

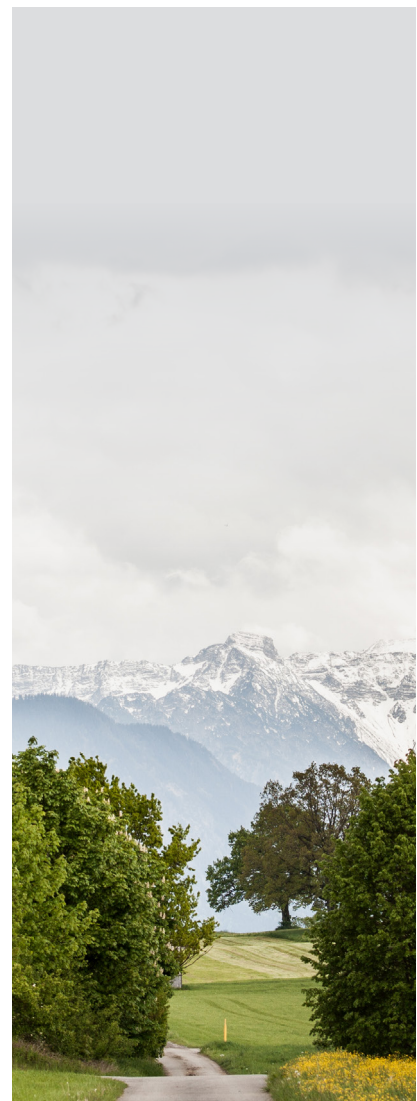


Policy Statement

Floringo GmbH is proud to have its corporate headquarters in the foothills of the Alps, near Staffelsee lake, in a stunning pastoral landscape. Since time immemorial, people have been cultivating the area's natural beauty which has bestowed upon them the gift of economic independence through agriculture and tourism.

As Floringo's founders, we are also children of the area and feel a deep responsibility towards preserving its treasures and resources for posterity and prosperity. As Floringo's owners and managing directors, we are fortunate to have both the intent and the means to help shape a future worth living for future generations. That is why we have made it our business objective from day one to produce high-quality, target group-specific products which offer outstanding ecological and associated economic benefits. From day one, the wise and careful use of resources from production all the way through service life has been key in the manufacture of our longlasting, reliable and high-quality terry-cloth products. And we do not believe in resting on our laurels but in continuing our R&D efforts to get better and better all the time. Our customer satisfaction results show that we are on the right track.

We believe in corporate social responsibility as the best strategy for shaping a future worth living for everyone. Compliance with the OECD Guidelines for Multinational Enterprises is one of Floringo's basic business principles being applied both to ourselves and to our textile supply chain which starts in top cotton-producing countries. To ensure compliance with the human rights conventions and ILO's international labor standards and in our effort to interact responsibly with the environment while fighting against corruption and safeguarding consumer interests, we have made it our policy to only collaborate with select business partners who can only subcontract to third parties in exceptional cases and only to those subcontractors previously audited by us, subject our prior declaration of consent. By the same token, we expect our business partners to require their suppliers with whom we are not directly interfacing to observe human rights and protect the environment.

