



Code of Conduct

Preamble

Gabor Shoes GmbH, hereinafter referred to as Gabor, has been employing men and women workers for more than 70 years in Germany and for more than 60 years abroad. Over many generations, this has constantly contributed to the employees' prosperity and to the economic development of partly disadvantaged regions.

Gabor is well aware of the responsibility an enterprise assumes due to globalised business activities and the international employment of its workers. Gabor acknowledges that this responsibility extends to all employees manufacturing products or parts for Gabor – irrespective of whether they are Gabor employees or not.

Gabor commits itself and its suppliers to safeguard the human rights as these are defined in the "Universal Declaration of Human Rights" and is guided by the ILO Conventions. As regards the regulation and stimulation of industrial and economic relationships, Gabor adheres to the relevant directives of the United Nations.

Gabor argues for an open and fair world trade as the enterprise considers this to be the best prerequisite for a profitable and lasting development and safe jobs.

Furthermore, Gabor pleads for the protection of the environment, for the conservation of natural resources and for animal protection.

Social standards

Gabor commits contractors, subcontractors, suppliers and licensees to observe the minimum standards and recommendations listed below:

1. Freedom of association and right to collective bargaining

The business partners¹ and subcontractors² of the supply chain observe the right of workers without prior approval and of their own volition to found organisations whose aim is to promote and protect the interests of the workers or employers, to join these organisations and freely elect their representatives. Gabor and the

Gabor has business relations solely with partners able to guarantee that the social standards are fulfilled.

¹ A "business partner" is a contractual partner responsible for a product, process or service. This definition can apply to manufacturers, distributors, importers, installation companies, service organisations, licensees, etc.

² A "subcontractor" is an economic entity within the supply chain that provides the supplier directly or indirectly with goods and/or services used and essential in or for the manufacture of the goods and/or provision of the supplier's services.

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business partners and subcontractors of the supply chain comply with the right of workers and employers to conduct collective bargaining on wage and working conditions. Workers must not be disadvantaged because of their membership of workers' organisations with regard to their employment. The principles of freedom of association and the right to organise must be acknowledged. (ILO Conventions 87, 98, 135 and 154)

2. Prohibition of forced labour

Economic activity based on forced or compulsory labour, bonded labour or servitude is not accepted by Gabor and the business partners and subcontractors of the supply chain. This comprises any type of work or service demanded of a person under threat of punishment and for which that person did not voluntarily make himself/herself available. (ILO Conventions 29 and 105)

Gabor and the business partners and subcontractors of the supply chain grant their workers the right to leave their place of work and to terminate their employment whilst observing a commensurate period of notice to the employer.

3. Prohibition of child labour and protection of young workers

Child labour is any work done by a person under 15 years of age, unless local legislation provides for a higher minimum age or a longer period of compulsory schooling. In this case the higher age applies. However, if the statutory minimum age is 14 years of age in accordance with the exceptions for developing countries stipulated in ILO Convention 138, the lower age applies. (ILO Convention 138)

“Young workers” are employees older than a child in the abovementioned sense and younger than 18 years of age.

The business partners and subcontractors of the supply chain are not allowed to directly or indirectly use child labour in the abovementioned sense or to tolerate it.

As part of the recruitment procedure, suitable mechanisms for determining age must be applied to prevent child labour. If Gabor and the business partners and subcontractors of the supply chain ascertain child labour, they must take requisite corrective measures and should contribute to the social reintegration that focuses on the welfare and protection of the child.

Gabor and the business partners and subcontractors of the supply chain shall ensure that the type or circumstances of the work done by “young workers” do not

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jeopardise the life, health and morals of the youths concerned, and that these youths are given appropriate factual instruction or vocational training in the corresponding economic sector.

4. Prohibition of discrimination in employment and occupation

Any form of discrimination, exclusion or preference carried out on the basis of ethnical origin, skin colour, gender, religion, political opinion, national origin and social origin which results in the equality of opportunities or treatment in employment or occupation being overruled or infringed is refrained from. Moreover, the principle of equal remuneration of men and women workers for equal work must apply. (ILO Conventions 100 and 111)

5. Working hours

Unless valid national laws or applicable collective regulations stipulate fewer maximum working hours, the normal working hours of 48 hours a week plus a maximum of 12 overtime hours a week must not be exceeded. Overtime hours are remunerated at least in accordance with the respective statutory or collective regulations must be voluntary and should remain an exception. (ILO Convention 1)

Gabor and the business partners and subcontractors of the supply chain grant their workers the right to breaks on every workday and abide by the pertinent public holidays. After six consecutive working days a day off must be granted. (ILO Convention 14)

6. Adequate remuneration

State or collectively applicable minimum wages must not be undercut. In countries without a collective or statutory wage framework, Gabor and the business partners and subcontractors of the supply chain adhere to the wages for normal full-time working hours being sufficient to fulfil the workers' basic needs. "Sufficient" means enabling the workers and their families to have a decent life, and complying with statutorily granted social welfare benefits.

