



CODE OF CONDUCT





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Code of Conduct of Stap a.s.

We believe that every company has a responsibility not only to its shareholders, but also to its customers, suppliers, employees, and society as a whole. This belief is reflected in one of the key values of our company – an ethical approach to everything we do.

The true strength of a company's values is demonstrated when upholding them is inconvenient or disadvantageous in the short term. Whether during the pandemic, in times of armed conflict, or amid economic turbulence, **Stap a.s.** has repeatedly taken measures that were not easy, but were necessary to remain true to who we are. We believe that making decisions based on ethical principles creates long-term value for our company and for the society in which we live.

Company values matter not only in times of major change, but above all in the everyday decisions of the people who are part of **Stap a.s.**. This Code of Conduct elaborates on one of the fundamental principles on which our company is built. It sets out what we consider ethical conduct and what is expected of each of us. We firmly believe that this is a living and inspiring document.

Management of Stap a.s.



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Why We Need a Code of Conduct

The Code of Conduct is a document that sets out the key principles governing the behavior of all **Stap a.s.** employees, both in their interactions with one another and in their relationships with customers, suppliers, and other stakeholders.

It is a set of specific rules based on our company's values and principles. It defines the behavior we consider appropriate and helps employees, especially those who are new to the company, understand the standards of ethical conduct expected of them.

It is also a tool that communicates our company culture to customers and potential employees, while protecting both the company and its employees from reputational damage and potential sanctions.

The Code of Conduct therefore provides clear guidance on how to respond to inappropriate behavior and what consequences may result from violating the rules it sets out.

We hope that this Code of Conduct will inspire you to act with integrity and make the right choices.

Behavior of Managers and Leaders

We are a team of textile enthusiasts, specialists, and creators.

The Code of Conduct is a fundamental document that sets out the principles of ethical behavior expected of our employees. Its aim is to establish a common understanding of how our shared values should be reflected in everyday working practices.

Our values express who we are and why we are here, as well as how we treat one another and the people we work with. Among the most important are:

- Responsibility for the tradition of the textile industry in our region
- Products that bring value and benefit to people
- Responsibility for promoting moral values, education, and personal development
- A creative environment and motivating working conditions for our employees
- Family values: We maintain a friendly and supportive atmosphere and are responsive to the needs of our employees
- Support for the region: We are proud to create employment opportunities and provide a stable foundation for people from our community and the surrounding area
- Fairness and an ethical approach in everything we do

Such a list, on its own, does not accomplish much. What matters is that we genuinely embrace these values and put them into practice in our working lives.

Managers and leaders play an essential role in this. Our managers act and make decisions in accordance with the values described above. They lead by example and thereby inspire other employees to behave accordingly. The importance of proper and ethical behavior is also reflected in the very essence of our business:

Contributing to the Development of Individuals, Culture, and Society

With this in mind, we strive to act ethically in our everyday work – both within the company and in our dealings with business partners. The way we treat one another supports and advances our



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company's mission. Our managers and leaders apply the same approach to leading and developing their teams. They create an environment and conditions that motivate their teams to achieve outstanding performance while also encouraging the right behaviors. At the same time, they help people understand the importance of their work and its impact on society.

The behavior of our managers is consistent with our values. Only in this way can these values become an integral part of our working lives and inspire us to act in the right way.

Workplace Conduct

Some of us spend more time at work than we do at home. That is why we treat one another with consideration and follow the principles of good conduct in the workplace.

Open Communication

We treat one another with courtesy and mutual respect. We speak openly and honestly with each other. We avoid lies and gossip. When disagreements arise, we seek to resolve conflicts amicably. We avoid excessive emotions and vulgar language.

Basic Etiquette

We greet one another at work. Wishing someone a good day is not only polite, but also contributes to a positive atmosphere. We speak and make phone calls in a way that does not disturb our colleagues. We arrive at meetings on time. Our clothing allows us to express our individuality, while remaining respectful of others.

Constructive Criticism

Everyone has the right to their own opinion. When disagreements arise, we address them calmly and with a clear mind. We are open to criticism that helps us improve. We avoid accusations that are not based on facts. We criticize and evaluate specific actions, not people.

Respect for Private Life

We all have a private life. That is why we place emphasis on work-life balance and respect the working hours of our colleagues. Direct communication, such as phone calls, is handled during working hours unless we have agreed otherwise in advance.

Team Success Is More Important Than Individual Success

STAP a.s. welcomes and supports healthy internal competition, but when dealing with the outside world, we always act and operate as one team. We always prioritize the success of the group over the success of an individual. We wish one another success across different departments as well as within individual teams.

