort. Termination of the business relationship shall take into account any potential impact on affected employees and shall, as far as possible, be handled responsibly.

Information channels and objectives of the escalation structure

Reports of suspected human rights violations among suppliers can reach DRYKORN through various channels – for example, through observations made by DRYKORN employees (such as technicians during on-site visits), via the whistleblowing system, through audit reports, or via external sources such as non-governmental organisations or media reports.

If DRYKORN receives such a report, it must be forwarded immediately to the CPO. The CPO shall immediately convene a special meeting of the CSR Board, which comprises the CFO, the COO, the CPO and the Head of CSR. The Chief Executive Officer (CEO) is also consulted. If the whistleblower is an employee of DRYKORN, they are also invited to explain the facts of the case and to present any evidence or supporting documents.

Within one week of receiving details of the case, initial steps will be taken to resolve the situation. In doing so, swift and effective measures must be chosen that are in the best interests of the victim(s) of the human rights violation. Regardless of the nature and source of the information, the following objectives are always paramount:

- **Verification of the facts** through appropriate investigations and evidence.
- Immediate **relief and protection for the persons affected**, e.g. the children or adults in distress.
- In the case of child labour: **financial compensation** for the child concerned or their family, as well as **access to education and psychosocial aftercare** until at least the completion of their regular schooling.

DRYKORN cooperates with local authorities, specialist organisations and non-governmental organisations to ensure appropriate care and compensation for victims and – where necessary – to enable the prosecution of perpetrators.

DRYKORN pursues an approach of continuous improvement with suppliers. The aim is to reduce human rights risks in the long term in collaboration with business partners and to promote long-lasting improvements in the supply chain.

_6 OUTLOOK

As of August 2025, there have been no cases of forced or child labour in DRYKORN's supply chain since the company was founded in 1996. However, we cannot rest on our laurels. We recognise that global supply chains are becoming increasingly complex, and that the requirements for effective corporate action to ensure respect for human rights are constantly evolving.

We therefore take a dynamic approach, continuously improving existing processes and supplementing them with new, advanced methods and technologies. We regularly review the effectiveness of our human rights due diligence measures. In doing so, we consider, amongst other things, findings from audits, supplier assessments, reports of concerns, on-site visits and dialogue with stakeholders. The insights gained are incorporated into the continuous development of our due diligence processes. We are collecting an increasing amount of relevant data from our supply chain, across all levels of the value chain. We engage in direct dialogue with our partners, build long-term, trusting relationships and secure data through a healthy combination of trust and external oversight. We train colleagues and research the latest developments in transparency and technology. We also plan to make active use of the mechanisms that the EU provides to safeguard human rights in global supply chains for SMEs. Our aim is not only to minimise human rights risks throughout the value chain, but also to promote positive social developments and fair working conditions in the long term.

This is the only way to ensure that our products are not only aesthetically pleasing but also ethically sound.

FOR BEAUTIFUL PEOPLE.

Review and Update of the Policy

This Human Rights Policy is subject to a formal review once a year to ensure its continued relevance, effectiveness and compliance with applicable legal requirements. The review process takes into account findings from the previous year, legal developments and feedback from stakeholders. DRYKORN is committed to the continuous development of its human rights due diligence and to maintaining the highest standards throughout the entire supply chain.

Last updated: June 2026

Current version: 2

7 APPENDIX

1 Supplementary Terminology used in Chapter 1 Definitions:

Work or service: All types of work occurring in any activity, industry or sector including in the informal economy.

Any person: All human beings, adults and children, nationals and non-nationals, including migrants in irregular situations.

Threat of a penalty: the full range of penalties used to compel someone to work. This includes, for example, the withholding of wages, promised benefits, or documents, debt bondage or physical and psychological violence.

Involuntariness: The terms “offered voluntarily” refer to the free and informed consent of a worker to take a job and his or her freedom to leave at any time. This is not the case, for example, when an employer or recruiter makes false promises so that a worker takes a job he or she would not otherwise have accepted.

2 The International Labour organization (ILO): Eleven Indicators of Forced Labor

1. Abuse of vulnerability
2. Deception
3. Excessive overtime
4. Isolation
5. Retention of identity documents
6. Withholding of wages
7. Restriction of movement
8. Abusive working and living conditions
9. Debt bondage
10. Physical and sexual violence
11. Intimidation and threats

For further information regarding forced labor, visit:

<https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons>

3 Additional Information regarding Young Workers

In line with international standards, young workers must have completed compulsory education and must not perform night shifts or overtime. They must receive adequate rest periods, including a minimum of 12 consecutive hours between shifts and regular weekly days off. A minimum of four weeks paid annual leave must be granted, and they should be covered by health and accident insurance. Fair and equal pay for equal work must be ensured. If required by national law, young workers must also be officially registered with the relevant authorities.

4 Guiding Principles

The OECD Guidelines for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights provide the underlying understanding for appropriate business conduct at DRYKORN. DRYKORN upholds these standards in own operations and expects

suppliers to do the same. The Due Diligence Mechanisms in Chapter 4 are instated to ensure that these principles are being lived throughout DRYKORN. These guiding principles are also in place to uphold the **EU Forced Labor regulation** (Regulation 2024/3015).

Further information is available under the following links:

OECD Guidelines for Responsible Business Conduct:

https://www.oecd.org/en/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en.html

UN Guiding Principles on Business and Human Rights:

https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

5 Contact & Whistleblowing System

Requests regarding DRYKORN's management of forced labor and child labor issues can be raised via the respective public communication channels and will be forwarded to and handled by the CSR department.

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Germany

Mail: info@drykorn.com

Whistleblowing system: Scan QR-Code or visit

<https://drykorn.vispato.com/>