Wages are not to be withheld and are paid regularly in a form suitable for the worker. Wage deductions are admissible only within the statutory or collectively agreed framework, and must be disclosed. Partial payment in the form of benefits in kind is admissible in accordance with the ILO stipulations. Employees are regularly informed of the composition of their pay. (ILO Conventions 26 and 131)

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7. Employment relationships

The rules of the national labour law must be complied with. Workers must be furnished with understandable information on the essential working conditions, including working hours, remuneration, methods of payment and clearing procedures. It must be ensured that the employment relationships result neither in uncertainties nor in workers being jeopardised socially or economically.

8. Health and safety at work

Taking national requirements into account, Gabor and the business partners and subcontractors of the supply chain take appropriate measures to ensure the health and safety at work to prevent work accidents and to protect the health of their workers in the framework of their activities. Valid local provisions on employment protection, health and safety at work as well as protection of buildings and fire protection are complied with to minimise the risk of accidents and occupational diseases. Where necessary and appropriate, workers are provided with effective personal protective equipment free of charge. In imminent hazardous situations, employees have the right and duty to leave their workplace promptly and without permission. Needy people such as young workers, young mothers and pregnant women as well as the disabled are given special protection. Gabor and the business partners and subcontractors of the supply chain ensure suitable occupational medical care and related institutions. (ILO Conventions 155 and 170)

Gabor also calls on its business partners and subcontractors to respect the WHO's recommendations for action on infection protection or, in the event of a pandemic, state-mandated regulations, and to avoid exposing employees to unnecessary health risks.

9. Humane treatment

Gabor and the business partners and subcontractors of the supply chain treat their workers with dignity and respect. Any form of inhuman treatment, abuse, harassment and intimidation as well as illegal penalties vis-à-vis workers is refrained from. Disciplinary measures are laid down in writing and in a form the worker can comprehend.

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Ethical business practice

Solely legal business practices are pursued, taking into account fair competition, third-party intellectual property rights, regulations of antitrust and competition law. Corruption and bribery of whatever type are not tolerated. Principles of responsible entrepreneurial leadership, such as transparency, accountability, responsibility, openness and integrity are to be suitably promoted. Business partners are to be treated in line with the basic ethical values. Contracts must be complied with, insofar as the prevailing conditions do not change fundamentally. Generally ethical values and principles must be respected; this applies in particular to human dignity and internationally recognised human rights.

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The Environment

The protection of our environment is essential. What we expect from our contractors, subcontractors, suppliers and licensees is a clear commitment and serious efforts to protect the environment along with continual improvements aimed at clean, environmentally-friendly and sustainable production.

Gabor will give priority to partners who

- eliminate substances from their products, production and other processes that are harmful to health or the environment,
- take measures that save resources, reduce pollution and waste, and cut consumption of energy and water,
- take responsibility for proper waste management,
- have an environmental management system,
- disclose the impact of their activity on the environment by reporting on a regular basis.

Gabor is concerned about illegal logging, especially of rainforests. In order to avoid any link between Gabor's products and this illegal activity, business partners and subcontractors are encouraged to make transparent the origin of their precursors in order to provide appropriate information in case of suspicion.

Animal protection

Animal protection and handling animals in accordance with the law are very important to us.

Gabor is constantly addressing the further development of its products and the issue of possible alternatives to leather. Where it makes sense, Gabor has been implementing these for many years already.

Tanners who supply leather to Gabor undertake to adhere to the applicable national laws without limitation, to work within the standards of this Code of Conduct and to go beyond this in protecting animals.

All raw hides used in Gabor products must be by-products of food production. Reptile leather, leather from other endangered species and animals furs may not be used for Gabor products.

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Transparency

The business partners and subcontractors in the supply chain commit to bringing transparency to their own supply chains in order to inform Gabor about the lower layers of the supply chain (at least upstream supplier). In the event of a suspected violation of the contents of this Code of Conduct, the Supplier must be able to provide appropriate information to investigate the claim.

Commitment of suppliers and licensees

Gabor commits contractors, subcontractors, suppliers and licensees to give support and to co-operate in the performance and supervision of this Code of Conduct

- by supplying the relevant information on their activities to Gabor,
- by permitting an inspection of their workplaces and activities at any time,
- by listing names, age, working hours and wages paid for all men and women workers and supplying these documents upon request (in accordance with the valid laws for personal data privacy in the respective country),
- by informing the men and women workers concerned of the provisions of this code and
- by refraining from disciplinary measures, dismissals or other discriminations of workers who passed on information on potential violations of this code.

In case a supplier violates one or several provisions of this code the relevant company will be bound to initiate immediate corrective actions. If the corrective actions requested will not be taken, Gabor may stop the current production, annul existing orders, suspend future orders or terminate the business relationship.

Implementation provisions

In order to implement this Code of Conduct Gabor commits its contractors, subcontractors, suppliers and licensees to

- determine who bears responsibility within the enterprise for all questions arising from this code;

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- to appropriately inform in particular the superiors and the industrial workers' representation on the contents of the written standards, recommendations and objectives;
- to take care that all workers know the contents of this code and that it will be explained to the workers in an understandable language. For this purpose Gabor will make sure that this code will be handed out to every company in English, German or Italian;
- to inform contractors, suppliers and licensees on the code's contents and by binding them to its observance;
- to supervise the observance of the code within the bounds of reasonability and possibility.
- to implement a suitable system to supervise the processes and inform the management.

Monitoring

Gabor will monitor the adherence of the provisions of this Code of Conduct.