Bullying, Harassment and Sexual Harassment

Bullying among colleagues is unacceptable at Stap a.s.. We do not tolerate any form of sexual harassment, whether verbal or physical. We consider sexual harassment to include any form of unwanted verbal, non-verbal, or physical conduct of a sexual nature that has the purpose or effect of violating a person's dignity, particularly when it creates an intimidating, hostile, degrading, humiliating, or offensive environment.

Health and Safety

We all have only one health, so we look out for one another and maintain a safe and healthy working environment. We follow occupational health and safety rules and use the required personal protective equipment.



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We continuously monitor and assess safety risks in the workplace and take measures to prevent or eliminate them. We also verify occupational health and safety through internal inspections and audits. Any identified deficiencies are addressed and the necessary corrective measures are taken.

Each of us is responsible for following the safety rules applicable to our work, complying with the instructions of responsible personnel, and reporting identified risks or dangerous situations.

If we are feeling unwell, we would rather stay at home to avoid infecting colleagues who may be more vulnerable. If we absolutely must come to work, we use the available protective equipment.

Cooperation with Business Partners – Customers

We carefully select our business partners and build friendly relationships based on mutual respect and trust. Our written and verbal communication with partners is reliable and professional, supporting and strengthening the good reputation of our company. Our priority is to build long-term partnerships.

We treat all partners in accordance with ethical standards and values. Our partners can rely on us to consider their opinions, suggestions, and messages and to respond to them in a timely manner.

For our partners, it is important to have a reliable contact person within our company whom they can turn to with any questions or difficulties and who can help them find a solution. Equally important to a mutually satisfactory and lasting relationship is our ability to meet all our financial obligations to our partners.

For international business partners and sales representatives, it is important to know that we give every business matter the attention it deserves – from the careful preparation of documentation and contracts, through sampling, production, and product labeling, to any marketing support and the proper settlement of sales. This approach to communication and cooperation with international business partners creates a competitive advantage for us and helps build long-term relationships based on trust and respect.

All materials and information exchanged with our partners are considered confidential, and our partners can rely on us to keep them secure.

Cooperation with Business Partners – Suppliers

We expect our suppliers to comply with all applicable laws and regulations and to respect the principles set out in our Supplier Code of Ethical Conduct. This Code defines our requirements in the areas of ethical business conduct, respect for human and labour rights, environmental protection, and other areas of responsible business practices.

We build our relationships with suppliers on the basis of trust, respect, and mutual responsibility. We select our suppliers according to pre-defined objective criteria. We do not favour or discriminate against anyone. All supplier selection processes and the evaluation of their bids are conducted in a transparent and non-discriminatory manner. At the same time, we expect our suppliers to respect these principles and apply them throughout their own supply chains.



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Conflict of Interest

A conflict of interest may arise when an employee's personal interests interfere with their responsibilities towards Stap a.s. or are in direct conflict with them. As employees of Stap a.s., we are loyal to the company and do not prioritize personal gain at the company's expense.

Accepting Gifts

Employees may accept only symbolic gifts of reasonable value. Any offer of a gift, service, goods, or other benefit of a higher value must be refused and reported to a supervisor. We consider a gift to be of reasonable value if it does not exceed CZK 1,000 / EUR 40.

Corruption

Each of our employees has a responsibility to help prevent corruption. Under no circumstances may any of us offer or accept any benefit in connection with the company's business transactions. This applies to all business relationships, including relationships with business partners and third parties acting on our behalf.

We do not tolerate fraudulent conduct or the deliberate falsification or concealment of information for the purpose of obtaining an undue advantage. Nor do we permit the use of the company to launder the proceeds of criminal activity.

Fair Competition

We deal fairly with our competitors and comply with the principles of fair competition. We do not use unfair practices to gain a competitive advantage and comply with applicable competition laws and regulations.

Respectful Communication

We communicate with our partners courteously, respectfully, and in a positive manner. We value them just as we value our colleagues and treat them accordingly. We expect the same approach from our partners. We always favor open and constructive communication and strive for mutually beneficial cooperation.

Communication Outside the Company

A company's good reputation takes a long time to build, but it can be lost in a much shorter time. That is why we strive to follow several principles when communicating outside the company, helping us maintain our good reputation.

Public Conduct and Behavior

As employees of Stap a.s., we are mindful of how we speak about the company outside the organization. It is in our interest to protect the good reputation of our company.

Social Media Communication

In particular, we avoid negative, defamatory, or disparaging comments in the public sphere, including on social media, about the company, our employees, or our colleagues and business partners. We also consider negative comments about our products to be inconsistent with collegial conduct.