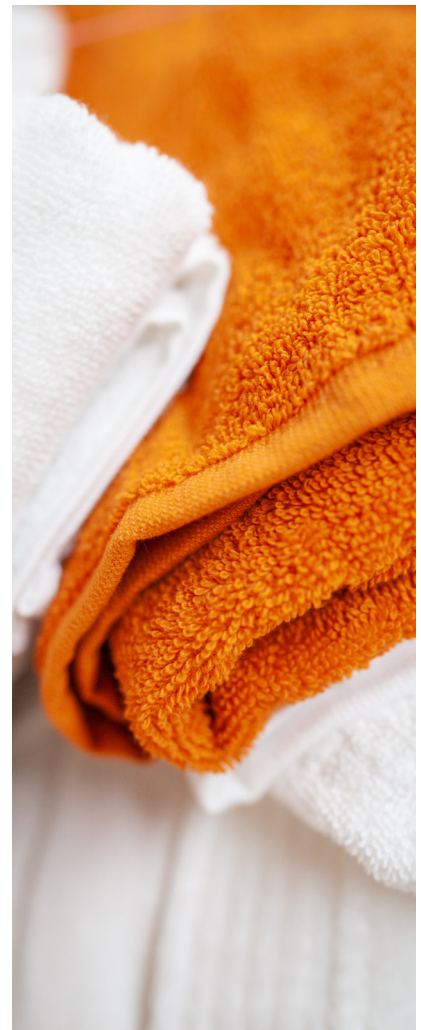




Not least by signing our Code of Conduct, our supply partners have committed to socially acceptable, safe working conditions for their employees and to environmentally friendly production processes. We believe in the "Green Button" textile seal as a reliable and trustworthy certification label for sustainable textiles. We prefer to work with suppliers who have obtained the appropriate certifications and are also expecting their other supply partners to join these standards.

Our social and ecological criteria are independently audited by reputable third parties who also serve as the suppliers' points of contact for employee complaints which they report to us. Anonymized complaints management systems both on our website and at our supplier partners' premises allow employees to contact us directly if they encounter any discrepancies to the corporate due diligence processes. We use the complaints received as basis for resolving issues and developing improved solutions in coordination with our business partners to avoid and eliminate potentially negative effects of our business activities while doing our best to make amends in case of justified complaints.

Cotton has a long way to go from the seed to the ready-made terrycloth textile. We are committed to tracing all fibers processed in our product range all the way back to the fields they came from and are conducting comprehensive risk assessments for our various source countries. We are constantly seeking new ways to prevent, mitigate and redress actual negative impacts within our supply chain, particularly in the cultivation of cotton. That is why we are increasingly using Fairtrade cotton while expanding the use of recycled cotton for products with a suitable usage profile. The same applies to our use of recycled polyester: Provided they improve the longevity of our products and are readily available, we actually prefer to use synthetic fibers recovered from pre- and post-consumer waste.





Cotton naturally contains waxes which prevent good absorptivity. That is why after weaving, our terrycloth fabrics are washed, bleached for optimum whiteness, or dyed with wash-resistant dye systems. For these processes, we use only textile auxiliaries and colorants that comply with the limits of the Manufacturing Restricted Substances List (MRSL) of the Zero Discharge of Hazardous Chemicals Program (ZDHC) in the version valid at the time of delivery.

By collaborating with stakeholder initiatives, we aim to mitigate negative supply chain disruptions which are beyond our direct control. We also encourage our business partners to implement the principles of our Code of Conduct or the OECD Guidelines in their preliminary stages. We also expect pay transparency from our supply partners as we believe in paying living wages to the workforce.

Corporate responsible conduct is our top priority. We are always striving to improve the qualitative-quantitative, ethical-social and ecological footprint of our products. When making decisions, e.g. about the selection of supply partners or the introduction of new product items, our job as managing directors is to factor in human rights, labor rights and environmental aspects and, in collaboration with our purchasing and product development departments, to find solutions having the least negative impact. We are documenting the goals we have achieved in our sustainability report, which we are happy to make available to our staff and to anyone else who is interested.

Franz Alt is quoted as saying that the future is not a stroke of fate, but the consequence of the decisions we make today. It is up to us to create the conditions for a livable future - for all of us. This is a challenge that we are happy to take.

Obersöchering, Mai 2023

Bernhard Egner

Johann Geisslinger

End of Translation



TRANSLATOR'S CERTIFICATION

In my capacity as a state-certified, publicly appointed and sworn translator for the English language appointed by the President of Weiden i.d.OPf. Regional Court (Landgericht Weiden i.d.OPf.) /316 E/ I hereby certify that the foregoing is a true and faithful translation of the German original submitted to me.

Given under my hand and seal in Weiden on this the 14th Day of July, 2023

Elisabeth Hauser Löffler

Court-certified translator for the English language