Compliance Rules of the A&E Gütermann Group Europe

Company and Company Aim of A&E Gütermann

A&E Gütermann is part of Elevate Textiles Inc.

We are the preferred global supplier of industrial sewing thread, embroidery thread, threads and complementary products as well as threads for technical textiles. We provide world-class quality products and services to our Customers.

A&E Gütermann Company Vision

A&E Gütermann will achieve preferred supplier status in each product line by:

1. Supplying superior quality products, services and value to our Customers.
2. Practicing Quality Business Culture (QBC) throughout the company. QBC, according to the rules from A&E and Elevate Textiles Inc., is defined as a comprehensive collection of practices and processes driven by customer needs, focused on process improvement, led by Management of Elevate Textiles Inc. with associate involvement.
3. Being recognized as a leader by our Customers, Associates, Suppliers and Community in our contributions to society and the environment through A&E Gütermann's continuing global commitment to sustainability.

Quality Policy

A&E Gütermann is committed to providing world-class quality products and services that meet our exceed Customer requirements. World-class quality is achieved through continuous improvement of processes and is defined as being on-target with minimal variation.

Action Plan

Customer Driven

Identify and understand customer's needs and translate them into innovative products, services and value.

Process Improvement Focus

Once the customer's needs are understood, we will focus on process improvement to consistently meet those needs. To this end, we will work to understand each process, statistically determine its capability and work for reduction of variation using Six Sigma, Lean and other tools.

Management Leadership/Associate Involvement

Create an environment where Management leads the QBC and where all associates are involved.

Social Competence

1. We do not tolerate discrimination on the basis of nationality, gender, religion or other personal characteristics that are protected under applicable law.
2. A&E Gütermann holds itself and ensures that its suppliers adhere to the highest ethical standards and maintains a strong and comprehensive social compliance program that is in accordance with the Elevate Textiles Global Code of Conduct.

Sustainability Commitment

Conduct our operations through consideration of economic, social responsibility, and environmental aspects of A&E Gütermann's global operations.

Safety, Health and Energy Responsibility

Operate our facilities with the utmost regard for safety and health concerns. We consider energy-related aspects in the planning and execution of our activities. Due consideration is also given to the use of energy-efficient technologies.

Product Stewardship

Create sustainable products with a commitment to compliance with global restrictions on chemicals.

In addition to the A&E Gütermann Compliance Rules is the ETI Base Code (see attachment) obligatory for us.

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Gérard Grassl
Director Finance & Services Europe

ppa.
Lars Becker
Director Operations Europe

Gutach, 2026

Ethical Trading Initiative
Respect for workers worldwide

The ETI Base Code

This document was amended 01 April 2014 with revisions to clause 6, Working hours are not excessive.

1. Employment is freely chosen

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. Child labour shall not be used

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

5. Living wages are paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

7. No discrimination is practised

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin,

religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. Regular employment is provided

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harsh or inhumane treatment is allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

Note: We make every effort to ensure that the translations of the ETI Base Code and Principles of Implementation are as complete and accurate as possible. However, please note that in both cases it is the English language documents which should be treated as the official versions.