Spreading Fake News

We do not spread misinformation, fake news, harmful rumors, or gossip, whether through email, social media, or in our everyday interactions with other people.



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Media Appearances

We recognize that the public may associate our appearances and statements in the media with the Stap a.s. brand. We therefore communicate in accordance with the company's values and always strive to protect the good reputation of the company, its employees, and its products.

Representation at Trade Fairs and Other Events

At company events, we uphold the good reputation of the company and conduct ourselves appropriately and in accordance with generally accepted standards of conduct.

The good reputation of the company, sometimes referred to as goodwill, is built through everything we do. We build it through our high-quality products with a positive impact on society, our communication with suppliers and customers, and our conduct in public.

Information and Asset Security

Protection of Confidential Information

The company's business activities and trade secrets are considered strictly confidential, and we therefore maintain confidentiality regarding them. If we need to disclose confidential information to our business partners, we require them to maintain the same level of confidentiality.

We protect all documents and other data carriers containing trade secrets against unauthorized access. The same applies to the personal data of our employees, suppliers, and partners.

We handle personal data in accordance with all applicable laws and regulations. To protect confidential information and personal data, we take enhanced security measures to prevent any unauthorized acquisition, use, or processing of such information or data.

Use of Company Resources

We use available company resources (company laptops, phones, cars, printers, etc.) exclusively for the performance of our work duties. We use them for private purposes only with the employer's consent. In line with our commitment to environmental responsibility, we avoid wasting energy and resources.

Protection of Intellectual Property

Intellectual property includes rights relating to the use of works, inventions, and other results of human creativity, research, and thought. Protecting intellectual property rights is essential to us, and we therefore comply with all applicable laws, regulations, and international conventions in this area.

Law and Legislation

We always ensure compliance with the laws applicable in our country and in the countries where we sell our products.

Compliance with Applicable Laws and Regulations

In activities directly related to our work, we strictly comply with applicable laws and regulations. We place great emphasis on the transparency and accuracy of all documentation. Violations of applicable laws may result in immediate termination of cooperation.



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Human Rights

Our company respects fundamental human rights and freedoms and treats everyone with dignity and respect. We comply with all applicable laws and regulations relating to the protection of human rights and fundamental freedoms.

We have zero tolerance for any form of child labour, forced or compulsory labour, or other forms of modern slavery, including servitude and practices similar to slavery. We comply with all applicable laws and regulations governing employment and working conditions. We expect the same standards to be upheld throughout our supply chain.

Freedom of Association and the Right to Collective Bargaining

We respect our employees' right to freedom of association and collective bargaining across all our operations and throughout our supply chain.

Employees have the right to freely establish or join trade unions or other organizations of their choice, or to refrain from joining them, and to engage in collective bargaining without fear of discrimination, retaliation, harassment, or intimidation.

Criminal Activity

We have no tolerance for criminal activity within our company. The conviction of a business partner or employee for an intentional criminal offense may result in immediate termination of cooperation.

Diversity and Equal Opportunities

We treat our colleagues equally. When selecting new colleagues, suppliers, customers, authors, and other partners, we do not apply any discriminatory preferences. On the contrary, we promote a culture of equal opportunities and diversity. The decisive criteria for us are the skills and performance of an individual or the company with which we cooperate. Diversity is not merely a trend of modern times, but above all a result of the natural development of the labor market, globalization, and social change. The modern world is diverse, just like our products.

Racism and Xenophobia

There is no place for racist behavior in our company. As employees of Stap a.s., we do not tolerate any form of xenophobic behavior. We know that our products are sold all over the world, and we respect the culture and differences of every country – whether or not we have established business relations with it.

Discrimination

We treat everyone equally and under the same conditions. We do not tolerate any form of discrimination based on sex, gender, race, skin color, religion, age, national origin, or sexual orientation. We treat everyone with the same respect.

People with Disabilities Are Welcome

Where the nature of the work allows, we provide opportunities for people with disabilities. We treat people with disabilities with consideration and respect.

Working Hours, Wages and Employee Benefits

We comply with all applicable laws and collective agreements relating to working hours, wages, and employee benefits. Wages and employee benefits are paid on time and are at least equal to the applicable minimum wage and other statutory entitlements. Working hours comply with all



applicable legal requirements. Overtime work is compensated with the appropriate statutory premium.

We ensure equal pay for equal work and do not discriminate in remuneration or other employment conditions based on gender, age, race, ethnic or national origin, religion, disability, sexual orientation, or any other legally protected characteristic.

Corporate Social Responsibility

Corporate social responsibility is an important criterion that increasingly influences the choice of a company not only as a business partner, but also as a prospective employer.

We are committed to protecting and further developing the family-oriented character of our company. We recognize with humility that we provide livelihoods for dozens of families in our region, and we will therefore always act in a way that makes us a stable, fair, and reliable employer in our community.

We embrace generally recognized principles of corporate social responsibility.

- We continuously develop our socially responsible and sustainable activities.
- We also educate our employees and partners on these topics.
- We carefully fulfill all our obligations to the state, the municipality, and the community in which we operate. We support local suppliers and direct our socially responsible activities towards the areas where we operate. Through our activities, we contribute to the development of our surroundings.
- We strive to communicate transparently and truthfully about both the positive and negative impacts of our activities.
- We take a responsible approach to the environment, natural resources, and the public.
- We support the Sustainable Development Goals (SDGs). Through our activities, we consciously and locally contribute to the achievement of goals in the following areas: quality education, gender equality, reduced inequalities, decent work and economic growth, responsible consumption and production, environmental protection, and climate action.

Corporate social responsibility is not merely a phrase on paper for us, but an integral part of our everyday activities. How can we tell that we truly put it into practice?

Environmental Protection

In our business, we prioritize renewable resources and strive to operate in an environmentally responsible manner. In all aspects of our work, we consider the impact of our activities on the environment. In our purchasing and production processes, we use natural resources responsibly and as efficiently as possible. We monitor, record, and evaluate resource consumption and continuously seek opportunities to improve efficiency and reduce consumption.

We ensure the recycling or proper disposal of waste materials. Waste sorting is a standard practice throughout our operations. We label all hazardous materials, chemicals, and substances in accordance with applicable laws and regulations and ensure their safe handling, transportation, and storage.

We also ensure that such materials are properly reused, recycled, or disposed of, and we comply with all relevant requirements and applicable laws and regulations relating to hazardous materials and chemicals.



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We ensure that our own business activities do not contribute to or benefit from the unlawful conversion of natural ecosystems. This also includes illegal deforestation, in particular the conversion of natural forests for other uses.

Environmentally responsible management is one of our company's key objectives. We have therefore implemented an appropriate environmental management system in accordance with the ISO 14001 standard.

Selection of Partners and Suppliers

When selecting our partners and suppliers, we always take their approach to corporate social responsibility into account. In the case of suppliers, we also seek to support local ones. Alignment with our company values is an important consideration when selecting suppliers.

How to Report Unwanted Conduct

Corporate social responsibility is an important criterion that increasingly influences the choice of a company not only as a business partner, but also as a prospective employer.

Each of us has a duty to report possible misconduct. We have therefore established communication channels to make it easier for you to report your concerns. All reports will be properly investigated, and the necessary corrective measures will be taken.

At the same time, Stap a.s. prohibits any form of retaliation against any employee or other reporting person who, in good faith, reports such a violation or suspected violation. Stap a.s. guarantees that their identity will be kept confidential.

In cases of misuse of the reporting system or malicious reports that are not made in good faith, the reporting person may be subject to sanctions in accordance with applicable laws and regulations and may not be entitled to the legal protection afforded to good-faith reporters.

Stap a.s. has an internal reporting system for receiving reports, which ensures the anonymity of reporting channels and the management of individual submissions, and includes defined deadlines for processing reports.

Stap a.s. excludes reports from persons who do not perform work or other similar activities for the company as defined in § 2 section 3. a), b), h) or i) of the Act in question.

You can submit a report through the following communication channels:

Designated Person

Only the designated person appointed by the Company shall have access to the reports and shall be authorized to assess them and handle them further in accordance with this Code and applicable laws and regulations.

Contact:

oznameni@stap.cz, tel. + 420 732 592 672, Monday to Friday, 8:00 a.m. to 3:00 p.m.

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Support for Sports and Other Activities

Supporting the Region and Community Life

We are aware of our role in the region where we operate. That is why we have been providing long-term and systematic support for local sports activities across generations, from children and young people to adults. Our support extends to traditional sports clubs as well as specific interest-based activities, such as an aviation modeling club that develops practical skills, patience, and technical talent among younger generations. We see this as a natural part of our responsibility towards the community in which our employees live and work.

Together, We Create the Company We Work For.

We create all our products as teams. The same applies to the culture and environment within our company – we all contribute to shaping them. Each of us plays a role in creating the environment in our company and determining how we feel working here.

*Our thanks go to everyone who contributes to the good reputation of the **STAP a.s.** brand, both within and outside our company, whether through ethical conduct or through our products.*

Thank you for caring about it.

Karel Bouček, DiS.

Sustainability Coordinator

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Ing. David Novotný,

Chairman of the Board